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How is pangasius perceived in Norway?

Thursday, 1 September 2011

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Study finds extrinsic cues influence consumer judgments, purchases



Pangasius offers a new seafood alternative for Norwegian consumers. But will they accept it? Photo by Dr. Michael McGee.

To a substantial number of Norwegians, the idea of importing fish from abroad seems rather strange. Since Norway is the world's 10th-largest seafood producer and the world's second-largest seafood export nation after China, it may intuitively feel somewhat peculiar to find unfamiliar imported species of fish in the frozen food departments of Norwegian supermarkets.

Anecdotal evidence suggests that while importing seafood not naturally found in the nearby habitat (e.g., canned tuna, fresh swordfish) is unproblematic, the imports that directly compete with fish traditionally found on the Norwegian dinner table are considered more peculiar. While this attitude may be due to protectionism, consumer dogmatism or consumer ethnocentrism, it raises some important challenges for the international producers of farmed fish.

In a study, the authors explored how three extrinsic cues influenced consumer judgments of a new product introduced to the food sector in Norway: frozen pangasius fillets.

Extrinsic cues

According to usual definitions, extrinsic cues are lower-level cues that can be changed without changing the product. Examples of such cues in relation to food are the brand under which a product is sold, the image of the producer and where the product was produced. These kinds of cues are comparable to what branding literature describes as secondary brand associations, where a brand can benefit from being associated with positive sources like the country of origin, a specific distribution channel, celebrity endorsement or an event.

Unlike extrinsic cues, intrinsic cues are directly related to the product. An example could be the weight and sugar content of a chocolate bar.

Obviously, products can have a variety of extrinsic cues related to them, but the study specifically focused on three: corporate social responsibility, country of origin and celebrity endorsement. Moreover, the authors wanted to explicitly test how these cues influenced important issues like consumers' perceptions of the value and quality of pangasius, as well as the effect on belief in future product success.

Corporate social responsibility

The first extrinsic cue expected to influence how consumers judge new food product introductions is the corporate social responsibility (CSR) of the firm. Conceptualized as pro-social corporate endeavors, previous research indicates that negative CSR views can have unfavorable effects on product and brand evaluations, while being associated with positive CSR can result in more favorable consumer responses.

Related to the introduction of pangasius in Norway, there are several reasons why an extrinsic cue like CSR would significantly impact consumer judgments. For example, several Norwegian food producers have experienced severe declines in consumer confidence and/or sales after histories of alleged fraud attempts by a dairy producer, pollution of seawater from salmon farms, cost savings leading to shockingly bad hygiene at a fresh fish producer, and *Escherichia coli* bacteria found in meat products, which actually led to the death of one young boy.

The aftermath of these stories is that CSR is given increasing weight when consumers evaluate firms. However, CSR is believed to affect mainly product popularity, not perceptions of quality and value. The reason is that in strict terms, behaving in an ethical and pro-social manner does not improve the objective quality or value of products. These facets are related to the products themselves and not to the producers' behavior in the marketplace.

Endorsements

Consumer judgments of pangasius should be affected by positive word of mouth from credible sources. The impression that consumers tend to heavily emphasize word of mouth when judging experience and credence seems to be rather accepted. Statements from chefs and other opinion leaders are typically considered credible due to the expertise of these sources.

However, while endorsements should positively influence perceptions of quality and value, the effect on product popularity is dubious. Chefs and other experts are often considered credible when it comes to the objective quality of a food product, but they are not associated with the same kind of expertise on what consumers purchase for home

consumption. While the typical restaurant contains a great deal of ingredients and fresh products that the chefs would positively endorse, a significant amount of these are not commonly found in household kitchens.

Country of origin

Previous studies found that a product's country of origin (CoO) significantly affects consumer evaluations of it. Of particular interest is that CoO effects seem to depend on consumers' product knowledge.

As *Pangasius* were only recently introduced to the Norwegian market, consumers' knowledge of them is naturally very low. Moreover, previous research has established that not only quality and value perceptions are affected by a product's CoO, but also the expectations of its future success.

Study design

To test the effects of CSR, CoO and endorsement on perceived value, quality and product popularity, the authors recruited 348 consumers to participate in the study, each randomly assigned to the eight experimental conditions.

The data were collected with a scenario-based procedure in which subjects were exposed to eight different newspaper stories about pangasius imports, along with survey measures of their impression of quality, value and future product popularity. The somewhat mixed results of this experiment are portrayed in Table 1.

Hansen, Effects of corporate social responsibility, Table 1

| | Product Popularity | Perceived Quality | Perceived Value |
|---------------------------------------|--------------------|-------------------|-----------------|
| Main Effects | | | |
| Corporate social responsibility (CSR) | 0.101* | 1.154 | 0.939 |
| Endorsement | 0.796 | 6.114 | 3.056 |
| Country of origin (CoO) | 3.448 | 0.213 | 0.357 |
| Interaction Effects | | | |
| CSR x endorsement | 2.047 | 3.410 | 1.282 |
| CSR x CoO | 0.008 | 0.094 | 0.596 |
| Endorsement x CoO | 3.650 | 0.386 | 1.172 |
| CSR x endorsement x CoO | 0.045 | 0.136 | 0.273 |

Table 1. Effects of corporate social responsibility, country of origin and endorsement on consumer perceptions.

* F-value

Findings, implications

These findings suggested that CSR did not influence consumer perceptions of how popular a product will be in the marketplace. While previous research found CSR supported positive consumer responses, this did not seem to be the case for expected product popularity. Knowing that product popularity is not a variable affected by CSR enables marketing managers to more efficiently measure their firms' performance on issues that really matter in relation to CSR.

Credible endorsements had a positive effect on consumer judgments of perceived quality and perceived value. While the effects of a negative/positive variation can more or less be expected by logic, the study results implied that even minor differences in the positivity of an endorser's statements have significant effects on consumer perceptions of value and quality.

For marketers, this implies that the "over selling" often seen from paid endorsers is probably not necessary. More modest statements are probably sufficient to achieve the positive outcome wanted, while also standing out as more credible than exaggerated proclamations.

Country of origin did not affect perceived quality or perceived value, but did affect expected product popularity. While the non-significant results were somewhat surprising, given the effects of CoO found in previous research, it may nevertheless be the case that the two countries used in the experiment did not evoke the sort of associations on which CoO effects rest. It may be that exposure to food products from some foreign countries does not activate a mental knowledge structure that encompasses the quality and value differences outlined in the hypotheses section.

Marketing managers who identify positive CoO associations should take actions to activate them among their target consumers. Previous research on the "attraction effect" suggested that as CoO influenced perceived popularity, it indirectly influenced choice share. By indicating their products' CoO with flags, "made in" labels or other features, marketers might benefit from the mere fact that products originating from one country are believed to gain higher levels of success than others.

The importance of CoO is further supported by the interaction between CoO and endorsement. The fact that this two-way interaction had a positive and significant effect on product popularity implied that CoO and endorsement in combination ensured both direct positive effects on quality and value; a direct, positive effect on perceived product popularity and an additional reinforcement of this effect through the aforementioned interaction. This result broadens the marketer's toolbox, as it offers additional "buttons to push."

Carryover

The significant effects of the CSR/endorsement interaction may arise from different psychological mechanisms. One possibility is that CSR does not affect quality perceptions alone, but if an endorser "approves" a product, the credibility of the endorser has a carryover effect on the judgment of CSR's importance.

Stated differently, CSR comes into play when paired with a positive recommendation from a credible source. Marketing managers could therefore combine different elements in a promotional message and achieve greater impacts on positive judgments.

Purchasing intention

In an attempt to complete the chain of events, the authors empirically tested how perceived quality, value and product popularity affected the consumers' intention to purchase pangasius. In addition, they included variables for perceived risk and consumption habits – both of which influence the probability of adopting new product introductions – in the model.

The regression model presented in Table 2 shows that all dependent variables had a significant effect on purchase intentions. Moreover, the effects were positive for all variables except perceived risk, for which the effect was negative, as expected.

Hansen, Drivers of purchase intentions, Table 2

| Variable | Beta | t-value | Sign. level |
|--------------------|-------|---------|-------------|
| Product popularity | 0.345 | 4.240 | (P < 0.001) |
| Perceived quality | 0.145 | 1.804 | (P < 0.1) |
| Perceived value | 0.235 | 2.218 | (P < 0.01) |

| | | | |
|--------------------|--------|--------|-------------|
| Perceived risk | -0.258 | -5.282 | (P < 0.001) |
| Consumption habits | 0.325 | 7.790 | (P < 0.001) |

Table 2. Drivers of purchase intentions.

These results implied that importers of pangasius and marketers have several options in their quest for successful market entries. Marketers can focus on extrinsic cues and be assured they indirectly affect purchase intentions.

Obviously, purchases are the optimal goal for marketing firms, and knowing how to influence perceptions of value and quality by focusing on extrinsic cues provides the possibility of moving promotional targets one step backward in the perceptual chain. This is important for products that hold more experiential and credence quality – for example, food products like pangasius.

(Editor's Note: This article was originally published in the September/October 2011 print edition of the Global Aquaculture Advocate.)

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