

Addis Ababa University  
School of Commerce

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**Country of Origin Image Effect on  
Consumers' Purchase Decision of  
Electronic Products in Ethiopia**

by

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ID.No. GSR/2793/07

**A thesis submitted to School of Commerce, Addis Ababa University in  
partial fulfillment of the requirements for the Masters of Arts (MA) Degree in  
Marketing**

June 2016

Addis Ababa

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June 2016, Addis Ababa



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## **DECLARATION**

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Rakshit Negi. All sources of materials used for the thesis have been duly acknowledged. I confirm that the thesis has not been submitted in part or in full to any other higher learning institution for the purpose of earning any degree.

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## **ENDORSEMENT**

This thesis has been submitted to Addis Ababa University, School of Commerce for examination with my approval as a university advisor.

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## **Acknowledgements**

I would like to express my sincere gratitude and appreciation to my advisor Dr. Rakshit Negi, for his prompt feedback and encouragement throughout the research. His sustained follow up and direction have indeed made the completion of the thesis within the timeline.

I also thank all who have helped me while I was distributing questionnaires to employees in various institutions and research sites.

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## **Abstract**

This thesis investigates the impact of Country-of-Origin image (COOI) on consumers' purchase decision. Particularly, its objective is to explore the impact of COOI on Ethiopian consumers, when they buy electronic products originated from different countries. To this end, the literature and empirical review examines four variables that make up COOI, political dimension, economic dimension, technological dimension and human factors that are examined in light of their effects on Ethiopian consumers when buying electronic products. The modifier, product knowledge is also studied if consumers with and without knowledge about a product make their buying decisions differently. The research uses a quantitative data analysis based on questionnaires to respondents from different government and private firms. Some consumers around electronic shops in 'Merkato' have also been among the participants. The respondents were asked to indicate their opinions on the five point scales towards the four COOI variables, purchase decision and product knowledge. Then the data from the respondents were analyzed using SPSS, and five hypotheses, drawn from literature, were tested. The findings show that all country-of-origin-image (COOI) variables are used by Ethiopian consumers when buying electronic products and overall Country-of-Origin image is found to be an important product cue for Ethiopian consumers in evaluation of electronic products. The findings show that political dimension, technological dimension, economic dimension and human factors affect Ethiopian consumers in buying electronic products. The product knowledge variable was also tested and found to have an effect on Ethiopian consumers. The result showed that consumers with sufficient knowledge about a product still use human and technological elements of COOI but not the economic and political dimensions. As this research focuses on electronic products, future researches can focus on other product categories, in order to see what difference may be revealed when consumers are dealing with different product categories.

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## Acronyms

COO	Country-of-Origin
COOI	Country-of-Origin image
PD	Purchase Decision
PK	Product Knowledge

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## Chapter 1

# Introduction

The background of this chapter highlights the core themes of the research, i.e. *country-of-origin* and *country image creation*. The chapter indicates the problem that has necessitated this research, the significance, objectives, research questions, hypotheses and limitations of the study.

### 1.1 Background

The economic, political, socio-cultural and technological environments of business activities are rapidly changing. These inevitable changes are due to fast development of telecommunication and transportation which pull geographically remote countries together. At present, countries want to be active participants in this competitive environment by breaking trade and communication barriers, which used to prevent exchange of goods and services among nations in the global market. Countries are paving the way for global communication by opening more channels with the rest of the world.

Tangible barriers among countries such as quotas and tariffs and intangible barriers like, consumers' bias had blocked free flow of goods and services during the earlier decades (Wang & Lamb 1983). The current trend, however, has rendered such barriers difficult. Companies can benefit from this new highly competitive and interconnected environment, because they are able to distribute their products to consumers all over the world. And on the other side, consumers are able to choose among the wide variety of products in every category.

Due to the growth of globalization and international business activity, global markets are emerging, where brands of one country can be found in another country's market (Hsieh, 2002). *Country-of-Origin* as an important concept in the current era of globalization. Previous studies show that country-of-origin is used by consumers as an external cue to evaluate products. The country-of-origin information not only helps consumers make

purchase decisions, but also creates favourable emotions toward purchase decision. In addition to positive views such as percepts of excellence in relation with “German cars”, “Italian pasta”, etc., there is another negative perception and country-of-origin information which can be used by consumers to avoid products of a particular country. A case in point is the boycott of many Middle East consumers owing to country-of-origin information to avoid products from Denmark, following cartoons published in the country depicting Prophet Mohammed. (Fattah, 2006).

Consumers buy products of other countries based on brand name, color, design in addition to which *country-of-origin* is very important to be ignored by researchers as an extrinsic factor. Different international marketing literatures show that this extrinsic factor is used by consumers for product evaluations. In other words, country-of-origin holds both risks and opportunities for international trade because it reflects consumer intention.

Marketers and researchers have been inquiring into how consumers respond to products from countries other than theirs. The effect of *country image* on consumers’ purchase behavior has become an interesting research area. This country image can be the result of different elements like; representative products, economic and political background, history and traditions. In the international markets it has a big influence on consumer behavior, as it is associated with mass media, personal experience and views of leaders’ opinion.

Three components are known to be behind the formation of country image in the minds of consumers; a *cognitive* component, an *affective* component and a *conative* component. (Saptebani, 2012) The *cognitive* part consists of consumers’ beliefs about the country’s technological as well as political background; the *affective* part contains country’s symbolic and emotional value to the consumer, and finally the *conative* is about capturing consumers’ desired interaction with the sourcing country.

Country-of-origin’s effect on purchase decision is understood in different ways. *First*, it has an observation impact concerning specific products that can be extended to the whole purchase decision. *Second*, country-of-origin attracts the consumers’ attention concerning

the country and all products manufactured in that country. So, there may be a positive or negative effect on the perception of explanation of other data for specific product.

This research has reviewed the relevant literature discussed in Chapter 2, to observe the possible effect the country-of-origin image could have on the buying decisions of Ethiopian consumers' in the case of electronic products. The research tries to check if quality perception of electronic products really depends on the country of origin image. Almost any research paper on the issue picked from the pool of literature would show that, just like brand image, the country of origin image (COOI) has a big effect on consumers quality perception and buying decision. But when it comes to Ethiopian consumers very little research had been done to check if that is really the case. So this research contributes in understanding the behavior of Ethiopian consumers in dealing with the country of origin effect. It can also help importers to understand what their consumers' attitudes are and how they perceive different electronic products when they make buying decisions, this would help them to take advantage of what is really going on in their consumers' minds.

## **1.2 Statement of the problem**

What we can understand from past studies is that the effect of country of origin image on consumers' purchase intention is something that has been repeatedly researched in the developed countries. And from these researches we can understand how the country-of-origin image affects the consumers' evaluation of different products from different countries.

However, this research issue is not adequately assessed in the context of developing countries, and that has been the case of Ethiopia too. Although different researches proved the effect of, country of origin image on customers' perception of perceived quality and buying intention in the international context, when it comes to Ethiopian electronic products market, very little is known about how consumers evaluate different electronic products imported from different countries based on what they know and feel.

### **1.3 Significance of the Study**

Understanding how Ethiopian consumers use country of origin image in their purchase decision of electronic products will help researchers, importers and retailers of electronics, as well as all participants of the market to get the real picture of the psychology behind the choice of Ethiopian consumers.

Since little had been researched in Ethiopia on such issues, this study will contribute to our understanding of the importance of country of origin on Ethiopian consumers' purchase decision with regard to electronic products in light of country of origin. The significance of the study relates to the assessment on the role of country of origin in purchase decision with particular reference to electronics, items which are common in most urban residents. This study can also be used as input for future studies in Ethiopia about the relationships between CCO and consumers' decision to buy electronic products.

### **1.4 Research Questions**

This research examines whether country-of-origin image of electronic products has relationship with consumers' purchase decision and whether Ethiopian consumers are really affected by the country-of-origin image when buying electronic products. In this regard the research examines whether what works for consumers in other countries with regard to the impact of country of origin image in their purchase decision really works for Ethiopian electronics consumers. To this end, this research will try to examine the following research questions:

1. Whether there is relationship between political dimension of country-of-origin and consumers' purchase decision in buying electronic products;
2. Whether there is relationship between the economic dimension of country-of-origin and consumers' purchase decision in buying electronic products;
3. Whether there is relationship between the technological dimension of country-of-origin and consumers' purchase decision in buying electronic products;
4. Whether there is relationship between human factors in an electronic products' country-of-origin and consumers' purchase decision to buy the products; and

5. Whether consumers of electronic products in Ethiopia with sufficient product knowledge get affected by the country-of-origin information.

### **1.5 Objective of the Study**

This study focuses on identifying the relationship between the overall country-of-origin image and Ethiopian consumers' purchase decision of foreign electronic products. It aims at examining the kind of influence *country-of-origin image* (COOI) has on Ethiopian consumers' minds, when making their purchase decisions, in the case of electronic products. Therefore the objective of the research is to understand factors affecting country-of-origin image and its influence on Ethiopian electronic consumers' purchase evaluation and decision.

The specific objectives of the study are;

1. to study the relationship between the overall country-of-origin image and Ethiopian consumers' purchase decision of foreign electronic products;
2. to measure the influence of dimensions of country-of-origin in creating perceptions of its image;
3. to find out the relationship between, political, economic, technological and human dimensions of country-of-origin image and Ethiopian consumers' purchase decision of foreign electronic products; and
4. to investigate product knowledge, as a modifying effect on the relationship between country-of-origin image and Ethiopian consumers purchase decision of foreign electronic products.

### **1.6 Definition of terms**

#### **Country-of-Origin :**

One of products intangible characteristics that influence consumers' perceptions with regards to product's attributes and quality (Balabanis and Diamantopoulos 2004). COO of a product is a very important marketing element known to influence consumer perceptions as well as their behavior. The COO of a product can be taken as an extrinsic cue just like brand name (Shahin, Kazemi, & Mahyari 2013). COO is defined as the

‘brand origin’ or the country which consumers associate with the product or brand, regardless of the place of manufacture (Nebenzahl, Jaffe, and Lampert, 1997).

**Country-of-Origin Image:**

The totality of all the customer’s beliefs, ideas and impressions of a place (Kotler et al. 1993, 141). COOI mixes national and cultural symbols, economic and political situations, degree of industrialization, values and products associated with the country (Essoussi and Merunka, 2007).

**Product Knowledge**

The knowledge on the objective or technical aspects of the product.

**Purchase Decision**

Purchase decision on whether to buy among the list of brands in a product category and making decision to buy the particular brand.

**1.7 Organization of the Thesis**

This study has five chapters. *Chapter One* contains the introductory part and explains the major issues to be dealt with including background of the study, statement of problem, objective of the study, hypothesis, significance of study, limitations of the study and operational definitions. The *second* chapter summarizes researches that have been conducted in the relevant field. The literature review comprises of sub topics including dimensions of country-of-origin image, consumers' purchase decision and product knowledge. Also, theoretical framework is also illustrated and each variable is described in this chapter.

*Chapter Three* discusses the techniques and methods employed for conducting the research work. It includes research plan and design, sampling procedure, data collection procedure, statistical analysis and reliability and validity of research. *Chapter Four* is divided into four parts; the first part deals with the respondent's profile. It provides detail information about the respondents' age, gender, academic qualifications and occupation. The second part analyzes and interprets data through descriptive analysis and third part analyzes and interprets the collected data through correlation between dependent and

independent variables. And the final part is the discussion of the results obtained through analysis. And finally *Chapter Five* forwards the summary of findings and conclusion. The first section of this last chapter includes summary of the findings, the second section includes the conclusion of the study derived from the findings and the third section includes the suggestions for future research.

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## Chapter 2

# Review of Related Literature

The theoretical and empirical discussions on five relevant themes to this research, i.e. (a) country of origin, (b) country-of-origin image, (c) product knowledge, (d) product purchase decision, and (e) country-of-origin image influence on purchase decision are blended together in most of the literature reviewed. Thus, Sections 2.1 of this chapter deals with the *theoretical* and *empirical* aspects of the literature review on these five themes while Section 2.2 highlights the *conceptual framework* based on the theories and empirical themes discussed in the literature review.

## 2.1 Theoretical Framework and Empirical Review

### 2.1.1 Overview

Even before buying and knowing the true quality of foreign products, people make purchase decision according to their preconceived ideas about different countries. Consumers who are not familiar with the country's products use the country image as a clue to evaluate the quality of the product. They deduce about a brand's product attributes through the country's image and this indirectly affects their attitude toward the brand through product attribute rating. It means that country image transported to the product (Han 1989). Even if not all products with an unknown brand name produced in one country have bad quality, the image of country of origin, if it is not favorable, will be transferred and prejudices products from that country.

As Keller observes "the country or geographic location from which it originates may also become linked to the brand and generate secondary associations" in addition to the company that makes the product. He further notes:

The world is becoming a "cultural bazaar" where consumers can pick and choose brands originating in different countries, based on their beliefs about the quality of certain types of products from certain countries or the image that these brands or products communicate. Thus, a consumer from anywhere in the world may choose to wear Italian

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suits, exercise in U.S. athletic shoes, listen to a Japanese or Korean MP3 player, drive a German car, or drink English ale.” (Keller, strategic brand management, 2013, p267).

According to Petra Zeugner-Roth et al. (2008) and Hsieh et al. (2004), the image of a particular country affects the consumer’s attitudes and behavior towards products or brands from that country. There can be a big similarity between name of the country and name of the brand. (Zeugner, Diamantopoulos and Montesinos, 2008). For example products labeled as “made in U.S.A”, “made in Japan”, or “made in Germany”, have a better place in the consumer’s minds than products with the label “made in china” or “made in Hungary”.

Hsieh et al. (2004) summarized country of origin image into three groups, namely, (a) Overall country image , (b) Aggregate product country image, and (c) Specific product country image. They define the overall country image as the totality of descriptive, inferential and informational beliefs a consumer holds about a country.

“Aggregate product country image is the entire cognitive ‘feel’ associated with a particular country’s products or with the perceived overall quality of the products from a particular country. Specific product country image is the overall perception consumers form of specific product categories from a particular country” (Hsieh et al. 2004 p253)

There are things consumers know and think they know about a country’s technological innovativeness, designing ability and manufacturing ability, and these things together create country image in consumer’s minds (Roth and Romeo 1992). Most scholars use only a single measure of product quality rating in studying country image. Roth and Romeo (1992) summarized different researches that used more than one measure. From then on their research on country-of-origin-image is cited in almost all researches about the issue. They defines the-country-of-origin in four dimensions:

The country’s image in terms of its relationship with purchase decision is, among other things, the result of the political, economic, technological and social conditions of the country as these are perceived by foreign customers.

Generally, whenever consumers harbor a negative image or attitude toward a country they may not consider purchasing a brand from that country (Hsieh et al. 2004), and as

quoted from Roth and Romeo (1992 p13) “the willingness to buy a product from a particular country will be high when the country image is also an important characteristics for the product category.”

General theories propose that sources are likely to be too many and complex, it can be from class, daily newspapers, TV shows, friends, co-workers, and experiences by visiting countries. As a child if an individual is told by his teacher that the country has some image, the child will grow up with the image given by the teacher. Travel experiences also affect the perception of country of origin. There is a difference in perception which influences purchase decision between consumers who have visited a country and who have not, sometimes the visiting may cause positive or sometimes negative attitudes towards products from the visited country (Papadopoulos 1993). And this good or bad experience gained can be applied to evaluate future purchases.

“Made-in” effect can be a synonym for “the-country-of-origin”. Many researchers have concluded that product information such as country-of-origin (COO) influences consumer product choice (Roth and Romeo 1992, Papadopoulos 1993, Maheswaran 1994, Haubl and Elrod 1999, Kaynak et al. 2000, Chuang and Yen 2007).

It has been proven that a product associated with a negative COOI, will adversely affect purchase decision because it will be inferred by the consumer that it is not of good quality and will be evaluated unfavorably (Chuang and Yen 2007). Just like brand COO is taken as a stereotype that influences product evaluation of consumers (Maheswaran 1994). Maheswaran said that the extent to which country-of-origin influences product evaluation is determined by consumers’ level of expertise and the strength of attribute information.

The existence of stereotypes in consumers’ attitudes towards foreign products is one of the constitutions of global marketing because consumers have a tendency to develop preconceived ideas about products from other countries (Keegan et al. 2012). Buyers’ behavior is highly affected by the images they hold about the products, brands and firm. These stereotyped images found in sellers and buyers may make their decisions more effective or less effective based on the gap between perceived and objective reality (Papadopoulos 1993). Different categories of country of origin images cannot be

generalized to the overall image of the CCOI. How people match the product with the CCO depends on what kind of product is being looked for, but if a consumer is provided with strange design, and is told it is from Italy, he or she is inclined to reassess initial impressions. However if he or she is told that it is from Taiwan, no such effort is undertaken (Johanson 1993). The concept of “made in” shows that old national stereotypes are still in consumers’ minds (Head 1988).

### **2.1.2 Country-of-Origin**

As defined by Ahmed et al. (2004), Country-of-Origin is the country that manufactures or assembles the product. (Ozsomer, Bodur, & Cavusgil, 1991). suggest that the Country-of-Origin is the country where the companies headquarter is found and through which the marketing of the brand is performed. As indicated by Saeed (1994), the country that manufactures or assembles the product is referred as Country-of-Manufacture and he describes the Country-of-Origin as the country that the product or brand is associated with; the country that is associated is traditionally called the ‘home country’. However, (Roger, Kaminski, Schoenbachler and Gordon, 1994) note that stating the difference between Country-of-Manufacture and Country-of-Assembly does not make any significant difference to consumers’ product appraisal.

Dulal (2014) discusses country of origin based on the following dimensions:

- a) Country-of-Origin as Secondary Brand Association
- b) Country-of-Origin as Product Cue
- c) Country-of-Origin as Signal of Quality

#### *Country-of-Origin as Secondary Brand Association*

Associating a brand to some person, place or thing to create new link from the brand to the entity that affects the existing brand association is called secondary brand association. Consumers’ choice of brands with strong national ties reflect a voluntary decision to maximize product usefulness and create self-image, based on customers belief about the country known to be the producer of the product (Dulal, 2014, citing Keller, 2003 & Keller, 2008).

The favorability of a country-of-origin association can be seen from the perspective of both domestic and foreign market. Domestically, country-of-origin perceptions may agitate consumers' patriotism or remind their past. But with the growth of global trade, consumers may view certain brands from countries other than theirs, as symbolically important as their own cultural heritage and identity. As some researchers suggest, countries with a collectivist culture, having strong group norms as well as ties to family and country, tend to favor domestic brands, while, societies with an individualistic lifestyle are more guided by self interest and personal goals, these consumers demand the products' functionality and superiority (Dulal, 2014, citing Gurhan-Canli & Maheswaran, 2000).

#### *Country-of-Origin as Product Cue*

As Dulal, citing the sources indicated in this paragraph states, consumers use country of origin as a products' extrinsic cue to influence their perceptions and lead them to cognitive elaboration (Pappu et al., 2006). Different studies show that, consumers use country of origin as an extrinsic cue in judging products when intrinsic cues are missing or cannot be assessed (Zeithaml, 1988). Evaluating extrinsic cues is also found to be more convenient than evaluating intrinsic attributes, and most importantly, people use country of origin as a product cue involuntarily (Yasin, 2007). Among many extrinsic cues, country of origin image of a product is part of the product's total image as perceived by consumers (Eroglu & Machleit, 1989). Also in situations where country of origin has nothing to do with the product's performance, the very image still influences the perception of consumers. (Cai, 2002).

#### *Country-of-Origin as Signal of Quality*

In today's highly globalized world, consumers are provided with different products from different countries so they tend to evaluate products based on their country of origin. Moreover, , the availability of information and the complexity of products is increasing, so consumers have to rely on the country known to be the home of the product in their purchasing decisions. And last but not the least, because of experience of consumers, of different products from different country of origins (Dulal, 2014, citing Ozretic-Dosen, Skare et al. 2007).

### **2.1.3 Country-of-Origin Image: Features and Dimensions**

Country of origin image constitutes an internal and external structure of peoples' opinions and beliefs, nation and country, and at the same time subjective and objective psychological elements of diverse and generalized value judgment. According to Verlegh (2001), mental network of affective and cognitive associations linked to the country creates the country image.

As Dulal (2014) citing (Nagashima, 1970) states, different attributes like; representative products, national characteristics, economic and political background, history and traditions give birth to the creation of country-of-origin image. Similarly, some researchers give credit to country's people, products, culture and national symbols to the formation of mental representations regarding the products origin in the consumer's mind (Dulal (2014) citing (Askegaard & Ger, 1997)).

### **2.1.4 Product Knowledge**

Most of the times, experts use COO information when attributes information is uncertain. New users of a product use COO information whether the attribute information is clear or not. (Masheswaren, 1994) concluded that experts use COO information just for a variety to process and recall attribute information, but novices use COO stereotype as a frame of reference no matter what the case is. In addition Agrawal and Kamakura (1999) found that consumers usually search for more information about the product attributes and use the COO information just as a summary construct when the functionality of a product is more important for them than the hedonic need.

As Dulal (2014) notes citing the sources indicated in this paragraph, the amount of knowledge consumers have about a product will influence them in the process of product assessments (Rao & Monroe, 1988). According to different literatures, product knowledge is a very important part of consumer behavior studies (Alba, 1983; Bettman & Park, 1980; Brucks, 1985; Cowley & Mitchell, 2003). Product knowledge is defined as the general knowledge or information customers have about a product, related to functionality and brand. It is also considered as product familiarity, expertise and experience (Lee & Lee 2009). Brucks (1985) define product knowledge as memories and

knowledge regarding the product in people's minds. Other researchers added that it is the ability of consumers to recognize products and the degree to which they are confident about the products (Lin & Zhen, 2005). Accordingly, people with organized knowledge and sufficient information about a product have a high degree of product knowledge and are also aware of product sub-categories (B. K. Lee, 2005). Consumers' product knowledge is affected by their consciousness about products (Lin & Zhen 2005).

*Objective knowledge* is defined as the awareness consumers have about a particular characteristics of the product and *subjective knowledge* is how customers think they know about products. *Experience based knowledge* is the number of purchases of a product and their use. While objective knowledge is the consumer's cumulative product knowledge though prior learning, subjective knowledge means consumers cognitive product knowledge. Users' experience is consumer's rate of purchasing or usage experience with the product. (Dulal, 2014)

### **2.1.5 Product Purchase Decision**

Product purchase decision involves product evaluation and purchase intention. There should be some evaluation procedure before a customer arrives at attitudes toward different brands. In the presence of different purchase alternatives customer's evaluation depends on individual customer and the specific buying situation. Customers may be involved in careful calculations and logical thinking, and at times these same consumers may do no or little evaluation instead they may rely on impulse and intuition. Alternatives are evaluated from the point of view of intrinsic and extrinsic attributes. Consumers evaluate each brand according to each attribute. (Dulal, 2014)

Consumers' purchase intention is the probability that consumers choose a certain brand of a product category when put in a certain purchasing situation (Crosno *et al.*, 2009). Another definition says that purchase intention is all about individual's awareness to make an attempt to buy a brand (Shabbir, M. S., Kirmani, S., Iqbal, J., & Khan, B. 2009). According to other researchers, purchase intention is "what we think we will buy" (Park, J. 2002). It also shows, what consumer's perceptions and feelings are for the products

being advertised, that forecasts the likelihood of purchasing the products. Moreover purchase shows the level of loyalty to products.

### **2.1.6 Cognitive, Affective and Conative Aspects of Country-of-Origin Image**

Preference to purchase specific products can be related with the perception that this country has the necessary skill that is needed to manufacture the product under consideration. Such perceptions are *cognitive*. Country-of-origin also involves symbolic and emotional values to customers which (as Dulal notes notes by citing the sources stated in this paragraph) have affective *connotations* formed due to many indirect experiences such as; encounter with foreigners, through art, education, and mass media. Such connotations influence consumers' brand or product attitudes (Obermiller & Spangenberg, 1989). Consumers link the country-of-origin with to their memories, identities, feeling of status and pride, with the possession of products from certain countries (Hirschman, 1985; Batra et al., 1999; Botschen & Hemettsberger, 1998; Fournier, 1998). Moreover, the *conative* aspect of the influence of country of origin image in purchase decision can for example relate to situation whereby citizens may avoid buying domestic products, when they find the regime objectionable (Smith, 1990; Klein, Ettenson & Morris, 1998).

## **2.2 Conceptual Framework**

The cognitive, affective and normative aspects are inter-related. This study has used the framework developed by Dulal (2014) used in a study in Nepal in relation to foreign products in general. He used the political, economic and technological dimensions, and human factors as independent variables and he further uses a dependent variable and a factor with a modifying effect.

Conceptual framework is the foundation upon which the study is established. Since the very purpose of this study is to find the influence of country-of-origin image on Ethiopian consumers' purchase decision of electronic products, it is important to develop conceptual framework. The framework for this study is presented below in figure 2.1.

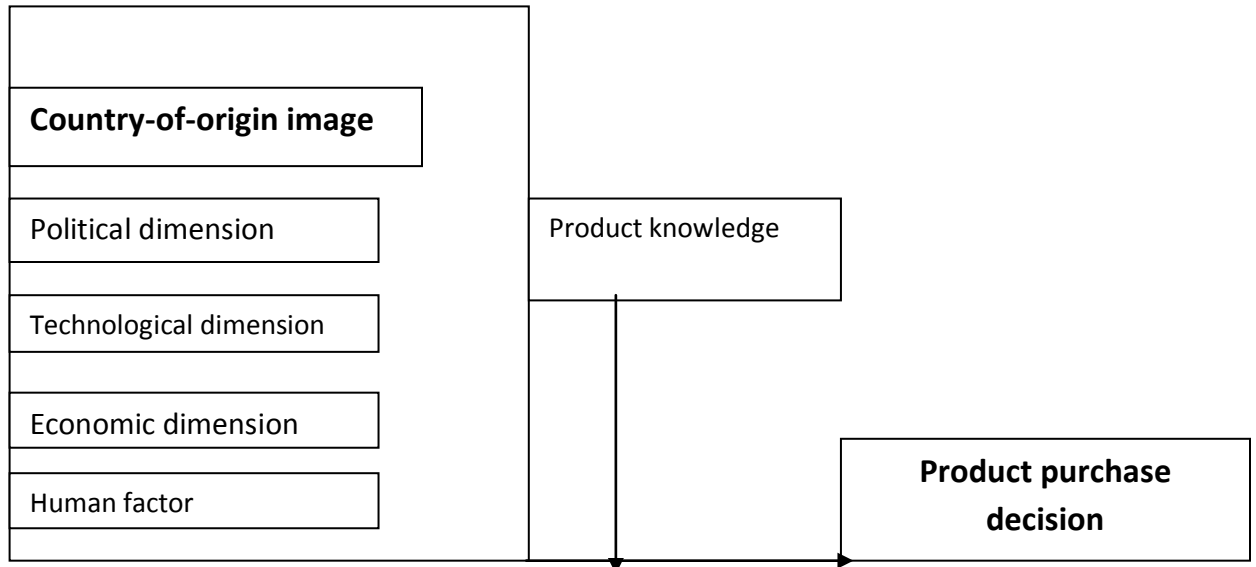


Figure 2.1. Conceptual framework (Source: Dulal, 2014)

The conceptual framework in the above figure shows the relationship between the dependent and independent variables and the moderating variable which has a strong effect on the dependent-independent relationship.

### 2.2.1 Independent Variables

In light of the theoretical and empirical literature review discussed in Sections 2.1 to 2.5 above, the independent variables for the study are derived as follows:

#### *Country-of-Origin Image*

As already stated, image of a particular country is formed into the consumers' mind at three levels: cognitive level, affective level or at normative level. The dimensions of Country-of-Origin that are going to be used for this study are:

#### *a) Political Dimension*

It covers several issues including political system, democratic –versus– dictatorial, political stability, peacefulness, degree of freedom and liberty, home and foreign country relationship, issue of child labor, working conditions, labor exploitation. According to literature, these are the factors that define the political situation of a country and responsible to form the country image into consumers' minds.

*b) Economic Dimension*

This encompasses the products' Country-of-Origin level of economic development and industrialization, also the economic system of the country, market economy –*versus*– command economy, and economic power and the degree, to which the country's economy advances, which influences the image of the country into the consumers' mind.

*c) Technological Dimension*

The level of technological research in the country, mode of production, capital –*versus*– labor, and the degree of technological advancement affects the products country of origin image formed by consumers.

*d) Human Factors*

Consumers develop different levels of attachment with people of countries other than theirs. The attachments can be directly or indirectly, through art, education and mass media. This affects consumers to form country images. Also, celebrities- actors, sportsmen, industrialists, socialite, leaders etc play an important role in forming the image of the country.

### **2.2.2 Dependent Variables**

The *dependent variables* that are going to be used in the study are as follows:

***Product purchase decision*** refers to the process of consumers' selection of list of brands into the evoked set, and assessing the brands in the set and choosing the brand that suits the consumers' need best. Country-of-origin affects consumers' perceptions about products from different countries and the country image in consumers mind affects the purchase decisions as well. Both attitudes towards the product and intention to make choice are influenced. The cognitive effect of country-of-origin image on consumers may be used as reference of quality, but may also have emotional and symbolic value to customers. Country-of-origin image may also influence social and personal norms.

### **2.2.3 Variable with a Modifying Effect: Product Knowledge**

The one variable that is expected to have a modifying effect on the independent and dependent variables proposed above is *product knowledge*. According to literature,

consumers who have sufficient knowledge about a product are less likely to depend on country-of-origin cues for their purchase intention and product evaluation.

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## Chapter 3

# Research Methodology

The first three sections of this chapter highlight the approach, methods and design that are used in this research. The population and sampling of the research are presented in Section 3.4 followed by a brief presentation of the data collection instruments (in Section 3.5). The post data collection procedures of validity and reliability test are indicated in Section 3.6. The last two sections state data analysis techniques and ethical considerations.

### 3.1 Research Approach

This research follows a deductive approach. According to Bryman and Bell (2011), the deductive research approach forms hypotheses and questions, and the research will be conducted based on the available existing knowledge about the subject, with the aim of getting answers for the questions in hand or testing the hypotheses drawn based on prior theoretical and empirical researches. By using a model from prior research this research tries to answer if the four variables, political dimension, economical dimension, technological dimension and human factors, create a Country-of-Origin image in the minds of Ethiopian consumers, when they purchase electronic products. After checking the creation of the country image it checks if Ethiopian consumers use those images as a product cue in making their buying decisions.

As the findings of this research will join the existing pool of knowledge and theories in the domain of country of origin image and purchase decision, by giving answers to specific research questions, it inevitably will have an inductive part (Bryman and Bell, 2011).

### 3.2 Research Method

A quantitative research method is used to study the issue at hand empirically. The main purpose of a quantitative research is to get answers to different research problems. The

data collected for the study is primary data because it is collected particularly for the purpose of this study. From time perspective, this research can be categorized as a cross-sectional-study because the data collection is conducted only once from multiple individuals without any time considerations. This research focused on finding the effect the country-of-origin image has on Ethiopian electronic consumers purchase behavior. And in order to get an appropriate answer to the question, survey based questions were prepared and answered by Addis Ababa University students, employees of private and government organizations and some consumers around electronic shops at ‘merkato’.

### **3.3 Research design**

As stated in the introduction, the purpose of this study was to look into the effect of Country-of-Origin image on the purchasing behavior of Ethiopian electronic consumers. The survey of this study was conducted at the level of the consumers through questionnaires. To check if the hypothesis is formed in a logical manner, secondary data was analyzed from different literature and previous researches, conducted in a similar and related area.

Questionnaires were distributed to the randomly chosen respondents, from Addis Ababa University students, employees of private and government organizations and some consumers around electronic shops at “merkato”, to obtain a primary data to be used in the research process. The research quantitatively measured the degree of effect that the country-of-origin image has on Ethiopian electronics consumers’ purchase decision. In addition, the role of country-of-origin image dimensions (political, economic, technological and human) forming country image was assessed. The modifying effect of product knowledge in the given topic was also tested.

### **3.4 Population and Sampling**

Samples were taken from A.A University students, employees of private and government organizations and some consumers around electronic shops at “merkato”. Consumers who can read, understand and fill the questionnaire by themselves were chosen because they are more knowledgeable and are able to understand brands, regarding different electronic brands from different countries. As suggested by the standards of sampling, for a

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population more than 1,000,000 with margin error of 5%,(five percent) the sample population is 384. (Krejcie,& Morgan:1970). Ethiopian falls into the large population group, with population of about 90,000,000 (ninety million), the total sample size for the study was 384 (three hundred eighty four).

For the purpose of this study, one of the techniques under the non-probabilistic sampling, that was, convenience sampling technique was used, with the aim of reaching the targeted respondents easily. This sampling technique, the convenient sampling technique, is known to generally assume a homogeneous population that one respondent is pretty much like the other. Because all the respondents in this research are adults, and in this information era it is impossible to find anyone without any experience of purchasing an electronic product, a convenient sampling technique is used. Primary data was collected through survey research and questionnaire was used for the purpose of data collection.

### **3.5 Data Collection Instrument**

The tool that was used to conduct the survey study is a questionnaire. Base on the conceptual framework developed by Dulal (2014) the questionnaire is divided into two main parts. The first part is composed of demographic profile of the respondent which is composed of the statistical details, to prepare respondents' profile. The next part is taken as the main body of the questionnaire that is used to measure the dependent and independent variables. The second part, the question part, is further divided into three parts. The table below illustrates the parts of the questionnaire:

<b>Part</b>	<b>Content</b>
Part A	Demographic Profile
Part B	Country-of-Origin Image
Part C	Product Knowledge
Part D	Purchase Evaluation

The personal questions are asked first, to gather demographic information of the respondents to prepare consumers' profile. The assessment of country-of-origin image is measured with four dimensions namely, political, economic, technological and human.

There are twelve (12) questions to measure the country-of-origin image, six (6) questions to measure the purchase decision and three (3) questions to measure the modifier that is product knowledge. All the twenty one (21) items are evaluated on a five-point Likert scale.

The twenty one questions to be used for the survey are stated within their proper groups as follows:

<b>Country-of-Origin Image</b>
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**Political Dimension**

1. I will form a favorable image of a country in my mind, if it has political system of my preference.
2. I will form a favorable image of a country in my mind, if it has high respect for human rights.
3. I will form a favorable image of a country in my mind, if it is peaceful.
4. I will form a favorable image of a country in my mind, if it is friendly to Ethiopia in world affairs.

**Economic Dimension**

5. I will form a favorable image of a country in my mind, if it has economic system of my conviction.
6. I will form a favorable image of a country in my mind, if it has high level of industrialization.
7. I will form a favorable image of a country in my mind, if it has highly developed economy.

**Technological Dimension**

8. I will form a favorable image of a country in my mind, if it has high level of technological research.
9. I will form a favorable image of a country in my mind, if it has highly skilled technical manpower.

**Human Factors**

10. I will form a favorable image of a country in my mind, if I like celebrities of that country.
11. I will form a favorable image of a country in my mind, if the people of that country are

humble and friendly through direct or indirect experience.

12. I will form a favorable image of a country in my mind, if the people of that country are humble and friendly through direct or indirect experience.

<b>Purchase Decision</b>
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13. I use Country-of-Origin as a reference to evaluate quality of electronic products like, mobile phone, laptop, TV set, DVD player and fridge.
14. I believe that a country should have perceived strength and skill to manufacture electronic products like, mobile phone, laptop, TV set, DVD player and fridge.
15. I purchase electronic products like, mobile phone, laptop, TV set, DVD player and fridge originated from certain country to enhance my self-image.
16. I believe purchasing electronic products like, mobile phone, laptop, TV set, DVD player and fridge, originated from certain country will enhance my social status and pride.
17. I like to purchase electronic products like, mobile phone, laptop, TV set, DVD player and fridge, originated from countries which have positive relationship with my country.
18. I do not purchase an electronic product like, mobile phone, laptop, TV set, DVD player and fridge, if I don't like its Country-Of-Origin.

<b>Product Knowledge</b>
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19. When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if I am able to assess internal features of the product.
20. When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if I believe I have technical knowledge of the product.
21. When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if country-of-origin no longer serves as an indicator of product quality because of the knowledge I have regarding the product.

### **3.6 Reliability and Validity**

To conduct a reliable study, the questionnaire was carefully developed and used correct words and meanings. Also, a correct and understandable translation to Amharic language was applied to the questionnaire that was given for the respondents, in order to get what the consumers really feel and think from the survey, instead of guesses and assumptions. As is common in many such researches, Cronbach's Alpha coefficient was used to check if the instruments used are reliable. Reliability statistics is specially associated with internal consistency and its value ranges from 0 to 1. According to Sekaran (2000), Cronbach's Alpha coefficient less than 0.6 are considered 'Poor', between 0.6 and 0.8 are considered 'Acceptable' and greater than 0.8 are considered 'Good'

### **3.7 Data Analysis Techniques**

Software such as SPSS and Microsoft Excel were used to analyze the collected data. SPSS was the software used to organize and analyze data scientifically, determine significant relationships and differences, and recognizing similarities with and between different categories of respondents. In order to achieve the objective of this study, descriptive statistics, reliability statistics, correlation analysis and regression analysis are performed.

In the course of data analysis Cronbach's Alpha is used to make sure the instrument used is reliable. The *Demographic Profile of Respondents* have been analyzed. The *Frequency Distribution* for many of the measures is analyzed. The data analysis further involves *Pearson Correlation Hypothesis testing*. Moreover, *Regression Analysis* is used for measuring the effect of modifier, that is, product knowledge.

### **3.8 Ethical Considerations**

Since questionnaires were used in this research to collect data from respondents, I am concerned with ethical issues specific to applying questionnaires. Some ethical questions related to questionnaires are also about good research practice. For example, are the questions worded clearly? Are all potential participants able to understand the questionnaire? Are there confusing or ambiguous questions? Is it understandable to

people with low level of literacy? Is the question forwarded in a language that is understandable by the participants? Are all the questions necessary? How long the participants are expected to spend completing it? Even if these issues improve the quality of the collected data, they are also ethical considerations, because they make sure the participants do not feel awkward or irrelevant to the research.

In order to conduct a research in an ethical manner, questions like the ones mentioned above were considered. Researchers use questionnaire-based tools to collect data about beliefs, attitudes, opinions, thoughts and behaviors. Questionnaire-based research is known to be an inexpensive tool to gather data from large population. But it is very important to meet ethical standards so it ensures researchers act in good faith and protects the integrity of the resulting data.

In case of this research;

- a) The research questions were clear and objective.
- b) There were no leading questions which prompt an answer through word choice.
- c) Respondents participated willingly without any force or tricks.
- d) Respondents were told the very nature and purpose of the research.
- e) The purpose of the research was explained for the participants without using any jargons
- f) Participants were allowed to ask questions
- g) Respondents profile is kept confidentially
- h) No name, contact or identification information was taken from the respondents
- i) After collecting and analyzing the data, the real results were forwarded without any desire to reconstruct the data so it fits the desired result.

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## Chapter 4

# **Data Presentation Analysis, Interpretation and Discussion**

The first section shows the profile of 384 respondents. In Section 4.2, descriptive analysis is made from the political, economic and technological dimensions, and based on human, overall country-of-origin image, purchase decision and product knowledge. The last two sections deal with hypothesis test and discussion. The data that was collected is analyzed using the SPSS software and interpreted.

### **4.1 Respondents' Profile**

In this chapter, the data that was collected through the study is analyzed using the SPSS software and interpreted. After interpretation, the hypotheses drawn from prior researches, through review of literature, are checked. This chapter addresses the respondent's profile, which gives detailed information about the respondent's gender, age, educational level and occupation. Data analysis and interpretation through descriptive analysis is handled and the correlation between dependent and independent variables is analyzed. Finally the result of the data analyzed is discussed.

400 questionnaires were distributed to be filled mostly by employees of different private and government organizations. Respondents who have bought and use electronics were randomly selected. Moreover, consumers around some electronic shops in 'Merkato' have filled the questionnaire.

Among the 400 hundred questionnaires, 393 responses were collected out of which 384 were used for the data analysis, since, according to literature, 384 is the right sample data to represent, what is called, a 'large population' like Ethiopia. All the respondents were consumers who can read and understand the questionnaires. The questionnaire was presented in Amharic language and in uniform format. Of the 384 selected respondents,

68.5% were male and 31.5% were female. Tables 4.1 to 4.4 provide the exact numbers of the respondents' demographic data.

**Table 4.1: Gender of Respondents**

		Gender	
		Frequency	Percent
Valid	Male	263	68.5
	female	121	31.5
	Total	384	100.0

**Table 4.2: Educational level**

		Educational level	
		Frequency	Percent
Valid	Diploma and below	61	15.9
	Undergraduate	252	65.6
	Graduate and above	71	18.5
	Total	384	100.0

**Table 4.3: Marital Status**

		Marital Status	
		Frequency	Percent
Valid	Single	104	27.1
	Married	280	72.9
	Total	384	100.0

**Table 4.4: Age of Respondents**

The age of the respondents ranges from 23 (14 respondents) to 46 (1 respondent). The highest age group is 27 (29 respondents) followed by ages 28 and 29 (with a number of 28 respondents each). As the following table indicates the mean age for the respondents is 32.

Mean for age groups			
	N	Mean	Std. Deviation
Age	384	32.4063	6.09298
Valid N (listwise)	384		

## 4.2 Descriptive Analysis

Here, four dimensions; political, economic, technological and human, are use to measure the country-of-origin. Product knowledge and consumers' purchase decision are also measured as well. The descriptive statistics of each question is shown below.

### 4.2.1 Political Dimension

**Table 4.5: Political Dimension Descriptions**

Descriptive Statistics			
	N	Mean	Std. Deviation
PD1	384	3.0313	1.24496
PD2	384	4.1458	1.06919
PD3	384	4.1484	1.19893
PD4	384	3.9089	1.06181
Valid N (listwise)	384		

In the above table, it can be seen that, political dimension Q2 and Q3 have mean value 4.14, which is higher than 4, which shows how important political dimension is in forming the image of a country. Likewise, Q4 has mean value of 3.91 and Q1 with the lowest value of mean 3.03. Therefore, the most important issue of political dimension is Q3, as it scored the highest mean, that is, 4.1484, to be exact.

#### 4.2.1.1 Frequency Analysis of Political Dimension

**Question 1:** I will form a favorable image of a country in my mind, if it has political system of my preference.

**Table 4.6: Responses Concerning Political System**

PD1		
	Frequency	Percent
Strongly-disagree	60	15.6
Disagree	64	16.7
Neutral	111	28.9
Agree	102	26.6
Strongly-agree	47	12.2
Total	384	100.0

Among the 384 respondents, 60 respondents strongly believe that, political system is not an issue for them in forming a favorable image of a country. 64 respondents, somehow, believe that political system does not matter for them in forming a favorable image of a

country. But the reverse is true for other respondents. 47 respondents strongly agree that political system of a country is important in forming a positive country image and 102 respondents believe that political system is important in forming a favorable country image. But, 111 respondents prefer to be neutral on the issue.

**Question 2:** I will form a favorable image of a country in my mind, if it has high respect for human rights.

**Table 4.7: Responses Concerning Human Rights**

PD2			
	Frequency	Percent	
Valid	Strongly-disagree	17	4.4
	Disagree	21	5.5
	Neutral	30	7.8
	Agree	137	35.7
	Strongly-agree	179	46.6
	Total	384	100.0

As it can be derived from the above table that 316 respondents believe they would have a favorable image of a country that has high respect for human rights. But 38 respondents have an opposite view. There are also 30 respondents who preferred to be indifferent to this question.

**Question 3:** I will form a favorable image of a country in my mind, if it is peaceful.

**Table 4.8: Responses Concerning Peacefulness**

PD3			
	Frequency	Percent	
Valid	Strongly-disagree	24	6.3
	Disagree	30	7.8
	Neutral	17	4.4
	Agree	107	27.9
	Strongly-agree	206	53.6
	Total	384	100.0

We can see from the above table that 313 respondents say they would develop a favorable image of a country if it is peaceful. However, contrasting views have been found from 54 respondents, at the same time, 17 respondents preferred to be neutral.

**Question 4:** I will form a favorable image of a country in my mind, if it is friendly to Ethiopia in world affairs.

**Table 4.9: Responses concerning the Degree of Friendship with once Country**

PD4		
	Frequency	Percent
Strongly-disagree	17	4.4
Disagree	30	7.8
Neutral	43	11.2
Agree	175	45.6
Strongly-agree	119	31.0
Total	384	100.0

The above table shows us that 294 respondents agreed that they would form a favorable image of a country if it is on good terms with Ethiopia. Yet, 47 respondents disagree with this position and 43 respondents stayed neutral.

#### 4.2.2 Economic Dimension

**Table 4.10: Economic Dimension Descriptions**

	N	Mean	Std. Deviation
Economic Dimension 5	384	3.5599	1.08710
Economic Dimension 6	384	3.5260	1.14456
Economic Dimension 7	384	3.7839	1.16415
Valid N (listwise)	384		

In the table 4.10 all the three questions under the economic dimension are above 3 which show the importance of economic dimension in forming image of a country. Among the questions in this set, question 7 scored the highest mean, 3.78, that shows how respondents agreed on the importance of country's economic development in creating a favorable image of the country in their mind. Even if it scored a bit less than Q7, Q5 scored mean value of 3.56 showing that respondents form a favorable image for a country with an economic system of their conviction. Q6 is the least rated, with mean value of 3.52, but still reveals that the respondents agreed on forming a positive image towards countries with high level of industrialization.

#### 4.2.2.1 Frequency Analysis of Economic Dimension

**Question 5:** I will form a favorable image of a country in my mind, if it has economic system of my conviction.

**Table 4.11: Responses Concerning Economic System**

ED5			
	Frequency	Percent	
Valid	Strongly-disagree	21	5.5
	Disagree	47	12.2
	Neutral	81	21.1
	Agree	166	43.2
	Strongly-agree	69	18.0
	Total	384	100.0

69 respondents strongly agree that they would form a favorable image of a country if its economic system fits their conviction. At the same time 166 respondents still say they form a favorable country image to countries with economic system to which they agree. However 68 respondents held the opposite view, when 81 of them remain neutral to this question.

**Question 6:** I will form a favorable image of a country in my mind, if it has high level of industrialization.

**Table 4.12: Responses Concerning Level of Industrialization**

ED6			
	Frequency	Percent	
Valid	Strongly-disagree	25	6.5
	Disagree	47	12.2
	Neutral	94	24.5
	Agree	137	35.7
	Strongly-agree	81	21.1
	Total	384	100.0

The above table shows that 218 respondents agreed to develop a favorable image of a country if it has a high level of industrialization and 72 of them disagreed to this idea. While 94 respondents stayed passive to the question.

**Question 7:** I will form a favorable image of a country in my mind, if it has highly developed economy.

**Table 4.13: Responses concerning Level of Economic Development**

ED7		Frequency	Percent
Valid	Strongly-disagree	26	6.8
	Disagree	30	7.8
	Neutral	64	16.7
	Agree	145	37.8
	Strongly-agree	119	31.0
	Total	384	100.0

264 respondents said they are affected by the country's level of economic development in forming a favorable image of a country and 56 respondents disagreed to take the level of economic development as an important attribute to form a favorable image of a country. However 64 respondents are indecisive concerning the question.

#### 4.2.3 Technological Dimension

**Table 4.14: Technological Dimension Descriptions**

Descriptive Statistics			
	N	Mean	Std. Deviation
TechnologicalDimension8	384	3.8151	1.12400
TechnologicalDimension9	384	4.0339	1.15909
Valid N (listwise)	384		

In table 4.14, both questions scored mean values of more than the average 3, which showed that technological dimension is considered as important by the respondents in forming the positive image of a country. Q9 scored 4.03, showed that technologically advanced countries are favored by the respondents and Q8 with mean value 3.81, which scored less than Q9, still revealed that countries with high level of technological research are perceived all the same as favorable.

#### 4.2.3.1 Frequency Analysis of Technological Dimension

**Question 8:** I will form a favorable image of a country in my mind, if it has high level of technological research.

**Table 4.15: Responses concerning Level of Technological Research**

TD8			
	Frequency	Percent	
Valid	Strongly-disagree	17	4.4
	Disagree	38	9.9
	Neutral	68	17.7
	Agree	137	35.7
	Strongly-agree	124	32.3
	Total	384	100.0

From the above table, 261 respondents supposed that they will have a favorable image of a country if it has a high level of technological research. However, a different view is held by 55 respondents and 68 respondents chose to be neutral.

**Question 9:** I will form a favorable image of a country in my mind, if it is technologically advanced.

**Table 4.16: Responses concerning Technological Advancement**

TD9			
	Frequency	Percent	
Valid	Strongly-disagree	21	5.5
	Disagree	26	6.8
	Neutral	47	12.2
	Agree	115	29.9
	Strongly-agree	175	45.6
	Total	384	100.0

The above table shows that, 290 respondents agreed that they form a favorable image of technologically advanced countries. While 47 respondents claim that they disagree with this question and the other 47 respondents stay neutral.

#### 4.2.4 Human Factors

**Table 4.17: Human Factor Descriptions**

	N	Mean	Std. Deviation
HumanFactors10	384	3.7943	1.05061
HumanFactors11	384	2.6354	1.34704
HumanFactors12	384	3.4688	1.18479
Valid N (listwise)	384		

From the three questions of human factors, Q10 scored the highest mean value of 3.79, followed by Q12 with mean value of 3.46, which they both scored more than 3 and showed that a country with highly skilled manpower and a country with people who are humble and friendly, as directly or indirectly experienced by the respondents, is favored by respondents. However, Q11 scored a mean value of 2.63 and persuaded us to conclude that consumers would not form a favorable image of a country just because the like the celebrities from that country.

##### 4.2.4.1 Frequency Analysis of Human Factors

**Question 10:** I will form a favorable image of a country in my mind, if it has highly skilled technical manpower.

**Table 4.18: Responses Concerning Technically Skilled Manpower**

HF10		
	Frequency	Percent
Strongly-disagree	17	4.4
Disagree	34	8.9
Valid Neutral	55	14.3
Agree	183	47.7
Strongly-agree	95	24.7
Total	384	100.0

From the table, we can see that 278 of the respondents took the presence of a highly skilled technical manpower in a country, as a critical issue to form a favorable image of a country. Yet, 51 respondents believe that technical manpower is not a critical issue to form a favorable image of a country, while 55 respondents stay neutral about this human factor.

Question 11: I will form a favorable image of a country in my mind, if I like celebrities of that country.

**Table 4.19: Responses Concerning Likability of Celebrities**

**HF11**

		Frequency	Percent
Valid	Strongly-disagree	102	26.6
	Disagree	90	23.4
	Neutral	85	22.1
	Agree	60	15.6
	Strongly-agree	47	12.2
	Total	384	100.0

From the above table, we can see that, 107 respondent agreed that liking celebrities of a country would make them form a favorable image of that country, while, 192 respondents totally disagreed to this question. And 85 respondents are indifferent to the question.

Question 12: I will form a favorable image of a country in my mind, if the people of that country are humble and friendly through direct or indirect experience.

**Table 4.20: Responses Concerning Likability of People**

**HF12**

		Frequency	Percent
Valid	Strongly-disagree	34	8.9
	Disagree	34	8.9
	Neutral	119	31.0
	Agree	112	29.2
	Strongly-agree	85	22.1
	Total	384	100.0

In the above table, when 197 respondents agreed that liking the people of a country would make them develop a favorable image of a country, 68 respondents disagreed to this issue of human factor. The other 119 preferred to be neutral to this question.

#### 4.2.5 Overall Country-of-Origin Image

**Table 4.21: Overall Country-of-Origin Image Descriptions**

	N	Mean	Std. Deviation
Political_D	384	3.8086	1.08356
Economic_D	384	3.6233	1.09929
Technological_D	384	3.9245	1.11869
Human_F	384	3.2995	1.13174
Valid N (listwise)	384		

The description statistics of overall dimensions of Country-of-Origin is shown in table 4.21. In the table it is revealed that, the four dimensions of COOI, political, economic, technological and human, scored mean value more than 3. From this it can be inferred that all the dimensions used in the questionnaire to measure the Country-of-Origin Image are crucial in forming the image, positive or negative, that consumers form in their mind. As per respondents' evaluation, technological dimension scored the highest, 3.92, and considered as the most important dimension in forming country image. Political dimension became the second by scoring 3.81. The third important cause for the formation of country image in consumer's mind became economic dimension by scoring 3.62. Although the human factor scored the least, 3.29, compared to the other dimensions, it still scored greater than 3 and affects what consumers possess about image of a country. Generally, according to the respondents, representing the population, all dimensions are found to have an impact on the creation of an image of a country.

#### 4.2.6 Purchase Decision

**Table 4.22: Purchase Decision Descriptions**

	N	Mean	Std. Deviation
PurchaseDecision13	384	3.6927	.96916
PurchaseDecision14	384	3.9167	.97399
PurchaseDecision15	384	3.1354	1.26094
PurchaseDecision16	384	3.2083	1.27164
PurchaseDecision17	384	2.9661	1.19021
PurchaseDecision18	384	2.4635	1.16687
Valid N (listwise)	384		

The above descriptive statistics exposed that, the highest mean value, 3.92, scored by Q14, indicates that respondents believe that a country should have sufficient skill and

strength to manufacture electronic products. Q13 scored the next highest mean, 3.69, and revealed that consumers use Country-of-Origin information as a reference to evaluate quality of electronic products. Also the mean values of Q15 and Q16, 3.14 and 3.21 respectively, show that consumers believe in purchasing electronic products originated from certain country enhances their self-image and, social status and pride. 2.97 And 2.46, scored by Q17 and Q18 respectively, being below mean value of 3, manifest that consumers do not care that much about the relationship between home country and foreign country, when making their purchase decisions and also, liking or disliking a country is not something that they rely on much in their purchase decision.

#### 4.2.6.1 Frequency Analysis of Purchase Decision

**Question 13:** I use Country-of-Origin as a reference to evaluate quality of electronic products like, mobile phone, laptop, TV set, DVD player and fridge.

**Table 4.23: Responses concerning Quality Reference**

PD13		
	Frequency	Percent
Valid	Strongly-disagree	8 2.1
	Disagree	34 8.9
	Neutral	107 27.9
	Agree	154 40.1
	Strongly-agree	81 21.1
	Total	384 100.0

From the above table, 235 respondents claimed they use County-of-Origin clue to evaluate quality of an electronic product when 42 respondents contradict this claim. But 107 respondents stayed neutral.

**Question 14:** I believe that a country should have perceived strength and skill to manufacture electronic products like, mobile phone, laptop, TV set, DVD player and fridge.

**Table 4.24: Responses concerning Perceived Strength and Skill**

PD14			
	Frequency	Percent	
Valid	Strongly-disagree	13	3.4
	Disagree	26	6.8
	Neutral	43	11.2
	Agree	200	52.1
	Strongly-agree	102	26.6
	Total	384	100.0

As can be seen in the above table, the data analysis showed, 302 respondents believe a country must have the strength and skill to manufacture electronic products, while 39 of them think otherwise. But 43 respondents were indifferent.

**Question 15:** I purchase electronic products like, mobile phone, laptop, TV set, DVD player and fridge originated from certain country to enhance my self-image.

**Table 4.25: Responses concerning Boosting Self-Image**

PD15			
	Frequency	Percent	
Valid	Strongly-disagree	47	12.2
	Disagree	85	22.1
	Neutral	77	20.1
	Agree	119	31.0
	Strongly-agree	56	14.6
	Total	384	100.0

The above table shows, 175 respondents say, when they purchase electronic products originated from certain country, their self-image is enhanced, to the contrary 132 respondents do not agree to this. 77 respondents stayed neutral.

**Question 16:** I believe purchasing electronic products like, mobile phone, laptop, TV set, DVD player and fridge, originated from certain country will enhance my social status and pride.

**Table 4.26: Responses concerning Social Status and Pride**

**PD16**

		<b>Frequency</b>	<b>Percent</b>
Valid	Strongly-disagree	43	11.2
	Disagree	81	21.1
	Neutral	81	21.1
	Agree	111	28.9
	Strongly-agree	68	17.7
	Total	384	100.0

As revealed in the above table, 179 respondents believe, purchasing electronic products originated from certain country enhances their social status and pride, while 124 respondents claim such a case does not enhance their social status or pride. But 81 respondents said it will neither enhance nor diminish their status or pride.

**Question 17:** I like to purchase electronic products like, mobile phone, laptop, TV set, DVD player and fridge, originated from countries which have positive relationship with my country.

**Table 4.27: Responses concerning Relationship between Home and Foreign Country**

**PD17**

		<b>Frequency</b>	<b>Percent</b>
Valid	Strongly-disagree	43	11.2
	Disagree	102	26.6
	Neutral	111	28.9
	Agree	81	21.1
	Strongly-agree	47	12.2
	Total	384	100.0

128 respondents, as shown in the above table, agree they like to purchase electronic products from a country with whom their home country has a positive relationship with. But 145 respondents disagree with this claim and 111 of them preferred to be indifferent to this question.

**Question 18:** I do not purchase an electronic product like, mobile phone, laptop, TV set, DVD player and fridge, if I don't like its Country-Of-Origin.

**Table 4.28: Responses concerning Purchase Decision and Country-of-Origin**

PD18			
		Frequency	Percent
Valid	Strongly-disagree	90	23.4
	Disagree	128	33.3
	Neutral	85	22.1
	Agree	60	15.6
	Strongly-agree	21	5.5
	Total	384	100.0

From the above table it can be inferred that 81 respondents say they are not willing to purchase an electric product of which they do not like its Country-of-Origin, and 218 respondents say whether they like the Country-of-Origin or not it will not affect their purchase behavior. But 85 respondents are neutral to this question.

#### 4.2.7 Product Knowledge

**Table 4.29: Product Knowledge Descriptions**

	N	Mean	Std. Deviation
PN19	384	3.7656	1.02820
PN20	384	3.7187	1.01891
PN21	384	3.7682	.91744
Valid N (listwise)	384		

Table 4.29 shows the descriptive statistics of product knowledge, which serves as a modifier in the given relationship between country-of-origin image and consumers' purchase decision. All the questions in this group scored above the mid-range value 3, with Q19 and Q21, scoring 3.76, that is higher than 3.72 scored by Q3. From the above descriptive statistics it can be implied that consumers do not rely on Country-of-Origin cue in their purchase decision, if they are able to assess the intrinsic attributes of the product, if country-of-origin no longer serves as an indicator of product quality because of the knowledge they have regarding the product and if they believe they have technical knowledge of the product they buy.

##### 4.2.7.1 Frequency Analysis of Product Knowledge

**Question 19:** When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if I am able to assess internal features of the product.

**Table 4.30: Responses concerning Being Able to Assess Internal Features**

PN19			
	Frequency	Percent	
Valid	Strongly-disagree	9	2.3
	Disagree	34	8.9
	Neutral	102	26.6
	Agree	132	34.4
	Strongly-agree	107	27.9
	Total	384	100.0

From the above table it can be inferred that 239 of the respondents say they do not use country-of origin image as a reference for their purchase decision if they have the ability to assess internal features of the product and 43 respondents say they use country-of-origin image as a reference even if they are in a position to assess those internal features of a product. But 102 chose to be neutral.

**Question 20:** When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if I believe I have technical knowledge of the product.

**Table 4.31: Responses concerning Technical Knowledge**

PN20			
	Frequency	Percent	
Valid	Strongly-disagree	12	3.1
	Disagree	34	8.9
	Neutral	94	24.5
	Agree	154	40.1
	Strongly-agree	90	23.4
	Total	384	100.0

The above table reveals that 244 respondents say, when they buy electronic products they do not use county-of-origin image as a reference for their purchase decision if they believe that they have technical knowledge of the product. However, 46 respondents say they still use the image they have about a country-of-origin even when they believe they have technical knowledge of the product. 94 respondents are not sure of their reaction and stayed neutral.

**Question 21:** When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase

decision, if country-of-origin no longer serves as an indicator of product quality because of the knowledge I have regarding the product.

**Table 4.32: Responses concerning Quality Indicator and Product Knowledge**

PN21			
	Frequency	Percent	
Valid	Strongly-disagree	4	1.0
	Disagree	34	8.9
	Neutral	90	23.4
	Agree	175	45.6
	Strongly-agree	81	21.1
	Total	384	100.0

From the above table it can be conceived that 256 consumers believed that if the country-of-origin image they have no longer serves as product quality indicator because of the knowledge they have about the product, they do not use the country image they have in their mind to make purchase decision. But 38 respondents believe they still use the country-of-origin image about a country even if the image no longer serves as product quality indicator because of sufficient knowledge they have. 90 respondents chose to be neutral.

### 4.3 Hypothesis Test

For the purpose of analysis, we can develop the following hypotheses from the issues stated in Chapter 1. These hypotheses are comparable to the ones developed by Dulal (2014) in his research on foreign products in general in the context of Nepal.

- H0:** Overall image of country-of-origin have no relationship with consumers' purchase Decision of electronic products.
- H01:** There is no relationship between political dimension of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.
- H02:** There is no relationship between economic dimension of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.
- H03:** There is no relationship between technological dimension of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.
- H04:** There is no relationship between human factors of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.

In this part the possible relationship between previously formulated variables, dependent and independent, is tested. The correlation between the dimensions of country-of-origin image and consumers' purchase decision is checked to test the hypotheses, using SPSS software.

**Table 4.33: Correlations between the four independent variables, political, economic, technological and human, and the dependent variable purchase decision.**

		Correlations				
		Purchase_D	Political_D	Economic_D	Technological_D	Human_F
Pearson Correlation	Purchase_D	1.000	.374	.503	.559	.647
	Political_D	.374	1.000	.538	.376	.574
	Economic_D	.503	.590	1.000	.578	.536
	Technological_D	.559	.539	.631	1.000	.512
	Human_F	.794	.574	.736	.812	1.000
Sig. (1- tailed)	Purchase_D	.	.000	.000	.000	.000
	Political_D	.000	.	.000	.000	.000
	Economic_D	.000	.000	.	.000	.000
	Technological_D	.000	.000	.000	.	.000
	Human_F	.000	.000	.000	.000	.
N	Purchase_D	384	384	384	384	384
	Political_D	384	384	384	384	384
	Economic_D	384	384	384	384	384
	Technological_D	384	384	384	384	384
	Human_F	384	384	384	384	384

From the table 4.33 above, we can see that all the four independent variables are greater than 0.30, political dimension=0.374, economic dimension=0.503, technological dimension=0.559 and human factor=.794. Therefore all the variables are strongly correlated to purchase decisions. Since all the correlations between the independent variables are all less than 0.70, all variables can be used as predictors.

**Table 4.34: A model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.808 <sup>a</sup>	.653	.649	.62286

a. Predictors: (Constant), Human\_F, Political\_D, Economic\_D, Technological\_D

b. Dependent Variable: Purchase\_D

From the above table 4.34, we can say that the model using the four independent variables explained about 65.3 percent of the variance in consumers purchase decision. This means the rest 34.7 percent can be explained by other factors.

**Table 4.35: ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	276.154	4	69.039	177.957	.000 <sup>b</sup>
Residual	147.033	379	.388		
Total	423.187	383			

a. Dependent Variable: Purchase\_D

b. Predictors: (Constant), Human\_F, Political\_D, Economic\_D, Technological\_D

In the above table 4.35, the p value is .000, which is less than 0.05. That means there is statistical significance for this model and the model can predict the outcome very well.

**Table 4.36: Bivariate Correlation**

		Correlations				
		Political_D	Economic_D	Technological_D	Human_F	Purchase_D
Political_D	Pearson Correlation	1	.790**	.739**	.574**	.374**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	384	384	384	384	384
Economic_D	Pearson Correlation	.790**	1	.931**	.736**	.503**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	384	384	384	384	384
Technological_D	Pearson Correlation	.739**	.931**	1	.812**	.559**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	384	384	384	384	384
Human_F	Pearson Correlation	.574**	.736**	.812**	1	.794**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	384	384	384	384	384
Purchase_D	Pearson Correlation	.374**	.503**	.559**	.794**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	384	384	384	384	384

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 4.37: coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.135	.125		9.058	.000
	Political_D	.362	.046	.374	.816	.000
	Economic_D	.481	.042	.503	.421	.000
	Technological_D	.525	.040	.559	.642	.009
	Human_F	.738	.029	.794	6.133	.000

### **4.3.1 Political Dimension –versus- Consumers’ Purchase Decision**

**4.3.1.1 Hypothesis HO1:** There is no relationship between political dimension of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.

Table 4.36 shows the correlation analysis between political dimension and purchase decision. With the p value 0.000 less than the alpha 0.01, the correlation is significant between the two variables. In addition, the correlation coefficient 0.374 shows the existence of positive relationship between political dimension and purchase decision. It is inferred that, a significant relationship exists between political dimension of products’ Country-of-Origin and Ethiopian consumers’ purchase decision of electronic products. Therefore, hypothesis (HO1) is rejected at, 0.01 level of significance.

### **4.3.2 Economic Dimension –versus- Purchase Decision**

**4.3.2.1 Hypothesis HO2:** There is no relationship between economic dimension of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.

Table 4.36 shows the correlation analysis between economic dimension and consumers’ purchase decision. With the p value 0.000 less than the alpha 0.01, the correlation is significant between the two variables. In addition, the correlation coefficient 0.503 shows the existence of positive relationship between economic dimension and purchase decision. It is inferred that, a significant relationship exists between economic dimension of products’ Country-of-Origin and Ethiopian consumers’ purchase decision of electronic products. Therefore, hypothesis (HO2) is rejected at, 0.01 level of significance.

### **4.3.3 Technological Dimension –versus- Consumers’ Purchase Decision**

**4.3.3.1 Hypothesis HO3:** There is no relationship between technological dimension of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.

Table 4.36 shows the correlation analysis between technological dimension and consumers' purchase decision. With the p value 0.000 less than the alpha 0.01, the correlation is significant between the two variables. In addition, the correlation coefficient 0.559 shows the existence of positive relationship between technological dimension and purchase decision. It is inferred that, a significant relationship exists between technological dimension of products' Country-of-Origin and Ethiopian consumers' purchase decision of electronic products. Therefore, hypothesis (HO3) is rejected at, 0.01 level of significance.

#### 4.3.4 Human Factors –versus- Consumers' Purchase Decision

**4.3.4.1 Hypothesis HO4:** There is no relationship between human factors of product's country-of-origin and Ethiopian consumers' purchase decision of electronic products.

Table 4.36 shows the correlation analysis between human factors and consumers' purchase decision. With the p value 0.000 less than the alpha 0.01, the correlation is significant between the two variables. In addition, the correlation coefficient 0.794 shows the existence of positive relationship between human factors and purchase decision. It is inferred that, a significant relationship exists between human factors of products' Country-of-Origin and Ethiopian consumers' purchase decision of electronic products. Therefore, hypothesis (HO4) is rejected at, 0.01 level of significance.

#### 4.3.5 Overall Country-of-Origin Image vs. Consumers' Purchase Decision

**4.3.5.1 Hypothesis HO0:** Overall image of country-of-origin have no relationship with consumers' purchase Decision of electronic products.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.867	.160		5.420	.000
Overall_COOI	.645	.042	.617	15.326	.000

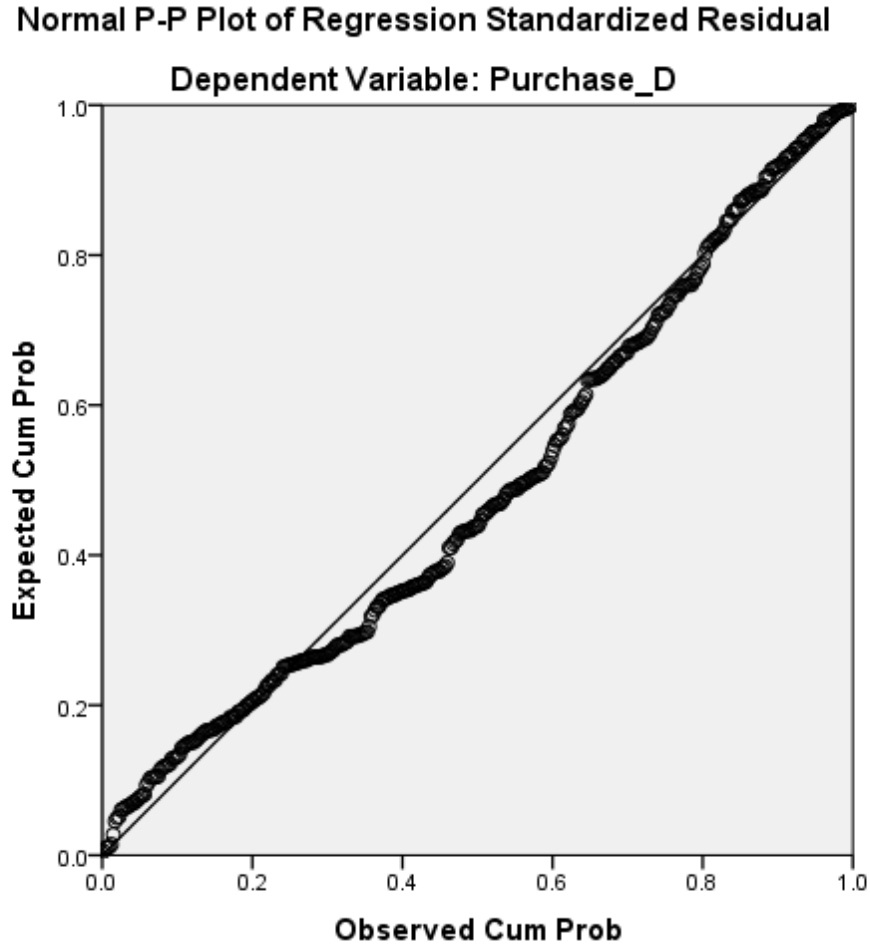
**Table 4.38: Correlation between Overall Country-of-origin Image and Purchase Decision**

		Correlations	
		Overall_COO I	Mean_of_PurD
Overall_COOI	Pearson Correlation	1	.617**
	Sig. (2-tailed)		.000
	N	384	384
Mean_of_PurD	Pearson Correlation	.617**	1
	Sig. (2-tailed)	.000	
	N	384	384

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4.38 shows the correlation analysis between overall country-of-origin image and consumers' purchase decision. With the p value 0.000 less than the alpha 0.01, the correlation is significant between the two variables. In addition, the correlation coefficient 0.617 shows the existence of positive relationship between overall country-of-origin image and purchase decision. It is inferred that, a significant relationship exists between the overall country-of origin image and Ethiopian consumers' purchase decision of electronic products. Therefore, hypothesis (H0) is rejected at, 0.01 level of significance.

**Chart 4.1 Normal P-P Plot of Regression Standardized Residual**



As can be seen on the chart 4.1 above, the dots are reasonably close to the straight line with a little deviation from it. So it can be said that it has a good fit.

#### **4.3.6 Analysis of Modifier: Product Knowledge**

Product knowledge comes in between country-of-origin image and consumers' purchase decision as a modifier that has strong contingent effect. Each dimension of country-of-origin image is linked with product knowledge and the relationship between dependent variable i.e. consumers' purchase decision was checked. The following results are found after the independent variables were linked with product knowledge.

**Table 4.39: Correlation between Modified Country-of-Origin Image Dimensions and Purchase Decision**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	.196	.110		.077
Modified_Political	.011	.067	.009	.866
1 Modified_Economical	.187	.123	.149	.130
Modified_Technological	.494	.128	.408	.000
Modified_Human	1.303	.065	1.142	.000

A different perspective became visible when four dimensions of country-of-origin image was joined with product knowledge and tested with dependent variable, i.e. purchase decision. As shown in table 4.39, except modified technological dimension and human factors, the other two variables, modified political and modified economical, have p value higher than 0.05. Which means, consumers' purchase decision is not influenced by environmental factors such as: political and economical, when they have sufficient product knowledge. Because the p value of modified political dimension is 0.866 and that of modified economic dimension is 0.130, which is well beyond the accepted significance level of 0.05. However, human factors and technological dimension still influence the consumer purchase decision even though the consumers' have enough knowledge regarding the product, as p value for modified technological dimension and human factors is 0.000, which is much less than accepted significance level of 0.05.

#### **4.4 Discussion**

The main objective of this research is to find out the possible influence of country-of-origin image on consumers' purchase decision of electronic products. The research focuses entirely on different dimensions of country-of-origin image and their relationship with the purchase decision made by the consumers. The research also assesses the role of product knowledge as a modifier in the given relationship. The age of the respondents ranges from 23 to 46. Among the 384 active respondents, 68.5% were male participants and 31.5 were female. The statistics about academic qualification shows that 15.9% respondents have diploma and below, 65.6% have bachelors degree and 18.5% have

masters degree and above. The marital statuses of the respondents show that 27.1% are single and 72.9% are married.

The country-of-origin variable, the independent variable, was measured through four different dimensions namely, political dimension, economic dimension, technological dimension and human factor, which have four, three, two and three questions each. Consumers' purchase decision, the dependent variable, was measured using six questions. The modifier between the above mentioned four dimensions of COOI and consumers' purchase decision, that is, product knowledge, was measured using three questions. From the research it has been found that a positive relationship exists between country-of-origin image and consumers' purchase decision of electronic products. Among the four dimensions of country-of-origin image, technological dimension was found to be the highest and human factors, the lowest. But since all dimensions have mean values more than 3, they all have been found to be relevant in forming the country-of-origin image in consumers' mind.

The five hypotheses were tested by examining the relationship between country-of-origin and consumers' purchase decision. After the hypotheses were tested through correlation analysis, the following results were obtained.

- a) There exists a relationship between political dimension of country-of-origin and consumers' purchase decision. Consumers are influenced by the political conditions of a country in their purchase decision process, when purchasing electronic products from that country.
- b) There exists a relationship between economic dimension of country-of-origin and consumers' purchase decision. Consumers are affected by the economic level of a country when making a purchase decision of buying electronic products from that country.
- c) There exists a relationship between technological dimension of country-of-origin and consumers' purchase decision. When consumers acquire electronic products that originate from foreign countries, they are concerned about the technological situation of the country.

- d) There exists a relationship between human factors of country-of-origin and consumers' purchase decision. Consumers are affected by human factors of a country when involved in making a decision of purchasing electronic products originated from foreign lands.
- e) There exists a relationship between overall country-of-origin image and consumers' purchase decision. Consumers use image of a country that they have, when they buy electric products from that country.
- f) Consumers do not use political, economic and technological dimensions of country-of-origin, while making purchase decision, if they have enough knowledge about the product they are buying. But human factors have been found to affect consumers buying decision even in the presence of enough knowledge about the product.

In this study, the correlations between different dimensions of country-of-origin image and consumers' purchase decision of electronic products have resulted in different conclusions. Correlations among the independent and dependent factors can be drawn as follows.

- a) When correlation between dimensions of country-of-origin and consumers' purchase decision was made, human factors scored the highest correlation with purchase decision. Therefore, it can be argued that, the human factors of country-of-origin image have high influence of consumers' purchase decision.
- b) Political and technological dimensions scored the second highest correlation with consumers' purchase decision.
- c) The least correlation discovered was between economic dimension and purchase decision. That means, economic dimension of country-of-origin has a small effect of consumers purchase decision, compared to other dimensions.

Generally, from the analysis, it can be inferred that, as the correlation between them showed 0.617, there is a positive relationship between country-of-origin image and consumers' purchase decision. Therefore, it can be concluded that, the country-of-origin image has an influence on Ethiopian consumers of electronic products.

# Summary of the Findings and Conclusion

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Based on the demands of the study, in the previous chapter, data analysis and hypothesis testing were done. This chapter focuses on giving a brief overview of findings and conclusion of the study. The chapter includes summary of the findings, conclusion of the study derived from the findings and suggestions for future research.

### 5.1 Summary of the Findings

As this research was conducted with the main objective of understanding the influence that the country-of-origin image has on consumers' purchase decision of electronic products, literature review was carried out. The theoretical and empirical literature review stated in Section 2.1 the study inferred that, there is a relationship between country-of-origin image and consumers' purchase decision. The literature review has enabled the researcher to develop hypotheses to find out the relationship between country-of-origin image and consumers' purchase decision. Based on the theoretical and empirical literature review, a conceptual framework was developed by considering what were identified as dimensions of country-of-origin and the dependent variable purchase decision, and relationship among them as perceived by consumers. Also, proposed in the conceptual framework was, product knowledge and its effect as a modifier variable on the supposed relationship between country-of-origin image and consumers' purchase decision.

In order to study the variables, 12-item questionnaire was used to study country-of-origin image and 6-item questionnaire to study purchase decision. For the modifier variable, product knowledge, 3-item questionnaire was used. For the purpose of analysis, 384 questionnaires were used and the data analysis software, SPSS, was used for finding out the results of data analysis. The findings of the study on *country-of-origin image* and *consumers' purchase decision* is summarized as follows:

- 
- a) The study found out that there is a positive relationship between country-of-origin image and consumers' purchase decision. The independent variable, country-of-origin image is found to affect, the independent variable, that is purchase decision.
  - b) In the correlation analysis between different dimensions of country-of-origin image and the dependent variable i.e. consumers' purchase decision, all dimensions of country-of-origin are found to affect consumers' purchase decision.
  - c) From the correlation, it can be seen that human factor and consumers' purchase decision have the strongest correlation, while political dimension and consumers' purchase decision have the weakest correlation.
  - d) From the study, it can be said that there is a significant relationship between overall country-of-origin image and consumers' purchase decision.
  - e) Therefore it can be inferred that consumers' are influenced by the image they have about the country that produced the product, in making the decision to buy foreign products.
  - f) The modifying effect of product knowledge on the relationship between country-of-origin image and consumers' purchase intention shows that, when consumers have enough knowledge about the product they are about to purchase, they do not use the political, economical and technological dimensions of country-of-origin in their product purchase decision.
  - g) However, the human factors of COO are still used by consumers even if they possess enough knowledge about the product.

## 5.2 Conclusion

Country-of-origin is not a new concept. It has been studied widely within different contexts and frameworks throughout the world. The first empirical study about COO was conducted by Schooler (1965) that showed how consumers use COO information when they have to select a product among identical products in the same category. Researchers have been and still are studying deeply about the relationship between COO and different concepts of consumer behavior worldwide.

A study conducted in 2006 showed that there had been over 1000 researches about COO among which 400 researches were published in academic journals (Usunier, 2006), and it is easy to imagine how the number of researches have increased since then. However, in Ethiopian context, it is almost a new concept. Since Ethiopia is embracing globalization and because markets in the country are flooded with many foreign brands in almost every product category, many researches are yet to be done on this issue.

A new insight about the factors that build up the COOI and their influence on purchase decision of Ethiopian consumers has been provided by this research. Factors that are identified as important bricks to build up country image are macro environmental factors (political dimension, economic dimension, technological dimension) and human factors.

This study has investigated the influence of the above dimensions of COOI on purchase decision, from the perspective of Ethiopian consumers buying foreign electronic products. The study showed that all the dimensions of COOI influence the decision taken by Ethiopian consumers while purchasing electric products. The research also showed that, when Ethiopian consumers have enough knowledge about the electronic products they purchase, they will not be concerned about the COO, however, according to this research, human factors of COO play a significant role in purchase decision even if Ethiopian consumers have knowledge regarding electronic products.

Roth and Romeo (1992) predicted how the country's economy and politics, as perceived by consumers, the manner in which these factors influence consumer preferences for foreign products. The hypotheses, HO1 and HO2, rejected in this research meets with

predictions made by Roth and Romeo. The rejection of HO3 in this research converges with the findings of Verlegh and Steenkamp (1999) that consumers perceive products from technologically advanced countries as having a better quality.

As was used as human factors in this research, according to Obermiller & Spangenberg (1989), relationship with people, likability of celebrities, and other related factors influence consumers' product or brand attitude, which matches with the rejection of HO4 in this research. The most important hypothesis of this research, H0, which is rejected at the level of 0.01, is in line with many researches like, Bilkey and Nes (1982) and Peterson & Jolibert, (1995). Many researches show that consumers with high level of product knowledge are less likely to rely on COO cues for their product evaluation and purchase decision and are more likely to search for another product cues rather than COO. However, according to the result of this study, human factor is still influential even if consumers have product knowledge.

### **5.3 Recommendations for Future Research**

As the primary objective of research is to study the influence of COOI on consumers purchase decision, after reviewing literatures, four determinants, political dimension, economic dimension, technological dimension and human factors were used. But there are other factors which contribute to the building of COOI affecting consumers' purchase decision. So other researchers can take other variables into consideration in the future.

In this research, when the attitude of consumers towards COO, as well as the formation and effects of COOI on purchase decision was studied, difference in income, social status, travel experience and other issues that may bring about a different result, were not taken into consideration. So in the future, researchers can use a different research methodology to see different dimension of COO.

Only few researches found in the Ethiopian consumers' context and this research focuses on electronic products. Future researches can focus on so many other product categories, in order to see what difference may be revealed when consumers are dealing with different product categories.

This research adds to the pool of knowledge, regarding country-of-knowledge image and its effect on consumers' purchase decision. It can thus be used by future researchers, to further identify and investigate the factors shaping image of a country-of-origin and their effect on consumers' purchase decision.

#### **5.4 Limitations of the Study**

The major limitations of this research are as follows:

- Convenient sampling is used as a sampling technique.
  - The study is conducted only in, the nation's capital city, Addis Ababa.
  - The respondents are not classified based on their income, social status, life conditions and other differences in the respondents that might have affected the result.
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## Annex 1

Research Questionnaire:

Dear respondent,

I would like to invite you to participate in my research entitled “Country of Origin Image Effect on consumers’ purchase behavior of Electronic Products in Ethiopia”. This study considers electronic products in general because the aim is to understand the influence of electronic products country of origin on purchase decision of Ethiopian consumers.

The project is part of my M.A. in Marketing Management and is purely academic. As part of this research, I am trying to obtain the influence of country of origin that customers have on their mind in their electronic products purchase decision.

All information provided by you will be confidential.

Your views and participation on this survey is highly appreciated.

Kine Elias

Addis Ababa University, School of Commerce

### **Part A: Demographic Profile**

1. Gender:     male       female
2. Age:
3. Educational level:
4. Marital status:

### **Part B: Country of Origin Image**

1. I will form a favorable image of a country in my mind, if it has political system of my preference.
2. I will form a favorable image of a country in my mind, if it has high respect for human rights.
3. I will form a favorable image of a country in my mind, if it is peaceful.
4. I will form a favorable image of a country in my mind, if it is friendly to Ethiopia in world affairs.
5. I will form a favorable image of a country in my mind, if it has economic system of my conviction.
6. I will form a favorable image of a country in my mind, if it has high level of

industrialization.

7. I will form a favorable image of a country in my mind, if it has highly developed economy.
8. I will form a favorable image of a country in my mind, if it has high level of technological research.
9. I will form a favorable image of a country in my mind, if it is technologically advanced.
10. I will form a favorable image of a country in my mind, if it has highly skilled technical manpower.
11. I will form a favorable image of a country in my mind, if I like celebrities of that country.
12. I will form a favorable image of a country in my mind, if the people of that country are humble and friendly through direct or indirect experience.

### **Part C: Purchase Decision**

13. I use Country-of-Origin as a reference to evaluate quality of electronic products like, mobile phone, laptop, TV set, DVD player and fridge.
14. I believe that a country should have perceived strength and skill to manufacture electronic products like, mobile phone, laptop, TV set, DVD player and fridge.
15. I purchase electronic products like, mobile phone, laptop, TV set, DVD player and fridge originated from certain country to enhance my self-image.
16. I believe purchasing electronic products like, mobile phone, laptop, TV set, DVD player and fridge, originated from certain country will enhance my social status and pride.
17. I like to purchase electronic products like, mobile phone, laptop, TV set, DVD player and fridge, originated from countries which have positive relationship with my country.
18. I do not purchase an electronic product like, mobile phone, laptop, TV set, DVD player and fridge, if I don't like its Country-Of-Origin.

### **Part D: Product Knowledge**

19. When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if I am able to assess internal features of the product.
20. When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if I believe I have technical knowledge of the product.

21. When I buy an electronic product like, mobile phone, laptop, TV set, DVD player and fridge I don't use country-of origin image as a reference for my purchase decision, if country-of-origin no longer serves as an indicator of product quality because of the knowledge I have regarding the product.

For every question, a respondent is expected to choose one of the following:

- 1- Strongly disagree
- 2- Disagree
- 3- Neutral
- 4- Agree
- 5- Strongly Agree