



# **The Effect of Country-of-Origin on product purchase**

## **Intention**

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**June, 2015**

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# **The Effect of Country-of-Origin on product purchase Intention**

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**A thesis submitted in partial fulfillment of the requirements for the Degree of  
Master of Art in Marketing Management**

**Addis Ababa University  
College of Business and Economics  
School of Commerce  
Graduate Studies  
Marketing Management Program Unit**

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**Addis Ababa**

## Declaration

I hereby declare that this study entitled “*The Effect of Country-of -Origin on Product Purchase Intention*” is my original work prepared under the guidance of my advisor, Dr. Getie Andualem. This paper is submitted in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any diploma or degree in any college or university. I would like also to confirm that all the sources of materials used in this study are duly acknowledged.

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*Date:-*\_\_\_\_\_

## **Statement of Certification**

This is to certify that Eyob Yimer has carried out his research work entitled “*The Effect of Country-of-Origin on Product Purchase Intention*” in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management at Addis Ababa University College of Business and Economics School of Commerce. This paper is an original work and has not been submitted to any diploma or degree in any college or university.

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College of Business and Economics  
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Marketing Management Program Unit**

**The Effect of Country-of-Origin on Product Purchase Intention**

By

Eyob Yimer

**Approved by board of examiners**

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## Acronyms

COO	Country-of-origin
COM	Country of Manufacture
PI	Purchase intention
DM	Decision making dimension
QD	Quality Dimension
PD	Price dimension

## ***Abstract***

*This explanatory research paper is about Ethiopian consumers' product purchase intention towards the country of origin's effect. Today the world has become a small village. Products manufactured in one country are being sold in every country all over the world. So, this research is grounded on past study which suggests that COO impacts consumers' product purchase intentions. Using the formula, the sample size of the study with 95 confidence level and 0.5 level of variability is calculated to be 384. The current study is based on the data was collected by using self-administered questionnaire; responses received from 384 respondents selected on the basis of non-probability convenience sampling method was used where consumers were intercepted at shopping centers, university, offices found in the city. Correlation coefficient of Pierson was applied to study the relation between constructs and multiple regression equation was used to test the hypothesis of research. The statistical analysis resulted into three factors which were named as Decision variables, Quality variables and Price variables. The results indicated that the decision making and quality dimension components of country of origin significantly influence on consumers' product purchase intention. However, price dimension component of country of origin has no significance influence on product purchase intention. This study suggests that marketing managers should analyze image of a country in the minds of targeted consumers and marketers should be very careful about the quality and technology advancement of product they offering in the market place. The present study was not carried out based on selected products and specific country which can be raised as a limitation of the study.*

**Key Words:** *Country of origin, Product Purchase intention and Ethiopian consumer*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the study

With growth of globalization, the exchange of goods and services among countries of the world has increased. Consumers across the world are now facing with a variety of goods to choose from. One of the factors that influence consumers' behavior in the international market is country of origin (COO). Karami, Siahpoush, & Olfati, (2013) stated that the effect of COO relies on the fact that consumers differentiate between products from different countries.

Country-of-origin is defined as the country that a manufacturer's product or brand is associated with (Saeed, 1994). Traditionally, such country is called the home country. For some brands, country-of-origin belongs to a given and definite country, such as IBM belongs to the USA and SONY is a Japanese brand. Other definition for country of origin is given by Ahmed et al. (2004) that defines country-of-origin as the country that conducts manufacturing or assembling, which similar to the definition stated by Saeed (1994). Saeed (1994) indicates that country of manufacture (COM) represents the last location/country of manufacturing or assembling one product. Therefore, Saeed (1994) defines country-of-origin as the COM. In addition, Roger et al. (1994) report that there is no distinct difference between location of manufacture and location of assembly, and this causes no significant difference to customers concerning product appraisal.

Country of origin is an extrinsic cue used by customers in evaluation and shapes their perception, attitudes and intentions toward buying a product, which is known as country of origin effect

(Munjal, 2014). Roth and Romeo (1992) assert that country-of-origin effect means customers' stereotypes of one specific country. According to the definition stated by Johansson and Thorelli (1985), a country's stereotype means people in a country (or specific people) have stereotypes and preferences for products of another country. However, Saeed (1994) perceives that country-of-origin effect means any influences or preferences caused by country-of-origin and/or COM.

## **1.2. Statement of the Problem**

Degoma & Shetemam (2014) defined country of origin effect as any influence that the country of manufacture has on a consumer's positive or negative perception of a product. Country of origin assists as a cue using which customers evaluate a product's quality, performance and other attributes. According to country-of-origin effects, positive country reputation can influence international publics' behaviors to purchase products and brands made in the country. A product with a strong and positive country image has a fair chance of being accepted by the consumer easily as compared to the product from a negative country image.

As part of global economy, Ethiopia participates in international market by import and exporting goods and services. In fact, import of goods to the country out weights the exports made by the country. According to National bank of Ethiopia (2015), imports in Ethiopia increased to 3697.50 USD Million in the third quarter of 2014 from 3622.40 Million USD in the second quarter of 2014. Imports in Ethiopia averaged 2364.87 Million USD from 2006 until 2014, reaching an all-time high of 3697.50 Million USD in the third quarter of 2014 and a record low of 1355.50 USD Million in the second quarter of 2006. Ethiopia's main imports are foodstuffs, textile, machinery

and fuel while its main trading partners are China (18 percent of total imports), Saudi Arabia (13 percent), United States (9 percent), Russia and India.

The country of origin effect has been recognized as an important factor in consumers' purchasing decisions (Schooler, 1965). In fact, it has drawn great attention in the consumer buying behavior literature since the 1960s (Dichter, 1962; Schooler, 1965). With the increase in both import volume and number of partner countries, Ethiopia's consumers are faced with variety of products from different countries.

Therefore, this study stands to investigate the effect of country of origin on consumers' product purchase intention while evaluating products from different countries. This study not only focused on the general country of origin effect, but the specific components of COO and effects on consumers' product purchase intention. However, the study answers the questions on the effect of COO dimensions on the consumers' purchase intention.

### **1.3. Research Questions**

To examine the effects of country-of-origin on consumers purchasing intention of products to identify the key determinant factors based on which managerial recommendations are forwarded.

This study tried to answer the following questions:

- Can COO have impact on purchase intention in the Ethiopian market?
- Can the component of country of origin be applied in Ethiopian market?

## **1.4. Research Objective**

### **1.4.1. General Objective**

The main objective of this study is to investigate the effect of country of origin on product purchase intention in the case of Ethiopian consumers.

### **1.4.2. Specific Objectives**

- To identify the relationship between COO components and consumers product purchase intention.
- To determine which dimension of COO are more influential on consumers' product purchase intention.
- To examine the contribution of each dimensions on consumers' product purchase intention.

## **1.5. Definitions of key terms, concepts and variables**

- **Country of Origin:** refers to “the picture, the reputation, the stereotype that business people and consumers attach to products and services associated with a specific country (Lin and Kao, 2004:38).
- **Country of Origin Effect:** any influence that the country of manufacture has on a consumer's positive or negative perception of a product (Cateora & Graham, 1999).

➤ **Purchasing Intension:** Purchase intention referred to the subjective judgment by the consumers that is reflected after the general evaluation to buy a products or services (Hsu, 1987; Dodds et. al., 1991; Blackwell et. al., 2001 and Shao et.al. 2004). Based on the above literature, purchase intention covers several essential meanings: (1) consumers' willingness to consider buying; (2) buying intention in the future; (3) decision of repurchase. (Muhammad S., Abdul H. (2012). In this research, purchase intention is the possibility of a consumer's willingness to purchase a specific product.

## **1.6. Significance of the Study**

The concept of Country of origin effect is gaining importance among the marketers and researchers on buyer behaviors. There is a long on- going study on the broad subject of whether the country of origin of a product plays any part on determining the acceptance of that product in the market.

Country of Origin holds an influence over consumers' decision making process, which makes it important for marketers to fully comprehend how it impacts on their products. So, the result of this study is serve as a valuable decision making tool for Ethiopian managers and marketers. It will be enrich the existing literature in the field of marketing management and helps to decision makers on the business sector. And also, it's important to point out that managers would be better served to know how a particular country of origin compares to the images of competing producers, and to

know what kind of market penetration strategies to use to increase Ethiopian consumers acceptance of the products.

### **1.7. Delimitations/ Scope of the Study**

The investigation is measure the intension of Ethiopian consumers on the country of origin effect on product purchasing intention. The study is focus on consumer from Addis Ababa the Capital of Ethiopia. Money and time is the main constraints of this study because the investigator covers all the expenses of this study.

### **1.8. Limitation of the study**

While conducting the study, the researcher faced great shortage of resources such as books, journals, and materials which could serve for secondary data purpose. The other limitation was shortage of time.

### **1.9. Organization of Research Report**

The study is organized into five chapters. Following the introductory chapter, Chapter two gives a review of literature on consumer intention, product country of origin effect. It followed by Chapter three, which discuss the research design and methodology used in the study. Chapter four is deal with result and its interpretation. Finally, Chapter five presents the discussion and conclusions of the study.

# CHAPTER TWO

## REVIEW OF RELATED LITERATURE

### 2.1. Overview of Country of origin

The country of origin (COO) of a product is an important marketing element known to influence consumer perceptions as well as behavior. The country of origin of a product is an extrinsic cue which similar to brand name, is known to influence consumers' perceptions and to lead consumers to cognitive elaboration (Pappu *et al.*, 2006). Country of origin is known to guide to associations in the minds of consumers (Aaker, 1991; Keller, 1993). In the process of buying, consumers are not only concern about the quality and price of a product but also other factors such as the brand's country-of-origin.

On the other hand, some studies have shown that country of origin (COO) is one of the nonphysical i.e. intangible characteristics of a product which influences consumers' perceptions regarding product's attributes and quality (Balabanis and Diamantopoulos 2004, 80). It is a place of origin with which a product is associated through branding, promotion, and other means (Papadopoulos and Heslop 2002, 296). Internationalization of markets and introduction of multinational products has led to partitioning of the global COO concept into various subcomponents such as country of manufacture, country of design, country of assembly, country of parts and country of brand origin (Chao 2001, 69; Thakor and Lavack 2003, 396; Insch and McBride 2004, 257). Thus, it is important to understand the distinction between consumer perceptions of the country with which the product or brand is identified and the actual country of

manufacture. So, COO is defined as the brand origin in other words country which consumer associates with the product or brand, with no regard to the place of manufacture (Nebenzahl et al. 1997, 30).

According to research review by Verlegh and Steenkamp (1999, 522), a psychologist and marketing expert Ernest Dichter was the first to acknowledge that a product's COO has a "tremendous influence on the acceptance and success of products" (1962, 116). Three years after Dichter's statement the first empirical test in the field of COO effect was conducted by Robert D. Schooler in his article "Product Bias in the Central American Common Market" (1965). Schooler's (1965, 396) research results stated that there were remarkable differences in consumers' evaluations about products that were otherwise identical except for the name of the country appearing on the "Made in" label. From this groundbreaking publication began a systematic research of the COO, with most of the studies focusing on defining the occurrence, magnitude and significance of COO effects for different products (Verlegh and Steenkamp, 1999, 522). Another important publication in the history of COO research was an examination of the first 25 product-country image studies by Bilkey and Nes in 1982. Their extensive literature review discovered some deficiencies in the COO studies at that time, and accentuated the urgency for additional research on the subject; consequently the publication generated more attention and interest in the field (Bilkey and Nes, 1982, 95; Papadopoulos and Heslop 2002, 296).

In short, different scholars defined country of origin as the following.

- According to reference (Chao P. 1993), country of origin is: Country where the product is originally designed and manufactured.

- It is the country where the headquarters of the company marketing the product or the brand is located (Johansson J.K., Susan P. D., and Ikujiro N. 1985).
- Country of origin is the country of manufacture or country of assembly of products (Han C.M. and Trepstra V. 1988).
- Reference (Haubl G. and Elrod T. 1999) also defined country of origin as the country of assembly of a product implying the products produced (assembled) either in their brands home country (uni-national product), in countries other than the brand home country.
- Reference (Knight G. A. and Calantone R. Jj. 2000) defined country of origin as the factor that reflects a consumer's general perception about the quality of products made in a particular country and the nature of people from that country.
- For reference (Lim and O'Cass 2001) country of origin is simply country of design.

## **2.2. Country-of-origin effect**

Marketers and researchers have been drawn to the question of how consumers respond to products from other countries. The effect of country-of-origin image on consumers' purchase behavior has become a widely studied phenomenon. Country of origin (COO) effect is the phenomenon where consumer evaluates products based on his judgments of country of origin (Chrysochoidis et al. 2007, 1519). Country-of-origin effect is an important element for a company to build up a good brand image. COO means the country that the products come from.

The literature on country-of-origin effects is quite rich and covers the topic from different perspectives in different countries. Majority of the studies have supported a strong direct relationship between the "made-in" label, the perceived quality of, purchase intent for and attitude

towards products (Verlegh, P.W.J and Steenkamp, J.E.M. 1999). Research shows that the producing country affects perceptions of a product's attributes and consumer's judgments of product quality (Maheswaran, Durairaj, 1994). "A country's image regarding workmanship, innovation, and technological advancement, logically will be projected onto the features of products produced by that country" (Acharya, C. and Elliott, G. 2001). Furthermore, findings indicate that consumers hold stereotyped images of certain countries and that these images affect their perception about the country (Wall, M., Liefeld, J. and Heslop, L.A. 1991). These stereotypes vary from country to country. However, country stereotypes are often well established and tend to be enduring over time.

According to Cateora PR, Graham JL (1999); country of origin effect can be defined as any influence that the country of manufacture has on a consumer's positive or negative perception of a product. With increasing availability of foreign goods in most national markets, the country of origin cue has become more important as consumers often evaluate imported goods differently than they do competing domestic products. Nowadays, more companies are competing on the global market, and these companies manufacture their products worldwide and the location where they manufacture the products might affect the perception of the consumer on the quality of the product based on the country where the product is produced (Bilkey WJ, Nes E 1982).

According to the past literature; Kabadayi (Kabadayi S, Lerman D 2011), the impact of COO on buyers 'intention, assessment and perception has been the most studied topic in marketing, business and consumer behavior field for past few decades. A lot of researchers have attempted to find effects of COO on product evaluations, attitudes toward the product, purchase intention and

purchase choice. Lantz and Loeb (Lantz G, Loeb S 1996) demonstrated that impact of COO is similar to brand, price and quality but it can be stronger.

Companies operating in today's, highly internationalized markets consider product differentiation the key priority in pursue to attain a constant competitive advantage in challenging global environment (Baker and Ballington 2002, 158). The main driver affecting companies' differentiation actions was described as early as 1912 by one of the marketing pioneers A. W. Shaw (1912, 710) as meeting human wants more accurate than the competition, and thus increasing customers' perceived value and satisfaction. Dickson and Ginter (1987, 2) point out in their study based on earlier research by Chamberlin (1965) and Porter (1976) that differentiation can be based on either tangible characteristics of a product such as design or intangible characteristics such as a brand name and country of origin (hereafter referred to as COO).

In addition, few researchers have examined the COO is a feature that has the potential to enable company's competitive advantage by distinguishing the product from competitors' offerings, and thus strengthen company's market position. Keller (1993, 9) points out in his study that one of the effects of COO is that consumers with favorable attitude towards products originating from a certain country are more willing to pay premium prices, which comes across as notable profit to the company. The concept of country image effect embodies the economic value of brands and it has been generally noted that international marketers are beginning to realize just how much equity can be added through rational utilization of COO (Shocker et al.1994, 150; Pappu et al. 2006, 697). Thus, some recent studies that investigated, the effects of country-of-origin (COO) upon consumer perceptions, and purchase intentions remain of interest to marketing researchers, Bloemer et al.

(2009). The COO concept evolved into a more complex notion as global production operations became increasingly diverse and new market opportunities emerged in both developed and developing countries. Initially, the notion of the COO was perceived as analogous to the "made-in" country, Dichter (1962), (Nebenzahl et al. 1997). In today's increasingly competitive business environment, more and more international companies are willing to seek production in less developed countries. The large body of existing research has recognized the importance of Country of Origin (COO) effects on consumers' product evaluations and purchasing decisions, Bilkey and Nes (1982), Al-Sulaiti and Baker(1998).

### **2.3. Purchase intension**

Past research has shown that the image associated with country of origin plays a significant role in consumers' purchase intention of products. It is accepted that country of origin serves as a signal, enabling consumers to make an instant decision. Nowadays, the international trade market is very competitive and there are many new ideas on the market to attract customers. In this case, customers have many alternatives for buying products; however, there are many elements that have an effect on product success and customer purchase intention. Scholars define purchase intention as personal action tendencies according to brand. They have also concluded that intention is different from attitude. While attitude means evaluation of products, intention is the person's motivation in the sense of his or her intention to perform behavior. Another definition declares that purchase intention is the individual's awareness to make an attempt to buy a brand (Shabbir, M. S., Kirmani, S., Iqbal, J., & Khan, B. 2009).

Also, other researchers believe that purchase intention is “what we think we will buy” (Park, J. 2002). It also describes the feeling or perceived likelihood of purchasing the products that are advertised, moreover, purchase shows the level of loyalty to products. Other scholars like Daneshvary and Schower (2000) believe that purchase intention has a relationship with demographic factors like age, gender, profession and education (Lu, M. 2007). There is another statement that shows that particular features of products, perception of consumers, country of origin and perception of country of origin, all have an influence on customer purchase intention (C. L. Wang, Li, Barnes, & Ahn, 2012). Purchase intention can also be defined as the decision to act or physiological action that shows an individual’s behavior according to the product (X. Wang & Yang, 2008). Intent to purchase is a kind of decision in which studied why a customer purchases a brand in particular. Constructs like considering something purchasing a brand and anticipating to purchase a brand aids to scope the intentions of purchasing (Porter, 1974). Porter (1974) also elaborated customers’ intention to purchase a focused brand is not merely by his same brand attitude, but also by his attitudes leading to other brands in choice of set considered. Schoen bachler (2004) explained a type of loyal customer, whose purchase decision is insensitive to pricing and the show their loyalty by suggesting positive recommendations to firm and even investing money in the brand which show their extreme trust in the brand. Porter (1974) explained that customers buying behavior also depend on the level of existing competition in the industry. Wang (2004) told that people of China who have affordability expensive imported branded items of clothing, they are becoming receptive in large number to fashionable styles internationally and demand for imported brand products increasing due to variations in behavior of the consumer as well as growing purchasing power. According to Rajagopal (2006) under these circumstances, customers must depend merely on extrinsic attributes of the product.

Thus, sovereignty of the consumer rely on saving decisions which want that the individual effectively finds income view of current and future consumptions (Redmond, 2000). To do so consumers should obey their practices in the past for the products in particular type (e.g. brand loyalty or habitual buying) in formation of the decision for the purchase of the product (Terrell, 2002). According to Sproles and Kendall (1986), a consumer's decision making style is "a mental orientation characterizing a consumer's approach to making choices". (Syed Saad Hussain Shah, 2012).

#### **2.4. Country of origin and Purchase Intention**

Studies about country of origin effect have shown how country image can influence customer opinion about product quality (Bilkey & Nes, 1982; Papadopoulos & Heslop, 1993). Scholars have concluded that it has a direct effect on the perception about product quality (Laroche, et al., 2005). Others view this country image as reflecting consumers' general perceptions about the quality of products made in a particular country and the nature of people from that country (Johansson JK, Douglas SP, Nonaka I 1994).

COO effect is concerned with how consumers' perceive products sourced from a particular country (ChinenK, JunM, HamptonGM 2000). Extant literature indicated that COO influence can be traced to product assessment and decision making processes as it affect consumers' prediction of likelihood of specific features of products manufactured in a certain country (Zain OM and Yasin NM 1997). A number of studies have indicated consumers' bias favor of products from developed nations such as USA, European countries and Japan. This usually associated with high levels of economic and technological development (ChinenK, JunM, HamptonGM 2000) which translate to

high quality and better performance of products. Cordell (1992) explains COO as an important cue in the theory of decision making process. Elliot and Cameron (1994) also believe COO to have negative or positive influence on consumer's decision making process.

Additionally, researchers have demonstrated that product characteristics and customer information about sources of the country about manufactured goods have an effect on purchase intention. The effect of country image on purchase intention is a basic control, as a result, there is a connection between cognitive country image and purchase intention. The cognitive country image can be the technological and economic level of the country, which can influence the product image related with the workmanship and design of the country. Other researchers believe that country image has an indirect influence on purchase intention. When people are familiar with the product, they tend to use country of origin as data for intention to purchase (Chen, et al., 2011).

## **2.5. Influence of Country of Origin on Purchase Intention**

The influence of COO on product evaluation and purchase intention has been studied since the 1960s. Many researchers who have conducted surveys on country of origin effects on consumer behavior (Cordell in 1992, 2005, Nagashima in 1970 and Roth and Romeoin 1992) believe that country of origin is a significant factor in influencing international marketing. The findings show that consumers evaluate goods from developing countries unfairly because of the previous beliefs of people; therefore, developing countries have a problem with this issue and face unjust evaluation. Studies have also shown that this effect differs among people similar to brand,

guarantee and price, which contrasts to other tangible characteristics. In addition, buyers use country of origin as an indicator of a product's quality (J. K. Lee & Lee, 2009).

The history of the literature about country of origin goes back over 40 years, and explores whether or not the 'country of origin' of a product has an effect on consumer purchase intention (Zeugner-Roth & Diamantopoulos, 2010). The progress of globalization means that the customer's assessment according to the country of origin is more complex than before. There is considerable literature on this issue from the 1980s, which demonstrates the clear proof of country of origin influence on consumers 'purchase intention and evaluation'. Lou and Johnson (2005) concluded that COO can be a predictor for customer thoughts and preference trend. Studies show that as an extrinsic cue, country of origin helps people in judging. This happens because evaluating extrinsic cues is more convenient than intrinsic attributes, and the important thing that should be considered is that the country of origin effect is involuntary on people's evaluation. (Dagger & Raciti, 2011);(Powers, N., & Fetscherin, M. 2008);(Yasin, et al., 2007)

According to another literature review; COO can have a positive or negative impact on customer intention, according to every effect that the country of manufacture has on the perception of the buyers. In this competitive market, companies have an opportunity to participate in the global market; therefore, the accessibility to foreign products is improved. In this situation, the role of the country of origin is more significant than before in which only domestic goods were available. In this day and age, the place of manufacture may influence people's insight in their evaluation of the quality of products. (Ghazali, et al., 2008)

Therefore, when the number of international companies increased with globalization, more research was required about the performance of customers to lead marketers and managers in the global market. One of the most important subjects that have been studied for many years is consumer behavior, which is capable of affecting country of origin from a different perspective. One of these perspectives is that customers basically use COO as an indicator among many attributes of a product for assessing the product. Another point of view is that buyers may use the “halo effect” according to country of origin for their purchase behavior. This also plays a considerable role in customer thinking when choosing from a wide range of products. Every person has a special attitude towards his or her purchase behavior and the parameters that influence it; even people who live in the same country with the same beliefs have different buying behaviors. As studies have demonstrated before, COO still affects this issue. (Ghazali, et al., 2008)

Another scholar, in 1989, concluded that there are different understandings of country of origin’s effect on product evaluation. First, COO has an impact on observations concerning specific products that can be extended to the whole product evaluation. Second, the country of origin also controls customer opinion about the country and overall goods that have been manufactured in that country; therefore, this perception may have a positive or negative effect on explanation of other data for specific product. Another point of view is that COO is a prominent factor that motivates concerns about the country of origin of the product, and, generally, product evaluation. Lim and Darley, in 1997, added that countries with a weak picture have a higher risk in making purchase intention (Ahmed, Johnson, Ling, Fang, & Hui, 2002).

Scholars like Fishbein and Ajzen (1975) supposed that purchase intention could be labelled as an assessment of the act of buying, “or psychological situation which presents a special perception towards particular behavior”. Hsieh (2004) believed that the origin of customer attitude has a relation to purchase intention according to customer attitude. Lin and Chen (2006) also concluded that COO has a direct relationship with purchase intention (X. Wang & Yang, 2008).

## **2.6. Past Empirical Research on Country of origin**

In the specific context of the country-of-origin field, there is a high level of interest in researching the effects and impact of country-of-origin as an extrinsic product/service cue and therefore a review of the literature may be regarded as timely and useful. This level of interest may be attributed, at least in part, to increasing economic globalization which has resulted in the lowering of trade barriers between nations and the consequent availability of more foreign products and services across borders than ever before. In such circumstances, many products and services highlight their country-of-origin as a potential competitive differentiator in their respective markets.

Country-of-origin thus represents an important area for consumer behavior research and has attracted much attention by marketing scholars. From 1965-1982, beginning with Schooler’s study of country-of-origin effects in the Central American market (Schooler, 1965) and ending with the widely cited Bilkey and Nes study of country-of-origin effects on product evaluations (Bilkey and Nes, 1982). The Bilkey and Nes article summarized country-of-origin research to that point in time, qualitatively evaluating the results of twenty-five country-of-origin studies. The 1965- 1982 period in the country-of-origin research is characterized by a development from simple single cue

studies-where country-of-origin is the only product cue to be manipulated-towards more complex investigations such as that by Bilkey and Nes (1982) into the generalizability of country-of-origin effects.

From 1983-1992, witnessed a further increase in the volume of country of- origin research. Johansson, *et al* (1985) questioned the findings of earlier studies and claimed that previously conducted research may have overstated the significance of country-of-origin effects, particularly where a multi-attribute approach was not used. Conjoint analysis used by Ettenson, *et al* (1988) supported the contention of Johansson, *et al* (1985) that contrary to earlier contributions to the literature, other product cues such as price and quality may have a stronger effect on consumer product evaluations than country-of-origin information.

From 1993-2004, is characterized by a proliferation of different streams of research many of which seek to reconceptualise country-of-origin in terms of brand origin (Thakor and Kohli, 1996), product-country image (Papadopoulos and Heslop, 3 1993), and contextualized product-place image (Askegaard and Ger, 1998). This period, 1993-present day, has also seen a growing recognition that country-of-origin effects should be examined in relation to services and not exclusively in relation to tangible products (Harrison-Walker, 1995; Al-Sulaiti and Baker, 1998; Webb and Po, 2000; Javalgi, Cutler and Winans, 2001). In post-industrial economies, the service sector is facing unprecedented change and globalization is one of the main drivers of this (Laing, Lewis, Foxall, and Hogg, 2002); it may therefore be conjectured that country-of-origin will assume increasing relevance in the service sector. (Keith Dinnie, 2003).

## 2.7. Significance of COO studies in today's environment

As the manufacture of products and the search for new markets increases globally, understanding consumer choice preferences related to a product's country-of-origin becomes increasingly important. Success in the changing global marketplace will require firms to more fully understand their position in this regard. Given the rapid growth and market opportunities that are available in developing countries, it becomes important to obtain information for these markets. (Niss, H. 1996)

Several studies have extensively documented that significance of research on COO. Based on the above studies, this positive or negative country stereotyping is an important factor for international firms to attempting to enter foreign markets. Consumers' attitudes toward imports from various countries can vary significantly from one country to another. Even consumers in the same country can have significantly different perceptions of the country-of-origin. It follows that it is necessary to identify country-of-origin impacts on each country that a firm is considering exporting to and doing this on a timely basis.

In general, a product is analyzed along two kinds of variables:

1) *Intrinsic variables* (e.g.: taste, design, performance, etc.) which are an integral part of the product

2) *Extrinsic variables* (e.g.: price, brand, warranty, country of origin etc.) which are potential sources of information to the consumer before consumption.

COO image is defined as “the overall perception consumer’s form of products from a particular country, based on their prior perceptions of the country’s *production and marketing strengths and weaknesses*”. Thus, COO represents a critical information cue to consumer’s attitude and likelihood of purchasing products.

There are several guidelines in considering the country of origin:

- First, consumers in developed countries have a general preference for domestic products.
- Second, consumers do not use the country of origin as an isolated evaluation criterion.
- Third, the influence of country of origin tends to be stronger when the consumer is not familiar with the product or manufacturing company.

### **2.7.1. Relevance of studying country of origin effects**

According to Vandana Munjal, (2014), the concept of country of origin has emerged years or we can say decades ago. We have already studied that it was used as an identification mark and also for signaling quality. During 16th century, whiskey distillers started to use actual brand names and throughout 18th century, brand concept evolved. During 19th century, producers tried to enhance the perceived value of their products through consumer associations with brand names. During second half of 20th century, internationalization expanded rapidly. Closed economies such as India and china opened up their economies. With concept of new trade theory (1970’S) companies from all over the world joined each other in the race to achieve economies of scale. With a view to gain competitive advantage, companies started locating the production to their optimal locations (John

dunning-LOCATION SPECIFIC ADVANTAGES). Optimal location refers to those locations where cost of production is minimal and has an ease to accessibility of raw material, skills required for production. (Hill & Jain)

With all this, country of origin labels found to be irrelevant. Levitt (1983) gave the concept of global brands. He said that with globalization, a global class of consumer is emerging having similar tastes and preferences (Global youth segment). Therefore there is a need for standardization rather than differentiation, Global corporations rather than Multinational corporations and hence global brands rather than multinational brands. Therefore with this theory of Levitt, country of origin labels and study into their effects found to be irrelevant.

The concept given by Levitt is true only for certain category of products and applies only to certain category of consumers. Even with the globalization, this concept seems far away from reality. This is because still there is class of consumers, who have this strong desire of belongingness to the place they identify with. This however becomes difficult to satisfy in globalizing world. This is what we call as “Paradox of Internationalization”. Belk explains this concept through Newton’s principle “that for every action there is equal and opposite reaction”. The opposite reaction in this case is, consumer perceives internationalization as direct threat to their identity and there bend up in loving their region more. This attachment encourages them to buy locally produced goods as reassurance to their identity.

Secondly, standardization and lower costs have resulted in an urge to buy something different in customer. They want variety but unique distinctiveness in product. In this case regional products

can be offered to them as alternative to the standard global brands. Two unique characteristics of regional products are:

- 1) They provide a unique selling point in comparison to global brands.
- 2) They are rare and constitute a status symbol and specialty good because special effort has to be made for their purchase. Vandana Munjal, (2014)

Thus, it is relevant to study COO effects on consumer purchase intention. Our next section deals with various works that has taken place realizing the importance of this area and its possible implications on marketer.

## **2.8. Research review of COO from Ethiopian consumers' perspective**

Country of origin effect can be defined as any influence that the country of manufacture has on a consumer's positive or negative perception of a product (Cateora PR, Graham JL 1999). With increasing availability of foreign goods in most national markets, the country of origin cue has become more important as consumers often evaluate imported goods differently than they do competing domestic products (Bilkey WJ, Nes E 1982). Nowadays, more companies are competing on the global market, and these companies manufacture their products worldwide and the location where they manufacture the products might affect the perception of the consumer on the quality of the product based on the country where the product is produced.

Although, a lot of research were undertaken on the influence of COO in industrialized countries yet studies on its effect in developing countries have remained relatively low (Insch GS, McBride

JB 2004). According to them the transitional economies are very promising for its growth potential and are distinctive from developed nations. Even the results found in previous studies conducted on developed nations may not be applicable for developing nations.

Moreover, no ample study has been carried out on the influence of country of origin image on purchase intension in the context of Ethiopia, one of the developing countries in the world with varied ethnic and cultural diversities. Thus, increased globalization has attracted interest in Country-of-Origin (COO) research and how they affect decision-making (Papadopoulos N and Heslop LA 1993). The best of the researcher knowledge, very few researches have related to the characteristics of Ethiopian consumer's so the information is still limited. But few researches have explored related with Ethiopian context. Degoma A., Shetemam E (2014) research on the impact of country of origin image on purchase intention: A case study on Bahir Dar University instructors. The main finding of the study has indicated that the effect of country of origin is more important on perceived quality than on purchase intention. And also, the impact of domestic and foreign country-of-origin image on both perceived quality and purchase intention of Ethiopian consumers had been positive and significant, implying that the country-of-origin image affects positively the purchasing decisions and the judgments of perceived quality of domestic and foreign products.

According to Aynadis Z., (2014) investigated the 'made-in' effect: effect of country of origin on consumers buying decision of cloths (A case of COO'S effect on Mekelle university students). In this finding it is discovered that product specific cues like quality and design of cloths, which differ according to the country of origin, significantly affect their buying behavior. Moreover the students' opinion towards country of origin is discussed and students perceive that it is really important to know the COO before purchase decision.

The study conducted with the Chinese product, Arun Korath, Sangheethaa S, Berhanu G. (2014), they are studied on “Attitude towards buying behavior of apparels made in china with reference to dilla (Ethiopia)” and the findings of the research work is indicated that attitude of Dilla consumers for apparels made by China are not positive. And also, the analysis that the apparels manufacturing companies need to improve the quality to increase their share in market.

Another research, related with pharmaceutical drug, Ayalew N., (2014) studied on country of origin effect on Ethiopian consumers’ evaluation of Indian pharmaceutical drug; in general the finding is Ethiopian consumers hold favorable overall country image and perception of India but have negative impression towards its medical products specially, pharmaceutical drug. And the finding suggests that the awareness levels of Indian pharmaceutical drug need to be raised possibly by Indian pharmaceutical product importers.

According to the above studies, there is few researches are done COO effect in Ethiopian consumer’s context but still they are not well enough for the managerial decision making and dynamic market environment. Several studies have extensively documented that country of origin influences on product evaluations. In general, evaluations of a country associated with a product leads to a corresponding favorable and unfavorable evaluation of a product (Gurhan-Canli Z, Maheswaran D 2000). With increasing availability of foreign goods in most national markets, the country of origin cue has become more important as consumers often evaluate imported goods differently than they do competing domestic products (Bilkey WJ, Nes E 1982). Nowadays, more companies are competing on the global market, and these companies manufacture their products

worldwide and the location where they manufacture the products might affect the perception of the consumer on the quality of the product based on the country where the product is produced.

A study on the effect of country of origin on product purchasing intention from the decision making, price and quality dimension has been not studied in our context (to the best of the researchers' knowledge). Recognizing the country-of-origin effect on consumers' buying intentions and quantifying the effect not only will help consumers understand the rationality of their purchase behavior, but also will help international producers and marketers. Previous researchers found that country-of-origin image is of one of the most immediate interests for products which are marketed in a country other than the one in which they are produced (Papadopoulos, 1993). This research helps to fill the gap by examine the effect of country of origin on purchase intention and provides insights regarding the components of country-related that drive behavioral intentions and which, therefore, need to be considered when developing international marketing strategies, etc.

## **2.9. Conceptual Framework of the study**

To investigate the assumptions presented in this study the appropriate theoretical framework shall be introduced. The country of origin denotes the home country for a company or the country that consumers infer from brand name (Han and Terpstra, 1988). Nagashima (1970) had first conceptualized the country-of-origin phenomenon as the image that consumers associate or attach to products of a specific country. This image is an outcome of the national characteristics economic status, culture, traditions and the representative products (Nagashima, 1970). Saeed (1994) defines that COO as the country that a manufacturer's product or brand is associated with called the home country. For example Toyota is a Japanese brand, Maruti is an Indian brand, and

Mercedes belongs to Germany etc. Parameswaran and Yaprak (1987) view country image as consumers general perceptions about the quality of products made in a particular while Srikatanyoo and Gnoth (2002) view it as the defined beliefs about a country's industrialization and national quality standard.

Based on the arguments in the literature review section above, this study aims to investigate the effect of three dimension of country of origin on product purchase intention, those factors which is decision making, price and quality dimension (independent variables) were investigated regarding their effect on Ethiopian consumers product purchase intention (dependent variable). The framework for this study is as follows:

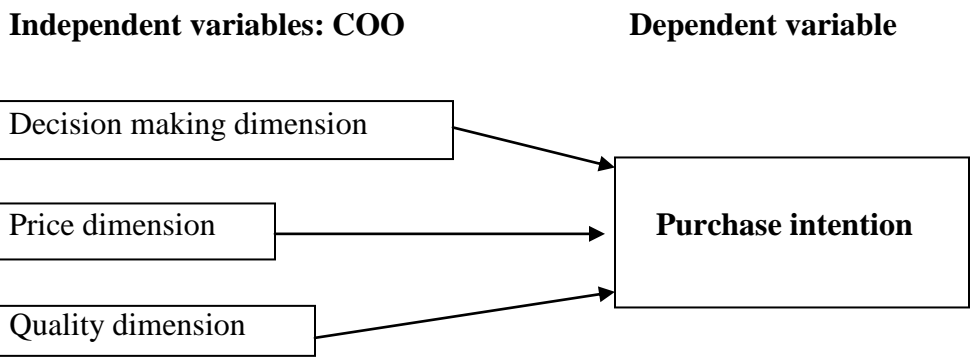


Figure 1: Conceptual framework

In order to answer the research question of the study, the researcher identifies the following hypothesis:

**H1a:** Decision making component of COO will be significantly and positively correlated with consumers' product purchase intention.

**H1b:** Quality dimension of COO will be significantly and positively correlated with consumers' product purchase intention.

**H1c:** Price dimension of COO will be significantly and positively correlated with consumers' product purchase intention.

**H2a:** Decision making component of country of origin will have a significant positive effect on consumer purchase intention.

**H2b:** Quality dimension of country of origin has a significant positive effect on consumer purchase intention.

**H2c:** Price dimension of country of origin has a significant positive effect on consumer purchase intention.

As the purpose of this study is to assess the effect of COO on consumers purchase intention, thus, the theoretical frame work leading to the development of this study is based upon the previous literature review and the gap that has been identified.

## **CHAPTER THREE**

### **METHODS OF THE STUDY**

#### **3.1. Research design**

This study is an explanatory research to find out the intention of Ethiopian consumers towards the country of origin's effect on product purchase. The study depends on primary data to be collected through self-administered survey questionnaire.

The study also depends on secondary sources of data such as different research articles, books and other publications to review literatures in the study area.

#### **3.2. Sample & Sampling techniques**

Target population for this study is residents of Addis Ababa city who are 20 years of age and above. The study population in this case is considered to be infinite. Thus, for sample size determination, the sampling calculation method suggested by Cochran (1963) inferring to the infinite number of population and confidence level at 95% is used.

$$ss = \frac{Z^2 pq}{e^2}$$

Where,

ss= sample size

z= the standardized value

p= level of variability

q=1-p

e= the level of precision

$$ss = \frac{1.96^2 * 0.5 * 0.5}{(0.05)^2} = 384$$

Using the formula, the sample size of the study with 95 confidence level and 0.5 level of variability is calculated to be 384.

In drawing the samples, non-probability convenience sampling method used where consumers were intercepted at shopping centers, university, offices found in the city. Non probability sampling is a sampling technique in which some units of the population have zero chance of selection or where the probability of selection cannot be accurately determined (Bhattacharjee, 2012).

### **3.3. Source of Data collection**

Primary data collected by using self-administered survey questionnaire which has five parts. Part I collect data on demographic information of the respondents. Part II collected data on decision

making dimension. Part III collected data on quality dimension. Part V collected data on the price dimension. Part IV collected data to measure purchase intention of the target respondents. The tool which contains 16 items measured by Likert Scale 1 "strongly disagree" to 5 "strongly agree".

All measures of the constructs of this study employed have been tested and used in previous studies and they were modified with great care in this study to reflect the characteristics of Ethiopian consumers. The modification is made specifically with wordings.

**COO effect:** The scales of country-of-origin effect are measured on 14 statements would also relate the consumers' intention about the country of origin. The items used in the questionnaire are adopted from the valid scale developed by Darling and Wood (1990). The statistical analysis resulted into three factors which are named as decision making dimension, quality dimension and price dimension. The three factors contained eight, three, three variable respectively.

**Purchase intention:** purchase intention, the ultimate dependent variable of this study, was measured by two items used in previous studies and it modified with regard to contexts and wordings, "I would not like to purchase any products without the consideration of country of origin and I would not recommend others to purchase products without the consideration of COO" (Dodds WB, Monroe KB, Grewal D 1991).

**Dependent and Independent variable:** The dependent and independent variables of the study are presented. The dependent variable for the research is product purchase intention. And also the independent variables of the study are the three components of COO effect which are decision making, quality and price dimension.

### **3.4. Procedure of Data Collection**

Data were collected by using self-administered questionnaire in different location of the Addis Ababa city like shopping centers, university, offices. First the data collector introduce him/herself and brief the purpose of the research and then after he/she get the consent provide the questionnaire to the respondent and immediately collect filled questionnaire. This was taken maximum of 10-15 minutes.

### **3.5. Method of Data analysis**

Self-administered questionnaires were distributed and collected the data from the consumers. In order to analyze the data that would be collected from the respondents, the researcher used different analysis method. The survey results and analysis of the data are presented and interpreted in tables. SPSS version 20.0 software were applied to analyze the collected data. Cronbach's  $\alpha$  value was used to test the reliability of questionnaire and Pierson's correlation coefficient to investigate the relation between variables. In the demographic section, the data were analyzed by using descriptive method. For the analysis part, the data were analyzed by descriptive, correlation and multiple regressions in order to check the effect of those components on purchase intention and to show their relationship.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1. Reliability Analysis

To assess the reliability of questionnaire, Cronbach's  $\alpha$  value was applied. Reliability is done to confirm the internal consistency of all measured items in the questionnaire. The conclusion shows that Cronbach's  $\alpha$  value of each variable was more than 0.7 and above. It means high alpha is good. As shown the below table, the study established the scale as having reasonable reliability with Cronbach's alpha of items were calculated and found to be 0.805 which is greater than 0.7, this instrument was recognized reliable.

Table 1: Case Processing Summary

	N	%
Valid	384	100.0
Cases Excluded <sup>a</sup>	0	.0
Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Source: Own survey, 2015

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.805	16

Source: Own survey, 2015

## 4.2. Findings

### 4.2.1. Respondents profile

A total of 384 respondents participated in this research. Table 1 shows a summary of demographic profiles of the respondents.

Table 3: Summary of demographic profile

Demographic Profile		Total in % (N=384)
Gender	Male	204
	Female	180

Age	20-30	226
	31-40	111
	41-50	24
	51-60	16
	>=61	7
Educational Status	Primary school	9
	High school	24
	Certificate	13
	Diploma	65
	Degree	240
	Masters	32
	Doctorate	1
Job	Government	152
	Private	217
	Student	12
	Unemployed	3
Monthly Income	<=1000 Birr	16
	1001 - 2000 Birr	22
	2001 - 3000 Birr	31
	3001 – 4000 Birr	78
	4001 – 5001 Birr	102
	>=5001 – 6000 Birr	135

Source: Own survey, 2015

Table 3 exhibits the majority of participants aged between 20 - 30 years old (58.9%). Female respondents are accounted for 53.1 percent of the total number of respondents. The highest education for the most respondents is the degree holders (62.5%). The majority of respondents earned RM  $\geq$ 5001 - 6000 monthly income (35.2%) while most respondents are private workers (56.5%).

#### 4.2.2. Descriptive statistics

Descriptive analysis is used to look at the data collected and describe that information. In this section, the respondents answer present in the form of table. The tables contain mean and standard deviation of their response. Mean value provides the idea about the central tendency of the values of a variable. Number of observations of the variable is 384. Standard deviation and the extreme values which means minimum in comparison to maximum value give the idea about the dispersion of the values of a variable from its mean value. The descriptive data including, mean, and standard deviation of the study variables was obtained and shown in below table.

Table 4: Summary of descriptive data

Measurement Items (COO)	Mean	Std. deviation
<b>Decision making dimension variables</b>		
When buying expensive items such as a car, TV or refrigerator, I always seek to find out what country the product was made in	4.52	0.80

I feel that it is important to look for a country of origin information when deciding which product to buy	4.34	0.89
If I have a little experience with a product, I search for country of origin information about the product to help me make a more informed decision	3.99	1.02
I refuse to purchase a product without knowing its country of origin	3.17	1.22
When I am buying a new product, the country of origin is the first piece of information that I consider	4.04	1.33
I find out a product's country of origin to determine the quality of a product	4.15	0.89
To purchase a product that is acceptable to my family and my friends, I look for the product's country of origin	3.97	1.80
I look for country of origin information to choose the best product available in a product class	3.97	0.94
<b>Quality dimension variables</b>		
To make sure that I buy the highest quality product or brand, I look to see what country the product was made in	3.98	1.01
When purchasing a product, I believe country of origin will determine the technological sophistication of the product	3.79	1.08
When buying a product that has a high risk of malfunction, for example a digital camera, a person should always look for the country of origin	3.89	1.06
<b>Price dimension variables</b>		

A product's country of origin does not determine the quality of the product	3.06	1.38
It is less important to look for country of origin when buying a product that is less expensive such as a shirt	2.88	1.23
Seeking country of origin information is less important for inexpensive goods than for expensive goods	3.41	1.26

5-point Likert scale; 1 = strongly disagree, 5 = strongly agree

Source: Own survey, 2015

Based on the descriptive data in Table 4, respondents are provided with different items so that they will reflect their opinion about the country of origin effect.

The questions were formed using the five rating likert scale and the mean and standard deviation of the consumers' response are shown in the table above. Consumers believe that it is important to know country of origin when they purchase different products (mean=4.5286, SD=0.80092). They feel that it is important to look for a country of origin information when deciding which product to buy (mean=4.3438, SD=0.89767). This shows consumer's belief in that the decision making component of country of origin has implication on their own purchase decision.

The consumers having little experience on a particular product would depend on the country of origin information for the purchase of the product supported by the mean value (mean=3.9948, SD= 1.02194). According to literature, the influence of country of origin tends to be stronger when the consumer is not familiar with the product or manufacturing company (Niss, H. 1996). They strengthened their idea that refusing to purchase a product without knowing its country of origin

(mean=3.1719, SD=1.22491). So when they going to purchase a product the country of origin considered.

The consumers' also they refuse to the product were in they are not able to gather the information related to the country of origin which is supported by the mean value (mean=4.0443, SD=1.33271). Here consumers are highly interested to know the products origin of country. They also find out a product's country of origin to determine the quality of a product supported by the mean value (mean=4.1563, SD=.89476). According to the mean value, consumers are finding out the country of origin they consider the quality of products.

When we see the rest of the two questions which are measured the decision making dimension effect of country of origin, consumers are look the country of origin (mean=3.9766, SD=1.80425) and also they depend on the views of the family and friends for making decisions while purchasing a product supported by the mean value (mean=3.9740, SD=.94460). So the value leads up to the conclusion that for buying a product which is acceptable by the members of the family and for friends the country of origin plays a significant role.

The statistics showed that the respondents are to make sure that they buy the highest quality product or brand; they look to see what country the product was made in which is evident from the mean value (mean= 3.9844, SD= 1.01156). They also, when purchasing a product, they believe country of origin will determine the technological sophistication of the product supported by the mean value (mean= 3.7969, SD= 1.08654). Products having high risk of malfunctioning and with high technological sophistication are one of those products whose country of origin is important

information which is looked upon by the customers for making decision on the purchase of the product.

The mean value shows that the customers agree to the fact that the countries with high technological sophistication and high economic development are the countries on which the consumers can depend for buying the product. From the quality dimension; consumers believe when buying a product that has a high risk of malfunction, for example a digital camera, a person should always look for the country of origin supported by the mean value (mean= 3.8932, SD= 1.06281).

According to the price dimension items from the above table; consumers' have agreed that they products country of origin does determine the quality of the product supported by the mean value (mean=3.0625, SD= 1.38105). The consumers also depend on the country of origin when buying a product that is less expensive such as a shirt supported by the mean value (mean= 2.8880, SD= 1.23714). And also consumers are seeking country of origin information for expensive and inexpensive goods supported by the mean value (mean= 3.4115, SD= 1.26304).

### **4.2.3. Correlation Analysis**

The relationship between the predictor and criterion variables was examined using correlation analysis and the results are presented in this section. Computing correlation between dependent and independent variables facilitate a way to see the magnitude, significance and direction of the

relationship between the variables. The main focus of this section being on the overall relationship between the dependent and independent variables in table 5.

Correlation coefficient of Pearson was applied to study the relation between constructs. The results are listed in the above table. According to Ratner (2014) correlation Values between 0 and 0.3 (0 and -0.3) indicate a weak positive (negative) linear relationship via a shaky linear rule, Values between 0.3 and 0.7 (0.3 and -0.7) indicate a moderate positive (negative) linear relationship and values between 0.7 and 1.0 (-0.7 and -1.0) indicate a strong positive (negative) linear relationship via a firm linear rule. Therefore, in this study all correlation results are interpreted in light of this rule.

Table 5: Correlations Coefficient of Constructs

Correlations

		Decision making dimension	Quality dimension	Price dimension	Purchase intention
Decision making dimension	Pearson Correlation	1	.679**	.088	.363**
	Sig. (2-tailed)		.000	.085	.000
	N	384	384	384	384
Quality dimension	Pearson Correlation		1	.087	.390**
	Sig. (2-tailed)			.089	.000
	N		384	384	384
Price dimension	Pearson Correlation			1	.084
	Sig. (2-tailed)				.099
	N			384	384
Purchase intention	Pearson Correlation				1
	Sig. (2-tailed)				
	N				384

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

Source: Own survey, 2015

**Decision making dimension and Quality dimension:**

As it is stated in the above table, the value of correlation Decision making dimension and Quality dimension is 0.679 to which we can say that these two variables has a moderate positive relationship between the decision making and quality.

**Decision making dimension and price dimension:**

In the above table we can see the relationship between the Decision making dimension and price dimension. The value of correlation is 0.088 which shows us that there is a week relationship between the decision making and price which is not significant. It tells us that if we make the change in one variable value then there is negative change in the other variable's value.

**Decision making dimension and Purchase intention:**

Based on the result we can see the relationship between Decision making dimension and Purchase intention. The value of correlation is 0.363 which shows us that there is a moderate positive relationship between Decision making dimension and Purchase intention. It tells us that if we make the change in one variable value then there is negative change in the other variable's value.

**Quality dimension and Price dimension:**

In the above table we can see the relationship between the Quality dimension and Price dimension is 0.087 which shows us that there is a week relationship between the Quality dimension and Price dimension which is not significant. It tells us that if we make the change in one variable value then there is negative change in the other variable's value.

### **Quality dimension and Purchase intention:**

In the above table we can see the relationship between the Quality dimension and Purchase intention. The value of correlation is 0.390 which shows us that there is a moderate positive relationship between the price dimension and purchase intention. It tells us that if we make the change in one variable value then there is negative change in the other variable's value.

### **Price dimension and Purchase intention:**

Based on the result we can see the relationship between Price dimension and Purchase intention. The value of correlation is 0.084 which shows us that there is a weak relationship between the Price dimension and Purchase intention which is not significant. It tells us that if we make the change in one variable value then there is negative change in the other variable's value. So we will accept H1a & b but for H1c is rejected.

### **4.2.4. Regression analysis of study variables**

According to Marczyk (2005), linear regression is a method of estimating or predicting a value on some dependent variables given the values of one or more independent variables. Like correlations statistical regression examines the association or relationship between variables. Unlike with correlations, however, the primary purpose of regression is prediction.

Multiple R is a correlation between the observed values of y, the values of y predicted by multiple regression models. Therefore, large values of the multiple R represent a large correlation between

the predicted and observed values of the outcome. The model summary table reports the strength of relationship between the independent and the dependent variable.

Table 6: The results of Multiple Regression Analysis

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 <sup>a</sup>	.172	.165	.98357

a. Predictors: (Constant), PD, QD, DM

Source: Own survey, 2015

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	76.345	3	25.448	26.306	.000 <sup>b</sup>
	Residual	367.614	380	.967		
	Total	443.958	383			

a. Dependent Variable: PI

b. Predictors: (Constant), PD, QD, DM

Source: Own survey, 2015

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.347	.318		4.232	.000		
1 DM	.038	.013	.180	2.823	.005	.538	1.860
QD	.087	.021	.264	4.146	.000	.538	1.859
PD	.016	.017	.046	.972	.332	.991	1.009

a. Dependent Variable: PI

Source: Own survey, 2015

In the foregoing correlation analysis, the association between the variables, which is product purchase intention and COO effect components of three dimensional variables (Decision making dimension, quality dimension and price dimension), has been estimated. In effect, two variables showed statistically significant correlation ( $P < 0.05$ ) and the price dimension is not. It is of interest in this study to further discern the combined effect of these independent variables on the dependent variable using multiple regression analysis.

The results of multiple regression displayed in table 6 model summary, show a highly significant relationship ( $p < .01$ ) between the dependent variable (Y) and a linear combination of the predictor variables as can be estimated from the coefficient of multiple R (.415). The coefficient of determination ( $R^2$ ) is a measure of how good a prediction of the criterion variable we can make by knowing the predictor variables. Accordingly, 17% of the variation accounted for in the dependent variable is due to the combined effect of the mentioned predictor variables. But, sometimes  $R^2$  tends to somewhat over-estimate the success of the model when applied to real world. Therefore,

to see the success of our model in the real world adjusted R2 is more preferable than R2. According to adjusted R2, the variation explained by the regression of Y on the combined effect of all the predictor variables is 16.5%.

The significant level in ANOVA table shows that the combination of variables significantly predicts the dependent variable. ANOVA that tests whether the model is significantly better at predicting the outcome than using the mean as a best guess; specifically, the F-ratio represents the ratio of the improvements in prediction that results from fitting the model, relative to the inaccuracy that still exists in the model. For these data, F is 26.306, which is significant at  $p < 0.001$ . This result tells us that there is less than a 0.1% chance that an F-ratio is larger would happen by chance alone. Therefore, we can say that our regression model results in significantly better prediction of product purchase intention than if we used the mean value of customers' product purchase intention.

The objective of the regression in this study is to find such an equation that could be used to find the impact of predictors on dependent variable. The specified regression equation takes the following form:

$$y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + \dots + B_n X_n + E$$

In the above equation, predictor variables  $x_i$  may represent independent variables or covariates (control variables). Covariates are variables that are not of theoretical interest but may have some impact on the dependent variable  $y$  and should be controlled, so that the residual effect of the

independent variables of interest are detected more precisely. Covariates capture systematic errors in a regression equation while the error term ( $\mathcal{E}$ ) captures random errors (Bhattacharjee, 2012).

Equation;

$$Y = B_0 + B_1(DM) + B_2(QD) + B_3(PD)$$

Where,

Decision Making Dimension=DM, Quality Dimension=QD, Price Dimension

So equation comes as

$$\text{Product purchase intention} = 1.347 + 0.038(DM) + 0.087(QD) + 0.016(PD)$$

The significant levels of Decision making, quality and price dimension are, .005, .000 and .332 respectively. This test shows that the coefficients of the two predictors are statistically significant at less than five percent level of significance. So we accept H2a & b but for H2c rejected because that predictor is statistically not significant at greater than five percent level significance.

The *B*- values tell us about the relationship between customers purchase intention and each predictor. If the value is positive we can tell that there is positive relationship between predictor and the outcome whereas a negative coefficient represents negative relationship.

The standardize *B*- value tell us the number of standard deviations that the outcome will change as a result of one standard deviation change in predictor. The standard deviation units and so are directly comparable; therefore, they provide a better insight in to the importance of a predictor in the model. The standardize beta value for Quality dimension is 0.264. This indicate us, this

variable has relatively strong degree of importance for consumers' purchase intention than others. Respectively, the standardized beta value for decision making and price dimension is 0.180 and 0.046.

Multicollinearity, Field (2006) is not the problem of this model. Because of that VIF of the model are approaches to 1. The maximum value of VIF is 1.860 and the minimum one is 1.009. The tolerances of the variables are range between 0.538 and 0.991. Therefore, as the indication of statistics that mulitcolinearity is not the problem of the study. Perfect colinearity exists when at least one predictor is a perfect linear combination of the others. Variance inflation factor or VIF indicates whether a predictor has a strong linear relationship with the other predictor (s). Tolerance statistics it means with tolerance being 1 divided by the VIF), If the largest VIF is greater than 10 then there is cause for concern. If the average is substantially greater than 1 then the regression may be biased. On the other hand, tolerance below 0.1 indicates a serious problem and below 0.2 indicates a potential problem.

### **4.3. Discussion**

In this section, the results of the present study are discussed in line with the basic questions raised in chapter one. The theme of the research questions centered around the effect of country of origin on Ethiopian consumers' product purchase intention, it also provides possible explanations for the results presented on the above. The hypothesis and research question were set conducted in order to answer the research questions. The summary of the findings are presented on table 7.

Table 7: Summary of findings

<b>Hypothesis</b>	<b>Statement of the Hypothesis</b>	<b>Accepted</b>
<b>H1a</b>	Decision making component of COO has a significantly and positively correlated with consumers' product purchase intention.	Yes
<b>H1b</b>	Quality dimension of COO has a significantly and positively correlated with consumers' product purchase intention.	Yes
<b>H1c</b>	Price dimension of COO has a significantly and positively correlated with consumers' product purchase intention.	No
<b>H2a</b>	Decision making component of country of origin has a significantly positive effect on consumer purchase intention.	Yes
<b>H2b</b>	Quality dimension of country of origin has a significantly positive effect on consumer purchase intention.	Yes
<b>H2c</b>	Price dimension of country of origin has a significantly positive effect on consumer purchase intention.	No

The country of origin plays an important role while making a decision for buying a product. The findings of the study show that decision making variables of COO significantly influence consumers' product purchase intention. As depicted on table 4 on descriptive summary, the current study revealed that more of the consumers' opinion on the decision making variables agreed the effect of country of origin on their purchase decision. According to the past literatures, Cordell (1992) finding explains COO as an important cue in the theory of decision making process.

Other research findings also, Elliot and Cameron (1994) also believe COO to have negative or positive influence on consumer's decision making process. According to Aynadis (2014) there is a supported finding which is consumers' that it is really important to know the COO before they purchase decision and consumers' are associate COO with the quality of products. In his finding concluded the quality dimension of COO has a significant effect on buying behavior.

In line with this finding, extant literature indicated that COO influence can be traced to product assessment and decision making processes as it affect consumers' prediction of likelihood of specific features of products manufactured in a certain country (Zain OM and Yasin NM 1997). Accordingly, the large body of existing research has recognized the importance of Country of Origin (COO) effects on consumers' product evaluations and purchasing decisions, Bilkey and Nes (1982), Al-Sulaiti and Baker(1998). Lou and Johnson (2005) concluded that COO can be a predictor for customer thoughts and preference trend. Studies show that as an extrinsic cue, country of origin helps people in judging.

From the result of statistics it's evident that the Ethiopian consumers' attach great importance to the country of origin of the products. The study concludes that Ethiopian consumers perceive that the product quality is determined by country of origin. Research shows that the producing country affects perceptions of a product's attributes and consumer's judgments of product quality (Maheswaran, Durairaj, 1994). In addition, buyers use country of origin as an indicator of a product's quality (J. K. Lee & Lee, 2009).

In agreement with this finding, studies about country of origin effect have shown how country image can influence customer opinion about product quality (Bilkey & Nes, 1982; Papadopoulos & Heslop, 1993). Scholars have concluded that it has a direct effect on the perception about product quality (Laroche, et al., 2005). In line with this finding, finding shows that the producing country affects perceptions of a product's attributes and consumer's judgments of product quality (Maheswaran, Durairaj, 1994).

The present finding with respect to quality dimension of COO is in agreement with previous research outcomes, companies are competing on the global market, and these companies manufacture their products worldwide and the location where they manufacture the products might affect the perception of the consumer on the quality of the product based on the country where the product is produced (Bilkey WJ, Nes E 1982). In line with this finding, country image as reflecting consumers' general perceptions about the quality of products made in a particular country and the nature of people from that country (Johansson JK, Douglas SP, Nonaka I 1994).

On the other hand the variable of price dimension has no significantly influence on consumers' product purchase intention. In line with this finding, Schoen bachler (2004) says the consumers' are not sensitive to price when they are consider the COO. However, on the contrary of this finding, studies have shown that Conjoint analysis used by Ettenson, *et al* (1988) supported the contention of Johansson, *et al* (1985) that contrary to earlier contributions to the literature, other product cues such as price and quality may have a stronger effect on consumer product evaluations

than country-of-origin information. But in this finding the price dimensions of country of origin were not significant and the hypothesis is rejected.

In agreement with this finding many researches such as, Lin and Chen (2006) also concluded that COO has a direct relationship with purchase intention (X. Wang & Yang, 2008). And also there is another statement that shows that particular features of products, perception of consumers, country of origin and perception of country of origin, all have an influence on customer purchase intention (C. L. Wang, Li, Barnes, & Ahn, 2012). Majority of the studies have supported a strong direct relationship between the “made-in” label and purchase intention for and attitude towards products (Verlegh, P.W.J and Steenkamp, J.E.M. 1999).

According to Degoma A., Shetemam E (2014) the impact of domestic and foreign country-of-origin image on both perceived quality and purchase intention of Ethiopian consumers had been positive and significant, implying that the country-of-origin image affects positively the purchasing decisions and the judgments of perceived quality of domestic and foreign products. And also in this study Ethiopian consumers are attached a great importance to the COO of the products and they perceive that the product quality is determined by the made in level.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1. Summary of findings

Recent studies that investigated, the effects of country-of-origin (COO) upon consumer perceptions, and purchase intentions remain of interest to marketing researchers, Bloemer et al. (2009). The main purpose of this study is to find out the effect of country of origin on consumers' product purchase intention.

Past research has shown that the image associated with country of origin plays a significant role in consumers' purchase intention of products. It is accepted that country of origin serves as a signal, enabling consumers to make an instant decision (Shabbir, M. S., Kirmani, S., Iqbal, J., & Khan, B. 2009). This finding indicated that respondents agree to the COO effect variables that decision making dimension variables and quality components has a significant relationship and effect on consumers' purchase intention. The result is shows that all the variables are correlated each other after the detailed analyses of the data it's conclude that the most of the variables are moderate positively correlated.

In descriptive statistics the results show that respondents are agree to instrument items and overall result was close to agree. And also all the value of regression analysis shows the country of origin has a statistical significant effect on consumers' purchase intention in two dimension of COO which is decision making and quality dimension. According to Lim and Darley, in 1997, added that

countries with a weak picture have a higher risk in making purchase intention (Ahmed, Johnson, Ling, Fang, & Hui, 2002). So, different countries have successfully positioned in the mind of Ethiopian consumers' related with the quality and their own decision making to purchase different products. Based on this finding consumers are attach more significance to the value for quality of the product instead of the country of origin effect.

## **5.2. Conclusion**

Country of origin is one of the extrinsic cues; in addition, there is no doubt that country of origin has considerable influence on the purchase intention process. The history of the literature about country of origin goes back over 40 years, and explores whether or not the 'country of origin' of a product has an effect on consumer purchase intention (Zeugner-Roth & Diamantopoulos, 2010).

This study is conducted so as to know effect of country of origin on Ethiopian consumers' product purchase intention. It is found that the country of origin actually affects the consumers' purchase intention. Results of this finding, moreover the respondents agreed that the country of origin affect their product purchase intention in two components of COO which is decision making dimension, and quality dimension but price dimension has no effect on the intention of consumers' to purchase the product.

According to the respondents response the respondents associate the high quality of the product with the COO, particularly if they look for country of origin information to choose the best product available in a product class. From the preceding findings Chinenk, JunM, HampotonGM (2000),

therefore, we can arrive at conclusions; the country of origin has a significant effect on Ethiopian consumers' purchase decision and also the consumers are sensitive for the high quality of product regarding COO effect. In the side of finding, quality has a major role to play in the establishment and sustenance of the brands in market place. And consumers' are looking towards the country of origin as the main information about quality for purchase intention the products.

Country-of-origin effect is an important element for a company to build up a good brand image. COO means the country that the products come from. This finding shows that Ethiopian marketers should determine the extent of using country of origin variables in their marketing strategy by identifying their target market. By reviewing the different literature and the finding of this research it can be concluded the components of COO; decision making dimension, and quality dimension that have a significant effect on consumers' purchase intention Lin and Chen (2006).

### **5.3. Recommendation**

The findings of this study provide some implications for marketing strategy and research. So, from the preceding findings, therefore, we arrive at the following recommendations:

- As country of origin effect is mainly a part of globalization process. So, with respect to the proved effect of country of origin on consumers' purchase decision making, it is suggested that Ethiopian marketers consider this issue besides brand image, afterwards, they can use the most appropriate competitive strategy.

- Ethiopian marketing managers should analyze image of a country in the minds of targeted consumers. Country of origin is linked with decision making of consumers purchase intention; Marketers have designed comprehensive rules of origin to protect their consumers from harmful imports.
- The product quality has great impact on consumers purchase intention. Ethiopian marketers should be very careful about the quality and technology advancement of product they offering in the market place. They should pay attention to link country of origin image with product quality to increase consumers purchase intention.
- Generally, marketing managers should pay attention to link country of origin effect with product decision making factors and quality factors to increase consumer purchase intention international marketing strategy, even in the local Ethiopian market.

#### **5.4. Limitations of the study**

Despite of achieving concrete conclusions, the present research bears some limitations, too.

However, these limitations can create opportunities for further research. They are as follows:

- The present study was not carried out based on selected products and specific country. So concrete conclusions were made, but it may not be generalized to all products and country of origins.

- The result from this study requires further investigations not in terms of product and country, but in terms of dimensions and different variables specially in price dimension of COO.
- The current survey instrument had a total of 16 questionnaires. In order to obtain a more comprehensive study, a larger group of questions may need to be devised. The current survey was sufficient for addressing the purpose of this study but further statistical tests may need to be run in future studies to truly determine the effect of country of origin on consumers' purchase intention.

## **5.5. Future Studies**

Further research could be conducted to a different segment of consumers and specific products so the result may be reflective of the actual purchase intention of Ethiopian consumers. Suggested future study of this topic and needed to get a better understanding of the COO effect from different dimensions. Direction of further research is to carry out similar study from the marketers' perspective and comparing that with the customers' perspective and explore Ethiopian consumers' purchase intention of products with varying percentages of parts from different countries.

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# APPENDIX

## **Appendix A**

### **Questionnaire**

#### **Introduction**

The purpose of this questionnaire is to identify the country of origin effect on consumers purchase intention and to undertake a research in partial fulfillment of Master of Arts in marketing management. The respondents' responses are anonymous and also no individual response will be identifiable.

Thanks you for your willingness for participating.

## Part I: Demographic Data

**Please complete the following by ticking the appropriate box**

1. Your Gender:

Male

Female

2. Your current age in years:

20 - 30

31 - 40

41 - 50

51 - 60

61 and above

3. Your educational background:

a. High school

b. Certificate

c. Diploma

d. Bachelor degree

e. Master's degree

f. PHD

g. Elementary school

h. Literacy skill

4. Your occupation:

a. Government employee

b. Private employee

c. Student

d. Unemployed

5. Your income level:

a. 1000 birr and below

b. 1001 – 2000 birr

c. 2001 – 3000 birr

d. 3001 – 4000 birr

e. 4001 – 5000

f. 5001 – 6000 and above

## Part II: The effect of country of origin on product purchasing intention

**Please complete the following by ticking the appropriate box**

### 1. Decision making dimension variables

Q. #	Items	Strongly Agree	Agree	Neural	Disagree	Strongly Disagree
1	When buying expensive items such as a car, TV or refrigerator, I always seek to find out what country the product was made in					
2	I feel that it is important to look for a country of origin information when deciding which product to buy					
3	If I have a little experience with a product, I search for country of origin information about the product to help me make a more informed decision					
4	I refuse to purchase a product without knowing its country of origin					
5	When I am buying a new product, the country of origin is the first piece of information that I consider					
6	I find out a product's country of origin to determine the quality of a product					
7	To purchase a product that is acceptable to my family and my friends, I look for the product's country of origin					

8	I look for country of origin information to choose the best product available in a product class					
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**2. Quality dimension variables**

Q. #	Items	Strongly Agree	Agree	Neural	Disagree	Strongly Disagree
9	To make sure that I buy the highest quality product or brand, I look to see what country the product was made in					
10	When purchasing a product, I believe country of origin will determine the technological sophistication of the product					
11	When buying a product that has a high risk of malfunction, for example a digital camera, a person should always look for the country of origin					

**3. Price dimension variables**

Q. #	Items	Strongly Agree	Agree	Neural	Disagree	Strongly Disagree
12	A product's country of origin does not determine the quality of the product					

13	It is less important to look for country of origin when buying a product that is less expensive such as a shirt					
14	Seeking country of origin information is less important for inexpensive goods than for expensive goods					

**4. Overall purchase intention**

Q. #	Items	Strongly Agree	Agree	Neural	Disagree	Strongly Disagree
15	I wouldn't like to purchase any products without the consideration of country of origin					
16	I would not recommend others to purchase products without the consideration of COO					

## Appendix B

### መጠይቅ

#### መግቢያ

የዚህ ጥናት ዓላማ አንድ ምርት የተመረተበት አገር በሽማቻችን ላይ ያለውን ተጽእኖ ለማወቅ ግብዓት ሲሆን፤ ጥናታዊ ጽሑፉ ለማርኬቲንግ ማኔጅመንት የሁለተኛ ድግሪ ማሟያ የሚውል ነው። ለጥናቱ ውጤታማነት የእርስዎ ትክክለኛ ምላሽ ከፍተኛውን ድርሻ ይወስዳል። ስምዎን በመጠይቁ በየትኛውም ቦታ መፍሩ አይጠበቅብዎትም።

በዚህ መጠይቅ ላይ ለመሳተፍ ፈቃደኛ በመሆንዎ እጅግ አመሰግናለሁ።

**ክፍል 1: መሠረታዊ መረጃ**

**መመርያ: በባዶ ቦታው ላይ ምልክት (✓) በማድረግ ትክክለኛ ምላሽዎን ይሰጡ።**

1. ፆታ:

ሀ. ወንድ

ለ. ሴት

2. እድሜ:

ሀ. 20 - 30

ለ. 31 - 40

ሐ. 41 - 50

መ. 51 - 60

ሠ. 61 እና ከዚያ በላይ

3. የትምህርት ደረጃ:

ሀ. ሁለተኛ ደረጃ

ለ. ሠርተፍኬት

ሐ. ዲፕሎማ

መ. ዲግሪ

ሠ. ማስትሬት ዲግሪ

ረ. ዶክትሬት

ሰ. የመጀመሪያ ደረጃ

4. ሥራ:

ሀ. የመንግሥት ሠራተኛ

ለ. የግል ሠራተኛ

ሐ. ተማሪ

ሠ. ሥራ የሌለው

5. የወር ገቢ:

ሀ. 1000 ብር እና ከዚያ በታች

ለ. 1001 - 2000 ብር

ሐ. 2001 - 3000 ብር

መ. 3001 - 4000 ብር

ሠ. 4001 - 5000 ብር

ረ. 5001 - 6000 ብር እና ከዚያ በላይ

**ክፍል 2: ምርት በሚገበዩበት ጊዜ ዕቃው የተመረተበት አገር፤ ለመግዛት በሚወሰኑት ውሳኔ ላይ ያለውን ተጽእኖ የሚለካ**

**መጠይቅ፡፡**

**መመርያ: ከተሰጡት ምርጫዎች ለእርሶዎ ተስማሚ የሆነውን መርጠው ምልክት (✓) በማድረግ ምላሽዎን ይሰጡ፡፡**

ተ.ቁ	ጥያቄዎች	በጣም እስማማለሁ	እስማማለሁ	አሳብ የለኝም	አልስማማም	በጣም አልስማማም
	ውሳኔ ከመስጠት አቅጣጫ፡					
1	ውድ የሆኑ ምርቶችን ለምሳሌ ቴሌቪዥን፣ ቴፕ፣ ዲቪዲ ማጫወቻ፣ የኤሌክትሪክ ምድጃ፣ ፍሪጅ፣ መኪና . . ስገዛ የተመረተበትን አገር ማወቅ እፈልጋለሁ፡፡					
2	የምገዛውን ምርት ለመወሰን የተመረተበትን አገር ማወቅ አስፈላጊ እንደ ሆነ ይሰማኛል፡፡					
3	ብዙም የማላውቀውን ምርት መግዛት ስፈልግ፤ ውሳኔ ላይ ለመድረስ የተመረተበትን አገር መረጃ እፈልጋለሁ፡፡					
4	ምርቱ የተመረተበትን /የተሠራበትን/ አገር ካላወኩ ምርቱን /ዕቃውን/ አልገዛም፡፡					
5	አዲስ ምርት ስገዛ አስቀድሜ የተመረተበትን አገር ማወቅ እፈልጋለሁ፡፡					
6	አንድ ምርት የተሠራበትን አገር ማወቅ የምፈልገው የምርቱን ጥራት ለመወሰን እንድችል ነው፡፡					
7	በቤተሰቦቼ እና በቅርብ ጓደኞቼ ዘንድ ተቀባይነት እንዲኖረው የምፈልገውን ምርት ስገዛ የተመረተበትን አገር ማወቅ					

	እፈልጋለሁ።					
8	በዝርዝር ከሚያገኙት ምርቶች ውስጥ ከፍተኛ ጥራት ያለውን ምርት ለመምረጥ የተመረተበትን አገር መረጃ ማየት እፈልጋለሁ።					
	የምርት ጥራትን ታሳቢ ከማድረግ አንፃር፡					
9	የምንገዛው ምርት ከፍተኛ ጥራት ያለው መሆኑን ለማረጋገጥ ምርቱ የት አገር እንደተመረተ ማየት እፈልጋለሁ።					
10	ምርት /ዕቃ/ ስንገዛ በቴክኖሎጂ የረቀቀ መሆን አለመሆኑን ለማወቅ በቅድሚያ የተመረተበትን አገር ማወቅ አስፈላጊ ነው ብዬ አምናለሁ።					
11	አንድ ሰው በቀላሉ ሊበላሹ የሚችሉ ምርቶችን ለምሳሌ ዲጂታል ካሜራ ሲገዛ ሁል ጊዜ የተመረተበትን አገር ማየት አለበት።					
	ዋጋን ግምት ውስጥ ከማስገባት አንፃር፡					
12	አንድ ምርት የተመረተበት አገር፤ የምርቱን /የዕቃውን/ ጥራት አይወስንም።					
13	በዋጋ ዝቅተኛ የሆኑ፤ ለምሳሌ እንደ ቲሽርት ያሉ ምርቶችን ስንገዛ የተመረተበትን አገር ማወቅ ብዙም አስፈላጊ አይደለም።					
14	አንድ ምርት የተመረተበትን /የተሠራበትን/ አገር ማወቅ ለውድ ምርቶች ካልሆነ በቀር ለርካሽ ምርቶች ብዙም አስፈላጊ					

	አይደለም።					
	ዕቃ የመግዛት ዝንባሌን በተመለከተ፡					
15	የትኛውንም ምርት የተመረተበትን አገር ካላወኩ ለመግዛት ፈቃደኛ አይደለሁም።					
16	የትኛውንም ምርት የተመረተበትን አገር ካላወቁ ሰዎች እንዲገዙት አልመከርም።					

ውድ ጊዜዎን ስለሰጡኝ እጅግ አድርጌ አመሰግናለሁ።

## Appendix C

### Data output SPSS

#### 1. Test of Reliability

Scale: ALL VARIABLES

#### Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded <sup>a</sup>	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.805	16

#### Reliability Statistics

Cronbach's Alpha	N of Items
.796	14

#### Reliability Statistics

Cronbach's Alpha	N of Items
.756	2

## 2. Frequencies

### Statistics

		Sex of respondents	Age of respondents (Binned)	Educational status of respondents	Job of respondents	Income of respondents
N	Valid	384	384	384	384	384
	Missing	0	0	0	0	0

### Sex of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	204	53.1	53.1	53.1
Valid Female	180	46.9	46.9	100.0
Total	384	100.0	100.0	

**Age of respondents (Binned)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-30	226	58.9	58.9	58.9
31-40	111	28.9	28.9	87.8
41-50	24	6.3	6.3	94.0
51-60	16	4.2	4.2	98.2
>=61	7	1.8	1.8	100.0
Total	384	100.0	100.0	

**Educational status of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid High school	24	6.3	6.3	6.3
Certificate	13	3.4	3.4	9.6
Deploma	65	16.9	16.9	26.6
Degree	240	62.5	62.5	89.1
Masters	32	8.3	8.3	97.4
Doctrate	1	.3	.3	97.7
Primary school	9	2.3	2.3	100.0
Total	384	100.0	100.0	

### Job of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Government	152	39.6	39.6	39.6
Private	217	56.5	56.5	96.1
Valid Student	12	3.1	3.1	99.2
unemployed	3	.8	.8	100.0
Total	384	100.0	100.0	

### Income of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
<= 1000 Birr	16	4.2	4.2	4.2
1001-2000 Birr	22	5.7	5.7	9.9
2001-3000 Birr	31	8.1	8.1	18.0
Valid 3001-4000 Birr	78	20.3	20.3	38.3
4001-5000 Birr	102	26.6	26.6	64.8
>=5001-6000 Birr	135	35.2	35.2	100.0
Total	384	100.0	100.0	

### 3. Correlations

**Correlations**

		DM	QD	PD	COO
DM	Pearson Correlation	1	.679**	.088	.363**
	Sig. (2-tailed)		.000	.085	.000
	N	384	384	384	384
QD	Pearson Correlation	.679**	1	.087	.390**
	Sig. (2-tailed)	.000		.089	.000
	N	384	384	384	384
PD	Pearson Correlation	.088	.087	1	.084
	Sig. (2-tailed)	.085	.089		.099
	N	384	384	384	384
COO	Pearson Correlation	.363**	.390**	.084	1
	Sig. (2-tailed)	.000	.000	.099	
	N	384	384	384	384

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

#### 4. Regression

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.347	.318		4.232	.000
DM	.038	.013	.180	2.823	.005
QD	.087	.021	.264	4.146	.000
PD	.016	.017	.046	.972	.332

a. Dependent Variable: PI

**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	76.345	3	25.448	26.306	.000 <sup>b</sup>
Residual	367.614	380	.967		
Total	443.958	383			

a. Dependent Variable: PI

b. Predictors: (Constant), PD, QD, DM

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 <sup>a</sup>	.172	.165	.98357

a. Predictors: (Constant), PD, QD, DM