

# DOES COUNTRY-OF-ORIGIN EFFECTS CONSUMER PREFERENCES, PURCHASE INTENTIONS AND WILLINGNESS TO BUY IN MANUFACTURED BRANDS?

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**ABSTRACT:** Past research has shown that country of origin plays significant role in consumers' perception of product. Some other factors that may affect buying intention are Brand name, Product quality, Brand Loyalty, Price, and Design to buy. This exploratory study intends to investigate the Impact of Country-Of-Origin on Consumers Preferences, Purchase expectation and ability to purchase entrepreneurial manufactured brands of Pakistan as well as the viability of Country-Of-Origin marketing tool. Data was collected through a questionnaire from 450 respondents residing in Lahore. Demographic analysis, Regression, correlation Analysis and Cronbach Alpha were applied through SPSS to check the conceived demonstrate. Outcomes shows that Country-Of-Origin has potential to influence preferences of consumers and purchase intentions. Other than product origin there are some intrinsic and extrinsic values which also are considered up to some extent as part of consumer buying behavior. Marketers of Local manufacturer will get help through this study to how they will expand their market size.

**Key Words:** Country-Of-Origin (COO), Consumers Preferences, Consumers Purchase intention and willingness to buy.

## 1. INTRODUCTION:

This paper investigates impact of the Country-of-Origin (COO) on the inclinations to the clients from made or youthful countries. Jain clarified that, "in the field of International Marketing, the Country-of-Origin is the third for the most part gotten some information about displaying thought, went before just by institutionalization, change and passage systems."

My research paper purpose is defined through the quantitative study, the reason for the positive significant impact on the Country-of-Origin & consumer's preferences. My research is going to add knowledge to the existing research on the Country-of-Origin & evaluated the preferences, behavior & choice of the consumers. My research study is also creating a differentiation between the Haram (forbidden) & Halal (allowed) products or goods, according to the choice, behavior or the preferences of the consumers. Because my study is differentiating the Islamic & non-Islamic foods or products. I collect my all research in the one city of Islamic country Pakistan, which is Lahore.

The most vital criticalness of this review to the past research is that gives powerful information about a few issues and settings:

- The importance of the Country-of-Origin (COO) in young consumer's evaluations & the consumer's preferences of the high valued products.
- The links between the Country-of-Origin (COO) & the preferences for the consumers
- Involving the Haram (forbidden) & Halal (allowed) products or goods.
- The relationship between consumer's preferences & the Country-of-Origin (COO).

### Hypothesis 1:

**H1:** There is relationship between Country-of-Origin and Consumer's Preferences.

### Hypothesis 2:

**H2:** There is relationship between Country-of-Origin (COO) and Consumer's purchasing ownership & willingness to buy.

## 2. LITERATURE REVIEW

### 2.1 Background:

Previously in early 1960s, many marketing scholars have studied about the (COO) impact on different contexts of the consumers. Robert Scholar was the first scholar, who conducted the study of the Country-of-Origin & its impact on the behavior or preferences to the consumers in 1965. According to the researcher state that, consumers can select a wide range of alternative products colors, quality, price, brand, & origin which has a same categories products. For the products evaluation, the Country-of-Origin (COO) has played an important & integral role in this market, because consumer's preferences, choice, & behavior changes origin to origin [1].

Firstly I discussed about some theoretical concept about the (COO) & its strong significant impact on Preferences of the Consumers. The evolution of the Country-of-Origin (COO) starts from the purchase decision of the consumers.

### 2.2 Religious Background:

The factor of religion has not been considered much and again as one that conceptualizes COO impacts. This is seen as a huge cleft in the written work, especially in association with thing classes that have a religious estimation in their creation or preparation, for instance, meat in Muslim countries and for Muslim customers wherever all through the world.

It is noteworthy to know the rate of people following religious lessons altogether in demand to evaluate the level of the effect of religion on buying decisions. It is found that 75% of Muslims in the United States take after the Islamic dietary standards, while only 16% of Jews take after Jewish dietary precepts [2]. Researcher communicated that Islam is a champion among the most enticing forces in adornment and controlling the lead moreover, outlook of Muslims, the two individuals and social occasions [3].

In light of the above Islamic measures and feelings, alluded to from the Quran and Hadith (idioms of the Prophet Mohammad PBUH), Saudi Arabia has constrained "halal" legitimization on adjacent transported in meats. For example,

the delegate of any shipper to Saudi Arabia needs to guarantee that the era agrees to the rules and laws of "halal sustenance" in any country wishing to convey meat to Saudi Arabia. This makes the possibility of "halal sustenance" a basic brand quality for Muslim clients.

### 2.3 Cultural Background:

The social factor is another factor that should be considered while evaluating country of origin, the lifestyle of any overall population having a positive or negative part in surveying a thing country of origin. The composite of the 'made in' picture distinctively has a tendency to related factors for instance, specialist things, national and social qualities, and the monetary and political conditions related with each nation [4]. It is found that Indian understudies assessed British things higher than did Taiwanese understudies and attributed the qualification to the past wilderness ties with England [5].

## 3. RESEARCH METHODOLOGY

The principle reason for this investigation is to discover the circumstances and end results connection between Country-of-Origin (COO) on Preferences of client and obtaining proprietorship and readiness to purchase of client. The methodology contains theoretical analysis involving different methods applicable in this field of study including frequency table, correlation, descriptive statistics and regression analysis.

Positivism paradigm is used in this research to check the impact of Country-of-Origin (COO) on Consumer's preferences; Consumer's purchasing ownership & willingness to buy in Pakistan. Quantitative approach is applied because data used in this study is in numerical form and it is collected through questionnaires. It was a bit hard to gather data from the whole Pakistan, so a sample of 450 is selected from Shopping Malls of Lahore.

Simple Random Sampling techniques applied in this research. A five point Likert scale is utilized extending from 1 = Strongly Agree to 5 = Strongly Disagree. The Questionnaire involved 15 requests which were isolated into four territories. A screening request which required the respondents to state whether they viably searched for thing and association information from Country-of-Origin stages was acted, to ensure that the respondents are illustrative of the described target populace.

Segment A is the poll comprised questions which tried to acquire statistic data (Age, Gender, Educational level and Area). Area B comprised of 3 sub areas which related to a respondent's Attitude towards Country-of-Origin (COO), towards Consumer's acquiring proprietorship and eagerness to purchase, towards Consumer's Preferences, towards Customers individual care items (diverse brands) and its effect on conduct, picture building, and decision was inquired.

## . FINDINGS

### 4.1 Descriptive Statistics

Table 4.1 shows the mean score and standard deviation of independent and dependent variable. The descriptive analysis shows that about most of the people are agree and strongly agree because its mean value is round about 4 to 5. Consumer willingness and consumer preferences are dependent variable

items mostly people are agree and strongly agree because its mean value is round about 4 to 5. Standard deviation of country of origin is 0.65194 that showed respondents respond differently. Standard deviation of consumer preferences is 0.54887 that showed respondents respond similar.

### 4.2 Reliability

Reliability test is purposed to depict the general consistency of estimation and search for the association's answer. Reliability analysis for the questionnaire reveals the Cronbach Alpha value of each variable are above 0.7 (country of origin 0.848, consumer willingness 0.722 and consumer preferences 0.805) and it demonstrates that exploration instrument (survey) have internal consistency and dependability. See table 4.2 (Appendix 1)

### 4.3 KMO

In table 4.3 results of validity test is purposed to seek the valid conclusion about the independent variables caused the effect of dependent variables on the study. In this research, researchers get the valid data because the indicators have correlation with it factors.

he results of KMO of this research study shows the values of Country of Origin is 0.806, the Consumer Willingness is 0.784 and Consumer Preferences is 0.788 which indicates that the values of KMO lie in the range of 0.7 and 0.8 and its good range according to the Hutcheson & Sofronious [6]. The results proved that data is acceptable and reliable so this data can be used for further analysis. The Bartlett's test of sphericity is conducted to check the significance of relationship between items of construct. The above table confirms that p value is less than 0.05 of Bartlett's test so the relationship exist among the variables so further factor analysis is continued.

### 4.4 Correlation

In correlation table 4.4, country of origin has relationship with consumer willingness because the P-Value = .000 which is less than 0.05. So H1 is accepted. The Pearson correlation value of country of origin and consumer willingness is .366. Through effect size table, country of origin and consumer willingness has weak relationship.

In 2<sup>nd</sup> correlation table, country of origin has relationship with consumer preferences because the P-Value = .000 which is less than 0.05. So H1 is accepted. The Pearson correlation value of country-of-origin and preferences of consumers is .408. Through effect size table; a country-of-origin and consumer preference has moderate relationship.

### 4.5 Regression

To decide the connection amongst dependent and independent variable, Linear Regression was used. Different discoveries of this exploration are talked about beneath:

In 1<sup>st</sup> regression, from table 4.5 Adj. R value 0.165 shows that there is a weak correlation between country of origin and consumer preferences. Adjusted R Square value shows fraction of change in dependent variable is due to independent variable. In the findings from above mentioned table, it is shown that 16.5% change in consumer preferences was due to country of origin and remaining due to other factors. F- Statistics is greater than 10. P value is 0.000 which is less than 0.005 which means that we accept hypothesis and there is a significant relationship exist between country of origin and consumer preferences and H<sub>1</sub> is accepted.

In 2<sup>nd</sup> regression, from table Adj. R value 0.132 shows that there is a weak correlation between the country of origin and consumer willingness to buy. Adj R Square esteem is portion of progress in ward variable because of autonomous variable. In the findings from above mentioned table, it is confirmed that 13.2% change in consumer willingness was due to country of origin and remaining due to other factors. F-Statistics is more prominent than 10. P esteem is 0.000 which is less than 0.005 implies that we acknowledge theory and there is a critical relationship exist between country of origin and consumer willingness and  $H_2$  is acknowledged and accepted.

## 5. CONCLUSION

This study systematically analyzes the phenomenon of (country of origin) COO and consumers Preferences & consumer's willingness to buy. The research has also concluded that the Pakistani products are perceived as the lowest product quality which means that they are keener to buy foreign products which are imported to our country. The consumers are ready to buy only low cost indigenous products like body toiletries, food product, etc. They are more biased towards the imported products which is very much significant from the Quality and Price factor. Other important findings from the study suggest that the people belonging to the middle class and lower middle class segment of the economy attach more significance to the value for money, product attributes, product quality and the durability of the product instead of the country of origin effect. The countries like USA, Japan are making their foray into the Pakistani economy by launching more and more product in the market according to the taste and preference of the consumers. This has led to reduction in the market share of companies of the Pakistani origin. The marketers should give more importance to the product quality, attributes and to the services provided by the product if they are of less technological sophistication and have a negative or low country of origin attached to them. But on the other hand if the marketers stress more on the country of origin for the products which are made in the developed nations and are of high technological sophistication and have a high risk of malfunctioning it will be dangerous for developing countries products.

The buying behavior of the Pakistani consumers is rapidly changing as they are changing their choices for buying the products. Many brands from the foreign countries have successfully positioned themselves in the minds of the consumers. The branding has seen as huge revolution with the entry of the brands. The consumers now prefer to buy branded clothes as they perceive that the clothes made by this brand are better as these brands owe their origin to foreign lands.

Country of origin in this dynamic and volatile environment has a major role to play in the establishment and sustenance of the brands in Pakistan. The brands which owe their origin in the developed economies are highly accepted and preferred brands by the Pakistan consumers. But on the other hand if a brand is from a less developed country such as Bangladesh, Pakistan, the brands have to face a tough competition for their stability and sustenance. They have to invest a huge amount of time and labor for the promotion and marketing activities to establish themselves in the market.

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**APPENDIX 1:**

**Table 4.1: Descriptive statistics**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Country of origin	450	2.40	5.00	4.0542	.65194
Consumer Willingness	450	2.20	5.00	4.0311	.63267
Consumer Preferences	450	2.40	5.00	4.2218	.54887

**Table 4.2: Reliability test**

	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Country of origin	0.848	5
Consumer willingness	0.722	5
Consumer preferences	0.805	5

**Table 4.3: KMO test**

<b>Constructs</b>	<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</b>	<b>Bartlett's Test of Sphericity</b>	<b>Bartlett's Test of Sphericity sig.</b>
<b>Country of Origin</b>	.806	116.803	.000
<b>Consumer Willingness</b>	.784	486.948	.000
<b>Consumer Preferences</b>	.788	735.966	.000

\*\* Significant at 1% level of significance

**Table 4.4: Correlation test**

	<b>COO</b>	<b>CW</b>	<b>CP</b>
<b>CO</b>	1		
<b>CW</b>	0.366**	1	
<b>CP</b>	0.408**	0.653**	1

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

**Table 4.5: Regression analysis**

<b>Dependent variable</b>	<b>Independent variable</b>	
	<b>Consumer preferences</b>	<b>Consumer willingness</b>
<b>Country-of-origin</b>	.343**	.355**
Adjusted R <sup>2</sup>	.165	.132
F-Statistics	89.458	69.339