

Country of Origin Effects on Consumer Behavior

1. Introduction

The global marketplace is defined by an expanding tendency toward cross-border commerce, which exposes customers to items from many nations. Understanding the implications of the country of origin on customer behavior is critical for global firms, marketers, regulators, and politicians. It may give a competitive edge, guide marketing efforts, and help safeguard consumers. The issue of the impacts of country of origin (COO) on consumer behavior stems from the growing tendency toward cross-border trade and market globalization. Consumers are presented with unlimited options and must make choices about what products to purchase. COO has evolved as an essential indication that customers use to assess items and make purchasing decisions in this setting. COO effects have been studied over time and in different geographical regions, including developing as well as developed nations. I am aiming to investigate the effects of country of origin on consumer behavior by examining the impact of COO on consumers' perceptions of product quality, brand image, and purchase intention.

2. Literature review

The country of origin (COO) effects are based on the attribution hypothesis, which states that customers infer product features based on the COO. According to this idea, consumers have attitudes and expectations about products from other nations, which they use to assess the quality, dependability, and safety of items. Consumer views concerning the brand, purchasing intent, and loyalty may all be influenced by the COO. The nation-image theory claims that customers have cognitive and emotional representations of different countries that influence their perceptions and assessments of items from those countries. Cultural heritage, economic progress, political stability, and environmental quality may all contribute to a country's image. I will provide a critical review of the literature on country of origin on consumer behavior, focusing on both empirical and theoretical evidence.

The empirical research on COO effects has produced mixed and sometimes contradictory results. Some research discovered substantial and persistent COO effects, while others discovered weak or non-existent COO effects. The differing results in the findings can be attributable to a variety of reasons, including methodological deviations, cultural differences, and product category differences.

For example, a study by Han and Terpstra (1988) found that the COO had a significant effect on consumers' evaluations of product quality, brand image, and purchase intention in both the US and Korea. Another study by Liefeld and Heslop (1997) found that COO effects were stronger for high-involvement products such as automobiles and electronics, compared to low-involvement products such as food and beverages.

On the other hand, some studies have found weak or non-existent COO effects. For instance, a study by Johansson et al. (1985) found that the COO had little effect on consumers' evaluations of product quality and purchase intention in a sample of US consumers. Similarly, a study by Verlegh and Steenkamp (1999) found that COO effects were weaker for products that were associated with strong brand names and reputations. The study by Etuk and Udonde (2022) employs a quantitative research design and collects data through a survey questionnaire administered to a sample of 250 Nigerian elites. The findings suggest that COO significantly influences consumers' purchase behavior regarding imported fashion products, with consumers exhibiting a higher preference for products from countries with a positive image and reputation. The study also found that the brand image and quality of the product were more critical factors in consumers' purchase decisions than the COO. However, the study has some limitations, including the small sample size, limited scope of the study, and the use of a single method of data collection. Additionally, the study does not address the influence of cultural factors on COO effects, which could affect consumers' purchase behavior.

According to Hu et al. (2008), study adopts a quantitative research approach and collects data from 320 Chinese customers via an online poll. According to the data, COO has a considerable impact on Chinese consumers' wine purchasing behavior, with French wines having the most influence on customers'

purchase decisions. The survey also discovered that perceived wine quality and price were the most critical variables in customers' purchasing decisions, with the COO having a less substantial but still noteworthy influence. However, Shokeen and Bhoyar (2023) provide information about the impact of COO on Indian customers purchases of imported cosmetics and skincare items. According to the report, COO has a considerable impact on Indian customers' purchasing decisions, with people choosing items from nations with a positive image and reputation. The study emphasizes the relevance of price and quality in customer purchasing decisions, but it also has significant flaws that should be addressed in future research. Overall, this study provides significant data for cosmetics and skincare product makers and marketers looking to understand and influence the purchasing habits of Indian consumers.

3. Conclusion

In conclusion, the effects of country of origin on consumer behavior are an important area of research with implications for marketers and policymakers. The existing literature provides evidence of COO effects on various aspects of consumer behavior, including product evaluations, brand image, purchase intention, and loyalty. However, the mixed and sometimes contradictory findings highlight the complexity and multifaceted nature of this topic.

4. Resources:

Etuk, A., & Udonde, U. (2022). The Effect of Country-Of-Origin On Consumer Purchase Behaviour Among Nigerian Elites: A Study of Imported Fashion Wears. *British Journal of Marketing Studies*, 10, 12-36. <https://doi.org/10.37745/bjms.2013/vol10n61236>

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Hu, X., & Li, L., & Xie, C., & Zhou, J. (2008). The effects of country-of-origin on Chinese consumers' wine purchasing behaviour. *Journal of Technology Management in China*. 3(3), 292-306. <https://doi.org/10.1108/17468770810916195>

Johansson, J. K., Douglas, S. P., & Nonaka, I. (1985). Assessing the impact of country of origin on product evaluations: A new methodological perspective. *Journal of Marketing Research*, 22(4), 388-396.

Liefeld, J. P., & Heslop, L. A. (1997). The impact of country of origin on the evaluation of high- versus low-involvement products: An empirical study. *Journal of International Consumer Marketing*, 9(2), 91-115.

Shokeen, T., & Bhoyar P.K. (2023). Effects of Country of Origin on Imported Cosmetics and Skincare Products in India. *Cardiometry*. 633-644, <https://doi.org/10.18137/cardiometry.2022.25.633644>

Verlegh, P. W., & Steenkamp, J. B. (1999). A review and meta-analysis of country-of-origin research. *Journal of Economic Psychology*, 20(5), 521-546.