

The Mediating Role of Attitude on Country of Origin and Consumer Purchase Intention

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Abstract

Purpose – This study aimed to determine the dimensions of the country of origin (COO) along with its impact on consumers' purchase intention (PI). This study further explored the mediating role of attitude on the relationship between COO and PI.

Design/methodology/approach- To achieve this aim, a quantitative study was undertaken with 825 responses collected through a self-administered questionnaire from Delhi- NCR, and Mumbai in India. The constructs were measured using a five-point Likert scale. SEM and regression were performed to analyze the results.

Findings- Country-specific image (CSI) and product-specific image (PSI) were the two major dimensions of COO. COO played a considerable role in influencing purchase intention ($r .426$) but in the presence of attitude, the relationship became insignificant ($.377(.000)$).

Limitations- The present study was limited to the Delhi-NCR and Mumbai in India and had taken only two product categories: - mobile phones and TV. Only one mediating variable (attitude) was included in this study.

Originality/value – This study was the first of its kind to examine how much COO as a single purchase indicator account for PI for Indians and to what extent this relationship was mediated by attitude. This study adds to the current body of knowledge in understanding whether the COO of a product will make it more or less appealing to Indian buyers and provides important implications for marketing managers in designing their promotional campaigns and marketing strategies to cater a wider segment of customers.

Keywords- Country of origin (COO), purchase intention, Attitude

1. Introduction

In the present globalized era, products are generally associated with their source country, that is the country of origin (COO) (Johansson and Thorelli, 1985). Examples include perfumes from France, automobiles from Germany or Japan, Columbian coffee, watches from Switzerland, and electronics from China. The COO was defined by Nagashima (1970) as “the image, reputation, and stereotype that buyers associate with a specific country’s products.” Variables such as representative products, beliefs, political and economic backdrop, experience, history, culture and customs, help to build this image. Furthermore, Han (1989) stated that a country’s image is consumers’ general perceptions of the product quality originating from a specific country. Thus, it is an overall perception that a consumer holds for a product originating from a specific nation.

COO has always been a hot topic of discussion like in the ‘Made in America’ campaign; America’s president Trump initiated “Made in America” week at the White House to promote Made in USA products (Long, 2017). Recently the Consumer Protection Act 2019 in India has also mandated e-commerce firms to mention the COO for all their products so that a consumer can make a well-informed decision (Ministry of Law and Justice, 2019). McKinsey’s 2019 consumer report states that young Chinese consumers show a greater preference for products made

in China (Luan *et al.*, 2019). This clearly indicates how much COO information is necessary for consumers to understand. Earlier people blindly go for global products, but now the tastes and preferences of Indians are making a definite shift, and they are making their decisions very wisely. Currently, Indians are evaluating whether they should go globally or locally. Thus, it is essential to know how much emphasis Indians place on imported products or on the country’s image.

If seen internationally, COO is a topic that has been extensively explored, but the findings are often contradictory and non-generalizable, possibly due to different combinations of products, different research locations, or perhaps the multidimensionality of COO. In the past literature, there is a paucity of studies that have taken dimensions of COO along with a mediator to ascertain its impact on purchase intention (PI). Particularly in India, there is a lack of research on the COO construct. Therefore, this study has precisely considered COO as a single cue indicator to determine its impact on purchase intention. This study also investigates how attitudes mediate this relationship. The study will definitely be useful in understanding whether the ‘foreignness’ of a product will make it more or less appealing to Indian buyers and how marketing managers can utilize this in their promotional campaigns for their indigenous products to reach wider segments of customers.

The present research paper is divided into five parts: the first review of literature and relevant concepts are presented, and on the basis of its hypotheses are developed; the second research methodology is discussed in detail; the third results and analysis are presented; the fourth discussion and conclusion are presented; and the fifth limitations and implications of the research study are given at the end of the paper.

2. Literature review and research hypotheses

2.1 COO

COO is a multi-dimensional construct that evokes two discrete cognitive responses (Darley and Lim, 1997; Jaffe and Nebenzahl, 1996); First, COO helps consumers infer the quality of a product and value for money when other concrete information about the product is not easily accessible (Wyer and Hong, 1989); Second, COO relates to one's own group affiliation, that is, national identity and loyalty (Bruning, 1997). Carli and Maheswaran (2000b) defined COO as the place of manufacture that influences product evaluations. Peterson and Jolibert (1995) said COO is often communicated as a "made in" phrase. Examples include, automobiles made in Germany, L'Ore'al Paris, Singapore Airlines, etc.

COO is more than just another cognitive cue for customers; it also has emotional and symbolic importance for people (Wyer and Hong, 1989, 1990). COO

relates a product to authenticity and status; associates a product with ritual, sensory, and affective connotations; and relates products to a sense of pride and national identity, resulting in a strong emotional bond (Steenkamp and Verlegh, 1999). As a result, country image serves as an emotive "expressive" or "image" attribute, particularly in developing nations (Batra *et al.*, 2000).

COO has normative connotations in addition to cognitive and emotive components, such that evaluating items from a particular nation may be interpreted as support for the nation's practices and policies (Leonidou *et al.*, 2007). Similarly, people punish certain countries by boycotting their products (Smith, 1993). The financial, social, and performance components of perceived risk are all affected by COO effects (Ahmed and Eljabri, 2002a). Consumers keenly evaluate the features and performance of products coming from nations with high perceived risk and eventually hold negative attitudes toward them, leading to low purchase intention (Verlegh and Steenkamp, 1999). Country image fluctuates from place to place because of changes in economic, social, and legal-political considerations (Leonidou *et al.*, 2007). Based on a country's level of marketing skills and manufacturing infrastructure, sentiments regarding its products may change over time and across product categories (Chryssochoidis *et al.*, 2007). Finally, COO effects are linked to customer knowledge of the

product, familiarity with its attributes, involvement level with the product, and experience with the product itself (Johansson *et al.*, 1994; Schaefer, 1997). In low-involvement scenarios, consumers place greater emphasis on COO than on high-involvement ones (Maheswaran, 1994).

Papadopoulos (1992) argued that globalization has made the COO a very important phenomenon. Heslop *et al.*, (2010) found that COO influence is not just restricted to products, but also covers events and experiences such as the Olympics under its ambit. In the literature, there is insufficient research that can prove that consumers are indifferent to country-of-origin image information and its usage in purchase decisions. As a result, COO research is also a hot topic for marketers and practitioners (Josiassen *et al.*, 2008).

Khachaturian and Morganosky (1990) argued that a country's level of industrialization affects consumers' perceptions of the country; and that "the less-industrialized the country, the fewer chances of good quality." This supports the findings of Wang and Lamb (1983), who discovered that the readiness of the US to buy items was determined by the level of industrialization in each source country.

Hong and Wyer (1989) found that when the COO cue is presented with other cues, such as brand and price, the cognitive effects of the COO are mostly seen in two ways: *Halo effect* and *Summary*

effect. When a consumer is unfamiliar with the products of a specific nation, COO acts as a halo effect that affects consumer attitudes toward the products (positive or negative) and indirectly affects overall product evaluation through these attitudes (Johansson *et al.*, 1985). A mere reference to a country name activates concepts and triggers feelings in a consumer's mind. These latent feelings last long as they are linked to country-specific feelings. On the other hand, if a consumer is familiar with a country's product, then the summary effect operates under which a consumer infers the overall country image via product information, which in turn influences product attitude (Han, 1989). In this case, country image acts indirectly to affect product characteristics and attitudes.

2.2 COO and Product Evaluation

According to *Information processing theory*, a consumer makes decisions about the quality of a product after going through each stage of information processing. A cue is defined as any type of information that is available to a consumer before consuming a product, and can be extrinsic (COO, brand, price, etc.) or intrinsic (taste, features, etc.) (Rao and Monroe, 1989). Internal cues are related to a product's internal attributes: whereas external cues are not (Feng *et al.*, 2020). When intrinsic cues are not readily available, consumers rely mostly on extrinsic cues to infer the quality of a product. The COO (extrinsic cue) is used as a surrogate to predict the

attributes of a product coming from a particular nation before consumption (Maheswaran, 1994). *Signalling theory* suggests that consumers rely more on extrinsic cues in making a purchase decision (Xu *et al.*, 2020). A consumer evaluates a product more positively if its nation has a favorable image and vice versa. Country image affects product evaluation in three ways. First, it acts as a quality cue, and based on quality perception, a consumer infers the overall attributes of a product (Wyer and Hong, 1989). Second, it acts as an independent cue that can be used with other cues to help in the valuation of a product (Wyer and Hong, 1989). Third, it acts as a heuristic to ease the evaluation process, even when other cues are more relevant (Li and Wyer, 1994). This situation occurs when either a consumer is unfamiliar with a product or when he is loaded with too much product information.

2.3 COO and Purchase Intention

Purchase intention is defined as “a consumer’s willingness to purchase a particular product” (Dodds *et al.*, 1991). Purchase intention is viewed as “an individual’s motivation to make an effort to purchase a product.” It also indicates that an individual will repurchase a product if he is satisfied that the product is worth purchasing. The COO has a direct and significant impact on purchase intention (Awada and Yiannaka, 2012; Godey *et al.*, 2012; Hsieh, 2004; Laroche *et al.*, 2005). According to Peterson and Jolibert (1995), purchase intention has a

stronger link with personal commitment than with perceptual evaluation. Purchase intention is a criterion variable for exploring the influence of a country’s image. A favorable COO acts as a quality cue and has a significant impact on consumers’ willingness to buy a product.

According to *Signalling theory*, COO image plays an important role in consumers’ perceptions of products from a specific country (Diamantopoulos *et al.*, 2020) and purchase intentions (Chen *et al.*, 2020). Researchers have proved that COO influences consumers’ purchase intentions and quality beliefs about a product (Arora *et al.*, 2015; Diamantopoulos *et al.*, 2012; Magnusson *et al.*, 2011; Verlegh and Steenkamp, 1999).

H01: There is a significant relationship between COO and purchase intention.

2.4 COO, Attitude and Purchase Intention

COO is one of the most important cues that a consumer refers to when evaluating a product coming from a specific nation (Diamantopoulos *et al.*, 2020; Esmailpour and Abdolvand, 2016; Rios *et al.*, 2014).

A favorable association with a COO leads to a favorable attitude toward a product (Ahmed *et al.*, 2002; Gurhan-Canli and Maheswaran, 2000b; Leclerc *et al.*, 1994) and positive purchase intentions (Ahmed *et al.*, 2002; Ahmed and d’Astous, 1995; Tse *et al.*, 1996; Yang and Wang, 2008; Zhang, 1996). If

a consumer fails to associate a product with its country of origin, then it will have a limited impact on his attitude and final purchase intentions. COO has a significant influence on consumer attitudes (Cakici and Shukla, 2017). The tag of 'Made In' was found to have a significant impact on attitude formation and product evaluation (Johansson, 1989).

Indeed, COO has a significant influence on purchase intention, especially when consumers do not have much information about a product (Basfirinci and Uk, 2020). Pecher and Tregear (2000) found that the COO influences attitudes of the UK consumers toward German cheese. COO affects the attitudes of consumers (Lee and Ganesh, 1999) and, in turn, leads to consumers' purchase intention. Gary and Roger (2000) found that the COO was a significant antecedent of product attitude. Attitude is important because it directly influences the consequences of an action (Vallerand *et al.*, 1992). Attitude has a significant influence on consumers' purchasing behavior (Samiee, 1994).

H02: Attitude plays a mediating role in the relationship between COO and PI.

3. Research Methodology

3.1 Questionnaire and Measurement

To achieve these objectives, quantitative research was undertaken with a structured questionnaire (research instrument/tool) to collect primary data from respondents (see Table 1). The questionnaire consists of four parts. The first part asked for socio-demographic details such as age, gender, income, education qualification, occupation, and marital status. The second part measured attitude. The third part includes the COO and the fourth part asks for the PI. The questionnaire was initially designed in English and was translated whenever required. The questionnaire used a five-point summated Likert scale, with endpoints strongly disagree (5) to strongly agree (1). The literature for framing questionnaire was extracted using databases such as Emerald, Sage, Science Direct, Wiley Online, Taylor and Francis, and Springer.

Table 1. Questionnaire Statements

| Constructs | Statements | Sources |
|------------|---|---|
| COO | Origin Country indicates economic Development | Terpstra and Han, 1988; Nagashima, 1970; Roth and Romeo, 1992 |
| | Origin Country indicates technological advancement | |
| | Origin Country indicates industrialization | |
| | Origin Country indicates the product is reliable | |
| | Origin Country indicates the product has high quality | |
| | Origin Country indicates the product is stylish | |
| | Origin Country indicates the product is innovative in manufacturing | |
| | Origin Country indicates the product is durable | |

| | | |
|--------------------|--|--------------------------------|
| Attitude | I would be satisfied by owning the product | Kim and Pysarchik, 2000 |
| | Buying the product is a wise idea | |
| | I like the product | |
| | The product is good | |
| Purchase Intention | I will surely buy this product | MacKenzie <i>et al.</i> , 1986 |
| | I will be happy to purchase the product | |
| | I will definitely take the product to home | |
| | I will certainly use the product | |

3.2 Pilot Study

A pilot study was conducted to determine the content validity and reliability of the questionnaire. For content validity, a jury of academicians/experts was contacted to determine whether the construct statements had full coverage of the content or not. The questionnaire was revised after inculcating valuable suggestions and feedback from the experts. The questionnaire was then administered to 50 respondents, who were requested to fill, review, and critique the questionnaire. Cronbach's alpha(α) was used to test reliability, which was found to be .876 ($> .70$), (Hair, 2013). Based on the respondents' answers, some statements were reframed and the questionnaire was finalized.

3.3 Sampling and Data Collection

The sampling frame was Indians who were above 18 years of age, had some source of income, and used either TV, mobile phones, or both. The sample respondents were from Gurgaon, Delhi, and Mumbai. These three cities were chosen because they are cosmopolitan cities and people from all over India come here to live, who

differ in their behavior owing to their different socio-cultural backgrounds, making the findings of the study more generalizable. Non-probability sampling (convenience sampling) was used to reach respondents. The respondents were contacted by visiting colleges, universities, offices, and marketplaces in each city. Two electronic product categories were chosen, namely TV and mobile phones, to represent the majority of the consumers' electronics sector (IBEF, 2020). Specifically, these two products were chosen because TV is a household appliance and the mobile phone is a personal gadget to which every economic group of society and every age group easily connects. Both are high-technology products, and significant time and money are involved in their purchases. The primary data were collected between 5th August 2022 and 17th October 2022 (including the pilot study), in which 1200 questionnaires were circulated both online (Google form) and offline in the four major cities, of which 825 were successfully completed and returned (68.75% completion rate). It took 7-10 minutes to complete the questionnaire.

4. Results and Analysis

4.1 Descriptive Statistics

Table 2. Descriptive analysis

| Descriptive | Frequency (n=825) | Percentage (%) |
|-------------------|-------------------|----------------|
| Gender | | |
| Male | 451 | 54.67 |
| Female | 374 | 45.33 |
| Age | | |
| Below 20 | 124 | 15.03 |
| 20-30 | 456 | 55.27 |
| 30-40 | 145 | 17.58 |
| 40-50 | 93 | 11.27 |
| 50-60 | 5 | .006 |
| Above 60 | 2 | .002 |
| Income | | |
| Below20k | 218 | 26.42 |
| 20k-40k | 457 | 55.39 |
| 40k-60k | 91 | 11.03 |
| 60k-80k | 36 | 4.36 |
| Above 80k | 23 | 2.79 |
| Education | | |
| Undergraduate | 133 | 16.12 |
| Graduate | 567 | 68.73 |
| Post-graduate | 84 | 10.18 |
| Higher Studies | 41 | 4.97 |
| Occupation | | |
| Student | 244 | 29.58 |
| Working | 496 | 60.12 |
| Non-Working | 33 | 4.00 |

| | | |
|-----------------------|-----|-------|
| Self-Employed | 47 | 5.70 |
| Others | 5 | .006 |
| Marital Status | | |
| Single | 494 | 59.88 |
| Married | 331 | 40.12 |

4.2 Reliability

Reliability is a measure of the internal consistency of the constructs. A construct is considered reliable if Cronbach's Alpha (α) $>.70$ (Hair *et al.*, 2013). The reliability results are summarized in Table 3:

Table3. Reliability Statistics

| Constructs | No. of items | Cronbach Alpha (α) |
|------------|--------------|-----------------------------|
| AT | 4 | .801 |
| CS | 3 | .765 |
| PS | 5 | .840 |
| PI | 4 | .843 |

AT: Attitude; CS: Country Specific Image; PS: Product Specific Image;

PI: Purchase Intention

4.3 Confirmatory Factor Analysis (CFA)

CFA was conducted using AMOS (24) to test the measurement models. This technique has been widely used in past research to test propositions (Byrne, 2010; Hair *et al.*, 2010). All model-fit indices used to measure the overall goodness of fit were within the acceptable range. The results are summarized in Table 4.

Table 4. Model Fit indices

| Fit Indices | Recommended Value | Sources | Obtained value |
|---|-------------------|-----------------------|----------------|
| <i>CMIN/DF*</i> | 3-5 | Ullman (2001) | 3.125 |
| <i>CFI**</i> | >0.9 | Bentler (1990) | .961 |
| <i>TLI**</i> | >0.9 | Bentler (1990) | .952 |
| <i>IFI**</i> | >0.9 | Bentler (1990) | .961 |
| <i>RFI**</i> | >0.9 | Bentler (1990) | .932 |
| <i>NFI**</i> | >0.9 | Bentler (1990) | .944 |
| <i>MR***</i> | <.08 | Hu and Bentler (1998) | .0389 |
| <i>RMSEA***</i> | <.08 | Hu and Bentler (1998) | .051 |
| <i>*Model Fit; **Goodness of Fit Indicators; ***Badness of Fit Indicators</i> | | | |

Construct reliability was analyzed using Cronbach's alpha and composite reliability (CR). For each construct in the study, Cronbach's Alpha > .70 and CR were also > 0.70 benchmark (Byrne *et al.*, 2013; Hair *et al.*, 2010; Islam *et al.*, 2021d). Hence, construct reliability is found to be significant for

each construct. Convergent validity was estimated using CR and Average Variance extracted (AVE) (Iglesias *et al.*, 2019; Pervan *et al.*, 2018). The AVE values were > 0.50 and the CR values were also above 0.7. Thus, convergent validity was established. The results are presented in Table 5.

Table 5. Convergent Validity

| Items | Loadings | Composite Reliability (CR) | Average Variance Explained (AVE) |
|---|----------|----------------------------|----------------------------------|
| AT1 ← AT | .726 | | |
| AT2 ← AT | .794 | | |
| AT3 ← AT | .740 | | |
| AT4 ← AT | .756 | .806 | .511 |
| CSI1 ← CS | .691 | | |
| CSI2 ← CS | .758 | | |
| CSI3 ← CS | .720 | .767 | .523 |
| PSI1 ← PS | .700 | | |
| PSI2 ← PS | .706 | | |
| PSI3 ← PS | .743 | | |
| PSI4 ← PS | .739 | | |
| PSI5 ← PS | .691 | .840 | .513 |
| PI1 ← PI | .722 | | |
| PI2 ← PI | .841 | | |
| PI3 ← PI | .837 | | |
| PI4 ← PI | .644 | .849 | .586 |
| <i>AT: Attitude; CS: Country Specific Image; PS: Product Specific Image; PI: Purchase Intention</i> | | | |

Discriminant validity was analyzed using the Fornell and Larcker criterion (Fornell and Larcker, 1981; Quintal *et al.*, 2010). According to this criterion, discriminant validity occurs if the square root of AVE is > its correlation with the other constructs mentioned in the study. The results are provided in Table 6(a).

Table 6(a). Discriminant validity

| | PS | PI | AT | CS |
|----|------|------|------|------|
| PS | .716 | | | |
| PI | .418 | .766 | | |
| AT | .464 | .685 | .715 | |
| CS | .479 | .362 | .490 | .723 |

However, discriminant validity using HTMT ratio is also analyzed. All the figures were < .85 (Henseler *et al.*, 2015). Hence, discriminant validity was well established. Table 6(b) summarized the results:

Table 6(b). Discriminant validity

| | PS | PI | AT | CS |
|----|------|------|------|----|
| PS | | | | |
| PI | .444 | | | |
| AT | .472 | .718 | | |
| CS | .479 | .387 | .498 | |

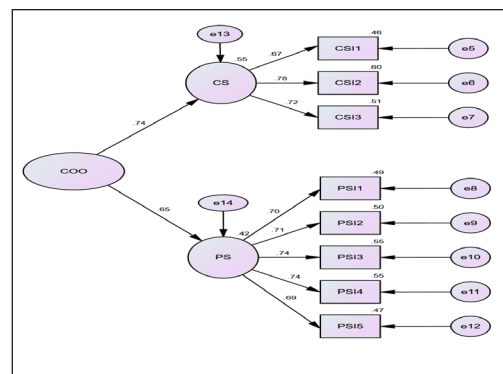
4.4 Second-order Construct

This study found that COO has two dimensions: macro and micro. A macro is a country-specific image (CSI) comprising the economic, technological, and political dimensions of a country as a whole, while a micro is a product-specific image (PSI) comprising the design, innovation, workmanship, and prestige dimensions of a product (Pappu

et al., 2007). The correlation between CSI and PSI construct was .480, factor loadings > .6, composite reliability (CR > .7), and convergent reliability (AVE > .5) were above the specified limits. Hence, a second-order construct was formed and validated. Similar results were put forward by Diamantopoulos *et al.* (2020), and Zeugner-Roth and Žabkar (2015) who highlighted that CSI and PSI both are the indicators of COO construct Table 7 provides the results:

Table 7. Loadings, CR & AVE

| Items | Loadings | (CR) | AVE |
|--------------|----------|------|------|
| CS <--- COO_ | .742 | | |
| PS <--- COO | .646 | | |
| CSI1 <--- CS | .675 | | |
| CSI2 <--- CS | .775 | | |
| CSI3 <--- CS | .717 | .767 | .523 |
| PSI1 <--- PS | .699 | | |
| PSI2 <--- PS | .710 | | |
| PSI3 <--- PS | .742 | | |
| PSI4 <--- PS | .739 | | |
| PSI5 <--- PS | .688 | .811 | .519 |



4.5 Hypotheses Testing

H01: There is a significant relationship between COO and consumers' purchase intention.

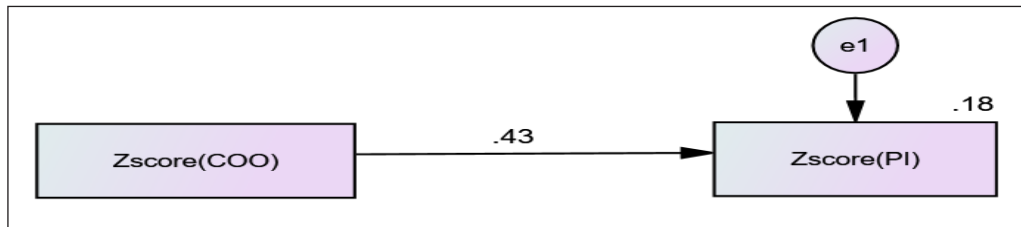


Table 8. Regression Results

| Hypothesis | St. Reg. weight (b) | St. Estimates | t-value | p-value | R. sq. | Hypothesis |
|-------------|---------------------|---------------|---------|---------|--------|------------|
| PI <--- COO | .426 | .032 | 13.508 | .000* | .181 | Accepted |

*p < .05 Significant

In the first hypothesis, PI is the dependent variable and COO is the independent variable. The hypothesis was supported, as the std b. value was .426(.000), significant enough to indicate that there exists a correlation between COO and purchase intention. The present study is in line with previous works where Godey *et al.* (2012), Hsieh (2004), and Laroche *et al.* (2005) substantiated that the COO plays a significant role in influencing the purchase intention of a product.

H02: Attitude has a mediating effect on the relationship between COO and purchase intention.

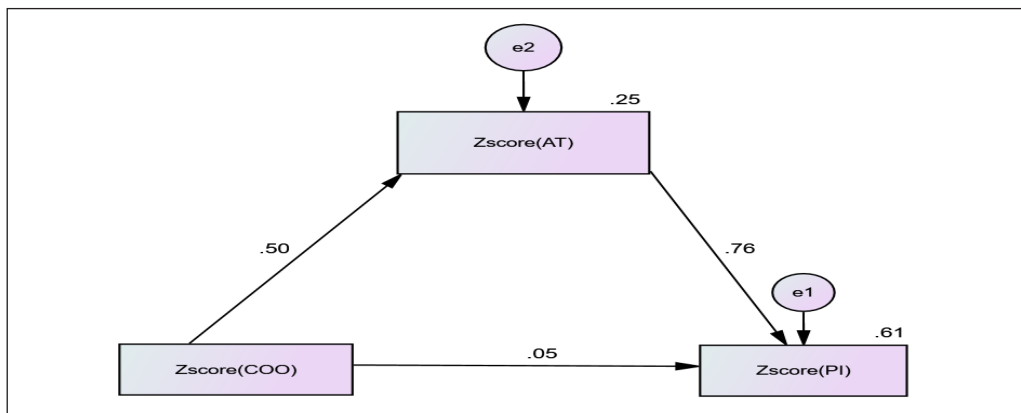


Table 9. Mediation Results

| Total effect (COO → PI) | | | Direct Effect (COO → PI) | | | Indirect Effect (COO → PI) | | |
|-------------------------|---------|---------|--------------------------|---------|---------|----------------------------|---------|----------------------|
| coefficient | t value | p value | coefficient | t value | p value | coefficient | p value | Percentile bootstrap |
| | | | | | | | | L U |
| .426 | 13.508 | .000* | .049 | 1.953 | .077* | .377 | .000* | .319 .435 |

**p < .05 Significant [Hypothesis: Supported (Full Mediation)]*

In the second hypothesis, attitude is the mediating variable, COO is the independent variable and PI is the dependent variable. This hypothesis was also supported. The total effect was significant at .426(.000), the direct effect was insignificant at .049(.077), and the indirect effect was significant at .377(.000), proving that attitude has a full mediating effect on COO and purchase intention. The results indicate that in the absence of attitude, COO exerts a significant influence on purchase intention, but with attitude, the direct relation of COO on purchase intention becomes insignificant and there remains only an indirect effect, that is through attitude only. In the literature, similar results were found, where it was seen that the COO first affects consumer attitude toward the product (Lee and Ganesh, 1999) and, in turn, leads to final purchase intention (Ahmed *et al.*, 2002; Yang and Wang, 2008).

5. Discussion and Conclusion

The present study aimed to examine the relationship between COO and PI and access the mediating role of attitude in the relationship between COO and PI.

First, a socio-demographic analysis was conducted (see Table 2), in which the percentage of males (54.7) and females (45.3) were almost comparable, leading to an unbiased distribution. The majority of the population (78%) was relatively young (<40 years), and the majority (55.4%) had an income in the

range of 20k-40k. The sample was quite educated, and 83% of the population was either graduates or above. 66% of respondents were working or self-employed and 40% of the sample class was married. Cronbach's alpha (α) (in SPSS) was used to test the reliability of each construct (Hair *et al.*, 2013). The reliability of all the constructs was above 0.7 (see Table 3).

To test the model fit and validity (convergent and discriminant) of all zero-order constructs (details are shown in Table 4, 5 and 6(a) & (b)), CFA was run in AMOS, and all values were found above the benchmark (Byrne, 2010; Hair *et al.*, 2010; Islam and Asad, 2021). Hence, the zero-order construct was validated.

COO image influences purchase behavior in several ways. Consumer purchase behavior has been linked to the characteristics of the country of origin (Han, 1990; Papadopoulos *et al.*, 1990). A consumer's willingness to go for a specific country's product is related to the country's economic development, technological advancement, industrialization, and political environment. Yaprak and Parameswaran (1987) found a general country attribute (GCA) to be one of the faces of an image of an origin country. Purchase behavior is also related to the overall product features and performance of a specific country of origin. Papadopoulos *et al.* (1989) identified that a consumer's perception of the people of any unfamiliar nation is related to their knowledge about their

capacity to manufacture high-quality products, and this perception, in turn, affects the evaluation of products coming from that nation. Parameswaran and Yaprak (1987) found a general product attribute (GPA) as the second face of the image of an origin country. Moreover, the present study also highlights a high correlation (.48) between CSI and PSI, so the second-order construct COO was formed (see Table 7). Convergent validity was checked and found to be above the specified limits; hence the second-order construct COO was well validated.

The first hypothesis was supported, as the std b. value was .426(.000), significant enough to indicate that there exists a correlation between COO and purchase intention (refer Table 8). Similar results have been found by Agarwal and Teas (2000), Baker and Ballington (2002), Diamantopoulos *et al.* (2011), and Laroche *et al.* (2005) in which COO has a significant impact on PI. Therefore, the present study's results are in line with the previous literature.

From the findings of the present study, it can be concluded that, as Indians, we give a lot of importance to the fact that where a product is from. A possible explanation for this could be that as India is a developing nation, we always look for a product that comes from a more developed nation, as the development and industrialization of a nation is related to its workmanship, which in turn is reflected in the perceived quality attributes (reliability and durability)

of its products (Iyer and Kalita, 1997; Li and Wyer, 1994). For example, German cars are preferred because of their perception of German engineers' workmanship and the fact that Germany is a technologically advanced nation.

The second hypothesis is also supported. The total effect was significant at .426(.000), the direct effect was insignificant at .049(.077), and the indirect effect was significant at .377(.000), proving that attitude has a full mediating effect on COO and purchase intention (details are shown in Table 9). The results indicate that in the absence of attitude, COO exerts a significant influence on purchase intention, but with attitude, the direct relation of COO on purchase intention becomes insignificant and there remains only an indirect effect through attitude. *The theory of information-processing* postulates that a consumer uses product cues to form beliefs about a product, which in turn, influences, his/her purchase decision. *The theory of Reasoned Action (TRA)* put forward that an individual's purchase intention is determined by his attitude toward the product (Carr and Sequeira, 2007). If the attitude is positive, it will lead to purchase intention; otherwise, it will not (Roth and Romeo, 1992).

6. Managerial Implications

As the magnitude of world trade continues to grow, the marketplace (both national and international) is becoming more competitive day by day, so it is essential for marketing managers to

understand Indian consumers' attitudes toward the product of their own nation and the product coming from the outside world.

By effectively understanding the strength of the relationship between country of origin and purchase intention for Indian consumers, marketers can frame promotional campaigns for indigenous products. Marketers must highlight the '*Buy Local*' or '*Made in India*' while formulating advertisement campaigns for Indian products. They must perform intelligent brand positioning by performing proper market segmentation after considering the tastes and preferences of Indians.

As India is an emerging market with immense business opportunities, foreign brands are trying to come and continue here, in order to halt their further penetration, Indian manufacturers need to reconsider their own product quality and offer quality products at competitive prices. It has been seen in the literature that the consumer has a favorable attitude toward a product manufactured in a country that has a good image worldwide because the country's image gives an indication of the workmanship, industrialization, and technology of that country. Moreover, the results of the present study also indicate that COO has a positive impact on PI, which is very important for India as a developing nation to work on enhancing its "country-of-origin" image, which would help in improving prestige associations in the minds of Indian consumers and consumers worldwide.

7. Limitations and Future Scope

A few limitations should be considered when generalizing the results of this study. First, TV and mobile phones are the only two product categories used to represent electronics, limiting the generalizations of the findings to the other product categories coming under the ambit of electronics. Second, the study took only one mediating variable (i.e., attitude); in the future, other mediating variables such as familiarity and, purchase involvement, could be taken to strengthen the validity of the results. Third, this study was limited to the geographical territory of India. There is no doubt that India is a culturally rich country, but COO is a concept that differs from culture to culture, place to place so, in future bi-national or multinational studies (specifically nations that differ from India in socio-cultural terms) could be undertaken to validate the results worldwide. Fourth, whether a consumer should go for a foreign product is not only dependent on COO alone; rather, there are other cues, such as brand, price, ethnocentrism, etc., that could be taken in the future as independent variables along with COO to see their combined effect on final purchase behavior. Fifth, the present study is restricted to only one product category, that is, electronics, and in the future, other complex high-tech products could be taken to understand the COO phenomenon in more depth, or even the service sector could be taken to gain more insights into this complex phenomenon.

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