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The Influence of Brand on Consumer Engagement and Brand Loyalty with Special Reference to Country of Origin Effects

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ABSTRACT

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The goal of this study is to evaluate the impact of country of origin, brand image, price fairness, and service quality on the link between iPhone user pleasure and brand loyalty. This study has the distinct feature of prioritizing the nation of origin over the product's quality or any other attributes. Some participants prioritized the place of origin of the goods over the quality of the product. However, this preference may result in varying conclusions for Indian purchasers. The study examined the demographics of individuals who utilized iPhone mobile devices in Indian institutions. This study utilized a sample size of fifty-five individuals who were iPhone users. To do the sampling, a basic random sampling method was employed. The study's findings indicate that the degree of customer satisfaction with iPhones significantly influenced their brand loyalty. These factors, including the brand's origin, reputation, pricing fairness, and service quality, influenced customer loyalty.

Introduction

The term "country-of-origin" (COO) has long been used to denote the original geographical region where a product was manufactured. The COO, originally devised as a retribution for nations such as Germany after their defeat in World War I, was employed to identify goods exported by victorious nations. Cai (2002) proposes a method to impose penalties on countries such as Germany in order to attract undesired attention towards them. Lin and Chen (2006), Aiello et al. (2010), Samin et al. (2012), and Munjal (2014) are researchers who have described the country of origin (COO) as the location where product development, assembly, design, and manufacturing take place. For instance, let's take the Japanese brand Sony; it is possible that certain products under its name are actually produced in Singapore. Therefore, Sony products are now labeled as "Assembled in Singapore" instead of "Made-in Japan" (Rezvani et al. 2012). Many individuals often inaccurately identify the countries of origin for various products. Various regions across the globe may hold different perspectives on a particular country. For example, certain nations may regard it as a reliable and highly regarded country of origin, while others may perceive it as a less prestigious country of origin. Moreover, the perspectives of the nation may change throughout time. One's attitude towards the COO is usually determined by how they perceive the product in relation to its cultural, political, social,

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and economic aspects. Below is a comprehensive compilation of mobile phone brands together with their respective Country of Origin (COO):

The nations engaged are as follows: Nokia is a Finnish company. Huawei and Lenovo are Chinese companies. Japan and South Korea are represented by LG and Samsung, respectively. Taiwan, a country in East Asia, is known for its technology company HTC and its association with the online marketplace Amazon.

Ethnocentrism is a fundamental aspect of the COO analysis. Individuals generally hold a more favorable opinion of domestically produced goods compared to those that are imported. Consumers are highly interested in examining the country of origin of the products they buy, making the country of origin (COO) one of the most intriguing topics in recent years (Josiassen et al., 2013; Rezvani et al., 2012). The rationale for this is that as international trade restrictions have been reduced, consumers now have a wider selection of new mobile phone brands (Bandyopadhyay, 2014). As a result, the Chief Operating Officer (COO) has a crucial function in both the market and influencing consumer behavior. In every market, producers engage in competition with each other. In recent years, the IT industry, along with several others, has

experienced an increase in competitiveness. Asia is an appealing and profitable market for IT manufacturers, particularly the Southeast Asian region which has shown significant and positive increase in IT demand in recent years.

According to studies from Growth from Knowledge (GFK), Indonesia's smartphone industry is experiencing the most rapid expansion among Southeast Asian countries. According to the e Marketer research organization, the number of smartphone users in Indonesia increased from 55 million in 2015 to 100 million in the first quarter of 2018[1]. The exponential increase in smartphone usage in recent years has resulted in intense competition in the sector. As a result, every smartphone manufacturer is competing fiercely to win the loyalty of users. To persuade individuals to buy their mobile phone brand, the company must offer a diverse range of values or advantages. In addition, it is imperative for businesses to consistently engage in innovation in order to meet the demands of customers, hence fostering client loyalty towards their products. In the present times, cellphones are available from other esteemed manufacturers, not limited to Apple's iPhone. This American firm dominates the global market. According to the Gartner research organization, in 2018, Apple's iPhone accounted for 14.1% of the market share, Samsung followed with 20.5%, Huawei with 10.5%, Xiomei with 7.5%, and Oppo with 7.4%. However, in 2019, Huawei had a significant decline in market share, dropping to 15.8%, which placed it in third position, trailing behind the iPhone's 10.5% share. Apple, the manufacturer of the iPhone, needs to consider this. Currently, while buying a mobile phone, there are numerous things to take into account, such as the brand's reputation, the phone's affordability, its country of origin, and the quality of service. One important factor that influences a consumer's decision to purchase a specific brand is how well the brand's traits and products meet their needs and preferences. According to reference [4], ensuring customer happiness is extremely important in today's highly competitive global environment. The rationale behind the notion of customer satisfaction is that when individuals are content with a product or service, they are more likely to repurchase it and even recommend it to others. A significant amount of empirical study has been carried out in order to uncover and comprehend the aspects that impact consumer happiness. As stated in reference [5], the determining factor for a customer's pleasure is the quality of the goods.

According to references [6] and [7], delivering exceptional service is crucial for ensuring client satisfaction. Delivering exceptional service is crucial to the business's strategy of attracting new clients and retaining existing ones. In order for this to happen, it is imperative that the corporation places high priority on ensuring easy accessibility to all product information, encompassing descriptions, pricing, return policies, and replacement parts. Price fairness is nearly as crucial as service excellence in determining customer satisfaction. Customers frequently utilize price as an indicator of value when it is linked to the perceived advantage of a product or service, as mentioned in [8].

Increasing prices is a strategy that businesses might employ to discourage people from purchasing their products. An advantageous perception of the brand is essential for contented consumers. Customers' purchasing decisions are influenced by their ability to readily identify and assess the quality of a

product through the brand's established reputation, hence increasing their confidence in making a purchase.

Literature Review

Consumer behavior and purchasing patterns

Al-Jeraisy (2008) defines a consumer as an individual who acquires goods and services for their personal use. Noel (2009) defines a customer as an individual who identifies a certain need and subsequently seeks out a product that fulfills that need.

Diverse Consumer Decision-Making Patterns

Kotler and Armstrong (2012) categorize consumer behavior into four basic types: complex-buying, dissonance-reducing, habitual, and variety-seeking.

Kotler and Armstrong (2012) state that customers exhibit intricate purchasing behavior when confronted with intricate products or substantial disparities between brands. Consumers exhibit dissonance-reducing purchasing behavior when they have made significant investments in costly, unconventional, or potentially hazardous products, despite there being minimal or no distinction between the brands. Habitual buying behavior occurs when consumers have low levels of investment in the purchase and see little differentiation across brands. Conversely, when customers have a strong interest in making a purchase but are not excessively focused on mobile phones, they exhibit variety-seeking buying behavior. Customers desire additional information regarding the phone's brand, features, country of origin (COO), and design during the purchase of a mobile phone, hence rendering the procedure more intricate. Thus, mobile phones are pertinent to intricate purchasing behavior and the inclination to seek diversity. Furthermore, alternative types of consumer purchase behavior have been acknowledged, such as price sensitivity and impulsive buying (Hanzaee and Irani, 2011).

Hanzaee and Irani (2011) defined the impact of price on customer behavior as price sensitivity. Impulsive purchases, commonly referred to as the price elasticity of demand, are defined as unplanned purchases.

The process by which customers make purchases

The customer purchasing process consists of five distinct steps: problem identification, information search, alternative appraisal, purchase decision, and post-purchase behavior (Kotler and Keller, 2012).

The concept of Country of Origin (COO)

Schooler (1965) was the first researcher to examine the concept of Country of Origin (COO) and characterize it as the "Made-In" concept. Previous studies have referred to the place where product development, assembly, design, and manufacturing take place as the COO (Lin and Chen, 2006; Aiello et al., 2010; Samin et al., 2012; Munjal, 2014). COO is often used as a substitute for reliable data when other metrics are not accessible (Lusk et al. 2006).

The aim was to differentiate it from rival products, as stated by Munjal (2014). Elliott and Cameron (1994) defined the Country-of-Origin Effect (COE) as the overall impact, whether positive or negative, that the country of origin has on consumer choice and behavior towards a product. Apetrei and Petruşca (2010) classified the perceptions and attitudes of a nation towards its commodity as COE in a global marketing arena.

The impact of the chain of custody on consumer spending

In this discussion, our main focus will be on customer input regarding mobile phones. As part of the buyer's pre-purchase consideration, the customer conducted the assessment. With the large number of global brands available, the Chief Operating Officer (COO) still has a crucial role in assessing products (Bandyopadhyay, 2014). Consumers frequently take into account variables such as quality, usability, disposal, and durability while making purchasing decisions. Johansson et al. (2000) found that customers' assessments of items are influenced by their personal experiences, regardless of whether these experiences are positive or negative. Consumers in the mobile phone business would face significant constraints when it comes to comparing brands due to issues such as time, energy, and resources (Munjal, 2014).

Sociologist Sumner (1906) introduced the concept of cultural elitism (CE) and defined it as the perception of consumers as superior and the reference point for everyone else. Watson (1999), Akdogan and Ozgener (2012), Renko et al. (2012), and Kalicharan (2014) have found that consumers generally have a bias towards perceiving home items in a more favorable light compared to international products. This is due to the fact that domestic products make significant contributions to the country in various ways, such as the generation of employment opportunities and the advancement of the economy. In addition, consumers have a tendency to reject ideals and symbols that do not align with their own cultural, political, and economic ideas. Apetrei and Petrușca's 2010 study proposed that several elements can influence individuals' perception of a product's country.

These factors encompass:

- the distinction between foreign and domestic products in terms of perception;
- the perception of the country of origin (COO) as the fundamental aspect of products compared to generic items;
- the reputation of the manufacturing company on a national or international level; and
- the image conveyed to consumers through the brand name or logo.

Country of Origin (COO)

The term "CI" was first coined by Nagashima (1970) to refer to the perception and reputation that consumers associate with a product originating from a particular country. The historical, traditional, and cultural context of a nation often influences such an image. Roth and Romeo (1992) provided a definition of CI as "the overall perception that consumers develop towards products, which is influenced by the production and the strengths and weaknesses of the country's marketing." According to Rezvani et al. (2012), CI is frequently interconnected with the social, political, economic, and technical dimensions of every nation. Multiple research (Laroche et al., 2003; Pappu et al., 2007; Fernanda and Janaina, 2012; Ngoc, 2014) have found that consumers' biases and preconceived ideas about foreign products can have a detrimental effect on their impressions of foreign companies. The consumer impression (CI) is formed in customers' minds through their knowledge, exposure, and preferences towards a specific country. Kouba et al. (2013) found that the flow of information across various communication channels had an

impact on CI. Both the national and product levels play a role in shaping a country's image (Pappu et al. 2007).

Purchase Intention

Due to intense market competition and the constant innovation efforts of businesses to attract customers, consumers are presented with several options when choosing a brand, which significantly impacts their purchasing decisions. Purchase intention, as defined by Revzani et al. (2012), refers to customers' inclination to actively support a certain brand by making a purchase.

The Influence of Country of Origin on Product Evaluation

Vukasović (2015) conducted a study on the influence of country of origin (COO) on the evaluation of products and the perception of customers in the food industry, specifically focusing on meat products. The researcher employed the correlation model to examine the different analytical variances. It was shown that characteristics such as group, test type, and meat variety exhibited a significant link. The study additionally discovered that the country of origin (COO) has an impact on consumers' emotions, preferences, and purchasing decisions.

The Impact of Country of Origin on Customer Behavior

Murtaza (2016) examined a case study conducted in Pakistan to explore the impact of country of origin (COO) on customers' purchasing decisions for mobile phones. The results indicated a positive relationship between brand image, technical innovation, and the purchasing behavior of customers in Pakistan. Additional research has surfaced indicating that CI has a considerable influence on Pakistani customers with higher incomes, while low-income consumers opt to purchase mobile phones domestically. Agrawal and Kamakura (1999) conducted research on the subject of COO as a competitive advantage with the main objective of assessing the influence of COO on consumer behavior. The study's findings revealed that international marketers do not consider the country of origin (COO) as a significant factor in determining their pricing strategies. Instead, they mostly rely on the product's quality when setting prices.

The influence of country of origin (COO) on customers' inclination to make a purchase.

The study conducted by Yunus and Rashid (2016) aimed to examine the factors that influence the coefficient of determination (COD) considered by Chinese consumers when purchasing mobile phones from various brands. Various factors, including as customer intimacy (CI), perceived product quality (PQ), and brand familiarity (BR), have been used to measure consumers' intentions to purchase. When examining the impact of different mobile phone brands on Chinese customers' purchase intentions, it was discovered that all of the defined criteria were both statistically significant and strongly correlated.

COO has an impact on consumers' willingness to buy goods and services from other countries.

Cai et al. (2004) conducted an experiment to determine the impact of the country of origin (COO) on customers' purchasing intentions for imported products. The study aimed to evaluate how the COO affects consumers' likelihood of acquiring these items. The results indicated a statistically significant interaction of the country of origin (COO) impact, indicating that the

specific specifics of the COO influenced participants' likelihood to make a purchase. Additionally, it was found that the price elasticity of non-durable products in a country was higher compared to the price elasticity of durable commodities in a state. Walley et al. (2014) conducted a study to determine the impact of COO on Chinese food customers. Research indicated that Chinese consumers had a preference for non-Chinese food products and perceived them to be of higher quality compared to domestic equivalents. An unexpected conclusion from the research is that the Chinese correlate a product's "Made-in" label with its quality.

Method

Research Design

The method by which the researcher combines many elements of the research study in a logical and cohesive way is known as the research design (Fletcher 2017). Thus, picking the best research study guarantees that it will support tackling the research issue in an efficient manner. In addition, a well-designed study facilitates data collecting, measurement, and analysis. On the other hand, this paper employs an experimental and descriptive research design.

Experimental Design

Both primary and secondary data are used in this study to complete the investigation. The respondents who were chosen for this study were given a structured questionnaire including both open-ended and closed-ended questions.

Research Method

Both qualitative and quantitative methods were employed in this research

Technique for Sampling

Choosing a representative sample for a study is an essential first step in determining whether or not the research questions will be sufficiently addressed. Consequently, the samples for this research study were selected using a straightforward random process. The attractiveness of this approach is that it allows respondents to be chosen at random, irrespective of their occupation or level of education.

Sample Size

A total of 55 respondents were selected..

Questionnaire Development

The questionnaire for this research study has been thoughtfully designed to prompt participants to provide the desired answers. The research study's questionnaire consists of both closed- and open-ended questions in order to obtain the desired results.

Data Collection and Procedure

Making a pattern questionnaire and emailing it to fifty workers provides the bulk of the data for this study.

Data Analysis

The processed data is shown graphically in the form of graphs and charts for easy comprehension by all, and the analysis is highly precise. The research questions and their significance to the study's objective, as established by the collection of quantitative and qualitative data from primary and secondary sources, form the basis of the data analysis in this work (Curtis et al., 2016). The data were thoroughly assessed in order to

build the hypothesis, ensuring that the conclusion accurately reflects the true trend in employee participation in the company.

Results and Conclusion

Table 1 Gender

Gender	Frequency	%
Male	43	78.2
Female	12	21.8
Total	55	100

From above table and fig. 4.1 it is evident that across all the respondents majority 43 (78.2%) were male and 12(21.8%) are female.

Table 2 For how long have you been using an iPhone?

For how long have you been using an iPhone?	Frequency	%
Less than a year	11	20
1-2	16	29.09
2-3	12	20
3-above	16	29.09
Total	55	100

For a question related to one study regarding how long they have been using iPhone 20% said that they are using it for less than 1 year. While 29% responded that its been more than 3 years.

Table 3 How important is the country of-origin when considering purchasing luxury goods(s), particularly an iPhone?

How important is the country-of-origin when considering purchasing luxury good(s), particularly an iPhone ?	Frequency	%
Very important	15	27.3
Slightly important	7	12.7
Moderately important	15	27.3
Extremely important	8	14.5
Not important at all	10	18.2
Total	55	100

Regarding to a query that how much an individual is influenced by COO for luxury food majority (38.2%) said they are very less influenced while 5.4% said that they are not influenced at all.

Table 4 How does the country-of-Origin influence your perception of the quality of your iPhone?

How does the country-of-Origin influence your perception of the quality of your iPhone?	Frequency	%
Highly influences	17	31
Moderately influences	15	27.3
Slightly influences	6	11
Extremely influences	8	14.5
It doesn't influence at all	9	16.4
Total	55	100

Regarding the quality of iPhone, 31% responded that they are highly influenced by the COO while 16.4% said that it doesn't influence as show in above table and fig 4.11.

Table 5. How important is the reputation of the brand's/model's Country-of-Origin, or assembling Country when purchasing an iPhone?

How important is the reputation of the brand's/model's Country-of-Origin, or assembling Country when purchasing an iPhone?	Frequency	%
Very important	24	43.6
Extremely important	6	11
Moderately important	16	29.1
Slightly important	3	5.5
Not important at all	6	11
Total	55	100

From above data it can be concluded that 43.6% looks for the reputation of brand/model CoO while purchasing iPhone and only 11% said that it's not important for them at all.

Table 6. Do you perceive iPhones from certain country to have superior craftsmanship, design, and features over others from other Countries?

Do you perceive iPhones from certain country to have superior craftsmanship, design, and features over others from other Countries?	Frequency	%
Yes	35	63.6
No	20	36.4
Total	55	100

Respondents believe that iPhone made in specific country are superior than others. Majority 63% said they look for a food country while selecting iPhone.

Table 7 Do you consider recommendations from friends or family when purchasing an iPhone from specific countries?

Do you consider recommendations from friends or family when purchasing an iPhone from specific countries?	Frequency	%
Yes	37	67.3
No	18	32.7
Total	55	100

Table 8 Overall, how would you rate the impact of Country-of-Origin effects on your purchasing behavior for iPhone ?

Overall, how would you rate the impact of Country-of-Origin effects on your purchasing behavior for iPhone ?	Frequency	%
High Impact	15	27.3
Very High Impact	5	9.1
Moderate Impact	23	41.8
Low Impact	8	14.5
Very Low Impact	3	3.5
Total	55	100

Overall it can be said that 41% respondents had moderate impact of CoO effects on their purchasing behavior while 9.1% had very high impact and 3.5% had very low impact as seen in the above table and figure.

Conclusion

The country of origin significantly impacts the establishment and sustainability of brands in India. Brands from developed economies are more popular among Indian consumers, while those from less developed countries like Bangladesh and Pakistan face competition and significant marketing investment. The study found that a positive brand image, service quality, price fairness, and customer satisfaction all contribute to brand loyalty. The country of origin is particularly important for products with high risk of malfunctioning and high technological sophistication, as it influences consumer decisions on purchasing.

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