

# Does Country of Origin Matter for Consumers in an Emerging Economy? An Empirical Evidence from the Indian Market.

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**Abstract** : Country-of-origin (COO) is acknowledged as a cue intangible in nature, which can impact consumers' evaluation process as well as purchase decision for a given product. With rise in global competition, international trade as well as standardization of product universally, product-based competitive advantages has reduced. Hence, it is quite obvious that marketers are not likely to leave out a powerful method of promotion such as COO. In order to influence competitive positioning and success in the global marketplace, COO is considered as one of the most powerful image variable tool. Xenocentrism and Consumer ethnocentrism are another significant components in the field of COO effect studies. With respect to this information, the research conducted tries to find out the effects of COO on the purchasing pattern of youth in India. The sample consist of younger consumers, as they are regarded comparatively more conscious from that of other groups. The objective of this research is to throw light on the fact that, how the products of a country can influence the buying behavior of young consumers. The current study also analyzes the interconnection between product purchase, COO and demographic attributes of consumers. The results of the study conducted can benefit multinational corporations in formulating appropriate strategies of marketing in Indian market as well as to frame a positive image about their domestic products and country, so that they are able to effect consumer's purchase decision.

**Index Terms:** *Country-of-origin (COO), Ethnocentrism, Xenocentrism, India.*

## I. INTRODUCTION

In the prevailing market conditions with rapid expansion beyond national boundaries, it has undeniably become a necessity for companies to succeed in the long run and increase their customer base (Aboulnasr, 2007). (Hsieh, 2002) stated that, Increased international business activities along with globalization, have brought into being new foreign competitors to the forefront, emergence of the global market, foreign products with wider range for customers and broad alternatives. Additionally, higher level of education, access to information and technological advancement have also enhanced consumers to be more aware about the products and services available globally. Accordingly, in this challenging global environment, organizations deem product differentiation as the key priority in order to attain a perpetual competitive advantage (Baker and Ballington, 2002). Among several factors, which are considered to influence competition internationally, product's country-of-origin (COO) has emanate as a factor which has the capability to provide a company with a competitive edge, by differentiating the product from those of competitors' offerings, and ultimately reinforcing the company's position in the market. Since COO labeling was legally mandated, the perception as well as awareness of consumers on COO has increased overtime; now more attention is paid by the consumer in order to know about the origin of certain products as an integral part of their purchase decision and evaluation process (Ettenson, Klein & Morris, 1998; Bandyopadhyay & Banerjee, 2002). While making evaluation of a product and while going through purchase decision process, consumers often use product's COO as an extrinsic information notion (Heslop & Papadopoulos, 2002; Balabanis & Diamantopoulos, 2004; Uncles, Kwok & Huang, 2006). It serves as an indicator for product durability, quality, reliability, safety and performance as well as provides consumers with information to better understand the rationality of their purchasing behavior (Cude, Cai, & Swagler, 2004; Laroche, et al., 2005). It also helps in positioning the lesser known products, as it can act as a brand itself for the product of the company. On the other hand, it helps in reinforcing brand attributes for the well-known products. The country's image acting as an external cue about product quality, can leverage attributes of the brand. Over the years, the influences of consumer purchase intentions, product's COO on consumer attitudes, consumer's evaluation and behavior has been one of the most comprehensively studied dimension in the field of consumer behavior and international marketing. In the past few decades, several research studies have been conducted, focusing on the context of different countries with the purpose to identify attributes affecting consumers' purchase intention and evaluation while buying products, based on its COO (Shimp & Sharma, 1987; Bailey & Pineres, 1997; Sin, Ho and So, 2000; Kaynak et al., 2000; Lin & Chen, 2006; Wang & Yang, 2008; Ghazali et al., 2008; Mostafa, 2010; Diamantopoulos, Schlegelmilch, & Paliawadana, 2011; Dagger & Raciti, 2011; Bamber, Tabassi, Esmaeilzadeh, & Sambasivan, 2012; Phadke & Jyothishi, 2012; Haque et al., 2015).

## II. OBJECTIVE OF THE STUDY

This study conducted enquires about the relationships amongst product purchase, COO and demographic attributes of young Indian consumers. Specifically, the nature of this study is justifiable in the Indian context as India in this world is the second fastest growing economy, after China. With a humongous population of 1.25 billion people, India is also the second largest emerging consumer market in the world and with rapid transformations taking place in the economy, there is also an increase in consumption. There are particularly two aspects of this study. First, it will arbitrate to what degree the product's COO impacts the buying behavior of consumer. Second, this study will investigate the effect of consumer's demographic characteristics on product's COO. This study will also help in providing information in order to understand, how the young Indian consumers take into account foreign made products. Furthermore, the findings of this study will be of great importance to foreign multinationals in order to market their products in context of the Indian market.

### III. REVIEW OF LITERATURE

Numerous studies have been conducted in different parts of the globe on COO, following the classic work by Schooler in (1965). (Han, 2010; Diamantopoulos et al, 2011) stated that, this concept has gained greater importance because of being considered as an important and powerful determinant of consumer buying behaviour and the growth in international trade. As per (Roth & Romeo, 1992) COO effect is associated with the overall perception consumers frame about products from a particular country, how they perceive products from certain countries, based on their already formulated perceptions about the country's marketing strengths and weaknesses and production. Moreover, it acts as an extrinsic cue providing consumers with inferences about quality, product, performance or particular product attributes. (Dagger & Raciti, 2011) Consumers ascertain features of the product on the basis of experiences with products from that country and by stereotyping. (Han, 1990) Cues generated from COO create a halo effect, which act as the source of information regarding several brands from a country that people develop over time, they store these overall evaluations of products from the country in their memory and retrieve easily while evaluating the brands. Various studies have investigated the effect of COO on several measures of consumers' subsequent behavior and product evaluation. Zafar et al (2004), Piron (2000) and Veale and Quester (2009) endowed that COO is an important factor in the evaluation of products with high involvement and vice versa. Therefore, COO effects impacts perception of the consumers on luxury products much stronger than their perception about everyday products. Diamantopoulos and Balabanis (2004) investigated the decision making process of British consumers' about local & foreign products, and found that their preferences had a pronounced effect because of nationalism. On the other hand, studies of Sin, Ho and So (2000) in China, Kaynak et al. (2000) in Bangladesh, and Ghazali et al. (2008) in Malaysia provides evidences that COO is not placed as a priority attribute by consumers. Due to the symbolical social meaning that portrays higher quality, modernity, sophistication, novelty and prestige, consumers elect western foreign brands over local brands. Russell and Russell (2006) & d'Astous and Ahmed in (2008) stated that higher level of association with a country and its products may lead to increase in the acceptance of foreign products and decrease in the preference of local products by a consumer. Additionally, consumers are likely to use COO in order to evaluate products and make perceptions regarding the quality of their attributes, when they have little knowledge about the features in a foreign product. Hu and Wang (2010), Han (2010) & Diamantopoulos, Koschate-Fischer and Oldenkotte (2012) revealed that countries with reputed products are preferred more by customers and thus they are willing to pay higher premium for them.

#### 3.1 COO Effects and Demographic Characteristics

Demographic profile of consumers' usually effects the way they evaluate, perceive, purchase and form attitude about foreign brands. There are ample amount of proofs available that demographic attributes of consumers play a very significant role in arbitrating the effect of COO. It has been observed that in COO effect on consumer buying behavior, age is the commonly used variable. Researches show that when compared taking into account a foreign product, old people are relatively more biased than the less aged people (Pineres and Bailey, 1997). Huddleston et al (2001) in their study came to know that, there is a positive relationship between ethnocentrism and age (domestic orientation). Studies conducted in the past, showcased a compelling relationship between perceived impact of products' COO and age, as old people were likely to possess more positive attitude towards the country where the product is manufactured. In contrast, some researchers have also found that younger consumers opted to go for western country's products considering the value for money and high quality. This might be because many of the younger consumers are backed by quality education and also possess global orientation and exposure. Both genders present varying attitudes towards products of different countries, as for instance, foreign products are liked by females, whereas males are biased towards them (Sharma, et al., 1995). Sternquist and McLain (1991) and Huddleston et al. in (2001) came up with a conclusion that there is no convincing relationship between ethnocentric tendency and gender of a consumer. Global exposure combined with the level of education a consumer possess, could act as a role of moderator in the evaluation of the COO effect. Researchers dispute that foreign products gets favored with the level of education coming into play, when compared with lesser educated people (Sternquist & McLain, 1991; Sharma et al., 1995). It is because of the reason that, people with good education are deemed to be more aware or familiar about the features of product and the competitive advantage of a country in manufacturing specific products. McBride and Insch (2004) highlighted that there is a positive relationship between COO cues and the level of education. They found that Mexican consumers were more likely to utilize the COO cue of the product in their product quality evaluations with higher levels of education. They also found that both these factors were didn't applied to all range of product evaluations. Chrysochoidis et al. (2007) & Nien and Hsu in (2008) found that consumers are likely to be more ethnocentric with lower levels of education. People with higher income prefer imported products and vice versa (Wall et al., 1991). But in contrast, Sternquist and McLain in (1991) & Han in (1990) came up with a revelation that, there is no relationship between COO and income of a consumer. Taking into consideration, the aforesaid issues, a hypothesis was framed in order to investigate the interrelation between the effect of COO on their product evaluation, demographic characteristics of consumers and purchase behavior.

**H1: COO effect of product purchase doesn't significantly differs across the demographic characteristics (gender, age, and education level) of consumers.**

#### 3.2 Xenocentrism and COO effect

The concept associated with sociology, which views that a group other than one's own is the center of everything and that all others, including one's own group, are scaled and rated with reference to it is what we call as Xenocentrism (Burnight and Kent, 1951). In the context of marketing, this statement means that products developed abroad are relatively superior to all others, including the domestic products. It has been observed that the consumers of developing economies may consider the products of developed markets as an indication of their wealth, higher status, class, and lifestyle. Because of this perception being framed, the acquisition of such products provides them with the space to showcase that they are more cosmopolitan (Lowengart & Ghose, 2001). The developing economy's consumers' may frame a notion about themselves, as being more international and less provincial. They are fascinated in using and purchasing products of other countries because they are more implicated about material needs and interested in revealing their wealth and status by acquiring and using foreign products. Research has also revealed that factors such as the level of familiarity with various countries and their products, degree of global exposure can impact consumers' extent to which they use COO cues as well as their willingness to purchase products. Russell and Russell (2006) & d'Astous and Ahmed (2008) stated that the more the level of familiarity with a country and its products, the more the product perception of the consumers' are objective. Provide the condition of unfamiliarity, (Animosity) may lead customers in increasing their preference of local products and decreasing their preference of imported products (ethnocentrism). Keeping in mind these two considerations, the second hypothesis framed is assumed as:

**H2: There is no significant relationship between Xenocentrism and COO of a product.**

#### IV. Research Methodology

As a segment of the market, the young Indians are of great importance both in terms of spending capacity and magnitude. Thus, it is quite important to know about the buying behavior of young Indians not only because they purchase these items frequently, but also because they set trends of purchase and act as an opinion leaders for different kinds of products. Therefore, in the study conducted, data was accumulated from several universities of Dehradun through students, the state capital of Uttarakhand, India in the month of September and October, 2015. Students of these universities were chosen for this study as they belong to the high and middle class segment, and their social status, education, purchasing power and interactions in society make them more acquainted in buying different variety of products. By going through the prominent works of famed researchers, including Shimp & Sharma (1987), Shimp, Sharma & Shin (1995), W.A (1999), Kucukemiroglu, Kaynak & Hyder (2000), Diamantopoulos & Balabanis (2004), d'Astous & Ahmed (2008), Haque et al. (2015) compliant for COO effect on decisions related to purchase were identified and included into the questionnaire structured.

Self-administrated questionnaires were used in the survey conducted. In order to choose the respondents, justified and convenience sampling was done in front of the Universities' entrance gates. Each of the potential respondent were first approached and informed about the purpose of the survey. Overall 425 students took part in the study, of which 412 final valid questionnaire was implicated in this study, Eliminating 13 responses which were insincerely answered or unreliable. Altogether, three sections accounted for the survey questionnaire: Demographic profile, attitude towards the effect of products' COO and consumer purchase behavior. Out of a five-point Likert-scale ranging from 1 (strongly disagree) to 5 (strongly agree), respondents were asked to mark their level of agreement with the 20 attributes available. To make sure the survey instrument trustworthy, the antecedent questionnaire was given to a panel comprising of faculty members and experts to judge the clarity of its items meaning, the content's validity and to ensure its associates with the objectives of the study. In order to authenticate its reliability, 45 respondents were used in order to pilot test the questionnaire, corresponding 10.59% of the total size of the sample, who were ascertained as the representatives of the study population. The Cronbach's alpha value was found 0.786, which hinted towards the level of acceptance required for the reliability of the questionnaire. Thus, the data collected was arranged systematically, analyzed and tabulated using IBM SPSS Version 25.

#### V. Data Analysis

##### 5. Demographic Profile

The demographic attributes of respondents listed in table 1 shows that 14.3% of respondents belonged to the age group of up to 20 years; 48.6% were the age group of 21-25 years; age group of 26-30 years constituted 29.8% and 7.3% were above 30-35 years. The investigation showcases that males dominated the sample with 59.6% of them making into the survey. The association of the high response rate from male have two aspects: they are more gravitated towards filling a questionnaire, but more essentially, when it comes to purchasing products of different variety, they are the driving force. With regard to educational qualification, 66.1% were having a professional degree, 21.6% students were graduate and only 12.3% were post-graduate.

**Table 1: Demographic Profile (N=412)**

Categories	Frequency	Percentage	
Age	Upto 20 Years	59	14.3
	21-25 years	200	48.6
	26-30 years	123	29.8
	30-35 years	30	7.3
Gender	Male	246	59.6
	Female	166	40.4
Education	Graduate	89	21.6
	Post Graduate	51	12.3
	Professional	272	66.1

Source: Primary Data

##### 5.1 COO effect on Different Product Category

COO influences both the firm's decision to manufacture its goods in certain countries and how to brand as well as evaluations of the product by the consumer. Keeping this in mind, an attempt was made in order to get an idea about the influence of a COO effect on consumer in different product categories. Customers' numerous responses were recorded & processed, which has been presented in the table 2. Through the information demonstrated in the table 2, we get to know that the Mobile Communication has a great influence of COO on them, as 29.2% respondents indicated the same in the sample. Followed by garment purchase constituting (20.9%), food and beverage (16.9%) & home appliances accounting for (16.4%).

**Table 2: COO effect on Different Product Category (N=412)**

Product Categories	N	Percent
Food and Beverage	136	16.9%
Furniture and Home Décor	75	9.3%
Garments	168	20.9%
Home Appliance	132	16.4%
Insurance Services	58	7.2%
Mobile Communication	235	29.2%
Total	804	100%

Source: Primary Data

### 5.1.1 Confirmatory Factor Analysis

Studies conducted in the past suggests that consumers utilizes his personal attributes such as gender, age and education, as well as product attributes such as quality, price, performance & COO in order to make their purchase decision. In the young generation consumers COO has emerged an important topic of discussion, as maximum of them feels differences in the country of its origin and quality of the product. Taking into account these consideration, an endeavor was made to ascertain the effect of products' COO and its impact among young consumers while making a purchase decision. Using a five-point Likert scale, respondents were asked to finish a series of attitude statements where 1 on the scale was strongly agree & 5 on the same meant strongly disagree. Five major categories were fragmented for all these statements, which are product superiority and trust, product class and knowledge, quality and technological excellence, xenocentrism & ethnocentrism. Table 3 presented below, provides detailed insights about the purchase patterns of young consumers which gets influenced by COO in India.

**Table 3: Consumers' attitude towards COO**

Statement	Mean	SD
<b>Quality and Technological Excellence</b>	<b>3.02</b>	<b>0.81</b>
I find out a product's COO determines the quality of a product.	3.23	1.46
To make sure that I buy the high quality product, I look at what country the product was made in.	2.68	1.23
I trust brand instead of its place of origin.	2.49	1.09
I believe COO determines the technological sophistication of the product.	3.68	1.59
<b>Product Superiority and Trust</b>	<b>3.11</b>	<b>0.68</b>
I look for COO information to choose the best brand available in a product class.	3.18	1.32
When I am buying a new product, the COO is the first piece of information that I consider.	3.26	1.18
If I have a little experience with a product, I search for COO information to help me make a more informed decision.	2.84	1.19
I look for the "Made in..." labels in product before making a purchase.	3.47	1.42
I refuse to purchase a product without knowing its COO.	4.28	1.09
When a lot of equivalent products are available, I would prioritize to purchase the product on the basis of COO.	1.17	1.01
To purchase a product that is acceptable to my family and friends, I look for the product's COO.	3.60	1.38
<b>Product Class and Knowledge</b>	<b>3.50</b>	<b>0.83</b>
It is less important to look for COO when buying a product that is less expensive.	3.36	1.21
When buying a product that has a high risk of malfunction, I always look for COO.	3.52	1.09
The influence for COO seems to be more important for luxury goods than for necessity products.	3.68	1.16
When buying expensive items, I always seek to find out the product's COO.	3.45	0.84
<b>Ethnocentrism</b>	<b>3.22</b>	<b>0.92</b>
Products made in India are usually a good value for the money.	2.83	1.21
If the quality of Indian-made and imported products is the same, I will buy Indian product even if it cost a bit more.	3.61	1.19
<b>Xenocentrism</b>	<b>3.28</b>	<b>0.68</b>
I would always prefer to buy products made in foreign country.	3.15	1.01
Products made in the foreign occupy a very strong competitive position in comparison to the products made in India.	3.42	1.11
Products made in India are generally of a lower quality than similar products from foreign countries.	3.29	1.04

The findings, listed in table 3 indicate that, the most important dimension of COO effect is the product class and knowledge ( $m=3.50$ ). However, expensive products have more significant effect of COO when compared with that of cheap or necessity products. Additionally, for quality and performance of products, COO also acts as a source of knowledge for consumers. The consumers' responses towards xenocentrism and ethnocentrism are almost same. The statement, If the quality of imported and Indian-made products is the same, I will purchase Indian products, even if it cost a bit more, shows considerable opinion of customers towards Indian origin products ( $m=3.61$ ). Whereas, the opinion regarding value for the money of Indian products seems fair from the viewpoint of consumer ( $m=2.83$ ). In the minds of Indian consumer there is a strong positioning of foreign products, when it comes to Xenocentrism ( $m=3.42$ ), the western products have a better quality when compared with the Indian products ( $m=3.29$ ) and preference of foreign country products by the consumer ( $m=3.15$ ) enlists the performance as more than average. Relating with the trust factor and product superiority, consumers believe that information about a product's COO helps them in choosing the best product from the available product category ( $m=3.18$ ) and also while going for a purchase of a new product ( $m=3.26$ ). COO information also helps consumers purchase the product which is acceptable in their social circle (family and friends) and providing enough information in order to purchase a product never encountered before ( $m=2.84$ ). Similarly, when it comes to technological excellence and quality aspects, many of the respondents gave higher ranking to the statement 'the technological sophistication of the product' ( $m=3.68$ ) and 'The quality of a product is determined by its COO' ( $m=3.23$ ).

### 5.2 COO Effects and Demographic Characteristics

With the assumption that the COO attributes do not differ significantly among different age groups of consumers, one-way ANOVA analysis was carried out. Table 4 indicates that, the calculated value of F (3, 383) is less than the tabulated value of F (2.60,  $\alpha = 0.05$ ) for Xenocentrism (0.992) and Ethnocentrism (1.743). Accordingly, the observed p-value for all components is above par the chosen alpha of 0.05 (0.158 and 0.396). But, in case of technological excellence & quality, product class & knowledge and product superiority & trust, calculated value of F (3, 383) is more than the tabulated value of F (2.60,  $\alpha = 0.05$ ) and the p-value observed for them is quite below the alpha that has been chosen (0.05). Therefore, indicating that there is no significant variation in Xenocentrism and Ethnocentrism across the age of consumers, the null hypothesis is accepted. Whereas on the other hand, indicating that there is a significant difference in the factors among various age groups of consumers, namely quality & technological excellence, product superiority & trust and product class & knowledge, the null hypothesis is rejected.

**Table 4: COO effect across the Age of Respondents**

COO Factors	Mean				ANOVA	
	Up to 20 years	21-25 Years	26-30 Years	30-35 Years	F Value	P Value
Quality & Technological Excellence	2.9048	2.9961	3.2125	3.3056	14.155	0.000
Product Superiority & Trust	2.8627	2.9003	3.4017	3.0694	8.991	0.000
Product Class & Knowledge	3.3287	3.4088	3.6242	3.7642	5.142	0.002
Ethnocentrism	3.0297	3.2052	3.3080	3.3059	1.743	0.158
Xenocentrism	3.2029	3.1897	3.2969	3.2873	0.992	0.396

Df=3,383 ; F Value = 2.60 and p Value = 0.05

Because of the assumption that the COO attributes doesn't vary significantly across the gender of consumers, one-way ANOVA analysis was carried out. From the understated table 5, it is clear that, the value of F calculated (1, 385) is less than the value tabulated for F (3.84, a = .05) for all the factors except the factor quality & technological excellence. Moreover, except for quality & technological excellence, the observed value of p for all factors is higher the alpha chosen, i.e., 0.05. Thus indicating that there is no significant difference in product class & knowledge, product superiority & trust, ethnocentrism and xenocentrism amongst consumers' gender, the null hypothesis is accepted. Whereas in case of quality & technological excellence, indicating that there is a significant difference across the gender, the null hypothesis is rejected.

**Table 5: COO effect across the Gender of Respondents**

COO Factors	Mean		ANOVA	
	Male	Female	F Value	p Value
Quality & Technological Excellence	2.9854	3.1630	5.767	0.017
Product Superiority & Trust	3.0442	3.1229	2.228	0.136
Product Class & Knowledge	3.4395	3.5698	3.315	0.069
Ethnocentrism	3.1930	3.2607	0.742	0.390
Xenocentrism	3.2495	3.2113	0.426	0.514

Df=1,385 ; F Value = 3.84 and p Value = 0.05

One-way ANOVA analysis was conducted with the belief that the COO components doesn't differentiate consequently across the consumers' level of education. Table 6 suggest that value of F when calculated (2, 384) is less than the value of F when tabulated (3.00, a = .05) for all factors except product class & knowledge and quality & technological excellence. Respectively, the p-value ascertained for all factors except for the product class & knowledge and quality & technological excellence is greater than the preferred alpha of 0.05. Hence considering that, there is no significant distinction in product superiority & trust, xenocentrism and ethnocentrism contrary to consumers' education of consumers, the null hypothesis is accepted. Whereas, in case of quality & technological excellence and product class & knowledge, indicating that there is a notable difference across the level of educational in consumers, the null hypothesis is rejected.

**Table 6: COO effect across the Education of Respondents**

COO Factors	Mean			ANOVA	
	Graduate	Post Graduate	Professional	F Value	p Value
Quality & Technological Excellence	2.9651	3.3984	3.0557	3.588	0.029
Product Superiority & Trust	3.0949	3.3019	3.0537	2.940	0.054
Product Class & Knowledge	3.5426	3.9725	3.4406	7.557	0.001
Ethnocentrism	3.1904	3.4633	3.2079	1.449	0.236
Xenocentrism	3.1036	3.2719	3.2610	2.253	0.106

Df=2,384 ; F Value = 3.00 and p Value = 0.05

### 5.3 Xenocentrism and COO effect

Consumers' degree of global exposure in this research implies their level of familiarity with the foreign origin products . On the basis of product quality or COO, they were asked to provide with their preference in order to buy the foreign product. 'Emotional conflict' is a term used to estimate the purchasing behavior of consumers while shopping foreign product. It hints towards the differences amongst emotional and rational appeals during purchase of a product. The product's quality is the reasonable justification to buy the product while COO of the product is sought as emotional attachment of consumers to purchase imported products or the domestic products. In order to check the effect of global exposure on consumer and COO effect on product purchase, Chi square test is applied.

**Table 7: COO Effect and Level of Product Familiarity**

COO effect and Emotional Conflicts	Level of Product Familiarity	Total
Which factor influences you most when buying an imported product?	Quality of the product	323
	COO of the product	89
Total		412
Pearson Chi-Square		0.142

The test reveals that the tabulated value (3.95) is greater than the calculated value (2.347). Henceforth, indicating that there is no significant relationship between the global exposure of consumers and COO, the null hypothesis is accepted.

**Table 8: One way ANOVA : Xenocentrism and Exposure to Global Products**

Global Products	Sum of Squares	df	Mean Square	F	Sig
Between Groups	1.189	1	1.189	4.080	.044
Within Groups	161.408	410	.291		
Total	162.597	411			

In order to test the hypothesis that, the mean of Xenocentrism variables does not vary significantly across the customers' exposure to the global market, one way ANOVA was carried out. The data listed in table 8 demonstrate that value of F, when calculated is greater than the tabulated value of F (3.94) at ( $p < 0.05$ ) significance level. Hence, indicating that there is a notable variance in the mean of Xenocentrism attributes, and that it does not differ significantly across the customers' exposure to the global market, the null hypothesis is rejected.

**Table 9: One way ANOVA : Xenocentrism and Emotional Conflict**

Emotional Conflict	Sum of Squares	df	Mean Square	F	Sig
Between Groups	2.386	1	2.386	8.251	.004
Within Groups	160.211	410	.289		
Total	162.597	411			

Further one way ANOVA analysis was carried out to investigate about the hypothesis that, the mean of Xenocentrism variables do not vary significantly amongst the customers with different levels of emotional conflict while purchasing product. Table 9 with its data indicates that, at ( $p < 0.05$ ) level of significance, tabulated value of F (3.94) is lesser than the calculated value of F. Hence, indicating that there is quite a difference in the mean of Xenocentrism attributes, and that it does not differ significantly across the customers with varied level of emotional conflict in product purchase, the null hypothesis is rejected.

## VI. Discussion and Managerial Implications

The revelations of the study highlights that consumers' sought COO as information that affects their decision making process with regard to their approach towards the attribute of the products as well as their overall product evaluation process. The study conducted in the domain, suggests that COO has considerable amount of influence in the telecom products and services followed by apparels, food & beverage, and electrical & household appliances. Young Indian consumers comprehend that COO of the product ascertains the technological & qualitative aspects of the product. Nevertheless, there are certain product categories, where consumer focuses more on brand rather than product's COO. Consumers have also revealed that information from COO backs them to opt for the best product alternative available in a given category, they also consider that COO of a product helps them in trying a new product. The study also highlights the fact that, product's COO effect is comparatively higher in the case of luxury or expensive products than the goods of necessity or less expensive products. Interestingly, when it comes to product evaluation and purchase, consumers display ethnocentric concern and are even ready to pay little more price for domestically oriented products. Increased international business activities, Globalization, ease of information, level of quality education, global and limitless travel exposure as well as travelling across several countries have made consumers knowledgeable about the global products. The study also provides with the information that, the young population in India are of the notion that foreign made products are of superior quality than that of the domestic products. They also tend to buy more of the foreign made products compared to that of the domestic products. Therefore, it can be described that Xenocentrism is talk of the town, as it has gained higher mean and less standard deviation than that of Ethnocentrism.

The study conducted also investigates the relationship between COO effect and demographic characteristics, since demographic variables of consumers play an inseparable role in persuading the COO effect on purchase and product evaluation. With the belief that the variables of COO does not changes drastically across the age, gender and education of consumers, one-way ANOVA analysis was conducted. The study provides with the fact that, there is no meaningful variance in xenocentrism and ethnocentrism across the demographic dimensions of consumers. In case of product superiority & trust, quality & technological excellence and product class & knowledge, there is a notable difference in and across consumers' age. Regarding gender, there is a considerable gap in the factor quality & technological excellence only. In terms of education, there is a difference in two facets, namely product class & knowledge and quality & technological excellence. The findings of the study are persistent with the research works of Bailey and Pineres (1997), Chrysochoidis et al. (2007), Huddleston et al. (2001), Sharma, et al. (1995), Inch and McBride (2004), and Hsu and Nien (2008). The study also states that, the perception about product's COO positively influences evaluation of the product by young Indian consumers. The study comes up with some very important information for global companies, which are anticipated to face cut-throat competition from other multinational players and domestic Indian producers after launching itself in the liberalized Indian market.

From the perspective of a manager, findings from the study indicate these are valuable information for marketers to frame variety of strategies for different segments/class of consumers and mend significant strategies of marketing that will support them to perfectly position as well as to sell their foreign made products, specifically in the Indian market context. Global players should formulate good strategies to make a positive image about their home countries in terms of variables such as educational, technological and standard of living in their

advertising approach for the Indian market. The product along with COO needs to be promoted. The consumer concept of xenocentrism and ethnocentrism may develop better understanding of consumer behaviour and this reveals why some of the consumer segments go for domestic products, whereas one section of the consumers do not differentiate between foreign and domestic products. It is found that Indian consumers with high degree of ethnocentrism have overtime developed more positive perception of products that are domestically made and about the country India. (Ethnocentric orientation) One of the major revelations in the study is that a positive attitude toward domestic products and India among young Indian consumers need not necessarily distort to a negative fragmentation in perception of foreign countries and products. This finding can be backed by the fact that, Indian consumers are attracted towards well-known foreign brands and many of them even rate imported products of developed countries higher than those manufactured in India and other developing countries. In this highly promising Indian market, this particular trend is encouraging for those foreign companies who are planning to enter and expand their market.

## VII. Conclusion

The findings have presented that, the significance of the product's COO effect depends on consumer knowledge, global exposure of consumers, the demographic variables, the nature of the product, degree of involvement in the purchase and image of the product's country in the consumers' mind. Henceforth, in order to ascertain the influence of the COO effect on the product purchase and evaluation, it becomes essential to take into account all these factors. It has also been observed that consumers in developing countries in general perceive themselves as more modernized & global. Thus, in order to reveal their wealth and status, they buy and use foreign made products. The level of familiarity with different countries, the degree of global orientation and their products also effects consumers' desire to acquire products of different countries. In this plight of information, the findings of the study leads us to three main conclusions. First, the effect of 'made-in' was found to be above par in a multi-attribute scenario. Second, consumers in the Indian market possess low to moderate level of ethnocentric beliefs. They have a varied level of global exposure that contributes in their flexibility to accept the ideas, products, norms and values of different cultures. However, the Indian consumers also evaluate foreign products on certain product parameters, such as quality. Third, the entrance of foreign products and brands in the Indian market brings in higher level of awareness and acceptance of these products. Over the time, as products and market become more elaborated, consumers with much more propensity seek methods to simplify information processing, and they do this by using some particular product cues, including COO of the products in their decision making process. Hence, through this study, it is suggested that, global marketers should plan for abled strategies of communication for Indian market, so that they are able to create a positive image about their home countries in some of the important aspects such as educational, technological and standard of living aspects, and both the product & COO needs to be promoted in the stated case.

## 4References

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