Taiwanese Consumers' Perceptions of Luxury Handbags: The Country-of-Origin Effect

Hsin-Tien Han
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TAIWANESE CONSUMERS' PERCEPTIONS OF LUXURY HANDBAGS:
THE COUNTRY-OF-ORIGIN EFFECT

DISSERTATION

Submitted to the Faculty of the College of Business and Management
in Partial Fulfillment of the Requirements for the Degree of
Doctor of Philosophy
Lynn University

By
Hsin-Tien Han

Lynn University
2005
TAIWANESE CONSUMERS’ PERCEPTIONS OF LUXURY HANDBAGS:
THE COUNTRY-OF-ORIGIN EFFECT

Han, Hsin-Tien, Ph.D.

Lynn University, 2005

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ACKNOWLEDGEMENT

There are so many people who helped me throughout the doctoral process. I would first like to take this opportunity to express my sincere appreciation to them. First of all, I am grateful for my parent’s financial and psychological support. They never asked me to have an ordinary life, get married, find a job, or give up any of my unrealistic dreams. On the contrary, they respect my decision and give me 100% support to pursue my dream: a Ph. D degree. Also, I want to thank my other family members, my grandma, my aunt, my uncle, my sister, and my brothers. Without your love, I don’t know how I could have kept my head up and overcome so many challenges in my life. Therefore, I want to give the greatest honor to my family.

Next, I would like to acknowledge my appreciation to the members of my doctoral committee for your dedication, mentoring, and assistance. First and most, I would like to thank my committee chair, Dr. Lisa Dandeo. Her expertise, patience, and encouragement helped me throughout the entire process of my dissertation. Further, I will never forget the lesson I learned from her and the way she treated people with encouragement and passion. I also want to thank my other two committee members: Dr. Jeanette Francis and Dr. Maureen Goldstein. Both of them gave me valuable advice, support, and warm encouragement. I will never forget Dr. Francis warm smile and her spirit to seek perfection in a profession. I also must thank Dr. Goldstein who helped me edit my dissertation and always pushed me to improve my English skills. I’m very lucky to have three such wonderful professors assist me throughout this entire process. Thank you so much dear Dr. Lisa Dandeo, Dr. Jeanette Francis, and Dr. Maureen Goldstein.
Finally, I would like to thank my adorable boyfriend, Xenos, who loves me, takes care of my every need, and tolerates my unreasonable requests once in a while. Without his companionship, my life would not be as colorful and joyful. The future will become more bright and wonderful after both of us complete our terminal degrees. I’m looking forward to meeting our next challenge together. In conclusion, I would like to thank everyone again who cared and helped me go through this memorable period in pursuit of my doctoral degree.
THE TAIWANESE CONSUMERS' PERCEPTIONS OF LUXURY HANDBAGS:
THE COUNTRY-OF-ORIGIN EFFECT

By Hsin-Tien Han

December, 2005

ABSTRACT

The research on the effect of “country-of-origin” (COO) or “Made in...” label has attracted extensive attention from academic researchers and marketers for the past three decades. Moreover, the country-of-origin effect will be more progressively salient in the era of the global marketplace due to multinational companies who are seeking production in lower cost countries. Thus, considering the country-of-origin effect on consumers’ perceptions of products becomes more important. This study is the first to examine the country-of-origin effect, and how it may possibly influence Taiwanese consumers’ perception and purchase intentions when evaluating a luxury handbag.

The specific purpose of this research study was (a) to examine the effect of the COO on consumers’ perception of product quality, prestige, workmanship as well as their purchase intentions; (b) to explore the relative importance of the COO and the brand name when consumers evaluate a luxury handbag; (c) to explore the influences of incongruent information between the COO and brand origin on consumers’ product evaluation; (d) to explore consumers’ purchase intention and the price they are willing to pay for luxury handbags made in different countries; and (e) to generate practical implication for luxury handbag manufacturers that consider moving their production into less reputable countries.
The findings of this research study indicated that Taiwanese consumers are sensitive to the country-of-origin information when evaluating a luxury handbag. Taiwanese consumers tend to believe that luxury handbags made in well-developed countries will have better quality, prestige, and workmanship than handbags made in less-developed countries. Additionally, Taiwanese consumers have higher expectations from a higher equity brand; thus, the incongruent information between the COO and the brand origin will produce larger negative effects on product evaluation. With regard to the price expectation, Taiwanese consumers are willing to pay a higher price for the reputable COO and expect greater price discounts for the less reputable COO.

Recommendations for luxury handbag manufacturers and future study are also discussed.
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CHAPTER I

INTRODUCTION TO THE STUDY

Introduction and Background to the Problem

Today, many multinational companies have moved their manufacturing operations to countries with lower costs to improve margins and increase competitive advantages (Ahmed & d’Astous, 2001). Consumers also benefit from less expensive products and product variety, due to a thriving and prosperous international business. Products made in foreign countries are much easier to acquire for consumers compared to several decades ago. Therefore, factors that influence buying decisions of foreign products are becoming more important for multinational companies, especially for their manufacturing and marketing decisions. Why customers buy “made in there” and not buy “made in here” continually generates much interest. In the past, many people thought products made in well-developed countries suggested higher quality (Kaynak & Cavusgil, 1983). If the country-of-origin and brand origin influence product quality perceptions or purchase intentions, companies should consider these influences in their manufacturing decisions and marketing strategies.

International marketing researchers have been working extensively on the country-of-origin phenomenon for at least 40 years (Papadopoulos & Heslop, 1993). Papadopoulos and Heslop (2002) praised the country-of-origin or its product-country image for the “most-researched” issue in international buyer behavior. They found there were 766 research works discussing this topic, “including 7 books, 39 chapters in edited books, 361 journal articles, 326 conference papers and 33 other reports, published between 1951-2001” (Papadopoulos & Heslop, 2002, p. 297). They concluded several
findings including (a) the effects of country-of-origin are powerful even though the
effects could be different based on different situations; (b) consumers’ price expectation
could be impacted by products’ sourcing countries; (c) some specific product class could
be linked to a specific country, like French wine or German car; (d) country-of-origin
image can be changed. More importantly, findings regarding the country-of-origin were
discussed in the next chapter.

The effect of country-of-origin is a matter of great importance in international
marketing strategy, public policy making, and research. This effect is relevant to all
levels (the product, the company, the country, and internationally). Consumers’
perception of products made in different countries may affect their purchase intention.
Companies have to understand their products’ advantages as well as disadvantages to
promote their products. Country image is also important for governments, especially
those of developing countries (Lampert & Jaffe, 1998). Governments need to know their
country image which in turn could possibly affect their countries’ level of competition
with others. For example, after Taiwan entered the WTO in 2002, the issue of “country-
of-origin” (COO) became more important, since tariff and non-tariff barrier regulations
needed to be changed. The government could not protect domestic products anymore,
and companies had to confront competition from imported products. Governments that
wish to encourage the consumption of domestic products as substitutes for imports will
have to engage in campaigns to promote the image of home-made products. Research
should be conducted to better understand the COO implication and how they can be
successfully applied to improve the origin images of products in domestic and
international markets.
The country-of-origin effects will be progressively salient in the era of the global marketplace. Based on Papadopoulos and Heslop’s observations (1993), there are three additional reasons that consumers will pay more attention to origin information. First, consumers have more opportunities to experience foreign countries and foreign products through the market, the media, and personal travel experiences, which result in greater awareness and acceptance of these products. Second, many campaigns, such as “buy domestic” launched by national governments and trade associations, emphasize the origin of products. Third, origin information can be used simply as an indicator of product quality and status when consumers face more complex markets and products. Therefore, we can expect broader issues of COO which will be well discussed in the coming years.

Moreover, the country-of-origin effects are an ongoing debate because of inconclusive and inconsistent findings. This may be due to a methodological shortcoming, the pressing need to consider the new global world transformation, and continuously changing tastes and habits of consumers (Al-Sulaiti & Baker, 1998). This topic has not been researched thoroughly and many questions still need to be answered. For example, there are few studies exploring retailers’ view of the country-of-origin. How the country-of-origin and brand origin interact to influence consumers’ product evaluation is still questionable because of a limited number of studies focusing on this issue. From a methodological standpoint, larger and integrated sampling methods and cross-national validity are required to strengthen the existing literature.

**Purpose**

The trend of globalization and multinational production within the last decade has underscored the need for greater proficiency in understanding the effects of the country-
of-origin and the impacts of country image on cross-national consumer behavior.

Multinational companies need more information about the country-of-origin effects to make better decisions regarding manufacturing and marketing strategies. Globalization continues to drive multinational companies to seek production in low cost countries. Without considering the country-of-origin effects on consumers’ perception of product quality tends to make companies vulnerable to lose sales and loyal customers.

According to previous research by Johnson, Kapner, and McGregor (2003), there is a strong belief held by Asian consumers that well-known fashion brands that come from Europe are the best. That is the reason that many fashion-oriented companies have resisted moving their production to low-cost labor countries in the past. However, some companies believe that their strong brand names can compensate for a less-favorable country-of-origin. In fact, Coach and Celine have already shifted their production to Asian countries or other low-cost countries due to the cost-saving (Johnson et al., 2003). The inconsistent attitudes held by managers have given rise to the new research question: How will well-known brand names interact with the country-of-origin information to influence consumers’ evaluation of products with a specific brand name?

This study examined the importance of the country-of-origin as well as the brand name on product evaluation and purchase intention. In addition, the relative importance of the country-of-origin and the brand name on luxury product evaluation and purchase intention were examined. How these two product attributes (the COO and brand name) interact and ultimately affect consumers’ perception of products and purchase intention represent interesting questions in this study. Finally, the price expectation of products originating from different countries were examined to understand whether consumers
expect a lower price for products made in less-reputable countries. The findings of this study were expected to provide useful insights for companies that have planned to move their production to less-developed countries.

**Research Hypotheses**

This study proposed eight hypotheses as follow:

**H1.** There is a difference among products’ country-of-origin on overall product evaluation.

**H1a.** There is a difference among products’ country-of-origin product quality.

**H1b.** There is a difference among products’ country-of-origin product prestige.

**H1c.** There is a difference among products’ country-of-origin on product workmanship.

**H2.** There is a difference among products’ country-of-origin on purchase intension.

**H3.** There is a difference between brands on overall product evaluation.

**H3a.** There is a difference between brands on product quality.

**H3b.** There is a difference between brands on product prestige.

**H3c.** There is a difference between brands on product workmanship.

**H4.** The country-of-origin has a stronger effect than brand name on overall product evaluation.

**H4a.** The country-of-origin has a stronger effect than brand name on product quality.

**H4b.** The country-of-origin has a stronger effect than brand name on product prestige.
H4c. The country-of-origin has a stronger effect than brand name on product workmanship.

H5. A strong brand name will not compensate for a less-reputable country-of-origin on overall product evaluation.

H6. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on overall product evaluation.

H6a. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product quality.

H6b. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product prestige.

H6c. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product workmanship.

H6d. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on purchase intension.

H7. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on overall product evaluation.

H7a. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product quality.

H7b. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product prestige.

H7c. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product workmanship.
H7d. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on purchase intension.

H8. There is a difference among products’ country-of-origin on price expectation.

H8a. Consumers are willing to pay a higher price for a reputable country-of-origin.

H8b. Consumers expect a greater price discount for a less-reputable country-of-origin.

Definition of Terms

Independent Variable(s)

Independent Variable #1: Country-of-Origin

Theoretical definition. Country-of-origin is usually communicated by the term "Made in (name of country)" and is the symbol, the reputation, the stereotype that consumers associate a product with a specific country (Nagashima, 1970). Country-of-origin can be viewed as a product attribute which affects consumers’ product evaluation (Han & Terpstra, 1988). Country-of-origin is believed to be a silent information cue for consumers to evaluate the quality of product and resulting buying decision (Corell, 1992; Haubl, 1996; Hui & Zhou, 2003; Liefeld, 1993).

Operational definition. In this study, the researcher defined country-of-origin as the label that identifies where a product is made. France, the U.S, and China were three source countries used in this study.
Independent Variable #2: Brand Equity

Theoretical definition. The definition of brand developed by American Marketing Association (AMA) is a name, a term, a symbol, or their combination, which provides consumers the ability to distinguish one brand from its competitors (Lin & Kao, 2004). Brand equity is the combination of brand assets and liabilities linked to a brand, and it adds or subtracts from values provided by a product to a company and to the company’s customers (Aaker, 1991). A global name and strong brand equity are commonly accepted as key indicators of quality, and they are positively related to consumers’ purchase likelihood (Steenkamp, Batra & Alden, 2003).

Operational definition. In this study, the definition of brand equity was consumers’ subjective judgment about a brand’s overall excellence based on its name and image. Researchers measured a brand name by examining its brand equity and found out whether brand equity affects consumers’ product evaluation and purchase intention. In this study, Brand equity was measured by adopting a three item Brand Equity Scale developed by Ha (1996). Respondents were asked to indicate the extent to which they agree or disagree with the following statements relating to a brand: (1) willing to pay a higher price for this brand; (2) the quality of this brand is superior; and (3) this brand is the most popular brand in the category. A seven-point semantic differential scale was employed.

Dependent Variable(s)

Dependent Variable #1: Product Evaluation

Theoretical definition. Product evaluation refers to the consumer’s overall judgment of a particular product based on brand attributes, product-related variables, and
firm goodwill-related attributes (Cervino, Sanchez & Cubillo, 2005). Consumers use extrinsic product attributes (country-of-origin, brand name, price, etc) and intrinsic product attributes (style, design, performance, etc) to make product evaluation (Ahmed et al., 2004). The country-of-origin is believed to be a salient information cue in product evaluation (Cordell, 1992; Haubl, 1996).

**Operational definition.** In this study, the researcher defined product evaluation as a consumer's evaluation of a product made in a specific country. This study used three items in the country-of-origin product dimension developed by Parameswaran and Pisharodi (1994) to measure consumers' overall judgment of a product. Respondents were asked to give their level of agreement or disagreement with the following product dimensions: (a) high quality; (b) prestigious product; and (c) good workmanship. Each of these three dimensions was measured by using seven-point semantic differential scale.

**Dependent Variable #2: Purchase Intention**

**Theoretical definition.** Purchase intention refers to the degree to which a consumer intends to buy (Gordon et al., 2001). Previous studies support that the country-of-origin has influences on consumers' purchase intention. That is, if a country has a positive image, and this image is important within a product category, consumers are more likely to buy the products from this country (Lundstrom, Lee, & White, 1998).

**Operational definition.** In this study, purchase intention was defined as the likelihood a consumer will buy a product originating from a specific country. This variable was measured by one item which measures the degree of likelihood the respondent will buy the product. Seven-point semantic differential scale was used (1=strongly disagree, and 7=strongly agree).
Justification

Theoretically, the country-of-origin has influenced product evaluations either as a "halo construct" or a "summary construct" (Han, 1989). The "halo construct" demonstrates that consumers use country images in evaluating products when they know little, or they are unable to detect the true quality of products. On the contrary, the "summary construct" operates when consumers utilize several product attributes in a country image and that affects their attitude toward brands (Han, 1989). Expanding these theoretical formulations is important to better understand the COO phenomenon, including the complex process by which consumers come to understand and use origin information.

The influence of country-of-origin fits within perceptual, attitudinal, and belief constructs, which is commonly accepted as a determinant of product choices and buying decisions (Morello, 1992). If the significant influence of the country-of-origin on consumer feelings towards different products is accepted, it may serve as one of the specific elements which, together with other product attributes, becomes an effective communication tool. Researchers should make more efforts to understand the wider possibilities for using origin cues in marketing strategies. Studies could investigate how different groups, such as industry associations and national governments, use origin information to develop origin-related campaigns to protect their home markets, and to enhance their exports and their companies' competitiveness abroad.

The country-of-origin phenomenon will become more complex and salient because of rising global integration. Multinational companies have to reexamine their manufacturing strategies from material sourcing and production to distribution channels
and marketing plans. Utilizing a COO to enhance consumers’ perceptions of product quality may be the source of competitive advantage to differentiate companies from their competitors, and help formulate foreign direct investment, manufacturing, advertising, and other strategies (Insch, 2003).

For example, China is an attractive market for many multinational companies because of its huge population (He, 2003). An empirical finding suggests that Chinese consumers are sensitive to the country-of-origin and prefer products made in well-developed countries (Zhang, 1996). This information is useful for companies to design their strategies to enter the China market. Companies can emphasize their foreign brand name or their products made in favorable counties to differentiate themselves from local competitors. In this research study, the country-of-origin and the brand equity were examined to understand how these two extrinsic product attributes affect consumers’ perception of products. The researcher tried to understand how a strong brand name interacts with the country-of-origin that might possibly affect consumers’ product evaluation and purchase intention. This study was expected to contribute to the theory and support the development of more effective international manufacturing and marketing strategies.

**Delimitations and Scope**

The delimitation of this study was that the survey was conducted in the eastern area of Taipei city, the capital of Taiwan. Only female consumers, twenty years old and above, were selected to participate in this study. Respondents must have experiences in purchasing luxury handbags or intend to buy one in the future. Respondents also have to be familiar with two brands (Louis Vuitton and Coach), that were chosen to represent
brands in luxury handbag category. Additionally, respondents have to be able to read, write, and speak Chinese. Therefore, male and non-Taiwanese females were not included in this study. This study examined the country-of-origin and brand effects on luxury products (luxury handbags from LV and Coach). Thus, other product attributes, such as design and warranty, were not examined in this study. The delimitation may result in limited generalization of this study.
CHAPTER II
LITERATURE REVIEW, THEORETICAL FRAMEWORK, AND RESEARCH HYPOTHESES

Introduction

The research topic “country-of-origin” (COO) usually refers to a description of the influence of the country-of-origin on consumers’ attitudes, product perceptions or purchasing behaviors. The influence of the country-of-origin on consumers is determined by feelings towards the country (affective country evaluation), by rational inference of the quality of the country (cognitive country evaluation) and from the general “Made in” image of the country (competence of country in manufacturing specific products). Although many studies show that the country-of-origin and brand origin influence consumers’ attitudes and purchasing decisions, the degree of influence of the country-of-origin and brand origin in product and service evaluation have not reached a consensus. This chapter illustrates the significance of the country-of-origin and brand origin for consumers’ perception of products, and compiles findings on the basis of theoretical and empirical studies. The literature review, theoretical framework, and research hypotheses will be discussed in this chapter.

Review of the Literature

Country-of-Origin (COO)

The country-of-origin labeling (COOL) is the symbol that identifies where a product is made, and it is usually communicated by the term “Made in (name of country.)” COOL is “the impact which generalizations and perceptions about a country have on a person’s evaluations of the country’s products and/or brands” (Lampert & Jaffe,
In today's multinational marketplaces, consumers have more access to purchase products from different countries and to acquire knowledge about the products they are purchasing. Consumers can compare products easily based on quality, price, and other features, especially, the country-of-origin labeling. From the information theoretic perspective, a product can be seen as an array of information cues, including intrinsic cues (style, taste, performance, etc.) and extrinsic cues (brand name, price, country-of-origin, warranties, etc.). These cues provide a basis for developing quality conception of products. The country-of-origin is believed to be a salient cue for customers to evaluate the quality of product and resulting buyer behavior (Ahmed & d'Astous, 1996; Ahmed, Johnson, Ling, Fang & Hui, 2002; Cordell, 1992; Liefeld, 1993).

Regarding the effect of COO on product evaluation, Hong and Wyer (1989) brought up four possible explanations of how the COO affects product evaluation. First, the COO may activate the knowledge that influences the interpretation of other product information. Secondly, the COO may provide heuristic basis to judge the quality of the product without other product attribute information. Thirdly, the COO can directly act as a product attribute. Lastly, the COO may bolster other attributes and then increase the impact of product information. Hong and Wyer (1989) reported that the COO stimulates consumers' interest in products and results in more extensive evaluation.

In a review of past research, Bilkey and Nes (1982) noted that a single-cue study (the country-of-origin is the only cue presented in the experiment) is likely to overestimate the importance of the COO effect and suggested a multi-cue approach in investigating the effect on product evaluation. Since many other cues, such as price and
brand name, may be correlated with the COO cue, many multi-cue studies are conducted to understand the relative importance of the COO on product evaluation.

Okechuku (1994) conducted a conjoint analysis to explore the relative importance of the country-of-origin and other product attributes (brand name, price, warranty, etc.) of a product to consumers in four countries (United States, Canada, Germany, and The Netherlands). Television sets and car radio/cassette players were two items in Okechuku’s (1994) study. The results indicated that the country-of-origin was an important attribute in preference evaluation for all four countries in both product categories. “For the television sets, it was significantly more important than the brand name and price among American respondents, about as important as the brand name and price among Canadian and German respondents and about as important as the price among Dutch respondents” (Okechuku, 1994, p. 11). On the other hand, for car radios, “the country-of-origin was significantly more important than the price and about as important as the brand name among the respondents in all four countries” (Okechuku, 1994, p. 11).

Lin and Sternquist (1994) attempted to explore the effect of information cues, the country-of-origin and store prestige on Taiwanese consumers’ perception of product quality and estimation of price. The product used in this study was women’s sweaters and this study used a 4x3 factorial experimental design. In this study, the sweaters were made in USA, Italy, Japan, and Taiwan. Three groups of stores of varying prestige in Taiwan were tested in this study. The result supported that the country-of-origin significantly influenced Taiwanese consumers’ perception of sweater quality. Sweaters with “Made in Japan” were most preferred by Taiwanese consumers, and the sweaters
that were marked "Made in Taiwan" were perceived as the lowest quality. Moreover, both the country-of-origin and store prestige had no effect on price estimates. Thus, Lin and Sternquist (1994) findings supported the effect of the country-of-origin on consumers' perceptions of product quality. More importantly, this study indicated that consumers in less-developed countries tend to rely on a country-of-origin cue for product evaluation because of their lack of enough product information and purchasing experience.

It was believed that multi-cue approaches have been less likely to incur the shortcomings associated with the single-cue approaches and acquire higher external validity than single-cue treatments. However, Liefeld's (1993) meta-analysis of existing country-of-origin experiments suggested that there is little difference in effect sizes that can be associated with the number of cues, the use of intangible cues, or student samples. In Liefeld's (1993) meta-analysis, there were 22 experimental investigations of the country-of-origin effect collected from 1965 to 1990. Five of the studies used a single-cue approach. Thirteen employed intangible product stimuli, instead of tangible products and, 12 studies used university students as subjects. The study consisted of 20 experiments that used linguistic rating scales for measures of response to dependent variables, including perceived quality, risk in purchase, perceived product value, likelihood of purchase, and intention to purchase.

The focus of this meta-analysis was to explore the relationship between the country-of-origin effect size and the study design. Researchers have argued that a single-cue approach would overestimate the effect of the country-of-origin, and they have believed that the more information cues presented in the study would result in a smaller
effect in each cue. The results of Liefeld's (1993) meta-analysis did not support this argument. Although the mean effect size is lower for multi-cue experiment, the difference is not significant.

Another argument is that the country-of-origin experiments should use tangible product stimuli rather than intangible product descriptions. The findings of this analysis did not support this argument either. Although the mean value for tangible product stimuli is lower, product stimulus type (tangible or intangible) did not make a significant difference in the size of effect estimates. In addition, there is no significant difference in the country-of-origin effect size between experiments employing students of consumers as research subjects. These findings are useful in interpreting the absolute importance of the country-of-origin cue and in suggesting how to improve future study in this area.

**Brand Origin**

Brand origin is the country where the brand is perceived to belong by target customers (Thakor, 1996). Brand origin is different from the country-of-origin which indicates where the product carrying the brand name is manufactured. Brand origin can be viewed as part of brand's personality or identified in terms of place of birth. The brand origin cue is sometimes embedded in many well-known brand names, for example, Sony from Japan, McDonald's from U. S and Volkswagen from Germany (Thakor, 1996).

Baker and Michie (1995) used quantitative methods to explore British car drivers' attitudes toward five foreign brands: British Rover, Korean Hyundai and Proton, and the Japanese Honda and Toyota. There were 120 car drivers who were surveyed and asked to determine which make of car they would like to purchase based on an exhibit that
summarized important car information. Subjects were asked to identify the three most important factors affecting their purchasing decisions. The results of this study also supported the influence of brand origin on consumers' purchasing decision. For example, 18 percent of the respondents expressed strong preference to “buy British” and 48 percent showed a preference for a British car. Therefore, this study concluded that brand origin and ethnocentrism had significant influences on consumers' intention to buy. Although specific product type (car) limits the study to generalize these findings to other product categories, this study supported the effect of brand origin and suggested ethnocentrism could be a competitive advantage when competing with a foreign product.

In today’s global marketplace, consumers can easily become confused and lost when facing more and more hybrid products, which contain components made in various countries (Baughn & Yaprak, 1993). Some researchers believe that the importance of the country-of-origin effect is diminishing, and it is superseded by brand origin, because brand origin is more accessible and reliable to the consumers as a result of exposure to the marketing campaign of the branding (O’Cass & Lim, 2002). O’Cass and Lim (2002) examined the importance of brand origin on the Singaporean perception of apparel evaluation. Six brands from Western and Eastern countries were used in this study to explore whether the brand origin influences Singaporeans’ preference and purchase intention. These findings showed that brands of Western countries are perceived more favorably than brands of Eastern countries. These results were consistent with previous studies that consumers have tendencies to prefer products from developed countries.

The effect of brand origin on consumers’ perception is also applied to the service sector, even though the determinants of service quality are different from those of
tangible products. Ahmel et al. (2002) examined the effect of brand origin on consumers’ choice of a cruise vacation. Respondents in this study rated Royal Caribbean Lines (RCL) from USA higher than Star Cruise from Malaysia. This finding supported that a positive brand origin combined with a strong brand name might create a more favorable product evaluation. More importantly, this study suggested that the positive association with the USA could compensate for a weak brand name, while a strong brand name was not able to overcome the perception of a negative origin association. In summary, if the brand association like brand origin or brand name was strong enough, this association might not only help influence consumers' quality perceptions and attitudes toward a product, but would also increase consumers’ intention to buy the product (Ahmed et al., 2002).

Country Image

Kotler and Gertner (2002) described the country image as the sum of beliefs and feelings people hold about a specific country. A country image comes from many associations connected with the place, such as geography, history, music, food, and other features. Developed countries are more likely to have fairly clear images due to substantial information about them being available through education, media, and other sources. Different individuals and groups may hold different stereotypes of nations that are not necessarily accurate. Needless to say, the country image of less-developed countries is likely to be blurred and inaccurate.

Theoretically, Han (1989) suggested that a country image had effects on product evaluation either as a “halo construct” or a “summary construct”. The country image as a “halo” demonstrated that consumers used a country image when evaluating products that
they knew little about and were unable to detect the true quality of products. The theoretical implications of the halo construct were that consumers make inferences from country images, and they used country image to rate the products. For example, studies found that Japanese products have enjoyed a strong reputation in many product categories, such as cars and electronics. Stereotyping Japanese cars’ reliability was based on inference instead of real observation (Maheswaran, 1994). Such a halo effect could play a critical role of offering simplicity and predictability in consumers’ decision making process.

On the contrary, when consumers were familiar with the products, a “summary construct” model might operate in which consumers utilized product information into country image which would affect their attitudes toward a brand. In the Maheswaran (1994) study, the researcher found consumer expertise moderate in the effects of the country-of-origin, and experts (with more knowledge in products) engaged in a detailed processing of attribute information. Therefore, experts evaluated products based on diagnostic information than the country-of-origin cue alone. These theories are important to explain the relationships between country images and consumers’ beliefs about products and brand attitudes. Schaefer’s (1997) research concluded that the importance of country image cue does not mitigate when consumers are familiar with the brand name. Schaefer (1997) also suggested that consumers could be more sensitive to a product’s COO and used it as an indicator of product quality when they were more knowledgeable about the products or brands. This theory can be strengthened by exploring the process how consumers form their country images, and how brand information and product information change country images.
Previous research consistently demonstrated that consumers held stereotyped images of certain countries, and these images affected their attitudes toward the country's products (Badri et al., 1995; Lim & Darley, 1997; Okecuku, 1994). The Italian Institute of Foreign Trade (ACE) conducted a study that examined the images of Italy and how Italian products are perceived by prospective buyers in relation to their competitors, such as France, U.K., Germany, the U.S., and Holland (as cited in Morello, 1993). The results concluded that Italy held a positive image in consumers' minds. Italian shoes and pasta were ranked as first by respondents, respectively. Italian shoes received the highest scores with regard to product reliability, design, and product quality. This study supported that country images can trigger different kinds of associations, enrich a brand's perceived image, and influence consumers' preferences (Morello, 1993).

China presents an interesting case for image-related studies. China exports a great quantity of products and has a relatively weak image in production (Schniderjans, Cao & Olson, 2004). Schniderjans et al. (2004) explored American consumers' perceptions with regard to quality of products made in China. The researchers used an e-mail survey, and data from a total of 791 respondents was collected. A variety of products, such as, lawn furniture, electronic products, clothes, hardware, were used as product stimuli in this study. The average quality rating of Chinese products was 3.47, falling in the "poor value" section, which indicated that American consumers had a poor perception of Chinese-manufactured products (Schniderjans et al., 2004). More research is needed to explore how consumers perceive products manufactured in China, due to the availability of Chinese products and Chinese products' poor quality perception reported by few previous studies.
Generally speaking, products from developed countries are considered favorable by consumers as more superior to products from developing countries (O’Cass & Lim, 2002; Okecuku, 1994). However, consumers’ national pride and ethnocentrism also affect product attribute evaluation. Consumer ethnocentrism proposes that consumers prefer domestically-produced products, and it implies that purchasing imported products is wrong and unpatriotic (Kaynak & Kara, 2002). Thus, consumers with high level of consumer ethnocentrism are more likely affected by their nationalistic emotions when evaluating foreign products (Sharma, Shimp, & Shin, 1995). The magnitude of consumer ethnocentrism affects consumer attitudes and purchase intentions vary from country to country. Okecuku (1994) found that U.S consumers rate domestically-made electronic products higher than foreign electronic products. Baker & Michie (1995) found UK consumers showed a strong preference for British cars. Gudum & Kavas (1996) found Turkish managers favor products made in Turkey due to ethnocentrism and patriotism. Huddleston, Good, and Stoel (2001) concluded that consumer ethnocentrism affected consumer product quality perceptions, especially for daily-used products.

Papadopoulos and Heslop (2002) indicated that “product-country image (PCI) and its potential effects are the most researched issue in international buyer behavior” (Papadopoulos & Heslop, 2002, p. 294). There are at least seven hundred academic works including books, journal papers, and conference papers discussing the role of country images in relation to product marketing between 1952 and 2001 (Papadopoulos & Heslop, 2002). Papadopoulos and Heslop (2002) concluded several important findings based on this large body of research:
1. Country images are powerful stereotypes that influence different target groups such as consumers, retail buyers, and tourists.

2. The effect sizes of country images vary due to different study design (e.g. how many information cues were present in the study).

3. Country images influence consumers’ price expectations. If the country has less-favorable image, the consumers will expect greater price discount.

4. Consumers are familiar with hybrid products and know the differences between country-of-manufacturing, country-of-design, and country-of assembling.

5. Some countries are strongly associated with specific product categories. For example, French fashion is more positively ranked by consumers; however, Japanese electronic products are better than French electronic products in consumers’ evaluation.

6. Consumers with positive attitudes toward specific countries do not mean that they have positive attitudes toward the products made in this country.

7. Country images can change over time, but the process is slow. Deliberative events such as Olympics and marketing campaign can speed up the process.

8. Patriotic campaigns such as “buy domestic” is not always effective in promoting local products as well as increasing purchase intention.

**Country-of-Origin and Product Evaluation**

Consumers use several product attributes to evaluate products. These information cues including intrinsic (taste, design, performance, etc.) and extrinsic (brand name, price, country-of-origin, etc.) provide the basis for quality evaluation. As an extrinsic
cue, the country-of-origin is believed to have an impact on perceived quality. Roth and Romeo (1992) proposed a multi-dimensional method to measure product quality and product-country match and mismatches. A product-country match means a country is believed to have the strengths to produce the particular product category, such as French shoes and German cars. Four product dimensions used in the Roth and Romeo (1992) study were: (a) innovativeness, (b) design, (c) prestige, and (d) workmanship. Data was collected in the United States, Mexico, and Ireland. According to the product-country match results in this study, cars and watches manufactured from Germany, Japan, and the U.S are preferred over those made in France, England, Spain, and Korea. This study supported that a product-country match may be an indicator of buying intention, and it explained why consumers were more willing to buy certain products from particular countries (Roth & Romeo, 1992).

The Liefeld (1993) meta-analysis of the country-of-origin effect concluded that the country-of-origin effects were statistically related to consumer product evaluation and product choice, and the influences of the country-of-origin were found in a variety of products, such as, cars, electronics, apparel, and food. Liefeld (1993) also found that domestic products were more likely to be seen as superior in quality. In addition, products made in developed countries were rated higher than products made in developing countries, and consumers may hold stereotypes towards products made in specific countries. The magnitude of country-of-origin effects may be different in various product types. The influences appeared to be larger for complex products, fashion-oriented products, and expensive products.
Researchers have demonstrated that consumer characteristics (individual differences) can influence the effect of country-of-origin on production evaluation (Zhang, 1997). Liefld, Heslop, Papadopoulos, and Wall (1996) found that Dutch consumers are very idiosyncratic in their choice process. They rely more on intrinsic factors (taste, style, and function) than on extrinsic factors (the country-of-origin and price) to make a purchasing decision. Respondents place little importance on the country-of-origin as a determinant to a product choice.

Gurhan-Canli and Maheswaran (2000) examined the factors that influence the country-of-origin evaluation, and found that motivation, goals, and the type of information influence how consumers use the country-of-origin information. These results showed that consumers with high motivation (engage in a detailed information processing) tend to ignore the country-of-origin information. Consumers with high motivation consider the country-of-origin information as one of the product attributes instead of an overall basis for decision.

Empirical research concerning the effects of the country-of-origin on consumers' evaluation reactions to products has produced different and inconsistent results. The importance of the country-of-origin does not reach a common consensus. In most cases, the country-of-origin serves as an important indicator for consumers to evaluate product quality (Ahmed & d’Astous, 1996; Ahmed, Johnson, Ling, Fang & Hui, 2002; Roth & Romeo, 1992; Sohail & Anwar, 2003). Previous studies supported that the country-of-origin influences consumers’ product evaluation even if the other relevant information is given, such as brand name (see Appendix A).
However, some researchers found that the county-of-origin cue becomes neither as important nor as powerful as many have thought in the past (Piron, 2000). Liefeld et al. (1996) found Dutch consumers appeared to rely on intrinsic product attributes (appearance, color, shape, etc.) rather than extrinsic product attributes (COO and price). Three types of product categories were chosen in this study: fashion (men’s shirts), electronic (smoke detectors) and perishable foods (pickles). The findings showed that the COO was significant only for pickles for quality perception and value ratings. Dutch consumers tend to use intrinsic information in their product decision when choosing shirts and smoke detectors. Moreover, price cue was more important than the COO on consumers’ decisions of choosing men’s shirts and smoke detectors.

Piron (2000) examined the importance of the country-of-origin effects on consumers’ purchasing intentions of public vs. private and luxury vs. necessity products. Four products were chosen as follow: (a) publicly consumed luxury (a convertible sports car), (b) publicly consumed necessity (sunglasses), (c) privately consumed luxury (a home theater system), and (d) privately consumed necessity (toothpaste). Piron (2000) investigated the importance of country-of-origin on consumers’ purchase intention of products that is consumed (in) conspicuously. These results indicated that the country-of-origin was more important for publicly consumed luxury than privately consumed luxury and for publicly consumed necessity than privately consumed necessity (Piron, 2000).

Piron (2000) concluded that the importance of the COO was higher when considering the purchase of luxury products than necessity products. However, a less positive country-of-origin can be easily superseded by other product attributes such as
quality, reliability or brand image. Piron indicated that the country-of-origin was a weak determinant in purchasing products, and it had influence only on consumers who have nothing else on which to base a decision. Piron’s study supported that the influences of the country-of-origin may vary in different product types and not every consumer relies on the country-of-origin for product evaluation. Previous studies supported Piron’s contention that the impacts of the COO is diminishing (see Appendix B). Due to the inconsistent findings with regard to the influences of the country-of-origin cue, more future research is needed.

**Country-of-Origin and Consumer Purchasing Decision**

Consumer purchasing decisions is the process of a buyer making a decision about a product and then acquiring that product from a seller by using one of several different selling channels (Burke, 1997). The entire process can be affected by many factors, such as buyer characteristics, price, others’ opinion, promotion, and information update. There are five different buyer characteristics that influence buying decisions. They are the following: consumer resources, knowledge, beliefs, values, and attitudes (Engel, Blackwell, & Miniard, 1995). In addition, price, product appearance, and origin of product are also influential factors in the purchasing decision (Cheng, Peavey, & Kezis, 2000). Consumer purchasing decisions can be divided into two processes: consumer perception and consumer behavior (Cobb-Walgren, Ruble, & Donthu, 1995). The consumer’s perception of a product’s value comes from many sources, including rational and emotional evaluation, and those values are used to distinguish between competitive brands. In fact, marketing activities are designed to implant positive beliefs about a brand’s uniqueness in the consumers’ minds (Steenkamp, Batra, & Alden, 2003).
Consumers engage in both cognitive and affective information processing prior to a purchase (Schiffman & Kanuk, 1994). The cognitive information processing refers to consumers' knowledge and perception about products and services, while affective processing refers to consumers' emotions or feelings with respect to a specific product or service. However, in the real world consumers often face incomplete information in their decision situations. Based on some descriptive research on how consumers make purchasing decisions under uncertainty, results showed that consumers would choose the alternatives with lower perceived risks or the smallest potential loss (Erasmus, Boshoff, & Rousseau, 2001). As a result, consumers eventually chose the well-known brand name, favorable country-of-origin, or buy in a reputable store to lower the uncertainty that consumers face when making a purchase decision. Many researchers believe that favorable country-of-origin and brand origin enable consumers to buy with increased confidence when making product decisions (Almed et al., 2002; Haubl, 1996; Hui & Zhou, 2003; Piron, 2000).

Badri, Davis, and Davis (1995) conducted a study that explored the relative preference for purchasing specific products made in different countries. The country-of-origin stereotyping by businesspeople in the Gulf States of the Middle East was examined with a total of 2,643 respondents. This study tried to assess the attitudes of businesspeople toward various products of seven countries: United States, Japan, Germany, France, England, Italy and Taiwan. The respondents were asked to provide ratings of the countries from which to purchase, based on the assumption that each product had an equal level for quality, price, and other attributes and differed only in the country-of-origin. These findings supported that the country-of-origin effect exists in the
Gulf State markets, and indicated relatively large differences in respondents’ attitudes toward products made in different countries.

According to Badri, Davis, and Davis’s study (1995), products made in the USA, Japan, and Germany were most favored by Gulf State businesspeople. They believed that products made in the USA represent good workmanship, technically advanced, and highly inventive. Japanese products were rated almost equal to US products regarding the technical aspects, and products made in Japan were represented as highly reliable. German products are recognized as the most favorable COO compared to other European countries, and respondents saw prestige and value in owning German products. On the other hand, “Made in Italy” products were associated with little variety and low reliability compared with other European products. Products made in Taiwan showed the poorest rankings with regard to workmanship, reliability, performance attributes, and technical aspects.

Badri, Davis, and Davis (1995) also found that consumers showed relative preference for purchasing specific products made in certain countries. For example, German and Japanese cars were the first choice of the respondents. Seventy-eight and nine tenths percent of respondents chose Japanese electronics as their first choice, and US food products were preferred as first choice by 55.2% of the respondents. With regard to medical products, US products were respondents’ first choice (49.1%), followed by German products (26.7%). This research provided support that consumers hold stereotyping toward various products made in specific countries, and consumers prefer products made in well-developed countries rather than products made in less-developed countries.
However, some researchers found that the country-of-origin had little or indirect impacts on purchase intention. In Liefeld’s (2004) large-scale study, consumers’ acquisition and knowing of the COO of the products at the time of purchase were investigated. Consumers were intercepted at the cash registers of shopping mall all around the countries (U.S. and Canada) when they purchased a product. They were asked about what kind of products they bought, what information they take into account to make a decision, whether they know where the product was made, and what did the COO tell about this product. Only 2 percent of these 1,248 shoppers did acquire or know the COO of the product they just purchased. The study found most respondents (88%) did not know the COO of the product and had no interest in knowing that. The reasons for not knowing the COO included (a) not important, (b) brand is reliable, (c) other attributes are more important, and so on. Therefore, Liefeld (2004) concluded that the COO was not an important attribute in consumers’ purchasing decision for North American consumers. More research is needed because inconsistent findings about the role of the COO in consumer’ product choice in previous studies.

**Luxury Products**

Luxury products can be defined as products which are merely used or used to emphasize owners’ wealth and social status (Vigneron & Johnson, 2004). They are usually expensive and exclusive compared to necessity products. Luxury products are believed not only to satisfy buyers’ functional needs but also psychological needs due to bringing esteem, prestige, and joy to the owners. Nia and Zaichkowsky (2000) concluded that several common characteristics of luxury products contribute to the high prices of luxury products: strong brand name, high quality products, exclusive store outlets, fancy
advertising campaigns, and exquisite packaging. Nia and Zaichkowsky (2000) also believed that luxury products have to be priced high in order to maintain their rarity and exclusivity.

There is no consistent standard to define what is or is not a luxury product because the concept is subjective (Phau & Prendergast, 2000). Whether a specific product category is considered as a luxury product will have different answers for consumers in different countries. Consumers in Western countries tend to consider a wide range of product categories as luxury products. According to the Luxury Report 2005 conducted by Research and Markets (2005), luxuries were divided into three major categories: home luxuries (antiques, electronics, furniture, kitchen appliances, etc.), personal luxuries (car, clothing, fashion accessories, jewelry, etc.), and experiential luxuries (travel, beauty service, entertainment, etc.). However, consumers in Eastern countries only consider some product categories as luxury products, such as jewelry, diamonds, watches, bags, cars, and porcelain (Smith, 2004).

Although consumers from different countries may have different opinions about what is a luxury product, there is one phenomenon that can be observed everywhere which is consumers are more willing to buy luxury products than the generation ahead of them (Ransom, 2005). According to a Platinum Luxury Survey conducted by American Express, the findings showed that Generation Xers spent 60% more on beauty products, 47% more on fashion accessories, and 37% more on clothing compared to baby boomers (Ransom, 2005). In many Asian countries, such as China, Taiwan, and Japan, buying luxury products is not the privilege of only the rich anymore. Young consumers, a fast-growing section of the population, are willing to spend money on luxury products,
designer accessories, and vacations even though the economy is still low (Moffett, 2003). International retail and apparel industry experts also hold positive attitudes toward Asian markets, and they expect increasing sales for designer goods with strong brand equity, style, and quality (Singer, 1998).

The luxury product market has experienced spectacular growth over the last fifteen years (Dubois & Duquesne, 1993). This market is estimated to have $63 billion global market in luxury products (Rozhon, 2003). However, there is little research literature focusing on this market segmentation and is seldom analyzed and surveyed (Dubois & Duquesne, 1993). Due to luxury product sector being vital to global economy, more research is needed to observe and anticipate the current and continuing developments with regard to the luxury product sector. More research needs to explore who buys luxury products, what they buy, why they buy, and critical factors affecting consumers' attitudes and purchase intention regarding the luxury products.

**Country-of-Origin, Brand Effects on Luxury Products**

Luxury products have a degree of exclusivity and consumers usually pay more money for them. Consumers take higher monetary risks in purchasing luxury products than necessities (Piron, 2000). Some managers in fashion-oriented companies believe that consumers are not only paying premium for the luxury products, but also paying for the status and lifestyle (Johnson, Kapner, & McGregor, 2003). In fact, some luxury products and luxury brand names are associated with specific countries. For example, Rolex watches are associated with Switzerland, Ferrari cars with Italy, and Hermes handbags with France. These connections between products and countries provide consumers pride of ownership and status derived from the luxury products which are
associated with the exquisite productive capacities and taste of the source countries (Heslop & Papadopoulos, 1992). Thus the country-of-origin can be viewed as a status symbol.

In the past decade, Asia’s developing countries are emerging as the fastest growing market, especially the Chinese Economic Area (CEA). The CEA, also known as the Greater China, consists of China, Hong Kong, and Taiwan and is the main impetus for economic growth in East Asia (Cui, 1998). This Chinese-based economic entity has attracted the interests of international marketers, due to its huge market size with 1.2 billion populations (Lundstrom, Lee, & White, 1998). One of the common characteristics shared in the Chinese-based markets is the growing middle-class consumers looking for quality products and services (Cui, 1998). Therefore, these markets represent attractive markets for high quality products, such as household appliances, sports equipments, and even luxury products (Cui, 1998; Lundstrom et al., 1998). For example, China is predicted to become the major market for Italian luxury products within 5 years, and 133 billion dollars of Italian luxury products are expected to be purchased by Chinese consumers in 2010 (Galbraith, 2004).

Taiwan also represents a potential market for luxury products, because Taiwanese women buying luxury-branded products have become common practices. According to a survey conducted by two Taiwanese websites (33beauty.com and 9999.com.tw), nearly 60% of working women buy luxury brands (as cited in Lin, 2004). This survey was conducted from May 13, 2004 to May 24, 2004 and sent out a total of 6,000 questionnaires over the Internet. Only 2,857 questionnaires were collected and the responding rate was 47.6%. Some interesting findings of this survey are listed below:
1. When asking respondents' motivation in buying luxury brands, 67% of respondents expressed they bought them just in order to please themselves, 38% of them were pursuing fashion, and 27% of them felt the quality was better.

2. In the group of working women who prefer luxury brands, 71% of respondents spent 5000 yuan (equal to US$155) every month on luxury brands. Twenty-one percent of them spent 5,000 to 10,000 yuan (equal to US$155-US$315) per month, and 5% of them spent 10,000 to 50,000 yuan (equal to US$ 315-US$1,500) on luxury brands every month. Only 2% spent over 50,000 yuan (equal to US$ 1,500) on these luxury brand products.

3. As to the product categories which working women tend to buy, cosmetics and skin-care products ranked number 1, clothing ranked as number 2, and handbags ranked as number 3.

4. As to the degree they prefer luxury brands, 56% of respondents said that they only used luxury brands for special occasions. Twenty-five percent of respondents expressed they only fancied specific brands, and 17% of them loved everything linked to a luxury brand name.

This survey supported that Taiwanese women held positive attitudes toward purchasing luxury brand products. In the past, luxury products were sold to a relatively small number of consumers who were willing to pay “big money.” Today, Taiwanese consumers are changing and are willing to pay a premium for high quality or luxury products (Lin, 2004). Wall Street Journal reporters, White and Leung, also supported this phenomenon. These reporters believe that millions of American middle-class consumers
are also becoming less price-sensitive and are willing to buy luxury products (White & Leung, 2002).

It is important for multinational companies to understand Chinese consumers, especially in such intense global competition. Many studies have supported that Asian consumers rely on the country-of-origin in product evaluation and purchasing decisions (Lin & Sternquist, 1994; Mohamad, Ahmed, Honeycutt, & Tyebkhan, 2000; O’Cass & Lim, 2002). Asian consumers believe that luxury comes from European countries and has to be made in Europe to be best (Johnson, Kapner, & McGregor, 2003). These stereotyping beliefs are held by many consumers as well as managers in fashion-oriented companies. Yves Carcelles, the chief executive of Louis Vuitton, indicated that customers expect Western quality from their products and “Made in France” is a crucial selling point for their products (Johnson, Kapner, & McGregor, 2003).

Piron (2000) explored the influences of the country-of-origin on luxury and necessity products, and concluded a difference exists between the country-of-origin effects and the effects of purchasing conspicuous and inconspicuous products. A convertible sports car was chosen for publicly consumed luxury, and a theater system was chosen for privately consumed luxury. Although the results showed that the influences of the country-of-origin is higher in purchasing luxury than necessity products, these influences were a weak determinant in purchasing intention compared with other intrinsic cues, such as reliability and performance (Piron, 2000). Many marketing experts also support that brand name or brand image is more important to consumers, and that product quality and status are not only linked to where a product is made (Johnson, Kapner, & McGregor, 2003). Previous studies revealed a positive brand name is more important
than the country-of-origin in product choices and a strong, well-known brand name can compensate for a less reputable country-of-origin (Ahmed et al., 2004; Haubl, 1996; Leclerc et al., 1994). Additionally, how important is the country-of-origin on product evaluation compared with other product attributes need to be explored in future research.

**Theoretical Framework**

Hui and Zhou (2002) proposed an integrative model for the country-of-origin effects from evaluative variables to purchase intention (see Figure 1). These researchers examined the country-of-origin effects on electronic products in the context of the relationships among product evaluations, perceived product values, and purchase intention. The model, shown in Figure 1, shows the country-of-origin, brand name, and price were three independent variables in Hui and Zhou’s (2002) study. Hui and Zhou believed that these three variables were major predictors for overall product evaluation and purchase intention. Another dependent variable in this model was perceived value, which was also affected by the price factor. In Hui and Zhou’s (2002) study, a 3 COO x 2 Brand x 2 Price level between subjects factorial design was used. Three conditions of COO were favorable COO (Japan), less favorable (Mexico), and no COO mention. Two brands were Sony (high equity) and Sanyo (low equity), and two level of price were high and low.
Hui and Zhou (2002) conducted an experimental study which examined the impacts of three product attributes (country-of-origin, brand name and price) on product evaluation, perceived value, and purchase intention. An electronic product (portable cassette player) was selected and two Japanese brands, Sony and Sanyo, were chosen for this study. Japan and Mexico were chosen for source countries with favorable and less favorable countries images, respectively. The sample used in this study was 192 Canadian undergraduates with ages ranged from 18 to 35. The subjects were asked to fill out the questionnaires to provide judgments of overall product evaluation and purchase intention to buy electronic products originating from different brands and countries.
The results of Hui and Zhou’s study (2002) indicated that the country-of-origin had a direct influence on product evaluation and indirect influences on perceived product value and purchase intention. Conversely, brand name and price had stronger impacts on purchase intention. In addition, the findings also supported that the country-of-origin and brand name had similar influences on product evaluation even though they had different impacts on purchase intention. Hui and Zhou (2002) also indicated that future research should examine “the effects of congruence/incongruence between brand origin and country of manufacture on product evaluations and purchase intention” (p. 113).

**Research Hypothesis**

Currently, research regarding the impacts of the country-of-origin on luxury brands does not exist. The role that the country-of-origin plays in shaping consumers’ preferences and intentions to purchase such luxury products is still unknown. Many luxury products such as clothing and handbags are associated with strong brand names, and provide value for customers, such as, popularity, reputation, and positive beliefs toward branded products. This study aimed to understand how luxury brand names interact with the country-of-origin to affect consumers’ product evaluation and purchasing intention. Additionally, this study investigated whether a high equity brand name can supplement the impact of positive country-of-origin or compensate for the less-reputable origin information.

Due to the increase of availability and variety of foreign products, Taiwanese consumers have become more familiar and receptive with foreign products (Gong, 2003). Research shows that Taiwanese consumers consider imported products more prestigious than domestic products (Lin & Sternquist, 1994). Many studies also support that Asian
consumers prefer products made in well-developed countries than those made in less-developed counties (Ahmed et al., 2002; Sohail & Anwar, 2003). Asian consumers, such as Taiwanese, Singapore and Malaysia, are more likely to use the country-of-origin information in their purchase decisions (Ahmed et al., 2002; Mohamad et al., 2000). Further, an explanation may be that consumers from collectivistic cultures tend to view individuals as inherently connected, and put more emphasis on the products’ affiliation to a group, such as a company, brand, or the country-of-origin (Wong & Ahuvia, 1998).

Based on hundreds of published articles focusing on the COO phenomena and effects, consumer buying behavior was influenced by COO effects, especially the product evaluation and purchase intention. Liefeld (2004) also concluded that the COO is so important that marketers should take it into account, and multinational companies should understand the role of COO in consumers’ choice process. Cervino, Sanchez, and Cubillo (2005) confirmed Liefeld’s findings and believed that brand name can be used as another important cue which is available for consumers to make evaluations of product alternatives. Researchers believe both COO and brand name are the two key variables that win over consumers and ensure a company’s long-term success. Therefore, the researcher proposed the following three hypotheses:

H1. There is a difference among products’ country-of-origin on overall product evaluation.

H1a. There is a difference among products’ country-of-origin on product quality.

H1b. There is a difference among products’ country-of-origin on product prestige.
H1c. There is a difference among products’ country-of-origin on product workmanship.

H2. There is a difference among products’ country-of-origin on purchase intention.

H3. There is a difference between brands on overall product evaluation.
   H3a. There is a difference between brands on product quality.
   H3b. There is a difference between brands on product prestige.
   H3c. There is a difference between brands on product workmanship.

Another objective of this study was to examine the relative importance of two extrinsic product attributes: the country-of-origin and brand name. Since consumers perceived more risk when purchasing an expensive luxury product, a strong brand name should play an important role in evaluating products. Additionally, companies spend millions of dollars to enhance and maintain brand images. If the brand name is strong enough, their image should be helpful in influencing consumers’ product perceptions and intentions to buy. However, two studies revealed that a strong brand name cannot compensate for a less-reputable country-of-origin (Almed et al., 2002; Tse & Gorn, 1993). These findings revealed that the country-of-origin is more important to consumers. Further, researchers need to investigate whether a strong brand name enables to compensate for a less-reputable COO. Therefore, the next two hypotheses were formulated as follows:
H4. The country-of-origin has a stronger effect than brand name on overall product evaluation.

H4a. The country-of-origin has a stronger effect than brand name on product quality.

H4b. The country-of-origin has a stronger effect than brand name on product prestige.

H4c. The country-of-origin has a stronger effect than brand name on product workmanship.

H5. A strong brand name will not compensate for a less-reputable country-of-origin on overall product evaluation.

Furthermore, well-known brands with a high level of visibility and positive consumer recollection bring about a favorable attitude towards the product (Keller, 1993). Accordingly, a congruent association between brand origin and the country-of-origin will enhance brand image and lead to a positive product evaluation. On the other hand, the country-of-origin and brand origin, when they are incongruent, are more likely to make a downward adjustment on consumers’ product beliefs. Therefore, when consumers find that a branded product is made in a less-reputable country, they tend to suspect the quality of the product and impair the reputation of the brand. In short, the next two hypotheses can be summarized as follows:
H6. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on overall product evaluation.

H6a. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on the product quality.

H6b. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product prestige.

H6c. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product workmanship.

H6d. For a high equity brand, incongruence between brand origin and country-of-origin will produce negative effects on purchase intention.

H7. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on overall product evaluation.

H7a. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product quality.

H7b. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product prestige.

H7c. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on product workmanship.

H7d. For a low equity brand, incongruence between brand origin and country-of-origin will produce negative effects on purchase intention.
This study examines the effect of the COO on product evaluation and purchase intention is not enough. Whether consumers are willing to pay a higher price for reputable COO or expect greater price discount for the less-reputable COO represent interesting questions. A previous study indicated that both COO and price could be used as indicators of product quality (Chang & Wildt, 1996). If a consumer accepts a higher price for reputable COO this may indicate that a higher quality may contribute to the pricing strategy for the multinational companies. Therefore, the final hypothesis is the following:

H8. There is a difference among products’ country-of-origin on price expectation.

H8a. Consumers are willing to pay a higher price for a reputable country-of-origin.

H8b. Consumers expect a greater price discount for a less-reputable country-of-origin.
CHAPTER III
RESEARCH METHODOLOGY

Research Design

A non-experimental, causal-comparative, and quantitative research design was proposed to test the hypotheses in this study. Causal-comparative research design was used for researchers to investigate cause-effect relationship and determine whether a relationship exists between variables by group comparisons (Gay & Airasian, 2000). A structural questionnaire was used to collect information about Taiwanese consumers’ perceptions of quality for luxury handbags originating from various countries. Within-subjects design was used in this study due to every subject involved making repeated evaluations based on different product combinations (2 brands x 3 COO). Hui and Zhou’s (2002) integrated model for COO effect was adopted for this study with modifications, in order to conform to the objectives of this study. This proposed model, shown in Figure 2, included the country-of-origin and brand equity as independent variables and product evaluation and purchase intention as dependent variables.

Figure 2: Proposed research model.
Selection of Products and Brands

A luxury handbag was chosen to represent luxury products in this study, due to (a) being frequently associated with their foreign origin and (b) being relatively well-known to Taiwanese consumers because of availability in many stores and considerable news coverage. Two brands, Louis Vuitton and Coach, were selected in this study due to their popularity and availability in Taiwan. According to a survey conducted by a Taiwanese fashion magazine (*The China Post*, 2005), Louis Vuitton is the most sought after luxury brand name in Taiwan, and Coach is ranked as the sixth most popular luxury brand in Taiwan, after Gucci, Dior, Chanel, and Burberry. Therefore, Louis Vuitton and Coach were chosen to represent two levels of brand equity (high and low).

Selection of Countries

Three countries, France, the U.S, and China, were chosen for this study, because France and the U.S are Louis Vuitton’s and Coach’s brand origin. China was chosen because many well-known brands had either been manufacturing products in Asian countries, or planning to do so (Johnson, Kapner, & McGregor, 2003). China is a potential manufacturing location due to its lower production costs, and also being the most important market for luxury products within five years (Galbraith, 2004). One of the purposes of this study was to examine how consumers perceive luxury products made in well-developed countries like France and the U.S. as well as products made in a less-developed country like China. Therefore, France, the U.S, and China were used to represent the favorable and less-favorable country-of-origin.
The survey questionnaire included three sections (see Appendix C). First, the demographic data of respondents, including age, marital status, educational level, and income level were collected. The respondents were asked whether they had experiences in purchasing luxury handbags or intend to buy one in the future, and whether they were familiar with Louis Vuitton and Coach. The reasons of doing so were to choose appropriate samples to represent the real target of luxury handbag market and improve the external validity of this study. These three items were used to ensure the qualification of the respondents. Second, the respondents were asked about their attitudes toward these two brands to determine brand equity. Brand equity was measured by 3-item questions developed by Ha in 1996. Third, the respondents were asked to make several product evaluation of luxury branded handbags made in specific countries. Product evaluation was measured by 3-item P&P Country-of-Origin Product Image (P&P COI scale) and three items were high quality, prestigious product, and good workmanship. These three items were rated on a seven-point semantic differential scale, with 1 = strongly disagree and 7 = strongly agree. Then one item was used to measure the likelihood that the respondents would buy the branded luxury handbag made in a specific country. Finally, one item was used to ask respondents how much they would pay for the specific brand product made in a specific country.

Population and Sampling Plan

Target Population

In this study, the target population was Taiwanese female customers who were interested in purchasing luxurious handbags and familiar with two luxury brands: Louis
Vuitton and Coach. According to a report published in HiNet News, only 11% of Taiwanese females were major customers for luxury products (HiNet News, 2005). Taiwan had a population of 22 million total individuals and the female population consisted of 11 million. Therefore, the target population of this study was 1.2 million female customers.

**Accessible Population**

The samples were collected from customers who were about to enter the SOGO department store in Taipei city, the capital of Taiwan. The SOGO department store chain was the most prestigious department store chain in Taiwan with six branch stores located in metro areas in Taiwan. SOGO Taipei store attracted 100,000 customers every month, and there were more than 3,000 customers shopping on weekends and holidays (Chou, 2000).

**Sampling Plan**

Female consumers, twenty years of age or over, and interested in luxury handbags were the target population in this study. Gender and age restrictions were made to select the proper respondents, because the product stimuli (luxury handbags) are usually purchased by women with economic power. Non-Taiwanese consumers were excluded from the population because the objective of this study was to examine the influence of the country-of-origin on Taiwanese consumers when evaluating a luxury product. The use of a student sample in the country-of-origin research was commonly criticized due to the limitation in generalizability of the results. In this study, the use of a student sample is also inappropriate, because students may have little knowledge and experiences with purchasing luxury products, and therefore, overestimate the COO effects (Liefeld, 1993).
Thus, this study used a consumer sample to enhance the external validity of this study. In addition, the researcher used 250 as sample size based on the numbers of variables and response rate, and systematic sampling approach was used to collect respondents. Using probability sampling method like systematic sampling to ensure the representativeness of the subjects can provide more valid results than a large sample poorly chosen (Black, 1999).

Data was collected by using the mall intercept technique, which was commonly used by market researchers. Bush and Hair (1985) indicated that the mall intercept approach is an effective way to reach respondents who are knowledgeable about shopping, and it can supply the researcher with brand or store-oriented information (Bush & Hair, 1985). Another advantage of the mall intercept approach is the results can apply to the general population since samples come from a wide range of shoppers (Sudman, 1980). In this study, respondents were recruited in a high-prestige department store, Taipei SOGO, located in the eastern area of Taipei city, the capital of Taiwan. This high-prestige department store was chosen for two reasons. First, it is located in the most prosperous area in Taiwan. Second, it is one of the most successful department stores with 24.9% market share in Taiwan (Wang, 2002). Third, it targets luxury markets and includes many luxury brand products, such as Louis Vuitton, Dior, Hermes, Prada, and Coach.

Systematic sampling was used in this study, and it was “sampling in which individuals are selected from a list by taking every \( k \)th name” (Gay & Airasian, 2000, p. 131). Systematic sampling can be considered a random sample (Gay & Airasian, 2000). In this study, every 25th eligible person about to enter the chosen department store was
asked to participate in this study. If the 25th person did not choose to participate in this study, then the researcher selected the next person. The researcher continued to count every 25th person from the last person who were chosen to participate until a sample of 250 was obtained. The first person selected each study day was chosen randomly (between 1 and 25), followed by the next eligible 25th customer. Female respondents were selected if those subjects are 20 years of age or above, and have purchased luxury handbags or intend to buy one in the future. Also, they had to be familiar with Louis Vuitton and Coach handbags. Qualified subjects who agreed to participate in this study were handed a structured questionnaire.

**Eligibility Criteria and Exclusion Criteria**

The participants must meet the following criteria:

1. Taiwanese citizen and live in Taipei city.
2. Female and must be 20 years old and above.
3. Have purchased luxury handbag or intend to buy one in the future.
5. Can read, write, and speak Chinese.
6. Be willing to participate in the study and complete a questionnaire.

**Instrumentation**

The survey questionnaire included three parts to measure the impacts of the country-of-origin and brand equity on consumers’ attitudes toward purchasing a luxury product (see Appendix C). Part 1 was the Socio-Demographic Profile, developed by the researcher. This part included questions about consumers’ demographic data including age, educational level, income level, and marital status. Part 2 measured consumers’
perception of brand equity by using 3-item Brand Equity Scale developed by Ha in 1996. Part 3 measured consumers' judgments on product evaluation and asked to decide their purchase intention about purchasing specific brand products originating from different countries. Part 3 included 3-item P&P COI instrument developed by Parameswaran and Pisharodi in 1994 to measure consumers' quality perception of products. Also, respondents were asked to rate each product in terms of likelihood of purchase and the price they would pay for the specific products. This 3-Part questionnaire was a self-report survey completed by respondents. Checklists and 7 point semantic differential scale were used in this 3-Part questionnaire. All parts of survey took about 10 minutes to complete. The following section discusses each instrument used in this study.

Part 1: Socio-Demographic Profile

The socio-demographic data was collected in the first part of the questionnaire to describe the sample and to examine the relationship between the demographic variables and other variables in this study. The socio-demographic data, including age, marital status, educational level, and income level were collected in this section. Respondents had to be 20 years old and above. So age contains five response categories, which are “20-29,” “30-39,” “40-49,” “50-59,” and “60+.” Marital status contained four response categories, which are “Single/Never Married,” “Married,” “Divorced,” and “Others.” Education contained five response categories, which were “Some high school and less,” “High school diploma,” “Junior college,” “College,” and “Graduated.” Income level was reported as annual salary and is categorized as “Under $10,000,” “10,000-14,999,” “15,000-19,999,” “20,000-24,999,” “25,000-29,999,” and “30,000+.” Finally, respondent were asked whether she has purchased a luxury handbag or intended to buy
one in the future. If respondents’ answers were “No,” she was asked to return the questionnaire to the researcher and stopped the survey. A direction to consumers to fill out Part 1 was the following: please fill out each following question by placing a check mark in front of items that indicate your information.

**Part 2: Ha’s Brand Equity Scale**

*Description.* Twelve seven-point Likert-type statements were developed by Ha (1996) to measure the perceived value of a brand based on its brand name and brand image. High scores on the scale indicated the respondents perceive higher value toward specific brand name. In this study, a 3-item choice from Ha’s instrument was used to measure consumers’ perception of brand equity toward these two brands (Louis Vuitton and Coach).

*Reliability.* An alpha of .93 was calculated for this scale (as cited in Bruner, James, & Hensel, 2001).

*Validity.* No specific information with regard to the validity of the scale is provided by Ha (as cited in Bruner, James, & Hensel, 2001).


*Description.* The earliest definition of “country-image” was found in Nagashima’s study (1970). Researchers followed Nagashima’s perspective and supported that the country-of-origin can work as a “summary construct” to attach a product to a specific country. Parameswaran and Pisharodi (1994) developed 40 items to measure a person’s evaluation of a particular brand or product made in a specific country. These forty items were divided into three facets: “general country attributes” (GCA),
"general product attributes" (GPA), and "specific product attributes" (SPA). Pereira, Hsu, and Kundu (2005) reveal that P&P scale is applicable to understand the influences of the country-of-origin on product evaluation in Asian countries (Pereira, Hsu & Kundu, 2005). In this study, 3-item questions from SPA of P&P COI Scale were used to measure consumers’ perception of products originating from 3 different countries (France, the U.S, and China).

**Reliability.** The country-of-origin product image scale used in Parameswaran and Pisharodi’s study (1994) to measure German blenders had a standardized alpha of .943, and the Korean version had an alpha of .924 (Bruner, James, & Hensel, 2001).

**Validity.** Parameswaran and Pisharodi (1994) used confirmatory factor analysis to decide several multi-items to measure country-of-origin product image of German and Korean products. The researchers believe their “final adjusted measurement model satisfied the unidimensionality criterion and information bearing on convergent and discriminant validity may have been available from the analysis” (Bruner, James, & Hensel, 2001, p. 176).

**Procedures: Ethical Considerations and Data Collection Methods**

1. In this study, a 3-Part Questionnaire was used to collect data. Brand Equity and P&P COI Scale was used as instruments and permissions from instrument developers to use these scales were received (see Appendix H).

2. Consumers were approached by the researcher outside the SOGO department store in a public area; therefore, there was no need to ask for permission from the selected department store.
3. Due to the fact that the respondents were Taiwanese, the questionnaire was translated into a Chinese version (see Appendix D) with an official endorsement from an expert who is fluent in English and Chinese languages to safeguard the consistency of the questionnaire (see Appendix J).

4. Systematic sampling was used to select subjects and every 25th eligible person was about to enter the SOGO department store was asked to participate in this study. If the 25th person did not choose to participate in this study, the researcher selected the next person.

5. The participants were provided a brief introduction of the research, and asked whether they were willing to participate in this study. An Informed Consent Form (see Appendix E) was completed before participation. Participants were anonymous and their names and data were not identified; therefore, a consent form was not signed.

6. The participants might ask any questions during the survey, the researcher was available to answer their questions. They were notified that all data was anonymous. After they were handed the survey form, the researcher moved away and let participants finish the survey in private. After finishing, the participants put the survey in a black box with a slit to ensure anonymity.

7. The data collection was completed by the researcher alone. The data collection process was one week at different times of the days as follow: Monday (noon-2:00 p.m.,) Tuesday (2:00 p.m.-4:00 p.m.,) Wednesday (4 p.m.-6:00 p.m.,) Thursday (6:00 p.m.-8:00 p.m.,) Friday (8:00 p.m.-10:00 p.m.,) Saturday (5:00 p.m.-10:00 p.m.,) and Sunday (11:00 a.m.-5:00 p.m.)
The rationale of this time arrangement was based on expected customer traffic in the SOGO department store.

8. After receiving approval from Lynn University’s IRB (see Appendix G), the researcher traveled back to Taiwan and began the data collection process. The start date of data collection was August 8th, 2005, and data collection was completed on August 14th, 2005. A total of 250 surveys were completed and 233 surveys were usable.

9. Each survey was coded with a number, and there were no personal participant identifiers. After data was re-coded and entered into the SPSS for statistical analysis, the data was stored in a box for a period of five years, and then will be destroyed.

**Evaluation of Ethical Aspects of the Study**

This study was considered ethical based on the following researcher’s efforts:

1. The participants were notified the purpose, methods, risks, and benefits to participate in this study. If they were interested in participating, they were given the informed consent letter.

2. The respondents were notified the data collected from this survey was anonymous. Each questionnaire was coded with a number and indicating anonymity for the respondents.

3. This study was approved by Lynn University’s IRB, and this study was a full board review because it was conducted in a foreign country (Taiwan).
4. All data collected from this study was confidential. The completed questionnaires were locked in a cabinet and destroyed five years after the completion of the study.

**Methods of Data Analysis**

The data analysis was analyzed by using SPSS Windows Version 13.0. Data was re-coded and entered into the SPSS program for statistical analysis. Two types of statistics were used in this study. Descriptive statistics, such as mean, median, standard deviation, and variance was used to describe or summarize the characteristics of the data. Inferential statistics such as *t*-test and Analysis of Variance (ANOVA) were also used to test hypothesis. In addition, reliability estimates were determined by using Cronbach’s alpha (α) reliability.

Repeated measures ANOVA was used to examine the individual effects of the country-of-origin and brand equity on two dependent variables (product evaluation and purchase intention). The difference between repeated measures ANOVA and standard ANOVA is that each subject with the same characteristic is measured under a different condition. In this case, the respondents were asked to make several evaluations based on different bands and the country-of-origin. The rationale for using repeated measures ANOVA was (a) the hypotheses required repeated measures from each subjects, and (b) there was a great deal of variation between sample members, error variance estimates from standard ANOVA could be large. Therefore, repeated measures ANOVA provided a way of accounting for this variance, and reduced error variance.

In this study, repeated measures ANOVA was used to examine whether the country-of-origin and brand names had impacts on consumers’ product evaluation and
purchase intention. Next, paired $t$-test was used to compare the differences among product evaluations across three conditions of country-of-origin (France, the U.S, and China). The paired differences show the differences among the scores of six product combination (2 brands x 3 COO). Moreover, a Bonferroni adjustment for multiple comparisons was conducted to avoid increasing the risk of committing a Type I error (Kerr, Hall & Kozub, 2003).

In this study, the effect size was used to compare the relative effects of the country-of-origin and brand equity on product evaluation and purchase intention. Effect size is defined as “the strength of the relationship between the independent variable and the dependent variable, and/or the magnitude of the difference between levels of the independent variable with respect to the dependent variable” (Leech, Barrett, & Morgan, 2005, p. 55). Two types of effect size measures ($r$ family and $d$ family) were used in this study to measure how strong effects of the COO and brand names influenced consumers’ perception of products.

In general, repeated measures ANOVA and repeated measure MANOVA were employed to test hypotheses depending on how many dependent variables were presented. When there was only one dependent variable, repeated measures ANOVA was employed. When there are more than two dependent variables involved, for example, the effect of COO on product quality, prestige, and workmanship, then repeated measures MANOV was employed. In addition, effect size measures were used to examine the strengths of the association COO and brand names on product evaluation. The paired $t$-test was used to examine the influences of congruence information
between brand origin and the country-of-origin on product evaluation and purchase intention.

Evaluation of Research Methods

This study was examined for internal validity and external validity by addressing the strengths and weaknesses of research methods. The strengths and weaknesses of this research are addressed as follows:

1. This study used a quantitative research method which is an appropriate approach to generalize the large population and to investigate the attitudes, preferences or interest of some group of people (Gay & Airasian, 2000).

2. Causal-comparative research was used to strengthen the internal validity of this study, because it could be used to determine in what degree, if a relationship exists between two and more variables (Gay & Airasian, 2000). Causal-comparative research attempts to determine causes or reasons for the current status of the COO phenomena (Gay, 1996).

3. Systematic sampling was one of the random sampling approaches which can obtain a representative sample and research results based on it was more generalizable to the population. The external validity of this study was improved by adopting systematic sampling technique.

4. The weakness of sampling technique was that only one location was chosen to collect data, and it might not represent the whole population in Taiwan. This was the limitation to external validity. In addition, consumers were limited to the ones who shopped in this specific department store.
5. Within-subjects design was appropriate design to measure a subject’s attitude toward more than one condition. The weakness of between-subject design was the differences among subjects which were uncontrolled and treated as error. However, differences among respondents can be measured in within-subject design because the same respondent is tested in each condition.

6. Both Brand Equity scale and P&P COI scale had evidences of good estimates of reliability and validity, contributing to this research study’s internal validity. However, linguistic and cultural differences may affect the reliability and validity of this study.

7. A clear and brief introduction of this research was provided to respondents in order to increase respondent rate. However, the setting (outside the department store) was rushed and noisy environments which influenced respondents and thus threatened the internal validity of this study.

8. Regarding the methods data analysis, statistical procedures and tools were effective to test the research hypotheses and strengthened the internal validity of this study.

9. The period of data collection was one week, from Monday to Sunday, which was feasible and cost saving. Consumer sample and collected at different times of days was perceived as strength to enhance external validity.
CHAPTER IV
RESULTS

Chapter 4 presents the findings of the study examining the influences of the country-of-origin on Taiwanese female consumers' product evaluation and purchase intention. This chapter will begin with a presentation of socio-demographic characteristics of the participants which will provide information about the background of the participants. All participants were recruited outside the Taipei SOGO department store in Taiwan and had to meet the following criteria to participate and provide insights to this study: (a) female and 20 years old and above; (b) have purchased luxury handbags or intend to buy one in the future; (c) familiar with two brand names: Louis Vuitton (LV) and Coach. A total of 250 surveys were handed out to qualified participants, and 233 usable surveys were collected. Seventeen surveys were not used because the respondents did not complete the entire questionnaire or failed to answer more than 10 questions contained in the questionnaire.

Socio-Demographic Profile of Participants

Of the 233 female respondents, 63% were single and 33% were married (see Table 1). As to the participants' age, 107 respondents (45.9%) were 20-20; 98 respondents (42.1%) were 30-39; 8.6% in the 40-49; and 3.5% of respondents were older than 50 years of age (see Table 2). Although the demographic profile of this study cannot represent the whole population in Taiwan, the age partition confirm that more and more young female consumers were interested in purchasing luxury products and willing to pay high prices for such products, especially luxury branded products (Lin, 2004).
Table 1

The Age Distribution of Participants

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29</td>
<td>107</td>
<td>45.9</td>
<td>45.9</td>
</tr>
<tr>
<td>30-39</td>
<td>98</td>
<td>42.1</td>
<td>88.0</td>
</tr>
<tr>
<td>40-49</td>
<td>20</td>
<td>8.6</td>
<td>96.6</td>
</tr>
<tr>
<td>50-59</td>
<td>6</td>
<td>2.6</td>
<td>99.1</td>
</tr>
<tr>
<td>60 and above</td>
<td>2</td>
<td>0.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 2

The Marital Status Distribution of Participants

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>147</td>
<td>63.1</td>
<td>63.1</td>
</tr>
<tr>
<td>Married</td>
<td>77</td>
<td>33.0</td>
<td>96.1</td>
</tr>
<tr>
<td>Divorced</td>
<td>6</td>
<td>2.6</td>
<td>98.7</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

In this study, 82.4% of the respondents had graduated from college, and only 5.2% of the respondents had under a high school educational level (see Table 3). As to annual income, 58.7% of respondents earned more than $15,000 per year, which is the average annual income of a Taiwanese citizen according to World Development Indicator...
Database by The World Bank Group (2005). Nearly 20% of respondents reported their annual income $25,000 and higher (see Table 4). This study confirmed the common phenomenon in many markets that middle-class consumers have become less price-sensitive and more interested in luxury brands, and thus have developed into the target population for many luxury brands companies.

Table 3

*The Educational Level Distribution of Participants*

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some high school</td>
<td>12</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>High school</td>
<td>29</td>
<td>12.4</td>
<td>17.6</td>
</tr>
<tr>
<td>Junior college</td>
<td>68</td>
<td>29.2</td>
<td>46.8</td>
</tr>
<tr>
<td>College</td>
<td>85</td>
<td>36.5</td>
<td>83.3</td>
</tr>
<tr>
<td>Graduate</td>
<td>39</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 4

The Annual Income Distribution of Participants

<table>
<thead>
<tr>
<th>Annual Income</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $10,000</td>
<td>31</td>
<td>13.3</td>
<td>13.3</td>
</tr>
<tr>
<td>$10,000-$14,999</td>
<td>62</td>
<td>26.6</td>
<td>39.9</td>
</tr>
<tr>
<td>$15,000-$19,999</td>
<td>56</td>
<td>24.0</td>
<td>63.9</td>
</tr>
<tr>
<td>$20,000-$24,999</td>
<td>39</td>
<td>16.7</td>
<td>80.6</td>
</tr>
<tr>
<td>$25,000-$29,999</td>
<td>11</td>
<td>4.7</td>
<td>85.3</td>
</tr>
<tr>
<td>Above $30,000</td>
<td>31</td>
<td>13.3</td>
<td>98.6</td>
</tr>
<tr>
<td>Missing</td>
<td>3</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Research Hypothesis 1**

In this study, Repeated Measures MANOVA was used to test the hypothesis due to respondents asked to make repeated evaluations under different conditions (different brands and country-of-origin). Using a standard MANOVA in this study was not appropriate because of failing to consider the influences of repeated measures. The Repeated Measures MANOVA approach also violates the standard MANOVA assumption of independence (Leech, Barrett, & Morgan, 2005). In this study, the respondents were asked to evaluate six specific products (two brands handbags originating from three COO results in six combinations) at the same time. Due to the repeated measures (also called within-subjects design), repeated measures MANOVA were used to test hypothesis.
Hypothesis 1 stated that there was a difference among products’ country-of-origin on overall product evaluation. In this study, overall product evaluation consisted of quality, prestige, and workmanship. Therefore, the average of these three dimensions was used to represent the score of the overall product evaluation. The results indicated that respondents did rate products made in different countries differently regarding the overall evaluation; $F (1.31, 304.4) = 662.8, p = .000$. (see Table 5) The significant $F$ means that there was a difference somewhere in how the products were rated. Therefore, H1 was supported.

The results (see Table 5) also indicated that respondents rated the products from different countries differently with regard to the quality, prestige, and workmanship of the products. There was a significant difference among products’ country-of-origin on the product quality, prestige, and workmanship. All factors reached the .05 significance level, $F (1.47, 341.2) = 578, p = .000$ for the quality, $F (1.48, 344) = 519, p = .000$ for the prestige, and $F (1.47, 341.2) = 561, p = .000$ for the workmanship (see Table 5). Therefore, H1, 1a, 1b, and 1c were fully supported. These findings supported previous studies that consumers did have different perception and preferences toward products that were made in different countries (Badri, Davis, & Davis, 1995; Hui & Zhou, 2002; Okechuku, 1994; Roth & Romeo, 1992).
Table 5

*MANOVA: Effect of COO on Product Evaluation*

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>df</th>
<th>Error df</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO</td>
<td>Overall Evaluation</td>
<td>1.31</td>
<td>304.35</td>
<td>662.82</td>
<td>.000</td>
<td>.741</td>
</tr>
<tr>
<td></td>
<td>Quality</td>
<td>1.47</td>
<td>341.23</td>
<td>578.06</td>
<td>.000</td>
<td>.714</td>
</tr>
<tr>
<td></td>
<td>Prestige</td>
<td>1.48</td>
<td>343.98</td>
<td>518.75</td>
<td>.000</td>
<td>.691</td>
</tr>
<tr>
<td>Workmanship</td>
<td></td>
<td>1.47</td>
<td>341.16</td>
<td>561.23</td>
<td>.000</td>
<td>.708</td>
</tr>
</tbody>
</table>

Next, comparing the mean scores (on 7-point scales) of product evaluation (quality, prestige, and workmanship) over various COO was conducted to try to understand how products’ COO was rated differently. Table 7 revealed that the products made in France were rated more positively than those made in the U.S. and China in all three aspects (quality, prestige, and workmanship). With regard to the quality, luxury handbags made in France ($M = 5.41$) were rated higher than handbags made in the U.S. ($M = 4.84$) and handbags made in China ($M = 2.68$). With regard to the prestige, luxury handbags made in France ($M = 5.24$) were rated more positively than those made in the U.S. ($M = 4.70$) and China ($M = 2.61$). In addition, respondents believed that the handbags made in France ($M = 5.37$) had better workmanship than those made in the U.S. ($M = 4.69$) and China ($M = 2.63$). These findings supported previous studies that consumers preferred products made in well-developed countries than those made in developing countries (Badri, Davis, & Davis, 1995; Okechuku, 1994; Schniederjans et al., 2004).
After presenting the mean scores of handbags originating from three countries, tests of paired comparisons with Bonferroni tests were conducted to examine whether there were significant differences in the mean score regarding three product dimensions. The results (see Table 7) indicated that ratings for the French-made handbags were significantly higher than for both American-made and Chinese-made products ($p < 0.01$) when considering their quality, prestige, and workmanship. Additionally, findings indicated that the difference of scores between handbags made in France and those made in China was the largest, and the difference of scores would reach average 2.7 points (7-point scale). Therefore, the data indicated that products made in France were perceived more favorably than American-made and Chinese-made products. Further, products made in the U.S. also had more positive evaluation than those made in China. In retrospect, China had the lowest rating in all three product dimensions (quality, prestige, 

### Table 6

<table>
<thead>
<tr>
<th>Measure</th>
<th>COO</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Upper Bound</td>
</tr>
<tr>
<td>Quality</td>
<td>France</td>
<td>5.41</td>
<td>.061</td>
<td>5.29</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>4.84</td>
<td>.057</td>
<td>4.73</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>2.68</td>
<td>.083</td>
<td>2.52</td>
</tr>
<tr>
<td>Prestige</td>
<td>France</td>
<td>5.24</td>
<td>.066</td>
<td>5.11</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>4.70</td>
<td>.062</td>
<td>4.58</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>2.61</td>
<td>.082</td>
<td>2.44</td>
</tr>
<tr>
<td>Workmanship</td>
<td>France</td>
<td>5.37</td>
<td>.058</td>
<td>5.29</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>4.69</td>
<td>.062</td>
<td>4.57</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>2.63</td>
<td>.084</td>
<td>2.47</td>
</tr>
</tbody>
</table>
and workmanship). These findings were consistent with Okechuku’s (1994) study that revealed that products made in a less-developed country like China had the lowest score in product evaluation. This research study also supported the findings of Schniederjans et al. (2004) findings that many consumers stereotyped Chinese-made products were of poor value and a lower quality. On the contrary, consumers believed that French-made products especially fashion products that represented well designed, high workmanship, and good value for the price paid for the product (Lin & Sternquist, 1994; Nia & Zaichkowsky, 2000).
### Table 7

**Bonferroni Multiple Comparisons of Country-of-Origin**

<table>
<thead>
<tr>
<th>Product Evaluation</th>
<th>(I) COO</th>
<th>(J) COO</th>
<th>(I)-(J) Mean Difference</th>
<th>Std. Error</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>France</td>
<td>USA</td>
<td>.57*</td>
<td>.056</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>2.73*</td>
<td>.103</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>France</td>
<td>-.57*</td>
<td>.056</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>2.16*</td>
<td>.088</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>France</td>
<td>-2.73*</td>
<td>.103</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>USA</td>
<td>-2.16*</td>
<td>.088</td>
<td>.000</td>
</tr>
<tr>
<td>Prestige</td>
<td>France</td>
<td>USA</td>
<td>.53*</td>
<td>.057</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>2.63*</td>
<td>.104</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>France</td>
<td>-.53*</td>
<td>.057</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>2.10*</td>
<td>.091</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>France</td>
<td>-2.63*</td>
<td>.104</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>USA</td>
<td>-2.10*</td>
<td>.091</td>
<td>.000</td>
</tr>
<tr>
<td>Workmanship</td>
<td>France</td>
<td>USA</td>
<td>.68*</td>
<td>.054</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>2.74*</td>
<td>.099</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>France</td>
<td>-.68*</td>
<td>.054</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>2.06*</td>
<td>.095</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>France</td>
<td>-2.74*</td>
<td>.099</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>USA</td>
<td>-2.06*</td>
<td>.095</td>
<td>.000</td>
</tr>
</tbody>
</table>

*p ≤ .001
Research Hypothesis 2

Hypothesis 2 stated that there is difference among products’ country-of-origin on purchase intention. The single-factor repeated measures ANOVA was appropriate for H2 due to there being only one independent variable (COO) with three levels that were repeated measures and one dependent variable (purchase intention). Results indicated that participants did have different purchase intentions facing different COO, $F(1.46, 998.2) = 428.54, p = .001$, the effect size $\eta^2_p = .65$ (see Table 8). Table 9 revealed these means of purchase intention and suggested that respondents had stronger intention to purchase a luxury handbag made in France ($M = 5.06$) than ones made in the U.S. ($M = 4.57$), and China ($M = 2.42$). These findings supported Roth and Romeo’s (1992) study that revealed that consumers’ willingness to buy was influenced by the products’ country-of-origin.

Table 8

ANOVA: Effect of Country-of-Origin on Purchase Intention

<table>
<thead>
<tr>
<th>Source</th>
<th>$F$</th>
<th>$df$</th>
<th>Error $df$</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO</td>
<td>428.54</td>
<td>1.46</td>
<td>998.18</td>
<td>.000</td>
<td>.649</td>
</tr>
</tbody>
</table>
### Table 9

**Mean Score of Purchase Intention**

<table>
<thead>
<tr>
<th>COO</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>France</td>
<td>5.06</td>
<td>.074</td>
<td>4.919</td>
</tr>
<tr>
<td>U.S.</td>
<td>4.57</td>
<td>.076</td>
<td>4.419</td>
</tr>
<tr>
<td>China</td>
<td>2.42</td>
<td>.091</td>
<td>2.238</td>
</tr>
</tbody>
</table>

### Table 10

**Pair Comparison of Purchase Intention**

<table>
<thead>
<tr>
<th>(I) COO</th>
<th>(J) COO</th>
<th>Mean Difference (I-J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval for Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>France</td>
<td>U.S.</td>
<td>.49*</td>
<td>.061</td>
<td>.000</td>
<td>.35</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>2.54*</td>
<td>.112</td>
<td>.000</td>
<td>2.38</td>
</tr>
<tr>
<td>U.S.</td>
<td>France</td>
<td>-.49*</td>
<td>.061</td>
<td>.000</td>
<td>-.64</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>2.15*</td>
<td>.107</td>
<td>.000</td>
<td>1.90</td>
</tr>
<tr>
<td>China</td>
<td>France</td>
<td>-2.54*</td>
<td>.112</td>
<td>.000</td>
<td>-2.92</td>
</tr>
<tr>
<td></td>
<td>U.S.</td>
<td>-2.15*</td>
<td>.107</td>
<td>.000</td>
<td>-2.41</td>
</tr>
</tbody>
</table>

* *p < .05

As shown in Table 10, the differences among different COO on purchase intention and indicated that there were significant differences in the means of purchase intention at the .05 level. The respondents' purchase intention was affected by the COO.
The difference of scores between handbags made in France and China was the largest on a 7-point scale. Therefore, Hypothesis 2 was fully supported and may indicate that respondents had a stronger intention to purchase a luxury handbag made in France, and, conversely a much lower intention to purchase a luxury handbag made in China. These findings were consistent with Badri, Davis, and Davis's (1995) findings that stated that a favorable COO would result in a higher purchase intention.

**Research Hypothesis 3**

Hypothesis 3 stated that there is a difference between brands on overall product evaluation. A repeated measures MANOVA was used to examine Hypothesis 3. The results indicated that different brands had a significant difference on overall product evaluation, $F (1, 232) = 23.15, p = .000$. (see Table 11). The significant $F$ means that there was a difference somewhere in how the handbags were rated. Therefore, H3 was supported. Additionally, Table 11 also revealed that brand had significant difference on product prestige and product workmanship, $F (1, 232) = 11.90, p = .001$ and $F (1, 232) = 6.44, p = .012$ respectively. Therefore, H3b and 3c were supported. However, Table 11 revealed that brands had no significant difference on product quality. Therefore, H3a was not supported. This may indicate that respondents did rate two brands (LV and Coach) differently, especially in product prestige and workmanship. However, the quality of two brand was not significantly different in respondents' evaluation ($p = .11$). These findings supported Haubl's (1996) study that both the country-of-origin and the brand name had influences on consumers' product evaluation. However, this research study did not confirm Haubl's (1996) proposition that the brand name had predominant impact than the country-of-origin on product evaluation.
Table 11

**MANOVA: Effect of Brand on Product Evaluation**

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>df</th>
<th>Error df</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>Overall</td>
<td>1.00</td>
<td>232.0</td>
<td>23.15</td>
<td>.000</td>
<td>.091</td>
</tr>
<tr>
<td></td>
<td>Evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td>1.00</td>
<td>232.0</td>
<td>2.57</td>
<td>.110</td>
<td>.011</td>
</tr>
<tr>
<td>Prestige</td>
<td></td>
<td>1.00</td>
<td>232.0</td>
<td>11.90</td>
<td>.001</td>
<td>.049</td>
</tr>
<tr>
<td>Workmanship</td>
<td></td>
<td>1.00</td>
<td>232.0</td>
<td>6.44</td>
<td>.012</td>
<td>.027</td>
</tr>
</tbody>
</table>

**Research Hypothesis 4**

Hypothesis 4 stated that the country-of-origin has a stronger impact than brand name on product evaluation. From findings for Hypothesis 1, there was a significant difference among products made in France, U.S., and China on product evaluation with $F(1.3, 304.4) = 662.82, p = .000$. Additionally, findings for Hypothesis 3 indicated there was also a significant difference between Louis Vuitton and Coach on product evaluation with $F(1,232) = 23.14, p = .000$. However, a significant outcome for the effects of COO and brand on the product evaluation did not provide enough data to answer Hypothesis 4, because there was no information about the strength or size of the relationship between the effect and dependent variable. Measures of effect size in MANOVA can be used to decide the strength of the relationship between the variables, and most important, the magnitude of the difference between different groups of the independent variable regarding the dependent variable (Morgan, Leech, Gloeckner, & Barrett, 2004). Therefore, partial eta squared ($\eta_p^2$) were used to measure the effect size and answer Hypothesis 4.
As shown in Table 12, the country-of-origin had a greater effect than brand name on product evaluation. COO ($\eta_p^2 = .741$) indicated that the COO accounted for 74.1% of the total variability in the product evaluation score. Further, brand name ($\eta_p^2 = .091$) had a much smaller effect on product evaluation. Therefore, Hypothesis 4 was supported. These findings suggested that the country-of-origin had a stronger impact than brand name on product evaluation.

Table 12

**MANOVA: Effect of Country-of-Origin and Brand on Product Evaluation**

<table>
<thead>
<tr>
<th>Effect</th>
<th>$F$</th>
<th>$df$</th>
<th>Error $df$</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO</td>
<td>662.82</td>
<td>1.31</td>
<td>304.35</td>
<td>.000</td>
<td>.741</td>
</tr>
<tr>
<td>Brand</td>
<td>23.14</td>
<td>1.00</td>
<td>232.00</td>
<td>.000</td>
<td>.091</td>
</tr>
</tbody>
</table>

Within subjects design: COO + Brand

In tests of H4a, 4b, and 4c, partial eta squared ($\eta_p^2$) in each product dimension were compared to examine whether the COO had a stronger effect on three product dimension (quality, prestige, and workmanship) than brand name. As shown in Table 13, brand did not have a significant difference on product quality. However, there was difference among the COO on product quality. Therefore, the COO had stronger effect than brand name on product quality. In addition, the COO had large effect on product prestige ($\eta_p^2 = .69$) than brand ($\eta_p^2 = .05$). The COO also had large effect on product workmanship ($\eta_p^2 = .71$) than brand ($\eta_p^2 = .03$). According to Morgan et al. (2004), the strength of a relationship can be consider very large when $\eta_p^2 > .70$ (p. 56). Based on the
findings of this study (see Table 13), the COO had much stronger effect than brand on three product dimensions, and the effect can be considered very large because all partial etas squared ($\eta^2_p$) near .70. Therefore, H4a, 4b, 4c were fully supported. These findings supported previous studies that revealed that the country-of-origin had a stronger influence than brand name on consumers’ product choices (Ahmed & d’Astous, 1996; Ahmed et al., 2002).

Table 13

Comparison of Effect Size

<table>
<thead>
<tr>
<th></th>
<th>COO</th>
<th></th>
<th>Brand</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig.</td>
<td>Partial Eta Squared</td>
<td>Sig.</td>
<td>Partial Eta Squared</td>
</tr>
<tr>
<td>Quality</td>
<td>.000</td>
<td>.714</td>
<td>.110</td>
<td>.011</td>
</tr>
<tr>
<td>Prestige</td>
<td>.000</td>
<td>.691</td>
<td>.001</td>
<td>.049</td>
</tr>
<tr>
<td>Workmanship</td>
<td>.000</td>
<td>.708</td>
<td>.012</td>
<td>.027</td>
</tr>
</tbody>
</table>

Research Hypothesis 5

Previous findings have indicated the COO and brand did influence respondents’ product evaluation, and the COO had larger effect than brand on product evaluation. Next, the interaction of COO and Brand on product evaluation was examined by conducting a repeated measure of ANOVA. Table 14 revealed that the interaction of COO and Brand was significant for overall product evaluation, $F (1, 232) = 26.97$, $p = .000$. Hypothesis 5 stated that a strong brand name will not compensate for a less-reputable country-of-origin on overall product evaluation. In order to test H5, the COO
was divided into two groups. Group 1 represented reputable COO including France and the U.S., and Group 2 was less-reputable COO including China.

Table 14


<table>
<thead>
<tr>
<th>Source</th>
<th>F</th>
<th>df</th>
<th>Error df</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand * COO</td>
<td>26.97</td>
<td>1</td>
<td>232</td>
<td>.000</td>
<td>.104</td>
</tr>
</tbody>
</table>

Table 15 reveals the mean scores of two brand products produced in reputable countries and less-reputable countries. The findings indicated that LV handbags made in reputable countries (France and the U.S.) had higher scores ($M = 5.34$) in overall product evaluation than those made in a less-reputable country (China, $M = 2.64$). Also, Coach handbags that were made in reputable countries had higher scores ($M = 4.93$) in overall product evaluation than those made in a less-reputable country ($M = 2.64$). Comparison of the brand’s 95% confidence interval in Table 15 revealed a slight difference between the two brands. Both brands had very low scores in overall product evaluation when the handbag was manufactured in a less-reputable country ($M = 2.64$ for LV and Coach). The difference of score between highly reputable COO and less-reputable COO did not reach significant differences on product evaluation for both brands as shown in Figure 3. That means that a less reputable COO resulted in lowest scores on product evaluations for both brands. A strong brand name such as Louis Vuitton still suffered from a less-reputable COO. Therefore, H5 was supported. These findings were consistent with the findings of Ahmed et al. (2002) that revealed that a stronger brand name did not compensate for a less-reputable country-of-origin on overall product evaluation.
Table 15

Interaction Effect of Brand and Country-of-Origin

<table>
<thead>
<tr>
<th>Brand</th>
<th>COO</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>Louis</td>
<td>1</td>
<td>5.34</td>
<td>.061</td>
<td>5.223</td>
</tr>
<tr>
<td>Vuitton</td>
<td>2</td>
<td>2.64</td>
<td>.088</td>
<td>2.464</td>
</tr>
<tr>
<td>Coach</td>
<td>1</td>
<td>4.93</td>
<td>.063</td>
<td>4.801</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2.64</td>
<td>.085</td>
<td>2.471</td>
</tr>
</tbody>
</table>

"1" = reputable COO (France and U.S.) "2" = less-reputable COO (China)

Figure 3: Interaction effects of brand and the country-of-origin.

Research Hypothesis 6

Hypothesis 6 stated that incongruence between brand origin and the country-of-origin would produce negative effects on the overall product evaluation with regard to a high equity brand. A paired sample t-test was used to decide which brand was the high
equity brand by comparing the mean scores of two brands on brand equity scale (1-7 points). As shown in Table 16, Louis Vuitton (LV) had a higher mean score on brand equity \((M = 5.25)\) than Coach \((M = 4.14)\). In addition, Table 17 also indicated that the difference between LV and Coach on product evaluation was statistically significant, \(t(232) = 11.43, p = .000\). Therefore, LV represented a higher equity brand, and Coach represented a lower equity brand in this study. These findings supported Johnson, Kapner, and McGregor’s (2003) proposition that revealed that Asian consumers hold strong preferences for luxury products that originated from European countries.

Table 16

*Paired Samples Statistics*

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>(N)</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>LV Equity (1)</td>
<td>5.25</td>
<td>233</td>
<td>1.13</td>
<td>.074</td>
</tr>
<tr>
<td>Coach Equity (2)</td>
<td>4.14</td>
<td>233</td>
<td>1.31</td>
<td>.086</td>
</tr>
</tbody>
</table>

Table 17

*t-Test for Paired Samples*

<table>
<thead>
<tr>
<th>Paired Differences</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>(t)</th>
<th>(df)</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) – (2)</td>
<td>1.11</td>
<td>1.49</td>
<td>.097</td>
<td>11.43</td>
<td>232</td>
<td>.000</td>
</tr>
</tbody>
</table>
The brand origin of LV is France, and LV handbags made in the U.S. or China will create incongruent information for consumers. In order to examine whether the incongruence between brand origin and the COO results in negative evaluation on a luxury handbag, a repeated measure of MANOVA was conducted. Table 18 indicated for the brand LV, there was a significant difference between congruent and incongruent information on overall product evaluation with $F(1.3, 298.3) = 651.14, p = .000$, product quality with $F(1.6, 376.1) = 515.44, p = .000$, product prestige with $F(1.6, 380.5) = 419.01, p = .000$, product workmanship with $F(1.8, 416.1) = 452.6, p = .000$, and purchase intention with $F(1.8, 419.4) = 339.11, p = .000$. These findings did not confirm Leclerc, Schmitt, and Laurette’s (1994) findings that stated that the incongruent information did not have an influence on product beliefs. On the contrary, this research study found that incongruent information between brand origin and the country-of-origin would produce negative effects on consumers’ product evaluation.

Table 18

**MANOVA: Effect of Incongruence for Louis Vuitton**

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>$df$</th>
<th>Error $df$</th>
<th>$F$</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO</td>
<td>Overall Evaluation</td>
<td>1.29</td>
<td>298.34</td>
<td>651.14</td>
<td>.000</td>
<td>.74</td>
</tr>
<tr>
<td></td>
<td>Quality</td>
<td>1.62</td>
<td>376.09</td>
<td>515.44</td>
<td>.000</td>
<td>.69</td>
</tr>
<tr>
<td></td>
<td>Prestige</td>
<td>1.64</td>
<td>380.53</td>
<td>419.01</td>
<td>.000</td>
<td>.64</td>
</tr>
<tr>
<td></td>
<td>Workmanship</td>
<td>1.79</td>
<td>416.13</td>
<td>452.64</td>
<td>.000</td>
<td>.66</td>
</tr>
<tr>
<td></td>
<td>Purchase Intention</td>
<td>1.81</td>
<td>419.37</td>
<td>339.11</td>
<td>.000</td>
<td>.59</td>
</tr>
</tbody>
</table>
Table 19 revealed that when the COO was matched with product’s brand origin, the score was higher than those COOs that did not match with its brand origin. For overall evaluation, LV handbags made in France (matched with its brand origin) had higher scores ($M = 5.66$) than made in the U.S. ($M = 5.03$) and China ($M = 2.64$). These findings indicated the same results on product quality, prestige, workmanship, and purchase intention. Further, this may indicate that incongruent information will result in lower scores on product evaluation and purchase intention. These findings supported Hui and Zhou’s (2003) findings that incongruent information would produce negative effects on product evaluation.
Table 19

_Multiple Comparisons for Louis Vuitton_

<table>
<thead>
<tr>
<th>Measure</th>
<th>COO</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>Overall Evaluation</td>
<td>1</td>
<td>5.66</td>
<td>.069</td>
<td>5.52</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>5.03</td>
<td>.062</td>
<td>4.90</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.64</td>
<td>.088</td>
<td>2.46</td>
</tr>
<tr>
<td>Quality</td>
<td>1</td>
<td>5.73</td>
<td>.076</td>
<td>5.58</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.72</td>
<td>.074</td>
<td>4.58</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.63</td>
<td>.091</td>
<td>2.45</td>
</tr>
<tr>
<td>Prestige</td>
<td>1</td>
<td>5.55</td>
<td>.081</td>
<td>5.39</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.66</td>
<td>.074</td>
<td>4.51</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.65</td>
<td>.092</td>
<td>2.47</td>
</tr>
<tr>
<td>Workmanship</td>
<td>1</td>
<td>5.70</td>
<td>.075</td>
<td>5.55</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.59</td>
<td>.080</td>
<td>4.43</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.63</td>
<td>.093</td>
<td>2.45</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>1</td>
<td>5.39</td>
<td>.098</td>
<td>5.20</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.42</td>
<td>.096</td>
<td>4.23</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.37</td>
<td>.95</td>
<td>2.19</td>
</tr>
</tbody>
</table>

“1” = France (congruent information) “2” = U.S. (incongruent information) “3” = China (incongruent information)

Next, a paired comparison between congruent and incongruent information was conducted. For overall product evaluation, the difference between congruent and incongruent information could be as small as .63 of a point (made in the U.S) or as large
as 3.02 points (made in China) on the 7-point scale (see Table 20). Therefore, incongruent information did produce negative effects on overall product evaluation. H6 was supported. Table 20 also indicated that incongruent information had similar destructive effects on product quality, prestige, workmanship, and purchase intention. Therefore, H6a, 6b, 6c, and 6d were all supported. These findings were consistent with Hui and Zhou's (2003) findings that stated that the incongruent information would produce negative effects on consumers' product beliefs and product attitudes.

Table 20

*Comparison of Mean Score on Product Evaluation for Louis Vuitton*

<table>
<thead>
<tr>
<th>Measure</th>
<th>COO (I)</th>
<th>COO (J)</th>
<th>Mean Difference (I - J)</th>
<th>Std. Error</th>
<th>95% Confidence Interval for Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>Overall Evaluation</td>
<td>1</td>
<td>2</td>
<td>.63*</td>
<td>.05</td>
<td>.52</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td>3.02*</td>
<td>.11</td>
<td>2.76</td>
</tr>
<tr>
<td>Quality</td>
<td>1</td>
<td>2</td>
<td>1.01*</td>
<td>.08</td>
<td>.83</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td>3.10*</td>
<td>.12</td>
<td>2.82</td>
</tr>
<tr>
<td>Prestige</td>
<td>1</td>
<td>2</td>
<td>.89*</td>
<td>.08</td>
<td>.71</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td>2.90*</td>
<td>.12</td>
<td>2.63</td>
</tr>
<tr>
<td>Workmanship</td>
<td>1</td>
<td>2</td>
<td>1.11*</td>
<td>.09</td>
<td>.91</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td>3.07*</td>
<td>.12</td>
<td>2.79</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>1</td>
<td>2</td>
<td>.97*</td>
<td>.10</td>
<td>.73</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td>3.02*</td>
<td>.13</td>
<td>2.70</td>
</tr>
</tbody>
</table>

“1” = France (congruent information) “2” = U.S. (incongruent information) “3” = China (incongruent information)

* p < .05
Research Hypothesis 7

Hypothesis 7 stated, for low equity brand, incongruence between brand origin and the country-of-origin would produce negative effects on overall evaluation. From Hypothesis 6, Coach was chosen as the low equity brand in this study, and thus had a lower mean of brand equity \( (M = 4.14) \) when compared with LV \( (M = 5.25) \). A repeated measure of MANOVA was conducted to examine whether there was a difference between the COO on product evaluation and purchase intention for Coach handbags. Table 21 revealed that when Coach handbags were evaluated by respondents, there was a significant difference between congruent and incongruent information on overall product evaluation with \( F(1.6, 362.47) = 413.43, p = .000 \), product quality with \( F(1.6, 379.4) = 359.94, p = .000 \), product prestige with \( F(1.6, 373.8) = 389.3, p = .000 \), product workmanship with \( F(1.6, 381.2) = 360.8, p = .000 \), and purchase intention with \( F(1.6, 379.5) = 286.33, p = .000 \). These findings were consistent with Hui and Zhou’s (2003) study that researched that the importance of the congruent information between the handbags’ COO and its brand origin.

Table 21

MANOVA Effect of Incongruence for Coach

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>df</th>
<th>Error df</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO</td>
<td>Overall Evaluation</td>
<td>1.56</td>
<td>362.47</td>
<td>413.43</td>
<td>.000</td>
<td>.64</td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td>1.64</td>
<td>379.36</td>
<td>359.94</td>
<td>.000</td>
<td>.61</td>
</tr>
<tr>
<td>Prestige</td>
<td></td>
<td>1.61</td>
<td>373.79</td>
<td>389.30</td>
<td>.000</td>
<td>.63</td>
</tr>
<tr>
<td>Workmanship</td>
<td></td>
<td>1.64</td>
<td>381.20</td>
<td>360.83</td>
<td>.000</td>
<td>.61</td>
</tr>
<tr>
<td>Purchase Intention</td>
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<td>1.64</td>
<td>379.537</td>
<td>286.33</td>
<td>.000</td>
<td>.55</td>
</tr>
</tbody>
</table>
Table 22

*Multiple Comparisons for Coach*

<table>
<thead>
<tr>
<th>Measure</th>
<th>COO</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lower Bound</td>
<td>Upper Bound</td>
<td></td>
</tr>
<tr>
<td>Overall Evaluation</td>
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<td>5.02</td>
<td>.070</td>
<td>4.88</td>
</tr>
<tr>
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<td>2</td>
<td>4.83</td>
<td>.071</td>
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<td>5.09</td>
<td>.074</td>
<td>4.95</td>
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<td>2.73</td>
<td>.092</td>
<td>2.55</td>
</tr>
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<td>.077</td>
<td>4.77</td>
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<td>2.40</td>
</tr>
<tr>
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<td>.074</td>
<td>4.90</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.79</td>
<td>.076</td>
<td>4.64</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.63</td>
<td>.089</td>
<td>2.46</td>
</tr>
<tr>
<td>Purchase Intention</td>
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<td>4.74</td>
<td>.088</td>
<td>4.57</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.72</td>
<td>.089</td>
<td>4.54</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.46</td>
<td>.099</td>
<td>2.27</td>
</tr>
</tbody>
</table>

“1” = France (incongruent information) “2” = U.S. (congruent information) “3” = China (incongruent information)
Table 22 revealed the mean scores of Coach handbags made in different countries on each dimension of product evaluation and purchase intention. This finding indicated that Coach handbags made in the U.S. (matched with Coach’s brand of origin) had higher scores than those made in China. However, the scores of American made Coach handbags were lower than those made in France. In order to test Hypotheses 7, pair comparison between congruent and incongruent information was conducted for Coach handbags. When consumers faced congruent information (Coach made in the U.S), the rating was higher than incongruent information only if the handbag was made in a less-reputable country, for instance, China (see Table 23). If Coach handbags were made in France (incongruent information between brand origin and the COO), the incongruent information did not produce negative effects on overall evaluation, product quality, prestige, workmanship, and purchase intention (see Table 23). Therefore, the incongruence between brand origin and the COO did not necessarily produce negative effects on product evaluation. Thus, H7, 7a, 7b, 7c, and 7d were not supported. These findings did not confirm Hui and Zhou’s (2003) findings that indicated that the incongruent information would produce negative effects on product evaluation. This research study found that consumers would accept handbags that were made in reputable countries even though the country-of-origin did not match with the brand origin.
From Hypotheses 6 and 7, the results revealed that incongruence between brand origin and the COO could produce negative effects on product evaluation and purchase intention, especially when products were made in a less-reputable country like China. Additionally, the effect size ($d$) was computed to examine how incongruent information influenced high equity brand (Louis Vuitton) as well as low equity brand (Coach). The effect size was used to determine which brand (high or low equity) will suffer from less-
reputable COO more seriously. "The effect size \( d \) can be computed by subtracting the mean of the second group (B) from the mean of the first group (A) and dividing by the pooled standard deviation of both groups" (Morgan et al., 2004, p. 89). After computing, the effect size of \( d = 2.5 \) for LV and the effect size of \( d = 1.83 \) for Coach could be considered larger than standard according to Cohen's (1988) guidelines. This may indicate that the incongruence between brand origin and the COO (especially products made in a less-reputable country) will produce larger negative effects on high equity brand than low equity brand. These findings were not consistent with Hui and Zhou's (2003) findings that revealed that the negative effects of incongruent information were found to be stronger for a lower equity brand than for a higher equity brand.

**Research Hypothesis 8**

Hypothesis 8 was designed to examine consumers' price expectation and tried to understand how much consumers were willing to pay for a luxury handbag that was made in different countries. The respondents could choose from five response categories when asking their price expectation for six specific products (2 brands pair with 3 COOs). The response categories included "11-20% less than regular price," "0-10% less than regular price," "regular price," "0-10% more than regular price," and "11-20% more than regular price." Regular price equals the price sold by retail stores with official authorization. Price was also used as another indicator to show consumers' intention to purchase a product from different countries.

Table 24 revealed the distribution of price consumers assigned for different brand products originating from three different countries. For French LV handbags, 45 respondents (19.3%) would pay more money (0-20% more than the regular price) for
them, and 128 respondents (54.9%) would pay the regular price. When facing LV handbags made in the U.S., only 17 respondents (7.3%) would pay more money, and 93 respondents (39.9%) would pay regular price. Moreover, the number of respondents decreased to 2 (0.8%) who would be willing to pay more money for LV handbags made in China. These results also revealed that 199 respondents (86%) believe 0%-20% less than the regular price was the reasonable price for LV handbags made in China.

When referring to Coach handbags made in France, 26 respondents (11.2%) would pay more than regular price, and 132 respondents (56.7%) would pay the regular price. Further, when referring to Coach handbags made in U.S, only 13 respondents (5.6%) would pay the regular price. Further, only 3 respondents (1.3%) would pay higher price and 201 respondents (86.3%) though 0-20% less than the regular price was the reasonable price to pay for Coach handbags made in China (see Table 24). These findings provided evidence that may indicate that consumers did have different price expectation for products with different COO, and expected higher price discount for a less-reputable COO like China. These findings were not consistent with Lin and Sternquist’s (1994) findings that revealed that there were no significant differences between COO and price expectation.
Hypotheses 8 stated that there was a difference among products’ COO on consumers’ paying price. Two separate repeated measures of ANOVA were conducted to test this hypothesis for two brands. The result (see Table 26) showed that there were significant differences among products’ COO on paying price for brand LV with $F(1.8, 411.9) = 300.68, p = .000$. This may possibly indicate that the price consumers paid for a
luxury handbag would vary due to the COO. Generally speaking, there was a linear decline in price that respondents willing to pay for LV handbags made in French \( (M = 2.86) \) to LV handbags made in China \( (M = 1.31) \). Further, respondents showed preference for LV made in France due to expecting the products to match with brand origin which offers a guarantee for the quality, prestige, and workmanship (see Table 26 and 27).

Table 25

**ANOVA: Effect of Country-of-Origin on Price for Louis Vuitton**

<table>
<thead>
<tr>
<th>Source</th>
<th>( F )</th>
<th>df</th>
<th>Error df</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO</td>
<td>300.68</td>
<td>1.80</td>
<td>411.89</td>
<td>.000</td>
<td>.568</td>
</tr>
</tbody>
</table>

Table 26

**Mean Score of Paying Price for Louis Vuitton**

<table>
<thead>
<tr>
<th>COO</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>France</td>
<td>2.86</td>
<td>.064</td>
<td>2.74</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.36</td>
<td>.061</td>
<td>2.24</td>
</tr>
<tr>
<td>China</td>
<td>1.31</td>
<td>.048</td>
<td>1.21</td>
</tr>
</tbody>
</table>
Table 27

*Comparison of Mean Score on Paying Price for Louis Vuitton*

<table>
<thead>
<tr>
<th>COO (I)</th>
<th>COO (J)</th>
<th>Mean Difference (1 - J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval for Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>.50*</td>
<td>.055</td>
<td>.000</td>
<td>.368</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>1.55*</td>
<td>.074</td>
<td>.000</td>
<td>1.375</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>-.50*</td>
<td>.055</td>
<td>.000</td>
<td>-.632</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>1.55*</td>
<td>.064</td>
<td>.000</td>
<td>.897</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>-1.55*</td>
<td>.074</td>
<td>.000</td>
<td>-1.730</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>-1.05*</td>
<td>.064</td>
<td>.000</td>
<td>-1.207</td>
</tr>
</tbody>
</table>

“1” = France  “2” = U.S.  “3” = China  
* p < .05.

When respondents were asked to evaluate Coach handbags, the price respondents willing to pay was significantly different $F(1.72, 393.4) = 272.26, p = .000$ for different COO (see Table 28). As shown in Table 29, respondents were willing to pay a higher price for handbags made in France ($M = 2.69$) than U.S. ($M = 2.47$) and China ($M = 1.34$). Likewise, there were also significant mean differences with regard to price among three different COO for Coach handbags (see Table 30). Therefore, respondents really had different price expectations on different COO for both LV and Coach handbags, and were more likely to pay a higher price for the reputable COO like France compared with the U.S. and China. In retrospect, respondents expected greater price discount for the less reputable COO like China. Thus, H8, 8a, and 8b were supported. These findings did not
confirm Lin and Sternquist’s (1994) findings that stated that consumers did not have price expectation for products that were made in different countries.

Table 28

ANOVA: Effect of Country-of-Origin on Price for Coach

<table>
<thead>
<tr>
<th>Source</th>
<th>$F$</th>
<th>$df$</th>
<th>Error $df$</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO</td>
<td>272.26</td>
<td>1.72</td>
<td>393.38</td>
<td>.000</td>
<td>.543</td>
</tr>
</tbody>
</table>

Table 29

Mean Score of Paying Price for Coach

<table>
<thead>
<tr>
<th>COO</th>
<th>Mean</th>
<th>Std. Error</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>2.69</td>
<td>.059</td>
<td>2.58</td>
<td>2.81</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.47</td>
<td>.059</td>
<td>2.35</td>
<td>2.58</td>
</tr>
<tr>
<td>China</td>
<td>1.34</td>
<td>.059</td>
<td>1.24</td>
<td>1.43</td>
</tr>
</tbody>
</table>
**Table 30**

*Comparison of Mean Score on Paying Price for Coach*

<table>
<thead>
<tr>
<th>COO (I)</th>
<th>COO (J)</th>
<th>Mean Difference (I - J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval for Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound   Upper Bound</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>.23*</td>
<td>.048</td>
<td>.000</td>
<td>.110                    .342</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>1.36*</td>
<td>.070</td>
<td>.000</td>
<td>1.189                   1.524</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>-.23*</td>
<td>.048</td>
<td>.000</td>
<td>-.342                   -.110</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>1.13*</td>
<td>.067</td>
<td>.000</td>
<td>.969                    1.292</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>-1.36*</td>
<td>.070</td>
<td>.000</td>
<td>-1.524                  -1.189</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>-1.13*</td>
<td>.067</td>
<td>.000</td>
<td>-1.292                  -.969</td>
</tr>
</tbody>
</table>

“1” = France    “2” = U.S.    “3” = China

* p < .05

**Other Findings**

**Reliability**

In this study, Cronbach’s coefficient alpha (α) was used to examine the internal consistency reliability for multiple item scales. Alpha was based on the calculation of the average correlation of each item in the scale with every other item, and it provided a measure of reliability obtained from the questionnaire (Leech et al., 2005). There were two scales (Brand Equity and P&P COI) in this study. For Brand Equity scale, the alpha for the three items α = .83, which indicated that the items consist of a scale had good internal consistency. As to P&P COI scale, α = .91 also indicated good internal consistency and formed a reliable scale (see Table 31).
### Table 31

*Cronbach’s Coefficient of Brand Equity and P&P COI Scales (N=233)*

<table>
<thead>
<tr>
<th>Scale</th>
<th>Number of Item</th>
<th>Coefficient Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Equity</td>
<td>3</td>
<td>.830</td>
</tr>
<tr>
<td>P &amp; P COI</td>
<td>3</td>
<td>.907</td>
</tr>
</tbody>
</table>
CHAPTER V
DISCUSSION

The topic of the “country-of-origin” (COO) or “Made in” label phenomenon has attracted extensive attention from academic researchers and marketers for over 35 years. The real effects of the country-of-origin and the interaction with other product attributes (brand name, price, design, and warranty) are not reaching accredited conclusions due to complicated marketing strategies and the ever changing minds of consumers. This study was an attempt to examine Taiwanese consumer perceptions of luxury handbags and their country-of-origin. The purpose of this causal-comparative and quantitative study was (a) to examine the effect of the COO on Taiwanese consumers’ product evaluation and purchase intention; (b) to explore the relative importance of the COO and brand name on Taiwanese consumers’ perception of products; (c) to explore the influences of incongruent information between the COO and brand origin on consumers’ product evaluation and purchase intention; (d) to explore how much money Taiwanese consumers were willing to pay for products originating from different countries; and (e) to generate practical implication for luxury handbag manufacturers that consider moving their production into less-reputable countries.

In this study, 233 female respondents were recruited at the entrance outside the Taipei SOGO department store. Research findings indicated that both of the COO and brand name had significant influences on Taiwanese consumers’ product evaluation. However, the effect of the COO was stronger than brand name on three product dimensions (quality, prestige, and workmanship). In addition, a strong brand name could not compensate for a less-reputable COO. Incongruence between brand origin and
product’s COO would produce more negative influences on high equity brand products than low equity brand products. Besides product evaluation and purchase intention, the COO was found to have a greater impact on Taiwanese consumers’ price expectation when purchasing a luxury handbag. Chapter 5 presents the research findings, interpretations, practical implications, conclusions, limitations, and recommendations for future study about the effects of the COO on Taiwanese consumers’ perception of luxury handbags.

**Research Findings**

This section presents the findings of this study and interpretations of these findings will be presented in next section. The results of this study provided evidence that consumers did rate a luxury handbag differently if the COO is different. Consumers showed preferences for a reputable COO and feel suspicious for a less-reputable COO. Consumers’ product evaluation regarding product quality, prestige, and workmanship may vary due to products’ sourcing countries. Three different country-of-origins were chosen for this study, encompassing France, the U.S., and China. A luxury handbag made in France was rated highest, followed by the U.S. and China. Consumers believed that a luxury handbag made in France should have better quality, prestige, and workmanship than handbags made in the U.S., and China. In addition, when handbags were rated favorably (higher scores in quality, prestige, and workmanship), consumers had more intentions to make a purchase. Therefore, these products’ COO had impact on consumers’ product evaluation and purchase intention. Thus, Hypothesis 1 and 2 were supported.
Brand name also had an influence on consumers’ product evaluation. However, the effects of brand name on product evaluation were limited. In this study, there were two brand names chosen for luxury handbags: Louis Vuitton and Coach. It was evident that both brand names may have had an impact on products’ prestige and workmanship. However, the results for product quality showed that there were no statistical differences between the two brands with regard to quality. Like the COO, brand name may also have an impact on consumers’ purchase intentions. Therefore, Hypothesis 3 was partially supported. When comparing the relative importance of COO and brand name on product evaluation, the respondents indicated that the COO had a stronger impact on product evaluation than brand name. Therefore, a strong brand name such as LV or Coach cannot compensate for a less-reputable COO. Thus, Hypothesis 5 was supported.

Regarding the incongruence between brand origin and country-of-origin, the results indicated different outcomes for high equity brand and low equity brand. For high equity brand LV, the incongruent information between brand origin and the COO may possibly produce negative effects on product evaluation and purchase intention. This may indicate that consumers expected that a luxury handbag’s COO should match with its brand origin. In this case, the consumers expected LV handbags to be made in France. If LV handbags were made in the U.S. or China, the rating would lower their intentions to purchase this handbag. Therefore, Hypothesis 6 was supported.

With regard to Coach handbags, and the low brand equity when compared with LV handbags, the findings were different. The incongruent information can be divided into two conditions, image of sourcing country better-than-brand origin and worse-than-brand origin. If a luxury handbag was made in a favorable country like France, a Coach
handbag was rated more highly than one made in its brand origin country (U.S.). However, consumers did not want to purchase a Coach handbag made in China, and this kind of incongruent information definitely weakened product’s quality, prestige, workmanship rating as well as consumers’ purchase intention. This finding provided evidence that consumers’ evaluation regarding the incongruence varied during different situations. Therefore, Hypothesis 7 was not supported.

Similar to previous studies, this research study also revealed that the image of COO did influence price expectations. The stronger image of a sourcing country that manufactured the product, then the higher price consumers would be willing to pay. Consumers also expected a higher price discount after discovering an identical product originating from a less-reputable country like China. For both LV and Coach handbags, consumers showed willingness to pay more money for handbags made in France and less money for those made in China.

**Interpretations**

**Socio-Demographic Characteristics**

Based on the data collected in the Socio-Demographic Profile for each respondent, the major groups of luxury handbag shoppers were between the ages of 20 and 49, which represent 96% of the total sample of 233 respondents. Sixty-three percent of consumers surveyed were single and 33% of consumers surveyed were married. The majority of consumers can be considered as “working ladies” who come from younger generations. Their annual income was considered higher than average of the majority annual income $14,000 (U.S.). More than 13% of the consumers earned more than $30,000 (U.S.), which represented a high income level in Taiwan. As to the educational
level, more than 80% of consumers had a bachelor’s degree, and they represented the middle class of population in Taiwan.

Demographic findings of this study were consistent with several studies conducted by websites or survey companies in Taiwan. According to a survey conducted by Brand Magazine with 3,000 samples, the findings indicated that target customers for luxury handbags were between the age of 30 and 45 and most were single (as cited in Li, 2005). This research study had similar findings and suggested that the younger generation appreciated the beauty of luxury handbags. All findings indicated that a luxury handbag was not a privilege for rich people; middle class consumers with average income were ready and able to spend money on a luxury brand product.

Further, findings of this study were also consistent with China Post Report (January 9, 2005) in terms of popularity of LV and Coach handbags. In this research study, nearly 90% of consumers who were interested in purchasing luxury handbags were familiar with LV and Coach. Therefore, the findings supported Li’s (2005) observations that LV is a popular brand in the luxury handbag category and well accepted by both older and younger generations. Older consumers found Louis Vuitton to have good quality, durability, and be a symbol of prestige when carried by a woman. Young consumers love the innovative design as well as the classical Monogram (Li, 2005). As to Coach, it is a new and popular brand for Taiwanese consumers who love the American design that come along with an affordable price tag. Additionally, Coach handbags are priced 30% to 40% lower than competitors (Parker, 2005). This research study was the first study to examine the influences of country-of-origin when evaluating a luxury
handbag, and its specific demographic characteristics contributed to the body of knowledge.

The Effect of Country-of-Origin on Product Evaluation

In this study, a luxury handbag was rated by three product dimensions: quality, prestige, and workmanship based on 7-point scale. The average score of the three dimensions contributed to the overall product evaluation. Consumers were asked to evaluate luxury handbags made in three countries: France, the U.S., and China. Handbags made in France had the highest mean score in all three dimensions (M = 5.4 for quality, M = 5.2 for prestige, and M = 5.4 for workmanship). Handbags made in the U.S. ranked second (M = 4.8 for quality, M = 4.7 for prestige, and M = 4.7 for workmanship) and handbags made in China had the lowest score in all dimensions (M = 2.7 for quality, M = 2.6 for prestige, and M = 2.6 for workmanship). These findings indicated that consumers did use the COO information in their product evaluation process (See Table 6).

The findings of this research study were consistent with Okechuku’s (1994) findings in terms of the importance of the country-of-origin in preference evaluation. In Okechuku’s study, there were several product attributes presented including brand name, price, warranty, quality, and the COO. However, the COO was often the two or three most important factors in consumers’ considerations. These findings of this research study confirmed Okechuku’s (1994) findings. Moreover, the least favorably evaluated source counties were all developing countries in both studies. South Korea and Mexico were the lowest rated in Okechuku’s (1994) study, and China was the lowest score in this research study. Therefore, these findings may indicate that consumers in Western
countries and Eastern countries preferred products made in well-developed countries than those made in developing countries.

According to Roth and Romeo’s (1992) proposition, a better match of the country-of-origin and product categories could enhance consumers’ favorable evaluation. These researchers believed that “a product-country match would occur when the perceived strengths of a country were important product features or benefits for the particular product category” (Roth & Romeo, 1992, p. 482). In that study, French shoes, a German car, and a Japanese car were favorably matched. The findings of the present study were consistent with Roth and Romeo’s (1992) propositions. There was a favorable product-country match between France and the U.S. for a luxury handbag, and the unfavorable match was China for a luxury handbag. The finding was not surprising, because France is very reputable for its fashion industry. Louis Vuitton and Hermes originated in France which also enhanced the image of France representing high quality and workmanship in fashion products.

There were little empirical studies that examined Chinese-made products, and most of these studies found that China had a weak image for manufacturing products (Ashill & Sinha, 2004; Schniederjans et al., 2004). Schniederjans et al. (2004) found that American consumers rated Chinese products with both poor value and low quality. This research study confirmed that products made in China had the lowest scores in all three dimensions (quality, prestige, and workmanship) compared with products made in the U.S. and France. The weaker image of China might result from many counterfeit activities in China or some questionable quality practices in the past. Therefore,
consumers had difficulties connecting China as a favorable source country, especially in the luxury handbag category.

Han’s theory (1989) researched the country-of-origin and his findings revealed the possibility of two constructs: halo or summary. The “halo construct” meant that consumers use COO to infer the quality of product when knowing little else about the product. The “summary construct” contained the sum of product attributes in a country image to make an evaluation when consumers are familiar with a country’s products. In this research study, the COO acted as a summary construct which helped consumers to infer the quality of a luxury handbag. The findings of this research study did not confirm with Cordell’s (1992) proposition that consumers were less concerned with the COO when familiar with the brand product. In retrospect, this study indicated that consumers with more knowledge about brands may be more sensitive to a product’s COO, and the mismatch between brand product and source country can produce unfavorable perception of product quality, prestige, and workmanship.

**The Effect of Country-of-Origin on Purchase Intention**

In this study, purchase intention was rated on a 7-point scale and the higher the ranking the stronger the purchase intention. These results indicated that consumers’ purchase intention was influenced by products’ COO, and a luxury handbag made in France had the highest score with regard to purchase intention ($M = 5.06$) than handbags made in the U.S ($M = 4.57$) and China ($M = 2.42$). These findings indicated that consumers had stronger intentions to purchasing a luxury handbag made in a well-developed country than in a less-developed country (See Table 9). The findings were consistent with the findings of Badri, Davis, and David (1995). Consumers did hold
stereotyping toward the manufacturing ability of different countries and believed that products made in well-developed countries, such as, France, the U.S., Japan, and Germany, present very reliable quality goods.

According to Roth and Romeo's (1992) findings, consumers' willingness to buy a product may be linked to the product-country match. When a positive, favorable match existed, the COO effects did influence consumers' purchase intention. In Roth and Romeo's (1992) study, cars made in Germany and Japan presented a match among the two countries and product categories; therefore, consumers had a stronger intention to buy a car from Germany and Japan. The findings of this research study were consistent with Roth and Romeo's (1992) findings. Consumers in this study showed an unwillingness to buy a luxury handbag from China due to the poor overall image of China. Further, China failed to have a positive image encompassing design, prestige, workmanship, and quality that were important for luxury handbags. Therefore, the mismatch between China and luxury handbags decreased consumers' purchase intention.

However, the findings did not confirm Okechuku's (1994) proposition that the importance of COO focused on product evaluation rather than purchase intention. Okechuku (1994) believed that the effect of COO was limited, because of the "Made in" label was not always prominently displayed and could be easily ignored at the time of purchase. The possible explanation may be the effect of COO on purchase intention varied from product to product. In 1994, Okechuku studied products encompassing television sets and car radio/cassette players as products used everyday by consumers. However, the luxury handbags were chosen for this research study, because they are usually more expensive than everyday products used by consumers (such as TV and
Consumers may have a higher expectation for luxury handbags, that may possibly bring prestige to the owners and make them feel unique by carrying a beautiful handbag. Therefore, consumers may be more concerned about the COO when making a purchasing decision.

Therefore, these findings may better parallel those of Piron (2000). Piron (2002) proposed that the COO had a stronger effect when purchasing a luxury product or conspicuous products. Further, Piron (2000) suggested that the COO may be more important when a product was used publicly. These findings of this research study were consistent with Piron's findings. This research revealed that a stronger and more positive COO may elicit more purchase intentions, especially when France and luxury handbags were a perfect match for consumers. However, this research study did not confirm Piron's other proposition that stated that consumers did not place a huge emphasis on where a product was made and other attributes can supersede that easily. From the present study, the COO was an important factor influencing consumers' product evaluation as well as purchase intention, especially for a luxury handbag.

**Relative Importance of Country-of-Origin and Brand Name**

In this study, partial eta squared ($\eta_p^2$) as measure of effect size was used to compare the strength of relationship between the independent variable and dependent variable. Therefore, the relative importance of the COO and brand on product evaluation was examined. The results indicated that the COO had a greater influence than brand name on overall product evaluation including quality, prestige, and workmanship ratings (see Table 13). These findings supported Tse and Gorn's (1992) findings that the COO was a salient and enduring factor in consumer product choices. Tse and Gorn (1992)
found that even a strong, well-known brand name such as Sony may suffer from a less-reputable COO. In this research study, two strong brand names (LV and Coach) still cannot compensate a weak COO. A less-reputable COO can result in low ratings in three product dimensions (quality, prestige, and workmanship).

Tse and Gorn (1992) concluded that the COO was more important than the brand name when consumers made product decisions. Moreover, Tse and Gorn (1992) suggested that the influence of COO was stronger when consumers evaluated an unknown brand. This research study did not support this proposition. This research study revealed that the effect of COO was stronger than the brand name when a product was evaluated even though the brand name was well-known by the consumers. The findings also confirmed Haubl’s (1996) findings revealed that both the brand name and the COO of a new car had significant impacts on consumers’ attitude and evaluation. However, the findings of this research study did not confirm Haubl’s other conclusion that the effect of COO was indirect. This research revealed the influence of COO was strong and undeniable.

Ahmed et al. (2002) found that the effect of COO may vary based on the nationality of respondents. In the 2002 study, Singaporeans were more likely to use the COO in product evaluation than foreigners. The findings of this research supported the proposition of Ahmed et al. (2002) that Taiwanese consumers, like many Asian consumers, were more likely to rely on the COO information when making product decisions. The findings of this research study were also consistent with Almed et al. (2002) whose study revealed that a strong brand name cannot overcome a negative COO. In this research study, the COO influences seemed to be more powerful than brand name.
A possible explanation could be the differences between countries were much larger than the differences between brands. Two brands (LV and Coach) had the slight differences in brand equity ($M = 5.25$ for LV and $M = 4.14$ for Coach) and therefore, cannot result in huge differences in product evaluation. However, the differences between the countries’ image were larger, because France and the U.S. are well-developed countries, and China is developing as an economic power. Therefore, handbags made in France or made in China would result in much intense differences in consumers’ evaluation.

**Incongruence between Country-of-Origin and Brand Origin**

One of the objectives in the present study was to investigate the effect of COO on consumers’ evaluation of branded handbags when the information displayed that the handbags were made in the same country as the brand origin, and the handbags were made in a different country from the brand origin. The results of this research study indicated that the incongruence between COO and brand origin did produce negative effects on consumers’ evaluation. For high equity brand LV, the difference between congruence and incongruence information could be as small as .63 of a point (differences between France and the U.S.) or as large as 3.02 points (differences between France and China) based on a 7-point scale (see Table 20). For low equity brand Coach, the differences were -.19 of a point (between the U.S and France) and 2.19 points (between the U.S and China) based on a 7-point scale (see Table 23). Therefore, the incongruence between the COO and brand origin was found to have a more negative effect on product evaluation and purchase intention for a high equity brand than for a low equity brand.

According to Leclerc, Schmitt, and Laurette’s (1994) proposition, congruence between the COO and the brand origin may satisfy consumers’ expectation with regard to
the brand image of hedonism. Leclerc et al. (1994) proposed that a French brand name would be perceived more hedonic than an English brand based on Leclerc, Schmitt, and Dube-Rioux’s (1989) study (as cited in Leclerc et al., 1994). Leclerc et al. (1994) suggested that incongruent information resulting from a mismatch between the “Made in” label and brand name should produce negative impacts on consumers’ perception of products. On the other hand, a French-sound brand name comes along with “Made in France” should produce a more positive and hedonic perception and attitudes toward this brand. However, the 1994 results did not confirm this proposition. Moreover, the researchers found the congruence and incongruence between brand name and COO had no significant effect on product beliefs and attitudes, and congruent information was found redundant in consumers’ choice process. This research study did not confirm with Leclerc, Schmitt, and Laurett’s (1994) findings. The results of the present study revealed that incongruent information may produce serious damage to product evaluation and purchase intention.

In Hui and Zhou’s (2003) study, incongruence between COO and brand origin was examined to understand how this incongruent information influences along with known brands with two levels of brand equity. Sony and Sanyo were chosen for Hui and Zhou’s (2003) study, and both brands shared the same brand origin (Japan). The results indicated that the effect of incongruence was found more devastating for low equity than high equity brands. This research study had a very different outcome, and found incongruence resulted in more negative impacts on high equity brand (Louis Vuitton) than low equity brand (Coach). The reasonable explanation may be (a) brands chosen for this present study have different brand origin; (b) three COOs were chosen in this study;
and (c) the differences between the brand and COO were larger. Therefore, more complicated conditions which were closer to the real marketplace may result in different outcomes from previous studies. One finding of this study was that consumers did not like a branded handbag made in a country with less-reputable image than that of the brand origin. In addition, the effect of COO may vary from product category, nationality of respondents, what product attributes presented in the study, and what COO was chosen for the study.

**Country-of-Origin and Paying Price**

In this study, consumers were questioned about the price they were willing to pay for a luxury handbag made in different countries. These results indicated that consumers were more likely to pay higher prices for products made in a reputable country and expected higher price discount for products made in a less-reputable country. For LV handbags made in France, 17% of consumers were willing to pay 0-20% more than the regular price for them and near 55% of consumers would pay the regular price for them. However, LV handbags that were made in China, were ranked by more than 85% of consumers expected at least 10% off the regular price for them (see Table 24). There were similar results for the price consumers would pay for Coach handbags. Therefore, the COO did influence consumers’ price expectation.

This research study was the first study in Taiwan examining the price expectation corresponding with the country-of-origin effect for purchase of luxury handbags. Most prior studies examined the relationship between price and perceived quality and found price can be an indicator for product quality (Chang & Wildt, 1996; Miyazaki, Grewal, & Goodstein, 2005). Chang and Wildt (1996) suggested that price had a strong effect on
perceived quality when the product was not easy to evaluate. In this study, a luxury handbag was not easy to evaluate due to the need to satisfy consumers’ functional and psychological needs. Therefore, a prestigious COO and higher price may bring prestige to the buyers as well as bring joy and self-esteem to the owners. A luxury LV handbag made in France represents high quality and sophisticated taste, and consumers would be more likely to pay a higher price.

Lin and Sternquist (1994) asked Taiwanese consumers to estimate the price they were willing to pay for sweaters made in four different countries (Italy, Japan, the U.S., and Taiwan). The researchers found Japan’s sweater had the highest price followed by Italy, the U.S., and Taiwan. However, there was no significant difference between COO on the price estimates. This research study did not confirm Lin and Sternquist’s (1994) findings. This study revealed that consumers did have a different price estimate in mind based on different brand names with specific COO. Therefore, this study concluded that the COO did have stronger effects on Taiwanese consumers’ product evaluation, purchase intention, and paying price for a luxury handbag.

**Practical Implications**

This research study sheds light on Taiwanese consumers’ perceptions of luxury handbags originating from different countries. Generally speaking, Taiwanese consumers did care about the COO of the luxury handbags. The COO did have impacts on Taiwanese consumers’ product evaluation and purchase intention. Likewise, Taiwanese consumers rely on the COO to rate products regarding the quality, prestige, and workmanship of the products. The study provided evidence that a luxury handbag made in France was admired for excellent quality, prestige, as well as workmanship.
Therefore, a luxury handbag originating from France allows the product to gain competitive advantage and premium price. The general practical implication for luxury fashion manufacturers is to maximize or minimize the effects of the COO based on the image of source countries. For products made in favorable countries, the marketing efforts, like advertising, should utilize the favorable country stereotypes existed in consumers’ minds by emphasizing the products’ COO. Using a French name, French scene, or beautiful French models can successfully connect the products to the country and help the products appear more unique in the competition.

For products made in less-favorable countries, the priority of marketing strategies should be given to other product attributes that add value or benefits to the products, such as style, quality, and a reasonable price. For example, not many Asian consumers know that most Coach handbags are made in China. On the contrary, Coach is known for American styling and varied products in many Asian markets, like Japan and Taiwan. Coach should keep consumers focusing on its U.S. brand origin, not the product origin, by adding an American atmosphere in their stores, brochures, and products. Marketing strategies also can emphasize other attributes like classical looks with reasonable price to attract brand-loving consumers and value-conscious consumers in Taiwan. Although the study indicated that a strong brand name cannot compensate a weak COO, strong brand name and brand equity will decrease consumers’ suspicion and progressively win over loyal customers.

In this study, both brands (LV and Coach) are famous and popular in Taiwan. These brands had very close scores in brand equity, and both brand origins are well-developed countries (France and the U.S.). In addition, the findings showed that brand
name also had an influence on product evaluation. Therefore, the country image (both COO and brand origin) and brand popularity are two vital variables for the long-term success of the companies and brands. The implication for managers is that the information should be consistent. If the product is positioned as a luxurious and prestigious handbag, then the pricing, distribution channel (stores), and performances of the products should match with these concepts. Consumers will expect that the product is superior, durable, and prestige-standing in the eyes of the public. For a brand wanting to keep a prestigious image, moving the production to less-developed countries that have unfavorable “Made in” image probably is not a good decision.

China was chosen for the less-reputable country in this study because (a) China is such an attractive location for manufacturing due to low operation costs; and (b) many fashion companies are considering moving production facilities to China. However, China does have some bad publicity with regard to quality management, logistics systems, and supply management (Enslow, 2005). Many studies also found that products made in China had the lowest evaluation and this research study supported these findings. In addition, China was often associated with counterfeiting activities, especially in the luxury handbag market (Whitney, 2004). These reasons could contribute to the less-favorable evaluation for a luxury handbag made in China. Further, managers need to deliberate about moving production facilities to China. If a manufacturer chooses to produce products in China, they may want to offer an appropriate warranty which may be a good way to help companies decrease skepticism.

China represents an interesting case for study in the country-of-origin effects and country image because of two reasons. First, China has been found the least preferred
source country in many studies; the findings of this research study indicated that consumers perceived luxury handbags made in China with low quality, prestige, and workmanship. Second, China plans to transform itself as a modern and developed country and aggressively become "the world’s workshop" (Hakim, 2005). China needs to improve its country image to help export Chinese products and attract foreign investment. A great quantity of Chinese products, including apparel, toys, and household products, were sold in many countries around the world; most were under the labels of leading retailers and brands, such as Wal-Mart, Toys "R" Us, and Coach. Not having a positive country image or well-recognized brands are two major risks for Chinese products. Furthermore, building strong Chinese brand names will need positive country image to support as well as quality image of products.

In this light, the Chinese government needs to have a long-term and well-developed plan to change its image to influence the future acceptance of Chinese products. The marketing efforts can focus on its specialized and skilled labors that are capable of producing high-quality and craftsmanship-need products. Further, the marketing campaigns of manufacturers that produce their products in China should also help improve the image of China, because they can communicate with consumers by passing the message that China is transforming into an industrialized country that continues to improve its infrastructure, systems, business practices, and technology. In addition, China will hold the Summer Olympics in 2008, which will provide a great opportunity to promote China and Chinese products due to the large international audience during the games. This impact on the country’s image can be greater than any domestic activities. Positive changes in the image of China and consumers attitudes
toward Chinese products can be achieved as a result of successful marketing efforts by
the Chinese government during the Olympic Games in 2008.

Conclusions

1. Country-of-origin or “Made in” label does appear to influence consumers’
   judgments of product quality, prestige, workmanship, purchase intention, and price
   expectation. Additionally, consumers do rate products differently based on
   products’ COO, and the judgments based on COO would influence the likelihood of
   purchase and the prices they were willing to pay.

2. Taiwanese consumers are sensitive to the country-of-origin information when they
   evaluate a luxury handbag. Additionally, France is the most preferred source
   country and China is the least preferred source country. For a high status product
   like a luxury handbag, the status and pride of ownership is directly derived from the
   country-of-origin. France had the highest scores in product quality, prestige,
   workmanship, and purchase intention for both brands (LV and Coach).

3. Consumers do prefer products made in well-developed countries than products made
   in less-developed countries because well-developed countries have more positive
   and stronger country images than less-developed countries. Further, consumers
   believe that products made in well-developed countries will have better quality, and
   they are more willing to pay for them.

4. Brand name also had a significant influence on Taiwanese consumers’ perception of
   handbags. However, the influence was much weaker than the influence of the
   country-of-origin. Therefore, a strong brand name will not compensate for a less-
   reputable COO on product evaluation. This means a positive and well-known brand
like Louis Vuitton still suffers from a less-reputable COO like China. Further, consumers will question the quality and prestige of LV handbags made in China.

5. Incongruent information between the COO and brand origin had an influence on consumers’ product evaluation. The incongruence produced more negative effects on product evaluation for high equity brands than for low equity brands. Taiwanese consumers had higher expectations from high equity brand; therefore, the incongruence between the COO and brand origin will result in much lower rating on product quality, prestige, and workmanship perception.

6. Luxury handbags made in France and the U.S. represent good examples of strong product-country matches, because France and U.S. were perceived as countries with strong manufacturing abilities in design and workmanship for such product category. However, Chinese luxury handbags represent unfavorable mismatch. The findings also revealed that Taiwanese consumers were willing to purchase a product that was highly associated with the match between a country image and a product category. Therefore, Taiwanese consumers were more willing to purchase a luxury handbag made in France, followed by one made in the U.S. and China.

7. Taiwanese consumers did have different price expectations for luxury handbags originating from different countries. Both LV and Coach were brands that consumers were more likely to pay a higher price for a reputable COO and expected greater price discount for a less-reputable COO. Furthermore, manufacturers could move their production into less-developed countries due to cheaper production costs. However, manufacturers may lose the opportunities to charge higher prices for their
products originating from less-favorable countries because consumers may not be willing to pay the high price.

**Limitations**

1. This study was conducted at the only one SOGO department store in Taipei, the capital city of Taiwan. The regional context was a limitation to generalize the findings. In addition, sample size was another limitation to generalization. The findings of this study may be only generalized to the consumers who share the similar characteristics with the customers of Taipei SOGO department. A future study with a larger representative samples from different cities in Taiwan is suggested.

2. Only two brands and three COOs were used in this study. It was also a limitation because there are many brands and different COOs in the real marketplace. Thus, it may limit to generalize the findings to the real marketplace. In addition, using luxury handbags limits the results to generalize to other product categories. Many previous studies indicated that the influence of the COO differs across product categories. Therefore, future studies may use different product categories, brands, and the COO to examine the effect of the COO and interaction between the COO and other product attributes, and possibly to find specific product categories with strong brand name which outweigh the effect of less-reputable COO.

3. In this study, only two extrinsic (brand name and the COO) were presented to the respondents. Respondents were asked to evaluate products based on linguistic descriptions instead of employing the tangible products. Therefore, using only two
product attributes and linguistic descriptions may inevitably encourage consumers to consider the country-of-origin more important.

4. This study was conducted in Taiwan and Taiwanese female consumers were the target population. However, the Taiwanese have had a long, historical antipathy toward China owing to the political situations. Therefore, the Taiwanese have the potential to hold negative attitudes toward Chinese products. The production capabilities of China are continually improving and more Taiwanese are realizing the true conditions of China by traveling or doing business there. The bias held by the Taiwanese is gradually eliminating, especially for the young generation. Although the findings of this study are reliable in general, a replication of this study in different countries should determine if this is so.

**Recommendations for Future Study**

1. Replication of this study in different countries may contribute to the external validity of the findings. Cross cultural research is needed to confirm the findings of this study and compare the importance of the COO of different consumers’ nationality. In addition, future research can use the proposed model of this study to examine the effect of COO on other brands in the same category and other product categories.

2. Future studies can conduct qualitative study to examine the proposed model of this study to gain more insights about how consumers use the COO and brand name in the evaluation process and reactions to the incongruence between brand origin and the COO. These findings will provide manufacturers to develop appropriate sourcing decision and effective marketing tools to promote products.
3. Studies focusing on various consumer segments and usage of the COO on product evaluation may be useful for marketing strategies. Some consumers are more sensitive to the “Made in” label; others may not use it at all. Future studies should focus on different groups of consumers’ perception of the COO on evaluating products and whether consumers are ready to consider buying products manufactured in less-reputable countries when some concessions occur, such as price reduction or generous warranty offering.

4. The image of origin country has not been researched thoroughly and the country image should be different from the image of products manufactured in a specific country. For example, the image of China represents an interesting topic. Marketing efforts need to build on the existing knowledge about how consumers perceive China as a country, and how domestic brands can benefit from the image or avoid utilizing an inappropriate connection with the country image. In addition, the stereotyping held by consumers can change over time. Therefore, longitudinal studies are needed to track the image of China, especially during extensive campaigns for the 2008 Olympic Games.

5. Finally, the future studies should focus on whether consumers acquire or use the COO when purchasing products. So the research design should be the intercepted design after consumers really make purchases. The research questions should be to what extent consumers acquire the COO information, why the COO makes a difference in purchasing choices, and how shoppers decide the COO and products as a match or mismatch. A qualitative design is suggested to gain more details and insights.
REFERENCES


Appendix A

Studies with Strong Country-of-Origin Influences
Appendix A: Studies with Strong Country-of-Origin Influences

<table>
<thead>
<tr>
<th>Author(s)/Date</th>
<th>Subject</th>
<th>Products</th>
<th>Cues</th>
<th>Countries</th>
<th>Dependent Variables</th>
<th>Major Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmed &amp; d'Astous (1996)</td>
<td>365 male Canadian respondents</td>
<td>Car, VCR, Shoes</td>
<td>Country of origin (COD and COA), Brand origin</td>
<td>Canada, Japan, Mexico, South Korean, and Italy.</td>
<td>Product evaluation, Product attribute rating</td>
<td>In general, COO cues had a stronger impact than brand name. Japan received the highest evaluation as a COD and COA for automobiles and VCR.</td>
</tr>
<tr>
<td>Ahmed, Johnson, Ling, Fang, &amp; Hui (2002)</td>
<td>192 Singaporean travelers</td>
<td>Cruise vacation</td>
<td>Country of origin, Brand name</td>
<td>U.S.A, Malaysia</td>
<td>Quality, Attitude rating, Purchasing intention rating</td>
<td>Positive COO effect in evaluating services. COO effect was found stronger than brand name effect in quality and attitude ratings, while brand name is more important in purchasing intention.</td>
</tr>
<tr>
<td>Hui &amp; Zhou (2003)</td>
<td>192 U.S undergraduates</td>
<td>Portable music player</td>
<td>Country of origin, Brand equity</td>
<td>Japan, Mexico</td>
<td>Quality, Attitude rating</td>
<td>A branded product manufactured in a less reputable country than that of the brand origin (e.g. Sony products made in Mexico), produced negative effects on product evaluation.</td>
</tr>
</tbody>
</table>
## Major Findings

Product-country match can be an indicator of willingness to buy foreign products. There was a favorable match between Germany, Japan, and the U.S. for cars and watches.

In four countries and two product categories, COO was one of two or three most important attributes in product evaluation.

Brand familiarity didn’t reduce the importance of or reliance on country-of-origin. Knowledgeable consumers were more sensitive to a product’s COO.

### Countries

<table>
<thead>
<tr>
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<th>Countries</th>
<th>Dependent Variables</th>
<th>Major Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roth &amp; Romeo (1992)</td>
<td>360 graduate students in Ireland, Mexico, and U.S.</td>
<td>Car, beer, shoes, crystal, bicycle, and watches.</td>
<td>Country-of-origin</td>
<td>Ten countries including U.S., England, Germany, Japan, Korea, Spain, Mexico, and so on.</td>
<td>Product-country match</td>
<td>Product-country match can be an indicator of willingness to buy foreign products. There was a favorable match between Germany, Japan, and the U.S. for cars and watches.</td>
</tr>
<tr>
<td>Okechuku (1994)</td>
<td>200 consumers for each product (including American, Canadian, German and Dutch respondents)</td>
<td>TV set, Car radio</td>
<td>COO, brand name, price, quality, and warranty</td>
<td>U.S.A, Germany, Canada, Korea, Mexico, and the Netherlands</td>
<td>Product evaluation</td>
<td>In four countries and two product categories, COO was one of two or three most important attributes in product evaluation.</td>
</tr>
<tr>
<td>Schaefer (1997)</td>
<td>320 consumers in south-east England</td>
<td>Alcoholic beverages</td>
<td>Country of origin, Brand name</td>
<td>Australia, Belgium, Denmark, Germany, Czechoslovakia, the Netherlands and the UK</td>
<td>Product evaluation</td>
<td>Brand familiarity didn’t reduce the importance of or reliance on country-of-origin. Knowledgeable consumers were more sensitive to a product’s COO.</td>
</tr>
</tbody>
</table>
Appendix B

Studies with Weak Country-of-Origin Influences
## Appendix B: Studies with Weak Country-of-Origin Influences

<table>
<thead>
<tr>
<th>Author(s)/ Date</th>
<th>Subject</th>
<th>Products</th>
<th>Cues</th>
<th>Countries</th>
<th>Dependent Variables</th>
<th>Major Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liefeld, Heslop, Papadopoulos, &amp; Wall (1996)</td>
<td>191 Dutch consumers</td>
<td>Men’s shirts, Smoke detectors, Pickles</td>
<td>Extrinsic (country of origin and price) Intrinsic (color, shape, and appearance)</td>
<td>Canada, Netherlands, China, Taiwan, Ireland, Mexico, Hungary, and Czechoslovakia</td>
<td>Quality, Product choice, and value.</td>
<td>Dutch consumers choose products based on intrinsic factors and with little reference to extrinsic factors such as COO and price.</td>
</tr>
<tr>
<td>Gurhan-Canli &amp; Maheswaran (2000)</td>
<td>125 U.S undergraduates</td>
<td>TV, VCR, Stereo system</td>
<td>Motivation Information type (condensed or dispersed) Country of origin</td>
<td>South Korea, Taiwan</td>
<td>Product evaluation Belief Information relevance</td>
<td>When consumer motivation is high, they engage in attribute-based processing and less likely to use COO as a basis for judgments.</td>
</tr>
<tr>
<td>Piron (2000)</td>
<td>296 U.S shoppers</td>
<td>Sports car (PUL), home theater system (PRL), sunglasses (PUN), and toothpaste (PRN)</td>
<td>Product type -Publicly consumed luxury -Publicly consumed necessity -Privately consumed luxury -Privately consumed necessity Country of origin</td>
<td>Japan (high COO), Argentina (low COO)</td>
<td>the importance rating of each product attribute in purchasing</td>
<td>COO is a weak determinant in purchasing products; however, its importance is higher when considering the purchase of luxury over necessity products.</td>
</tr>
<tr>
<td>Author(s)/Date</td>
<td>Subject</td>
<td>Products</td>
<td>Cues</td>
<td>Countries</td>
<td>Dependent Variables</td>
<td>Major Findings</td>
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<tr>
<td>Ashill &amp; Sinha (2004)</td>
<td>42 students</td>
<td>Watches</td>
<td>Country-of-origin, Brand origin</td>
<td>Switzerland, Japan, China and</td>
<td>Product evaluation, Purchase intention</td>
<td>Brand equity through the effect of brand loyalty are three times more important than COO effects.</td>
</tr>
<tr>
<td>Liefeld (2004)</td>
<td>1,248 North American consumers</td>
<td>Textiles, shoes, household appliances, entertainment, and so on.</td>
<td>Country-of-origin</td>
<td>Not limited</td>
<td>Product evaluation and choices</td>
<td>93% of respondents didn’t know the COO of a product they had purchased. Therefore, COO is not an important attribute in product choice for Americans.</td>
</tr>
<tr>
<td>Haubl (1996)</td>
<td>622 car owners in Germany and France</td>
<td>Cars</td>
<td>Country-of-origin, Brand name</td>
<td>Germany, France, and Czech Republic</td>
<td>Product evaluation</td>
<td>The effect of brand name was found more direct than COO on the attitude toward the car. The effect of COO was mediated by other features like car appearance.</td>
</tr>
</tbody>
</table>
Appendix C

Three-Part Questionnaire
**Part 1: Socio-Demographic Profile**

This section is about your information. Please fill out each following question by placing a check mark in front of items that indicate your information.

1. Your Age: [ ] 20-29 [ ] 30-39 [ ] 40-49 [ ] 50-59 [ ] 60 +

2. What is your marital status?
   - [ ] Single/ Never Married
   - [ ] Married
   - [ ] Divorced
   - [ ] Other

3. What is the highest level of education you have completed?
   - [ ] Some high school or less
   - [ ] High school diploma
   - [ ] Junior college
   - [ ] College
   - [ ] Graduate

4. How much is your annual salary?
   - [ ] Under $ 10,000
   - [ ] $10,000-14,999
   - [ ] $20,000-24,999
   - [ ] $25,000-29,999
   - [ ] $30,000 +

5. Have you purchased a luxury handbag or intend to buy one in the future?
   - [ ] Yes
   - [ ] No (If you responded “No” to this question, please return this questionnaire to the researcher).

6. Are you familiar with the brand name Louis Vuitton (LV)?
   - [ ] Yes
   - [ ] No (If you responded “No” to this question, please return this questionnaire to the researcher).

7. Are you familiar with the brand name Coach?
   - [ ] Yes
   - [ ] No (If you responded “No” to this question, please return this questionnaire to the researcher).

**Part 2: Brand Equity**

This section is about your attitude toward two different brands (Louis Vuitton and Coach). For each statement, please indicate by circling any number between 1 and 7 that comes closest to how you feel about the brand. (1—strongly disagree and 7—strongly agree)

**My attitude toward Louis Vuitton**

8. I don’t mind paying a higher price for this brand. [ ] 1 [ ] 2 [ ] 3 [ ] 4 [ ] 5 [ ] 6 [ ] 7

9. The quality of the brand is superior. [ ] 1 [ ] 2 [ ] 3 [ ] 4 [ ] 5 [ ] 6 [ ] 7

10. This brand is the most popular brand in this category. [ ] 1 [ ] 2 [ ] 3 [ ] 4 [ ] 5 [ ] 6 [ ] 7

**My attitude toward Coach**

11. I don’t mind paying a higher price for this brand. [ ] 1 [ ] 2 [ ] 3 [ ] 4 [ ] 5 [ ] 6 [ ] 7

12. The quality of the brand is superior. [ ] 1 [ ] 2 [ ] 3 [ ] 4 [ ] 5 [ ] 6 [ ] 7

13. This brand is the most popular brand in this category. [ ] 1 [ ] 2 [ ] 3 [ ] 4 [ ] 5 [ ] 6 [ ] 7

**Note.** Brand Equity Scale is from “Advertising Clutter in Consumer Magazines: Dimensions and Effects,” by L. Ha, 1996, Journal of Advertising Research. Adapted with permission of the author.
**Part 3: Country-of-origin product dimension**

This section is about your attitude and purchase intention toward two branded products, Louis Vuitton (LV) and Coach, made in different countries (France, the U.S. and China). Please evaluate following six products (with different brands and country-of-origin). For each statement, please indicate by circling any number between 1 and 7 that comes closest to how you feel about the product. (1- strongly disagree and 7- strongly agree)

<table>
<thead>
<tr>
<th>For an authentic <strong>Louis Vuitton</strong> handbag made in France (compared to one made in the U.S. or China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. I think it would be high quality.</td>
</tr>
<tr>
<td>15. I think it would be as prestigious.</td>
</tr>
<tr>
<td>16. I think it would have good workmanship.</td>
</tr>
<tr>
<td>17. I will buy it the next time I need a luxury handbag.</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>For an authentic <strong>Louis Vuitton</strong> handbag made in the U.S. (compared to one made in France or China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. I think it would be high quality.</td>
</tr>
<tr>
<td>19. I think it would be as prestigious.</td>
</tr>
<tr>
<td>20. I think it would have good workmanship.</td>
</tr>
<tr>
<td>21. I will buy it the next time I need a luxury handbag.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For an authentic <strong>Louis Vuitton</strong> handbag made in China (compared to one made in France or the U.S.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22. I think it would be high quality.</td>
</tr>
<tr>
<td>23. I think it would be as prestigious.</td>
</tr>
<tr>
<td>24. I think it would have good workmanship.</td>
</tr>
<tr>
<td>25. I will buy it the next time I need a luxury handbag.</td>
</tr>
<tr>
<td>Strongly disagree</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>

For an authentic Coach handbag **made in France** (compared to one made in the U.S. or China)

26. I think it would be high quality.  
27. I think it would be as prestigious.  
28. I think it would have good workmanship.  
29. I will buy it the next time I need a luxury handbag.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>

For an authentic Coach handbag **made in the U.S.** (compared to one made in France or China)

30. I think it would be high quality.  
31. I think it would be as prestigious.  
32. I think it would have good workmanship.  
33. I will buy it the next time I need a luxury handbag.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>

For an authentic Coach handbag **made in China** (compared to one made in France or the U.S.)

34. I think it would be high quality.  
35. I think it would be as prestigious.  
36. I think it would have good workmanship.  
37. I will buy it the next time I need a luxury handbag.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>

Purchase Intention & Country-of-origin

Finally, please indicate what percentage (more or less) you would be willing to pay for the brand products (LV and Coach) originating from three different countries (France, the U.S., and China).

<table>
<thead>
<tr>
<th>Authentic Louis Vuitton (LV) Handbags</th>
</tr>
</thead>
<tbody>
<tr>
<td>38. For an authentic LV handbags made in France, I am willing to pay</td>
</tr>
<tr>
<td>[ ] 11-20% less than regular price</td>
</tr>
<tr>
<td>[ ] 0-10% less than regular price</td>
</tr>
<tr>
<td>[ ] Regular price</td>
</tr>
</tbody>
</table>

| 39. For an authentic LV handbags made in the U.S., I am willing to pay |
|  [ ] 11-20% less than regular price  |  [ ] 0-10% more than regular price |
|  [ ] 0-10% less than regular price   |  [ ] 11-20% more than regular price |
|  [ ] Regular price                   |                                     |

| 40. For an authentic LV handbags made in China, I am willing to pay |
|  [ ] 11-20% less than regular price  |  [ ] 0-10% more than regular price |
|  [ ] 0-10% less than regular price   |  [ ] 11-20% more than regular price |
|  [ ] Regular price                   |                                     |

<table>
<thead>
<tr>
<th>Authentic Coach Handbags</th>
</tr>
</thead>
<tbody>
<tr>
<td>41. For an authentic Coach handbags made in France, I am willing to pay</td>
</tr>
<tr>
<td>[ ] 11-20% less than regular price</td>
</tr>
<tr>
<td>[ ] 0-10% less than regular price</td>
</tr>
<tr>
<td>[ ] Regular price</td>
</tr>
</tbody>
</table>

| 42. For an authentic Coach handbags made in the U.S., I am willing to pay |
|  [ ] 11-20% less than regular price  |  [ ] 0-10% more than regular price |
|  [ ] 0-10% less than regular price   |  [ ] 11-20% more than regular price |
|  [ ] Regular price                   |                                     |

| 43. For an authentic Coach handbags made in China, I am willing to pay |
|  [ ] 11-20% less than regular price  |  [ ] 0-10% more than regular price |
|  [ ] 0-10% less than regular price   |  [ ] 11-20% more than regular price |
|  [ ] Regular price                   |                                     |
Appendix D

Three-Part Questionnaire (Chinese Version)
研究主題: 產品製造國對台灣女性消費者產品評價及購買意願影響之研究

第一部分: 受訪者基本資料

這個部分是關於受訪者的基本資料，請選出最適合描述自己的答案。

1. 您的年齡:   [ ] 20-29   [ ] 30-39   [ ] 40-49   [ ] 50-59   [ ] 60+

2. 您的婚姻:   [ ] 未婚   [ ] 已婚   [ ] 離婚   [ ] 其他

3. 您的教育程度:
   [ ] 高中(職)以下   [ ] 高中畢業   [ ] 專科   [ ] 大學   [ ] 研究所

4. 您的年收入:
   [ ] 34 萬以下   [ ] 35-50 萬   [ ] 51-69 萬
   [ ] 70-84 萬   [ ] 85-99 萬   [ ] 100 萬以上

5. 請問您曾經購買過高價的名牌皮包或是打算不久的將來購買一個嗎?
   [ ] 是   [ ] 否 (如果您的答案是“否”, 請停止作答並歸還問卷, 謝謝您)

6. 請問您認識 Louis Vuitton (LV) 這個品牌嗎?
   [ ] 是   [ ] 否 (如果您的答案是“否”, 請停止作答並歸還問卷, 謝謝您)

7. 請問您認識 COACH 這個品牌嗎?
   [ ] 是   [ ] 否 (如果您的答案是“否”, 請停止作答並歸還問卷, 謝謝您)

第二部分: 品牌的權益

這個部分的問題是爲了瞭解並消費者對這兩個品牌 (LV 和 COACH) 的態度，請由 1 至 7 中選擇出對品牌看法的同意程度。

我對 Louis Vuitton (LV) 這個品牌的看法

<table>
<thead>
<tr>
<th>評價</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. 我願意以較高的價格購買這個品牌的產品</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. 我認爲這個品牌的品質比較好</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. 這個品牌在名牌皮包中是比較受歡迎的</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

非常不同意   非常同意

我對 COACH 這個品牌的看法

<table>
<thead>
<tr>
<th>評價</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. 我願意以較高的價格購買這個品牌的產品</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. 我認爲這個品牌的品質比較好</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. 這個品牌在名牌皮包中是比較受歡迎的</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

非常不同意   非常同意
第三部分: 產品製造國的影響

接下來這個部分是想瞭解消費者對不同品牌及不同製造國生產之產品看法及購買意願。本次研究選擇 Louis Vuitton (LV) 和 COACH 這兩個知名品牌，以及三個不同的生產製造國 (法國、美國和中國)。請您依照您的經驗及看法來評估以下六種產品組合(品牌+製造國)。請針對下列產品評價圈選出您的同意程度。

法國製造的 LV 真皮皮包 (相較於產地為美國及中國)

<table>
<thead>
<tr>
<th>話題</th>
<th>非常不同意</th>
<th>非常同意</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. 我認為這個皮包是高品質的</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>15. 我認為這個皮包具有尊貴感</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>16. 我認為這個皮包是手工精緻的</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>17. 下次有需要時，我會購買這個皮包</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

美國製造的 LV 真皮皮包 (相較於產地為法國及中國)

<table>
<thead>
<tr>
<th>話題</th>
<th>非常不同意</th>
<th>非常同意</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. 我認為這個皮包是高品質的</td>
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<td></td>
</tr>
<tr>
<td>19. 我認為這個皮包具有尊貴感</td>
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</tr>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

中國製造的 LV 真皮皮包 (相較於產地為法國及美國)

<table>
<thead>
<tr>
<th>話題</th>
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</tr>
</thead>
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<td></td>
</tr>
</tbody>
</table>

附註：產品製造國影響量表是取自 Parameswaran and Pishrodi (1994) 刊登於 Journal of Advertising 的文章，獲得作者同意後使用。
法國製造的 COACH 真品皮包（相較於產地為美國及中國）

<table>
<thead>
<tr>
<th></th>
<th>非常不同意</th>
<th>非常同意</th>
</tr>
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<tbody>
<tr>
<td>26. 我認為這個皮包是高品質的</td>
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<td>27. 我認為這個皮包具有尊貴感</td>
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<td></td>
</tr>
</tbody>
</table>

美國製造的 COACH 真品皮包（相較於產地為法國及中國）

<table>
<thead>
<tr>
<th></th>
<th>非常不同意</th>
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<tbody>
<tr>
<td>30. 我認為這個皮包是高品質的</td>
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</tbody>
</table>

中國製造的 COACH 真品皮包（相較於產地為法國及美國）

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
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<td></td>
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<tr>
<td>36. 我認為這個皮包是手工精緻的</td>
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<tr>
<td>37. 下次有需要時，我會購買這個皮包</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

產品生產國和購買意願

最後，想請教您願意以多少錢購買不同國家製造的真品 LV 皮包和真品 COACH 皮包。請圈選一個與您態度最相符的選項。

選項說明：
一般門市售價: 指的是品牌專賣店標示的價錢
高於一般門市售價 0-10%: 以三萬塊的皮包為例，您願意再付 NT$ 3,000 購買這個產品組合
高於一般門市售價 11%-20%: 以三萬塊的皮包為例，您願意再付 NT$ 3,300-6,000 購買這個產品組合
低於一般門市售價 0-10%: 以三萬塊的皮包為例，您願意再付 NT$ 3,000 購買這個產品組合
低於一般門市售價 11%-20%: 以三萬塊的皮包為例，您願意再付 NT$ 3,300-6,000 購買這個產品組合
針對真品 LV 皮包的購買價格

38. 當購買法國製造的 LV 皮包時，我願意支付
   [ ] 低於一般門市售價 11~20%的價格
   [ ] 低於一般門市售價 0~10%的價格
   [ ] 一般門市售價
   [ ] 高於一般門市售價 0~10%的價格
   [ ] 高於一般門市售價 11~20%的價格

39. 當購買美國製造的 LV 皮包時，我願意支付
   [ ] 低於一般門市售價 11~20%的價格
   [ ] 低於一般門市售價 0~10%的價格
   [ ] 一般門市售價
   [ ] 高於一般門市售價 0~10%的價格
   [ ] 高於一般門市售價 11~20%的價格

40. 當購買中國製造的 LV 皮包時，我願意支付
   [ ] 低於一般門市售價 11~20%的價格
   [ ] 低於一般門市售價 0~10%的價格
   [ ] 一般門市售價
   [ ] 高於一般門市售價 0~10%的價格
   [ ] 高於一般門市售價 11~20%的價格

針對真品 COACH 皮包的購買價格

41. 當購買法國製造的 COACH 皮包時，我願意支付
   [ ] 低於一般門市售價 11~20%的價格
   [ ] 低於一般門市售價 0~10%的價格
   [ ] 一般門市售價
   [ ] 高於一般門市售價 0~10%的價格
   [ ] 高於一般門市售價 11~20%的價格

42. 當購買美國製造的 COACH 皮包時，我願意支付
   [ ] 低於一般門市售價 11~20%的價格
   [ ] 低於一般門市售價 0~10%的價格
   [ ] 一般門市售價
   [ ] 高於一般門市售價 0~10%的價格
   [ ] 高於一般門市售價 11~20%的價格

43. 當購買中國製造的 COACH 皮包時，我願意支付
   [ ] 低於一般門市售價 11~20%的價格
   [ ] 低於一般門市售價 0~10%的價格
   [ ] 一般門市售價
   [ ] 高於一般門市售價 0~10%的價格
   [ ] 高於一般門市售價 11~20%的價格

問卷到此結束，謝謝您的參與！
Appendix E

Informed Consent Form
I, Hsin-Tien Han, am a doctoral student at Lynn University. I am studying Global Leadership, with a specialization in Corporate and Organizational Management. Part of my education is to conduct a research study.

**DIRECTIONS FOR THE PARTICIPANT:**

You are being asked to participate in my research study. Please read this carefully. This form provides you with information about the study. The Principal Investigator (Hsin-Tien Han) will answer all of your questions. Ask questions about anything you don’t understand before deciding whether or not to participate. You are free to ask questions at any time before, during, or after your participation in this study. Your participation is entirely voluntary and you can refuse to participate without penalty or loss of benefits to which you are otherwise entitled.

**PURPOSE OF THIS RESEARCH STUDY:** The study is about the Taiwanese consumers’ perception of the country-of-origin. The purpose of this study is to examine the importance of country-of-origin on Taiwanese consumers’ product evaluation and how country-of-origin affects consumers’ purchase intention. There will be approximately 200 people participating in this study. These are female consumers who want to purchase luxury handbags and familiar with two brands: Louis Vuitton and COACH. Female consumers must be 20 years and older. They are customers who are about to enter Taipei SOGO department store, and they must be able to fluently read, speak, and write in Chinese.

**PROCEDURES:**

You will first complete a demographic survey. Then you will be asked to complete a 43-item survey about your perception of two luxurious brand names and products originating from different countries (Brand Equity Scale and P&P COI Scale). This survey should take about 10 minutes to complete. If necessary, the researcher (Hsin-Tien Han) can help you in completing the surveys.
This survey will be anonymous, and anonymity will be preserved. You will finish the survey in private and the researcher will not collect any identifying information linking the participant to the survey data.

POSSIBLE RISKS OR DISCOMFORT: This study involves minimal risk. You may find that some of the questions are sensitive in nature. In addition, participation in this study requires a minimal amount of your time and effort.

POSSIBLE BENEFITS: There may be no direct benefit to you in participating in this research. But knowledge may be gained which may help multinational companies make better manufacturing decisions to produce better products that meet consumers’ needs.

FINANCIAL CONSIDERATIONS: There is no financial compensation for your participation in this research. There are no costs to you as a result of your participation in this study.

ANONYMITY: This survey will be anonymous. You will not be identified and data will be reported as “group” responses. This survey will not collect any identifying information (e.g., no names, no social security numbers, no driver’s license numbers, etc.) Participation in this survey is voluntary and return of the completed survey will constitute your informed consent to participate. The results of this study may be published in a dissertation, scientific journals or presented at professional meetings. Your individual privacy will be maintained in all publications or presentations results from this study.

RIGHT TO WITHDRAW: You are free to choose whether or not to participate in this study. There will be no penalty or loss of benefits to which you are otherwise entitled if you choose not to participate.

CONTACTS FOR QUESTIONS/ACCESS TO CONSENT FORM: Any further questions you have about this study or your participation in it, either now or any time in the future, will be answered by Hsin-Tien Han (Principal Investigator) who may be reached at: [contact info] and Dr. Lisa Dandeo, faculty advisor who may be reached at: [contact info]. For any questions regarding your rights as a research subject, you may call Dr. Farideh Farazmand, Chair of the Lynn University Institutional Review Board for the Protection of Human Subjects, at 002- [contact info]. If any problems arise as a result of your participation in this study, please call the Principal Investigator (Hsin-Tien Han) and the faculty advisor (Dr. Lisa Dandeo) immediately.

A copy of this consent form will be given to you.

Institutional Review Board for the Protection of Human Subjects
Lynn University
3601 N. Military Trail, Boca Raton, Florida, 33431

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INVESTIGATOR'S AFFIDAVIT: I have carefully explained to the subject the nature of the above project. The person participating has represented to me that she is at least 20 years of age, and that she does not have a medical problem or language or educational barrier that precludes her understanding of my explanation. I hereby certify that to the best of my knowledge the person participating in this project understands clearly the nature, demands, benefits, and risks involved in her participation.

Signature of Investigator

Date of IRB Approval: 7/21/05 7:7

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3601 N. Military Trail, Boca Raton, Florida, 33431
Appendix F

Informed Consent Form (Chinese Version)
研究計畫名稱：產品製造國對台灣消費者產品認知及購買意願影響之研究
研究計畫 IRB 號碼：2005-031 Lynn University 3601 N. Military Trail Boca Raton, Florida, FL 33431

本人韓心甜是美國 Lynn University 博士班學生,目前正在研究全球性之領導統御之議題，我的主修是企業與組織管理。此一學術研究是我教育學習的一個重要階段，誠摯的邀請您參與這份研究計畫。

參與者須知:
您被邀請參與這份研究計畫，以下內容將提供您關於這份研究的相關資料，請仔細閱讀。主要研究員韓心甜將回答您所有問題，若有任何疑問，請務必在決定參與前提出。您可以在參與此學術研究之前後，或當中自由發問。您的參與是完全自願性的，您可以拒絕參與而不用擔心任何權益上的損失或懲罰。

研究目的：這份研究試圖了解產品製造國對台灣女性消費者購買名牌皮包的影響，將探討是否產品製造國會影響消費者對產品的評價及購買意願。預估將有兩百名女性消費者參與此次研究，受訪者必須年滿二十歲以及對購買名牌包包有興趣之女性消費者，同時必須認識 Louis Vuitton 及 COACH 這兩個品牌。本研究將選擇於台北 SOGO 百貨公司門口進行抽樣，受訪者必須能夠流利的讀、說、寫中文。

程序：你將需要完成一份名為“台灣消費者對產品製造國的認知及購買意願研究”的問卷，這份問卷將分為三個部分，第一部分是填寫有關您的一些基本資料，第二部分是您對兩個品牌的觀感，第三部分是您對來自不同製造國的產品進行評估。整份問卷大概需要十分鐘即可完成，如果需要的話，研究員可以協助您完成本問卷調查，這份問卷將採匿名方式進行，您的身分將無法辨認。這份問卷將不會收集任何足以辨認身分之個人資料。

可能性之風險或不適感：此研究牽涉極微小之風險，但您可能會覺得有些問題比較敏感。此外，參與這份問卷調查將佔用您少量的時間和心力。

可能性之受益：參與這次研究，您將無法直接受益。但研究結果所獲得的知識將幫助產品製造商規劃更好的商品，讓消費者能間接受益。

財務考量：參與這次研究您將不會獲得金錢上的報酬，但也不會造成您任何損失。

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匿名性：本問卷採匿名方式進行，您的身分將無法辨認，所有資料將集體整理。這份問卷將不會收集任何足以辨認身分之個人資料（例如：姓名、身分證字號等等）。參與這份研究是自願性的，問卷的填寫及繳回將視同您同意參與此學術研究。
這份研究報告結果將可能發表於論文、學術期刊或學術會議，您的個人隱私在所有發表刊物上將受到同等的保護。

撤銷之權利：您可以自由選擇是否參與此學術研究，若您選擇不參與，將不會導致任何懲罰或權利的損失。

相關問題的聯絡人：任何進一步與此學術研究相關的問題，將由主要研究員韓心甜（聯絡電話：
或此研究之指導教授 Dr. Dandeo（聯絡電話：
回答。任何關於此研究之受訪權益問題，您亦可連絡 Lynn University IRB 主席 Dr. Farazmand（聯絡電話：
。若您因參與此研究而導致任何困擾，請立即通知主要研究員韓心甜以及研究指導教授 Dr. Dandeo。此外，您將收到此一同意書之副本。

研究員誓詞：我已經仔細向受訪者說明此次的研究計畫，我也確認過受訪者的年紀年滿二十歲，並且沒有任何醫療上的問題與語言或教育的障礙，來影響受訪者理解我的說明。我藉此保證在我的最佳認知之下，參與者已清楚瞭解此一研究計畫以及所有參與過程所牽涉的利益及風險。

研究員的簽名

IRB Approval 核准日期：7/21/05 7.7.

Institutional Review Board for the Protection of Human Subjects
Lynn University
3601 N. Military Trail Boca Raton, Florida 33431
Appendix G

Institutional Review Board Approval Letter
Principal Investigator: Hsin-Tien Han
Project Title: Does “Made in…” Matter to Consumers: Taiwanese Perception of the Country-of-Origin

IRB Project Number_ 2005-031_: APPLICATION AND PROTOCOL FOR REVIEW OF RESEARCH INVOLVING HUMAN SUBJECTS OF A NEW PROJECT: Request for Exempt Status_ Expedited Review_ Convened Full-Board X

IRB ACTION by the CONVENCED FULL BOARD

Date of IRB of application and Research Protocol 7/21/05
IRB ACTION: Approved X Approved w/provision(s) _ Not Approved _ Other

COMMENTS
Consent Required: No _ Yes X Not Applicable _ Written X Signed
Consent forms must bear the research protocol expiration date of 7/21/06
Application to Continue/Renew is due:
(1) For a Convened Full-Board Review, two month prior to the due date for renewal X

Name of IRB Chair (Print) Farideh Farazmand
Signature of IRB Chair _____ [REDACTED] Date: 7/21/05

Cc. Dr. Dandeo

Institutional Review Board for the Protection of Human Subjects
Lynn University
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Appendix H

Permission to Use the Instruments
Dear Candy

You have my permission to use the brand equity scale in my Advertising Clutter article that was published in the Journal of Advertising Research. I also recommend you to visit my International Advertising Resource Center web site at http://www.bgsu.edu/departments/tcom/faculty/ha/publist.htm for bibliography on your topic.

At 06:19 PM 4/23/2005, you wrote:

Dear Dr. Ha:

How are you? My name is Hsin-Tien Han (Candy) and I'm from Taiwan. I'm a PhD student at Lynn University in Florida. I read one of your excellent articles and the title is 'Advertising Clutter in Consumer Magazines: Dimensions and Effects,' in the Journal of Advertising Research (1996). I want to ask for your permission to use your Brand Equity Scale in my study. Would you please forward your approval letter via this e-mail, or simply reply this mail with the sentence like "you have my permission to use the instrument". I really need this statement due to our school's policy and the IRB requirement. Thank you so much for your assistance.

Thank you so much. I look forward to your reply.

Best regards,

Hsin-Tien Han (Candy)

Louisa Ha, Ph.D.
Associate Professor
Department of Telecommunications
School of Communication Studies
320 West Hall
Bowling Green State University
Bowling Green, OH 43403
Tel: [redacted]
Hi. Ms. Hsin-Tien Han:

Unfortunately, I did not receive your first email. I usually respond within a day or two to any email that I receive. Regarding permission to use the P&P COI scale, both Professor Pisharodi and I have no objections.

Good Luck in your dissertation.

Ravi Parameswaran

----- Original Message ----- 
From: Candy <mailto:]
To: 
Sent: Friday, May 06, 2005 11:50 PM 
Subject: I need your permission to use COO Product Image Scale

Dear Dr. Parameswaran:

How are you? My name is Hsin-Tien Han (Candy) and I'm from Taiwan. I'm a PhD student at Lynn University in Florida. This is the second time I e-mail you. I really need your permission to use your P&P's COI scale in my study. Would you please forward your approval letter via this e-mail, or simply reply this mail with the sentence like "you have my permission to use the instrument". I really need this statement due to our school’s IRB requirement. Thank you so much for your assistance. I look forward to your reply.

Best regards,

Hsin-Tien Han (Candy)
Appendix I

Permission to Use the Figure
Dear Candy:

You don’t have to get my permission as long as you cite my article in your own work.

Regards,
Michael Hui

-----Original Message-----
From: Candy
Sent: Thursday, April 14, 2005 12:57 AM
To: Hui King Man, Michael (MKT)
Subject: RE: FW: My name is Candy Han (a phd student in US)

Dear Dr. Hui:

Thank you for your help. I think all I can do is tying to reconstruct the questionnaire from the article text, because I expect to conduct my study in summer.

However, I still need your permission to adopt your model (An Integrative Model for COO Effects from Evaluative Variables to Purchase intention) in my study and reproduce the figure and put it in my literature review. Would you please give me your permission?

Thank you so much for your assistance.
Have a great day.

Regards,
Candy

-----Original Message-----
From: Hui King Man, Michael (MKT) [mailto:] Sent: Wednesday, April 13, 2005 10:37 AM
To: Subject: ??: FW: My name is Candy Han (a phd student in US)

Dear Candy:

Below is the reply from my co-author about your request. You may want to contact Dr. Zhou directly if you have any questions about the survey.
Regards,
Michael Hui

Dear Professor Hui,

I have checked the CD file that I brought from Guelph... but unfortunately, the questionnaire was not on the CD, and I am positive sure that it was saved on the hard disk of the office computer in my Canadian university there.

I did find the article on the CD... Sorry that I cannot help for the time being, unless the student can wait till I come back Guelph in the Fall.....

Cheers, Lianxi

-----Original Message-----
> From: Candy [mailto: 
> Sent: Sunday, April 10, 2005 4:57 AM 
> To: Hui King Man, Michael (MKT) 
> Subject: My name is Candy Han (a phd student in US) 
> >Dear Dr. Hui 
> > 
> >>How are you? My name is Hsin-Tien Han (Candy) and I'm from Taiwan. I'm >a PhD student at Lynn University in Florida. This is my second time to >e-mail you. I read your two excellent articles (Linking product >evaluations and purchase intention for country-of-origin effects and >Country-of-manufacture effects for known brands) and I would like to >extend your research in my study (Country-of-origin effects on luxury >brands). Would you please give me your permission to adopt your model >An Integrative Model for COO Effects from Evaluative Variables to Purchase >Intention) and modify it? I really appreciate your help. 
> > Thank you so much. I look forward to your reply
> > 
> >This is my information >Hsin-Tien Han (Candy)
> >Ph. D. (candidate) in Global Leadership program with specialization in >Corporate and Organizational Management at Lynn University, Boca Raton, >Florida, U.S.A. 
> >Tel: 
> >Best regards, 
> Hsin-Tien Han (Candy)
To Whom It May Concern:

This is to certify that the attached translation received from

Hsin-Tien Han, of 1 document

page(s), is an accurate representation of the text received by this office. The translator,

Yu-Ho Chou attests to the following:

The attached is a true translation to the best of my knowledge. I am fluent in both

English and Chinese

and I am qualified to translate.

SWORN AND SUBSCRIBED before me appeared Yu-Ho Chou on

this 15th day of July, 2005.

Notary Public, State of Florida

My Commission Expires:

Every effort is made to insure the accuracy of all translations. However, LANGUAGE EXCHANGE INTERNATIONAL shall not be liable for any damages due to error or negligence in translation or typing.

500 N.E. Spanish River Boulevard, Spanish River Plaza, Suite 19, Boca Raton, FL 33431, USA
Phone: Fax: E-mail: 