

COUNTRY OF ORIGIN EFFECTS ON CONSUMER EVALUATION OF HEDONIC VS. UTILITARIAN PRODUCTS; A PERSONAL VALUES BASED PERSPECTIVE

Purpose of the study

Research on the issue of COO is one of the most researched and discussed aspects in the field of international marketing and consumer behaviour (Samiee, 2010; 2011; Usunier and Cestre, 2007; Usunier, 2006; Zeugner-Roth and Diamantopoulos, 2009). Nevertheless, Samiee (2010), Samiee and Leonidou (2011) and Usunier (2011) have argued that in the era of globalisation, the COO cue has become largely irrelevant. Furthermore, COO research has also been criticised for its atheoretic nature, use of student samples, and lack of identification of COO sensitive segments (Samiee, 2010; Samiee and Leonidou, 2011). Thus, the present study integrated the means-end – chain theory (MEC) developed by Gutman (1982), which suggests consumers perceive products as a mean through which they can achieve their desired end goals (personal values) to investigate COO effects on elite Sri Lankan consumers attitudes and purchase intentions towards hedonic versus utilitarian products. The conceptual framework was developed by using the three key elements of the MEC theory, namely product attributes, consequences and values.

Methodology

The data was gathered via a self-administered survey, which was conducted in Sri Lanka among 311 elite professionals who were selected using a cluster sampling approach. Clothes were selected to represent hedonic product and washing machines were elected as the utilitarian product. Sri Lanka, India, China, South Korea and USA were considered as the focal COOs, and the respondents were asked to rate clothes and washing machines from each COO in terms of product attributes, perceived consequences, personal values, attitudes and purchase intentions. The data were analysed using hierarchical regression analysis and paired sample t-tests.

Findings

The findings of the study indicate that there is a significant difference in elite Sri Lankan consumers' MEC based product images, attitudes and purchase intentions towards local versus foreign made products. The MEC-based product COO images were found to predict elite consumers' attitudes and purchase intentions significantly.

Managerial implications

From a managerial perspective, it indicates that COO needs to be managed carefully by companies as COO based product images are developed in MEC based sequence and these images differ across product categories and purchase occasions.

Originality / Value

This study contributes to the body of knowledge of COO by asserting that COO is a relevant research area and providing a richer understanding of how elite consumers in an emerging market utilise COO as a means to achieve their desired end goals or values.

Research limitations and suggestions for future research

This study was conducted among elite consumers from one emerging market namely Sri Lanka. Future research therefore, needs to be conducted in other similar emerging markets to further substantiate the findings of the present study.

References

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