INTRODUCTION

To attract new customers, organizations need some unique elements that make consumers convince and buy their good such as gaining a successful product image. Therefore, studies on the effects of product image or country-of-origin have become more significant and popular area of international business research for decades. Despite such interest, some scholars have emphasized the product image of a country with focusing more on a country’s product attributes (Agarwal & Sikri, 1996; Han, 1989; Han & Terpstra, 1988; Roth & Romeo, 1992). Meanwhile, others have coined the concept of product-country image to combine the two points (Papadopoulos & Heslop, 1993; Pappu, Quester, & Cooksey, 2007; Parameswaran & Pisharodi, 1994) or decomposing country-of-origin cues into not only country of design and country of assembly (Chao, 1998; Insch & McBride, 2004). The effect of country of origin (COO) on consumers' perceptions and purchasing intentions is a common theme in marketing research (Bloemer, Brijs, & Kasper, 2009; Usunier, 2006). The fact that a product’s origin matters to consumers has significant strategic implications for firms engaged in both domestic and international businesses.

The country of origin (COO) of a product is an important marketing element known to influence consumer perceptions as well as behavior. The country of origin of a product is an extrinsic cue which similar to brand name, is known to influence consumers’ perceptions and to lead consumers to cognitive elaboration (Pappu et al., 2006). Country of origin is known to guide to associations in the minds of consumers (Aaker, 1991; Keller, 1993). In the process of buying, consumers are not only concern about the quality and price of a product but also other factors such as the brand’s country-of-origin. Maheswaran (1994) suggests that COO is used in product evaluation as a stereotyping process that allows consumers to predict the likelihood of a product manufactured in a certain country having certain features; generally, consumers will evaluate a product more favorably if it has a favorable COO.

Chao and Rajendran (1993) point out that, when customers are making decisions, they search for more information before making their purchase. In relation to products, with the exception of considering national image of the country-of-origin, consumer product involvement is an important element when purchasing. However, the effect of product involvement on the consumer buying intention relies on the manufacturer’s products, rather than its service. This is also the motive of this study.

THE IMPACT OF COUNTRY OF ORIGIN

The impact of COO on consumer behaviour has been examined in the business and marketing literature for many years (see Al-Sulaiti and Baker, 1998; Papadopoulos and Heslop, 2002; Dinnie, 2004). Empirical studies show that COO can affect consumers in a number of ways, including social status, store or product choice, perceived risk, and, in particular, product evaluation such as quality perception, product attitude or purchase intention (see Liefeld, 1993; Papadopoulos, 1993; Kaynak et al., 2000; Li et al., 2000; Brodowsky, 1998; Chao, 1998; Huddleston et al., 2001).

COO effect is concerned with how consumers perceive products sourced from a particular country (Chinen et al., 2000). Saeed (1994) points out that country-of-origin means the country that a manufacturer’s product or brand is associated with; traditionally this country is called the home country. For some brands, country-of-origin belongs to a given and definite country, such as IBM belongs to the USA and SONY is a Japanese brand. However, Ahmed et al. (2004) defines country-of-origin as the country that conducts manufacturing or assembling, which follows the definition stated by Saeed (1994). Saeed (1994) indicates that country of manufacture (COM) represents the last location/country of manufacturing or assembling one product. Therefore, Saeed (1994) defines country-of-origin as the COM. In addition, Roger et al. (1994) report there is no distinct difference between location of manufacture and location of assembly, and this causes no significant difference to customers concerning product appraisal. Roth and Romeo (1992) allege that country-of-origin effect means customers’ stereotypes of one specific country. According to the definition mentioned by Johansson and Thorelli (1985), a country’s stereotype means people in a country (or specific people) have stereotypes and preferences for products of another country. However, Saeed (1994) considers that country-of-origin effect means any influences or preferences caused by country-of-origin and/or COM.
COO AND PRODUCT EVALUATION

Consumers make decisions about the quality of products based on a systematic process of acquisition, evaluation and integration of product information or cues. A cue is defined as all informational stimuli available to the consumer before consumption (Monroe and Krishnan, 1985), and can be intrinsic or extrinsic. Examples of intrinsic cues are taste and design, while extrinsic cues include COO, brand, and price (Rao and Monroe, 1989). When intrinsic cues are missing or cannot easily be assessed, consumers tend to rely more on extrinsic cues (Jacoby et al., 1977); this is often the case for low-involvement products, since the cost of searching for intrinsic cues to aid consumers in product evaluation far exceeds the benefits (Zeithaml, 1988).

Maheswaran (1994) suggests that COO is used in product evaluation as a stereotyping process that allows consumers to predict the likelihood of a product manufactured in a certain country having certain features; generally, consumers will evaluate a product more favorably if it has a favorable COO. This stereotyping process affects product evaluation in three ways. First, COO acts as a signal; consumers have prior perceptions of the general quality of products from a particular country, and they use these perceptions to infer the ratings of other product cues (e.g. quality, reliability) and thus the overall product evaluation (Hong and Wyer, 1989). Second, COO can be an independent cue, used along with other cues for product evaluation. (Hong and Wyer, 1989; Li and Monroe, 1992). Third, COO can be used as a heuristic to simplify the product evaluation process, even though other available product cues may be more useful (Hong and Wyer, 1989; Li and Wyer, 1994). This often occurs when there is too much product information, or when consumers are unfamiliar with the product. Interestingly, there is no evidence from studies in western societies that males and females differ systematically in their use of COO for product evaluation (Hung, 1989).

Pappu, Quester and Cooksey (2006) perceived country-of-origin has also reflects a different and varies level of perceived product quality. In their study, perceived quality of a brand from Finland is likely higher than the perceived quality level of a brand from Mexico or Hungary. In addition, Aaker (1991) had pointed out that perceived quality is actually an overall or superiority of the product and brand with respect to its intended purpose such as buying purpose.

It is important to identify the origin of aspects of products as these may influence consumer decision making and behaviour. There is evidence to suggest that highly industrialized countries such as Japan, US or Germany are being evaluated as more superior in the case of design capabilities compared with assembly/manufacturer and components parts aspects (Insch and McBride, 1998; Ahmed and d’Astous, 2001). While newly industrialized countries (e.g. Mexico, Indonesia and China) are generally viewed as inferior across design, assembly and parts abilities; these countries are perceived somewhat less negatively in regard to the capability of assembly and parts (Insch and McBride, 1998; Ahmed and d’Astous, 2001). This lends further support that consumers do make a cognitive distinction on the COO sub-components in their product decision making process. Based on the above elaboration, it is important to understand the classification of involvement in advertising and consumer behavior.

CLASSIFICATION OF INVOLVEMENT

Depending on different involvement objects, involvement can be divided into advertising involvement, product involvement, and purchasing involvement. To understand the difference between these three involvements, they can further be divided into situational involvement, enduring involvement, and response involvement. Krugman (1965) asserts that involvement with advertisement as understanding a consumer’s involvement level or response after receiving advertising information based on a consumer’s concern about advertising information. The involvement level ranges from absolute concentration to complete ignorance. Involvement with a product means consumer’s concern and contribution to it (Cohen, 1983). Involvement with purchase refers to a consumer’s self-concern over purchase decision and purchasing activity (Slama and Tashchian, 1985). Enduring involvement reflects that an individual has given a response to specific behavior environment. Houston and Rothschild (1978) indicate that enduring involvement originated from two sources, which are a consumer’s personal subjective appreciation system in a product’s meaning to a consumer or consumer’s experience in using this product in the past. Bloch (1982) perceives that a situational involvement refers to when a consumer intends to reach outside goals about product purchasing or application, or has temporary concern about the product. After his/her goal is achieved, the situational involvement would immediately decrease. Arora (1982) demonstrates that, response involvement means combining situational involvement and enduring involvement, thus causing a mental condition about something.

THE INFLUENCE OF PRODUCT INVOLVEMENT ON THE CONSUMER PURCHASE DECISION

Friedman and Smith (1993) discover in their research concerning service that when consumer selects a service and his/her involvement increases, he/she will search for further information. Goldsmith and Emmert (1991) report that product involvement plays an important role in consumer behavior. When his/her involvement level increases, the consumer will search for further information. Petty et al.(1983)
adopt the Elaboration Likelihood Model (ELM) and discover that high product involvement, brand attitude and purchase intention have a much higher correlation than that of low product involvement. Neese and Taylor (1994) discover in their research concerning automobiles comparison advertisement that, under a different level of advertise information, high involvement of a product causes a distinctly positive purchase intention, whether in the advertising attitude, brand recognition, and brand attitude, than with a low involvement product.

**PURCHASE INTENTION**

Purchasing intention is the probability that customers in a certain purchasing situation choose a certain brand of a product category (Crosno et al., 2009). The interest of marketing scholars on purchase intentions drives from its relation to purchase behaviour. Fishbein and Ajzen (1975) contend that "the best single predictor of an individual's behavior will be a measure of his intention to perform that behavior". Fishbein (1967) Behavioral Intentions model is based on Dulaney (1967) theory of propositional control, which states that ", . . an individual's intention per-form a behavior is a function of: C His attitude toward performing the behavior in a given situation C The norms governing that behavior in that situation and his motivation to comply with these norms Of special importance is that the concern is with the individual's attitude toward the act of performing a behavior and not his attitude toward the object. Second, the model requires that the attitude be measured toward a highly specific situation. Third, the attitude toward the act in question is a function of the individual's beliefs about the possible outcomes of performing the act and his evaluation of those beliefs (Bennett and Harrell, 1975). Moreover, marketing managers are interested in consumer purchase intentions so as to prognosticate sales of existing and/or new products and services. Purchase intentions data can help managers in their marketing decisions related to product demand (new and existing products), market segmentation and promotional strategies (Tsiotsou, 2006).

With a different level of involvement, a consumer would have different purchase behavior, such as a different information processing method, different attitude, different level of information collection and purchase decision behavior. Zaichkowsky (1986) summarized scholars’ research concerning product involvement and point out that product feature affects how a consumer perceives a product. Yang (2001) states that with a consumer of high product involvement, his/her decision processing feature would be extensive problem-solving (EPS). The consumer would carefully and widely evaluate and aggressively perform an information search before purchasing. However, to a consumer of low product involvement, his/her decision feature is the opposite, which belongs to limited problem solving (LPS).

The aim of this research is to explore the effect of the country-of-origin, product quality, and product involvement towards consumer purchase intensions, and mainly to verify the effect of these three variables on consumer purchase intention, and choose product involvement as the moderate variable between the country-of-origin and product quality on the consumer purchase intention. Based on the reference of the scholastic stated above, the conceptual structure of this paper is developed and illustrated in Figure 1.

![Figure 1: Conceptual structure](image)

**METHODOLOGY DATA COLLECTION AND ANALYSIS**

*Product and country selection:* In relation to stimulus, mobile phones were chosen because of their wide use among Iranian students and their technology-orientation.

Iran and Korean as the manufacturers of mobile phones were chosen as country stimulus. The reason for choosing these two countries was that Korean provides Samsung brand, one of the mobile phone brands widely being sold in Iran, and Iran by manufacturing mobile phones and entering this industry is in the beginning of the path. On the other hand Finland is of a high image related to mobile phones and Iran has a low image in this respect.

*Questionnaire design:* Nagashima (1970) conceptually defined the COO as the picture, the reputation, and the stereotypes that businesses and consumers relate to products of a specific country. The COO cue used in this study was operationalized as “Manufactured in South Korean” and “Manufactured in Iran.” Additionally, the perception of each country was measured with three items: “The country that made this mobile phone is likely to make high-quality mobile phones,” “The country that made this mobile phone is likely to be technologically superior,” and “The country that made this mobile phone has a good reputation of technological products.” Items used in the study of Maheswaran (1994) were slightly modified for this research. The COO construct is measured using a 5-point Likert scale (1 = Strongly Disagree and 5 = Strongly Agree). Also, these items were used separately for the manipulation check.

Another independent variable is product quality (PQ). The quality of any product has two meaning, actual technical quality and PQ. Agus & Hajinoor (2012), show that product quality performance includes conformance, performance, reliability and durability. Ergodnus & Turan (2012) define PQ as the consumer’s judgment about the superiority of a product which is based on subjective perceptions. Parasuraman et al. (1985-1991), presented proposed models "SERVQUAL" and "SERVPERF" for the items of service's PQ as a comparison of

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consumer expectations with the actual performance. According to the literature of Wang (2013), there are numerous studies that suggest a positive correlation between PQ and PV. Wang (2013), reports that, PQ positively influences PV. Beneke et al. (2013), defines PQ as the way in which a customer views a product’s brand equity and overall superiority compared to the available alternatives and the customer’s attitude towards the overall brand experience as opposed to just a product’s particular characteristics. So we used Aaker, 1991 for this variable. As far as selecting the dimension of product involvement measurement, the personal involvement inventory developed by Zaichkowsky in 1985 is adopted, referring Lin and Chen (2006) measurement items, this study selects six items to measure the consumer’s product involvement level (Lin and. Chen, 2006, Zaichkowsky, 1985)

Purchase intention was used as dependent variable and was conceptualized as an individual’s conscious plan to make an effort to purchase a brand. It was measured by three items, such as “I would never buy it/I would definitely buy it,” “I definitely do not intend to buy/I definitely intend to buy,” and “I have very low purchase interest/I have very high purchase interest” on a 5-point semantic differential scale (Spears and Singh, 2004).

Sampling method and sample size: Selective University is comprised of five colleges and eighty majors are taught in that. Totally, 26420 students study there. According to Krejcie and Morgan (1970) table, sample size was defined 379. Proportional Stratified sampling and systematic random sampling were applied. In the first place, based on Proportional Stratified sampling, sharing and distribution of questionnaires was done relative to the numbers of colleges. Afterwards, systematic random sampling was done in front of the college entrance gate to choose the respondents. With regard to the size of sample, 400 questionnaires were distributed, that 200 students was given a questionnaire about the Korean of mobile phones and other group of 200 was given a questionnaire about the Iran of mobile phones. In total 380 completed questionnaire were obtained, that 192 questionnaire for Korean of mobile phones and 188 questionnaire for Iran of mobile phones gathered.

Reliability and Validity Analysis: To assess the reliability of questionnaire, Cronbach’s value was applied. To examine that, a pre- test was carried out on sample with 55 respondents and 50 practical questionnaires were collected. The conclusion shows that Cronbach’s value of each variable was more than 0/7. The least significant reliability for research questionnaires is 0/7; thus, this questionnaire was recognized reliable.

I. ANALYSIS AND RESULTS

We test and run the model by smart-pls software (Partial Least Squares) after questionnaires data entry. The results of the analysis show that the level of bachelor student is the most frequent. The results of the analysis on work experience also shows that the most frequent work experience is between 2 to 4 years.

With regard to the first assumption, it could be said that country of origin has an influence on the purchase intention about Samsung brand, it could be said that there is a meaningful, positive effect between variables. But this relation does not exist about Iranian brands according to the second hypothesis, it could be said that product quality has an effect on purchase intention. The positive double-CI illustrates that there is a positive, meaningful effect. But also result shows that there is no relationship between these two variables about Iran’s brand.

The results of the third hypothesis show that product involvement effects on purchase intention about Samsung brand, and the positive double-CI shows that it has a positive, meaningful effect. This hypotheses also approved about Iran’s brand.

The achieved results from fourth hypotheses show that product involvement variable moderate the effect of country of origin and product quality on purchase intention about Samsung brand. And doesn’t approved about Iran’s mobile brand. We can see the results in figure 2 from smart-pls software.

![Figure 2: structural research model in significance level](http://www.casestudiesjournal.com)

**DISCUSSION AND CONCLUSION**

This study deals with the possible effect of the “country origin”, which is a potentially important psychological factor on purchase intension. The potential effect of the country name on the market processes positively or negatively could be assessed as “distorting effect” as it will detract decision-making process from the rational level (quality, price, functionality, etc.). That the decision-making processes of consumers are not independent of basic human psychology naturally requires paying special attention to the psychological factors in particularly international marketing. On that sense, detecting the connotations of the country name and developing managing skills of these connotations should be regarded as the junction point of strategic marketing and international marketing. This study discovers that, consumer product involvement is an important factor in influencing their purchase intention. Therefore, when manufacturers attempt to develop a marketing strategy and project, they must first understand the consumer’s involvement in dealing with relevant product, in order to increase marketing strategy effect.

Findings of this study have shown that Iranians tend to favor the foreign products more when they compare to local goods in case of the high-involvement products (mobile phone).

On the other hand, Understanding the guidelines that consumers use when evaluating the quality of products and making purchasing decisions is imperative to manufacturers of consumer products and marketers in the retail industry and...
should be studied carefully before deciding on country-of-origin. This study concluded that although country-of-origin is used as an external cue by consumers when evaluating product quality and can influence consumers’ purchasing decisions. Given the growth of competition, increasing products’ availability in the marketplace, and the power of consumerism, product should not be taken lightly. Consumers ultimately decide whose product they will purchase and which brands and companies will fail or succeed.

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