

Perceived Quality and Country of Origin (COO) Impact on Consumer Purchase Intent

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Abstract:

Economic globalization fosters a shift in consumer preferences, with cosmetics emerging as essential commodities. China's cosmetics market holds significant promise, yet domestic cosmetics enterprises in China encounter intense competition from foreign beauty companies vying for market dominance and the proliferation of product offerings. Numerous cosmetic firms have conducted analyses of marketing strategies and have identified that understanding the factors influencing consumer behavior is a key avenue for enterprises to withstand competitive pressures. This study examines the impact of perceived country of origin (COO) quality on consumers' purchase intentions, focusing on consumer behavior aspects related to cosmetics incorporating Chinese herbal medicine to enhance enterprises' competitive edge. Drawing on extant literature, three hypotheses are posited and empirically tested through a questionnaire survey to assess reliability and validity across three dimensions and confirm the hypotheses. Findings indicate that the country of origin serves as a crucial moderating factor in consumers' purchase decision-making processes, amplifying the favorable impact of perceived quality on purchase intentions. This study can help China cosmetics enterprises understand consumers better and make marketing strategies more pertinently, which is the profound value of this study.

Keywords: Perceived quality; country of origin (coo); consumer purchase intent; brand image; china cosmetics.

1. Introduction

Under the pervasive influence of economic globalization, the enhancement of living standards, and the

evolution of consumption patterns, cosmetics have become essential commodities in both personal and professional spheres, catalyzing the growth of the beauty industry. Despite China's substantial market

potential due to its large population, foreign beauty companies have traditionally dominated the mid to high-end cosmetic segments, while domestic enterprises are swiftly expanding. In light of the competitive landscape shaped by foreign entities vying for market share, it is imperative for domestic cosmetic firms to refine their marketing strategies. The Chinese cosmetics consumer market has witnessed a proliferation of product varieties and brand options, intensifying competition. Many cosmetic firms have recognized the significance of studying consumer behavior as a strategic tool to navigate this competitive environment. Drawing from cue-utilization theory, consumers typically form product perceptions based on various cues such as packaging, pricing, advertising, brand image, and country of origin [1]. Existing research in cosmetics marketing predominantly focuses on the influence of brand image on consumer behavior, with limited attention given to the country of origin as a significant factor. Understanding the impact of a product's country of origin on consumer behavior is crucial. Exploring how this factor influences consumer behavior, along with identifying other relevant factors, can provide valuable insights for Chinese cosmetics enterprises to enhance their understanding of consumers and tailor their marketing strategies effectively. This study aims to uncover the nuanced dynamics at play in consumer behavior within the cosmetics industry, offering profound implications for strategic marketing initiatives.

2. Literature Review and Hypotheses

2.1 Perceived Quality

Perceived quality refers to consumers' subjective assessment of a product's overall quality, influenced by factors such as personal experiences, values, expectations, and needs [2]. Previous studies on perceived quality have highlighted the significant impact of price on consumers' purchase decisions. Perceived quality, serving as a mediating variable, reveals that price, among various external cues, exerts the most substantial influence, on par with perceived quality itself, on perceived value [3]. Price has a negative impact on perceived value (i.e. perceived loss or risk), and negative perceived value also has a negative impact on consumer purchase intentions [4]. The research demonstrates that price influences perceived quality, subsequently impacting perceived value and, consequently, consumer purchase intention. Moreover, perceived quality, serving as a mediating factor, reveals that external cues such as experience, price, and advertising significantly influence perceived quality, with price and advertising following closely behind [5]. Frequent price changes adversely affect the precision of perceived quality assessment, thereby heightening the risk associated with perceived quality. Subsequently, a decline in perceived

quality leads to a reduction in consumer purchase intent.

The analysis of the aforementioned studies reveals a common trend where perceived quality serves as a mediator variable in examining the correlation between independent variables and purchase intention. While numerous studies underscore perceived quality as a primary determinant of purchase intention, limited research directly addresses the impact of perceived quality as an independent variable on buyer intention. Consequently, this paper posits Hypothesis H1: Perceived quality positively influences consumer purchase intention.

2.2 Country of Origin (COO)

The term country of manufacture (COM) denotes the specific nation or region where a product undergoes its final production and packaging stages, and it is frequently used to determine a product's origin [6]. In contrast, the concept of Country of Origin (COO) has evolved to represent the geographical source of a brand or product, often invoking favorable associations tied to national image—for instance, the prestige of Swiss timepieces or the engineering excellence of German manufacturing. The COO effect reflects how consumers' preferences are shaped by these perceived national reputations [7]. The concept of COO has garnered significant attention in international marketing research in recent years. A product's COO can shape consumers' attitudes, perceptions, preferences, and purchase intentions toward foreign goods by signaling expected quality and performance standards [8]. The COO symbol, commonly referred to as the "made in" label, has been increasingly utilized in product marketing and promotion [9]. Consumers can discern favorable attributes influencing purchase intent through the COO effect, with their brand association serving as a mediating factor. Additional studies have indicated that consumers base their purchasing decisions on stereotypes linked to particular countries of origin [10]. For instance, products labeled "Made in Korea," such as cosmetics, are perceived as efficacious by the general public, leading to enhanced purchase intentions. Several studies indicate that both brand image and COO image collectively impact consumer purchase intention. Consumer self-image and company image are proposed as intermediary variables that modulate this relationship [11].

Based on the detailed analysis of the aforementioned research, it is evident that the brand functions as a mediating factor that positively influences both the COO and consumer purchase intention within the context of examining COO and consumer purchase intention. Consequently, this study posits the following hypothesis H2: Country of Origin (COO) exerts a favorable impact on consumer purchase intention.

2.3 Consumer Purchase Intention

The psychological propensity of customers to willingly and practically purchase a good or service within a given time period is known as the intention of the customer to buy [12]. Consumer purchase behavior is influenced by their attitudes towards a product or brand, as well as external environmental factors. Purchase intention, a key predictor of actual consumption behavior, reflects consumers' subjective consciousness. Previous research has demonstrated the substantial influence of consumers' quality judgments on purchase intentions. However, accurately assessing product quality in the cosmetics sector poses challenges for consumers due to their limited understanding of the production processes involved. This lack of knowledge hinders their ability to verify the authenticity of brand-promoted information. Consequently, consumers rely on alternative cues, such as the product's country of origin, to bolster their quality perceptions. Research has shown that in the case of products associated with dual national affiliations, the combined effect of COO and brand name has a stronger impact on consumers' perceptions of product quality than the brand name by itself [13]. Furthermore, studies highlight that elements such as the design country, manufacturing location, and pricing significantly influence consumers' perceptions of product quality. The COO also plays a pivotal role as a moderating factor influencing the relationship between perceived product quality and its pricing [14]. Evidence suggests that the interplay between manufacturing and assembly countries has a stronger moderating effect than brand name alone [15]. Additionally, a growing body of research confirms that COO substantially affects perceptions of product quality and reliability, often exerting a greater impact than other influencing factors [16].

Previous studies have consistently shown that countries known for producing renowned cosmetics are typically considered advanced in their respective industries. The COO serves as a key independent variable that significantly shapes consumers' perceptions of product quality. A positive COO image can strengthen purchase intentions for products of comparable quality. However, the complex interplay among COO, perceived quality, and purchase intention has received relatively limited scholarly exploration. This study proposes that COO also functions as a moderating variable, reinforcing the effect of perceived quality on consumers' willingness to buy. Accordingly, it hypothesizes that COO amplifies the positive relationship between perceived quality and purchase intention (H3).

3. Method

This study employs structured questionnaires to quantitatively assess each variable. The scales are modified from

existing literature and tailored to the research context. The specific measurement dimensions are outlined below: a). Perceived quality comprises four components assessing consumers' overall appraisal of a brand's product quality: "The brand's products are well-manufactured," "The brand's products are consistently dependable," "The brand's product attributes are efficient," and "The brand's product quality is consistent." b). Country of origin image is assessed through five items capturing consumers' perceptions and attitudes toward the overall image of the brand's home country. These items include evaluations such as "The country possesses a positive international reputation," "The country's brand demonstrates innovation and utilizes advanced technology," "The country's brand is typically associated with high-quality design," "The country's brand is known for its superior quality," and "I have a favorable view of the country's culture." c). Consumer purchase intention is assessed through four items gauging respondents' subjective willingness to purchase a brand's products in the future: "I perceive the brand's products as valuable," "I am inclined to purchase all products from the brand," "I intend to increase my future purchases of the brand's products," and "I would recommend the brand's products to friends and family."

4. Results

4.1 Descriptive Statistics

This questionnaire survey analyzed 106 valid responses from Chinese cosmetics consumers interested in products containing Chinese herbal medicines. The gender distribution was equal, with males and females each representing 50% of the sample. Regarding age demographics, individuals aged 25-30 constituted the largest group at 40.57%, followed by those aged 18-24 at 35.85%. Participants under 18 and over 45 years old accounted for 3.77% and 5.66% of the sample, respectively. In terms of educational attainment, respondents with a college degree comprised the majority at 45.28%, followed by those with a bachelor's degree at 26.42%. Participants with a master's degree or higher education level constituted a smaller percentage at 10.37%. Regarding income distribution, 48.11% of respondents fell into the 5001-10000 yuan bracket, while 28.3% belonged to the 2001-500 yuan bracket. Individuals earning below 200 yuan or above 10000 yuan were in the minority.

4.2 Reliability Test

Cronbach's alpha assesses the reliability of a questionnaire or test by measuring its internal consistency, which reflects the correlation among different items measuring the same construct. The coefficient α of Cronbach ranges

from to 1, with higher values indicating greater reliability. A Cronbach's alpha exceeding .8 signifies good questionnaire reliability, while values between .7 and .8 indicate

acceptable reliability. Questionnaires with alphas between .6 and .7 are deemed to have acceptable reliability, whereas those below .6 are considered to have poor reliability.

Table 1. Reliability test of questionnaire evaluation

Dimension	Cronbach's Alpha	Number of Items
Perceived Quality	0.741	4
Country of origin (COO)	0.817	4
Consumer purchase intention	0.818	4

Table 1 displays the results of the reliability analysis, revealing Kronbach alpha coefficients exceeding .7 for all questionnaire dimensions. This indicates strong internal consistency within the questionnaire, ensuring stable measurement of the respective characteristics.

4.3 Validity Analysis

Validity pertains to the accuracy of data in reflecting the intended construct. A higher validity coefficient indicates

better questionnaire validity. The Kaiser-Meyer-Olkin (KMO) test assesses the adequacy of simple and partial correlation coefficients between variables, with values ranging from to 1.

Table 2. Questionnaire validity test

KMO		0.847
Bartlett's sphericity test	Approx.Chi-Square	534.865
	DOF	78
	P-value	0.000

The validity analysis of Table 2 indicated that the questionnaire had a KMO value of .847, exceeding the recommended threshold of .8 for factor analysis. Additionally, Bartlett's sphericity test yielded significant chi-square

values ($p = .000$), confirming the substantial correlation between variables and thus affirming the questionnaire's strong structural validity.

4.4 Regression Analysis

Table 3 displays the detailed outcomes of the investigation. Examination of the data pertaining to perceived quality in Table 3 concerning Hypothesis 1 reveals a noteworthy positive influence of perceived quality on consumer purchase intent. The F-test outcomes yielded a significance level of $p < .01$, thus reinforcing the validity of the model. This underscores the significance of perceived quality as a pivotal determinant of consumer purchase intent, suggesting that enhancing perceived quality can substantially bolster consumers' inclination to make a purchase. Consequently, this scrutiny corroborates the constructive impact of perceived quality on consumer purchase intent.

The analysis for Hypothesis 2 reveals that the country of origin significantly influences consumer purchase intent. The F-test result of $p = .000$ confirms the model's overall significance, underscoring the substantial impact of the country of origin on consumer purchase intention. This finding highlights the importance of the country of origin as a key factor influencing consumer purchase intent. Improving consumers' perception and emotional connection with the country of origin can notably boost their purchase intention. Therefore, this analysis confirms a positive correlation between the country of origin and consumer

purchase intention.

The interaction between perceived quality and country of origin (perceived quality $\times$ country of origin) was examined in Hypothesis 3. The analysis revealed a significant and positive impact of this interaction on consumer purchase intention. The F-test results indicated incremental significance in model 2 ($p < .01$) and model 3 ($p = .001$), underscoring the substantial contribution of the country of origin and its interplay with perceived quality to consumer purchase intention. Consequently, the country of origin has the potential to amplify the favorable influence of per-

ceived quality on consumer purchase intention.

Table 3. Regression analysis of questionnaire data

	Model 1	Model 2	Model 3
Constant	3.823** (43.952)	3.823** (49.220)	3.740** (48.127)
Perceived Quality	0.398** (4.365)	0.274** (3.223)	0.305** (3.749)
Country of origin		0.424** (5.237)	0.394** (5.082)
PQ * COO			0.310** (3.434)
Sample Size	106	106	106
R ²	0.155	0.333	0.402
Adjusted R ²	0.147	0.32	0.384
F	F (1,104)=19.052, p=0.000	F (2,103)=25.659, p=0.000	F (3,102)=22.830, p=0.000
ΔR^2	0.155	0.178	0.069
ΔF	F (1,104)=19.052,p=0.000	F (1,103)=27.424,p=0.000	F (1,102)=11.794,p=0.001
Note: Dependent variable = Consumer Purchase Intent			
* p<0.05 ** p<0.01 Values in parentheses are t - values			

5. Suggestion

The data analysis reveals that the country of origin not only independently influences consumer purchase intention positively but also amplifies it by boosting perceived quality. This underscores the country of origin as a crucial moderator in the consumer purchase decision-making process, augmenting the favorable impact of perceived quality on purchase intention.

In a survey of Chinese cosmetics consumers, the alignment between historical products and national image is evident. Brands incorporating Chinese herbal medicine reflect aspects of the national image. While the brand image of Chinese cosmetics featuring Chinese herbal medicine may be less robust compared to brands from countries with well-established brand identities, Chinese products exhibit high quality. By enhancing perceptions of product quality, consumer purchase intent can be positively influenced.

This study posits that the country of origin is dynamic rather than static, and asserts that the country of origin image of brands from developing countries can be enhanced through deliberate efforts. Specifically, for Chinese cosmetics companies incorporating traditional Chinese herbal medicine ingredients, it is recommended that, alongside ensuring product quality, a greater emphasis on products imbued with authentic Chinese cultural traits be pursued by leveraging the concept of country of origin (COO). Scholars have noted that national prestige influences the manifestation of the country of origin effect (Klein, 2002), impacting aspects such as product composition and design

to bolster marketing efficacy. Moreover, fostering consumer ethos and tapping into the patriotic fervor of Chinese consumers can differentiate these brands from the “professional” image associated with French brands, thereby amplifying consumer purchase intent and augmenting the country of origin (COO) effect.

6. Conclusion

This study reveals, through empirical analysis, that the country of origin not only exerts a positive influence on consumers' purchase intentions but also strengthens these intentions by elevating perceived product quality. In the context of Chinese cosmetics consumers, local brands incorporating Chinese herbal ingredients, despite their relatively modest international brand image, exhibit notable market competitiveness due to improved product quality. The findings also emphasize that the image of a country of origin is not static but dynamic, indicating that brands from developing countries can gradually strengthen their COO image through ongoing improvements in product quality and cultural representation. For Chinese cosmetics companies utilizing Chinese herbal medicine, it is recommended to emphasize Chinese traditional cultural elements while maintaining product quality. By leveraging national cultural identity and adopting a distinctive brand positioning, these enterprises can evoke consumers' national pride and bolster the country of origin effect, thereby augmenting brand appeal and consumer purchase intentions effectively.

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