
Impact of COO Information on Consumer Buying Preferences in Textile Brands: An Evidence from Pakistan

Bilal Aziz

LGS, Faisalabad
linksourceplus@gmail.com

Abstract

Sale of a commodity is dependent on multiple factors including price, quality, features and other related factors. These entire characteristics are more or less visible at the time of purchase and a customer can make a runtime decision whether to opt for a specific product or not. Some other factors are not visible at the time of purchase; however, they do operate at the back end and can influence the purchase decision. County of Origin (COO) is a prominent factor among these underlying factors. COO can influence the customer's perception and the customer can walk away from the purchase or make purchase at a lower cost. Irrespective of the quality of the product, COO can prove to be a label, which may affect the overall competitive position of the product. The same is true in case of Pakistan. Despite of the fact that Pakistan is producing international level textile items and making supplies to international customers, however, the brand building approach is not prevailing. This research tries to understand the COO impact on purchase intentions in case of Pakistan based textile products and brands. The data was collected from customers all across the globe through an online questionnaire designed to assess the impact of COO impact on purchase intentions. It was judged that people from all geographic regions of the world do consider the country of origin, however, it was not found that they would drop their purchase plan just because the product is from a specific country (Pakistan).

Keywords:

Brand Management, Global Value Chain and Manufacturer Brands. This study examined the supplies procurement

Reference to this paper should be made as follows: Aziz, B. (2018) 'Impact of COO Information on Consumer Buying Preferences in Textile Brands: An Evidence from Pakistan', *Asia Pacific Journal of Emerging Markets*, Vol. 2, No. 2, pp.183–191.

Biographical notes: Bilal Aziz is a Teacher and a Career Counselor at LGS Faisalabad, Pakistan. His research interest includes Brand awareness, Consumer Behavior, Innovative Brand Management and Online.

1. Introduction

In current day environment the competition and efforts are fortified but the profit margins have also increased. In addition, the brand domain ship has also increased as well. As the bands originate from a specific geographical location, the profits and benefits tend to move to these areas directly or directly (Posner, 2016). Irrespective of the consideration of the fact that where actually the product is a produced, the profits are diverted towards specific organizations only known as “brands” (Krüger & Stumpf, 2013). It would not be wrong to state that brands operate as magnets, which attract the profits through the planning activities (Posner, 2016). A number of factors work behind this methodology and is not a point of discussion here. However, one important thing to mention here is that a number of factors couple together to shape up any brand. In addition, these factors mature over time and ultimately the brand grows to achieve a better position in the customer’s mind. The brands tend to gain expertise in certain areas, which makes them popular for certain characteristics (Norman, 2005). The developed brands have developed ways to use this expertise well. In the new product development methodology, products are manufactured in low cost (third world) countries and then are routed to the economically advanced countries for sale. Through this methodology, the manufacturing countries get the cost of production share whereas the brands succeed in minting high sum of money (Palepu, 2013). As the competition is fierce and the manufacturing countries are

not in a position to negotiate much, therefore, they are left with no choice other than working for these brands. These brands actually work as the front end of such manufacturers. A number of manufacturers may be covered by a single brand. However, one prime benefit that they achieve is the expertise in operations and partial understanding of the international standards and the requirements of the international buyers and agencies (Kleppe & Mossberg, 2002).

This research is significant in terms of that it will tend to provide multiple benefits. It will help to make improvements in the processes thus increasing the foreign exchange earnings of the country. This will ultimately improve the earning of the local people thus making improvement to the local businesses. The employment opportunities will enhance and will trigger the innovation and improvement. Understanding the psychology and requirements of the customer will enable marketing companies to save resources utilized in marketing research. Further, it will transform the manufacturing activities in the country.

2. Literature Review

One recent trend noticed in the purchase process is that apart from the intrinsic features, customers demand high quality products that may help save time and energy. In a study by (Aaker, 2009) on American customers, the ranks placed by the American customers for different attributes are reliability, durability, easy maintenance, and ease of use, a trusted brand name and low price. These perceptions can have a vivid impact on the buying preferences of consumer, therefore businesses are spending more and more money on their marketing, sharpening up their end user's services and doing no matter what they can do to constructively affect the target customer's perceptions (Life, 2005). A company can affect such perceptions and can also enhance the profitable behaviors of consumers along with these perceptions (Belch, 2012).

The concept of brand image is brought to make customers consider about the business perspective so as to have an evidently defined image of brand, which can ultimately benefit in the long-term life of business (Chaturvedi, Tewari, Yadav, & Rao, 1998). (Boeri, 2012) refers brand image as a perception, which is understood by the end users because of subjective rationales and their personal emotions. (Clifton, 2010) defines it as a concept of end user's perception of either because of rational basis or emotions leaded for a particular brand. A strong brand image does not only depend on the selection of name, although the selection of

name is worthy. However, a brand can make strong image for saliency, for the differentiability, for the trust and for the intensity coupled with brand (Lin, 2002).

The image of brand also reflects the brand's strongest association, which includes nonrepresentational benefits, customer attitude, and intangible attributes at every diverse categories of product above if a product of a brand is coupled with diverse categories of product (Johansson & Nebenzahl, 1986). Sheth (2013) states that brand image is the image in the customer's mind being brands' good impression. This impression would rise if it has trustworthy, distinctive advantage, popular, willingness of good service and good reputation (Pieters, 2012).

3. Methodology

It was assessed that respondents are not much familiar with the effect country of origin can have on the purchase intentions. Considering this limitation, a questionnaire was designed through which customers' response was recorded. Through questionnaire a link between independent variables "Perception", "Quality", "Competence level of Countries", "Social Culture" and "Nature of Purchase" and the Dependent variable "Purchase Intention" was established. The main purpose of this study is to establish a link between country of origin and purchase intention of the customer.

Primary data was collected from the respondents through online questionnaire. This questionnaire was designed using Google forms. In order to validate our proposed research model, primary data was collected through the questionnaire. The questionnaire was based upon the proposed research model to analyze the impact of country of origin on purchase intentions. A questionnaire was designed using the Google Forms web service. Link for the questionnaire was sent through email and social media. This helped to save time and resources. Questionnaire was designed in easy to understand format and language and the questions are clearly marked. This ultimately helps the respondents to respond with ease. More than 250 respondents are approached and questionnaire is sent to them. However, 132 respondents exactly responded back and filled the questionnaire. Remaining did not reply back or showed no interest in filling the questionnaire.

3.1. *Sample Characteristics*

The respondents belong to different countries divided into four groups of namely Asia, Europe, Americas and the blanks where people have not specified their country of residence. Out of total of 132 respondents 48.5% are from Asia, 25% from Europe, 23.5% from Americas and 3% didn't specify their area of residence. 52.3% of the respondents are Female, 46.2% are males and 1.5% have not specified their gender. 47.7% respondents fall in the age group "16-32", 46.2% respondents belong to the age group "32-50", 3.8% respondents are from the age group "above 50" and 2.3% of the respondents have not specified from which age group they belong to. 2.3% respondents have no schooling, 14.6% respondents have completed high school, 23.1% respondents have completed bachelor's degree, 49.2% master's degree, 3.1% respondents' doctorate, 3.1% respondents had done professional degree, whereas 5.3% respondents have not specified their qualification. 17.7% percent of the of the respondents are homemakers, 5.4% are out of work, 43.1% are employed for wages, 0.8% are retired, 10.8% are self-employed, 18.5% are students whereas 3.8% of the respondents have not specified their employment.

4. **Empirical Results**

Table 1 shows the frequency of consumers buying preferences based on COO Information. Buying Preferences Country of origin is often ignored while making purchases for the textile products. 13.6% of the respondents strongly disagreed, 25.8% disagreed, 15.2% remained neutral, 23.5% agreed to this and 17.4% strongly agreed. In case of availability of multiple textile products, a criterion for selection is dependent on country of origin. 24.2% strongly disagree, 16.7% disagree, 16.7% remain neutral, 27.3% agree and 10.6% disagree. Often preference is given to certain textile products depending on the country of origin on the belief that certain countries possess competency in technologies and quality for raw material. 13.6% strongly disagreed, 18.2% disagreed, and 18.9% remained neutral, 29.5% agreed whereas 15.2% strongly agreed. It is checked if a textile product or a brand from Pakistan was a source of self-esteem. 14.4% strongly disagreed, 6.8% Disagreed, 15.2% remained neutral, 18.2% agreed and 40.2% strongly agreed. It is checked if people would recommend other people to make purchases for textile products or brands from Pakistan. 9.1% strongly

Disagreed, 8.3% Disagreed, 14.4% remained Neutral, 25.0 % Agreed and 37.1% strongly Agreed. It is checked if someone has ever made recommendation for making purchase for the Pakistani textile products or brands. 22.7% strongly Disagreed, 14.4% Disagreed, 15.9% remained Neutral, 18.9% Agreed and 21.2% strongly Agreed. It is checked if it was really important to look for country of origin when any purchase intention is made. 15.9% strongly Disagreed, 16.7% Disagreed, 23.5% remained Neutral, 24.2 % Agreed and 14.4% strongly Agreed. It is checked if looking for country of origin at the time of purchase really made the purchase decision easy. 19.7% strongly Disagreed, 16.7% Disagreed, 17.4% remained Neutral, 26.5 % Agreed and 12.9% strongly Agreed. It is checked if the Preference on the basis of COO is made in case enough information is not available. 18.2% strongly Disagreed, 17.4% Disagreed, 23.5% remained Neutral, 25.0% Agreed and 10.6% strongly Agreed. It is checked if people refused to purchase any certain textile product considering the country of origin factor. 26.5% strongly Disagreed, 23.5% Disagreed, 22.0 % remained Neutral, 15.9 % Agreed and 6.8% strongly Agreed. It is checked if checking the COO determined the quality of the product. 18.2% strongly Disagreed, 15.9% Disagreed, 21.2% remained Neutral, 21.2% Agreed and 15.9% strongly Agreed. People are checked if they dropped the purchase plan in case they see “Made of Pakistan” mentioned on any product irrespective of the brand that is offering it. 53.8% strongly Disagreed, 12.1% Disagreed, 12.1% remained Neutral, 8.3% Agreed and 7.6% strongly Agreed. It is checked if “Made in Pakistan” affected the purchase decision or not. 11.4% strongly Disagreed, 12.1 % Disagreed, 20.5% remained Neutral, 18.9 % Agreed and 31.8% strongly Agreed to this. 26.9% of the respondents are single, 66.2% in a committed relationship, 2.3% widowed whereas 4.6% have not specified their marital status. It is also clear from the table that if the focus on country of origin varied while making purchases depending on the type of product that one is purchasing. 12.11% respondents strongly disagreed to this, 10.61% disagreed, 25.76% remained neutral, 26.52% agreed, 20.45% strongly agreed.

Table 1: COO Information on Consumer Buying Preferences. “SD” represents Strongly Agree, “D” Disagree, “N” Neutral, “A” Agree, “SA” Strongly Agree and “NS” represents Not Specified.

Items	SD	D	N	A	SA	NS
COO ignored while making purchases for the textile products	13.6	25.8	15.2	23.5	17.4	4.5
COO, criteria for selection in case of availability of multiple textile products	24.2	16.7	16.7	27.3	10.6	4.5
Preference given to certain textile products depending on COO	13.6	18.2	18.9	29.5	15.2	4.5
Pakistan based textile product or brand, a source of self-esteem.	14.4	6.8	15.2	18.2	40.2	5.3
Personal recommendation to purchase products or brands originating from Pakistan	9.1	8.3	14.4	25	37.1	6.1
Other people's recommendation to purchase products or brands from Pakistan.	22.7	14.4	15.9	18.9	21.2	6.8
Importance of looking for Country of Origin at the time of purchase	15.9	16.7	23.5	24.2	14.4	5.3
Country of Origin helps to make purchase decision easy.	19.7	16.7	17.4	26.5	12.9	6.8
Preference on the basis of COO in case enough information is not available	18.2	17.4	23.5	25	10.6	5.3
Refusal to purchase any certain textile product considering the country of origin factor	26.5	23.5	22	15.9	6.8	5.3
COO determining the quality of textile products	18.2	15.9	21.2	21.2	15.9	7.6
Dropping the purchase plan in case “Made of Pakistan” is mentioned on a product irrespective of the brand which is offering it.	53.8	12.1	12.1	8.3	7.6	6.1
“Made in Pakistan” affecting the purchase decision	11.4	12.1	20.5	18.9	31.8	5.3
Focus on the COO while making purchases for different type of products	12.11	10.61	25.76	26.52	20.45	4.55

References:

- Aaker, D. A. (2009). *Managing Brand Equity*. Simon and Schuster.
- Belch, G. E. (2012). *Advertising and Promotion: An Integrated Marketing Communications Perspective*. McGraw-Hill/Irwin.
- Boeri, T. (2012). *Brain Drain and Brain Gain: The Global Competition to Attract High-Skilled Migrants*. OUP Oxford.
- Chaturvedi, P., Tewari, N., Yadav, G., & Rao, P. (1998). *Modern Trends In Manufacturing Technology*. Concept Publishing Company.
- Clifton, R. (2010). *The Economist: Brands and Branding*. Profile Books.
- Johansson, J. K., & Nebenzahl, I. D. (1986, September). Multinational Production: Effect on Brand Value. *Journal of International Business Studies*, 17(6), 101–126.
- Kleppe, I. A., & Mossberg, L. L. (2002, October). Company versus Country Branding: "Same, Same but Different". *Institute for Research in Economics and Business Administration (snf) Bergen*.
- Krüger, R., & Stumpf, A. (2013). *Brand Growth Barriers: Identify, Understand, and Overcome Them Management for Professionals*. Springer Science & Business Media.
- Lin, C.-F. (2002). Segmenting customer brand preference: demographic or psychographic. *Journal of Product & Brand Management*, 11(4), 249-268.
- McEwen, William J. (2005). *Married to the Brand: Why Consumers Bond with Some Brands for Life*. Simon and Schuster.
- Sheth, J. N. (1992). Acrimony in the ivory tower: a retrospective on consumer research. *Journal of the Academy of Marketing Science*, 20(4), 345-353.
- Norman, D. A. (2005). *Emotional Design: Why We Love (or Hate) Everyday Things*. Basic Books.
- Palepu, T. K. (2013). *Winning in Emerging Markets: A Road Map for Strategy and Execution*. Harvard Business Press.

Pieters, W. D. (2012). *Consumer Behavior*. Cengage Learning.

Posner, J. M. (2016). *The Leadership Challenge: How to Make Extraordinary Things Happen in Organizations*. John Wiley & Sons.