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Product Knowledge, Product Quality and Country-of-Origin effects on Purchase Intention of Personal Computers: A survey of Aalesund University College Students

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ABSTRACT

Purpose: Today's turbulent and very competitive international marketing environment which is further characterized by changing customer needs especially for quality products; competitive pricing; good product attributes and features has intensified the need for international and global companies to create their own unique and strong brands coupled with increased brand awareness, increased product knowledge and high quality products in order to attract potential customers and to increase consumer purchase intention. Secondly, the increasing use of social networking sites to keep in touch with customers and potential customers is worth mention. Hence this study's main objective is to find out which factors influences consumer purchase intention of technological products such as the personal computer.

Design/methodology/approach: This study used an online survey as it is research design. 122 responses were collected from students of Aalesund University College through online survey.

Findings: The empirical finding shows that Product Quality, Product Knowledge and Country of Origin have a significant positive influence on Consumer Purchase Intention and Price, used as a control variable, has a significant negative influence in Consumer Purchase Intention.

Research limitation: The main limitation of this master thesis is that the results are based on only 122 respondents from one research setting (Aalesund University College) and hence the findings can therefore not be generalized.

Practical implication: The implications of this study for global and international technological companies is that they should put more emphasis in producing very quality products; develop strategies for increasing product knowledge of their brands and sometimes emphasize the country of origin of their products. It is only by so doing that they can quicken the decision making process of potential customers to make purchases and to stay competitive.

Keywords: Country-of-origin, Brand Awareness, Brand visibility on social networking, Product knowledge, Product Quality and Price

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CHAPTER 1: INTRODUCTION

1.1 Background of the study

Spears & Singh (2004) define consumer purchase intention as consumer's conscious plan or intention when they are making an effort regarding product purchase. In this way, consumer purchase intention is a subjective concept to the consumer instead of an objective intention. Papanagiotou (2012) proposed that consumers purchase intention is closely influenced by country of origin regarding food industry. However, the effect of country of origin on consumer purchase intention seems not clear regarding different products or industries. What is more, country of origin is not the only factor which influences consumer purchase intention.

The relative importance of manufacturing origin and brand started to be a research issue in the late 1980s. Since then, the world has changed and country-of-origin (COO) as image of actual manufacturing origin based on "made-in" labels no longer holds. However, consumers still perceive product cues as important cues which are related to origin, and those brands which have progressively taken the lead are also suggesting the importance of product cues related to origin. Brand names may work better than manufacturing origins under some conditions. Because the brand is clearly displayed, it is a visually salient cue which does not require much effort of consumers, much less than trying to find a "made-in" label (Bilkey & Nes, 1982),

The rapid influence of CoO in buying behavior is underlined also by two meta-analytical studies by Peterson and Jolibert (1995) and Verlegh & Steenkamp (1999). Country-of-origin is defined as "the overall consumers perception of a product from a particular country, based on their prior perceptions of the country's perceptions and marketing strengths and weaknesses" (Roth and Romeo, 1992, p480). Effects of CoO vary across product categories\product-specific variation and are difficult to make a generalized theory while, for example some products categories such as cars, software, food and perfume are strongly relate with their CoO (Kotler and Gertner, 2002), and other product categories such as detergents for example are not strongly linked with CoO.

Research such as Nebenzahl et al (1997), Jaffe and Nebenzahl (2001), Balabanis and Diamantopoulos (2004) suggest that research on product-specific approach to CoO effects is needed. Sujan (1985) and Pavelchak (1989) suggest that stimulus features, such

as CoO and brand names activates people's decision based on a stored schema-triggered effect.

Though the topic about whether country of origin really influences consumer purchase intention is still under debate, there is evidence suggesting that country of origin have either direct influence or indirect influence on consumer's purchase intention (Wang and Yang, 2008; Kenny Lim, Aron O'Cass, 2001; Usunier, 2011; Roth and Romeo, 1992; Agrawal and Kamakura, 1999; Erickson et al., 1984; Thakor and Katsanis, 1997; Chattalas, Kramer & Takada, 2008; Schlegelmilch, and Palihawadana, 2011; Maher and Carter, 2011).

However, COO and brand awareness are not the only two antecedents of consumer purchase intention. Product quality and product knowledge are two classic antecedents for consumers purchase intention. The influence of product quality and knowledge vary from industry to industry, as well as product to product (Papanagiotou, 2012). Generally speaking, product quality positively influences consumer purchase intention (Gopal, 2013; Kuo et al., 2009). It indicates that higher product quality leads to higher consumer purchase intention. Though Kuo et al. (2009) stated that customer satisfaction is playing the mediating role between product quality and consumers purchase intention, product quality in some studies suggest directly or indirectly influence consumers purchase intention. Product knowledge suggest to be another important antecedent of consumers purchase intention. Consumers cannot evaluate all characteristics of a product before they purchase and they have to judge sometimes in their pre-purchase evaluation (Rezvani et al., 2012). According with Rezvani et al. (2012) product knowledge may play an important role in consumer decision making process.

In this study, we examine how country of origin and others factors, for instance brand awareness; brand visibility on social networks; product knowledge; product quality; and price influence consumers purchase intention. Hence, the purpose of this study is to investigate the influence of these factors on consumer purchase intention.

1.2 Research problem

Essoussi, Merunka, Bartikowski (2010) analyze country-of-origin (at macro and micro level) influence on brand equity. In their research they suggest that country image transfer positive/negative image in brand equity. In their research they underline the importance of brand origin and country of manufacturing in people's expectations. Also Amonil et.al. (1998) and Ileslap & Papadopoulus (1993) consider that Country-of-origin

images contain country micro and macro images, where country macro images are beliefs that consumers hold about a country (ex: level of economic development), and country micro images are belief about a specific product manufactured by a country (ex: French perfumes' are sensual). From Pappu et al. (2007) research we observed that micro and macro country images influence brand equity. Maher and Carter (2011) examined the effects of the affective and cognitive components of country image. In their research, the authors introduced two concepts, country image (CoI) and product country image. In recent research, CoI consists of two distinct yet interrelated components- affect and cognition. The cognitive component captures the beliefs held of another country while the affective component captures consumers' emotional reactions to another country.

Country of origin is not the only variable that influences consumer purchase intention. Product knowledge may have some influences regarding different products. Consumers cannot evaluate all characteristics of a product before they purchase and they have to judge sometimes in their pre-purchase evaluation. What is more, Aaker, Fournier and Brasel (2004) agreed that product quality is the heart of a great brand. Product quality is very important either for tangible goods or services. Thus, product quality may also influence consumers purchase intention. Chatterjee (2001) reports that social network have dual role: providing product information and product recommendation. The visibility of products on social network may also have some influences. Keller (1993) proposed that "brand awareness is a component of brand knowledge". If customers have passive or active knowledge about a product, it shows the customers' brand awareness of that product or service is high. Brand is not only providing some information, for instance quality etc, to consumers, but also creating customer loyalty and reputation. Brand may be one of the factors influencing consumers purchase intention.

Maher and Larry L. Carter (2011) recommend that the future research to examine the relationship between brand and CoO. The main objective of this research is to find answers about customers' behavior, regarding their willingness to buy a product taking into consideration which key factors determine their purchase intention. In view of the issues discussed above the present study is to find answers to the question:

- Which key factors influence consumer purchase intention?

To find answers to the research problem we seek to investigate if brand visibility on social networking sites, brand awareness, country-of-origin and product knowledge influence purchase intention. To study the customer purchase intention we chose as respondents college students from Aalesund University Collage Norway because it

presents an international environment with students from different countries. For product category we chose personal computers and for product country-of-origin we chose China, US, Japan, South Korea. All countries have similar products with some differentiation but the difference come from production method, the level of skilled workforce, quality of product produced, knowledge, products attributes, different culture, technology involved in production process, work environment, etc.. Because of the variety of personal computers, college students are faced with so many brands. The aim of this study is to find out if in the choice of computers brands, country-of-origin of the brand, their visibility on social networking sites and other factors influence their intention to purchase a potential brand of a personal computer.

1.3 Justification of the study

In order to understand and influence consumers' behavior, there is the need for marketer's to understand how consumers make decision; their needs, their expectations (quality, price, product attributes, design, taste, product performance, etc.), and other factors that they take into consideration when they want to make a purchase. This research has a practical implication for the factors that business, firms/companies should take into consideration when they want to influence purchase intention of their customers or potential customers. It thereby has implication for international marketing strategy formulation.

1.4 Scope of the study

This thesis scope is to analyze the perception of college students regarding the purchase intention of a personal computer. The thesis scope is limited to a specific sample: students at Aalesund University College, Norway. In this research we use a survey to collect data in order to find out if Country-of-origin, Brand Awareness, Brand visibility on social networking sites, Product knowledge and Product Quality, influence the intention to purchase a personal computer brand by college students.

1.5 Organization of the study

This study is structured as follows:

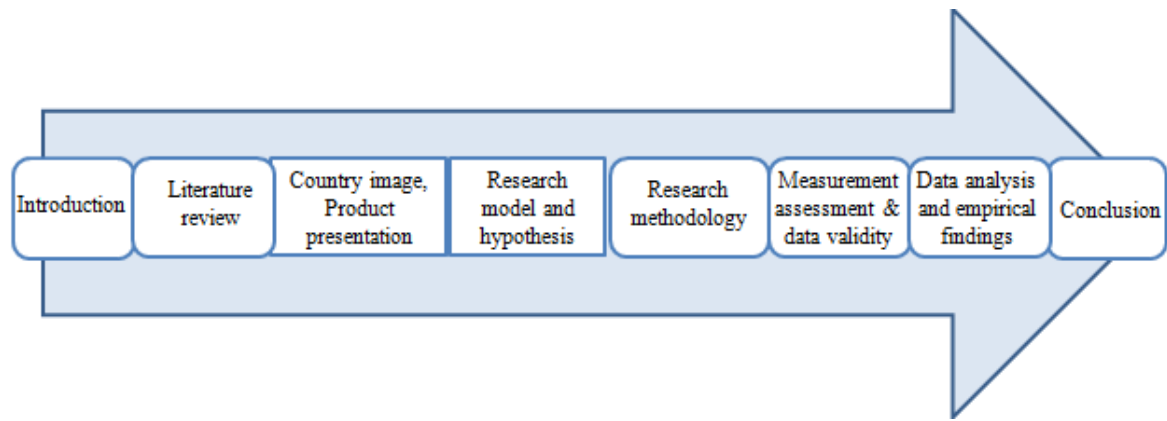


Figure 1.1: The study structure

The first chapter contains the introduction, the study background, the justification of the study, the study scope and the way in which we organize the study. The second chapter presents the literature review. The third chapter presents a discussion of the various brands and their countries of origin. The fourth chapter presents the research model and hypotheses we seek to test. In this chapter we will also define the constructs and discuss their reliability and validity. The fifth chapter presents the research methodology. The sixth chapter presents measurements assessments and validation while the seventh chapter is on data analysis and empirical findings. The last chapter is a summary of the main findings, discussions, implications and limitations of the study.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

In this chapter we will review the literature about Consumer purchase intention based on Country-of-origin, Brand Awareness, Brand visibility on social networking sites, Product knowledge, Product Quality, and Price.

There are a lot of factors influencing consumer's purchase intention. Based on previous literature, brand is an important antecedent for consumer's purchase intention (Godey et al., 2011; Lee et. al. 2011; Yasin et al., 2007; Wang and Yang, 2008). Also, Yasin et al. (2007), in their research, suggests close relationship between product brand and country of origin. The close relationship between brand and country of origin is also being suggested by Ozretic-Dosen, Skare and Krupka, (2006).

Country of origin has been a hot topic for researchers in recent years. However, the concept of country of origin still remains a fuzzy, contingent and evasive international marketing concept (Usunier, 2011). Hence a review of the literature presents an overview of the theoretical perspective of this study.

2.2 Consumer decision making

Schiffman et. al. (2012) argue about consumer decision making process as a everyday “aspect of our lives” without think at “how we make it” or “what is involved in it”. The authors present the consumer decision making as a process of selection from two or more alternative options to choose when they are making a purchase. The consumer can chose if he is making a purchase or not, when consumer chose a brand or other, or a certain product with certain attributes.

Kotler (2005) present five important steps in purchasing-decision making process which include: identification of need (need of recognizing) occurs when customers try to fulfill the gap between desired product and actual one; information search is after the customer identified the need and search for various alternatives available; evaluation of alternatives and comparing them; selection of one alternative; negotiation (if is possible); purchase, payment and delivery and also consider the purchase warranties; service and evaluations after purchase (postpurchase evaluation).

2.2.1 A model of consumer decision making

Schiffman et al. (2012) presented an overview model of consumer decision-making in which there are three main components: inputs, process and output (Figure 2.1). The input component of consumer decision-making model refers to the external influences that provide information about a particular product to consumers, and influence a consumer's product-related values, attitudes and behavior (Schiffman et al., 2012). Among the external influences, there are two main factors: firm's marketing efforts and socio-cultural environment. The firm's marketing efforts are aimed to reach, inform and persuade consumers to buy and use its products through marketing mix strategies including the product itself; mass-media advertising, direct marketing, personal selling and other promotional efforts; pricing policy; and the selection of distribution channels. The socio-cultural environment consists of a wide range of non-commercial factors including friends, family, informal sources, other non-commercial sources, social class, subculture and culture.

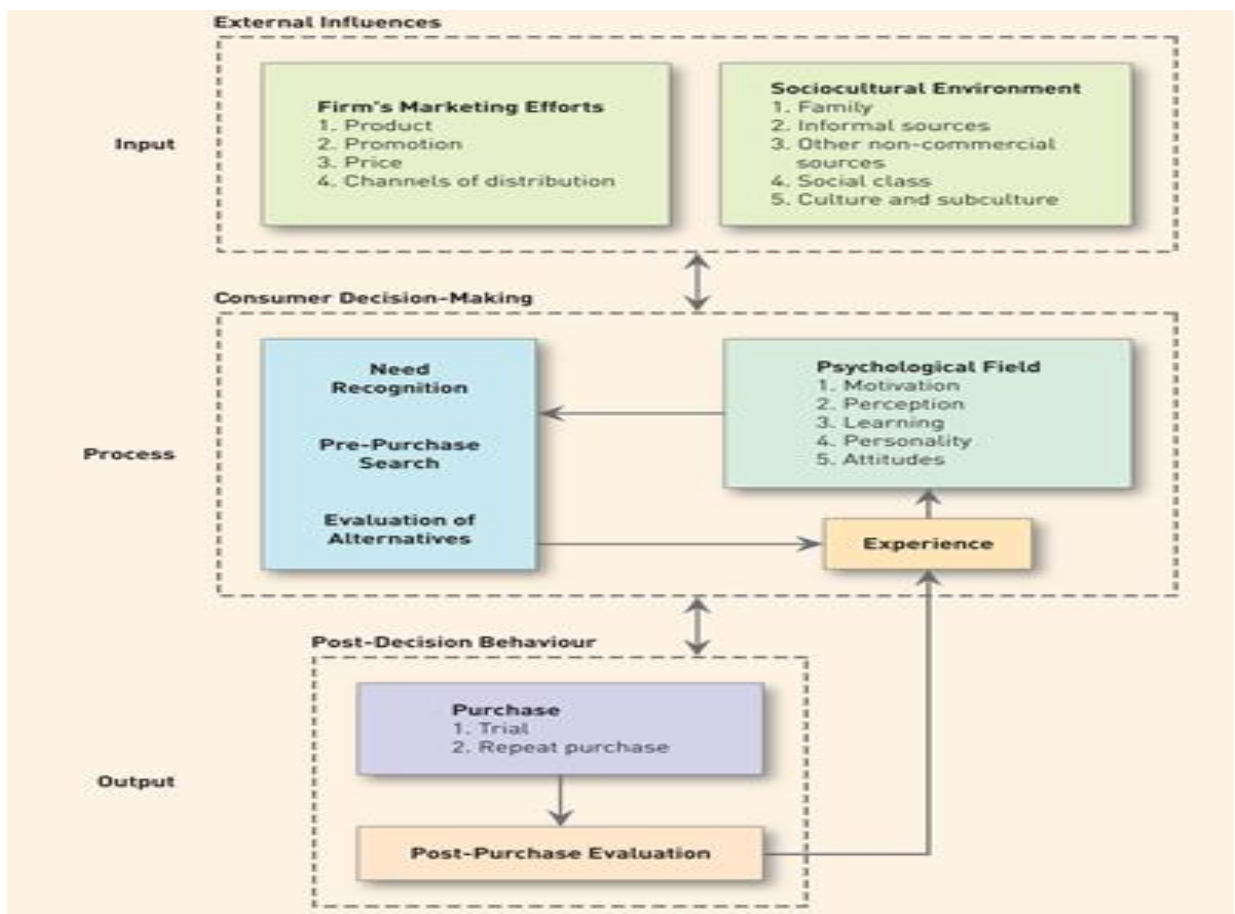


Figure 2.1: A simple model of consumer decision-making, source: Schiffman et al. (2012, pp 68)

The process component of the consumer decision-making model is about how consumers make decisions. The psychological field is concerned with the internal

influences (motivation, perception, learning, personality and attitudes) that influence consumer's decision-making processes. The consumer decision making process consists of three steps: need recognition, pre-purchase search and evaluation of alternatives (Schiffman et al., 2012). The need recognition occurs when a consumer is faced with a "problem". Problem recognition occurs when consumers experience a significant difference between their current state of affairs and some state they desire (Solomon, 2013).

Peter and Olson (2010) consider that Internet gives consumers more information to take into consideration in decision-making process. To sustain that he gave some everyday examples such as for example if you want to buy a book in a certain topic, topic which is not interesting for your friends, you can find information about this book on www.amazon.com and also you can find information/opinion/feedback about sellers of product, author and similar topics. A similar example is the website www.edmunds.com where you can chose a car by selecting the brand, model, year - new/used and reading all the information presented, the description of the car, and feedback opinion of previous consumers. In their book Peter and Olson (2010) present two methods which make online shopping website unique in decision-making process: *recommendation agent* consisting of a list of expressed individual preferences attribute information (efficient alternative research) and *comparison matrix* which help consumers to select an alternative by comparing all the selected alternative he/she made in previous step.

According to Schiffman et al., (2012) there are two different need or problem recognition styles. These are actual state type and desired stat type. Actual state type; consumers perceive that they have a problem when a product fails to perform satisfactorily. Desired state type; consumers desire for something new. Pre-purchase search begins when a customer realize that a need can be met by the consumption of a product. The consumer normally searches his or her memory or past experiences for adequate information to make the present choice. On the other hand, if the consumer does not have prior experience, the consumer has to look for the help of an extensive search of the external environment for useful information to determine a choice. These extensive searches include going shopping, surfing the internet, newspaper and magazine articles, asking friends and colleagues etc.

To evaluate the potential alternatives, consumers usually use two types of information: a list of brands from which they plan to make their selection, and the criteria they will use to evaluate each brand (Schiffman et al., 2012). Schiffman et al. (2012)

proposed several attributes used as purchase criteria for personal computers: processing speed, price, types of display, hard-disc size, amounts of memory, laptop or desktop.

Peter and Olsen (2010, pp 166) referred to choice alternative as “the alternative behavior that consumers have in problem-solving process”, where only the “consideration set” is taking into consideration. In their opinion for purchase decision these alternative can be: different product attributes, design, brands, models, that consumer can consider to buy, but also other factors such as different stores to visit (online or offline), method of payment, times of day or week spent on shopping as other type of decision.

The output component of the consumer decision-making model consists of two closely associated kinds of post-decision activity: purchase behavior and post-purchase evaluation. Consumers have three types of purchase: trial purchases, repeat purchases and long-term commitment purchases (Schiffman et al., 2012). For post-purchase evaluation, there are three outcomes: actual performance matches expectations which leads to a neutral feeling, performance exceeds expectations which causes what is known as positive disconfirmation of expectations, and performance is below expectations which causes negative disconfirmation of expectations. Figure 2.2 shows the evoked set as a subset of all brands in a product class.

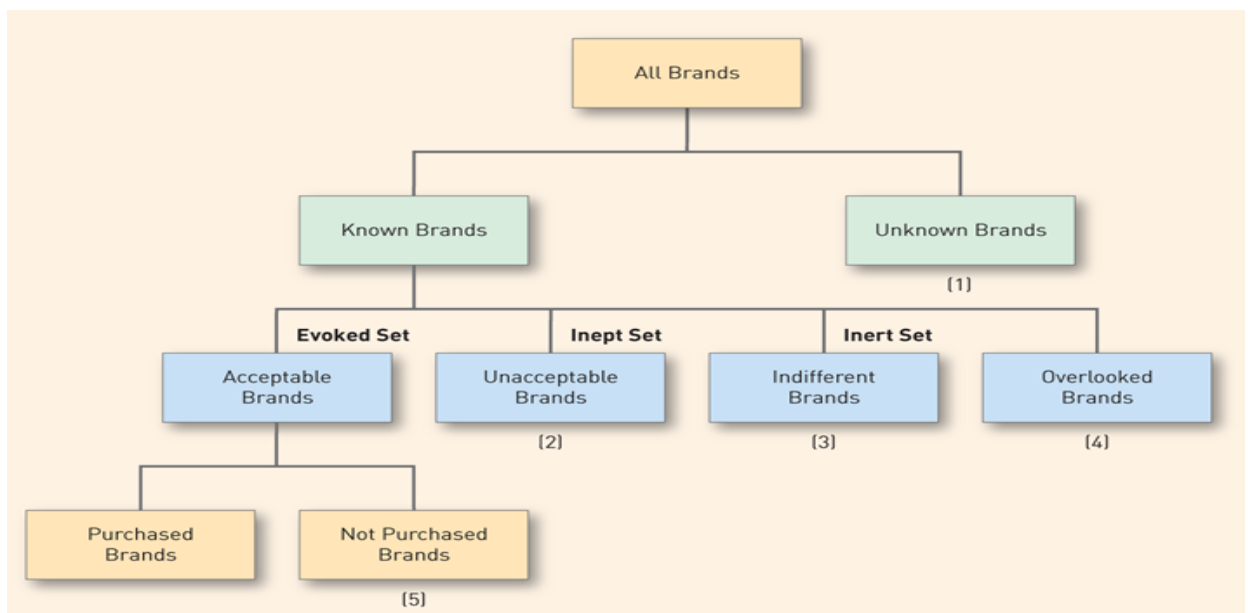


Figure 2.2: The evoked set as a subset of all brands in a product class, source: Schiffman et al., 2012, pp

To make more insights for evaluating alternatives, the consumer mind set about the potential brands is interesting to discuss. Schiffman et al. (2012) proposed that the evoked set influences the consumer when they are listing the brands. The evoked set refers to the

specific brands a customer considers when he/she is making the purchase decision within a particular product category (Schiffman et al., 2012). The evoked set consists of a small amount of brands which are familiar, and acceptable to the consumer. The evoked set is different from inept set which consist of the unacceptable brands that the consumer excludes from purchase consideration. The evoked set is also different from inert set which includes the brands that the consumers perceive them to be indifferent, because these brands are perceived to be of no particular advantages.

Turban et. al. (2008, pp 158), argues that clue to increased competition, retaining and finding customers online and offline is a major success factor. They proposed some key factors required for successful e-commerce. The Figure 2.3 present their consumers behavior basic model which have in the top part of the model, the factors which they are suggesting that are influencing electronic commerce consumer’s behavior. He considers these factors as the most important factor used to build an effective customer relationship and to understand their online/offline behavior.

Consumer characteristics		Product characteristics	Environmental Characteristics
Age	Flow	Product knowledge	Culture Normative social influence Legal, institutional, governmental, regulations, political
Gender	Satisfaction	Product type	
Ethnicity	Experience	Product availability	
Education	Preference	Product customization	
Lifestyle	Habit	Product quality	
Attitude	Knowledge	Product variety	
Innovativeness	Values	Differentiation	
Personality	Trust	Frequency of purchase	
Psychological makeup		Tangibility	
		Price	
		Brand	

Figure 2.3: Adapted from: Electronic Commerce Consumers Behaviour Model by Turban et. al. (2008, pp 158),

From Figure 2.3, environmental characteristics are important because customers behave differently as determined by their culture. This is because there are customers that buy only if the product is from a specific region, or customers from the same place are buying differentially by their region provenience – rural or urban (Witkowski, 2005). Social influences such as influence by family members, friends, colleagues, or the new trends and also other characteristics such as availability of information, government regulations, legal and institutional governance among other factors influence consumer decision making.

Solomon (2013) proposed that the consumer decision making is not always rational. Principles of mental accounting demonstrate that the way a problem is posed and whether it is put in terms of gains or losses influences what the consumer decide (Solomon, 2013). Consumers also rely on different decision rules when making purchasing choice among competing options, including non-compensatory decision rules, the lexicographic rule, the elimination-by-aspects rule, and the conjunctive rule (Solomon, 2013). The non-compensatory decision rules are used when consumer feel that a product with a low standing on one attribute cannot compensate for this flaw even if it performs better on another attribute. The lexicographic rule is used by those consumers who select the brand that is the best on the most important attribute. The elimination-by-aspects rule is used by consumers when the buyer is also evaluating brands on the most important attribute with specific cutoffs. The conjunctive rule is concerned when the existing product is not satisfying the buyers' requirement (Peter and Olson, 2010; Schiffman et al. 2012; Solomon, 2013).

Peter and Olsen (2010, pp.172) suggest by using Figure 2.5 that almost all “integration process are constructed at the time they are needed to fit in current situation”, being easier to follow for customer instead of fixed strategies, which is relatively simple and flexible. They define these integrations rules as *heuristics* “if”...”then”. Evaluation heuristics being the procedure to evaluate these believes in term of current goal. Choice heuristics being the procedure of comparing these alternatives to choose one of them.

Search heuristics	Examples
<ul style="list-style-type: none"> • Store selection • Sources of information • Source credibility 	<p>If you are buying stereo equipment, always go to Sam's Hi-Fi.</p> <p>If you want to know which alternatives are worth searching for, read the test reports in <i>Epinions.com</i>.</p> <p>If a magazine accepts advertisements from the tested products, don't believe its product tests.</p>
Evaluation heuristics	Examples
<ul style="list-style-type: none"> • Key criteria • Negative criteria • Significant differences 	<p>If comparing processed foods, examine sodium content.</p> <p>If a salient consequence is negative (high sodium content), give this choice criterion extra weight in the integration process.</p> <p>If alternatives are similar on a salient consequence (all low sodium), ignore that choice criterion.</p>
Choice heuristics	Examples
For familiar, frequently purchased products:	If choosing among familiar products . . .
<ul style="list-style-type: none"> • Works best 	<p>Choose the product that you think works best—that provides the best level of performance on the most relevant functional consequences.</p>
<ul style="list-style-type: none"> • Affect referral 	<p>Choose the alternative you like the best (select the alternative with most favorable attitude).</p>
<ul style="list-style-type: none"> • Bought last 	<p>Select the alternative you used last, if it was satisfactory.</p>
<ul style="list-style-type: none"> • Important person 	<p>Choose the alternative that some "important" person (spouse, child, friend) likes.</p>
<ul style="list-style-type: none"> • Price-based rule 	<p>Buy the least expensive alternative (or buy the most expensive, depending on your beliefs about the relationship of price to product quality).</p>
<ul style="list-style-type: none"> • Promotion rule 	<p>Choose an alternative for which you have a coupon or that you can get at a price reduction (seasonal sale, promotional rebate, special price reduction).</p>
For new, unfamiliar products:	If choosing among unfamiliar products . . .
<ul style="list-style-type: none"> • Wait and see 	<p>Don't buy any software until someone you know has used it for at least a month and recommends it. Don't buy a new car (computer, etc.) until the second model year.</p>
<ul style="list-style-type: none"> • Expert consultant 	<p>Find an expert or more knowledgeable person, have him or her evaluate the alternatives in terms of your goals, then buy the alternative the expert selects.</p>

Figure 2.5: Example of Consumers Heuristics, source: Peter and Olsen (2010, pp.173)

2.2.2 Consumer purchase process and consumer classification

Consumer behavior is a complex phenomenon, "It is the study of the process involved when individuals or groups select, purchase, use, or dispose of a product, services, ideas, or experiences to satisfy needs and desire" Solomon (2011 pp.33). In today's competitive markets producers succeed in their business only if they satisfy the consumer's necessities and wishes, and in that way they purchase/repurchase more.

Consumers' standards and expectations evolve and influence the producers to find more attractive and reliable solution for customers' needs.

Solomon (2011) present consumer behavior as a process, an exchange between two or more parts (people and/or organizations) gives and receives something (product/services/information/money) with value, desired by both of them. Peter and Olson, (2010) present some models of purchase process (Figure2.4)

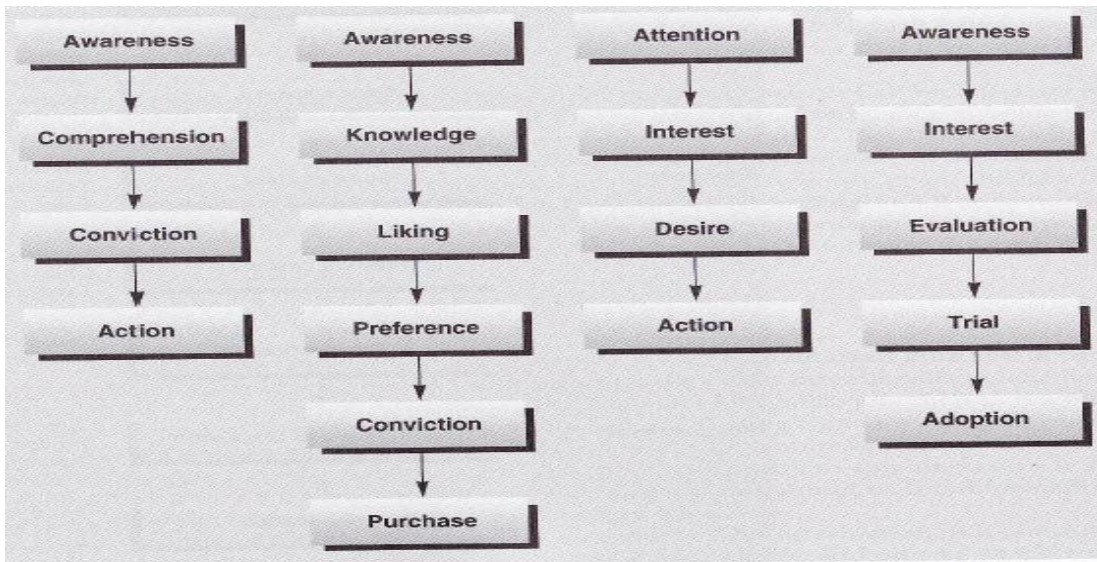


Figure 2.4 Traditional models of the Adoption/ Purchase Process, source: Peter and Olson, 2010, pp.193

Keynes (1970) presents the psychological behavior of consumers as determined by three lows: *the consumers' inclinations to buy* (consumers consider that it is important to not spend everything and they save money and prioritize their needs in such a way to satisfy more primary necessities); *the consumers inclination to invest* (some people buy only with the objective to gain more, to obtain a profitable product in time); *the consumers inclination to liquidity* (consumers that prefer not to spend and have liquidity).

Consumers are influenced by marketing and environmental stimuli such as price, promotion, cultural and political situations. Consumers act to show their affection for a product or brand or how to express their knowledge or show how egoistic they are. Consumers make choice based on product attributes, brands, price etc as shown in Figure 2.5.

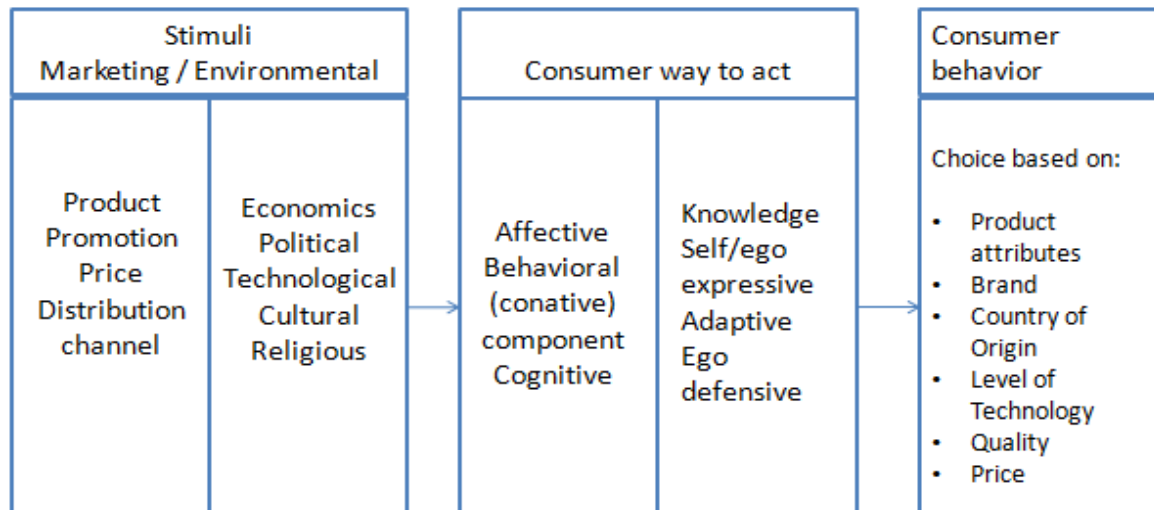


Figure 2.5 A behavior model: adapted from several sources: PESTLE Analysis (article written by Dcosta A, and ed. By Edwards G., 2011); Hollensen (2011, pp.172 and 453); Schiffman (2012, pp.140 and 235).

Because consumers are different, the most important thing is to know how to segment the market. Perlmutter (1969) present a classification of different type of consumer's behaviors, based on the next appurtenance: *Ethnocentric* is the group that consider home country superior; *Polycentric* is the opposite group of ethnocentrism, they consider each country unique; *Regiocentric* is the group which consider regions product as unique; *Geocentric* is the group which consider entire world as a potential market.

Ethnocentrism is an important factor influencing the consumer's purchase intention considered also by Balabanis and Diamantopoulos (2004), Chrysochoidis et.al. (2007) and Shimp & Sharma (1987). The first study of consumer ethnocentrism (hereafter CE) construct can be traced back to Sumner's work (1906). Sumner introduced ethnocentrism as a general construct reflecting the view of things in which one's own group is the centre of everything, and all others are scaled and rated with reference to it. Sumner's conception of ethnocentrism is based on the formation of "we-group" feelings, whereby the in-group is the focal point and all out-groups are judged in relation to it. Sumner emphasized a dichotomous structure of ethnocentrism: an unfavorable attitude toward out-groups; and a favorable attitude toward the in-groups. The in-groups determine the standard of judging other groups and the willingness to associate with them.

CE is defined as a "trait-like property of an individual's personality" and encompasses "the beliefs held by the consumers about appropriateness, indeed morality, of purchasing foreign-made products" Shimp and Sharma (1987).

Chrysochoidis, et.al. (2007) present two categories of consumers, ethnocentric consumer and non-ethnocentric consumer, in evaluation of a products. The non-

ethnocentric consumers, generally evaluated more favorably the domestic products however, unlike the ethnocentric, foreign products were not overall rejected. However, the result of this research shows that it appears that ethnocentrism does not apparently affect the final purchasing behavior, as this is reflected through the number of purchases of foreign products.

Solomon (2011) suggests some important demographic variables which make consumer behavior to appurtenance to the same group or to a different group. He summarize through important demographic dimensions *age*, as a differentiation between consumers needs with different age and different cultural experience (Abadi and Muhamad, 2010; Arts and Frambach, 2011; Jung and Ejermo, 2013; Neff, 2002; Perkins, 1993); *gender*, which is a distinction made from the very earlier age, distinction studied in the last years as a fundamental way to act in consumer behavior (Abadi and Muhamad, 2010; Arts and Frambach, 2011; Jung and Ejermo, 2013; Neff, 2002); *family structure; social class and income*, as approximately groups that have similar tastes (Coleman, 1983); *race and ethnicity; geography; lifestyle*, as our opinion about ourselves, and the way we want to spend time and the image we want to create about us.

In the last years the studies present also same negative customers behavior such as *additive consumption* “physiological and psychological dependency on product or service” (Solomon, 2011 pp.60) which include alcohol, nicotine, drugs but also Internet, chat, gambling which are a big problem for teenagers (Fackler, 2007); *compulsive consumption*, as a repetitive shopping which is not taking into consideration a behavior base on a logical choice (Hasay and Smith, 1996; O’Guinn and Ranold, 1989).

Consumer behavior is not only a complex process through which people purchase or use a product/service, but also is a way through which people use products to help them to define themselves as individuals. Needs of different consumers segments, Internet and Website, or different issues in people lifestyles are influencing the consumer purchase intention (Solomon, 2011).

2.2.3 Consumer purchase intention

Fishbein & Ajzen (1975) referred to purchase intention as a consumer’s objective intention when they think of a product. Spears & Singh (2004) define it as consumer’s conscious plan or intention when they are making an effort regarding the product purchase. In this way, consumer purchase intention is a subjective concept to the consumers instead of an objective intention. The customer’s product purchase intention to buy can be

manifested in same way both in online or offline shops. Pavlou (2003) describe the online consumers' willingness to buy products and Chen et.al. (2008), Fjore et.al (2005) adds that quality of communication is a key factor in online consumers' willingness to buy intention.

Purchase intention is the combination from consumer's intention to buy and their possibility to buy a product. Based on that, consumer purchase intention became a hot spot for scholars to predict the changes in consumer purchase intention. Consumer's behavior should be estimated punctually to obtain a good prediction.

Peter and Olson, (2010) suggest three stages that are taking into consideration by consumers and some factors that are influencing their intention to buy (see Figure 2.6).

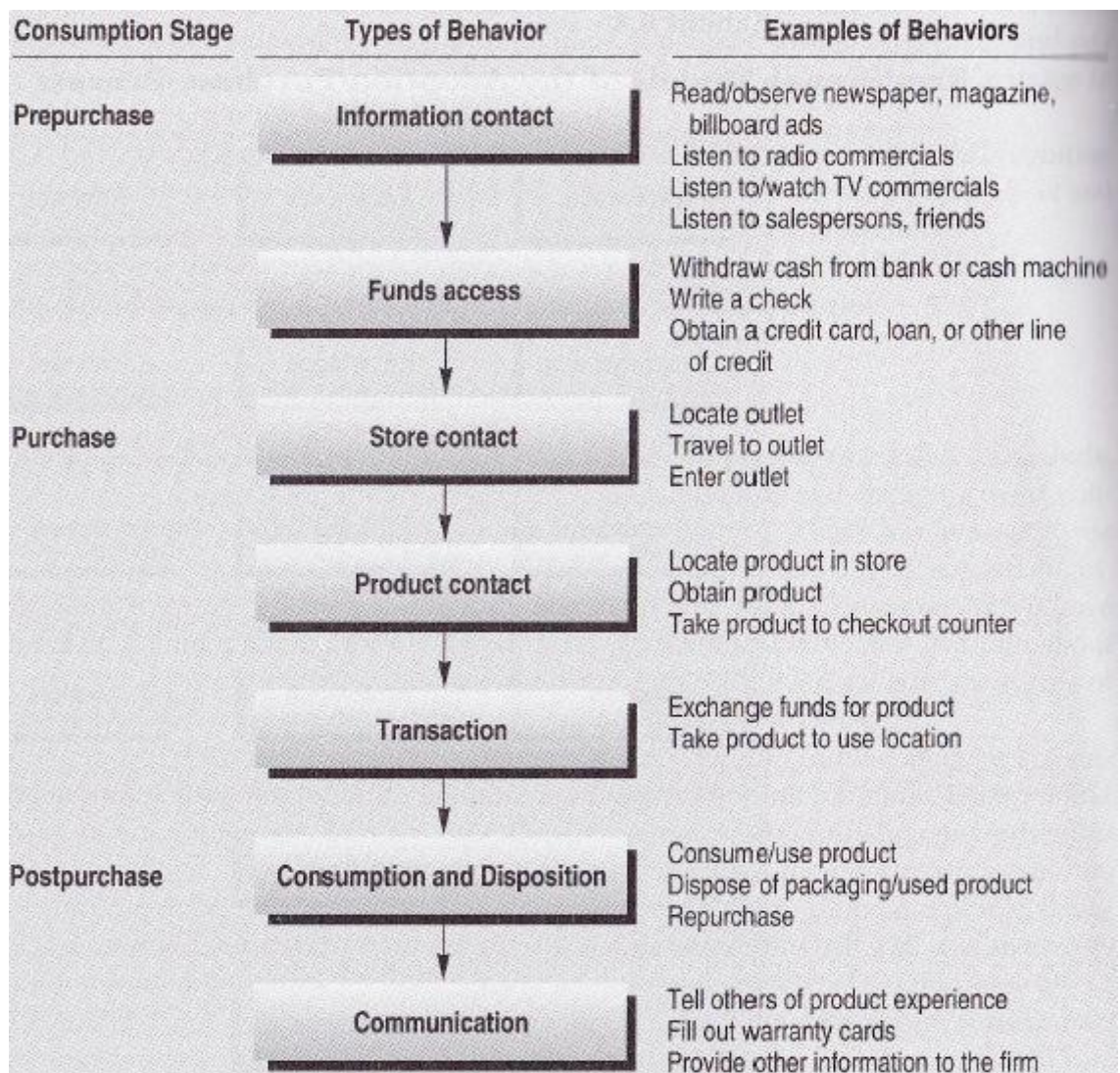


Figure 2.6: A Common Behavior Sequence for a Retail Store, source: Peter and Olson, 2010, pp.194

These three stages are pre-purchase stage, purchase stage and post-purchase stage. Among these three stages, there are several types of behavior that maybe acted by consumers, for instance information contact, funds access, store contact, product contact, transaction, consumption and disposition, and communication. Among these behaviors, the

consumer purchase intention may be influenced by country of origin (through information contact in pre-purchase stage and disposition in post-purchase stage), brand awareness (through information contact behavior in pre-purchase stage), brand visibility on social network (through information contact in pre-purchase stage, store contact, and product contact in purchase stage), product knowledge (through product contact in purchase stage).

Brown et al. (2003) proposed that the online consumers can be divided into seven types based on their orientations, including personalizing shoppers; recreational shoppers; economic shoppers; involved shoppers; convenience-oriented, recreational shoppers; community-oriented shoppers; and apathetic, convenience-oriented shoppers. This is support the opinion which suggests consumers may be segmented into relatively heterogeneous groups according to their shopping orientation. This indicates that purchase intention is more a subjective concept than an objective concept.

Oliver (1997) defines behavior intention as likelihood to get involved in a certain behavior. This implies that a satisfied customer may repurchase and recommend the product to friends, families, and others in future.

2.3 Country of origin

Country-of-origin (hereafter CoO) is the country (often referred to as the home country) with which a manufacturer's product or brand is associated (Wang and Yang, 2008).

Lim and O'Cass, (2001) also have a definition for CoO as the country-of-manufacture or assembly. CoO of a product has been found to influence consumers' evaluations of the product on two dimensions: perceptions of quality and perceptions of purchase value (Yasin et al., 2007). A large amount of consumers use country-of-origin stereotypes to evaluate products and product's quality. For example, "Japanese electronics are reliable", "German cars are excellent", "Italian pizza are superb". Many consumers believe that a "Made in . . ." label means a product is "superior" or "inferior" depending on their perception of the country (Yasin et al, 2007).

The phenomenon of evaluating products based on judging the country of origin is called CoO effect (Chrysochoidis et.al., 2007). Consumers often develop stereotypical beliefs about products from a particular country, and the beliefs about the attributes of products of a particular country or brand (Yasin et al, 2007). Therefore the country-of-origin image has the power to arouse importers' and consumers' belief about product attributes, and to influence evaluations of products (Yasin et al, 2007).

Han (1989) supported this perspective by stating that country image is defined as consumers' general perceptions of quality for products made in a given country. Some other researchers defined country image as consumers' general perceptions about the quality of products made in a particular country while some others defined it as the "defined beliefs about a country's industrialization and national quality standard" (Yasin et al, 2007). According to the result of Yasin et al, (2007), Country-of-origin image (COI) plays an important role in consumer purchase decision, particularly for electrical goods. Consumers often develop their interests and preferences for a brand according to their perception of the country-of-origin and the available information pertaining to the brand.

However, Usunier (2011) stated that in CoO research, it is never clear what is being measured, whether country image, product image, or consumer attitude, because origin image is an intersection construct, a crossroad concept between countries, products and consumers. CoO remains a fuzzy, contingent and evasive concept. According to Usunier (2011), one new antecedent of CoO is suggested, language and linguistic cues. An example was used by Usunier (2011) to illustrate: Acronyms are often based on historical and geographical descriptors as FIAT (Fabbrica Italiana Automobili di Torino, Italian automobile manufacturer of Turin) or SAAB (Svenska Aeroplan AktieBolaget, Swedish Aircraft Corporation). These acronyms are sometimes intentionally designed to avoid origin associations. It is likely that LG did not want to be associated with Korea when the brand name first appeared on the global market. This suggests that language and linguistic cues may be one of the drivers for origin recognition, based on deliberate origin evocation, especially when the brand is not very well known. Thus, the brand awareness and brand recognition are influencing interactively with CoO.

Roth and Romeo (1992) investigate Country-of-origin image (CoI) in association with product categories and define it as consumers' understanding of a country which is based upon their prior product perception of the strengths and weaknesses of the production and marketing of the product from that country. Roth and Romeo (1992) stated that a country's image arises from a series of dimensions that qualify a nation in terms of its production profile. Such dimensions include innovative approach (superior, cutting-edge technology); design (style, elegance, balance); prestige (exclusiveness, status of the national brands); and workmanship (reliability, durability, quality of national manufacturers). According to Agrawal and Kamakura (1999), CoO refers to the country with which the firm producing a brand is associated, whereas Country of manufacturing (COM) refers to the country where a brand is actually manufactured or assembled.

CoO is related to customer's purchasing intention. According to the research of Wang, Yang, (2008), it was hypothesized that country of origin image (hereafter CoI) had a positive impact on purchase intention. Showing that, CoI has a significantly positive impact on purchase intention. It was suggested that CoI exerts both main and interaction impact on purchase intention.

What is more, according to Agrawal and Kamakura (1999), their conclusions suggest that CoO has a significant effect on consumers' evaluations of products and that consumers tend to use CoO as an extrinsic cue to make judgment about the quality of products. Whether, directly through personal experiences, through information acquired from other sources or due to stereotypical beliefs about countries, consumers also tend to develop product–country images. These are images of quality of specific products marketed by firms associated with different countries

If consumers hold a positive (negative) product–country image for a given product and country, this image could lead to a generalized positive (negative) evaluation and attitude towards all the brands of a product associated with that country. Such CoO-based equity might even extend to other product categories due to stereotypical bias.

According to the study of Erickson et al. (1984), the effect of the image variable, country of origin appears to have direct effects on beliefs and not on attitudes. An image variable is defined as some aspect of the product that is distinct from its physical characteristics but that is nevertheless identified with the product. Erickson et al. (1984), considers a particular image variable - country of origin - and analyzes its effects on the evaluation of automobile brands. An interesting conclusion is that quality perceptions are not affected; these are quite well explained by true price and durability as well as by the affective halo bias. Yet beliefs about a car's economy apparently are biased by the country-of-origin image, Japanese cars having somewhat more of an advantage than German autos.

Han (1989) had proposed two roles of COI; one is the halo effect and the other is the summary effect. He suggested that when consumers are not familiar with a product or a brand, they rely on halo effects which can indirectly affect consumers' product/brand attitudes when inferring the product/brand attributes; whereas, when they are familiar with the product/brand, they summarize their beliefs regarding product/brand which directly influences consumers' attitudes.

Thakor and Katsanis (1997) have developed a model of brand and country effects on quality dimensions. They suggested that country image cues affect quality perceptions both directly and through the brand cue. Thus, when a brand can be distinctively

differentiated from other brands on personality, and its COI is perceived as positive, consumers would, in theory, be more reassured about their perceptions of that brand's personality, and thus be more easily influenced by brand personality in terms of purchase intention. In contrast, when brand personality is positive, while COI is negative, the connection between these two variables would become "loose"; thus, brand personality would be less influential regarding purchase intention. In other words, positive COI could enhance the effect of brand personality on purchase intention, while negative COI would weaken the impact of brand personality on purchase intention. Specifically, companies with positive COI may achieve higher purchase intention with positive brand personality; whereas, companies with negative COI might acquire less purchase intention with positive brand personality. Therefore, brands that not only have positive personalities, but are also supported by positive COI, are more likely to achieve higher purchase intention. In this sense, COI is proposed to exert a positive moderating effect in the relationship between brand personality and purchase intention.

Thus, Thakor and Katsanis (1997) propose "brand" as one of the antecedents which influences the customer purchase intention. An overview of the literature is given by Chattalas, Kramer & Takada (2008), and is presented as a summary in Figure 2.7:

Constructs	Studies	Findings
Single-cue COO effects	Scholer (1965) and Nagashima (1970)	COO effects consumer product evaluations
Multi-cue COO effects	Johansson <i>et al.</i> (1985), Wall <i>et al.</i> (1991) and Agrawal and Kamakura (1999)	In the simultaneous presence of multiple information cues (i.e. brand, price, etc.), the COO effect is lowered
Multiple COO cues (hybrid) effects	Han and Tetra (1988) and Tse and Gorn (1993)	When simultaneously presented, the country of manufacturing cue has a larger effect on evaluations than the country of brand origin cue
	Hui and Zhou (2003) and Srinivasan <i>et al.</i> (2004)	When simultaneously presented, the country of brand origin cue has a larger effect on evaluations than the country of manufacturing cue
Product type effects	Kaymak and Cavusgil (1983) and Roth and Romeo (1992) LeClerc <i>et al.</i> (1994)	COO effects on evaluation vary by product type Products with a French association are perceived to be more hedonic than products that lack this association
Consuming country and cultural orientation effects	Narayana (1981), Heslop and Papadopoulos (1993) and Gurhan-Canli and Maheswaran (2000)	The COO effect on evaluations varies across consuming countries and cultural orientations
Consumer expertise effects	Han (1999)	COO operates as a "halo" or "summary" construct, depending on familiarity
Consumer involvement effects	Gurhan-Canli and Maheswaran (2000)	Higher consumer involvement decreases the COO effect
Consumer ethnocentrism effects	Shimp and Sharma (1987) and Balabanis <i>et al.</i> (2001)	Consumer ethnocentrism increases the COO effect on evaluations as well as purchase intentions
National and country stereotypes effects	Obermiller and Spangenberg (1989) and Heslop and Papadopoulos (1993) Martin and Eroglu (1992) and Verlegh and Steenkamp (1999)	The cognitive, affective and normative factors of national stereotypes affect the COO effect on product evaluations The political, economic and (Ethnological factors of country stereotypes affect the COO effect on product evaluations

Figure 2.7: CoO literature review, source: Chattalas, Kramer & Takada (2008),

The research of Diamantopoulos, Schlegelmilch, and Palihawadana (2011), has shown empirical evidence about the role of Country of Origin. The findings of the research clearly indicate the importance of the CoO construct and help to deal with some of the contradictory assessments of the role of CoO found in literature. While the findings reveal that CoO does not directly impact consumers' intentions to buy the focal brand, the CoO construct has an important indirect influence.. What is more, this research also reveals that consumer's associate a country's image not only with specific capabilities relating to an industry or product category, but also with the more comprehensive capabilities of producing good brands.

The findings of a research from Dosen *et al.* (2006), show explicit importance of country of origin and brand associations which young Croatian consumers attach to different products in the process of the consumption of a single low-involvement food product. The result of Dosen *et al.* (2006) shows that objective and subjective knowledge of COO and brand is clearly a strong motivator in purchase-related behavior. Young

Croatian consumers use COO and brand as extrinsic cues to evaluate the quality of the product.

Balabanis and Diamantopoulos (2008, p59) stated, that the "consumers' brand CoO identification can affect brand evaluation but it will not always". This gives us an interest to find out on what condition CoO influence purchase intention.

Han (1989) has done a research about the function of country image. The study was designed to test two alternative views about the role of country image in product evaluation—the halo and summary construct views.

The process of information processing may evolve around brand name. In other words, brand image may contain much product information so that brand image can be regarded as a summary construct (Han, 1989).

The findings of Han (1989) provide very important theoretical implications on the role of country image in product evaluation. First, when consumers are not familiar with a country's products, country image may serve as a halo from which consumers infer product attributes and it may indirectly affect their brand attitude through their inferential beliefs. In contrast, as consumers become familiar with a country's products, country image may become a construct that summarizes consumers' beliefs about product attributes and directly affects their brand attitude. Thus, Han (1989) suggested structural interrelationships between country images, beliefs about product attributes, and brand attitude.

Zeynep and Maheswaran (2000) have done an interesting study about differences of perceptions among countries. Country of origin effects, refer to the extent to which the place of manufacture influences product evaluations. Zeynep and Maheswaran (2000) suggest that country of origin is used as a cue in evaluating new products under several conditions.

Heslop, Lu and Cray (2008), proposed country images can and do impact consumers both directly and indirectly on product beliefs and purchase intentions, under a variety of circumstances at the level of individual products, at the product category level, and across a wide range of product categories

Laroche et al. (2003), has done a study designed to extend knowledge of cognitive processing of country of origin cues by refining the concept of country image and investigating its role in product evaluations. Country image is a multi-dimensional construct represented by a three-factor model, reflecting country beliefs, people affect, and desired interaction rather than by a single-factor model (Laroche et al., 2003). Product

beliefs refer to consumers' beliefs about a product's intrinsic characteristics such as quality and reliability. Product evaluation, on the other hand, refers to consumers' attitude toward the product in terms of pride of ownership, liking, and intention to purchase. In addition, country image is expected to influence product beliefs and hence to have an additional indirect effect on product evaluation (Laroche et al., 2003). One important finding of Laroche et al. (2003), is that country image and product beliefs influence product evaluations simultaneously regardless of consumers' level of familiarity with a country's products.

The findings of Laroche et al. (2003) indicate that the structure of country image may influence the extent to which this image impacts product evaluations directly and indirectly through product beliefs. Consistent with the affect transfer theory, the results showed that when a country's image includes a strong affective component, its direct influence on product evaluation is stronger than its influence on product beliefs. Alternatively, when a country's image has a strong cognitive component, its direct influence on product evaluations is smaller than its influence on product beliefs. Laroche et al. (2003) also indicated that the total effect of country image on product evaluations was equally substantial whether the image is based on affect or cognition.

Two meta-analytical studies made by Peterson & Jolibert (1995) and in Verlegh & Steenkamp (1999) shown that CoO has an effect on customer behavior through country-specific and product-specific variations. Hadjimarcou and Hu (1999) found that CoO as a category-based, have an important evaluation role for all stimuli, such as nature of feature information or task complexity.

2.4 Brand awareness

Keller (1993) affirms that "brand awareness is a component of brand knowledge". If customers have passive or active knowledge about a product, it means that the customers' brand awareness of that product or service is high (Valkenburg & Buijzen, 2005). To describe brand awareness Keller (1993), and Rossiter & Percy (1997) used two dimensions, brand recognition, which is the consumer's ability to identify the brand when he is asked about brand name and brand recall which is the customer's ability to identified the product category when he is asked about brand name.

Aaker (1991) define brand awareness such as "buyer's ability to recognize that a specific brand is a member of certain product category". Anand and Sternthal (1990) also suggest that a strong brand name determines high brand awareness. Laroche et al (1996)

argue that if consumers have more knowledge about a brand, which implies that brand have high awareness, customer trust will increase regarding that brand.

Unnava and Burnkrant (1991) suggest that advertising have the biggest influence on brand awareness. Peter & Olson (2010) suggest that the level of brand awareness is influenced by the way that customers make their purchase. There are present two situation, one is when customer chose product from shop, and the degree of brand awareness is not need to be high because the seller is presenting the different brand and product attributes, situation in which the customers need is only to recall the brand name or to recognize the familiar brands, which will activate the brand knowledge in customer memory. Other situation is when the customer is buying the product via Internet, and then the degree of brand awareness is needed to be high to influence brand choice.

A brand may influence customers' perceptions and attitudes in several ways. Analysis of the dominant components of this influence is possible through the investigation of two complementary key issues: the functional dimension and the relational dimension. The functional brand derives from the commonly accepted view that the brand usually represents the memory of a firm, which encompasses all the investments, research activities, and process technologies or innovations that the firm carries out over time. Nevertheless, customers may use brands as a vehicle or mode of expression of attitudes, individualism, and needs. Brands can simplify choices, be synonymous with a particular level of quality, reduce risk, and generate trust.

Beatty and Smith (1987) in their research discuss that the people must be aware of a brand in order to prefer it. But more than 32% of people consider brand in their shopping behavior. For example Punj and Staelin (1983) discovered that 30% of people that want to buy a car, they visit only a dealer before they purchase. This implies that brand awareness is an important concept recognized by customers and capitalized by companies.

Brand attitude is an important tool, which leads the customer's purchase intention and companies cash-flow, because brands have strong implication and are perceived as "value", "image", and "perceived quality". This implies that brand equity dimensions consist of four dimensions: brand loyalty, brand awareness, perceived quality, and brand associations.

Also, Keller, (1993) suggest that positive brand attitude over time create a strong emotional association with brand, and Percy and Pervan (2011) suggest that this behavior lead to a loyal brand, behavior which represent in fact strong brand equity.

Brand equity refers to the tremendous value inherent in a well-known brand name. It appears when consumers willingly pay more for the same level of quality due to the attractiveness of the name attached to the product (Yasin, et.al. 2007). In the marketing literature, also, brand equity is referred to the intangible brand properties. Brand equity arose from customer brand-name awareness, brand loyalty, perceived brand quality and favorable brand symbolisms and associations that provide a platform for a competitive advantage and future earning streams (Yasin, et.al. 2007)

Brand equity has been discussed in many different researches. Aaker and Keller (1990) defined it as the net value of brand image, which is a specific association with brand and overall attitudes towards brand in memory. According to Biel (1992), brand equity can be the additional cash flow achieved by associating a brand with the underlying product or service. Pagano (1990) described the brand equity as the value of worth that resides in a particular brand name, trademark or product. Brand equity can be viewed from two perspectives: financial and consumer based.

Financial perspective: Keller (2008) consider that brand equity contribute significantly to the financial perspective of a company, not only because its represent the increase in company cash flow by increasing the brand name. In general strong brands have positive brand equity and loyal customers. With a high degree in brand equity, the customers will be more interested and attracted to purchase more, without considering price as an impediment. The customers' willingness to buy product with a strong brand name will be high, being prepared to pay a higher price for the product, which implies higher margin for company compared with competitors from that segment category. (Percy and Pervan, 2011)

Consumers Based Perspective is given from the consumers' awareness from that specific brand, which elicit in the consumer's memory about the brand. Favorable brand attitude give customers, over time, the acceptance of receiving a certain level of benefits (quality, features, certainty...) from that brand and also brand loyal behavior (Percy and Pervan, 2011). For customers, awareness of a brand implies learning and formation of an attitude about a brand, which will influence his/her emotion, leading in the end to build his/her loyalty with that brand.

To build brand equity there is the need that product or service should achieve three dimensions: *function benefits*: product and performance attributes, value, quality; *process benefits*: easy to access, convenient transaction; *relationship benefits*: create

value based on personalized service with create strong relevance emotion, exchange value by information sharing, and differential loyalty rewards (Aggarwal and Law, 2005).

Kapferer, (2008) use the pyramid from Figure 2.8 to compare the major brands. He argues that the communication style is the key from the brand vision and core brand values to the product category.

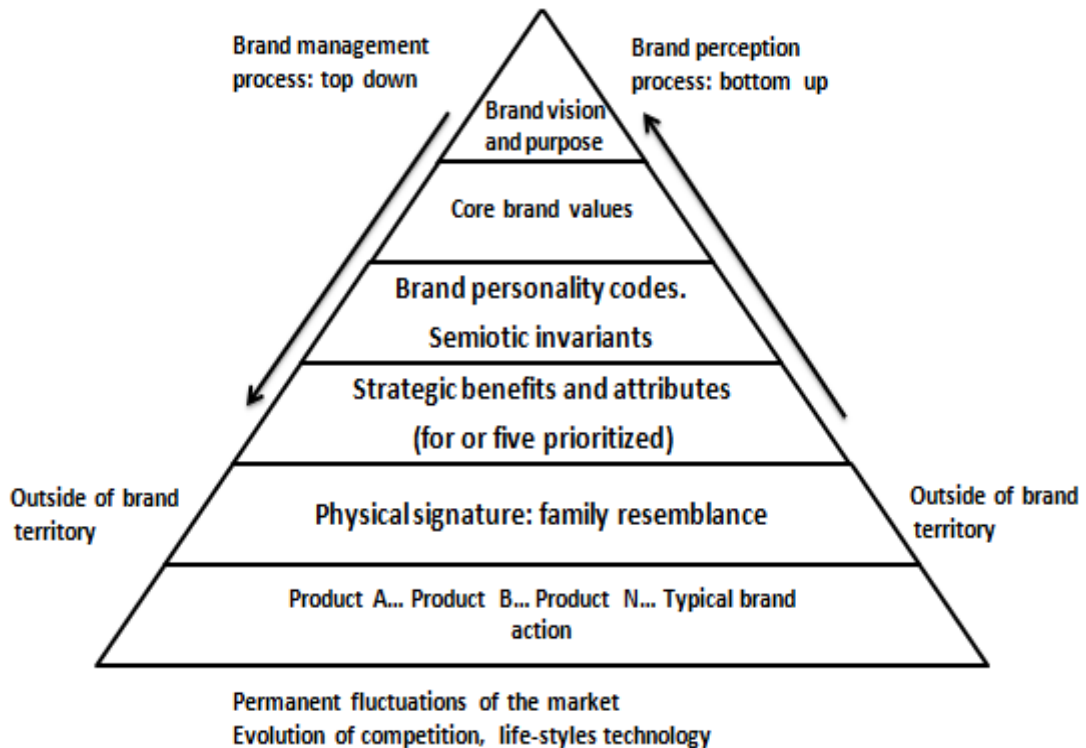


Figure: 2.8: The brand system, (Kapferer, 2008)

Brand personality was found to positively affect purchase intention. The more positive the brand personality was, the higher the consumers' purchase intention toward the brand would be. As described by one of the respondents in the research of Wang and Yang (2008): "What I want is a sharp brand personality to make me feel different and high-status when driving the car." The research findings fell basically in line with the positive direction of brand personality influence on the dependent measures, a subject that has been extensively studied in the past decade.

Brand performance links to its intrinsic properties and to how consumers perceive the fit between the brand and their functional needs (features, quality of product, services related to the brand, style and design, price). Brand meaning also involves extrinsic

properties and how the brand meets the psychological or social needs of consumers (user profiles, situation, personality and values, heritage and experiences).

In their study Wang and Yang (2008), analyzed the interrelationship between brand personality and CoO. An important concept for brand differentiation, which significantly influences consumers' purchase decision-making, and was received increasing attention in the marketing domain, is brand personality. It describes the phenomenon that a brand is often associated with human personality traits. A favorable brand personality could increase consumer preference and usage foster feelings of comfort and confidence in the minds of consumers, enhance levels of loyalty and trust, and could provide a basis for brand differentiation among the myriad brands on the market, thus potentially influencing consumers' brand purchase intention (Wang and Yang, 2008).

The result of research of Wang and Yang (2008), reveals that both brand personality and CoO image exert significant positive main effects on purchase intention. Furthermore, CoO image is found to be a positive moderator in the relationship between brand personality and purchase intention. Specifically, a positive CoO image could enhance brand personality's positive impact on purchase intention, whereas a negative CoO image could significantly decrease the positive brand personality effect on purchase intention.

Although a negative CoO effect on purchase intention is found to be comparatively smaller than a positive CoO impact, a negative CoO image could significantly decrease positive brand personality effect on purchase intention. In contrast, if a brand's personality is not strong in the marketplace, no matter how positive its CoO image is, consumers' purchase intention would not be high.

The study of Godey et al. 2011 focuses specifically on the configurable effects of brand and CoO on the purchasing decisions of consumers. However, the study includes additional elements, such as design, price, and guarantee, which can influence the purchasing decisions of consumers. The choice of these variables depends on the definition of what a luxury brand is.

The results indicates that Cross-border SBA (strategic brand alliance) between two countries both having positive country images indeed creates positive changes in attitudes toward both host and partner brands. In other words, when the host and partner brands have favorable country images, both brands leverage favorable country images from each other. When the perceptions of the two countries in cross-border SBA are positive, consumer attitudes toward the host and partner brands increase significantly after the

alliance. These findings illustrate that cross-border SBA may work as a quality indicator by transferring the equity of the host brand to the partner brand. This study also observes interesting results that the partner brand from a country with a negative image positively affects the post-purchase attitudes toward the host brand. The equity of a brand is the result of consumers' perception of it which is influenced by many factors (Yasin et.al, 2007).

Brands from countries that have a favorable image are readily accepted compared with those from countries with less favorable image. The test of relationship between country image and brand loyalty supports the hypotheses that there is a positive relationship. This implies that good image of the country-of-origin leads to a high degree of customer loyalty. Country image is also found to have a significant effect on brand awareness/associations. This study also found that country-of-origin image has a positive and significant impact on brand equity. However, the results suggest that country-of-origin image has both direct and indirect relationship with brand equity. Indirect relationship here indicates that country-of-origin image is related to brand equity through the mediators. In the country-of- origin image, brand equity linkage, brand distinctiveness fully mediates the relationship while brand loyalty and brand awareness/associations act as partial mediators (Yasin, et.al. 2007).

2.5 Brand visibility on social networking sites

Social media is defined as Solomon (2013, pp. 452) presented as: sometimes as hardware (Android Smartphone) or software (Wikipedia), but most about community (“collective participation of members who together build and maintain a site”). The Merriam-Webster Online Dictionary define community as “a group of people who have the same interests, religion, race..; a group of nations”, and social networking as “forms of electronic communication (as Web sites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (as videos)” .

Solomon (2013), refers at “viral marketing” as a strategy to have Web site visitors, (a marketing channel) which, by commenting on the company web site send forward, to their friends, and so one, and make advertise for that company. Marketing channels are defined as “sets of interdependent organizations involved in the process of making a product or service available for use or consumption” (Coughlan, Anderson, Stern and EI-Ansary, 2001). The existing channel types are broadly classified into direct channels (through personal contacts) and indirect channels (with intermediaries help) (Moriarty

and Moran, 1990). Hollensen (2011) exemplified in the Figure 2.9 the path from creating awareness to effective transaction in both, traditional communication tools and web communication tools.

Hollensen (2011) suggest that web communication has taken over the traditional communication by easier way to communicate a message to a large number of people, but also use the traditional communication to achieve potential customers in online buying process, as shown in Figure 2.8 below:.

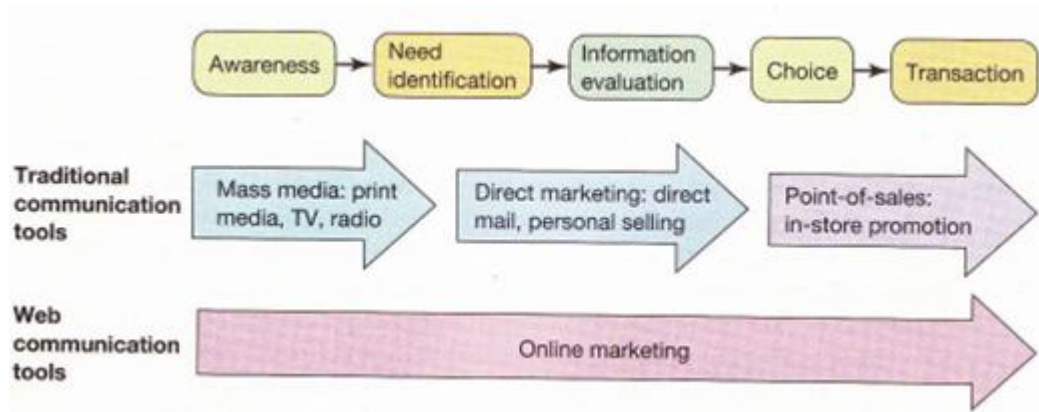


Figure 2.9 The role of Internet communication in the buying process of customers, source: Hollensen (2010, pp 611)

According to Rogers (1995) mass media channels from traditional communication present more importance for learning about a product than web communication which is more a better mass convincing method. According to Kotler and Keller (2006), the basic marketing activities include: product, price and distribution. In today's competitive market environment is not enough, because to achieve the desired brand image, product strategies should focus on both purchase (product, price and distribution.) and consumption (after sells: customer's survey). Electronic commerce (EC) is "the process of buying, selling, transferring or exchanging products, services and/or information via computer networks, including the Internet" (Turban et. al., 2008, pp 4). E-business is buying, selling, transferring, exchanging products, service, information, but also collaborating with consumers (business partners) to improve company business performance (McKay and Marshall, 2004). The increase rate of e-commercial business makes URLs (Uniform Resource Locations) a very important tool for daily business activities. URL is associating with a domain name and presents the location of a page on the Web. Most companies now have Web pages on Internet.

Rizavi, et.al. (2011) consider that the biggest realization from 20Th century is the internet facilities. They consider that not only information, which can be spread, shared,

made accessible to millions of users regardless of social, ethnic and racial appurtenance, but also because of the facilitation of online payments led to the development and success of the Internet. Based on the Internet facilities, business community identified the opportunity to promote their activities, product/service via Internet. Internet platform include e-mail/sms, social networks, online forums, blogs, podcast, which become an ideal platform for advertising. Because Internet change radically the word-of-mouth concept, the new term Viral marketing was use as a marketing technique that use existing social network to increase the brand awareness (Hollensen, 2011). Viral marketing became a very useful technique because of the rapidity of getting new customers, and keeping advertising price to minimum. Hollensen (2011) also consider that viral marketing is more risky than traditional marketing, and allowed customers to recommend your products to friends, colleagues, readers, via Internet.

Rizavi et.al. (2011, pp 903) define social networking platform as “an internet based platform, where users can register and create a public and private profile, add other users as friends, can share information with friends and other users and view, modify and traverse their friends list”. Hollensen (2011) consider that by targeting the right audience group from social network, the power of reference, will lead the individual people in their decision-making process to choose the product/brand.

Solomon (2013) refers at members of the network as nodes, and their interaction is their behavior base. For example in Facebook or Twitter you participate because you share news/emotions about yourself, news/emotions which are flowing among your network, but also sometimes outside your community platform, on YouTube the objects is that you send films/movies, and all this are the drivers that motivate people to visit and to be members of social media.

According with Whittaker (2014) and Alexa (2014) Facebook has been an important social networking platform where friends, families, companies and individuals have chosen to use to cheap in touch with each other. Other notable social networking sites are Twitter, YouTube and Google+ among others. The Table 2.1 presents some information about Facebook, Twitter and Google (social networking sites) concerning data of lunch and registered users.

	Description/focus	Date launched	Registered users
Facebook	General: Photos, Videos, Blogs, Apps	February 2004	1 000 000 000
Twitter	General: Micro-blogging, RSS, updates	July 2006	93 800 000
Google+	General	June 2011	500 000 000

Tabel 2.1: Social networking website platform used in our research

Source: Alexa (2014); Gundotra (2012); Whittaker (2014)

The increasing use of social networking sites by consumers makes it a very important requirement for companies/businesses to have their presence on these social networking sites for enhanced brand visibility.

Bureau (2013) present population data, in International Programs; and also Falkland Islands Government Policy Unit, (2013) and International Telecommunication Union (2013) presents the situation of internet users in 2012 as a percentage of country's population. Based on their research, the first 10 countries are presented in Figure 2.10. By analyzing their results we can observe that Norway, a very small country is on the 3rd position concerning the percent of internet users, with only one percent difference between Norway and the first two countries from the top of the ranking as shown in Figure 2.10.



Figure 2.10 The first 10 countries as internet users in 2012 as a percentage of country's population,

Source: U.S. Census Bureau (2013) and International Telecommunications (2013)

Gensler et al. (2013) suggested that social media affect brand management because consumers have become pivotal authors of brand stories. Both firm-generated brand stories and consumer-generated brand stories are told through a plethora of communication channels (both traditional and social media channels) in a dynamic and evolving process (Gensler et al., 2013). Gensler et al. (2013) stated that the characteristics of these different channels may influence the creation of brand stories by posing restrictions on, for example, the amount or type of content that can be created (e.g., Twitter message versus YouTube

video). Consumer-generated brand stories can add to a firm's pursued brand meaning, but they can also add new meaning to a brand that contests the brand's aspired identity (Gensler et al., 2013).

Online brand experience (OBE) captures the individual's internal subjective response to the contact with an online brand (Thomas and Veloutsou, 2010). According to the research of Thomas and Veloutsou (2010), the outcomes of OBE capture the long-term emotive connection with an online brand–brand relationship. Thomas and Veloutsou (2010) indicated that brand relationships represent an important outcome of the online brand experience. In time, positive interactions with an online brand lead to more than immediate satisfaction: consumers form relationships with the brands they interact with. The online environments and in relation to search engines are also of importance for online brand experiences (Thomas and Veloutsou, 2010). Online brand experiences emerge as an outcome of emotive considerations such as perceived brand reputation. Brand reputation is an important precondition of online brand experience having an effect on perceived ease of use and trust thus indirectly affecting satisfaction and behavioral intentions (Thomas and Veloutsou, 2010). What is more, an integrated view of the online brand experience is supported by Thomas and Veloutsou (2010) that incorporates both marketing and information systems constructs.

2.6 Product knowledge

Product knowledge has been studied in different types of social science research. Product knowledge is denoted as general knowledge that customer has information about functional characteristics of products and brand (Rezvani et al. 2012).

Alba et al. (1987) has proposed two types of product knowledge: familiarity and expertise. Familiarity is defined as the number of product-related experiences that have been accumulated by the consumer. Expertise is defined as the ability to perform product-related tasks successfully. Product-related experience is defined mostly at inclusive level. They include advertising exposures, information search, interactions with salespersons, choice and decision making, purchasing, and product usage in various situations.

Two types of product knowledge are discussed by Hairong et al. (2002), including search attributes and experience attributes. Search attributes refers to attributes of products that consumers can access and estimate without use the product, for instance shape, size, price, and color. Experience attributes refers to attributes that can only be assessed by consumers through direct use or try, for instance flavor, and hardness etc. What is more,

Hairong et al. (2002) proposed that 3-Dimension advertising is working better than traditional 2-Dimension advertising. Because 3-Dimension advertising includes more attributes which may stimulate consumer purchase intention. It indicated that more product knowledge may strengthen consumer purchase intention.

Usually when consumers want to evaluate quality of product for processing decision making there will be two main parameters for this aim, which are called intrinsic and extrinsic attributes. Intrinsic attribute is about functionality and physical aspect of product (Rezvani et al. 2012).

The measures of consumer product class knowledge used in previous studies can be divided into three categories. The first one is about a consumer's perception of how much he/she knows. The second category measures the amount, type, or organization of what a consumer has in his/her memory. The last type measures the amount of purchasing or usage experience with the product (Ghalandari and Norouzi, 2012).

The study of Rezvani et al. (2012) shows that consumers cannot evaluate all characteristics of a product before they purchase and they have to judge some times in their pre-purchase evaluation. Extrinsic cues that consumers believe in can be used for their judgment about products quality. This issue is important especially when consumers have limited knowledge about the product or there is no source of intrinsic cue for their product evaluation. Therefore, the most important cues for product values would be Brand name, Price, Retail outlet and Country of origin.

Researchers concluded that consumer attitude would be more persistent and less affected by country of origin cues over time as long as they have high product knowledge and motivation to process product-related information to make a decision (Rezvani et al. 2012). Consumers who have low product knowledge are more likely to use country of origin cues as indicators of product quality. This is due to their inability to analyze intrinsic cues, such as physical product attributes. It was also found that country of origin has a significant impact on product evaluation, particularly when consumers are less motivated to process available information when they have low product knowledge.

Before the consumer performs actual purchasing behavior, he/she most likely is involved in two activities:

1. Information search: this means when the consumer faces many consuming relevant questions, he/she requires relevant information to assist with his/her consuming decision.
2. Information processing: includes consumer self-selects to expose, notice, recognize, agree, accept, or retain. (Lin and Chen, 2006).

Thus, product knowledge may be important for consumers when consumers are searching for relevant information to make decision. With or without product knowledge may differs the situation about the choice among different brands.

Much evidence has shown that product knowledge has an impact on information processing when the consumer needs to take a decision (Larkin et al., 1980). Michael et.al., (2008) suggest that product knowledge is the customers competence and willingness to perform new task and access to various service capabilities. For example, when a customer is buying a personal computer, which includes a lot of new technology, he/she buys also purchases the ability to perform by installing different software.

2.7 Product Quality and Price

To understand what a product offer (see Figure 2.12) in an international market Kotler (1997) suggest the five level of a product (see Figure 2.11) as a determinant perceived value that influence the customers decision making:

- core benefit: the fundamental need which is satisfying by consuming the product,
- generic product: the product attributes that are absolutely necessary,
- expected product: the attribute that are normally expected by customer,
- augmented product: additional attributes that make the product to differ from the competitors,
- potential product: which is the future product target), as a determinant perceived value that influence the customers decision making.

The Figure 2.12, underline the ability of a product to capture the customer preference and loyalty through the product attributes (or at augmented product level) rather than through core benefits.

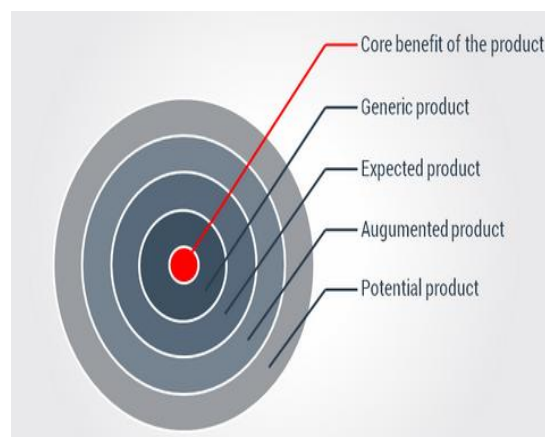


Figure 2.11: The five levels of a product, Source: Kotler (1997)

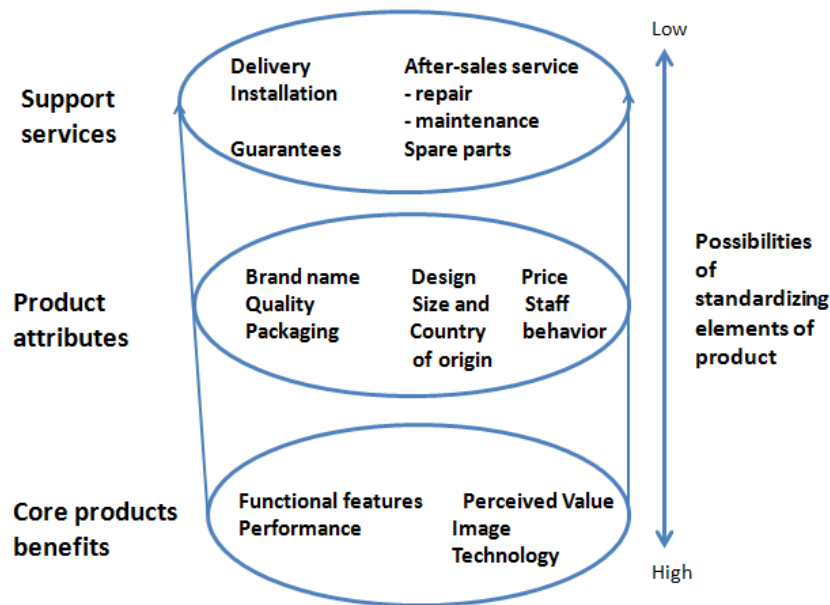


Figure 2.12: The three levels of a product source Hollensen (2011, pp.460)

Aaker, Fournier and Brasel (2004), in their research agree that product quality is the heart of a great brand. From the product quality attributes, which can vary from a product category to other, and have some of the following dimensions: performance; features, conformance quality, reliability – consistency of performance over time; durability; style and design (Aggarwal, 2004).

Service quality showed no direct positive effect on post-purchase intention. Although service quality has no direct effect on post-purchase intention, the indirect influence of service quality on post-purchase intention could be found through perceived value and customer satisfaction (Kuo et al., 2009). According to the different effects of constructs on post-purchase intention, the constructs can be ranked as follows based on the effect on post-purchase intention: perceived value, service quality, and customer satisfaction (Kuo et al., 2009). However, there are other different opinions about the relationship between quality and purchase intention. Gopal (2013) found that the direct impact of quality on purchase intention is positive. Papanagiotou (2012) provided evidence of a strong relationship between expected quality and intention to buy. Nevertheless, there are some differences between expected quality and intention to purchase. And these differences are not resulted from perceived monetary costs which mean that not all consumers are choose the highest price products. The usage of the extrinsic cue "price" for the formation of quality evaluation is an indication of uncertainty. This has been perceived as a difficulty in quality evaluation (Papanagiotou, 2012). It has been found that consumers appear to admit that the product with superior quality is not always the first choice for

them. There is evidence which suggest that this result is not only a matter of personal consumer preferences but is also a consequence of consumers' lack of confidence and proper information about the quality (Papanagiotou, 2012).

Price is also a concept introduced in marketing with long tradition, as a factor that is influences consumer purchase intentions (Dolan and Gourville, 2009; Lehmann and Winer, 2005; Monroe, 1973; Nagle, Hohan, and Zale, 2011; Winer, R.S., 1986; Xia et al., 2004; Zeithanl, 1988). Price is the revenue-generating element of the traditional marketing mix, and the most important benefit of building a strong brand (Blattberg and Wisniewski, 1989).

Price from the customers perspective is “what is given up or sacrificed to obtain a product” Zeithanl (1988). Price is the value request for a good or service, which often is considered by the customer as the right value, or the quality of a product. Lehmann and Winer (2005) consider that the price role is “not to recover cost, but to capture the perceived value of product in the mind of customer”. Because of that the question now is whether high price is significantly high quality, and that low piece is significantly low quality?

Price is an important tool in the supplier’s hand, but in most companies, price is determined by intuition, opinion, and observation in different markets place or based on empirical way to calculate price based on cost methods, not only the use of time driving activity based costing. For a customer a fair price is the price that he consider compared with his belief, the price that represent the fair value to pay to obtain the required product/service. Because of that a fair price is difficult to define, but is important in determination of customer behavior and future customer satisfaction. Garbanio and Slomin (2003) propose a fair price lower than expected price and in that way also customers without knowledge about the product to consider at the company gain from that product.

Sometimes companies adjust price very often to reflect the updated value from the supply and demand curve, or they have fixed price for all customers, or a list price for all customers, but in reality every customer can have different individual price established. Sometimes companies offer service separately as a value added to the product. All this are different types of price strategies used by companies for each market segment to obtain the customers interest.

Hollensen (2011) suggest that price reflects the company strategy and objectives. In that way we can have price strategy for new markets such as: penetration pricing – low entry price to obtain a position in the market; skimming – high price to earn profit until the

competitors come with similar products; return on sale – usually in monopolies market; pricing for stability – customer willing to buy at a high average cost to obtain price stability; competitive pricing – when the price is similar with the competitors price. We can have price strategies for mature markets such as: unbundling related products and services, expansion of a product line, reevaluation of distribution channels; and price strategies for decline markets such as: retrenchment – reorganizing the weakest line, harvesting or consolidation. Also web based price strategy is a important tool, which help companies to have a single price (Monroe, 2004).

In our days customers put more and more emphasis on spare time– time spent to purchase, to obtain the good or to use the good. Customers frequently compare the actual price request for a product with other similar product price or reference price. Because of that companies try to influence the reference price to become more interesting for customer to buy but also to control the market. Also, several studies take into consideration a link between consumers price reference for a product and brand choice, as a consumer behavior in decision making process, (Mazumdar et.al. 2005).

Price is establish based on companies strategies for each market segment taking into consideration, the variety of consumers taste, preference and their value perception. Price perception is important because it is a product quality indicator used by customers in many situations, but most used when they don't have any cue on evaluating the product quality. Factors influencing price-perceived quality relationship are: informational – brand; individual – price awareness, ability to detect product quality, knowledge; product category – price and quality variation in category of products. Customers have willingness to pay for different price levels. The perceived value is determined through marketing efforts and price of substitutes; Figure 2.13 shows Dolan and Gourville (2009) presentations of the maximum price that a customer is willing to pay for a product.

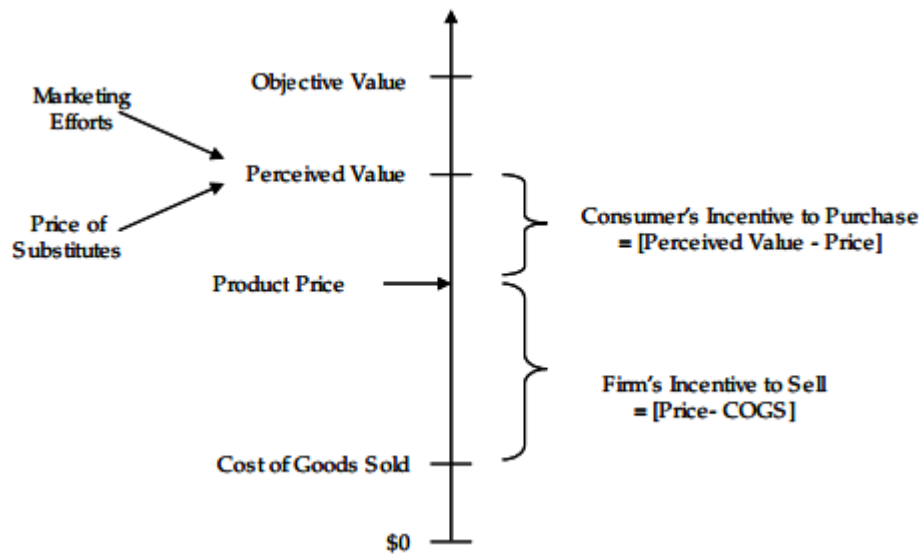


Figure 2.13: Value based pricing, source: Dolan and Gourville rev. 2009

Fair or unfair price perception is determined by the satisfaction level between the product value and customers satisfaction (Xia et al., 2004). Mazumdar et.al (2005) argues that typical models of expected price involve a price perception from different past times, which is more an average price from similar products. Gregan and Roedder (1997) and Ozanne et. Al. (1992) suggests that consumers learn about new product by comparing with existing products at knowledge and price level.

2.8 Summary

This chapter reviewed the literature about consumer decision making process, brand awareness, brand visibility on social networking sites, product knowledge, country of origin and product quality and price. Brand awareness (e.g. Godey et al., 2011), brand visibility on social networking sites (e.g. Gensler et al., 2013), product knowledge (e.g. Rezvani et al., 2012), country of origin (e.g. Yasin et al, 2007; Agrawal and Kamakura, 1999). Product quality and price (e.g. Dolan and Gourville, 2009; Lehmann and Winer, 2005) are suggested to be related to consumer purchase intention. These factors are selected for the reason that there is a gap among brand, product knowledge, country of origin and product quality and price when consumers make a purchase decision. For example, when the consumer focuses more on quality and price, the consumer may choose the best quality with the given price regardless the country of origin or brand.

CHAPTER 3: COUNTRY IMAGE ANALYSIS, PRODUCTS PRESENTATION and CUSTOMERS/CONSUMERS PERCEPTION

3.1 Introduction

PEST Analysis is an analysis framework of macro-environmental factors. PEST has been used to analyze the position of a particular organization or industry sector within a particular business environment (Guo et al., 2007). PEST analyses consist of four components: "P" is short for Political factors, "E" is short for Economic factors, "S" is short for Social factors, "T" is short for Technological factors. This chapter presents country image analysis based on PEST analysis.

Personal computers originating from the various countries are also discussed in this Chapter. Hollensen (2011) suggest, it is very important to examine which attributes contribute to the total product to create an international product. In this study, personal computers which are considered as tangible product are chosen are characterized by a lot of technology and knowledge, whose life cycle has a medium term and require many software updates. Also the high level of technology in the market, the relative short time to market for new models and the necessity to use personal computers is defining the competitive nature of the personal computers market. Personal computers are vital accessory for work, information access, study and play. The relevant brands of personal computers from originating countries are therefore discussed.

3.2 Country of Origin Image Analysis and products/brands

3.2.1 China

The People's Republic of China uses a framework of the single-party socialist republic. The Chinese legal code is a complex amalgam of custom and statute. Though a rudimentary civil code has been issued and used since January 1, 1987, the Chinese legal code is largely focused on criminal law. Continuing efforts have been kept using in order to improve civil, administrative, criminal, and commercial law.

China is the world's second largest economy just after the United States regarding nominal GDP and purchasing power parity. China is also the largest exporter and second largest importer of goods in the world. China is the world's fastest-growing major economy entity, with growth rates averaging 10% over the past 30 years.

The Chinese culture is one of the world's most famous, old and important culture. The area of which the culture is dominant covers a large geographical region in eastern Asia. However, the customs and traditions vary greatly between provinces, cities, and even towns. Most social values of Chinese society are derived from Confucianism and Taoism.

In 2009, 48.3% of the world's televisions, 49.9% of mobile phones, 60.9% of personal computers, and 75% of LCD monitors are produced by China. Indigenously made electronic components have become a new important source of economic growth. In 2010, the Chinese software industry had over 15% share of the world's software and information service market. The average growth rate is 36% each year during the previous decade. Chinese IT companies have been transforming from narrow downstream services and products to obtaining a full range. Chinese information technology industry, with the solid support of the Chinese government, is a leading pioneer in Internet technology. Asus, Acer, Lenovo are some of the popular computer brands originating from mainland China and Taiwan. The following are brief description of the brands:

ASUS:

Asus is a worldwide top-three consumer notebook vendor. Asus is also a maker of the world's best-selling, most award-winning, motherboards. Asus took its name from Pegasus, the winged horse in Greek mythology that symbolizes wisdom and knowledge. Asus includes the strength, purity, and adventurous spirit to new heights with each new product it created. The Taiwanese information technology industry has grown enormously over the last few decades and the country is now a dominant player in the global market. Asus has long been at the forefront of this growth. Although the company started life as a humble motherboard manufacturer, it is now the leading technology company in Taiwan and employs over 11,000 people around the world. Asus design philosophy is quoted as follows: "Asus is aimed at understanding what users are thinking, feeling, and doing – what they value. With the focus on understanding the needs of people, Asus will design ideal experiences that inspire not only customers but also Asus employees. Asus Design Center aims at people's need and want. The corporate vision is driven to innovate and perfect solutions which are aesthetically well crafted, integrated and intuitive, and sustainable" (Asus website).

ACER:

The mission of Acer is breaking down barriers between people and technology. Since Acer's inception, the common goal has always been contributing to society. The belief of Acer is that the more access people have to technology, the better. This is Acer's

reason for being existing. Acer believes that with the right tools, everyone has the potential to be the explorer who have the ability to change the world. Acer want to be more than a technology company where employees are a talented team of pioneers. Acer's passion for technology is rooted in what it enables people to explore and create. Acer sees it as the responsibility to help people push beyond their limits, as well as to spark curiosity and ignite discovery with the products. Acer encourages people to explore their potential and the world around them. The company wish that the brand value of Acer to be “curiosity which is the seed of every innovative idea”. Acer sees problems not as things to be solved, but as opportunities to better understand the ever-changing needs of the end users. Acer is a new progressive brand and by staying on the cusp of progress allows Acer to keep people with technology. Everything Acer makes should carry the consumers and the industry forward. If it's not improving lives, it's not worth making. Acer is a human focus company, making products for the majority, not for the minority. Acer's drive doesn't come from publicity or awards, but from seeing real people use Acer's products to navigate and create their world (Acer homepage).

Lenovo:

Lenovo strives to be a new world company that makes award-winning PCs for the customers. Lenovo operates as a company uninhibited by walls or organizational structures using world sourcing to harness the power of innovation across the global team. Lenovo design innovative, exciting products and services to meet the customers' needs. In 2010, Lenovo achieves its highest ever worldwide market share and becomes the world's fastest growing major PC manufacturer. Lenovo introduces LePhone, its first Smartphone. Lenovo sells its 60 millionth ThinkPad. In 2011, Lenovo forms Mobile Internet Digital Home (MIDH) business unit to attack growing opportunity in consumer devices such as Smartphone's, Tablets. Lenovo created the largest PC Company in Japan. Lenovo acquires Medion, a PC and consumer electronics company based in Germany, substantially increasing presence in consumer market in Western Europe. Forbes names Lenovo one of the world's “100 Most Reputable Companies”. Lenovo acquires Stoneware, a software firm focused on cloud computing. Lenovo announces it will acquire CCE, a leading consumer electronics company in Brazil. In 2012, Lenovo sells its 75 millionth ThinkPad.

3.2.2 USA

The United States is a federal constitutional republic. The President of the United States (who is the head of state and head of government), Congress, and judiciary share powers reserved to the national government. The federal government shares sovereignty

with the state governments. The judicial, regulatory and governmental authorities are fully interconnected in the legal system that administer and enforce the laws of the United States. They also together operate the judicial system, and resolve judicial disputes and appeals. The economy of the United States is the world's largest economy entity. The United States' nominal GDP was estimated to be \$16.8 trillion of 2013 which is in the leading position. (Bureau of Economic Analysis, 2014)

The society or culture of the United States is typical Western culture. The culture has been developing since even long before the United States became a country with its own unique social and cultural characteristics. The existing United States of America's culture is an ethnically and racially diverse culture as the result of large amount of immigration from many different countries throughout its history.

Science, technology, and industry did not only contributed to America's economic success, but also shaped its unique political institutions, social structure, educational system, and cultural identity. The shared values, for instance limited government, meritocracy, entrepreneurship, and self-sufficiency in America culture are mostly drawn from its pioneering technical advances. HP, Dell and Apple Mac are the popular PC brands originating from USA. The following are brief description of the brands:

HP:

HP has long been a leader in global citizenship – one of HP's seven corporate objectives since 1957. Nowadays, HP takes on society's toughest challenges through HP Living Progress. HP is focused on achieving a world that is sustainable, where people are thriving and the economy is robust. HP works to reduce the environmental footprint of products and solutions across HP's portfolio – from single-user personal computing devices and printers to enterprise servers, storage equipment, and data centers. The HP Moonshot system uses up to 89% less energy compared to traditional servers. HP's ENERGY STAR® qualified, latest OfficeJet range of printers use up to 50% less energy than the majority of comparably priced laser printers. Most HP PCs, printers, and servers are more than 90% recyclable by weight (HP homepage).

DELL:

For more than 28 years, Dell has empowered countries, communities, customers and people everywhere to use technology to realize their dreams. Customers trust Dell to deliver technology solutions that help them do and achieve more, whether they're at home, work, school or anywhere in their world. Dell is the No. 1 healthcare information technology services provider in the world according to Gartner, Inc. and wins more than

300 industry awards in 2010. Dell is now No. 1 in worldwide PC monitor shipments for the first time in recent six years. Dell's new Power Edge VRTX racks up industry awards including 'Server of the Year' by PC Pro. It's a cloud-in-a-box that brings enterprise-class capabilities to small businesses and remote offices (Dell homepage).

Apple Mac:

From notebooks to desktop computers, every Mac is packed with the latest technologies, advanced features, and robust security to meet customer's business needs. It's never been easier to get more power and productivity for customer's organization. The Mac lineup has everything the business needs, from notebooks with all-day battery life to powerful desktop computers. And every Mac comes with OS X Mavericks; the world's most advanced desktop operating system. Every Mac is made with innovative components that give smoother graphics, faster storage, and great all-around performance. From the thin and light MacBook Air to the robust and redesigned Mac Pro, each Mac is equipped with fast Intel processors, high-performance graphics, and high-speed DDR3 memory. No matter which Mac is chosen, customer can get superior performance for just about everything customer does in his/her business (Apple Mac homepage).

3.2.3 Japan

The politics of Japan is formed in a framework of a parliamentary representative democratic monarchy. In the framework, the Prime Minister is the head of the government and the head of the Cabinet who directs the executive branch. The modernization of Japanese law is following the process that stated transplanting law from Western countries at the Meiji Restoration in 1868. The modernization was including the Japanese Emperor who was restored to political power.

Japan is the third largest economy entity in the world regarding nominal GDP, and the fourth largest regarding purchasing power parity (Kyung Lah, 2011). In 2013, 62 of the Fortune Global 500 companies are based in Japan (Fortune Global 500, 2013). The culture of Japan has changed greatly over the past many years. From the country's prehistoric Jōmon period, to its contemporary hybrid culture, Japanese culture combines attributes of culture from Asia, Europe, and North America. Japan is famous for its electronics industry throughout the world. The Japanese electronic products dominate a large share of the world market compared to other countries. In the fields of scientific research, for instance technology, machinery, and medical research, Japan is one of the leading nations. Japan has the world's third largest budget for research and development at \$130 billion USD, and

over 677,731 researchers. Toshiba and Sony VAIO are the two most popular pc brands in the world originating from Japan. The following are brief descriptions of those brands:

Toshiba:

Engineers of Toshiba pride themselves as manufactures of a full line of smart and reliable PCs to help boost customer's business. Deskbound or on the go, every job description has unique demands. So Toshiba provides solutions to help the customers face them confidently and economically. Toshiba also offers powerful Tablets, All-In-One desktops and a full line of accessories. Toshiba prides itself as being a dependable brand. The exclusive EasyGuard® Technology suites to help customers to reduce failure rates, maximize up-time and productivity, and ensure a more effective workforce. By delivering hard-working innovations that help customers to make the customer's hardware perform at its best. Safeguarding customer's precious IT assets and priceless business data is also an important aim of Toshiba. What is more, it prides itself in connecting people, businesses and systems. It does this by keeping business professionals in touch-freely and security-wherever they go. In terms of optimizing Toshiba PC helps people converse power, increase productivity and make a bigger impact. Buying a Toshiba PC is just the start of a valuable long-term relationship. Its products are backed up by a solid 3-year standard limited warranty. And it also offers a choice of extended service plans that cover even accidental damage. But it's also nice to know that if customer's laptop does need care, customer can count on Toshiba's highly-trained, award-winning service people to get customer up and running fast.

Sony VAIO:

Sony VAIO prides itself as being meticulously crafted using only the finest components VAIO laptops boast best-in-class designs featuring quality materials at Sony's core. Boldly contoured lines and solid structural integrity provide the foundation that customer can truly feel. Stylish carbon fiber models manage to be extremely lightweight without sacrificing on durability, while ultra-thin VAIO laptops wrapped in aluminum exude elegance while being extraordinarily lightweight. From traditional laptops to revolutionary Tablet PCs, there's never been more to explore in the world of VAIO PCs. Sony VAIO enables its customers and pc users to stay on the cutting edge with innovative features like active pens for writing on customer's screen, responsive backlit keyboards, and highly intuitive touch screen interactions. Sony goes far beyond the extraordinary by converting customer's laptop into a Tablet on the fly with a magnetic keyboard that detaches and reattaches with ease. Packed with premium features and vivid displays,

VAIO laptops provide the perfect combination of power, performance and portability. Sony's Smart-phone, Tablets and VAIO pc are always on, ready to go at a moment's notice. With Rapid Wake technology built into every new VAIO laptop, there's rarely a reason to power down. Just closing the lid PCs com enter into energy-saving sleep mode that helps keep data secure. Battery drain is minimal, so VAIO PC can stay asleep for days. These are some of the beneficial features and attributes that Sony VAIO offers its valuable customers and potential customers.

3.2.4 Korea

Politics of the Republic of Korea is working as the framework of a presidential representative democratic republic. In the framework, the President is the head of state, and the head of a multi-party system. The legal system of South Korea follows a civil law system which has its basis in the Constitution of the Republic of Korea. South Korea ranks as 15th in the world regarding nominal GDP and 12th regarding purchasing power parity (PPP). South Korea is a developed country which is supported by a developed market and a developed economy.

The culture of South Korea is based on the legacy of the traditional culture of Korea. However, the industrialization and urbanization of South Korea have changed Korean people living styles in many ways. A concentration of population into major cities has been caused by the rapid growth economics and rapid changing lifestyles.

The capital city of South Korea, Seoul, is named as the world's "leading digital city". It is also been regarded as a "tech capital of the world". South Korea is also one of the world's most technologically advanced and digitally-connected countries. In the information technology industries, for instance electronics, digital displays, semiconductor devices, and mobile phones, South Korea is leading country of origin for these industries and products. The Samsung brand is a very notable brand origin from South Korea. Below is a brief description of this brand:

Samsung:

From its beginnings as a small trading company, Samsung has evolved to a world-class corporation with businesses that span advance technology, semiconductors, skyscraper and plant construction, petrochemical, fashion, medicine, finance, hotels and more. Samsung's discoveries, inventions and breakthrough products have allowed it to be a leader in these fields, constantly pushing the industries forward. With the success of its electronics business, Samsung has been recognized globally as a industry leader in technology and now ranks as a top 10 global brand. From Samsung innovations in

consumer electronics to its developments in biopharmaceuticals, Samsung shares impactful experiences each day with people around the globe. Through Samsung devotion to create superior products and services across all areas of its business, Samsung strives to enhance the lives of people everywhere and bring positive change to the world wide (Samsung homepage).

3.3 Summary

In this chapter, nine famous personal computers (laptops) brands and their originating countries were discussed. These brands are chosen because they dominant the personal computer market internationally and globally. This products/brands are global brands and can be formed in international markets without the exception of Norway and Aalesund in particular. It is a common sight to see consumers and potential customers in the leading electronics shops in Norway (eg. Lefdal, Expert, Elkjøp) busily shopping for these global personal computer brands and other electronic goods from various countries of origin that have been discussed in this chapter. The next chapter presents an overview of the research model and the hypotheses.

CHAPTER 4: RESEARCH MODEL AND HYPOTHESES

4.1 Introduction

This chapter presents the proposed model of this study. An overview of the proposed model is discussed while arguments for the formulation of the various hypotheses are also discussed. The chapter ends with a discussion of the control variables and how they are likely to influence the dependent variable, consumer purchase intention.

4.2 Overview of research model

The main concepts of this study (Country of origin, Brand awareness, Brand visibility on social networking sites, Product knowledge), will be tested to see their influences on dependent variable, Customer purchase intention.

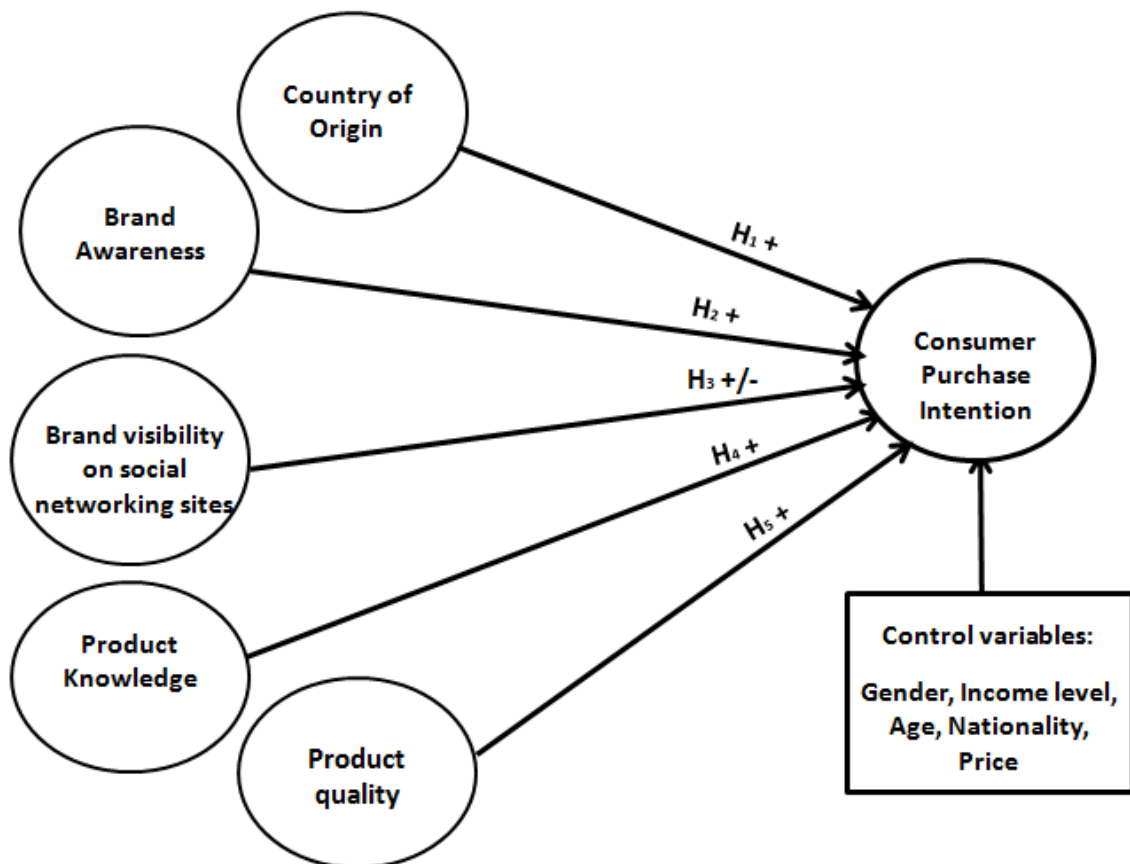


Figure 4.1 Research Model

Figure 4.1 presents the study's conceptual research model and the hypothesized relationships. Model in Figure 4.1 suggests how the key antecedent factors relate to consumer purchase intention. Consumer purchase intention is a subjective concept influenced by consumers' subjective perceptions as discussed in Chapter 2. Country-of-

origin is the country (often referred to as the home country) with which a manufacturer's product or brand is associated (Wang and Yang, 2008). Country of origin is expected to influence consumer purchase intention positively. A particular favorable perception of a country of origin relates with a favorable attitude for a brand or product from that country may increase customer purchase intention.

To describe brand awareness, Rossiter & Percy (1997) used two dimensions, brand recognition - the consumer ability to identify the brand when he is asked about brand name, and brand recall - customer ability to identify the product category when he is asked about brand name. It is hypothesized that consumer purchase intention will increase with the increase of brand awareness. Web communication has taken over the traditional communication through easier process to communicate to a large number of people (Hollensen, 2011). The brand visibility on social network is hypothesized to have positive or negative influence on consumer purchase intention. It is expected that higher brand visibility on social networks will lead to higher consumer purchase intention as a result of positive reviews on the social network while negative reviews or bad perceptions of the brand on the social network may lead to a lower consumer purchase intention. Product knowledge is referred as general knowledge that customer has about functional characteristics or attributes of products and brand (Rezvani et al. 2012). It is expected that higher product knowledge leads to higher consumer purchase intention. Product knowledge and product quality are hypothesized to be positively associated with consumer purchase intention. Gender, income level, price, age and nationality are placed as control variables. Next section discusses the related hypotheses to the research model.

4.3 Hypotheses

4.3.1 The influence of Country-of-Origin on Consumer Purchase Intention

Country-of-Origin is one of the "habitually" intangible attributes used as an extrinsic cue in product evaluation (Al-Sulaiti and Baker, 1998), which was been studied in literature since 1960s as a consumers; product evaluation process (Bilkey & Nes, 1982), depending on market and product specific attributes (Erikson & Hadjikhani, 2000; Quester & Smart, 1998). It has been suggested that a particular favorable perception of a country of origin relates with a favorable attitude for a brand or product from that country in terms of

customers purchase intention (Ahmed et al., 2002; Gurhan-Canli and Maheswaren, 2000; Leclerc et al., 1994; Tse et al., 1996; Wang and Yang, 2008). Also Bhuian (1997); Lawrence, Marr & Prendergast (1992); Piron (2000) suggested that country of origin influence consumer perception regarding quality of the product in both ways (positive way and negative way). Martin and Cervino (2011), underline that consumer knowledge about brand country of origin is a cue in forming their judgments when they are manifesting their purchase decision.

Country-of-Origin shows “if” consumers prefer products from specific country (CoO represent the provenience of goods/products). Keller (1993) affirms that CoO “creates secondary associations for the brand”. Country-of-Origin is a brand association (names, symbols, terms, ideas, celebrities, countries...) and represents the perceptions of firms and product as “positive or negative perceptions of firm or product from a certain country” (Meyer & Peng 2011).

Country-of-Origin Image shows “why” products from certain countries are preferred. This indicator is to create and/or analyze a desired company or brand image. Country image is the overall reputation building, and some product types as: reputation for producing certain types of products and service (e.g.: Cars, wine, chess, airplanes); reputation for a population with certain skills (e.g.: craftsmanship, specialized vessel buildings); reputation for resources (e.g.: natural and cultural resources). Roth and Romeo, (1992, p.480) defined CoI as “the overall perception consumers form of products from a particular country, based on their prior perception of the country’s production and marketing strengths and weaknesses”. Laroche et.al. (2005) suggest that country of origin image should include three components: *cognitive component* – which include customers beliefs of country of origin, *affective component* – this describe which emotional values are associated with a specific country, and *conative component* – which is representing the consumers behavior regarding sourcing from that country of origin.

Knowledge about country of origin is now influenced by changing in global market place as a consequence of globalization and development of emerging markets (Brodowsky, Tan & Meilich, 2006). Also it has been suggested that a particular favorable perception of a country of origin relates with a favorable attitude for a brand or product from that country in terms of customers purchase intention (Wang and Yang, 2008). In view of the above discussion, we propose that:

H1: Country of Origin is positively associated with Consumer Purchase Intention

4.3.2 The influence of brand awareness on consumer purchase intention

Brand awareness is the customers; ability to recognize and recall a brand, under different conditions and time pressure (Aaker, 1991; Keller, 1998). Brand awareness which is the brand knowledge component doesn't need both dimension - brand recognition and brand recall simultaneously when brand awareness is evaluated (Keller, 1993; Rossiter and Percy, 1997). Macdonald and Sharp (2000) argue that when a customer chose a product there is a strong tendency to choose a well-known brand instead of a unknown brand. Brand is an important antecedent for consumer's purchase intention (Godey et al., 2011; Lee et. al. 2011; Yasin, et.al., 2007; Wang and Yang, 2008;). Also, Yasin, et.al. (2007), in their research, showed close relationship between product brand and country of origin. The close relationship between brand and country of origin is also being suggested by Ozretic-Dosen, Skare, and Krupka, (2006). Ahmed and d'Astous (1996), Chao (1993), Insch and McBride (2004), Pharr (2005), Ulgado (2002), argue that consumers associate different countries with certain brands.

Consumers use brand awareness on a great number of situations as both a guarantee of quality and a risk-reduction strategy. The more aware consumers are of a brand and the more this awareness influences the attribution of quality to the brand, and the greater the perceived risk in the proper functioning of products. It shows the importance of brand awareness as a strategy for reducing risk for buyers of products in general, and especially for quality-conscious buyers (Natalia et al., 2013)

Unnava and Burnkrant (1991) suggest that advertising have the biggest influence on brand awareness. Peter & Olson (2010) suggest that the level of brand awareness is influenced by the way that customers make their purchase. There are present two situations, one is when customer chose product from shop, and the degree of brand awareness is not need to be high because the seller is presenting the different brand and product attributes, situation in which the customers need is only to recall the brand name or to recognize the familiar brands, which will activate the brand knowledge in customer memory. The other situation is when the customer is buying the product via Internet, and then the degree of brand awareness is need to be hire to influence brand choice.

Brand origin is a strong brand association from the consumers mind (Keller, 1993), but not necessarily with the country of origin (Lim and O'Cass, 2001). Considering associative memory network theory, Collins and Loftus (1975) suggest that consumers

recall brand name when they evaluate a product. Recent research suggest that brand name and brand awareness has a significant influence on purchase intention (Davis et.al., 2008). In view of the above discussion, we propose that:

H2: Brand awareness is positively associated with Consumer Purchase Intention

4.3.3 The influence of Brand visibility on social networking sites on Consumer Purchase Intention

From Rizavi et. al. (2011, pp 903) argue that is the biggest realization of 20th century is the social networking platform. Social networking is “an internet based platform, where users can register and create a public and private profile, add other users as friends, can share information with friends and other users and view, modify and traverse their friends list”. Chatterjee (2001) reports that social network have dual role: providing product information and product recommendation. Lee, Park & Han, (2008) added that online users add evaluations of products as advantages and weaknesses for purchase decision (Park, Lee & Han, 2007; Wei & Lu, 2013).

Haung et.al. (2009) argue that a product before purchase is a “search good” and Weathers et. al. (2007) suggest that search good require information, which is sufficient for customers to properly evaluate the good. Examples of search goods are cell phone, cameras and computer (Mudambi & Schuff, 2010).

Haung et.al. (2009) suggest that consumers when looking after information, they search online goods, and they usually use the web pages and blog articles when the product is not about experience goods. Mudambi & Schuff (2010) also indicate that is difficult for a blogger to write a useful recommendation when it is about experience goods. Brown, Broderick & Lee (2007) argue about bloggers credibility, because they conceal their true identity to be revealed by taking a blog-name. The presence of brands, products and organization on social networking sites is expected to influence the purchase intention of consumers. This is because consumers can search for information about the quality products and brands of products to aid in decision making. Positive reviews on social networking sites have positive impact on purchase intention, while negative reviews may lead to negative impact on consumer purchase intention. In view of the above discussion, we propose that:

H_3^0 : Brand visibility on social networking sites is negatively associated with Consumer Purchase Intention

H_3^1 : Brand visibility on social networking sites is positively associated with Consumer Purchase Intention

4.3.4 The influence of Product knowledge on Consumer Purchase Intention

Rezvani et al. (2012) stated that consumers cannot evaluate all characteristics of a product before they purchase and they have to judge sometimes in their pre-purchase evaluation. Extrinsic cues that consumers believe in can be used for their judgment about products quality. This issue is important especially when consumers have limited knowledge about the product or there is no source of intrinsic cue for their product evaluation. Davenport and Prusak (1998) define term knowledge as “created by human interaction with information” while Nonaka and Takeuchi (1995) suggest that “knowledge is a dynamic human process of justifying personal belief toward the truth” through the two type of knowledge: *tacit* (personal knowledge) and *explicit* (expressed in words, databases, patents, reports, documents). Rezvani et al. (2012) concluded their research by suggesting that consumer attitude would be more persistent and less affected by country of origin cues over time as long as they have high product knowledge and motivation to process product-related information to make a decision. It is been found that consumers appear to admit that the product with superior quality is not always the first choice for them. There is evidence explaining that this result is not only a matter of personal consumer preferences but is also a consequence of consumers' lack of confidence and proper information about the quality (Papanagiotou, 2012). This phenomenon indicates that lacking of product knowledge is decreases the consumer's purchasing intention.

Alba et al. (1987) has proposed two types of product knowledge: familiarity and expertise. Before purchasing the item, if the consumer has never used the product, there is no "familiarity" product knowledge. Then, the product knowledge can be taken into consideration by the consumer, but not the only factor which is considered by consumer. Therefore, it seems that product knowledge influences consumer's purchase intention. Consumers that have more knowledge of a particular product/brand are expected to consider that product or brand as part of their consideration set when deciding on which brand/product to purchase. Product knowledge therefore is expected to increase consumer purchase intention. In view of the above discussion, we propose that:

H4: Product knowledge is positively associated with Consumer Purchase Intention

4.3.5 Product quality

It has been suggested that quality is the collection of characteristics/attributes of a product/service that rely on its ability to fulfill stated/implied needs (Gopal, 2013). The relationship between quality and purchase intentions is complex. Service quality showed no direct positive effect on post-purchase intention. Although service quality has no direct effect on post-purchase intention, the indirect influence of service quality on post-purchase intention could be found through perceived value and customer satisfaction (Kuo et al., 2009). According to the different effects of constructs on post-purchase intention, the constructs can be ranked as follows based on the effect on post-purchase intention: perceived value, service quality, and customer satisfaction (Kuo et al., 2009). It is indicated that there is no direct paths between high quality and purchase intentions, while the quality should be treated as a multi-level construct (Bai et al., 2008). Bai et al. (2008) also pointed out that satisfaction was found to have a positive impact on purchase intentions, both short-term and long-term, mediating the effect of quality. The indirect relationship between quality and purchase intentions via both service value and satisfaction was also supported by Cronin et al. (2000). Similar conclusion with the previous research, the findings of Cronin et al. (2000) indicated quality may lead to satisfaction, and the satisfaction is mediating the effect.

However, there are other different opinions about the relationship between quality and purchase intention. Gopal (2013) found that the direct impact of quality on purchase intention is positive. Papanagiotou (2012) provided evidence of a strong relationship between expected quality and intention to buy. Nevertheless, there are some differences between expected quality and intention to purchase. And these differences are not resulted from perceived monetary costs which mean that not all consumers choose highest price products. The usage of the extrinsic cue "price" for the formation of quality evaluation is an indication of uncertainty. And it is been perceived as a difficulty in quality evaluation (Papanagiotou, 2012). It has been found that consumers appear to admit that the product with superior quality is not always the first choice for them. There is evidence suggesting that this result is not only a matter of personal consumer preferences but is also a consequence of consumers' lack of confidence and proper information about the quality

(Papanagiotou, 2012). Thus, the relationship between quality and purchase intention is still under debate. In view of the above discussion, we propose that:

H5: Product quality is positively associated with Consumer Purchase Intention

4.3.6 Control variables

Age and Gender

This study included demographic variables (age and gender) as control variables. A considerable number of empirical research, suggest that the difference between genders is partially from biological way to act and partially from socialization experience (Putrevu, 2001). Babakus and Yavas (2008, pp976) suggest that males are “primarily guided by social norms...to purchase self-centered goals” and female are “guided by concerns for self and others”, while Ndubisi (2006) and Pan & Zinkan (2006) suggest that female are more relationship oriented and loyal than male. Hence, age and gender are expected to provide some explanation of the dependent variable-consumer purchase intention.

Nationality and Income level

This study also included the demographic variables (nationality and income level) as control variables. It is expected that customers with higher disposable income can better afford to purchase whatever products they desire. Higher income should therefore increase the probability to consume. Thus, income is expected to increase consumer purchase intention. Nationality can also influence the probability to consume due to the differences in income levels of people from the same country and the different levels of income among countries. Hence, nationality and income levels are included in our research model since they provide alternative explanations of the dependent variable – consumer purchase intention.

Price

Erickson & Johansson (1985) and Monroe (1982) suggest that price influences consumer evaluation of product alternatives. Price has been considered as a predictor of quality, especially when customers’ have insufficient knowledge of product (Bredahl, 2003; Dickson & Sawyer, 1990; Glitsch, 2000; Kardes et al., 2004; Manrai et.al., 1998;

Monroe, 1976). Lee & Lou (1996) describe price/quality relationship as a “price-reliance schema...you get what you pay for”.

4.4 Summary of hypotheses

A summary of the hypotheses is presented in the Table 4.1

Hypotheses	Association between variables	Hypothesize effect
H1:	Country of Origin is positively associated with Consumer Purchase Intention	+
H2:	Brand awareness is positively associated with Consumer Purchase Intention	+
H₃⁰:	Brand visibility on social networking sites is negatively associated with Consumer Purchase Intention	-
H₃¹:	Brand visibility on social networking sites is positively associated with Consumer Purchase Intention	+
H4:	Product knowledge is positively associated with Consumer Purchase Intention	+
H5:	Product quality is positively associated with Consumer Purchase Intention	+

Table 4.1 A summary of the hypotheses

4.5 Summary

In this chapter, the proposed model was discussed while the various hypotheses were also formulated based on a review of the literature in earlier chapters. The next chapter discusses the methodology of the study.

CHAPTER 5: RESEARCH METHODOLOGY

5.1 Introduction

In this chapter, the philosophical position of this study will be discussed first. Then, the following part will be discussed respectively: the research approach/ design; empirical settings and geographical location; data collection; operationalization and measurement of variables.

5.2 Philosophical Position

Malhotra and Birks (2006) discussed two paradigms about research philosophy: positivist and interpretivist. To get the legitimacy of the method, positivist seeks to reach the conclusion by deduction based on agreed and measurable "facts". The positivist perspective tends to be used to analyze quantitative data. Positivist perspective tends to be traditionalist, objective and scientific. The researcher is independent of respondent. The language of researchers with positivist paradigm is formal and impersonal. However, the interpretivist obtains the legitimacy of the method by induction. The conclusions of interpretivist research do not have complete evidence. Interpretivism deals with qualitative data. The researcher interacts with respondents. The researcher language tends to be informal and personal.

The philosophical position presented in this study is positivist perspective. The responses were collected and analyzed based on established theoretical and empirical framework. The research method is quantitative involving the collection of primary data and the conduct of statistical analysis.

5.3 Research approach/design

When selecting the appropriate set of approaches for the research, researchers should take care because each research topic is special and unique in some way. Schmidt and Hollensen (2006) stated that there are three basic ways of obtaining primary data: survey, observation, and experiment. Survey is a widely used approach for data collection. There are five advantages of using survey, including standardization; ease of administration; ability to tap the "unseen"; suitability to tabulation and statistical analysis; and sensitivity to subgroup differences (Schmidt and Hollensen, 2006). Therefore, survey is chosen as the research approach for this study.

The research design involves the use of online survey. Online survey has several advantages, consisting of ease of creating and posting; inexpensive to administer; data can be quickly gathered; flexibility; and fast online statistical analysis (Schmidt and Hollensen, 2006).

5.4 Empirical setting and geographical location of study

Some studies use students samples in combinations with other sample types (d'Astours and Boujbel, 2007; Knight et. al., 2003), and others use only students sample (Martin and Eroglu, 1993; Mittelstaedt et.al.,2003; Pereira et. al., 2005). In this research, the sample was selected based on University active students register and the survey was sent to each of the 2869 students by emails and the survey is made by using the internet <http://www.esurveyspro.com> program. Sample size vary from 30 respondents – smallest sample (Weber and Grundhofer, 1991 – Roth K.P. 2009) up to 14000 respondents – largest sample (Schweiger, 1988 – Roth K.P. 2009).

The context of this master research is represented only by the students from Aalesund University College, Norway. Aalesund is a city situated at Norwegian Sea coast, in the north-west part of Norway, in More and Romsdal district, being one of the 19 district from Norway. In 2012 were approximately 260 000 inhabitants split into 36 municipalities where Aalesund, Molde and Kristiansunde are the largest. The industries developed in this area are maritime and petroleum related industries, fisheries, furniture, tourism and service industries.



Figure 5.1 More and Romsdal maps, source google maps

One of the main objective of More and Romsdal authorities is to promote and develop the culture, knowledge and value creation plan (source: More and Romstal authority presentation - web). Aalesund University College has an important role, to provide expertise to the region. The University is situated at 4km from Aalesund centre, and have approximately 3000 students and 200 staff. Study programs at Aalesund University College are business management, engineering, health care, fisheries and maritime trade, organized in five faculties: Faculty of International Marketing, Faculty of of Engineering and Natural Sciences, Faculty of Health Sciences, Faculty of Life Science, Faculty of Maritime Technology and Operations (source Aalesund University College web)

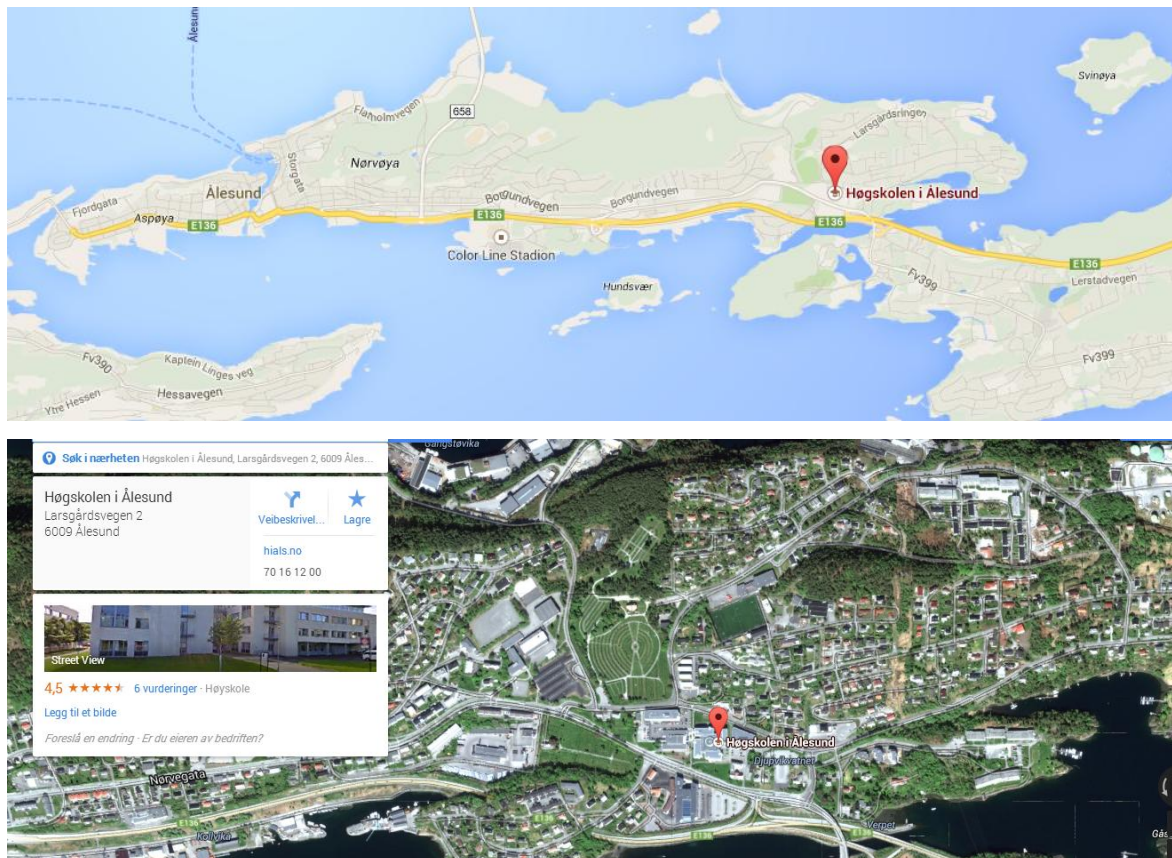


Figure 5.2 Aalesund University College maps, source google maps

5.5 Questionnaire design

A questionnaire is a data collection instrument, formally setting out the way in which research questions should be asked (Schmidt and Hollensen, 2006). It is important that the question type is chosen appropriately. There are three main types of question formats, including open questions, closed questions and multiple-choice questions

(Schmidt and Hollensen, 2006). In this survey, all questions about items of this survey are either closed questions or multiple-choice questions. Closed questions refer to the questions requiring the respondent to make a selection from a list of responses which can remove the interviewer and coder bias (Schmidt and Hollensen, 2006). Since the bias of interviewer could influence a lot when it comes to a huge amount of respondents, the format of closed question is chosen. As multiple-choice questions, the researcher provides a set of choices of answers and respondents are asked to select one or more of the options given (Schmidt and Hollensen, 2006). Multiple-choice question format is chosen because it gives more flexibility to respondents for some specific questions. Appendix 8 shows the questionnaire used in the study.

5.6 Data Collection

Primary data refers to the data that originated by the researcher specifically to address the research topic. Secondary data refers to the data that have been collected for purposes other than the present problem for researchers. Compared to secondary data, primary data is more costly and time consuming. However, it can address the data more accurately to the research topic (Malhotra and Birks, 2006). Since primary data is collected through experiments, surveys, questionnaires, focus groups, or interviews, the data or information is first hand. It is more accurate than secondary data regarding the research topic. However, since the secondary data is readily available and is available to the public through journals or newspapers, it is cheaper than primary data. Primary data collection is chosen in this study in order to find answers to the specific research questions raised in this study.

It is very important to consider sampling issue after the approach of collecting primary data is determined. The main sampling techniques can be divided into two categories: probability and non-probability (Schmidt and Hollensen, 2006). Probability sampling refers to that each element of the population has a chance of being selected. Non-probability sampling refers to the method that the chance of selection of a particular population element is known. In this survey, the probability method is chosen. Simple random sampling is an approach that each element of the population has an equal chance of being selected (Schmidt and Hollensen, 2006). Thus, in this survey, simple random sampling is chosen. The target population was the students of Høgskolen. There are about 3000 students in the University College.

The survey was made online, using the <http://www.esurveyspro.com> between 24.04.2014 – 16.05.2014. In these three weeks we accumulated 122 respondents which represent 4.3% response rate. Regarding the nationality of the respondents, 62.30% of respondents were Norwegians and 37.70% from other countries. Regarding the gender, we receive answers from 62 male (50.82%) and 60 female (49.18%). Regarding the income level 58% of respondents have a level between 5 001Nok - 10 000NOK, and only 29% of them have less than 5 000NOK.

5.7 Operationalization of variables

Two types of measurement models have been proposed by Bollen and Lennox (1991) in order to find the relationship between a set of latent constructs: the reflective model and formative model. The reflective model is consists of reflective scales. It also indicates the direction of causality from the construct to the measures. In order to ensure reliability, the measures of the reflective model are expected to have internal consistency. The meaning of the construct will not change when one indicator is removed from the model. Thus, reflective model takes measurement error at the item level into account. However, the formative model works reversely. Formative model illustrates the direction of causality from the measure to the construct. Formative model does not require internal consistency, while it requires criterion reliability. Formative model deals with the error at the construct level (Jarvis et al 2003). However there are also similarities between reflective and formative models. When the scales of both models do not adequately represent the construct, it will lead to inconsistency in the reflective model, and biased estimates in formative model. Figure 5.3 shows how reflective and formative model is organized. In this study, all the scales are measured through reflective model.

Principal Factor (Reflective) Model

Composite Latent Variable (Formative) Model

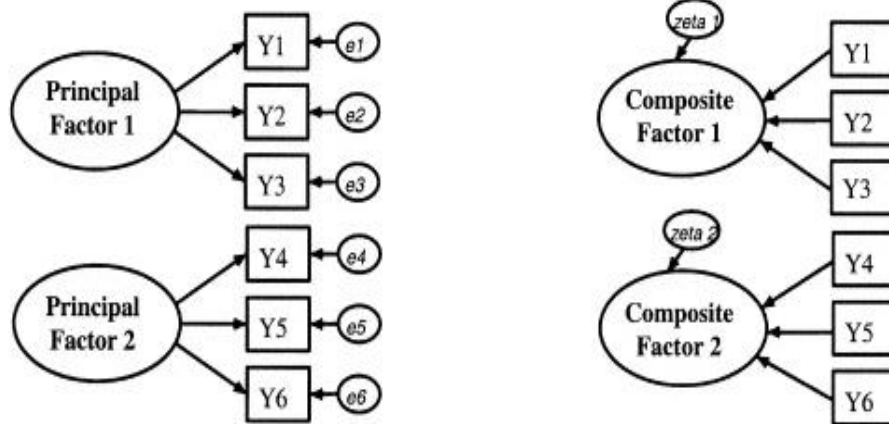


Figure 5.3: Differences between Types of Measurement Models (Jarvis et al 2003)

5.8 Measurement of variables

In this section of the chapter, various question items which make up the variables will be presented. In this study, there is only one dependent variable; consumer purchase intention, and ten independent variables: country of origin; brand awareness; brand visibility on social networking sites; and product knowledge; product quality with control variables gender; income level; price; age; nationality. As Schmidt and Hollensen (2006) pointed out, there are eight main approaches measuring attitudes, including continuous rating, Likert rating, semantic differential rating, staple rating, paired comparison, rank order, constant sum, and Q-sort. Likert scale is chosen in this survey. This scale is very widely used rating scale which requires respondents to choose a degree of agreement or disagreement about the object or statement.

The dependent variable-consumer purchase intention

Fishbein & Ajzen (1975) referred to purchase intention as a consumer's objective intention when they think of a product. Spears & Singh (2004) define it as consumer's conscious plan or intention when they are making an effort regarding the product purchase. In this study, consumer purchase intention is used as dependent variable. The scales are adapted from the research of Bone and Ellen (1992), and Tylor and Baker (1994) and . This construct is anchored 1 very low or strongly disagree to 7 very high or strongly agree.

- CPI1 I would consider buying this personal computer (laptop) brand always
- CPI2 It is possible that I will always buy this laptop brand
- CPI3 If I were going to buy this laptop / computer, I will consider buying any model of this brand.
- CPI4 The possibility I would consider buying this product is
- CPI5 My willingness to buy this product is
- CPI6 The likelihood of me purchasing this product is

The independent variables:

Country of origin:

It has been suggested that a particular favorable perception of a country of origin relates with a favorable attitude for a brand or product from that country in terms of customers purchase intention (Ahmed et al., 2002). Country-of-Origin is a brand association (names, symbols, terms, ideas, celebrities, countries...) and represents the perceptions of firms and product as “positive or negative perceptions of firm or product from a certain country” (Meyer & Peng 2011). The scales of measuring country of origin is derived from the research of Martin and Eroglu (1993) and Shirin and Kambiz (2011). From 1 strongly disagree to 7 strongly agree.

- COO1 The level of economic development of this country is high
- COO2 The level of democratic politics of this country is high
- COO3 The level of industrialization of the country where my favorite laptop comes from is high
- COO4 The level of technology of this country is high
- COO5 The product quality of this country is high
- COO6 Personal computers (laptops) from this country are reliable

Brand awareness:

Brand awareness is the customers' ability to recognize and recall a brand, under different conditions and time pressure (Aaker, 1991). Keller (1993) proposed that “brand awareness is a component of brand knowledge”. If customers have passive or active knowledge about a product, it represents the customers’ brand awareness of that product or service is high (Valkenburg & Buijzen, 2005). The scales of measuring brand awareness is

adapted from the research of Long-Chuan Lu et al. (2014) and were 1 to 7 point scale anchored by 1 strongly disagree to 7 strongly agree.

- BRA1 I know this brand
- BRA2 When it comes to laptops, I can immediately recall the brand
- BRA3 The name of the manufacturer of my favorite laptop is a well-known computer brand

Brand visibility on social networking sites:

We define brand visibility on social networking sites as the importance consumers attach to the presence of brands, products or companies and organization on the various social networking sites as, Facebook, Youtube, Google and any others. Chatterjee (2001) reports that social network have dual role: providing product information and product recommendation. Online users add evaluations of products as advantages and weaknesses for purchase decision (Park, Lee & Han, 2007; Wei & Lu, 2013). Since there is no available scale, the scales were formulated by the researchers of this study by using a 7 point Likert scale, where 1 represent not important and 7 very important. Brand visibility: The presence of my favorite personal (laptop) computer brand on social networking sites:

- VIS1 Facebook
- VIS2 Twitter
- VIS3 Youtube
- VIS4 Google+

Product knowledge:

Consumers cannot evaluate all characteristics of a product before they purchase and they have to judge sometimes in their pre-purchase evaluation. Extrinsic cues that consumers believe in can be used for their judgment about products quality. This issue is important especially when consumers have limited knowledge about the product or there is no source of intrinsic cue for their product evaluation (Rezvani et al., 2012). The scale of measuring product knowledge is adapted from the research of Shirin and Kambiz (2011) and were 1 to 7 point scale anchored by 1 strongly disagree to 7 strongly agree.

- PRK1 The level of my knowledge of this personal computer brand
- PRK2 I am willing to know more about this personal (laptop)computer brand
- PRK3 After purchase and use of this personal (laptop) computer brand, the accumulated level of what I know about this brand is high
- PRK4 I am willing to understand more about this Laptop brand

Product quality:

It is been suggested that quality is the collection of characteristics/attributes of a product/service that rely on its ability to fulfill stated/implied needs (Gopal, 2013). Aaker, Fournier and Brasel (2004), in their research agree that product quality is the heart of a great brand. Product quality is very important either for tangible goods or services. It may influence the reputation of brand and product. The scales of product quality are derived from the study of Lichtenstein et al. (1993) and were 1 to 7 point scale anchored by 1 very low to 7 very high:

- QUA1 This personal (laptop) computer brand is of high quality
- QUA2 This personal (laptop) computer brand is highly reliable
- QUA3 This computer brand manufacturer is very innovative
- QUA4 This personal (laptop) computer brand is of high technological quality

Control variables:

In addition to the dependent and independent variables, there are six control variables: gender, income level, product quality, price, age, nationality.

Gender:

Gender is measured by a single question:

Your gender: Male or Female

Income level:

Income level may also influence consumer purchase intention. Consumers with high income level may afford those products with high prices which low income level consumers cannot. This is measured by a single question:

Which of the following level of income per month best describes your income for now?

Less than	5 000 NOK
	5 001 NOK – 10 000NOK
	10 001 NOK – 20 000 NOK
Over	20 001 NOK

Price:

Price is expected to influencing consumer purchasing intention. Normally, the purchase intention is negatively linked to price. Consumer purchase intention may drop with the increase of the price. The scales of measuring price are derived from the research of Lichtenstein et al. (1993) and were 1 to 7 point scale anchored by 1 strongly disagree to 7 strongly agree.

- PRC1 I am very concerned about low personal (laptop) computer prices, but I am equally concerned about their quality
- PRC2 When shopping for a personal (laptop) computer I compare the price of different brands to be sure I get the best value of my money
- PRC3 When I buy a personal (laptop)computer, I like to be sure that I am getting my money worth
- PRC4 When purchasing a personal (laptop)computer, I always try to maximize the quality I get for the money I spend

5.9 Chapter Summary

In this chapter, the methodology which was applied to this study was presented and discussed. The chosen research design (i.e. survey) adopted in this study was presented and the research setting discussed. In addition, the measurement scales used for the study were also discussed. The next chapter looks at data analysis and empirical findings.

CHAPTER 6: MEASUREMENT ASSESSEMENT AND DATA VALIDATION

6.1 Introduction

In previous chapter, we discussed the research methodology and measurements of the variables. In this chapter we present an assessment of the measurement instruments for purposes of further analysis. We discuss issues of validity, reliability and factor analysis of the data before we do further analysis to find answers to our research questions in the next chapter.

In this chapter we discuss data assessment. We do this by conducting descriptive statistics analysis and data inspection, the reliability and validity of measurements. The chapter ends with a discussion on the constructs validation process. The next chapter presents data analysis and the empirical findings of this research.

6.2 Descriptive statistics analysis and data examination

6.2.1 Data Screening and Cleaning

Before data is analyzed, the data should be examined for errors since the potential errors may affect the results of the analysis. According with Pallant (2013), before starting analysing the data, it is important to check for errors for accurate results of analysis. Data screening process is done in two steps: Step 1 consist of - Checking for errors, scores that are out of range and Step 2 which consist of - finding and correcting the errors in the data file –where you can correct or delete the wrong values (Pallant, 2013, pp.44). An examination of the datasets revealed that there were no errors or missing data.

6.2.2 Descriptive analyses of the data

According to Pallant (2013), the descriptive analyses include the analyses of Kurtosis and Skewness. Gaur and Gaur (2006) define descriptive statistic “as a numerical and graphical method” which purpose is to “summarize the data”. They present three methods to describe it: measurement of central tendency (mean, median and normality), measurement of variability, and measurement of skewness and kurtosis.

The statistics obtained by descriptive analysis can be used as an illustration of the sample. It is also helpful to check the suitability of the variables to answer the research

questions. The important attributes include the minimum, maximum, mean and the standard deviations of the variables. The result of the descriptive statistics of the variables from our research model are presented in the Table 6.1 shown below.

	N	Min	Max	Mean	SD
COO1	122	1	7	4.75	1.847
COO2	122	1	7	4.27	1.946
COO3	122	1	7	5.20	1.629
COO4	122	1	7	5.77	1.487
COO5	122	1	7	5.64	1.500
COO6	122	1	7	5.61	1.393
BRA1	122	2	7	5.80	1.309
BRA2	122	1	7	5.77	1.465
BRA3	122	1	7	6.08	1.370
VIS1	122	1	7	3.70	2.466
VIS2	122	1	7	1.78	1.382
VIS3	122	1	7	3.89	2.409
VIS4	122	1	7	2.70	2.306
PRK1	122	1	7	4.91	1.324
PRK2	122	1	7	5.14	1.539
PRK3	122	1	7	4.95	1.390
PRK4	122	1	7	5.02	1.505
QUA1	122	1	7	6.11	1.082
QUA2	122	1	7	5.94	1.187
QUA3	122	1	7	5.61	1.340
QUA4	122	1	7	6.02	1.076
CPI1	122	1	7	5.37	1.667
CPI2	122	1	7	4.88	1.679
CPI3	122	1	7	4.11	2.024
CPI4	122	1	7	5.56	1.355
CPI5	122	1	7	5.47	1.362
CPI6	122	1	7	5.32	1.386

Table 6.1: Descriptive statistics

That skewness values indicate the symmetry of distribution. It is important at range be between -1 and +1. A negative Skewed distribution have low values and tails to left, and a positive one have few large values and tails to right and Kurtosis values indicate the peakness of the distribution. Positive value indicates a relatively peaked distribution and negative one a flat distribution. Table 6.1 presents the univariate descriptive statistics.

6.2.3 Factor analysis

Factor analysis is an important technique used to analyze the structure of variables. It is not designed to test hypotheses or to tell whether a group is different from another but to define and to find out the underlining structure among the variables.

To consider a particular data a suitable data set for factor analysis, the next two main issues: sample size and the strength of the relationship between variables must be taken in consideration. First the sample size: in our case the sample size was 122 respondents. For factor analyses, sample size, according to Pallant must be not smaller than 150 cases (or Nunnally (1978) recommends a 10 to 1 ratio (10 cases for each item to be factor analyzed and in Tabachnick & Fidell (2013) recommends a 5 to 1 ratio (5 cases for each item to be factor analyzed). The second issue according to Tabachnick & Fidell recommends an inspection of the correlation matrix for evidence of coefficients greater than 0,3. Bartlett test ($p < 0,05$) and KMO index (ranges from 0 to 1), with 0,5 suggested as the min value (Tabachnick & Fidell, 2013). Table 6.2 shows the result of the factor analysis

Items	1	2	3	4	5	6	7
COO1	.803						
COO2	.736						
COO3	.799						
COO4	.769						
COO5	.646						
COO6	.529						
BRA1		.449					
BRA2		.506					
BRA3		.641					
VIS1			.884				
VIS2			.638				
VIS3			.878				
VIS4			.672				
PRK1				.677			
PRK2				.781			
PRK3				.794			
PRK4				.796			
QUA1					.739		
QUA2					.744		
QUA3					.776		
QUA4					.805		
CPI1						.694	
CPI2						.766	
CPI3						.662	
CPI4						.707	
CPI5						.736	
CPI6						.743	
PRC1							.326
PRC2							.724
PRC3							.838
PRC4							.823

Table 6.2: Factor analysis

Tabachnick & Fidell recommends inspection of the correlation matrix for evidence of coefficients greater than 0.3. We inspected the correlation matrix and we find only few correlation coefficients less than 0.3.

KMO index ranges from 0 to 1, but is better to be > 0.6 (and lower than 0.9). We obtain 0,796 – which is good because is greater than 0.6 and lower than 0.9. Bartlett test $p < 0,05$ (in this case is significant we have $p = 0,000$) and can therefore conclude that further analysis is appropriate (see Appendix 1). Taking into consideration the communalities which must be (Communalities $> 0,6$), we consider eight component extraction for factor analyses is more appropriate (only VIS2 is .575). In seven component extraction we obtain five variables with value below 0,6.

Component Correlation Matrix present in both cases showed weak correlations (are not so many above 0,3). The factor analysis show in Table 6.1 is the rotated matrix based on Varimax rotation.

6.3 Reliability of measurements

Reliability is describes the degree to which the observed variable measures the "true" value and is "error free" (Joseph et al., 2014). Reliability refers to the ability of a scale to generate a consistent result when repeated measurements are taken (Schmidt and Hollensen, 2006). Validity is the degree to which a measure accurately represents what it is supposed to measure (Joseph et al., 2014).

As the scale of measurements, there are four basic scales: nominal, ordinal, interval and ratio. The ordinal scale was chosen in this survey. An ordinal scale is obtained by ranking objects or by arranging them in order with regard to some common variable (Schmidt and Hollensen, 2006). The scale can show how much differences are existing among the objects.

Secondly, since the study is about how brand awareness, country of origin, product knowledge, and brand visibility on social network influence consumer purchase intention, some of the measurements should measure the attitudes of respondents.

The result of rotated factor analysis of the data is shown as follows:

Checking the reliability of the scale, the most commonly used indicator is Cronbach alpha coefficient, which must be above 0,7 (De Vellis 2012). In our case we obtain 0,859 which is very good internal consistency reliability.

Items with factor scores less than .40 were deleted. What is more, all items with cross scores were also deleted. The result shows all the factor scores were between .449

and .884. The items with higher scores are good indicators. The Cronbach alpha score is used to assess the internal consistency of the factors in this study. The Cronbach alpha score is used to compare how well that the questions in a survey correlate with other questions measuring the construct. The Cronbach alpha score is regarded as an average correlation of one specific question to the rest in the question set. The construct should consist of at least three question items in order to achieve reliability. Because the Cronbach alpha score rises with the rises of the number of items. What is more, it will improve the measurements' reliability. In order to achieve the reliability, all of the measurement items which are forming a construct should have internal consistent reliability no less than .70. The result in the following Table 6.3 indicates that the measurement items have achieved the reliability (see also Appendix 5).

Construct	Items	No. of Items	Reliability (Cronbach alpha)
Country of Origin	COO 1,2,3,4,5,6	6	.860
Brand Awareness	BRA 1,2,3	3	.725
Brand Visibility on Social Networking Sites	VIS 1,2,3,4	4	.794
Product Knowledge	PRK 1,2,3,4	4	.817
Product Quality	QUA 1,2,3,4	4	.907
Price	PRC 2,3,4	3	.739
Consumer Purchase Intention	CPI 1,2,3,4,5,6	6	.868

Table 6.3: Reliability

6.4 Validity

It is not enough that we calculate the Reliability – the degree to which the observed variable measures the “true” value and is thus error free, is measured, because our research goal is to reduce measurement error by evaluating the two important characteristics of measurement: validity and reliability. Validity is described as the degree in which measures accurately represent what it is supposed to measure (Joseph et al, 2014).

Aaker et al. (2006 pp.307) suggests that “an attitude measure has validity if it measure what is supposed to measure”. To do that he suggest that are three approaches for

validity assessment: *consensus validity (or face validity)* – is when the measurement reflects the phenomenon; *criterion validity* – is when correlates with other variables measured; and *construct validity* – is consider after the other two validity were made and the goal is first to define the concepts and then to present the phenomenon. Agle and Kelley (2001) classified validity as: *content validity; face validity; criterion related validity; convergent validity; discriminate validity and constructs validity.*

6.4.1 Convergent validity

In this research we take into consideration Convergent validity and Discriminant validity to discuss the model. Agle and Kelley (2001) refer at convergent validity as to the degree of agreement between data source and measurement methods. The existence of agreement implies the validity of the model. To assess the convergent validity of our model we use one-factor confirmatory factor analysis (CFA) in AMOS21 (Arbuckle 2012). The model was evaluated using: Standardized Root Mean Square Residual (SRMR), Root Mean Error of Approximation (RMSEA), Tucker-Lewis Index (TLI); Comparative Fit Index (CFI), Goodness of Fit Index (GFI), Chi square test results. The findings are presented in Table 6.4:

Scale	Standerdized loadings (t-values)	Fit indices	Reability Cronbach alpha
Purchase_intention (6 items)	0.598 0.667 (7.716) 0.536 (5.034) 0.819 (6.829) 0.891 (7.145) 0.844 (6.951)	$\chi_{(8)}^2 = 3.396$ P = 0.001 GFI = 0.935 CFI = 0.951 TLI = 0.908 RMSEA = 0.141 90% c.i (0.085, 0.201) SRMR = 0.0581	0.868
Country_of_origin (6 items)	0.498 0.532 (5.857) 0.634 (5.906) 0.932 (5.803) 0.871 (5.717) 0.690 (5.166)	$\chi_{(7)}^2 = 4.149$ P = 0.000 GFI = 0.925 CFI = 0.943 TLI = 0.878 RMSEA = 0.161 90% c.i (0.103, 0.224) SRMR = 0.0603	0.860

Brand_visibility (4 items)	0.825 0.416 (4.664) 0.969 (9.973) 0.593 (7.011)	$\chi_{(2)}^2 = 3.506$ P = 0.030 GFI = 0.973 CFI = 0.974 TLI = 0.923 RMSEA = 0.144 90% c.i (0.038, 0.266) SRMR = 0.0353	0.794
Product_knowledge (4 items)	0.432 0.855 (4.766) 0.612 (4.245) 0.923 (4.764)	$\chi_{(2)}^2 = 18.812$ P = 0.000 GFI = 0.878 CFI = 0.839 TLI = 0.517 RMSEA = 0.384 90% c.i (0.282, 0.495) SRMR = 0.1136	0.817
Product_quality (4 items)	0.808 0.712 (12.210) 0.867 (11.060) 0.933 (11.611)	$\chi_{(1)}^2 = 1.050$ P = 0.305 GFI = 0.996 CFI = 1.000 TLI = 0.999 RMSEA = 0.021 90% c.i (0.000, 0.243) SRMR = 0.0069	0.907
Price (4 items)	0.754 0.646 (6.083) 0.802 (6.483) 0.333 (3.248)	$\chi_{(2)}^2 = 1,501$ P = 0.223 GFI = 0.988 CFI = 0.991 TLI = 0.972 RMSEA = 0.064 90% c.i (0.000, 203) SRMR = 0.0342	0.693

Table 6.4: Standardised estimated factor loadings: AMOS21

6.4.2 Discriminant validity

Fornell and Larcker (1981) suggest that Discriminant validity is the degree to which a latent variable discriminates compare with the others latent variables. Agle and Kelley (2001) suggest that is the ability in which the measures are different, not correlating between them. Discriminant validity was assessed by using Average Variance Extracted (AVE) and Shared Variance Test (Fornell and Larcker method, 1981). Table 6.5 present our results.

Factor	1	2	3	4	5	6	7	8	9	10
CPI	1	0.145	0.176	0.009	0.175	0.328	0.006	0.042	0.003	0.042
COO		1	0.042	0.001	0.041	0.230	0.020	0.013	0.003	0.025
BRA			1	0.003	0.232	0.235	0.010	0.035	0.013	0.006
VIS				1	0.012	0.017	0.054	0.015	0.022	0.000
PRK					1	0.125	0.034	0.014	0.001	0.002
QUA						1	0.003	0.043	0.011	0.007
NAT							1	0.003	0.031	0.001
GEN								1	0.016	0.024
AGE									1	0.004
PRC										1
AVE	0.544	0.506	0.498	0.536	0.536	0.695	-	-	-	0.542

Table 6.5: Discriminant validity: Squared inter construct correlation (R^2) and variance extract estimates (AVE)

Here the AVE is compared with shared variance amongst the constructs. For example the AVE for CPI is 0.5445 and the AVE for COO is 0.5061, the correlation between them is 0.38, the squared correlation is 0.1444. AVE for CPI > 0.1444, AVE for COO > 0.1444, therefore the Discriminant validity was established between this two construct. In this way because AVE for each construct is found to be greater than shared variance (squared correlation). Hence Discriminant validity is achieved.

6.5 Chapter summary

In this chapter we presented an assessment of the data. We made descriptive statistics analysis and data inspection, and we analyzed the reliability and validity of measurements. The reliability was assessed using the Cronbach's alpha and validity was assessed by the means of the various items factors loadings and the Average Variance Extracted (AVE). The next chapter contains data analysis and the empirical findings of this research.

CHAPTER 7: DATA ANALYSIS AND EMPIRICAL FINDINGS

7.1 Introduction

In previous chapter, we presented descriptive statistics, data examination and also discussed the reliability and validity of the measures. In this chapter we apply the standard

multiple regression, which is an Ordinal Least Square (OLS) estimation technique to present our empirical findings of this research.

7.2 Brand / Product preference ranking

The respondents were asked to rank various personal computers brands from 1 to 9 in order of preferences and attributes/features from 1 to 5. The rankings were weighted for personal computer brands with 1 having the highest weighted value and 9 the lowest weighted value. The ranking for preference of personal computer attributes/features attributes was ranked by our respondents, from 1 to 5 in order of their preferences. The rankings were weighted with 1 having the highest weighted value and 5 the lowest weighted value. The mean values in terms of preferences for the various personal computer brands and attributes/features preferred by respondents are shown below in Table 7.1a and 7.1a. Sample characteristics of the respondent are also presented in Appendix 1.

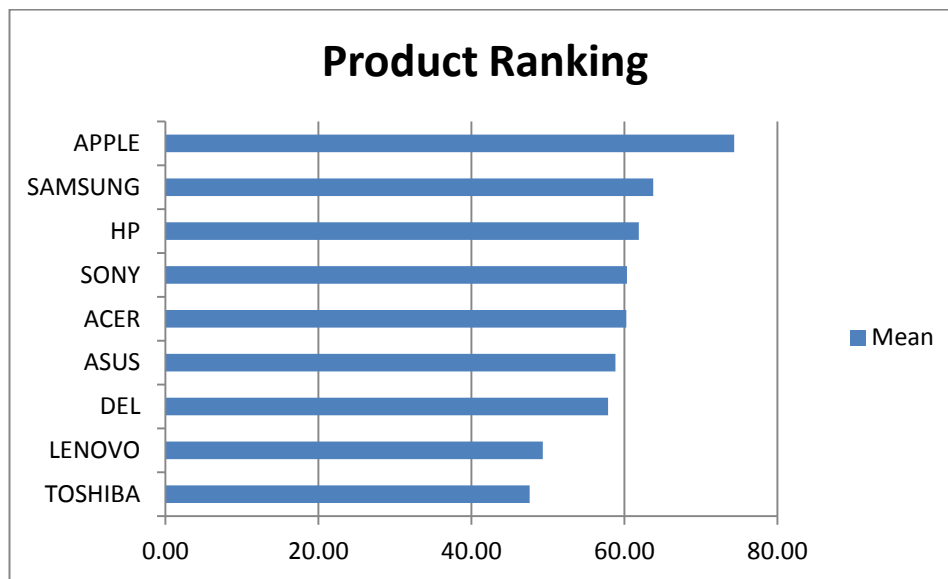


Table 7.1a Descriptive statistic – Brand / Product preference

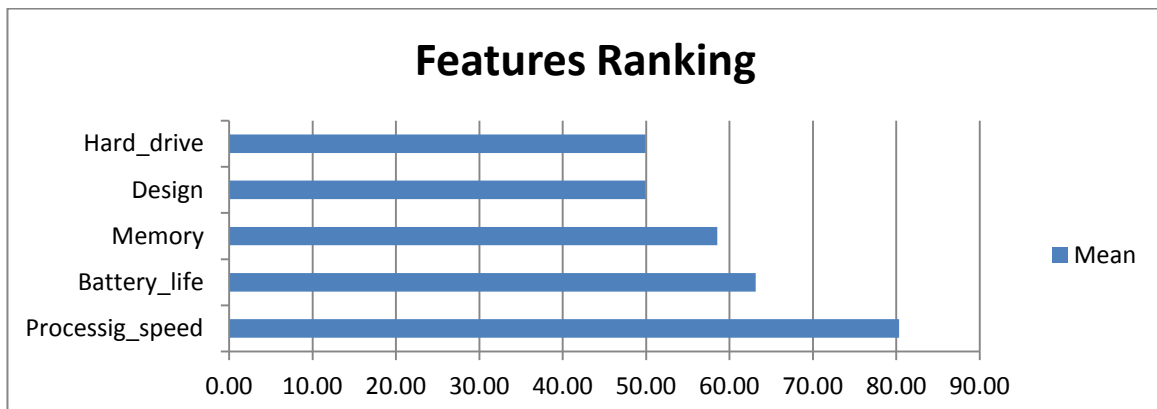


Table 7.1b Descriptive statistic – Attributes / Features preference

Schiffman et. al. (2012, pp.367) suggest that Milward Brown affirm that Apple “is the most valuable global brand in 2011”, affirmation proved also in our survey.

7.3 *Model estimation*

An Ordinal Least Square (OLS) regression model was estimated, using SPSS statistical software. The model is given by the equation:

$$\text{CPI} = b_0 + b_1\text{COO} + b_2\text{BRA} + b_3\text{VIS} + b_4\text{PRK} + b_5\text{QUA} + b_6\text{PRC} + b_7\text{NAT} + b_8\text{GEN} + b_9\text{AGE} + \epsilon$$

Where:

b_0	Constant
Dependent variable	
CPI	Consumer Purchase Intention
Independent variables	
COO	Country of Origin
BRA	Brand Awareness
VIS	Brand Visibility on Social Network Sites
PRK	Product Knowledge
QUA	Product Quality
Control variable	
PRC	Price
NAT	Nationality (Dummy 1 Norwegian, 0 Non-Norwegian)
GEN	Gender (Dummy 0 male, 1 female)
AGE	Age (Natural logarithm of age)
ϵ	Error term

7.4 *Estimation results*

The regression model shows the relationship among the dependent variable, consumer purchase intention (CPI); the independent variables country of origin (COO); brand awareness (BRA); brand visibility on social networks (VIS); product knowledge (PRK); product quality (QUA); and control variable product price (PRC), Nationality (NAT), Gender (GEN), and Age (AGE).

7.4.1 Correlation matrix

Correlation Matrix is presented in Table: 7.2 and, in Appendix 7

Factor	1	2	3	4	5	6	7	8	9	10	
CPI	1	1	,381**	,419**	,094	,418**	,573**	,075	,206*	-,050	-,206*
COO	2		1	,206*	,026	,202*	,480**	-,141	,114	-,053	-,157
BRA	3			1	-,058	,482**	,485**	,098	,186*	-,116	,079
VIS	4				1	,109	,131	-,233**	,122	-,149	-,001
PRK	5					1	,354**	-,184*	-,117	-,027	-,049
QUA	6						1	,057	,208*	-,106	-,081
NAT	7							1	,055	-,175	,035
GEN	8								1	-,126	-,154
AGE	9									1	,060
PRC	10										1
Mean		5.12	5.21	5.89	3.43	5.00	5.92	0.62	0.49	3.24	5.90
SD		1.24	1.26	1.11	2.06	1.16	1.04	0.49	0.50	0.19	1.08

Table 7.2: Correlation matrix

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

The result shows that product knowledge (PRK), product quality (QUA), Brand awareness (BRA), and Country-of-origin (COO) are significantly related to consumer purchase intention (CPI) regarding interaction effect.

7.4.2 Regression analysis

A standard multiple regressions was made by following the steps indicated by Pallant (2013, pp.160), using as dependent variable: CPI, and as independent variables: COO, BRA, VIS, PRK, QUA. Also we used Control variables PRC, NAT, GEN, AGE. The interpretation of the output from standard multiple regression was made by following the steps from Pallant (2013, pp.163-168). Results from the linear multiple regression analysis technique is shown in the following Table 7.3: The Table also includes values of Tolerance and the Variance inflation factor (VIF) which was used to examine multi-Collinearity. The result indicates there is no high inter-correlations between the independent variables. Because all of the tolerance value of variables are greater than .10. Appendix 7a, 7b, 7c presents the SPSS output model summary, ANOVA, Coefficients, Consumer Purchase Intention Histogram, normal P-P plot and Scatterplot.

Linear multiple regression model	Independent variables	Unstandardized coefficients	t-value	Tolerance (VIF)
R²=.452	Constant b₀	-0.75	-.41	
	COO b₁	0.14	1.68*	0.72(1.39)
	BRA b₂	0.11	1.06	0.56(1.78)
	VIS b₃	0.03	0.70	0.84(1.19)
	PRK b₄	0.27	2.85**	0.63(1.60)
	QUA b₅	0.39	3.50***	0.56(1.78)
	PRC b₆	-0.17	-1.99*	0.91(1.09)
	NAT	0.35	1.75*	0.80(1.23)
	GEN	0.26	1.36	0.82(1.21)
	AGE	0.43	0.88	0.90(1.10)

Table 7.3: Regression analysis: Dependent variable Consumer purchase intention

* $P < 0.05$ t – values greater than 1.65 are significant at 0.05 one – tail

** $p < 0.01$ t – values greater than 2.78 are significant at 0.01 two – tail

*** $p < 0.001$ t – values greater than 3.50 are significant at 0.001 two – tail

Multicollinearity is assessed in SPSS by using Collinearity Diagnostics. The results are put in the Table Coefficients in two values Tolerance and VIF. (See Appendix 7c) Tolerance indicator show how much from the variability of the specified independent is not explained by the other independent variables. Because the value is bigger than 0.10 means that multiple correlation with other variable is low and VIF which is the inverse of the Tolerance value have values above 0.10, means that we didn't violated the multicollinearity assumption. An overall assessment of the model, based on "p value" from ANOVA (See the Appendix 7b) is significant at $p < .001$, ($R^2 = .452$, $R^2_{adj} = .408$, $F = 10.247$), means that 40,80% of the variance CPI is explained by the independent variables and the rest is represented by non-included variables. $R^2 = .452$ is the degree of variation of the dependent variable CPI explained by covariance of independent variables. Independent variables with t values greater than 3.5, significant at 0.001 two-tail is Product Quality (QUA). Also Product Knowledge (PRK) ($t=2.853$, $R^2 = .452$, $R^2_{adj} = .408$, $F = 10.247$) can be considered as significant at 0.01 two tail. Independent variables Country of Origin (COO), Price (PRC) and Nationality (Nat) are significant with COO ($t=1.687$, $R^2 = .452$, $R^2_{adj} = .408$, $F = 10.247$); PRC which is negative and significant ($t=-1.75$, $R^2 = .452$, $R^2_{adj} = .408$, $F = 10.247$) at 0.05 one-tail and Nat which is

significant at 0.05 one-tail ($t=-1.988$, $R^2 = .452$, $R^2_{adj} = .408$, $F = 10.247$). Table 7.3 and Appendix 7, 7a, 7b, 7c presents that data. That means that from the regression model analysis we see that Product_quality is significant at $p<0.001$ (2 tail); Product_knowledge is significant at $p<0.05$ (2 tail); Price is significant at $p<0.05$ (1 tail); COO is significant at $p<0.05$ (1 tail); and NAT is significant at $p<0.05$ (1 tail). This is expected because from the sample characteristics (Appendix 1) 62.3% of respondents were Norwegians compared to 37.7% being non-Norwegian college students. Below is the summary of the findings:

Hypotheses H1

Looking at Regression analysis Table 7.3 and Appendix Coefficients output 7c we see that $b_1COO = 0.14$, $t = 1.69$, $p<0.05$ one – tail, presents a positive association, is supported by the statistical regression and is significant.

Hypotheses H2

Looking at Regression analysis Table 7.3 and Appendix Coefficients output 7c we see that $b_2BRA = 0.11$, $t = 1.06$, $p>0.05$ two-tail presents a positive association, and is supported by the statistical regression.

Hypotheses H_3^0

Looking at Regression analysis Table 7.3 and Appendix Coefficients output 7c we see that $b_3VIS = 0.03$, $t = 0.71$, $p>0.05$ two-tail presents a positive association, not a negative one, and is not supported by the statistical regression

Hypotheses H_3^1

Looking at Regression analysis Table 7.3 and Appendix Coefficients output 7c we see that $b_3VIS = 0.03$, $t = 0.71$, $p>0.05$ two-tail presents a positive association, and is not supported by the statistical regression.

Hypotheses H4

Looking at Regression analysis Table 7.3 and Appendix Coefficients output 7c we see that $b_4PRK = 0.27$, $t = 2.85$, $p<0.01$ two – tail, presents a positive association, is supported by the statistical regression and is significant.

Hypotheses H5

Looking at Regression analysis Table 7.3 and Appendix Coefficients output 7c we see that $b_5\text{QUA} = 0.39$, $t = 3.51$, $p < 0.05$ two – tail, presents a positive association, is supported by the statistical regression and is significant.

Outliers, normality, homoscedasticity, independence or residuals

Looking at the Table Normal P-P Plot we see that all the points lie in a reasonably straight diagonal line from the bottom left to the top right, which suggest no major deviation from normality. (See Appendix nr4b)

A look at the Scatterplot of standardised residuals we see that almost all the score concentrate in the centre. Also Scatterplot is presented in Appendix 4c. Also outliers also have the standardised residuals within the -3, 3 and 3, 3. Outliers can be checked by inspecting the Mahalanobis distance. This are not present in the program, but are present in the data file as en extra variable. To identify which cases are outliers to determine chi-square value (using the number of independent variables as the degree of freedom). A look at the Table Residual statistics at maximum value at Mahal.Distance we see at is 28,554 and according with Table from Tabachnick and Fidell (2013 p 166) we see that for six independent variable, critical value are under 22,46. These tests suggest that assumptions concerning residuals being normally distributed, linearity, normality, no significant outliers and no problem with multicollinearity have been met. Hence results of the multiple regression can be interpreted accordingly.

7.5 Summary of hypotheses

In Chapter 4 we presented five hypotheses. These hypotheses were tested by using the regression analysis in SPSS. The five hypotheses are summarized in Table 7.4.

Hypotheses	Association between variables	Hypothesized effect	Findings
H1:	Country of Origin is positively associated with Consumer Purchase Intention	+*	Supported
H2:	Brand awareness is positively associated with Consumer Purchase Intention	+ ^a	Not supported
H₃⁰:	Brand visibility on social networking sites is negatively associated with Consumer Purchase Intention	- ^a	Not supported
H₃¹:	Brand visibility on social networking sites is positively associated with Consumer Purchase Intention	+ ^a	Not supported
H4:	Product knowledge is positively associated with Consumer Purchase Intention	+***	Supported
H5:	Product quality is positively associated with Consumer Purchase Intention	+****	Supported

Table 7.4: Summary of hypotheses

* P<0.05 one-tail

** p<0.01 (2-tail)

*** p<0.001 (2-tail)

^a p>0.05 two-tail

7.6 Chapter Summary

This chapter discussed the analysis of the empirical data by using multiple regression techniques. The hypotheses were tested using an ordinary least square estimation technique (OLS) and the findings show that three out of five hypotheses were supported including the control variable price and nationality were significantly supported. The statistical results are further discussed and its implication for theory will be discussed in the next and last chapter. What is more, limitation and further research are also discussed.

CHAPTER 8: CONCLUSION

8.1 Introduction

The empirical tests as well as the results found through collected data were discussed in the previous chapter. The estimation of the model, and the hypotheses test were also discussed. The discussion and conclusion of this study will be presented in this Chapter. The chapter will begin with a summary of the findings, the discussion and conclusions, and followed by the implications and suggestions for further research. The chapter will end with the limitations of the study and suggestions for future studies.

8.2 Summary of findings

The aim of this study was to find out the key factors that influence consumer purchase intention for personal computers. The result, based on the significant p – value from ANOVA output, presented in Appendix 7b shows that product quality (QUA) at $t=3.509$, $R^2 = .452$, $R^2adj = .408$, $F(9,112) = 10.247$, can be considered as significant at 0.001 two tail, product knowledge (PRK) at $t=2.853$, $R^2 = .452$, $R^2adj = .408$, $F(9,112) = 10.247$, can be considered as significant at 0.01 two tail, and country of origin (COO) at $t=1.687$, $R^2 = .452$, $R^2adj = .408$, $F(9,112) = 10.247$ is considered as significant at 0.05 one tail; price (PRC) at $t=-1.988$, $R^2 = .452$, $R^2adj = .408$, $F(9,112) = 10.247$ is considered as significant at 0.05 one tail; and nationality (nat) at $t=-1.75$, $R^2 = .452$, $R^2adj = .408$, $F(9,112) = 10.247$ is considered as significant at 0.05 one tail.

The empirical results supported three of our five hypotheses. The control variables, price and nationality where also supported. Product quality, product knowledge and country of origin are significantly and positively associated with consumer purchase intention. As expected, product quality plays a very important role in consumer's decision making process. When people purchase either goods or services, the quality of the product may be one of the core attributes which are examined by consumers. It is consistent with previous researches on the relationship between product quality and consumer purchase intention. Product quality is an important antecedent for consumer purchase intention.

However, according to this study, brand awareness has no influence on consumer purchase intention while brand visibility on social networks sites does not have significant influence on consumer purchase intention. Hairong et al. (2002) proposed that 3-

Dimensional advertising is working better than traditional 2-Dimensional advertising. Because 3-Dimensional advertising includes more attributes which may stimulate consumer purchase intention. It indicated that more product knowledge may strengthen consumer purchase intention. For personal computer, the search attributes, including size, shape, color, may not be very important for some consumers. Experience attributes, for instance CPU speed, RAM size, seems to be more important which are representing product quality (see Table 7.1b; Appendix 1). However, personal computer is different with traditional goods such as furniture (sofa, table or bed). The quality of personal computer can be quantitative. The Table 7.1b with data of CPU, RAM and other components are representing the quality of the personal computer. With more product knowledge, consumers have more detailed information about the quality of personal computer. Public efforts are required to boost consumer confidence in quality evaluation and increase their knowledge by disseminating accurate information about quality (Papanagiotou, 2012). However, the influence of product knowledge on consumer purchase intention differs regarding different industries. Personal computer is similar to food industry. Consumers hope to get as much knowledge about the product as they can before they use it. However, in other industries, such as clothes, even though consumers are satisfied with the color, design, they may not purchase it after they try those clothes on. Thus, for personal computer industry, product knowledge is an important antecedent for consumer purchase intention.

8.3 Discussion and conclusions

It is argued whether the country of origin has strong effect on consumers purchase intention. However, in this study concerning purchase intention of college students for personal computer, country of origin influence is supported. Instead, brand awareness turned out not to be a strong influence factor for consumers purchase intention. This is represented by one of the question of the survey-rank the given brands of personal computers. "Apple-Mac" turned out to be first choice with the mean value around 75. The second place was "Samsung" with mean value around 65. Even though the price of "Apple-Mac" is high compared to other brands, a preference for this brand was the highest. Surprisingly preference for HP and DELL could not come to the high ranked place, because all these three brands are originated from U.S.A. Interesting phenomenon is that even though Samsung is not a well-known brand for personal computer (laptop), it is the second position regarding mean value. It may suggest that the brand is really playing an

important role in this case. Samsung is a solid brand in cell phone industry, as well as Apple. Hence, it is expected that the brand awareness should make consumers to think Samsung and Apple are reliable and preferable even though the personal computer product is not the product that Samsung is famous for. Brand awareness association with the purchase of personal computers was not supported by this study, so how come Samsung personal computers ranked second to Apple's computers? This could be due to what we refer to as 'brand awareness spill over'. Global technological companies noted for producing high quality products of a particular product category enjoys 'spill over' effects in terms of brand awareness and brand association with other product categories that they noted for producing.

Another discussion is about product knowledge. It is expected that product knowledge had significant influence on consumers purchase intention. In this case, the product is personal computer. Different consumers have different expectation about the product. The gamers may want to get high level of entertainment function. However, business people may be more focusing on the battery or the stability of the computer. Hence, product knowledge play an important role. Consumers may be stimulated in their decision-making process with more product information and product knowledge. Customers may feel risky without sufficient product information or product knowledge. However, by knowing what they want and what they can get from the potential alternatives, consumers may increase their purchase intention. What is more, since personal computer is one type of electronics, it consists of components which can be measured quantitatively. More product information and product knowledge may reveal the information of product quality. Those products with good quality can be found by consumers. It was expectation that brand visibility on social networks may be associated with purchase intention either positively or negatively. However, this was not supported by this current study. The presence of personal computer brands on social networking sites is a recent phenomenon. Some consumer use social networking sites to seek information about brands through reviews, through videos showing how some products works or for 'trouble shooting' problems they may have with the working of the product. Sometimes negative reviews may turn potential consumers off or lead to post-purchase dissonance.

Brand awareness may help to explain this phenomenon. As one step of consumer decision-making process, collecting information of potential products is very important for consumers to make the decision. In this step, there are several sources of information - recommendation from friends, reputation of the brand, and products which had been used

by consumers. In this study, brand visibility on social networks seems not to have strong influence on consumers purchase intention. For future study, brand visibility on social networks should be investigated in building higher brand awareness.

Product quality is another significant factor for influencing consumers purchase intention. For the future study, it may be interesting to investigate the interacting relationship between product knowledge and product quality. Moreover, it may also be interesting to research on the interacting relationship among product knowledge, product quality and brand awareness.

8.4 Implications of the study

The theoretical implication of this research is that, this study contributes to determine which of the variables influences consumer purchase intention. When consumers make purchase decisions what are the cues they use in making those purchase intention for technological products such as personal computers. The three key factors they consider are the country of origin of the product; their perceptions about the quality of the product and their knowledge about the product. These factors are therefore very important in consumer purchase intention.

The managerial implication of this study is that product quality, product knowledge and country of origin were supported to be significantly positively related to consumers purchase intention regarding purchase decision of personal computer. This implies that personal computer companies should be focusing more on building the brand image through product quality and product knowledge. What is more, in order to strengthen consumer's purchase desire, companies should reveal more information of the products to consumers. Hairong et al. (2002) proposed that 3-Dimension advertising worked better than traditional 2-Dimension advertising. Various advertising methods on product knowledge may be more helpful for personal computer product. The quality of personal computers is another vital factor. Companies should differ the "quality" expectation of different customers. Some customers may expect personal computers have higher level entertainment function. Some customers may expect personal computers have higher standard of dealing with business function. Thus, to define the "quality" concept correctly of different consumers is very important to obtain higher consumers purchase intention. However, Country of origin is also significantly positive related with Consumer purchase intention, which implies that companies must take into consideration the country

of origin image when they are building the brand name, because also country of origin perception have implication for quality and hence purchase intention.

8.5 Limitation of the study

The main limitation of this master thesis is that the results are based on only 122 respondents from one research setting (Aalesund University College) and hence the findings can therefore not be generalized.

8.6 Further research

Since the main limitation of this study analysis is that the research was conducted only with students at Aalesund University Collage we recommend for further research to take into consideration more schools from Norway or one school from one of the countries of origin of one of these personal computers. Another point of limitation was the period of time, which has influence in number of respondents (4.3% response rate). We recommend for further research to be take into consideration a longer period of time allocated for the survey period and the use of other impacting factors or drivers of motivation to consumer and to purchase.

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More and Romsdal

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Aalesund University College maps

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More and Romsdal authority presentation

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APPENDICES

Appendix 1: Respondents Analysis

13. Your gender:		% of Respondents	Number of Respondents
Male		50.82%	62
Female		49.18%	60
Chart		Number of respondents	122
		Number of respondents who skipped this question	0

14. Which of the following level of income per month best describes your income for now?		% of Respondents	Number of Respondents
Less than 5000 NOK		23.77%	29
5000-10000 NOK		47.54%	58
10000-20000 NOK		18.03%	22
Over 20000 NOK		10.66%	13
Chart		Number of respondents	122
		Number of respondents who skipped this question	0

15. Your nationality:		% of Respondents	Number of Respondents
Norwegian		62.30%	76
Non-Norwegian		37.70%	46
Chart		Number of respondents	122
		Number of respondents who skipped this question	0

Descriptive Statistics - brands preferences

	Mean	Std. Deviation
SONY	60.3279	21.89133
ACER	60.2459	25.30682
DEL	57.8689	22.35068
LENOVO	49.3443	26.77540
TOSHIBA	47.6230	20.81216
APPLE	74.3443	30.23292
SAMSUNG	63.7705	25.36764
ASUS	58.8525	24.86980
HP	61.8852	23.50776
Valid N (listwise)		

Descriptive Statistics - attributes/features preferences

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Processig_speed	121	20.00	100.00	80.3306	27.56610
Hard_drive	121	20.00	100.00	49.9174	25.96459
Memory	121	20.00	100.00	58.5124	24.92192
Battery_life	121	20.00	100.00	63.1405	24.22234
Design	121	20.00	100.00	49.9174	29.56619
Valid N (listwise)	121				

Appendix 2: FACTOR ANALYSIS EXTRACTIONS

- Kaiser criterion

For that I'm interested only in components that have eigenvalue of one or more. To determine how many factors to extract, I look at the Total variance explained Table, and I see at the first eight components (which have eigenvalue bigger than one) cumulate 71,772% of the variance.

Total Variance Explained							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	8,446	27,244	27,244	8,446	27,244	27,244	5,324
2	2,988	9,639	36,882	2,988	9,639	36,882	4,273
3	2,708	8,735	45,617	2,708	8,735	45,617	2,757
4	2,472	7,973	53,591	2,472	7,973	53,591	2,572
5	1,823	5,881	59,472	1,823	5,881	59,472	4,257
6	1,562	5,037	64,509	1,562	5,037	64,509	5,505
7	1,205	3,886	68,395	1,205	3,886	68,395	1,677
8	1,047	3,376	71,772	1,047	3,376	71,772	1,493
9	,890	2,870	74,642				
10	770	2,484	77,126				

Figure 6: Total Variance Explained

STEP 3 SCREEPLOT

From looking at the Screen Plot, we see at the shape of the curve is difficult to interpret - the change in the shape can be interpreted at second plot or at the three and four plot.

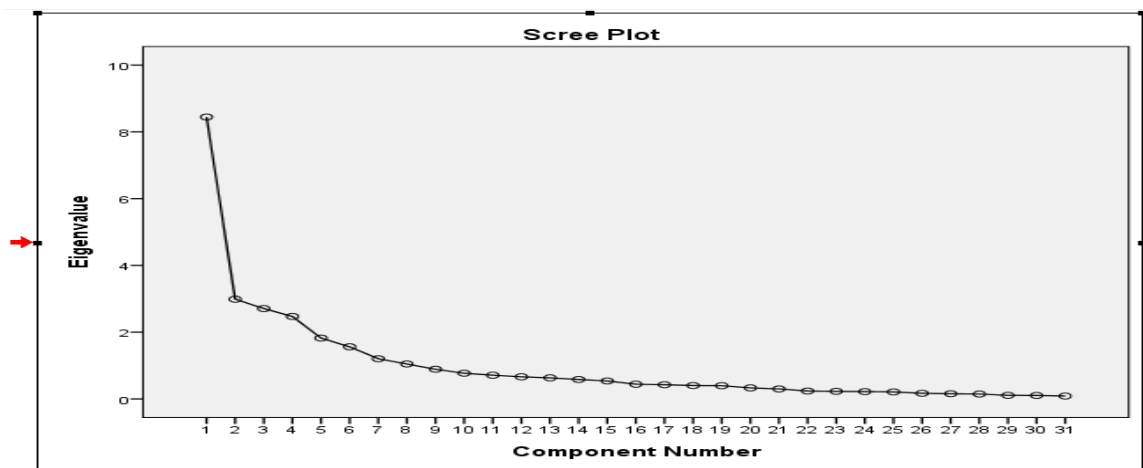


Figure 7: Scree Plots

STEP 4 Parallel analyses

Number of variables: 31
 Number of subjects: 122
 Number of replications: 100

20.05.2014 23:55:30 Number of variables: 31 Number of subjects: 122 Number of replications: 100			Total Variance			
Eigenvalue #	Random Eigenvalue	Standard Dev	Component	Initial Eigenvalues		
				Total	% of Variance	Cumulative %
1	2,0895	,0891	1	8,446	27,244	27,244
2	1,9225	,0664	2	2,988	9,639	36,882
3	1,8081	,0529	3	2,708	8,735	45,617
4	1,7034	,0447	4	2,472	7,973	53,591
5	1,6107	,0448	5	1,823	5,881	59,472
6	1,5404	,0422	6	1,562	5,037	64,509
7	1,4620	,0406	7	1,205	3,886	68,395
8	1,3828	,0246	8	1,047	3,376	71,772

Figure 8: Parallel analysis

Figure 6: Total Variance Explained

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,796
Bartlett's Test of Sphericity	Approx. Chi-Square	2267,282
	df	465
	Sig.	,000

Figure 5: KMO and Bartlett Test

Appendix 3: Descriptive Statistics

Notes		
Output Created		03-JUN-2014 23:50:56
Comments		
Input	Data	\\waks.hials.no\student\120983\SPSSInc \master\sav 1 din 21 mai\4 MASTER Thesis data survey.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data	122
	File	
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.

	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax		<p>CORRELATIONS</p> <p>/VARIABLES=consumer_purchase_intention country_of_origin brand_awareness brand_visibility product_knowledge product_quality nationality_2 gender_2 age_in price</p> <p>/PRINT=TWOTAIL NOSIG</p> <p>/STATISTICS DESCRIPTIVES</p> <p>/MISSING=PAIRWISE.</p>
Resources	Processor Time	00:00:00,02
	Elapsed Time	00:00:00,02

Descriptive Statistics

	Mean	Std. Deviation	N
consumer_purchase_intention	5,1161	1,23926	122
country_of_origin	5,2077	1,26228	122
brand_awareness	5,8852	1,11074	122
brand_visibility	3,4290	2,05814	122
product_knowledge	5,0041	1,15886	122
product_quality	5,9180	1,04023	122
nationality_2	,6230	,48665	122
gender_2	,4918	,50199	122
age_in	3,2357	,18744	122
price	5,8962	1,07743	122

Variables Entered/Removed^{a,b}

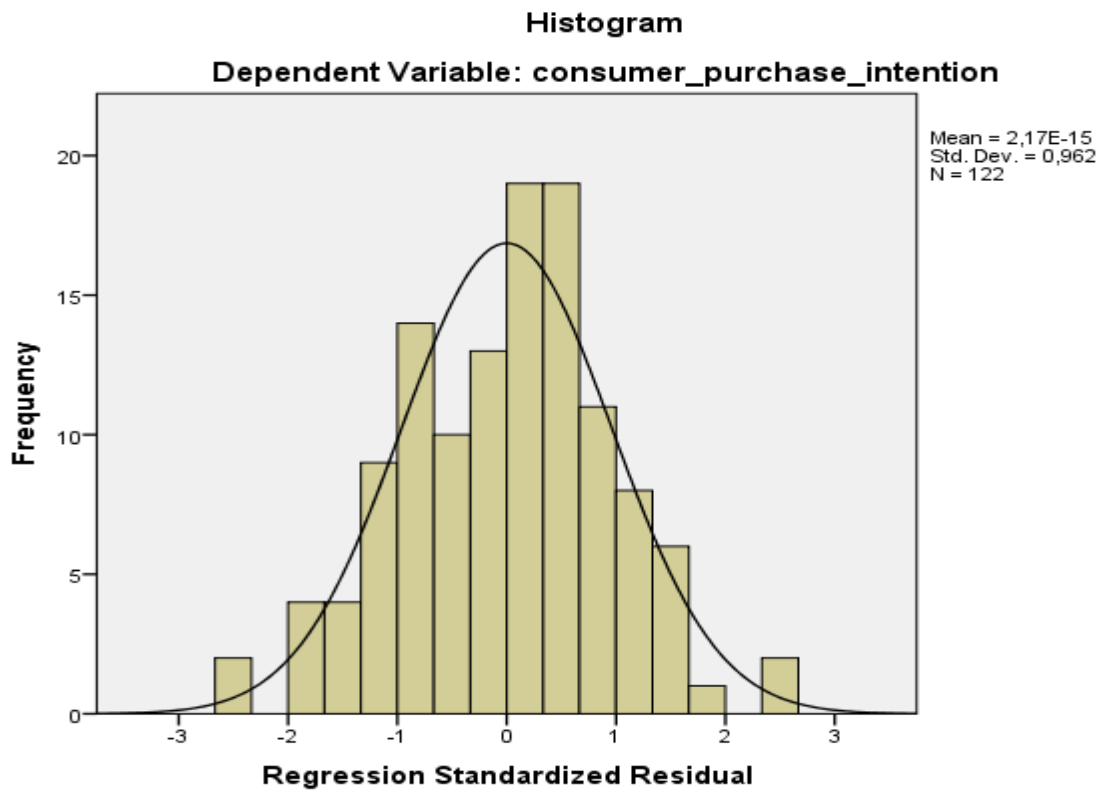
Model	Variables Entered	Variables Removed	Method
1	price, country_of_origin, age_ln, product_knowledge, brand_visibility, gender_2, product_quality, brand_awareness ^c nationality_2		Enter

a. Dependent Variable: consumer_purchase_intention

b. All requested variables entered.

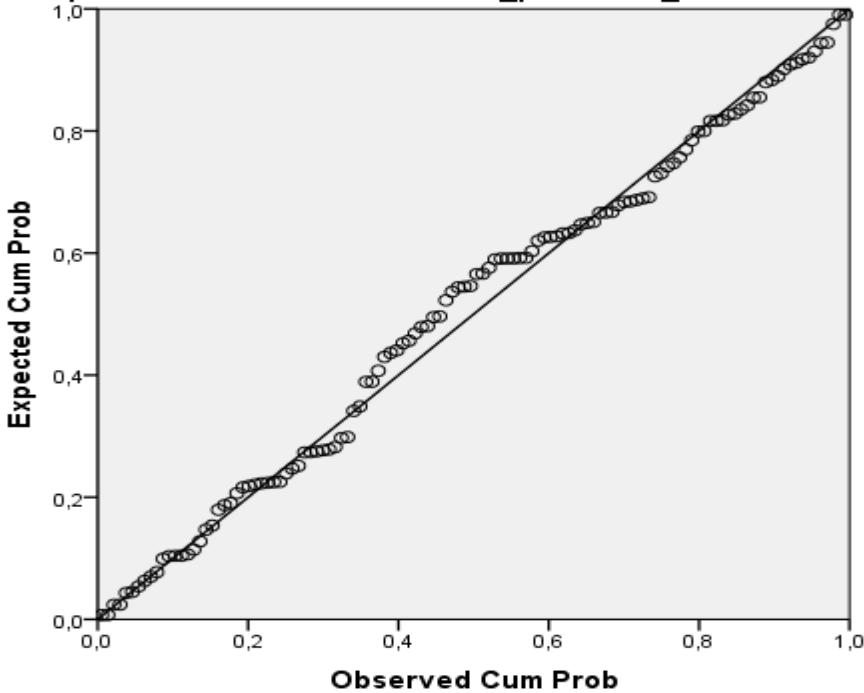
Appendix 4: Assessing Normality

Appendix 4a: Histogram

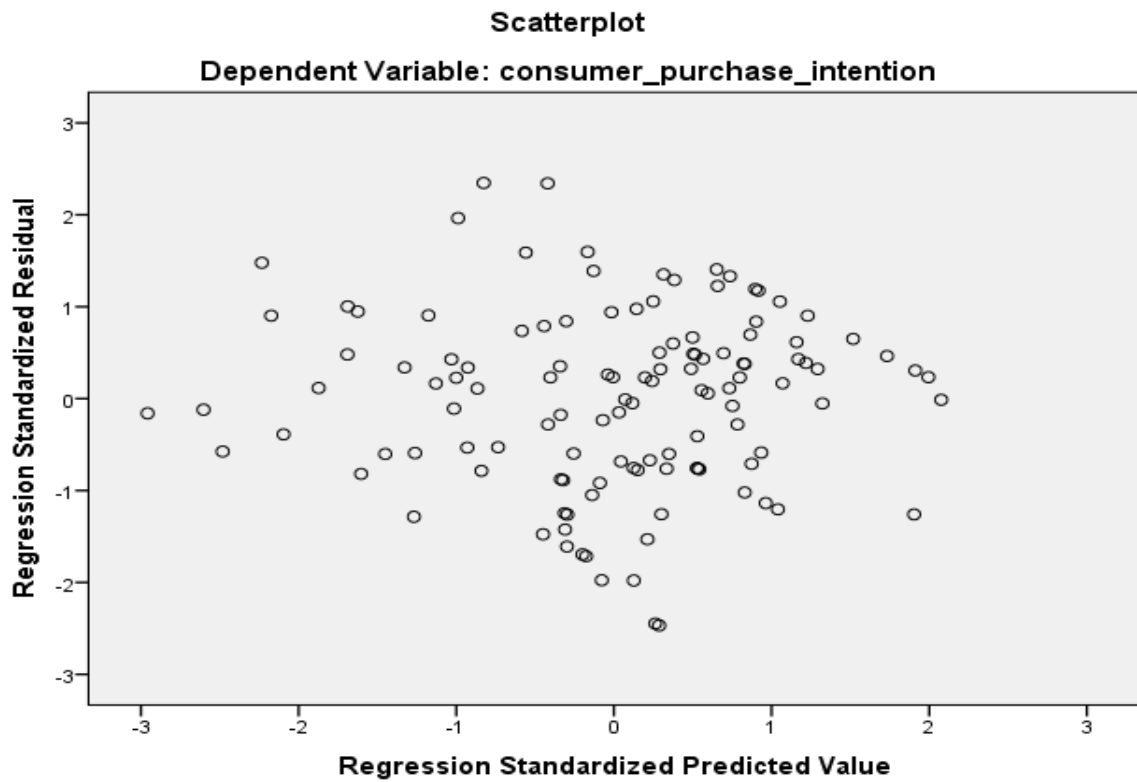


Appendix 4b: P-P Plot

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: consumer_purchase_intention



Appendix 4c: Scatterplot



Appendix 5: Reliability

Scale: g) Brand Visibility on Social Networking Sites

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,794	,789	4

Item Statistics

	Mean	Std. Deviation	N
VIS1 FACEBOOK	3,70	2,466	122
VIS2 TWITTER	1,78	1,382	122
VIS3 YOUTUBE	3,89	2,409	122
VIS4 GOOGLE	2,70	2,306	122

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
12,07	47,219	6,872	4

Scale: b) Country of Origin

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,860	,866	6

Item Statistics

	Mean	Std. Deviation	N
COO1 The level of economic development of this country is high	4,75	1,847	122
COO2 The level of democratic politics of this country is high	4,27	1,946	122
COO3 The level of industrialization of the country where my favorite laptop comes from is high	5,20	1,629	122
COO4 The level of technology of this country is high	5,77	1,487	122
COO5 The product quality of this country is high	5,64	1,500	122
COO6 Personal computers (laptops) from this country are reliable	5,61	1,393	122

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
31,25	57,361	7,574	6

Scale: c) Consumer Purchase Intention

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,868	,880	6

Item Statistics

	Mean	Std. Deviation	N
CPI1 I would consider buying this personal computer (laptop) brand always	5,37	1,667	122
CPI2 It is possible that I will always buy this laptop brand	4,88	1,679	122
CPI3 If I were going to buy this laptop / computer, I will consider buying any model of this brand.	4,11	2,024	122
CPI4 The possibility I would consider buying this product is	5,56	1,355	122
CPI5 My willingness to buy this product is	5,47	1,362	122
CPI6 The likelihood of me purchasing this product is	5,32	1,386	122

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
30,70	55,287	7,436	6

Scale: e) Product Knowledge

Case Processing Summary

		N	%
Cases	Valid	122	100,0
	Excluded ^a	0	,0
	Total	122	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,817	,816	4

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
20,02	21,487	4,635	4

Scale: d) Brand Awareness

Case Processing Summary

		N	%
Cases	Valid	122	100,0
	Excluded ^a	0	,0
	Total	122	100,0

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,725	,725	3

Item Statistics

	Mean	Std. Deviation	N
BRA1 I know this brand	5,80	1,309	122
BRA2 When it comes to laptops, I can immediately recall the brand	5,77	1,465	122
BRA3 The name of the manufacturer of my favorite laptop is a well-known computer brand	6,08	1,370	122

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
17,66	11,104	3,332	3

Scale: f) Price

Case Processing Summary

		N	%
Cases	Valid	122	100,0
	Excluded ^a	0	,0
	Total	122	100,0

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,739	,774	3

Item Statistics

	Mean	Std. Deviation	N
PRC2 When shopping for a personal (laptop) computer I compare the price of different brands to be sure I get the best value of my money	5,27	1,706	122
PRC3 When I buy a personal (laptop) computer, I like to be sure that I am getting my money worth	6,26	1,082	122
PRC4 When purchasing a personal (laptop) computer, I always try to maximize the quality I get for the money I spend	6,16	1,106	122

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
17,69	10,448	3,232	3

Scale: a) Product Quality

Case Processing Summary

		N	%
Cases	Valid	122	100,0
	Excluded ^a	0	,0
	Total	122	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,907	,912	4

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
23,67	17,313	4,161	4

Appendix 5f: PRC Reliability for PRC1, PRC2, PRC3, PRC4

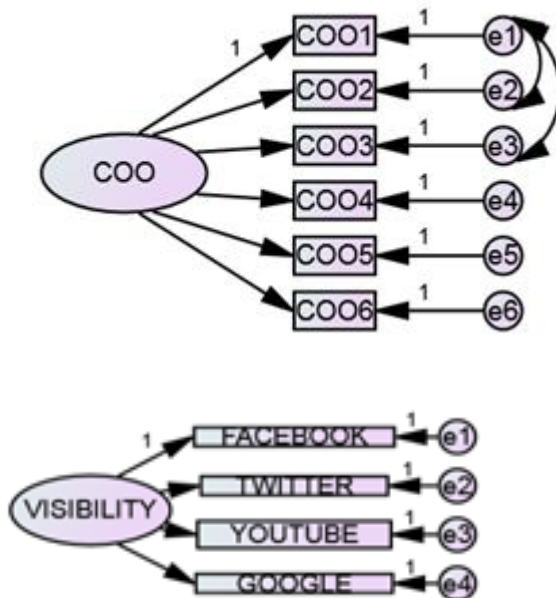
Reliability Statistics

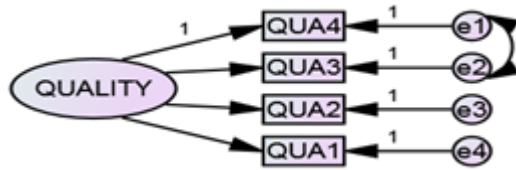
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,693	,724	4

Item Statistics

	Mean	Std. Deviation	N
PRC1 I am very concerned about low personal (laptop) computer prices, but I am equally concerned about their quality	5,24	1,575	122
PRC2 When shopping for a personal (laptop) computer I compare the price of different brands to be sure I get the best value of my money	5,27	1,706	122
PRC3 When I buy a personal (laptop) computer, I like to be sure that I am getting my money worth	6,26	1,082	122
PRC4 When purchasing a personal (laptop) computer, I always try to maximize the quality I get for the money I spend	6,16	1,106	122

Appendix 6: Validity AMOS21





Appendix 7: Correlation matrix

		consumer_purc hase_intention	country_of_origi n	brand_awarene ss
consumer_purchase_intention	Pearson Correlation	1	,381**	,419**
	Sig. (2-tailed)		,000	,000
	N	122	122	122
country_of_origin	Pearson Correlation	,381**	1	,206*
	Sig. (2-tailed)	,000		,023
	N	122	122	122
brand_awareness	Pearson Correlation	,419**	,206*	1
	Sig. (2-tailed)	,000	,023	
	N	122	122	122
brand_visibility	Pearson Correlation	,094	,026	-,058
	Sig. (2-tailed)	,305	,780	,524
	N	122	122	122
product_knowledge	Pearson Correlation	,418**	,202*	,482**
	Sig. (2-tailed)	,000	,026	,000
	N	122	122	122
product_quality	Pearson Correlation	,573**	,480**	,485**
	Sig. (2-tailed)	,000	,000	,000
	N	122	122	122
nationality_2	Pearson Correlation	,075	-,141	,098
	Sig. (2-tailed)	,409	,123	,285
	N	122	122	122
gender_2	Pearson Correlation	,206*	,114	,186*
	Sig. (2-tailed)	,023	,213	,040
	N	122	122	122
age_ln	Pearson Correlation	-,050	-,053	-,116
	Sig. (2-tailed)	,584	,564	,203
	N	122	122	122
price	Pearson Correlation	-,206*	-,157	,079
	Sig. (2-tailed)	,023	,085	,387
	N	122	122	122

Correlations

		brand_visibility	product_knowledge	product_quality
consumer_purchase_intention	Pearson Correlation	,094	,418**	,573**
	Sig. (2-tailed)	,305	,000	,000
	N	122	122	122
country_of_origin	Pearson Correlation	,026	,202*	,480**
	Sig. (2-tailed)	,780	,026	,000
	N	122	122	122
brand_awareness	Pearson Correlation	-,058	,482**	,485**
	Sig. (2-tailed)	,524	,000	,000
	N	122	122	122
brand_visibility	Pearson Correlation	1	,109	,131
	Sig. (2-tailed)		,232	,151
	N	122	122	122
product_knowledge	Pearson Correlation	,109	1	,354**
	Sig. (2-tailed)	,232		,000
	N	122	122	122
product_quality	Pearson Correlation	,131	,354**	1
	Sig. (2-tailed)	,151	,000	
	N	122	122	122
nationality_2	Pearson Correlation	-,233**	-,184*	,057
	Sig. (2-tailed)	,010	,042	,534
	N	122	122	122
gender_2	Pearson Correlation	,122	-,117	,208*
	Sig. (2-tailed)	,180	,199	,021
	N	122	122	122
age_ln	Pearson Correlation	-,149	-,027	-,106
	Sig. (2-tailed)	,101	,766	,243
	N	122	122	122
price	Pearson Correlation	-,001	-,049	-,081
	Sig. (2-tailed)	,992	,594	,376
	N	122	122	122

Correlations

		nationality_2	gender_2	age_In	price
consumer_purchase_intention	Pearson Correlation	,075	,206*	-,050	-,206*
	Sig. (2-tailed)	,409	,023	,584	,023
	N	122	122	122	122
country_of_origin	Pearson Correlation	-,141	,114	-,053	-,157
	Sig. (2-tailed)	,123	,213	,564	,085
	N	122	122	122	122
brand_awareness	Pearson Correlation	,098	,186*	-,116	,079
	Sig. (2-tailed)	,285	,040	,203	,387
	N	122	122	122	122
brand_visibility	Pearson Correlation	-,233**	,122	-,149	-,001
	Sig. (2-tailed)	,010	,180	,101	,992
	N	122	122	122	122
product_knowledge	Pearson Correlation	-,184*	-,117	-,027	-,049
	Sig. (2-tailed)	,042	,199	,766	,594
	N	122	122	122	122
product_quality	Pearson Correlation	,057	,208*	-,106	-,081
	Sig. (2-tailed)	,534	,021	,243	,376
	N	122	122	122	122
nationality_2	Pearson Correlation	1	,055	-,175	,035
	Sig. (2-tailed)		,548	,054	,701
	N	122	122	122	122
gender_2	Pearson Correlation	,055	1	-,126	-,154
	Sig. (2-tailed)	,548		,167	,090
	N	122	122	122	122
age_In	Pearson Correlation	-,175	-,126	1	,060
	Sig. (2-tailed)	,054	,167		,513
	N	122	122	122	122
price	Pearson Correlation	,035	-,154	,060	1
	Sig. (2-tailed)	,701	,090	,513	
	N	122	122	122	122

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Appendix 7a: Model summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,672 ^a	,452	,408	,95389

a. Predictors: (Constant), price, brand_visibility, brand_awareness, age_ln, country_of_origin, gender_2, nationality_2, product_knowledge, product_quality

b. Dependent Variable: consumer_purchase_intention

Appendix 7b: ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83,917	9	9,324	10,247	,000 ^b
	Residual	101,910	112	,910		
	Total	185,827	121			

a. Dependent Variable: consumer_purchase_intention

b. Predictors: (Constant), price, brand_visibility, brand_awareness, age_ln, country_of_origin, gender_2, nationality_2, product_knowledge, product_quality

Appendix 7c: Coefficients

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,916	1,849		-,495	,621
	country_of_origin	,139	,081	,142	1,713	,089
	brand_awareness	,117	,106	,105	1,099	,274
	brand_visibility	,031	,046	,052	,681	,497
	product_knowledge	,267	,096	,249	2,789	,006
	price	-,156	,091	-,126	-1,702	,092
	product_quality	,392	,112	,329	3,509	,001
	nationality_2	,314	,200	,123	1,572	,119
	gender_2	,275	,191	,111	1,441	,152
	age_ln	,438	,488	,066	,897	,371

Coefficients^a

Model	Correlations			Collinearity Statistics	
	Zero-order	Partial	Part	Tolerance	VIF
1					
(Constant)					
country_of_origin	,381	,160	,120	,721	1,388
brand_awareness	,419	,103	,077	,546	1,831
brand_visibility	,094	,064	,048	,840	1,191
product_knowledge	,418	,255	,196	,617	1,619
price	-,173	-,159	-,120	,895	1,117
product_quality	,573	,315	,247	,562	1,779
nationality_2	,075	,147	,111	,801	1,249
gender_2	,206	,135	,101	,828	1,208
age_ln	-,050	,084	,063	,905	1,105

Appendix 8: Questionnaires

Research Project on Country of Origin and Consumer Purchase Intention

Answers marked with a * are required.

Dear Respondent

We are students at Aalesund University College. This survey is a part of our master thesis research. This master study is about perception of country-of-origin and its influence on purchase intention. We hope that this research can contribute to the development of knowledge through the review of the literature and the analysis of data in order to learn more about the customer behavior regarding country-of-origin image.

We thank you for your permission and cooperation to carry out this survey. As a token of appreciation, we offer one bonus with 1000 NOK to any one of our respondents which will be selected randomly. The questionnaires will be treated confidentially and the respondents are anonymous. But we have to ask you to write down your e-mail address at the end of this questionnaire so that we can contact you if you are selected. Normal time to complete the questionnaire is 10 to 20 minutes.

Queries about the questionnaire or the project may be directed to Tudor Adina and/or Chan Zheng, students at Aalesund University College. Contact information:

Tudor Adina - phone: +47 925 11 735,
e-mail: Adina.Gabriela.Tudor@stud.hials.no

or

Chan Zheng -phone: +47 414 406 691,
e-mail: Zheng.Chen@stud.hials.no

Adina and Chen

Please rank each of the following personal laptop from 1-9. Your most preferred choice should have the a ranking of 1 and the least preferred a ranking of 9.

Sony
Asus
HP
Acer
Dell
Lenovo
Toshiba
Apple
Samsung

The presence of my favorite personal (laptop) computer brand on social networking sites:							
	Not Important (1)	2	3	4	5	6	Very Important (7)
Facebook							
Twitter							
Youtube							
Google+							

The country of origin image of my favorite brand:							
	Strongly Disagree (1)	2	3	4	5	6	Strongly Agree (7)
The level of economic development of this country is high							
The level of democratic politics of this country is high							
The level of industrialization of the country where my favorite laptop comes from is high							
The level of technology of this country is high							
The product quality of this country is high							
Personal computers (laptops) from this country are reliable							

Concerning the personal computer (laptop) brand:							
	Strongly Disagree (1)	2	3	4	5	6	Strongly Agree (7)
I would consider buying this personal computer (laptop) brand always							
It is possible that I will always buy this laptop brand							
If I were going to buy this laptop / computer, I will consider buying any model of this brand							

	Very Low (1)	2	3	4	5	6	Very High (7)
The possibility I would consider buying this product is							
My willingness to buy this product is							
The likelihood of me purchasing this product is							
Total Respondents (skipped this question)							

Concerning the personal computer (laptop) brand:							
	Very Low (1)	2	3	4	5	6	Very High (7)
The level of my knowledge of this personal computer brand							

	Strongly Disagree (1)	2	3	4	5	6	Strongly Agree (7)
I am willing to know more about this personal (laptop) computer brand							
After purchase and use of this personal (laptop) computer brand, the accumulated level of what I know about this brand is high							
I am willing to understand more about this Laptop brand							

Concerning the personal computer (laptop) brand:							
	Strongly Disagree (1)	2	3	4	5	6	Strongly Agree (7)
I know this brand							
When it comes to laptops, I can immediately recall the brand							
The name of the manufacturer of my favorite laptop is a well-known computer brand							

Concerning the personal computer (laptop) brand, price and quality:							
	Strongly Disagree (1)	2	3	4	5	6	Strongly Agree (7)
I am very concerned about low personal (laptop) computer prices, but I am equally concerned about their quality							
When shopping for a personal (laptop) computer I compare the price of different brands to be sure I get the best value of my money							
When I buy a personal (laptop) computer, I like to be sure that I am getting my money worth							
When purchasing a personal (laptop) computer, I always try to maximize the quality I get for the money I spend							

Concerning the personal computer (laptop) brand:							
	Very Low (1)	2	3	4	5	6	Very High (7)
This personal (laptop) computer brand is of high quality							
This personal (laptop) computer brand is highly reliable							
This computer brand manufacturer is very innovative							
This personal (laptop) computer brand is of high technological quality							

Please rank the following attributes of the personal (laptop) computer that influence your purchase decision: Your most preferred attribute should have a ranking of 1 and the least preferred attribute with a ranking of 5.	
	Ranking Scores
Processing Speed	
Hard drive size	
Amount of Memory	
The battery life	
Design (e.g. shape, color etc)	

Your age:	
-----------	--

Your gender:	
Male	
Female	

Which of the following level of income per month best describes your income for now?	
Less than 5000 NOK	
5001-10000 NOK	
10001-20000 NOK	
Over 20001 NOK	

Your nationality:	
Norwegian	
Non-Norwegian	