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Does country-of-origin matter in the era of globalisation? Evidence from cross sectional data in Uzbekistan



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Research was funded by the UOW Research Collaboration Fund

Brief history & importance



The "made-in label was introduced by the British Merchandise Marks Act in 1887. After World War I, all German-made products were required to carry the "Made in Germany" labelling, in English, as a punishment to German industry.

(Source: Samee, 1994)

H1: The COO of a product has a significant influence on buyer perceptions and attitude towards the product.

H2: Attitude towards COO is related to consumers' (a) gender, (b) age, (c) marital status, (d) income and (e) education.

H3: The perceived quality of products manufactured in developed countries is higher than that of products manufactured in developing countries.

H4. Perceived quality of products in relation to COO may change over time.

1. Exploratory Research Phase

- Literature review
- Qualitative research (4 focus groups)

2. Descriptive Research Phase

- Quantitative research (527 respondents)

3. Measures

- Zain & Yassin's questionnaire (1997)

4. Data analysis

- ANOVA

Table 2. Country-of-origin information of products

		Mean scores		
		Present study – Uzbekistan (2016)	Zain and Yasin's study – Uzbekistan (1997)	Lascu and Babb's study Poland (1995)
1	When buying an expensive item, such as a car, TV or refrigerator I always seek to find out what country the product was made in	4.46	4.35	4.16
2	To make sure that I buy the highest quality product or brand, I look to see what country the product was made in	4.29	4.00	3.55
3	I feel that it is important to look for country-of-origin information when deciding which product to buy	4.08	3.95	3.36
4	I look for the “Made in ...” labels in clothing	3.95	3.94	3.39
5	Seeking country-of-origin information is less important for inexpensive goods than for expensive goods	3.54	3.91	3.61
6	A person should seek country-of-origin information when buying a product with a fairly low risk of malfunctioning, e.g. when buying shoes	3.54	3.54	3.95
7	I look for country-of-origin information to choose the best product available in a product class	3.71	3.86	3.15
8	I find out a product's country of origin to determine the quality of the product	3.82	3.77	3.22
9	When I am buying a new product, the country of origin is the first piece of information that I consider	3.31	3.74	2.95
10	To buy a product that is acceptable to my friends and my family, I look for the product's country of origin	3.52	3.69	2.98
11	If I have little experience with a product, I search for country-of-origin information about the product to help me make a more informed decision	3.64	3.65	3.38
12	A person should always look for country-of-origin information when buying a product that has a high risk of malfunctioning, e.g. when buying a watch (computer)	4.07	3.88	3.98
13	When buying a product that is less expensive, such as a shirt, it is less important to look for the country of origin	3.23	3.08	3.60

Note: Statements were rated on a scale of 1-5

Respondents considered manufacturing COO information to be the most important cue when purchasing expensive items such as cars, TVs or refrigerators (4.46), when checking the quality of the product (4.29), and when deciding which product to buy (4.08). On the other hand, when buying cheaper goods, such as a shirt, they considered it to be less important - a mean score of 3.54 and 3.23. **This supports H1** that Uzbek consumers still consider COO information a vital cue when purchasing relatively expensive products.

Analysis of Results (2/5)

Table 3. Factor analysis of the importance of country-of-origin information

Rotated Component Matrix ^a			
Construct items	Component		
	1	2	3
Social-Assurers			
1. To buy a product that is acceptable to my friends and my family, I look for the product's country of origin	0.789	0.312	-0.005
2. If I have little experience with a product, I search for country-of-origin information about the product to help me make a more informed decision	0.751	0.117	0.216
3. When I am buying a new product, the country of origin is the first piece of information that I consider	0.728	0.281	0.119
4. I look for country-of-origin information to choose the best product available in a product class	0.689	0.242	0.247
5. I find out a product's country of origin to determine the quality of the product	0.674	0.325	0.066
6. A person should seek country-of-origin information when buying a product with a fairly low risk of malfunctioning, e.g. when buying shoes	0.671	0.050	0.136
7. I look for the "Made in ..." labels in clothing	0.649	0.346	-0.129
8. A person should always look for country-of-origin information when buying a product that has a high risk of malfunctioning, e.g. when buying a watch	0.588	0.250	0.106
Security-Seekers			
9. To make sure that I buy the highest quality product or brand, I look to see what country the product was made in	0.328	0.792	0.071
10. I feel that it is important to look for country-of-origin information when deciding which product to buy	0.385	0.737	-0.017
11. When buying an expensive item, such as a car, TV or refrigerator I always seek to find out what country the product was made in	0.154	0.737	0.180
Price-Vetters			
12. Seeking country-of-origin information is less important for inexpensive goods than for expensive goods	0.022	0.223	0.827
13. When buying a product that is less expensive, such as a shirt, it is less important to look for the country of origin	0.253	-0.048	0.787
Cronbach's α	0.882	0.765	0.585
<i>Eigenvalues</i>	5.651	1.320	1.054
<i>Eigenvalue % of Variance</i>	32.359	17.725	11.645
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. ^a			
a. Rotation converged in 6 iterations.			

Table 4. ANOVA between demographic variables and COO information importance dimensions

		Country-of-origin information importance dimensions				
Demographic variables		Social-Assurers	Security-Seekers	Price-Vetters	Roy's largest root (Value)	Wilks' Lambda (Value)
Gender	F	13.89	2.35	8.43	.048	.954
	sig.	(.000)	(.126)	(.004)	(.000)	(.000)
Age	F	8.92	6.53	12.15	.202	.808
	sig.	(.000)	(.000)	(.000)	(.000)	(.000)
Marital status	F	6.15	.911	8.62	.060	.942
	sig.	(.002)	(.403)	(.000)	(.000)	(.000)
Education	F	3.13	1.39	.002	.009	.991
	sig.	(.078)	(.239)	(.965)	(.212)	(.212)
Occupation	F	2.82	4.03	8.61	.143	.839
	sig.	(.010)	(.001)	(.000)	(.000)	(.000)
Income	F	2.35	5.09	3.44	.059	.902
	sig.	(.040)	(.000)	(.005)	(.000)	(.000)

Hypothesis 2, that there would be a relationship between consumers' COO evaluations and demographic variables (a) gender (b) age (c) marital status (d) income and (e) education, was tested by analysis of variance (ANOVA)

Analysis of Results (4/5)

Table 5. Perceived quality of products made in specific countries (2017)

Products	Germany	Japan	USA	S.Korea	UK	Italy	Spain	Russia	China	Turkey	Uzbekistan	India
Cars	4.83	4.68	4.44	4.26	4.26	4.25	3.38	2.89	2.77	2.73	3.09	2.40
Dresses/shirts	4.48	3.92	4.24	3.95	4.28	4.58	3.75	3.16	2.89	4.08	3.00	3.28
Pants	4.43	3.92	4.17	3.90	4.23	4.57	3.74	3.12	2.89	4.03	2.98	3.20
Shoes	4.47	3.87	4.20	3.85	4.27	4.58	3.75	3.21	2.76	3.87	2.69	2.96
Cameras	4.58	4.68	4.39	4.35	4.04	3.61	3.30	2.97	3.05	2.77	2.40	2.64
Television	4.55	4.68	4.26	4.40	4.05	3.55	3.29	3.09	3.11	2.77	2.82	2.56
Refrigerator	4.59	4.65	4.17	4.37	4.02	3.61	3.31	3.47	3.05	2.78	2.75	2.52
Radio	4.52	4.56	4.14	4.31	3.95	3.52	3.27	3.36	3.01	2.72	2.72	2.58
Mobile phones	4.46	4.56	4.47	4.36	3.96	3.42	3.22	2.95	3.17	2.55	2.67	2.51
PC/laptops	4.47	4.64	4.60	4.33	4.00	3.41	3.18	2.90	3.27	2.54	2.44	2.52
Washing machines	4.59	4.60	4.34	4.35	3.99	3.48	3.19	3.17	3.10	2.64	2.60	2.42
Air conditioners	4.57	4.60	4.33	4.36	3.98	3.46	3.18	3.12	3.14	2.67	2.68	2.49
COO average	4.54	4.45	4.31	4.23	4.09	3.84	3.38	3.12	3.02	3.01	2.74	2.67
Overall ranking	1	2	3	4	5	6	7	8	9	10	11	12

Analysis of Results (5/3)

Table 6. Perceived quality of products made in specific countries

Products/countries	Japan		USA		Russia		Turkey		India		Uzbekistan		China	
	1997	2017	1997	2017	1997	2017	1997	2017	1997	2017	1997	2017	1997	2017
Cars	4.82	4.68	4.64	4.44	3.35	2.89	2.92	2.73	2.16	2.40	2.32	3.09	2.21	2.77
Dresses/shirts	4.28	3.92	4.55	4.24	3.14	3.16	3.18	4.08	2.98	3.28	2.46	3.00	2.34	2.89
Pants	4.08	3.92	4.53	4.17	3.10	3.12	3.22	4.03	2.85	3.20	2.50	2.98	2.32	2.89
Shoes	4.13	3.87	4.55	4.20	3.24	3.21	2.89	3.87	2.70	2.96	2.21	2.69	2.02	2.76
Cameras	4.89	4.68	4.49	4.39	3.30	2.97	2.61	2.77	2.36	2.64	2.08	2.40	2.34	3.05
Television	4.90	4.68	4.45	4.26	3.46	3.09	2.93	2.77	2.38	2.56	2.74	2.82	2.49	3.11
Refrigerator	4.81	4.65	4.53	4.17	3.65	3.47	2.89	2.78	2.43	2.52	2.97	2.75	2.47	3.05
Radio	4.85	4.56	4.42	4.14	3.72	3.36	2.81	2.72	2.47	2.58	2.67	2.72	2.46	3.01
Country of origin average	4.60	4.37	4.52	4.25	3.37	3.16	2.93	3.22	2.54	2.77	2.49	2.80	2.33	2.94
Mean difference	-0.23		-0.27		-0.21		0.29		0.23		0.31		0.61	
Change, %	-5%		-6%		-6%		10%		9%		12%		26%	
P-value	0.25		0.00		0.06		0.26		0.17		0.03		0.00	
Overall ranking in 1997	1		2		3		4		5		6		7	
Overall ranking in 2017 (same products)		1		2		4		3		7		6		5
Overall ranking in 2017 (all products)		2		3		8		10		12		11		9

Note: Factors were ranked on a scale of 1-5 where

1 = low quality; 2 = somewhat low quality; 3 = neither high nor low quality; 4 = somewhat high quality; 5 = high quality.

- COO information an important cue when purchasing relatively expensive or symbolic products;
- Products from advanced countries are perceived to have higher quality.
- Women are likely to be Social-Assurers and less concerned with price than men.
- Security seeking increases with age.
- Social-Assurers and Price-Vetters are married.
- It can be concluded that the perception of quality in relation to COO is dynamic.

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Karimov, F., & El-Murad, J. (2019). Does country-of-origin matter in the era of globalisation? Evidence from cross sectional data in Uzbekistan. *International Journal of Retail & Distribution Management*.