AN INVESTIGATION INTO "REGION OF ORIGIN" EFFECT AND CONSUMER "REGIONCENTRISM" TENDENCY IN HYBRID PRODUCT QUALITY EVALUATION AND CHOICE

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DEDICATION

I would like to dedicate this work to my parents, who sacrificed much to let my siblings and I have the opportunity to study outside Malaysia and in countries such as Australia, Switzerland, the U.K. and U.S.A. Except for their second son, who met his creator too soon, their other five daughters and sons are now successful in their own right, and have their own family in different parts of the world. I also dedicate this to my wife, Betty Lo, who gave me three lovely boys, Hahn, Yonke and Wien.

ABSTRACT

The purpose of this study was to investigate consumer utilisation of extrinsic cue and intrinsic cues, on hybrid products from a sub-national level, particularly focused on the region of origin cue on consumers' product quality evaluation and product choice. The second purpose was to measure the extent of consumer regioncentric tendencies within the different regions in China. The third purpose was to examine consumer's ethnocentrism in relation to their product quality evaluation and product choice.

Conjoint Analysis and Analysis of Variance methods were used to test the importance and the interaction effect of the extrinsic and intrinsic cues. Consumer Ethnocentric Tendency Scale (CETSCALE), adapted from Shimp and Sharma (1987), was used to measure consumer regioncentric tendencies. The Reliability Analysis and Principal Component Analysis were used to test the psychometric properties of the CETSCALE, and confirmatory factor analysis was used to verify the results from the psychometric property test. Finally, results from Utilities Estimate from the Conjoint Analysis were used to identify the relationships between consumer regioncentric tendencies, consumer product quality evaluation and product choice. Interviews and small-scale mall interceptions were performed at the pilot-study stage, prior to the main survey. Mall interception surveys using hybrid products, television (durables) and tea (non-durables), orthogonally designed full-scale conjoint cards and a 7-point Likert Scale questionnaires were conducted in Dalian, Suzhou and Guangzhou, China.

It was found that the region of origin cue was one of the major attributes in consumer's product quality evaluation and product choice. Amongst the extrinsic cues, region of origin cues were rated second in level of importance, while brand name was the most important. Respondents from Suzhou portrayed the highest regioncentric tendencies, while those from Dalian and Guangzhou showed weaker regioncentric tendencies. Respondents with higher regioncentric tendencies would rate product from their own region of residence more favourably in term of product quality evaluation and product choice.

Based on the findings, it is recommended that more effort should be given to the study of consumer buying behaviour from the sub-national regional perspective. Furthermore, foreign and domestic companies or marketers should develop a marketing strategy that uses the positive effect of a region of origin cue and consider the effect of regioncentrism in their product packaging, advertising message and promotional activities. Firms should take a market factor approach, where the region of origin may be one of the factors in deciding the location of the manufacturing bases.

STATEMENT OF CANDIDATE

I hereby certify that the work in this thesis entitled An investigation into "region of origin" effect and consumer "regioncentrism" tendency in hybrid product quality evaluation and choice has not been submitted for a degree nor had it been submitted as part of requirements for a degree to any other university or institution other than Macquarie University.

I also certify that the thesis is an original piece of research and it has been written by me. Any help and assistance that I have received in my research work and the preparation of the thesis itself have been appropriately acknowledged. All information sources and literature used are indicated in the thesis.

The research presented in this thesis was approved by Macquarie University Ethics Review Committee, reference number: HE 25NOV2005-D04375 on 29th January 2006.

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