



COUNTRY OF ORIGIN EFFECT: THE CASE OF COLOMBIAN AUTOMOBILE CONSUMERS

**EFEECTO PAÍS DE ORIGEN: EL CASO
DEL CONSUMIDOR AUTOMOTRIZ COLOMBIANO**

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Abstract

Key words

Country of Origin (CoO), Country of Assembly (CoA), Country of Brand Origin (CoBO), Automobile Industry, Brand Familiarity.

The concept of Country of Origin (CoO) has been largely studied as part of the international marketing field. CoO can be defined as the general consumer's perception of products from a particular country (Roth & Romeo, 1992). This research studies the automobile consumption process of the Colombian consumer, regarding Country of Brand Origin (CoBO) and Country of Assembly (CoA) and its effect on the product evaluation of cars in terms of quality, perceived value and purchase intention. A survey conducted in the main cities in Colombia with 123 answers was an essential part of the methodology. Results show some evidence that consumers with category product knowledge use CoA information to evaluate a car, in most cases it was found that the CoBO and CoA do not make an impact on the evaluation process of the automobile Colombian consumer. It was also proven that brand may be an important element in the evaluation process of Colombian consumers, but further research needs to be conducted to test this element.

Clasificación JEL: F14, F23, M31

EFFECTO PAÍS DE ORIGEN: EL CASO DEL CONSUMIDOR AUTOMOTRIZ COLOMBIANO

Resumen

Palabras clave

País de Origen, País de Ensamblaje, País de Origen de la Marca, Industria Automovilística, Familiaridad con la Marca.

El concepto de País de Origen (CoO por sus siglas en inglés) ha sido estudiado por el área de mercadeo internacional, y puede ser definido como la percepción general del consumidor de los productos de un determinado país (Roth & Romeo, 1992). Esta investigación estudia el proceso de consumo de automóviles del consumidor colombiano, teniendo en cuenta el País de Origen de la Marca (CoBO por sus siglas en inglés) y el País de Ensamblaje (CoA por sus siglas en inglés) y sus efectos en la evaluación del producto en términos de calidad, valor percibido e intención de compra. Como parte de la metodología, se aplicaron 123 encuestas en las principales ciudades de Colombia. Los resultados muestran evidencia que los consumidores con conocimiento de la categoría de producto usan la información del País de Ensamblaje para evaluar un automóvil, y en la mayoría de los casos se encontró que el País de Origen de la Marca y el País de Ensamblaje no impactan el proceso de evaluación del consumidor colombiano. También se probó que la marca es un elemento importante en el proceso de evaluación del consumidor colombiano, no obstante se requiere realizar otra investigación que pruebe este aspecto.

EFEITO PAÍS DE ORIGEM: O CASO DO CONSUMIDOR AUTOMOTRIZ COLOMBIANO

Resumo

Palavras chave

País de origem, País de montagem, País de origem da marca, Indústria automotriz, Familiaridade de marca.

O conceito "país de origem" foi amplamente estudado no campo do marketing internacional, o termo é definido como a percepção geral que têm os consumidores dos produtos provenientes de um país em particular (Roth & Romeo, 1992). Este estudo, analisa o processo de consumo de automóveis na Colômbia em relação que os conceitos de "País de origem da marca" e "País de montagem". Os resultados da enquete realizada aos 123 consumidores colombianos, prova que o país de origem da marca e de montagem não é um elemento importante no processo de avaliação do consumidor colombiano; a investigação dá indícios de que a marca parece ser o elemento determinante neste processo de avaliação, mas mais estudos devem fazer-se para provar este elemento. As conclusões desta investigação podem impactar as estratégias de marketing dos produtores automobilísticos colombianos frente à concorrência internacional que deverão enfrentar nos seguintes anos.

Introduction

International trade, globalization and liberalisation have changed markets; in almost all of the industries the competition is not only composed by national brands but also by international brands. The new global scenario generates new challenges for companies, not only in the way they trade their products but also in the way they market them. Different elements studied in the international marketing field are affecting the performance of the corporations and the economy of certain countries; some of those issues include the CoO effect on consumers. This topic has been largely studied using different models such as the Halo and Summary Construct; regarding the large amount of studies there is not still a general conclusion if CoO has an effect on consumer or even if CoA and CoBO affect the purchasing process. This paper will provide a review on CoO, CoA and CoBO literature and will use the gap in those studies to develop an approximation of the topic in the Colombian automobile market generating some conclusions and recommendations for the local industry.

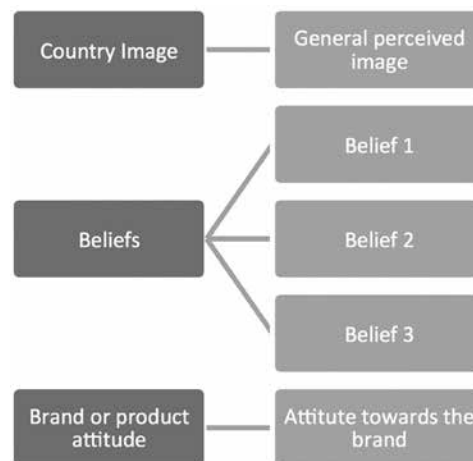
Consumer Evaluation and Decision Making Process

CoO can be defined as "The overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses" (Roth & Romeo, 1992, p. 480); there has been some controversy in the definition of the concept. Authors have not reached a consensus on what to call CoO in terms of the production, design and manufacture of the product, for this study the concept of CoO will be deconstructed into two elements: Country of Brand Origin and Country of Assembly or Manufacture.

Having defined the concept of CoO, it is necessary to understand how this element affects consumers evaluations and decision making process; several authors have ex-

amined the impact of CoO on consumers' decision-making process such as perception, attitude and behavioural intention (Agrawal & Kamakura, 1999). One of the most reviewed and commented studies on this issue, written by Han (1989), argues that CoO is used by consumers in their decision process as a "halo" or as a "summary construct" view. The halo perspective represents the situation when consumers are not familiar with the product or cannot infer the quality of it; in that case consumers use CoO to deduce the features of the product. Consequently, this model argues that consumers have a general perceived image of a country and use those beliefs to evaluate a product and shape their brand and product attitude. Figure # 1 illustrates the Halo model.

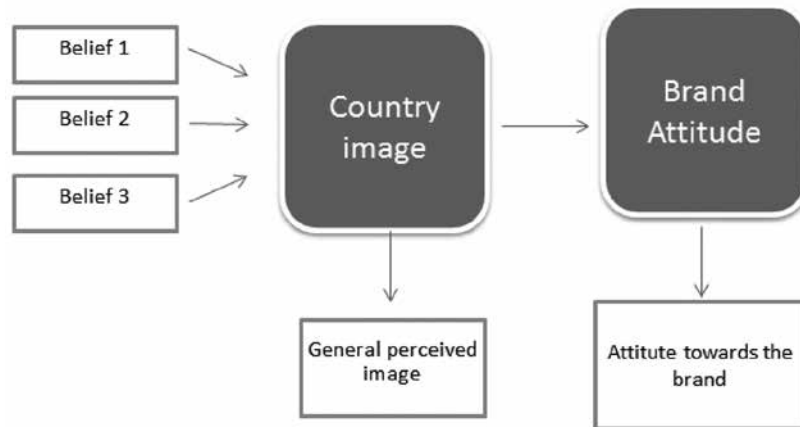
Figure 1: Halo model



Source: Adapted from Han (1989)

The opposite case is when consumers are familiar with the brand in that case CoO becomes a construct that summarizes consumers' beliefs and it may have a direct effect on the evaluation process (San Mart & Jime, 2010). The summary construct model, as is shown in figure #2, argues that consumer's store the knowledge or beliefs they have about a product or a brand in "chunks", meaning that they do not examine specific elements of a brand; later they use those previous formed beliefs to create an image of that country and form an attitude towards a brand.

Figure 2: Summary construct model



Source: Adapted from Han (1989)

The level of familiarity of the consumer with the brand is the element that makes both models different. In the Halo effect, consumers are not familiar with the brand of a product, so they use CoO to infer the special features of a product; in the Summary Construct model, consumers are familiar with the product and they use previously acquired beliefs about the product to form the country image. In the following paragraph, some elements that may influence the effect of CoO on consumers are explained.

Product Category, Ethnocentrism and Characteristic of Consumers

CoO is one of the most controversial topics in international marketing due to contradictory results found in previous studies. Some authors such as Erickson, Johansson & Chao (1984), Han (1989), Acharya & Elliott (2001) and Chandrasen & Paliwoda (2009), Dikčius & Stankevicienė (2010), Sohail & Sahin (2010) have proved that there is a direct effect of CoO on consumer evaluation; on the other hand the studies conducted by Piron (2000), Lim & O’Cass (2001) and Zbib, Wooldridge, Ahmed, & Benlian (2010) present opposite results, arguing that CoO is not an element that has an im-

pact on consumers. Other authors like Pecotich & Rosenthal (2001) and Hui & Zhou (2002) have identified that CoO has an effect on the evaluation process but not in the purchase intention. Finally other authors like Schaefer (1997) found that the relation between both elements is not clear.

In order to explain these contradictory results, some authors have analysed specific elements involving consumers’ decision process regarding CoO, to identify a specific element that can affect whether CoO does or does not have an impact on consumers. The specific features include product category involvement, knowledge of a particular country, patriotism or ethnocentrism, demographic elements, consumer prior knowledge and consumer information style (Laroche, Papadopoulos, & Heslop, 2003), this elements are explained in the following paragraphs.

Product Category

According to Roth & Romeo (1992), the category of the product analysed in CoO studies could have an impact on whether CoO does or does not have an effect on consumers. For the authors, if a country has a good image on costumers,

and the image is relevant for a product category, consumers will be more willing to buy the product from that country.

If it is so, it will be reasonable to guess that CoO is the most important element evaluated in some categories such as the wine industry, but opposite results were concluded in the study conducted by Balestrini & Gamble (2006) they found that even though CoO is more important than price, for Chinese wine consumers, brand has the same level of importance. These results are similar in the luxury product category; Godey et al. (2012) found that in this type of product category, the brand has a higher effect on consumers than CoO, even though it is also important in the evaluation process.

Other element that may influence if CoO affects the buying process is the consumers 'level of involvement with the products. In low involvement products evaluation, as was studied by Z. U. Ahmed et al (2004), CoO is not as important as it is in high involvement products. For instance, in the purchase of low-involvement products such as staples, the influence of CoO in product evaluation is expected to be weak, due partly to the product's low monetary risk and low hedonistic value. Furthermore, in the presence of other extrinsic product cues, the influence of CoO is expected to be less pronounced than that of brand and price. Similar were the results of the study made by Zbib, Wooldridge, Ahmed, & Benlian (2010), they found that in the shampoo category, considered to be a low involvement category, CoO is not an attribute that affects the choice of consumers. The decision making process is driven by the benefits, or by experiential pleasures.

In conclusion the category of the product does not have an effect on the importance of CoO on consumers, what actually changes the impact of CoO is the level of involvement of consumers with the product: in high involvement products it is more probable that CoO can affect the purchase decision,

but in low involvement products it is likely that CoO has no effect on consumers.

Country of Origin of Consumers

Regarding the first element, literature has suggested that consumers from developing countries use the CoO in their decision making more than consumers from developed countries. According to Batra, Alden, Ramaswamy, Steenkamp, & Ramachander (2000) this happens because consumers in developing countries are more sensitive to the origin of the products and evaluate nonlocal brands more favourably than local ones, and consider that foreign products give them more prestige than the local ones. But this behaviour cannot be generalized or studied very broadly; more elements affecting the behaviour of consumers must be taken into account such as the ethnocentrism of the consumers.

Ethnocentrism, defined as the link between social and moral norms and consumer behaviour (San Martí & Jime, 2010), can have an impact on consumers. For instance highly ethnocentric consumers¹ would prefer to buy local products and, in contrast, buyers with low levels of ethnocentric predisposition have positive evaluations and attitudes toward buying foreign products. According to these results it seems that CoO effect also depends in the level of ethnocentric studied consumers (Brodowsky, Tan & Meilich, 2004).

Type of Country of Origin

Other studies tried to explain how the economic development of the Country of Origin can affect the importance that consumers give to this element in the decision making process. For instance, Chandrasen & Paliwoda (2009) detected that consumers prefer products from highly industrialized countries due to the country's high level of technological and economic development specifically they studied the

1. Ethnocentric consumers are people that believe that buying foreign products damages the national economy and has a bad impact on national employment

preference of Thai consumers for German cars; the study showed that the Asian consumers gave a higher rating to the European cars because they reflect the quality of the German production process; in that case the brand was not as important as the CoO.

Hypothesis

As was seen in the literature review, several models have tried to explain the way to measure CoO effect on consumers evaluation process, for the present study, some of the most important elements affecting this process, such as brand familiarity and category knowledge, were taken into account to create the hypotheses that sum up the research problem:

H1: Country of Brand Origin has an impact on consumer's evaluation process on quality, value and willingness to buy.

H2: Country of Assembly has an impact on consumer's evaluation process on quality, value and willingness to buy.

H3: In a situation where only brand name and Country of Brand Origin are available as information cues, consumers are more likely to rely on Country of Origin if the brand name is unfamiliar than if it is familiar.

H4: Consumers with higher levels of category knowledge will be more likely to rely on Country of Brand Origin and Assembly when evaluating products, than consumers with lower levels of product knowledge.

Methodology

A survey to 123 Colombian car consumers were completed in order to prove the effect of CoO, a questionnaire was used having as a result numerical correlations between variables used to prove the validity of each hypothesis. A 5 point likert scale was used, using 1 the lowest qualification and 5 the highest. The questionnaire was designed following the papers of Schaefer (1997), Han (1989) and Chandrasen &

Paliwoda (2009) published in top journals. The countries and brands selected for the data collection method are related with the current offer in the Colombian market and FTA's negotiations. The countries were qualified according to 3 variables as Chandrasen & Paliwoda (2009) proposed, including Quality of car Assembly, Quality of car Design (Which is the measurement used to qualify CoBO) and General image of the country. After the consumers mark each country they were asked to evaluate eight brands (familiar and not) in terms of quality, cost benefit and willingness to buy; the only information given was the brand name, logo, brand origin and Country of Assembly.

To analyse the results of the questionnaire, the Kendall Tau Rank Correlation Coefficient was used according to the data collected.

The Colombian Automobile Industry

The automobile sector in Colombia has been characterized in the last 60 years by strong protectionist policies that include high tariffs to finished goods and low tariffs for raw materials (Ronderos, Galán, Niño & Avila, 2006). Nowadays, the industry is facing several difficulties that include financial problems due to the Venezuelan debt to the industry, the black market and the increase of automobile thefts that will later affect the incomes of the companies in terms of car parts. The FTA negotiations of the Colombian government with great global car producers such as the US, EU, Korea, Mexico and Brazil, is also a threat for the national automobile industry. The case of Korea is the one that worries the Colombian industry most, the agreement was signed in 2013 and is expected to become effective in 2014, The Colombian companies argue that Korea is a strong and competitive country in automobile production and that it will severely affect the Colombian industry; they also discuss that it will be an unfair competition because the Korean government subsidizes the industry (Pay half of taxes and electricity).

Results

Out of the 123 responses received, 55% were males and 45% females, all of them Colombian residents. Regarding age, the larger response group was between 20-30 years old with 66%, followed by people from 31-40 with 20% and 41-50 with 6%. From the sample, 46% of the respondents admitted to keeping up to date and informing themselves regularly about cars whereas 54% confessed that they didn't really know much about the automotive category. The results show that the Colombian consumer considers that European countries, such as Germany and Italy, have the best quality to design cars, followed by the Asian countries in the last position in the consumer's mind are the Latin American countries.

According to the results, it is also possible to affirm that the perception of quality in the design of cars is not necessarily related to the perceived quality on assembling cars, as some authors studied in the literature review affirm. As is seen in the case of Italy and Colombia, the European country had the second best qualification on quality of design, but the score of assembly quality is not that superior; opposite is the case of Colombia which ranks the lowest regards to design, but

the mark given to quality of assembly is superior than that Brazilian, Mexican and closer to the Korean mean. (Table # 1)

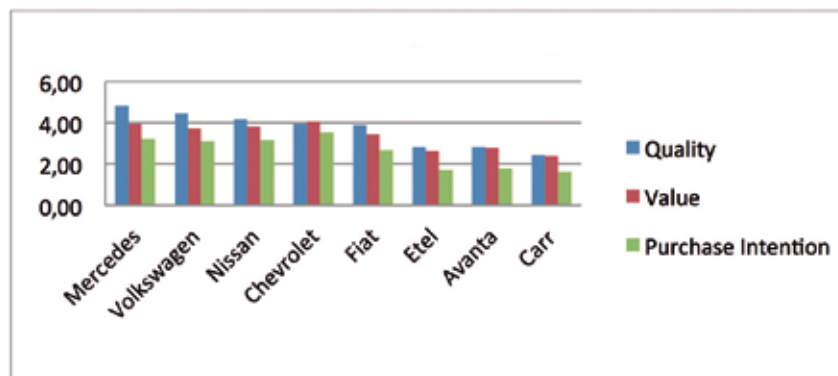
When analysing the qualification given by consumers that have a high knowledge of the industry, the results were to some extent similar to the general results: European countries have the best qualification regarding design and the scores of country of assembly quality are not related to the CoBO variable. The Latin American countries rank the lowest, but the consumers with high knowledge give those countries a higher mark in quality of assembly.

Respondents were also asked to qualify 8 brands, 5 existent in the Colombian market and 3 false brands. The German familiar brands had the highest scores (Mercedes and Volkswagen) followed by the rest of the familiar brands. Graphic 1 shows that the false brands got the poorest scores in all the attributes, but Etel, which is the false brand designed in Germany got the best scores, this may show an impact of the country of origin in consumer's evaluations, bearing having in mind that consumer's qualified Germany as the best country to design and assemble assembly cars. The country of Assembly of the brands does not show any tendency in these scores.

Table 1: Mean of Countries Qualifications

| Country | Quality of design | Quality of Assembly | Country's General perception |
|---------------|-------------------|---------------------|------------------------------|
| Germany | 4,60 | 4,68 | 4,46 |
| Italy | 4,37 | 4,11 | 4,34 |
| Japan | 4,36 | 4,37 | 4,33 |
| Korea | 3,76 | 3,93 | 3,56 |
| United States | 3,74 | 3,98 | 3,71 |
| Brazil | 3,01 | 3,41 | 3,47 |
| Mexico | 2,74 | 3,37 | 2,89 |
| Colombia | 2,42 | 3,69 | 3,09 |

Source: Compiled by author

Graphic1: Brand Scores

Source: Compiled by author

Evidence of Country of Brand Origin Effect

The results of the correlation analysis are shown in table # 2; data is separated for each CoBO. The significant correlations at a 5% confidence level are denoted by an asterisk (*). The results show that there is not significant correlation in more than half of the cases, this shows that there are not country of origin effects in Colombian consumers. On the other hand,

there appears to be a Country of Brand Origin effect in some countries such as Japan. Nevertheless, the correlations are weak and this suggests a minor effect.

As was explained before, Germany received the best average score as a country of origin and the German brands got the best scores in all attributes, but the results of the correlations show that the Colombian consumer does not use the information of country Brand Origin in their evaluation process and does not impact either the willingness to buy the product.

Table 2: Kendalls Correlations of Country of brand origin and car brands

| Country of brand origin / Variable | Quality | | | Value | | | Purchase intention | | |
|------------------------------------|-----------|------------------------|-----------------|-------|------|-------|--------------------|------|--------|
| | M (Media) | S (Standard deviation) | T (Correlation) | M | S | t | M | S | t |
| Germany | | | | | | | | | |
| Volkswagen | 4,42 | 0,69 | -0,01 | 3,69 | 0,89 | -0,17 | 3,07 | 1,26 | 0,01 |
| Etel (False brand) | 2,83 | 1,08 | 0,04 | 2,63 | 0,98 | 0,01 | 1,72 | 0,99 | 0,06 |
| Mercedes | 4,81 | 0,47 | 0,024 | 3,91 | 1,14 | 0,14 | 3,20 | 1,53 | 0,12 |
| Japan | | | | | | | | | |
| Nissan | 4,15 | 0,71 | 0,172* | 3,80 | 0,84 | 0,2* | 3,14 | 1,21 | 0,203* |
| United States | | | | | | | | | |
| Avanta (False brand) | 2,80 | 1,03 | 0,168* | 2,76 | 0,94 | 0,06 | 1,77 | 1,00 | 0,05 |
| Chevrolet | 3,94 | 0,86 | 0,10 | 4,05 | 0,89 | -0,03 | 3,54 | 1,29 | 0,02 |
| Italy | | | | | | | | | |
| Fiat | 3,85 | 0,92 | 0,14 | 3,41 | 0,96 | 0,06 | 2,67 | 1,31 | -0,03 |
| Mexico | | | | | | | | | |
| Carr (False brand) | 2,43 | 0,94 | 0,13 | 2,37 | 0,94 | 0,08 | 1,60 | 0,90 | 0,02 |

Source: Compiled by author

In order to prove that there is no evidence of CoO effect on Colombian automobile consumers, the results were not only analysed using correlations but also contingency tables. This analysis, represented in table 3, shows that the Colombian consumer does not take into account the quality of a country to design a car in the evaluation process of a product from that country. In the case of the German brand Volkswagen, Colombian consumers marked Germany with high quality in terms of car design, most of the answers were between 4 and 5, opposite to that, the qualifications of Volkswagen perceived value were quite disperse between 2 and 5; if we analyse the results deeper we can see that not all the consumers that think that Germany is a great designer of cars think that Volkswagen delivers them value, 21% of the respondents evaluated the quality of Germany as a 5 but the value delivered by Volkswagen as a 3.

H1 proposed that Country of brand origin has an impact on consumer's evaluation process on quality, value and willingness to buy, according to the explained results, the hypothesis is rejected.

Evidence of Country of Assembly Effect

The results of the correlations between the rates given to the quality to assemble cars of the different countries and the rates given to the brands attributes, show that there is

no relation between both elements; in fact, it seems that, compared to the CoBO, the effect of CoA is much lower (see table #4). The general scores analysed, show that there is no relation between the average score given to the quality of assembly of a country and the score given to the quality to assembly in those countries. For instance, there is a difference between the average qualifications given to the quality of the brands assembled in Mexico, while Nissan was qualified with an average of 4.15, Etel and Carr had a much lower score, showing that the CoA is not that important as the brand itself.

For all the reasons mentioned H2 is discarded, establishing that the country of assembly has no impact on Colombian consumer's evaluation process on quality, value and willingness to buy.

Brand Familiarity and Country of Brand Origin Effect

In H3 it was proposed that in a situation where only brand name and CoBO are available as information cues, Colombian consumers are more likely to rely on country of origin if the brand name is unfamiliar than if it is familiar. The hypothesis is true, the correlations between countries and familiar brands are slightly lower than unfamiliar brands; the average score of unfamiliar brands is higher if the country of brand origin had a high average, such as the case of ETEL,

Table 3: Contingency table. Value of Volkswagen vs Quality of Germany to design cars

| | Quality of Germany to design cars | | | | | Total | |
|------------|-----------------------------------|---|---|---|----|-------|-----|
| | Value | 1 | 2 | 3 | 4 | | 5 |
| Volkswagen | 1 | 0 | 0 | 0 | 1 | 0 | 1 |
| | 2 | 0 | 0 | 0 | 4 | 5 | 9 |
| | 3 | 0 | 0 | 1 | 13 | 26 | 40 |
| | 4 | 0 | 0 | 0 | 14 | 36 | 50 |
| | 5 | 0 | 2 | 0 | 9 | 12 | 23 |
| Total | | 0 | 2 | 1 | 41 | 79 | 123 |

Source: Compiled by author

Table 4: Kendalls Correlations of Country of assembly and car brands

| Country of assembly / Variable | Quality | | | Value | | | Purchase intention | | |
|--------------------------------|---------|------|--------|-------|------|--------|--------------------|------|--------|
| | M | S | t | M | S | t | M | S | t |
| Brazil | | | | | | | | | |
| Volkswagen | 4,42 | 0,69 | -0,087 | 3,69 | 0,89 | -0,083 | 3,07 | 1,26 | -0,018 |
| Mexico | | | | | | | | | |
| Nissan | 4,15 | 0,71 | -0,006 | 3,80 | 0,84 | -0,037 | 3,14 | 1,21 | -0,085 |
| Etel | 2,83 | 1,08 | 0,128 | 2,63 | 0,98 | 0,63 | 1,72 | 0,99 | 0,041 |
| Carr | 2,43 | 0,94 | 0,1 | 2,37 | 0,94 | 0,129 | 1,60 | 0,90 | 0,029 |
| United States | | | | | | | | | |
| Avanta | 2,80 | 1,03 | 0,142 | 2,76 | 0,94 | 0,074 | 1,77 | 1,00 | 0,106 |
| Korea | | | | | | | | | |
| Mercedes Benz | 4,81 | 0,47 | 0,034 | 3,91 | 1,14 | 0,142 | 3,20 | 1,53 | 0,017 |
| Colombia | | | | | | | | | |
| Chevrolet | 3,94 | 0,86 | 0,077 | 4,05 | 0,89 | 0,092 | 3,54 | 1,29 | 0,108 |
| Italy | | | | | | | | | |
| Fiat | 3,85 | 0,92 | 0,11 | 3,41 | 0,96 | 0,101 | 2,67 | 1,31 | 0,067 |

Source: Compiled by author

which has as the CoBO Germany, this maybe the reason why it was the unfamiliar brand with the best score.

Category Knowledge and Country of Brand Origin and Assembly

The results disaggregated by the type of knowledge that the Colombian consumer has in the industry shows similar results to the general ones.

Regarding the effect of CoBO, more than half of the correlations are not representative; showing that the level of knowledge of the consumer may not be a determinant for the existence of a CoBO effect. In both cases the correlations between both elements are very low, the only case that is different is the Japanese case, where for consumers with

high knowledge, the Country of Brand Origin seems to have a positive effect on the evaluation process of consumers; in the case of low knowledge consumers, the effect is not visible (See table #5).

In the case of Country of Assembly effect, in consumers with low knowledge, the correlations are very weak, so it is not possible to state that there is an effect, even though in the consumers with high knowledge, there appears to be a positive effect on the quality and purchase intention when the car is assembled in the US, and a positive effect on the perceived value and purchase intention of the cars assembled in Korea. Although the correlations are significant, they are still very weak to define a CoA tendency in these variables. The last hypothesis argues that consumers with higher levels of category knowledge will be more likely to rely on country

Table 5: Kendalls Correlations of Country of brand origin and car brands according to consumer's knowledge

| Country of brand origin / Variable | High Knowledge | | | Low knowledge | | |
|------------------------------------|----------------|---------|--------------------|---------------|-------|--------------------|
| | Quality | Value | Purchase intention | Quality | Value | Purchase intention |
| | T | t | T | t | t | t |
| Germany | | | | | | |
| Volkswagen | 0,022 | -0,113 | -0,127 | -0,042 | 0,067 | 0,114 |
| Etel | -0,095 | -0,089 | -0,089 | 0,014 | 0,088 | 0,074 |
| Mercedes | 0,017 | 0,057 | 0,106 | 0,04 | 0,198 | 0,129 |
| Japan | | | | | | |
| Nissan | 0,222* | 0,364** | 0,337* | 0,114 | 0,063 | 0,091 |
| United States | | | | | | |
| Avanta | 0,082 | -0,085 | 0,142 | 0,113 | 0,131 | -0,012 |
| Chevrolet | 0,075 | 0,019 | 0,216 | 0,147 | 0,049 | -0,023 |
| Italy | | | | | | |
| Fiat | -0,84 | 0,032 | -0,059 | 0,207 | 0,047 | 0,107 |
| Mexico | | | | | | |
| Carr | 0,009 | -0,06 | -0,177 | 0,193 | 0,17 | 0,126 |

Source: Compiled by author

Table 6: Kendalls Correlations of Country of assembly and car brands according to consumer's knowledge

| Country of assembly / Variable | High Knowledge | | | Low Knowledge | | |
|--------------------------------|----------------|---------|--------------------|---------------|--------|--------------------|
| | Quality | Value | Purchase intention | Quality | Value | Purchase intention |
| | T | t | t | t | t | t |
| Brazil | | | | | | |
| Volkswagen | -0,164 | 0,033 | -0,069 | -0,5 | -0,171 | 0,027 |
| Mexico | | | | | | |
| Nissan | 0,034 | 0,195 | -0,002 | -0,035 | -0,201 | -0,147 |
| Etel | 0,241* | 0,138 | 0,001 | 0,041 | 0,011 | 0,077 |
| Carr | 0,027 | 0,122 | -0,057 | 0,154 | 0,132 | 0,109 |
| United States | | | | | | |
| Avanta | 0,177* | 0,03 | 0,256* | 0,113 | 0,131 | -0,012 |
| Korea | | | | | | |
| Mercedes Benz | 0,063 | 0,308** | 0,239* | -0,001 | 0,006 | -0,162 |
| Colombia | | | | | | |
| Chevrolet | 0,077 | 0,08 | 0,004 | 0,072 | 0,105 | 0,196 |
| Italy | | | | | | |
| Fiat | -0,042 | 0,156 | 0,009 | 0,207 | 0,047 | 0,107 |

Source: Compiled by author

of Brand Origin and Assembly when evaluating products than consumers with lower levels of product knowledge. Due to the low amount of significance in the results, it is not possible to reject or accept H4, but results regarding country of assembly and consumers with high knowledge may suggest that there may be a weak effect of the CoA on the evaluation and purchase intention of Colombian consumers with industry product category knowledge.

Conclusions and Implications

By analysing the different elements that affect the Colombian consumer evaluation process and purchase intention, we are now able to suggest which elements impact most the process:

In terms of the effect of CoBO on Colombian consumers, this study proved that there is no such effect. For Colombian consumers, the origin of the brand has no impact on their perception of quality value perceived and purchase intention. These results complement the study done by Concha, Gómez, & Valencia in 2011; they demonstrate that there is not effect of the CoO in Colombian consumers in the evaluation and purchase intention of beers. This may indicate that Colombian consumers are rational in the evaluation process of a product and they take into account the attributes of the products and the benefits rather than the Country of Brand Origin.

Similar were the results of the analysis of Country of Assembly effect, the study concludes that for the Colombian market, the country where the car is assembled does not impact the Colombian consumer's evaluation on a brand. Both results have an important implication for the Colombian industry. The concern of the industry regarding the entrance of new competitors due to the signing of different FTAs may not have an effect on the market. As was mentioned, the Colombian consumer does not take into account the CoBO and CoA when evaluating a car, for that reason the consumer will not

lean towards buying a car that was assembled in a developed country, maybe consumers will make their decision process based on price, brand and special features offered by the car. For that reason it is suggested to the industry to develop or assemble cars that offer an advantage against competitors in terms of price and benefits.

Even though it is necessary to do further research to understand deeply the effect of brand in Colombian consumers, there is some evidence in this study that the brand is an important element in the evaluation process, for instance the recognized brands were marked better than the unknown brands. Due to these results it is suggested to the Colombian automobile industry to work in the positioning of the brands of cars assembled in Colombia, the positioning of the brand represent an element that will help the industry to struggle with the international competition arriving soon.

Furthermore, The Halo and summary construct model talked about the effect that the familiarity with the product may have in the CoO effect, this study was not able to prove if Country of brand origin has a different affect in the consumers when they have knowledge on the product category. This study may suggest that the CoA can impact the evaluation process of a consumer with category knowledge. This can be an important implication for the industry, because even though it had the best score regarding quality of assembly among other Latin American countries, cars assembled in the US, Europe or Korea may be a hard competition in the national market. Due to all these factors it is suggested that the Colombian industry communicate strongly the benefits of their cars among consumers with category knowledge, it is also suggested that the brand positioning strategy is made more intensively in this group.

Finally, in the literature review it was discussed how the type of product may have an impact on the CoO, according to Z. U. Ahmed et al (2004), if the product studied is considered to be a low involvement good, the effect of CoO in the evaluation process will be minimum and the opposite will

happen to high involvement products. That theory may not work for the Colombian consumer, because an automobile is considered to be a high involvement product and CoO does not affect the evaluation process.

Limitations and Further Research Recommendations

It is suggested further develop research taking into account the cognitive, affective and conative dimensions; each of these dimensions may impact differently the evaluation process of the Colombian consumer and the effect of CoO in the automobile industry.

Finally, this study suggested that there is a possible effect of the brand in the evaluation process, for further research it is suggested to study the basic elements that can affect the evaluation and purchase intention of the Colombian automobile consumers, such as brand, price, special features among others, this type of study can help the Colombian industry to prioritize strategies to compete against the new players on the market.

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