THE EFFECT OF COUNTRY OF ORIGIN TOWARDS INDONESIAN CONSUMERS' PURCHASE INTENTION ON XIAOMI

YEAR 2017-2018

Thesis

Presented as Partisial Fulfillment of Requirements for the Degree of Sarjana

Ekonomi (S1) in International Business Management Program

Faculty of Economics Universitas Atma Jaya Yogyakarta



Compiled by:

Eso Hermanto

Student ID Number: 13 12 20199

FACULTY OF ECONOMICS

UNIVERSITAS ATMA JAYA YOGYAKARTA

NOVEMBER 2017

Thesis THE EFFECT OF COUNTRY OF ORIGIN TOWARDS INDONESIAN **CONSUMERS' PURCHASE INTENTION ON XIAOMI** Compiled by: **Eso Hermanto** Student ID Number: 13 12 20199 Has been read and approved by: Advisor

ii

Mahestu N Krisjanti, SE., M.Sc. IB., Ph.D. Yogyakarta, November 14, 2017

ii

This is to certify that the thesis entitled

THE EFFECT OF COUNTRY OF ORIGIN TOWARDS INDONESIAN CONSUMERS' PURCHASE INTENTION ON XIAOMI

Presented by

Eso Hermanto

Student ID Number: 13 12 20199

Has been defended and accepted on December 8th, 2017 towards fulfillment of

the requirements for the Degree of Sarjana Ekonomi (S1)

in International Business Management Program

Faculty of Economics Universitas Atma Jaya Yogyakarta

Examination Committee

Chairman

Mahestu N Krisjanti, SE., M.Sc. IB., Ph.D.

Member

da Nadia Nila Sari, SE., MBA.

Elisabet Dita Septiari, SE., MSc.

Yogyakarta, Dec 12th, 2017

Dean Budi Suprapto, MBA, Ph.D.

iii

AUTHENTICITY ACKNOWLEDGEMENT

I, Eso Hermanto hereby declare that I compiled the thesis with the following title:

THE EFFECT OF COUNTRY OF ORIGIN TOWARDS INDONESIAN CONSUMERS' PURCHASE INTENTION ON XIAOMI

Is really, my own thinking and writing, I fully knowledge that my writings does not contain others' or part(s) of others' writing, except for those that have been cited and mentioned in the references.

Eso Hermanto

Yogyakarta, November 14th, 2017

iv

ACKNOWLEDGEMENT

Thank to Almighty God who has given His bless to the author for finishing this research from the beginning until the end, so this thesis can be done on time. This thesis is needed to meet one of academic requirements in completion of Bachelor study of International Business Management Program University of Atma Jaya Yogyakarta. Title that the authors propose is:

THE EFFECT OF COUNTRY OF ORIGINS TOWARDS INDONESIAN CONSUMERS' PURCHASE INENTION ON XIAOMI

In the process of making the thesis, the author got support from various parties that made the process of the thesis was better, faster, and easier. Therefore I would like to express my big gratitude for:

- My Almighty God who has given His bless and love that guides and accompanies the process of making the thesis from the beginning until the end.
- My advisor Ms. Wenefrida Mahestu Noviandra Krisjanti, SE, M.Sc. IB, Ph.D who always helps, guides, and teaches the author patiently when the process of making the thesis is conducted .
- Mr. Drs, Budi Suprapto, MBA, Ph.D as the Dean of the Faculty of Economics who has given this certification as a representative of Atma Jaya University Yogyakarta.

- 4. All staff and employees of the Faculty of Economics, University of Atma Jaya Yogyakarta who has helped the author for all of the administration and other things from the first semester until the graduation.
- 5. My lovely family, Father, Mother, Samuel, and Fransisco who always give support to the author through pray, good advice, and financial support, so the author can be more motivated to complete the thesis.
- 6. My one and only girlfriend Ellen who always gives the support and brings the happiness for the author whenever and wherever the author needs.
- My companion-in-arms Gilberth, Robin, Akira, Fidel, Klepon, Tedy, Pangpang, Glan, Deo, Ave, Erick, Bobby, and the others who fight together for facing the thesis.
- My IBMP class and other friends in Atma Jaya who have accompanied me to study in Atma Jaya Yogyakarta University for Five years.
- 9. My friends outside the Atma Jaya Yogyakarta University who always give a motivation for the author, so the author has a more effort to complete the thesis.
- 10. The respondents of the research who have spare their time to fill the questionnaire, so the author can collect the data quickly.
- 11. The parties who helped the author in completing this final task that cannot mention one by one author.

Finally, the author relies that this thesis in not perfect enough. The author is receives every criticism, suggestions, and other knowledge that will complete and develop this thesis, so this thesis can be more reliable for the further research.

Hopefully, this thesis is useful for the students or others people who need for a reference to make the further research.



TABLE OF CONTENTS

TITLE PAGE	i
APPROVAL PAGE	ii
COMMITTEE'S APPROVAL PAGE	iii
AUTHENCITY ACKNOWLEDGEMENT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	viii
LIST OF TABLES	
LIST OF FIGURES	
	1
LIST OF APPENDIXES	Ο.
ABSTRACT	xv
CHAPTER I: INTRODUCTION	1
1.1.Backgrounds	.1
1.2.Research Question	
1.3.Research Objective	.3
1.4.Scope of the Research	4
1.5.Benefit of the Research	4
1.6.Structure of the Research	5
CHAPTER II: LITERATURE REVIEW	7
2.1. Introduction	.7
2.2. Theoretical Background	8
2.2.1. Country of Origin	
2.2.2. Perceived Quality	
2.2.3. Purchase Intention	
2.2.4. Effects of country of origin to perceived quality	710

	2.3.Previous Study	.11
	2.4.Research Hypothesis	.16
	2.5.Research Framework	19
CHAPTER 1	III: RESEARCH METHODOLOGY	.20
e e	3.1. Introduction	20
	3.2.Population and Sample	.20
	3.3. Sampling Method	.20
\sim	3.4. Data Collection Method	21
	3.5.Questionnaire Design	.21
	3.6.Measurement and Scaling	22
	3.7.Testing Instrument	
	3.7.1. Validity Test. 3.7.2. Reliability Test.	<i></i>
	3.8.Data Analysis Method	24
	3.8.1. Simple Linier Regression	
	3.8.2. Multiple Regression Analysis	25
	3.9.Mediation Analysis	25
	3.10. Research Location	26
	3.11. Research Variable	26
CHAPTER 1	IV: DATA ANALYSIS AND DISCUSSION	28
	4.1.Introduction	28

	4.2.Descript	ive Analysis	29
	4.2.1.	Gender	29
	4.2.2.	Ages	.29
		Pocket Money	
	-	and Reliability Test.	
		Validity on Data Set	
	4.3.2.	Reliability on Data Set	.32
	4.4.Mediatio	on Analysis	33
· · · · · · · · · · · · · · · · · · ·	5 4.4.1.	The Effect of Independent Variable (COO) on	
. 0		Mediation Variable (Perceived Quality)	34
	4.4.2.	The Effect of Country-of-Origin and Perceived	
		Quality on Purchase Intention	35
U L	4.4.3.	The Role of Perceived Quality as Mediating Va	riable
\sim		on Country-of-Origin and Purchase Intention	.37
	4.5.Regressi	on Analysis	38
	4.6.Discussi	on	39
	4.6.1.	The Effect of Country of origin on Perceived	//
		Quality	.40
	4.6.2.	The Effect of Country-of-Origin on Purchase	
		Intention	.41
	4.6.3.	The Effect of Country-of-Origin on Purchase	
		Intention through Perceived Quality as Mediatir	ıg
		Intention through Perceived Quality as Mediatir Variable	-
CHAPTER	V: CONCLU		41
CHAPTER		Variable	41 . 43
CHAPTER	5.1.Introduc	Variable	41 .43 .43
CHAPTER	5.1.Introduc 5.2.Conclus	Variable	41 . 43 .43 43
CHAPTER	5.1.Introduc 5.2.Conclus	Variable	41 . 43 .43 43

	5.5.Limitation of the Research	45
REFERENCI	ES	46
	6	40



LIST OF TABLES

TABLE 2.1	Previous Study11
TABLE 4.1	Validity Test
TABLE 4.2	Reliability Test
TABLE 4.3	Regression Analysis of Independent Variable (COO) on Mediation Variable (Perceived Quality)
TABLE 4.4	Regression Analysis of Independent Variable (COO) and Mediation Variable (Perceived Quality) on Dependent Variable (Purchase Intention)
TABLE 4.5	Role of Perceived Quality as Mediating Variable on Country-of- Origin and Purchase Intention
TABLE 4.6	Regression Analysis of Independent Variable (COO) on Dependent Variable (Purchase Intention)

LIST OF FIGURES

FIGURE 2.1	Conceptual Framework	.19
FIGURE 4.1	Pie Chart of Gender	29
FIGURE 4.2	Pie Chart of Ages	.29
FIGURE 4.3	Pie Chart of Pocket Money	.30
FIGURE 4.4	Mediation Testing Framework	.33
	Diagram Path Step 1	
FIGURE 4.6	Diagram Path Step 2	35
FIGURE 4.7	Diagram the Effect of COO to PI	.38

LIST OF APPENDIXES

- APPENDIX I: Questionnaire
- APPENDIX II: Questionnaire Results
- APPENDIX III: Demographic Results
- mine re Verix APPENDIX IV: Validity and Reliability Test Results

APPENDIX V: Regression Analysis Results

THE EFFECT OF COUNTRY OF ORIGIN TOWARDS INDONESIAN CONSUMERS' PURCHASE INTENTION ON XIAOMI

Eso Hermanto

Student ID Number: 13 12 20199

Supervisor

Mahestu N Krisjanti, SE., M.Sc. IB., Ph.D.

ABSTRACT

The main purpose of this research is to know about the effects of country of origin toward Indonesian consumers' purchase intention on XIAOMI. Country of origin has become one of the factors that influence the customer purchase intention. This research uses online questionnaire to collect the data, which is distributed to 212 respondents. Regression analysis and mediation analysis are used to analyze the data.

The results show that country of origin has significant and positive effect to the purchase intention through perceived quality as the mediating variable. It is better for the further research to add more mediation variables like brand images or perceived value. The result of this research can helps the business or firms who want to import their products especially mobiles phone to Indonesia.

Keyword: Country of origin, perceived quality, Indonesian consumer, purchase intention, XIAOMI