

Chapter One

INTRODUCTION

1.1. Background

The rising complexity of the business environment nowadays caused by the changing markets make the trend of more manufacture to globalization. It links to globalization of branding also and most of corporate use multiple countries for sourcing components and assembling their products. It gives a misunderstanding in the eyes of consumers about the country of design, country of manufacture and the true brand country of origin. Many research mentioned the relation between origin of product or country of origin (COO) and buying intention of consumers like Papadopoulos and Heslop (2002). However, with the rise of global branding and corporation's take profit of using multiple country of sourcing, multiple country of manufacturing, assembling and designing the products, consumers perception to country of origin (COO) as a cue evaluating decrease. So this international competition and globalization bring the concept of country of origin in serious criticism. Then, the concept of country of origin (COO) should be replaced with the concept of brand origin (BO) (Thakor and Kohli 1996).

In their study, Thakor and Lavack (2003) show that brand origin (BO) influence more to consumer product or brand evaluation comparing to country of origin (COO). When brand origin (country of corporate ownership) and country of origin or manufacturing are mentioned together to customer, the country of manufacturing had no effect on product quality evaluation. A brand's country of origin may be highly important information for consumer

for choosing an durable goods or technological products because this information is considered as additional information link to product quality. However, this brand origin might not be as important for inexpensive products and consumable goods (Samiee, Shimp and Sharma 2005). More recent studies like Lim and O'Cass (2001) also have shown that brand origin could be a more influential cue than country of origin (COO) in determining consumer purchasing behavior due to the increase in global supply chains in today's marketplace. So, brand origin (BO) is expected to have a greater impact on today's consumers' purchase decisions than country of origin (COO).

1.2. Research Questions

Through this research, we will answer the following problems

1. How well consumers recognize the actual brand origin (BO) of laptop brands?
2. What are the factors of consumers brand origin (BO) classification performance?
3. How does brand origin (BO) classification performance affect brand evaluation?
4. How does brand evaluation relate to consumer purchase intention?

1.3. Scope of Research

The following table show the detail about scope of research

Table 1.1. Scope of research

Items	Scope of research
Types of research	<p>This is a quantitative research with the measurement of brand origin classification, evaluation and its relationship on customers purchase intention. The subject of this research is the laptop that we find in Yogyakarta market. Then, this is a replication of the study made by George Balabanis and Adamantios Diomantopoulos (2008), "Brand Origin Identification by Consumers: A classification perspective", Journal of International Marketing, Vol.16, No. 1, pp.39-71.</p>
Dependent variables	<ul style="list-style-type: none"> • Brand Origin classification performance is divided in three cases (a) correct brand origin (BO) has been identified, (b) wrong brand origin (BO) has assigned or (c) no specific brand origin (BO) can be associated with the brand • Brand evaluation • Customer purchase intention
Independent variables	<ul style="list-style-type: none"> • Country of Origin (COO) dominance • Brand Origin (BO) salience • Consumer involvement with product category
Population	<p>Individuals who live in Daerah Istimewa Yogyakarta (DIY) and who form the current or potential customers of laptops.</p>
Sampling	<p>Sample was collected by convenience sampling from population. 200 respondents can represent the population in this study.</p>

1.4. Research Objectives

There are a few empirical studies of any sort evaluating the importance of brand origin on any product category (Thakor & Lavack, 2003). However, there are no studies that explicitly examine the role of brand origin in consumers' evaluation of laptop products especially in Yogyakarta. So the main purposes of this research are:

1. To identify the consumer knowledge of some laptop brand origin (BO) offered in Yogyakarta market.
2. To search and study the factors of the consumer knowledge about different brands and the factors of the consumer performance to associate these brands in question to their appropriate brand origin (correct BO).
3. To examine the effect of brand origin (BO) classification performance to brand evaluation.
4. To recognize the relationship between brand evaluation and consumer purchase intention.

1.5. Research Benefits

This research expected to bring the following benefits:

The Companies producer of laptop can take profit of the result of this research because they can find the consumer evaluation of their brand so they have an ideas if they have to market in Yogyakarta or not. And also they can have an idea if they need to create and/or reinforce their brand image through the brand origin.

For the Retailer of Laptop, and for the persons who are interested to invest on distribution of laptop in Yogyakarta, this research result bring them an ideas of which brand and with which company they work with.

This research result can be useful and become a reference for the next future research about brand origin (BO).

1.6. Structure of this study

This Research study comprise five chapters as follows:

Chapter one Introduction

This chapter presents the description of the research background, the benefits of research, research methods, and the structure of this study.

Chapter two Literature Review and Hypotheses

This chapter contains the theoretical description composed by previous studies and classical theories, that are used to explain and to support the research hypothesis.

Chapter three Research Methodology

This chapter contains the type of research, place of research, sample collection methods, data collection methods, variable measurement, measurement of instrument and data analytical procedures.

Chapter four Data Analysis

This chapter discuss about statistical analysis relating to the hypothesis through the question response from customers interview considering as data. These data analysis provide the research results.

Chapter five Conclusions And Suggestions

This chapter contains the conclusions of the research results, suggestions, limitations, and recommendations to the managerial implications and to the following research in the future which will relate to brand origin (BO).