

THE INFLUENCE OF COUNTRY OF ORIGIN IMAGE ON VIETNAMESE CONSUMER ATTITUDES TOWARDS VIETNAMESE GARMENTS

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Abstract: The study analyses the factors of Country of Origin Image influencing Vietnamese consumer attitudes towards Vietnamese garments by surveying 366 customers. Cronbach's Alpha analysis and EFA analysis together with multiple regression analysis were used with SPSS. The results show that only two components having a strong influence are "Country of Origin Image" and "Country of Origin Image of Product"; only "Country of Origin Image of Product" affects consumer's perceived cost of garments; finally, there is a positive relationship of perceived benefits and a negative one of perceived cost of attitudes towards Vietnamese garments. There is no difference in terms of "income", "age" and "gender" for consumer attitudes towards Vietnamese garments. The study also suggests a number of managerial implications for the garment companies to have better competitive advantages.

Key words: Country of Origin Image, Country of Origin Image of Product, Consumer attitudes towards Vietnamese garments

I. OVERVIEW

Being among the top textile exporters in the world with the domestic market of 90 million people, Vietnamese fashion for many years has still been slower than other countries in the region, for the garment industry is still mainly at processing level, not fully active in designing, creating materials and producing products in a complete process until now. The spillover of globalization has been the key to opening more and more opportunities for consumers around the world to access a wide range of products and services in terms of quality, design and price. Vietnamese garments will face more obstacles when a series of foreign fashion brands dominate the market.

Nowadays, many scholars around the world, as well as marketers turn their attention to the influence of perception, attitudes, and even the final purchase decision based on country of origin and the impression that the label "Made in ..." brings in the minds of consumers. There have been many studies showing that the country

of origin is also considered as one of the important grounds for distinguishing and evaluating products together. The country of origin can express the quality and the reputation as well as the popularity of the product, which can reduce the risk, or in other words, increase consumer confidence in the process of purchase decision (Zhang, 1997).

With the ability to adjust the feeling for the product, many companies have used Country of Origin effects (COO effects) as a power to format themselves with other competitors in the market; especially in time of globalization being encouraged. Textile and garment industry is one of the 4 stably-developing industries of Vietnam with many garment units which are quite familiar with consumers such as Legamex Company, Nha Be Garment Company, Viet Tien Company, An Phuoc Garment Company, Viet Thang Garment Company and may other ones. However, enterprises are still quite passive about the source of imported materials with high cost; domestic raw materials have not met the high quality.

The study of consumer attitudes towards garment items labelled “Made in Vietnam” is becoming essential.

II. LITERATURE REVIEW

2.1. Country of Origin Image

The country of origin (COO) was widely interpreted by researchers a long time ago. Cordell (1992) described COO as a group effect of external factors that builds credibility and customer loyalty. External effects include abstract elements of the product such as price, branding and maintenance policies, in contrast to internal factors that characterize the product such as taste, style or color. Zhang (1997) referred to the COO definition as a group of information that accompanies the place where the product is made. Watson & Wright (2000) suggested that the country of origin effect is the positive or negative effects that the national characteristics of the product have on the perception, purchase decision or behavior after purchase of customers. COO studies are further deepened with structural conclusions divided into several distinct groups, including country of design (COD), country of assembly (COA), country of parts (COP), country of manufacture (COM) and country of brand (COB) (Insch & McBride, 2004; Bae & Lee, 1999).

While the traditional studies of country of origin analyse whether a buyer would prefer and choose a product from a particular country rather than others, the study of the Country of Origin Image – COI, or Country Image – CI will help highlight the subconscious images of consumers about a country of origin, allowing scholars to deepen the problem and answer the question “What are the reasons why customers make choices based on COO?” The perception or image of a country can influence the buying process in a positive and negative way. There are a lot of indications and information regarding the country of manufacture, in which the most identifiable label is the “Made in” label of the product (Brodowsky, Tan & Meilich, 2004).

Kotler & Gertner (2002) stated about the definition of COI: “COI can be understood as the sum of beliefs and impressions people hold about places. Images represent a simplification of a large number of associations and pieces of information connected with a

place. They are a product of the mind trying to process and pick out essential information from huge amounts of data about a place.” Martin & Eroglu (1993) defined the Country image as “the synthesis of descriptive, deductive, and acquired information about a given country”, whereby COI is a 3-component concept including political, economic, and technological aspects. Country of origin image has a certain influence on setting prices on products. Country of origin effect, which is affected by marketing policy rather than other economic variables, can be measured on the basis of price ratios of two different brands in the same product line (Lampert & Jaffe, 1998).

At present, according to the provisions of Vietnamese law, the way to identify the origin of goods is defined in Chapter I, Decree No. 19/2006/ND-CP dated February 20th, 2006 of the Government detailing the Commercial Law on the origin of goods. Accordingly, the concept of origin of goods: “is the country or territory producing all the goods or the place where the final basic processing of the goods occurs in the case of occurring involvement of multiple countries or territories in the production of such goods “(Clause 1, Article 3). Circular No. 08/2006/TT-BTC regulates the list of goods in which the codes of clothes in HS are 61xx and 62xx, therein xx is the ordinal number from 0-9; “Percentage of value” means the added value after a country or territory produces, processes non-originating materials from this country or territory in which the total value of manufactured goods must be at least 30% of the value of the goods produced. Thus, Vietnamese garment enterprises are allowed to label “Made in Vietnam” on their products (whether the materials are imported from foreign country) if they meet the value percentage criterion as noted above.

2.2. Perceived value and Attitudes

Zeithaml (1998) defined perceived value as the overall appreciation of customers for the authenticity of a product based on the perception they have of what is received and what is lost. In other words, the perceived value of consumers is the difference between “perceived benefit” and “perceived cost.” Rowley (1998) mentioned perceived benefits as one of the most important factors

in creating customer value. Sweeney & Soutar (2001) explained that consumers judge perceived benefits of the product based on three factors: functional value, emotional value, and social value. At the same time, perceived cost represents what the customer expects to give up for use of the service or product, which may include costs (money, time, effort) and risks. Perceived cost is considered a decisive factor in the perceived value of the customers because it determines the likelihood that the customers will use the service depending on budget considerations and other factors (Layla, 2012).

Consumer attitude is an important concept in consumer behavior studies. Attitude can be viewed as an element of the human nature formed through self-learning, in which one uses the attitude to react sympathetically or grudgingly to a thing or a specific event. Theoretical models are commonly used to study the attitudes of consumers to a specific product or brand that is a multi-attribute attitude model (Fishbein & Ajzen, 1975), in which, the attitude consists of 3 basic components which are (1) the cognitive component, (2) the affective component, (3) the behavioral component. Consequently, consumer attitudes to garments made in Vietnam will be composed of three main components: product perception, product enjoyment and consumption trends of “Made in Vietnam” products.

Amine & Shin (2002) suggested that the country of origin has greater effects on the attitudes of buyers than those on the brand. In addition, Amine & Shin (2002) showed that in the product assessment process, the country of origin has a greater impact on consumers from developing countries than that on developed ones because of their strong antagonism. The study of “flexible model based on buyers’ country of origin” explains the relationship among the three basic components of interrelated attitudes, if a buyer believes in and has a positive attitude towards a product or brand, the sympathy will be formed and it will create the intention to buy positively. Haubl (1996) showed the apparent impact of origin on attitudes and buying behavior on the Mercedes Vision A.

In Vietnam, the study of Huan & Tran (2011) showed the result that the Chinese-origin garments hardly affects the current purchasing decision of young people but

influences their future behaviors. The study of Huong (2014) on car brands showed that the country of origin has a strong, positive and significant influence on the perceived quality. The study of Ngoc (2014) showed that the Country image has a positive effect on consumers’ perceived quality and loyalty to cosmetic brands.

2.3. Research models and hypotheses

With the flexible model of Knight. & Calantone (2000), the adjusted variables include two factors to clarify the notion of Country image: “Country of Origin Image of People” and “Country of Origin Image of Product”. Combining with the models of Martin & Eroglu (1993) or Haubl (1996), the country of origin image factor will be clarified by three study variables, including: (1) Country of Origin Image of People, (2) Country of Origin Image of Product and (3) Country of Origin image. The proposed model is shown in Figure 1.

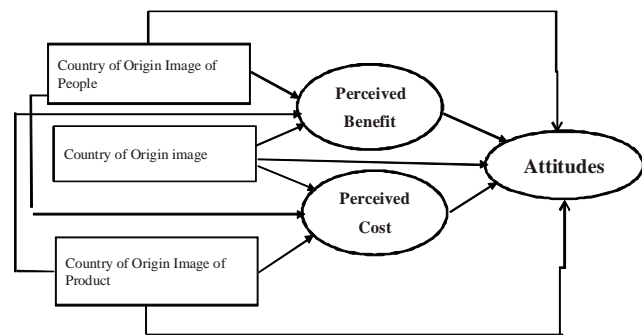


Figure 1: The proposed study model

Source: suggested by the authors

- H_{1.1} : The better the image of Vietnamese people is, the better the attitudes towards Vietnamese garment products are.
- H_{1.2} : The better the image of Vietnam country is, the more positive the attitudes towards Vietnamese garment products are.
- H_{1.3} : The better the image of Vietnamese products is, the more positive the attitudes towards Vietnamese garment products are.
- H_{2.1} : The better the image of Vietnamese people is, the higher the perceived benefits towards Vietnamese garment products are.

- H_{2.2} : The better the image of Vietnam country is, the higher the perceived benefits towards Vietnamese garment products are.
- H_{2.3} : The better the image of Vietnamese products is, the higher the perceived benefits towards Vietnamese garment products are.
- H_{3.1} : The better the image of Vietnamese people is, the lower the perceived cost towards Vietnamese garment products is.
- H_{3.2} : The better the image of Vietnam country is, the lower the perceived cost towards Vietnamese garment products is.
- H_{3.3} : The better the image of Vietnamese products is, the lower the perceived cost towards Vietnamese garment products is.
- H_{4.1} : The higher the perceived benefits towards Vietnamese garment products are, the more positive the attitudes towards Vietnamese garment products are.
- H_{4.2} : The lower the perceived cost towards Vietnamese garment products is, the more positive the attitudes towards products are.
- H_{5.1} : There is a difference between genders in terms of attitudes towards “Made in Vietnam” garment products.
- H_{5.2} : There is a difference among ages in terms of attitudes towards “Made in Vietnam” garment products.
- H_{5.3} : There is a difference among income in terms of attitudes towards “Made in Vietnam” garment products.

III. RESEARCH RESULTS

3.1. Sample Description

After a group discussion, a sample survey was conducted with the number of 30 samples, an official survey with the method of choosing convenient samples to the people in Vietnam which was by direct survey with the number of 370 samples; 366 surveyed samples containing appropriate content were used to conduct the analysis.

Table 1
Sample description

		Quantity	Proportion
Genders	Male	156	42.6
	Female	210	57.4
	Total	366	100
Ages	Under 20	46	12.6
	20-30	218	59.6
	31-40	63	17.2
	Over 40	39	10.7
	Total	366	100
Income	Under 4 mil. Vietnamese Dong (VND)	213	58.2
	4 to under 6 mil. VND	76	20.8
	6 to under 9 mil. VND	53	14.5
	Over 9 mil. VND	24	6.6
	Total	366	100

Source: Calculated by the authors

3.2. Measuring the reliability of the scale by Cronbach’s Alpha

The Cronbach’s Alpha coefficient method is used to determine the reliability of the scale. The scale is acceptable when 0.6 d” Cronbach’s Alpha d” 0.95 and Corrected Item-Total Correlation e” 0.3 (Nunnally, 1988). After eliminating 2 observed variables with Corrected Item-Total Correlation of less than 0.3 which are QG6 and GT17, 45 observed variables will be used in the EFA (Table 2).

3.3. Analyzing the Exploratory Factor Analysis EFA

EFA was used for 45 observed variables, using Principal Component Analysis method with Varimax rotation and stopping when extracting the Eigenvalues factor with 1. The EFA result of independent variables showed that KMO coefficient = 0.868 > 0,5, and Barlett’s coefficient of significance Sig = 0.000 < 0.5. The total Average Variance Extracted was 77,773%, and factor loading was greater than 0.5, which was satisfactory (Table 3).

Table 2
The scale result by Cronbach's Alpha

No	Scales	Symbol	Number of observed variables	Cronbach's Alpha Coefficient	Scale Mean if Item deleted
1	Country of Origin Image of People	CN	6	.751	.371
2	Country of Origin Image	QG	8	.853	.422
3	Country of Origin Image of Product	SP	10	.867	.349
4	Perceived Benefit	GT	12	.915	.539
5	Perceived Cost	GT	4	.776	.370
6	Attitudes towards Vietnamese garment products	TD	5	.847	.512

Source: Calculated by the authors

Table 3
The result of factor rotation

	Factors						
	1	2	3	4	5		
GT ₂	.802					SP ₁₀	.882
GT ₁₀	.781					SP ₉	.882
GT ₇	.779					SP ₂	.813
GT ₈	.769					SP ₃	.794
GT ₁₂	.768					SP ₇	.751
GT ₅	.754					SP ₈	.699
GT ₁₁	.741					SP ₆	.574
GT ₁	.731					SP ₁	.572
GT ₉	.726					SP ₄	.550
GT ₄	.715					SP ₅	.544
GT ₃	.698					GT ₁₃	.818
GT ₆	.681					GT ₁₄	.671
CN ₂		.679				GT ₁₅	.556
CN ₃		.675				GT ₁₆	.501
CN ₄		.662					
CN ₁		.633					
CN ₅		.531					
CN ₆		.521					
QG ₁			.787				
QG ₂			.781				
QG ₇			.748				
QG ₃			.732				
QG ₄			.695				
QG ₅			.674				
QG ₈			.613				
QG ₉			.595				

Source: Calculated by the authors

Analysis of dependent variables gave KMO coefficient = 0.879, and Barlett coefficient with Sig = 0.000 < 0.5, Average Variance Extracted of 88.561% and variables had factor loading greater than 0.5, which was satisfactory.

3.4. Verification of research models and hypotheses

Pearson's correlation analysis was used to analyze the linear relationship between factors in the study. The correlation analysis showed that the correlation coefficients were statistically significant (Sig < 0.05), so all variables will be used in the regression analysis in the next step.

Verification of hypotheses H_{1,1}, H_{1,2}, H_{1,3} was based on the multiple regression model of the relationship

contd. table

among the “Country of Origin Image of People” (COIPeople), “Country of Origin image” (“COICountry),” Country of Origin Image of Product”(COIPProduct) and” Attitude towards Vietnamese garments “(ATT) made by Enter method. The regression analysis revealed that the final complete model had the interpretation of the COIPProduct and COICountry independent variables for the ATT dependent variable with the adjusted R² coefficient = 0.218, F = 33.619 with sig = 0.000 < 0.05. The regression model is:

$$ATT = 2.072 + 0.230 * COICountry + 0.289 * COIPProduct \quad (1)$$

Performing a multiple regression analysis of the relationship among the “Country of Origin Image of People” (COIPeople), “Country of Origin image” (COICountry), “Country of Origin Image of Product”(COIPProduct) and” Perceived benefits for Vietnamese garment “(LICN) was made by the Enter method. The results showed that F = 145,256 with a sig value of 0.000 < 0.05, with only two COICountry and COProduct variables achieving a significance level of 5% with a respective sig value of 0.001 and 0.000 (< 0.05). Meanwhile, the p value of COIPeople variable was 0.871 > 0.05. The adjusted R² of 0.542 showed the factors of Vietnam country image and product image explaining 54.2% of the variation in the perceived value of Vietnamese garment. This result is also consistent with Huong (2014) and Ngoc (2014). The regression model is:

$$LICN = 0.854 + 0.224 * COICountry + 0.557 * COIPProduct \quad (2)$$

Continuing the regression analysis, to understand the relationship among the “Country of Origin Image of People” (COIPeople), “Country of Origin image” (COICountry), “Country of Origin Image of Product”(COIPProduct) and “Perceived cost for Vietnamese garment”(CPCN) using the Enter regression method. The results showed that F = 56,480 with a sig value of 0.000 < 0.05. Regression analysis revealed that only the COIPProduct variable had a significance level of 5% with a sig value of 0.000, while the p value of the COIPeople variable was 0.368 and the COICountry was 0.121, meaning no correlation between the perceived cost

and the country image as well as the people image of that country. Adjusted R² was 0.313, suggesting that this model accounts for 31.3% of the variation in perceived costs for Vietnamese garment in the minds of consumers. The regression model is:

$$CPCN = 4.291 - 0.539 * COIPProduct \quad (3)$$

Performing regression analysis with two independent variables “Perceived Benefit” (LICN) and “Perceived Cost” (CPCN) and a dependent variable “Attitude” (ATT) for testing two hypotheses H_{4.1}, H_{4.2}. The Enter regression result, adjusted R² = 0.489, test F = 175,351 with sig value = 0.000. VIF and Tolerance were respectively 1.473 and 0.679, without the multicollinearity of independent variables. Thereby, it can be seen that the Perceived benefits of Vietnamese garment have the positive impact on consumer attitudes to this product, while the higher the perceived cost is, the greater the negative impact on their attitude is. The regression model is:

$$ATT = 2.090 + 0.642 * LICN - 0.159 * CPCN \quad (4)$$

Levene Test results for Sig value of 0.326 which was 5% greater than significance level; therefore, the results of ANOVA analysis can be used. Based on the analysis of variance ANOVA, Sig was 0.133 when comparing the difference in attitudes between male and female respondents, meaning that there is no difference in attitudes toward Vietnamese garment between the 2 genders. Using the Levene Test to assess the uniformity of income group variances, Sig = 0.002. In-depth analysis of ANOVA with Tamhane’s T2 test showed no difference in attitudes among different income groups. Analysis of variance ANOVA for the hypothesis above showed the test conclusion F = 1,314 and Sig is 0.270, there is no difference in attitudes toward Vietnamese garment among age groups.

Therefore the H_{1.1}, H_{2.1}, H_{3.1}, H_{3.2}, H_{4.2}, H_{5.1}, H_{5.2}, H_{5.3} are not supported whereas the H_{1.2}, H_{1.3}, H_{2.2}, H_{2.3}, H_{3.3}, H_{4.1} are supported, the results are compatible to those of the previous reseaches.

IV. MANAGERIAL IMPLICATIONS - CONCLUSIONS

4.1. Managerial implications

Country of Origin image

The analysis result confirms that the “*Country of Origin image*” has the positive impact on consumer attitudes toward Vietnamese garments. This means that the greater the image of Vietnam is, the greater the positive attitude towards Made in Vietnam clothing they have. National strategic planners need to step up scientific research to accurately assess national resources, capture high technology and new scientific achievements of the world. In addition, there is a need for potential-building strategies to develop an advanced science, including: the promotion of training and the use of scientific and technical experts; strengthening technical facilities for science and technology; formulating and implementing mechanisms and policies to create momentum for scientific and technological development; promoting international cooperation in scientific and technological research.

Country of Origin Image of Product

With the advantage of low-priced products and highly-evaluated by consumers (Mean SP1 = 3.69), the enterprise must strive to maintain the production cost at a minimum rate, thereby, offering attractive prices and stimulate consumption. A number of prominent measures have been addressed, such as the integration of the Source ASEAN Full Service Alliance (SAFSA), the reduction of input costs, the supply of products in the full process rather than the outsourcing in the process as before. Besides, more attention should be paid to orienting and planning the development of production activities of the garment industry in the direction of sustainable stability and environmental friendliness.

Domestic garment enterprises also need to work together to improve Country of origin image by promoting the image of country, people and products. Using new foreign technologies can be a quick and effective way. However, in the long term, the research and application of domestic technologies still need to be promoted and encouraged.

Perceived benefits

Perceived benefits have a strong and positive influence on consumer attitudes towards Vietnamese garment. The factor of material durability plays a very important role in the selection of fashion clothing, improving the quality of garments through the selection of raw materials is also a prerequisite factor besides price, imported raw materials should be controlled through the quality standards set by the Government and relevant authorities, materials from the domestic supporting industry should be paid attention to investment from many sides. On the other hand, businesses in the industry need to invest in training a team of designers who have a strong knowledge of the industry and grasp new trends from the domestic and foreign garment market to meet the demands of the people. In addition, businesses should pay more attention to measures to diversify and raise the level of products.

Perceived cost

Consumers underestimate factors related to the level of relevance between price and quality as well as the width of distribution channels for Vietnamese garment, manufacturing companies should pay more attention on in-depth investigative policy to promote the above aspects, explore the needs and characteristics of new potential markets such as suburban, rural and remote areas to expand distribution channels to more regions in the country, build more diversified price frames with adequate product quality to meet the demand of various market segments.

4.2. Limitations of the study

Firstly, the sample size is not large enough so the research results may not be representative of the whole. Secondly, the theoretical models and scales proposed in the study are new and have not been tested by previous studies in the Vietnamese market, so the content of the scale may be lacking, unstandardized and highly applicable. Thirdly, human expressions show that country image, perceived value or attitudes are formed from the psychological foundation, which can be changed continuously over time and space. This is also the suggestion for further studies.

4.3. Conclusion

First of all, the image of the country and products in Vietnam has a strong and positive impact on consumer attitudes toward Vietnamese garments. There are only two strongly influencing components: “Country of Origin image” and “Country of Origin Image of Product”. Secondly, only the “Country of Origin Image of Product” affects the consumers’ perceived cost for garments. Thirdly, the conclusions about the positive relationship of perceived benefits and negative one of the perceived cost of attitudes towards Vietnamese garment are considered consistent with previous research findings. For the examination of the relationship between “income”, “ages” and “genders” with attitudes, data do not allow us to conclude that there is a relationship between the three demographic characteristics with the consumer attitudes towards Vietnamese garments.

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