



“Made In China” Products and the Implication of Ethnic Identification Strength

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ABSTRACT

This paper seeks to examine the effect of ethnic identification strength between the Malays and Chinese towards purchasing “Made in China” products. A quantitative approach by means of self-administered questionnaire was adopted. 252 Malay and 251 Chinese respondents’ data were collected from local institutions of higher learning. Independent sample t-tests and multiple regression analysis were used to look into difference and relationship pertaining to country of origin (COO) image, product knowledge, product involvement, information search and purchase intention. The findings show Malays and Chinese are different in terms of their perceptions towards COO image and product involvement. Moreover, COO image is found to be significantly different among Malays and Chinese with strong and weak ethnic identification. However, COO image is found to have no effect on information search and purchase intention although both ethnic groups are generally in favor of products “Made in China.” Instead product knowledge and involvement are found to be essential. This study suggests that marketers and managers need to understand what is shared and what is not among Malays and Chinese in a developing and diverse society like Malaysia. Despite the effect of COO image and ethnic identification strength, product knowledge and involvement play pivotal role in understanding consumers today.

Keywords: Country of Origin Image, Ethnicity, Ethnic Identification, Information Search, Purchase Intention

JEL Classifications: M310, M160

1. BACKGROUND OF THE RESEARCH

China’s economy began to boom when the Chinese started their economic transformation plan through their new “open door policy” (Fan, 2006). This policy, introduced by Reformist leaders in China, focused on China’s economic expansion (Howell, 1993). Today, the international business community recognises China as one of the key players in the manufacturing sectors of various types of products (Zhang and Su, 2009). Their firms are capable of reducing manufacturing cost, which results in substantial reduction of product price (Interbrand, 2007). The phrase “Made in” is used to refer to the country that produces a certain product (Bilkey and Nes, 1982; Peterson and Jolibert, 1995). Therefore, consumers relate products manufactured in China to the phrase “Made in China.” “Made in China” products are easily found in the international markets in all-product categories (Karami et al., 2011). However, products from developing countries are always

perceived negatively (Cordell, 1992; Karami et al., 2011; Zhang and Su, 2009) and China, as a developing country, is not excluded from this negative perception (Zhang and Su, 2009). Essentially, if consumers hold negative perceptions towards products from a certain country of origin (COO), they may also dislike those products.

Past studies indicate that COO image influences consumers’ evaluation of products from particular countries (Bilkey and Nes, 1982; Cordell, 1992; Hong and Wyer, 1989; Parameswaran and Pisharodi, 1994; Roth and Romeo, 1992). This is related to product knowledge, which plays a crucial role in determining consumer behavior. In other words, consumers with different knowledge of a product react differently towards that product (Hanzaee and Khosrozadeh, 2011). It is also documented that product knowledge is connected with product involvement (Zaichkowsky, 1985). Therefore, COO image, product knowledge and product