Country of Brand Importance and its Effects on Quality Perception: Study Automobile Industry in Thailand

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Abstract—The main purpose of this research was to measure the level of brand importance to the consumers in Thailand and to compare the consumers’ quality perception of automobiles from Japan, U.S., and Germany. Statistical instruments such as percentage, mean, standard deviation, t-test, and One-Way-ANOVA with the significant level at 0.05 were selected to complete the process of data analysis. The results revealed that Thai consumers gave importance to country of brand in a high level during purchasing a car and ranked the highest quality to German cars, U.S. cars, and Japanese cars respectively. The study also found that the Japanese, U.S., and German cars were significantly different in all quality dimensions except for serviceability dimension only.

Keywords—Automobile Industry, Country of Brand, Quality Perception, Thailand.

I. INTRODUCTION

Automobiles become one of the important assets for both personal use and business use today since people need transportations to serve their personal and business requirements. In Thailand, the ratio of vehicle per household is 1.42 which implies that every household has at least one vehicle [1]-[2]. The numbers of vehicle registered in Thailand as of April 2012 were 30.81 million units and 10.8 million units of this number were passenger cars [2]. In the year of 2011 alone, there were 794,081 cars sold in Thailand. This included both passenger cars and non-commercial used pick-up cars [3]. Even though Thailand has their own automobile productions, none is a domestic brand and all are made for foreign brands. In the year of 2011, there were 503,951 passenger cars produced by Thai manufacturers [4].

The majority of cars in Thailand are Japanese cars (Toyota, Isuzu, Nissan, Mitsubishi, Mazda, and Honda), U.S. cars (Chevrolet and Ford), and German cars (Mercedes Benz, BMW, and Volkswagen). In the year of 2011, the market share of the Japanese cars, U.S. cars, and German cars were 85.90 %, 7.70 %, and 6.00 % respectively [5]. The survey conducted in Thailand revealed that Thai consumers were both highly brand loyalty and also highly country of brand loyalty for buying a car. More than half of Thai consumers would purchase a car with the brand or country of brand that they had in mind without considering any other brand. In addition, Thai consumers heavily relied on internet webboard’s opinions and word of mouth from a trusted person during purchasing process. Quality of cars was the primary concern for Thai consumers during making a decision to buy a car [4].

From the previous study of country ranked by product quality perception, the rank was Japan, Germany, and the U.S. respectively according to the score of product quality [6]. In Thailand, consumers usually view Japanese cars are cost efficiency and attractive design while German and U.S. cars are more durable but expensive [3].

Recently, a large scale survey of car quality perception from 3,000 Thai consumers all over Thailand found that most of country of brand had substantially improve their quality in feature dimension to make passengers feel more comfortable during driving and added car navigation system to guide drivers. However, the survey also found that there were more problems about service quality dimension, especially unequal service quality standard from different car service centers of the same brand [7].

II. LITERATURE REVIEW

A. Country of Brand

Even though brand is one of the important factors for consumer to make a decision buying a product, the other important factor that also affects the consumer decision is what country a product is made from. This issue is so popular in the research topics for the past several years and it is called the country of origin [8]. However, since the globalization took place, the country of origin has been a problem to consumers to understand [9]. Because the businesses moved their manufacturing from originally countries to other lower cost countries, the products that consumers used to understand making from original country are now made in another country. For example, Honda cars which were originally made in Japan are now made in Thailand.

To avoid that confusion, this research used country of brand instead. Country of brand refers to country where headquarter of the owner of the brand is located [10]. Thus, McDonald or KFC Fired Chicken is perceived as American products. Sony or Toshiba is perceived as Japanese products. In this study, the automobile brands originally from Japan such as Honda, Toyota, Mazda, and Mitsubishi would be named as Japanese...
cars. The automobile brands originally from U.S. such as Chevrolet and Ford would be named as U.S. cars. Finally, the automobile brands original from Germany such as Mercedes Benz, BMW, and Volkswagen would be names as German cars.

B. The Importance of Country of Brand

Just like brand, country of brand is important to both business and academic because it affects a consumer decision making to buy products. The study found that consumer beliefs and attitudes toward country of brand could directly influence consumer brand perception, and thus the business had to manage the image of country of brand in the same way as brand by advertising, naming, and packaging [11].

The country of brand affects a consumer decision during purchasing a product because it refers to product quality [12]. The study found that the effect of country of brand on product quality existed because consumer perception of quality is linked to country economic and technological advancement [13].

When consumers want to purchase a product, they will search for product information which can be divided into 2 types; intrinsic cues and extrinsic cues. Intrinsic cues refer to physical product attributes, such as size, material used, color, and product design. In contrast, extrinsic cues are nothing to do with physical properties of a product. The extrinsic cues are such as advertising, distribution channel, the warranty, the package, and country of brand [14].

In addition, country of brand can also help the business to maintain a long-term profit by creating a country of brand loyalty. Country of brand loyalty was a consumer’s commitment to repurchase or continue using the same country of brand. Country of brand loyalty can be indicated by repeated buying of a product or service, or other positive behaviors such as word of mouth advocacy [15].

The studies also found that consumers preferred buying a product from developed countries than developing countries [16]. For instance, products made in Japan, Germany, and Switzerland are regarded as high quality because of the reputation of these country as the world top manufacturers. In contrast, products made in Myanmar may cause consumers doubts about the quality of the products because of the perception of poor country image [17].

However, not all products are substantially affected by country of brand. For instance, the convenient products which consumers usually spend a minimal of time to make a decision like paperclips, gums, and inexpensive pens; the consumer will likely to ignore the important of country of brand [18].

C. Perceived Quality

Quality has different meanings depending on the perspective of the practitioners [19]. Since this research was to measure the perceived quality of cars of those who used different country of brand, the user-based definition of quality was applied.

Perceived quality is the quality of products or services that are perceived by the consumers in the overall point of view. The perceived quality is rather subjective and more difficult to measure than the real product quality which can be measured by product specifications [20]. Perceived quality came from the idea of imperfect information of human perception [21]. Furthermore, perceived quality is not only composed of physical utilization of the products, but also the psychological experience of products as well [21]-[22].

In this research, perceived quality of cars perceived by consumers was measured according to Garvin’s quality model. Garvin’s model is composed of 8 quality dimensions [19] which are 1) Performance: the primary basic functions of cars, 2) Features: supplements of basic functions such as car accessories, airbag, and navigation system, 3) Reliability: the car’s probability of failure-free performance over a specified period of time, 4) Conformance: the degree to which a car’s performance characteristics meet design specifications, 5) Durability: a measure of car life span, 6) Serviceability: the ease, speed, courtesy, and competence of repair, 7) Aesthetics: the car looks and feels, and 8) Brand image: a reputation of brand or advertising.

D. The Effects of Country of Brand on Perceived Quality

The cues that affect the perceived quality can be categorized into 2 types: intrinsic cues and external cues. Intrinsic cues are the cues that can be seen, sensed, or smell directly such as price, shape, color, and taste. Extrinsic cues are subjective matter which depends on consumer self-experience, preference, and perception such as advertising, product warranty, and country of brand [23]-[24]. However, when those cues do not exist, country of brand will be the most important factor for the consumers to make a decision to buy a product [25].

When the country of brand has an influence on perceived quality, hence, the country of brand should affect the buying decision of the consumers. Dawar and Parker [26] confirmed that the country of brand was the most important cue for the consumers and the relationship between country of brand and perceived quality existed in every culture.

E. Conceptual Framework

The conceptual framework of this research can be illustrated in Fig. 1.
According to Fig. 1, country of brand importance was measured first to evaluate whether the consumers give the importance to country of brand during making a decision to buy a car. When the result reveals that the consumers do consider country of brand above average level during decision making, then test that country of brand has an influence on product quality will resume.

From the conceptual framework, the independent variables were Japanese cars, U.S. cars, and German cars. The dependent variable was perceived quality measured by using Garvin’s quality dimensions.

H₀: The different country of brand automobile has no significantly different level of quality perception in performance, feature, reliability, conformance, durability, serviceability, aesthetic, and brand image dimensions.

H₁: The different country of brand automobile has significantly different level of quality perception in performance, feature, reliability, conformance, durability, serviceability, aesthetic, and brand image dimensions.

### III. METHODOLOGY

#### A. Sample

The sampling area of this study was conducted in Bangkok. According to statistic, there were 7.13 million registered car owners in Bangkok [2]. From the Yamane sampling table at 95 % confidential level with ± 5 % error, the sampling size is 400 units [27].

According to the previous survey, the research target group of car buyer was a full-time working person at the age between 31 - 51 years old that had annual income between US$ 6,600 - 10,200 [28].

The data was collected by purposive sampling using a mall intercept survey. The 450 questionnaires were distributed to gather the data and the total 432 questionnaires were completed.

In order to avoid the potential problems associated with non-users as respondents, the respondents were asked first whether they had a car corresponding to the research study. Then questionnaires were given to only the qualified respondents to fill-in the questionnaires.

#### B. Survey Instrument

The data in this study was gathered using questionnaires. The data then was analyzed by using Statistical Package for the Social Sciences (SPSS) software. The questionnaire was tested for its reliability and gave the result of 0.815 reliability of Cronbach’s alpha. Also, the questionnaire had been approved by experts in the related field before using it as the means to collect the data.

The contents of the questionnaire were divided into 2 parts. The first part of the questionnaire acquired the level of country of brand importance from the respondents. The second part of the questionnaire obtained information about the attitude toward automobile quality in the form of Likert’s scale. All the rated questions were measured on a five-point scale by given 1 as the most disagreement and 5 as the most agreement.

#### C. Data Analysis

The data gathered from the survey was processed by the means of statistics. The level of country of brand importance data was explained in mean and standard deviation. Also the attitude toward car quality was summarized as mean and standard deviation. Then, the data was analyzed to compare the differences in perceived quality among the 3 country of brand by using One-Way-ANOVA. If the null hypothesis of equal perceived quality was rejected during One-Way-ANOVA, the Scheffe’s method would be applied for pair-wise differences.

### IV. RESULTS

#### A. The Levels of Country of Brand Importance

A total 432 qualified respondent was given a self-administered questionnaire asking about levels of country of brand importance when purchasing a car and was summarized in Table I.

### TABLE I

<table>
<thead>
<tr>
<th>Statement</th>
<th>X</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) It is important to me to look at country of brand when deciding to buy a car.</td>
<td>4.35</td>
<td>0.749</td>
</tr>
<tr>
<td>2) To make sure that I buy a good quality car, I use country of brand as a cue to make a decision.</td>
<td>4.12</td>
<td>0.751</td>
</tr>
<tr>
<td>3) If I have a little experience with a car, I search for country of brand information to help me make a decision.</td>
<td>4.48</td>
<td>0.688</td>
</tr>
<tr>
<td>4) When purchasing a car, I believe that country of brand will determine the technological sophistication of the car.</td>
<td>4.13</td>
<td>0.690</td>
</tr>
<tr>
<td>5) I refuse to purchase a product without knowing its country of brand.</td>
<td>4.01</td>
<td>0.969</td>
</tr>
<tr>
<td>Overall Score</td>
<td>4.27</td>
<td>0.844</td>
</tr>
</tbody>
</table>

From table I, the levels of country of brand importance were considered to be high to all question statements. The results meant that the majority of Thai consumers considered that country of brand was an important factor for them when making a decision to buy a car and also country of brand was a cue to determine the quality and technological sophistication of the car.

#### B. The Comparative Study of Quality Perceptions

The quality perceptions of car made in Japan, U.S., and Germany by Thai consumers were calculated as mean and standard deviation. The data gathered from the survey was processed by the means of statistics. The level of country of brand importance data was explained in mean and standard deviation. Also the attitude toward car quality was summarized as mean and standard deviation. Then, the data was analyzed to compare the differences in perceived quality among the 3 country of brand by using One-Way-ANOVA. If the null hypothesis of equal perceived quality was rejected during One-Way-ANOVA, the Scheffe’s method would be applied for pair-wise differences.

### TABLE II

<table>
<thead>
<tr>
<th>Quality Dimension</th>
<th>Japan X</th>
<th>S.D.</th>
<th>U.S. X</th>
<th>S.D.</th>
<th>Germany X</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Performance</td>
<td>3.81</td>
<td>0.625</td>
<td>4.09</td>
<td>0.655</td>
<td>4.43</td>
<td>0.666</td>
</tr>
<tr>
<td>2. Features</td>
<td>3.87</td>
<td>0.64</td>
<td>4.10</td>
<td>0.66</td>
<td>4.31</td>
<td>0.653</td>
</tr>
<tr>
<td>3. Reliability</td>
<td>4.05</td>
<td>0.64</td>
<td>4.24</td>
<td>0.604</td>
<td>4.37</td>
<td>0.624</td>
</tr>
<tr>
<td>4. Conformance</td>
<td>4.03</td>
<td>0.619</td>
<td>4.13</td>
<td>0.648</td>
<td>4.38</td>
<td>0.659</td>
</tr>
<tr>
<td>5. Durability</td>
<td>3.78</td>
<td>0.759</td>
<td>4.25</td>
<td>0.702</td>
<td>4.38</td>
<td>0.72</td>
</tr>
<tr>
<td>6. Serviceability</td>
<td>4.18</td>
<td>0.686</td>
<td>4.10</td>
<td>0.700</td>
<td>4.17</td>
<td>0.705</td>
</tr>
<tr>
<td>7. Aesthetics</td>
<td>4.13</td>
<td>0.708</td>
<td>4.32</td>
<td>0.642</td>
<td>4.52</td>
<td>0.603</td>
</tr>
<tr>
<td>8. Brand Image</td>
<td>4.14</td>
<td>0.575</td>
<td>4.27</td>
<td>0.719</td>
<td>4.52</td>
<td>0.615</td>
</tr>
<tr>
<td>9. Overall Quality</td>
<td>4.00</td>
<td>0.448</td>
<td>4.19</td>
<td>0.460</td>
<td>4.38</td>
<td>0.488</td>
</tr>
</tbody>
</table>
The overall quality of Japanese cars was in slightly high level. The highest quality level of Japanese cars was serviceability dimension and the lowest quality level of Japanese cars was durability dimension.

The overall quality of U.S. cars was in high level. The highest quality level of U.S. cars was aesthetic dimension and the lowest quality level of U.S. cars was performance dimension.

The overall quality of German cars was in very high level. The highest quality level of German cars was aesthetic and brand image dimensions and the lowest quality level of German cars was serviceability dimension.

The comparison of perceived quality by different country of brand using One Way ANOVA. Then all those significances were later founded a pair-wise difference by applying Scheffe’s method and shown in Table III.

The results from Scheffe’s Pair-wise differences indicated that the quality perceptions of Japanese cars, U.S. cars, and German cars were significantly different in every quality dimension expect for serviceability dimension only. The results also revealed that Thai consumers perceived that German cars were superior to U.S. cars, and U.S. cars were superior to Japanese cars in all aspects of quality dimensions. Only serviceability dimension did not make any significantly different for Japanese cars, U.S. cars, and German cars.

V. CONCLUSION

This study found that when Thai consumers made a decision to buy a car, they paid attention to country of brand since it was believed to be a cue to reflex technological advancements and quality of the car. This finding complied with the previous studies about the importance of country of brand to a specific product category. Consumers would give an important to brand of brand when purchasing a special product such as automobiles [18].

Also the results revealed that the rank of country of brand by quality perceptions of Thai consumers was Germany, U.S., and Japan respectively. This rank was different from the previous research conducted in other Southeast Asia developing country [6]. The different rank could be explained by the effect of product category which the other research was conducted with shopping products while this research was tested with a special product. In addition, the consumers in different countries may have their own unique perceptions of quality rank due to social or political bias [29].

This research also found that the rank of quality by country of brand in overall quality was likely to be the same rank of every quality dimension which implied that the quality perception rank was consistent throughout quality dimensions. This finding supported that the country of brand significantly influenced the quality perceptions as mentioned in literature review.

An exception here was serviceability dimension which was not significantly different from each other country of brand in this study. This result quite agreed with the fact that numbers of Japanese car service centers are the most in Thailand and Japanese cars were built in the way that meant they were easily serviceable and maintained [30].

In overall, the quality levels of Japanese cars, U.S. cars, and German cars were in high quality. This might be a result that all of them were made from developed countries which had high technological and industrial advancements. As the earlier research finding, consumer perception of quality was related...
to country economic and technological advancement [13].

Finally, the quality perception of German cars was superior to U.S. cars and Japanese cars could be explained by the country image involvement. As many countries including Thailand, consumers believed that Germany was the best in engineering [31]. Thus, the result of this study showed that Thai consumers ranked German car as the best quality perception; and followed by U.S. cars, and Japanese cars respectively.

REFERENCES

A Tentative Study on Lexical Characteristics of China English

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Abstract—With its global spread, English has gradually changing its role to serve the purpose of international communication. A new concept of “Englishes” has come into existence to refer to different English varieties in non-native speaking countries. China is not free from the influence of the global spread of English. The nativized form of English in Chinese cultural context, which is termed as China English, turns out to be inevitable and necessary to serve the purpose of international communication. After introducing the concept of “China English”, this paper focuses on the characteristics of China English at the lexical level. The author categorizes China English vocabulary into two parts, that is borrowed words and nativized expressions, with a closer look respectively, then analyzes the semantic changes of these words used in Chinese context, and in the last part discusses some problems concerning China English vocabulary.

Keywords—borrowed, China English, Englishes, lexical characteristics, nativized

I. INTRODUCTION—WORLD ENGLISHES AND CHINA ENGLISH

With its global spread, the English language today is no longer limited to British or American English, but has gradually changing its role to serve the purpose of international communication. The traditional concept of English is facing an unprecedented challenge. Many new names were given to it such as an international language, a global language and a lingua franca[1], which established the status of English in world communication. The word “English” also gained its plural form and the last twenty years or so have seen a rapid growth of interest in the study of “World Englishes”, a new linguistic theory focusing on the English varieties used in different parts of the world, especially in non-native speaking countries.

The most influential theoretical model—the Three Concentric Circles of English, best describes the global situation of the English languages. The Inner Circle covers the least population and English in its countries, as the mother tongue, is obtained by natural acquisition and functions in all-round fields. The Outer Circle includes the non-native varieties of English used as a second language. The third and the largest circle, the Extending Circle, covers the regions where English is used as a foreign language[2]. English in the Inner Circle is hardly influenced by other languages and the culture there is western style, while English in the Outer Circle is greatly influenced by local languages and bears non-western cultures. The Extending Circle covers a large part of the world with various cultural backgrounds. It is also where the western culture meets the eastern culture. The development of English in non-native speaking countries has inevitably attached local features to the language, due to its use in different cultural settings. The localized or nativized forms of English have become essential parts of those countries in their communication with the outside world.

China is not free from the influence of the global spread of English. The nativized form of English in Chinese cultural context, which is termed as China English, turns out to be inevitable and necessary[3]. China English serves as a bridge between China and the rest of the world and promote the international exchange; it enriches the ways of expression of the English language and contributes to the development of English as an international language. Studying the proper use of China English helps the Chinese get better understood by the rest of the world. Since words are the most active part and the basic elements of a language and they best reflect the culture of the people who use it, the most salient characteristics of China English present in its lexis.

II. LEXICAL CHARACTERISTICS OF CHINA ENGLISH

The lexical feature of China English refers to the vocabulary expressing things unique to China and reflecting the Chinese way of thinking. According to Li Wenzhong, the vocabulary of China English contains two parts: one is Chinese borrowings or loan words already absorbed into English dictionaries home and abroad and widely used in English speaking countries, and the other is those that haven’t been collected in English dictionaries but used in international publicity, tourism and foreign affairs, expressing the uniqueness of Chinese nation and culture[4].

A. Borrowed Words

Intercultural communication leads to the blend of language and culture. Linguistic borrowing embodies the main characteristics of the intercultural blend. Borrowing is a natural process of language change whereby one language adds new words to its own lexis by copying those words from another language[5]. The words borrowed are called loan words or borrowings. One of the initial reasons for borrowing is when one language has semantic gaps in its lexis and needs to borrow a term to express the necessary idea or concept[5]. Therefore, borrowing is a result of language contact and thus a

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