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BRAND ORIGIN RECOGNITION ACCURACY (BORA) AND ITS ANTECEDENTS: A CASE IN MALAYSIA

Abstract:
The objectives of this study are to investigate young Malaysians’ ability in recognising USA brands, and to determine the antecedents of it. It is proposed that the level of BORA score is influenced by the following antecedent variables - consumer ethnocentrism, consumer animosity, need for cognition, education, international experience, vocation, and gender. Research findings revealed that young Malaysians’ ability in recognising USA brands is low, and USA BORA score is influenced by consumer ethnocentrism, need for cognition, education, international experience and gender. This study contributes to the literature and brings some insights to policy makers as well as marketing practitioners.

Keywords:
Brand origin recognition accuracy (BORA), Antecedents, Consequences, Young consumers, Malaysia

JEL Classification: M00, M31, M16
1. Introduction
COO is one of the most fruitful research areas in marketing (Laroche et al., 2001), and has become the mainstream of international marketing and consumer behavior research (Usunier, 2006). However, the imbalance between the sheer volume of published works addressing COO and theoretical and managerial relevance has led to several questions (Samiee, 2011). Recently, the relevance of brand’s COO research has been much debated (e.g., Samiee et al., 2005; Usunier, 2006; Roth & Diamantopoulos, 2008; Roth & Diamantopoulos, 2009; Roth & Diamantopoulos, 2010; Samiee, 2010). Samiee et al. (2005) argued that consumers have limited knowledge of brand’s COO and it is probably not vital to consumers, which is paradoxical with the implicit assumption in the literature of COO. They measured consumers’ ability in recognizing brands’ COO of a sampling of brands, rather than conduct a separate study to address the issue. Therefore, a new construct, namely brand origin recognition accuracy (BORA), was proposed, conceptualized, measured, and tested by Samiee et al. (2005). This study seeks to test the concept of BORA in the context of young consumers in Malaysia.

2. Literature Review
In recent years, researchers highlighted the issue about the real world relevance of COO. Usunier (2006) claimed that business researchers facing the challenges of academic credibility and real-world relevance, as explained by Samiee (2010) the overwhelming conclusion of COO research, where both industrial buyers and consumers are sensitive to the cue of COO and the country image influence their choice. Indeed, the absence of relevance presents negative effects that limit the value and contribution of COO research in international marketing (Samiee, 2010). Usunier (2006) further highlighted that this gap is becoming more apparent.

Although there is a large body of international marketing literature devoted to the examination of COO effects upon consumer preferences, nonetheless Samiee et al. (2005) claimed that the critical underlying assumption in this field of research is consumers do in fact possess accurate information on brand’s COO. This conclusion is based on the dubious assumption where consumers actually know or seek the brand origins information when forming judgments and making purchase decision (Samiee et al., 2005).

Empirical studies have been conducted in the USA and India to examine consumers’ ability in recognizing brand’s COO and the associated factors. The study in USA found consumers only had modest knowledge level on brands’ COO when tested on selected local and foreign brands (Samiee et al., 2005). However, a study by Jin et al. (2006) in India found that most of the Indian consumers could recognize most of the brands’ COO correctly, and had good knowledge about the brands’ origin countries. A brand origin is apparent to consumers if consumers have high level of BORA.
Subsequently, it is important to develop and reinforce this information in international marketing and global strategies (Samiee et al., 2005).

Samiee et al. (2005) proposed four possible scenarios pertaining to BORA, as shown below:

1. Consumers associate brands with their respective countries, and it is likely that accurate brand origin information is held in their memory;
2. Consumers might be entirely oblivious to brand origin, where brand origin information plays no role in consumer choice behavior;
3. Brand origin information may be merely but inaccurately perceived, and consumers used this in their evaluative process; and
4. Consumers associate a brand with variety origins, and this information is used in their purchase decision.

Past studies have accounted for the antecedent which is consumers' social identity, such as age, gender, social status, consumer ethnocentrism, socio-economic class and international travel experience, which influenced consumer brand’s COO knowledge. For example, Paswan and Sharma’s (2004) study undertaken in India investigated the antecedents of brand’s COO knowledge. The sample of their study was consumers from middle to upper socio-economic strata, and data was collected by personal interviews that were conducted across five cities, namely Mumbai, Delhi, Kolkata, Chennai, and Bangalore. A total of four well-known brands, namely KFC, McDonald’s, Pepsi and Cola, were used to measure respondents’ ability in recognizing brand’s COO. Their research findings showed that most of the respondents were able to associate brand and its COO accurately. Furthermore, consumers’ education level, socio-economic class and international travel experience were positively associated with the accuracy of brand’s COO knowledge.

In this study, the relation of consumer ethnocentrism, consumer animosity, need for cognition, as well as socio-demographic characteristics with USA BORA score are tested. Next, theoretical framework is presented in Figure 1. Kindly refer the following discussion for hypotheses development.

Several studies found that ethnocentric consumers prefer domestic products over foreign offerings, nonetheless consumers with low ethnocentric tendencies often showed favourable attitude towards foreign products (e.g., Shimp & Sharma, 1987; Verlegh, 2007). So, it is expect that ethnocentric tendencies negatively influence consumers' knowledge about USA brands. Therefore,

H1: Consumer ethnocentric tendency is negatively related to USA BORA score.
High animosity consumers tend to reject products from particular countries. As Klein et al. (1998) and Leong et al. (2008) found that the greater animosity towards a country, the less willing to purchase products from that country. Such consumers are expected to have recognized and knowledge about brands from particular countries in order exert animosity. Therefore,

H2: Consumers animosity is positively related to USA BORA score.

Need for cognition measures a person’s craving for or enjoyment of thinking (Schiffman & Kanuk, 2007). High need for cognition consumers are more cognitively engage in processing COO information (Karunaratna & Quester, 2007). They found that high need for cognition consumers were more likely to engage in complex assessment of the cue of COO, as compared with low need for cognition consumers. It is expected that high need for cognition consumers are actively seek for and are sensitive to the brand related information. Thus, they are believed to have higher knowledge about brands’ COO.

H3: Need for cognition is positively related to USA BORA score.

Consumers’ education level affects consumers’ BORA level. Highly educated people’s perception on foreign goods are more favourable (Ahmed & d’Atous, 2007), and they show more readiness to accept them (Niss, 1996). Thus, education level positive and significantly influence consumers’ local and foreign BORA score (Samiee et al., 2005).
It has been proven that higher educated consumers have higher ability to recognize brand’s COO (Paswan & Sharma, 2004). It is posited that highly educated group achieve higher BORA score, as they have more knowledge about brand origin. Therefore,

**H4:** Consumers’ education level is positively related to USA BORA score.

Consumers’ international experience was also found to be positively related to their BORA level (Samiee et al., 2005), where consumers with foreign travel experience displayed higher ability in recognizing brand’s COO accurately. The higher the international experiences the higher is their BORA score. Therefore,

**H5:** Consumers’ international experience is positively related to USA BORA score.

In terms of vocation, working adults and students have different exposures in different environments, work, and study environments. Thus, the abilities of working adults and students in recognizing brand’s COO differed. Furthermore, working adults are more financially independent, and have higher purchasing power. Therefore, they are more likely to consider brand’s COO information in making a purchase, while students are more concerned with value for money in their purchase decision. It is posited that vocation plays a significant role in influencing consumer’s brands’ COO knowledge, where working adults and students differed in their BORA score due to exposure to different environment. Thus, it is postulated that

**H6:** Working adults differ from students on USA BORA score.

Gender affects the impact of COO, where males and females demonstrate different attitudes towards domestic and foreign products (Schooler, 1971). Besides, males and females were found to have different abilities in recognizing brands’ COO (Samiee et al., 2005). American female respondents were found to have higher ability to recognize USA brands, while male respondents have higher ability in recognizing foreign brands’ COO (Samiee et al., 2005). So it is postulated that

**H7:** Males differ from females in terms of USA BORA score.

### 3. Methodology

Respondents whose ages ranged from 16 to 30 years were selected to be the sample of this study, as previous studies categorized consumers in or within this age range as young consumers (e.g., Bennett, 1998; O’Cass & Lim, 2001, 2002; Hensen, 2008; Goi, 2009). Furthermore, this group constitutes almost 30% of total population in Malaysia (Euromonitor International, 2009). Convenience sampling is selected, and this is the most popular sampling method in the study of COO, as pointed out by Roth and Diamantopoulos (2008) in their meta-analysis of COO.
Data was collected in Pulau Pinang, a state of Malaysia. A total of 350 questionnaires were distributed, and 318 responses or 92.2% were usable. Pulau Pinang achieved the highest economic growth, which is 9.9% (Department of Statistics Malaysia, 2009), and recorded as having the second highest GDP per capita, at RM30,490 in year 2009 (Department of Statistics Malaysia, 2009). With the total population of 1,577,300 people in 2009, population aged 16 to 30 years constitutes almost 24% of the total population in Pulau Pinang (Penang State Government, 2010).

Data collection method was self-administered survey. A questionnaire consisting of three parts was developed. First part of the questionnaire was designed to collect the data about socio demographic background of respondents. The questions inquired age, gender, ethnicity, marital status, state of origin/born, education, vocation and international experience. The second part of the questionnaire was designed to measure respondents’ BORA score. Third, the questionnaire was designed to capture respondents’ consumer ethnocentric tendencies, consumer animosity, and need for cognition. A 5-point Likert scale ranged from 1 = strongly disagree to 5 = strongly agree was used to measure level of need for cognition of the subjects. SPSS version 17 was used as the data analysis program to analyze collected data.

4. Findings

Table 1 presents the respondents’ socio demographic profile. Most of the respondents were between 21 and 25 years old (66.4%), females (59.1%), Chinese (39.0%), singles (90.3%), bachelor’s degree holders (49.1%), students (70.8%), and had low international exposure international experience (52.2%). Those who did not visit any foreign countries in the last three years were classified as low international exposure group, whereas respondents who did were classified as high international exposure group.

Next, frequency analysis was run to analyze respondents’ recognition of brands’ COO. The results were shown in Table 2. The results showed that respondents had low to moderate knowledge about USA brands. The BORA scores for USA brands ranged from 48.4% to 13.2%, namely 48.4% for Nike, 31.4% for Esprit, 22.4% for Pringles, 14.8% for Avon and 13.2% for Nutrilite. The Malay language sounding brands, namely Avon and Panasonic gained high association with Malaysia, with the percentages of 24.2% and 21.4%, accordingly.
Table 1: Sample profile

<table>
<thead>
<tr>
<th>Socio-demographic</th>
<th>Categories</th>
<th>Frequency (n=318)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>16-20</td>
<td>58</td>
<td>18.2</td>
</tr>
<tr>
<td></td>
<td>21-25</td>
<td>211</td>
<td>66.4</td>
</tr>
<tr>
<td></td>
<td>26-30</td>
<td>49</td>
<td>15.4</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>130</td>
<td>40.9</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>188</td>
<td>59.1</td>
</tr>
<tr>
<td>Ethnic</td>
<td>Malay</td>
<td>103</td>
<td>32.4</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>124</td>
<td>39.0</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>91</td>
<td>28.6</td>
</tr>
<tr>
<td>Marital status</td>
<td>Single</td>
<td>287</td>
<td>90.3</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>31</td>
<td>9.7</td>
</tr>
<tr>
<td>Education</td>
<td>SPM/MCE</td>
<td>47</td>
<td>14.8</td>
</tr>
<tr>
<td></td>
<td>STPM/HSC</td>
<td>19</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>35</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s degree</td>
<td>155</td>
<td>49.1</td>
</tr>
<tr>
<td></td>
<td>Master/PhD</td>
<td>61</td>
<td>19.2</td>
</tr>
<tr>
<td>Vocation</td>
<td>Working adults</td>
<td>93</td>
<td>29.2</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>225</td>
<td>70.8</td>
</tr>
<tr>
<td>International experience</td>
<td>Low international exposure</td>
<td>166</td>
<td>52.2</td>
</tr>
<tr>
<td></td>
<td>High international exposure</td>
<td>152</td>
<td>47.8</td>
</tr>
</tbody>
</table>

Next, USA BORA score were calculated. The result of analysis showed respondents possessed low USA BORA score, with 25.85% and standard deviation of 27.33%. Subsequently, multiple regression analysis was undertaken to test the formulated hypotheses. The results of analysis are presented in Table 3. The results of analysis proved that the model was acceptable, where the $F$-value was 8.77 and significant at $p < .000$. These antecedents contributed to 17% of the total variance. Consumer ethnocentrism ($\beta = -.13$, $p < .05$) and need for cognition ($\beta = .14$, $p < .05$) displayed significant positive impacts on USA BORA score. Therefore, hypotheses 1 and 3 were supported. However, consumer animosity ($\beta = .08$) had no significant relationship with USA BORA score. So, hypotheses 2 was not supported.
Table 3: Regression analysis: Antecedents and USA BORA score

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer ethnocentrism</td>
<td>-.13*</td>
</tr>
<tr>
<td>Consumer animosity towards the USA</td>
<td>.08</td>
</tr>
<tr>
<td>Need for cognition</td>
<td>.14*</td>
</tr>
<tr>
<td>Education</td>
<td>.15*</td>
</tr>
<tr>
<td>International experience</td>
<td>.17*</td>
</tr>
<tr>
<td>Vocation</td>
<td>.07</td>
</tr>
<tr>
<td>Gender</td>
<td>-.11*</td>
</tr>
<tr>
<td><strong>R²</strong></td>
<td><strong>.167</strong></td>
</tr>
<tr>
<td><strong>F-value</strong></td>
<td><strong>8.865</strong>*</td>
</tr>
</tbody>
</table>

Notes. Significant levels * p < .05, **p < .001; Sig. * F = .000

Education (β = .15, p < .05) influenced USA BORA score significantly and positively, as posited in hypotheses 4c. Therefore, hypotheses 4 was supported. Furthermore, international experience (β = .17, p < .05) had significant and positive relationship with USA BORA score. Thus hypotheses 5 was supported. Vocation (β = .07) did not display significant effect on USA BORA score. So, hypotheses 6 was not supported. On the other hand, BORA was influenced by gender (β = -.11, p < .05) significantly and negatively. Therefore, hypotheses 7 was supported.

5. Discussions and Implications
The discussion will explore the association of single brand name with COO, as presented in Table 2, BORA matrix. The results imply that language itself plays a significant role in affecting respondents’ perceived brand’s COO. In a study on culture of brand origin in Malaysia, Harun (2009) found that language of brand names reflect the cultural origin of the brands.

Results of analysis reveal that young Malaysians’ USA BORA score is relatively low. Previous studies found the USA consumers have moderately low BORA knowledge (Samiee et al., 2005), while most Indian consumers can recognize brand’s COO accurately (Jin et al., 2006). This difference in research findings can be explained by the samples of studies. The samples of the study of Samiee et al. (2005) were Americans aged below 18 to above 65. On the other hand, the samples of this study were young Malaysians aged 16 to 30 years old, mostly students with lower income and purchasing power. They might be more concerned with value for money in their purchase decision, thus brand’s COO information has limited effect. Moreover, the samples of the study by Jin et al. (2006) were postgraduate students, and higher educated consumers were found to have higher BORA score.
Furthermore, the effect of localization also plays a determinant role in consumer BORA score. For instance, most of the respondents perceived Avon, that originated from USA as Malaysian brands, which could be explained by the localization effect. Jin et al. (2006) explained that the strong association between brand and its COO may be diluted given the time and effort that the company has invested in localization, which means the association becomes weaker over time as the brands are produced locally. For example, Avon has penetrated the Malaysian market for 33 years, and has opened 179 Avon Beauty Boutiques throughout Malaysia (Avon, 2010).

Brand’s market share did not show positive effect on consumer’s BORA score. For example, Nutrilite and Avon were the top brand in clothing, healthcare and, cosmetic and toiletries industry in Malaysia; but only 13.2% and 14.8% of respondents, were able to recognize the COO of the brand accurately. Advertising expenditure did not contribute to increase the recognition of brand’s COO. The Malaysia Advertising Expenditure Report (January 2010) reported that Panasonic ranked number four in their advertising expenditure in Malaysia (Association of Accredited Advertising Agents Malaysia, 2010). However, only 25.5% of the respondents were able to perceive it accurately as this item was used as a foil to test the possibility of guessing.

It can be concluded that linguistic, familiarity, and localization effect played important roles in helping consumers recognize brand’s COO. Without the linguistics, a brand is merely a symbol without a name or sound, where subsequently brand differentiation communication cannot be achieved and ultimately result in failure of consumers to recognize brand (Harun, 2009). Indeed, Samiee et al. (2005) highlighted that BORA may simply reflect respondents’ sensitivity to surface-level language characteristics and their tendency to associate brand names to countries on that basis.

Further, in terms of the antecedents of USA BORA score, five antecedents displayed significant relationship with USA BORA score, in which need for cognition, education and international experience related with USA BORA score positively; while consumer ethnocentrism and gender affects USA BORA score negatively. Low ethnocentric tendencies group tend to display higher identification on USA brands. Low ethnocentric consumers have less prejudice towards foreign brands. They tend to display positive and favourable attitude towards imported goods. As a consequence, this influences their recognition of the brands with USA COO.

High need for cognition consumers were more likely to display higher ability in the recognition of the USA brands. They craving for or enjoyment of thinking, more cognitively engage in processing COO information, and more likely to engage in complex assessment of the cue of COO. Therefore, high need for cognition group tend to show higher ability in recognizing brands from the USA than those who have low need for cognition.
Higher educated group demonstrated higher ability in recognizing brand’s COO, as shown in previous study. They possessed less prejudice against imported goods (Shankarmahesh, 2006). Therefore, they are more knowledgeable about brands from the USA; and subsequently scored higher USA BORA score, as compared with lower educated group. In terms of gender, male and female respondents showed significant differences in their USA BORA score, where female scored higher USA BORA score. This result contradicted the finding of past research, which found male respondents scoring significantly greater foreign BORA score (Samiee et al. 2005). Female respondents scored significantly higher USA BORA score in this study, as they had more positive views of foreign goods (Wall & Heslop, 1986). They were more active in learning brand-related information (Samiee et al., 2005).

Furthermore, the finding on international experience is in line with the research findings of a previous study where higher international experience consumers displayed higher ability in recognizing foreign brands (Samiee et al., 2005). Consumers with greater international experience tend to be more aware about cross-cultural practices, products and ideas (Paswas & Sharma, 2004). So, they are more aware to and display higher ability in recognizing brands from the USA.

However, consumer animosity towards the USA and vocation did not demonstrate any significant impact on respondents’ USA BORA score. This study found that young Malaysians hold moderately high level of consumer animosity towards the USA (mean value = 3.43). High consumer animosity towards the USA did not imply that young Malaysians are knowledgeable about USA brands. In other word, animosity towards the USA did not influence their ability in recognizing USA brands. Vocation also did not show any significant impact on USA BORA score, as vocation did not influence young Malaysians’ ability in recognizing brands from the USA.

6. Limitations and Recommendations
The first limitation of this study stems from the scope of paper. Due to space limitation, the investigation on the consequences of BORA score is not covered in this paper. Besides, the limitation also comes from the measure of international experience, the information about which country or region that respondents visited was not available. However, it could influence respondents’ ability in recognizing brands from that particular country or region, as it is believed that consumers who visited certain countries tended to have higher recognition towards brands from those countries. Future researchers are encouraged to extend this study by investigating the foreign country or region that respondents have visited.

Future researchers are also encouraged to test the moderating effect of product/brand familiarity and the mediating impact of national identification in the relationship between the antecedents of BORA score and BORA score. It is rational to believe that
consumers’ product/brand familiarity moderates the relationship between consumers’ social identity and their ability in recognizing brands’ COO. Besides, it is believed that national identification mediates the relationship between consumers’ social identity and their knowledge about brand’s COO. For example, high educated consumers with different national identification might demonstrate different levels of awareness towards brands from different nations, which subsequently affect their ability in recognizing brand’s COO.

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