The Effect of Country of Origin and Brand Image on Perceived Quality and Interest to Buy (Study of Polytron Product)

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Abstract: This research examined the effect of Country Of Origin, Brand Image, Perceived Quality and Intention To Buy of electronic product of Polytron in Mataram City. This research is specifically aimed at determining the significance of the effect of Country Of Origin and Brand Image on Perceived Quality and Intention To Buy of electronic product of Polytron in Mataram City. The samples are selected through purposive sampling method. The respondents were customer of electronic product which doesn’t have the product of Polytron in Mataram City. This study used the Structural Equation Modelling employing AMOS program. The research showed that Country Of Origin not affect the Brand Image, Country Of Origin significantly and positively affect the Perceived Quality, Country Of Origin significantly and positively affect the Intention To Buy, Brand Image not significantly affect the Perceived Quality, Brand Image not affect the Intention To Buy, and Perceived Quality significantly and positively affect the Intention To Buy. Country Of Origin significantly and positively affect the Intention To Buy through Perceived Quality, instead Brand Image not affect.

Keywords: Country Of Origin, Brand Image, Perceived Quality, Intention To Buy.

1. INTRODUCTION

The Country Of Origin role is very important in influencing and evaluating a product (Sulhaini, 2016). For consumers, often the Country of Origin information becomes a consideration in assessing brand associations and brand image (Brand Image) which is good as one of the basic considerations for making purchasing decisions. It is not surprising that many consumers consider artificial products from developed countries to be products of good quality. This is influenced by the perception of consumers who consider that the best quality products are always perceived and assumed to be made abroad. Country Of Origin is generally considered to be a characteristic of a product that will lead to a perception of the quality of a product.

Some previous studies have also proven that Country Of Origin also has a significant effect on Brand Image (Arimbawa and Rahyuda, 2015; Purnama, 2013). Often consumers in buying their
products make Brand Image a reference. Brand Image is a set of beliefs, ideas, impressions that a person has towards a brand (Simamora, 2003). If consumers assume that certain brands are physically different from competing brands the brand image will be inherent continuously so that it can create consumer loyalty (Rangkuti, 2002).

Some research results also show that Country Of Origin has a significant influence on Perceived Quality (perception of quality) (Dinata, 2015; Purnama, 2013; Saino, 2014). Perceived Quality is the assessment of consumers on overall product quality with regard to expected product characteristics (Dinata, 2015; Saino, 2014; Yanthi and Jatra, 2015). The Perceived Quality of a product will affect consumer buying interest, the higher the value obtained by consumers, the higher the interest in buying the product.

In addition, there are also Country Of Origin which has a significant influence on Buying Interests (Arimbawa and Rahyuda, 2015; Dinata, 2015; Yanthi and Jatra, 2015). With the presence of brands and perceptions of good quality becomes the basis for influencing consumer buying interest. Consumers often form a preference for one brand or company because of its image. Buying interest is an important stage that must be considered by marketers. This is due to a condition that precedes before the individual considers or makes a decision in choosing a product / service.

On the other hand there are several studies that reveal findings that Country of Origin has a negative and significant influence on Buying Interests (Wahyu, Suharyono, and Yulianto, 2015), while Saino (2014) states that Country Of Origin does not directly influence Buying Interests. Brand Image as a mediating variable, has a weaker influence than the direct influence of the Country of Origin on buying interests (Arimbawa and Rahyuda, 2015). Furthermore, Purnama (2013) states that the Perceived Quality and Brand Image have a significant effect on the negative direction of Buying Interest. This is because that a good brand image is automatically perceived to have good quality as well, not necessarily will encourage consumer interest to be high for the product.

The inconsistency of the results in previous studies related to the influence of Country of Origin and Brand Image on Perceived Quality and Purchase Interest became the basis for the reappointment of similar research themes. This study seeks to predict the research model that was built based on a combination of previous research variables, and to confirm the findings in previous studies that have different results. It is important to understand consumer perceptions about their home country and how this perception affects them to prefer domestic products. Previous research provides a limited understanding of this problem. Furthermore, other fundamental gaps with previous research are found in the components of the country of origin where the products that are the object of research are foreign products, while current research focuses on domestic original products that are reviewed from the perspective of domestic consumer perceptions related with the image of original domestic products.

Domestic electronic products that are the object of research are the Polytron brand electronic products, because they are one of the largest producers of local electronic goods capable of competing with foreign electronic goods. Polytron is a national producer that does not have licensor from abroad. Seeing or hearing the Polytron brand, may be imagined by consumers is electronic products from abroad. In fact, Polytron is actually a product made by domestic children born from Kudus, Central Java (Central Java). Polytron can now be said to be the only national product without a principal who still survives, after going through a long struggle and the tidal wave of the national electronic industry (kompas.com).

The dominance of electronic products originating from abroad is so dominating the market share in Indonesia today, let's call it products from Japan, Korea and China so competition with local brands is difficult to avoid. Moreover, domestic consumers consider foreign products to be more quality than domestic products. This is very important in the case of Indonesia, where the country is considered by many as a strategic point to market its products because of its vast area and rapidly growing population. Based on the formulation of the problem raised, the purpose of this research is to examine and analyze the significance of the influence of Country of Origin on Brand Image, Perceived Quality, and Interest in Purchasing Polytron brand electronic products in the city of Mataram.
2. LITERATURE REVIEW

2.1 The Country Of Origin Relationship with Brand Image

Arimbawa and Rahyuda (2015) state that Country Of Origin has a positive and significant relationship to Brand Image. This opinion is supported by the research of Permana and Haryanto (2014) who succeeded in showing Country Of Origin influences Brand Image. Diamantopoulos, Schlegelmilch, and Palihawadana (2011) argue that Country of Origin has a positive and significant impact on Brand Image. The brand of a product can have a positive impact on the image of the country, assuming that the brand image has a role in influencing the country's image in a product. Meanwhile Sulhaini (2016) stated that Country of Origin is closely related to Home Country Image, where the Country of Origin is foreign / foreign products consumed by local people while Home Country Image is a domestic product consumed by the local community. Fadhiilah and Sunarti (2018) and Faraditta (2015) have proven that the Country Of Origin variable has a direct and significant effect on the Brand Image variable. Similar research conducted by Suria, Kusumawati and Pangestuti (2016) also showed the results that the Country of Origin consisting of Country Belief, People Affect, and Desire Interaction had a significant influence on Brand Image. The results of this study are also in line with the research conducted by Vianita and Rosinta (2014) which states that Country Of Origin has an effect on Brand Image both offline purchases (buying in official outlets) and online purchases. The stronger the positive image of a country, the stronger the formed image of a brand originating from that country.

2.2 The Country of Origin Relationship with Perceived Quality

Listiana (2013) states that the origin and brand of a product are extrinsic cues that influence consumer perceptions in evaluating products. Many consumers use the stereotype of the country of origin of the product to evaluate products for example, for reliable Japanese electronic products, and excellent German cars, great Italian pizza. Many consumers believe that made in labels mean superior products or not depending on their perception of the country. Generally brands from countries that have favorable images are easily accepted brands compared to brands from countries whose image is less favorable. When consumer perceptions influence the evaluation of products from a particular country, it will certainly affect their preferences, their purchase intentions and their choice of a particular brand. Thus it is clear that Country Of Origin has implications for Perceived Quality (Permana & Haryanto, 2014). The results of the research conducted by Dinata (2015) state that there is a positive and significant influence between the Country Of Origin on Perceived Quality. Likewise, the research conducted by Saino (2014) shows that Country of Origin has a significant positive effect on Perceived Quality.

2.3 The Country of Origin Relationship with Buying Interest

The results of Silaen's study (2018) found that there were influences of Country Of Origin variables on Buying Interests. Based on the findings in the study, respondents' answers to the statement regarding Japan as a country that has a high level of technological sophistication, has a good reputation, has a qualified workforce and the country of origin of the brand as an ideal country to visit has a good impression (Silaen, 2018). This is supported by previous research by Permana and Haryanto (2014) which states that Country Of Origin has a positive effect on Buying Interests. Thus it can be concluded that prospective consumers have a good perception of the Country of Origin has an influence on buying interest in electronic products. The results of the research conducted by Dinata (2015) state that there is a positive and significant influence between the Country Of Origin on Buying Interests. Likewise, the research conducted by Saino (2014) shows that Country of Origin has a significant positive effect on Buying Interests.

2.4 The Brand Image Relationship with Perceived Quality

Research conducted by Permana and Haryanto (2014) shows that Brand Image has a significant positive relationship to Perceived Quality. A brand image of good electronic products will make consumers perceive good quality as well. This is supported by previous research by Chen, Lee and Wu (2011) which states that there is a positive relationship between Brand Image and Perceived Quality. Although it does not have a direct effect, from the research it can be concluded that the better the Brand Image, the better the Perceived Quality. Brands that are well known in the community will be...
perceived as having good quality. A good brand image is automatically perceived as having good quality, which in turn encourages consumers to make a decision to make the buying process.

2.5 The Brand Image Relationship with Buying Interest
Research conducted by Yanthi and Jatra (2015) shows that Brand Image has a positive and significant effect on Buying Interest. Similar results were also made by Wahyu, Suharyono, and Yulianto (2015), showing that the global image or brand image has a significant positive effect on buying interest so that the higher the brand image in the eyes of consumers, the higher their buying interest. Likewise, on the contrary, the lower the Brand Image in the eyes of consumers, the lower their buying interest. This signifies that in a decision-making process, brand imaging of electronic products is strong enough to encourage interest in buying potential customers to make purchases. This finding is relevant to the research conducted by Mendrofa (2012) which states that Brand Image has a positive and significant influence on the interest in buying electronic products.

2.6 The Perceived Quality Relationship with Buying Interest
Research conducted by Dinata (2015), shows that Perceived Quality has a significant positive effect on Buying Interest. This is in accordance with the opinion of Aaker (1997) where the Perceived Quality has the greatest influence of all variables studied. Aaker (1997) says that Perceived Quality that is good in the eyes of consumers will increase Buying Interest because it provides a strong reason for consumers to choose the brand. This is also supported by Yanthi and Jatra (2015) which shows that there is a significant positive relationship between Perceived Quality and Purchase Interest. In line with Saino (2014) who also found a significant influence from Perceived Quality on Buying Interests.

3. RESEARCH METHOD
This study uses a quantitative approach and is included in the type of causality research. The population in this study were consumers who owned electronic products other than the Polytron brand in the city of Mataram. The number of samples in this study was obtained as much as 100, this value is obtained from 25 times 4 which is the number of variables in the study. The sampling technique in this study is to use Non Probability Sampling, the type of sampling used is purposive sampling. Data collection tools used are questionnaires. In this study used SEM analysis, where in SEM there is no single statistical test to test hypotheses about the model (Hair, et al., 1995), but various fit indexes are used to measure the degree of conformity between the models presented and the data presented (evaluation for the Goodness of Fit criteria).

4. RESULT AND DISCUSSION
Model testing on SEM aims to see the suitability of the model. Based on the results of the suitability testing model presented in Table 1, it is known that out of the eight criteria used to assess whether a model is feasible or not, it turns out that seven criteria are met, only AGFI criteria do not meet the requirements. Thus it can be said that the model can be accepted which means there is a match between the model and the data.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Cut Of Coefficient Beta Value</th>
<th>Calculation Results</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td></td>
<td>81,885 (Prob. = 0,302)</td>
<td>Good</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0,900</td>
<td>0,903</td>
<td>Good</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≤ 0,080</td>
<td>0,028</td>
<td>Good</td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0,900</td>
<td>0,847</td>
<td>Marginal</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0,900</td>
<td>0,993</td>
<td>Good</td>
</tr>
<tr>
<td>NFI</td>
<td>≥ 0,900</td>
<td>0,933</td>
<td>Good</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0,900</td>
<td>0,995</td>
<td>Good</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>≤ 2,000</td>
<td>1,077</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: My Data, 2019
SEM testing with the AMOS program gives the results of structural equation models that show the relationship between latent variables as shown in Figure 1 the following:

![Diagram](image)

**Picture 1. The Influence Of COO and Brand Image On The Perceived Quality and Buying Interest**

The next step is to do a causality test to test the research hypothesis. From the appropriate model, each path coefficient can be interpreted. Based on Figure 1, the interpretation of each path coefficient in detail is presented in Table 2.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path Line</th>
<th>Coefficient</th>
<th>Probability</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>COO → BI</td>
<td>-0.015</td>
<td>-0.618</td>
<td>0.536</td>
<td>Not Significant</td>
</tr>
<tr>
<td>COO → PQ</td>
<td>0.621</td>
<td>6.832</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>COO → MB</td>
<td>0.387</td>
<td>2.904</td>
<td>0.004</td>
<td>Significant</td>
</tr>
<tr>
<td>BI → PQ</td>
<td>0.079</td>
<td>0.212</td>
<td>0.832</td>
<td>Not Significant</td>
</tr>
<tr>
<td>BI → MB</td>
<td>-0.451</td>
<td>-1.004</td>
<td>0.296</td>
<td>Not Significant</td>
</tr>
<tr>
<td>PQ → MB</td>
<td>0.328</td>
<td>2.625</td>
<td>0.009</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: My Data, 2019

The results of SEM analysis show that Country Of Origin has no significant effect on Brand Image which is obtained by the direction of negative relations. This can be seen from the negative path coefficient of 0.015 with a CR of -0.618 (smaller than 1.96) and obtained a non-significant probability (p) of 0.536 (value> a = 0.05). Thus Country Of Origin has a not significant effect directly on Brand Image which means that if the consumer's perception of Country Of Origin increases, the Brand Image will experience a change in the form of a very small decrease, and vice versa. This rejects the
hypothesis 1 of the study, which means that Country Of Origin has no significant effect on Brand Image on Polytron brand electronic products in the city of Mataram.

Country Of Origin has a significant effect on the Perceived Quality, which is seen from the positive path coefficient of 0.621 with CR of 6.832 (greater than 1.96) and obtained a significant probability (p) of 0.000 (value < a = 0.05). Country Of Origin directly affects repurchases. This result supports hypothesis 2 research which means that the second hypothesis is proven and acceptable. This means that if consumer perceptions of Country Of Origin increase, the Perceived Quality will also increase, and vice versa if the consumer perception of Country Of Origin decreases, the Perceived Quality will decrease. This condition occurs because the Country Of Origin in Polytron's brand electronic products is able to provide a real experience so that it can truly be attached to the hearts of its consumers.

Country Of Origin has a significant effect on Buying Interest with the direction of a positive relationship. This can be seen from the positive path coefficient of 0.387 with CR of 2.904 (> 1.96) and obtained a significant probability value (p) of 0.004 (value > a = 0.05). These results indicate that Country Of Origin has a significant effect on Buying Interest with a positive relationship direction. This means that if Country Of Origin increases, it will also increase Buying Interest with a high (significant) increase, and vice versa if Country Of Origin decreases, it will reduce Buying Interest in Polytron's brand electronic products in Mataram City. These results have proven (accepted) hypothesis 3 proposed in the study.

The results of SEM analysis show that Brand Image has no significant effect on Perceived Quality with the direction of a positive relationship. This can be seen from the path coefficient of 0.079 with CR of 0.212 (smaller than 1.96) and obtained a non-significant probability (p) of 0.832 (value > a = 0.05). Thus Brand Image has a weak influence directly on Perceived Quality which means that if consumer perceptions of Brand Image increases, the Perceived Quality will increase, and vice versa if the consumer perception of Brand Image decreases, it will weaken Perceived Quality. This rejects the research hypothesis 4 which means that Brand Image has no significant effect on Perceived Quality on Polytron's brand electronic products in the City of Mataram.

Brand Image has no significant effect on Buying Interests and results in a negative relationship. This can be seen from the negative path coefficient of 0.451 with CR of -1.004 (located between -1.96 < -1.004 < 1.96) and the probability value that is not significant (p) is 0.296 (value > a = 0.05). These results indicate that Brand Image has no significant effect on Buying Interest. This means that if Brand Image increases, it can weaken Buying Interest in Polytron's brand electronic products. These results cannot prove (reject) the research hypothesis 5.

Perceived Quality has a significant effect on Buying Interest with the direction of a positive relationship. This can be seen from the positive path coefficient of 0.328 with CR of 2.625 (> 1.96) and obtained a significant probability value (p) of 0.009 (value > a = 0.05). These results indicate that Perceived Quality has a significant effect on Buying Interest with the direction of a positive relationship. This means that if Perceived Quality increases, it will also increase the Purchase Interest with a high increase (significant), and vice versa if Perceived Quality decreases, it will weaken Buying Interest in Polytron brand electronic products in the City of Mataram. These results have proven hypothesis 6 proposed in the study.

The role of Country Of Origin and Brand Image in creating Perceived Quality and Consumer Purchasing Interest can be seen from the comparison between the direct influence of Country Of Origin on buying interest (endogenous variable bound) with the indirect influence of Country Of Origin on buying interest through Brand Image and Perceived Quality (intermediate endogenous variables). If the value of the direct influence of Country Of Origin on buying interest is greater than its indirect influence, then the role of Country Of Origin in creating buying interest is higher than the role of brand image and perceived quality in creating buying interest. But if the value of the direct influence of Country Of Origin on buying interest is smaller than the indirect effect, the role of brand image and perceived quality in creating buying interest is higher than the role of country of origin in creating buying interest in Polytron brand electronic products in Mataram City. The direct influence in the structural model in this study occurs between the exogenous latent variables Country Of Origin and endogenous latent variables intervening Brand Image and Perceived Quality, exogenous latent variables Country of Origin with endogenous latent variables bound to Buy...
Interest, and latent variables intervening Brand Image and Perceived Quality with endogenous latent variables tied to Buying Interests.

Table 3. Direct Effects Between Research Variables

<table>
<thead>
<tr>
<th>Direct Effects</th>
<th>Endogenous Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exogenous Variable</td>
<td>Country Of Origin</td>
</tr>
<tr>
<td>Brand Image</td>
<td>-0.078</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: My Data, 2019

Based on Table 3, it is known that the direct influence of Country of Origin on Brand Image of -0.078 with negative direction, Country of Origin towards Perceived Quality is 0.721 with positive direction, Country of Origin to Purchase Interest of 0.500 with positive direction, Brand Image of Perceived Quality amounting to 0.018 with a positive direction, Brand Image to Buy Interest at -0.111 with a negative direction, and Perceived Quality to Buy Interest at 0.366 with a positive direction. The results of the analysis indicate that the Country of Origin has the greatest direct effect on buying interest, where these results contribute greatly to influencing buying interest in the Polytron brand electronic products in the city of Mataram.

Indirect effects occur between exogenous latent variables Country of Origin on endogenous latent variables bound to Buy Interests. Based on Table 4, it is known that the indirect influence of Country of Origin on buying interest is 0.272.

Table 4. Indirect Effects Between Research Variables

<table>
<thead>
<tr>
<th>Indirect Effects</th>
<th>Endogenous Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exogenous Variable</td>
<td>Country Of Origin</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.000</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: My Data, 2019

Based on the comparison of the direct effect values and the value of the indirect influence of Country of Origin on buying interest (through Brand Image and Perceived Quality), it is known that the indirect influence of Country of Origin on buying interest is smaller than the direct influence. Thus it can be stated that Brand Image and Perceived Quality do not have a higher role than the role of Country of Origin in creating Buying Interest in Polytron's brand electronic products in the City of Mataram.

Furthermore, for the total influence between research variables, it is known that the results of the analysis show as the data shown in Table 5 below:

Table 5. Total Effects Between Research Variables

<table>
<thead>
<tr>
<th>Total Effects</th>
<th>Endogenous Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exogenous Variable</td>
<td>Country Of Origin</td>
</tr>
<tr>
<td>Brand Image</td>
<td>-0.078</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: My Data, 2019

The magnitude of the total influence is the sum of the direct and indirect effects of all paths of each variable in this study. Calculation of total influence as shown in Table 5 shows the effect of Country Of Origin variables on Purchasing Interests through Brand Image and Perceived Quality. It is known that the value of the path coefficient is positive at 0.772. Then it can be stated that there is a significant influence between the Country of Origin on the Purchase Interest through Brand Image and Perceived Quality on the Polytron brand electronic products in the City of Mataram.
5. CONCLUSION

Country Of Origin has no significant effect on Brand Image, this means that if there is an increase in Country of Origin for consumers, it can increase Polytron Brand Image for consumers in Mataram City, but the increase is slight. Country Of Origin has a significant effect on Perceived Quality, thus any increase in Country Of Origin will certainly increase consumer Perceived Quality of Polytron brand electronic products in the city of Mataram, and vice versa if the value of Country of Origin will reduce consumer Perceived Quality. Country Of Origin has a significant effect on buying interest, this means that any increase in the value of the Country of Origin will significantly increase buying interest, whereas if there is a decline in the value of the Country of Origin it will result in low consumer buying interest in the Polytron brand. Brand Image has no significant effect on the Perceived Quality, this states that if the value of Brand Image increases high it will also increase consumer Perceived Quality, but the increase is only a little, not as much as the increase in Brand Image. Brand Image has no significant effect on Purchase Interest, this is indicated by a negative coefficient value which means that if Brand Image increases, it will have an impact on decreasing interest in buying consumers in the city of Mataram on Polytron brand electronic products, but the increase is only slightly not the same as an increase in Brand Image. Perceived Quality has a significant effect on Buying Interest, this means that any increase in the value of Perceived Quality will significantly increase Purchase Interest, and vice versa if there is a decrease in value on Perceived Quality variables will have an impact on Low Interest Buy consumers in Mataram City on electronic products the Polytron brand.

In relation to the Country of Origin, it is recommended that electronic manufacturers pay attention to the prestige of the country of origin of the product, which by increasing the prestige of the producing country can strengthen the value of Country of Origin so as to increase consumer buying interest in Polytron brand electronic products. Brand Image can be improved by increasing corporate image in this case the distributor of Polytron brand electronic products in the city of Mataram so that consumers have a more positive image than before. Perception of Quality, to encourage new users and retain old users Polytron should continually conduct market research related to the performance of its electronic products, because these indicators get the lowest value from respondents in the study. It is expected that Polytron to increase consumer interest in its products is to increase consumer confidence, where in this study it is known that this indicator gets the lowest score. Polytron can increase consumer confidence by regularly providing knowledge to users or prospective users related to the advantages of electronic products offered compared to similar products.

6. REFERENCES


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