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## **The Importance of the Country of Origin of the Products in the Purchase Decisions under Globalisation and Digitalisation of Consumption**

### INTRODUCTION

It is widely recognised that price and quality are the main criteria of product choice. Along with the economic growth and an increasing consumer awareness, non-price aspects are becoming more important. One of such aspects is certainly the country of origin of the product. The increasing significance of this factor (depending on the nature of the product) may result from a high demand in the market for goods of “uncertain reputation”, which are mass-produced, primarily in culturally and geographically distant countries, or are simply new and do not have a fixed position in the market yet. Place of origin is regarded as an added value, providing consumers with a sense of security, and it usually guarantees a high quality. Consumers’ needs and desires, however, are still changing, especially in the long term. Country of origin is a feature recognised by consumers mainly thanks to the *made in* marking, but occasionally it is also attributed to brands or products due to their phonetic and visual similarity to names and symbols associated with a particular country [Duliniec, 2007, p. 97]. Customers may also identify the country of origin by the means of elements such as the name and address, brand, description language, national product quality marks and the bar code [Figiel, 2004, p. 32].

The aim of this article is to present diverse significance of the country of origin factor for various segments of purchasers in relation to different categories of products. Furthermore, it is to determine ways and sources of information used by consumers to identify the country of origin. The basis for reasoning consists of survey results from 4Q 2014, collected by the means of quota sam-

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pling from 158 respondents being residents of the Podkarpackie voivodship. The questionnaire employed in the study regarded widely defined preferences and factors determining purchase decisions.

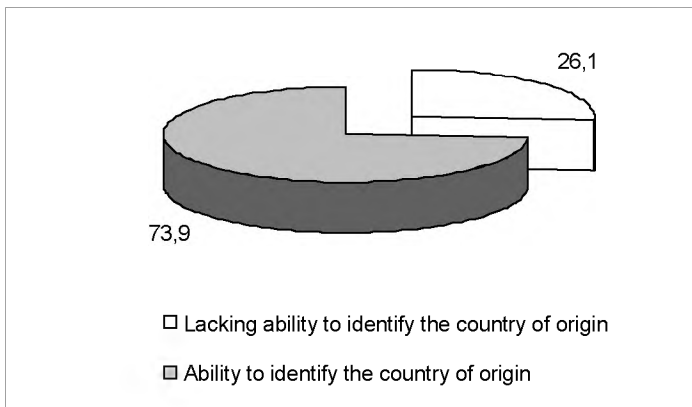
#### COUNTRY OF ORIGIN OF THE PRODUCTS UNDER GLOBALISATION

The globalisation process attracts more and more attention. Business practitioners try to understand the contemporary consumer, while understanding the conditions and consequences of globalisation provides knowledge on the changes in international environment. The common character of the globalised culture of consumption means that it is collected from all possible sources. Created with transnational cultural forms, global culture is mostly subject to local conditions and practices [Ulusoy, 2007, p. 6]. The globalisation process adds to a faster and better understanding between individual countries. It can be therefore concluded that people share similar values and aspirations, whereas they often agree on opposing specific behaviours. All of these elements comprise the social dimension of globalisation and have contributed to a new comprehensive pattern, favouring such values as freedom, life, tolerance, equality and, among other things, respect for the rights of all human beings. Consequently, human rights and other formal documents have been developed, forming a widely accepted directory of values. It should be stressed, however, that these theoretical provisions are not universally respected, but for many they are instructions on how to live and for what to strive [Jedlińska, 2014, p. 77].

The advancing globalisation of consumption results to some extent from the growing international consumer mobility, their growing expectations and changing needs. They search for products which are not only less expensive, but often simply different in terms of quality, design, aesthetics, materials, raw materials, or sensory characteristics. This process evokes the need for authentic products of a particular origin, but available in the place of residence of the purchaser. As a result, the Internet emerges as an increasingly important sales channel. Aware of purchasers' preferences regarding the country of origin of products, manufacturers and traders without such advantages use communications marketing, promotional activities, and information on the packaging to manipulate the customer to some extent, and namely by concealing the country of origin and instead highlighting symbols, characters and slogans hinting at an origin which is different from the actual one. This issue, of course, does not concern products sold in a conventional distribution channel exclusively, but is also present on the Internet. Product description in the online shop should contain information in this respect, and often does so, but it is not unusual that the description is ambiguous. While product return policies are a significant advantage of internet purchases, the expensive and time-consuming procedure often results in consumer dissatisfaction.

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In general, it can be assumed that according to the customer, every product has a specific origin, i.e. the brand, the manufacturer, or its country of origin in the wider aspect. In addition, consumers often link the image of the origin of the product with product image features. In the course of the investigation, the issue of the country of origin of products, along with its importance for the respondents, included a number of questions. Firstly, the study aimed to determine whether the respondents are able to identify the country of origin of the products (Figure 1).



**Figure 1. Ability to identify the country of origin of the product as declared by respondents (expressed in %)**

Source: own research.

The presented data indicate that approximately three out of four consumers claimed that they were able to correctly identify the country of origin of the products they buy. The remaining respondents reported difficulties in this respect. Moreover, upon consideration of the age and education of the respondents (Table 1) certain discrepancies are visible.

An analysis of presented data suggests that particularly in respect of their education, the ability of respondents to identify the country of origin is perceived differently in particular consumer groups. Persons who declare a lack of this skill usually have an elementary or vocational education. It is possible that respondents with higher education have better access to subject information, better knowledge of foreign languages and a wider scope of interests, shaped in the progress of general education, and consequently they can successfully use the Internet to collect all the necessary information.

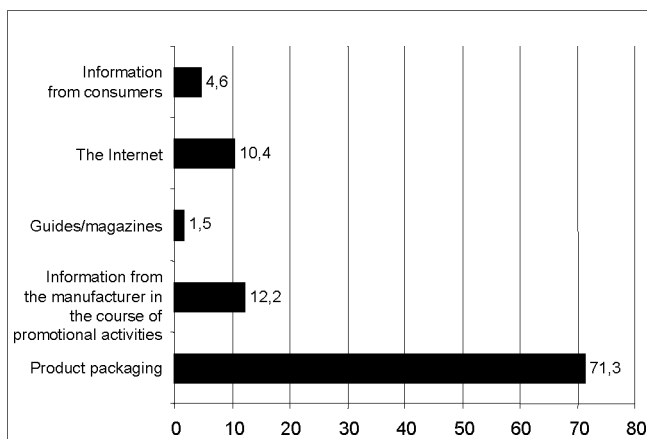
**Table 1. Ability to identify the country of origin of the product as declared by consumers in respect of their age and education (expressed in %)**

| Evaluation   | Age     |         |         |       | Education |            |           |        |
|--|---------|---------|---------|-------|-----------|------------|-----------|--------|
|  | (18-24) | (25-39) | (40-59) | (60+) | Basic     | Vocational | Secondary | Higher |
| Ability to identify the country of origin of the product         | 71.4    | 76.9    | 68.2    | 77.3  | 50.0      | 55.0       | 80.0      | 83.1   |
| Lacking ability to identify the country of origin of the product | 28.6    | 23.1    | 31.8    | 22.7  | 50.0      | 45.0       | 20.0      | 16.9   |

Source: own research.

In respect of age, it can be noticed that the respondents belonging to the oldest group highly evaluate their skills in identifying the country of origin, which seems to be quite doubtful. Supporting such claim with the argument of vast life experience is rather uncertain, as such persons generally have a fairly limited knowledge of the marketing techniques, thus it can be assumed that in spite of declarations, the declared skill of identification of the country of origin is, in fact, not necessarily correct. Another explanation of the results obtained may be the scope of products purchased by the respondents, limited to the known and respected products and brands (e.g. local ones), easily classified according to origin. However, there have been many cases of foreign companies entering the domestic market through the acquisition of a domestic plant along with a brand of an established position in the market.

Respondents participating in the survey indicated also the source of knowledge on the country of origin of the product (Fig. 2).



**Figure 2. Sources of information on the country of origin of the products in the opinion of respondents (expressed in %)**

Source: own research.

A vast majority of respondents pointed out that the basis for determining the country of origin for them is the information, description, symbols, and colours – which means that they use everything that can be found on the product packaging. Much fewer respondents pointed to actions involved in the manufacturer's communications marketing, e.g. campaigns in which the manufacturer can emphasise its strengths, including the authenticity of raw materials, or precisely indicate the place of manufacture, the conditions under which it is carried out, etc. Slightly more than 10% of the respondents in the survey suggested that the Internet is a source they use in the process of collecting a wide range of information and opinions, also in the analysed scope. Feedback from other consumers and information contained in specialist or industry periodicals, which often analyse a particular product category and develop ratings by the means of benchmarking, have a marginal role in forming the opinion of the respondents. In the latter case in particular, the source of information can be regarded as objective and reliable, yet it was rarely indicated due to the limits and the industrial diversity. But it is such sources which inform about the location of facilities producing specific product models of multinationals, which can easily be identified with the brand country of origin.

The further part of the study explores the knowledge of respondents in respect of identifying the country of origin of products by collecting the elements used by respondents to determine it (Table 2).

**Table 2. Criteria for determining the origin of product based on the education of the respondents (expressed in %)**

| Criterion  | Total | Education |            |           |        |
|--|-------|-----------|------------|-----------|--------|
|  |       | Basic     | Vocational | Secondary | Higher |
| Designation of origin                                  | 13.9  | 16.7      | 22.8       | 18.3      | 4.5    |
| National quality marks                                 | 24.4  | 16.6      | 28.6       | 26.6      | 19.7   |
| <i>Made in</i> or COM marking – country of manufacture | 55.3  | 66.7      | 45.7       | 47        | 66.7   |
| COB – Country of Brand                                 | 1.3   | 0         | 0          | 2         | 2.5    |
| Bar Code   | 5.1   | 0         | 2.9        | 6.1       | 6.6    |

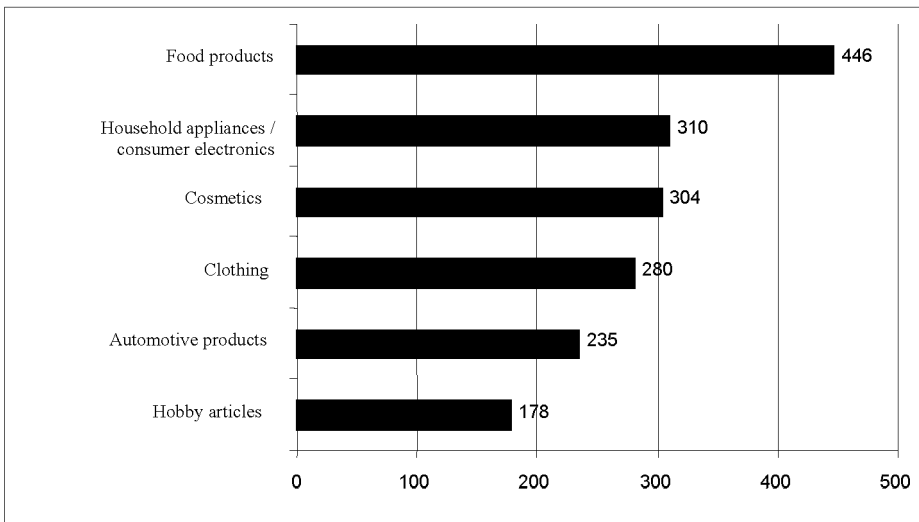
Source: own research.

Ethnocentric and internationalist approaches are becoming increasingly significant aspects of today's market as factors influencing the selection of the product or place of purchase, joining such classic factors as the price, brand and quality in shaping consumers' market behaviours. It is well known that the purchasers can identify the country of origin of the product using the information

placed on the package. The information includes the elements listed in the table above: designation of origin, such as “Polish bread”, national quality marks, designations *made in* or COM – *country of manufacture*, COB – *country of brand* and the bar code. Contemporary purchasers find it difficult to identify the country of origin of the product without doubt due to the progressive internationalisation of companies. The country of origin is often merely a marketing tool, or simply an element of marketing strategy. Many brands in the Polish market use foreign names to suggest a foreign origin of product (e.g. Reserved or Top Secret).

Every second respondent in the test group acknowledged the *made in* designation as a clear mark indisputably defining the origin of the product. National quality marks were regarded as the second criterion of such verification by a quarter of the respondents, whereas 11.5% of them used, inter alia, the designation of origin on the packaging. Few consumers, regardless of their level of education, pointed to the *country of Brand* as an unquestionable proof identifying the origin of the product. Unfortunately, the majority of the markings indicated (COB, COM, national quality marks and designation of origin) may incorrectly indicate the origin of the product. Although it is *de facto* the most objective elements of all the indications, the bar code was mentioned only by few respondents.

This study also confirmed the diverse importance of the country of origin in particular branches (Fig. 3).

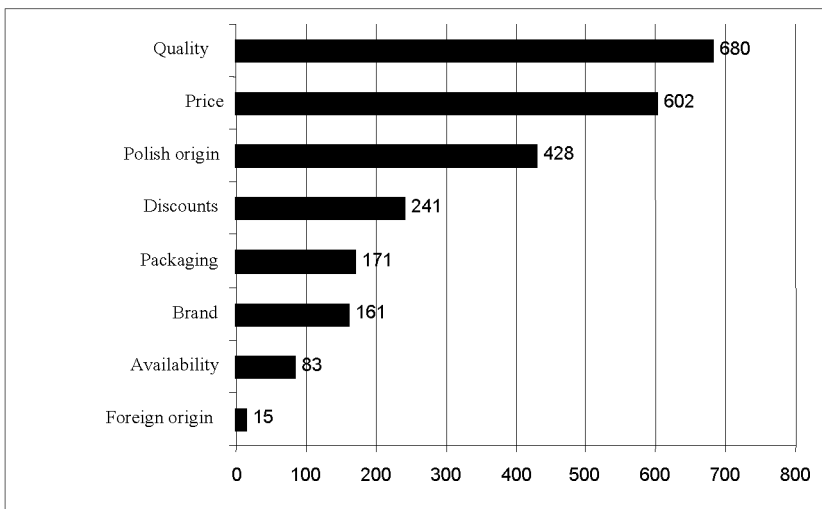


**Figure 3.** The country of origin of selected groups of products according to the respondents (scoring: 1 – the smallest factor significance, 5 – the biggest factor significance)

Source: own research.

The respondents pointed to a varied level of orientation focused on the country of origin when choosing products. Most people pointed at the importance of this factor in respect of food (which is probably also linked to the preference for domestic products). The compilation of selected industries can only be regarded as very general in nature. Entrepreneurs, both manufacturers and retailers, search for information which gives them a particular direction and defines their orientation either as ethnocentric or internationalist in order to optimise their decisions regarding the production, distribution, and promotion of products.

Respondents were asked to determine the importance of selected factors which they take into account while purchasing in several trade groups. Figures 4 and 5 show the position of a particular country of origin among other factors in respect of the 2 selected product categories.

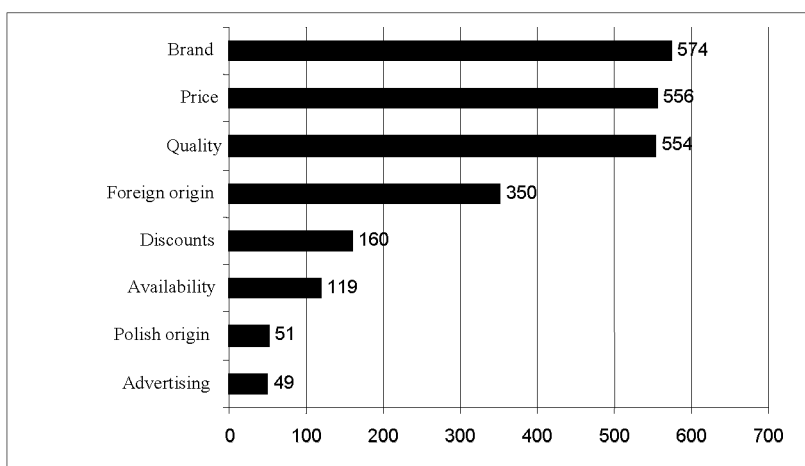


**Figure 4. Selected factors taken into account when deciding to purchase food products (scoring)**

Source: own research.

Data presented in these graphs show a clear difference in the priorities of purchasers planning to purchase food products and automotive products. It is important to be aware of an entirely different nature of these 2 groups of products while analysing these data. Food is to meet basic human needs, to a large extent by frequent purchases of local trade products and products of a known and respected local origin. Purchases in the automotive sector are much less frequent, rather periodic and irregular, whereas trade is not as extensive in terms of the number of premises, and the producers are significantly less numerous. Apart from such factors as price and quality, which always rank high in consum-

er opinion surveys, it is worth noting that in the case of food products, Polish respondents declare that they prefer domestic products, whereas they clearly favour foreign goods of the automotive industry. To a certain extent, regardless of the objective factors of such preferences, it can be assumed that by assessing the products in such a way, consumers adopt stereotypes which are not entirely objective.



**Figure 5. Selected factors taken into account when deciding to purchase automotive products (scoring)**

Source: own research.

In the course of studies, an attempt was made to assess the intensity the stereotypes regarding certain characteristics of the products and the countries to which they are attributed. To this end, respondents were asked to address the following questions (Table 3).

**Table 3. Products stereotypes of and their country of origin in respect of the gender of the respondents (expressed in %)**

| Questions:  | Acknowledgement of the stereotype |          |            |
|---|-----------------------------------|----------|------------|
|   | YES                               | NO       | No opinion |
| <i>1</i>  | <i>2</i>                          | <i>3</i> | <i>4</i>   |
| Do you associate Polish food products with high quality?                    | 82.0                              | 7.4      | 10.6       |
| Do you associate German automotive market products with high quality?       | 85.8                              | 1.9      | 12.3       |
| Do you associate Italian clothing articles with the current fashion trends? | 38.9                              | 31.1     | 30.0       |
| Do you associate French cosmetics with high reputation and luxury?          | 61.1                              | 18.8     | 20.1       |



| <i>1</i>  | <i>2</i> | <i>3</i> | <i>4</i> |
|---|----------|----------|----------|
| Do you associate Japanese household appliances / consumer electronics with high accuracy and high technology? | 64.3     | 19.2     | 16.5     |
| Do you associate South Korean automotive market products with poor quality and high failure rate?             | 31.1     | 32.0     | 36.9     |
| Do you associate Chinese clothing articles with poor quality and low price?                                   | 75.9     | 18.1     | 9.0      |

Source: own research.

The survey results demonstrate that stereotypes regarding certain characteristics of the products and the countries to which they are attributed are in fact of fundamental value. There are, however, certain types of products, such as German cars, whose assessment and perceived quality is relatively high, and even higher than the assessment of food products originating in Poland. Consumers relatively rarely show no opinion on these statements. Negative answers were equally rare. This can stem from their own experience or market observation. It should also be presumed that the answers result from not entirely reasonable bias and stereotypes which manufacturers must face. This may be the reason why they attempt to conceal the country of origin of the product, e.g. by giving foreign names to brands.

In the age of globalisation of production and consumption, the issue of the country of origin of the products is becoming largely interesting from the point of view of the enterprise itself and its commitment to increase efficiency and effectiveness of the actions taken. Global consumers do not simply search for products which meet their needs at an affordable price. An increased customer satisfaction is more and more often connected with the authenticity and originality of the product. It can be regarded as the next step in the development of the international trade, in which it is the consumer that defines new expectations. The Internet provides technical methods to satisfy these needs by allowing sale of products with virtually no spatial restrictions, but the problem of authenticity and determining the country of origin of the product by the consumer is still dependent on the strategy of entrepreneurs, who do not always identify it clearly.

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### *Summary*

Country of origin of a product is a key factor for a large group of consumers, although the importance is varied and depends on industry. Manufacturers and retailers aware of the importance of this factor are trying to use it also in the case when the real place of origin is not favourable to them in respect of image, by misleading customers. The aim of the article was to present diverse scope of importance of country of origin for different segments of buyers in relation to the different product categories. An attempt was made to determine the methods and sources which are used by consumers to collect information about the country of origin. Research was conducted in Q4 2014, among 158 respondents, residents of Podkarpackie voivodship. The research indicates that consumers in many cases have a problem with identifying the country of origin, or declare that they are able to do so but the sources of information indicated by them are of doubtful credibility. The effect of country of origin is the impact of the available information about a specific country, its stereotypes or attitudes, on the evaluation of a product, which is identified with this country. Connotations, in connection with the country of origin may therefore affect the sales on international market. This depends to large extent on those positive and negative stereotypes concerning the country of origin of products, which are deeply rooted in consumers' minds.

*Keywords:* consumer, country of origin, preferences

## **Znaczenie kraju pochodzenia produktów w procesie decyzji zakupu w warunkach globalizacji i digitalizacji konsumpcji**

### *Streszczenie*

Kraj pochodzenia produktów jest czynnikiem istotnym dla sporej grupy konsumentów, choć ranga jego jest różna w zależności od branży. Producenci i handlowcy świadomi znaczenia tego czynnika starają się go wykorzystać także w przypadku, gdy ich rzeczywiste pochodzenie nie jest dla nich wizerunkowo przychylne, poprzez informacje wprowadzające klienta w błąd.

Celem artykułu było przedstawienie zróżnicowanego znaczenia kraju pochodzenia dla różnych segmentów nabywców w odniesieniu do różnych kategorii produktów. Ponadto dążono do ustalenia sposobów i źródeł informacji, poprzez które konsumenci określają kraj pochodzenia. Źródłem danych stanowiących podstawę wnioskowania były wyniki badania ankietowego przeprowadzonego w IV kwartale 2014 r, wśród 158 respondentów, mieszkańców woj. podkarpackie-

go. Badania dowodzą, że konsumenci w wielu przypadkach mają problem z określeniem kraju pochodzenia, względnie deklarują, że są w stanie tego dokonać, ale wymieniane źródła informacji podają te deklaracje w wątpliwość. Efekt kraju pochodzenia oznacza wpływ posiadanych informacji o określonym kraju, jego stereotypu lub nastawienia do niego, na ocenę produktu, który jest z tym krajem utożsamiany. Konotacje, mające związek z krajem pochodzenia mogą mieć zatem wpływ na poziom sprzedaży firm działających na rynku międzynarodowym. Uzależnione jest to głównie od zakorzenionych u odbiorców tych pozytywnych, jak i negatywnych stereotypów, związanych z pochodzeniem produktów.

*Słowa kluczowe:* konsument, kraj pochodzenia, preferencje

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