

Effect of domestic versus foreign territorial origin of products on the attitude and purchasing behavior of pre-adults: An empirical study

تأثير الأصل المحلي مقابل الأصل الأجنبي للمنتجات على الموقف والسلوك الشرائي للشباب ذوي السن المتراوح ما بين المراهقة والرشد: دراسة تجريبية

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Abstract:

Various studies have shown in the lack of that explicit information about a product, the made in label is used as a predictor of product quality. In a globalized context, the cognitive signal “country of origin” is significant extrinsic attribute. Indeed, the country of origin of manufacture is regarded as a source of competitive advantage. The purpose of this empirical research is to examine the relationship between the extrinsic informational attribute “country of domestic versus foreign origin” of products, the attitude and behavior of pre-adults. To provide answers, two studies were conducted with students (qualitative and quantitative). Thus, the results of the hypothesis tests reveal that this variable exerts a significant impact throughout the purchasing process of these pre-adults.

Keywords: Attitude, Domestic versus foreign origin, Consumer behavior, Pre-adults

JEL Classification Codes:A13, M31, Z13

ملخص:

أظهرت العديد من الدراسات أنه في حالة عدم وجود معلومات واضحة عن المنتج، يتم استخدام "ملصق صنع كمؤشر على جودة المنتج. في سياق العولمة، تعتبر الإشارة المعرفية "بلد المنشأ" سمة

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خارجية ذات أهمية كبيرة ومصدرا للميزة التنافسية. الغرض من هذا البحث التحريي هو دراسة العلاقة بين السمة المعلوماتية الخارجية "بلد المنشأ المحلي مقابل الأجنبي" للمنتجات، موقف وسلوك المستهلكين (ما بين سن المراهقة والرشد). لتقدم أجوبة، أجريت دراستان مع طلاب (نوعية و كمية)، وبالتالي فإن نتائج اختبارات الفرضيات تكشف أن هذا المتغير يمارس تأثير كبير في جميع مراحل الشراء. كلمات مفتاحية: موقف، أصل محلي مقابل أجنبي، سلوك المستهلك، شباب بين سن المراهقة وسن الرشد.

تصنيفات JEL: A13، M31، Z13

1. INTRODUCTION

Changes in consumer behavior have led companies to review their strategies, how they manufacture and market. In a globalized world, cognitive signal "country of origin" is an important extrinsic attribute. For Baker and Currie (1993; in Belaid, 2006), this item is regarded as the fifth "P" as well as other variables in the marketing mix. For Baker and Ballington (2002), the country of manufacture is considered as a source of competitive advantage. However, some researches (Schooler, 1965; in Belaid, 2006); Verlegh & Steenkamp, 1999; Roth & Diamantopoulos, 2009) highlight the existence of differences in the assessment of equivalent products at different territorial origins.

Starting from the role played by the source labels in consumer behavior, this research takes as angle analyzes the behavior of pre-adults over the "Made in domestic versus foreign" products.

The purpose of this convenience empirical research (with 283 pre-adults) is to examine the relationship between the extrinsic informational attribute "country of origin domestic versus foreign" products, and the quality perception, intention and purchasing behavior of pre-adults (in developing countries and in the case of clothing products).

Our paper is organized around the following questions: Did Algerians pre-adults prefer domestic products to imported products equivalent? Does the domestic versus foreign territorial origin of the products have an

influence on the quality perception, intention and these young people buying behavior?

2. Literature review and development hypotheses

With the phenomenon of globalization of markets and the development of information and communication technologies, consumers are exposed to an extraordinary number of information. The foreign products and brands are presented and known via several channels, namely television advertisements and / or the Internet, movies, documentaries, etc.

It has been shown through scientific research related to the study of consumer behavior that the purchase decision is based from informative signal perceptions (Samiee 1994). Two signal types can be distinguished: the intrinsic and extrinsic signals to the product. Regarding the country of origin, it acts as an extrinsic signal quality of a product and is intangibility (Peterson & Jolibert, 1995). According to Cordell (1991), Verlegh&Steenkamp (1999), this signal could theoretically fluctuate without the product being physically modified. As for the intrinsic signals, they are closely related to the physical composition of a product, its performance or its design (Chattalas& al., 2008; Godey & al., 2012; Insch& McBride, 2004; Obermiller&Spangenberg, 1989; Samiee 1994).

In this regard, studies have been conducted and have shown that in general, when forming opinions, consumers trust more intrinsic product characteristics (Godey et al., 2012). While other research claims that during product evaluations in the absence of distinctive intrinsic attributes (Johansson & al., 1985) or in the event of inability to detect these attributes (Chattalas& al., 2008) consumers tend to trust extrinsic signals. Therefore, in the absence of relevant criteria for evaluating a product category or when knowledge relating to it, is considered insufficient, the concept of country can take over and thus help the consumer to choose between the offers.

Thus, various studies have attested that in the absence of explicit information about a product, the label "Made in" is used as a predictor of product quality (Johansson, 1989). According Dekhili (2015), when it is impossible to identify the characteristics of a product before the act of purchase in order to assess the quality of a product, the signal "country of origin" is adopted by consumers.

The informational signal "country of origin" is often used in the decision process, as an indicator of product quality (Wall & al., 1991; cited in Chattalas & al., 2007, and Nebenzahl, Jaffe & Lampert 1997; quoted in Lee & al., 2005).

Thus, according to Schooler (1965; in Belaid, 2006), Johansson & al. (1985) and Han (1989), the informational signal "country of origin" is considered an extrinsic element that can change not only the perception and evaluation of the product, but also the purchase intent.

Through the literature on the country of origin and the results of the exploratory study (Boumedda-Tiab, 2019), and in correspondence with the objectives of this research, we have put forward the following hypotheses:

H1: Pre-adults perceive the quality of products from foreign countries as being superior to locally made products.

H2: The purchase intention developed by pre-adults towards domestic products is unfavorable compared to foreign products.

H3: The origin of domestic versus foreign manufacturing of products has a significant impact on the purchasing behavior of consumers.

3. Methodology

For our part, we used a convenience survey, which consists of choosing the simplest sample to designate to collect information and/or based on its ability to provide reliable information. In this regard, among the methods to be chosen and which are attached to it is that of "snowball". This method is reserved, among other things, for people who are difficult to reach. We conducted a quantitative convenience survey of 283 students, and the data analysis was analyzed using SPSS 23 software.

For the analysis method, we opted for the non-parametric dependence test of Pearson Chi-Square. The interest is to verify the existence of a relationship between the variables of the hypotheses (because the normality test is impossible to perform), Cramer's coefficient V and the contingency coefficient for measuring the intensity of the optionally existing relationship between these variables, and the Lambda coefficient for determining the direction of prediction.

4. Results

The results of the data relating to the hypotheses cited above are presented in the following.

4.1 Testing the effect of domestic versus foreign territorial origin of products on perceived quality

We check whether pre-adults tend to take into account the "country of domestic versus foreign origin" criterion of products and to judge favorably the quality of products from abroad. The main results are outlined in Table 1 below.

Table1. Crossing of domestic versus foreign territorial origin of products and perceived quality

			QUAL					Total
			1	2	3	4	5	
ORG	1	Effective	111	64	83	20	5	283
		% In ORIG	39.20	22.60	29.30	7.10	1.80	100.00
	2	Effective	5	4	1	26	247	283
		% In ORIG	1.80	1.40	0.40	9.20	87.30	100.00
Total		Effective	116	68	84	46	252	566
		% In ORIG	20.50	12.00	14.80	8.10	44.50	100.00

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

* QUAL: The perceived quality products ranging from 1 (very poor) to 5 (very good).

* ORG: Territorial Origin of Products: 1 / local 2 / foreign.

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From the contingency table above, we find that (39.2%) and (22.6%) (61.8%) of respondents found respectively that local products are of very bad quality and rather bad quality and only (7, 1%) and (1.8%) of the sample respectively rated domestic products of fairly good quality and very good quality. As for imported products, most respondents positively assess the quality of products. (87.3% and 9.2%) of all respondents, respectively, rate them of very good quality and fairly good quality against only (1.8% and 1.4%) respectively who consider them of very bad and rather of bad quality.

However, the summary of the results presented in the Table 2 shows us that there is a significant statistical dependence between the origin of manufacturing products (domestic versus local) and perceived quality.

Table 2. Test Chi-Square and symmetrical measures (H1)

	Value	df	Sig.
Pearson Chi-Square	463.030	4	.000
Cramer's V	.904		
Contingency coefficient	.671		.000
N of Valid Cases	566		

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

*0 cells (0.0%) have a theoretical size less than 5. The minimum expected count is 23.00

The test recorded a Chi-Square value of (463.030) and a gain of (0.000). The value of the gain obtained is therefore considerably less than the value (0.05), the hypothesis H0 is rejected.

This means that the two variables have a relationship. The Cramer's coefficient V also displays the value (0.904) which is very close to (1) and the contingency coefficient meanwhile is very satisfactory (0.671). These values indicate that this relationship between the two variables is very strong. Therefore, we can conclude that the hypothesis (H1) emitted is validated. The fact that either local or imported product has a significant influence on the perception of quality, and that consumers tend to evaluate more positively the quality of products from abroad. Pre-adults therefore

perceive the quality of products from foreign countries as being superior to that of locally products.

Table 3. Directional hypothesis (H1) Measures

	Value
Nominal by nominal Lambdasymmetrical	.593
Depending ORG	.876
Depending QUAL	.338

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

Given the dependency relationship is verified, it is necessary to give this hierarchical perspective predictive dimension (Caumont&Ivanaj, 2017). To this end and according to these authors, the Guttman Lambda coefficient serves as support to verify a posteriori the relevance of the hypothesis of a hierarchical relationship between the two variables in question.

Thus, through the reading of Table 3, we find that the online variable (domestic versus foreign manufacturing original products) gives a better prediction of the results of the column variable (perceived quality). Indeed, it is the perceived quality of products which varies by foreign versus domestic territorial origin of these products, with Lambda coefficient of (0.876) compared to (0.338).

4.2 Test of domestic versus foreign territorial origin effect of products on purchase intent

The second research hypothesis of this work consists in verifying the effect of the country cognitive signal of local versus foreign origin of the products for consumers to purchase.

We had stipulated that, given the domestic versus foreign origin of the products, consumers display a favorable intention against foreign products rather than for local products.

To test this hypothesis with qualitative variables, a contingency table was constructed and the Chi-Square test seems the most appropriate. The summary of the data analysis is presented in the following tables. The following Table 4 shows the results of the crossing of the two variables concerned.

**Table 4. Crossing of domestic versus foreign territorial origin of the products
and purchase intent**

			INT		Total
			1	2	
ORG	1	Effective	54	229	283
		% In ORG	19.10	80.90	100.00
	2	Effective	277	6	283
		% In ORG	97.90	2.10	100.00
Total		Effective	331	235	566
		% In ORG	58.50	41.50	100.00

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

* ORG: Territorial Origin of Products: 1 / local 2 / foreign.

* INT: Intention to purchase domestic versus foreign products.

Crosstab 4 of domestic versus foreign territorial origin of products and purchase intention shows that the overwhelming majority of respondents, with a rate of (97.9%), display a positive intention towards imported products against only (19.1%) have a positive purchase intention towards local products. (80.9%) of respondents said they had no intention of buying local products against only (2.1%) who have negative intention compared to buying products from abroad.

Furthermore, the results obtained (see Table 5), dependency tests and measures of intensity of the relationships between the variables, indicate that the Chi-Square value is (361.851) and that ($P=0.000$). The value of the latter being sufficiently lower than (0.05), the dependence between the two variables is confirmed. The origin of foreign versus local products has an influence on purchase intent.

In addition, by analyzing the contingency table above, it turns out that consumers develop a more favorable with regard to foreign products compared to local products. In addition, the intensity of the relationship between these two variables is very strong because the Cramer's coefficient V is (0.8). That said, the results confirm the validity of the (H2) hypothesis.

Table 5. Chi-Square test and symmetrical measures (H2)

	Value	df	Sig.
Pearson Chi-Square	361.851 ^a	1	.000
Cramer's V	0.8		
Contingency coefficient	0.624		.000
N of Valid Cases	566		

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

- a. 0 cells (0.0%) have a theoretical size less than 5.
The minimum expected count is 117.50

However, since the Chi-Square test confirms the existence of a dependence between the two variables "domestic versus foreign manufacturing origin of products, and purchase intention" (the contingency coefficient ($C=0.624$) and the Cramer's V value (0.8) indicates a strong association between the variables studied), the Lambda Guttman coefficient should be used (see table 6). The calculation of this coefficient is suitable for verifying the relevance of the prediction of the explanatory variable "domestic versus foreign territorial origin" of products.

Table 6. Directional hypothesis Measures (H2)

	Value
Nominal by nominal Lambda symmetrical	.768
Depending ORG	.788
Depending INT	.745

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

It appears from the above table that the hypothesis of the supposed hierarchical relationship is verified, that is to say that the variable domestic versus foreign origin of manufacture explains well the intent purchase ($\Lambda = 0,788 > \Lambda = 0.745$). In other words, purchase intent developed by pre-adults towards domestic products is unfavorable compared to that displayed towards foreign products.

4.3 Testing the effect of domestic versus foreign territorial origin of products on the consumer buying behavior

To study the relationship between the domestic versus foreign origin of products and the consumer purchasing behavior, we proposed the following hypothesis. The aim here is to verify whether domestic versus foreign territorial origin of products has an impact on consumer purchases. By crossing the two variables in question, we obtained the following Table 7:

Table 7. Crossing of domestic versus foreign territorial origin of products and the consumer buying behavior

			PUR		Total
			1	2	
TOP	1	Effective	58	225	283
		% In TOP	20.50	79.50	100.00
	2	Effective	277	6	283
		% In TOP	97.90	2.10	100.00
Total		Effective	335	231	566
		% In TOP	59.20	40.80	100.00

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

* TOP: Territorial Origin of Products: 1 / local, 2 / foreign.

* PUR: Purchase of domestic versus foreign products.

Through reading the results in Table 7, it appears that the relationship between the origin of foreign versus local manufacture of products and consumer behavior is significant. (97.9%) say that they buy imported products, and (48.8%) buy locally products. That is to say (51.2%) of the sample admit that they do not buy local against only (2.1%) who do not buy imported ones. The results of the tests presented in Table 8 below corroborate the above observation.

Table 8. Test Chi-Square and symmetrical measures (H3)

	Value	df	Sig.
Pearson Chi-Square	350.791 ^a	1	.000
Cramer's V	0.778		.000
Contingency coefficient	0.619		
N of Valid Cases	566		

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

- a. 0 cells (0.0%) have a theoretical size less than 5. The minimum expected count is 115.50.

The relationship between the domestic versus foreign territorial origin of products on the purchasing behavior of consumers is significant. At the accepted risk threshold ($\alpha = 0.05$), we obtained a Chi-Square value of (174.510) and ($p = 0.000$). Given $p < 0.05$, the dependence between the two variables is verified.

The intensity also of the association between them is demonstrated by the Cramer V value which is (0.788) and the contingency coefficient ($C = 0.619$). This intensity is considered quite strong.

Moreover, the relevance of the hypothesis of the supposed hierarchical relationship, between the origin of foreign versus domestic manufacturing of products and the purchasing behavior of pre-adults, is verified. The coefficient Lambda Λ of the TOP variable (domestic territorial origin versus foreign products) as being an explanatory variable is (0.774) and is greater than ($\Lambda = 0.723$) of the same variable as the dependent variable (see table 9).

Table 9. Directional hypothesis Measures (H3)

	Value
Nominal by nominal Lambda symmetrical	.751
Depending TOP	.774
Depending PUR	.723

Source: Based on the results of author's calculations depending on the output from SPSS 23 software

The H3 hypothesis is validated. The results indicate that the origin of foreign versus local manufacturing of the products influences the

purchasing behavior of pre-adults. So, these young people tend to buy products from abroad rather than locally products. This means that the cognitive signal evoked signal has a significant impact on pre-adults buying behavior.

5. CONCLUSION

The survey results show that the target of pre-adults prefers imported products to locally manufactured ones. They perceive the quality of products from abroad as being superior to that of domestic products. The same goes for the intention and the act of purchase. These young people are predisposed to buy imported than to buy local and most of them opt for foreign clothes. This can be justified by the stereotypes attributed to Algerian products (Boumedda-Tiab, 2019). The hypothesis tests have shown that local versus foreign territorial origin has an influence on the perception of the quality of these products.

This observation supports the results of previous research (Bilkey & Nes, 1982; Iyer & Kalita, 1997; Smaoui, 2003; Achabou, 2016). It turns out that pre-adults tend to evaluate positively the quality of imported products, unlike domestic products. They consider that the products from abroad are fairly good or even very good.

The result also showed that domestic versus foreign origin of the manufacturing of the products has an impact on the purchasing intention of consumers. We thus confirm the results found in several studies (Peterson & Jolibert 1995; Verlegh & Steenkamp, 1999; Boumedda-Tiab, 2019). In the same way as for the perception of the quality of imported products, pre-adults are more predisposed to buy these rather than local products. Most of these people have a positive intention with regard to products coming from abroad to the detriment of domestic products.

We have also demonstrated that the cognitive signal "country of domestic versus foreign origin" of products significantly influences the purchases of Algerian pre-adults (Papadopoulos & Heslop, 1993; Peterson & Jolibert 1995; Verlegh & Steenkamp, 1999; Rosenthal & Pecotich 2001).

Again, most of the pre-adults tend to opt for imported clothing purchases rather than local purchases.

The result contributions can be very useful for business. First, for those operating on the domestic market and for whose objective is to win back young consumers. Secondly, for managers of companies operating in developing countries or exporting clothing products towards this territory.

In the end, formulating marketing strategies with reference to studies that carried out in developed countries may seem reductive due to the existence of cultural disparities and different degrees of ethnocentrism.

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