The Reciprocal Effects of Country-of-Origin on Product Evaluation: An Empirical Examination of Four Countries

Sotaro Katsumata (Faculty of Economics, Nagasaki University)
Junyi Song (Graduate School of Economics, Nagasaki University)

Abstract:
We examine the country-of-origin (COO) effect on product evaluation to determine the different effects of COO in Asian nations. We focus on automobiles as the target product category and conduct consumer surveys in three Asian countries—China, Japan, and South Korea—and the US. Since these four countries are the major global production bases and consumption markets, we can examine the reciprocal effects of COO across countries. We propose a hierarchical conjoint analysis and estimate parameters. For the attributes of conjoint analysis, we incorporate both the COO of products and other functional aspects such as price and fuel consumption to compare their effects on consumer evaluation. We find different tendencies in each country's COO effect. Further, we discuss the factors affecting consumer evaluation in each country based on the country's culture and general product images.

Keywords:
Country-of-Origin: Conjoint Analysis: Hierarchical Model