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## Perceived quality and emotional value that influence consumer's purchase intention towards American and local products.

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### Abstract

The main purpose of this study is to investigate the effects of perceived quality and emotional value that influence consumer's purchase intention towards American and local products. This study aims to increase an understanding of Malaysian consumers' purchase intention in relation to American versus local products. The contribution of this study is crucial to the growing body of international marketing to explain the purchase intention on United States products on top of others in the context of Malaysian consumers. In other words, this research provides useful information on how the local Malaysian consumers perceive foreign products. Moreover, this study is important as a reference to the government and local retailers as well as manufacturers to develop competency and to increase quality as well as to restore products attributes to be more appealing in order to face stiff competition with other retailers especially domestically producer. Also, it is hoped that this study could contribute a certain point of understanding among academicians regarding to consumers' purchase behavior phenomenon in Malaysia. A total of 270 questionnaires were distributed to students in higher learning institutions who were chosen randomly among the total population. Sample is mixed between postgraduate and undergraduate students and does not include international students; as the study is aimed at comparing American products and local products. Data were then analyzed using descriptive, reliability and correlation analysis. The reliability result of this study shows that the instruments that have been used for measuring various variables in this study were reliable. Meanwhile, for correlation, the result shows moderate significant relationship between perceived quality and emotional value towards purchase intention.

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### 1. Introduction

Developing countries such as India and China for instance have attracted large number of retailers which present a wide selection of foreign merchandise caused by expansion of national economics. The rising trend is also observed in Malaysia since globalization has brought in a change of lifestyle to Malaysian consumers. The country's rapid economic progress has drawn Malaysian consumers to a diversity of preferences. From a conventional way of living, Malaysians' lifestyle has adapted a relatively affluent and broad-based means. Higher purchasing power and high demand of global products were observed to be resulting from the rise in education levels and larger discretionary income in order to fulfill their novel desire and lifestyle.

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Therefore, this study is conducted to investigate the relationship between consumer's perceived quality and emotional value, and consumers' purchase intention towards American products in comparison with Malaysian products. The objective of this study is to increase an understanding of Malaysian consumers' purchase intention in respect to American versus local products.

The contribution of this study is crucial to the growing body of international marketing to explain the purchase intention on United States products on top of others in the context of Malaysian consumers. In other words, this research provides useful information on how the local Malaysian consumers perceive foreign products.

In addition, retailers should be able to understand the importance of capturing consumers' preferences that could affect products being marketed in the specific market in specific country. Therefore, this study provides valuable strategic proposition for local marketers as well as foreign marketers, exporters, manufacturers, Americans particularly, who plan to enter Malaysian market. It is hoped that information gained from this study will contribute further to retailers in formulating marketing strategies in the effort of capturing the Malaysian market.

From another perspective, this study is a crucial reference to the government, local retailers and manufacturers to grow in competency and to enhance quality as well as to refurbish products' attribute in terms consumers' behavior in the process of purchasing. It is also expected for this study to contribute a certain point of understanding among academicians regarding consumers' purchase behavior phenomenon in Malaysia.

An important implication of this is the spillover of higher private consumption which then drives the economy further. Such consequence would actually direct the society's aspiration for a higher level standard of living, fulfilled/ by purchasing of imported products through the influence of western lifestyles. Besides, the country's prosperous economic state provides foreign marketers with a strong cause to push in their products and later manipulate local consumers' purchasing decision.

Nevertheless, Malaysia has been the subject of relatively little research in terms consumers' behavior in the process of purchasing. It is found that some studies concerned with consumers' attitudes toward local and foreign products are limited to consumers from India and China mostly (Kumar et al., 2009). Thus, this study intends to formulate an understanding on the effects of perceived quality and emotional value that influence Malaysian consumers choice behavior between American and local products.

This research builds on the framework of Kumar et al., (2009) who examined the effects of few antecedents on purchase intention toward a U.S retail brand versus a local brand. Kumar (2009) found that individual characteristics brand-specific variables (i.e., perceived quality and emotional value) positively influence attitudes towards American products. Similar to Kumar et al., (2009) this research examines the effects of those antecedents in Malaysian context. The research departs from Kumar et al., (2009) by using popular food and beverages brands to measure the effects of individual characteristics and brand-specific variables.

## 2. Literature Review

### 2.1 Perceived Quality

In the cognitive-affective model, researchers recognize perceived quality as a cognitive response to a product which influences product purchase (Kumar et al., 2009). In the field of marketing, the construct of perceived quality has been widely acknowledged as the primary driver of purchase intention (Jacoby and Olson, 1985). Perceived quality also provides value to consumers by providing them with a reason to buy and by differentiating the brand from competing brands. Perceived quality is defined as a consumer's evaluation of a brand's overall excellence based on intrinsic (performance and durability) and extrinsic cues (brand name). Thus, quality is defined as judgment about the overall excellence or superiority of a product or service—as quality can be defined in terms of the moment at which the consumer receives information or cues about the characteristics of the products while shopping for or consuming it. It also means that the perception of quality varies depending on a range of factors such as the moment at which the consumers make the purchase or consume a product, and the place where it is bought or enjoyed. The consumer's implied perception of quality from the brand supersedes its price when he is making purchase decision (Dodds et al., 1991). It is expected that product-specific variables, such as perceived purity for consumables and quality for durables, will exhibit significant power as a predictor of product bias (Thelen et al. 2006).

Thelen et al. (2006) has assessed Russian consumers' imported versus domestic products bias by measuring product preferences based on consumer ethnocentrism levels and product characteristics and concluded that product characteristics may influence product preference (domestic versus imported) more than consumer ethnocentrism levels. Consumers of the developing countries will go for non-local products because they are generally deemed as of high quality (Khattak and Shah, 2011). Hypotheses by Khattak and Shah (2011) indicated that quality of products and consumer attitudes towards non local products are positively related. There is a positive correlation between these two variables. Products of the economically developed countries are not having only outward appearance but they have fine workmanship and are considered as technologically the best. Low incomes notwithstanding, consumers in developing countries are increasingly aware, through television, the Internet, and generally improved communications worldwide, of the superior quality of goods available to consumers in developed countries and they want the same. This holds true not only for consumers in the former socialist countries of Eastern and Central Europe but also consumers in the developing countries of Latin America, Africa and Asia.

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