

## **PURCHASE PREFERENCE OF SELECTED MALAYSIAN MOTORCYCLE BUYERS: THE DISCRIMINATING ROLE OF PERCEPTION OF COUNTRY OF ORIGIN OF BRAND AND ETHNOCENTRISM**

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### **ABSTRACT**

*The influence of country of origin on the evaluation of products and purchase intention has been studied for decades. However, this paradigm has shifted where nowadays, products are typically designed in one country, manufactured in another and assembled elsewhere which led to the proliferation of "hybrid products". Consumers are confused and are no longer able to identify or recognize the difference between country of origin of brand and country of assembly or country of product design which, in turn, may lead to wrong purchasing decisions. The objective of this study is to understand the variables influencing consumers' purchase preference related to motorcycles in the Malaysian market. Results have confirmed that country of origin of brand and consumer ethnocentrism influence consumer purchase preference. Implications of the results and directions for future researches are also discussed.*

**Keywords:** brand, country of origin, ethnocentrism, purchase preference

### **INTRODUCTION**

It is estimated that there are about five million motorcycles on the roads in Malaysia. Yet, the motorcycle market has not reached its saturation point and it is still expanding at the rate of 250,000 units a year. In 2001, sales of motorcycles in Malaysia totaled 234,747 units. Traditionally, Malaysian motorcycle buyers prefer smaller motorcycles in the range of 70 to 115 cc. For the first seven months of 2002, total motorcycle sales stood at 135,971 units, of which Honda models accounted for 26.5%, Yamaha 22.9%, Suzuki 8.0% and Modenas 42.6%. Recent statistics have shown that the sales have touched 452,224 units in 2005 locally with exports totaling another RM117.7 million (USD31 million) (<http://www.btimes.com.my/>).

Although there are many Japanese brands such as Honda, Yamaha and Suzuki, the motorcycles in Malaysia are mainly Malaysian made products. The domestic motorcycle production is mainly Completely Knocked-Down (CKD) operations,

which carries the Japanese brand name such as Honda, Yamaha or Suzuki, with varying degrees of local content. Currently there are six principal motorcycle manufacturers or assemblers in Malaysia and they are also exporting to other countries based on CKD & Completely Built Up (CBU) operations.

The globalization of business has brought about changes in the Malaysian motorcycle industry. For the last few years, several local brands such as Modenas, Nitro, Comel and MZ have emerged strongly to compete in the Malaysian motorcycle market. They have established the brand using technology from Japan, Taiwan and China. While Modenas has achieved considerable success especially in the 4-stroke-moped motorcycle, Nitro and Comel have emerged strongly in the scooter sector. In Thailand, a local motorcycle brand named Tiger is taking on the competition against Japanese brand.

At the regional level, the ASEAN motorcycle market is estimated to be 7 million units by the year 2005. There will be a complete liberalization of the motorcycle market in ASEAN by 1 January 2005 and it will provide the opportunity for the Malaysian manufacturer to tap the ASEAN market potential (Ministry of International Trade and Industry, 2002). This is a very interesting development in the motorcycle industry in Malaysia as the increase in export sales indicates a growing market. As such the primary objective of this study is to examine whether the country of origin of brand and the consumers level of ethnocentrism would influence consumers' purchase preference of motorcycles in Malaysia.

## **LITERATURE REVIEW**

Differences between markets of different countries exist because of factors such as culture, history and geography, and there are differences between many regions of the world in the way consumers perceive products and brands. Among the many factors which are believed to influence consumers' perceptions of the products in an age of international competition, country of origin effects is one with a growing attention. The research on effects of country of origin has made up the largest number in international buyer behavior (Heslop, Papadopoulos, & Bourke, 1998; Verlegh & Steenkamp, 1999).

Country stereotypes do exist and that has some impact on product evaluations and purchase intentions (Bilkey & Nes, 1982; Cordell, 1992; Tse & Gorn, 1993). Country of origin effects have been found to influence consumers' evaluations of foreign products mostly on two dimensions: perceptions of quality (Khachaturian & Morganosky, 1990) and perceptions of purchase value (Ahmed & D'Astous, 1993). More importantly, consumers' preferences for products from one country over another are also affected by country of origin effects. It has also been found

that country of origin effects include: the tendency for consumers to evaluate their own country's product more favorably than imported products (Kaynak & Cavusgil, 1983), and the tendency for products from emerging economies to be evaluated negatively (Bilkey & Nes, 1982; Cordell, 1992). Other studies suggest a relationship between country of origin and the level of economic development (Wang & Lamb, 1983), products from developed countries are perceived as more superior than products from underdeveloped or developing countries (Cordell, 1992; Agbonifoh & Elimimian, 1999). The reasons for these perceptions have been largely attributed to the economic, cultural and political systems of the source countries (Wang & Lamb, 1983).

Country of origin effects have also been found to exist for products in general (Darling & Wood, 1990), for certain product categories (Cordell, 1992; Roth, Romeo, & Jean, 1992) and for specific brands (Chao, 1993; Han & Tersptra, 1988; Phau & Prendergast, 2000). Consumers based their purchasing decisions on information cues; either intrinsic cues (e.g. product design) or extrinsic cues (e.g. brand name). Jacoby, Szybillo and Busato-Schach (1977) and Gerstner (1985) have suggested that generally consumers used both intrinsic and extrinsic cues in evaluating products. However, extrinsic cues are more likely to be used exclusively, in the absence of intrinsic cues or when assessment is not possible. A product's country of origin is one of the particularly important cues that consumers used in product evaluations (Chao, 1993; Han & Terpstra, 1988; Johansson, Douglas, & Nonaka, 1985).

### **Consumer Brand Knowledge**

According to Keller (1993), consumer brand knowledge determines how consumers think about a brand. Findings from various studies in consumer marketing have shown positive association between brand perceptions and purchase intentions (Laroche & Brisoux, 1989; Cobb-Walgren, Ruble, & Donthu, 1995); marketing activities and brand perceptions (Dodds, Monroe, & Grewal, 1991); as well as the relationship between brand images and cultures and between self-perception and brand image (Fournier, 1994). Whether the brand associations imply superiority over other brands, however, depends on the types of brand associations attached to the brand by consumers. Such associations can include price, self-image brand-image congruency, country of origin and cultures of origin (O'Cass & Lim, 2002). It is also mentioned that brands originating from a particular country tend to be perceived as similar. Therefore, consumers' perceptions may not be purely brand-specific but rather country-specific (Erickson, Jacobson, & Johansson, 1992; O'Cass & Lim, 2002; Lin & Chen, 2006).

## **Review of the Country of Origin of Brand Research**

Consumers involvement in purchasing decision making is becoming a central part of the international marketing strategies in particular for products or goods that are not available in a home country. Factors that may influence consumers' preference and decision to purchase products or goods from one country over another are crucial in determining the success of a company that relies on international market. Numerous studies have identified that country of origin and consumer ethnocentrism play a significant role in consumers' purchasing decision making. Country of origin is referred to as the "made in" concept where a product or goods is originally made. In a broader definition, country of origin can be described as the positive or negative effect or influence that a product's country of manufacture may have on consumers' decision processes or subsequent behavior. The country of origin effect exists from a combination of consumers' experience, knowledge and emotion regarding a particular country (Hamin & Elliot, 2006). The integration of these components may also represent the perceived product's total image such as brand, price, quality and value. Within the realm of international marketing, consumers with high perception of a product's total image indicates whether the products or goods have high utility value. Jin, Chansarkar, and Kondap (2006) have also found in their study of the role of brand of origin with product category from 145 consumers of west India that most consumers associate brands with countries where the brands are originally developed rather than with the countries the products are produced. However, the association becomes weaker over time as the brands are produced locally.

In the modern marketplace where it is increasingly becoming dynamic, the products are typically designed in one country, manufactured in another country and assembled in other parts of the world. This has resulted in the proliferation of "hybrid products" (Han & Qualls, 1985; Han & Terpstra, 1988; Johansson & Nebenzahl, 1986), where products may involve more than one country of origin. Therefore, the traditional concept of country of origin effects has become misleading and confusing to consumers (Baker & Michie, 1995; Chao, 1993; O'Cass & Lim, 2002). According to Chao (1993), hybrid products will be increasingly prevalent in the global marketplace because of the changing strategies of global corporations.

Hence, there is a growing need for a multidimensional concept on country of origin effects on products evaluation (Ahmed & D'Astous, 1993). In addition to the paradigm shifts, the specific country of origin information is becoming less relevant and increasingly difficult for consumers to extract the multiplicity of country information (manufacture, design, assembly and head office). In the global marketplace, country of origin may be more appropriately seen as the

country of origin of brand (or culture of brand origin or brand origin), which is more readily available to the consumers as a result of exposure to the marketing activities of the brand. It is reasonable to infer that the influence or bias resulting from a country may be attached to a brand name over time, even though its product are no longer designed, manufactured or assembled in its country of origin. Country of origin is often a cue for evaluating products. Paswan and Sharma (2004) suggested that favorable perceptions about the country lead to favorable perceptions to brands from that country. Products from developed countries are often rated higher than those from less developed countries. Products made in highly industrialized countries are more likely to be purchased by the educated and high-income consumers in Thailand (Ahmed & D'Astous, 2007).

In a study on the country of origin, brand knowledge and product knowledge in Taiwan, Lin and Chen (2006) found that country of origin, product knowledge and product involvement had significant positive effect on consumers' purchase decisions under different products. The country of origin effects have been shifted from the product level to the brand level in consumers' product evaluations (Ryu, Park, & Feik, 2006). Balestrini and Gamble (2006) found that country of origin information is a significantly more important cue than price for Chinese consumers as a quality cue. Ozretic-Dosen, Skare, and Krupka (2007) reported that young Croatian consumers use country of origin and brand as extrinsic cues to evaluate the quality of the product. However, price is the prime consideration when purchasing low involvement products.

Kwok, Uncles, and Huang (2006) on the other hand found that Chinese consumers generally have a preference for local brands. This, however, does not translate into actual purchase behavior. Whilst poor consumer knowledge may contribute to this disparity, the authors suggested that the influence of other factors such as consumer ethnocentrism should be investigated.

### **Consumer Ethnocentric Tendencies**

Consumer ethnocentrism focuses on the responsibility and morality of purchasing foreign-made products and the loyalty of consumers to products manufactured in their home country. Cultural similarities or dissimilarities between the consumers' country of origin and country of origin of goods or products are perceived as a fundamental element that constitutes the realm of consumer ethnocentrism. The measurement of consumer ethnocentrism was made possible with the development of the consumer ethnocentric scale (CETSCALE) by Shimp and Sharma (1987). The CETSCALE consists of 17 items which measure the tendency of consumers to act consistently towards foreign and domestic products. According to Sharma, Shimp, and Shin (1995), consumer ethnocentrism may

result in an overestimation of the attributes and overall quality of domestic and an underestimation of the quality of foreign products. The characteristics that influence consumers' attitudes towards brand consumer ethnocentric tendencies (Netemeyer, Durvasula, & Lichtenstein, 1991; Sharma & Shimp, 1992) have become a critical explanatory variable. It is argued to represent the beliefs held by consumers about the appropriateness of purchasing foreign products (Shimp & Sharma, 1987). Substantial country of origin research has shown a tendency for consumers to prefer their own country's product (Han, 1998; Hong & Wyer, 1989; Papadopoulos & Heslop, 1990). Described as "ethnocentrism", it is perceived to have an impact on consumers' choice both through product attributes and direct affective factors regarding the purchase itself (Yaprak & Baughn, 1991).

Shimp and Sharma (1987) noted that some consumers generally believe that buying products that are locally manufactured is morally appropriate in a normative sense. Consumer with high ethnocentrism attitude in comparison to low ethnocentrism will opt for local or home made products or goods. This has been supported by Watson and Wright (2000) who found that even in cases where domestic products or goods are not available, consumers with high level of ethnocentrism will have more favorable attitudes toward products imported from culturally similar countries than products from culturally dissimilar countries. Similar trend was observed by Hamin and Elliot (2006). This is also supported by a recent research conducted by Kwak, Jaju, and Larsen (2006) in United States, South Korea and India, which found that consumer ethnocentrism provokes negative attitudes toward both foreign advertisement and foreign products and further to that they found that consumer ethnocentrism dampens online consumption activities on a foreign website.

### **Research Framework and Hypotheses**

Based on the literature discussed, a research model for this research is formulated (Figure 1). The research model attempts to explain the influence of the perception of country of origin of brand and consumer ethnocentrism on the consumers' purchase preference.

Consumer ethnocentrism is measured by using the CETSCALE (Shimp & Sharma, 1987). Similar to studies conducted by previous researchers, the items were modified to be specifically directed at the Malaysian context. CETSCALE has been tested by different researchers and found to be comparably reliable and valid in the United States, France, Japan, West Germany (Netemeyer et al., 1991), Russia (Durvasula, Andrews, & Netemeyer, 1992), Korea (Sharma et al., 1995), Poland (Good & Huddleston, 1995), Spain (Luque-Martinez, Ibanez-Zapata, & Barrio-Garcia, 2000) and Singapore (O'Cass & Lim, 2002).

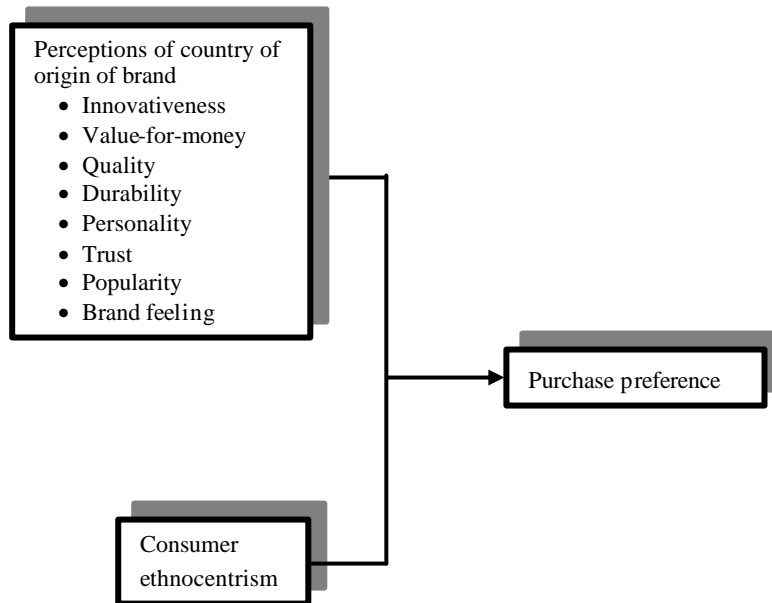


Figure 1. The research model

From the literature review, the following research hypotheses relating to country of origin of brand and consumer ethnocentrism were investigated in this study. The first seven hypotheses test whether the perceptions of country of origin of brand would predict consumers' brand preference. The distinction made by consumers between domestic and foreign products and brands is important in understanding consumers' brand associations as it highlights the influence of origin effects on brand perceptions. It is especially important in understanding differences in consumers' perceptions of foreign brands and domestic brands in Malaysia (O'Cass & Lim, 2002). The following dimensions were most commonly used based on previous studies to measure country images and would affect consumers' purchase preference. Thus, the hypotheses generated are as follows:

- H<sub>1</sub>: The perception of the motorcycle's innovativeness can predict consumers' brand preference.
- H<sub>2</sub>: The perception of the motorcycle's value-for-money can predict consumers' brand preference.
- H<sub>3</sub>: The perception of the motorcycle's quality can predict consumers' brand preference.

- H<sub>4</sub>: The perception of the motorcycle's durability can predict consumers' brand preference.
- H<sub>5</sub>: The perception of the motorcycle's personality can predict consumers' brand preference.
- H<sub>6</sub>: The perception that the motorcycle's can-be-trusted can predict consumers' brand preference.
- H<sub>7</sub>: The perception of the motorcycle's popularity can predict consumers' brand preference.

As the evaluation of the country of origin of brand is shifted from product level to brand level; the impact of brand feeling on the consumer evaluation is also investigated, with the hypothesis stated as follows:

- H<sub>8</sub>: The perception of the motorcycle's brand feeling can predict consumers' brand preference.

The discussion of consumers' ethnocentric tendencies is also important in this study, as it has been used largely to explain consumers' preference of domestic over foreign products. There is still a lack of research into whether consumers from Southeast-Asia would make the same distinction in favor of their domestic (or culturally similar) brands. Thus, the following hypothesis is formulated:

- H<sub>9</sub>: Those higher on ethnocentrism will prefer Malaysian brand while those who are low on ethnocentrism would prefer Japanese brand.

## **METHODOLOGY**

### **Sample, Procedure and Measurement**

Penang, a thriving manufacturing based state in Malaysia was chosen as the place of study due to the fact that there is a large base of motorcycle users in Penang. This may be due to the fact that the size of the state is relatively much smaller than the other 13 states in Malaysia as such the traveling distance is much shorter and also there will be more congestion if there are more cars on the road. The motorcycle users find it easier and faster to get from one place to another using a motorcycle as compared to cars. Also the public transportation system in Penang is in much less than desirable state of affairs with many recent reports criticizing the state government over the lack of apathy.



A total of 223 questionnaires were distributed to consumers in Penang, Malaysia. The data collection was based on a convenience non-probabilistic sampling method as it is impossible to get a list of all residents in Penang above the age of 18, as such all residents above the age of 18 can be part of the sample. To enhance representativeness, we collected data from several different districts that have been designated by the state land office. Respondents were also chosen from the island side of the state and the mainland side of the state. From the total of 223 questionnaires, only 180 questionnaires (80.7%) were usable to be analyzed for the study. There are four sections in the questionnaire. The first section of the questionnaire pertained to ratings of motorcycle characteristics by country of origin of brand. The scales were preceded by statements such as, "Motorcycles with Malaysian brand are innovative" and "Motorcycles with Japanese brand are innovative". The 5-point Likert scale was used ranging from 1 = strongly disagree to 5 = strongly agree. The validity and reliability of this instrument have been established in other studies (Ede & Panigrahi, 2000). The second section of the questionnaire consists of 17 items pertained to consumer ethnocentrism, adopting Shimp and Sharma's (1987) CETSCALE measure (see Appendix A and B). The items were modified to be specifically directed at the Malaysian context similar to a study by O'Cass and Lim (2002). The third section elicits information about the consumer purchase preference when buying motorcycles. The fourth section is demographic questions related to gender, age, ethnicity, marital status, educational level and monthly income.

The internal reliability of the measures was considered good as suggested by Sekaran (2000). The internal reliability of consumer ethnocentrism was also tested although it was already proven to be reliable by previous studies. The Cronbach Alpha for consumer ethnocentrism was 0.95, which shows that it was highly reliable. As for the other 8 variables, the score were calculated as the difference between the ratings for a Malaysian brand motorcycle minus the rating for a Japanese brand motorcycle. A negative value indicates that for that particular variable, Malaysian brand was rated lower compared to Japanese brand and vice versa if the mean value is positive.

## **RESULTS**

Table 1 presents the respondents profile of this study. In terms of age, the majority of respondent is in the ages of 26 to 35 (55.6%). For gender, 57.8% (104) were male with the remaining 42.2% (76) being females. In term of income, 76 (42.2%) of the sample had a monthly income of more than RM3000. The majority of the sample was Chinese (72.2%). In term of marital status, single 99 (55%), married with children 64 (35.6) and married without children 17

(9.4%). Regarding education, majority of the respondent (63.9%) have tertiary education of university and above.

Table 1  
Sample Characteristics

Demographics	Categories	Frequency	Percentage
Age	18–25	51	28.3
	26–35	100	55.6
	36–45	22	12.2
	46 years and above	7	3.9
Sex	Male	104	57.8
	Female	76	42.2
Gross monthly income	< RM1000	41	22.8
	RM1001–2000	40	22.2
	RM2001–3000	23	12.8
	> RM3000	76	42.2
Race	Malay	32	17.8
	Chinese	130	72.2
	Indian	10	5.6
	Others	8	4.4
Marital status	Single	99	55.0
	Married with children	64	35.6
	Married without children	17	9.4
Highest education level	Primary	1	0.6
	Secondary	30	16.7
	Certificate/Diploma	34	18.9
	University and above	115	63.9

\*Note: RM3.80 = USD1.00

We also elicited information on purchase preference of the consumers and the breakdown showed that 129 (71.7%) of the respondents would prefer to buy Japanese brand motorcycles. Figure 2 shows that 28% of the Malaysian respondents prefer Malaysian brand motorcycles.

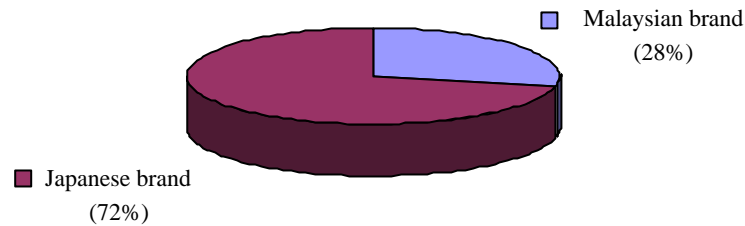


Figure 2. Purchase preference

### Hypotheses Testing

Discriminant analysis is the most appropriate technique of analysis when the dependent variable is categorical (nominal or non-metric). As the dependent variable in this analysis is a nominal variable (purchase preference, Malaysian vs. Japanese brand), discriminant analysis was used to see if the model could predict the group membership by using the variables that has been forwarded in this research. The dependent variable was categorized into purchase preference for motorcycles of Malaysian brand and Japanese brand. The sample was divided randomly into two groups based on a 65:35 ratio. The first group was the analysis sample and the second group as the holdout sample. The analysis sample was used for estimation whereas the holdout sample was for the validation purpose.

Tables 2, 3 and 4 showed the hit ratios for the analysis sample, cross validation and the holdout samples. The hit ratios measures the classification accuracy of the discriminant model, the higher the value the better the classification whereas lower values indicates poor classification accuracy.

As shown in Table 5, the predictive accuracy of the model for the analysis sample was 78.9%, the cross validation sample was 73.4% and the holdout sample was 74.6% respectively. The values in Table 5 indicated that the hit ratio of 74.6% (the holdout sample) exceeded both the maximum and proportional chance values thus providing support for the predictive accuracy of the model. The Press Q statistics of 17.25 was significant at 1% level. Hence, it can be concluded that the model investigated has good predictive power. With a canonical correlation of 0.497, it can be concluded that 24.7% (square of the canonical correlation) of the variance in the dependent variable was accounted for by this model.

Table 2  
*Hit Ratio for Cases Selected in the Analysis*

Actual group	No. of cases	Predicted group membership	
		Malaysian	Japanese
Malaysian brand	30	13 43.3*	17 56.7*
Japanese brand	79	6 7.6*	73 92.4*

Notes: Percentage of "grouped" cases correctly classified: 78.9%  
\* indicates the row percentages

Table 3  
*Hit Ratio for Cross Validation\**

Actual group	No. of cases	Predicted group membership	
		Malaysian	Japanese
Malaysian brand	30	11 36.7*	19 63.3*
Japanese brand	79	10 12.7*	69 87.3*

Notes: Percentage of "grouped" cases correctly classified: 73.4%  
\* indicates the row percentages  
\*\* (leave one out classification). In cross validation, each case is classified by the functions derived from all cases other than that case.

Table 4  
*Hit Ratio for Cases in the Holdout Sample*

Actual group	No. of cases	Predicted group membership	
		Malaysian	Japanese
Malaysian brand	21	5 23.8*	16 76.2*
Japanese brand	50	2 4.0*	48 96.0*

Notes: Percentage of "grouped" cases correctly classified: 74.6%  
\* indicates the row percentages

Table 5  
Comparison of Goodness of Results

Measure	Value (%)	Hit ratio for holdout sample (%)
Maximum chance	70.42	74.6
Proportional chance	58.00	74.6
Press Q Table Value		6.635
Calculated Value		17.25*

Notes: \* p < 0.01

A summary of the univariate analysis indicating the influential variables in discriminating purchase preference for Malaysian/Japanese brand is presented in Table 6.

Table 6  
Summary of Interpretive Measures for Discriminant Analysis

Independent variable	Discriminant loading	Discriminant function	Univariate F ratio
Ethnocentrism	0.682	0.594	16.30*
Quality	0.613	0.381	13.18*
Brand feeling	0.578	0.179	11.71*
Durability	0.523	0.126	9.61*
Personality	0.511	0.281	9.17*
Innovativeness	0.491	0.090	8.47*
Can be trusted	0.460	-0.232	7.42*
Popularity	0.348	0.202	4.25**
Value for money	0.313	0.050	3.44
Group centroid for Japanese brand		-0.350	
Group centroid for Malaysian brand		0.921	
Wilks Lambda		0.753*	
Canonical squared correlation		0.247	

Note: \* Significant at p = 0.01

\*\* Significant at p = 0.05

From Table 6, it can be concluded that all the variables are significant predictors of purchase preference except for value for money. Thus H<sub>1</sub>, H<sub>3</sub>, H<sub>4</sub>, H<sub>5</sub>, H<sub>6</sub>, H<sub>7</sub>,

H<sub>8</sub> and H<sub>9</sub> are supported whereas H<sub>2</sub> is not supported. A closer examination of the findings showed that ethnocentrism, perception of quality and brand feelings were the most significant predictors of purchase preference followed by perception of durability, personality, innovativeness, trust and popularity. Surprisingly perception of value for money was not a significant predictor of purchase preference.

Further to the analysis above we ran an independent sample t-test to see the differences in each of the variable by purchase preference and the results are presented in Table 7. All the variables were significantly different indicating that those who buy Malaysian brand and Japanese brand have rated all the variables differently. Consumers who preferred a Malaysian brand motorcycle displayed a smaller difference as compared to those who preferred a Japanese brand which indicated that they valued the characteristics higher compared to those buying the Malaysia brand.

Table 7  
*Test of Difference for the Main Variables by Purchase Preference*

Variable	Purchase preference		t-value
	Malaysian brand (n = 51)	Japanese brand (n = 129)	
Innovativeness	-0.32	-0.97	4.09**
Value-for-money	-0.14	-0.74	3.11**
Quality	-0.69	-1.40	4.05**
Durability	-0.61	-1.08	2.77**
Personality	-0.06	-0.73	3.98**
Can be trusted	-0.57	-1.29	4.19**
Popularity	0.25	-0.43	3.68**
Brand feeling	-0.22	-0.79	4.85**
Ethnocentrism	4.16	3.33	4.62**

*Note:* For the 8 variables (except for Ethnocentrism) the means were calculated as the difference between the ratings for a Malaysian brand motorcycle min us the rating for a Japanese brand motorcycle. A negative value indicates that for that particular variable, Malaysian brand was rated lower compared to Japanese brand and vice versa if the mean value is positive.

## DISCUSSION

The objective of this study was to understand the factors influencing the purchase preference of motorcycles in the Malaysian consumer market. The country of origin of brand and consumer ethnocentrism does influence the purchase preference of consumer. The developed model, which was tested using the discriminant analysis indicated that the factors proposed have sufficient

discriminating power in defining the purchase preference of the consumer better the chance.

The statistics showed that 72% of the respondents would prefer to buy Japanese brand motorcycles. However, this seems to contradict with the statistics where Malaysian brand motorcycles topped the sales of the motorcycle sales in Malaysia (42.6% by Modenas). This maybe due to the fact that Malaysian brand motorcycles are generally less expensive compared to Japanese brand. Therefore, people would still purchase Malaysian brand motorcycles although they prefer Japanese brand motorcycles. The other possible reason might be due to the fact that Chinese respondents consisted of 72.2% of the total sample. There might have been an upward bias from the Chinese respondents towards buying a Japanese brand motorcycle.

There is also another interesting contradiction which is the insignificant influence of the value for money factor on Malaysian consumers' purchase preference. This may be due to the fact that although the Malaysian brand is considered as less inferior, the price of Malaysian brand motorcycles is comparatively cheaper than Japanese brand. Therefore, the price would not be a discriminating factor. Rather, it depends on the budget of the consumers.

The study also found that generally Malaysian consumers still prefer foreign products compared to local products. This generally is the case found in the developing and less developed country as shown in previous studies (Kaynak & Cavusgil, 1983; OCass & Lim, 2000; Jin et al., 2006; Ozretic-Dosen et al., 2007). This is however contrary to the studies done in developed countries where consumers preferred domestic products to foreign products in Spain and Britain (Peris, Newman, & Chansakar, 1993), France and West Germany (Papadopoulus & Heslop, 1990), and China (Kwok et al., 2006). The indication that consumer ethnocentrism which is related to the preference of consumers towards local and foreign products is in tandem with the previous studies (Marcoux, Filiatrault & Cheron, 1997; Watson & Wright, 2000; Hamin & Elliot, 2006; Kwak et al., 2006).

This study provided some serious implication for companies in Malaysia that are involved in developing the national motorcycles as well as companies that assemble or market imported motorcycles. It provided an insight into the perception of consumer's in Malaysia with regard to the national versus imported brand of motorcycles. More importantly, it would help the marketer of the Malaysian brand to formulate the appropriate strategies to promote their brand of motorcycles.

Although local manufacturers would not be able to change the ethnocentrism of the Malaysian consumers, they have the ability to work on the other factors. At the same time, the creation of brand is also important for the Malaysian manufacturers. It would enable them to establish the brand image. The introduction of motorcycles of Malaysian brand gave the consumers the alternatives when considering buying the motorcycles. This was not possible 10 years ago when all the motorcycles were imported and the consumers did not have the choice. At the same time, the study also showed that consumers in Malaysia still prefer to buy foreign products. Therefore, the local marketer still has a long way to go in terms of convincing Malaysian consumers about the viability of Malaysian made products.

### **Limitations and Future Research**

There are certain limitations of this study which need to be discussed. Due to the convenience sampling used, the results would be bias in some aspects. Also, a convenience sampling is not representative of the whole population. As can be seen from our sample, most of the respondents were Chinese but this is due to the fact that the state of Penang has a larger majority of Chinese residents. It could be avoided by using probability sampling procedure. Further research should be undertaken to study the difference between actual buying behavior and preference of products. Effects of price, warranty, and advertising should also be studied.

As the statistics of the motorcycles sales showed that the sales of the local brand motorcycles are more than the Japanese brand, it would be important to know why there is a difference in the purchase preference and the actual purchase behavior. The study could be further carried out in more geographical areas. The study in bigger cities of Malaysia such as Kuala Lumpur, Ipoh, Alor Star as well as East Malaysia cities of Kuching and Kota Kinabalu would enable us to generalize the findings.

Following the critical review by Bhaskaran and Sukumaran (2007), we would suggest future researchers to pursue country of origin studies from a target customer perspective and adopt a comprehensive approach that incorporates the influences, interactions and potential interconnectedness. Factors that were suggested by Bhaskaran and Sukumarn (2007) include brand names, hybridization of offerings, communication and promotional activities, customer characteristics and market dynamics. Researchers may also look at moderator variables that may be able to further differentiate the potential impact such as product type (Ryu et al., 2006), consumer involvement (Lee, Yun, & Lee, 2005) and acculturation (Wong, Polonsky, & Garma, 2005) or mediators such as marketing efforts and personality traits (Kwak et al., 2006).



## CONCLUSION

The present study confirms that the country of origin of brand and consumer ethnocentrism are considerably the two important factors that influence consumers' purchase preferences of motorcycles in the Malaysian market. The understanding of the creation of local brand image and consumer ethnocentrism would give manufacturers the opportunity to strategize their existing marketing activities which in turn may influence the consumers' purchasing preference.

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## **Appendix A**

### **The CETSCALE Survey Instrument**

<b>Item no.</b>	<b>Questions</b>
1	Malaysian people should always buy Malaysian-made products instead of imports.
2	Only those products that are unavailable in Malaysia should be imported.
3	Buy Malaysian-made products. Keep Malaysian working.
4	Malaysian products, first, last, and foremost.
5	Purchasing foreign-made products is un-Malaysian.
6	It is not right to purchase foreign products, because it puts Malaysian out of jobs.
7	A real Malaysian should always buy Malaysian-made products.
8	We should purchase products manufactured in Malaysia instead of letting other countries get rich off us.
9	It is always best to purchase Malaysian products.
10	There should be very little trading or purchasing of goods from other countries unless out of necessity.
11	Malaysians should not buy foreign products, because this hurts Malaysian business and causes unemployment.
12	Curbs should be put on all imports.
13	It may cost me in the long-run but I prefer to support Malaysian products.
14	Foreigners should not be allowed to put their products on our markets.
15	Foreign products should be taxed heavily to reduce their entry into Malaysia.
16	We should buy from foreign countries only those products that we cannot obtain within our own country.
17	Malaysian consumers who purchase products made in other countries are responsible for putting their fellow Malaysians out of work.

## Appendix B

### The CETSCALE Original Instrument

Item no.	Questions
1	American people should always buy American-made products instead of imports.
2	Only those products that are unavailable in the USA should be imported.
3	Buy American-made products. Keep Americans working.
4	American products, first, last, and foremost.
5	Purchasing foreign-made products is un-American.
6	It is not right to purchase foreign made products.
7	A real American should always buy American-made products.
8	We should purchase products manufactured in America instead of letting other countries get rich off us. It is always best to purchase American products.
10	There should be very little trading or purchasing of goods from other countries unless out of necessity.
11	Americans should not buy foreign products, because this hurts American business and causes unemployment.
12	Curbs should be put on all imports.
13	It may cost me in the long run but I prefer to support American products.
14	Foreigners should not be allowed to put their products on our market.
15	Foreign products should be taxed heavily to reduce their entry into the USA.
16	We should buy from foreign countries only those products that we cannot obtain within our own country.
17	American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.

Source: Shimp and Sharma (1987)