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## **A Study of Foreign Students of Country of Origin and Perception Towards Locally Made Malaysian Cars**

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**Abstract:** The study examined the relevance of the concept of Country of Origin (COO) in purchasing intention of cars among international students in Malaysia. A number of 176 international students who are studying in a public university were asked to complete a self-administered questionnaire. The students were also asked to rank the quality of cars made in Malaysia compared to nine other countries. The results showed that the concept of Country of Origin (COO) is still very much relevant among these international students in their purchasing intention of cars. In terms of quality, cars made in developed countries were highly ranked by the students while cars made in developing countries like Malaysia were given a low ranking. It is therefore, interesting yet important to examine the factors which influenced the perception of international students in purchasing Malaysian cars. Priority on local brand cars are low as compared to others global automobile brand. The findings is important for car manufacturers in Malaysia to re-think and re-strategize their marketing efforts and brand image of their products.

**Key words:** Country of origin, brand image, consumer behavior, consumer ethnocentrism, loyalty, price, quality, consumer satisfaction

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### **INTRODUCTION**

The globalization of markets has changed the competitive conditions facing organizations. There are numerous factors which lead to the purchasing behavior of foreign students towards the Malaysia nation's automobile. Non local made-in automobile are most preferable by international students in decision making. The research generally do discuss its positive impact of COO in influencing the general buying behavior and product evaluation by international students. Several studies have analyzed the effect of the behaviors and attitudes of highly ethnocentric consumers towards the purchase of foreign products.

Now-a-days, consumers are becoming more conscious of products or services available throughout the world as a result of the advances in satellite communication, internet access as well as increased education. Consumers will feel some responsibility to buy locally produced products in order to show their support for the local economy. Bandyopadhyay *et al.* (2011) pointed out that consumers will face a dilemma in order to support their own country industries, they might prefer to purchase the locally made products, yet they also appreciate the good quality, price or brand image of other foreign products. The evaluations of foreign products may be developed by the consumer's country-specific attitudes (positive or negative), general attitudes (e.g.,

consumer ethnocentrism) or brand-specific attitudes (e.g., special liking for a particular brand). The COO impact on the consumer behavior has been examined in the business and marketing literature for many years and these empirical studies have shown that COO can affect the consumers in different ways including product choice, perceived social status, store and perceived risk (Wong *et al.*, 2008). Lantz (Chryssochoidis *et al.*, 2007) reported that many studies have shown the cause of the appearance of COO effect can be found in the Consumer Ethnocentrism (CE). CE is expressed by economic behavior, for example purchases and boycotts, based on the feeling that either the foreign made products will harm individuals or the national economies. There are many factors that affect the CE and the level of CE varies among different product categories. Besides, the impact of CE depends on the level of consumers' home country development. According to Wang and Chen (Chryssochoidis *et al.*, 2007), those consumers from a developed country will tend to appreciate more favorable local products over imported products, consequently resulting in an increase of the impact of CE on buying the domestic products. Although, CE is sometimes negatively related to preferences for foreign products, overall CE is still a more consistent predictor of preferences for domestic products than foreign products. It means CE will lead consumers to prefer domestic products but not necessarily rejecting the foreign products.

### **Literature review**

**Country of Origin (COO):** The COO plays a significant impact on the international students' perception of products. The COO serves an impact on the buying decisions during the purchase of local brand automobile. The COO effect is significant in deciding whether to purchase a locally made product was claimed by Jung and Yoon (2012). Many pasted research had proven the significant effect of COO effect information on consumer perception.

Hui and Zhou (2003) studied the differential effect of the country of manufacture (later referred to as COM) information on product beliefs and attitudes for brands with different levels of equity (high equity, low equity). The COO effect has a significant impact on consumers' attitudes and intentions to buy foreign products. Despite of the perception of product made in developing countries were much better as compared to Malaysia. In addition, the confidence level of purchasing a local made automobile is low. Negative views on developing country, Malaysia as compared to other developed country.

**Brand image:** Brand origin does play a role in influencing a person's perception whether to purchase or not to purchase a local brand car. The effect of country image of brand image is so strong (Koubaa, 2008). Hence, the brand image, brand origin and brand status serve to determine and impacting on the buying behavior. Consumers are valued-branded these products which designed and manufactured in foreign countries. Essoussi and Merunka (2007) pointed out a country may influence consumers perceived product quality through its overall country image and capacity to design or manufacture the product category. Overall Country of Manufacture (COM) image influences the perceived of product quality. For most consumers in emerging markets the overall country image in which the product is manufactured is more important than where it is conceived. The studies result also showed when consumers considered a car brand typical of a Country of Design (COD), the COD image effect on branding image is reinforced.

**Consumer behavior:** Bredahl (Magnusson *et al.*, 2011) highlighted consumers having difficulties in obtaining the intrinsic information before doing any purchasing, in other words consumers are always forced to rely on extrinsic cues when need for a product judgment. When intrinsic cues are difficult to obtain, extrinsic cues, e.g., brand name, COO and price are become a cognitive shortcut. It shows consumer lack of motivation to understand intrinsic cues or the consumer seeks to

expedite the decision process. Piron (2000) found consumers' purchasing intentions are higher when there is no COO information is provided. Especially for developing or recently developed countries, consumers will prefer to purchase other competing products with more positive or even no COO information when they do not negatively perceive their country. Due to that marketing, managers should clearly identify their country image and stress on a positive COO for their consumers.

**Consumer ethnocentrism:** The cue of Consumer Ethnocentrism (CE) exists in the consumer buying behavior. The ethnocentrism consumer prefers to purchase home country product. In this era of globalization and the mobility in the world, ethnocentric consumers believe that buying foreign products hurts the domestic economy and national employment.

Customers' expectation may rely also on the concept of corporate image which then impact the tendency to purchase. Chrysochoidis *et al.* (2007) studied the middle-aged of consumers (age of 40 or older) show a moderate ethnocentric attitude in the product evaluation however, younger consumers (age around 35 years old) is much less ethnocentric. Wong *et al.* (2008) argued that the three COO sub-components (i.e., design, assembly and parts) did not influence the young consumers in term of evaluation of product quality or purchase intentions. Also, the level of ethnocentrism did not have a direct effect on consumers' perceived product quality or purchase intentions.

**Loyalty:** Jacoby (Fandos and Flavian, 2006) argue that loyalty can only be viewed as an attitude when positive affects and feelings toward a product, brand or purveyor are involved. Fandos and Flavian (2006) analyzed that the intrinsic attributes of a product have a positive and significant influence on consumers' buying intentions. Thus, in order to enhance quality perception of the product and direct influencing consumers' buying intentions, establish trace ability processes to ensure the accuracy of information provided for consumer is needed. For extrinsic attributes when consumers perceive the COO, product image or other attributes, these will positively influence their feelings and generating true loyalty towards the products and further to have a buying intention. Wu (2011) stressed that the country image is an important attribute for the respondents' automobile decision making however, compared with others extrinsic cues like brand name, price and service or intrinsic cues such as styling, fuel efficiency, safety and reliability, it still has lower importance. There are consumers not brand loyal, they will refer family and friends' opinion or obtain

consumer information from the reports. In fact, the most important factor that affects their purchase decision is a reliable and safe automobile.

**Price:** Consumers in different cultures will have different perceptions of product price and culture have a significant influence on consumers' price perceptions. Therefore, marketers selling products to overseas must need to open their minds and adjust their product pricing and marketing strategies in different cultures by carefully investigate the foreign cultures. Juan (2011) discovered consumers in a more long-term oriented culture or in a more collective culture are more aware the value. Hence, when considering the marketing strategy improving the product's quality and reducing the cost need to give equal concern. Also, the competitor's price will become more relevant in the long-term oriented culture. Price was the most important attribute contributing to the perception of products. Price can also be used to support a quality proposition for a product as a higher quality is likely lead by a higher price. Consequently, consumers will believe that price and quality are tied and they must accept a lower quality product if they are paying a lower price (Veale and Quester, 2009).

**Quality:** Tseng and Balabanis (2011) analyzed that typical products normally receive stronger consumer attitudes than the atypical products of the same country or of other countries. Furthermore, typical products of a country usually have more positive COO images than do the typical products of that country and other countries. These can further explain the differences in consumer attitudes towards products quality from a country and from different countries. Therefore, although a country has a highly praised country image in general, it does not

mean its various products will equally gain consumer favourability. It is due to the different products will have different levels of ethnicity or country typicality. Quester *et al.* (2000) pointed out COO information does generally influence consumers' perceptions of product quality, however this effect is neither uniform nor universal. Hence, the quality interpretation of the COO will differ in different countries and the effects will be felt differently for different types of products.

**Consumer satisfaction:** Consumer satisfaction is one of the crucial factors for business performance, it is the driver towards consumer loyalty and consecutive retention. Specifically, consumer as the final judgment of products or service quality and his or her satisfaction with the product delivered or services will be taken into account. Pappu and Quester (2006) stress that consumer's satisfaction will lead to holding favorable and higher perceptions of product quality as compared to those less satisfied consumers. Highly satisfied consumers believe more readily that they would receive products of reliable quality from a country compared to consumers who are less satisfied with the same product from other countries. Espeje *et al.* (2007) argued that consumer satisfaction is depending on the difference between the perceived and experienced quality of the product and its' associated services. On the other hand, consumer satisfaction can be considered as a response with a double dimensionality (emotional and affective). In more details, the emotional response arises as a result of consumer feelings towards the product and the cognitive response arises when the consumer makes a product evaluation of the initial expectative and the final product and services received. The definitions of country of origin relevant to perception towards local made cars are summarized in Table 1.

Table 1: Similarity and differences viewpoints of the researchers

| Factors                | Authors   | Viewpoints   |
|------------------------|---|--|
| <b>Similarities</b>    |   |  |
| Brand image            | Essoussi and Merunka (2007)<br>Koubaa (2008)                    | COM and COD image influenced the perceived of product quality<br>Brand origin influencing consumer's perception of purchasing the product  |
| Consumer behavior      | Piron (2000)<br>Bredahl (Magnusson <i>et al.</i> , (2011)       | Consumers' purchasing intentions are higher when there is no COO information<br>Consumers always rely on extrinsic cues than intrinsic cues for a product judgment   |
| Consumer satisfaction  | Pappu and Quester (2006)<br>Espejel <i>et al.</i> (2007)        | Higher consumer satisfaction will lead to higher perceptions of product quality<br>Consumers' satisfaction depends on the difference between the perceived quality of the product and its' associated services |
| Price                  | Veale and Quester (2009)<br>Juan (2011)                         | Higher price lead to higher quality<br>Consumers in long-term oriented culture will more aware the price   |
| <b>Differences</b>     |   |  |
| Consumer ethnocentrism | Chrysochoidis <i>et al.</i> (2007)<br>Wong <i>et al.</i> (2008) | Younger are much less ethnocentric compared with middle-aged of consumers<br>COO sub-components did not influence the young consumers  |
| COO                    | Hui and Zhou (2003)<br>Jung and Yoon (2012)                     | Differential effect of the COM information on product beliefs and attitudes for brands with different levels of equity<br>COO effect is significant in deciding whether to purchase a locally made product     |
| Loyalty                | Fandos and Flavian (2006)<br>Wu (2011)                          | Extrinsic attributes will generate true loyalty towards the products<br>Intrinsic attributes are the most important factor that affects purchase decision  |
| Quality                | Quester <i>et al.</i> (2000)<br>Tseng and Balabanis (2011)      | COO information influence consumers' quality perceptions differ in different countries<br>Different products have different levels of ethnicity or country typicality  |

The similarity and differences viewpoints of researchers relevant to perception towards local made cars are summarized in Table 1.

### **MATERIALS AND METHODS**

The methodology for this research includes research design, data collection, questionnaire and data analysis techniques on 176 international students who are studying in Universiti Utara Malaysia. The study examined the country of origin effect of foreign students in buying behavior of local made-in automobile. There were about 200 questionnaires were distributed in analyzing the research.

This is a descriptive study which attempted to examine the importance of country of origin effect to international students when making purchasing decisions on Malaysian products and how Malaysian products like cars stand in relation of quality, performance and reliability compared to other countries. This is a field study where all variables were not manipulated, thus no artificial setting was created.

The sample of this study consisted of 176 international students who are studying in Universiti Utara Malaysia. The population of the samples was derived from the university registrar where all international full time foreign students were registered with the university registrar. The unit of analysis used in this research, therefore, was individual.

A purposive sampling was chosen as the sampling design for this study. This was because students who were chosen have to qualify certain requirements before they can be accepted as respondents. The requirements were: Respondents for this research must be full time registered international students with the university and in their final year of studies.

This was a cross sectional study where data were collected over a period of weeks. In this study, data were gathered from to December, 2011 to March, 2012. In this study, a set of questionnaire was replicated. The questionnaire is divided into two sections, namely; section A and B. Section A of the questionnaire deals with the country of origin statements in general while section B attempts to generate the respondent's perception of countries with the highest quality products by asking the responding to rank ten countries in a descending.

The data in this study was collected via individual administered questionnaire. Official cover letters which explained the objectives of the study and seek the participation of respondents were distributed to international students through the assistance of

undergraduate students. About 176 international students participated as respondents in the study. The respondents were given 2 days to answer the questionnaires. Completed questionnaires were then returned directly to the researcher who distributes the questionnaire on UUM campus.

Statistical Package for the Social Sciences (SPSS) Version 14.0 was used to analyze the data collected in this study. For data processing, six statistical techniques were used for different purposes. These included descriptive statistics, mean, median, standard deviation. For inferential statistics, cross tab results were obtained and t-test and ANOVA results were conducted.

### **RESULTS**

A self administered questionnaire was distributed to a student population of 200. A total of 176 students responded to the questionnaires were used in the statistical analysis with a response rate of 89%. There were 176 respondents who are undergraduate and postgraduate students (registered UUM international students) from the College of Business (COB) and College of Law and Government and International Studies (COLGIS).

Based on Table 2, there are 129 male respondents (73.4%) and 47 female respondents (26.4%). Based on Table 3, most of the respondents were within the age range of 20-24 years old (52.8%). Other respondents were of the age of 25-29 years old (42%), 30-34 years old (2.8%), 35-39 years (2.3%) and 0.6% >40 years old, respectively. Based on the Table 4, there are 29.9% international students from Africa, 28.2% students from the ASEAN

**Table 2: Gender of respondents**

| Gender | No. of respondents |
|--------|--------------------|
| Male   | 130                |
| Female | 46                 |
| Total  | 176                |

**Table 3: Respondents' age**

| Age (years) | No. of respondents |
|-------------|--------------------|
| 20-24       | 93                 |
| 25-29       | 74                 |
| 30-34       | 5                  |
| 35-39       | 3                  |
| ≥40         | 1                  |
| Total       | 176                |

**Table 4: Respondents' region**

| Regions     | No. of respondents |
|-------------|--------------------|
| Middle East | 23                 |
| ASEAN       | 50                 |
| China       | 49                 |
| Africa      | 53                 |
| Others      | 1                  |
| Total       | 176                |

countries. About 27.7% students from China and 13.6% students from Middle East. Table 5 shows that the program of studies of respondents are from a Bachelor of Business Administration (BBA) program (24.3%), this is followed by Bachelor of International Business Management Studies (10.2%), Bachelor of Marketing Students (4.5%), Bachelor of Banking (4.5%) and postgraduates (46.3%).

The following results (Table 6) were obtained from the questionnaires distributed to the respondents to gauge their perception on the importance of country of origin when purchasing locally made products.

Table 6 indicated that the overall mean of the questions is above 3 (from a Likert scale of 1-5). The statement; to make sure that I buy the highest quality or brand, I look to see what country the product was made in, scored the highest in terms of mean (3.76), this is followed by the statement; when buying expensive item such as car, TV or refrigerator, I always seek to find out what country the product was made in (3.76).

Overall, the respondents indicated strong agreement on the importance of finding out which country produced

the product when buying a quality product (3.76), expensive product (3.73), technologically sophisticated product (3.59), high risk of malfunction product (3.52) and when choosing the best product available in a product class.

**t-test was conducted to see if the perception of male and female were different:** Table 7 shows that result of the t-test is not significant at  $p = 0.569$  ( $p > 0.05$ ) which indicated that there is no difference between male and female in their perception on the importance of country of origin in purchasing locally made products. A one-way ANOVA was also conducted to examine if there is any difference between groups of different programs (Table 8). The result of the ANOVA is not significant ( $p = 0.962$ ;  $p > 0.05$ ), hence there is no significant difference between the programs of study in the perception of international students on the importance country of origin of Malaysian products.

A one-way ANOVA was conducted to determine if there are any differences between region in the perception of importance of country of origin on Malaysian products. Table 9 indicated the results. The result of the ANOVA was significant ( $p = 0.003$ ,  $p < 0.05$ ) which indicated that there is a significant difference between the different region in the perception of international student on the importance of country of origin of Malaysian made products.

To determine which country is ranked 1-10 in terms of their quality of products like car, the following results were obtained (Table 10). From the Table 10, it was found that most respondents ranked Japan as the country with a first and second choice, this is followed by the USA, UK, South Korea, Taiwan and Malaysia (as the 8th

Table 5: Program of studies of respondents

| Programs      | Total |
|---------------|-------|
| BBA           | 41    |
| BMarketing    | 8     |
| BIBM          | 18    |
| BBanking      | 7     |
| BEconomy      | 3     |
| BIT           | 14    |
| Postgraduates | 85    |
| Total         | 176   |

Table 6: Descriptive statistics

| Questionnaires   | N   | Mean±SD    |
|--|-----|------------|
| When buying expensive items, such as; car, TV or refrigerator, I was always seeking to find out what country product was made in                   | 177 | 3.73±0.996 |
| I feel that it is important to look for a country of origin information when deciding which product to buy   | 177 | 3.66±0.928 |
| To make sure that I buy the highest quality product or brand, I look to see what country the product was made in                                   | 174 | 3.76±0.973 |
| If I have little experience with a product, I search for country of origin information about the product to help me make a more informed decision. | 176 | 3.56±0.978 |
| I refuse to purchase a product without knowing its country of origin   | 175 | 3.22±1.089 |
| When purchasing a product, I believe country of origin will determine the technological sophistication of the product                              | 175 | 3.59±1.018 |
| When I am buying a product, the country of origin is the first piece of information that I consider  | 172 | 3.37±1.098 |
| A product's country of origin does not determine the quality of the product  | 175 | 3.22±1.193 |
| When buying a product that has a high risk of malfunction, for example a digital camera, a person should always look for the country of origin     | 173 | 3.52±0.998 |
| It is less important to look for country of origin when buying a product that is less expensive such as a shirt                                    | 174 | 3.45±1.018 |
| Seeking country of origin information is less important for inexpensive goods than for expensive goods   | 172 | 3.41±1.036 |
| I find out a product's country of origin to determine the quality of a product   | 174 | 3.47±0.960 |
| To purchase a product that is acceptable to my family and my friends, I look for the product's country of origin                                   | 176 | 3.49±0.980 |
| I look for country of origin information to choose the best product available in a product class   | 176 | 3.55±1.024 |

Table 7: t-test

| Perceptions                 | Levene's test for equality of variances (F) | Sig.  | t-test for equality of means (t) | df     |
|-----------------------------|---|-------|----------------------------------|--------|
| Equal variances assumed     | 0.326                                       | 0.569 | 2.339                            | 176.00 |
| Equal variances not assumed |   |       | 2.239                            | 73.24  |

Table 8: ANOVA (different program of studies)

| Results        | Sum of squares | df  | Mean <sup>2</sup> | F     | Sig.  |
|----------------|----------------|-----|-------------------|-------|-------|
| Between groups | 0.521          | 6   | 0.087             | 0.266 | 0.952 |
| Within groups  | 55.283         | 169 | 0.327             |       |       |
| Total          | 55.805         | 175 |                   |       |       |

Table 9: ANOVA (by region)

| Results        | Sum of squares | df  | Mean <sup>2</sup> | F     | Sig.  |
|----------------|----------------|-----|-------------------|-------|-------|
| Between groups | 5.043          | 4   | 1.261             | 4.252 | 0.003 |
| Within groups  | 50.700         | 171 | 0.296             |       |       |
| Total          | 55.743         | 175 |                   |       |       |

Table 10: Ranking for quality of cars made by different countries

| Ranking/frequency of country | Japan | Germany | USA | UK | South Korea | Malaysia | Taiwan | China | India | Thailand |
|------------------------------|-------|---------|-----|----|-------------|----------|--------|-------|-------|----------|
| First                        | 40    | 21      | 29  | 4  | 2           | 2        | -      | 12    | -     | -        |
| Second                       | 30    | 24      | 24  | 16 | 3           | 3        | 6      | 8     | 3     | 6        |
| Third                        | 20    | 20      | 29  | 24 | 9           | 4        | 1      | 6     | 1     | 1        |
| Fourth                       | 11    | 21      | 13  | 38 | 13          | 8        | 3      | 6     | 4     | 3        |
| Fifth                        | 3     | 11      | 6   | 13 | 39          | 14       | 14     | 7     | 6     | 4        |
| Sixth                        | 2     | 6       | 3   | 9  | 23          | 10       | 23     | 20    | 9     | 11       |
| Seventh                      | 4     | 4       | 4   | 5  | 9           | 17       | 31     | 20    | 14    | 10       |
| Eighth                       | 5     | 4       | 3   | 4  | 9           | 25       | 17     | 19    | 23    | 9        |
| Ninth                        | 1     | 3       | 5   | 1  | 9           | 21       | 13     | 6     | 30    | 28       |
| Tenth                        | 2     | 3       | 1   | 3  | 1           | 13       | 9      | 13    | 27    | 45       |

choice). In other words, most respondents choose developed countries (Japan, USA, UK ) as the leader in international car quality. South Korea is the only Asian country (other than Japan) which had been selected in the top 5 selected Country of Origin (COO). Thailand is ranked at the 10th place below India (9th place).

### DISCUSSION

Perception of consumers on local products is one of the most important factors that will affect the purchasing decision of international consumers who will be purchasing the Malaysian made products. Does the country of origin of a product still matter for international consumers who have studied in Malaysia for a period of 3-4 years? How do these students perceive the country products in the place they have studied? This study was conducted with the purpose to examine how international students rank the quality of cars made in the country they are receiving their education and if the country of origin effects still do matters in the their purchasing decision of the country's products.

Based on this study, it is revealing that most respondents were found to indicate agree to strongly agree of the importance of finding out the country of origin when buying quality, expensive, technologically, sophisticated or high risk products. This was supported in the literature review where Jung and Yoon (2012) highlighted that the COO effect is significant in deciding whether to purchase a locally made product. Much past research had proven the significant effect of COO effect information on consumer perception. Country of origin is

often used by consumers to predict quality and performance of the products and in understanding purchasing decision.

A further statistical test showed that there is a significant difference in perception of international students by region but there is no significant difference in terms of age, year of graduation and gender among these respondents. Another important factor that influence buying is quality and brand image in which relatively related to country of origin. Most responded would prefer to trust the quality and brand image based on car manufactured by well known country of origin. This was supported in the literature review by Koubaa (2008) state that the effect of country image of brand image is so strong. Hence, the brand image, brand origin and brand status serve to determine and impacting on the buying behavior. Consumers are valued-branded these products which designed and manufactured in foreign countries. Essoussi and Merunka (2007) pointed out a country may influence consumers perceived product quality through its overall country image and capacity to design or manufacture the product category.

Previous research discovered that consumers from the same nation may have a similar stereotyping tendency in the perception of a different country product, hence it was not surprising that this research find a significant difference in the region in the perception of the importance of the country of origin. The study was also consistent with other findings which discovered positive relationship between a country's level of economic development and the evaluation of its product. In other words, the more developed the economy of the country,

the more respondent will receive positively cars made by them. The 2nd objective of the research was to examine where does Malaysian made cars ranked compared to nine other countries (namely the United States, United Kingdom, Germany, South Korea, India, Thailand, Japan, Taiwan and China). It is noted that most of the 100 respondents are from Asia (49 Chinese and 48 Asean) in which 70% of the responder are male as compared to 30% female. It is revealing that the respondents did not choose their own country such as China or Thailand as the country that produce the best quality car as there might be a tendency for respondents to hold positive attitudes or be biased towards the products made in their own country. For example, cars manufacturer from Thailand were not achieved favorable ranking in terms of quality as cars produced in Thailand were ranked the least quality in a number of 10 countries in the study.

The research reveals that Japan, the United States and United Kingdom top the three in a ranking of the most quality made cars. As they responded are students in UUM and not a full time employee in any company, the income level also plays important roles in deciding which type of car to buy beside country of origin, quality and other factors. This research indicates where the majority of the respondents were found to agree that products made in advanced or developed countries have better quality as compared to the products made in emerging or developing countries like Malaysia.

The research contributed to the understanding of ongoing theory building, especially with regards to establishing the importance of adding the image perception of country of origin to the purchasing behavior of international young consumers. The findings showed that international students' perception of cars made in the emerging and developing countries are different to those made in advanced countries. International consumer perception of products produced by advanced countries are better as compare to those produced in the developing countries.

The research also revealed that Malaysian cars were perceived to have lower quality of those in the developed countries and were ranked at number 8 terms of quality image. In view of this, the result of the research provides an opportunity for Malaysian car manufacturer such as PROTON and PERODUA to formulate, plan and implement improvement measure to improve their quality of their product as well as brand image from the perspective of international students. Among initiative or improvement measure that can be implemented are enhanced technology transfer, collaboration with established and renown car makers in developed countries and continuous improvement in their quality,

price, services and value which will appeal more to the customers or consumers. It is strongly believed that consumer should not worry where the product was made, all they have to worry about is the product quality, price, design, value and how the product appeal to them as the consumers. For example, Japanese made cars that were sold to European market were started with a cheaper price and yet affordable and reliable to the consumer, especially with regards to fuel consumption. As a result, currently Japanese cars have captured and penetrate not only Western market but in most of the world market. This inconsistent with the result of this research as Japanese made car are favorably ranked as the 1st and 2nd choice in terms of quality by international students.

Alternatively, a Malaysian car manufacturer can utilize the same strategies used by the Japanese to start small and build the foundation. At the same time, gradually capture the confidence of international consumers in terms of quality. Introduction of the new model of PROTON for example Proton Preve could be seen as the 1st step to show to the world that we are capable of producing quality and affordable car to capture the global market.

The research has a scope and limitation that can be explored and improve by future research. The respondents in this study are only limited cover a Northern University of Malaysia international students. In addition, the respondents are not well presented based on their country for example there are a few respondents from one foreign country and there are also only one respondent representing one foreign country. In view of this, the findings from this research are limited based on the scope of this research and cannot be generalized to all universities in Malaysia. The scope of research are also limited to asking the respondent to rank the 10 countries where the respondents were not asked to justify on why they rank in that manner. Future research should also be done with a greater scope covering all the public and private institutions of higher learning in Malaysia and a better scale of measurement could be utilized to gather richer information for statistical data analysis purpose.

## **CONCLUSION**

The objective of this research is to explore the effect of country of origin in influencing the purchasing behavior of international students studying in a local university in Malaysia. The results showed that the country of origin is an important factor to be considered by the international students. It is important to note that the perception of foreign or international students studying in Malaysia is important due to they will act as



ambassadors who will return back to their own countries and will promote Malaysian products upon completion of their studies. The research provides data for the Malaysian car manufacturer to formulate, plan and implement improvement measure to address the issues of product quality and brand image. It is hoped that by implementing this the perception of international student and customers towards the quality of Malaysian car are improved. This will enable the Malaysian car manufacturer to explore the more international market and improve their brand image from an international perspective.

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