“You don’t buy clothes – you buy an identity
The correlation between fashion brand and country-of-origin”

Introduction

This paper is part of a bigger qualitative study about the perception of country-of-origin from consumers in different countries. The purpose of this paper is to identify and explore whether country-of-origin information influences customers’ perception towards the brand of clothing products. It has been suggested that in the fashion industry, design and trademarks represents intangible assets which become an invaluable competitive advantage (Završnik & Mumel, 2007). Brand names are powerful indicators in estimating a product’s quality such as prestige and durability (Dodds & Monroe, 1985; Keller, 2003; Render & O’Connor, 1976). International fashion retailers are typically positioned in international markets by virtue of the marketing effort and product offering, which contributes to their overall brand appeal (Moore, 1997; Wigley et al., 2005). The impact of this strategy is that many of the fashion brands are transformed into international, universal or worldwide brands. However, consumers also have better perceptions on clothes that have a brand name along with quality construction (Davis, 1985). As country-of-origin has been used by customers to predict a product’s quality and performance and to understand the rationality of their purchasing behaviour (Cai et al., 2004; Olins, 2003; Muchhalcher et al., 1999), it could be argued that country-of-origin may influence consumers’ evaluations on international branded fashion products. Therefore, because the majority of international fashion retailers such as Zara, Mango, Next, GAP and Arcadia Group have been outsourcing their products in the less industrialised countries (Gereffi & Memedovic, 2003), it is fundamental to investigate whether country-of-origin information influences consumers’ perception towards international clothing brands.

Literature Review

Research indicates that brands are used by consumers as a cue to determine the quality of a product (Douglas et al., 2004; Holt et al., 2004). It was believed that the more global the brand, the better quality that is offered (Holt et al., 2004). The reason is because consumers believe that global brands continually upgrade their standards and product innovation. However, this does not necessary mean that global brands are better than the others. It is simply because people tend to believe based on the promise, acceptance, trust and hope offered by leading brands (Aaker & Joachimsthaler, 2000). Consumers are eager to pay expensive prices if they have positive attitudes and feelings towards brands (Kapferer, 1992). By examining the arguments above, it could be argued that in the consumers’ mind brands help to differentiate one product from another and global brands gain more benefits and favour than non-global brands.

Aaker (1991) emphasises that consumers’ feelings and attitudes towards brands are not factual; they are more likely shaped by their own and public opinions. Their attitudes and feelings towards brand are shaped by brand associations (Aaker, 1991). Brand association is the informational nodes linked to the brand node in memory that contains the meaning of the brand for consumers which includes the perception of brand quality and attitudes towards the brand (Keller, 2003). These associations are usually formed by media, word of mouth and experience of using the products (Swystun, 2007). Simplistically, brand association is everything that is linked to a brand which influences consumers’ perceptions and attitudes towards the brand. Country-of-origin is one of nine elements of brand associations (Aaker,
1991). Country-of-origin is usually communicated by ‘Made in’ or ‘Manufactured in’ labels and can be understood as the image of a country in consumers’ mind which influences their evaluation towards the products or brands that are offered by that country (Bilkey, 1993; Chapa et al., 2006; Samiee, 1994; Shlomo & Jaffee, 1996). According to Kim & Chung (1997) country-of-origin can express both positive and negative messages about the product to the consumers (Omar, et al. 2009). According to Aaker (1991) country-of-origin can shape consumers’ perception towards the brand. However, very little evidence shows that country-of-origin information can influence consumers’ perception towards international clothing brands.

Research shows that country-of-origin and brand origin of a product influence consumers’ product evaluation (Han & Terpstra, 1988; Hui & Zhou, 2003; Knight; 1999; Thakor & Kohli, 1996). Inconsistency between brand and product country-of-origin may bring confounding effects to consumers’ product evaluation (Lee & Ganesh, 1999; Tse & Gorn, 1993). According to Lindstorm (2005), information about country-of-origin influences consumers’ perception towards the brand and positive preconceptions about country-of-origin information will increase the brand value (Lindstorm, 2005). In contrast, when products country-of-origin is less favourable than brand country-of-origin it is more likely consumers will create negative evaluation towards the products (Hui & Zhou, 2003), and country-of-origin may affect market entry effectiveness (Omar et al., 2009).

Country-of-origin research on various products such as cars and electronics devices show that for bi-national products country-of-origin was more important than the brand (Han & Terpstra, 1988; Knight, 1999; Tse & Gorn, 1993). Nevertheless, the findings of Leonidou et al. (2007) showed different indications. They concluded that a brand played a primary role on country-of-origin evaluation if the consumers were given specific brand names. This is because the consumers could estimate the specification and offers given by the brands. Other studies indicated that in terms of quality judgement, brand is more important than country-of-origin (Gaedeke, 1973; Hamin & Elliot, 2006; Hui & Zhou, 2003). In his experimental study, Nes (1981) concluded that products made in developing countries with well-known product brand name were perceived to have lower product risk and higher product quality when compared to similar products new to the market without and brand equity derived from consumer brand awareness. Research found that the brand ‘has a serious moderating role to play, either positive or negative, on country-of-origin evaluations [because] every known brand has certain equity determined by its popularity, reputation and associated beliefs in consumers mind’ (Leonidou et al., 2007, p.811).

Different results obtained in correlation between brand and country-of-origin research might be caused by different product categories that were used in the research or other factors such as nationalities. Furthermore, global outsourcing by international fashion retailers might change consumers’ product evaluation and attitude towards international fashion brands and country-of-origin. Thus, in this early stage, two consumers’ behaviours can be predicted. First, since consumers are confronted with many choices of fashion products they have a tendency to make a purchasing decision based on the associations that are created rather than its actual attributes (Peter, 2004; Schroiff and Arnold, 2004). Thus, country-of-origin might be used more intensively by consumers in order to avoid their confusion and to help them when it comes to purchasing. Second, because the majority international clothing retailers have manufactured their products overseas and brand is the major cue used in fashion industry, the effect of country-of-origin on consumers’ evaluation towards international fashion brands is diminished. Therefore, this current research will be an opportunity to
provide the most updated results whether country-of-origin information could influence consumers’ perception towards international fashion brands.

Research Methods

As the nature of the research is exploratory, a qualitative research method was considered appropriate to be adopted (Denzin & Lincoln, 1998). The strength of qualitative research is that the researchers can emphasize subtleties in participants’ behaviours and response, gain depth information from the participants and highlight the reasons for their actions or perspective that cannot be achieved by a quantitative research method (Burns, 2000). Interviews were used to collect the data. It was argued that an interview is the only way to obtain the high quality of information free of bias and the most appropriate way of obtaining people’s perspectives on certain topics (Sharp et al., 2002). As the research involved respondents in different countries, the first stage of the pilot interviews were conducted semi-structurally by using MSN Messenger. The second stage of the pilot interview was done by sending structured interview questions by using email. This method was adopted in the actual data collection process. Few scenario questions were used in the interview in order to understand the respondents’ perception and behaviour towards country-of-origin.

In order to create and test new interpretations that require information richness, qualitative research usually uses small samples but the samples were selected purposefully (Kuzel, 1999). Therefore, non-probability self-selection sampling was used in this research. By using this sampling method, the respondents were invited or asked personally to participate in the research. The samples were heterogeneous by nationality (table 1). There were 21 nationalities involved in the research and all of the respondents have studied and worked within the international environment.

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<th>Table 1 – The list of the respondents</th>
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<td>Belgium (1)</td>
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<td>Czech Republic (1)</td>
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In order to identify a pattern and to create classifications for the answers, this research aimed at a minimum of 30 respondents. The process of sending out the interviewees was stopped after patterns in the answers have been identified and the answers could not be developed anymore and all possible answers have been gathered. In total there were 70 email interviews sent out with a response of 67 valid interviews which comprised the research.

Results and Analyses

A considerable amount of research indicates that country-of-origin affected consumers’ product evaluation (e.g. Chao, 1993; Gaedeke, 1973; Hahn et al, 2006; Hong & Wyer, 1988; Krishnakumar, 1974; Nes, 1981; Okechuku, 1994; Pappu, 2007; Tse & Gorn, 1993). It has been mentioned that country-of-origin was used to predict quality and performance of products (Cai et al, 2004; Hamin & Elliot, 2006; Muchbalcher et al, 1999; Olins, 2003) and to understand the rationality of their purchasing decision (Cai et al, 2004; Khachaturian & Morganosky, 1990). However, the current research indicates different findings.
The respondents were asked to rank order the factors involved with purchasing international branded clothes: brand, design, country of design, country of manufacturing, price and other issue (if any). The results show that the majority of the respondents (almost 33%) put design as the most important factor, followed by price, brand, country-of-manufacturing, and country-of-design last. According to the majority of the respondents, design was the most important factor when buying international branded clothes because design was the main reason for buying clothes and the symbol of their identity. The majority of respondents also argued that they would not buy clothes that were excessively expensive. The price must be affordable or reasonable when related to the clothes design. The arguments about the importance of design and price when buying international branded clothing products can be related to the argument that because of the fast fashion trend, consumers’ preference might change from high quality and long lasting products to newest model and affordable prices (Hines & Bruce, 2007; Newbery & Barnes, 2005). Some respondents argued that country-of-origin would influence the perception towards the clothing brand if the brand was high class and/or the price was expensive.

As one of the brand association elements, it was mentioned that country-of-origin can shape consumers’ perception towards the brands. However, the strength of country-of-origin to influence consumers’ perception towards international clothing brands should be investigated. This is because in the fashion industry design and trademarks are invaluable competitive advantage (Završnik & Mumel, 2007). Although consumers will be more confident buying fashion products that have brand names as well as high product quality (Davis, 1985), it seems that in the fashion industry, brand has a more powerful role because brand names are usually used to estimate product factors such as prestige and durability (Dodds & Monroe, 1985; Keller, 2003; Render & O’Connor, 1976).

The majority of the respondents agree that a brand is more important than country-of-origin in evaluating the quality of international branded clothes and did not influence the perception towards the brand. This is because consumers believe that well-known brands have strict quality control so that regardless of the physical location of manufacturing, the quality will be similar. These findings are supported by Dodds & Monroe (1985); Keller, (2003); and Render & O’Connor, (1976) who suggest that the brand of clothing products is used to evaluate the quality and durability of the clothing products. Furthermore, a few respondents argue that country-of-origin would have greater effect on their evaluation if the brand was not well-known. Based on these findings, it can be argued that country-of-origin has less effect on international branded clothing products because of the assurance given by the brands. These findings supported Leonidou et al.’s (2007) research which indicated that when consumers were given specific brand names, the brands played a more important role in the consumers’ country-of-origin evaluation because they can estimate the specification and offers given by the brands.

Some of the respondents argue that even if negative humanitarian and unethical trading issues were associated with the countries that manufacture the clothes it would not influence their perception towards the brand. Most importantly it would not make them dislike the brand or stop them from buying that brand of clothes. The reason for this behaviour might be because the majority of the international branded clothes were made in the less industrialised countries which were often associated with humanitarian and ethical trading issues. Based on these findings, it could be inferred that Peter’s (2004) and Schroff & Arnold’s (2004) suggestion that since consumers are presented with many choices of fashion products in the marketplace,
they have a tendency to make purchasing decisions based on the associations that are created, rather than its actual attributes. This was not confirmed in this research.

The current research findings show that international fashion brands are more powerful than country-of-origin and country-of-origin only has a very little effect to consumers’ perception towards brands. These results contradict Lindstorm’s (2005) findings which indicate that country-of-origin influences consumers’ perception towards brand and positive preconceptions about a country-of-origin will increase the brand value; Hui & Zhou’s findings (2003) that when a product’s country-of-origin is less favourable than brand country-of-origin it is more likely consumers will create a negative evaluation towards the products; Han & Terpstra’s (1988) findings that for bi-national products country-of-origin was more important than brand; and Tse & Gorn’s (1993) findings that it was almost impossible for famous brand to reduce the impact of country-of-origin. The differences between the current research findings and other research findings can be explained by the arguments that country-of-origin perception changed over time (Leonidou et al., 2007; Nagashima, 1977) and country-of-origin perception is different for each product categories.

As mentioned throughout this analyses, the change in consumers’ perception towards country-of-origin was primarily caused by the globalisation phenomenon as the number of international fashion retailers manufacturing their products overseas increased. This is one of the reasons why these current research respondents maintained that country-of-origin did not influence their evaluation towards brands. According to some respondents they prefer to buy branded clothing products that were made in the same country as the brand origin; and in highly industrialised countries. However, at present the information about where the products are made did not have any influence on their perception towards brands because the majority of clothing brands manufacture their products in less industrialised countries (Gereffi & Memedovic, 2003; Khan, 2005) so they tend to ignore the country-of-origin information.

**Conclusion and Managerial Implication**

The majority of the respondents argue that country-of-origin did not influence their perception towards the brands of clothing products. The analysis shows that this is because brands have a more important role than country-of-origin in evaluating clothing products. Furthermore, the respondents also argue that negative humanity and unethical trading issues would influence them but would not make them disliking the brands of clothing products. The analyses shows that consumers still perceived that clothing products made in highly industrialised countries or countries of the brand origin had better quality. However, since the majority of international clothing retailers have manufactured their products overseas and brand is the major cue used in fashion industry, the effect of country-of-origin on consumers’ evaluation towards international fashion brand has decreased. Furthermore, the findings also indicated that if the international branded clothing products made in less industrialised countries, but were sold in very expensive price, consumers would create negative perceptions towards the brand. This shows that current consumers understood that global companies can manufacture the clothes in cheaper price. Therefore, to increase the appeal of the branded clothes, it is suggested that companies must keep maintaining the quality of the products and making sure that the products were resourced fairly. By doing this, consumers will hopefully be more eager to buy the products and have better perception towards the brands.
References


