

Consumer-Based Brand Equity: Relationship Between Country of Origin and Brand Equity Dimension

(*Ekuiti Jenama Berasaskan Pengguna: Hubungan antara Negara Asal dan Dimensi Ekuiti Jenama*)

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ABSTRACT

Consumer-based brand equity is essential in marketing strategy as it can affect firm performance. This study examines the relationship between country of origin effect on consumer-brand equity, for a selected product category in Malaysian market. In this context, a conceptual research model was developed based on previous literature of brand equity. Convenient sampling procedure was used in this research using self-administered questionnaire to collect data from a total of 378 car buyers in Klang Valley, Malaysia. This study tested eight hypotheses. The multiple regression result shows that country of origin is one of the important predictors for brand awareness, brand association, perceived quality and brand loyalty. Both implication of research and implication of practice are discussed.

Keywords: Country of origin; consumer-based brand equity; empirical study; Malaysia.

ABSTRAK

Ekuiti jenama berasaskan pengguna adalah penting dalam strategi pemasaran kerana ia boleh mempengaruhi prestasi firma. Kajian ini mengkaji hubungan antara kesan atau efek negara asal ke atas ekuiti jenama pengguna, untuk kategori produk terpilih dalam pasaran Malaysia. Dalam konteks ini, model penyelidikan konseptual telah dibangunkan berdasarkan dapatan literatur lepas berkaitan ekuiti jenama. Prosedur persampelan yang mudah digunakan dalam kajian ini dengan menggunakan soal selidik sendiri untuk mengumpulkan data yang membabitkan sejumlah 378 pembeli kereta di Lembah Klang, Malaysia. Kajian ini menguji lapan hipotesis. Hasil regresi berganda menunjukkan bahawa negara asal adalah salah satu peramal penting untuk kesedaran jenama, persatuan jenama, kualiti dan kesetiaan jenama. Kedua-dua implikasi penyelidikan dan implikasi amalan juga dibincangkan.

Kata kunci: Negara asal; ekuiti jenama berasaskan pengguna; kajian empirikal; Malaysia.

INTRODUCTION

Brand equity is one of the important phenomenon in marketing. It is considered as a key marketing asset (Ambler 2003; Davis 2000) that can give effect to the firm performance. Brand equity plays three important roles for a firm, including attracts new customer, reminds customer about the firm's products and services, as well as binds customer emotional value (Lemon, Rust & Zeithaml 2001). Abundant of literature in the past have confirmed that strong brand with positive brand equity has numerous advantages such as producing a good relationship between the firm and its stakeholders (Capron & Hulland 1999), bridging marketing and shareholder value (Srivastava, Shervani & Fahey 1998), and gaining more favorable associations and feelings amongst target consumers (Falkenberg 1996). Previous literature have also argued that strong brand with positive brand equity can trigger higher buying intention and consumer preferences (Cobb-Walgre, Beal & Donthu 1995), powerful communication effectiveness (Keller & Aaker 1992; Keller 1993), higher

margin received by the company due to the reason that consumers are willingly to pay premium or higher price (Anselmsson, Johanson & Persson 2007) which in turn, enabling the company to gain sustainable competitive advantage (Bharadwaj, Varadarajan & Fahy 1993). Due to these advantages of brand equity, Ailawadi, Donal and Scott (2003) suggested that it is important to measure brand equity because it does not only increase the market share but also makes it easier to extend the brand into market.

Past literature has argued that country of origin is another important variable influencing consumer perceptions of brands (Hulland 1999) and brand images (Ahmed et al. 2002). Due to the globalization, firms are crossing borders to sell their product to other countries. To leverage economies of scale, many firms today are introducing their brand to other countries. Thus, when brands are competing in the international arena, it is important for the marketing managers to understand how to compete with competitors' brand equity. According to Lee and Leh (2011), numerous researches have focused on

brand equity and country of origin effect, but the studies were conducted separately, thus empirical studies on the relationship between country of origin and brand equity are still scant (Pappu, Quester & Cooksey 2006). The literature does not provide a satisfactory explanation for the relationship between country of origin and brand equity dimension in the context of consumer-based brand equity. Despite exhaustive research on brand equity over the past few decades, the marketing literature does not fully explain how a change in the country of origin of a brand would affect its consumer-based equity. In addition, Most of the research that examined the relationship between country of origin and brand equity have been conducted in developed countries (Queiroz & Giraldi 2015; Pappu et al. 2006). It is norm that consumers behavior differ across countries not only culturally but also demographically and economically, which limit the generalization of research results from one country to another country (Sohail & Sahin 2010; Essoussi & Merunka 2007). Thus, it can be argued that the empirical results may not be relevant for emerging countries like Malaysia due to cultural differences and level of economic development.

Therefore, to fill this gap, this study intends to study the linkages of country of origin and brand equity dimension in the context of Malaysia. The findings from this quantitative research attempts to add knowledge to the existing literature on the brand equity in regards to the country of origin. In more specific, it will widen the knowledge on this particular topic on the Malaysian market, as an example of an emerging country. This study will collect data from various Malaysian consumers so that a solid generalization can be attained. This research will contribute to confirm previous limited research attempted in all over the world and will also help to enrich knowledge on brand equity and country of origin image of managers of Malaysian companies those are interested to sale their product to other countries.

LITERATURE REVIEW

COUNTRY OF ORIGIN

Scholars have debated over the concept of country of origin at large. As such, almost 5 decades back, Nagashima (1970) defined country of origin as "*The picture, the reputation, the stereotype that businessmen and consumer attach to products of a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history and traditions.*" Saeed (1994) later pointed out that country-of-origin means the country that a manufacturer's product or brand is associated with which is called 'home country' in the International Business. Taking the macro ground, Rith and Diamantopoulus (2008) stated that country of origin is resulted from the history, tradition, product, economic, politics background,

and national characteristics. Listiana (2015) on the other hand, defined country of origin as a description, reputation, stereotype (opinion or prejudice in someone's mind) about a certain country where businessman and consumer attached to product of a specific country. While, Pappu et al (2006) stated that country of origin is a number of mental representations of national symbol, product, culture and people of a certain country. Thus, the concept of country of origin has been discussed in diverse views from the macro to micro levels.

From the range of concepts given, it can be assumed that country of origin is related to country of assembly or country of manufacture (Rackchamroon & Chaimanat 2011; Bamber, Phadke & Jyotishi 2011), that in turn has influenced on international competitiveness due to advancement of globalization (Bamber et al. 2011). Further, the country of origin has been highlighted as an extrinsic cues (i.e. Shahin, Kazemi & Mahyari 2013; Yasin, Mohd & Osman 2007; Lee & Lee 2011; Apil 2006), which influence purchase intention, consumer perception, overall product evaluation and product choices. This indicates that the country of origin influences consumers on the brand equity.

BRAND EQUITY

The definition of brand equity and its measurement is still debatable (Yoo & Donthu 2001). Some argued that brand equity is the overall values that customers place in a brand (De Chernatony & McDonald 2003; Vazquez, Rio & Iglesias 2002). In regards to the 'overall values' of the brand equity, it has been measured from different lenses, such as from financial market's point of view in which, brand equity is considered as the asset value of brand (Farquhar, Han & Ijiri 1991; Simon & Sullivan 1993). Brand equity has been conceptualized strictly from individual consumer psychological standpoint (Kamakura & Russell 1991), that this perspective argued that brand equity took place when consumer holds strong, favorable and unique brand association in the memory and familiar with the brand. Thus, consumer-based brand equity which can be described as "the value of a brand to the customer, as reflected in the dimensions of brand awareness, brand associations, perceived quality and brand loyalty" was later added in the literature (Aaker 1991; Keller 1993).

Keller (2003) then proposed that customer-based brand equity is eventually the differential effect of brand knowledge on consumer response to the marketing of the brand. He further stated and the power of a brand lies in the minds of the customers and what they have experienced and learned about the brand over time. Thus, Keller (2003) stated that researchers highlighted multidimensional concept of consumer-based brand equity. Empirical studies (Aaker 1991; Keller 1993) confirmed that consumer-based brand equity which are multidimensional concept, based on four constructs of brand equity, including brand awareness, brand association, perceived quality and brand

loyalty (Cobb- Walgren et al. 1995; Yoo & Donthu 2001; Pappu, Quester & Cooksey 2005; Washburn & Plank 2002).

This research adopts consumer-based brand equity concept suggested by Aaker (1991) and Keller (1993) focusing on consumer perspective because the concept is commonly used and cited by other researchers (i.e. Mostafa 2015; Buill, Martinez & Chernatony 2013; Smutkupt, Krairit & Khang 2012; Chen & Tseng 2010). Therefore, the definition of consumer-based brand equity utilized in this paper is “the value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality and brand loyalty”.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

COUNTRY OF ORIGIN AND CONSUMER-BASED BRAND EQUITY

Significant relationship between country of origin effect on brand equity dimensions has been identified in previous literature. Ozsomer and Cavusgil (1991) argued that country of origin denotes to the country of origin of a firm or product. The associative network memory theory applied by Anderson (1993) explained the relationship between country-of-origin and consumer-based brand equity. Using the same theory, Aaker (1991) and Keller (1993) revealed that country of origin ultimately affects the association in the mind of consumers, which was confirmed in Pappu, Quester and Cooksey (2007) study, who then proposed the relationship between country of origin with three brand equity dimensions i.e. brand association, perceived quality and brand loyalty but brand awareness do not have significant effect on overall brand equity.

Empirical findings have identified significant relationship between country of origin and quality of a product (Heslop, Liefeld & Wall 1987), while Sanyal and Datta (2011) confirmed the strong relationship of country of origin with both brand association and brand awareness. In the context of an emerging market, Yasin et al. (2007) confirmed the relationship between country of origin and brand equity in Malaysia. On the other hand, Saydan (2013) study results reveal that country of origin has significant effects on brand awareness, brand loyalty and perceived quality. Similarly, a study in Iran found that country of origin has significant and direct effect on brand awareness, brand association, perceived quality and brand loyalty (Shahin, Kazemi & Mahyari 2012). Another study has also highlighted that country of origin has significant effect on perceived quality and brand loyalty (Murtiasih, Sucherly & Siringoringo 2014). Further, the result of the study by Mostafa (2015) in Egypt shows that country of origin has significant and positive effect on brand awareness, brand association, perceived quality and brand loyalty. Thus, we posit the first four hypotheses:

- H₁ The country of origin has a positive and significant effect on brand awareness
- H₂ The country of origin has a positive and significant effect on brand association
- H₃ The country of origin has a positive and significant effect on perceived quality
- H₄ The country of origin has a positive and significant effect on brand loyalty

CONSUMER-BASED BRAND EQUITY AND OVERALL BRAND EQUITY

Some research have identified the key determinant of brand equity is brand awareness (i.e. Aaker 1996; Keller 2003; Mackay 2001; Yoo & Donthu 2002; Pappu et al. 2005). Brand awareness is defined as the individual's ability of recall and recognize the brand (Aaker 1996; Keller 2003). It has been argued that different customer choice inside a product category are affected by unaided awareness (Aaker 1996; Kimpakorn & Tocquer 2010). For instance, consumer's exposure to a brand is the result of brand awareness (Alba & Hutchinson 1987). Asif et al. (2015) confirmed the significant relationship between brand awareness and overall brand equity. Likewise, the findings have been confirmed in other studies (i.e. Dib & Alhaddad 2014; Juntunen, Juntunen & Juga 2011; Mishara & Datts 2011; Yoo, Donthu & Lee 2000) that brand awareness has significant positive relationship with overall brand equity. Thus we posit the fifth hypothesis:

- H₅ There is a significant and positive relationship between brand awareness and overall brand equity

Brand association is important in the country of origin. It is highlighted “as anything linked to the memory of a brand” usually in some meaningful way (Saydan 2013). Brand associations build value for the company and its customer by providing facility of repossess information, provide value to the customer so that they buy, offer a basis for extensions, create positive attitudes or feelings and differentiate the brand (Aaker 1991). Several researchers grouped brand associations into a non-product related features like personality and organizational association and product-related features like brand performance (i.e. Chen 2001; Pappu et al. 2005; Keller 2003; Aaker 1996; Netemeyer et al., 2004). Norouzi and Fallah Hosienabadi's (2011) study confirmed that brand association have direct and positive effect on overall brand equity. Other researchers also confirmed the significant relationship between brand association and overall brand equity (Mostafa 2015; Tong & Hawley 2009). Based on this discussion the sixth hypothesis is posited:

- H₆ There is a significant and positive relationship between brand association and brand equity.

Product's perceived quality is the superiority judgement by the consumers. According to Zeithaml (1988) it is the customer's perception of the overall

superiority or quality of the product compare to other alternatives brand. It is not easy to make judgement of the quality. Consumers are usually judge quality based on the colour, availability of production information, flavor, appearance of the product and form (Bernues, Olaizola & Corcoran 2003). According to Yoo et al. (2000) consumer perceived brand quality based on their own experiences which they received information from environmental factors. Aaker (1996) mentioned that quality make value to a brand in different ways; to buy a product high quality perception is important, it allows to differentiate with other brand and company can charge higher premium price. Morton (1994) mentioned that marketers identified perceived quality in brand decision has its own importance. Researchers like Asif et al. (2015), Dib and Alhaddad (2014) and Thanh (2012) conducted empirical studies to examine the relationship between brand equity dimensions and overall brand equity. Their studies found significant and positive relationship between perceived quality and brand equity. Tong and Hawley (2009) study revealed weak relationship between perceived quality and overall brand equity. Moreover, Buill et al. (2013) study highlighted positive and significant relationship between perceived quality and overall brand equity. Based on the above discussion from the literature on perceived quality and brand equity, the seventh hypothesis is:

H₇ There is a significant and positive relationship between perceived quality and overall brand equity

Brand loyalty is one of the most important determinants of brand equity (Tong & Hawley 2009). Aaker (1991) considered brand loyalty as the major element of brand equity. Brand loyalty has been accepted as either attitude or behavior perspective. Oliver (1997) defined brand loyalty from attitudinal perspective, as “the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice”. Schoell and Guiltinan (1990)

who look at brand loyalty from behavioral perspective defined it as the degree “to which a buying unit such as a household concentrates its purchases over time on a particular brand within a product category”. Brand loyalty has also been highlighted as consumers readiness to pay premium price for the particular brand compare to other brand with similar benefits (i.e. Chaudhuri & Holbrook 2001; Aaker 1996; Srinivasan, Anderson & Ponnaivalu 2002). Previous studies reported that brand loyalty has dominant influence on overall brand equity (i.e. Asif et al. 2015; Dib & Alhaddad 2014; Thanh 2012; Gil, Andres & Salinas 2007). In addition, other reseachers found positive and signifiant relationship between loyalty and overall brand equity (i.e. Murtiasih, Sucherly & Siringoringo 2014; Buill et al. 2013; Khan & Mahmoud 2012; Chen & Tsend 2010). Hence the eighth hypothesis is proposed:

H₈ There is a significant relationship between brand loyalty and overall brand equity.

The research model (Figure 1) shows the hypothetical relationship explained above for this study.

METHOD

SAMPLE AND PROCEDURE

A cross-sectional mall intercept survey was conducted to collect the data for this study. Due to the speed, time and cost constraint this study employed non-probability convenience sampling method. A total of 400 respondents took part of this study. Twenty-two sets of questionnaire were discarded due to blank responses; the final sample was 378 and final response rate was 94.5 percent. The model was tested using one category of product i.e. imported cars in Malaysia. The imported car brand was chosen are Toyota, Honda and Mazda car.

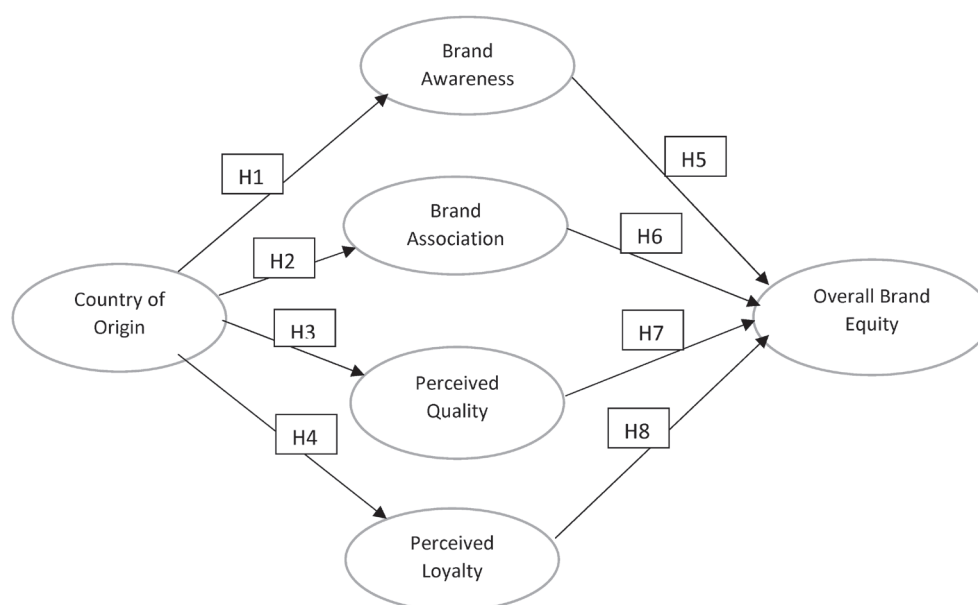


FIGURE 1. Research model of the study

Of 378 respondents, about 71.4 percent were female, the Malay group was the highest contributors of the total respondents consisting of 64.3 percent. Chinese respondents were 27.4 percent, Indians were 7.8 percent and rest (1.5 percent) was other races. Thus, the sample contains a representation of whole population in Malaysia as its population consists of 68.8 percent of Bumiputera, 23.2 percent Chinese, 7.0 percent Indians and 1.0 percent other races (Department of Statistics 2017). More than 80 percent of respondents aged between 21-30 years old, and about 73 percent of the respondents representing the working adults.

MEASURES

All items measured in this research based on the previously validated instrument. The construct of brand awareness, brand association, perceived quality, brand loyalty and overall consumer based brand equity was measured with scales from Tong and Hawley (2009) and finally country of origin was measured with the scale from Sanyal and Datta (2011). We used five-point Likert scale in which 5 indicated "strongly agree," 4 indicated "agree," 3 indicated "neutral," 2 indicated "disagree" and 1 indicated "strongly disagree." Regression analysis was used to analyse the data.

RESULTS

RELIABILITY

The internal reliability of items was verified by computing Cronbach's alpha which suggested that a minimum alpha of 0.6 was sufficed for early stage of research (Nunnally 1978). The Cronbach's alpha estimated for country of origin was 0.902, brand awareness was 0.859, brand association was 0.898, perceived quality was 0.879, brand loyalty was 0.922 and overall brand equity was 0.905. In this research the Cronbach's alpha were all much higher than 0.6, the construct were therefore deemed to have adequate reliability.

TEST FOR CONSTRUCT VALIDITY: FACTOR ANALYSIS

Construct validity represents the extent to which the items in a scale measure the same construct. In this research we use exploratory factor analysis in order to examine underlying construct and investigate the relationships among interval-scaled survey instruments regarding consumer-based brand equity. Kaiser normalisation with varimax rotation and principal components was also carried out. Varimax rotation facilitated interpretability. At first the Kaiser-Mayer Olkin (KMO) measure of

sampling adequacy was computed to determine the suitability of using factor analysis. The factors retained those eigenvalues more than 1.0. Those eigenvalue less than 1.0 dropped as it was considered insignificant. A total of five factors with eigenvalues greater than 1.0 were identified. These factors explained 74.16% of the total variance. The combined results of factor analysis (Table 1) indicates that most items loaded properly on their expected factors.

TESTING THE UNDERLYING ASSUMPTIONS FOR MULTIPLE REGRESSION

NORMALITY OF DATA

This study involves a relatively large sample (378 respondents) and therefore, the Central Limit Theorem could be applied and hence there is no question on normality of the data.

MULTICOLLINEARITY

It is important to test the multicollinearity for regression analysis (Hair, Tatham & Anderson 1998). Highly collinear variables can distort the results substantially and thus not generalisable. Researcher like Bryman and Cramer (2001) highlighted that the Pearson's r among each independent construct should not exceed 0.80, otherwise the independent variables that show a relationship at or in excess of 0.80 may be suspected of exhibiting multicollinearity. In this research multicollinearity is not a problem, because none of correlation between (see Table 2) all independent variables exceed 0.80. Tolerance and variance inflation factor (VIF) values are another two common measures to use to test multicollinearity. A common cut-off threshold is a tolerance value of 0.10, which corresponds to a VIF value above 10 (Hair et al. 1998). In the current study, the tolerance values of all variables are above 0.10. Likewise the VIF value is less than 10, thus further confirming that multicollinearity problem is not a concern (see Table 3).

HYPOTHESES DISCUSSION

The aim of this study is to examine the relationship between country of origin effect and dimension of brand equity on overall brand equity. The results of the hypotheses show the country of origin has significant effect on brand awareness, brand association, perceived quality and brand loyalty (Table 4). On the other hand, perceived quality and brand loyalty have significant effect on overall brand equity. The results will be discussed in this section.

TABLE 1. Factor analysis

Items	Scales				
	1	2	3	4	5
Country of Origin					
I will prefer the brand that originates from a country rich in R&D (CO1)			.780		
I will prefer the brand that originates from a country with high level of technological advancement (CO2)			.870		
I will prefer the brands that originates from a country which maintains a high level of quality (CO3)			.868		
I will prefer the brand that originates from a country which is popular in terms of car manufacturing (CO4)			.784		
Brand Awareness					
Some characteristics of A come to my mind quickly (BAw1)					.540
I can recognize A quickly among other competing brands (BAw2)					.792
I am familiar with A brand (BAw3)					.840
Brand Association					
A has very unique brand image, compare to competing brand (BA s1)	.820				
I respect and admire people who use A brand car (BA s2)	.795				
I like the brand image of A (BA s3)	.690				
I like and trust the company, which makes A brand car (BA s4)	.725				
Perceived Quality					
I trust the quality of car from A (PQ1)					.657
Car from A would be very good quality (PQ2)					.752
Car from A offer excellent feature (PQ3)					.770
Brand Loyalty					
I consider myself to be loyal to A brand (BL1)	.827				
When buying car, A would be my first choice (BL2)	.844				
I am still willing to buy A brand even if its price is a little higher than that of its competitors (BL3)	.808				
I would love to recommend A brand to my friends (BL4)	.810				
Overall Brand Equity					
Even if another brand has the same features as A, I would prefer to buy A brand (OBV1)	.759				
If another brand is not different from A brand in any way, it seems to smarter to buy A brand (OBV2)	.781				
A brand is more than car to me (OBV3)	.768				

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

TABLE 2. Pearson correlation

	Country of Origin	Awareness	Association	Quality	Loyalty
Country of Origin	1.00				
Awareness	0.387	1.00			
Association	0.450	0.531	1.00		
Quality	0.434	0.581	0.708	1.00	
Loyalty	0.502	0.505	0.548	0.576	1.00

TABLE 3. Test of collinearity

Variables	Tolerance	VIF
Country of Origin	0.512	1.966
Brand Awareness	0.604	1.655
Brand Association	0.458	2.184
Perceived Quality	0.415	2.418
Brand Loyalty	0.600	1.668

TABLE 4. Results of hypotheses testing

	Hypotheses	Path Coefficients (β)	t-value
Country of origin \longrightarrow	Brand Awareness	0.387	8.136**
Country of Origin \longrightarrow	Brand Association	0.450	9.759**
Country of Origin \longrightarrow	Perceived Quality	0.434	9.338**
Country of Origin \longrightarrow	Brand Loyalty	0.502	11.265**
Brand Awareness \longrightarrow	Brand Equity	0.084	1.592
Brand Association \longrightarrow	Brand Equity	0.049	0.806
Perceived Quality \longrightarrow	Brand Equity	0.238	3.729**
Brand Loyalty \longrightarrow	Brand Equity	0.345	6.502**

** Significant at .01

HYPOTHESIS 1 AND HYPOTHESIS 2

Multiple regression results show that country of origin has significant effect on brand awareness ($\beta = 0.387$, $t\text{-value} = 8.136$, $p \geq 0.001$), which lend support to the first hypothesis and similar findings reported in Anderson (1993). The results suggest that Malaysian consumers are familiar of all kind of cars imported from other countries. It means that when consumers are aware about the country of origin of a car then they make buying decision.

Country of origin image is associated with brand association. Studies like those carried out by Listiana (2015) has shown that country of origin has a positive effect on the brand association. From the Table 4, regression analysis results country of origin showed significant effect over the brand association ($\beta = 0.450$, $t\text{-value} = 9.759$, $p \geq 0.001$). This research results confirm that consumers evaluate positively to the car that originated from developed country, whereas less favourable consideration goes to car which is produced in less developed country.

A possible explanation for the positive and significant effect of country of origin on brand association/awareness results, that when Malaysian buy car they focus on the quality of the car as well as the country of origin of the car. Because Malaysians are well educated and they have ample of information about country of origin of the selected brands.

HYPOTHESIS 3

Studies show the significant relationship between country of origin effect on perceived quality. In this study multiple regression results show that ($\beta = 0.434$, $t\text{-value} = 9.338$, $p \geq 0.001$), implying that there is a significant and positive correlation between country of origin image and perceived quality. This research therefore further proves the earlier findings that showed country of origin is one of the important predictor which has significant and positive influence on perceived quality (Listiana 2015; Keller 1993).

HYPOTHESIS 4

Country of origin of product and service has significant influence on brand loyalty (Hadi & Azim 2011). Multiple regression results indicated that country of origin having ($\beta = 0.450$, $t\text{-value} = 9.759$, $p \geq 0.001$) indicating significant and positive correlation between country of origin and brand loyalty. This is consistent with the studies conducted earlier (i.e. Hadi & Azim 2011; Listiana 2015). This results support H_4 . A probable explanation that car buyers in Malaysia may perceive that cars manufactured in advanced country have adopted better technology, higher quality and are more reliable.

HYPOTHESIS 5 AND 6

Although the results of this study show that brand awareness and brand association has a positive correlation with overall brand equity, but this relationship is not significant ($\beta = 0.084$, $t\text{-value} = 1.592$, significant at $p \geq 0.114$) and ($\beta = 0.049$, $t\text{-value} = 0.806$, significant at $p \geq 0.421$) respectively. This result contradicts Saydan's (2013) research. In this study, brand awareness and brand association are not important predictors due to the reason that Malaysians are very much well known about the foreign cars and they can recall back at their decision making time. Foreign cars advertisements are available on the billboard at the road side, and car sellers always advertise in the newspaper once they introduce new model and design in the market. So these conditions could be the reasons that brand awareness and brand association factors on brand equity is not important amongst the Malaysian car buyers.

HYPOTHESIS 7

As per the regression result of the present study, the authors observed that perceived quality has positive correlation with overall brand equity. The relationship is significant ($\beta = 0.238$; $t\text{-value} = 3.729$, $p\text{-value} = .001$) authenticating the findings the study by Saydan (2013). According to Cronin and Taylor (1994) quality

is the reflection of consumer's evaluation when they encounter services. Other researchers such as Bitner et al. (1995) and Berry (1994) stated that meeting consumer's expectation resulting reasonable and fairly treatment to particular brand. Consumers in Malaysia treat foreign cars are assuring the quality of the services. This research therefore proves the earlier findings that showed, quality is one of the important phenomenon for consumer-based brand equity. Others research like Buil et al. (2013) support our research and shown that perceived has positive and significant effect on overall brand equity.

HYPOTHESIS 8

The acceptance of H_8 (brand loyalty) is in agreement with previous studies (Aaker 1991; Keller 1993; Listiana 2015). This study result indicating that brand loyalty have a positive and significant relationship with overall brand equity (beta = 0.345, t-value = 6.502, significant at $p \geq 0.001$). All of the previous studies suggest that if consumers are loyal to the brand then it will enhance the brand equity. So it is important by the company to make consumer loyal to their product or services.

IMPLICATIONS

IMPLICATIONS FOR RESEARCH

This study represents one of the few empirical studies which has tested country of origin as one of the construct with brand equity dimensions. This results show that country of origin effect is one of the most important predictor for brand awareness, brand association, perceived quality and brand loyalty. The conceptualization of multiple construct indicates that the present study offers a more comprehensive and rigorous approach for examining country of origin and brand equity dimension effect on overall brand equity. This study also adds to the limited empirical research on country of origin effect on brand equity dimensions. This study can serve as starting point for other similar research, but for future research, researchers should include other additional constructs. Future research needs to diversify samples for stronger verification of research finding. It is also important to use control variables for the future research as it may have some effect on buying branded product. Moreover, future research could also examine cause and effect by using structural equation modeling.

IMPLICATION FOR PRACTICE

This study provides important implications for managerial decision-making. The results prove that the evaluations about the country of origin have an influence on the brand equity of consumers from different perspectives. As such, in automotive industry, car manufacturers conducting

business in international markets should consider country of origin as a status cue. This implies that the car manufacturers must act global but they should think local because of culture and usage behavior diversities. In addition, considering the status of country of origin enables the firms to get benefits of globalization in regards to production, distribution, sourcing, marketing and economies of scale.

Country of origin affects image on brand awareness, brand association, perceived quality and brand loyalty influence directly to the purchasing behavior through the brand equity. Thus, it is important for the brand managers of car manufacturers to take consideration of the country of origin in their global branding decision making process, as well as the urge to manage the consumer-based brand equity dimensions more effectively. The results indicate that marketers should create extensive awareness of their cars in particularly in the Malaysian market in ensuring the performance of a brand or a product remains strong in global market. Nonetheless, the companies have to make critical decision in building brand equity by considering country of origin effect. This study provides empirical support on the issue of country of origin effect in relation to the brand equity dimension.

LIMITATION AND FUTURE RESEARCH DIRECTIONS

This study has some limitations. The survey was conducted at a mall, so the sample may limit the generalizability of the results. Future research should consider various shopping malls and in various locations. The sample size was also relatively small. So the study can be strengthened by increasing sample size and including participants from other segments. With an increased sample size, a more detailed empirical analysis among independent variables and the variables that have multiple categories can be performed.

CONCLUSIONS

This study examined the relationship between country of origin and brand equity dimensions such as brand awareness, brand association, perceived quality and brand loyalty. The study revealed that there is significant the relationship between dimension of brand equity and overall consumer-based brand equity. A significant number of researchers have conducted studies on the effect of country of origin on certain factors of brand equity, the main focus of this study was to examine the effect of country of origin on multidimensional consumer-based brand equity. This study contributes to the existing literatures by validating the impact of country of origin on the consumer-based brand equity of a brand. The study results show that country of origin is one of the important predictors that businesses need

to consider while they do business in Malaysia. The findings also show that country of origin has direct impact on brand awareness, brand association, brand loyalty and perceived quality and purchasing decision indirectly through brand equity. In global market country of origin has very crucial impact on success of a product or a brand.

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