Country-of-Origin Effect in the Marketing of Sports Shoes among University Students

By Alexia Sim* & Ho Keat Leng‡

The aim of this study is to examine the Country-of-Origin (COO) effect in the marketing of sports shoes among university students. 156 university students were randomly distributed into three groups and exposed to a fictitious sports shoes’ advertisement. COO information was not provided in the Control Group (n = 53). The experimental groups were provided information on COO from either a country with high COO scores (n=50) or low COO scores (n=53). A one-way ANCOVA found that there was a significant difference in Perception of Quality of the sports shoes between groups, F(2,152) = 2.98, p <.10 with respondents exposed to the advertisement featuring a country with high COO scores reporting the highest level of perceived quality. However, there was no significant difference across the groups for purchase intention. This suggests that COO effect exists for perception of quality but does not translate to purchase intention.

Keywords: perception of quality, purchase intention, advertising, sports, footwear

Introduction

The sports footwear industry has grown from a simple industry catering to sporting needs to a multibillion-dollar industry with sophisticated marketing campaigns focused on profits (Kurtzman 2005). It has been estimated that the revenue of athletic footwear globally will reach US$53 billion in 2023, dominated by brands from a small number of Western countries such as Nike which is from the United States (Statista 2023a). This may be due to a rise in sports participation among the general population and the increasing acceptance of sports shoes in daily wear. Sports shoes are highly popular with university students as daily wear due to their physically active lifestyle and higher levels of participation in recreational sports (d’Astous and Chnaoui 2002, Tong and Su 2014). Consequently, marketers of sports shoes are interested in understanding the consumer decision-making process of this demographic segment.

Consumers are influenced by a myriad of factors in their consumption decisions. Specific to sports shoes, these factors include brand image, perceived quality, design aesthetics, type of material used, and country-of-origin (COO) (Dickson and Pollack 2000, Ko et al. 2008, Zhou et al. 2018). University students who are using sports shoes for daily wear and recreational sports may not be highly involved when purchasing sports shoes. As such, they may be more likely to be persuaded through peripheral cues such as COO (Petty et al. 1983). As the

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sports shoe industry is dominated by brands from a handful of countries, it is unclear whether athletic shoe manufacturers from other countries are disadvantaged by COO effects.

Many brands originate from one country, while its supply chain or place of manufacture are in other countries. While COO can be viewed as a multi-dimensional construct, a “Made in Country X” is sometimes considered a sufficient cue on COO (Johnson et al. 2016). Despite several authors arguing that COO is unimportant and not predictive of consumer behaviour (Herz and Diamantopoulos 2017, Samiee et al. 2005, Liefeld 2004), other studies have shown that exposure to a COO cue can affect consumers’ perceptions and behaviours (Herz and Diamantopoulos 2013, Liu and Johnson 2005, Martin et al. 2011). Hence there is a need to further study whether a simple cue such as COO, can potentially affect quality perception and purchase intention. Understanding this could help marketers develop more effective marketing communications in changing potential consumers’ attitudes or beliefs towards their brands.

The aim of this study is therefore to examine whether information on COO can affect the perception of quality and purchase intention of sports shoes among university students.

**Literature Review**

Consumers’ decision-making process can be affected by many factors such as perception of quality and brand image. However, the importance of these factors varies across different segments of consumers. For example, consumers who are highly involved in sports are more likely to focus on seeking information on sports products as they would be concerned about the quality and performance of the sports equipment (Chew and Leng 2016, Dickson and Pollack 2000, Tsiotsou 2006). Conversely, consumers who are unfamiliar with a product category may depend on extrinsic cues to make consumption decisions. These extrinsic cues include brand name, packaging, and COO (Chew and Leng 2016, Dickson and Pollack 2000, Ko et al. 2008, Petty et al. 1983, Tsiotsou 2006).

COO is defined as the country where the product has been developed, built, or made (Thakor and Katsanis 1997). The COO effect is used to describe a situation where the consumer’s decision-making process is affected by information on the COO of a given brand (Andéhn et al. 2016). In such situations, consumers use COO as additional information in evaluating a product, attributing value to the consumer decision-making process (Durand 2016, Lee and Lee 2009a, Pappu et al. 2006, Usunier and Cestre 2007, Verlegh and Steenkamp 1999). Consumers assume that innate factors like geographical location, climate, and availability of resources could lead to a country producing better quality of a specific product category. They may thus develop an overly positive image of products produced in the country that is biased and unjustified, particularly when other information is absent (Dagger and Raciti 2011, Koh and Leng 2017, Pappu et al. 2006, Pharr 2005, Phau and Chao 2008, Rasoul et al. 2015, Usunier and Cestre 2007, Wang and Yang 2008). Eventually, this may lead to purchase intention (Haque et al.
2015, Lin and Chen 2006). However, this is a complex process as COO can vary across demographic segments (Chand and Tung 2011) and product categories (Balabanis and Diamantopoulos 2004, Usunier and Cestre 2007).

The literature suggests that COO reputation can positively impact the creation of strong brands, while certain countries are also associated with stereotypes and characteristics of certain products, known as the “product-country-image” (Fournier 1998, Lefkoff-Hagius and Mason 1993, Pappu et al. 2006). The COO effect has been found in many studies across a wide range of product categories (Ghalandari and Norouzi 2012, Magnusson et al. 2011, Pappu et al. 2006, Pharr 2005). For instance, made in Germany items are associated with superior quality and reliability versus made in China items which are associated with inferior quality and low cost, despite China being one of the world’s largest manufacturers (Lee and Lee 2009b, Lew and Sulaiman 2014). As such, the manufacturing process of sports goods can impact the perceived quality of the product (Ahmad et al. 2023, Baydal-Bertomeu et al. 2015).

The poor perception of made in China products has started to shift. Consumers from developing countries such as Malaysia, showed a favorable perception of quality as well as purchase intention of mobile phone brands from China (Yunus and Rashid 2016). This suggests that the perception, association, and stereotype of COO are dynamic and can change over time.

Most studies on COO were conducted on goods with only a small number of studies conducted on services (Han and Kwon 2009, Javalgi et al. 2001, Lin and Chen 2006). Services are distinct from goods due to their characteristics of intangibility, heterogeneity, inseparability, and perishability (Wirtz and Lovelock 2021). Despite this, there is some evidence that the COO effect can be found in services as well (Javalgi et al. 2001).

Specific to the sports industry, it has been suggested that countries can develop an association with sports when they possess the geography to support sports participation and host sports events. When coupled with resources such as athletes with sporting achievements and supportive sports media, consumers may transfer the country’s association with sports to sporting goods produced by the country, creating a positive COO effect (Gerke et al. 2014, Koh and Leng 2017).

There are few studies examining the COO effect on sports products (Gerke et al. 2014). A study found that among Korean university students, the COO affected the perceived quality of ski products. The COO effect in this study was also comparatively higher than other product categories such as electronic products (Han and Kwon 2009). Another study on sports shoes was conducted with samples drawn from university students in China and Korea and found that the perceived quality of sports shoes was affected by COO information among Chinese students. However, the Korean students’ perception of the quality of sports shoes was unaffected by information on the COO (Ko et al. 2008).

The above suggests that there is a COO effect on sports products although the extent of this effect may differ across product categories and consumer segments. Specifically, COO can affect the perception of the quality of the product. Perception of quality is defined as the general quality or superiority of the product, as perceived by customers as compared with other similar products (Keller 2012).
In other words, COO information can cause consumers to perceive that the product is of higher or lower quality when compared with other similar products. This leads to the first hypothesis in this study.

H1: Sports shoes from a country that is assumed to be producing better quality sports shoes will be perceived to be of higher quality when compared to similar products.

Earlier studies have established a positive relationship between perceived quality and consumers’ purchase intention. When consumers perceive that a product is of high quality, there is a corresponding higher level of purchase intention (Giovanis et al. 2013, Ko et al. 2008, Yoo and Kim 2014). While perceived quality may be correlated to purchase intention, they are conceptually different (Tsiotsou 2006).

Purchase intention is defined as an individual’s action tendencies regarding a potential purchase of a product or service (Rezvani et al. 2012). It can indicate an individual’s motivation to fill up a purchase decision and acts as a proxy for actual purchase behavior in research studies (Ghalandari and Norouzi 2012). As such, perceived quality is the consumer’s evaluation of a product’s overall excellence or superiority while purchase intention is related to buying behavior.

Information on COO has been suggested to have a larger effect on consumers’ perception of quality as compared to purchase intention (Javalgi et al. 2001). This suggests that it may be necessary to measure the COO effect on purchase intention and not assume that any effect on perceived quality will be translated into purchase intention. As earlier studies did not examine COO effect on purchase intention (Han and Kwon 2009, Ko et al. 2008), this study will examine both perceived quality and purchase intention. In other words, while COO can affect the perception of the quality of sports products, it is not evident that it can affect purchase intention. This leads to the second hypothesis.

H2: Consumers will have higher purchase intention for sports shoes from a country that is assumed to be producing better quality sports shoes when compared to similar products.

The present research focuses on university students and the purchase intention and quality perception of sports shoes through viewing an advertisement with a fictitious brand and only COO (for experimental groups) as an extrinsic cue. A factor that could impact their intention and perception is the level of sports involvement. In sports management research, a multitude of definitions of sports involvement exists, with studies that consider the term as a multidimensional construct, and others that view as a unidimensional (Beaton et al. 2011). This study defines the concept of sport involvement as the love, interest, and affinity with and for sports (Gwinner and Swanson 2003) and as suggested by Chew & Leng (2016), when one is highly involved in sport, the consumers may possess greater knowledge on the shoes hence less likely to be persuaded by marketing materials (Chew and Leng 2016).
Method

After obtaining approval for the study by the university’s institutional review board (IRB-2015-10-010), participants were recruited from students studying in Singapore universities through social media and physical flyers.

In this study, COO is conceptualized as being associated with the country of manufacture of sports shoes. In preparation for the main study, 30 respondents were first recruited via social media and given a list of ten countries that manufactured sports footwear for popular brands such as Reebok (Barff and Austen 1993, Statista 2023b). The respondents had a mean age of 21.10 years and 18 (60%) of them were of female gender. The countries chosen were Bangladesh, Canada, China, Indonesia, Japan, Korea, Sri Lanka, Thailand, United Kingdom and United States. Respondents were asked to indicate the quality of sports shoes produced in the countries on a 10-point Likert scale which ranged from 1 (inferior quality) to 10 (superior quality). It was found that Japan had the highest mean score of 7.47 while Bangladesh had the lowest mean score of 4.57. Consequently, it was determined that Japan and Bangladesh will be used in this study to represent countries with high and low COO scores respectively.

In the second phase of the study, 156 respondents were recruited via printed flyers distributed to students in Singapore universities. The participants were then randomly allocated to one of three groups to view an online advertisement featuring a fictitious brand of sports shoes, Lauf Athletic (Appendix). A randomized list was generated prior to participant recruitment through the RAND function on Microsoft Excel. The respondents had a mean age of 21.79 years and 86 (55%) of them were of female gender. It was decided that a fictitious brand would be used instead of an existing brand as this limit the potential confounding effects from pre-existing attitudes, beliefs, or bias towards a specific brand (Thakor and Lavack 2003).

The advertisements across the groups were similar except that in the control group, there was no information on the COO. The advertisements in the remaining two experimental groups included information that the products were produced in either the country with the high COO score i.e., Japan or low COO score i.e., Bangladesh. As such, any difference in response across the groups is due to the COO information. There were 53 respondents in the control group. The number of respondents in the experimental groups with high COO score and low COO were 50 and 53 respondents respectively.

After viewing the advertisement, respondents completed an online survey instrument that took approximately 15 minutes. The survey instrument included two dependent measures, the perception of quality and purchase intention of the advertised sports footwear. These items were previously used in an earlier study on the marketing of sports shoes on social media (Chew and Leng 2014).

The perception of quality was a single item on a 10-point Likert scale (1: Extremely Low Quality, 10: Extremely High Quality) adapted from earlier studies (Burnkrant and Cousineau 1975, Pincus and Waters 1977):
I perceive Lauf Athletic shoes to be of a 4-item, 7-point Likert scale (1: Strongly Disagree, 7: Strongly Agree) adapted from earlier studies was used to measure consumers’ purchase intention (Coyle and Thorson 2001, Prendergast et al. 2010). The scale was found to have good internal consistency in earlier studies (Coyle and Thorson 2001, Prendergast et al. 2010). For this study, the Cronbach’s alpha coefficient for the purchase intention scale was .88, suggesting good internal consistency. The items are detailed below.

1. It is very likely that I will purchase Lauf Athletic shoes
2. I will purchase Lauf Athletic shoes the next time I need a pair of running shoes
3. I will definitely try on Lauf Athletic shoes
4. Suppose that a friend called you last night to get your advice on a pair of running shoes. Would you have recommended him/her to purchase Lauf Athletic shoes?

The survey instrument included sport involvement as a covariate measure. This was measured using a 3-item, 7-point Likert scale (1: Strongly Disagree, 7: Strongly Agree) adapted from earlier studies (Gwinner and Swanson 2003).

1. Participating in sports is important to me
2. I think about sports all the time
3. I watch sporting events whenever I can

The scale had a Cronbach’s alpha coefficient reported at .87 and was thus considered to be reliable (Gwinner and Swanson 2003). Similarly, this study found the scale to be reliable with a Cronbach’s alpha coefficient of .85.

Findings

The relationship between perceived quality and purchase intention was investigated using Pearson product-moment correlation coefficient. There was a strong, positive correlation between the two variables, \( r = .69, p < .01 \). This concurs with earlier research that perceived quality is positively correlated with purchase intention (Giovanis et al. 2013, Ko et al. 2008, Yoo and Kim 2014).

A one-way between-groups analysis of covariance was conducted to compare the perception of quality across the groups with sport involvement as the covariate. Preliminary checks were conducted to ensure that assumptions for the analysis were not violated. There was a significant, moderate relationship between sport involvement and perception of quality, \( F(1, 152) = 19.16, p < .01, \eta_p^2 = .11 \). After adjusting for sport involvement, there was a significant difference in the scores for perception of quality between groups, \( F(2,152) = 2.98, p < .10, \eta_p^2 = .04 \). The adjusted marginal means displayed in Table 1 show that respondents exposed to the advertisement with the country with a high COO score reported the highest level of perceived quality (\( M = 5.97 \)) when compared to the control group with no information on COO (\( M = 5.13 \)) and the group exposed to the advertisement with
the country with a low COO score ($M = 5.11$). Post hoc comparisons for the adjusted means showed that there was a significant difference between the high COO and low COO groups only ($p < .10$).

**Table 1. Estimated Marginal Means of Perceived Quality with Sport Involvement as Covariate**

<table>
<thead>
<tr>
<th></th>
<th>Unadjusted Mean</th>
<th>SD</th>
<th>Adjusted Mean</th>
<th>SE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Group</td>
<td>5.08</td>
<td>2.23</td>
<td>5.13</td>
<td>.28</td>
</tr>
<tr>
<td>High COO score (Japan)</td>
<td>6.08</td>
<td>2.21</td>
<td>5.97</td>
<td>.29</td>
</tr>
<tr>
<td>Low COO score (Bangladesh)</td>
<td>5.06</td>
<td>2.01</td>
<td>5.11</td>
<td>.28</td>
</tr>
</tbody>
</table>

\(^{a}n=53,^{b}n=50,^{c}n=53\)

A one-way between-groups analysis of covariance was conducted to compare the purchase intention across the groups with sport involvement as the covariate. There was a significant, strong relationship between sport involvement and purchase intention, $F(1, 152) = 26.03, p < .01, \eta^2_p = .15$. The adjusted marginal means for purchase intention after adjusting for sport involvement is shown in Table 2. Respondents exposed to the advertisement featuring a country with high COO score reported a higher level of purchase intention ($M = 3.64$) when compared to the control group with no information on COO ($M = 3.60$) and the group exposed to the advertisement featuring a country with low COO score ($M = 3.36$). However, this did not reach statistical significance, $F(2,152) = 1.00, p > .10$.

**Table 2. Estimated Marginal Means of Purchase Intention with Sport Involvement as Covariate**

<table>
<thead>
<tr>
<th></th>
<th>Unadjusted Mean</th>
<th>SD</th>
<th>Adjusted Mean</th>
<th>SE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Group</td>
<td>3.57</td>
<td>1.21</td>
<td>3.60</td>
<td>.15</td>
</tr>
<tr>
<td>High COO score (Japan)</td>
<td>3.71</td>
<td>1.18</td>
<td>3.64</td>
<td>.16</td>
</tr>
<tr>
<td>Low COO score (Bangladesh)</td>
<td>3.33</td>
<td>1.16</td>
<td>3.36</td>
<td>.15</td>
</tr>
</tbody>
</table>

\(^{a}n=53,^{b}n=50,^{c}n=53\)

The analysis above shows that H1 was supported. Respondents exposed to advertisements with information on a country with high COO score perceive the sports shoes to be of higher quality. However, H2 was not supported. This suggests that perceived quality alone is not sufficient to affect purchase intention. This concurs with earlier studies that COO has a larger effect on perceived quality when compared to purchase intention (Javalgi et al. 2001).
Discussion

Consumer decision making is affected by many different factors including COO. Verlegh and Steenkamp (1999) suggested that while COO is likely to affect attitudes towards a brand, it may be more limited in its effect on purchase behaviour, owing to additional and external factors such as access and financial constraints (e.g., unable to purchase product due to insufficient funds). This is found to be true in this study.

The result from this study supports H1. Respondents exposed to an advertisement featuring sports shoes from a country with high COO scores in producing sports shoes reported the shoes to be of higher quality when compared to respondents exposed to advertisements featuring shoes from a country with low COO scores or an advertisement without information on COO. This concurs with earlier research that consumers use COO as an indicator of a product’s quality (Lee and Lee 2009b).

However, the findings did not support H2. While respondents exposed to an advertisement featuring sports shoes from a country with high COO scores in producing sports shoes reported higher purchase intention when compared to respondents exposed to advertisements featuring shoes from a country with low COO scores or an advertisement without information on COO, it did not reach statistical significance. This concurs with earlier studies which suggested that the effect of COO may not extend to purchase intention (Magnusson et al. 2011).

Earlier studies have established the correlation between perceived quality and consumers’ purchase intention (Giovanis et al. 2013, Ko et al. 2008, Yoo and Kim 2014). Consequently, some studies have only examined perceived quality. In this study, concurring with earlier studies, it was also found that there exists a correlation between perceived quality and purchase intention. However, this study went further to examine the effect COO had on purchase intention. The findings suggest that it is not sufficient to only examine perceived quality as it does not necessarily translate into purchase intention. In particular, the study concurs with earlier studies that information on COO has a more limited effect on purchase intention and it is necessary to examine this independently.

The current sports shoes industry is dominated by a few manufacturers from a small number of countries. The findings from this study suggests new sports shoes brands operating from a country with a favorable COO image should provide COO information in their advertising and marketing communications to positively influence consumers’ perception of quality of their products amongst university students (Gerke et al. 2014). However, this alone will not translate into sales. Consequently, marketing communications must be accompanied by an effective marketing campaign.

Conversely, new sports shoes brands operating from a country without a favorable COO image should not provide COO information in their advertisements. Instead, the marketing communications should focus on product attributes such as functional properties, aesthetics, packaging, or any other information that may help university students evaluate and make a purchase decision.
Conclusion

The aim of this study was to examine whether COO could affect university students in their purchase of sports shoes. It presented that while COO can affect the perception of quality, it was more limited in affecting purchase intention.

As this study is on university students, future research should examine whether the findings can be generalizable to other similar consumer segments such as the growing athleisure segment.

As there are other extrinsic cues such as brand name, product pricing, and consumers’ income levels that may affect perceived quality and purchase intention of sports shoes, these should be examined in future studies as well. In addition, the study of respondents’ domestic COO along with variables such as ethnocentrism can contribute to a better understanding of the literature.

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Appendix

Best Athletic Shoes Ever

By LAUF
Made in Japan
Country of Origin Effect in the Marketing of Sports Shoes...