ANALYSIS OF CONSUMER ATTITUDE TO PRODUCT ATTRIBUTES OF MADE IN CHINA PRODUCTS

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ABSTRACT

Consumers have different attitudes toward any kind of product which available in market nowadays. One of the countries that producing a lot of manufactured products in the market today is China. The result of that, many brands in worldwide now has made-in China label in their products. Nowadays, made-in China products can be easily found in market of Indonesia espesially in Manado. The purposed of this research is to know consumer attitudes toward made-in China products based on product attributes (quality, price, and design) and to find which attribute is the dominant attribute that influenced consumer to buy made in China products. Theories supporting this research are consumer attitude and country of origin. The population is people of Manado City who ever used made in China products, with the sample size of 100 respondents. This study was conducted in Manado City. The data was gathered through quesionaires by using likert scale. Fishbein Multiattribute Model used as a tool to conduct this research. The result shows that consumer attitude towards made-in China products in Manado is considered good. Attribute price considered as the most dominant attribute which influenced consumer attitude towards the products because of the low price compared with another products.

Keywords: consumer attitude, country of origin, product attributes, Fishbein multiattribute model

INTRODUCTION

Research Background

Consumers have different attitudes toward any kind of product which available in market nowadays. Talking about consumer is really related with human itself. From the beginning, when a person born, they already have needs and wants to be satisfy. Needs and wants for one person to another is different. From the way of simple thinking, solution for every needs and wants are simple to satisfy them with the product and services which are available around the world. Generally, consumers will never feel satisfied. When one need or want already be fulfilled, there are many needs and wants come that need to be satisfy. These make the world of consumer become wider. In order to fulfill all of the needs and wants of consumers, marketers comes with products and services which are considered as the best solution for all needs and wants in variety of aspects.

Marketers trying to predict the behavior of every consumer, and it is resulted in the theory of consumer behavior. When marketers trying to get consumer attention, they need to know what exactly they have to study and to dig deeper. The way of consumer making choices in any kind of products and services are vary according to many factors. The perspective and the way people making decision to buy any specific product are influenced by many things. The behavior of consumer depends on what they see right in their way of thinking. Solomon told that (2011:33) consumer behavior is the study of the processes involved when individuals or group select, purchase, use, or dispose of products, services, idea, or experiences to satisfy needs and desires. Consumers are different in many ways. Every person has different behavior with another person. This means that the attitude towards product is also different. Types of relationships which a person might have with a product (Solomon, 2011:44) are self concept attachment, nostalgic attachment, interdependence and love. Self concept attachment means that the product can helps the user establish specific identity. Nostalgic attachment means that the

product has a relation with the past of the user. Interdependence means that the product is a part of the user's daily routine. Love means that the product has emotional bonds with the user.

Previous studies told that, there are some important factors which affect the consumer attitude toward product: Country of Origin (COO), Consumer Ethnocentrism, product attributes and popular brand product. COO is often referred to "Made in" concept. Patterson and Tai (1991) found that Country of Origin effects are not strong and it varies with age and migrant of consumers. In the other hand, Opoku and Akorli (2009) found that Country of Origin is more important than any other product attributes. Kinra (2006) cited by Khattak and Shah (2011) told that this country of origin will not affect to product which already have a good brand image. For example: in automotive industry, like Toyota.

Reputation of nationality for superiority of technology, product quality, design and value, naturally will vary from country to country, but consumers tend to generalize their attitudes and opinions across a wide range of products from a given country (Patterson and Tai,1991). If consumer hold a positive feel and impact from one product for specific country, it tend to generalized all products from that country, are also positive in their mind and it happens in the other way (Agrawal and Kamakura, 1999). One of the countries that producing a lot of manufactured products in the market today is China. With the low-cost of labor, China has attracted many countries to invest and build up their factories in China. The result of that, many brands in worldwide now has "Made in China" products. Aside from the perspective and thinking of some people about made in China product which is considered as low quality, there are some China brand nowadays already get positive respond in the market worldwide. For example Lenovo and Huawei. Lenovo can be considered as top brand in PC manufacturer. Currently it has reached the third position after Dell and HP. The company start to get attention globally when they bough IBM's PC division. Other China brand product Huawei become well known brand in telecom-equipment vendor. Recently it has become the world's largest telecom-equipment vendor. Also there is ZTE, a Chinese firm which also received much attention globally.

Indonesia is one of country in Southeast Asia which has a significant economic growth. A lot of companies from every kind of industries try to compete their product in Indonesian market. Automotive, electronic, fashion, and any other kind of products have a lot of variety and choice in the market today. Because there are a lot of products available in market, there are also a lot of choices for consumers, which make their own attitudes towards those products.

Made in China products can be easily found in Indonesian market. People already know and using it. So, it can be concluded that made in China products has already get the position and place in the market also in the mind of customers. One of the market is Manado City.Manado City consists of people who have different status, occupation and level of income. There are students, collage students, civil servants, entrepreneurs, employees. In Manado itself, consumer aware and using a lot of made in China products. There are many stores and retailers in Manado that provide made in China products, such as in mobile industry, like hand phones and smart phones, hardware industry like laptop, PC and TV and other industries. In case of made in China product, Manado city consumers have their own attitudes toward it.

Research Objective

The objectives of this research are:
1. To measure consumer attitude towards made in China products.
2. To find of the dominant attribute which influence consumer to buy made in China products.

THEORETICAL REVIEW

Theories

Consumer Attitude

Solomon (2011:282) told that attitude is a lasting, people's general evaluation (also including oneself), objects, advertisement or issues. Further, attitude can be an act of people which is show the characteristic of one person. For example when listening a pop music where in the next time you hear it again you will like it more and more. Therefore, you will have a positive effect if you hear any kind of song in pop genre.

There are three component of attitude as stated before (Solomon, 2011:283), which are affect, behavior, and cognition. These components tend to emphasize with knowing, feeling and doing. Kotler and Keller (2009:210) told that attitude put us into the mind of liking or disliking an object, moving away or toward it, and also these attitudes will lead us into behave in a fairly consistent way toward similar object and then they will be very difficult to change.

Country of Origin

The country of origin effect, also known as the "made in" concept, has been defined as the negative or positive influence that a manufacture of product's country may have on consumers' decision processes or subsequent behavior (Elliott and Cameron, 1994) cited by Watson and Wright (2000). The country-of-origin defined as the country where the location of head office of the corporation marketing the product or brand is in the country itself (Aydin et al, 2007). COO is the influence which generalizations and sensations concerning a country have on an individual's assessment of that country's products or in the other words it is the spectacle, the prestige, the stereotype that customers enclose to outputs of particular region (Cengiz & Kirkbir, 2007).

Previous Research

Lyden et al (2005) examined the made in China product in case of Swedish consumers. The result told that consumers are negatively affected to made in China product. Older consumers are more affected than younger consumers, except of those age in 30-40 who are affected the most. The impact increases as the level of product differentiation become higher. Veeanne (2007) identifies the effect of extrinsic cues, country of origin and price, plus their interaction effect on consumers' attitude and purchase intention. This study found that country of origin had significant effect on consumers' attitude under both low price and high price conditions, where the impact of country of origin was more significant in low price situation.

Opoku and Akorli (2009) examined empirically consumer attitudes towards local and imported products in a developing country market. The results of the study suggest that country of origin is more important than price and other product attributes, the Ghanaian consumer holds the ' Made in Ghana' label in low regard relative to foreign labels, whilst superior quality and consumer taste are the two most important reasons for the Ghanaian consumers' preference for foreign products. Ramdhani et al (2012) examined the consumer attitude using Fishbein multi-attributes approach. The study focuses in motorcycle industry. The result shows that brand Honda has a higher valuation than the two other brands which are Yamaha and Suzuki. The dominant factor which influence consumer to buy product Honda is family member factor. Bamfo (2012) investigated the attitude of respondents towards made in Ghana products. The study recommended that industries in the country need to increase the quality of products to compete with those products from abroad. Sarwar et al (2012) examined customer's perception towards buying Chinese products. The results indicate that price and product quality are the most important concern that have been frequently used by the respondents in this study while buying Chinese products.
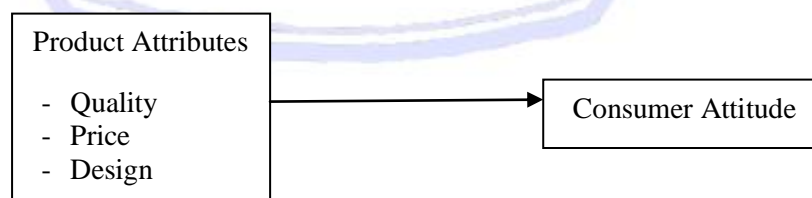
Figure 1 Conceptual Framework

RESEARCH METHOD

Type of Research

This research used relation type of research where it will investigate consumer attitude towards made in China products.

Place and Time of Research

Study area is divided into several points at Manado City. The study area was selected based on author preferences. This study conducted in Manado City between June to August 2013.

Population and Sample

Sekaran and Bougie (2009:262) told that population consist of entire research object such as group of people, events or things. The population studied in this research is the people of Manado City which is consisting of different social status, such as students, college students, employee, non-employees. Scope of this study is limited to some areas in Manado which is the author preference for this case. For this study, the range of age used is the respondents from the age of 15 years old until 60 years old. The tendency of these age range represent people that already in the growing phase, productive and non-productive phase.

Sample is elements or members of population (Sekaran and Bougie 2009:263). The used sample must represent the research population and also those elements can be used to predict characteristic of population. There are some methods used in collecting sample for the purpose of a study. In this case, this study used simple convenience sampling. Convenience sampling refers to the collection of information from members of the population who are conveniently available to provide it (Sekaran and Bougie,2009:276). Convenience sampling sometimes may be the only viable alternative when quick and timely information is needed (Sekaran and Bougie,2009:278). For that reasons, 100 respondents have been chose for conducting the survey of this study. This sample size of 100 respondents is based on Slovin formula.

Data Collection Method

Sekaran and Bougie (2009:180) told that there are two source of data, which are primary data and secondary data. Primary data refer to information obtained first hand by the researcher on the variables of interest for the specific purpose of the study. Secondary data refer to information gathered from sources that already exist.

The data for this study obtained from primary and secondary data. Primary data collection used was a questionnaire. Secondary data was collected through the documentation contained in articles, information and books that correlated towards study to investigate and obtain the result.

Definition of Research Variables

Definition of variables in thi study are as follow.
1. Quality is the value which is in the product itself. Quality can be in a value of high or low according to belief of consumers. In consumer point of view, quality can be described as the competitive advantages of the product which is durable.
2. Price is the amount of value consumer willing to give in order to exchange for a product. Price can also represent the quality of the product. Price of the products can be low or high.
3. Design is the unique attribute of the product. It can be in a form, style and shape which following the trend in the market to get consumer attention.
4. Consumer Attitude as stated before (Solomon, 2011:282) is a lasting, general evaluation of people (including oneself), objects, advertisement or issues. Attitude can be an act of people which is show the characteristic of one person.

Variables in this study will be measured using likert scale. A likert scale requires respondents to indicate the extent of agreement or disagreement with a series of statement about a subject (Hair et.al, 2010:162).

Data Analysis Method

Validity and Reliability Test

Validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure. In other words, validity is concerned with whether it is already measure the right concept and reliability with stability and consistency of measurement (Sekaran & Bougie, 2009:157). Validity is a measure of accuracy in measurement. A construct with perfect validity contain no measurement error (Hair et.al, 2010:157). Questionnaire is considering valid if the questions inside able reveal the main idea which will be measure.   Reliability is a test of how consistently a measuring instrument measures whatever concept it is measuring (Sekaran & Bougie, 2009:157). In other words, reliability is the index which will show how far the

measure tool can be trusted and reliable. The reliability test in this research is based on Cronbach's alpha. Sekaran & Bougie (2009:325) told that reliabilities less than 0.60 are considered to be poor.

Fishbein Multiattribute Model

Solomon (2011:291) told that Fishbein model is the most influential multi attribute model, named after its primary developer Martin Fishbein. The model measure there components of attitude:

1. *Salient beliefs* which people have and A_0 which a person considered during evaluation about those beliefs toward the object.
2. *Object-attribute linkages,* or important attribute of a particular object which it probably has.
3. *Evaluation* of each attribute whether it is important or not.

When these three elements combined, it can compute a consumer's overall attitude toward an object. The basic formula is:

$$Ao = \sum_{i}^{n} bi\ ei \quad \dots\dots (Ramdhani\ et\ al, 2012)$$

Where:

A_0= consumer attitude, i = attribute, b = belief, e = evaluation

RESULT AND DISCUSSION

Result

Validity and Reliability Test

The correlation between indicators is more than minimum level which is 0.30 therefore the instrument is valid. The Cronbach Alpha is 0.670 which is more than 0.6, therefore, the measurement instruments used for this research are reliable.

Fishbein Multiattribute Analysis

Result from calculation and analysis of the data collected, the consumer attitude towards made in China products can be seen in the table 1 below.

Table 1. Result of Consumer Attitude towards Made-in China Product

No	Attribute	belief (bi)	evaluation (ei)	bi x ei	Average
1	High quality product	2.72	5.00	13.60	
2	Durable/long lasting product	3.00	5.00	15.00	
3	Good raw materials	3.00	4.00	12.00	
	Quality				13.53
4	Affordable price	4.00	4.00	16.00	
5	Cheaper than other products	4.00	4.00	16.00	
6	Match product quality	3.00	4.00	12.00	
	Price				14.66
7	Original Design	2.00	4.00	8.00	
8	Up-to-date Design	4.00	4.00	16.00	
9	Interesting Design	3.00	4.00	12.00	
	Design				12.00
	Total	**28.72**	**38.00**	**120.60**	

Source: Data Processed, 2013.

To measure in which level where the consumer attitude of made-in China, first it needs to count the maximum scores of each attitude, which is in the table 2 below.

Table 2. Maximum Score of Consumer Attitude towards Made-in China Product

No	Attribute	Ideal belief (1)	evaluation (2)	1 x 2
1	High quality product	5	5	25
2	Durable/long lasting product	5	5	25
3	Good raw materials	5	4	20
4	Affordable price	5	4	20
5	Cheaper than other products	5	4	20
6	Match product quality	5	4	20
7	Original Design	5	4	20
8	Up-to-date Design	5	4	20
9	Interesting Design	5	4	20
	Total			**190**

Source: Data Processed, 2013.

Table 2 shows the maximum score of attitude where the ideal belief is five (5). If the ideal belief substituted with four, three, two, and one, it resulted in maximum scores until minimum scores. So the score from maximum to minimum is 190; 152; 114; 76; 38. So, five (5) is the score of very good and one (1) as very bad, the maximum score of attitude is 190 and the minimum score of attitude is 38. As the result above it shows that the consumer attitude of made-in China products is 120.60. The score above said that consumer attitude towards made-in China products is in good level. It means that consumer attitude of made-in China products can be considered as good.

Figure 2. Level of Attitude

- Level 1, A_0 between 0-38 = very bad
- Level 2, A_0 between 38-76 = bad
- Level 3, A_0 between 76-114 = almost good or sufficient
- Level 4, A_0 between 114-152 = good
- Level 5, A_0 between 152-190 = very good

Source: Data Processed, 2013.

Next section is to answer the research objective of which the attribute is considered as the most important attribute in measuring the consumer attitude towards made-in China products. Based on the data calculated, it shows in the table 3 below:

Table 3. Result of Attributes Analysis

Belief		Evaluation	
Scale	Attribute	Scale	Attribute
2.60	Quality	4.04	Design
3.13	Design	4.15	Price
3.92	Price	4.59	Quality

Source: Data Processed, 2013.

It shows that consumer belief the quality of made in china product is bad (2.60), the design sufficient (3.13) and the price is almost good (3.92). But in the evaluation, consumer hope to get high quality (4.59), good price (4.15) and good design (4.04). From the table 3 it can be concluded that consumer placing very much of attentions in attribute quality which can be seen in evaluation column. For made in China product, the attribute of Price (3.92) is the dominant attribute which influenced consumer attitude towards made-in China product.

Discussion

The attitude of consumer towards made-in China product where the A_0 is 120.06 is considered as good. The highest score is attribute price which is 14,66. This is because the prices of made-in China products are low and generally cheaper than other products. The second highest is attribute quality which is 13.53. This is because respondent in the evaluation itself want to buy product which have high quality. But in the belief the result show that the quality of made-in China products is not good or can be categories in a bad quality. This is below the expectation of consumer that hope to get high quality of the products. The lowest is attribute design which is 12.00. Although made-in China products are designed by following the newest trend and usually has up-to-date design but consumer belief that the products don't have originality in the design. Most of the consumer belief the product design is just based on another product or can be said as follower.

The result of analysis the attributes which are quality, price and design shows that, the attribute price which is 3.92 is considered as the dominant attribute for consumer to buy made-in China products. As explained above this is because the price of made-in China products are cheaper than other products. This is what makes consumer considered price as the dominant factors which influenced them to buy made-in China products. The second is attribute design which is 3.13. Although the design is considered as following other products but consumer buy made-in China product because of the up-to-date design and design that following the trend. The next attribute is quality which is 2.60. Attribute quality has been placed in the last because consumer feels that the quality of made-in China products are below expectation. Consumer wants to get product which has high quality but in made-in China product most of consumer felt otherwise. The result of this study shows most of products are from Handphones and Smartphones category which is 50% from all the products. It can be said that this result are mostly based on the handphones and smartphones of made-in China products.

CONCLUSION AND RECOMMENDATION

Conclusion

Conclusions of this research are as follow: (1) Consumer attitude of made-in China products are considered in a good level. The highest consumer attitude can be seen in the price attribute, following with the attitude for quality attribute, and the last is design attribute; (2) and the most dominant attribute which influenced consumer in buying made-in China product is Price. Low price is what makes consumer want to buy made-in China product.

Recommendation

Consumer attitude of made-in China product are considered good. This is because of the products low price. Producers need to keep this good point for producing the products. But producers need to be concern about the quality and the design of the products. Because consumers feel that the quality is bad, and the design somehow not original or just following another product. Next research related to this research better to increase the number of respondents and the area of population and sample. Also it can be consider adding more attributes in the study. If possible, the next research also can use another method or another approach in analyzing the data.

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