THAI CONSUMERS' PERCEPTION AND ATTITUDE TOWARD THE QUALITY OF CHINESE BRAND TELEVISION SETS

by
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Abstract

This study examines the relationship between extrinsic cues, intrinsic cues and Thai consumers' perception and attitude toward the quality of Chinese brand television sets. The data for this study were collected through personal interviews in five hypermarkets and five department stores in Bangkok from October 2007 to January 2008. The research results indicated that there are relationships between all extrinsic cues (country of origin, brand and price) and intrinsic cues (appearances, picture quality and sound system) and Thai consumers' perception and attitude toward Chinese brand television sets.

INTRODUCTION

China is the number one producer in over a hundred categories of different consumer and industrial products. As a contiguous country, Thailand has increasingly more economic cooperation with China. Many Chinese products have entered into the Thai market, especially Chinese electric products. It is important to examine how Thai consumers perceive products originating from China now.

There are many international marketing studies have shown that one information used by consumers in judging the quality and purchase value of a manufactured product is their knowledge of the country where the product was designed (country of design: COD) and/or assembled (country of assembly: COA) (Chao, 1998). Besides, Thakor and Katsanis (1997) mentioned that consumers evaluate products by analyzing extrinsic and intrinsic cues. Extrinsic cues are those that are not a part of the physical product, while intrinsic cues are those that are integral to the product.

This study partly addresses this deficiency by investigating how Thai consumers evaluate Chinese brand television products. Specifically, the researcher assumed that there are relationships between extrinsic cues and intrinsic cues and Thai consumers' perception and attitude toward Chinese brand television products.

LITERATURE REVIEW

Steenkamp (1989) suggested a model of the quality perception process. This process starts with the acquisition and categorization of cues, intrinsic (e.g. appearance, color, shape, presentation) or extrinsic (e.g. price, brand name, stamp of quality, country of origin, store, production information and nutritional information) of the product. From an information theoretical perspective, consumers evaluate a product on the basis of both intrinsic (e.g. taste, design, fit) and extrinsic (e.g. price, brand, warranty) cues (Szybillo and Jacoby, 1974).

Country of origin (COO) denotes the country with which a firm is associated. Typically, this is the home country for a company. Country of origin is inherent in certain brands, for example, IBM and Sony imply U.S. and Japanese origins respectively (Chandarapratin, 1995). Country-of-origin is regarded as an extrinsic cue - an intangible product attribute, which is widely used by consumers, especially when they have only limited familiarity with products of foreign origin (Hanne, 1996).

A brand is defined as 'a name, term, sign, symbol, or design, or combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Kotler and Keller, 2006). Because a brand identifies a product's or service's source, thus protecting against competitors who may attempt to market similar goods or services,
companies have an incentive to invest in the quality, consistency, and imagery of their brand. Branding dates back to ancient times, when names or marks appeared on such goods as bricks, pots, ointments and metals. In medieval Europe, trade guilds used brands to provide quality assurance for customers and legal protection for manufacturers.

Price is the one element of the marketing mix that produces revenue; the other elements produce costs. Prices are perhaps the easiest element of the marketing program to adjust; product features, channels, and even promotion take more time (Kotler and Keller, 2006). Zeithaml (1988) argued that objective price and perceived price are crucial factors to evaluate quality.

Perception of quality plays a significant role in consumer product evaluation and decision making (Stephen et al., 1985; Hugstad and Durr, 1986; Kraft and Chung, 1992). Furthermore, the perception of quality by consumers toward a product will increase consumer confidence in the product evaluations before arriving at a final choice (Rogers et al., 1994). Hence, the perception of quality in influencing consumers’ preferences in the buying of foreign-made product has been documented in the literature with quality playing a significant role (Wall and Heslop, 1989).

Attitudes are learned, and they tend to persist over time. Our attitudes also reflect our overall evaluation of something based on the set of associations linked to it. This is why we have attitudes toward brands, product categories, ads, people, types of stores, activities, and so forth (Hoyer and Macln尼斯, 2005).

**CONCEPTUAL FRAMEWORK**

The conceptual model is adapted from Chung, et al., (2006).

As shown in Figure 1.1, the two main independent variables extrinsic cues and intrinsic cues, each of them included three elements. All the six independent variables have the relationship with the two dependent variables, consumers’ perception and attitude toward the quality of Chinese brand television sets.

**Figure 1.1: Conceptual framework of the study**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extrinsic Cues:</strong></td>
<td></td>
</tr>
<tr>
<td>- Country of origin</td>
<td>Consumers’ perception of the quality of Chinese brand television sets</td>
</tr>
<tr>
<td>- Brand</td>
<td>Consumers’ attitude toward the quality of Chinese brand television sets</td>
</tr>
<tr>
<td>- Price</td>
<td></td>
</tr>
<tr>
<td><strong>Intrinsic Cues:</strong></td>
<td></td>
</tr>
<tr>
<td>- Appearance</td>
<td></td>
</tr>
<tr>
<td>- Picture quality</td>
<td></td>
</tr>
<tr>
<td>- Sound system</td>
<td></td>
</tr>
</tbody>
</table>


**HYPOTHESES**

12 Null hypotheses were formulated:

Ho1: There is no relationship between country of origin and consumer’s perception of the quality of Chinese brand television sets

Ho2: There is no relationship between brand and consumer’s perception of the quality of Chinese brand television sets

Ho3: There is no relationship between price and consumer’s perception of the quality of Chinese brand television sets

Ho4: There is no relationship between appearance and consumer’s perception of the quality of Chinese brand television sets

Ho5: There is no relationship between picture quality and consumer’s perception of the quality of Chinese brand television sets

Ho6: There is no relationship between sound system and consumer’s perception of the quality of Chinese brand television sets

Ho7: There is no relationship between country of origin and consumer’s attitude toward the quality of Chinese brand television sets

Ho8: There is no relationship between brand and consumer’s attitude toward the quality of Chinese brand television sets

Ho9: There is no relationship between price and consumer’s attitude toward the quality of Chinese brand television sets

Ho10: There is no relationship between appearance and consumer’s attitude toward the quality of Chinese brand television sets

Ho11: There is no relationship between pic-
ture quality and consumer’s attitude toward the quality of Chinese brand television sets.

H012: There is no relationship between sound system and consumer’s attitude toward the quality of Chinese brand television sets.

RESEARCH METHODOLOGY

The target population of this study is Thai people both male and female who (1) are over 18 years old; (2) live in Bangkok; (3) have purchased a television set. It is an unknown population. Hence, the number of samples needed for conducting this research is determined by estimating the proportion. From the calculation, minimum of 384 samples are required to conduct this research. The researcher increased the number of respondents to 400.

The researcher randomly drew 5 department stores in Bangkok (The Mall Bang Kapi, Central Ladprao, The Mall Bangkae, Robinsons Ratchadapisek and Central Bang Na), 5 hypermarkets (Big C, Fashion Island, Tesco Lotus Rama III, Carrefour Rama IV, Big C Rajdamri and Tesco Lotus Minburi) to distribute the questionnaires. Using Quota sampling technique, the sample size for each place was 40. Judgment sampling was used to select the respondents in each of the ten shopping areas.

Questionnaire

The questionnaire was divided into 5 parts. Part A contained four screening questions. Part B included three major factors of extrinsic cues (Country of Origin, Brand and Price). Respondents rated themselves at a specific level by using a five-point Likert scales. Part C included three major factors of intrinsic cues (appearance, picture quality and sound system). It also used five-point Likert scale. Part D included two parts which are perception and attitude which also used five-point Likert scale. Part E included questions on demographic variables.

Method of Analysis

In this study, descriptive analysis was used to analyze demographic information. The Pearson’s product moment correlation coefficient (Pearson correlation) was used to test the 12 hypotheses.

RESULTS

Table 1.2: Summary of hypotheses results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Test Statistics</th>
<th>Level of Significance</th>
<th>Correlation Coefficient</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ho1: There is no relationship between country of origin and consumers’ perception of the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.589</td>
<td>Reject Ho1</td>
</tr>
<tr>
<td>Ho2: There is no relationship between brand and consumers’ perception of the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.655</td>
<td>Reject Ho2</td>
</tr>
<tr>
<td>Ho3: There is no relationship between price and consumers’ perception of the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.677</td>
<td>Reject Ho3</td>
</tr>
<tr>
<td>Ho4: There is no relationship between appearance and consumers’ perception of the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.681</td>
<td>Reject Ho4</td>
</tr>
<tr>
<td>Ho5: There is no relationship between picture quality and consumers’ perception of the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.737</td>
<td>Reject Ho5</td>
</tr>
<tr>
<td>Ho6: There is no relationship between sound system and consumers’ perception of the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.704</td>
<td>Reject Ho6</td>
</tr>
<tr>
<td>Hypothesis</td>
<td>Test Statistics</td>
<td>Level of Significance</td>
<td>Correlation Coefficient</td>
<td>Results</td>
</tr>
<tr>
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<tr>
<td>Ho7: There is no relationship between country of origin and consumers’ attitude toward the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.626</td>
<td>Reject Ho7</td>
</tr>
<tr>
<td>Ho8: There is no relationship between brand and consumers’ attitude toward the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.705</td>
<td>Reject Ho8</td>
</tr>
<tr>
<td>Ho9: There is no relationship between price and consumers’ attitude toward the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.730</td>
<td>Reject Ho9</td>
</tr>
<tr>
<td>Ho10: There is no relationship between appearance and consumers’ attitude toward the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.726</td>
<td>Reject Ho10</td>
</tr>
<tr>
<td>Ho11: There is no relationship between picture quality and consumers’ attitude toward the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.786</td>
<td>Reject Ho11</td>
</tr>
<tr>
<td>Ho12: There is no relationship between sound system and consumers’ attitude toward the quality of Chinese brand television sets.</td>
<td>Pearson Correlation Coefficient</td>
<td>0.000</td>
<td>0.746</td>
<td>Reject Ho12</td>
</tr>
</tbody>
</table>

**DISCUSSION**

The findings on table 1.2 showed that there is a positive relationship between country of origin and consumers’ perception and attitude toward the quality of Chinese brand television sets. It implied that if the “made in China” label can give the good impression to consumers, consumers’ perception and attitude toward the quality of Chinese brand television set also should be good, and vice versa. Papadopoulos and Heslop (1993) argued that consumer behavior and international marketing literature have extensively documented the impact that a consumer’s knowledge about a product’s COO has on subsequent product evaluations. This study found that country of origin has the weaker relationship with consumers’ perception and attitude toward the quality of Chinese brand television set compared to the other two extrinsic cues: brand and price.

The findings showed that there is a positive relationship between brand and consumers’ perception and attitude toward the quality of Chinese brand television sets. This result is similar to the findings of Hong et al., (2002) in that a familiar brand is a powerful cue that may even overcome or enhance the COO effect particularly where there is a strong association of a brand name with a country. Moreover, research found that brand has a stronger relationship with consumers’ perception and attitude toward Chinese brand television sets compared with the country of origin. One study’s findings indicated that foreign branding affects product evaluations more than COO (Thekor and Pachetu, 1997).

The research showed that there is a positive relationship between price and consumers’ perception and attitude toward the quality of Chinese brand television sets. It means that if consumers’ evaluation of the price of Chinese brand television set is positive, consumers’ perception and attitude toward the quality of Chinese brand television set is also positive, and vice versa. It is consistent with Rao and Monroe’s (1989) study which concluded that a positive relationship between price and quality assessment for certain products and within a product price range. There is a long history of research that demonstrates that consumers often use price to infer product quality. In this study, the researcher found that price has the strongest relationship with consumers’ perception and attitude toward the quality of Chinese brand television sets. The results are similar to what Chung et al., (2006) found for Indian consumers; price is the most effective extrinsic cue in inferring the intrinsic attributes of product quality.

The research showed the 3 intrinsic cues, appearance, picture quality and sound system, have positive relationships with consumers’ perception and attitude toward the quality of Chinese brand television sets. It means that if any one of the three intrinsic
cues gets a good evaluation from consumers, their perception and attitude toward the quality of Chinese brand television sets is also good, and vice versa. The findings showed that the three intrinsic cues had a stronger relationship with perception and attitude compared to the extrinsic cues. This is consistent with the findings of Olson (1972) that intrinsic cues are more important than extrinsic cues when consumers evaluate quality.

RECOMMENDATIONS

First, Chinese brand television manufacturers should know that the “Made in China” label will influence consumers’ perception and attitude toward the quality of their products. However, if this is negative in the consumers’ minds, it is difficult to change in a short period. Watson and Wright (2000) indicated that if COO is negative, it may be better to promote other attributes and benefits of the product. In addition, strategic benefits may also be gained by establishing alliances with domestic distributors. In such instances, the image of the Chinese products may be improved through associations with reputable retailers operating in Thailand. Second, Andaleeb (1995) and Mitchell et al. (1990) argued that offering a variety of product choices can combat negative country of origin effects when competing in product categories in which a domestic alternative is available. Chinese brand television manufacturers should try to offer more categories of television sets to compete with other countries’ manufacturers. Jo (2005) mentioned that branding strategies can also be employed to obscure less favorable countries of origin. Companies have used brand names that are disassociated with their countries of origin (e.g., Acer for a Taiwanese company). Thai consumers prefer electronic brands which have western names because they associate this with higher quality (Komin, 1990). Chinese television set manufacturers can use this strategy by employing western style brand names for their products in the Thai market.

Since in this study, brand is found to have a positive relationship with consumers’ perception and attitude, Chinese brand television manufacturers should improve the image of their brands in consumers’ mind. First of all, they should create brand recognition and brand awareness so that more consumers become familiar with them. This can be done by: 1) increasing advertisements (TV advertisement and billboard advertisement) of their brand television products in Thailand, 2) planning some public relations campaigns such as sponsorship or social activities, 3) by merging with or acquisition of a famous brand. Take Lenovo for example, who entered into an alliance with IBM, is a good lesson for Chinese brand manufacturers who export their products worldwide.

Since price is found that have a strong relationship with Thai consumers’ perception and attitude toward the quality of Chinese television sets compared to country of origin and brand, Chinese television manufacturers should use pricing strategy cautiously. Consumers today are looking for products that give them value for their money. According to this, Chinese brand television manufacturers have to add more value to their television products to get higher consumer evaluations. For example, value can be added by paying more attention to the technology employed, and in this, Chinese brand television manufacturers can learn from Japanese manufacturers who use value-orientation rather than low price-orientation. By providing a variety of products in different price categories to cater to different types of consumers, Chinese manufacturers can take off the low quality low price impression.

The study showed that there are strong positive relationships between intrinsic cues (appearance, picture quality and sound system) and Thai consumers’ perception and attitude toward the quality of Chinese brand television sets, hence, manufacturers should pay more attention to these cues. The most important thing is that they increase their investments on technology of television products. Enhancing screen settings, installing high-definition sound systems, improving picture quality, and upgrading the physical looks of television sets, are some of the recommendations offered to Chinese manufacturers of television sets.

FUTURE RESEARCH

Because of resource limitations, it was not possible to identify the relative importance of specific extrinsic cues (i.e. retailer of product, manufacturer of product and advertisement of product) and intrinsic cues (i.e. material of product, technical innovation in product) that influence consumers’ perception and attitude. Researchers in the future could
manipulate such cues independently to assess their relative importance. Second, country of origin is another important variable influencing consumer perceptions of brands (Hulland, 1999) and brand images (Ahmed et al., 2002). Hence, future research can focus on the relationship between extrinsic cues and specific brands. Moreover, this study only researched Thai consumers who live in Bangkok area. Hence, future researchers can expand the sample to include respondents from all over Thailand. In addition, due to the time and resources limited, this research only focused on Chinese brand television products. Since China exports many varieties of products to Thailand, specifically low involvement products, such as food, toys and clothes, future researchers can examine Thai consumers’ perception and attitude toward these products.

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