

The Influence of Country of Origin and Product Knowledge on Purchase Intentions and Product Evaluation as Mediation Variables

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ABSTRACT:

This study was done to examine the effect from the country of origin and knowledge of product on purchase intention and product evaluation as mediating variable (study at electronics product, Maspion at Banda Aceh), the respondents of this study is Banda Aceh's society (purposive sampling). Model analysis in this study is using path analysis. Based on the result of the analysis found that country of origin have an influence on purchase intention, knowledge of product have no influence on purchase intention, country of origin have an influence on product evaluation, knowledge of product have to influence on product evaluation, evaluation product have an influence on purchase intention, the effect from the country of origin to purchase intention mediated by product evaluation, and the knowledge of the product to purchase intention mediated by product evaluation.

Keywords: Purchase Intention; Country of Origin; Knowledge of Product; Product Evaluation.

JEL Classification: D24; H43; L11.

INTRODUCTION

Currently, developments continue to increase from all fields including the need for electronics to help and facilitate household chores [1,2]. Consumers can also choose products that they think are good to use and durable [3,4,5]. Some consumers choose foreign-made products because they are considered to be of higher quality than domestically-made products [6,7]. Whereas domestically made products are no less good than foreign products [8,9]. Like the product that I will convey carefully this time, namely the Maspion product which continues to make changes to its products so as not to lag far behind foreign products [10,11]. In fact, products from developed countries tend to be more in demand, and public appreciation of local creative products is still considered low [12,13]. Product appearance also has its own judgment in the minds of consumers [14,15], shape and color are one of the main attractions for some consumers [16,17,18].

Maspion is a brand of electronic goods made in Indonesia that has many types for household needs. Maspion generally has many business units with various types of products, including consumer products, industrial consumer products, property, industrial estates, and commercial banking [19]. One of the consumer product business units is Maspion, household electrical appliances or electronic products [20,21]. Consumers who have the knowledge, namely information stored in the minds of consumers, will find it easier to choose products. Product

knowledge is needed as the basis for the success of a product. Thorough knowledge that includes information about the functional attributes of the product can assist consumers in assessing the product. The more knowledge and information consumers receive, the easier it will be for consumers to make choices. Information about Maspion products can be seen in various print media, electronic media, products, and their advantages have also been introduced to the public. The benefits of usability servants are also prioritized in product manufacturing.

LITERATURE REVIEW

Purchase intention is a consumer's tendency to buy a brand or take action related to a purchase which is measured by the level of probability that consumers make a purchase [23]. Purchase intention is something related to the consumer's plan to buy a certain product and how many units of the product are needed in a certain period [24]. This purchase intention in the framework of Reasoned Action theory is part of behavior as a result of consumer attitudes towards objects [25]. This means that if consumers have a positive attitude towards a brand/product, then they have the intention to buy the product. Country of origin is the general perception of consumers of a quality product made by a country [26,27]. Consumers evaluate a product not only by its appearance and characteristics but also by the country of origin where the product is made. This is referred to as the effect of the country of origin which is usually communicated through the phrase "made in" which has a great influence on the perception of the quality of a product.

Knowledge is information that is stored in the memory/mind of consumers. Knowledge is grouped into three, namely purchasing knowledge, usage knowledge, and product knowledge. There are two kinds of knowledge measurement, namely objective knowledge and subjective knowledge. Objective knowledge is a measurement that taps into what consumers actually have stored in their memory. Meanwhile, subjective knowledge (objective knowledge) taps consumers' perceptions of the amount of their own knowledge. Knowledge is the stage of knowledge that begins when consumers receive physical or social stimuli that provide exposure and attention to new products and how they work. In this stage, the consumer is aware of the product in question but does not make any decisions regarding the relevance of the product to a recognized problem or need. Knowledge of a new product is usually thought to be the result of selective perception. This is more likely to happen through the mass media than in the later stages, which are more influenced by opinion leaders. Product knowledge plays an important role in consumer behavior research, therefore, is an important research subject in related fields. Product knowledge is based on memory or knowledge already known by consumers. Based on Brucks' definition of product knowledge, it can be divided into three main categories: subjective knowledge, objective knowledge, and experience-based knowledge. However, product knowledge must contain two parts: expertise and familiarity. Product knowledge is divided into three categories: brand knowledge, attribute knowledge, and experience knowledge. Measurement of product knowledge variables is through the following indicators:

1. Knowing the various types about this product
2. Willing to find taboos about this product.
3. Find out information about this product.
4. Can distinguish domestic and foreign products
5. Satisfied with information about purchasing this product.

Product knowledge is needed as the basis for the success of a product, usually through the use/involvement of a product. Consumer knowledge about a product that is expected to positively affect satisfaction, because knowledge will make the product more realistic. The effect of positive knowledge when:

- 1) The use of knowledge is needed as the basis for the success of a product, usually through the use/involvement of a product; and
- 2) Product knowledge implies a memory structure in the minds of consumers. Product knowledge includes:
 - a. Awareness of product categories and brands within product categories.
 - b. Product terminology.
 - c. Product attributes/characteristics.
 - d. Beliefs about product categories in general.

RESEARCH METHODS

The data analysis method used in this research is by using statistical software known as SPSS (Statistical Product and Service Solution) version 17. Data analysis was carried out through data quality testing to determine the validity of each question item. Furthermore, hypothesis testing is carried out using a path analysis test tool. To complete the path analysis, it is necessary to know the existence of path diagrams and coefficients, as follows:

$$Y = P_{Yx1}X_1 + P_{Yx2}X_2 + e_1 \dots\dots\dots (1)$$

$$Z = P_{zx1}X_1 + P_{zx2}X_2 + Z_{zy}Y + e_2 \dots\dots\dots (2)$$

Keterangan :

- X_1 = Country of origin
- X_2 = Product knowledge
- Y = Product Evaluation
- Z = Purchase Intention
- p = Path coefficient
- E = Error

The effect of mediation occurs if there are the following 4 criteria:

- a. The independent variable affects the mediating variable.
- b. The independent variable affects the dependent variable.
- c. The mediating variable must influence the dependent variable
- d. The mediating effect occurs when the influence of the independent variable on the dependent variable becomes insignificant or decreases if the mediating variable is included in the model. Full mediation (full/perfect mediation) occurs if the influence of the independent variable on the dependent variable becomes insignificant when the mediating variable is included in the model. Partial mediation occurs when the influence of the independent variable on the dependent variable decreases when the mediating variable is included in the model.

Validity test

The validity test is carried out to determine whether the measuring base that has been prepared can be used to measure what is intended to be measured accurately. The trial should be carried out on a minimum of 30 respondents. An instrument is said to be valid if it can reveal data from the variables studied correctly and has high validity, the high and low validity of the instrument indicates the extent to which the data collected does not deviate from the description of the variable in question. To test the validity can be calculated the correlation between each question the total score with the correlation technique "product moment" from Pearson. The calculation used is the product moment correlation technique which can be obtained by the formula:

$$r = \frac{n\sum xy - (\sum x)(\sum y)}{\sqrt{\{n\sum x^2 - (\sum x)^2\}\{n\sum y^2 - (\sum y)^2\}}}$$

Information:

- r = Correlation coefficient
- y = Dependent variable
- x = Independent variable
- n = Respondents

If r count $>$ r table with a significance level of 5%, it can be concluded that there is a real correlation between the dimensions specified so that it can be said that the questionnaire as a measuring tool is valid.

Reliability Test

Reliability test is a test used to measure the questionnaire which is an indicator of a variable or construct. Measurements were carried out only once and then the results were compared with the questions. One questionnaire is said to be reliable if it gives a Cronbach alpha value $>$ 0.60. The "cronbach alpha" technique is carried out by calculating the variance of each question item and the total variance of the questions. cronbach alpha can be obtained by the formula:

$$r = \left[\frac{k}{(k-1)} \right] \left[1 - \frac{\sum \sigma_b^2}{\sigma_i^2} \right]$$

Information:

r = Instrument reliability coefficient (cronbach alpha)

k = Lots of questions

$\sigma_i^2 \sum \sigma_b^2$ = Total item variance

Calculation of the weight of the questionnaire assessment is to use a Likert scale which is a method for measuring attitudes by stating their agreement or disagreement with certain subjects, objects or events.

Normality test

The normality test of the data aims to test whether in the regression model the confounding or residual variables have a normal distribution. A good regression model is a normal or close to normal data distribution. There are two ways to detect whether the residuals are normally distributed or not, namely by image analysis in the form of plots and statistical tests by looking at the kurtosis and skewness values. The normality test of the data can also be done not based on a graph, for example with the Kolmogorov-Smirnov test. Guidelines for making decisions about which are close to or are normal distributions based on the Kolmogorov-Smirnov test can be seen from:

- a. If the significant value > 0.05 means that the data distribution is normal,
- b. If the significant value < 0.05 means that the data distribution is not normal.

Multicollinearity Test

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. A good regression model should not have a correlation between independent variables. The conditions for the multicollinearity test are as follows:

1. If R² is high but many independent variables are not significant, then in the regression model there is multicollinearity
2. Analyze the correlation matrix of the independent variables. If the correlation between the independent variables is high, which is above 0.90 then there is multicollinearity
3. Seeing that the tolerance value is less than 10% and the VIF value is greater than 10%, it means that there is multicollinearity. If it turns out that in the regression model there is multicollinearity, it must eliminate the independent variable that has a high correlation. If the correlation between the independent variables is high, which is above 0.90, then there is multicollinearity. If the tolerance value is less than 10% and the VIF value is greater than 10, it means that there is multicollinearity. On the other hand, if the calculation results of the Variance Inflation Factor (VIF) value which has a VIF value of less than 10, it can be concluded that there is no multicollinearity between independent variables.

RESULTS

The following can be explained about the results of factor analysis of the independent variable, the mediating variable and the dependent variable using the SPSS program. 14.0 for windows.

Table 1. Principal Component Analysis Matrix of Dependent Variables (n=100)

No	Purchase Intention Variable Items	Factor Load
		1
1	I intend to buy Maspion brand electronic products instead of other available electronic products	0,78
2	I intend to recommend others to buy Maspion electronic products	0,86
3	I intend to buy Maspion electronic products in the future	0,86
4	I am considering buying Maspion electronic products	0,58
Eigenvalue		2,45
Explainable variance		61,34
Kaiser-Meyer-Olkin <i>Measure of Sampling Adequacy</i>		0,72
Bartlett's Test of Sphericity		0,001

Dependent Variable : Z (Purchase Intention)

Source: Primary Data, 2021 (processed)

Table 2. Principal Component Analysis Matrix of Mediation Variables (n=100)

No	Product Evaluation Variable Items	factor load
		1
1	I am willing to buy electronic products Maspion after seeing diversity The product	0,73
2	Maspion electronic products are safe to use in use	0,75
3	Reliable use of Maspion products	0,79
4	Famous Maspion brand electronic products	0,66
Eigenvalue		2,17
Explainable variance		54,26
Kaiser-Meyer-Olkin <i>Measure of Sampling Adequacy</i>		0,71
Bartlett's Test of Sphericity		,001

Mediation Variable : Y (Product Evaluation)

Source: Primary Data 2021 (processed)

Table 3. Reliability Test Results

No	Variable	Number of items	Cronbach's alpha		Information
			Count	Standard	
1	Purchase intention (Z)	4	0,782	0,60	Reliable
2	Country of origin (X ₁)	8	0,805	0,60	Reliable
3	Product Knowledge (X ₂)	5	0,705	0,60	Reliable
4	Product Evaluation (Y)	4	0,717	0,60	Reliable

Source: Primary Data 2021 (processed)

Table 4. Regression Results of the Effect of Country of Origin and Product Delivery on Product Evaluation

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1,107	0,422		2,623	0,010
Country of origin	0,610	0,091	0,565	6,692	0,000
Product knowledge	0,201	0,084	0,201	2,385	0,019

Source: Primary data, 2021 (processed)

Table 5. Regression results of the Effect of Country of origin and Product Knowledge and Product Evaluation on Purchase Intention

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0,853	0,553		1,542	0,126
Country of origin	0,461	0,140	0,353	3,303	0,001
Product knowledge	-0,019	0,110	-0,016	-0,171	0,861
Product Evaluation	0,282	0,129	0,233	2,191	0,031

Source: Primary Data, 2021 (processed)

Table 6. Table of Direct and Indirect Effects of Country of Origin Variables, Product Knowledge on Purchase Intentions and Product Evaluation as Mediation Variables.

Variable Effect	Influence Direct	Influence No Direct	Total
Effect of X1, to Y	(0,565) x (0,565)		0,319
Effect of X2 on Y	(0,201) x (0,201)		0,040
Effect of X1, to Z	(0,353) x (0,353)		0,124
Effect of X1, to Z via Y		(0,565) x (0,233)	0,131
Effect of X2 to Z via Y		(0,201) x (0,233)	0,046
Total Influence	0,483	0,177	0,66

Source: Primary Data, 2021 (processed)

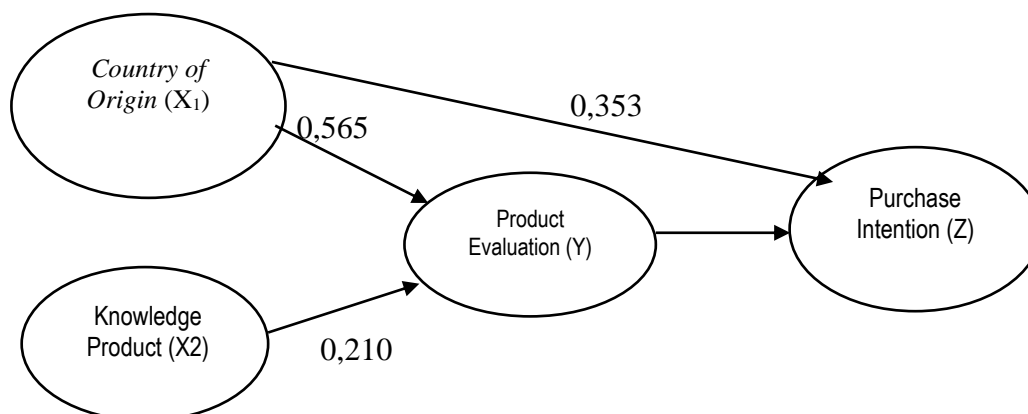


Figure 1. Effect of Country of origin, Product Knowledge on Purchase Intention and Product Evaluation as Media Variables

Table 7. F-Test Results
Country of origin, Product Knowledge on Product Evaluation

Model	Sum Of Square	df	Mean Square	F	Sig.
Regression	7,642	2	3,821	23,372	0,000
Residual	15,858	97	0,165		
Total	23,500	99			

Source: Primary Data, 2021 (processed)

Table 8. F Test Results
Country of origin, Product Knowledge, Product Evaluation
Against Purchase Intention

Model	Sum Of Square	df	Mean Square	F	Sig.
Regression	9,213	3	3,071	11,695	0,000
Residual	25,209	96	0,263		
Total	34,422	99			

Source: Primary Data, 2021 (processed)

CONCLUSION

Based on the results of research and discussion that have been stated previously, the conclusions of this study are as follows:

1. The influence of Country of origin has a significant effect on purchase intention on Maspion brand electronic products in the city of Banda Aceh.
2. Product knowledge has no significant negative effect on purchase intention on Maspion brand electronic products in Banda Aceh city.
3. The influence of Country of origin has a significant effect on product evaluation on Maspion electronic products in the city of Banda Aceh.
4. The influence of product knowledge has a significant effect on product evaluation on Maspion brand electronic products in the city of Banda Aceh.
5. The effect of product evaluation has a significant effect on the purchase intention of Maspion brand electronic products in the city of Banda Aceh.
6. Product evaluation mediates Country of origin on purchase intentions on Maspion brand electronic products in Banda Aceh city.
7. Product evaluation mediates product knowledge on purchase intentions on Maspion brand electronic products in Banda Aceh city.

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