



The Country of Origin Effects on Purchase Intention of Thai Consumers:
The Moderating of Trusting Beliefs and Brand Equity
Research Report

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Abstract

For Thai consumers, Made in China still has a strong impact on their product evaluation as Chada (2011) stated in her research that Thai consumers prefer Made in Thailand label over Made in China label. Thakor and Katsanis, 1997 defines COO as “the country in which the product is made”. For this research, we selected Gurhan-Canli and Maheswaran (2000) which define COO effects as the place of manufacture influencing product evaluations and related decisions. Generally, the Country-of-Origin (COO) is considered as an extrinsic product cue on consumer product evaluation (Bilkey and Nes, 1982; Cordell, 1992 and Erickson et al., 1984). The main aim of this research is to find the strategies that can lessen the effect of COO on consumer product evaluation and purchase intention. From Made in China but Sold at FAO SCHWARZ: Country-Of-Origin Effect and Trusting Beliefs (2011) by Kabadayi and Lerman concluded that Trusting Beliefs; Integrity, Ability and benevolence, helps marketers reduce a COO effect. However, to find other scenarios, we add Brand Equity as another cue for consumers as it is a major factor influencing consumer buying decision. For Thailand, Textile and Clothing industry is the sector that becomes the first top importer with the amount of \$3,649.4 millions in 2011 (Thailand Textile Institute, 2011), particularly; it is strongly influenced by Europe brands. Furthermore, ZARA is becoming one of the popular middle-market brands. Thus we choose Textile and Clothing as a targeted industry to study and Choose ZARA brand as a representative middle-market brand since it represents Europe brand and ZARA’s products, which manufactured in China are regularly found in Thailand.

From data collected, 18.57% of participants are male and 81.43% are female where both groups have the similar attitude toward Made in China label. From this research, we firstly can confirm Hypothesis1 that the negative relationship between COO and Purchase Intension does exist; as the effect of COO increases, consumer’s purchase intension is lessened. This research also accepted Hypothesis2 since the result presents that the impact of COO on consumers' purchase intension is weakened when the degree of Trusting Beliefs (Integrity, Ability, and Benevolence) increases. The same phenomenon happened with Brand Equity as the impact of COO on consumer’s purchase intension is weakened when the degree of Brand Equity increases, thus we accepted the Hypothesis3.

The research findings have strategic implications for both manufacturers and retailers that want to offset negative COO effects. From the findings of this research, we found that

Made in China still has a strong negative impact on Thai consumers' purchase intention. However, this impact can be lessened by increasing the level of Trusting Beliefs and Brand Equity. To overcome the negative effect of COO, manufacturers should standardize their production process to gain more consumers' reliability on their products. At the same time, the retailers, brands' owners, should emphasize on building up Trusting Beliefs by increasing Integrity, Ability and Benevolence about their stores. Last but not least, Brand Equity should also be focused as this research shows that consumers will be more willing to purchase products with Made in China label if it has strong Brand Equity .Follow these practical implications; the Chinese manufacturers will receive more production orders from the retailers while the retailers will be able to boost up their sales revenue in order to maximize their profit.

Key words: Country-Of-Origin (COO), Trusting Beliefs, Brand Equity, Purchase Intention

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Chapter I: Introduction

“COO is defined as the country in which the product is made.”

Thakor and Katsanis (1997)

1. INTRODUCTION

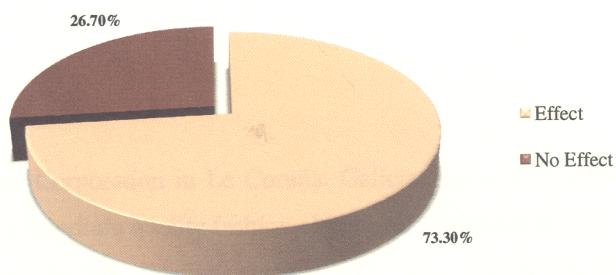
In the past decades, one of the main issues of global retailers and manufacturers is a labour cost that keeps increasing every year. This phenomenon has let Western retailers and manufacturers to search for cost-effective manufacturing centre in order to maximize their profit. As a result, developing and less developed countries around the world have been targeted as manufacturing centre, especially, Asian countries such as China, Cambodia, Thailand and Vietnam. According to cost management, Western retailers and manufacturers particularly in the textile, clothing, footwear, toys and electronics categories are heading their way to Asia. One of the most attractive destinations in Asia is China because of its cheap labour.

1.1 The effect of Country-Of –Origin (COO)

Although, most of the manufacturing countries in Asia are improving their technological skill to ensure the quality of the products, there is still a consumers’ concern. It is Country-Of-Origin (COO) that plays an important role in the product evaluation. Normally, COO can be notified by a “Made in” label attached to each product.

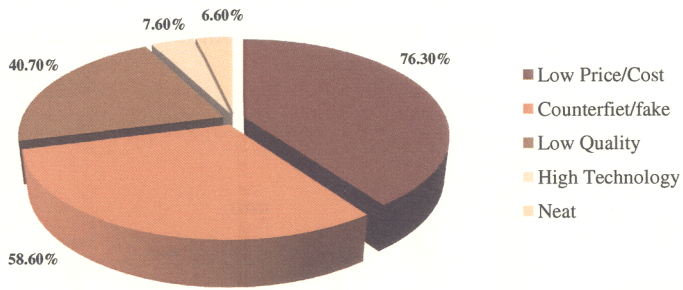
For Thai consumers, COO has an effect on their purchase intention as from the research of Tippakorn Rungkasiri [38], it shows that 73.30% of Thai consumers take COO into their consideration when purchasing any types product (see figure 1.1). When mention products that made in China, Thai consumers still have a negative attitude toward “Made in China” label in both high and low involvement purchase (see figure 1.2) as 40.07% of Thai consumers perceived “made in China” label as low quality products.

Figure 1.1: Country of Origin Effect among Thai customers



Source: Adapted from Attitudes and Perception of Thai consumers in Bangkok Metropolitan towards Made-in-china Products (Tippakorn Rungkasiri, 2010)

Figure 1.2: Thai consumer perception toward Made in China



Source: Adapted from Attitudes and Perception of Thai consumers in Bangkok Metropolitan Towards Made-in-china Products (Tippakorn Rungkasiri, 2010)

1.2 Industry Background

▪ Thailand Textile and Clothing industry

Thailand Textile and Clothing industry is the first top importer among other sectors with the amount of 149,737.1 million Bahts or 4,904.3 million Dollars in 2011 [43] with the quantitative imports volume at 1.2 million metric tons; comparing with 2010 at 128,192.5 million baht or 4,007.8 million U.S., an increase in the value of the baht and U.S. dollars has the growth rate increased by 59.4 percent and 22.4 percent respectively (different growth rates due to the appreciation of the baht as above mentioned). When looking at Textile Subsector itself alone, we can see that Clothing import took into account for 16,276 million Bahts in 2011 (see figure 1.3). It can be seen that the amount of import clothing subsector has been increasing continuously from 5,200 million Bahts in 2005 to 16,276 million Bahts in 2011(see figure 1.3) where European Union is one of the top suppliers with 2.6 percent increased in 2011.

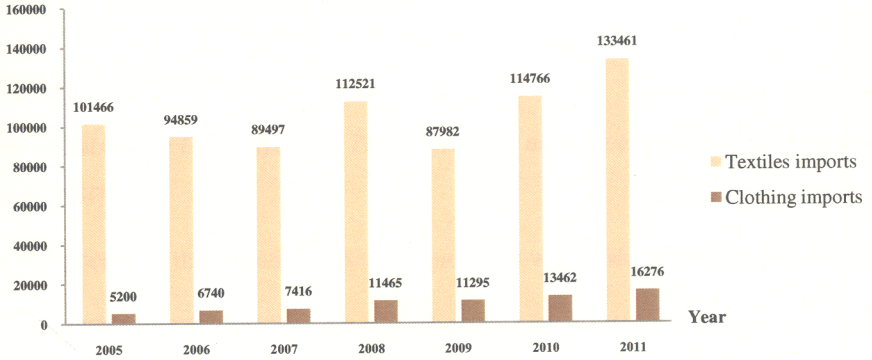
▪ ZARA

Established by Inditex Corporation in Le Coruña, Galicia, Spain 1975, ZARA positioned itself as a store selling “medium quality fashion clothing at affordable prices”. The brand is also named as “a Fast Fashion retailer” since it takes only 2 weeks to develop a new product and get it to stores. The reasons behind the fast fashion are firstly, manufacturing centres which are located in European countries nearby their major markets; European

countries which help Zara to delivery their products to the stores more quickly and attract consumers to purchase more frequently.

Figure 1.3: Value of Imports: Textile Subsector (2005 - 2011)

Unit: Million Baht



Source: Information and Communication Technology Center with Cooperation, Office of the Permanent Secretary Ministry of Commerce (2011)

However, thing has change as in 1990s, it started expanding stores in some other parts of the world where Asia is one of them, thus, to maintain its fast operation the cost will be higher which comes mainly from the shipping cost using air-mail. In order to optimize its profit, Zara needs to find the alternative strategies that can offset the shipping cost. The most selected alternative strategy that widely used by global companies around the world is “production off-shoring”. Zara has started to move its manufacturing to Asian countries, China is one of them. In Thailand stores, consumer can find Zara products made in “China” more often now.

Therefore, we choose Textile and Clothing as a targeted industry and Choose ZARA brand as a representative middle-market brand because it represents Europe brand and ZARA’s products, which manufactured in China, are regularly found in Thailand.

This study, conducted in Thailand, aims to examine the combined effect of Country of Origin, Brand Equity and Trusting beliefs toward consumer purchase intention in Clothing and Textile industry. The main objective of this research is to develop the strategies that can lessen the effect of COO on consumers’ product evaluation and purchase intention. From Made in China but Sold at FAO SCHWARZ: Country-Of-Origin Effect and Trusting Beliefs by Kabadayi and Lerman [24] concluded that Trusting Beliefs; Integrity, Ability

and Benevolence, helps marketers reduce a COO effect. However, to find other scenarios, we add Brand Equity as another cue for consumers as it is a major factor influencing consumer buying decision [8].

1.3 Research and Strategic Question

Thus, strategic question is:

How can we minimize COO effect on Thai consumer attitude and purchase intention in clothing product?

In order to response to this question, research questions will be developed as following;

1. How COO affect Thai consumer perception and purchase intention on clothing product from China?
2. Can trusting beliefs help minimize COO effect on Thai consumer perception and purchase intention on clothing product from China?
3. Can brand equity help minimize COO effect on Thai consumer perception and purchase intention on clothing product from China?
4. How can we enhance trusting beliefs and brand equity on Thai consumer perception?

1.4 Research Objectives

This research aims to examine the effect of Country of Origin toward Thai consumer purchase intention in Clothing and Textile industry. The main objective of this research is to develop the strategies that can minimize the effect of COO on consumers' product evaluation and purchase intention. Therefore, the objectives of this study are;

1. To study Thai consumer perception toward European clothing brand made in "China".
2. To study the COO effect on Thai consumer purchase intention in European clothing brand made in "China".
3. To study the relationship between COO and trusting beliefs in European clothing brand made in "China".

4. To study the relationship between COO and brand equity beliefs in European clothing brand made in “China”.
5. To develop the strategy that can lessen the effect of COO on Thai consumer.

1.5 The Structure

This research consists of 5 main chapters. The first chapter; Introduction is created to introduce the initial purpose of this research, the introduction of Country-of-origin, a industry back ground, research and strategic question, and research objectives.

The second chapter; Literature Review chosen from many scholars has been formed in order to explain the concept of COO, Trusting Beliefs, Brand Equity and Purchase Intention.

In chapter 3, the conceptual framework together with the hypothesis will be presented to show the whole picture of this study.

The methodology of this research will be found in chapter 4 which will explain the process of this research including the statistics tools, the sampling procedure, and the sampling size.

Finding and Analysis will be presented in chapter 5 which is the last chapter of this research. This chapter will show the result of this study in both descriptive and analytical formats. Moreover, it will include discussion, implication and limitation of this study that is beneficial to both academic and business profession.

Chapter II: Literature Review

COO image is defined as “the overall perception the consumers form of products from a particular country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses”.

Roth and Romeo (1992)

2. Literature Review

2.1 Country-of-Origin (COO):

In the beginning of country-of-origin (COO) study, it had been defined as a country where a product is manufactured or assembled [4] which identified by “Made in” label or “Manufactured in” label [3][6][33][34]. However, in the later period, the emergence of globalization has brought some changes in the COO definition as some products were manufactured in more than one country. Consequently, it is very hard to define the term “Country-of-Origin” in this evolutionary era.

Many discussions about COO have been raised, although; for this research, we rely on the definition which describes COO as a country where a product is manufactured or assembled. Therefore, we use “Made in” label as a critical element to identify COO of the product (see picture 2.1).

Figure 2.1: “Made in” label



Source: <http://djadchina.wordpress.com/tag/made-in-china/> (2012)

Country-of-Origin (COO) for this research:

Though, many previous studies have mentioned COO as the country where a product or service belongs to, for this study, we stick with the definition that defined COO as the country of manufacture, production, or growth where an article or product

comes from. Therefore, by refers to the definition using in this research, we can easily recognized country-of –origin of each product by looking at the label “*Made in Label*” which will help us identify which country the product belongs to. This research selected “China” as the COO as we want to study Thai consumer’s perception toward Zara’s products that labeled “*Made in China*”.

Figure 2.2: “Made in China” labels

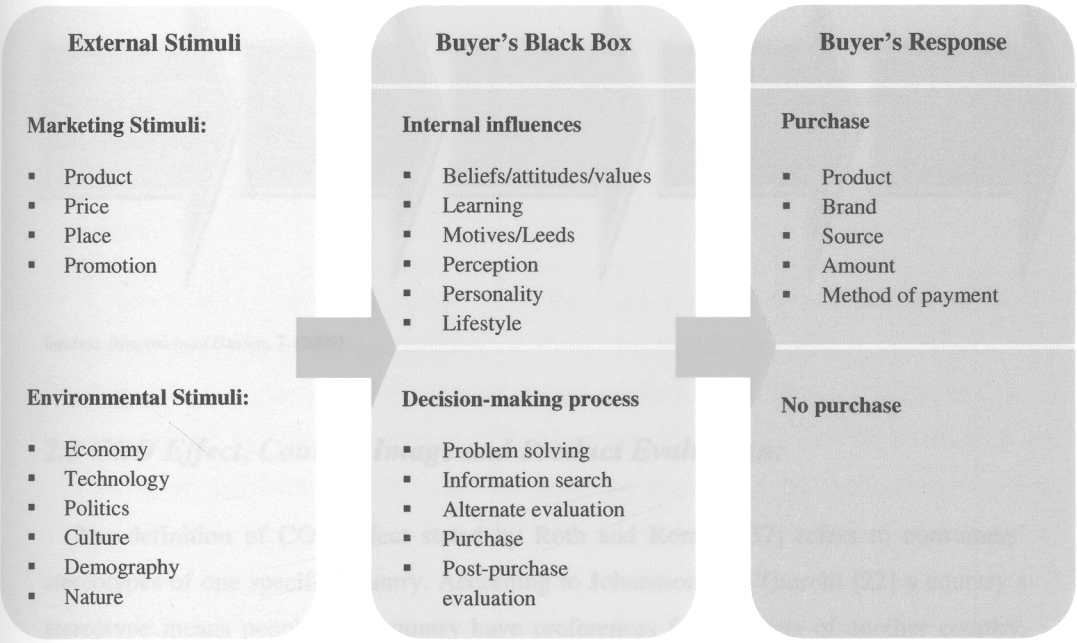


2.2 The Consumer Buying Process:

Consumer behavior is a fairly broad marketing term that essentially seeks to answer the question of why consumers act the way they do. One of the models which researchers and academics normally used to explain consumer behavior is “The Black Box Model” (see picture 2.2) [27] as it shows how the consumer is influenced by marketing stimuli; product, price, place, and promotion. Marketing stimuli is tied with Environmental stimuli; economy, technology, politics, culture, demography, and nature.

The consumer then takes both stimuli into the “black box model” or the stimulus-response model which consists of the buyer’s characteristics and the buyer’s decision process. It shows how stimuli, consumer characteristics, decision processes and consumer responses interact.

Figure 2.3: Philip Kotler's Black Box

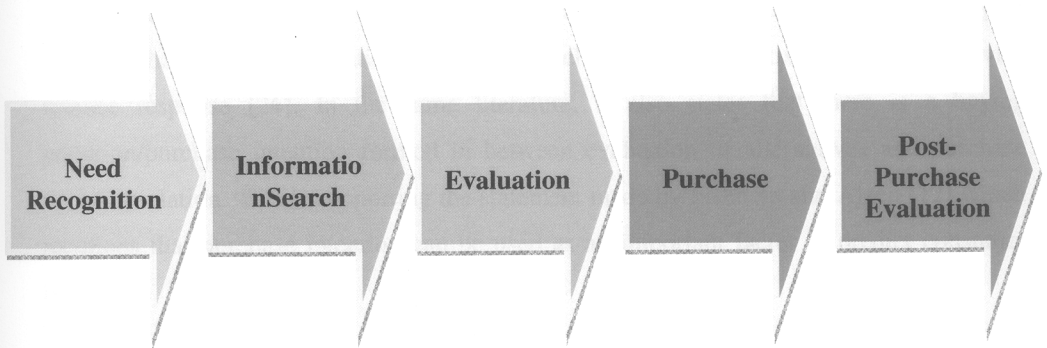


Source: Adapted from Kotler, P., Armstrong, G. (2007).

From the black box, it shows the decision-making process or consumer buying process (see picture 2.2) [17] which involves the psychological processes. In this process, consumers go through in recognizing their needs, finding ways to solve their needs, and making purchase decisions.

The process begins with the consumer realizes their needs, and then starts to search for information to help in the process. After that all alternatives will be evaluations regarding information obtained before the purchase decision will be made whether purchase or not purchase. The process will not complete until the actual purchase has been compared with the evaluation to measure the satisfaction of the purchase decision.

Figure 2.4: The Consumer Buying Process



Source: Adapted from Hansen, T. (2005)

2.3 COO Effect, Country Image and Product Evaluation:

The definition of COO effect stated by Roth and Romeo [37] refers to consumers' stereotypes of one specific country. According to Johansson and Thorelli [22] a country's stereotype means people in a country have preferences for products of another country. For example, Thai people have negative perception about IT product from Japan since they perceived Japan as high-technological and reliable country. This image is defined by Nagashima [33] as overall country image which formed by the country's representative product, political and economic background, and historic tradition variables.

COO is perceived from consumers as the picture or the stereotype attach to a product of a specific country. In the other word, consumers take COO as a cue together with other cues when making a purchase decision on a product. This is called the halo effect which usually happens when consumers are less familiar with the product of a specific country. Country image performs as a "halo" that directly has an impact on consumers' beliefs [11][21]. This concept also aligns with the COO concept by Samli [40] as he states "COO concept as a critical information cue, which plays a major role in having products accepted in different world markets."

On the other hand, Han [16] suggests that country image will indirectly have an influence on brand attitudes when consumers are familiar with a specific country's products. Thus, it can be said that Country image can be treated as an indirect channel in affecting product attributes and brand attitudes.

2.4 COO Effect and Purchase Intention:

When consumers want to make a buying decision, the two important things taking part in this behavior, are stimulation response model and the black box concept in behavior science response [26]. In the same literature, it also states that there is a buying intention/purchase intention formed in between evaluation of alternatives and purchase decision relation. This is supporting the statement made by Fishbein and Ajzen [12] which mentions that purchase intention can be used as an important factor to predict consumer behavior.

According to Roth and Romeo [37], the more positive country images a specific product category, the more favorable on the product of those category consumers. This also results in higher purchase intention toward products of this category from that country as mentioned by Roth and Romeo [37]. Moreover, Hsieh et al. [19] also indicates that consumers' attitudes toward COO can have an impact on their purchase intention. Recently, there are many researches in COO image that support this idea. For example, an empirical evidence of insurance and catering services in Taiwan by Lin and Chen [25] finds that COO image is significantly positively related to consumer's purchase intention.

2.5 Trusting Beliefs:

Trust has been seen as a multidimensional construct with two inter-related components-trusting beliefs (perceptions of trustworthiness of the vendor), and trusting behavior-willingness to depend [30][31]. According to Mayer et al. [30] and McKnight and Chervany [32] trusting beliefs occurs when the trustor perceived that the trustee presents characteristics that would be helpful to the trustor. In other words, Smith and Barclay [41] point out those trusting beliefs represent the trustors' perception of the trustworthiness of the object of trust.

In this research, we employ the three most often utilized trusting beliefs [31]:

- a) **Ability beliefs** which reflect the consumers' confidence of a firm or a store on having the skills and competencies necessary to perform the job [30]
- b) **Benevolence beliefs** which indicate the extent, individuals believe that a store wants to do good things rather than just maximize profit. A benevolent store would not be perceived to act opportunistically by taking advantage of its consumers [32].

In contrast to the other two beliefs, benevolence reflects a perception of the store's willingness to engage in discretionary or philanthropic commitment to its consumers [32].

- c) **Integrity beliefs** which reflect the confidence that a store adheres to a set of moral principles or professional standards that guide its interactions with its consumers [32].

Importantly, the research by Kabadayi and Lerman [24] "Made in China but sold at FAO Schwarz: country-of-origin effect and trusting beliefs" shows the empirical evidence that the impact of COO on consumers' purchase intentions weakens as the consumers' integrity beliefs, benevolence beliefs and ability beliefs about a store increases. Therefore, in this study, we also use the same set of Trusting Beliefs as the effects of all three factors do exist.

2.6 Brand Equity:

De Wulf et al. [10] defines brand equity as power of specific brand emerged from the goodwill, familiarity and attractiveness which gradually increases over time, then turns into higher brand performance which represents by higher sales volume and higher profit margins comparing to the competitors. It is also mentioned by Hui and Zhou [20] that the multidimensional effect of COO influences product beliefs and attitudes for brands with different levels of equity. The impact of brand equity is more important when brands are perceived as low equity than high equity brands [26].

According to Cordell [8], brands from a particular country which has a favorable competence image will be seen as reliable and thus preferable to those from countries with a less favorable competence. In contrary, Cordell [8], states that when consumers are familiar with a brand, they are less reliant on COO cue for evaluating the particular product. . The study of COO by Hui and Zhou [20] has clarified that brand name can enhance the perceived quality of that specific product.

As said by Jaffe and Nebenzahl [21] the perceived image of national capability can often relate to the country's perceived competitive advantage and thus how consumers evaluate COO labels. The empirical evidence indicated that brand equity can affect purchase intention in various contexts [2][5]. Hence, in this research, we add Brand Equity as another factor to clarify its effects on weakening COO effect toward consumer's purchase intention.

Chapter III: Theoretical Framework

“The impact of COO on consumers’ purchase intentions weakens as the consumers’ integrity beliefs, benevolence beliefs and ability beliefs about a store increases.”

Kadadayi and Lerman (2011)

3. Theoretical Framework

In this study, COO, “Made in China” label, has been set as an independent variable which affects a dependent variable of this research; Consumers’ Purchase Intension. The conceptual framework is built upon the concept of COO effect whereas Trusting Beliefs; Integrity, Ability, and Benevolence [24] and Brand Equity [8] have been treated as moderator variables as the empirical evidence indicated that brand equity can affect purchase intention in various contexts [2][5]. Moreover, the empirical study by Kabadayi and Lerman [24] shows the empirical evidence that the impact of COO on consumers’ purchase intentions weakens as the consumers’ integrity beliefs, benevolence beliefs and ability beliefs about a store increases.

According to Roth and Romeo [37], the more positive country images a specific product category, the more favorable on the product of those category consumers. This also results in higher purchase intention toward products of this category from that country as mentioned by Roth and Romeo [37]. The assumption is that there is a negative impact of COO (Made in china) on consumers’ purchase intension; however the moderator variables will weaken an impact of COO.

3.1 Hypothesis

H1: COO (Made in China) is negatively related to consumers’ purchase intentions.

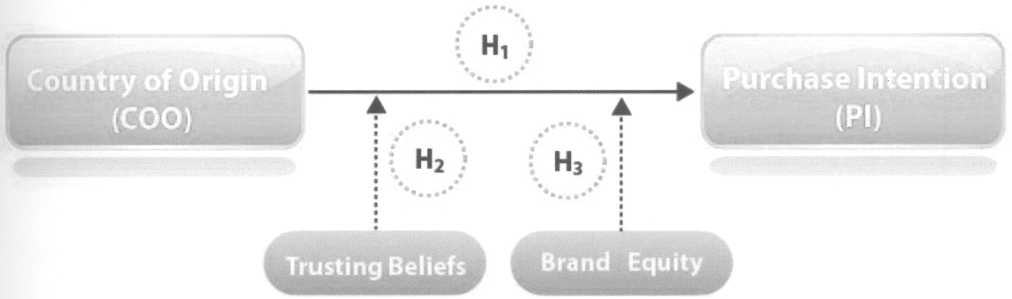
H2a: The impact of COO (Made in China) on consumers’ purchase intentions weakens as the consumers’ integrity beliefs about ZARA store increases.

H2b: The impact of COO (Made in China) on consumers’ purchase intentions weaken as the consumers’ benevolence beliefs about a store increases.

H2c: The impact of COO (Made in China) on consumers’ purchase intentions weaken as the consumers’ ability beliefs about a store increases.

H3: The impact of COO (Made in China) on consumers’ purchase intentions weakens as the consumers’ perception of ZARA’s brand equity increases.

Figure 3.1: The Theoretical Model



Chapter IV: Methodology

4. Methodology

4.1 Data Collection

An online survey and personal mall-intercept survey will be used as a methods to collect primary data through computer networks via face book, the very popular approachable social network in Thailand and also through the Zara shop in the biggest 4 department stores in Thailand.

Secondary data are gathered from the various relevant sources such as textbooks, academic journals, reports, reliable websites, articles and newspapers, prior research and also excepted databases from all over the world.

4.2 Research Design

A descriptive survey research is conducted to understand respondents' attitudes and perceptions toward Made in China. Descriptive research is designed to provide further insight into the previous research by include brand equity which can affect the relationship between COO and Purchase intention [15].

4.3 Research instrument

An online questionnaire and personal mall-intercept survey are adopted. There are many benefits relating to using an online survey. It can attract large numbers of respondents in a short amount of time at lowest cost, non-response bias, quickly and easily to collect and analyse data [15][18]. In this research, the questionnaire has been assigned space on a server of web survey software packages and service as Google Docs.

The respondents are contacted by using facebook invitations in order to participate in this survey and asked them to go to the website by clicking on the web address. However, the online survey might not represent the exactly whole population since it is limited to the respondents who have internet access. Thus we also use personal mall-intercept survey, it is effective by invite the respondents to answer all the questions or complete the survey with recently experience of purchase. On the other

hand, it is difficult to force the respondents to answer all the questions or complete the survey while they are on shopping.

Questionnaire Design-To achieve the objectives of the survey, a structured questionnaire was designed to collect primary data from respondents. The questionnaire consists of a five-point Likert scale ranging from “Strongly disagree” to “Strongly agree” option. Also we have used “Moderately disagree” and “Moderately agree” and for the middle of scale, we have used “Neutral”. This questionnaire consisted of 5 parts and 31 statements out of which 26 were used by previous researchers [24][38]. A total of 5 statements were developed by the authors where some of the variables were selected from the brand equity measurement developed by brand management. To choose the sample for this study, Purposive sampling methods were used. Since the respondents were consumers aged over 20 and have bought products from ZARA shop in Thailand.

The online-survey and personal mall-intercept survey were selected as the data collecting tools due to their accessibility, accuracy and adoptability. The online-survey was created using Google.doc and sent out via Facebook; the most popular social network in Thailand. Meanwhile, the self-administrated surveys were distributed to recently purchased customer at ZARA shops in 4 main department stores in Bangkok. As a measure of abundant precaution, we explained the necessary terms provided in the questionnaire to make it easy for them to respond correctly. STATA has been employed to analyze the raw data through descriptive statistics, factor analysis, correlation analysis, reliability analysis and regression analysis. Since, we have used targeted sample from two methods of survey between those participants from online survey and those who come from personal mall-intercept survey. T-test results showed no statistically significant differences between the responses of those two groups of respondents.

4.4 Sample Design and Sample size

For this research, we used the non-probability sampling technique; depend on the personal judgment of the researcher, rather than selecting a sample at random [15]. The target population in this research is early and middle jobber who living in Bangkok. The assumption is people who live in Bangkok tend to have similar lifestyles and have

experience about Zara since they are close to the big shopping centre and fashion phenomenon.

The sample size in this research is based on the prior studies of Kabadayi and Lerman, [24] which are 210 respondents. The web link contains the questionnaires that is translated into Thai language and sent via facebook to individuals who are working in Bangkok. The questionnaire is linked from the researcher's connections with who living in Bangkok, and then from asking the respondents to distribute the survey to their networks of friends, colleagues and families in order to increase the number of respondents.

Some of the questionnaires were posted on Facebook Fan Page of Zara, etc. Moreover, the questionnaires are distributed to the 4 main department stores in Bangkok Thailand with a personal mall-intercept survey. They were answer by the respondents immediately after their purchase experience. The incomplete questionnaires where the respondents did not answer all the questions were rechecked and eliminated from the survey. Therefore, the survey represents reliability and validity.

4.5 Variables and Measures

Independent Variable-There is independent variable, which is country of origin (COO). Perception and attitude variables can be measured by rating five-point scale to measure agreement from 4 statements which we adapted from Rungkasiri [38].

Dependent Variable-Purchasing intention is the dependent variable. In order to measure purchasing intention, the statement like "I will purchase Zara brand product which made in China", "I would not mind buying Zara brand product which made in China", and "The likelihood that I would consider buying Zara brand product which made in China" questions were measured on a five-point scale of agreement [24].

Moderating Variable-Trusting Beliefs is the first moderating variable in which consist of 3 minor components; Integrity, Ability and Benevolence. Fifteen statements are used and can be measured by rating five-point scale to measure agreement. The second moderating variable is brand equity. The 5 questions is design base on brand equity theory [8] which five-point scales rating measurement.

Control Variable-In this research, we measure the respondent familiarity (FA) with Made in Europe and Made in China product as control variable [24]. We measured the respondent's familiarity with Made in Europe in 3 statements with five-point Likert scale (I am familiar with cloths made in Europe; In the past I have owned cloths made in Europe; I am knowledgeable about cloths made in Europe). Then the respondents were also measured the familiarity with Made in China in 3 statements with five-point Likert scale (I am familiar with cloths made in China; In the past I have owned cloths made in China; I am knowledgeable about cloths made in China).

4.6 Validity and Reliability

In this research, the quality of data collected could be measured by reliability and validity. Validity is the degree to which a test measures what it is supposed to measure regarding NSSE [35], while reliability refers to stability and consistency of measurement [13]. In this research, we implement STATA to assessed the measurement properties, factor analysis is used to assess the construct validity of a test and scale accuracies, which is a technique to reduce a set of observable variables.

The internal consistency method will be applied to measure the reliability in this research. The Cronbach coefficient alpha is the most popular test for internal consistency. The alpha coefficient ranges in value from 0 to 1, the value of Cronbach coefficient alpha of 0.60 is acceptable, while a value of 0.80 and higher indicates a high level of reliability.). The specific scale items for the variables are listed in Table 4.1 – 4.6

Table 4.1: Scale Items, Item loading and Reliabilities of COO

COO	Factor Loading	Reliabilities(α)
“Made in China” product have good quality	0.88	0.878
“Made in China” product have good durability	0.86	
“Made in China” product is reliable	0.88	
Quality of “Made in China” product is consistence	0.79	

Table 4.2: Scale Items, Item loading and Reliabilities of Trusting Beliefs-Integrity

Trusting Beliefs-Integrity	Factor Loading	Reliabilities(α)
Zara seem to have a strong sense of justice.	0.66	0.848
Zara appears to be fair in dealing with its consumers.	0.72	
Sound principles seem to guide this store's behavior.	0.83	
I would characterize Zara as honest.	0.87	
Zara seems to keep its commitments.	0.83	

Table 4.3: Scale Items, Item loading and Reliabilities of Trusting Beliefs-Ability

Trusting Beliefs-Ability	Factor Loading	Reliabilities(α)
Zara seems very capable of serving its consumers.	0.57	0.805
Zara seems to have necessary knowledge and resources to fulfill its consumers' needs.	0.79	
I feel very confident about Zara's skill to serve its consumers.	0.80	
Zara seems to be competent and effective in selling cloths	0.82	
Zara performs its role of selling cloths very well	0.76	

Table 4.4: Scale Items, Item loading and Reliabilities of Trusting Beliefs- Benevolence

Trusting Beliefs-Benevolence	Factor Loading	Reliabilities(α)
Zara seems concerned about its customer, welfare	0.75	0.791
It doesn't seem that Zara would knowingly do anything to hurt its consumers.	0.72	
Zara appears to go out of its way to help its consumers.	0.69	
I believe that Zara would act in its consumers' interests.	0.74	
Zara is interested in its customer's well-being, not just its own.	0.78	

Table 4.5: Scale Items, Item loading and Reliabilities of Brand Equity

Brand Equity	Factor Loading	Reliabilities(α)
I have brand loyalty to Zara.	0.59	0.76
I recognize that Zara is Europe brand.	0.75	
I realize that Zara is a quality brand.	0.78	
I am connected to facets of Zara such as advertising, marketing communication or shop decoration.	0.72	
I can recognize Zara through specific component such as designing or collection.	0.73	

Table 4.6: Scale Items, Item loading and Reliabilities of Purchase Intention

Purchase Intention	Factor Loading	Reliabilities(α)
I will purchase Zara brand product which made in China.	0.86	0.806
I would not mind buying Zara brand product which made in China.	0.89	
The likelihood that I would consider buying Zara brand product which made in China.	0.79	

4.7 Method of Analysis

Hierarchical regression analysis is conducted to test the hypotheses. Firstly, COO and Purchase intention are introduced into regression as the main research variables to measure relationship between two variable following on hypotheses 1. Secondly, Trusting belief which set as the first moderator is entered to analyzed by its sub domain (Integrity, Ability and Benevolence) as hypotheses 2a-c. Finally, the Brand equity is entered as the second moderator in analyzing as hypotheses 3. Moderated regression analysis technique is implemented to test whether the relationship between COO and Purchase intention is moderated by the level trusting belief and brand equity.

Chapter V: Finding and Analysis

5.1 Research Findings

This Research, we use an online survey and personal mall-intercept survey will be used as a methods to collect primary data through computer networks via facebook and also through the Zara shop in the biggest 4 department stores in Thailand. There are totally 210 samples in both of men and women age from 21 years old. STATA has been employed to analyze the raw data through descriptive statistics, factor analysis, correlation analysis, reliability analysis and regression analysis. And the result can be divided into 4 parts as following

Part 1A: Demographics

Part 1B: Consumer Behavior

Part 2: Research Analysis

Part 3: Hypothesis Test

Part 1A: Demographics

Demographic Finding- The Demographic Characteristics of the respondents include gender, age, education, educational major, job level and personal income.

Table 5.1: Demographic Characteristics of Respondents by Gender (n=210)

Characteristics		Frequency	Percentage
Gender	Male	39	18.6
	Female	171	81.4

According to the table 4.1: Demographic Characteristics of Respondents (n=210), it can be reviewed that most respondents are female with 81.4%, while 18.6% of respondents are male.

Figure 5.1: Percentage of Demographic Characteristics of Respondents by Gender

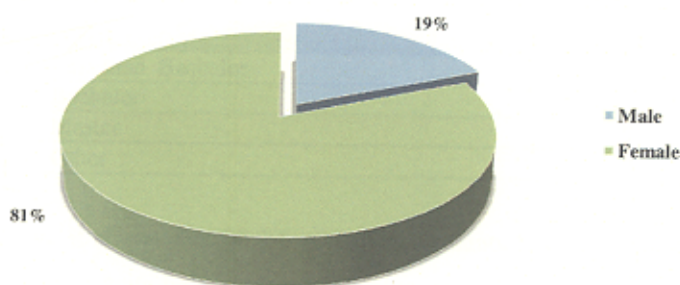


Table 5.2: Demographic Characteristics of Respondents by Age (n=210)

Characteristics		Frequency	Percentage
Age	21-25	34	16.2
	26-30	102	48.6
	31-35	56	26.7
	36-40	7	3.3
	41-45	6	2.9
	More than 45	4	1.9

As the table 4.2: The majority of the respondents' age ranges from 26-30 years (48.6%), followed by the age range of 31-35 and 21-25 years old with 26.7% and 16.2%. Then only 1.9% of the respondents are 41-45 years old.

Figure 5.2: Percentage of Demographic Characteristics of Respondents by Age

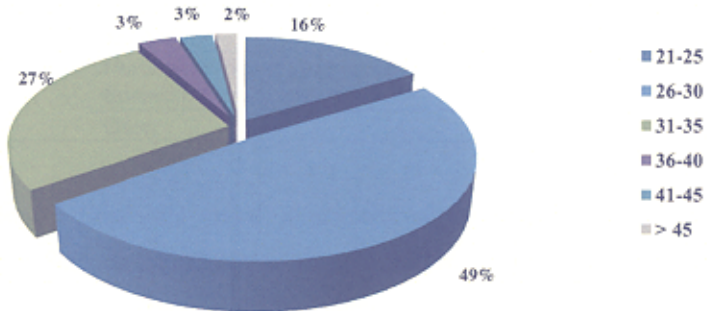


Table 5.3: Demographic Characteristics of Respondents by Education (n=210)

Characteristics	Frequency	Percentage
Education		
Less than Bachelor	8	3.8
Bachelor	191	90.9
Master	9	4.2
Other	2	0.9

For the education, it shows that 90.9% of the respondents have a Bachelor's degree and the rest of the respondents hold a Master's degree or higher level of education with 5.1% then lower than Bachelor's degree at 3.8%.

Figure 5.3: Percentage of Demographic Characteristics of Respondents by Education

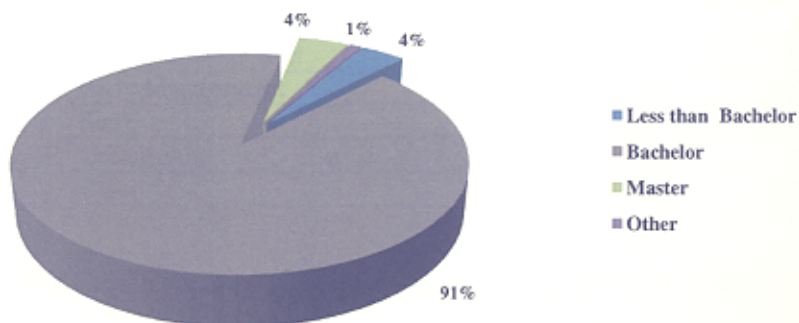
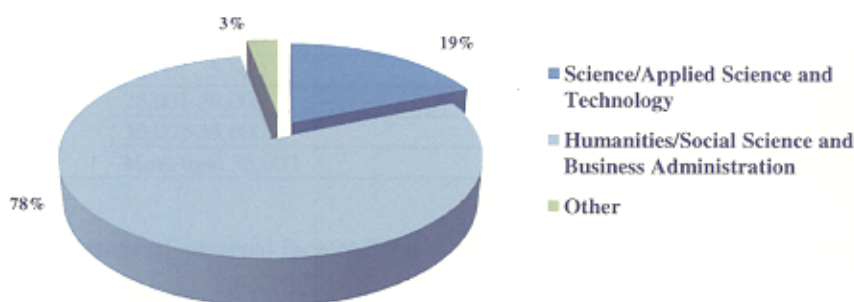


Table 5.4: Demographic Characteristics of Respondents by Education Major(n=210)

Characteristics		Frequency	Percentage
Educational Major	Science/Applied Science and Technology	39	18.6
	Humanities/Social Science and Business Administration	165	78.6
	Other	6	2.9

In relation to Education major, a majority of the respondents are graduated in Humanities/Social Science and Business Administration with 78.6%, followed by those being Science/Applied Science and Technology and other with 18.6% and 2.9% respectively.

Figure 5.4: Percentage of Demographic Characteristics of Respondents by Educational Major**Table 5.5: Demographic Characteristics of Respondents by Job Level (n=210)**

Characteristics		Frequency	Percentage
Job level	Executive Management	6	2.9
	Middle Management	17	8.1
	Early Management	35	16.7
	Staff	112	53.3
	Technician	2	1.0
	Other	38	18.1

Regarding to Job level, a majority of the respondents working as a staff with 53.3%, follow by other, early management, middle management, then executive management with 18.1%, 16.7%, 8.1%, and 2.1% respectively.

Figure 5.5: Percentage of Demographic Characteristics of Respondents by Job Level

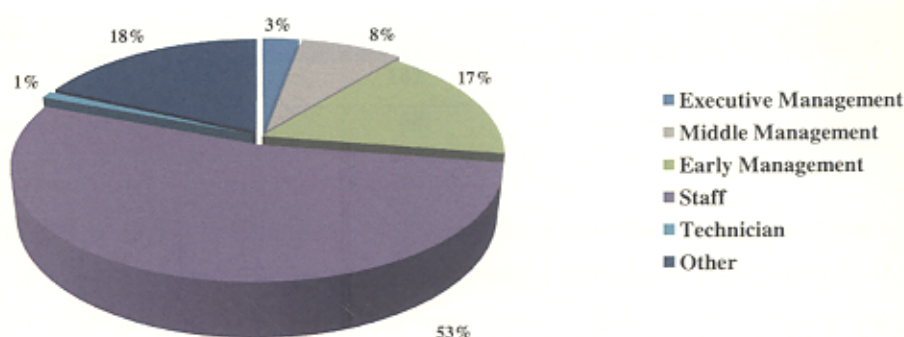


Table 5.6: Demographic Characteristics of Respondents by Personal Income (n=210)

Characteristics	Frequency	Percentage	
Personal Income	Less than 15,000	38	18.1
	15,001-20,000	20	9.5
	20,001-25,000	24	11.4
	25,001-30,000	16	7.6
	30,001-35,000	31	14.8
	More than 35,000	81	38.6

The highest percentage of personal income level is found in the less than 35,000 baht group, with 38.6%, whereas the respondents with income between 25,001-30,000 baht per month are the lowest group with 7.6%. There are respondents who have a personal income less than or 15,000 baht (18.1%), 15,001-20,000 baht (9.5%), 20,001-25,000 (11.4%) and 30,001-35,000 (14.8%).

Figure 5.6: Percentage of Demographic Characteristics of Respondents by Personal Income

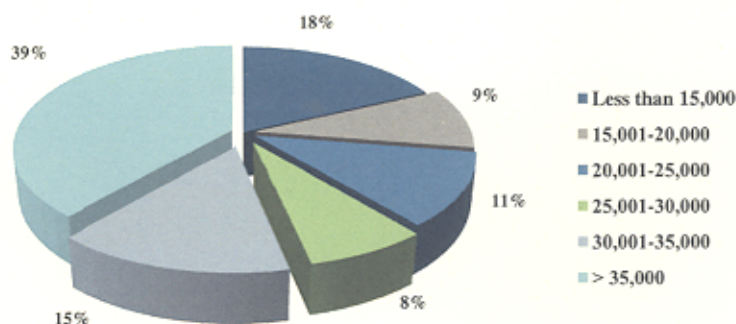
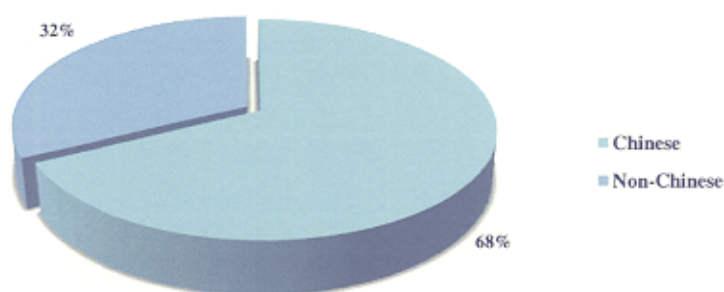


Table 5.7: Respondents with Chinese Ethnicity (n=210)

Ethnicity	Number	Percentage
Chinese	142	67.62
Non-Chinese	68	32.38

According to table 5.7: Respondents with Chinese Blood (n=210), it can be seen that a majority of respondents are Chinese off-springs which account for 67.62 percent of participants while the rest 32.38 percent of participants are Non-Chinese. This is can eliminate the tendency that the participant will have a negative attitude about Chinese regardless of what we are talking about. Moreover, this study tries to control others factors apart from the moderator variables which the study aim to clarify their effects on COO and Purchase Intention.

Figure 5.7: Percentage of Demographic Characteristics of Respondents by Ethnicity



Part 1B: Consumer Behavior

Table 5.8: Frequency and Percentage of Respondents regarding Percentage of Purchase (n=210)

Characteristics	Percentage of purchase (per month)									
	<5%	6-10%	11-15%	16-20%	>20%					
Gender										
Female	127	60.5%	38	18.1%	2	1.0%	2	1.0%	2	1.0%
Male	31	14.8%	4	1.9%	4	1.9%	-	-	-	-
Age										
21-25	24	11.4%	6	2.9%	4	1.9%	-	-	-	-
26-30	76	36.2%	24	11.4%	-	-	-	-	2	1.0%
31-35	44	21.0%	8	3.8%	2	1.0%	2	1.0%	-	-
36-40	5	2.4%	2	1.0%	-	-	-	-	-	-
41-45	4	1.9%	2	1.0%	-	-	-	-	-	-
>45	4	1.9%		0.0%	-	-	-	-	-	-
Education										
< Bachelor	4	1.9%	2	1.0%	2	1.0%	-	-	-	-
Bachelor	144	68.6%	39	18.6%	4	1.9%	2	1.0%	2	1.0%
Master	8	3.8%	1	0.5%	-	-	-	-	-	-
Other	2	1.0%	-	-	-	-	-	-	-	-
Educational Major										
Science/Applied Science and Technology	29	13.8%	6	2.9%	4	1.9%	-	-	-	-
Humanities/Social Science and Business Administration	129	61.4%	36	17.1%	-	-	-	-	-	-
Other	-	-	-	-	2	1.0%	2	1.0%	2	1.0%
Job level										
Executive Management	4	1.9%	2	1.0%	-	-	-	-	-	-
Middle Management	11	5.2%	6	2.9%	-	-	-	-	-	-
Early Management	25	11.9%	8	3.8%	2	1.0%	-	-	-	-
Staff	84	40.0%	22	10.5%	4	1.9%	2	1.0%	-	-
Technician	2	1.0%	-	-	-	-	-	-	-	-
Other	32	15.2%	6	2.9%	-	-	-	-	-	-
Personal Income										
<=15,000	28	13.3%	6	2.9%	4	1.9%	-	-	-	-
15,001-20,000	16	7.6%	4	1.9%	-	-	-	-	-	-
20,001-25,000	22	10.5%	2	1.0%	-	-	-	-	-	-
25,001-30,000	12	5.7%	4	1.9%	-	-	-	-	-	-
30,001-35,000	23	11.0%	8	3.8%	-	-	-	-	-	-
>35,000	57	27.1%	18	8.6%	2	1.0%	2	1.0%	2	1.0%

According to the Table 5.8: Frequency and Percentage of Respondents regarding Percentage of Purchase (n=210), it can be seen that, for Gender variable, a majority of both female and male purchase Zara's products less than 5 percentage each month which are 60.5 and 14.8 percent of all respondents respectively. Most of the participants in all ages spend less than 5 percent of their own income per month at Zara Store, however; there is one age range where consumers spend 6-10 percent of their income buying products from Zara store which is consumers aged from 26 to 30 years old with 11.4 percent of overall respondents.

From job level, there are 40 percent of respondents who have a "staff" position and spend less than 5 percent of their and another 10.5 percent spend 6 to 10 percent per month at Zara Shop. Most of the participants earn more than 35,000 Thai Baht (38.7 percent) and the majority of this group also spends less than 5 percent on buying Zara items.

As we can see, most of the participants spend less than 5 percent of their income on Zara products which is useful information for this study since we want to clarify the moderating effect of Brand Equity and Trusting Beliefs. Thus, there will be no other effects such as customer loyalty that will mislead the effect of main variables.

Part 2: Research Analysis

In this study, correlation analysis is employed to test the interaction between variables whereas regression analysis is used to test the hypotheses H1, H2_a, H2_b, H2_c and H3. The hypotheses are formulated to clarify the relationship between the effects of COO, Trusting beliefs and Brand Equity toward Consumer's Purchase Intention in Textile and Clothing industry.

Table 5.9: Correlation Matrix

	PI	COO	ITG	ABL	BNV	BE	GE	EDU	IC	FA
PI	1.0000									
COO	-0.1978	1.0000								
ITG	0.1249	-0.0807	1.0000							
ABL	0.0666	0.0493	0.6477*	1.0000						
BNV	-0.0117	-0.1257	0.6552*	0.6582*	1.0000					
BE	0.1313	-0.1272	0.5989*	0.6812*	0.6025*	1.0000				
GE	0.1820*	0.0339	-0.0657	0.0537	-0.0740	0.0868	1.0000			
EDU	-0.0512	-0.0697	0.0000	0.1659*	0.0748	0.0204	-0.1448	1.0000		
IC	0.0537	-0.0542	0.1009	0.0812	0.0492	0.0776	-0.0766	0.2314*	1.0000	
FA	0.1253	0.0134	0.1585*	0.1483*	0.1807*	0.2627*	0.2402*	0.0714	0.2359*	1.0000

Note: Statistically significant at: * $p < 0.001$

Part 3: Hypothesis Test

Table 5.9 presents Pearson Correlation Coefficients (r) and their significance (Sig.2 tailed or P-Value). According to the table, there are high correlations between the main research variables. For statistically significant at: * $p > 0.001$, it can be seen that there are high correlations between Ability and Integrity (0.6477*), Brand Equity and Ability (0.6812*), and Brand Equity and Benevolence (0.6025*).

Hypothesis 1: According to Table 5.10, it shows that COO is significant at the 95 percent level of confidence ($p=0.002$). This means that the relationship between COO and Purchase Intension does exist; as consumer’s purchase intension is lessened when the effect of COO (Made in China) increases. The result of Hypothesis 1 aligns with the finding of Kabadayi and Lerman [23]. Thus, the hypothesis is accepted and we can say that there is a negative relationship between COO and PI with a Coefficient of -0.209. It can be concluded that the respondents are not likely to purchase Zara’s products when they recognize that the products were made in China. The result of Hypothesis 1 confirms the

findings of Kabadayi and Lerman [23] that there is a negative impact of Made in China on Purchase intention.

Hypothesis 2_a: According to Table 5.10, it shows that the interaction between COO and Integrity beliefs is significant at the 95 percent level of confidence ($p=0.000$), however; Integrity belief alone is insignificant ($p=0.23$). This means that the relationship between COO, Integrity beliefs and Purchase intention does exist; consumer's purchase intention increases, while the effect of the interaction between COO and Integrity beliefs increase, consumer's purchase intention boosts up. Thus, the hypothesis 2_a is **accepted** and we can say that there is a positive relationship between the interaction between COO and Integrity, and PI with a Coefficient of 0.228. It can be said that consumers are likely to purchase Zara's products when they have high Integrity beliefs about the store, although; they recognized the products were made in China.

Hypothesis 2_b According to Table 5.10, it shows that the interaction between COO and Integrity beliefs is significant at the 95 percent level of confidence ($p=0.000$), however; Ability belief alone is insignificant ($p=0.148$). This means that the relationship between COO, Ability beliefs and Purchase intention does exist; consumer's purchase intention increases, while the effect of the interaction between COO and Ability beliefs increase, consumer's purchase intention increases as well. Therefore, the hypothesis 2_b is **accepted** and we can indicate that there is a positive relationship between the interaction between COO and Ability beliefs, and PI with a Coefficient of 0.226. It can be said that, although; consumers recognized "Made in China" label, they are likely to purchase Zara's products when they perceive high Ability beliefs about the store.

Hypothesis 2_c: According to Table 5.10, it shows that the interaction between COO and Benevolence beliefs is significant at the 95 percent level of confidence ($p=0.001$), however; Benevolence belief alone is insignificant ($p=0.169$). This means that the relationship between COO, Benevolence beliefs and Purchase intention does exist. While the effect of the interaction between COO and Ability beliefs increases, consumer's purchase intention increases as well. Therefore, the hypothesis 2_c is **accepted** and we can indicate that there is a positive relationship between the interaction between COO and Benevolence beliefs, and PI with a Coefficient of 0.183. It can be concluded that consumers are likely to purchase Zara's products when they perceive high Benevolence beliefs about the store though, they aware of COO or "Made in China" label

Hypothesis 3: According to Table 5.10, it shows that the interaction between COO and Brand equity is significant at the 95 percent level of confidence ($p=0.016$), however; Ability belief alone is insignificant ($p=0.073$). This means that the relationship between COO, Brand equity and Purchase intention does exist. Consumer's purchase intention increases, while the effect of the interaction between COO and Brand equity increase. Therefore, the hypothesis 3 is accepted and we can indicate that there is a positive relationship between the interaction between COO and Ability beliefs, and PI with a Coefficient of 0.151. In other words, consumers who aware if "Made in China" label on Zara products are likely to purchase Zara's products when they perceive high Brand equity of the products.

Table 5.10: Results of hierarchical regression analysis for firm purchase intention

Variables	Model 1	H1	H2			H3
		Model 2	Model 3.1: TB			Model 3.2: BE
			ITG	ABL	BNV	
Step 1: Control						
Gender	0.423**	0.435**	0.446***	0.428**	0.468***	0.385**
Education						
Bachelor	-0.351	-0.374	-0.344	-0.388	-0.380	-0.381
Master	-0.543	-0.564	-0.507	-0.570	-0.604	-0.513
Other	0.197	0.032	-0.003	0.002	-0.096	0.008
Income						
15,001-20,000	0.060	-0.083	-0.212	-0.211	-0.252	-0.140
20,001-25,000	-0.097	-0.018	-0.002	-0.159	-0.131	-0.156
25,001-30,000	-0.109	-0.091	-0.252	-0.283	-0.278	-0.254
30,001-35,000	-0.147	-0.208	-0.291	-0.227	-0.192	-0.305
More than 35,000	0.197	0.193	0.107	0.083	0.145	0.102
Step2: Independent variable						
COO		-0.209***	-0.301***	-0.301***	-0.316***	-0.258
Step 3: Moderator						
Trusting Believe						
1) Integrity			0.151**			
2) Ability				0.098		
3) Benevolence					0.105	
Brand Equity						0.123*
Step 4: Interaction terms						
Coo x Integrity			0.229***			
Coo x Ability				0.226***		
Coo x Benevolence					0.182***	
Coo x Brand equity						0.151**
R ²	0.06	0.11	0.19	0.17	0.15	0.14
Adjust R ²	0.02	0.06	0.14	0.12	0.10	0.09
F-Statistic	1.52	2.37**	3.90***	3.52***	3.01***	2.80***

Notes: ***, **, * Significantly at 1%, 5% and 10% Confidence level respectively

In summary, Thai consumers are aware of “Made in China” label and they have negative perception about it which will affect their purchase intention as the more negative COO effect they perceived, the less likely they will buy the products of that brand. However, the negative effect of COO can be lessened by other factors which are Trusting beliefs (Integrity, Ability and Benevolence) and Brand equity regarding research findings. The most powerful moderating factor here is Ability beliefs as it shows a highest coefficient score (0.228). From the findings, we can conclude that whenever consumers aware that a store on having the skills and competencies necessary to perform the job (Mayer et al., 1995), the effect of “made in” label or COO will have less impact on the buying intention or in other words, consumers will be more likely to buy products made in foreign countries from a store when they feel confident about a store’s competence in doing their job. It is followed by Integrity beliefs, benevolence beliefs with coefficient scores of 0.226 and 0.183 respectively. Where Brand equity is a factor that has less influence on COO effect comparing to others in this study since it has the lowest coefficient score (0.151).

Chapter VI: Discussion and Conclusion

6. Discussion and Conclusion

6.1 Discussion

The main purpose of this research invests in understanding the factors which motivate consumers to buy products with a negative “made in” effect of Europe brand sold in the stores in Thailand. We suggest those consumers’ trusting beliefs including integrity beliefs, ability beliefs, benevolence beliefs, and also brand equity of a brand can moderate the relationships between COO effects and purchase intentions. In the mean while, we hypothesized that the significance of COO effects on consumers’ purchase intentions weakens when consumers have high levels of trusting beliefs and brand equity about Zara. Our findings indicate that those three beliefs and brand equity affect the consumers’ purchase intention to buy Zara products with a specific “made-in China” label.

To test these hypotheses, we target Textile and Clothing industry since for Thai market this sector becomes the first top importer, particularly; it is strongly influenced by Europe brands. We focus on Zara brand because it is becoming one of the popular middle-class Europe brands in Thailand which the products are mainly manufactured in China.

6.2 Conclusion

In this research, we measure the respondent familiarity (FA) with Made in Europe and Made in China product as control variable [23]. Since Han [15] suggests that country image will indirectly have an influence on brand attitudes when consumers are familiar with a specific country’s products. Thus, it can be said that Country image can be treated as an indirect channel in affecting product attributes and brand attitudes. From our finding, we can conclude that consumers with different level of familiarity perceive product quality from each country differently.

Chapter VII: Implication, Limitation and Future Research

7. Implication, Limitation and Future Research

7.1 Implication

- **Implications for researchers**

Previous researches on COO usually included only Trusting Beliefs; integrity beliefs, ability beliefs, and benevolence beliefs, however; as mentioned by Hui and Zhou [19] that the multidimensional effect of COO influences product beliefs and attitudes for brands with different levels of equity. Meanwhile, Koubaa [26] also stated that the impact of brand equity is more important when brands are perceived as low equity than high equity brands. Our results shows that brand equity moderates the effect of COO when consumers making purchase decision. Thus, we recommend the researchers in this area to include brand equity as one of the moderating variables when conducting research on consumers' purchase intension.

- **Implications for practitioners**

The research findings have strategic implications for both manufacturers and retailers that would like to offset negative COO effects. From the result of this research, we found that Made in China still have a strong negative impact on Thai consumers' purchase intension. However, this impact can be lessened by increasing the level of Trusting Beliefs and Brand Equity.

To overcome the negative effect of COO, manufacturers should standardize their production process to gain more consumers' reliability on their products. At the same time, the retailers, brands' owners, should emphasize on building up Trusting Beliefs by increasing Integrity, Ability and Benevolence about their stores. To increase Ability beliefs, the retailers have to improve their performance to ensure the consumers' confidence of the stores on having the skills and competencies necessary to perform the job are high. For creasing Benevolence beliefs, the stores must present that wants to do good things rather than just maximize profit and this have to be perceived by consumers [30]. Integrity beliefs can be enhanced when the stores maintain their operation to meet a set of moral principles or professional standards that guide its interactions with its consumers [30].

Last but not least, Brand Equity should also be focused as this research shows that consumers will be more willing to purchase products with Made in China label if it has strong brand equity. Follow these practical implications; the Western retailers and manufacturers can maximize their profits by deploying cheap-labour countries as their production-bases without their concern on COO effects.

7.2 Limitation

The limitation is related to data collection as this study used an online questionnaire and personal mall-intercept survey as tools for collecting the data. The problem arose with an online tool as the respondents answers the questions based on their memory not from the fresh purchase experience compare to the mall-intercept method. Therefore, the answer has a potential to be imprecise.

7.3 Future research

Since this research focused only Textiles and Clothing industries, we cannot conclude that the COO will have the same effect on other product categories and Industries. In order to make the research become more generalized and provide a better understanding of COO effects, future researches have to expand to other product categories and industries.

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Appendix A: Questionnaire



โครงการวิจัยพฤติกรรมผู้บริโภค 2012

The Country of Origin Effect on Purchase Intention of Thai Consumers:
The Moderating of Trusting Beliefs and Brand Equity

ปิยะกาญจน์ สุพรรณชนะบุรี
พงศกร พิษยदनย์

คณะพาณิชยศาสตร์และการจัดการ
มหาวิทยาลัยสงขลานครินทร์ วิทยาเขตตรัง

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ส่วนที่ 1: ข้อมูลเกี่ยวกับผู้บริโภค (Target Consumer)

- 1.1 เพศ ชาย หญิง
- 1.2 อายุ 21 - 25 ปี 26 - 30 ปี 31-35 ปี 36 - 40 ปี
 41 - 45 ปี > 45 ปี
- 1.3 ระดับการศึกษาสูงสุด:
 < ปริญญาตรี ปริญญาตรี ปริญญาโท
 อื่น ๆ โปรดระบุ.....
- 1.4 สาขาวิชาที่สำเร็จการศึกษา:
 วิทยาศาสตร์/วิทยาศาสตร์ประยุกต์และเทคโนโลยี มนุษยศาสตร์/สังคมศาสตร์และบริหารธุรกิจ
 อื่น ๆ โปรดระบุ
- 1.5 ระดับตำแหน่งงาน
 ผู้บริหารระดับสูง ผู้บริหารระดับกลาง ผู้บริหารระดับต้น
 พนักงาน เจ้าหน้าที่ทางเทคนิค อื่นๆ
- 1.6 รายได้โดยเฉลี่ยต่อเดือน
 <= 15,000 บาท 15,001 - 20,000 20,001 - 25,000
 25,001 - 30,000 30,001 - 35,000 > 35,000
- 1.7 ท่านซื้อสินค้าแบรนด์ ZARA โดยเฉลี่ยต่อ 1 เดือน เป็นสัดส่วนเท่าใดของรายได้ต่อเดือน
 <=5% 6 - 10 % 11 - 15 %
 16 - 20 % > 20 %
- 1.8 ท่านมีเชื้อชาติ/บรรพบุรุษชาวจีนหรือไม่
 มี ไม่มี

ส่วนที่ 2ทัศนคติต่อสินค้า Made in China

ท่านมีความคิดเห็นต่อข้อความต่อไปนี้อย่างไร	ความคิดเห็น				
	ไม่เห็นด้วยอย่างยิ่ง	ไม่เห็นด้วย	เฉยๆ	เห็นด้วย	เห็นด้วยอย่างยิ่ง
	[1]	[2]	[3]	[4]	[5]
(1) คุณภาพของสินค้า	[]	[]	[]	[]	[]
(2) ความคงทน/อายุการใช้งานยาวนาน	[]	[]	[]	[]	[]
(3) ความน่าเชื่อถือของผลิตภัณฑ์	[]	[]	[]	[]	[]
(4) ความสม่ำเสมอของคุณภาพสินค้า	[]	[]	[]	[]	[]

ส่วนที่ 3 การประเมินค่าของผลิตภัณฑ์ (Product Evaluation)

2.1 ความไว้วางใจ (Trusting Beliefs)

ปัจจัยต่อไปนี้ มีผลต่อการประเมินค่าของผลิตภัณฑ์ในความคิดเห็นของท่านอย่างไร	ความคิดเห็น				
	ไม่เห็นด้วยอย่างยิ่ง [1]	ไม่เห็นด้วย [2]	เฉยๆ [3]	เห็นด้วย [4]	เห็นด้วยอย่างยิ่ง [5]
ความซื่อสัตย์ (Integrity)					
(1) ร้าน ZARA ให้ความรู้สึกของความตรงไปตรงมา (justice)	[]	[]	[]	[]	[]
(2) ร้าน ZARA ให้การบริการที่มีความยุติธรรม	[]	[]	[]	[]	[]
(3) ร้าน ZARA มีการดำเนินธุรกิจอย่างมีหลักการ	[]	[]	[]	[]	[]
(4) ร้าน ZARA มีภาพพจน์ที่ซื่อสัตย์	[]	[]	[]	[]	[]
(5) ร้าน ZARA สามารถรักษาคำมั่นสัญญาที่มีต่อลูกค้า	[]	[]	[]	[]	[]
ความสามารถ (Ability)					
(6) ร้าน ZARA มีความสามารถในการให้บริการลูกค้าอย่างดี	[]	[]	[]	[]	[]
(7) ร้าน ZARA มีความรู้ ความชำนาญและทรัพยากรในการตอบสนองความต้องการของลูกค้า	[]	[]	[]	[]	[]
(8) ร้าน ZARA ให้ความรู้สึกมั่นใจต่อทักษะ ในการให้บริการแก่ลูกค้า	[]	[]	[]	[]	[]
(9) ร้าน ZARA มีความสามารถและประสิทธิภาพในการขายผลิตภัณฑ์เสื้อผ้า	[]	[]	[]	[]	[]
(10) ร้าน ZARA มีศักยภาพในการขายผลิตภัณฑ์เสื้อผ้าได้อย่างยอดเยี่ยม	[]	[]	[]	[]	[]
ความเมตตา กรุณา (Benevolence)					
(11) ร้าน ZARA มีความรู้สึกห่วงใยต่อสวัสดิการของลูกค้า	[]	[]	[]	[]	[]
(12) ร้าน ZARA จะไม่ทำลูกค้าผิดหวัง	[]	[]	[]	[]	[]
(13) ร้าน ZARA จะปรับตัวเพื่อช่วยเหลือลูกค้าในบางกรณี	[]	[]	[]	[]	[]
(14) ร้าน ZARA จะทำทุกวิถีทางเพื่อตอบสนองความสนใจของลูกค้า	[]	[]	[]	[]	[]
(15) ร้าน ZARA ให้ความสนใจต่อความสุขของลูกค้า	[]	[]	[]	[]	[]

2.2 คุณค่าของแบรนด์ (Brand Equity)

ปัจจัยต่อไปนี้ มีผลต่อการประเมินค่าของผลิตภัณฑ์ในความคิดเห็นของท่านอย่างไร	ความคิดเห็น				
	ไม่เห็นด้วยอย่างยิ่ง [1]	ไม่เห็นด้วย [2]	เฉยๆ [3]	เห็นด้วย [4]	เห็นด้วยอย่างยิ่ง [5]
(16) ท่านมีความจงรักภักดีต่อ แบรนด์ ZARA	[]	[]	[]	[]	[]
(17) ท่านตระหนักได้ว่าแบรนด์ ZARA เป็นแบรนด์เสื้อผ้าจากยุโรป	[]	[]	[]	[]	[]
(18) ท่านทราบว่าแบรนด์ ZARA เป็นผลิตภัณฑ์ที่มีคุณภาพ	[]	[]	[]	[]	[]
(19) ท่านสัมผัสกับแง่มุมต่าง ๆ ของแบรนด์ ZARA เช่น การสื่อสาร การตลาด การโฆษณา การจัดร้าน เป็นต้น	[]	[]	[]	[]	[]
(20) แบรนด์ ZARA มีองค์ประกอบจำเพาะที่ทำให้ท่านนึกถึงแบรนด์ เช่น การออกแบบ ดีไซน์เนอร์ คอลเลคชั่น เป็นต้น	[]	[]	[]	[]	[]

Appendix B: About Zara

The image shows the ZARA logo in a white, serif font, centered on a dark, rectangular background.

Zara is a Spanish clothing and accessories retailer based in Arteixo, Galicia, and founded in 1975 by Amancio Ortega and Rosalía Mera. It is the flagship chain store of the Inditex group; the fashion group also owns brands such as Massimo Dutti, Pull and Bear, Uterqüe, Stradivarius and Bershka. It is claimed that Zara needs just two weeks to develop a new product and get it to stores, compared to the six-month industry average, and launches around 10,000

new designs each year. Zara has resisted the industry-wide trend towards transferring fast fashion production to low-cost countries. Perhaps its most unusual strategy was its policy of zero advertising; the company preferred to invest a percentage of revenues in opening new stores instead. This has increased the idea of Zara as a "fashion imitator" company and low cost products. Lack of advertisement is also in contrast to direct competitors such as Uniqlo and United Colors of Benetton. Zara was described by Louis Vuitton Fashion Director Daniel Piette as "possibly the most innovative and devastating retailer in the world." Zara has also been described as a "Spanish success story" by CNN.

Origins and history

The founder of Zara, *Amancio Ortega*, opened the first Zara store in 1975 in a central street in downtown A Coruña, Galicia, Spain. Ortega named his store *Zorba* after watching the classic film *Zorba the Greek*, but apparently there was a bar that was called the same, *Zorba*, two blocks away, and the owner of the bar came and said, "this is going to confuse things to have two *Zorbas*." They had already made the molds for the letters in the sign, so they just rearranged them to see what they could find, and they found *Zara*. The first store featured low-priced lookalike products of popular, higher-end clothing fashions. The store proved to be a success, and Ortega began opening more Zara stores throughout Spain. During the 1980s, Ortega started changing the design, manufacturing, and distribution process to reduce lead times and react to new trends in a quicker way, in what he called "instant fashions". The company based its improvements in the use of information technologies and using groups of designers instead of individuals.

In 1980, the company started its international expansion through Porto, Portugal. In 1989 it entered the United States and in 1990 France. This international expansion was increased in the 1990s, with Mexico (1992), Greece (1994), Belgium and Sweden (1994), etc. until reaching its current presence in over 73 countries. Zara stores are company-owned, except where local legislation forbids foreigner-owned businesses; In those cases, Zara franchises the stores.

Product

As of 2007, Zara stores have men's clothing and women's clothing, each of these subdivided in Lower Garment, Upper Garment, Shoes, Cosmetics and Complements, as well as children's clothing (Zara Kids). Currently their sizing on women's clothing goes to a US size 12 or a UK size 14 or extra large.

Manufacturing and distribution

Zara is a vertically integrated retailer. Unlike similar apparel retailers, Zara controls most of the steps on the supply-chain, designing, manufacturing, and distributing its products. Zara set up its own factory in La Coruña (a city known for its textile industry) in 1980, and upgraded to reverse milk-run-type production and distribution facilities in 1990. This approach, designed by Toyota Motor Corp., was called the just-in-time (JIT) system. It enabled the company to establish a business model that allows self-containment throughout the stages of materials, manufacture, product completion and distribution to stores worldwide within just a few days.

Regarding the design strategy, an article in *Business world* magazine describes it as follows: "Zara was a fashion imitator. It focused its attention on understanding the fashion items that its customers wanted and then delivering them, rather than on promoting predicted season's trends via fashion shows and similar channels of influence, which the fashion industry traditionally used. Zara on Briggate, Leeds after refurbishment. It now includes the new logo and store layout 50% of the products Zara sells are manufactured in Spain, 26% in the rest of Europe, and 24% in Asian and African countries and the rest of the world. So while some competitors outsource all production to Asia, Zara makes its most fashionable items half of all its merchandise at a dozen company-owned factories in

Spain and Portugal, particularly in Galicia and northern Portugal where labour is somewhat cheaper than in most of Western Europe. Clothes with a longer shelf life, such as basic T-shirts, are outsourced to low-cost suppliers, mainly in Asia and Turkey. Zara can offer considerably more products than similar companies. It produces about 11,000 distinct items annually compared with 2,000 to 4,000 items for its key competitors. The company can design a new product and have finished goods in its stores in four to five weeks; it can modify existing items in as little as two weeks. Shortening the product life cycle means greater success in meeting consumer preferences.^[12] If a design doesn't sell well within a week, it is withdrawn from shops, further orders are canceled and a new design is pursued. Zara relies on sophisticated information technology, such as PDAs with wireless transmission capabilities, in the hands of store managers, to monitor customers' fickle fashion changes. Zara has a range of basic designs that are carried over from year to year, but some fashion forward designs can stay on the shelves less than four weeks, which encourages Zara fans to make repeat visits. An average high-street store in Spain expects customers to visit three times a year. That goes up to 17 times for Zara. On September 6, 2010, *Financial Times* reported that Inditex launched the first online boutique for its best-selling brand Zara. The website will begin in Spain, the UK, Portugal, Italy, Germany and France – six countries that are among the most important of the company's 76 markets. When asked about the company's late arrival to internet retailing, Pablo Isla, chief executive, said they have been waiting for online demand to build before launching into cyberspace. All items on sale at its Zara outlets would be available online and at the same prices. Customers can choose from the usual range of paying methods and opt either for a free store pick-up or paid-for postal delivery. The online return and exchange policy is identical to the store system, with shoppers given 30 days to change their minds. Queries will be handled by customer service operators or via e-mail or chat messaging. Inditex said that iPhone and iPad applications that allowed purchasing would soon be available.

On November 4, 2010, Zara Online extended the service to five more countries: Austria, Ireland, the Netherlands, Belgium and Luxembourg. Online stores will begin operating in the United States and South Korea in 2011. The simple website allows shoppers to filter a search for garments by; type of garment, colours, sizes, prices, reference number, etc. Customers can view products in precise detail from different angles and use a Super Zoom feature to get an exceptional close-up look at the details of each item.

In 2011, Zara entered the Australian market with a three story, 1400sqm store in the Westfield Sydney complex opened on April 21, 2011 and a second three story 1800sqm store at Bourke Street Mall Melbourne which opened on 15 June 2011.^{[18][19][20]} Zara will open its third Australian store in November 2011 at Burnside Village Shopping Centre in Adelaide, South Australia. It will be Australia's largest at 2,300sqm, and modelled on the design of their Fifth Avenue, New York store.

In November 2011, Zara entered the South African market with a flagship store in the upmarket suburb of Sandton, in Sandton City Shopping Complex, Johannesburg. In March 2012, Zara opened their second store in South Africa, at Gateway Theatre of Shopping in Durban. Later in 2012, a third store was opened in Cape Town at the Victoria & Alfred Waterfront mall.

Human rights concerns

Sweatshops

On August 16, 2011, a Brazil television show called *A Liga* (of the Bandeirantes TV network) accused the company of using suppliers who were running sweatshops for their outsourced production.^[22] On August 17, 2011, the Regional Superintendency of Labour and Employment of São Paulo, Brazil, closed a factory that produced Zara's clothing for its poor labour conditions. Bolivians were brought illegally to Brazil, locked in small apartments and sewed clothes for 12–14 hours a day. They could not leave the apartment without the consent of the supervisor and didn't have hot water for taking showers or food for lunch. The Bolivians earned about 1 USD for each dress they sewed, although the retail price in Brazilian stores was about 70 USD for the same dress. Many of the workers were forced into paying their wages to human traffickers who had smuggled them into the country.

In a statement, Zara's representatives said that the accusations of slave labour made against the retailer represent a "serious breach in accordance with the Code of Conduct for External Manufacturers and Workshops of Inditex." They also countered that all factories responsible for unauthorized outsourcing have been asked to regularize immediately the situation of the workers involved. "The Inditex group, along with Brazil's Ministry of

Work, will strengthen the supervision of the production system of all its suppliers in the country to ensure that such cases do not occur again.”

Shop Staff Abuse

On March 21, 2012, the investigative journalism television program Uppdrag Granskning (from Sveriges Television) reported stories of twenty-five Zara employees, both shop-managers and shop staff, that testified about severe abuse and terror against their employees in Sweden and Europe. Zara's representative did respond that they will investigate and solve these problems in the organisation. The union of shop workers, Handels, did respond that Zara had promised improvement and was breaking their legal agreements and Unionen, organising white-collar worker such as shop-manager, called Zara's company management as "Management by fear".

Stores

There are a total of 1,671 Zara stores. The number of Zara stores in each country (by the 31st of July 2012)

Source: [http://en.wikipedia.org/wiki/Zara_\(retailer\)](http://en.wikipedia.org/wiki/Zara_(retailer))