

**THE COUNTRY OF ORIGIN VALUE FOR SKINCARE MARKET
IN THAILAND**



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ABSTRACT

The primary purpose of this research was to understand the behavior of Thai consumer toward country of origin of skincare product that “made in Japan” and “made in U.S.A.”, by examining their value of luxury, trust, perceived quality, innovativeness are dependent variables and satisfaction is dependent variable respectively. Describe the different of those two origins with the descriptive statement.

Questionnaires were distributed to collect data from 200 Thai respondents at three major areas in Bangkok. The respondents’ value of country of origin were then analyzed by using a principal component analysis. The descriptive statistics used in this study were percentages, means, and standard deviations whereas hypothesis testing used regression model to see the significant level between the variables.

The majority of respondents were female, 20-30 years old, single, had monthly incomes between 15,000-35,000 THB, all graduated with a bachelor degree, and were Asian.

The result shows that when Thai customers bought Japanese skincare product origin, they concerned trust element, perceived quality and luxurious perception towards satisfaction significantly. While when they bought an American product, only trust could influence customer satisfaction level significantly.

KEY WORDS: Country of origin / Marketing / Value / Skincare/ Trading /
Consumer behavior / Stereotype / Halo effect

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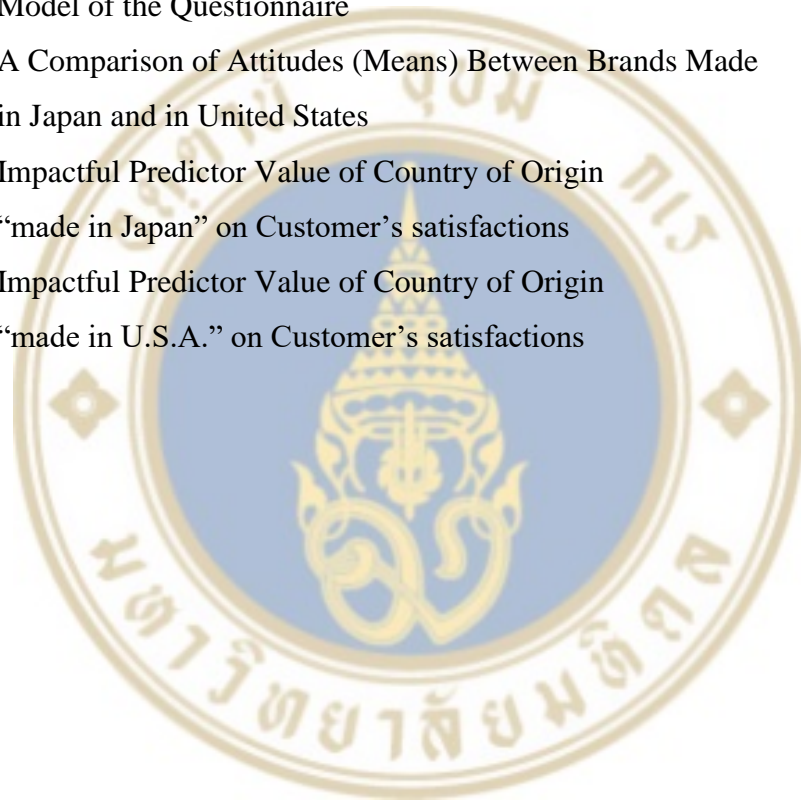
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CHAPTER I

INTRODUCTION

1.1 Background and motivation.

Trading of product and service are driven the world's import and export, focusing on the export in year 2015. The report shows that the world leading export is China (2,274.95 B of export value in USD) followed by USA(1,504.91 B of export value in USD), Germany(1,329.47 B of export value in USD), Japan(624.94B of export value in USD) and Netherlands(567.22B of export value in USD). The rank is slightly different in each year. The quality of the products may varies by each country in raw material or expertise. Luis Filipe Lages David B. Montgomery (2004) supported that exporting activity is crucial because it contributes to the economic development of nations. It influences the amount of foreign exchange reserves as well as the level of imports a country can afford, while shaping public perceptions of national competitiveness. Noticeable on the public perceptions of national competitiveness, The World Economic Forum's Annual Global Competitiveness year 2012-2013 Reports that the competitiveness is defined as the set of institutions, policies, and factors that determine the level of productivity of a country. For the exporter country, the perceiving of their country of origin image is one of the most important key success factors illustrating on its product and services.

Many research had study the country of origin method. Some of them related on consumer knowledge. Anja Schaefer (1997) find the evidence that more knowledgeable consumers may be more sensitive to a product's country of origin than less knowledgeable consumers also brand familiarity and objective product knowledge together have a significant effect on the use of the country of origin cue in product evaluations, although neither of the two factors has a general effect on its own. Moreover Baker and Currie (1993) introduced that the country of origin concept should be considered a fifth element of the marketing mix along with the product itself, its price, promotion and distribution. The country of origin seems to be a major

part on one's perception when they decide to choose a product or service. China, The biggest exporter in the world still can't get away from the effect of country of origin. 'Made in China' is seen everywhere in the international market. However, China still has a long way to go to gain consumers' confidence and trust. Reputation of the 'Made in China' is not that positive in consumers' mind (Ahmed, Johnson, Xia and Chen, 2004). Especially in the decade of the modern trade nowadays, it is a very difficult to get away from the effect of country of origin. As a consequence firms should be prepared for country of origin effect and study the way to manage its brand image, pricing, positioning and etc, according to the perception of consumer. Hsieh (2004) provides evidence that the customer attitude of the product's origin of has a relationship to purchase intention. The research is supported by Zeugner and Diamantopoulos (2010) that the history of the literature about country of origin goes 40 years before until now. It explores whether or not the country of origin of a product has an effect or influence on consumer purchase intention. Relationship between country of origin and product has become crucial. Cateora & Graham (1999) mention that country of origin can be defined as any influence that the country of manufacturer has on a consumer's positive or negative perception of a product.

Most of the research about country of origin had focused on investigation of several determinants that would influence the magnitude of the effect. It's also influence on the evaluation of the quality especially foreign product. Moreover, in psychological perspective about country of origin, Papadopoulos & Heslop (1993) describe country of origin as the example of stereotype generalization that all products from a specific country are of a certain quality. To explain more on the stereotype Gurhan-Canli and Maheswaran (2000) imply that individuals reconstruct the existing stereotypes by adopting a new rhetoric when thinking about or speaking about the target. The authors argue that while change can be influenced by a media campaign, this occurs only if the recipient takes the desired change in discourse on board. As an alternative strategy, they propose that the individual should be offered opportunities to reposition their own perceptions such as when exposed to cultural initiatives, the focus here. Individuals can and do update their image of a country and its products in a way which is consistent with such theory said. Supported by the evidence that individual

events can produce a change in how a country is viewed, which in turn can spillover onto how its products are stereotyped study by Pappu, Quester, and Cooksey (2007).

Difficultly to deny the influence of country of origin effect in Thailand, the evidence from Thai commercial of commerce reported that since 2011, the dramatically number of imported products and services in Thailand have approximately increased to two hundred trillion US dollars and the number is maintained its level until now. Country image is accepted as one of the extrinsic cues that affect consumers' evaluation of products. Most past studies have agreed that consumers have deemed products from developed countries as being of higher quality than those from developing countries (Usunier, 2006; Khan & Bamber, 2007; Drozdenko & Jensen, 2009) such as Thailand. The evaluation of consumers' attitudes related to country of origin image effects has been examined first. Gaedeke (1973) sought to evaluate the consumers' attitudes toward products that originated in developing countries. The results indicated that when the product's country of origin was revealed, consumers' attitudes toward those products or brands could change significantly, either positively or negatively. Badri, et al. (1995) further evaluated the general attitudes of business people in the Gulf States (such as UAE, Qatar, KSA, etc) by using the multivariate analysis. They found a significant difference in attitude toward products from dissimilar countries – the USA, Japan, Germany, England, France, Italy, and Taiwan – with regard to those products' attributes. The images of country differ from country to country. Every country has its own unique character and stereotype with which it impacts the consumers' perceptions. Previous studies of country image effects have attempted to explain how these effects influence consumer product evaluation and intention to purchase (Giraldi & Ikeda, 2009).

One of the most interesting markets that usually selling hope to the consumers, and also trying to make believes for them is skin care market. Firms usually compete on its advertisement, PR and promotion together with the product innovative. However, country of the origin always in the consumer mind set when they are making a decision before they buy as skincare product is considered as a high involvement product. Skincare market growth average from 2009 to 2014 in US, ranking from number one is Lancome(6.5%), Clinique(5.4%), Estee Lauder(4.6%) and Shiseido(4.2%). In addition, the sales of main worldwide skincare players in

2014(Billion USD) is L'Oreal(29.83), Procter & Gamble(19.74), Unilever(19.68), Estee Lauder(10.95) and Shiseido(6.32) focusing on only individual brand endorsement for its product L'Oreal, Estee Lauder and Shiseido are the most worldwide of skin care market by brand.

1.2 Research objective.

- To identify the key influential factors affecting customers' satisfaction level.
- Compare values between skincare products “made in Japan” vs. “made in U.S.A.”.
- To guide the existing or new skincare product importers from Japan and U.S.A. in Thailand.

1.3 Scope of study.

This paper acquired the information and data from management journals, books and previous thesis and researches. This paper is organized accordingly from Chapter 2 cover the Theoretical frameworks and literature reviews. Chapter 3 presents the Research Methodology. Chapter 4 is the Result of data analysis and Chapter 5 Discussions and conclusion.

CHAPTER II

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 Definition.

Over 40 years many researches study about country of origin in different country all over the world. Not only the definition is discovered but also the correlations have been found between country of origin and other variable such as product involvement, quality perception as well as consumer's product knowledge.

2.1.1 Definitions of country of origin.

Country of origin can be defined as any influence that the country of manufacturer has on a consumer's positive or negative perception of a product (Cateora & Graham, 1999). Based on literature investigation, researchers also found out that country of origin image play a significant role in consumer's perceptions towards products and brands from any given country (Hanzaee & Khosrozadeh, 2011). Further study shows that country of origin is obviously the extent to which the manufacturing place affects the consumer evaluations of the product (Elliot & Cameron, 1994). Previously study shows that people care about which country the product came from and where they were made (Parkvithee & Miranda 2012) which the fundamental definition for country of origin. Country of origin effects are intangible barriers to enter new markets in the form of negative consumer bias toward imported products (Wang and Lamb 1983). While, Bannister and Saunders (1978), Chasin and Jaffe (1979) and Nagashima (1970, 1977) used the term "made in——" to define the country of origin of the product. As a result this paper agrees to the idea of "made in——" (the product's last assembling point) as the representativeness of country of origin of the product.

2.1.2 Definitions of value.

The customer value approach attempts to identify how people evaluate competing offerings-assuming that when they make their purchasing decisions, they do so with value as a key driver (George Evans, 2002). Creation of customer value through closer and more special relationships leads to satisfaction, trust, affective commitment and loyalty (Bakanauskas and Jakutis, 2010; Bick, 2009; Cailleux et al, 2009).

Put a very simply, customer value is created when the perceptions of benefits received from a transaction exceed the costs of ownership. And marketer task is to find ways to enhance customer value by improving the perceived benefits and/or reducing the total costs of ownership (Martin Christopher 1996).

2.1.3 Definitions of skin care.

Skincare is originated in ancient Egypt since 3000 BC-1070 BC. The Ancient Egyptians were known for their knowledge of beauty and their appreciation of luxury. Even today skincare have been applied for the same purpose and combining with representing of consumer value. As a result skincare is representing a substance that benefits or nutrition for skin. Applying to enhance one's skin and promote recovery of damaged.

2.1.4 Study in Thai market.

Skincare market in Thailand has been growing almost 10 percent every year against the national GDP. The information from L'Oreal on August, 2015 reported that skincare market value in Thailand is about 35,752 million THB (the biggest skincare market in Asean Economics Community). The consumer behaviors of Thai consumers are spending more time searching for and getting to know brands and products. Many of them go through product reviews, lists of ingredients and benefit claims. One reason is that due to air and water pollution, skin is perceived as more sensitive, and consumers have become more cautious when selecting skin care products. As well as social value guide consumers to look like the idealistic person. Skincare in Thailand remained very fragmented in 2015, with a wide range of brands available, from the low to high price segments.

The information from Thai Ministry of commerce shows that the biggest exporter skincare product into Thailand are Japan and U.S.A. as the following table 2.1.

Table 2.1: Top exporter for skincare product into Thailand from year 2013 to 2016 in Million USD.

Rank	Country	Value : Million USD					Expanding (%)					Share (%)				
		2013	2014	2015	2015 (Jan-Aug)	2016 (Jan-Aug)	2013	2014	2015	2016 (Jan-Aug)	2016 (Jan-Aug)	2013	2014	2015	2016 (Jan-Aug)	2016 (Jan-Aug)
1	Japan	37.99	36.25	31.52	21.02	23.63	-7.86	-4.88	-13.06	-9.64	12.46	20.56	19.42	17.00	17.11	17.79
2	USA	26.80	26.79	25.65	17.23	20.19	9.39	-0.04	-4.26	-3.16	17.22	14.50	14.35	13.84	14.03	15.20
3	China	25.90	30.11	26.26	16.84	19.52	14.95	16.27	-12.78	-20.77	15.92	14.01	16.13	14.17	13.71	14.70
4	Singapore	15.88	15.43	18.65	12.14	12.08	16.35	-2.82	20.85	24.99	-0.52	8.59	8.27	10.06	9.89	9.09
5	Germany	20.36	18.62	13.73	8.74	10.01	-8.36	-8.57	-26.25	-28.27	14.61	11.02	9.97	7.41	7.11	7.54
6	Malaysia	8.48	10.20	12.81	7.99	9.33	26.44	20.21	25.64	41.18	16.85	4.59	5.46	6.91	6.50	7.02
7	Italy	5.41	5.81	9.81	7.09	6.01	84.78	7.34	68.90	78.36	-15.25	2.93	3.11	5.29	5.77	4.52
8	Taiwan	10.49	9.77	8.77	5.99	5.76	3.72	-6.89	-10.28	-7.64	-3.73	5.68	5.23	4.73	4.87	4.34
9	Philippines	5.30	3.48	5.42	3.58	4.73	-20.46	-34.33	55.94	73.98	32.27	2.87	1.86	2.93	2.91	3.56
10	South Korea	5.54	6.55	5.69	3.72	3.61	-6.08	18.21	-13.17	-4.21	-3.02	3.00	3.51	3.07	3.03	2.72
11	Indonesia	1.36	1.39	5.48	4.37	3.14	-29.25	2.24	293.4	423.30	-28.12	0.74	0.75	2.96	3.56	2.36
12	UK	3.63	3.79	4.49	2.82	3.06	-28.88	4.48	18.30	17.56	8.41	1.96	2.03	2.42	2.30	2.31
13	France	1.74	1.83	2.61	1.77	1.49	-8.08	5.14	42.70	63.05	-15.89	0.94	0.98	1.41	1.44	1.12
14	Netherlands	2.43	2.91	2.75	1.58	1.42	5.83	19.56	-5.39	-8.03	-10.14	1.32	1.56	1.48	1.29	1.07
15	Ireland	0.14	0.21	0.31	0.22	1.22	5.36	51.25	50.07	110.54	456.51	0.07	0.11	0.17	0.18	0.92
Total 15 Countries		171.5	173.1	173.9	115.1	125.2	2.18	0.98	0.47	2.39	8.81	92.76	92.75	93.82	93.71	94.27
Others countries		13.4	13.5	11.5	7.7	7.6	26.42	1.14	-15.39	-13.06	-1.43	7.24	7.25	6.18	6.29	5.73
All country		184.84	186.67	185.40	122.80	132.83	3.62	0.99	-0.68	1.26	8.16	100.0	100.0	100.0	100.00	100.00

Source: Thai Ministry of Commerce

From the table Japan is the biggest exporter of skincare product into Thailand (31.52 millions USD in 2015), followed by U.S.A. (25.65 millions USD in 2015).

Over the forecast period skin care is expected to increase by a value CAGR of 3% at constant 2015 prices, to reach 76.7 billions Thai baht in 2020. Skin care is expected to be the category with the most intense competition in beauty and personal care. Consumers' behavior is becoming more sophisticated. They are interested in product benefits, efficacy and claims. Cosmeceuticals are expected to see strong growth in skin care over the forecast period, since such products are suitable for sensitive skin, and are perceived to have mild and gentle formulae.

2.1.5 Luxury value.

Luxury is a key aspect that distinguishes a brand in a product category (Kapferer, 1997) and an essential force directing consumers' preferences and usages (Dubois & Duquesne, 1993). The expansion of luxury value performs across geographical and cultural boundaries. The consumption of luxury goods, particularly in a collectivist culture (Thailand), involves purchasing a product that represents value not only to the individual, but also—and more importantly—to one's reference group. Consumers may use luxury items to incorporate the associated emblematic significance into their self (Vigneron & Johnson, 2004) or to build up and maintain their existing identity (Dittmar, 1994). Finally, the extended-self points to the social value associated with luxury (Wiedmann, Hennigs, & Siebels, 2009), which confirms the importance of possessions and the desire to use luxury items in order to integrate symbolic meaning into a particular identity.

In the Maslow's hierarchy model, the esteem dimension can be seen as the respect from other people, which can be deserved by buying a luxury brand to show their status, as well as their high income (Carlin et al., 2013). Moreover, the demand for luxury goods will be higher in societies with larger income disparity where a need to confirm one's social status is more pronounced (Ray et al., 2013)

Furthermore, the symbolic meaning of luxury for others tends to be diminished, and individual meanings such as outstanding quality and unique experience are more important. On the other hand, conspicuous representation of high prestige because of luxury consumption is still vital in emerging countries (Kapferer and Bastien, 2009).

2.1.6 Perceived quality value.

In the present decade, product quality may not be the last answer for consumers. However, its definitions still on the way to make a discussion. Product quality is indefinable in that its interpretation is unique to each consumer or potential consumer. "Quality" defined in broad terms as "that combination of product attributes real or imagined which are held to be most important in the opinion of the consumer in arriving at a subjective assessment of product worth". While this definition may appear unsatisfactory in that it fails to be sufficiently precise, similar difficulties are

encountered by the consumer himself in measuring quality, regardless of how he chooses to define it (Masen, 1974).

From many viewpoints, quality is synonymous with innate excellence. The assumption is that quality is absolute and universally recognizable. According to (Pirsig, 1992) defining quality as excellence means that it is understood “ahead of definition as a direct experience independent of and prior to intellectual abstractions”. With the product-based approach, quality has its roots in economics. Differences in quantity of some ingredient or attribute possessed by the product are considered to reflect differences in quality (Garvin, 1994). For example, better quality linens have a higher thread count. This view of quality, based on a measurable characteristic of the product rather than on preferences, enables a more objective assessment of quality.

2.1.7 Trust Value.

Trust exists when one party has confidence in a partner’s reliability and integrity (Morgan and Hunt, 1994). Trust is delicate and subjective, as it is based on consumers’ beliefs rather than on hard facts (Yannopoulou et al., 2011). Consumers trust brands which they feel are secure and reliable and believe that these brands acts in the consumer's best interests (Delgado-Ballester et al., 2003). Trust is still in the early stages of understanding within marketing and consumer research and has been conceptualized in relational exchanges in various ways, from willingness to depend on another party in the belief that this party will not engage in disappointing behavior, to expectations of the party that one trusts or even to a psychological state comprising the intention to accept vulnerability based on the expectations of the other party’s behavior (Han et al., 2008; Yannopoulou et al., 2011). In addition to the sometimes inconsistent conceptualization that is used in academic researchers (Yannopoulou et al., 2011), some see it as similar to other concepts, such as confidence, benefits or value (Han et al., 2008). In this study, trust is seen as the belief in the reliability, truth, confidence and sincerity of the product.

2.1.8 Satisfaction value.

Consumer satisfaction is a phenomenon of particular importance in the evaluation process of a shopping, consumption, or product or service usage experience

and is therefore vital in long-term consumer responses (Gronroos, 1991). Both the scientific literature and the business management world have shown a strong interest in meeting customer needs to determine subsequent purchase behavior. Although satisfaction has been studied scientifically since the 1960s (Howard and Sheth, 1969) following different approaches and theories, the managerial focus would not be considered a key element of the value chain until the 1990s (Oliver, 1997).

Satisfaction is a fulfillment response/judgment, centred on goods or services, evaluated for one-time consumption or ongoing consumption (Oliver, 1999) or the contentment of the customer with respect to his or her prior purchasing experience with a given provider (Anderson and Srinivasan, 2003; Christodoulides and Michaelidou, 2011). However, there are several ways that satisfaction has been conceptualized in the literature to date (Ha et al., 2010), including the confirmation–disconfirmation approach, the performance-only approach, some technical and functional dichotomy approaches and the overall satisfaction examination according to many result of the researches (Gilbert et al., 2004; Gilbert and Veloutsou, 2006)

In summary, satisfaction is an effective response, focused on product performance compared to some pre purchase standards during or after consumption (Halstead et al., 1994) and an overall evaluation of the offer (Fornell, 1992) and this is the definition for this research.

2.1.9 Innovativeness value.

The concept of innovativeness has a long and rich history in consumer behavior. Indeed, companies such as Apple, Gucci and Mini have been able to revitalize their brands and increase market shares and profits through product innovation (Beverland et al., 2010). Innovativeness is the tendency of individual consumers to adopt new products before large numbers of others do (Gatignon and Robertson, 1985). The definition of innovative was examined (Cumming, 1998) that of the Zuckerman Committee in 1968, who defined innovation as; “a series of technical, industrial and commercial steps”, to the 1996 definition given by the CBI/DTI Innovation Unit, who stated that innovation is; “the process of taking new ideas effectively and profitably through to satisfied customers”. In the intervening 30 years, the definition of the word “innovation” has, from its early interpretation as a

process or the introduction of change, morphed into its current standing which includes terms such as creativity, success, profitability and customer satisfaction (Johannessen et al., 2001; McAdam et al., 2000; Knight et al., 1995). Product innovation is defined as “a new technology or combination of technologies introduced commercially to meet a user or a market need” (Utterback and Abernathy, 1975).

2.2 Hypothesis.

Hypotheses have been divided into two groups due to two different of country of origin.

Table 2.2: Hypotheses of Two Different Groups of Country of Origin.

Country	Hypotheses
Japan	Hypothesis 1 : Japan; luxury perception positively influences customer satisfaction.
	Hypothesis 2 : Japan; Perceived quality positively influences customer satisfaction.
	Hypothesis 3 : Japan; Innovativeness positively influences customer satisfaction.
	Hypothesis 4 : Japan; Trust positively influences customer satisfaction.
USA	Hypothesis 5 : U.S.A.; Luxury perception positively influences customer satisfaction.
	Hypothesis 6 : U.S.A.; Perceived quality positively influences customer satisfaction.
	Hypothesis 7 : U.S.A.; Innovativeness positively influences customer satisfaction.
	Hypothesis 8 : U.S.A.; Trust positively influences customer satisfaction.

2.3 Theoretical framework.

The supported framework of marketing and consumer behavior usually acquired from social psychology theory. Supported theories of this paper are Halo Effect and Stereotype Theory.

2.3.1 Stereotype Theory.

Stereotypes are ubiquitous. Among other things, they cover racial groups (“Asians are good at math”), political groups (“Republicans are rich”), genders (“Women are bad at math”), demographic groups (“Florida residents are elderly”), and situations (“Tel-Aviv is dangerous”). As these and other examples illustrate, some stereotypes are roughly accurate (“the Dutch are tall”), while others much less so (“Irish are red-headed”; only 10% are). Moreover, stereotypes change: in the US, Jews were stereotyped as religious and uneducated at the beginning of the 20th century, and as high achievers at the beginning of the 21st (Madon et. al., 2001).

Stereotype could be divided into three groups; social science has produced three broad approaches to stereotypes. The economic approach of Phelps (1972) and Arrow (1973) sees stereotypes as a manifestation of statistical discrimination: rational formation of beliefs about a group member in terms of the aggregate distribution of group traits. Statistical discrimination may impact actual group characteristics in equilibrium (Arrow 1973), but even so stereotypes are based on rational expectations. As such, these models do not address the central problem that stereotypes are often inaccurate. The clear majority of Florida residents are not elderly, the clear majority of the Irish are not red-headed, and Tel-Aviv is really pretty safe.

The sociological approach to stereotyping pertains only to social groups. It views stereotypes as fundamentally incorrect and derogatory generalizations of group traits, reflective of the stereotyper’s underlying prejudices (Adorno et al. 1950) or other internal motivations (Schneider 2004). Social groups that have been historically mistreated, such as racial and ethnic minorities, continue to suffer through bad stereotyping, perhaps because the groups in power want to perpetuate false beliefs about them (Steele 2010, Glaeser 2005). The stereotypes against blacks are thus rooted in the history of slavery and continuing discrimination. This approach might be relevant in some important instances, but it leaves a lot out. While some stereotypes

are inaccurate, many are quite fair (“Dutch are tall,” “Swedes are blond.”) Moreover, many stereotypes are flattering to the group in question rather than pejorative (“Asians are good at math”). Finally, stereotypes change, so they are at least in part responsive to reality rather than entirely rooted in the past (Madon et. al., 2001).

The third approach to stereotypes – and the one we follow – is the “social cognition approach”, rooted in social psychology (Schneider 2004). This approach gained ground in the 1980’s and views social stereotypes as special cases of cognitive schemas or theories (Schneider, Hastorf, and Ellsworth 1979). These theories are intuitive generalizations that individuals routinely use in their everyday life, and entail savings on cognitive resources. Hilton and Hippel (1996) define stereotypes as “mental representations of real differences between groups allowing easier and more efficient processing of information. Stereotypes are selective, however, in that they are localized around group features that are the most distinctive, that provide the greatest differentiation between groups, and that show the least within-group variation.” A related “kernel-of-truth hypothesis” holds that stereotypes are based on some empirical reality; as such, they are useful, but may entail exaggerations (Judd and Park 1993).

The earliest statement of stereotypes was limited essentially to the analysis of Lippmann as set forth in public opinion, published in 1922. In amplifying his point of view, Lippmann cited the Platonic “Fable of the Cave” thus beginning the notion that stereotypes are “distortions”, “caricatures”, and “institutionalized misinformation”. As part of this still widely held definition of stereotypes, we have the easily remembered Lippmann statement that they are “pictures in our heads”, Other characteristics have been enumerated, but suffice it to say particularly in this paper, the emphasis of the Lippmann point of view is upon distortion and behavior based upon something which is contrary to fact. A number of textbooks in the field of social psychology, the concept of stereotypes are given a complete subsection in the chapter on attitudes. In such cases it is looked upon as a basic response pattern. Sherif and Cantril characterize stereotypes as "Attitudes composed bodily and uncritically without any basis in experience or knowledge. To make certain that they have clinched their point, they conclude that “they are an end product with no necessary relationship to the particular components of that stimulation”. This statement appears

to be contradictory to a thesis for which Sherif has recently become well known. It is he who, more than any other social psychologist, has during the past fifteen years demonstrated the structuring of precepts along social lines. There remains, even in Sherif, the emphasis upon the earlier Lippmann point of view, that stereotypes have no "basis in experience or knowledge". To recapitulate, from the studies of prejudice between racial or ethnic groups, we have come to recognize stereotypes as a special category of attitudes. Because they are attitudes, they have the attributes of organized modes of behavior, they express a functional state of readiness, and they are organized around and toward some given object or set of objects. It is to be noted that these special attitudes are further distinguished by a significant amount of emotionalism. In addition to these characteristics, we have come to accept the idea that they emerge from social interaction and are therefore social attitudes in the strictest interpretation that we can make of their genesis. But even these attributes do not differentiate them sufficiently from other kinds of attitudes. Whist the psychological basis of the established social norms, such as fashions, conventions, customs, and values, is the formation of common frames of reference as a product of the contact of individuals. Once such frames of reference are established and incorporated in the individual, they become important factors in determining or modifying the reactions to the situations that one will face later alone-social, and even non-social, especially if the stimulus field is not well structured (Forrest LaViolette and K. H. Silvert, 1951).

From our brief survey of the literature by Oxford University reported, it appears that the attributes of stereotypes have not been examined critically by social psychologists. In fact we may call their characteristics "claims" rather than established attributes. The idea that the individual tends to fill in a limited amount of direct experience has not been investigated carefully. The experiments of Sherif with autokinetic phenomena are probably the most precise studies which we have, although the experimental work was not done with behavior which he had defined as stereotyped behavior. It is not clear which psychological mechanisms are involved, and we do not know under what conditions greater or lesser amounts of filling in take place. Presumably that some theorists would argue that it is accomplished through displacement or projection. But it is understandable that the individual does it.

We have also lumped stereotypes, fashions, conventions, customs, and values together, without considering the distinguishing mark of each one of them (Harper & Bros, 1948). This would be consistent with Sherif's experimental results as well as with Piaget's (one of the greatest psychologist) It may not only be personality needs or psychological mechanisms which account for the selection, elaboration, and filling in aspects of stereotype formation and structuring, but it is in addition possible that the process of maintaining one's identification with and status within a group can account for this presumed attribute of stereotyped attitudes (Forrest LaViolette & K. H. Silvert, 1951).

2.3.2 Halo effect.

Apart from stereotype, there is another mental shortcuts influencing on the different of country of origin value called Halo Effect which is the cognitive bias where one particular trait, especially good characteristics, influences or extends to other qualities of the person. The Halo effect biases one's decision with a tendency to focus on the good.

In general, It has been suggested that halo effects simply reflect the individual's tendency to maintain cognitive consistency (Abelson et al., 1968; Holbrook, 1983) and/or to avoid cognitive dissonance (Beckwith et al., 1978). Many studies on the halo effect have focused on consumer's evaluation of products. For example, (Roe, Levy, and Derby, 1999) the presence of halo effects between health claims and product evaluation.

The extended study (Bilkey and Nes 1982), (Erickson, Johansson, and Chao 1984) found that country of origin information can affect product's evaluation. Further, various studies have analysed the halo effect of the same brand on consumer choice behaviour (Leuthesser, Kohli, and Harich 1995; Degeratua, Rangaswamy, and Wu, 2000). However, most previous studies have analysed halo effects in relation to attributes of products such as brand name or country of origin.

Since the beginning, halo effect was first introduced by Thorndike in 1920 and was defined as the cognitive bias of a judge to rate a trait according to one's general impression of the former traits of the thing that is being rated. (Erickson, Johansson, and Chao, 1984), (Johansson, Douglas, and Nonaka, 1985) and (Han, 1989)

Noted that consumer behavior can be considerably impacted by the halo effect of the country of origin. Therefore, halo effect on consumption related to cultural inflow can be defined as any influence that the exposure to the culture of a certain country has on consumer's perception of products from the same country of origin. It also can be defined as a bias shown by consumers towards certain products because of a favorable experience with cultural products made from the same origin. For example, a person who perceives that her favorite American singer is stylish might infer that American clothes are stylish. Another example is the popularity of Korean music and dramas in Asia, which have had an impact on many people in Asia, especially the younger generation who adore Korean art performers. Korea's cultural expansion in Asia has created a demand for Korean products (Huang, 2011).

The example of halo effect; Psychologists have also identified the halo effect as a major contributor of value creator by the brand (Kapferer, 2007:39-43). Brand loyalty plays an important role in the field of international orientated customers. To be able to capitalize on brand loyalty, brands must embrace their true nature and stay close "heart and soul" of the brand. Value creation by the brand can be addressed at the halo effect. Brand awareness, knowing the name of the brand, leverage the consumer's perception of product advantages beyond the objective tangible and visible advantages illustrating on figure 2.1.

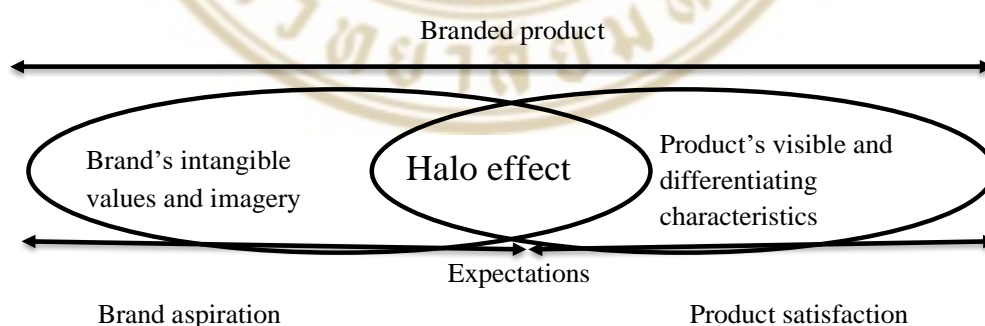


Figure 2.1: The role of halo effect on brand.

Since the determined value are Luxury, Perceived quality, Trust, Innovativeness as dependent variables and Satisfaction as independent variable have been defined. The structure of the relationship between those values and the country of

origin can be illustrated according to Figure 2-2: Construct of values and country of origin.

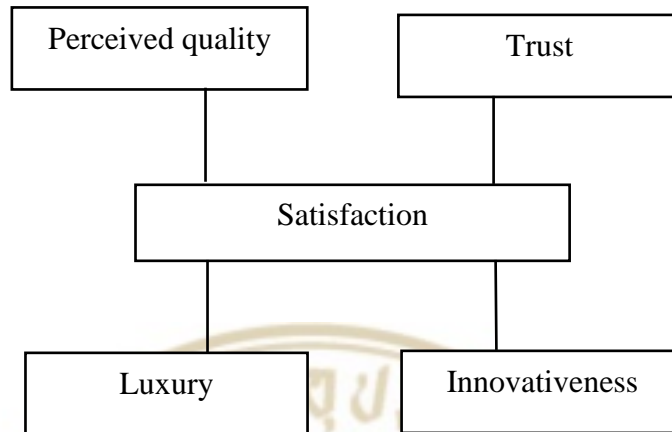


Figure 2.2: Construct of values and country of origin.

2.4 Literature review.

The coming sections are the review of related literatures and researches on the various dimensions to support this paper for more reliable analysis and recommendations.

2.4.1 Halo effects can contaminate attribute specific satisfaction measures.

This suggests that one has to be careful when interpreting attribute-specific data. Specifically, it was highlighted that observed attribute performance levels of a service can be obscured by halo effects, and that interpretations of comparisons of attribute performances across services can be rendered unreliable (Jochen Wirtz John E.G. Bateson, 1995).

2.4.2 There are positive cultural halo effects in the Japanese import market for consumer products.

The empirical results show that cultural products import has significant positive effects on certain types of consumer products of the same country of origin and negative effects on products of different origin. Specifically, US cultural product

import has a significant impact on Japanese import demand for leisure products and household products from US and China. In addition, the elasticities of electronic products from China and the elasticities of fashion products from Korea with respect to cultural products import from Korea are significantly different from zero. In the fashion and leisure products import market, Chinese cultural products import has a significant positive impact on products from China and a significant negative impact on products from Korea. However, cultural halo effects vary in different types of consumer products. Specifically, we found the existence of cultural halo effects in fashion, leisure, and household products import markets but that these effects are less salient in the electronic products import market.

The findings from this study have important implications for countries that export consumer products and cultural products. The cultural product imports were statistically significant and had positive contribution towards the competitiveness of their consumer products in the market of the importing country. Cultural halo effects would be interesting and useful to know for exporters who want to increase their market share in the import market for consumer products. Focusing on the important and relatively large Japanese import market, the results of this study suggest that US–China substitution is strong in the Japanese import market for leisure products, since US cultural product imports to the Japanese leisure import market has a positive effect on leisure products from US and a negative effect on leisure products from China. Therefore, the US could develop strategies that are aimed at increasing the exports of cultural products to increase its market share in the Japanese leisure product market. Based on our cultural products import elasticity of demand estimates, if the US increases its cultural products export by 1%, then its leisure expenditure share in Japan will increase by 0.4%, while the leisure expenditure share of China in Japan will decrease by 0.2% (Sang Hyeon Leea, Doo Bong Hanb and Rodolfo M. Nayga Jr.c. 2014).

This study implies that countries exporting fashion, household, and leisure products are benefited by cultural halo effects. However, electronic products do not show positive cultural products import effects on the same country of origin products. To our knowledge, these important findings are relatively new to the literature on

country specific cultural halo effects (Sang Hyeon Leea, Doo Bong Hanb and Rodolfo M. Nayga Jr.c., 2014).

2.4.3 The role of country image in product evaluation.

First, when consumers are not familiar with a country's products, country image may serve as a halo from which consumers infer product attributes and it may indirectly affect their brand attitude through their inferential beliefs. In contrast, as consumers become familiar with a country's products, country image may become a construct that summarizes consumers' beliefs about product attributes and directly affects their brand attitude. The implications suggest structural interrelationships between country image, beliefs about product attributes, and brand attitude.

It also has important practical implications for policy makers and international marketers. The finding shows that country image can serve as a summary construct may suggest "conflicts of interests" between individual companies and their industry. Individual companies can benefit from favorable country image by selling inferior products. However, this practice may tarnish the established country image and affect the rest of the industry of the country, because consumers continuously abstract product information into country image. Quality control is therefore necessary at the industry level as well as at the government level. The industry association and the government can establish quality standards and provide incentives to exporters who meet the standards, while penalizing those who do not. Incentives could include tax benefits, subsidies in production and marketing, and assistance from the government's and the industry's export promotion agencies; penalties could include imposing export taxes and withholding export licenses. This issue may also be very important to a country's new export industries. For example, Hyundai may be crusading for the Korean automobile industry. Its success in the U.S. may create market externalities from which the industry will benefit. Conversely, its failure may produce an enormous entry barrier for Korean automakers later entering the U.S. market (Huang, S. 2011).

Individual marketers who want to benefit from favorable country image should perhaps highlight products of superior quality from the same country. This

emphasis may help consumers to generalize product information over the country's products. For example, Mitsubishi could emphasize that its television sets are "as good as Sony's." Alternatively, marketers may want to dissociate their products from unsuccessful products from the country. For example, Chrysler may claim that its Colt is "not another American compact." This tactic may prevent consumers from using the country's product image in product evaluation (Johansson, J.K., S.P. Douglas, and I. Nonaka. 1985).



CHAPTER III

RESEARCH METHODOLOGY

The objective of this paper aims to measure and compare the differences in values of the country of the origin in Thai's skincare market for new imported product positioning as well as to identify the key influential factors affecting customers' satisfaction level and make a comparison between skincare products "made in Japan" vs. those "made in U.S.A.". This chapter will include how to deliver the research objective and questions. Including the research approach; the research design; the data collection process; the data analysis; a discussion of the issue of research validity; the ethic of research; and the limitations of research methodology.

3.1 Research approach.

Firstly, research is the implication of the way to find the answer according to those given objective. This paper approach to measure the value of Thai consumer on the country of origin especially for skincare product in Thai market. Secondly, to transform consumer's mind set or the value on the country of origin into a measurable number, quantitative approach is being used in this study; due to the quantitative approach is suitable according to the nature of the data interpretation itself. Aims to generate a construct number from human mind, not only measurable but also given the comparative result.

Quantitative approach is appropriate for studying in the different size of the population. It could allow selecting the most appropriate sample size that best represent the population. Lastly it's less time-consuming comparing to the qualitative approach. As a result this paper focuses only quantitative research approach.

3.2 Research design.

3.2.1 Target population.

Population of the target is the consumer in Thai skincare market aged 18 years old and above. No limitation on gender or occupation and income. Not including the expatriates and the foreigners living Thailand.

3.2.2 Sample size.

For determining of the sample size, it will be according to five variables that used to study in this paper. One variable will response for twenty participants, so the total of the sample size is one hundred as follow.

1 variable = 40 participants, 5 variables x 40 participants equal to 200 participants. So the total of participants is 200.

3.2.3 Survey instrument.

The questionnaire survey was used to collect primary data related to perception of Thai consumer through the value of the country of origin and also collect general information for further analysis including gender, age, marital status, income, education and nationality.

3.2.4 Value of the country of origin.

The measurement of the country of origin value is viewed through 5 variables. Regarding to five values that mention in chapter II including luxury, trust, perceived quality, innovativeness and satisfaction in both “made in U.S.A.” and “made in Japan” that can be used to compare of those country of origin’s value. The items of questionnaire designated according to the following Table 3.1.

Table 3.1: Constructs of Interest.

Questions	Made in Japan	Made in U.S.A.
• Satisfaction	3	3
• Perceived Quality	3	3
• Luxury	3	3
• Trust	3	3

Table 3.1: Constructs of Interest. (cont.)

• Innovativeness	3	3
Total	15	15

Two sets of Likert scale questionnaire was used where 1 indicate “Strongly disagree” to 7 indicate “Strongly agree” of their perception, for those two group which are “made in Japan” and “made in U.S.A.”

As Verlegh and Steenkamp (1999) suggested, the evaluation criteria are affected by country of origin image among which the quality perception is relatively affected the most, but not specific in any country that which country is represent more in those perceptions.

Four of the items in the questionnaire have been acquire from Product Country Image Mean Values Scale by Yuksel KOKSAL and Albana TATAR (2014) for trust value, item number 10; innovativeness value, item number 7; satisfactions value, item number 15; luxury value, item number 1 and tested again to find the satisfy Cronbach’s alpha reliability coefficients.

3.3 Data collection process.

The data collection was carried out by using questionnaire survey. The questionnaire is written in English, but it was translated in Thai when in use for data collection. All participants must answer filter question that “Have you ever used skincare product that made in Japan” or “Have you ever used skincare product that made in U.S.A.”

From sample size calculation 200 target participants, one hundred for “made in Japan” and another one hundred for “made in U.S.A.”. They were asked to participate in answering the questionnaire at the study sites such as Phaholyothin area, Asok interchange area, Phayathai area, etc. The distribution of the questionnaire was carried out by hands to the participants should take around 5 to 10 minutes to complete and wait until the participant finished the survey.

The participants were mentioned that answering the questionnaire may take only approximately 5 – 10 minutes. Concerning the anonymity of participants, they were also assured that all of their information will be kept confidentially and only used for educational purposes. The participant' demographic information and consent were keeping separately as it is private information. The researcher was the only one to handle all data received from the participants.

3.4 Data analysis.

The analyzing of collected data using the program called the Statistical Package for the Social Sciences (SPSS). Firstly, manually check for the correctness reliability of returned questionnaires. Then, code the received data from the questionnaires to the SPSS program. Before doing further analysis, the descriptive data was checked for input errors. Secondly, it was to start analyzing all the collected data.

The development included the method of factors analyses of the items. All 15 questionnaires represent five factors (value), for two parts including “made in U.S.A.” and “made in Japan”. The first part of questionnaire used for measuring consumer's perception. Factors analyses allow investigating concepts that are not easily measured directly by collapsing a large number of variables into a few interpretable underlying factors. According to Brown (2006), Meyers, Gamst, and Guarino (2006), and Tabachnick and Fidell (2001), a common application of factor analyses is the examination of psychometric properties of multi-item instruments. The factor analyses were performed to categorize value of country of origin value for both “made in Japan” and “made in U.S.A.” from participants. Apart from that, items that have factor loadings lower than 0.700 were removed.

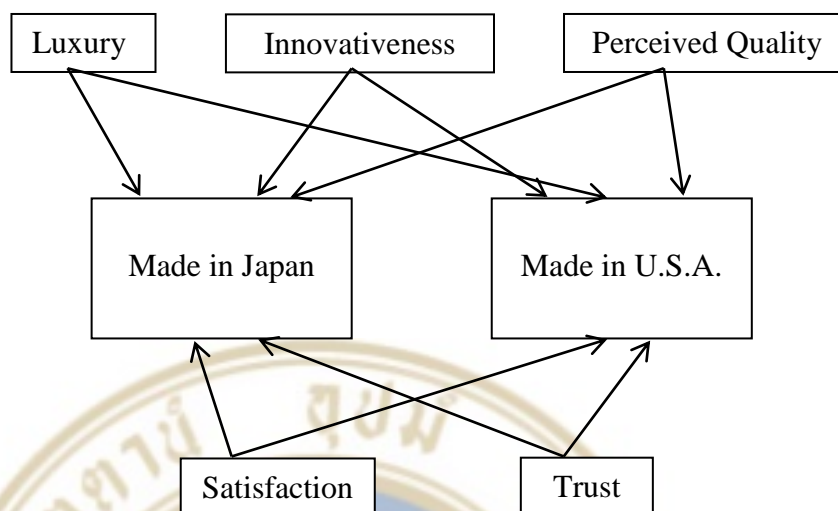


Figure 3.1: Model of the Questionnaire.

The analysis was to be done by using descriptive statistic to measure frequency and percentage of general information data of respondents. The variables of each country of origin which are “made in Japan” and “made in U.S.A.” were analyzed to compare and see the different perception of its country of origin. The values that used to measure the country of origin are luxury, satisfaction, innovativeness, perceived quality and trust toward 7-point Likert scale. The scale ranging from 1 to 7 of the questionnaire provided in Table 3.2.

Table 3.2: The Agreement Level of Value Perception.

Agreement Level	Scale
Strongly Agree	7
Agree	6
Slightly Agree	5
Neutral	4
Slightly Disagree	3
Disagree	2
Strongly Disagree	1

The second research method for this paper is descriptive analysis of the values regarding purchase of products made in Japan and U.S.A., This section reports the mean and standard deviation of each perceptual statement asked in the survey regarding products/ brands between “made in Japan” and “made in U.S.A.”

The third section is illustrating reliability and factor analyses of five variables were studied based on 15 questionnaire items in this research concerning consumer perception value of “made in Japan” and “made in U.S.A.”, this section reports the Cronbach’s alpha and the main findings from exploratory factor analyses as well as internal consistency of each components and the factor loadings to confirm validity of each component.

The last section reports the main research findings derived from correlation and linear regression modeling. The dependent variable was customer satisfaction level, and the goal was to identify which of the four independent variables – luxury, product quality, innovativeness and trust. While selecting the only one highest mean in each construct for the analyses.

3.5 Research ethics.

Before the distribution of questionnaire, the research ethic has to be approved by the Ethical Committee of Mahidol University. The targeted participants were informed that they are the subject of research and detail of how to participate with the research. They were ensuring that all information will be treated confidentially and only used for educational purposes. The research was not subjected to any individual disclosure but was included in the research report as a part of the overall results. Also after the completion of research, all the recorded data including participant’s general information sheet, informed consent form, and questionnaire will be destroyed. All participants were informed that they are free to withdraw from answering the questionnaire at any time. This is to clarify that respondent has full autonomy to participate or not for this research.

3.6 Limitation of research methodology.

The number of the population in this research was limited to the number of value, one value represents 20 respondents, calculated from 5 variables. However, each country of origin was asked from separated respondents to eliminate bias and exhausting when they answer the questionnaire. Hence total populations for this research are 200 (100 from “made in Japan” and 100 from “made in U.S.A.”). Later, it is the limitation of time in conducting this research by having the limited amount of time, as it edges the choice of research approach. Lastly, it is related to the location of questionnaire data collection as more common area were conduct in Bangkok also the distribution may disturbing the respondent while they are doing their business. However, by the chance the collection will conduct carefully and mannerly which minimized the possibility of the participants being bothered.



CHAPTER IV

RESULTS OF DATA ANALYSIS

This paper studied the country of origin value for skincare market in Thailand. The survey was completed by 200 Thai respondents in November 2016. Total respondents were split equally and asked to evaluate only one country either U.S.A. or Japan toward 7-point Likert scale. They must have past experiences in purchasing skincare product from that particular country. The main research question was to identify the key influential factors affecting customers' satisfaction level and make a comparison between products made in Japan vs. those made in United States. The main hypothesis tests were performed at .05 alpha level. Research findings are presented in the following manner.

Part I: Demographic profiles

Part II: Descriptive analysis of the attitudes regarding purchase of products made in Japan and U.S.A.

Part III: Reliability and factor analyses

Part IV: Correlation and linear regression analyses

4.1 Demographic profiles.

Table 4.1 reports the frequency and percentage of the demographic profiles of the participants. Total participants were randomly and evenly assigned to answer questions about products made in Japan and United States – each n=100. The majority of respondents were female (74.0%), aged between 20-30 years old (65.0%), followed by between 30-40 years (26.0%). Nearly ninety percent (87.0%) were single and only 12% said they were married. In terms of monthly personal income, most respondents claimed to have income between 25,001-35,000 THB (22.0%), followed by between 15,001-25,000 THB (19.0%), and between 35,001-45,000 THB (14.0%)

respectively, and finally the education level, about half of the respondents were bachelor graduates (53.0%) and the other half were master degree or higher (47.0%)

Table 4.1: Demographic Profiles of the Respondents.

	Frequency	Percentage
Products made in ...		
Japan	100	50.0
United States	100	50.0
Gender		
Male	52	26.0
Female	148	74.0
Age		
20-30 years	130	65.0
30-40 years	52	26.0
40-50 years	16	8.0
50 years and above	2	1.0
Marital status		
Single	174	87.0
Married	24	12.0
Divorced	2	1.0
Monthly personal income		
Below 15,000 THB	10	5.0
15,001-25,000 THB	38	19.0
25,001-35,000 THB	44	22.0
35,001-45,000 THB	28	14.0
45,001-55,000 THB	24	12.0
55,001-65,000 THB	18	9.0
65,001-75,000 THB	10	5.0
75,001-85,000 THB	2	1.0
85,001 and above	26	13.0
Education level		
Bachelor Degree	106	53.0
Master Degree or higher	94	47.0
Total	200	100.0

4.2 Descriptive analysis of the attitudes regarding purchase of products made in Japan and U.S.A.

This section reports the mean and standard deviation of each attitudinal statement asked in the survey regarding products/ brands made in Japan versus those made in United States. Table 4.2 presents the means and standard deviations of attitudes towards brands made in Japan. Top three attributes with highest scores were “I think I can trust this product from this country of origin” (mean 5.00 SD 1.48), followed by “I think this product is trustworthy” (mean 4.70 SD 1.51) and “I think this product is reliable” (mean 4.60 SD 1.54) respectively. In terms of the bottom three attributes, “I have a feeling of superiority from this product” received lowest mean score (mean 3.45 SD 1.34) followed by “I think this product is more luxury than others” (mean 3.46 SD 1.23) and “I think this product has prestige brand name” (mean 3.68 SD 1.18) respectively.

Table 4.2: Attitudes Towards Brands Made in Japan.

	Mean	SD
I think I can trust this product from this country of origin.	5.00	1.48
I think this product is trustworthy.	4.70	1.51
I think this product is reliable.	4.60	1.54
I think I can tell others that I buy this product from this country.	4.52	1.52
This product contains a good quality of ingredient.	4.51	1.34
I think this product is effective.	4.41	1.36
I feel that I buy something high quality if I'm going to buy this product.	4.38	1.45
I think this product can make me satisfied.	4.34	1.42
I think this product has passed the innovative research and development process.	4.25	1.31
I think this product is technically advanced.	4.21	1.42
I think this product will not disappoint me.	4.08	1.33
I think the product contain of new and innovative ingredient.	4.08	1.34
I think this product has prestige brand name.	3.68	1.18
I think this product is more luxury than others.	3.46	1.23
I have a feeling of superiority from this product.	3.45	1.34

Table 4.3 presents the means and standard deviations of attitudes towards brands made in United States. Top three attributes with highest scores were “I think I can trust this product from this country of origin” (mean 4.61 SD 1.41), followed by “I think I can tell others that I buy this product from this country” (mean 4.59 SD 1.38) and “I think this product is reliable” (mean 4.50 SD 1.33) respectively. “I have a feeling of superiority from this product” received lowest mean score (mean 3.99 SD 1.41), followed by “I think this product is more luxury than others” (mean 4.04 SD 1.45) and “I think this product will not disappoint me” (mean 4.05 SD 1.32) respectively.

Table 4.3: Attitudes Towards Brands Made in United States.

	Mean	SD
I think I can trust this product from this country of origin.	4.61	1.41
I think I can tell others that I buy this product from this country.	4.59	1.38
I think this product is reliable.	4.50	1.33
I think this product is trustworthy.	4.48	1.31
I feel that I buy something high quality if I'm going to buy this product.	4.44	1.39
I think this product is effective.	4.41	1.38
I think the product contain of new and innovative ingredient.	4.28	1.40
I think this product has passed the innovative research and development process.	4.28	1.45
I think this product is technically advanced.	4.26	1.45
This product contains a good quality of ingredient.	4.25	1.36
I think this product can make me satisfied.	4.22	1.28
I think this product has prestige brand name.	4.06	1.41
I think this product will not disappoint me.	4.05	1.32
I think this product is more luxury than others.	4.04	1.45
I have a feeling of superiority from this product.	3.99	1.41

Figure 4.1 incorporates and compares the means from table 4.2 and table 4.3. Regarding the first three elements, it was noticeable that Japan underperformed United States significantly and that products or brands produced in the United States

were regarded as more prestige, superior, and luxury from the following construct 1. I think this product has prestige brand name (.040), 2. I have a feeling of superiority from this product (.006), 3. I think this product is more luxury than others (.003). Products from Japan seemed to outperform United States in terms of the quality of being Japanese (as country of origin). The remaining attributes, both countries had similar performances.

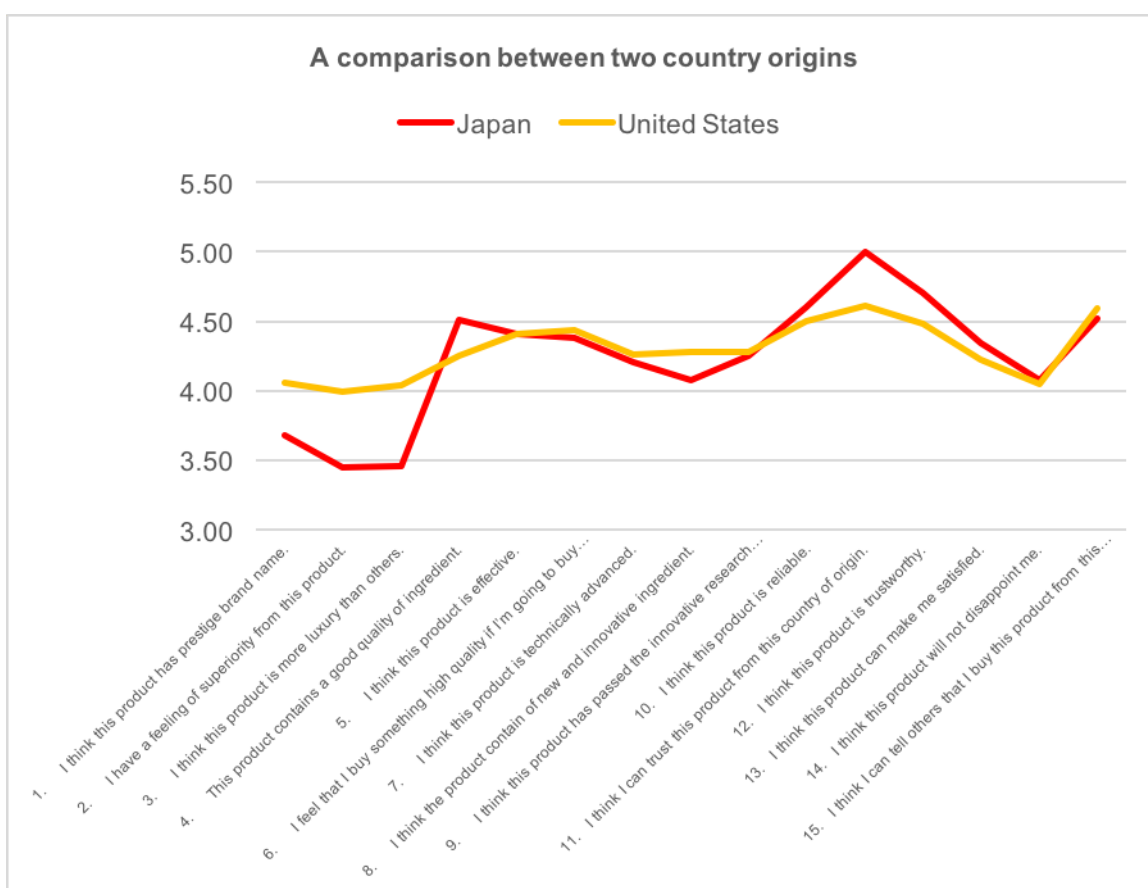


Figure 4.1: A Comparison of Attitudes (Means) Between Brands Made in Japan and in United States.

4.3 Reliability and factor analyses.

This section reports the Cronbach's alpha and the main findings from exploratory factor analysis. Table 4.4 reports the alpha that tests internal consistency of each components and the factor loadings to confirm validity of each component.

The results were highly satisfied since alpha values were all greater than .700 minimum acceptable level and the factor loadings were extremely high indicating all factors were statistically validated i.e. factor loadings greater than .800 level.

Table 4.4: Cronbach's Alpha and Factor Loadings of Attitudes Towards Brands Made in Japan.

	Mean	SD	Alpha	Factor loadings
1. I think this product has prestige brand name.	3.68	1.18	.901	.901
2. I have a feeling of superiority from this product.	3.45	1.34		.908
3. I think this product is more luxury than others.	3.46	1.23		.937
4. This product contains a good quality of ingredient.	4.51	1.34	.951	.945
5. I think this product is effective.	4.41	1.36		.964
6. I feel that I buy something high quality if I'm going to buy this product.	4.38	1.45		.957
7. I think this product is technically advanced.	4.21	1.42	.922	.925
8. I think the product contain of new and innovative ingredient.	4.08	1.34		.940
9. I think this product has passed the innovative research and development process.	4.25	1.31		.928
10. I think this product is reliable.	4.60	1.54	.951	.950
11. I think I can trust this product from this country of origin.	5.00	1.48		.950
12. I think this product is trustworthy.	4.70	1.51		.964
13. I think this product can make me satisfied.	4.34	1.42	.928	.951
14. I think this product will not disappoint me.	4.08	1.33		.950
15. I think I can tell others that I buy this product from this country.	4.52	1.52		.911

Table 4.5 reports the alpha that tests internal consistency of each components and the factor loadings to confirm validity of each component of the attitudes towards brands made in United States. Likewise, the results were highly satisfied since alpha values were all greater than .700 minimum acceptable level and the factor loadings were extremely high indicating all factors were statistically validated i.e. factor loadings greater than .800 level.

Table 4.5: Cronbach's Alpha and Factor Loadings of Attitudes Towards Brands Made in United States.

	Mean	SD	Alpha	Factor loadings
1. I think this product has prestige brand name.	4.06	1.41	.960	.965
2. I have a feeling of superiority from this product.	3.99	1.41		.957
3. I think this product is more luxury than others.	4.04	1.45		.964
4. This product contains a good quality of ingredient.	4.25	1.36	.956	.951
5. I think this product is effective.	4.41	1.38		.966
6. I feel that I buy something high quality if I'm going to buy this product.	4.44	1.39		.959
7. I think this product is technically advanced.	4.26	1.45	.966	.968
8. I think the product contain of new and innovative ingredient.	4.28	1.40		.967
9. I think this product has passed the innovative research and development process.	4.28	1.45		.967
10. I think this product is reliable.	4.50	1.33	.964	.964
11. I think I can trust this product from this country of origin.	4.61	1.41		.972
12. I think this product is trustworthy.	4.48	1.31		.963
13. I think this product can make me satisfied.	4.22	1.28	.925	.958
14. I think this product will not disappoint me.	4.05	1.32		.936
15. I think I can tell others that I buy this product from this country.	4.59	1.38		.907

Table 4.6 presents summated average scales i.e. the mean and standard deviation of each factor retained in this model. Note that exploratory factor analysis was used to check validity of each component as discussed in previous sections. Overall, attitudes towards Japan and United States in terms of their origin were comparable except for the first element “luxury” that United States seemed to outperform Japanese brands by .50 point.

Table 4.6: Four Influential Factors and Satisfaction Variable in This Paper.

Country	Factors	Mean	SD
Japan	luxury	3.53	1.14
	perceived quality	4.43	1.32
	innovativeness	4.18	1.26
	trust	4.77	1.44
	satisfaction	4.31	1.33
United States	luxury	4.03	1.37
	perceived quality	4.37	1.32
	innovativeness	4.27	1.39
	trust	4.53	1.30
	satisfaction	4.29	1.24

However, due to high Cronbach’s alpha and factor loading scores, there was concern if the compound factors (means) were used in subsequent correlation and regression analyses. To tackle this problem, researcher decided to use only the highest mean from each factor to test the main hypotheses of this study. Table 4.7 reports the mean responses at total level (n=200). From each factor, only highest mean attributes were selected for subsequent analyses. “I think this product has prestige brand name” mean 3.87 was used to represent luxury factor. “I think this product is effective” mean 4.41 represented perceived quality. Next, “I think this product has passed the innovative research and development process” mean 4.27 represented innovation. For trust factor, “I think I can trust this product from this country of origin” mean 4.81 was selected, and lastly “I think I can tell others that I buy this product from this country” mean 4.56 was selected to represent satisfaction as dependent variable.

Table 4.7: Mean and Standard Deviation Of Selected Attributes With Highest Means.

Total n=200	Mean	SD
Luxury		
1. I think this product has prestige brand name.	3.87	1.31
2. I have a feeling of superiority from this product.	3.72	1.40
3. I think this product is more luxury than others.	3.75	1.37
Perceived quality		
4. This product contains a good quality of ingredient.	4.38	1.35
5. I think this product is effective.	4.41	1.36
6. I feel that I buy something high quality if I'm going to buy this product.	4.40	1.42
Innovativeness		
7. I think this product is technically advanced.	4.24	1.44
8. I think the product contain of new and innovative ingredient.	4.18	1.37
9. I think this product has passed the innovative research and development process.	4.27	1.38
Trust		
10. I think this product is reliable.	4.55	1.44
11. I think I can trust this product from this country of origin.	4.81	1.45
12. I think this product is trustworthy.	4.59	1.41
Satisfaction		
13. I think this product can make me satisfied.	4.28	1.35
14. I think this product will not disappoint me.	4.07	1.32
15. I think I can tell others that I buy this product from this country.	4.56	1.45

4.4 Correlation and linear regression analyses.

This final section reports the main research findings derived from correlation and linear regression modeling. The hypotheses were tested by using .05 alpha level as discussed earlier in this chapter. Table 4.8 reports the correlation coefficients of all five selected factors in this study. The dependent variable was customer satisfaction level, and the goal was to identify which of the four independent

variables – luxury, perceived quality, innovativeness and trust – was statistically correlated with the satisfaction level.

Regarding products/ brands made in Japan, trust was the most correlated factor to satisfaction level ($r = .809^{**}$), followed by perceived quality ($r = .723^{**}$), innovativeness ($r = .595^{**}$) and luxury ($r = .572^{**}$) respectively. All the correlation coefficients found in this model were positively and statistically significant at .05 alpha level. The implication is that improved in those four independent variables could more likely improve customer satisfaction as well.

Regarding products/ brands made in United States, trust was still the most correlated variable ($r = .876^{**}$), followed by perceived quality ($r = .748^{**}$), innovativeness ($r = .710^{**}$), and luxury ($r = .676^{**}$) respectively. The order of the importance was the same as for Japanese products or brands. The correlation coefficients of United States were also statistically significant at .05 alpha level as well.

Table 4.8: Correlation Analysis Comparison Between Japan and United States.

Country			luxury	Perceived quality	Innovative-ness	trust	Satisfac-tion
Japan	luxury	Pearson Correlation Sig. (2-tailed)	1	.581** .000	.584** .000	.533** .000	.572** .000
	perceived quality	Pearson Correlation Sig. (2-tailed)		1	.780** .000	.761** .000	.723** .000
	innovativeness	Pearson Correlation Sig. (2-tailed)			1	.665** .000	.595** .000
	trust	Pearson Correlation Sig. (2-tailed)				1	.809** .000
	satisfaction	Pearson Correlation Sig. (2-tailed)					1

Table 4.8: Correlation Analysis Comparison Between Japan and United States. (cont.)

Country			luxury	Perceived quality	Innovative-ness	trust	Satisfac-tion
USA	luxury	Pearson Correlation Sig. (2-tailed)	1	.760** .000	.731** .000	.683** .000	.676** .000
	perceived quality	Pearson Correlation Sig. (2-tailed)		1	.862** .000	.818** .000	.748** .000
	innovativeness	Pearson Correlation Sig. (2-tailed)			1	.792** .000	.710** .000
	trust	Pearson Correlation Sig. (2-tailed)				1	.818** .000
	satisfaction	Pearson Correlation Sig. (2-tailed)					1
**. Correlation is significant at the 0.01 level (2-tailed).							

Linear regression analysis was also used to determine the impact of the four variables including trust, luxury, innovativeness and perceived quality on customer satisfaction. The tested model could be written in the following form.

$$\text{Customer satisfaction} = f(\text{trust, luxury, innovativeness, perceived quality})$$

Table 4.9 reports the r square of both Japanese and American models. The Japanese version ($R^2 = .699$) got equal r square as the United States model ($R^2 = .700$). The r square value or the goodness of fit of the model is a measure of how well the model can be used to predict the outcome, and the r square values reported for both models were quite impressive as they were reaching .70 level.

Table 4.9: Linear Regression Analysis Comparison Between Japan and United States – Model Summary.

Country		R	R Square	Adjusted R Square	Std. Error of the Estimate
Japan	.836	.699	.687	.85148	Japan
USA	.837	.700	.687	.77111	USA
a. Predictors: (Constant), trust, luxury, innovativeness, perceived quality					

Table 4.10 reports the ANOVA and F statistics that were used to test the overall significance of the regression models. Both models significantly performed and at least one predictor in each model was statistically significant at .05 alpha level as indicated by the p-values. In other words, both regression models could be used to gain a better understanding of products made in Japan and United States.

Table 4.10: Linear Regression Analysis Comparison Between Japan and United States – ANOVA.

Country			Sum of Squares	df	Mean Square	F	Sig.
Japan	Regression	160.083	4	40.021	55.199	Japan	Regression
	Residual	68.877	95	.725			Residual
	Total	228.960	99				Total
USA	Regression	131.703	4	32.926	55.374	USA	Regression
	Residual	56.487	95	.595			Residual
	Total	188.190	99				Total

The final table 4.11 reports the regression coefficients that were comparable between the two models. Three out of four variables in the Japanese model were statistically significant at .05 alpha level and could be used to predict the level of customer satisfaction. By looking at the standardized coefficients, trust was

the most impactful variable (.595), followed by perceived quality (.240), and luxury (.164) respectively. The final Japanese model could be written as follow.

Customer satisfaction = $-.094 + .212 \text{ luxury} + .269 \text{ perceived quality} + (-.097) \text{ innovativeness} + .612 \text{ trust}$

Regarding the American model, only one predictors in this model were statistically significant at .05 alpha level. The significant variable was trust (beta = .579). The interpretation for trust was straightforward. If trust increased by one unit, other variables in the model remained constant, customer satisfaction would increase by .579 units. In contrast to the Japanese model, luxury and perceived quality were not as important for the American brands as they were for Japanese, and that they became insignificant.

Table 4.11: Linear Regression Analysis Comparison Between Japan and United States – Coefficients.

Country		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
Japan	(Constant)	-.094	.338		-.278	.782	-.765	.577
	luxury	.212	.093	.164	2.276	.025	.027	.397
	perceived quality	.269	.119	.240	2.256	.026	.032	.506
	innovativeness	-.097	.109	-.083	-.887	.377	-.314	.120
	trust	.612	.092	.595	6.685	.000	.430	.794
USA	(Constant)	.648	.277		2.336	.022	.097	1.198
	luxury	.165	.087	.169	1.893	.061	-.008	.338
	perceived quality	.135	.129	.135	1.046	.298	-.121	.392
	innovativeness	.002	.112	.002	.017	.987	-.221	.225
	trust	.579	.101	.590	5.735	.000	.378	.779

In summary, the differences between products/ brands made in Japan and in United States could be observed in this study. When Thai customers bought a Japanese brand, they concerned trust element, perceived quality and luxurious perception as key drivers. While when they bought an American brand, only trust could influence customer satisfaction level.

Table 4.12 summarizes all hypotheses tested in this study. The results are based on linear regression model using 0.05 significance level. The predictive model worked better for Japanese data than the American.

Table 4.12: Summary of Hypotheses.

Country	Hypotheses	Conclusion
Japan	Hypothesis 1 : Japan; luxury perception positively influences customer satisfaction	Supported
	Hypothesis 2 : Japan; Perceived quality positively influences customer satisfaction	Supported
	Hypothesis 3 : Japan; Innovativeness positively influences customer satisfaction	Not Supported
	Hypothesis 4 : Japan; Trust positively influences customer satisfaction	Supported
USA	Hypothesis 5 : U.S.A.; Luxury perception positively influences customer satisfaction	Not Supported
	Hypothesis 6 : U.S.A.; Perceived quality positively influences customer satisfaction	Not Supported
	Hypothesis 7 : U.S.A.; innovativeness positively influences customer satisfaction	Not Supported
	Hypothesis 8 : U.S.A.; Trust positively influences customer satisfaction	Supported

CHAPTER V

DISCUSSION AND CONCLUSION

The purpose of this study is to compare the perceptual value from customers experiencing on country of origin for skincare market in Thailand, together with the finding of key influential factors affecting customers' satisfaction level and make a comparison between skincare products that "made in Japan" and "made in U.S.A.". The analysis and discussion aims to guide the existing or new skincare product importers to concern the influence and impact of country of origins' values on their customer's satisfaction level of skincare market in Thailand.

The discussion is arranged based on research objectives, beginning with hypotheses which are comparison of the value between the countries.

5.1 Hypothesis testing.

The summary of hypothesis testing in this study came from the linear regression analysis to be able to compare between Japan and United States of its value. The following headlines are illustrating the comparison of value between the countries

5.1.1 Hypothesis 1: Japan; Luxury perception positively influences customer satisfaction.

Hypothesis 5: U.S.A.; Luxury perception positively influences customer satisfaction.

Table 5.1: Hypothesis Between Japan and U.S.A. in Luxury Perception.

Country	Hypotheses	Conclusion
Japan	Hypothesis 1: Japan; Luxury perception positively influences customer satisfaction.	Supported
U.S.A.	Hypothesis 5: U.S.A.; Luxury perception positively influences customer satisfaction.	Not Supported

The finding has compared luxury value between “made in Japan” and “made in U.S.A.”, regarding to its regression coefficients that were comparable between the two countries; the result is showing that luxury value of “made in Japan” is significant (.025) while “made in U.S.A.” is not significant. Regarding to the result, Only Japanese skincare product that luxury perception positively influences on customer satisfaction.

In overall, Husic and Cicic (2009) analyzed luxury consumption factors arguing that it should be put in the context of psychological determinants. Phau and Prendergast (2001) equate luxury brands to exclusivity, as a well-known brand identity, that enjoys high brand awareness and perceived quality whilst retaining sales levels and customer loyalty, whilst worthy contribution in developing our understanding of the distinction between luxury and non-luxury. Caniato et al. (2009) claim that a luxury-specific set of critical success factors should be considered when designing luxury goods supply chains. Factors include: product uniqueness (including protection from counterfeits), quality, volume/variety profile to define manufacturing decisions, country of origin and distribution.

Luxury becomes an important factor especially in the consumption of luxury goods or high involvement product. Product-country image was found to be a major influential extrinsic factor in determining the perceived risks of cosmeceuticals, corresponding with the “halo effect decision” (Josiassen et al., 2013).

Firms that imported skincare product from Japan should contribute more on luxury perception of consumer, building more on luxury image for their skincare product. The result may imply as a customer insight, that the increasing of luxury value from “made in Japan” can also increase customer satisfaction level. When the explore the insight.

5.1.2 Hypothesis 2: Japan; Perceived quality positively influences customer satisfaction.

Hypothesis 6: U.S.A.; Perceived quality positively influences customer satisfaction.

Table 5.2: Hypothesis Between Japan and U.S.A. in Perceived Quality.

Country	Hypotheses	Conclusion
Japan	Hypothesis 2 : Japan; Perceived quality positively influences customer satisfaction.	Supported
U.S.A.	Hypothesis 6 : U.S.A.; Perceived quality positively influences customer satisfaction.	Not Supported

The finding has compared perceived quality value between “made in Japan” and “made in U.S.A.”, regarding to its regression coefficients that were comparable between the two countries; the result is showing that perceived quality value of “made in Japan” is significant (.026) while “made in U.S.A.” is not significant. Regarding to the result, Only Japanese skincare product that perceived quality perception positively influences on customer satisfaction.

Potential buyers who are unfamiliar with new skincare products brands rely on indirect evidence such as product country of origin to infer quality. Consumers are less capable of assessing quality if they have no prior experience with the product or a similar one. Novice buyers who are not knowledgeable about specific products tend to differentiate them according to their country of origin, as they go through the process of evaluation. Application of product country of origin is a useful tool for consumers to gauge their perceptions of a certain product and determine its quality prior to buying. In short, when consumers are unable to determine a product’s true quality, they will consider the image of the country of origin in an attempt to mitigate risk, and the assessment of country of origin can have a big influence in consumers’ final decision on whether or not to purchase a product. The result may imply that the increasing of perceived quality value from skincare that “made in Japan” can increase customer satisfaction.

5.1.3 Hypothesis 3: Japan; Innovation positively influences customer satisfaction.

Hypothesis 7: U.S.A.; Innovation positively influences customer satisfaction.

Table 5.3: Hypothesis Between Japan and U.S.A. in Innovation.

Country	Hypotheses	Conclusion
Japan	Hypothesis 3: Japan; Innovation positively influences customer satisfaction.	Not Supported
U.S.A.	Hypothesis 7: U.S.A.; Innovation positively influences customer satisfaction.	Not Supported

The finding has compared innovativeness value between “made in Japan” and “made in U.S.A.”, regarding to its regression coefficients that were comparable between the two countries; the result is showing that none of them are significant. Regarding to the result, Both Japanese and U.S.A. skincare product that innovativeness perception has no positively influences on customer satisfaction.

However, some of empirical study suggest that innovation and efficacy of skincare are major drivers in creating a favorable brand image of skincare products. Thus, managers may emphasize on innovations such as new active ingredients, new formulations and/or new technology in skincare production make more salience of their products away from their competitors. The result may imply that innovativeness value from “made in Japan” and “made in U.S.A.” skincare product are not related to customer satisfaction level.

5.1.4 Hypothesis 4: Japan; Trust positively influences customer satisfaction.

Hypothesis 8: U.S.A.; Trust positively influences customer satisfaction.

Table 5.4: Hypothesis Between Japan and U.S.A. in Trust.

Country	Hypotheses	Conclusion
Japan	Hypothesis 4: Japan; Trust positively influences customer satisfaction	Supported
U.S.A.	Hypothesis 8: U.S.A.; Trust positively influences customer satisfaction	Supported

The finding has compared trust value between “made in Japan” and “made in U.S.A.”, regarding to its regression coefficients that were comparable between the two countries; the result is showing that trust value of “made in Japan” is significant (.000) as well as “made in U.S.A.” also significant (.000). Regarding to the result, Both Japanese and American skincare product that trust perception positively influences on customer satisfaction.

Consumers who are unfamiliar with certain skincare products tend to take the advice of specialists to gain more trust, especially when they are concerned about the reliability or safety of the products. Thus, marketers need to consider the proper use of experts’ endorsements and information of products to assist consumers’ evaluations trust element. The reference speaker such as pharmacist, scientist or specialist may easily gain trust when they speak for one brand. Many researches show consumers prefer purchasing skincare products from a well-known drugstore brand rather than from a supermarket or hypermarket. In this dimension, trust means value of “made in Japan” is more than “made in U.S.A.” seems like American skincare product should perform more on experts’ endorsements as well as the recruitment of those specialist to speak on behalf of its brand and aware of the influence from the image of its channel distribution.

Skincare products are viewed as high involvement product because they may have direct consequences on consumers’ skin health and self-image. Hence, they tend to base purchasing decisions in line with feelings of satisfaction associated with familiar brands. However, brand image may exhibits a lesser magnitude of influence in mitigation of satisfaction when compared with country of origin and expert opinion combine. Refer from the result, the result may imply that the increasing of trust value from both “made in Japan” and “made in U.S.A.” can increase customer satisfaction level.

In summary for comparison, “made in Japan” positively supported three influence values for customer’s satisfaction, there are luxury, perceived quality and trust. Whist “made in Japan” positively supported only one influence value customer’s satisfaction which is trust value.

5.2 The correlations between factors.

As the designated dependent variable was satisfaction among four independent variables – luxury, perceived quality, innovativeness and trust – was statistically correlated with the satisfaction level. Firstly regarding to the result, overall consideration illustrated in both countries; trust dimension perform the most positive correlation to satisfaction level, followed by perceived quality and innovativeness respectively in the same order. Hence a luxury dimension becomes less correlation with satisfaction for both two countries. Secondly, in the organizational mainly view; managers may concretely begin building customer's satisfaction by gain more trust for their imported skincare product from both Japan and U.S.A.

Emphasizing on trust dimension, various conceptualizations are pinpointed arising from different areas of knowledge: the inclination to trust (psychology), institution-based trust (sociology) and interpersonal trust (social psychology). These conceptualizations are further distinguished into the following elements. First, its origin. Thus, the inclination to trust suggests that actions are modeled by our lives, institution-based trust suggests that behaviors are built on a “situational” basis and interpersonal trust reflects the idea that interaction between people and cognitive and emotional reactions to these facts determine behavior. The second difference arises from grammar. Whereas the inclination to trust means we trust others, institutional trust implies that we trust the situation or structure, and in interpersonal trust, the other person is the specific object. A third form of differentiation is its contextual orientation. The inclination to trust is intersituational and interpersonal; institution-based trust is specific to the situation, but interpersonal; and interpersonal trust has a specific person as the object, but is inter-situational (McKnight and Chervany, 2002).

Trust has been variously defined as confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994), Researches have also discovered that trust is the most significant determinant of customer satisfaction (Pavlou and Fygenson, 2006; Ribbink et al., 2004; Kim et al., 2008). To emphasize on trust, Sako (1992) proposed typology of trust. The “three factors model of trust” which divides trust into three factors, i.e. competence trust, contractual trust and goodwill trust, has been most popular and widely used in previous literature. This categorization has been used in studying exporter-importer relationship performance (Styles et al., 2008).

“Competence trust” refers to one party’s expectation that the other party can perform at a standard quality level (Styles et al., 2008; Sako, 1992). In contrast, “contractual trust” develops when a party believes that another party will conform to the written or oral agreements drawn up (Heffernan et al., 2008; Sako, 1992) between them. Finally, “goodwill trust” means performing more than what is formally expected, that is, responding to requests beyond what is customary and viewing a partner’s interest as one’s own interest (Heffernan et al., 2008; Sako, 1992). In addition, Lui and Ngo (2004) found that goodwill trust had a significant impact in reducing contractual safeguards and the risk of opportunism, and suggested that competence trust also promotes opportunistic behavioral outcomes. For more specific idea refer to r square data, imported skincare product from Japan carry a stronger relationship between trust building and gain more customer’s satisfactions.

5.3 The comparison between two countries of origin.

By using the regression model, it’s provided a better understanding of skincare product “made in Japan” (adjusted r square level at .687) and “made in U.S.A.” (adjusted r square level at .687) of its individual value which are significantly significant at .05 alpha levels as indicated by the p-values.

To compare country of origin’s value by using regression model, for Japanese skincare product that significantly has positively influence on customer satisfaction which are trust (.595) follow by perceived quality (.240) and luxury (.164). Innovativeness value doesn’t play the influential role to drive customer’s satisfaction (not significant). To apply this idea, the firm should provide brand plan and set the need scope of brand on trust, perceived quality and luxury, those may vary in each of its product category and variance for imported skincare product from Japan. Aims to gather brand attribute for a better brand value endorsed by those significant values. Moreover, on the brand positioning, it’s easier to have the information from existing perception on customer’s country of origin mind set. Marketers may make an easier decision on where to place its brand on positioning map to gain more distinctive or salience against its competitive imported brand from different country of origins.

Company may utilize the data combine with brand personality to get a clearer brand image.

For American skincare product, only trust (.590) can be impactful predictor on customer satisfaction. Imported skincare product from U.S.A. should manage its own brand by utilized need scope of brand from trust value. Product positioning, building brand value, in addition of big idea and execution can be assembled by the fundamental idea of trust. Since trust is the only value that significantly has a positive attitude on customer satisfaction, marketer may create brand's strategic message by mood and tone of trust.

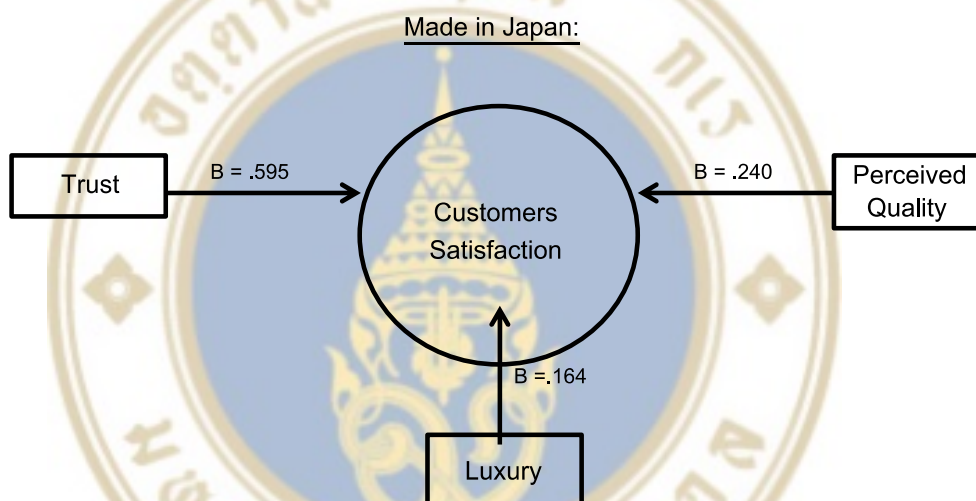


Figure 5.1: Impactful Predictor Value of Country of Origin “made in Japan” on Customer’s satisfactions.

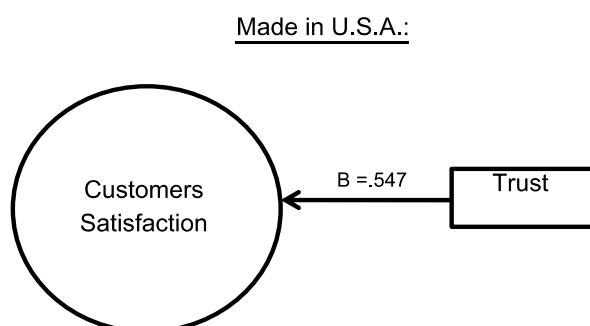


Figure 5.2: Impactful Predictor Value of Country of Origin “made in U.S.A.” on Customer’s satisfactions.

Figure 5.1 and 5.2 is illustrating the holistic approach of the value of country of origin that influence on customer's satisfaction. The linked to satisfaction from its value are direct from a particular aspect. The differentiation and distinctive of Japanese skincare product could be made by using the attribution of perceived quality and luxury value. On the other hand, American skincare product could make itself salience from Japanese in term of customer satisfaction by only focusing on the trust attribution value.

Managers may view on product positioning based on the result of this paper, apply the associations related to product categories, as well as the associations regarding the product's country of origin and harmoniously integrate them in the product positioning strategy. For example, Japanese product may focus on luxury aspect by using well-known and high profile celebrity for their brand, shift the brand image distinct from the others brand in different country of origin. Another value should focus is perceived quality, that should be communicated by using testimonial technique or endorse the message by using expertise or create the story of its high quality ingredient associate with brand positioning, quality could play a majority role to determine the price of product.

American product should enhance the distinctiveness by focusing trust to build consumer satisfaction, including specialist endorsement, certification, popularity or a positive review from customers. Country of origin is a part of brand asset; managers should have the information of its country of origin value before performing brand personality (as a person), brand plan, need scope for brand, brand proposition, competitive review, marketing strategy and execution orderly.

The concept of country of origin value remains rooted in psychology, but the elements of value can make it much less mysterious. The elements can help managers creatively add value to their brands, products and services and thereby gain an edge with consumers the true arbiters of value.

5.4 Recommendations.

Studying across the international nationality may illustrate the different and diversify result of the research in terms of value perception and the experience on the product's country of origin value.

Selecting more variety country of origin for the further study may expand and illustrate a wider dimension of the result. The product involvement may be used as a key assortment of product category in both high and low involvement product, as well as add more variables to classify more on country of origin image. So, future research may focus on finding additional variables such as security, joy, relaxes, friendly and excitement. The sample may deviate the result difference from this study. If the study conducts in other country or mix nationality, the result could be different from this paper on the hypothesis testing and the differentiation of value between the groups.

The recommendations on future studies investigate whether dimensional derivatives (e.g., wine that is Australian branded but bottled and labeled in China) have differential influences on country of origin image perceptions or iPhone that all made in China (the last assembling point) gives no choice to the consumer to choose, whether the country of origin still being important part of buying or not. Besides apply the idea into the different product category that very similar among the group in terms of product and brand functional benefits eg. snack or drinking water, for this case consumer may not be able to justify the differentiation of products, to create a wider and deeper research discussion on its concepts. It's should be undertaken by future research to strengthen the areas of this study.

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APPENDICES

APPENDIX A

PARTICIPANT INFORMATION SHEET

Participant Information Sheet

In this document, there may be some statements that you do not understand. Please ask the principal investigator or his/her representative to give you explanations until they are well understood. To help your decision making in participating the research, you may bring this document home to read and consult your relatives, intimates, personal doctor or other doctor.

Title of Research Project: THE COUNTRY OF ORIGIN VALUE FOR SKINCARE MARKET
 Name of Researcher: IN THAILAND

1. SUTIN LUMDUBCHAN
 Work place address: THAI AIRASIA, DON MUANG
INTERNATIONAL AIRPORT, BANGKOK
 Telephone Number: 0910083365
 Email: SUTIN.LUMDUBCHAN@GMAIL.COM
2.
 Work place address:
 Telephone Number:
 Email:
3.
 Work place address:
 Telephone Number:
 Email:

Source of Fund: PERSONAL

Research Objective

TO MEASURE AND COMPARE THE DIFFERENT OF COUNTRY OF
ORIGIN VALUE FOR SKINCARE MARKET IN THAILAND

Your benefits or community's benefits of participation in the research project
THE RESULT OF THIS PAPER CAN BE APPLIED FOR A NEW
PRODUCT POSITIONING OF IMPORTED PRODUCT

Reason of being invited to participate in this research project

TO INTEGRATED THE KNOWLEDGE THAT I HAVE STUDY

If you decide to participate in the research project, you will be interviewed through
 (questionnaire /in-depth interview/focus group discussion) QUESTIONNAIRE

Risks of participation in the research project

N/A

Participation or no participation does not affect your work/study. You are free to decide to whether participate or not.

However, if you get some easiness or discomfort due to participating in the research project, the researcher is happy to answer all of your questions or concerns.

If you have comment, complaints, or questions about this research, please contact the researcher at the address provided above.

PARTICIPANT INFORMATION SHEET (count.)

Compensation for participation:NO..... (yes or no)

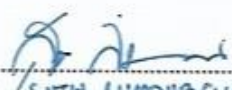
Cost to the participation will be responsible in the research project: ..YES..... (yes or no)

If relevant information arises about benefits and risks of the research project, the researcher will inform the participant immediately and without concealment.

The participant's private information will be kept confidential, it will not be subject to an individual disclosure, but will be included in the research report as part of the overall results. Individual information may be examined by groups of persons e.g. from a funding organization, a government agent in charge, the ethics committee.

The participant has the right to withdraw from the project at anytime prior to publication of the research, subject to sufficient and reasonable notice being provided to the researcher.

On the condition that you are not treated as indicated in this information sheet, you can contact the Chair of Institutional Review Board of Institute for Population and Social Research (IPSR-IRB) at the office of IPSR-IRB, Research Institute for Population and Social Research, Mahidol University, Phuttamonthon 4 Road, Salaya, Phuttamonthon, Nakornpathom. Tel 66-2-441-0201-4, Fax 66-2-441-9333.

Signature..........Research
(SUTH LUMDUABCHAN)
Date. 12/10/16.

APPENDIX B

INFORM CONSENT AND VOLUNTARY CONSENT TO PARTICIPANT

Form of Informed and Voluntary Consent to Participate in Research

Date..... /..... /.....

My name is..... agedyears old, now living
 at the address no..... road/street.....
 sub-district/tambon..... district/amphur.....
 province..... Postal code..... Tel. No.....

I hereby express my consent to participate as a subject in the research project entitled “THE COUNTRY OF ORIGIN VALUE FOR SKINCARE MARKET IN THAILAND...”

In so doing, I am informed of the research project’s origin and purposes; its procedural details to carry out or to be carried out; its expected benefits and risks that may occur to the subjects, including methods to prevent and handle harmful consequences; and remuneration, and expense. I thoroughly read the detailed statements in the information sheet given to the research subjects. I was also given explanations and my questions were answered by the head of the research project.

I am aware of my right to further information concerning benefits and risks from the participation in the research project and my right to withdraw or refrain from the participation anytime without any consequence on the service or health care I am to receive in the future.

I consent to the researchers’ use of my private information obtained in this research, but do not consent to an individual disclosure of private information. The information must be presented as part of the research results as a whole.

I thoroughly understand the statements in the information sheet for the research subjects and in this consent form. I hereby give my signature.

Signature..... Participants/ Proxy

(.....)

Date..... /..... /.....

APPENDIX C
DOCUMENTARY PROOF OF THE COMMITTEE FOR
RESEARCH ETHICS



IPSR-Institutional Review Board (IPSR-IRB)

Established 1985

COA. No. 2016/10-116

Certificate of Ethical Approval

Title of Project: *The Country of Origin Value for Skincare Market in Thailand*

Duration of Project: *7 Months (June - December 2016)*

Principal Investigator (PI): *Mr. Sutin Lundubchan*

PI's Institutional Affiliation: *College of Management, Mahidol University*

Approval includes:

- 1) Submission form*
- 2) Research proposal*
- 3) Questionnaire*
- 4) Participant information sheet*
- 5) Informed consent document*

IPSR-Institutional Review Board (IPSR-IRB) met on 3rd November 2016 and decided to issue the COA to the above project.

Signature

(Professor Emeritus Pramote Prasartkul)

Chairman, IPSR-IRB

Date... November 3, 2016

IORG Number: IORG0002101; FWA Number: FWA00002882; IRB Number: IRB0001007

Office of the IPSR- IRB, Institute for Population and Social Research, Mahidol University, Phuttamonthon 4 Rd.,
 Salaya, Phuttamonthon district, Nakhon Pathom 73170. Tel (662) 441-0201-4 ext. 228

APPENDIX D

QUESTIONNAIRE



Mahidol University

Master of Management in Marketing and Management

“The Country of Origin value for Skincare Market in Thailand”

This questionnaire is a part of fulfillment in the Master of Management in Marketing and Management at Mahidol University, the survey represents the perception of consumer’s value of the country of origin and demographic information.

For the result of this survey can be applied for product proposition and target segmentation for the imported skincare product.

The data that collected will be kept confidentially and only be used for this study. One questionnaire will takes 5-10 minutes to complete. However, you are free to withdraw your participation in this questionnaire at any time.

Part 1: “Made in U.S.A.” value

Have you ever used skincare product that made in U.S.A?

_____Yes _____No



Please see the picture of skincare product that written

“Made in U.S.A.” and mark to indicate the level of agreement in each stateme ✓
below.

Value of the perception	Strongly disagree 1	2	3	4	5	6	Strongly agree 7
1. Think this product has prestige brand name.							
2. have a feeling of superiority from this product.							
3. I think this product is more luxury than others.							
4. This product contains a good quality of ingredient.							
5. I think this product is effective.							
6. I feel that I buy something high quality if I'm going to buy this product.							
7. I think this product is technically advanced.							
8. I think the product contain of new and innovative ingredient.							
9. I think this product has passed the innovative research and development process.							
10. I think this product is reliable.							
11. I think I can trust this product from this country of origin.							
12. I think this product is trustworthy.							

13. I think this product can make me satisfied.							
14. I think this product will not disappoint me.							
15. I think I can tell others that I buy this product from this country.							

Part 2: General Information.

Mark where applicable

1. Gender

Male Female

2. Age

below 20 years 20 – 30 years
 30 – 40 years 40 – 50 years
 50 years and above

3. Marital Status

Single Married
 Divorced Widowed

4. Monthly income

Below 15,000 THB 15,001–25,000 THB
 25,001–35,000 THB 35,001–45,000 THB
 45,001–55,000 THB 55,001–65,000 THB
 65,001–75,000 THB 75,001–85,000 THB
 85,000 THB or above.

5. Educational level

High school or lower Bachelor Degree
 Master Degree or higher

Part 1: “Made in Japan” value

Have you ever used skincare product that made in Japan?

_____Yes _____No



Please see the picture of skincare product that written

“Made in U.S.A.” and mark to indicate the level of agreement in each stateme ✓
below.

Value of the perception	Strongly disagree 1	2	3	4	5	6	Strongly agree 7
1. Think this product has prestige brand name.							
2. have a feeling of superiority from this product.							
3. I think this product is more luxury than others.							
4. This product contains a good quality of ingredient.							
5. I think this product is effective.							
6. I feel that I buy something high quality if I'm going to buy this product.							
7. I think this product is technically advanced.							
8. I think the product contain of new and innovative ingredient.							
9. I think this product has passed the innovative research and development process.							
10. I think this product is reliable.							
11. I think I can trust this product from this country of origin.							
12. I think this product is trustworthy.							

13. I think this product can make me satisfied.							
14. I think this product will not disappoint me.							
15. I think I can tell others that I buy this product from this country.							

Part 2: General Information.

Mark where applicable

1. Gender

Male Female

2. Age

below 20 years 20 – 30 years
 30 – 40 years 40 – 50 years
 50 years and above

3. Marital Status

Single Married
 Divorced Widowed

4. Monthly income

Below 15,000 THB 15,001–25,000 THB
 25,001–35,000 THB 35,001–45,000 THB
 45,001–55,000 THB 55,001–65,000 THB
 65,001–75,000 THB 75,001–85,000 THB
 85,000 THB or above.

5. Educational level

High school or lower Bachelor Degree
 Master Degree or higher



มหาวิทยาลัย มหิดล

การจัดการการตลาด วิทยาลัยการจัดการ

“คุณค่าของประเทศผู้ให้กำเนิดสินค้าในตลาดผลิตภัณฑ์บำรุงผิวโดยศึกษาในประเทศไทย”

แบบสอบถามนี้ เป็นส่วนหนึ่งของการศึกษา ในระดับปริญญาโท ภาควิชาการจัดการการตลาด วิทยาลัยการจัดการ มหาวิทยาลัยมหิดล ประกอบด้วย แบบสอบถาม เพื่อวัดการรับรู้ของผู้บริโภค ที่มีต่อประเทศผู้ให้กำเนิดสินค้า และ ข้อมูลทั่วไป ของผู้ร่วมตอบแบบสอบถาม

โดยองค์ความรู้ที่ได้รับจากการศึกษาในครั้งนี้ สามารถนำไปประยุกต์ และพัฒนาใช้กับการสร้างจุดขายของสินค้าที่นำเข้ามาจากต่างประเทศ รวมถึงการจัดการกลุ่มลูกค้า

ข้อมูลที่ได้จากการทำแบบสอบถามทั้งหมด จะถูกเก็บเป็นความลับ และนำมาใช้ เพื่อประกอบการศึกษาวิจัยในครั้งนี้เท่านั้น แบบสอบถามแต่ละชุด ใช้เวลาทำประมาณ 5 – 10 นาที ผู้ร่วมตอบแบบสอบถาม สามารถยกเลิก การให้ความร่วมมือในการตอบแบบสอบถามได้หากต้องการ

ส่วนที่ 1: “ผลิตในประเทศสหรัฐอเมริกา”

คุณเคยใช้ผลิตภัณฑ์บำรุงผิวที่ผลิตในประเทศสหรัฐอเมริกาหรือไม่
 ____ เคย ____ ไม่เคย



กรุณาดูภาพผลิตภัณฑ์ด้านบนที่เขียนว่า “ผลิตในประเทศสหรัฐอเมริกา” เพื่อ
 ประกอบการตัดสินใจในการทำแบบสอบถามและเขียนเครื่องหมาย ลง ✓ ช่องที่ตรงกับ
 ตัวท่านมากที่สุด

คุณค่าการรับรู้	ไม่เห็นด้วย มากที่สุด 1	2	3	4	5	6	เห็นด้วย มากที่สุด 7
1. ฉันคิดว่าผลิตภัณฑ์นี้มีตราสินค้าที่หรูหรา							
2. ฉันจะรู้สึกเหนือกว่าหากได้ใช้ผลิตภัณฑ์นี้							
3. ฉันคิดว่าผลิตภัณฑ์นี้มีความหรูหรามากกว่า ผลิตภัณฑ์อื่น							
4. ผลิตภัณฑ์นี้ผลิตจากส่วนผสมที่มี คุณภาพ ดี							
5. ฉันคิดว่าผลิตภัณฑ์นี้มีประสิทธิภาพ							
6. ฉันรู้สึกว่าฉันได้ซื้อของที่มีคุณภาพหากฉัน ซื้อผลิตภัณฑ์นี้							
7. ฉันคิดว่าผลิตภัณฑ์นี้มีเทคนิคการผลิตชั้น สูง							
8. ฉันคิดว่าผลิตภัณฑ์นี้ผลิตจากส่วนผสมที่ มาจากวิทยาการใหม่							
9. ฉันคิดว่าผลิตภัณฑ์นี้ได้ผ่านการคิดค้น และพัฒนาทางด้านวิทยาการใหม่ๆมาแล้ว							
10. ฉันคิดว่าผลิตภัณฑ์นี้น่าเชื่อถือ							
11. ฉันคิดว่าฉันสามารถเชื่อถือผลิตภัณฑ์นี้ จากประเทศนี้ได้							
12. ฉันคิดว่าผลิตภัณฑ์นี้น่าไว้วางใจ							
13. ฉันคิดว่าผลิตภัณฑ์นี้สามารถทำให้ฉัน รู้สึกพึงพอใจได้							
14. ฉันคิดว่าผลิตภัณฑ์นี้จะไม่ทำให้ฉัน ผิดหวัง							
15. ฉันคิดว่าฉันสามารถบอกคนอื่นได้ว่า ฉัน ใช้ ผลิตภัณฑ์จากประเทศนี้							

ส่วนที่ 2: ข้อมูลทั่วไป

เขียนเครื่องหมาย ✓ ตรงช่องว่างที่ตรงกับตัวท่านมากที่สุด

1. เพศ

ชาย หญิง

2. อายุ

ต่ำกว่า 20 ปี 20 – 30 ปี

30 – 40 ปี 40 – 50 ปี

50 ปีหรือมากกว่า

3. สถานะครอบครัว

โสด แต่งงานแล้ว

หย่าร้าง หม้าย

4. รายได้ต่อเดือน

ต่ำกว่า 15,000 บาท 15,001 – 25,000 บาท

25,001 – 35,000 บาท 35,001 – 45,000 บาท

45,001 – 55,000 บาท 55,001 – 65,000 บาท

65,001 – 75,000 บาท 75,001 – 85,000 บาท

มากกว่า 85,000 บาท

5. ระดับการศึกษา

มัธยมศึกษาหรือต่ำกว่า ปริญญาตรี

ปริญญาโทหรือสูงกว่า

ส่วนที่ 1: “ผลิตในประเทศญี่ปุ่น”

คุณเคยใช้ผลิตภัณฑ์บำรุงผิวที่ผลิตในประเทศญี่ปุ่นหรือไม่

___ เคย ___ ไม่เคย



กรุณาดูภาพผลิตภัณฑ์ด้านบนที่เขียนว่า “ผลิตในประเทศญี่ปุ่น” เพื่อประกอบการตัดสินใจในการทำแบบสอบถามและเขียนเครื่องหมาย ลงในช่องที่ตรงกับ ✓ ได้ทำงานมากที่สุด

คุณค่าการรับรู้	ไม่เห็นด้วยมากที่สุด 1	2	3	4	5	6	เห็นด้วยมากที่สุด 7
1. ฉันคิดว่าผลิตภัณฑ์นี้มีตราสินค้าที่หรูหรา							
2. ฉันจะรู้สึกเหนือกว่าหากได้ใช้ผลิตภัณฑ์นี้							
3. ฉันคิดว่าผลิตภัณฑ์นี้มีความหรูหรามากกว่าผลิตภัณฑ์อื่น							
4. ผลิตภัณฑ์นี้ผลิตจากส่วนผสมที่มี คุณภาพดี							
5. ฉันคิดว่าผลิตภัณฑ์นี้มีประสิทธิภาพ							
6. ฉันรู้สึกว่าคุณได้ซื้อของที่มีคุณภาพหากฉันซื้อผลิตภัณฑ์นี้							
7. ฉันคิดว่าผลิตภัณฑ์นี้มีเทคนิคการผลิตขั้นสูง							
8. ฉันคิดว่าผลิตภัณฑ์นี้ผลิตจากส่วนผสมที่มาจากวิทยาการใหม่							
9. ฉันคิดว่าผลิตภัณฑ์นี้ได้ผ่านการคิดค้นและพัฒนาทางด้านวิทยาการใหม่ๆมาแล้ว							
10. ฉันคิดว่าผลิตภัณฑ์นี้น่าเชื่อถือ							
11. ฉันคิดว่าฉันสามารถเชื่อถือผลิตภัณฑ์นี้จากประเทศนี้ได้							
12. ฉันคิดว่าผลิตภัณฑ์นี้น่าไว้วางใจ							
13. ฉันคิดว่าผลิตภัณฑ์นี้สามารถทำให้ฉันรู้สึกพึงพอใจได้							
14. ฉันคิดว่าผลิตภัณฑ์นี้จะไม่ทำให้ฉันผิดหวัง							
15. ฉันคิดว่าฉันสามารถบอกคนอื่นได้ว่า ฉันใช้ ผลิตภัณฑ์จากประเทศนี้							

ส่วนที่ 2: ข้อมูลทั่วไป

เขียนเครื่องหมาย ✓ ตรงช่องว่างที่ตรงกับตัวท่านมากที่สุด

1. เพศ

ชาย หญิง

2. อายุ

ต่ำกว่า 20 ปี 20 – 30 ปี

30 – 40 ปี 40 – 50 ปี

50 ปีหรือมากกว่า

3. สถานะครอบครัว

โสด แต่งงานแล้ว

หย่าร้าง หม้าย

4. รายได้ต่อเดือน

ต่ำกว่า 15,000 บาท 15,001 – 25,000 บาท

25,001 – 35,000 บาท 35,001 – 45,000 บาท

45,001 – 55,000 บาท 55,001 – 65,000 บาท

65,001 – 75,000 บาท 75,001 – 85,000 บาท

มากกว่า 85,000 บาท

5. ระดับการศึกษา

มัธยมศึกษาหรือต่ำกว่า ปริญญาตรี

ปริญญาโทหรือสูงกว่า