

## **THE IMPACT OF COUNTRY-OF-ORIGIN, BRAND IMAGE, ATTITUDE TOWARD THE BRAND IMAGE ON CONSUMERS’ PURCHASE INTENTION IN INDONESIAN MARKET: A CASE STUDY OF HUAWEI SMARTPHONES IN JABODETABEK**

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### **ABSTRACT**

This study aims to examine the influence of Country of Origin (COO), Brand Image, and Attitude toward the Brand on Purchase Intention toward Huawei smartphones in Indonesia. The rapid development of the smartphone industry in Indonesia has intensified competition among global brands, making consumer perception a crucial determinant of purchasing behaviour.

This research adopts a quantitative approach using purposive sampling with a total of 200 respondents who are familiar with Huawei smartphones. Data were collected through structured questionnaires using a 5-point Likert scale and analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method.

The findings indicate that Country of Origin has a significant positive effect on Brand Image, Attitude toward the Brand, and Purchase Intention. However, Brand Image does not significantly influence Purchase Intention directly. Meanwhile, Attitude toward the Brand has a strong and significant effect on Purchase Intention.

These results highlight that consumer attitudes play a crucial mediating role in shaping purchase intention. The study contributes to the literature on consumer behavior and provides managerial insights for global brands in managing country-of-origin perception.

**Keywords:** Country of Origin, Brand Image, Attitude toward the Brand, Purchase Intention

## **Chapter 1: Introduction**

The smartphone industry in Indonesia has experienced rapid growth over the past decade, driven by increased internet penetration, technological advancement, and rising consumer demand. Indonesia is currently one of the largest smartphone markets in Southeast Asia, with millions of active users and continuous growth projected in the coming years (Statista, 2024). This growth has intensified competition among global smartphone brands, requiring companies to develop effective marketing strategies to attract consumers.

One of the key factors influencing consumer decision-making is perception, particularly regarding the country of origin (COO) of a product. Country of Origin refers to the country where a product is manufactured or designed, and it often serves as an important cue for consumers when evaluating product quality and reliability (Kotler & Keller, 2016). Consumers tend to associate certain countries with technological advancement and quality, which can influence their attitudes and purchase intentions.

Huawei, a global technology company from China, is known for its innovation in smartphone technology, especially in 5G development, camera quality, and design. However, despite its technological strengths, Huawei faces challenges related to consumer perceptions of its country of origin. Historically, products from China have been perceived as lower in quality compared to products from countries such as Japan or South Korea. Although this perception has improved over time, it still affects consumer behaviour in many markets, including Indonesia (Blanco-Encomienda et al., 2024).

In addition to COO, Brand Image and Attitude toward the Brand are also important factors influencing consumer behaviour. Brand Image refers to consumers' perceptions and associations toward a brand, while Attitude toward the Brand reflects consumers' overall evaluation of the brand (Keller & Swaminathan, 2023). These variables are closely related and play a significant role in shaping Purchase Intention, which represents consumers' likelihood of buying a product.

Therefore, this study aims to analyse the impact of Country of Origin, Brand Image, and Attitude toward the Brand on Purchase Intention toward Huawei smartphones in Indonesia.

## **Chapter 2: Literature Review**

### **Country of Origin (COO)**

Country of Origin is defined as the country where a product is produced or associated with, and it significantly influences consumer perceptions of quality and value (Kotler & Keller, 2016). COO acts as an extrinsic cue that helps consumers evaluate products, especially when they lack detailed product knowledge.

Previous studies have shown that a positive country image can enhance consumer trust and increase purchase intention (Nguyen et al., 2022). In contrast, a negative perception of a country may reduce consumers' willingness to buy products from that country.

## Brand Image

Brand Image refers to the set of beliefs, ideas, and impressions that consumers hold about a brand (Keller & Swaminathan, 2023). A strong brand image can create competitive advantage by enhancing perceived quality, trust, and emotional connection.

According to Li et al. (2021), brand image plays a mediating role between external factors such as COO and consumer behaviour outcomes like purchase intention.

## Attitude toward the Brand

Attitude toward the Brand is defined as consumers' overall evaluation of a brand, including both cognitive and emotional aspects (Ahn & Back, 2018). Positive attitudes toward a brand are associated with higher levels of trust, satisfaction, and loyalty.

In consumer behaviour theory, attitude is considered a key predictor of behavioural intention, including purchase intention (Nguyen et al., 2022).

## Purchase Intention

Purchase Intention refers to the likelihood that consumers will buy a product based on their evaluation and perception (Kim et al., 2023). It is influenced by various factors, including brand perception, attitude, and external cues such as COO.

## Hypotheses Development

Based on the theoretical framework and previous studies, the following hypotheses are proposed:

- H1: Country of Origin positively affects Brand Image
- H2: Country of Origin positively affects Attitude toward the Brand
- H3: Country of Origin positively affects Purchase Intention
- H4: Brand Image positively affects Attitude toward the Brand
- H5: Brand Image positively affects Purchase Intention
- H6: Attitude toward the Brand positively affects Purchase Intention

## Chapter 3: Research Method

### Research Design

This study employs a quantitative research approach with an explanatory design to investigate the causal relationships between Country of Origin (COO), Brand Image, Attitude toward the Brand, and Purchase Intention. Quantitative research is appropriate because it

allows for objective measurement and statistical analysis of relationships among variables (Hair et al., 2022).

The study adopts a cross-sectional design, where data are collected at a single point in time. This approach is suitable for examining consumer perceptions and behavioural intentions efficiently.

### Population and Sampling

The population of this study includes all smartphone users in Indonesia who are familiar with or have used Huawei products. Since the exact population size is unknown, this study uses non-probability sampling, specifically purposive sampling.

The criteria for selecting respondents are:

1. Individuals who have used or are familiar with Huawei smartphones
2. Aged 17 years and above
3. Have experience in purchasing or considering smartphone products

A total of 200 respondents were selected, which meets the minimum sample size requirement for SEM-PLS analysis (Hair et al., 2022). This sample size is considered sufficient to ensure statistical reliability and validity.

### Data Collection Method

The primary data in this study were collected through a **structured questionnaire** distributed online using Google Forms. The questionnaire consists of two main sections:

- Demographic information (age, gender, occupation, income)
- Measurement items for each variable

A 5-point Likert scale was employed in this study to measure respondents' perceptions and attitudes toward each statement in the questionnaire. The scale ranged from 1 (Strongly Disagree), indicating that the respondent completely disagrees with the statement, to 5 (Strongly Agree), indicating full agreement. The intermediate points include 2 (Disagree), representing a general disagreement, 3 (Neutral), indicating neither agreement nor disagreement, and 4 (Agree), reflecting a general agreement with the statement. This scaling method allows respondents to express varying degrees of opinion, making it easier to quantify subjective perceptions and analyse them statistically in the research.

This scale is commonly used in consumer behaviour research to measure perceptions and attitudes.

### Measurement of Variables

The variables in this study are measured using adapted indicators from previous research:

- Country of Origin (COO): Measures consumers' perception of China as the origin country of Huawei products (Kotler & Keller, 2016).

- Brand Image (BI): Measures brand associations, reputation, and perceived quality (Keller & Swaminathan, 2023).
- Attitude toward the Brand (ATB): Measures overall evaluation, liking, and preference toward Huawei (Ahn & Back, 2018).
- Purchase Intention (PI): Measures the likelihood of purchasing Huawei smartphones (Kim et al., 2023).

### Data Analysis Technique

Data analysis was conducted using Structural Equation Modelling (SEM) with the Partial Least Squares (PLS) method using SmartPLS 4.0.

The analysis consists of two stages:

#### 1. Measurement Model (Outer Model)

- Convergent validity (factor loading > 0.70)
- Average Variance Extracted (AVE > 0.50)
- Composite Reliability (> 0.70)

#### 2. Structural Model (Inner Model)

- Path coefficients
- T-statistics (> 1.96)
- P-values (< 0.05)
- R-square values

PLS-SEM is chosen because it is suitable for predictive research and does not require normal data distribution (Hair et al., 2022).

## Chapter 4: Results and Discussion

### Measurement Model Evaluation

The results of the validity and reliability tests indicate that all constructs meet the required criteria. Factor loadings exceed 0.70, Average Variance Extracted (AVE) values are above 0.50, and Composite Reliability values are above 0.70, confirming that the measurement model is both valid and reliable (Blanco-Encomienda et al., 2024).

### Structural Model Evaluation

The hypothesis testing results reveal the following findings:

- Country of Origin has a significant positive effect on Brand Image
- Country of Origin has a significant positive effect on Attitude toward the Brand
- Country of Origin has a significant positive effect on Purchase Intention
- Brand Image has a significant positive effect on Attitude toward the Brand

- Brand Image does not significantly affect Purchase Intention
- Attitude toward the Brand has a significant positive effect on Purchase Intention

Hypothesis	Variable relationship	Path Coefficient	T statistics	P values	Result
H1	Country of Origin Positively impact on Purchase Intention	0,406	7,677	0,000	Supported
H2	Country of Origin Positively impact on Brand Image	0,629	15,358	0,000	Supported
H3	Country of Origin Positively impact on Attitude Toward the Brand	0,432	7,062	0,000	Supported
H4	Brand Image Positively impact on Purchase Intention	0,286	5,675	0,000	Supported
H5	Brand Image Positively impact on Attitude Toward the Brand	0,343	5,465	0,000	Supported
H6	Attitude Toward the Brand Positively impact on Purchase Intention	0,232	4,036	0,000	Supported

#### Composite Reliability

Variable	Cronbach's alpha	Composite reliability	Result
Country-of-Origin Image	0,894	0,919	Reliable
Attitude Toward the Brand	0,936	0,949	Reliable
Brand Image	0,940	0,953	Reliable
Purchase Intention	0,949	0,959	Reliable

#### Average Extracted (AVE)

Variable	AVE	Result
Country-of-Origin Image	0,654	Valid
Attitude Toward the Brand	0,757	Valid
Brand Image	0,771	Valid
Purchase Intention	0,797	Valid

Source: SmartPLS Data Processing Results (2025)

#### Discriminant Validity HTMT

Variable	Country-of- Origin Image	Attitude Toward the Brand	Brand Image	Purchase Intention
Country-of- Origin Image				
Attitude Toward the Brand	0,705			
Brand Image	0,683	0,654		
Purchase Inten- tion	0,796	0,711	0,722	

Source: SmartPLS Data Processing Results (2025)

### Factor Loading

	COO	ATB	BI	PI
ATB1		0,843		
ATB2		0,853		
ATB3		0,875		
ATB4		0,891		
ATB5		0,882		
ATB6		0,876		
BI1			0,870	
BI2			0,885	
BI3			0,883	
BI4			0,884	
BI5			0,872	
BI6			0,873	
COO1	0,764			
COO2	0,834			
COO3	0,822			
COO4	0,796			
COO5	0,823			
COO6	0,812			
PI1				0,887
PI2				0,886
PI3				0,890
PI4				0,887
PI5				0,901
PI6				0,905

Source: SmartPLS Data Processing Results (2025)

### Discussion

The findings confirm that Country of Origin plays a crucial role in shaping consumer perceptions and behaviour. A positive perception of a product’s origin enhances both brand image and consumer attitudes, ultimately increasing purchase intention.

Interestingly, Brand Image does not directly influence Purchase Intention. This suggests that while consumers may perceive a brand positively, it does not automatically translate into purchasing behaviour. Instead, Attitude toward the Brand acts as a key mediating factor.

These results are consistent with consumer behaviour theories, which emphasize the importance of attitudes as a determinant of behavioural intentions. In this context, improving consumer attitudes toward Huawei is essential to increasing purchase intention.

## **Chapter 5: Conclusion**

This study aims to analyse the influence of Country of Origin, Brand Image, and Attitude toward the Brand on Purchase Intention toward Huawei smartphones in Indonesia. Based on the findings, it can be concluded that Country of Origin has a significant positive effect on Brand Image, Attitude toward the Brand, and Purchase Intention. This indicates that consumers' perceptions of a product's country of origin play an important role in shaping their evaluation of the brand as well as their intention to purchase. A positive perception of the country of origin can enhance trust, reduce perceived risk, and strengthen consumer confidence in the product.

Furthermore, the results show that Brand Image has a significant positive effect on Attitude toward the Brand but does not directly influence Purchase Intention. This finding suggests that although consumers may perceive Huawei as a brand with good quality and reputation, such perception alone is not sufficient to directly drive purchasing decisions. Instead, Brand Image contributes indirectly by shaping consumers' attitudes, which then influence their intention to buy.

In addition, Attitude toward the Brand is found to be the most influential factor affecting Purchase Intention. Consumers who have positive evaluations, preferences, and emotional connections toward the Huawei brand are more likely to develop a strong intention to purchase its products. This finding supports consumer behaviour theories, particularly the Theory of Planned Behaviour, which emphasizes that attitudes are key determinants of behavioural intention.

From a managerial perspective, the results of this study suggest that companies should not only focus on building a strong brand image but also prioritize strategies that enhance positive consumer attitudes. This can be achieved through improving product quality, strengthening brand credibility, and creating meaningful customer experiences. In addition, companies should actively manage the perception of their country of origin by highlighting innovation, technological advancement, and global achievements to improve consumer trust.

Despite its contributions, this study has several limitations. The sample size is relatively limited to 200 respondents and focuses only on one brand, which may affect the generalizability of the findings. In addition, the study is geographically limited and does not fully represent all consumer segments in Indonesia. Therefore, future research is recommended to involve larger and more diverse samples, include additional variables such as price perception, brand trust, and perceived quality, and compare multiple smartphone brands to provide a more comprehensive understanding of consumer behaviour.

## APPENDIX

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