

Impact of Country of Origin on Product Evaluation: Examining the Moderating Effect of Reference Groups with Special Reference to Automobile Brands in Sri Lanka

A L Fernando

*Department of Marketing Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka
asithalakminafernando1997@gmail.com*

D M R Dissanayake

*Department of Marketing Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka
ravi@kln.ac.lk*

Due to rapid globalization and reduction in trade barriers, world markets witness entry of cross-border brands into their markets. This made consumers to be concerned the importance of the country of origin of products which affects consumers' product judgements. Personal experiences, brand names, advertising and packaging are used to make implicit and explicit references to a country. Previous studies had investigated the effect of COO on consumer behaviors. This study aims to measure the impact of COO on automobile evaluation and effect of informative and normative influence on product evaluations on par with the research gaps claimed. A survey was carried out among 221 respondents followed by a convenient sampling method. The Regression analysis and Hayes process model were incorporated in order to test the hypotheses. The findings proved that there is a significant relationship between COO and product evaluation. It further explicated that Reference Groups have a significant moderating effect on the relationship between COO and product evaluation. The findings will be insightful for consumer durable importers in general and specifically for automobile industry to improve COO perception on foreign-made vehicle brands. Alongside, this study contributes managerial implications as one of the very few studies conducted on the impact of COO towards automobile brand evaluation in the Sri Lankan context.

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