# Discovering Chinese Product Strategies on Stimulating Attitude and Intention: Involvement of Innovation, Country-of-Origin and Knowledge

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Globalization has succeeded in broadening consumers' choice via technological assistance which provides sufficient variety of information. Companies shall face competition, both at domestic and international level, which is more intensified than prior to globalization. Chinese brands are increasingly popular overseas and reaching out to compete with other global brands. Global consumers are also continuously looking up for newest product innovations yet having the lowest price tag in the market. Their search brings about knowledge and attention on Chinese brands. This research aims to analyse the influence of product innovation, country of origin, and product knowledge on purchase intention through brand attitude. To collect data, close-ended questionnaires were handed over to 100 respondents. The data were then calculated using SmartPLS 3.2.7. The findings indicated that in order to create more favourable brand attitude, a company needs to focus on efforts to generate customer memory about product specification.

## Introduction

Wide expansion of international markets for consumer goods resulted from globalization affects companies' approaches toward modern cus-

tomers. A recent phenomenon shows that Chinese firms are no longer focusing on domestic market and going 'global.' Current researchers found that there are many underlying motives for Chinese firms to go global, in which 'creating a single and globally recognized brand' is one (Fetscherin and Sardy 2008; Fan 2006). Constantly, global firms remain focused on managing sales volume and brand equity by offering customers some values and beliefs which can stimulate purchase intention. One of the newly emerging concepts in business literature is brand attitude (Ghorban 2012). Some researchers pointed out that brand attitude is formed to achieve an ultimate goal of creating consumers' purchase intention (Sicilia, Ruiz, and Reynolds 2006). Prior research empirically investigated the concept and demonstrated a significant, positive relationship between attitude and purchase intentions of consumers (Sheeraz et al. 2016; Chan et al. 2013). Globalization is highly related to advancement of technology in business sector. Product innovation refers to an adoption of a new or significantly improved production method (Seng and Ping 2016). It is conducted to maintain a sustainable competitive advantage. Hence, product innovation has a considerable influence on attitudes and purchase intention of potential consumers.

Expansion of international market affects consumers' perspectives toward a product's country of origin. Consumers tend to possess their own perception towards country of origin. Along with progression of information, consumers' attitudes to domestic and foreign products are gradually shifting. The products of developing countries are not perceived to have good quality and negative attitudes toward these products are studied by (Schooler 1965). This study discusses consumers' views towards Chinese products. In contrast, other studies found that the more global the brand is, the better quality it is offered; hence, it receives more favourable attitude (Holt et al. 2004).

Various information and choice are currently available one click away from customers. It is a particularly important source of information for customers because they rely on product information to lower possible dissatisfaction or perceived risk (Olson and Jacoby 1972). In a recent study, Cakici and Shukla (2017) pointed out that consumers' product knowledge has a significant effect on their purchase intention. Attitudes also acted as a mediator for the relationship between product knowledge and purchase intention (Juharsah and Hartini 2014). Currently, some new brands entering global market are mostly from China and those brands are demanded by consumers. Lack of production of domestic product

and product necessity factors as well contributes to shape different consumer attitudes towards certain foreign products (Ramadania, Gunawan, and Rustam 2015) For instance, Xiaomi's action camera succeeds in penetrating new market and creating favourable brand attitude, which in turn, generate purchase intention. Emerging demands for action cameras in Indonesia remain strong, due to rising trends of travelling. In addition, some Indonesian consumers usually capture every moment to be uploaded to social media. This consumer behaviour phenomenon is seen as a promising opportunity. Some previous studies (Seng and Ping 2016; Juharsah and Hartini 2014) solely examined the relationship between attitude and purchase intention without any mediation from brand attitude. Past literatures did not incorporate product innovation, country of origin, and product knowledge into one conceptual model.

### Literature Review

*Product Innovation.* Product innovations refers to cross-functional activities within a company. In order to create a successful innovation process, marketing effort needs to be integrated with R&D, manufacturing, and finance (Mohr and Sarin 2009). Technical and management systems within an organization shall simultaneously innovate to discover new or distinctive market offerings. When an innovation succeeds, it brings a superior value to the organization.

*Country of Origin (COO).* Anwar et al. (2013) stated that COO is described as different brands belong to the different countries. The brands belong to a certain country can be included into country-of-origin. Consumers form their expectations based on the perceived image of the country. The impact of COO also known from 'made in' will probably affect consumer attitudes and purchase intentions toward foreign and domestic product is most often developed study in the field of international marketing (Ramadania, Gunawan, and Jamaliah 2013; Amine 2008).

*Product Knowledge.* Lin and Zhen (2005) asserted that product knowledge is generated from awareness or understanding about the product, and also reflects consumers' confidence about it. In other words, Beatty and Smith (1987) referred to product knowledge as a consumer's perception toward certain products, including their previous experience of using the product. Consumers construct various product knowledge structure based on various degrees of familiarity toward a product (Park and

Lessig 1981). Those with higher product knowledge tend not to employ preconceived idea to judge product quality.

*Brand Attitude.*   Brand attitude is a needed communication effects if brand purchase is to occur (Percy and Rossiter 1992). It refers to one-dimensional consumer attitude as a sum of evaluations on a product, which may be effective to examine attitude as a multidimensional construct consisting of a network of interconnected beliefs and evaluations (Bagozzi and Silk 1983).

*Consumer Purchase Intention.*   Purchase intention is a decision-making process which studies the reason to buy a particular brand by a consumer (Shah et al. 2012). Hellier et al. (2003) believed that behaviour intention is the judgment or opinion about repurchasing a particular product from the same enterprise under the current premise and possible conditions of an individual. Behaviour intention is a subjective tendency for consumers to purchase their targeted product.

### HYPOTHESIS DEVELOPMENT

Consumer purchase intention is frequently cited by marketing strategists as an advice about new progress and/or existing product decision. It can be simplified using 'likelihood of buying' and 'product recommendation.' A company may propose some strategies to influence consumers' judgement toward their brand or product. Previous literatures explained that novelty-seekers consumers tend to have more favourable attitudes toward acquiring innovative products (Manning, Bearden, and Madden 1995). This attitude influences intention and behaviour through its effects on attitude (Ajzen and Fishbein 2005). COO is a factor considered by consumers on purchase decision making (Lee 2013). Somansundaram (1993) argued that consumers with high level of product knowledge also form extreme beliefs and attitudes toward a company or its products. Hence, it is concluded that product knowledge affects purchase intention (Lin and Lin 2007). A positive attitude toward a brand allows consumers to decide on their purchase; while negative brand attitude obstructs consumers in making purchases (Cheng and Chang 2008).

   From figure 1, the formulated hypotheses are depicted besides the arrows in the conceptual framework. Scholars believed that product innovation is one of the consideration factors affecting consumers to make purchase decision (Boyd and Charlotte 1999). It also shows that product innovation plays important role in determining potential consumers'
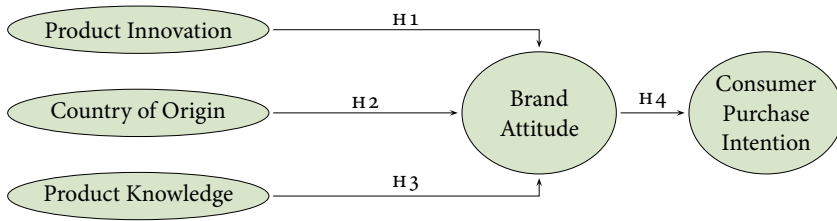
purchase and attitude. Novelty-seekers consumers tend to have more favourable attitudes toward acquiring innovative products (Manning, Bearden, and Madden 1995). Therefore, the first hypothesis is formulated, as follows:

H1 *Product innovation has significantly influence with brand attitude.*

If the product comes from highly reputable country, most consumers have positive attitudes toward it. A person seems to hold a distinct and specific opinion about various aspects of a product or brand which later affects their intention to buy (Oh and Jeong, 2015). On the other hand, if the product comes from non-reputable country, consumers possibly forms negative attitudes (Bhakar and Bhakar 2013). Based on such theoretical support, the second hypothesis is formulated:

H2 *Country of origin has significantly influence with brand attitude.*

Lin and Chen (2006) highlighted that product knowledge is positively related and significantly influences consumers' purchasing decisions. However, through attitude as mediation variable, product knowledge significantly affects purchase intention (Juharsah and Hartini 2014). Consumers show their affections distinctively for a brand based on their own personal knowledge. A possible explanation for this different behaviour lies in the fact that novices lack in the necessary knowledge and experience to distinguish important product attributes (Beattie 1982). Hence, it is concluded that:

H3 *Product knowledge has significantly influence with brand attitude.*

A brand can fulfil multiple roles to influence consumers' decision-making process or choice behaviour (Sheeraz et al. 2016). Commonly, consumers' attitudes strongly influence their purchase behaviours (Taute et al. 2017; Priester et al. 2004). Positive attitude toward a brand allows consumers to make purchases; while negative brand attitudes obstruct

consumers in making purchases (Cheng and Chang 2008). Thus, the fourth hypothesis is:

H4 *Brand attitudes significantly influence with consumer purchase intention.*

## Research Methodology

The primary data in this study were obtained from online and printed questionnaires. The raw data were subsequently proceeded using SmartPLS 3.2.7 for Windows to determine the frequency of responds from the respondents. Likert scale was employed to measure research variables in which the respondents were asked to indicate a degree of agreement and disagreement about the variables and ranged between 1–5, from very low to very high (Suwatno 2007). Research population was classified as infinite; hence, as the sample, this research used purposive sampling which was determined after the samples fulfilled certain criterion. Hair et al. (2010) stated that minimum sample size shall be 100–150 to ensure stable Maximum Likelihood Estimation (MLE). Total sample in this research was 100 respondents who were identified as potential Chinese brands consumers.

PLS began with testing measurement model to test the validity of constructs and reliability of instruments. Validity test in PLS was implemented through convergent validity test, discriminant validity test, and average variance extracted (AVE) test. Furthermore, reliability test was used to measure the consistency of items in measuring the variables. It can also be used to measure respondents' consistency in answering instruments. Overall, the response rate for online survey was higher than paper survey in this research.

## Data Analysis and Results

There were some specific characteristics of the respondents for this study, including gender, education, age, revenue, and occupation. The total number of female respondents were as many as 54 females (54%). Most respondents (66% or 66 people), who were interested in Chinese brands, were freshman undergraduate students. Those below 31 years old were estimated to be accounted for 95% of the total respondents. It was also observed that most respondents earned less than IDR 3 million for their monthly incomes (78% of total respondents). Majority (70%) respondents were college students. Table 2 illustrates summary of characteristics of respondents.

TABLE 1   Measurement of Constructs

| Variable | Indicator | Item |
|---|---|---|
| *Product Innovation* (x1), adapted from Damanpour (1999). | Technological innovation | The products regularly update its production technology. |
| | Service innovation | The products instantly update the service through Internet. |
| | New products | The products often lead ahead of other brands in launching new products. |
| | Market breakthrough | The products readily update its functions to meet consumer's needs. |
| *Country of Origin* (x2), adapted from Yasin, Noor, and Mohamad (2007). | Innovation of the country in production | I am sure that Chinese product have great innovation. |
| | The level of technological progress of the country of origin | I look for the label 'Made in China' to ensure that I buy products with newest technology. |
| | Production design | I look for product from China to ensure that the camera that I will purchase have good design. |
| | Productive creativity | I believe China have variety of products to choose. |
| | Production quality | I am seeking for Chinese product to ensure that I buy good quality product. |
| | The prestige of the home country of the brand | I believe that Chinese product determining the brand prestige. |
| | The image of the home country of the brand as developed country | I believe product from China determining country image that I perceived. |

By continue making progress in innovation and new approach toward mid-range market, Chinese firms have been tremendously successful in recent years. Most respondents admittedly agree that Chinese brands regularly upgraded all types of electronic devices, which were also seen as attempts to survive in market competition. The result affirmed that country of origin served as an information cue prior to product purchasing. Country of origin or consumers' attitude towards products' origin can be influenced by cultural values and perceptual stereotypes. Product knowledge was associated with information and experience which built a memory of a product. Gathering information was not a big deal for customers in the Internet era. Relatively, Chinese brands were perceived in a posi-

TABLE 1   *Continued from the previous page*

| Variable | Indicator | Item |
| --- | --- | --- |
| *Product Knowledge* (x3), adapted from Brucks (1985) and Lin and Chen (2006). | Knowledge about the product | I feel knowledgeable about the products. |
| | Willingness to understand | I want to understand the products actively. |
| | Memory of product information | I actually stored in my memory about the products' information. |
| | Differentiation of product and brand | I am able to tell the differences of the products and other brand of product firms. |
| *Brand Attitudes* (Y1), adapted from Miniard et al. (1991). | Favourability | My attitude toward product' brand is favourable. |
| | Conation component | My attitude toward product' brand is positive. |
| | Affective component | I like product' brand. |
| | Cognition component | My overall evaluation of product' brand is good. |
| *Consumer Purchase Intention* (Y2), adapted from Barber et al. (2012). | Explorative interest | I intend to try the products. |
| | Referential interest | I would consider purchasing the products. |
| | Transactional interest | I plan on buying the products. |
| | Preferential interest | I am interested in using the products. |

tive attitude from most respondents. Chinese brands themselves mostly widen their market share by offering a cheaper alternative for consumers who demanded for lower product price, compared to either Western or Eastern products. Furthermore, the data interpretation in this study included outer model, inner model, mediating effect, and *t*-statistics test result. The outer model in partial least square (PLS) specified the degree of validity and reliability of the relationships between latent variables and indicators. Firstly, convergent validity occurred when the construct measurements were correlated with one another. As a general rule of thumb, outer loadings should obtain the value of 0.70 or higher; while 0.5 AVE score was considered satisfactory (Avkiran 2018). Items with outer loadings of 0.6 might be considered acceptable, while items with outer loadings less than 0.5 should be eliminated from analysis (Ghozali 2008). The results of validity test are presented in table 3, including outer loadings and AVE scores.

TABLE 2   Characteristics of Respondents

| Category | Item | *f* | % |
|---|---|---|---|
| Gender | Male | 46 | 46 |
| | Female | 54 | 54 |
| Education | Senior High School | 66 | 66 |
| | Diploma Degree | 4 | 4 |
| | Bachelor Degree | 27 | 27 |
| | Master Degree | 2 | 2 |
| | Doctoral Degree | 1 | 1 |
| Age | 17–20 years old | 26 | 26 |
| | 21–30 years old | 69 | 69 |
| | 31–40 years old | 3 | 3 |
| | 41–50 years old | 1 | 1 |
| | ≥ 50 years old | 1 | 1 |
| Revenue | < Rp. 3.000.000 | 78 | 78 |
| | > Rp. 3.000.000–7.500.000 | 17 | 17 |
| | > Rp. 7.500.000–11.500.000 | 1 | 1 |
| | > Rp. 11.500.000–15.500.000 | 2 | 2 |
| | > Rp. 15.500.000 | 2 | 2 |
| Occupation | College Student | 70 | 70 |
| | Civil Servant | 2 | 2 |
| | Private Employees | 18 | 18 |
| | Entrepreneur | 4 | 4 |
| | Housewife | 1 | 1 |
| | Unemployment | 5 | 5 |

Invalid measurement could mystify the research objectives and data interpretations; hence, it should be removed to clearly investigate the correct measurement items and obtain desired results. Moreover, discriminant validity was an assessment to ensure that a reflective construct has the strongest relationship with its own indicators in PLS path model (Hair et al. 2017). The outer loadings and constructs were adequate yet valid, as illustrated in table 4.

Finally, reliability test is vitally important for both data stability and consistency. The measurement model with composite reliability above the threshold value of 0.70 for each construct was considered satisfactory.

TABLE 3   Convergent Validity Test

| Construct | Measurement item | Loading | AVE |
|---|:---:|:---:|---:|
| *Product Innovation* (x1) | PI1 | 0.893 | 0.680 |
| | PI2 | 0.827 | |
| | PI3 | * | |
| | PI4 | 0.749 | |
| *Country of Origin* (x2) | COO1 | 0.706 | 0.538 |
| | COO2 | 0.740 | |
| | COO3 | 0.756 | |
| | COO4 | 0.700 | |
| | COO5 | 0.765 | |
| | COO6 | * | |
| | COO7 | * | |
| *Product Knowledge* (x3) | PK1 | 0.881 | 0.777 |
| | PK2 | 0.866 | |
| | PK3 | 0.896 | |
| | PK4 | * | |
| *Brand Attitude* (y1) | BA1 | 0.867 | 0.774 |
| | BA2 | 0.883 | |
| | BA3 | 0.885 | |
| | BA4 | 0.885 | |
| *Purchase Intention* (y2) | CPI1 | 0.886 | 0.786 |
| | CPI2 | 0.812 | |
| | CPI3 | 0.907 | |
| | CPI4 | 0.937 | |

NOTES   * Deleted due to low outer loading result.

The reliable statement item also required Cronbach Alpha value higher than 0.60 for all constructs (Abdillah and Hartono 2015). Reliability test results were summarized in table 5.

Based on the summaries in table 5, composite reliability values for all constructs fulfilled the requirement of 0.70. The results displayed that product innovation obtained 0.932; country of origin was 0.853; product knowledge recorded 0.86; brand attitude was 0.912; and purchase intention was recorded at 0.936. Thereby, high composite reliability values led to the consistency of Cronbach Alpha scores for all constructs. Thus, it

TABLE 4   Discriminant Validity Test

| (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|
| PI1 | 0.893 | 0.295 | 0.450 | 0.485 | 0.375 |
| PI2 | 0.827 | 0.274 | 0.365 | 0.470 | 0.371 |
| PI4 | 0.749 | 0.277 | 0.365 | 0.353 | 0.228 |
| COO1 | 0.259 | 0.706 | 0.303 | 0.459 | 0.423 |
| COO2 | 0.336 | 0.740 | 0.209 | 0.282 | 0.262 |
| COO3 | 0.156 | 0.756 | 0.199 | 0.266 | 0.248 |
| COO4 | 0.389 | 0.700 | 0.196 | 0.417 | 0.341 |
| COO5 | 0.196 | 0.765 | 0.304 | 0.352 | 0.310 |
| PK1 | 0.389 | 0.248 | 0.881 | 0.395 | 0.421 |
| PK2 | 0.477 | 0.318 | 0.866 | 0.452 | 0.466 |
| PK3 | 0.382 | 0.327 | 0.896 | 0.445 | 0.481 |
| BA1 | 0.484 | 0.566 | 0.479 | 0.867 | 0.687 |
| BA2 | 0.452 | 0.412 | 0.387 | 0.883 | 0.714 |
| BA3 | 0.434 | 0.378 | 0.389 | 0.885 | 0.734 |
| BA4 | 0.509 | 0.428 | 0.468 | 0.885 | 0.735 |
| CPI1 | 0.339 | 0.455 | 0.513 | 0.745 | 0.886 |
| CPI2 | 0.311 | 0.258 | 0.377 | 0.568 | 0.812 |
| CPI3 | 0.392 | 0.402 | 0.491 | 0.751 | 0.902 |
| CPI4 | 0.379 | 0.459 | 0.449 | 0.798 | 0.937 |

NOTES   Column headings are as follows: (1) item, (2) Product Innovation, (3) Country of Origin, (4) Product Knowledge, (5) Brand Attitude, (6) Purchase Intention.

TABLE 5   Reliability Test

| Variable | (1) | (2) | (3) | (4) |
|---|---|---|---|---|
| *Product Innovation* ($x_1$) | 0.765 | 0.932 | >0.70 | Reliable |
| *Country of Origin* ($x_2$) | 0.790 | 0.853 | >0.70 | Reliable |
| *Product Knowledge* ($x_3$) | 0.856 | 0.864 | >0.70 | Reliable |
| *Brand Attitude* ($y_1$) | 0.903 | 0.912 | >0.70 | Reliable |
| *Purchase Intention* ($y_2$) | 0.909 | 0.936 | >0.70 | Reliable |

NOTES   Column headings are as follows: (1) Cronbach alpha, (2) composite reliability, (3) scale, (4) description.

confirmed the reliability of measurement items. Meanwhile, the structural model was also acknowledged as inner model. It emphasized on
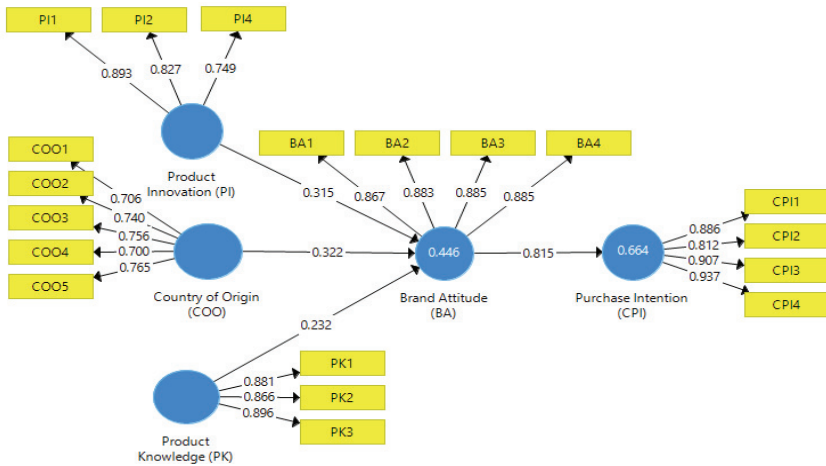
FIGURE 2    *R*-Square Test Result

the relationships between independent and dependent latent variables. Inner model evaluation consisted of *R*-square measurement and path coefficient results. The coefficient of determination ($R^2$) indicated the differing variance in endogenous latent variables from its independent latent variables. Conversely, if the results of $R^2$ was 0.67, 0.33, and 0.19, it proved that the models were subsequently 'good,' 'moderate,' and 'weak' (Ghozali 2008). Figure 2 contains the illustration of $R^2$ test results based on SmartPLS 3.2.7 calculations.

The total of 44.6% specified the proportion of variance in brand attitude which was explained by product innovation, country of origin, and product knowledge. *R*-square of 66.4% measured the ability of dependent latent variables (i.e. purchase intention) to explain the variances of independent latent variables. It was also proved that $R^2$ was statistically significant. After assessing the quality of outer model, it starting from an evaluation of structural results by measuring path coefficient (Sanchez 2013). Path coefficient test results offered theoretical measures of the relationship between constructs and indicators in structural model. The numbers on the arrows in bootstrapping output were called path coefficient. The weight of different path coefficients represented the rank of each variable's relative statistical importance (Wong 2013). All path coefficients for each construct were positive, as illustrated in figure 3.

A mediation could only occur when there was a causal effect between independent and dependent variables which is caused by an intervention or a mediating effect. Biehal, Stephens, and Curio (1992) examined an
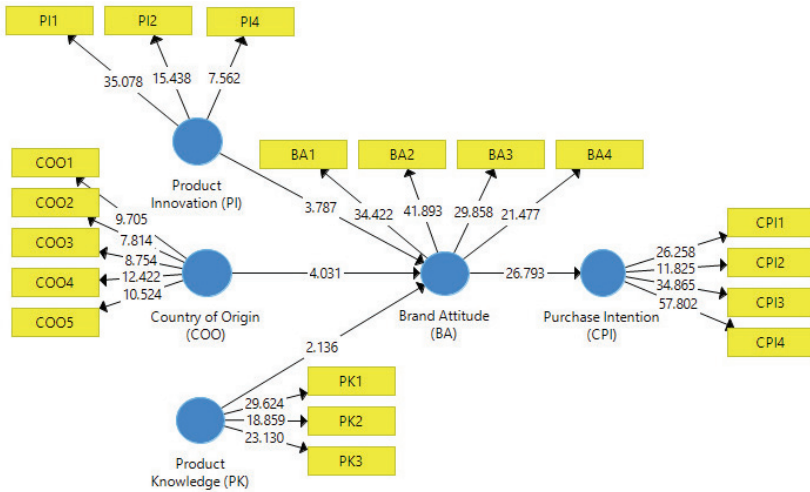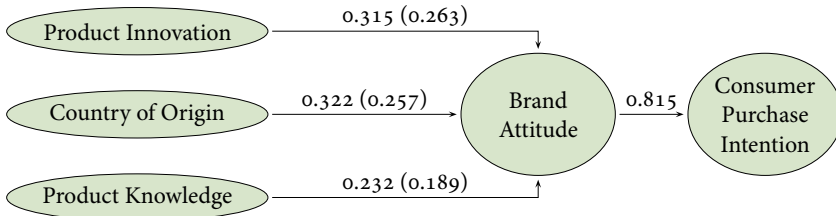
FIGURE 3    Bootstrapping Test



FIGURE 4    Mediating Effect (indirect effect in parentheses)

attitude toward a brand as a mediator toward purchase intention. In this study, the total indirect effects are illustrated in figure 4 and table 6.

Mediation test was to discover if a mediating construct can significantly carry the ability of an independent variable to a dependent variable (Ramayah, Lee, and In 2011). Generally, a mediator was a proportion of total direct effects of exposure on causal relationship, which was interpreted by an indirect effect. However, the total indirect effect and direct effect were both significant. If the direct path was significant, it implied that there was a mediating variable; hence, bootstrapping procedure shall be redone. If the indirect path was not significant after bootstrapping, there was no mediation. If it is significant, in order to examine the strength of mediating effect, it was recommended to calculate variance accounted for (VAF) value in SmartPLS 3.2.7. According to Hair et al. (2014), a VAF value greater than 80% represented a full mediation, a

TABLE 6   Mediating Effect

| Item | Indirect Effect | Total Effect | VAF |
|---|---|---|---|
| Product Innovation → Brand Attitude → Purchase Intention | 0.263 | 0.578 | 45%* |
| Country of Origin → Brand Attitude → Purchase Intention | 0.257 | 0.579 | 44%* |
| Product Knowledge → Brand Attitude → Purchase Intention | 0.189 | 0.421 | 45%* |

NOTES   * Partial mediation.

value between 20% and 80% indicated a partial mediation, and a value less than 20% meant no mediation. VAF was computed by dividing total indirect effect and total effect, then multiplied by 100. Meanwhile, the total effect itself was based on the sum of direct effect and indirect effect.

As illustrated above, table 6 implied that the relationships were all classified as partial mediations. James and Brett (1984) suggested that the model assumed it has partial mediation, i.e., the mediated path via M (e.g. brand attitude) is accounted for some effects of X (e.g. product innovation) on Y (e.g. purchase intention). Mediating effect's results presented in table 6 explained that all variables had mediating effects on their relationships with dependent variables and the range of VAF values were approximately 45%. It is important to recognize that hypothesis testing aimed to test some theoretical propositions. In the context of PLS-SEM, hypothesis testing was frequently conducted through the calculation of $t$-statistics or $p$-values for each hypothesis. The significance threshold for $t$-values was 1.96 for 95% confidence level (Hair et al. 2014). Hence, if the result of $p$-value is less than 0.05 or $t$-statistics is more than 1.96 (with $\alpha$ = 0.05 or 5%), then it is assumed that alternative hypothesis was accepted. Table 7 summarizes the result of hypothesis testing in SmartPLS 3.2.7.

Table 7 presents the outputs of standardized path coefficient related to all variables. The hypotheses were accepted and had positive direct effects on related variables. New product development keeps companies growing. Chinese brands offered some different strategies to broaden their market by offering low-priced products and producing various product lines. This posit is supported by past literatures, which suggested that brand attitude was influenced by product innovation from specific brand names (Ouellet 2006). The overall relationship between product innovation and brand attitude was supported ($\beta$ = 0.315; $t$-statistic = 3.787; $p$ = 0.000); therefore, H1 is accepted. The perception about some products'

TABLE 7    Hypothesis Testing

| Item | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| Product Innovation → Brand Attitude | 0.315 | 0.317 | 0.083 | 3.787 | 0.000 | H1* |
| Country of Origin → Brand Attitude | 0.322 | 0.331 | 0.081 | 4.031 | 0.000 | H2* |
| Product Knowledge → Brand Attitude | 0.232 | 0.232 | 0.108 | 2.136 | 0.000 | H3* |
| Brand Attitude → Purchase Intention | 0.815 | 0.818 | 0.030 | 26.793 | 0.033 | H4* |

NOTES   Column headings are as follows: (1) original sample, (2) sample mean, (3) standard deviation, (4) *t*-statistics, (5) *p*-values, (6) description. * Accepted.

country of origin currently served as an important evaluation aspect for a certain brand. It is proved that different countries had their respective impression in consumers' minds. However, this study proved that products from developing country (i.e. China) gradually started to be perceived more positively by consumers. Over one hundred studies were conducted on country-of-origin information and its effect on consumers' attitudes toward certain products (Hsieh 2004). It was concluded that there was a significant relationship between country of origin and brand attitude ($\beta$ = 0.322; *t*-statistic = 4.031; $p$ = 0.000); thus, H2 is accepted.

The visibility of products knowledge on the media also aimed to provide information and recommendation to consumers. However, Chinese product knowledge may not play an important role in consumer pre-purchase evaluation. Despite low *t*-statistics score compared to other independent latent variables, product knowledge still yielded significant relationship toward brand attitude. It is believed that there is a correlation between product knowledge and consumer beliefs and attitudes towards a company or its products (Somansundaram 1993). The result indicated that product knowledge had a significant, positive relationship with brand attitude ($\beta$ = 0.232; *t*-statistic = 2.136; $p$ = 0.000); hence, H3 is accepted. Brand attitude was related to consumers' purchase intention and company's financial performance, because a brand was a valuable asset for a company. Low price and rapid innovation are Chinese brand's business plan. Market response was very favourable, because consumers have more flexibility in choosing products. More favourable attitude toward a certain behaviour could strengthen individual intention to perform the behaviour itself (Ajzen 1991). A significant, positive relationship between

brand attitude and purchase intention was supported ($\beta$ = 0.815; *t*-statistic = 26.793; *p* = 0.033); therefore, H4 is accepted.

## Conclusion

Level of acceptance for Chinese brands is progressively growing in the recent market. As the brands offer better quality, cheaper price, good brand attitude, various products line, and advance innovation, they manage to enhance their popularity among international consumers. Product innovation adds more customers value, product origin extends positive brand attitude, and product knowledge is improved among consumers; thus, they all directly and indirectly influence purchase intention of Chinese brands. Since product knowledge has the lowest significance towards brand attitude and purchase intention, a company needs to focus on efforts to generate consumers' memory about product specifications. Promotion efforts through advertising and public relation are recommended because there are still few advertisements related to Chinese products which enhance product knowledge.

## Limitations

This research also has some limitations. Firstly, it has geographical limitation. Secondly, it only has a small number of samples. Thirdly, few theoretical supports provide some limited space to explore this topic. Future studies can add more variables and implement this topic for different products. A comparison between two different lines of product is strongly recommended. As country of origin is one of the most significant variables in this research; hence, future research can compare different countries of origins. Further research can add more variables to determine causal relationship between brand attitude and purchase intention.

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