

**COUNTRY OF ORIGIN STEREOTYPE ON  
SELECTED CAR AMONG THE CONSUMERS IN  
KOTA KINABALU CITY**

**GARY ALBERT JIMBIH  
2004221831**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) INTERNATIONAL BUSINESS  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SHAH ALAM**

**APRIL 2006**



## ACKNOWLEDGEMENT

I am grateful to my advisor Puan Rozita @ Uji Mohammed for her supervision and valuable guidance throughout the preparation of my project paper. Her personal experience as a lecturer in Finance and Marketing has made my task becoming even easier as the topic is very much related to her area of expertise.

My sincere appreciation as well goes to Puan Siti Ayu Jalil the BBA (Hons) International Business program coordinator, Mr Mohd Shamlie Salisi the UiTM Sabah campus BBA (Hons) Marketing program coordinator and to Mr Shamsul Azren Mohd Shukur the Faculty of Business Management practicum coordinator for their constant attention and support during the period of time for which I have to complete the project paper and practical training far away from the main campus in Shah Alam.

I am also grateful for the kind and warm assistance rendered by the University and various state and federal government department in particular the Ministry of Industrial Development, Department of Industrial Development and Research, UiTM Sabah campus and also to all my friends.

To my parent, brother and sister, I treasured their endurance, the faith they have in me and the prayer they offered to me.

### **Gary Albert Jimbih**

Bachelor in Business Administration (Hons) International Business  
Universiti Teknologi MARA

## TABLE OF CONTENTS

<b>Contents</b>	<b>Page</b>
<b>ACKNOWLEDGEMENT</b>	iv
<b>TABLE OF CONTENTS</b>	v
<b>LIST OF TABLES</b>	viii
<b>LIST OF FIGURES</b>	x
<b>ABSTRACT</b>	xi
<b>CHAPTERS</b>	
<b>1.0 INTRODUCTION</b>	<b>20</b>
1.1 Country-Of-Origin Effects	1
1.2 Automobile Industry in Malaysia	2
1.3 Scope of Study	6
1.4 Problem Statement	9
1.5 Research Objectives	13
1.6 Research Question	14
1.7 Limitation of the Study	15
1.8 Significance of the Study	16
1.9 Definition of Terms	17
<b>2.0 LITERATURE REVIEW</b>	<b>19</b>
2.1 Improving Consumer Knowledge - "Risk Reduction"	21
2.2 Marketing Implication - "Compellive Advantage"	22

<b>3.0</b>	<b>RESEARCH METHODOLOGY AND DESIGN</b>	
3.1	Definition of the Population and Sample	23
3.2	Data Collections	
3.2.1	Data Resources	23
3.2.2	Data Collection	24
3.3	Research Design Used	25
3.4	Sampling Methods Used and Sample Size	25
3.5	Data Processing and Analyses	26
3.6	Charts and Graphs	27
<b>4.0</b>	<b>RESEARCH FINDINGS</b>	
a.	Demographic Profile	28
b.	Knowledge on Car Manufacturer, Country of Origin and Buying Decision	
c.	Perceptions of the Respondent towards Country of Origin by Using the Likert Scale	
<b>5.0</b>	<b>RESEARCH ANALYSIS</b>	
5.1	Relationship between Consumer Buying Decision and the Country of Origin Stereotype Upon Purchasing a Particular Brand of Car	50
5.2	Consumer Current Perceptions Towards National Car and Its Comparison to Other Foreign Brands	55
<b>6.0</b>	<b>RESEARCH CONCLUSIONS AND RECOMMENDATION</b>	
6.1	Conclusions	59
6.2	Recommendations	
6.2.1	Improving Consumer Knowledge – “Risk Reduction”	61
6.2.2	Marketing Implication – “Competitive Advantage”	62



## **ABSTRACT**

Country-Of-Origin (COO) analysis focuses on buyer's opinion regarding the relative qualities of goods and services produced in various countries. The images of countries and their relationships with product are an integral part of daily life. "Made in" labels as such have been used to identify product origin. Further more, the practical used of Country-Of-Origin identifiers became important with the international trade explosion. Along with the recent debate on the national cars issues, it was critical that a proper study should be conducted to determine our nation consumer current taste and preferences towards local and foreign made cars. Extrinsic determinacy often said to influence consumer buying decision as well as acting as a cues for the basis of their evaluations of product quality because it is so often difficult for them to recognize a product's true intrinsic quality. Therefore, intrinsic cues were channeled through the consumer knowledge and expectation towards a particular country in which a product or service belong. Knowledge on other foreign country activities and development, increases consumer awareness on the latest technology available in other country and therefore affects their decision in purchasing activity. In view of the rapidly growing number of citizen particularly in Kota Kinabalu City, the need for cars becoming extremely important to fulfill daily activities and traveling requirement. With the introduction of various brands of cars from various origins and manufacturer, knowledge towards product country-of-origin became an essential part to determine customer most preferable car. The survival of our very own and first national cars "Proton" in the future will also be determine by the current consumer country-of-origin stereotype pattern.