

# The Effects of Product Evaluations on the Purchase Intentions: Comparisons among Products made in Korea, China and Japan

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**Abstract.** In this paper, we examine the effects of product evaluations on the satisfaction and purchase intentions toward international consumers from Korea, China, Japan, Mongol and Chile based on the consumption system approach. A consumption system which is composed of various products and services in the global market can be conceptualized as product evaluations, satisfaction and purchase intentions and examined cross-sectionally, to gain a structural view of consumption experiences. Results show that (1) the crossover effects are identified in the view of consumption system; and (2) each country can be strengthened its product competitiveness through differences among product evaluations of international customers.

**Keywords:** Product Evaluations, Satisfaction, Purchase Intentions

## 1 Introduction

Korea, China and Japan which have similar social culture of Confucianism, Buddhism and Taoism have competed for the economic growth one another, thereby achieving the remarkable economic development.

According to the WTO [1], Korea's exports and imports were \$466 billion and \$425 billion, China's were \$1,578 billion and \$1,395 billion, and Japan's were \$770 billion and \$694 billion. Korea is the world's seventh largest exporter, China is the second largest and Japan is the fourth largest, while Korea is the world's tenth largest importer, China is the world's number one and Japan is the fourth largest. These countries continuously try to provide the internationally recognized products to the international customers through the origin effects.

In this paper, we examine the effects of product evaluations on the satisfaction and purchase intentions of international consumers from Korea, China, Japan, Mongol and Chile based on the consumption system approach. It is recommended for these countries to analyze the evaluations of international consumers to products/services in order to increase the exports and to examine whether there are crossover effects or not.

A number of studies have been performed relating attitudes to satisfaction and intentions [2] and crossover effects between two subsystems [3].

## 2 Theoretical Background

A consumption system consists of a bundle of products and services that are consumed over time in multiple consumption episodes [2]. International customers are offered to the opportunity of purchasing selection between domestic products and imported products through the expansion of trade among countries.

The variables such as differences in satisfaction, price sensitivity of the product, etc. can affect the purchasing behavior. The image, social stability and economic wealth of a country which produces the products may affect the evaluation of its product and satisfaction [4].

The purpose of this study is to examine whether customer's using satisfaction of products made in Korea, China or Japan affect the purchase intention of products made in other countries or not.

## 3 Research Methodologies

To testify the relationship among product evaluations (PE), using satisfaction (US) and purchase intentions (PI), we establish the research model based on following hypotheses (Fig.1).

Hypothesis 1: The relationship between product evaluation and using satisfaction.

H-1-a: PE for Korean Products (PEK) and US for Korean Products (USK)

H-1-b: PE for Chinese Products (PEC) and US for Chinese Products (USC)

H-1-c: PE for Japanese Products (PEJ) and US for Japanese Products (USJ)

Hypothesis 2: The relationship between using satisfaction and purchase intention.

H-2-a: US for Korean Products (USK) and PI for Korean Products (PIK)

H-2-b: US for Chinese Products (USC) and PI for Chinese Products (PIC)

H-2-c: US for Japanese Products (USJ) and PI for Japanese Products (PIJ)

Hypothesis 3: The crossover effect between using satisfaction and purchase intention.

H-3-a: US for Korean Products (USK) and PI for Chinese Products (PIC)

H-3-b: US for Korean Products (USK) and PI for Japanese Products (PIJ)

H-3-c: US for Chinese Products (USC) and PI for Korean Products (PIK)

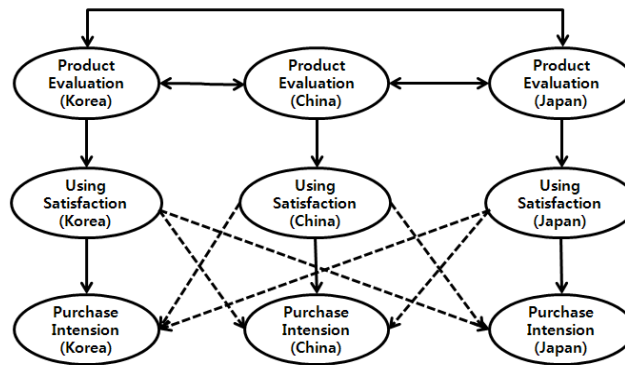
H-3-d: US for Chinese Products (USC) and PI for Japanese Products (PIJ)

H-3-e: US for Japanese Products (USJ) and PI for Korean Products (PIK)

H-3-f: US for Japanese Products (USJ) and PI for Chinese Products (PIC)

To achieve a large sample of international customers, the questionnaire survey was performed, being responded to 1,202 from 1,500 requests (400 Korean respondents, 201 Chinese, 235 Mongolian, 153 Chilean and 213 Japanese) during January 2014 to February 2014.

**Consumption System: conceptual Model**



**Notes:**

- Straight arrows represent effects within a subsystem.
- ↔ Curved arrows represent correlaton effects
- Dotted arrows represent cross-over effects between three subsystems.

**Fig. 1.** Research Model

## 4 Empirical Analysis

The research model was analyzed using SPSS 21.0 and AMOS 21.0. Table 1 shows that the variables concerned meet the criteria for individual item reliability (Cranbach's coefficient alpha) and average variance extracted (AVE).[5].

**Table 1.** Results of Confirmatory Factor Analysis

Variables		Cronbach's $\alpha$	AVE	P-value*
Product Evaluation (PE)	Korean Product(PEK)	0.851	0.591	0.000
	China Product(PEC)	0.904	0.703	0.000
	Japan Product(PEJ)	0.860	0.606	0.000
Using Satisfaction (US)	Korean Product(USK)	0.907	0.711	0.000
	China Product(USC)	0.806	0.617	0.000
	Japan Product(USJ)	0.898	0.689	0.000
Purchase Intension (PI)	Korean Product(PIK)	0.686	0.532	0.000
	China Product(PIC)	0.905	0.706	0.000
	Japan Product(PIJ)	0.891	0.675	0.000
Suitability Index		$\chi^2(df=558)=2139.340, CFI=0.947,$		

	TLI=0.937, IFI=0.947, RMSEA=0.049
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Results pertaining to the research hypotheses are summarized in Table 2 and Figure 2. Results supported H-1-a, H-1-b, H-1-c, H-2-a, H-2-b, H-2-c, H-3-c and H-3-d, thereby being observed the crossover effects as well as the key constructs of consumption system – PE, US and PI. However H-3-a, H-3-b, H-3-e, and H-3-f were not supported. US with Korean products were not significant to the PI toward the Chinese products. US with Japanese products were not significant to the PI toward the Korean and Chinese products.

**Table 2.** Results of Hypothesis

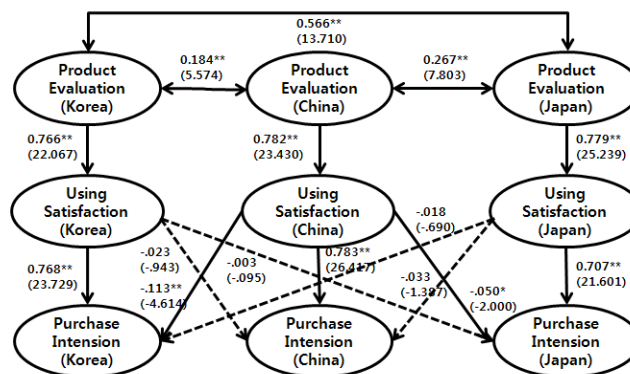
PATH			NSPE <sup>1</sup>	SPE <sup>2</sup>	S.E.	C.R.	P	Result
PEK	→	USK	0.900	0.766	0.041	22.067	0.000	Pass
PEC	→	USC	0.797	0.782	0.032	23.430	0.000	Pass
PEJ	→	USJ	0.878	0.779	0.037	25.239	0.000	Pass
USK	→	PIK	0.884	0.768	0.037	23.729	0.000	Pass
USK	→	PIC	-.028	-.023	0.030	-.943	0.346	Reject
USK	→	PIJ	-.003	-.003	0.030	-.095	0.924	Reject
USC	→	PIK	-.115	-.113	0.025	-4.614	0.000	Pass
USC	→	PIC	0.863	0.793	0.033	26.417	0.000	Pass
USC	→	PIJ	-.051	-.050	0.025	-2.000	0.046	Pass
USJ	→	PIK	-.020	-.018	0.030	-.690	0.490	Reject
USJ	→	PIC	-.115	-.033	0.029	-1.387	0.165	Reject
USJ	→	PIJ	0.804	0.707	0.037	21.601	0.000	Pass
Model Fit								
$R^2$	USK		0.586					
	USC		0.612					
	USJ		0.606					
	PIK		0.567					
	PIC		0.619					
	PIJ		0.494					
Chi-square			2630.981					
<i>df</i>			579					
CFI			0.931					
TLI			0.921					

IFI	0.932
RMSEA	0.054
AIC	2876.981

<sup>1</sup>: Non-Standardized Parameter Estimates,

<sup>2</sup>: Standardized Parameter Estimates.

### Model Estimation Result



**Notes:**

\* P-Value 0.05

\*\* P-Value 0.01

-----> Dotted arrows represent reject

Fig. 2. Results of Path Analysis

## 5 Discussions and Implications

Results show that the crossover effects are identified in the view of consumption system and that each country might be strengthened its product competitiveness through differences among product evaluations of international customers.

It is recommended to add some countries such as USA and European Union, etc.

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