RESEARCH ARTICLE

COUNTRY OF ORIGIN AND ITS IMPACT ON SALES OF MOBILE PHONE IN INDIA

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ABSTRACT

Country of origin is one of the widely researched areas in marketing. With globalization there have been numerous changes in the production and marketing of products and services. India has turned into another rising economy the world is seeing. Parcel of shopper strong brands from various parts of the world is multiplying in Indian market. Thus India is by all accounts an immaculate destination to concentrate on the impacts of COO. In this study mobile phone product category have been selected and the stimulus level is product category falling under consumer good category and is durable in nature. For the present study responses were taken from customers through structured questioner.

INTRODUCTION

Globalization and liberalization have opened the entryways for different sorts of firms to work together over the globe. These organizations have grabbed the open door and gave the clients distinctive sorts of items and administrations. In the meantime we are seeing a reduction in the development of the economies of major created nations when contrasted with the development of the economies of creating nations like India, China, Brazil, Russia, and so on. This is likewise seen by the advertisers of the created nations, as a choice to extend their business to creating nations. Companies based in industrialized countries have moved and are moving the production of their goods to foreign location especially in developing economies. The main reason for this decision could be lower costs of labor, the reduction of transportation and communication costs, and achievements of global presence of the company. Research in the past has proved that the perception of the consumer about the product also changes with this. Today products are no more uni-national in nature rather the proliferation of hybrid products is evident. Country of origin impacts has been contemplated subsequent to mid 1960s. It is the lawful necessity for unveiling the product's nation of starting point, the whole way across the world. Thus the clients use this data as an extraneous prompt alongside other natural and outward

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signals. At the point when brands go worldwide their COO can assume a key part. It is one of the drivers of the client discernment and goal to purchase. Along these lines, promoting scientists and experts have demonstrated significant enthusiasm for the investigation of COO. Each nation has its own picture for mechanical predominance, item quality, and item outline and item esteem for various classifications of items. Be that as it may, buyers give same picture of the nation to a wide assortment of item classifications. An item draws its picture from different sources in particular outline, execution, brand name and even its COO. The significance of COO can be comprehended when an item is presented in an outside nation surprisingly, or as a kind of perspective point or as a novel offering relational word. The COO impact is because of the radiance build i.e. the nation picture is transposed to the item or because of the synopsis build i.e. positive picture of the nation might develop from the picture of items with which shoppers are well known, and after that this picture might thus encourage the fare extension of other local makers (Han Min, 1989). COO impact gives bases to inducing the nature of the item without considering other trait data when the buy choice does not include much push to be placed in. COO might initiate ideas and learning that influence translation of other accessible item trait data. COO might even go about as highlight of the item and be utilized as a part of the item assessment if there should arise an occurrence of item that requires more elevated amounts of data hunt and handling. The COO impact is likewise seen adversely as makers who attempt

to hide it due to the trepidation of formation of negative affiliations. In this manner nation names are in charge of affiliations that include or subtract from the apparent estimation of an item. Nation pictures are prone to impact people's choices identified with acquiring, contributing, changing living arrangement and voyaging (Kotler and Gertner, 2002).

Literature Review

COO examines began as an analysis by Schooler, (1965) in Guatmela. At that point from 1965 to 1982 COO studies were generally utilizing single sign of COO for various items in various nations. Be that as it may, later on from late 1980s onwards the studies have concentrated more on different prompts. As the name recommends, single prompt studies managed measuring the impact of COO on shopper decisions. Schooler, (1965), Baumgarmu and Jolibert, (1978), Bilkey and Nes, (1982), Hampton, (1977), Lillis and Narayanan, (1974), Schooler and Wildt, (1968) and Tonberg, (1972) were 6 prominent supporters amid this period. The vast majority of these studies uncovered that the purchasers picked items from created nations in contrast with creating nations. Be that as it may, these outcomes have been exaggerated as COO impact was considered in seclusion. By and by, since 1984, various signal studies began measuring the impact of COO. The studies under various signs incorporated the characteristic nature of the item, for example, quality, outline, execution, and so on furthermore extraneous prompts, for example, brand name, COO, cost, and so on. Critical commitments originated from Ericksson et al, (1984), Johansson et al(1985), Ettenson et al(1988), Chao (1989), Thorelli et al(1989), Hong and Wyer, (1990), d''Astous and Ahmed, (1992) and Liefield, (1993). Every one of these studies underlined the significance of COO impact on consumer''s decision, even in the vicinity of other item prompts. Until this purpose of time, a large portion of the studies had not decayed the COO develop. But since of globalization, part of organizations situated in creating nations began moving their assembling bases to using so as to create nations for less expensive assembling cost locally accessible crude material and work. They additionally began sourcing the greater part of their necessity including crude material from everywhere throughout the world, assembling or amassing in less expensive nations to get items made at less expensive rate (Hans and Trepstra, 1988). Along these lines organizations were currently utilizing more than one nation to produce their products. This gave a turn to the investigation of COO impact and now this study made out of items known as crossover items.

Consequently the first importance of COO was changed to nation of configuration, nation of get together, nation of assembling and nation of parts. Distinctive creators have shaped diverse measurements for their studies identified with COO. Insch and McBride, (1998) have deteriorated the COO develop into Country of configuration, nation of parts and nation of get together. Phau and Prendergast, (2000) have deteriorated it into nation of assembling and nation of marking. The meaning of COO by Johansson et al. (1985) additionally burdens the purpose of distinguishing proof of the brand or item with COO. Phau and Prendergast, (2000) states that "the build of nation of marking might serve as a database of data that disperses different positive characteristics about the brand that customers have created over a timeframe. This data can be put away in the consumer''s memory and recovered promptly

amid their assessments of the brand and to be utilized as a correlation benchmark for contending brands." They have likewise said that the COO develop can be seen as multi dimensional build including a cross breed of variables that makes the qualification between the nation of assembling and the nation of marking. These qualifications with regards to buyer choice making on products delivered in created nations and merchandise delivered in creating nation will turn into the premise for the study. India has dependably had an exceptionally pecking order and status cognizant society (Kakar, 1981, p.124), which started with the standing framework and has now developed into all the more a class based framework (Venkatesh and Swamy, 1994, p.54). In this manner there has dependably been a quest for signs and markers of status and class and fruitful Indians often get a kick out of the chance to show their fortune through showy presentation of the products they possess (Singh, 1982, p.27). Opening of its business sectors and the adjustments in ladies' parts, India is presently experiencing extremely critical changes, including rising wages and changing desires and tastes (Venkatesh and Swamy, 1994, p.207). Today Indian 9 purchasers long to be equivalent members in the worldwide shopper economy, with the ability to get brands from everywhere throughout the world (Batra R., et al, 2000). India is additionally hinting at higher development than the greater part of the created economies according to C.I.A. report.

Objective of the study

- To explore the factors responsible for sale of mobile phones in India.
- To study the impact of Country of Origin on sales of Mobile Phone.

Research Design and Methodology

The research is Exploratory and descriptive in nature as it includes study of the various factors responsible for sale of mobile phones in India. A panel data analysis will be undertaken using convenient cum judgmental non-random sampling. Collected data will be analyzed using tools like Correlation and Regression Analysis with the help of SPSS. The variables taken can be classified as:

Table 1. List of Variables

Independent	Dependent
Country of origin	Sales of Mobile Phones
Brand Name	
Price	
Availability of Service center	
Type of Dealer	

Independent variables

An **independent variable** is that variable which is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis. The independent variable is typically the variable representing the value being manipulated or changed and the dependent variable is the observed result of the independent variable being manipulated.

Dependent variable

A **dependent variable** is what you measure in the experiment and what is affected during the experiment. The dependent

variable responds to the independent variable. It is called dependent because it "depends" on the independent variable. In a scientific experiment, you cannot have a dependent variable without an independent variable.

Research Design

In this study mobile phone product category have been selected and the stimulus level is product category falling under consumer good category and is durable in nature. For the present study responses were taken from customers through structured questioner. Mobile market in India is one of the quickest developing portions of the shopper solid industry. In the appearance of new advancements and continuous dispatches of imaginative items, the business sector is developing at a huge pace. The Korean and Japanese giants were established TV makers, which tapped the mobile handset market. Micromax and Intex have done the opposite—they moved from mobile handsets to TV. In India, Samsung Electronics makes more money by selling cellphones than anything else. In the fiscal year ended March 2014, about 70% of its revenue in India came from mobiles. Panasonic sees cellphones contributing about 35% of revenue in the next two years, compared to around 10% in 2014-15.

For Sony, mobile accounts for about 40% of revenue. "It is a logical move by Indian handset makers as it is an extension of the screen business. Also, they have, with mobile handsets, already built their brand presence, which is strong enough to push new products. They have, in the past few months, already disrupted the market—essentially the entry-level. A spokesperson at Samsung declined to comment on the specific issue. Manish Sharma, managing director at Panasonic India and South Asia, did not respond to calls and message seeking comments on the issue. On the other hand, Samsung Electronics saw its revenue decline in India—for the first time in 10 years. According to its filings with RoC, revenue stood at Rs.38,868 crore in the year ended March 2015, compared to Rs.40,392 crore in 2013-14.

Data Analysis and Interpretation

Table 2. Descriptive Statistics

Particulars	Mean	Standard deviation	N
Country of Origin	17208.392	4415.1185	5
Brand Name	3023.7820	2514.3289	5
Price	2193.0920	218.0331	5
Availability of Service center	3.0	0.00	5
Type of Dealer	77.7200	5.4293	5
Sale of Mobile Phones	10563.748	2486.6231	5

To study the impact of various variables like country of origin, brand name, price, availability of service centre and type of dealer on purchase of mobile phones correlation analysis is used. Sale of product is considered as dependent variable as it is effected by various factors, each of the independent factor play its role and is assumed to have a different impact on sale of mobile phones in India. Further, the independent variables were considered for correlation analysis so as to explore the better predicting variables for the purpose of further analysis. The results of correlation analysis have been shown in the table below and have been discussed there after.

Table 3. Correlation

Variable		Sales of Mobile Phone
Country of Origin	Pearson correlation	.914*
	Sig. (2-tailed)	.030
	N	5
Brand Image	Pearson correlation	.485
	Sig. (2-tailed)	.407
	N	.5
Price	Pearson correlation	.799
	Sig. (2-tailed)	.105
	N	5
Availability of Service centre	Pearson correlation	.ᵃ
	Sig. (2-tailed)	.
	N	5
Type of Dealer	Pearson correlation	-358
	Sig. (2-tailed)	554
	N	5
Sales of Mobile Phone	Pearson correlation	1.000
	Sig. (2-tailed)	.
	N	5

*correlation is significant at the 0.05 level (2-tailed)
ᵃ. Cannot be computed because at least one variable is constant.

Dependent Variable: Sales of Mobile Phone

Independent variables: Country of Origin, Brand Image, Price, Availability of Service centre and Type of Dealer

Table no. 3 represents the relationship between variables as seen from the correlation matrix above, out of 5 independent variables considered for the purpose of this study, only four variables, viz. country of origin, brand image, price and type of dealer are found to have effect on sales. While the fourth independent variable i.e. Availability of Service centre do not affect the results as its constant for all the companies. Type of Dealer i.e. authorized or unauthorized is found to be negatively related whereas country of origin, brand image, price are positively related. As far as the strength of relationship between these independent variables and dependent variable is concerned, Country of Origin is found to be strongest with Pearson Correlation Coefficient of 0.914 at 0.05 significance level. This implies that while purchasing a mobile phone a consumer give attention to the country in which the product is manufactured. This is followed by price with Pearson Correlation Coefficient of 0.799 at 0.05 significance level, thus a customer while purchasing a mobile phone also pay attention to the price attached to it. One crucial observation is related to brand image which is found to be positively related with the sales of mobile phone, with a Pearson Correlation Coefficient of 0.485 at 0.05 significance level but its significance is 0.407 which implies that brand image being the most important factor while deciding which mobile phone to purchase. The fourth significantly correlated factor is type of dealer, which is negatively related with sales of mobile phone with Pearson Correlation Coefficient of -0.358 at 0.05 significance level. To further analyze the impact of significantly correlated independent variables on sales of mobile phone, Multiple Regression was undertaken. The findings of the analysis and their implications are discussed hereinafter.

Table 4. Model Summary (Multiple Regression)

Model	R	R square	Adjusted R square	Std. Error of the Estimate
1	0.995ᵃ	0.990	0.961	488.2869

Dependent Variable: Sales of Mobile Phone
Predictors: (Constant), Country of Origin, Brand Image, Price and Type of Dealer

As explained by the model above, the relation between the variables in not strong and viable. So, this model is estimated to be good. To further estimate the fitness of model for the, ANOVA values were calculated, which are exhibited below:

The significance value of 0.125 confirms that the model is not a good fit for predicting the amount of sales of mobile phone on the basis of values of independent variables considered in the model. To further explore the relative importance of each of the independent variable considered in the model, coefficient values were calculated, which are exhibited below:

A close study of the coefficient table above reveals that size and profit have a positive impact on dependent variable i.e. sales of mobile phone. Price has appeared as most important predictor on negative side. Thus this cannot be taken as suitable for the study.

Thus to determine the best suitable factor for Sales of Mobile Phone regression was carried out. The results are as follows Regression:

As explained by the model above, there is a strong correlation between observed and predicted values of sales of mobile phone and the variation in Country of Origin is considerably explained by the model. So, this model is estimated to be optimistically fit for Mobile industries. To further estimate the fitness of model for the purpose of respondent company, ANOVA values were calculated which are exhibited below:

The significance value **of 0.030** confirms that the model is a good fit for predicting the value of sales of mobile phone. On the basis of values of independent variables considered in the model. To further explore the relative importance of each of the independent variable considered in the model, coefficient values were calculated, which are exhibited below:

A close study of the coefficient table above reveals that Country of Origin is most important factor determining sales of mobile phone. For this purpose, following regression equation can be used to predict the value of dependent variable, i.e. country of origin:

Table 5. ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	24494754	3	8164918.166		0.125[a]
	Residual	238424.08	1	238424.081		
	Total	24733179	4			

a. Predictors: (constant), Country of Origin, Brand Image, Price
b. Depandent variable: Sales of Mobile Phone

Table 6. Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Significance
	B	Std. error	Beta		
1 (Constant)	13025.627	4458.753		2.921	0.210
Brand Image	0.418	0.131	0.742	3.201	0.193
Country of Origin	2.336	2.683	0.205	0.871	0.544
Price	-190.121	47.656	-0.415	-3.989	0.156

a. Dependent Variable: Sales of Mobile Phone
b. Predictors: (Constant), Country of Origin, Brand Image, Price

Table 7. Model Summary (Regression)

Model	R	R²	Adjusted R square	Standard error of estimate
1	0.914 [a]	0.835	0.780	1167.0702

[a]-predictors: (constant), Country of Origin

Table 8. ANOVA[b]

Model		Sum of squares	df	Mean square	F	Significance
1	Regression	20647020	1	20647020.051	15.159	0.030[a]
	Residual	4086158.5	3	1362052.842		
	Constant	24733179	4			

a.-predictors :(constant), Country of Origin
b.-dependent variable: Sales of Mobile Phone

Table 9. Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Significance
	B	Std. error	Beta		
1 (Constant)	1708.584	2333.508		0.732	0.517
Country of Origin	0.515	0.132	0.914	3.893	0.030

Dependent Variable: Sales of Mobile Phone
Predictors: Country of origin

Sales of Mobile Phone= 1708.584 + 0.515 * Country of Origin+ e

Conclusion

India has the fastest-growing smart phone market in the world, accounting for 27.5 million devices sold in the second quarter of 2016, up 17 percent from the previous quarter, according to IDC. Mobile subscriptions are expected to hit 1.4 billion by 2021, according to the Ericsson Mobility Report, released in June. Western smart phone makers, like Apple and Google, are increasingly looking east for growth, giving countries like India significant influence over the sorts of features they build into their phones. The study represents the effect of 5 independent variables are country of origin, brand image, price, availability of service centre and type of dealer on sales of mobile phone in India. While the fourth independent variable i.e. Availability of Service centre do not affect the results as its constant for all the companies. Type of Dealer i.e. authorized or unauthorized is found to be negatively related whereas country of origin, brand image, price are positively related. As far as the strength of relationship between these independent variables and dependent variable is concerned, Country of Origin is found to be strongest with Pearson Correlation Coefficient of 0.914 at 0.05 significance level. This implies that while purchasing a mobile phone a consumer give attention to the country in which the product is manufactured. One of the factor i.e. brand image is found to be positively related with the sales of mobile phone, which implies that brand image being the most important factor while deciding which mobile phone to purchase. The fourth significantly correlated factor is type of dealer, which is negatively related with sales of mobile phone. Price has appeared as most important predictor on negative side. A close study of the coefficient result reveals that Country of Origin is most important factor determining sales of mobile phone.

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