

Georgian Consumers' Evaluation of Products Sourced From Europe. Cases of Germany, Italy and Poland

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Abstract: The European Union is one of the major trade partners of Georgia. According to 2005 data, the European Union consists of 20 percent of Georgian exports and 27 seven percent of imports. Germany was the largest EU exporter to Georgia with a 31 percent share in total imports from the EU. It is important to investigate the perception of the products of EU countries.

This research aims to determine Georgian consumers perception of products sourced from Germany as the biggest EU exporter to Georgia, Italy as the source of some well-known product classes, and Poland as a new member of EU. The study focuses on the evaluation of specific product attributes by Georgian consumers; and consumers' assessment of different product categories. Results based on the analysis of data relating to 313 responses indicate that most of products made in Germany perceived as high in quality. Italy was rated high in some major product classes like clothing and fashion products. Poland was not rated high for any product class but lower prices were appreciated by Georgian consumers. Research evaluations were discussed and some conclusions were drawn.

Key words: *Country of Origin, Made in Germany Made in Italy, Made in Poland, Consumer Behavior,*

JEL Classification: M 39 – Consumer Behavior

Introduction

Dramatic increase in cross-border trade observed in the second half of the last century brought the necessity of new research avenues in the field of international marketing. One of the research streams is the "Country of Origin" (COO) studies on the perceptions and evaluations of consumers and of industrial products sourced both from developed and developing countries.

The recent transition from a centrally planned system toward a free market economy has been responsible for the creation of numerous, diversified, and unsatisfied needs of people living in the region (Quelch *et al.*, 1991). The consumers have the ability and intention to buy foreign products. This demand corresponded with the emergence of an important number of European and other foreign business ventures toward the region in order to capture first mover advantages and enjoy benefits of untapped markets. The past 15 years have witnessed the growth of foreign product existence in the Georgian market and their intensive advertising and promotional efforts. The regional consumers established impressions of foreign products originating in different countries they met and got.

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Today, European Union (EU) is one of the major trade partners of Georgia. According to 2005 data, the European Union consist of 20 percent of Georgian export and 27 seven percent of imports. Germany was the largest EU exporter to Georgia with a 31 percent share in total imports from the EU in 2005. Italy exports to Georgia relatively less than Germany but it is an important player in Georgian market when we consider its dominance in some certain product categories. Poland, as a former Eastern block and a new EU country, had a closer relationships with Geogia. Althought Poland is not a major trade partner for Georgia, Polish products are known better. These characteristics of the three countries draws attention of COO researchers to understand perception .

Researchers generally have a consensus on the consumers' evaluation of the products of different countries differently in terms of attitudes and purchase intentions (Han, 1989). Country of origin analysis focuses on buyer's opinions regarding the relative qualities of goods and services produced in various countries (Papadopoulos and Heslop, 1993). German Cars, Japanese electronics, and French wine are perceived and evaluated differently from, Italian cars, Taiwanese electronics, and Greek wine. In different countries, consumer may come up with different product country preferences. For example, while Cattin *et al.* (1982) stated that Americans prefer West German products over French goods, Baumgartner and Jolibert (1976) were reporting French consumers preferred French products over German ones. We can meet scores of examples of them in marketing literature (Al-Sulaiti and Baker, 1998; Bilkey and Nes, 1982; Kaynak and Cavusgil, 1983; Laroche et al. 2005; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999).

Georgian Market

Georgian imports increased from the level of USD 709.2 million in 2000 to 2490.9 million in 2005. Russia is the leading exporter to Georgia, and Turkey is the second, and among EU countries, Germany is the first. Table 1 and 2 indicates the import figures of Georgia.

Table 1: Imports to Georgia (Million \$)

	2000	2001	2002	2003	2004	2005
Total	709,2	752,0	793,8	1141,2	1847,7	2490,9
EU	188.3	240.8	232.2	431.1	617.5	671.3
Germany	55.4	76.1	59.8	82.7	151.1	206.7

Source: State Department for Statistics of Georgia

Table 2: Imports of Georgia from major Trade Partners (Million \$, 2004, 2005)

	Russia	Turkey	UK	Azerbaijan	Germany	Ukraine	Turkmenistan	USA	Armenia	Italy	Poland	Total	Foreign Trade, total
2004	257.8	202.7	171.4	157.8	151.1	142.8	32	110.9	25.6	61.8	8.4	1322	1847
2005	384.3	283.0	70.2	233.4	206.7	219.3	95.1	146.8	39.2	64.4	13.6	1756	2490

Source: State Department for Statistics of Georgia

Consumer behavior research has focused on consumers from more developed rather than from less developed countries, and former Eastern Block countries. Therefore the current study was designed to explore consumers' preference and purchase intentions for European products in Georgia, a transitional country which is reestablishing its domestic industry after the ruins of the former USSR.

The purpose research and research questions

This research aims to determine Georgian consumers perception of products sourced from Germany as the biggest EU exporter to Georgia, Italy as the source of some well-known product classes, and Poland as a new member of EU. Specifically, the study undertaken focuses on the following research questions:

1. Do Georgian consumers perceive categories of products differently depending on country of origin? What is the Georgian consumer's assessment of different product categories, and how do these vary by each specific country?
2. How do the socio-demographic profile of the Georgian consumer differentiate the importance they place on COO information, and their perceptions of various countries products?

Literature review

Country-of-origin perceptions

There is overwhelming support for the existence of COO effects on consumers' evaluations of products. Further, COO effects seem to carry over many product categories, although some studies have advanced the view of COO stereotyping for only specific types of products. Other studies have also shown that COO effects vary according to demographic variables, yet there is lack of consensus in that regard. Finally, products from developed countries seem to enjoy an advantage over their counterparts from developing countries.

COO Perception across Product Class

Along this line of reasoning, previous studies have suggested that the COO effect may vary with different products. Bilkey and Nes (1982) found that attitudes toward products from a particular country vary by product. Hence, electronic goods from Italy might be perceived poorly but Italian shoes would receive high marks from consumers. Kaynak and Cavusgil (1983) studied Canadian consumers and investigated whether COO perception biases existed across product classes such as electronics, food items, fashion merchandise and household goods. In addition to variation of quality perceptions across the countries studied, quality perceptions also tended to be product-specific. A country may rank high for one product class and low in another. For example, Japan was ranked very high in electronic items, but very low in food products. In a similar way, France was ranked high in fashion merchandise but low on all other product classes. Johansson and Papadopoulos, (1993) found that in some cases country image is confined to a type of product within a product category; at times it relates to a whole product category, or to multiple product categories. Thus, for example, England has a strong country image in the USA for luxury cars, due to Rolls Royce and Bentley(Lampert and Jaffe, 1998). Similarly, electronic goods from Italy might be perceived poorly but Italian shoes would receive high marks from consumers.

Schweiger *et al.*, (1995), researched "made in Europe" label and compared consumers' perceptions of the quality of various products within this label to the quality of goods "made in the USA" and "made in Japan". Results indicated that European products labeled "Made in Europe" were perceived to be of lower quality than Made in Japan and Made in US.

Georgian consumers are expected to perceive the products from various European countries different in quality. For example, while they see Germany a source for high quality technology products, they prefer French and Italian clothing and fashion products.

Product Culture and Culturally Similar Countries

Evidence also suggests that the image of a country can be perceived differently by consumers in different countries. Cattin *et al.* (1982) reported that Americans perceived German, and Japanese-labeled products more favorably than the French. According to some authors, such differences may be attributable to the particular economic environment found in each country, the sample characteristics and the intensity of multinational marketing activity undertaken by the companies from the exporting countries (Lin and Sternquist, 1994). Stronger COO effects may exist for products from a country with dissimilar belief system and socio-cultural climate than for products from a similar country (Zang, 1996) Georgian consumers appreciate German product culture. Germany has been known as a country for high quality products all the way through the technological development of Western Europe. Recent historical relations with Poland as a post Eastern Block country gave a better knowledge and appreciation of Polish products.

Still, mostly having an originally western adapted materials culture, western products usually are welcomed in Georgia. The food consumption patterns are similar to that of the west with slight differences in the Georgian kitchen and food preferences.

Demographic differences and COO

Apart from differences due to the origin of the respondents, it has also been observed that other consumer demographics may influence the exact nature of COO effects. For example, older consumers and females were found to provide higher ratings for foreign products (Schooler, 1971; Johansson *et al.*, 1985). Moreover, respondents with college education rated foreign products more positively than less educated respondents (Anderson and Cunningham, 1972; Dornoff *et al.*, 1974; Wang, 1978, Schaefer, 1997). Nonetheless, as Heslop and Papadopoulos (1993) point out, there is still a lack of consistent findings regarding consumer demographic variables.

Research methodology

The study was conducted among 313 consumers, from Tbilisi, Batumi, and a few in Kutaisi and Rustavi in May and June of 2005. Respondents were selected through convenience sampling. 665 questionnaires were distributed and 313 of them returned with a response rate of 40 percent. Students from several universities (IBSU, Marketing Department of TSU and ESM, CSB, Faculty of Economics and Business of

BSU) took part in the survey and getting the questionnaires filled. Eligible respondents were individuals aged 17 and above.

Perceptions of products sourced from three selected European countries was only one part of a larger survey which originally was designed to assess the country of origin perceptions of Georgian consumers. Data were collected by means of self-administered questionnaires. The questionnaire was first developed in English and then translated into Georgian by a group of university students who have proficiency in both languages. Then, a business professor and a Georgian language professor who are also fluent in English checked the Georgian translation. Finally, Georgian translations of the questionnaire were retranslated back to English by another group of students in order to ascertain that it was conveying the exact meaning as originally designed. The questionnaire explored the the perception of products sourced from three selected European countries and the demographic profile of the consumer in terms of gender, age, and income. To evaluate the data Microsoft Excel, SPSS software were used.

The questionnaire sought the respondents' evaluation on the quality of products made in specific countries. Based on the experiences and the findings of the survey the researcher conducted among 79 consumers from Tbilisi in 2004, ten products available in Georgian Market were identified as relevant for the study. These were cars, home appliances, electronics, clothing, automobiles, fashion products, alcoholic drinks, medical products, cheese, shoes, and home repair products. The nine countries selected were: China, Georgia, Germany, Italy, Japan, Poland, Russia, Turkey, and USA, because they are expected to be significant sources of imports of such products to Georgia. A five-point Likert scale was used to gauge respondents' perceptions of the quality of each product from respective countries (5 = high quality; 1 = low quality).

Evaluations and Findings

The country of origin analysis focuses on buyer's opinions regarding the relative qualities of goods and services produced in various countries (Papadopoulos and Heslop, 1993). In this study, we researched how consumers perceive products sourced from different countries. Ten product categories from nine different countries were studied. The mean rating and standard deviations of products are depicted on a table and graph. A series of Duncan test were to determine the rank orders of countries in different product categories. The reliability was tested with Cronbach's alpha and effect size was tested with a multivariate test. The impact of demographics and consumer ethnocentrism was tested with Mann Whitney tests.

Table 3 shows the mean scores of the respondents' perception of quality for each of the products from the eight countries of supply, as well as the home country of Georgia. The rating scale used was from 1 = "low quality" to 5 = "high quality". First, a mean rating for Georgian consumers' perception and evaluation for each country on each product class, as well as products in general, was calculated for each country on each product class (home appliances, electronics, clothing, fashion merchandise, automobiles, medical products, alcoholic drinks, home repair products, shoes and cheese). Only those source countries were selected from which Georgia received most of the product class needs. The countries were ranked for each product class by using their average ratings for each product class (See Table 3). Respondents were asked to vote for the indicated products of the countries which they know about. So each respondent did not give a rating for all product class of the indicated countries. Row

“N” indicates number of the votes for each product class of the given country. Standard deviations (SD) were calculated for each product classes of the given countries to indicate the dispersion around the mean (See Table 3). Product quality assessments of Georgian consumers for the selected countries are visualized via graphs.

In the overall ranking, based on the calculated average of the perception scores by country, Germany was perceived as the country that produces high quality products, while the USA was placed second, closely followed by Japan and Italy (See table 3). It must be noted that the differences of total country of origin mean scores of the USA, Japan and Italy are not significant.

Further, *post hoc* comparisons using the Duncan test showed that in all product categories, German goods maintain a significantly better image than their counterparts produced in the other countries. Georgian consumers, in every product class as well as for products in general, view products from Germany favorably (See Table 4). German home appliances, automobiles, medical products and home repair products were rated highest and electronics, clothing, alcoholic drinks and shoes were rated as second. German fashion products and cheese were rated in the third place.

Italy in three product categories (clothing, fashion products and shoes) ranked the highest, and in two product class (alcoholic drinks, cheese and home repair products) ranked second. Italian home appliances and automobiles were rated in the third place and electronics and medical products were rated as in the fourth place, with Russian ones. Poland ranked in third place in only two product categories, clothing and shoes. Polish medical products and home appliances were rated in fifth place.

Table 3 Consumers' quality perceptions of various countries of product supplies

Countries	Products	Home appliances	Electronics	Clothing	Autos	Fashion Products	Alcoholic drinks	Medical Products	Cheese	Shoes	Home repairment products	Country
												Of Origin
												Average
CHN	Mean ^a	2.455	2.905	2.536	*	2.397	*	3.15	*	2.199	2.58	2.603
	N	176	189	196		126		107		141	107	
	SD	1.25	1.293	1.165		1.059		1.386		1.11	1.18	
ITL	Mean ^a	3.62	3.417	4.629	4.016	4.688	3.949	3.738	4.06	4.851	4.3	4.127
	N	184	151	275	193	253	157	103	151	281	169	
	SD	0.979	0.975	0.72	0.921	0.625	0.959	0.907	1.066	0.47	0.89	
USA	Mean ^a	3.994	4.031	4.221	4.349	4.422	3.757	4.295	*	4.09	4.18	4.149
	N	165	191	217	238	211	136	176		155	130	
	SD	0.914	0.9	0.768	0.763	0.741	1.058	0.871		1.015	0.95	
GEO	Mean ^a	1.705	1.752	2.396	*	2.507	4.472	2.891	4.618	2.667	2.5	2.834
	N	146	117	182		136	265	147	267	168	118	
	SD	0.97	0.937	1.018		1.135	0.921	1.171	0.733	1.065	1.14	
POL	Mean ^a	2.578	*	3.15	*	2.871	*	3.223	*	3.243	*	3.013
	N	109		140		116		121		111		
	SD	1.074		0.889		0.965		1.221		1.02		
TUR	Mean ^a	2.737	2.657	2.883	*	2.759	*	2.433	*	2.545	3.23	2.75
	N	224	181	223		166		104		167	209	
	SD	1.049	1.024	1.072		1.068		1.012		1.134	1.16	
GER	Mean ^a	4.559	4.442	4.177	4.83	4.19	3.933	4.629	3.669	4.245	4.6	4.327
	N	281	260	226	289	200	163	232	121	196	221	
	SD	0.685	0.709	0.83	0.444	0.746	0.904	0.665	1.172	0.759	0.7	
RUS	Mean ^a	3.426	3.378	3.214	3.167	3.248	3.798	3.887	3.244	3.305	3.75	3.442
	N	216	188	182	203	157	203	203	123	141	195	
	SD	0.947	1.024	1.021	1.03	0.952	1.059	0.961	1.176	0.985	0.94	
JAP	Mean ^a	4.725	4.851	3.273	4.484	3.545	*	4.047	*	*	3.99	4.131
	N	255	281	110	252	121		106			105	
	SD	0.66	0.492	1.1	0.806	1.176		1.008			1.06	

Notes: * Less than 100 frequency of votes for the products are not included in the calculation. These products are generally are rarely exist or never existed in Georgian market.

^a Mean values are obtained on a scale of 1-5 where 1 = low quality; 2= somewhat low quality; 3= neither low nor high quality; 4=somewhat high quality; 5= high quality

CHN: China, ITL: Italy, USA: United States of America, GEO: Georgia, POL: Poland, TUR: Turkey, GER: Germany, RUS: Russia, JAP: Japan

Table 4 Summary of Duncan Tests for Ranking Comparisons

Products	Rank Orders ^a						
	1	2	3	4	5	6	7
Home appliances	GER 4.56 JP 4.73	USA 4.00	IT 3.62	RU 3.43	PO 2.58 TR 2.74	CH 2.45 GEO 2.58	GEO 1.73
Electronics	JP 4.85	GER 4.44	USA 4.04	RU 3.38 IT 3.42	CH 2.90	TR 2.66	GEO 1.79
Clothing	IT 4.63	GER 4.18 USA 4.22	PO 3.15 RU 3.21 JP 3.27	TR 2.88	GEO 2.44 CH 2.54		
Automobiles	GER 4.83	USA 4.36 JP 4.48	IT 4.02	RU 3.17			
Fashion Products	IT 4.69	USA 4.43	GER 4.19	JP 3.55	RU 3.25	TR 2.76 PO 2.87	CH 2.40 GEO 2.53
Alcoholic Drinks	GEO 4.46	USA 3.77 RU 3.80 GER 3.93 IT 3.95					
Medical Products	GER 4.63	USA 4.29	RU 3.89 JP 4.05	IT 3.74 RU 3.89	CH 3.15 PO 3.22	GEO 2.91	TR 2.43
Cheese	GEO 4.62	IT 4.06	GER 3.67	RU 3.24			
Shoes	IT 4.85	USA 4.08 GER 4.24	PO 3.24 RU 3.30	TR 2.54 GEO 2.69	CH 2.20		
Home Repairment Products	GER 4.60	USA 4.19 IT 4.30	JP 3.99 USA 4.19	RU 3.75	TR 3.23		GEO 2.53 CH 2.58

Notes: a Means for groups in homogeneous subsets are displayed. Subset for alpha = .05

b Less than 100 frequency of votes for the products are not displayed.

c When the mean values are not statistically significant, then the same rank assigned to both means.

d CH: China, IT: Italy, USA: United States of America, GEO: Georgia, PO: Poland, TR: Turkey, GER: Germany, RU: Russia, JP: Japan

Georgian consumers view home appliances, electronic products and automobiles from Japan, Germany and the USA most favorably. Italy and Russia are considered as secondary sources for these product classes. Clothing, fashion products and shoes from Italy, USA, and Germany are perceived to be higher quality. Home repairment products sourced from Germany and Italy are rated higher in quality.

Table 5a Paired T Tests Country Comparisons of Product Perception

	Home appliances	Clothing	Fashion Products	Medical Products	Shoes
Italy	3.67	4.55	4.75	3.81	4.82
Poland	2.61	3.15	2.86	2.97	3.23
T value	9.908	13.910	18.355	5.525	14.263
Sign.	0.000	0.000	0.000	0.000	0.000
Poland	2.63	3.15	2.82	3.13	3.16
Germany	4.49	4.16	4.19	4.63	4.23
T value	-15.097	-10.538	-14.065	-11.406	-9.334
Sign.	0.000	0.000	0.000	0.000	0.000
China	2.49	2.50	2.38	3.03	2.18
Italy	3.50	4.59	4.63	3.70	4.82
T value	-7.272	-20.717	-18.485	-3.947	23.327
Significance	0.000	0.000	0.000	0.000	0.000
China	2.44	2.42	2.42	3.13	2.13
Germany	4.50	4.19	4.23	4.53	4.24
T value	-18.256	-17.359	-15.470	-8.882	19.163
Sign.	0.000	0.000	0.000	0.000	0.000
China	2.43	2.38	2.30	2.97	2.15
Poland	2.59	3.17	2.81	3.11	3.20
T value	-0.924	-7.839	-3.872	-0.735	-7.229
Sign.	0.358	0.000	0.000	0.465	0.000
Italy	3.61	4.53	4.72	3.76	4.82
Russia	3.41	3.23	3.24	3.79	3.30
T value	1.827	12.576	16.751	-0.253	15.022
Sign.	0.070	0.000	0.000	0.801	0.000
Poland	2.60	3.19	2.84	3.15	3.20
Russia	3.46	3.29	3.19	3.83	3.25
T value	-5.839	-0.821	-3.012	-4.523	-0.383
Sign.	0.000	0.413	0.003	0.000	0.703

Table 5b Paired T Tests Country Comparisons of Product Perception

	Home appliances	Clothing	Electronics	Automobiles	Home repairment products
Italy	3.60	4.61	3.41	4.03	4.27
Germany	4.55	4.16	4.50	4.84	4.59
T value	-11.346	5.954	-12.297	-10.904	-3.680
Sign.	0.000	0.000	0.000	0.000	0.000
Italy	3.61	4.53	3.44	4.03	4.29
Russia	3.41	3.23	3.31	3.21	3.80
T value	1.827	12.576	0.962	7.480	4.818
Sign.	0.070	0.000	0.338	0.000	0.000
Italy	3.51	4.56	3.42	4.01	4.18
Japan	4.69	3.27	4.83	4.45	3.93
T value	-12.415	8.903	-15.787	-4.947	1.695
Sign.	0.000	0.000	0.000	0.000	0.094
Germany	4.53	4.21	4.45	4.83	4.43
Japan	4.72	3.25	4.85	4.49	3.93
T value	-3.4	8.49	-7.9	6.27	4.077
Sign.	0.001	0.000	0.000	0.000	0.000

The study suggests, in general, that products from developed countries like Germany, and Italy are perceived to be of high quality. On the other hand, products from developing countries like Poland and China, were perceived to be of low quality. Paired Samples T Tests were run in order to compare the consumers' perceptions of developed and developing countries (See Table 5a). For comparisons, five product classes (Home appliances, clothing, fashion products, medical products, and shoes) were found ideal to represent the perception differences toward products sourced from selected countries. All comparisons produced significantly differentiated results indicating that Georgian consumers perceive products from developed countries higher in quality. These results underscore the findings from past research (Bilkey and Nes, 1982) that there is a positive relationship between product evaluation and degree of economic development of the sourcing country.

When we look at paired comparison results, Italian products manage a significant higher quality rating over Polish ones, being most significant on fashion products. German products were perceived as higher in quality than Polish products, most significantly on home appliances. German, Italian and Polish products rated higher in quality than Chinese products. It is most significant on shoes. Italian products achieved a higher quality rating over Russian products, except on medical products. Products from Poland rated lower than Russian products, most significantly on home appliances.

For paired comparisons, five product classes (Home appliances, clothing, electronics, automobiles, and home repair products) were found ideal to represent the perceptual differences towards products sourced from developed countries. German products achieved a higher quality score over Italian ones except on clothing. Italian products were perceived as higher in quality than Russian products, most significantly on clothing. Although home appliances, electronics, and automobiles from Italy got a lower rating than Japanese ones, clothing and home repair products got higher ratings. German clothing, automobiles and home repair products got higher ratings than Japanese ones, but home appliances got a relatively lower ratings than Japanese.

Reliability Analysis

Cronbach's coefficient alpha was used in this study to assess the reliability of the measures. Nunnally (1976) suggests a reliability coefficient of 0.60 or larger as a basis for acceptance of the measure. A Cronbach alpha coefficient of 1 would indicate perfect uni-dimensionality within a scale. When Cronbach alpha was computed for all the ten items of the scale for nine countries this was found to be 0.926. This indicated the possibility that the entire scale was uni-dimensional. A Cronbach alpha coefficient of 0.926 can be considered a reasonably high reliability coefficient. Based on this, it can be concluded that all 10 product classes of selected countries used are measuring the attitudes of Georgian consumers toward products of these countries.

Consumers quality ratings of products sourced from Poland exhibited the highest reliability (0.906). Even though consumers quality ratings for products sourced from Japan exhibited the lowest reliability (0.639), it is over the limit suggested by Nunnally (1976) for the acceptance of measure.

The MANOVA results confirmed significant differences in ratings on the ten product types across the nine countries of origin (See Table 5).

Table 5 Multivariate Tests for Consumers' quality perceptions of various countries of product supplies.

Effect	Value	Significance	Partial Eta Squared
Pillai's Trace	1.778	.000	.222
Wilks' Lambda	.072	.000	.281
Hotelling's Trace	4.497	.000	.360
Roy's Largest Root	2.814	.000	.738

Demographic differences .

Consumer demographics may influence the nature of COO effects. In different consumer demographic segments; different variations of COO effects may be observed. To test if gender, marital status, age, education and income level play a discriminating role in the evaluations of the country of origin of products, Wilcoxon - Mann Whitney-tests were performed. Respondents were separated according to their age groups. The first classification of two age groups was younger than 35 and older than 35. Then, the younger group was divided into two parts as: younger than 24 and 24 and above up to 35. Another interesting issue is whether there is a difference between more educated consumers and those with less education regarding the country-of-origin effect. To test

this, the education category was recorded into two separate categories - the first category includes those respondents with high school education, while the second category includes those with higher education, i.e. university and above.

Table 6 summarizes the results regarding the impact of gender, income, education, and marital status.

Gender

40 percent of the respondents (122) were male and 60 percent of the respondents (182) were female. While male respondents rated significantly higher German automobiles, female respondents rated Italian cheese, shoes, and home repairment products, Polish clothing and shoes.

Table 6a Mann-Whitney Test between Sociodemographic Variables and COO Effect.

	Home appliances	Electronics	Clothing	Automobiles	Fashion Products	Alcoholic drinks	Medical Products	Cheese	Shoes	Home repairment products
Gender										
Italy								F*	F**	F**
Poland			F***						F**	
Germany				M**						
Education										
Italy						U**				
Poland			S*							
Germany										
Income (I/IV)										
Italy				L***						
Poland										
Germany	L***									
Marital Status										
Italy	R***		B**							R**
Poland	R**		R**		R***			R*		
Germany										

*, **, *** shows statistical significance at 0.10, 0.05, and 0.01 respectively.

Education

Education produced a relatively less significant main effect in comparison to other factors. The respondents with high school education rated Polish clothing significantly higher. Respondents with higher education rated significantly higher only Italian alcoholic drinks. Education did not exhibit any significant differentiating main effect on home appliances, automobiles, fashion products, and cheese or any product from Germany.

Income

Respondents were split into four groups based on their self-reported annual personal income level. Income produced a significant differentiating effect for home appliances from Germany, automobiles from Italy. Low income respondents rated German home appliances, Italian automobiles.

Marital Status

Marital status produced a significant main effect on quality perceptions of nine of ten product classes of all the countries except Germany. While unmarried respondents rated Italian clothing significantly higher, married respondents rated Italian, and Polish home appliances, Italian home repairment products, Polish clothing, fashion products, and Polish shoes significantly higher.

Table 6b Mann-Whitney Test between Sociodemographic Variables and Country of Origin Effect.

	Home appliances	Electronics	Clothing	Automobiles	Fashion Products	Alcoholic drinks	Medical Products	Cheese	Shoes	Home repairment products
Age(<35/>35)^a										
Italy	O***	O**								O*
Poland	O***	O*	O***		O***				O*(**)	O*(**)
Germany								O*(**)		
Consumer Ethnocentrism^b										
Italy	N*(**)		N**					N*	N*(**)	N(*)
Poland	N*		N(*)							N**
Germany					N*		N*(**)			

^a Stars in the brackets show differences between the age groups lower than 24 and higher than 35 when they are more significant than the age groups lower than 35 and higher than 35.

^b Stars in the brackets show differences between the lowest ethnocentric quartile and the highest ethnocentric quartile when they are more significant than ethnocentric and non-ethnocentric halves.

*, **, *** shows statistical significance at 0.10, 0.05, and 0.01 respectively.

Age

Age produced a significant main effect for all the countries on quality perceptions of at least one product class, except alcoholic drinks. Older respondents rated home appliances, electronics, and home repairment products from Italy, all products of Poland, shoes from Germany significantly higher.

Consumer Ethnocentrism

Shimp and Sharma's (1987) CETSCALE was used to determine the ethnocentrism level of consumers. Non-ethnocentric respondents rated Italian home appliances, clothing, cheese, shoes, and home repairment products, Polish home

appliances, clothing, and home appliances, and German fashion and medical products significantly higher.

Of the different demographic variables, age, marital status, and level of ethnocentrism appear to be particularly significant causes of variance in attitudes toward specific countries of origin, while gender, education, and income levels have only occasional and marginal significance.

Discussion and conclusions

During the last four decades, accumulated research has found that consumers display a preference for products made in some countries more than others. We can meet scores of examples of them in marketing literature (Al-Sulaiti and Baker, 1998; Bilkey and Nes, 1982; Kaynak and Cavusgil, 1983; Laroche et al. 2005; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999). In Georgia, consumers perceive the quality of products to be significantly different based on country of origin. In our research, total evaluation of German products were appreciated as superior than to those of other major advanced countries. The present research proves that COO effect exists, and influences the product preferences of consumers. Georgian consumers perceive products from developed countries as higher quality than products from developing countries. Products from developed countries like Germany, and Italy are perceived to be of high quality. On the other hand, products from developing countries like Poland and China were perceived to be of low quality. This underscores the findings from past research (Bilkey and Nes, 1982; Ettenson, 1993; Okechuku and Onyemah, 1999; Zain and Yasin, 1997) that there is a positive relationship between product evaluation and degree of economic development of the sourcing country.

In the present research we observed that country ratings varied according to product class. For example, while Italy rated for home appliances and automobiles in the third order, for clothing and fashion products it was rated as the first. The results of the present research are consistent with the research findings mentioned above. This results support the findings of Bilkey and Nes (1982) and Kaynak and Cavusgil (1983). The results confirm the past research indicating the differentiating effect of demographic variables on COO perceptions (Schooler, 1971; Johansson *et al.*, 1985; Anderson and Cunningham, 1972; Dornoff *et al.*, 1974; Wang, 1978; Schaefer, 1997; Leonidou et al, 1999). Nonetheless, as Heslop and Papadopoulos (1993) point out, there is still a lack of consistent findings regarding consumer demographic variables.

This results confirm that European countries are perceived as having different levels of product quality. Products from new member developing countries like Poland are regarded as a low quality source of products. Products from Germany and Italy are regarded as being high quality. Product class awareness exists toward specific country products. Although general country perception of specific country products are an important determinant in decision making, product class perceptions are the main determinant of shopping decisions.

Georgian importers and European exporters should consider the "Made in" strength of each product for competitive advantage and build up their product assortments accordingly. For promotion, exporters to Georgia and resellers in Georgia may emphasize the country of origin of the products which have relatively strong product country image. Relatively weaker products from Italy and Germany may be supported by using General country image. Made in Europe concept may help to increase the appreciation of Products from Poland.

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