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**Understanding Purchase Intention Towards Imported Products: Role of  
Ethnocentrism, Country of Origin, and Social Influence**

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## UNDERSTANDING PURCHASE INTENTION TOWARDS IMPORTED PRODUCTS: ROLE OF ETHNOCENTRISM, COUNTRY OF ORIGIN, AND SOCIAL INFLUENCE

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### Abstract

*The previous research was mainly focused on consumers' purchase intention toward imported products in developed countries, whereas there is insufficient research conducted in developing countries like Mongolia. Therefore, the current study analyzed consumers' purchase intention toward imported products. We specifically examine the effects of the country of origin (COO), Ethnocentrism, and social influence on imported products' purchase intention through the product image and quality mediation role. To achieve the purpose of the research, an online survey was conducted on four hundred twenty-six Mongolian female consumers who experienced purchasing imported handbags. We used SPSS 23 and PLS-SEM software to test hypotheses. Moreover, we explored that an individual's perception of social influence was essential in purchasing imported products. Individuals with a higher degree of social influence prefer to buy imported products, e. g., and handbags, without a prior evaluation. Implications of the findings for theory and managerial practice are discussed, and future research directions are identified.*

**Keywords:** Country of Origin, Ethnocentrism, Social Influence.



## **A. Introduction**

The business has become more open as the world has become more global. It has resulted in numerous choices of products across national borders. Therefore, consumers worldwide have greater access to various products from other countries than before. International corporations can benefit significantly from doing business in developing Countries (Pentz et al., 2017). On the other hand, domestic firms have been facing some challenges. Thus, local enterprises in emerging countries should compete with international corporations.

The customer's acceptance of a product from a specific country is critical, not just for the industry but for the country. Researchers have shown that country of origin (COO) plays an essential role in the business sector (Kim et al., 2017; Usunier, 2011). For decades, it has been extensively studied in different areas of international trade because COO can increase or decrease associations with individual products and brands (Suh et al., 2016).

Studies conducted in developed countries usually show that ethnocentric consumers choose more domestic products than imported Products (Granzin & Painter, 2001; T. Suh & Kwon, 2002). Therefore, it is commonly assumed that consumers in developed countries prefer domestic ones to imported Products (Karoui & Khemakhem, 2019). The consequences of Ethnocentrism in developed countries do not extend to developing countries. Consumer ethnocentrism has received significant attention from scholars (Makanyeza & Du Toit, 2017), but it is still early, especially in marketing. Several studies have been conducted on an individual's behaviour and their influence on imported product purchase intentions, and these studies mainly focus on developed countries (Sahagun & Vasquez-Parraga, 2017). Interestingly, very few studies have been carried out in developing countries like Mongolia.

The previous research on consumer ethnocentrism in developing countries says to deepen the understanding of this critical concept in the international marketing and marketing Research (Chowdhury, 2013). Hence, marketers are trying to determine what factors can influence consumer purchase of imported Products (Karoui & Khemakhem, 2019).

The primary causes have not been studied altogether in women's handbag purchase behaviour. The current study seeks to address this gap by examining the impact of COO, Ethnocentrism, and social influence on the purchase intention toward imported products.

Mongolia has a competitive advantage in producing leather. Thus, we selected a women's leather handbag. The women's handbag is an essential durable product in the social life of both developed and developing countries.

As of 2020, 16 companies produced handbags in Mongolia. However, in 2020, 1.5 million handbags were imported, accounting for almost two handbags per woman in Mongolia. The above statistics lead to the following reasonable doubts. First, Mongolian leather products have solid comparative advantages. Second, 16 small and medium enterprises domestically produce leather handbags. Third, the consumption of imported handbags is not expected to decrease. These facts provide an exciting target for researchers to study the consumer purchase intention towards imported handbags in Mongolia.

Furthermore, to increase the competitiveness of local products, it is necessary to research what factors influence customer purchasing behaviour toward imported handbags. Accordingly, the objectives of the study are fourfold. The first objective was to figure out the effect of the COO on consumer purchase intention toward women's imported handbags. The second one was to assess the influences of consumer social influence on purchase intention towards women's imported handbags. The third objective was to find out about Ethnocentrism in purchase intention. The final objective was to examine the mediating effect of product quality on the relationship between COO and consumer purchase intention. We also analyze the mediating effect of the product image on the relationship between Ethnocentrism and consumer purchase intention.

Understanding the purchase intentions of Mongolian consumer's towards imported handbags concerning consumers' ethnocentric tendencies, COO, social influence, product image, and product quality would be advantageous for exporters, marketers, and researchers.



## **B. Literature Review**

### **1. Country of Origin and Purchase Intention**

Country of origin (COO) is a significant international trade and business factor. The research in this area started in the early 1960s. Ditcher(1962)first proposed the concept of COO. He noted that the COO means that it has been affected by stereotypes about that country and its products when consumers consider purchasing products from certain countries. Several studies were conducted to determine whether consumers' purchase intentions are influenced by the COO (some studies refer to the COO as country image CI or product-country image PCI).

Each country has a unique national image in the perception of the consumer. Consumers would have expected the products from developed countries to be higher quality and more reliable. The impact of the COO is significant for the countries that need to increase the exports of manufactured goods, especially for the developing countries which have desired to improve the export structure (Loureiro & Kaufmann, 2017). Wang et al. (2012) summarized the research on product image by stating that "*product image refers to consumers' general expectations of a country's product.*" It can be noted that consumers gain the overall image of a product based on the COO, which influences the decision to buy the product. Accordingly, country image and product image can be interdependent; they are likely to have different effects on the evaluation of product quality (Samiee, 2010).

### **2. Social Influence and Purchase Intention**

Kelman first developed social influence (Kelman & Fisher, 2016). An individual's attitudes, beliefs, actions, or behaviours are influenced by society. Similarly, social influence was demonstrated that an individual's behaviour is influenced by those in the surrounding society(Bearden et al., 1989). Its root lies in homophile, which can be considered the social dynamics in which individuals try to affiliate with others by displaying similar behaviour (Ryan & Deci, 2001). In this perspective, the collective identity of a particular group's members will form a viewpoint and way of thinking that is considered suitable.



Moreover, Langley et al. (2012) proposed that social dissemination, when consumers influence each other to adopt a product, plays a vital role in purchasing a new product. Consumers do not only buy the products for hedonic or functional needs but also to impress other people or improve their social status (Wiedmann et al., 2009). This shows that consumers buy products and services to be accepted by their social surroundings, not for themselves. Wang & Chou (2014) has studied the relationship between social influence and purchase intention. The findings suggest that there was a significant relationship between these two variables. Moreover, a study conducted by Bartels & Onwezen (2014) revealed that an individual's relationship with a social group is essential to explaining the consumer's purchase intention.

### **3. Consumer Ethnocentrism and Purchase Intention**

Ethnocentrism refers to people's attitudes about the morality and appropriateness of buying goods made in foreign countries. Consumer ethnocentrism is *"the beliefs American consumers hold about the appropriateness, indeed morality of purchasing foreign-made products"* (Shimp & Sharma, 1987). They claimed that ethnocentric consumers believe that purchasing imported products is wrong because it is harmful to the domestic economy. Such consumers would believe that purchasing imported products is not moral because it could lead to loss of employment.

Consumer ethnocentrism leads to negative consumer attitudes towards imported products (Shimp & Sharma, 1987). Several studies have shown consumer ethnocentrism in both developed and developing countries to harm consumer purchasing intentions for imported goods.

### **4. Product Image**

Product image needs to be studied to examine consumer purchasing behaviour and product competitiveness. According to Nagashima (1977), the product image is the consumers' overall expectations regarding products of a given country. Wang et al. (2012) found that people often had stereotypical views about specific



characteristics associated with the product image of a given brand. Dagger & Raciti (2011) found that the consistency or inconsistency of the country's image and the product affect purchase intentions. If COOs and product image consists of each other, this positively and significantly impacts purchase intention.

Conversely, if they are inconsistent with each other, the COO will negatively affect the consumer's purchase intention. This research suggests that the consistency or inconsistency between product and country image does affect consumers' willingness to buy. Moreover, when consumers' positive beliefs about a country's image match the product image, the customer's intention to purchase products increases (Dagger & Raciti, 2011). According to Wang et al. (2012), COOs influence consumer purchase intention by mediating the role of product characteristics and qualities.

## **5. Product Quality**

Product quality is becoming increasingly important in the marketplace. Quality is a comprehensive and nuanced notion (Hoe & Mansori, 2018). It refers to a product's ability to satisfy a customer's demands. A product's set of characteristics contributes to its ability to meet requirements. In the marketing context, product quality applies to how a customer perceives a product's overall quality and why the customer prefers a product over other products (Ehsani & Ehsani, 2014) 2015). Consumers' quality evaluations are assumed to be influenced by the country related to the product. Customers give more positive reviews of the products from developed countries than those in developing countries (Karoui & Khemakhem, 2019). According to Acikdilli et al. (2018), consumers prefer local products if they are of the same or more excellent quality than imported products.

## **C. Method**

The current research model was established based on the theoretical background of previous studies (Arslandere, 2020; Haque et al., 2015; Sahagun & Vasquez-Parraga, 2017; TPM Le & Phi Dinh, 2017) and



variable definitions. First of all, the level of variability of COO, social influence, Ethnocentrism, and purchase intention will be calculated. Then mediation analysis of product image and product quality on the relationship between COO, Ethnocentrism, and purchase intention will be calculated. Thus, we proposed the following research model.

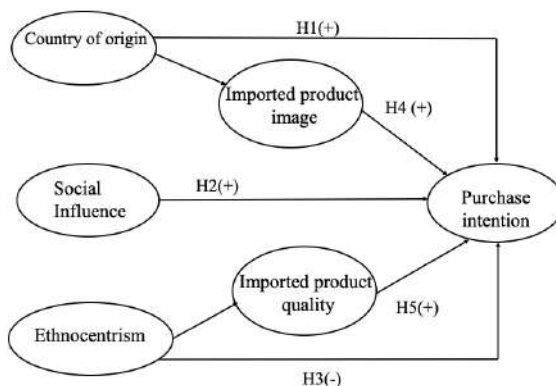


Figure 1. Research Model /Source: Self-elaborated

The hypotheses were developed based on prior studies on the relationship between COO, Ethnocentrism, social influence, product quality, product image, and purchase intention.

- H1** : COO has a positive impact on imported products' purchase intention.
- H2** : Social influence positively impacts import products' purchase intention.
- H3** : Ethnocentrism harms imported products' purchase intention.
- H4** : COO positively affects purchase intention through the mediating role of the product image.
- H5** : Ethnocentrism positively affects purchase intention through the mediating role of product quality.

According to the 2020 statistics, the capital city of Ulaanbaatar has a population of 1, 499, 140 individuals, which equals 46. 1 per cent of the total population of Mongolia, with 953, 058 (63. 6 per cent) of them being over the age of 18. Among them, women account for 507, 026 (53. 2 per cent) of the population. Mongolian female consumers aged 18 and above from Ulaanbaatar participated in this research.



Primary data was collected by questionnaire from the customers of the X online shop. The online shop was selected for the study at their request. The selected organization needed to address the improvement of purchase intention towards imported handbags concerning the different variables such as COO, Social influence, Ethnocentrism, Product Image, and Product Quality. Due to the intense market competition between domestic and imported enterprises, the beneficiary made an official request not to reveal the brand or name of the entity. However, it was allowed to use the raw data only for research purposes. The sample was selected randomly, and the actual survey was conducted among customers of the above company.

The data collecting period lasted 41 days. A simple random probability sampling method was used. According to Burns & Veeck (2019), in simple random sampling, the probability of being selected into the sample is equal for all members of the population. We used the following formula:

$$n = \frac{z_{\alpha/2}^2 \times N \times [\pi \times (1 - \pi)]}{\varepsilon^2 \times (N - 1) + Z_{\alpha/2}^2 \times [\pi \times (1 - \pi)]}$$

Here  $n$  is the sample size;  $z_{\alpha/2}^2$  is the critical value of the standard distribution = 1.96 with 95% reliability;  $N$  is the population size;  $\pi = 0.5$ ;  $\varepsilon$  is the sampling error of 5%. According to this calculation, the optimal sample size was three hundred eighty-four participants.

However, we assume there should be possible risks of invalid answers and forms. Thus, we sent five hundred random samples to participants via Google forms. Seventy-four questionnaires were not fully answered, so they were excluded from the analysis. Upon removing invalid questionnaires, there were four hundred twenty-six valid samples.

The survey consists of seven sections with twenty-nine questions, which covered COO, social influence, Ethnocentrism, product image, product quality, and purchase intention. The questionnaire also included a part that collected demographic information on the respondents to understand their buying behaviour better.

We chose four items developed by Parameswaran & Pisharodi (1994) to measure COO. Social influence was measured with four items adapted from Hsu & Lin (2008). Ethnocentrism was measured with four items estimated by Shimp & Sharma (1987). Product image was measured with five items adapted from Parameswaran & Pisharodi (1994) and Parameswaran & Yaprak (1987). Product quality was measured with four items adapted from Chung & Thorndike Pysarchik (2000). Purchase intention was measured with four questions adapted from Taghian & Souza (2012). There were 25 items used to measure six constructs on a five-point Likert scale. Scale ranging from 1 for strongly disagree, 2 for disagree, 3 for neutrals, 4 for agree, and 5 for strongly agree.

The study results were analyzed using the social science statistical software packages the IBM SPSS 23 and Smart PLS 3.3 (Ringle et al., 2012). Smart PLS has many advantages over other SEM techniques that make it well suited to this study (Bontis et al., 2007). The analysis included Frequency Analysis, Descriptive Analysis, Reliability test, Correlation Analysis, Linear Regression, and Mediation Analysis. Innovative PLS-3 path models have two linear equations: The inner (structural) and the outer (measurement) models. The inner model specifies the relationship between unobserved or latent variables, and the outer model defines the relationships between the latent variable and its observed manifest variable.

## **D. Result and Discussion**

### **1. Results**

#### **a. Demographic Characteristics**

Participants were requested to complete survey questionnaires on their purchasing of imported handbag experiences. The demographic characteristics of the participants are shown in Table 1. 48.3% of the respondents were 18-25 years old; in terms of household income, 40% have 500,000MNT-1,000,000MNT income/month (1USD=2850MNT, 2021 April), and 59% have a university degree. The decision not to use brand names is meant to ensure that consumer associations with particular brands have no bearing on the research results (Adina et al., 2015).



Table 1: Demographic profile of respondents

Variables	Data	Number	Percentage (%)
Gender	Female	426	100
Age	18-25	205	48.3
	26-35	72	17
	36-45	83	20
	46-55	58	13.7
	Above 56	8	3
Household income	Up to 500.000 MNT	25	5
	500.000-1 million MNT		
	1-2 million MNT	105	25
	2-3 million MNT	169	40
	More than 3 million MNT	77	18
		50	12
Education	Middle school	6	1.5
	High school	136	32.5
	University	253	59
	Graduate	31	7
<b>Total</b>		<b>426</b>	<b>100</b>

Source: Self-elaborated

## b. Descriptive Analysis of Variables

As a result of the descriptive analysis, participants in the average assessments of COO were relatively higher than other variables (3.83). "Agree", in particular, "The economies of developed countries are solid" score was exceptional (4.14). The average score of Social Influence was average (2.59), with the answer "Neutral" and the answer to the question "People who influence me think that I should buy imported handbags" (2.76). The average score of Ethnocentrism was above average (3.55), with the answer "Agree" and the answer to the question "It may cost me in the long run, but I would prefer to support Mongolian products" (above 4.21). The average score of Product Image was above average (2.88). The average score of Product Quality (is 3.00). On the other hand, in the average score of Purchase Intention, participants answered above average (3.15) with the answer "Agree", in particular, "I recommend others to buy imported handbags" (Above 3.46).

Table 2. Results of Descriptive analysis

Item Description	Mean	S. D
<b>Country of Origin</b>	<b>3. 83</b>	<b>0. 708</b>
Developed countries have the advantage of technology to produce women's handbags.	3. 84	0. 963
Women's handbags made in developed countries have a good design.	3. 82	0. 911
The economies of developed countries are powerful.	4. 14	0. 849
The skills of factory workers in developed countries are good.	3. 53	0. 961
<b>Social Influence</b>	<b>2. 59</b>	<b>0. 834</b>
People who influence me think that I should buy an imported handbag.	2. 76	0. 906
People who are important to me think that I should buy an imported handbag.	2. 56	0. 904
People in my community who have an imported handbag have more prestige than those who do not have them.	2. 47	0. 903
Celebrities influence my purchases.	2. 57	0. 901
<b>Ethnocentrism</b>	<b>3. 55</b>	<b>0. 681</b>
Only those products that are unavailable in Mongolia should be imported.	3. 45	0. 839
Mongolian products, first, last, and foremost.	3. 32	0. 911
Mongolian should not buy foreign products because this hurts local businesses and causes unemployment.	3. 23	0. 953
It may cost me in the long run, but I would prefer to support Mongolian products.	4. 21	0. 821
<b>Product Image</b>	<b>2. 88</b>	<b>0. 674</b>
The design of an imported handbag is good.	2. 91	0. 745
An imported handbag is more expensive than average.	2. 92	0. 815
High-quality bags made abroad.	2. 98	0. 783
Carrying a bag made abroad makes you feel proud.	2. 72	0. 934
Carrying a foreign, branded bag reflects a person's position in society.	2. 88	0. 711
<b>Product Quality</b>	<b>3. 00</b>	<b>0. 678</b>
I think imported handbags are of good quality.	3. 20	0. 791



Item Description	Mean	S. D
Imported handbags are more than localhandbags.	2. 48	0. 971
Imported bags are durable.	3. 47	0. 868
Imported bags seem more valuable.	3. 48	0. 873
<b>Purchase Intention</b>	<b>3. 15</b>	<b>0. 787</b>
Buying an imported handbag is always the right choice.	3. 02	0. 820
I buy an imported handbag whenever I can.	3. 05	0. 837
I want to buy an imported handbag.	3. 08	0. 878
I recommend others to buy an imported handbag.	3. 46	0. 897

*Source: Self-elaborated*

### c. Validity and Reliability Test

All standardized factor loadings were significant at the . 01 level. To measure internal consistency, composite reliability (CR) is used. Composite reliability (CR), average variance extracted (AVE), and Cronbach's alpha was calculated. The general approach recommended by Gefen *et al.* (2000) for evaluating validity and reliability was followed. Convergent and discriminant validity was examined to assess validity. The average variance extracted (AVE) is used as a convergent validity criterion (Fornell & Larcker, 1981).

The CR values ranged from 0.83 to 0.90, exceeding the minimum criterion of .80 (see Table 3). Cronbach's alpha of the measures was more significant than 0.74. Based on these CR and Cronbach's alpha values, the measures indicated a high degree of reliability. Thus, the internal consistency of the measures for each construct was evident (Hair et al., 2014). Therefore, construct validity was assessed. Considering the current study's factor loadings, the AVE values were well above Hair et al. (2014), who suggested a cutoff of .50; thus, the convergent validity of all the measures was high.

The AVE of each latent variable should be higher than the squared correlations with all other latent variables ( $AVE > \phi^2$ ). Our data shows that all AVE exceed the squared correlation; therefore, the current study



met this criterion, and thus, discriminant validity was confirmed. Details of the measurement model results are shown in Table 3.

Table 3: Reliability, Convergent, and Discriminant Validity

Constructs	Cronbach's Alpha	CR	AVE	(1)	(2)	(3)	(4)	(5)	(6)
COO	0.76	0.85	0.59						
Ethnocentrism	0.74	0.83	0.56	0.19	0.74	0.19			
Product Image	0.79	0.85	0.55	0.54	0.01	0.74			
Product Quality	0.84	0.89	0.68	0.42	-0.12	0.66	0.83		
Purchase Intention	0.86	0.90	0.70	0.29	-0.18	0.59	0.60	0.84	
Social Influence	0.82	0.88	0.65	0.19	0.04	0.48	0.41	0.58	0.81

Source: Self-elaborated

#### d. Hypotheses Testing

Having established the measurement model's validity and reliability, the next step was to test the hypothesized relationship by running the PLS algorithm and Bootstrapping algorithm in PLS 3. 3. As indicated in Fig. 2 and Table 4, H1 was rejected. However, the study's findings supported the hypotheses H2 and H3.

The results showed that the COO was not positively influenced purchase intention ( $\beta = 0.009$ ,  $p > 0.005$ ). Thus, H1 was not supported. Furthermore, social influence positively influenced purchase intention ( $\beta = 0.360$ ,  $p < 0.0001$ ). Hence, H2 was supported. Ethnocentrism negatively influenced purchase intention ( $\beta = -0.166$ ,  $p < 0.0001$ ). Thus, H3 was supported. Table 4 summarizes the hypothesis testing.

Table 4: Path coefficient results

Purchase Intention	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics	P-value
COO	0.009	0.010	0.041	0.212	0.832
Ethnocentrism	-0.169	-0.173	0.037	4.537	0.000***



Purchase Intention	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics	P-value
Product Image	0.239	0.237	0.051	4.709	0.000***
Product Quality	0.275	0.275	0.054	5.127	0.000***
Social Influence	0.360	0.361	0.039	9.203	0.000***
R2					0.614
R2 adjustment					0.610

Source: Self-elaborated

\*\*\*p < 0.00, \*\*p < 0.05, \*p < 0.10.

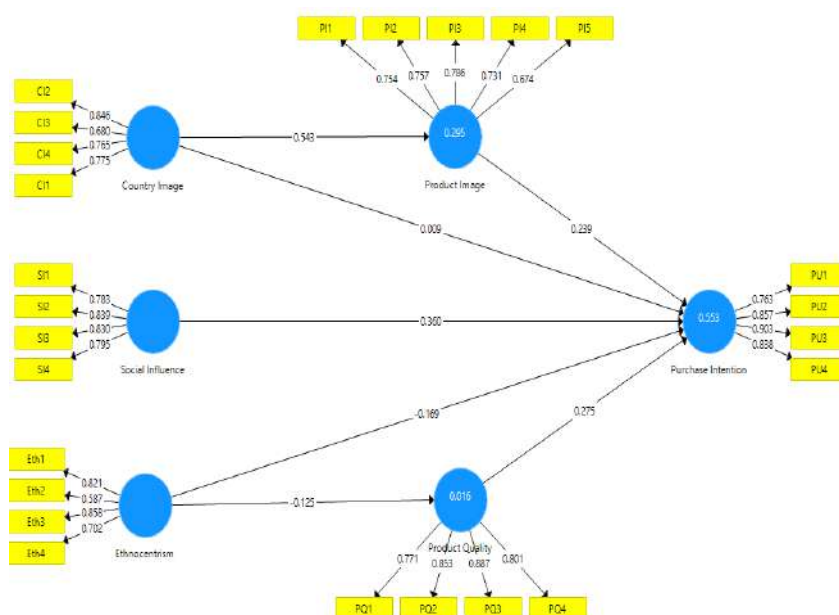


Figure 2. Smart-PLS Test Results

To test the mediating role of the product image and product quality, we applied the relatively popular analytical method recommended by recent studies. Table 5 shows the indirect and total effects of the exogenous variables (COO and Ethnocentrism) on the endogenous variable purchase intention through their mediator (i. e., product image and product quality). The bootstrapping technique used bias correction and percentiles to test the specific indirect effects.

The mediation effect mainly explored its indirect relationship between variables; that is, independent variables could have influenced

the dependent variable through one or more mediating variables. For the theoretical model of this research, we could easily find that product image and product quality were mediating variables between COO, Ethnocentrism, and purchase intention.

It explores that product image was a full mediation effect on the relationship between COO and purchases intention ( $\beta = .275$ ,  $p < .0001$ ). Moreover, product quality was also a partial mediation effect on the relationship between ethnocentrism and purchase intention ( $\beta = .048$ ,  $p < .005$ ). Therefore, hypotheses 4 and 5 are significantly supported.

Table 5: Mediation analysis results

Indirect paths	Beta	S. D.	t-statistic	p-value	Findings
COO-PI-PU	0.275	0.035	7.948	0.000***	Fully mediated
Eth-PQ-PU	0.048	0.024	2.036	0.042*	Partially mediated

Source: Self-elaborated

\*\*\* $p < 0.00$ , \*\* $p < 0.05$ , \* $p < 0.10$ .

## 2. Discussion

We aimed to explore the influencing factors of women's purchase intention toward imported handbags. The relationship between COO and purchase intention was found that the result of the analysis did not support H1 reinforced research (Verbeke & Ward, 2006), where the study evidenced that the COO does not always affect consumer purchase intention. Based on the research results, it admits that Mongolia is a developing country, so they tend to import cheap products from overseas. Therefore, counterfeit products are sold in large quantities on the black markets. Even if it is imported from the developed countries but produced in developing countries, thus COOs are not very important for Mongolian consumers.

The results of testing the second hypothesis (H2) found that the findings of the analysis supported the H2. Namely, social influence significantly impacts purchase intention towards imported handbags. This shows that the more significant social influence women possess, the better-quality imported handbags they are likely to buy. This result is consistent



with the previous research (Hoshino-Browne, 2012), which explained that Asian culture (collectivism) is more likely to be influenced by others, but they are less committed to self-consistency. People may buy the same products consumed by higher status classes or celebrities to be accepted by society.

The results of testing the third hypothesis (H3) say that the analysis results supported the H3. Namely, Ethnocentrism hurts purchase intention toward imported handbags. This result is also consistent with Tomić Maksan et al. (2019), who proposed that Ethnocentrism can be seen as a personality trait favouring in group belongingness (Bizumic, 2019).

As the result of testing the fourth hypothesis (H4), it is evident that the findings of the analysis supported the H4. The analysis of the results showed that the COO does not significantly impact purchase intention. Interestingly, when product image acts as a mediator, the COO has a significant and positive impact on purchase intention. Based on the results, it can be determined that approximately 70 per cent of Mongolians are under the age of 40. Therefore, they are more likely to pay attention to the product image and design.

By testing the fifth hypothesis (H5), it revealed that the analysis results supported the H5. The analysis of the results also showed that Ethnocentrism has direct and negative impacts on purchase intention. Surprisingly, when product quality acts as a mediator, Ethnocentrism substantially impacts purchase intention. Under the research findings, it can be concluded that people prefer purchasing more durable products to counterfeit ones because minimalism is getting an increasingly more popular lifestyle these days. According to Köse (2020), minimalists' emphasis on "quality over quantity" leads to purchasing more durable products, thus avoiding the purchase and use of multiple products at once.

## **E. Conclusion**

This study has provided preliminary evidence for the COO, social influence, Ethnocentrism, product image, and product quality on purchase intention towards imported handbags in Mongolia.

We explored that a women's perception of social influence is an essential factor in purchasing imported handbags. Individuals with a higher degree of social influence prefer purchasing imported products without a prior evaluation. This research provides critical practical implications for local and international business owners and policymakers. We recommend that the local business owners adjust their products to meet customer demand by considering the product image and quality offered by imported products.

Therefore, we emphasize the advantages of making handbags from organic raw materials and pay more attention to quality when domestic manufacturers differ from imported products. We also recommend creating upscale luxury brands and offering them to the luxury market segment.

Moreover, the study results show that the COO does not directly influence the purchase intention towards imported handbags. However, the COO influences the purchase intention by mediating the role of the product image. For products with a favorable image, businesses should consider the product image as an essential factor in the advertisements to increase the customers' purchase intentions. Therefore, they should import products with a favorable image from overseas. Although, the company should use celebrities in the advertisements to position their products. Additionally, it reveals that the effect of social influence on purchase intention is greater than the effect of the COO on purchase intention. Understanding the social influence of Mongolian consumers and their relationship with purchase intention toward imported products can help marketers develop marketing strategies.

For international manufacturers, consumer ethnocentrism can be an obstacle to entering the market. This study suggests that marketers who want to enter developing markets like Mongolia pay attention to consumer ethnocentrism toward imported products. Nevertheless, our research suggests that product quality positively impacts the relationship between ethnocentrism and purchase intention.



In conclusion, policy makers need to support the leather industry in Mongolia to enhance the country's competitiveness. The leather industry needs to have access to appropriate and adequate capital to upgrade its technology level, modernize itself, and increase the product image and quality. It is also necessary to create a national branding to influence the consumers who make purchasing decisions based on product quality. Additionally, we suggest that the Mongolian leather industry benchmark the best practices of the international leather industry.

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