

RESEARCH ARTICLE

Open Access

The Impact of a Brand's Country of Origin and Manufacturer on Customers' Perceptions of a Country's Institutional Environment and their Purchasing Decisions Taking into Account the Moderating Role of Beliefs Arising From Customer Trust

Seyyed Reza Jalalzadeh ^{1*}, Amir Momeni ²

Abstract

In today's competitive markets, brands are always trying to create a desirable image of their products and services to elicit more favorable tendencies in customers. Beyond the marketing efforts of brands, there is an important factor that can either strengthen or weaken these marketing efforts. This factor is related to the country of origin or manufacturer of a brand, which can have an impact on consumer behavior and perceptions of products and brands from that country. Therefore, the aim of this research is to investigate the effect of the country of origin and manufacturer on consumer perceptions of the institutional environment of countries and purchasing decisions, taking into account the moderating role of beliefs arising from customer trust. This research is an applied study and, in terms of data collection method, is descriptive-correlational. A library approach was used to extract studies, and a field approach was used to collect statistical data, with the data collection tool being a questionnaire. The study population consisted of customers who own and purchase iPhones from the Apple brand in districts 1, 2, and 3 of Tehran. Descriptive statistics and inferential analysis were used to analyze the data, and the software used to analyze the data was SPSS and smart PLS. The results indicate that the country of origin of a brand has an impact on perceptions of the legitimacy and regulatory environment of that country. Additionally, the results show that the country of manufacture of a brand also has an impact on perceptions of the normative environment and regulatory environment of that country. On the other hand, perceptions of the legitimacy of the country of manufacture of a brand have an impact on customer preferences for a brand and a willingness to pay a higher price for a brand. However, the impact of the country of origin on customer purchasing decisions with the moderating role of beliefs in brand benevolence, honesty, and capability has not been confirmed.

Keywords: *Country of brand origin, Country of manufacture, Customer perceptions, Purchase decision*

Introduction

With the approaches leading to globalization and transforming the world into a culturally and closely connected village, consumer behaviors have become diverse among customers, and different attitudes towards foreign and domestic countries and products have had significant effects on customer behavior. Customer orientation is a type of value creation that is more about doing the right thing for the customer than doing the right thing in the organization

(Alilou & et al., 2021). However, one of the most important topics of consumer behavior in today's diverse markets is the attitudes and mental images of individuals towards a foreign country and the products derived from that country. Among them, studies such as Chen et al. (2020) emphasized the key role of individuals' perceptions of the legal-political environment surrounding an industry in the country producing a brand as mechanisms that affect the decisions to buy a foreign brand. In today's complex and

1*. Member of the Faculty of Management Department, Faculty of Management and Finance, Khatam University, Tehran, Iran (Corresponding Author: r.jalalzadeh@khatam.ac.ir)

2. Master's Degree in Business Management, Faculty of Management and Finance, Khatam University, Tehran, Iran

challenging world, people are faced with increasing options and reduced time to make decisions and choices. Accordingly, the ability of the brand to simplify customer decision-making, reduce risk and define their expectations is invaluable (Kiyomarsi & et al., 2021). Studies such as Lopez and Balabanis (2020) stated that signs and evidence of a foreign country and its subsets, namely attitudes towards a foreign country and an individual's mental image of a foreign country, are specific to beliefs, emotional perceptions, and cognitive information and can affect individual behaviors and tendencies towards that country and anything exported from that country (in the form of material and non-material phenomena). In this regard, this study examines whether signs and evidence of the country of origin (in the form of the country of origin of the brand and the country of origin of the brand production) can affect individual perceptions of the institutional environment of that country or not. Based on studies, perceptions of the institutional environment refer to an individual's beliefs and attitudes toward the legislative and regulatory environment surrounding a particular industry, social responsibility, and the overall policies of a country (Chen et al., 2020). According to studies such as Scott et al. (2013) and Chen et al. (2020), perceptions of legitimacy, normative environment, and regulatory environment are the three dimensions that are of interest. Another important factor is the role of these three factors in influencing decisions to purchase a foreign brand. In this regard, this study focuses on perceptions of the institutional environment in the country of brand production and examines whether the three-fold perceptions of the social, political, and regulatory environment of the country of origin of a brand will affect consumer decisions to purchase brands produced in that country. Additionally, studies such as Coffey and Kabaday (2020) state that beyond the country of brand production, the signs, evidence, and mental image of the country of origin can have a significant impact on consumers' purchase

decisions. Furthermore, this influence is influenced by individuals' beliefs and perceptions of the brand's characteristics in the form of three variables of honesty, benevolence, and brand capability. Therefore, this study examines the direct impact of signs and evidence from the country of origin on consumers' purchase decisions and the moderating effects of beliefs arising from trust in the brand.

In light of the above explanations, this study aims to investigate the effects of the country of origin and the country of brand production on customers' perceptions of the institutional environment of countries and their purchase decisions, considering the moderating role of beliefs arising from trust in the brand. In other words, the study seeks to examine whether individuals' perceptions, images, and beliefs about the countries of origin and brand producers can have an impact on their perceptions of the institutional environment (legal and political environment of a country) and purchase decisions. The study also focuses on the role of the three moderating variables arising from trust in the brand. Specifically, the researcher selects the United States and China as the country of origin and the country of brand production, respectively, focusing on the mobile phone industry and the brand Apple. Based on the above discussions, the main research question can be formulated as follows: What are the effects of the country of origin and the country of brand production on customers' perceptions of the institutional environment of countries and their purchase decisions, considering the moderating role of beliefs arising from trust in the brand?

Theoretical foundations and literature review

The country of origin: The country of origin of a product or the image of the country as one of the important external cues that affect consumers' evaluations, perceptions, preferences, and purchase intentions has been taken into account, and extensive research has been conducted in this regard (Herrmann and Diamantopoulos,

2017). This variable refers to the country where the brand was originally formed and where the brand's headquarters are located. The reputation of a brand or its manufacturer is influenced by the reputation of the country that it originates from, and damaging the reputation of a country can also harm the reputation of the brand produced in that country (Habibi et al., 2022). Among the many factors that influence customers' buying decisions, the impact of the country of origin is very significant because the mental image of the country of origin represents the overall perception of consumers about the quality of the desired products and brands. The mindset that is formed in customers' minds through the country of origin is not easily changed and has long-term effects. Therefore, global marketers and market managers must consider consumers' perceptions and opinions about the country of origin (Rahimnia and Asghari, 2015). Ultimately, the country of origin is used as a reference for evaluating the quality, credibility, performance, and other non-evaluable characteristics of the product (Siavoshi et al., 2022).

The country of brand production: The country of brand production or the brand manufacturer's country is the country where the product is primarily produced. In fact, a brand, despite the importance of its name and symbol, reflects the emotional relationship between producers and consumers (Zohdi & et al., 2023). The country of origin has a significant impact on consumers' purchase intentions compared to the country of brand production (Rambukwella and Ramsbotham, 2018). Recent changes in the geopolitical system, including political and religious factors, have posed new and greater challenges, as consumers seem to have negative opinions about brands originating from different countries (Abou-Saif and Farah, 2014). Nowadays, even brands from developed countries that usually have positive images in consumers' minds are not immune to the negative effects of the country of origin (Rashid, 2017).

Institutional perceptions: The present study aims to investigate how a customer's perceptions and mental representations of the brand's country of production and country of origin can impact their perceptions of the institutional environment in those countries. Based on customer-oriented strategies, greater customer satisfaction leads to increased customer loyalty, lower costs for service delivery, easier customer retention, and greater employee engagement (Zadegan & et al., 2023). These perceptions of the institutional environment encompass legitimacy, norms, and policies and are referred to as institutional perceptions .

Perceptions of legitimacy: When consumers face risk and uncertainty when purchasing products from a particular country, they evaluate the organizations and institutions in that country. According to institutional theory, perceptions of legitimacy represent an overall evaluation of the general institutional quality and summarize it (Sadabi et al., 2017). This perception indicates the extent to which companies in an industry act in accordance with accepted social norms, values, beliefs, and definitions.

Perceptions of the normative environment: Perceptions of the normative environment refer to the extent to which companies in an industry in a particular country act in a way that fulfills accepted social norms and values. The regulatory environment represents the inhibiting institutions that monitor the industry in a particular country through laws. Therefore, perceptions of the normative environment refer to a mental evaluation of how product quality is regulated and monitored by government regulations in a particular country and the associated risks (Chan et al., 2020).

Perceptions of the Legislative Environment: Perceptions of the legislative environment are focused on how to regulate and manage product quality and associated risks in that environment (Chen et al., 2020). Generally, perceptions of the brand legislative environment are very influential

in people's communications, decision-making, and performance.

Purchase Decision: The purchase decision is defined as a measure of an individual's decision-making power for performing certain behaviors or decision-making for purchasing products, goods, or services (Amoruso and Morciano, 2016). Consumers certainly consider many factors such as luxury brands, brand image, and brand quality in their purchase decision. The idea of purchasing a brand or a specific product is called a purchase decision. There is a possibility that a consumer may be looking for a reason to justify their needs and purchase a specific brand. The idea of buying a brand can be based on the brand name or an image created in the consumer's mind (Rangaswamy and Sirinivasan, 2019). The concept of purchase decision is very complex and some researchers consider it as a component of attitude related to positive dimension, while others study it as an independent variable. According to Duhan et al. (1996), the purchase decision includes a stage of decision-making in which the customer can specify their preferences and priorities for a specific product or item based on their experience, beliefs, and attitudes towards products. The results indicate that the atmosphere and environment significantly affect pleasure and excitement (Rahimi & et al, 2023).

Purchase Preferences: Purchase preferences by consumers indicate that customers choose services provided by a specific company over other companies (Wangurai, 2020). This reflects loyalty to the brand they prefer. In addition, cultural, social, individual, and psychological factors are also involved. These factors should be combined to understand the role of each in creating brand purchase preferences (Ibrahim et al., 2016). The preferences of consumers can be measured by their satisfaction with a particular product in comparison to its cost, because every time consumers purchase a product, they miss the opportunity to purchase a competitor's product. Consumer purchasing preferences are influenced by

personal taste, culture, education, and many other factors, such as social pressure from friends and family (Mela, 1998). Preference indicates the level of interest and inclination of the audience towards a particular brand compared to others. The factors that create this preference include positive performance evaluations and having unique and specific advantages. The result of this preference is a purchase. Iran and colleagues (2007) believe that customer purchasing preferences are an indicator of consumer demand; however, customer choices are not always determined solely by their preferences (Oni et al., 2021).

Willingness to pay more: Price, as one of the four main elements of marketing, is of great importance to both customers and suppliers. Appropriate pricing policies lead to customer and consumer satisfaction. The level of price acceptance indicates the maximum amount that a customer is willing to pay for a product or service. Price acceptance and willingness to pay higher prices are the consequences of customer and consumer satisfaction, but compared to other consequences such as repeat purchases, less attention has been paid to this issue. Factors such as price flexibility, reference price level, purchase frequency, and loyalty to the brand identity affect the level of price acceptance and willingness to pay higher prices by customers. High loyalty to a brand reduces the customer's focus on the brand's advantages, and they pay less attention to the price. Conversely, with low loyalty to the brand, customers are more focused on the price than its benefits and advantages.

Beliefs arising from customer trust

Belief in benevolence: Belief in benevolence refers to a positive orientation towards customers, taking into account their safety and health, and acting in their interests. Belief in benevolence actually indicates the level of trust that individuals have and suggests that a brand should be focused on doing good and acting in accordance with the opinions of its customers, rather than maximizing its profits (Coffey and Kabadayi, 2020). Benevolence means having kind

motivations and a level of love for a person or group and sincerely caring about the well-being of others. Benevolence is the desire to do good by the trustee, separate from the self-interested motivation to gain profit. Benevolence shows the trustor that the trustee is making an effort for them (Kamali Dehkordi & et al, 2011). Consumers believe that a brand not only seeks its own profit and benefit but also considers the well-being of its customers. The belief in benevolence should reassure consumers that even if a brand's name originates from a country with a negative image or its products are produced in a low-quality country, they are not harmful and not have low quality.

Belief in honesty: The belief in honesty shows how much a brand adheres to socially accepted fair standards or a set of principles that customers accept, such as not lying, loyalty, or providing desirable and credible information (Coffey and Kabadayi, 2020). According to Zhou and Tian (2010), the belief in honesty about a brand assures consumers that the brand remains committed to the promises it makes to its customers, conducts its business in a professional and ethical manner, and has a positive impact on customer purchasing intentions. Customers must believe that if there is a problem with the brand itself or a product that is supplied from a low-quality country, the brand will honestly and transparently share this information with them (Kabadayi and Lerman, 2011). Consumers also believe that a brand does not allow them to purchase unsafe or defective products produced in countries with a negative image.

Belief in ability: The belief in capability reflects consumers' confidence that a company or brand has the necessary skills and competencies to perform its tasks. If individuals believe that a brand has a set of skills, competencies, and characteristics that enable it to perform its functions, they believe in the brand's capability (Coffey and Kabadayi, 2020). Consumers who have a highly perceived capability about a brand believe that the brand, its employees, and business partners have the necessary skills

and competencies to perform tasks related to their job (Kabadayi, 2016). Furthermore, when a brand has a negative image of the country of origin, consumers extend their belief in the capability of a brand and believe that the brand works with people who have enough skills to perform their job.

The internal background of the research

1- Astan & et al (2021) conducted a comparative study on the effect of country-of-origin brands on customers' purchase intention in the food industry, with the mediating role of brand preference and brand value, focusing on 10 top-selling foreign food brands in the Iranian market. The research was applied in terms of purpose and descriptive survey in terms of data collection, with descriptive data collected through library research and survey data collected through questionnaires. The statistical population of the study was all food industry customers in Tehran, and the questionnaire was distributed among 384 individuals. The data were analyzed using Smart PLS 3 software, and the results of the multivariate regression analysis confirmed all hypotheses, indicating that the country-of-origin image of food products had a significant effect on purchase intention, considering the mediating role of brand value and brand preference.

2- Khorma et al (2021) conducted a study on the impact of the country-of-origin image on the formation of brand equity and brand trust in the sports industry in Shiraz. The study was applied in terms of purpose and descriptive-inferential in terms of method, based on structural equation modeling and factor analysis. The statistical population of the study included all individuals who used sports product brands in Shiraz. Smart PLS software was used for data analysis. The results showed that the country-of-origin image had a positive and significant effect on brand equity and its dimensions (awareness, loyalty, and differentiation), and brand equity also had a significant impact on brand trust. Furthermore, the country-of-origin image indirectly influenced brand trust.

3- Ghaforian Shagerdi et al (2021) conducted a study on the impact of consumer ethnocentrism on the purchase intention of foreign products and the role of the country-of-origin image and brand attitude. The research was applied in terms of purpose and correlation and descriptive in terms of data collection, with a statistical population of 220 consumers of foreign clothing in Mashhad. The data were collected through voluntary non-probability sampling using a questionnaire, and content and structural validity, and reliability were assessed using Cronbach's alpha. SPSS software was used for descriptive data analysis, and structural equation modeling was used with AMOS software to test hypotheses. The results showed that consumer ethnocentrism had a significant effect on the purchase intention of foreign products. Furthermore, the country-of-origin image mediated the relationship between consumer ethnocentrism and purchase intention of foreign products, and ultimately, brand attitude mediated the relationship between consumer ethnocentrism and purchase intention of foreign products.

4- Mohyeddin Ghamsa (2020) conducted a thesis on the impact of country of origin on willingness to pay more through mediating variables of brand love, brand luxury, and customer perception, focusing on the Rolex watch brand and targeting buyers in Tehran, Iran. The sample size was determined based on hidden variables (factors), not observable variables, with a requirement of 20 samples for each factor. The study results indicate that the country of origin image has a positive and significant impact on brand love, which can lead to customers' interest and inclination toward the Rolex watch brand. The country of origin image also has a positive and significant impact on the perception of brand luxury and customer perception, but brand love does not have a significant impact on willingness to pay more. Brand luxury has a positive and significant impact on willingness to pay more, and customer perception also has a positive and significant impact on willingness to pay more.

Foreign background of the research

1- Jiseon Ahn (2023) in her article titled the role of multidimensional country-of-origin attributes: Exploring the antecedents of international brand attitude and image focuses on the consequences of branding countries, especially on the multi-dimensional application of a country's image in international brand management. In this quantitative research, the relative effects of the dimensions of the country's image have been investigated. Specifically, the effects of phenomena such as descriptions of a country's people, ideals, and loyalty on brand evaluation by consumers have been investigated. Also, the effect of brand attitude and image on the credibility of the country's brand has been identified. However, brand quality and home country brand awareness/association are not sufficient to ensure positive results for an international brand. In addition, the role of individual characteristics of customers (gender, age, and income) in the relationship between country effects and international branding has been investigated. The results of multi-group analyzes show that people's descriptions have a great influence on brand image among elderly male customers. In contrast, a country's ideals have a stronger influence on brand image among young women. This research emphasizes the importance of managing the country's image to increase success in international branding.

2- Yu Huang et al (2022) in their research under the title how do customers engage in social media-based brand communities: The moderator role of the brand's country of origin? Have investigated the relationship between brand trust and CE in SMBBC, which is often contradictory in previous literature. Using the uses and gratifications theory, they have investigated the motivations that cause active and passive customer engagement behaviors. In addition, this study uses multi-group analysis to compare the differences in the process of customer engagement about the brand's country of

- origin. Empirical results have shown that brand trust is a prerequisite for customer engagement in a long-term relationship. Brand affiliation, entertainment, and review motivate active and passive customer engagement behaviors; only opportunity-seeking encourages passive activity, but conversational motivation does not encourage either active or passive customer behavior. Significantly, the involvement of Chinese consumers between domestic and foreign brands on Sina Weibo is not significantly different.
- 3- Chen et al (2020) conducted a study on the effects of brand country of origin and manufacturing country on customer perceptions and purchase decisions. The aim of this study was to investigate how individuals' perceptions of brand country of origin and manufacturing country affect their perceptions of the quality and performance of export products and ultimately their willingness to pay a higher price and brand preference. The researchers collected their data based on the opinions of 764 Australian customers and products manufactured in China for American brands. The results showed that both the brand country of origin and manufacturing country have different effects on consumers' institutional perceptions. The brand country of origin creates perceptions of legitimacy and environmental standards, while the manufacturing country generates perceptions of norms and environmental standards. Both the brand country of origin and manufacturing country create perceptions of quality in consumers, which ultimately affect their perceptions of legitimacy, preferences, and willingness to pay more.
 - 4- Coffey and Kabadayi (2020) conducted a study on customers' preferences towards products with dual nationality. The study examined the impact of the brand country of origin and manufacturing country on customers' purchase intentions and the mediating role of trust beliefs towards the brand. The researchers collected their data from a sample of 405 online questionnaire respondents. The results showed that trust beliefs towards the brand can moderate the negative effects of the brand's country of origin and manufacturing country on customers' purchase intentions. Specifically, the benevolence and perceived honesty of the brand can weaken the negative effects of the brand's country of origin and manufacturing country on customers' purchase intentions.
 - 5- Jin Kyu et al (2019) conducted research on the role of country image and quality perception of the product on purchase intention, with the mediating roles of guarantee and country image strategies. To collect data, the researchers used a questionnaire and the statistical population consisted of 215 Korean citizens and foreigners living in Korea. The results were analyzed using SPSS software. The findings showed that gender, age groups, and nationality can have a significant impact on consumers' perception of the relationship between country image and product quality. While the country image of the brand origin did not affect the perceived product quality, the country image of the manufacturing country had an important and significant impact on consumer's perception.
 - 6- Brodowsky et al (2018) conducted research on the role of attitudes towards foreign brands and attitudes towards the country of origin of foreign brands on the willingness to purchase foreign brands. The aim of this study was to examine customers' perceptions of the brand and its country of origin on their behavioral intentions towards the brand. The researchers collected their data based on a sample of 324 American customers. The results of the data analysis showed that both attitudes toward foreign brands and attitudes towards the foreign country of origin had positive and significant effects on customers' attitudes toward purchasing the brand. Additionally, these variables, along with mental norms, had positive and significant effects on customers' willingness to purchase foreign brands.

Conceptual Model and Hypotheses

Hypothesis 1: The brand country of origin affects perceptions of the legitimacy of the brand country of origin.

Hypothesis 2: The brand country of origin affects perceptions of the regulatory environment of the brand country of origin.

Hypothesis 3: The manufacturing country of the brand affects perceptions of the normative environment of the manufacturing country of the brand.

Hypothesis 4: The manufacturing country of the brand affects perceptions of the regulatory environment of the manufacturing country of the brand.

Hypothesis 5: Perceptions of the legitimacy of the manufacturing country of the brand affect customer preferences for a brand.

Hypothesis 6: Perceptions of the legitimacy of the manufacturing country of the brand affect willingness to pay a higher price for a brand.

Hypothesis 7: Perceptions of the normative environment of the manufacturing country of the brand affect customer preferences for a brand.

Hypothesis 8: Perceptions of the normative environment of the manufacturing country of the brand affect willingness to pay a higher price for a brand.

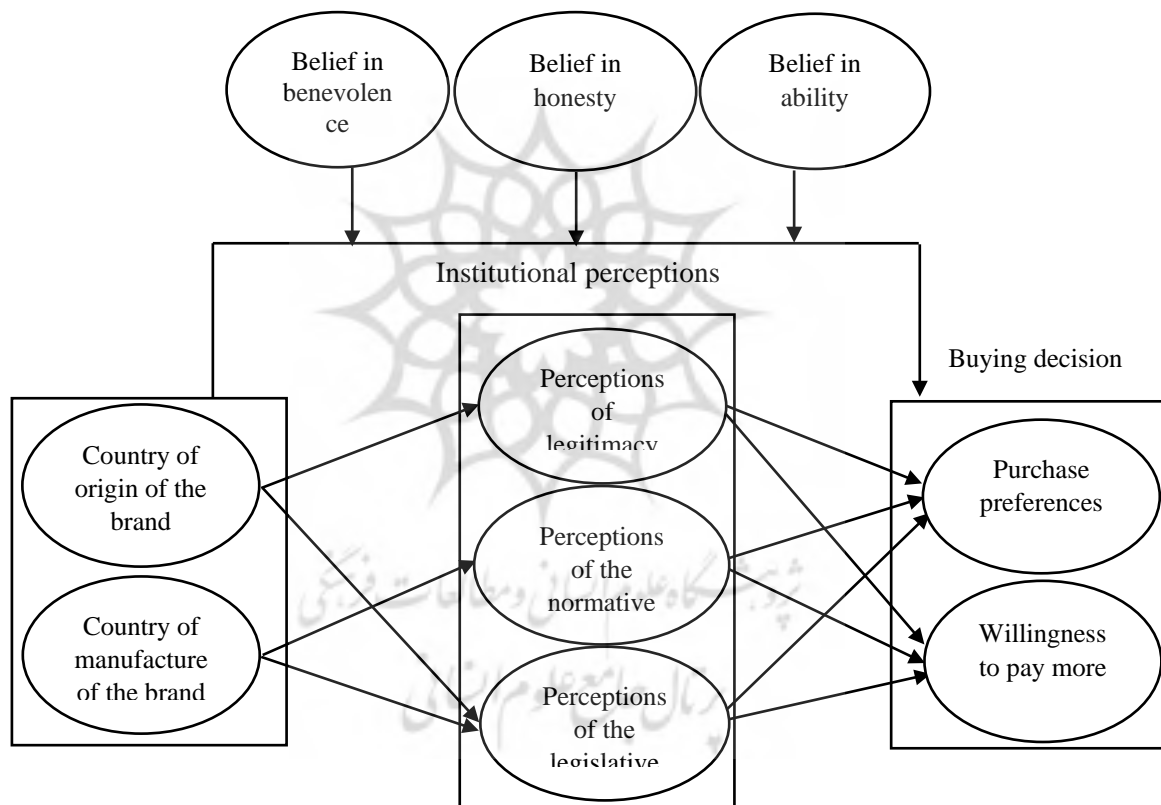


Figure 1. Conceptual model of research

Hypothesis 9: Perceptions of the regulatory environment of the manufacturing country of the brand affect customer preferences for a brand.

Hypothesis 10: Perceptions of the regulatory environment of the manufacturing country of the brand affect willingness to pay a higher price for a brand.

Hypothesis 11: Trust in the benevolence of the brand moderates the effect of the brand's country of origin on customer purchase decisions.

Hypothesis 12: Trust in the honesty of the brand moderates the effect of the brand's country of origin on customer purchase decisions.

Hypothesis 13: Trust in the competence of the brand moderates the effect of the brand's country of origin on customer purchase decisions.

Research Methodology

The aim of this study is to investigate the impact of country of origin and brand producer on customers' perceptions of the institutional environment of countries and their purchasing decisions, taking into account the moderating role of customer trust beliefs. Therefore, this study is practical in nature. Additionally, the data collection method is descriptive-correlational, as it examines the current situation and seeks to understand the characteristics, beliefs, attitudes, behaviors, and other issues of individuals in a community by approaching them, while also examining the relationships between variables. The independent variables in this study are the brand country of origin and the manufacturing country of the brand, while the dependent variables are perceptions of legitimacy, perceptions of the normative environment, and perceptions of the regulatory environment, purchasing preferences, and willingness to pay a higher price. Trust in benevolence, honesty, and competence are the moderating variables. The study methodology is a quantitative survey based on a standardized questionnaire administered to actual and potential customers of Apple brand iPhones in districts 1, 2, and 3 of Tehran. The population under study consists of customers and potential buyers of Apple brand iPhones in these districts of Tehran. Therefore, the questionnaires were distributed using cluster random sampling in the mobile phone stores

in each of these clusters by approaching customers present in these stores. Due to the uncertain size of the population, the sample size was determined to be 385 using the Cochran formula. The validity of the questionnaire was evaluated by 10 knowledgeable experts on the research topic using the content validity ratio and content validity index ratio. Additionally, the reliability of the questionnaire was assessed using Cronbach's alpha coefficient. As the content validity ratio and content validity index ratio values for each of the research constructs were higher than 0.62 and 0.70, respectively, it can be concluded that the questionnaire has high validity and reliability that the validity of the questionnaire has been confirmed. The alpha value calculated for the current research, which actually shows the reliability of the research, is equal to 0.971. Therefore, at the 95% confidence level, it can be said that the current research has acceptable reliability. The investigation of the hypotheses of this research has also been done using the structural equation modeling method with the partial least squares approach with the help of Smart PLS software.

Data analysis and research findings

In this study, a sample of 385 individuals was examined, predominantly female, who were actual and potential customers of Apple brand iPhones in districts 1, 2, and 3 of Tehran. Half of the participants had a bachelor's degree. However, in terms of age, the distribution of individuals was more varied, with 34.5% of them being between 25 to 30 years old, forming the majority of the population.

Table 1.

Description of the statistical sample population

Demographic characteristics		Abundance	Frequency
gender	Female	230	61
	Man	150	39
Age	Less than 20	14	3/6
	Between 20 and 25 years	82	21/3
	Between 25 and 30 years	133	34/0

Demographic characteristics		Abundance	Frequency
education	Between 30 and 35 years	117	30/4
	More than 35 years	39	10/1
	diploma	24	6/2
	Associate Degree	42	10/9
	Bachelor	106	40/0
	Masters	140	37/7
	P.H.D	18	4/7

The analysis of central tendency and variability indices of the research variables showed that based on the theoretical mean of the research, which was based on a 5-point Likert scale and considered as 3, all variables are in an above-average state. Additionally, the results of the analysis of the standard deviation of the variables indicate that the data dispersion of each structure is not very high. The convergence validity for each of the research variables was obtained higher than 0.5, indicating their desirability.

Moreover, the composite reliability value for the variables was higher than 0.7, confirming their desirability. These results indicate that the internal coherence of the structures in this study is in a suitable state. The coefficient of determination also indicates that the independent variables in this study have been able to explain a significant percentage of the dependent variables' changes. To examine the divergent validity, the Fornell-Larcker method was used, and the results are shown in Table 2.

Table 2.
Divergent validity

Variables	1	2	3	4	5	6	7	8	9	10
Country of origin of the brand	0.849									
Country of manufacture of the brand	0.734	0.903								
Perceptions of the legitimacy of the country producing the brand	0.710	0.788	0.803							
Perceptions of the normative environment of the producing country	0.691	0.700	0.727	0.920						
Perceptions of the legislative environment of the producing country	0.683	0.719	0.704	0.886	0.700					
Customer buying preferences from a brand	0.627	0.700	0.691	0.869	0.742	0.871				
Willingness to pay a higher price for a brand	0.613	0.688	0.683	0.831	0.706	0.808	0.908			
Believe in the benevolence of the brand	0.072	0.600	0.677	0.796	0.686	0.800	0.899	0.721		
Belief in the honesty of the brand	0.033	0.628	0.017	0.740	0.647	0.779	0.871	0.693	0.824	
Belief in the power of the brand	0.001	0.094	0.009	0.722	0.630	0.707	0.848	0.667	0.807	0.804

As shown in Table 2, the numbers on the main diagonal represent the convergent validity square root, and the lower numbers represent the correlation coefficients between the structures. Therefore, since the convergent validity square root for each

structure is higher than the correlation coefficient between them, it can be concluded that the internal correlation between the research structures is at an acceptable level. To determine the data distribution around the concentration

measures, measures of dispersion are used. The mean is the most important and commonly used measure to determine the center of a set of data. The range indicates the difference between the largest and smallest data. Variance is the most important measure to examine the data dispersion around the mean axis. The higher the variance, the more the data is dispersed around the mean. Standard deviation is another measure that determines the dispersion of data around the mean and is obtained from the square root of the variance. It is worth mentioning that deviation from the mean is shown using this measure. Skewness and kurtosis measures are also used to compare variables in terms of deviation from the mean. Skewness occurs when the data distribution around the central point is not symmetrically dispersed. The asymmetry of the data around the central point can appear as positive skewness or negative skewness. The closer the value of skewness is to zero, the closer the data is to the normal population in terms of symmetry. Kurtosis indicates the height or flatness of the distribution curve at its maximum point. Positive kurtosis occurs when the maximum point of the distribution curve is higher than the normal distribution curve, and negative kurtosis occurs when this point is lower than the normal distribution curve. The normality range for both skewness and kurtosis measures is -2 to +2. In this study, the values of skewness and kurtosis for the variables are close to zero, indicating a normal distribution of the variables in this study. The examination of the center and dispersion measures of the data includes mean, standard deviation and model fit using convergent validity, composite reliability, divergent validity, and coefficient of determination measures. To achieve these objectives, first, the factor loadings of each of the questionnaire items were examined using the path coefficient test. Additionally, to achieve this goal, Figures 2 and 3 of the structural

model were constructed using PLS or path coefficient to determine the relationships between the variables.

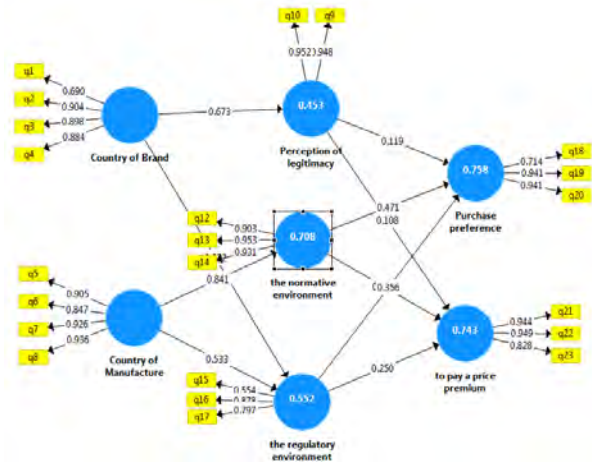


Figure 2. Structural model of research hypotheses one to ten

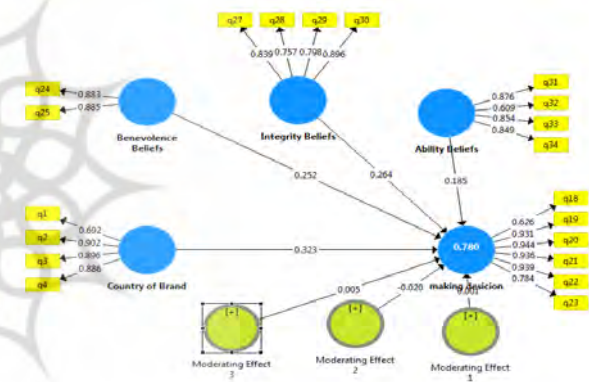


Figure 3. Structural model of research moderation hypotheses

These numbers indicate the standardized beta in regression or the correlation coefficient of two constructs, which actually forms the weighted composition of the indicators. The numbers inside the circle represent the coefficient of determination (R²) of the main structure and its value is always variable between zero and one. The larger the coefficient of determination is, it means that the regression line is better able to attribute the changes of the dependent variable to the independent variable.

Table 3.
Fit of the research model

Variables	Average	standard deviation	AVE	CR	R2	rho_A
Country of origin of the brand	3/227	1/0.39	0/721	0/911	-	0/890
Country of manufacture of the brand	3/349	1/170	0/817	0/947	-	0/931
Perceptions of the legitimacy of the country producing the brand	3/082	0/793	0/746	0/833	0/403	0/884
Perceptions of the normative environment of the country producing the brand	3/008	1/136	0/964	0/900	0/708	0/924
Perceptions of the legislative environment of the producing country	3/462	0/892	0/071	0/794	0/002	0/737
Customer buying preferences from a brand	3/700	1/077	0/760	0/903	0/708	0/884
Willingness to pay a higher price for a brand	3/014	1/169	0/826	0/934	0/743	0/898
Believe in the benevolence of the brand	3/004	0/741	0/021	0/790	-	0/713
Belief in the honesty of the brand	3/389	0/866	0/779	0/894	-	0/806
Belief in the power of the brand	3/360	0/807	0/747	0/878	-	0/867

In this study, the overall fit of the model was calculated by using the common index values and the goodness of fit index determination coefficient through the following formula.

Table 4. *Goodness of fit index*

Variables	communalities	R2	Goodness of fit
Country of origin of the brand	0/794	-	
Country of manufacture of the brand	0/779	-	
Perceptions of the legitimacy of the country producing the brand	0/706	0/403	
Perceptions of the normative environment of the country producing the brand	0/840	0/708	
Perceptions of the legislative environment of the country producing the brand	0/789	0/002	0/381
Customer buying preferences from a brand	0/839	0/708	
Willingness to pay a higher price for a brand	0/847	0/743	
Believe in the benevolence of the brand	0/077	-	
Belief in the honesty of the brand	0/711	-	
Belief in the power of the brand	0/701	-	

$$GOF = \sqrt{\text{Communalities} \times R^2}$$

As can be seen in Table 4, the value of the goodness of fit index of the model is equal to 0.381, which indicates its optimal value. The significance of the hypotheses of this study was investigated using the t-statistics model, and the results are shown in Figures 4 and 5.

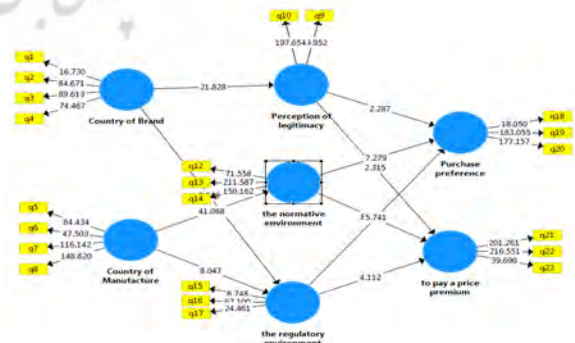


Figure 4. *T-statistics model of hypotheses one to ten of the research*

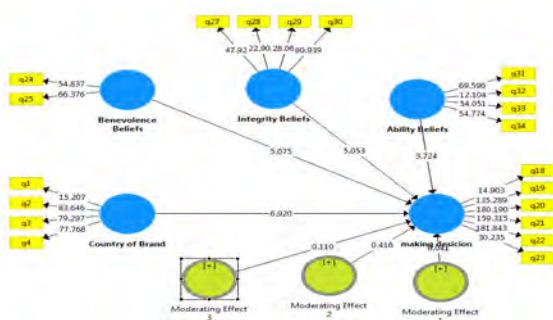


Figure 5. T-statistical model of research moderation hypotheses

As can be seen in figures 4 and 5, referring to the value of t-statistic at the 95% confidence level, which is more than 1.96, it can be said that all research hypotheses except hypothesis number 11, 12, and 13 were confirmed. The results of the research hypotheses are presented as described in Table 5.

Table 5. The result of examining the hypotheses

theories		Path coefficient	meaningful	The result of the hypothesis
The first hypothesis	The country of origin of the brand has an effect on the perceptions of the legitimacy of the country of origin of the brand.	۰/۶۷۳	۲۱/۸۲۸	confirmation
The second hypothesis	The country of origin of the brand has an effect on the perceptions of the legislative environment of the country of origin of the brand.	۰/۲۳۲	۳/۳۲۸	confirmation
The third hypothesis	The country of brand production has an effect on perceptions of the normative environment of the country of brand production.	۰/۸۴۱	۴۱/۰۸۸	confirmation
The fourth hypothesis	The brand producing country has an effect on the perceptions of the legislative environment of the brand producing country.	۰/۰۳۳	۸/۰۴۷	confirmation
The fifth hypothesis	Perceptions of the legitimacy of the country of brand production have an effect on customer purchase preferences of a brand.	۰/۱۱۹	۲/۲۸۷	confirmation
The sixth hypothesis	Perceptions of the legitimacy of the country of brand production influence the willingness to pay a higher price for a brand.	۰/۱۰۸	۲/۳۱۰	confirmation
The seventh hypothesis	Perceptions of the normative environment of the country producing the brand have an effect on the customer's purchase preferences of a brand.	۰/۴۷۱	۷/۲۷۹	confirmation
The eighth hypothesis	Perceptions of the normative environment of the country producing the brand influence the willingness to pay a higher price for a brand.	۰/۰۶۹	۸/۷۳۴	confirmation
The ninth hypothesis	Perceptions of the legislative environment of the country producing the brand have an effect on the customer's purchase preferences from a brand.	۰/۳۰۶	۰/۷۴۱	confirmation
The tenth hypothesis	Perceptions of the legislative environment of the country producing the brand have an effect on the willingness to pay a higher price for a brand.	۰/۲۰۰	۴/۱۱۲	confirmation
The eleventh hypothesis	Belief in the benevolence of the brand moderates the effect of the brand's country of origin on the customer's purchase decisions.	۰/۰۰۱	۰/۰۴۱	disapproval
The twelfth hypothesis	Belief in the honesty of the brand moderates the effect of the brand's country of origin on the customer's purchase decisions.	۰/۰۲	۰/۴۱۶	disapproval
The thirteenth hypothesis	Belief in the ability of the brand moderates the effect of the brand's country of origin on the customer's purchase decisions.	۰/۰۰۰	۰/۱۱۰	disapproval

The main hypothesis of the research (the country of origin of the brand and the country of the brand producer has an effect on the customer's perceptions of the institutional environment of the countries and the purchasing decisions of customers according to the moderating role of beliefs arising from customer trust) because the moderating hypotheses, in that case were not confirmed, it will not be fully confirmed, but other relations of the main hypothesis will be confirmed.

Conclusion and Suggestions

Based on the proposed hypotheses, the results of all hypotheses are consistent with previous studies. Therefore, it is recommended that Apple communicate with its customers and create conditions where customers cannot meet their needs without the company's products. This will enable customers to consider the brand as a part of their personal identity. The company can make more efforts to improve the performance and sustainability of its products, invest more in distribution and selection of stores for product supply, and maintain its relationship with customers by meeting their personal needs through desired products. Since the perception of the producing country's legitimacy affects the willingness to pay a higher price for a brand, it is suggested that Apple's product manufacturers and marketers seek differentiation and uniqueness in creativity in service delivery and create a sense in their customers that their brand is special and superior to competitors. It is also recommended that special programs be considered for Apple product customers, such as special discounts and valuable prizes, to encourage them to pay higher prices for products. Product manufacturers should determine the prices of their products in proportion to their quality level and the degree of differentiation from competitors' products. In case of a price increase, they should significantly increase the quality and unique features of their products to help customers understand the reason for paying a

higher price. Managers can make customers aware of new and unique features of products and, therefore, the superiority of their products and services compared to competitors. They can create a sense of uniqueness and difference in their customers through creativity and innovation in products and strengthen their sense of pride and honor. Additionally, by employing price change strategies, they can create a positive image of quality in the minds of consumers and assure them that quality also increases to an acceptable level with price increases. In general, when consumers receive positive institutional perceptions, they are willing to pay higher costs for those products. Finally, the results of this study and other studies indicate that brand origin effects are permanent and memorable to consumers with the brand name.

Research Limitations

Research limitations include the COVID-19 pandemic, which limited access to resources, universities, professors, and members of the statistical community. Additionally, this study only examined the purchasing intentions of iPhone holders and potential buyers in Tehran's districts 1, 2, and 3, limiting its generalizability to other industries because attitudes and approaches may vary. Therefore, in future studies, the study's statistical population could be expanded to include other organizations and individuals. Additionally, other factors that affect customers' purchasing intentions, such as brand trust and personality, could be investigated.

Suggestions for Future Research

1. It is recommended to conduct similar research by including different or similar case studies in other cities of Iran, as well as in various industries and markets.
2. It is suggested that in future studies, other factors that affect customers' purchasing
3. Considering that the study's population is customers and potential buyers of Apple brand iPhones in regions 1, 2, and 3 of Tehran city, it is possible to define a wider

population in future research and include more individuals in the target population.

4. Since the present study was conducted in a specific time period, it is recommended that future research be carried out at different and diverse time intervals to achieve better results and compare research findings at different times.
5. To obtain more accurate and comprehensive results, it is suggested to use other data collection tools in addition to questionnaires in future studies, such as face-to-face or online interviews, online surveys, and personal reports.

References

- Abosag, I., & Farah, M. F. (2014). The influence of religiously motivated consumer boycotts on brand image, loyalty and product judgment. *European Journal of Marketing*, 48 (11/12), 2262–2283. <https://doi.org/10.1108/EJM-12-2013-0737>
- Ahn, J. (2023). The role of multidimensional country-of-origin attributes: Exploring the antecedents of international brand attitude and image. *Journal of Marketing Communications*, 1-16. <https://doi.org/10.1080/13527266.2023.2191607>
- Alilou, P., Saeednia, H. R., & Badi Zadeh, A. (2021). Studying the Effective Factors in Brand Value Creation from the Perspective of Customers, Organizations and Stakeholders (Case study: Iranian Textile Industry). *Journal of System Management*, 7(4), 23-47. <https://doi.org/10.30495/jsm.2021.1943070.1548>
- Amoroso, D. L., Roman, F. L., & Morco, R. (2016). E-Commerce online purchase intention: Importance of corporate social responsibility issues. In *Encyclopedia of E-Commerce Development, Implementation, and Management* (pp. 1610-1626). IGI Global. 10.4018/978-1-4666-9787-4.ch114
- Astan, Samaneh, Ghorbani, Ali, and Torabi, Mohammad Amin. (2021). A comparative study of the effect of the brand of the country of origin on the customer's purchase intention in the food industry with the mediating role of brand preference and brand value (10 best-selling foreign food brands active in the Iranian market). *Andisheh Amad*, 20(77), 137-163. SID. <https://sid.ir/paper/412580/fa> <https://doi.org/10.22034/lot.2021.96690>
- Bakhshande, Mehdi, Shams, Kourosh (2017). Identification and explanation of factors affecting customers' intention to purchase foreign brand products (case study: foreign packages). Master's thesis, Islamic Azad University, Faculty of Pharmacy, School of New Sciences and Technologies.
- Brodowsky, G., Stewart, K., & Anderson, B. (2018). Brand and Country Influences on Purchase Intentions: A Theory-Of-Reasoned Action Approach. *Journal of Promotion Management*, 24(2), 251-269. <https://doi.org/10.1080/10496491.2017.1360822>
- Chen, S., Wright, M. J., Gao, H., Liu, H., & Mather, D. (2020). The effects of brand origin and country-of-manufacture on consumers' institutional perceptions and purchase decision-making. *International Marketing Review*. 38(2), 343-366. <https://doi.org/10.1108/IMR-08-2019-0205>
- Coffey, S., & Kabadayi, S. (2020). Consumers' purchase intentions of Bi-national products: effects of country-of-brand, country-of-manufacture, and trusting beliefs. *Journal of Global Marketing*, 33(1), 18-33. <https://doi.org/10.1080/08911762.2019.1579398>
- Ebrahim, R., Ghoneim, A., Irani, Z., & Fan, Y. (2016). A brand preference and repurchase intention model: the role of consumer experience. *Journal of Marketing Management*, 32(13-14), 1230-1259. <https://doi.org/10.1080/0267257X.2016.1150322>
- Ghafurian, Shagerdi, Behbodi, Omid, Momen, Hoshyar, & wajiheh. (2021). the effect of consumer alienation on the intention to buy foreign products: analyzing the role of the image of the producing country and brand attitude. *International Business Management*, 13(4), 129-146. 10.22034/JIBA.2021.43009.1578
- Herz, M., & Diamantopoulos, A. (2017). I use it but will tell you that I don't: Consumers' country-of-origin cue usage denial. *Journal of International Marketing*, 25(2), 52-71. <https://doi.org/10.1509/jim.16.0051>
- Huang, Y., Zhang, X., & Zhu, H. (2022). How do customers engage in social media-based brand communities: The moderator role of the brand's country of origin?. *Journal of Retailing and Consumer Services*, 68, 103079. <https://doi.org/10.1016/j.jretconser.2022.103079>
- Kabadayi, S. (2016). Customers' dissatisfaction with banking channels and their intention to leave banks: The moderating effect of trust and trusting beliefs. *Journal of Financial Services Marketing*, 21(3), 194–208. <https://link.springer.com/article/10.1057/s41264-016-0005-2>
- Kabadayi, S., & Lerman, D. (2011). Made in China but sold at FAO Schwarz: Country-of-origin effect and trusting beliefs. *International Marketing Review*, 28 (1), 102–126. <https://doi.org/10.1108/02651331111107125>
- Kamali Dehkordi, Parvaneh; Hosseini, Mirza Hassan; Khalili Berkoui, Zahra. (2011). Factors affecting customer trust in electronic banking. Research paper of Payam Noor University of Chaharmahal and Bakhtiari province. Number six.

- Khorram, Mohammad Hassan, Moradi, & Hatami. (2021). The effect of the mental image of the country of origin of the brand on the formation of the special value of the brand resulting in brand trust in the sports industry (case study: Shiraz city). *Sports Marketing Studies*, 2(1), 1-30. <https://doi.org/https://www.doi.org/10.34785/J021.2021.166>
- Kiyomarsi, E., Saeednia, H. R., & Alipour Darvishi, Z. (2021). The Effect of Advertising on Expectations and Perception of the Brand with Emphasis on the Mediating Role of Customer Experience Management in the Insurance Industry. *Journal of System Management*, 7(4), 183-204. <https://doi.org/10.30495/jsm.2021.1943472.1562>
- Lopez, C., & Balabanis, G. (2020). Country image appraisal: More than just ticking boxes. *Journal of Business Research*, 117, 764-779. <https://doi.org/10.1016/j.jbusres.2019.09.004>
- Mela, C. F., Jedidi, K., & Bowman, D. (1998). The long-term impact of promotions on consumer stockpiling behavior. *Journal of marketing research*, 35(2), 250-262. <https://doi.org/10.1177/002224379803500210>
- Mohialdin Ghomsheh, Mohammad Amin, Norozi, Hossein, Khodami, Soheila (2021). The effect of country of origin image on willingness to pay more through mediating variables of brand love, brand luxury, and customer perception (case study: Rolex watch brand). Master's thesis, Kharazmi University, School of Management.
- Oni, K. A., Ogundipe, K. S., Salako, M. A., & Babalola, B. T. (2021). Impact of Branding on Consumers Preference for Distilled Liquor in Abeokuta. *British Journal of Marketing Studies*, 9(1), 1-10.
- Rahimi, M., Keshavarz, S., & Golani, S. K. (2023). The Impact of Virtual Reality Technology on Creating the Attitude and Understanding of Customers towards the Property and Service Provider in the Real Estate Consulting Division. *Journal of System Management (JSM)*, 9, 3. <https://doi.org/10.30495/jsm.2023.1975237.1731>
- Rahim Nia, & Asghari. (2015, June). Presenting a conceptual model in order to investigate the relationship between the mental image of the country of origin and the quality of the relationship on the brand image, taking into account the mediating role of the brand value. In the first advertising management conference <https://civilica.com/doc/421956>
- Rambocas, M., & Ramsuhag, A. X. (2018). The moderating role of country of origin on brand equity, repeat purchase intentions, and word of mouth in Trinidad and Tobago. *Journal of Global Marketing*, 31 (1), 42-55. <https://doi.org/10.1080/08911762.2017.1388462>
- Rashid, M. S. (2017). Weakening the effect of unfavorable country of origin: A process- and parameter- associated theoretical framework. *Journal of Global Marketing*, 30 (2), 87-98. <https://doi.org/10.1080/08911762.2016.1226450>
- Rungsrisawat, S., & Sirinapatpokin, S. (2019). Impact of brand equity on consumer purchase intent. *Utopía y praxis latinoamericana: revista internacional de filosofía iberoamericana y teoría social*, (6), 360-369.
- Sahi, G. K., Sambyal, R., and Sekhon, H. S. (2016). Analyzing customers' switching intentions in the telecom sector. *Journal of Global Marketing*, 29(3), 156-169. <http://dx.doi.org/10.1080/08911762.2016.1184736>
- Shin, J., Saithibvongsa, P. & Choi, H. J. (2019). Country Image, Perceived Product Quality and Purchase Intention: The Moderating Roles of Quality Warranty Certificate and Country-Image Transferred Strategies. *International Journal of Economics and Management*, 1 (3), 10-23. Retrieved from <https://dergipark.org.tr/en/pub/jecomana/issue/49685/636993>
- Scott, W. R. (2013). *Institutions and organizations: Ideas, interests, and identities*. Sage publications.
- Suddaby, R., Bitektine, A. and Haack, P. (2017), "Legitimacy", *Academy of Management Annals*, Vol. 11 No. 1, pp. 451-478. <https://doi.org/10.5465/annals.2015.0101>
- VONGURAI, R. (2020). Factors affecting customer brand preference toward electric vehicle in Bangkok, Thailand. *The Journal of Asian Finance, Economics and Business*, 7(8), 383-393. <http://dx.doi.org/10.1504/IJEHV.2017.089875>
- Zadegan, H., Aghaei, M., Esfidani, M. R., Hasangholipour, T., & Ansari, M. (2023). Designing and Explaining the Digital Marketing Model with the Approach of Customer Experience Management (CEM). *Journal of System Management*. <https://doi.org/10.30495/jsm.2023.1973844.1721>
- Zhou, M., & Tian, D. (2010). An integrated model of influential antecedents of online shopping initial trust: Empirical evidence in a low-trust environment. *Journal of International Consumer Marketing*, 22 (2), 147-167. <https://doi.org/10.1080/08961530903476212>
- Zohdi, M. H., & Dalvand, M. R. (2023). Virtual and Cyber Whistle Blowing Role of Brand Hate among Home Appliance Customers. *Journal of System Management (JSM)*, 9, 3. <https://doi.org/10.30495/jsm.2023.1977845.1750>