

**Revisiting COO Effects on Purchase Intention:
A Qualitative Study Among Gen Z Consumers in Germany**

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Abstract

The Country-of-Origin (COO) effect has been one of the critical factors in consumer decision-making for a long time; however, its relevance in the digital era, specifically for Generation Z (Gen Z), is still unexplored. This paper investigates the impact of COO on the purchase intention of German Gen Z consumers in high and low involvement product categories. Employing a qualitative method, through the two focus groups, the study revealed that COO still exerts very strong influence on high involvement purchases like automobiles and electronics where quality and reliability are a must. For low involvement products, however, other factors such as convenience and digital influence reduce concerns about COO. These findings carry important lessons for marketers looking to align with the preferences of Gen Z in an increasingly digital and interconnected marketplace.

Keywords: Country-of-origin, COO, Gen Z, Purchase Intention, Consumer Behaviour

1. Introduction

Over the years products from various countries developed reputations with either positive or negative images or stereotypes attached to them. This has led to the country's name becoming an indicator and label associated with the products. This phenomenon, called the Country-of-Origin (COO) effect, has been considered by researchers since the late 1960s (Dichter, 1962).

While traditional research has focused on the role of COOs in shaping consumer preferences, the digital age and the rise of Generation Z (Gen Z) present new opportunities and challenges for revisiting and re-examining this phenomenon (Müller and Schmidt, 2023). Later researchers discovered that Gen Z consumers are more likely to consider COO when making purchases, but their perception of COO is influenced by online reviews and social media. The effect on purchase intention seems to differ across product categories, as supported by studies (Ahmed et al., 2004; Thøgersen et al., 2021). Furthermore, and according to a Statista report (2024), German Gen Z consumers are more likely to prioritise sustainability and ethical sourcing in their purchasing decisions. This suggests that COO effects could be especially important for this demographic. These findings emphasise the significance of understanding how COO effects interact with digital behaviours and preferences.

Accordingly, the purpose of this study, through a qualitative research, is to bring an answer the main research question: How does the COO affect the purchase intentions of German Gen Z consumers for high and low involvement products? is to look into the effects of COOs on German Gen Z consumers, who are known for their digital-first approach and distinct consumption patterns.

This research paper is split into two parts. First, a literature review that comprises and presents existing literature to lay the ground for further research on the topic of COO. The second part of the study will be empirical research to gain insights into German Gen Z's perception and whether their purchase intention is influenced by the COO effect.

2. Literature Review: COO's Role in Purchase Intentions and New Consumer Priorities

Historical Overview of COO Influence on Purchase Intention

The COO effect was first systematically explored by Dichter (1962), who suggested that COO could serve as a “halo effect,” projecting the perceived qualities of a country onto its products. This has been confirmed in succeeding studies, including Schooler (1965), who found that products from countries with favorable reputations generally enjoy higher evaluations. These early findings indicate that COO functions as a significant extrinsic cue influencing consumer decisions. For example, countries like Germany and Japan used to be associated with high-quality products, mainly in automotive and electronics sectors (Magnusson et al., 2011).

However, COO's influence is not universally positive. Products from countries with less favorable reputations or developing countries often face skepticism regarding quality or ethical practices (Karimov and El-Murad, 2019). These COO stereotypes influence consumer behavior, especially in markets that place value on traditional product qualities like craftsmanship and safety. Over time, the COO effect has evolved to encompass a more complex interaction between intrinsic (product-related) and extrinsic (non-product-related) cues. Ozsomer and Cavusgil (1991) expanded this research by demonstrating how COO interacts with other factors like brand, price, and packaging in influencing purchase intentions.

COO in a Globalized Economy: A Diminishing Effect?

As markets globalized and international trade increased, the role of COO in shaping consumer behavior became more nuanced. Samiee et al. (2005) argued that the COO effect might be overstated in an era of globalized production, where many products are designed, manufactured, and assembled across multiple countries. This phenomenon has led to the development of hybrid products, where components from different countries are integrated into the same product, making the traditional COO perceptions more complicated.

Usunier (2006) extended this critique, suggesting that the relevance of COO as a standalone factor has diminished in today's digital and global economy. According to Usunier, younger generations such as Gen Z, who have grown up with global brands and digital access, are less influenced by COO cues and more focused on other attributes, such as brand ethics, sustainability, and social media presence. This shift aligns with the findings of Magnusson et al. (2011), who introduced the concept of perceived brand origin, distinguishing between what consumers believe to be a product's origin versus its actual COO. This concept plays an important role in today's globalized markets. For example, brands like Häagen-Dazs, are perceived as European, while they are in fact American. Such confusions influence wrongly purchase intentions.

Gen Z: A New Consumer Paradigm and the Changing COO Effect

Unlike previous generations, Gen Z is deeply influenced by digital platforms and social media. This generation considers sustainability and corporate social responsibility when making purchasing decisions, which often compensate traditional COO effects (Scholz and Grotendorf, 2019). Priporas et al. (2017) found that Gen Z consumers are more likely to trust recommendations from influencers and peer reviews than traditional advertising, further diluting the impact of COO cues.

A considerable importance of sustainability in Gen Z consumer choices is also perceived. According to Bhatt (2023), over 60% of Gen Z consumers are willing to pay more for products that are perceived as environmentally responsible, regardless of their COO. This shift suggests that younger consumers are more focused on environmental and ethical issues than on the product origin.

COO Influence in High and Low Involvement Products

The influence of COO varies according to the product category. High involvement products such as cars and luxury goods for example require greater investment in terms of time, effort, and money, leading consumers to evaluate them more carefully. In such cases, COO often plays a significant role in purchase decisions, mostly when consumers associate specific countries with high quality (Ahmed et al., 2004; Magnusson et al., 2011). In contrast, for low involvement products such as food and household items the role of COO is generally less noticeable. According to Thøgersen et al. (2021) and Bao et al. (2021) factors such as price, convenience, and brand familiarity often dominate COO in low involvement purchases.

The Role of Social Media in Modern COO Effects

Social media changed the traditional COO framework. Vrontis and Basile (2022) highlight that social media enables brands to engage directly with consumers. Platforms like Instagram, YouTube, and TikTok became powerful tools for marketers to communicate not only the origins of their products but also their ethical practices. Which are factors that gained a big importance for Gen Z consumers. The rise of digital influencers and online reviews has further diminished the COO's impact on purchase intentions. Because consumers now have a lot of information that allows them to make more value-driven decisions.

3. Methodology: Examining COO's Influence on Purchase Intentions

This study employs a qualitative methodology using focus groups until saturation. The study was conducted in May 2024. Two focus groups with a total of 14 participants aged 20 to 25 were directed, representing German Gen Z consumers. Each group was exposed to discussions on both high involvement products (e.g., automobiles, laptops) and low involvement products (e.g., ice cream, clothing). Participants shared their perceptions of products based on COO and discussed how it influenced their purchase intentions.

To collect data, the focus groups were recorded with the approval of the participants. It was transcribed in the original language (German) by the Whisper transcription service into post-transcription to keep the intended meaning of the responses. It was checked again for mistakes and the initial codes were derived from the literature review in line with the suggestion of Baralt (2011). The coding process in the Nvivo software followed the guide of Baralt (2011) and it

was coded two times according to the “Coding Manual for Qualitative Researches” by Saldaña (2021). The results are presented in the appendix.

Themes such as COO cues, brand reputation, social media influence, and ethical concerns were examined in relation to the participants’ decision-making processes.

4.Results: COO's Impact on Purchase Intentions

High Involvement Products: COO’s Enduring Influence on Purchase Intention

For high involvement products, such as cars and technology, COO continues to play a central role in shaping purchase intention. Participants exhibited a strong preference for German-made cars, expressing confidence in the quality, safety, and engineering precision associated with the "Made in Germany" label. This demonstrates that COO is still a key driver in purchase decisions where product longevity and reliability are prioritized.

However, COO had a different impact on technology products, where Asian brands (e.g., Samsung, Sony) were perceived as more advanced than German alternatives. The focus group participants noted that while they trust German products in the automotive industry, they regard countries like Japan and South Korea as leading in technological innovation. This reinforces the idea that COO influences purchase intentions differently depending on the product category.

Low Involvement Products: A Diminishing Role of COO in Purchase Intention

The impact of COO on low involvement products was far less pronounced. Participants generally did not consider COO as a decisive factor when purchasing items like clothing, food, or ice cream. In contrast, factors like price, brand familiarity, and convenience were more important for their purchase intentions.

Remarkably, some participants were initially unconscious of the true origins of certain brands (e.g., Häagen-Dazs, which was assumed to be European instead of American). Upon discovering the actual COO, there was a noticeable shift in perception, but this did not always lead to a change in purchase intention. This suggests that while COO can still lead to an emotional reaction, it is not a dominant factor for low involvement products purchasing decision. Indeed, everyday convenience is often a priority.

Sustainability and Purchase Intention

One of the most significant findings was the importance participants placed on sustainability and ethical production as determinants of their purchase intentions. Many Gen Z participants indicated a willingness to pay more for products they perceived as environmentally responsible, even if these products are produced in countries traditionally associated with lower quality. This shift underlines that purchase intention for Gen Z is increasingly aligned with value-driven consumption.

Discussion: COO’s Evolving Impact on Purchase Intention Among Gen Z

The findings of this study underscore the evolving nature of COO's influence on purchase intention, particularly among German Gen Z consumers. While COO remains a relevant factor in high involvement purchases, its role is diminishing for low involvement products, where other factors—such as price, brand ethics, and social media influence—hold greater weight.

The traditional belief that COO significantly influences purchase intention has been challenged, especially in light of the growing importance of sustainability and corporate responsibility for younger consumers. Gen Z's focus on environmental and ethical concerns often leads them to prioritize these values over COO, particularly when making decisions about everyday products. This demonstrates a marked shift from older generations, for whom COO was often the most important consideration in product evaluations.

Furthermore, the growing role of digital influencers and social media in shaping purchase intentions suggests that marketers must now engage with consumers through digital channels that emphasize product values and brand transparency rather than rely solely on traditional COO associations. Gen Z is more likely to be influenced by peer recommendations or digital word-of-mouth, which further dilutes the importance of COO as a standalone factor in decision-making.

6. Conclusion: Rethinking COO's Role in Gen Z's Purchase Intentions

This study demonstrates that the COO effect still plays a role in shaping purchase intentions among German Gen Z consumers, but its importance varies significantly across product categories. For high involvement products, such as cars and electronics, COO continues to be a key consideration. However, for low involvement products, COO has a falling effect on purchase intention. Other factors like price, sustainability, and social media influence are gaining importance.

Marketers should then adapt to this shift and recognize that Gen Z's purchase intentions are increasingly shaped by factors like sustainability and brand ethics, rather than the traditional COO. To effectively engage this generation, brands should adapt their messaging with the latter's values.

Future research could continue to explore the evolving relationship between COO and purchase intention, particularly in the context of digital marketing and ethical consumerism, to understand how these trends will shape the future of global consumption. Future studies could also incorporate quantitative methods, such as surveys or experiments, to complement the qualitative insights.

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Appendix

Appendix 1: Focus Group Discussion Guide

1. Introduction to the focus group and its objectives.
2. Presentation of product stimuli:
 - Low involvement product (Ice Cream - Häagen Dazs, Ben & Jerry's).
 - High involvement product (Cars - BMW, Audi).
3. Open-ended discussion about perceptions of COO and its impact on purchase intention.



The examples of high and low involvement products used for this study

Appendix 2: Summary of codes with interpretation

Codes	Excerpt supporting the code	Interpretive summary
COO: 'Made Germany' in	„Ich finde, Made in Germany war damals eine Macht. Also, wenn man gesagt hat, Made in Germany war das Produkt direkt, denke ich mal, hätten die Leute das direkt auch gekauft. Aber ich finde jetzt zum Beispiel auch, bezogen auf die Autoindustrie, gibt es in anderen Ländern, zum Beispiel sogar China, die das mittlerweile viel günstiger machen, auch mit der gleichen Qualität. Und ich finde, Made in Germany hat sich zu sehr darauf ausgerichtet, dass die Made in Germany sind. Und geben nicht mehr dementsprechend so viel Gas.“	'Made in Germany' lost its meaning to signify high quality while other products offer alternatives at lower prices, leading to the labels loss of impact
COO: 'Made China' in	„Aber ich finde, wenn ich zum Beispiel auf Produkten, vor allem auf Klamotten wie zu China sehe, das tört mich ein bisschen ab, weil ich denke, zu China, das ist immer so sehr ... nicht so sehr ... Die Qualität geht verloren, habe ich das Gefühl immer. Aber ich glaube, vieles wird ja ... alles in China hergestellt“	Clothing from China is seen negative due to quality concerns
COO: Cars	„Mir ist nämlich gerade eingefallen, dass ich mir, glaube ich, niemals irgendwie ein Auto aus Frankreich oder sowas kaufen würde, sondern tatsächlich eher Autos aus Deutschland, weil die eben für ihre hohen Qualitätsstandards bekannt sind“	Reputation of high-quality for German cars
Quality and safety	„Weil wir halt hier in Deutschland leben und wir ja auch wissen, dass so alles geprüft ist, was an Lebensmitteln hier hinkommt, dass ich dadurch zum Beispiel vor asiatischen Lebensmitteln oder generell ausländischen Lebensmitteln eigentlich auch gar keine Angst habe, das hier zu kaufen und das eigentlich dann auch so lokal, je nachdem, gerne unterstütze, wenn ich das auch schon essen möchte.“	Trust in the regulations of local and European products to ensure quality and safety
Sustainability and ethics	„Aus Europa genau, weil damit da nicht so lange Lieferketten sind, nicht so viel CO2 ausgestoßen wird, damit ich vielleicht auch weiß, dass die Sachen unter bestimmten Bestimmungen irgendwie angebaut wurden.“	Shorter supply chains and better environmental standards lead to a preference of European products
Information sources: Social media	„Ja, ich mache das auch öfter, dass ich dann einfach den Namen von der Marke google und dann gibt es da ja immer so Rezensionen und dann lese ich mir die dann einfach durch was so die Erfahrungen von Normalsterblichen wie mir sind.“	Social media and online reviews have a significant role in providing information for the purchase decision
Information sources: Family and friends	„Ich glaube, da würde ich dann eher auf Erfahrungen von Freunden und Bekannten hören. Aber heutzutage kann man irgendwie, was das Thema angeht, weder Influencern glauben noch, also generell Persönlichkeiten, die im öffentlichen Leben stehen. Da bin ich, glaube ich, sehr skeptisch, was das angeht.“	Trust in family and friends rather than public figures like influencers for product recommendations
Buying behaviour: Low involvement	„Ich meine, alles, was man regional kaufen kann, zum Beispiel Obst, Fleisch, etc., könnte man kaufen. Und wenn es was, was es nicht regional gibt, kann man dann... Muss man, ja.“	Leads to preference of local and regional food but no abandonment of imported products
Buying behaviour: High involvement	„Ja, ich glaub auch bei Technik und Autos und generell dann... greift man halt eher zu dem Produkt, was man schon kennt vom Namen her, weil man dann auch weiß, dass es gut ist, auch wenn es vielleicht nicht unbedingt besser ist als jetzt andere Produkte. Und ich glaube, dann fällt schon mal ein großer Schritt weg, um sich dann tatsächlich für ein Produkt zu entscheiden.“	Familiar brands are preferred for products like technology or cars, indicating brand loyalty

Source: authors' own development based on data collected during the research

Appendix 3: Participants Demographics

- Age range: 20-25 years old.
- Gender distribution: 9 males, 5 females.
- All participants are residents of Germany, with some having foreign roots.