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PERCEIVED QUALITY OF ASIAN BRANDS BY U.S. CONSUMERS: CASE OF COSMETIC BRAND USING AGE AS A MODERATOR

Sarah (Song) Southworth and Minjeong Kim

ABSTRACT

Purpose − *There is a rising number of Asian brands expanding to Western nations. However, one of the biggest challenges is their reputation of inferior quality. The objectives of this research are to examine the U.S. consumers' quality perception of Asian brands and what steps can be taken to improve their perceived quality to ultimately influence patronage intentions. This study also considers how age influences U.S. consumers' perceived quality and patronage intentions.*

Methodology/approach − *An online experiment using 328 U.S. female subjects was conducted to examine how quality cues (brand origin and product design) influence their perceived quality of Asian brands. The study also examines how age (due to different levels of exposure of Asian brands) moderates the relationship between product cues and perceived quality.*

Findings − *The findings showed that there was a difference between the younger (Generation X and Y) and older (Baby boomers and Swing) group's perceived quality of these Asian brand origins, namely Japan and China. Product design had an impact on perceived quality, but age was not a moderating factor.*

Implications − *Chinese and Japanese brands can use these differences in perception of brand origins to market accordingly. Product design cues can also be used effectively to both age groups by Asian brands to improve the perceived quality of U.S. consumers.*

Originality/value − *This research provides novel insight on U.S. consumers' perceived quality and patronage intentions from different Asian brand cues. The study also contributes to the body of literature on how the relationship between specific Asian brand cues and perceived quality may differ as a function of age.*

INTRODUCTION

The dynamics of Asian brands are rapidly changing. They are becoming major global players contributing to 16% of the world's total Foreign Direct Investment, with an annual growth rate of 22.9% from 2005 ($70 billion) to 2011 ($242 billion) (Ernst & Young, 2012). Asia also represents the fastest growing economic region in the world, with a predicted 10% trade flow increase from Asia into other nations by 2020 (Ernst & Young, 2012). Although there are much anticipated global opportunities with retail leaders such as Uniglo and Li Ning, Asian companies still lack the global presence, representing only 7% of the top 100 global brands whereas U.S. companies alone account for 49% of the top 100 global brands according to Interbrand (2011).

The primary reason for the lack of global presence is that many Asian companies are currently transitioning from their role of manufacturing to research and development, still in infant stages of brand building and management (Farhoomand, 2009; Zhou, 2011). Still associated with their role as low cost manufacturers, Asian brands are often perceived inferior in quality across industries. Such stereotypes make it challenging for Asian brands to build strong brand equity in global markets (Ben-Ur & Wang, 2008).

Quality is essential for all product categories (Golder, Mitra, & Moorman, 2012; Steenkamp, 1990; Zeithaml, 1988) not only because it strengthens consumer's perceived value of the product, but also because it influences the consumer's patronage behavior of the brand (Pan & Zinkhan, 2006; Song & Zinkhan, 2003). Consumers are willing to pay a premium price for quality (Teas & Agarwal, 2000). Extant research supports that quality perception alleviates perceived risk associated with purchasing a product or service (Yee, San, & Khoon, 2011) and further helps develop long-term advantages such as trust and positive attitude not just toward the product, but the brand (Boisvert & Ashill, 2011; Eisingerich & Bell, 2008). Thus, for Asian companies to build their brand and increase patronage behavior in the global markets, there is a critical need for improving quality perceptions of Asian brands.

In order to communicate their intended language of brand quality to the consumer, Asian brands can use quality cues familiar to the U.S. consumers to assess and improve consumer's perception of quality. Quality cues are generally divided into two categories: extrinsic and intrinsic (Bearden & Shimp, 1982; Lee & Lou, 1995). Extrinsic cues are the intangible attributes of the product namely the brand name, store name, brand origin and price, whereas intrinsic cues are the tangible, nonspecific product attributes (i.e., fabric, style, and color of apparel). Using these two types of quality cues, extant research has focused on improving how consumers perceive quality across different industries, from meat (Acebrón & Dopico, 2000), medical (Finkelstein et al., 2004), to the automobile (Bouman & Van der Wiele, 1992) industry.

Extant research examining the effects of cues on quality perception has been extensively done in the context of Western brands in western markets. Given the challenges facing Asian brands expanding into the U.S. market (Ben-Ur & Wang, 2008), the current study can help close gaps in the literature as well as offer useful implications for rising Asian brands in global markets.

As aforementioned, the challenges of quality perception facing Asian brands stem from stereotypes associated with manufacturing and cheap labors in Asia (Farhoomand, 2009; Zhou, 2011). This suggests that Asian brands need to be purposeful about how to utilize their quality cues to improve perception of quality rather than perception of value based on low prices. Thus, this study examines how extrinsic (brand origin) and intrinsic (product design) cues of Asian brands impact the U.S. consumer's perception of quality.

Another important factor impacting quality perception in the context of Asian brand is age because different age groups in the United States have

had different experiences with Asian brands. Specifically, younger generations, who grew up after the 1960s during the free trade era with increased exposure to a variation of Asian production or brands (i.e., Samsung, and Asus), may tend to be more open to various Asian brands. On the contrary, older generations who grew up before the 1960s during the Second World War and Cold War with little to no exposure of Asian production or brands with the exception of Japanese production or brands (i.e., Honda), tend to have developed more negative stereotypes associated with other Asian brand origins (i.e., China) they have not been exposed to while growing up. Hence, they are inclined to be more reserved or resistant to other brands of Asian brand origins entering into the U.S. market. Furthermore, older consumers generally tend to scrutinize product quality based on overseas manufacturing (Moore and Carpenter, 2008). Thus, it is reasonable to speculate that age may impact how consumers perceive quality cues of Asian brands.

Despite its potential moderating role, age has often been neglected in the studies of how quality cues impact quality perception. When observing the marketing practices today, much of the generalization on perceived quality has been made based on the present industry practices and research findings from younger consumers (age 20−40) across time and industries (Dawar & Parker, 1994; Ha & Jang, 2012; Vigneron & Johnson, 2004). Some research has been invested in examining the differences in core values and attitudes among different age groups and its effect on consumer patterns across the globe (Holbrook & Schindler, 1996; Rentz & Reynolds, 1991; Schewe & Meredith, 2004; Yang & Jolly, 2008). Yet, little is known as to how quality cues influence quality perception by age groups. While 40% of consumers represent the younger age bracket (age 20−40), there are yet over 30% of consumers ranging from 50 to 80 years of age who were often overlooked by marketers in the past. Major brands have recently shifted more of their attention to age groups 45−65 years of age, who obtain the highest weekly income in the United States, recognizing more potential for sales from this consumer group (United Press International, 2011). Furthermore, contrary to conventional belief, ages 65 and over surprisingly make a higher weekly earning ($825) compared to consumer age 25−34 ($706) (Bureau of Labor Statistics, 2013). Past literature implies that the older consumers tend to be more sensitive to quality when it comes to making a commitment to the store compared to the younger consumers (Odekerken-Schroder et al., 2001). Thus, examining the moderating role of generational cohorts on how quality cues influence quality perceptions in the context of Asian brands can help determine what
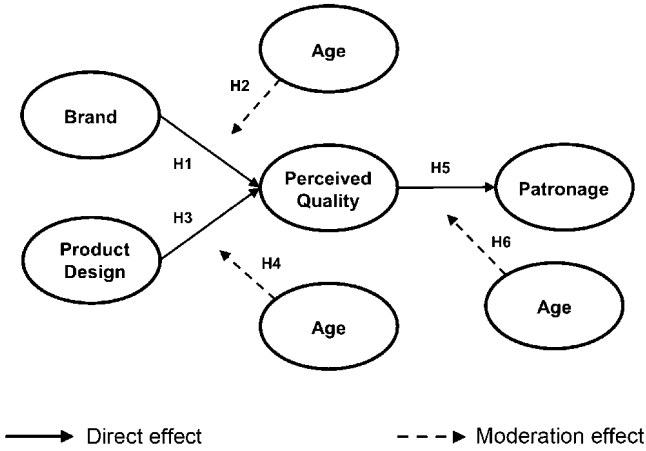
Fig. 1. Proposed Model.

cues Asian brands can use to influence quality for specific age groups in the United States.

The ultimate goal for brands to invest in quality is to build consumer patronage (Pan & Zinkhan, 2006). In the context of Asian brands, this study aims to examine quality cues impacting U.S. consumers' patronage intention of Asian brands and also to examine the moderating role of age. Specifically, the objectives of this research are to examine (1) U.S. consumer's quality perception of Asian brands using different quality cues such as brand origin (extrinsic) and product design (intrinsic), (2) how age moderates the process of how quality cues influence U.S consumers' perceived quality, (3) how quality perception influences patronage intentions of the Asian brand (4) how age moderates the relationships among quality cues, perceived quality and patronage intention in the context of Asian brands (see Fig. 1).

THEORETICAL FOUNDATION AND HYPOTHESIS DEVELOPMENT

Quality Cues and Perceived Quality for Different Age Cohorts

Perceived quality is the overall evaluation of a product (Holbrook & Schindler, 1996; Zeithaml, 1988). According to the cue utilization theory,

perceived quality is a complex structure where the consumer accounts for every cue from simple product attributes to personal meanings in order to evaluate quality (Holbrook & Schindler, 1996; Olshavsky, 1985; Olson & Reynolds, 1983; Zeithaml, 1988). Thus, perceived quality is not the actual quality of the product but what is perceived to be the quality in the consumer's mind.

Aforementioned, quality cues are categorized into extrinsic and intrinsic cues (Bearden & Shimp, 1982; Lee & Lou, 1995; Olson, 1977). Both extrinsic and intrinsic cues are used together in past literature to effectively strengthen the perceived quality of a product or brand (Fiore & Damhorst, 1992; Forney, Park, & Brandon, 2005; Pujara & Chaurasia, 2010; Swinker & Hines, 2006). Extrinsic cues offer a wider applicability across product categories (i.e., brand name) (Lee & Lou, 1995; Pecotich & Ward, 2007), whereas intrinsic cues help indicate quality within a specific category such as apparel (i.e., style, color, and workmanship) (Fiore & Damhorst, 1992; Forney et al., 2005; Pujara & Chaurasia, 2010; Swinker & Hines, 2006). In the present study, brand origin (extrinsic cue) and product design (intrinsic cue) were used to examine how these cues impact U.S. consumer's perceived quality of Asian brands.

Extrinsic Cue: Brand Origin

Past studies have found that four extrinsic cues such as price, brand name, store name and country of origin (COO) are consistent indicators of product quality (Agarwal & Teas, 2001; Bearden & Shimp, 1982; Lee & Lou, 1995; Teas & Agarwal, 2000). Since the goal of this research is to examine the overall perceived quality of a brand, not a specific product, price was not used as a quality cue in this study. Additionally brand origin (BO) was chosen in lieu of COO as the most appropriate cue for the present study to investigate given the context of observing Asian brands, not the specific product. Brand origin (BO) studies have branched from past COO studies. COO has been studied as a single cue effect since the 1960s and has been examined with other cues with different product types, consumer groups, and market environments (Pharr, 2005). Literature since the 1990s started to distinguish the difference in COO and BO, supporting the stronger influence of brand origin compared to COO (Thakor & Kohli, 1996; Thakor & Lavack, 2003).

Likewise, attitude toward COO and brand origin has been shifting in the United States. During the 1980s, COO (country the product is made) was

found to be an indicator of consumer's purchase decisions (Bilkey & Nes, 1982; Thorelli, Lim, & Ye, 1989). However, in the 1990s and 2000s with the rapid growth of free trade between the United States and Asian countries, high-end brands (e.g., Burberry, Coach) progressively moved their manufacturing tasks into countries such as China and Thailand. Thus, consumers were subconsciously trained to become more oblivious to where a product was made (Pecotich & Ronsenthal, 2001; Thakor & Lavack, 2003). Consequently, this permeating exposure of Asian products developed two opposing attitudes toward Asian brands: the younger generations namely, Generation X and Y, who grew up during the free trade era with increased exposure and acceptance of various origins of Asian brands (e.g., Honda and Samsung) versus the older generations, Baby boomers and Swing, who came of age during the Second World War and Cold War with minimal exposure and resistance to Asian brands with the exception of Japanese brands (JWT Intelligence, 2012). Thus, this polarized level of familiarity may lead to different perception and attitude associated with Asian brands for the two generations, but there is no empirical evidence of how generations differ in terms of how they perceive quality of the Asian brand.

This study specifically compares two Asian brand origins, Japan and China, and examines two age groups, older generation (Baby boomers and Swing) and younger generation (Generation X and Y). While the older generations (Baby boomers and Swing) had experiences with Japanese brands in the past (e.g., Honda, Sony, Shisheido), they did not grow up when Chinese brands (e.g., Lenovo, Li Ning) entered into the United States. Thus, because of the older generations' attitude due to their age and lack of experience with Chinese brands, it is posited that the older generation's perceived quality of Japanese and Chinese brand origins may differ from the younger generation (Generation X and Y), who comparatively have more exposure to Chinese brands and thus may be more receptive in attitude to welcome Chinese brands into the U.S. market. Evidently, younger generations are found to be "less bias against the 'made in China' label," and are less likely to identify Chinese brands as "mass-produced, cheap and constructed using poor safety standards" (JWT Intelligence, 2012). With evidence of these changes warranting an examination of different Asian brand origins, it is posited that different Asian brand origins impact U.S. consumer's perceived quality. Furthermore, age is posited to moderate the relationship between brand origin and perceived quality. Specifically, the older generation has significantly lower quality perception of China brand compared to the brand from Japan, while the younger generation does not differentiate the quality between the two brand origins.

With this, the following two hypotheses are proposed.

H1. Japanese brand origin has a more positive influence on perceived quality than Chinese brand origin.

H2. Age cohorts (younger vs. older generation) have a moderating effect on the relationship between brand origin (Japan vs. China) and perceived quality.

Intrinsic Cue: Product Design

Unlike extrinsic cues, attributes of intrinsic cues depend more on the product category. For example, intrinsic cues of apparel may refer to the color, style, and fabric, while for cosmetics, the ingredients, color, or product design. In this study, the cosmetic industry was the chosen category of focus. The cosmetic industry today yields $245 billion in revenue as reported in Ernst and Young (2012) (Bidnessetc, 2012). While Asia Pacific geographically hold the largest share of revenues (34% compared to 22% for Western Europe, and 21% for North America) (Bidnessetc, 2012), only 19 Asian brands currently fall into the top 100 cosmetic brands in the world (WWD, 2014). With much potential for Asian brands to grow and improve in quality marketing, this study examines how visual intrinsic cues, specifically product design for cosmetic products, influence perceived quality for U.S. consumers. Furthermore, the present cosmetic marketing campaigns prevalently focus heavily on the younger consumers (age 20−40) to reach out to the entire female population in the United States. It would be valuable to examine how age cohorts will moderate the effect of product design on quality perception across generational cohorts.

Product design was used as the intrinsic cue for this study, as it has been used in past research and industry practices to build perceived quality. In their research of wine bottle designs, (Orth & Malkewitz, 2008) found that product design (i.e., wine bottle) enables a brand to convey its unique personalities to set it apart from other brands and develop quality impressions. Likewise, it is posited that product design of the cosmetic line will help influence the consumer's perceived quality. In specific, a generic versus unique Asian-influenced bottle design was used as the two product designs. The method section further discusses on the product design details.

H3. Asian-influenced bottle design has a more positive influence on perceived quality than the generic bottle design.

In addition, age is posited to moderate how visual product design impacts quality perception. For instance, the older age group (Baby boomers and Swing) may be less influenced by visual communication through product design, given that they had much less exposure of visual marketing compared to the younger group (Generation X and Y) (Jukes, 2008). With the growth of the digital landscape during the younger age group's coming of age, the younger group may consequently be even more influenced by visual marketing stimuli than the older generation. Thus, it is further posited that the older generations are less influenced and resistant to how product design influences quality perception than the younger generations. The following hypothesis is proposed:

H4. Age cohorts (younger vs. older generation) have a moderating effect on the relationship between product design and perceived quality.

Perceived Quality and Patronage Intentions

Patronage behavior is defined as a customer's decision to be loyal to a brand or store (Pan & Zinkhan, 2006). It is crucial to investigate the effect of perceived quality on patronage behavior because the end goal of obtaining the U.S. consumer's high quality perception is to strengthen this consumer loyalty especially for these emerging Asian brands (Chaudhuri & Holbrook, 2001; Hem & Iversen, 2003). Thus, patronage intention, which is defined as the willingness to purchase or recommend the brand to others, is measured in this study as a proxy for patronage behavior. Existing literature in the past has supported for the positive relationship between perceived quality and patronage intention (Baker, Parasuraman, Grewal, & Voss, 2002; Jacoby & Mazursky, 1985; Pan & Zinkhan, 2006; Song & Zinkhan, 2003). It is posited that the positive relationship between perceived quality and patronage intention is extended to the different marketing context, specifically Asian brands expanding into the U.S. market.

H5. Perceived quality is positively related to patronage intentions.

Within the scarcity of research on how age impact the relationship between quality perception and patronage behavior, one study suggests that the older consumers tend to be more sensitive to quality when it comes to making a commitment to the store compared to the younger consumers (Odekerken-Schroder et al., 2001). There may be other factors influencing the younger generations' purchase decisions, as commonly observed in popularity of fast fashion focusing on price and trendy styles over quality.

Thus, this study examines how age influences the relationship between quality perception and patronage intentions in the context of Asian brands.

H6. Age cohorts (younger vs. older generation) have a moderating effect on the relationship between perceived quality and patronage intentions.

METHODS

Research Design

In this study, an actual Asian brand which is unfamiliar to consumers in the United States is used to avoid any confounding factors associated with existing brand associations. In the cosmetic industry, skincare has traditionally been the initial product line companies launch their brands with, and logically is the most popular category of consumption worldwide compared to hair care, make-up, perfumes, toiletries and deodorants, and oral cosmetics (Statista, 2013). Thus, skincare was used as the representative product for the cosmetic brand.

Both the brand origin and visual product design were tested in an online setting. The increasing wave of consumers shopping online has transformed the way companies can expand themselves into global markets through different marketing channels such as the website, social media, and targeted email communications other than the traditional brick-and-mortar store, mail order catalogue, or direct personal communications (E-Marketer, 2012; Rangaswamy & Bruggen, 2005) Without having to make substantial financial and time investment (i.e., setting up a physical store), small and medium sized companies can now venture into global markets via the Internet (E-Marketer, 2012). Thus, the Internet is used in this study as an efficient and effective platform for Asian brands to reach out to the U.S. consumers.

The study employed a Web experiment simulating web pages for the cosmetic brand. The design of the study was a two (brand origin: Japan vs. China) by two (product design of the skincare: Unique = Asian aesthetic influence vs. Generic = non-Asian aesthetic influence) between-subjects factorial design.

Stimulus Development

A pretest ($N = 181$) was conducted in order to develop a realistic mock website and to select reliable experimental stimuli for the main experiment

for the brand cues. First, the (un)familiarity of an actual Asian brand was tested first to ensure that brand name (extrinsic cue) was unfamiliar to potential research participants. On a scale from 1 (unfamiliar) to 7 (familiar), the mean score ($M = 1.27$; $SD = .86$) revealed that the pretest participants were unfamiliar with the brand.

Secondly, the product designs were selected and tested to ensure accuracy in consumer perception of the designs. Two types of product bottle design were used for manipulation − Unique (Asian) and Generic (non-Asian) cosmetic bottle design. The product design with Asian-influenced bottle was adopted directly from the Asian brand, while the non-Asian-influenced design was adopted from generic white cylindrical design. This study postulated that this uniqueness in the product design will help improve the perceived quality of the unfamiliar Asian brand. In order to ensure the difference between Asian and non-Asian product design, pretest respondents were asked to write down which country they perceived the product design was from. All of the product labels were taken off in order to make sure the focus was only on the product design. For those exposed to the unique Asian-influenced product design, 72.5% stated it was from an Asian country (i.e., Japan, China, South Korea) while 27.5% stated a non-Asian country. Furthermore, the pretest respondents could not distinguish whether the brand was from Japan or China. As for the generic non-Asian-influenced design, 65.7% stated that it was from a Western (United States or Europe) country as opposed to 34.3% who stated an Asian country. With this, the two different product designs were used for the main experiment.

Thirdly, the two Asian brand origins (Japan and China) without any context were tested to ensure that the two brand origins are associated with different quality perceptions. The pretest respondents perceived brands from Japan ($M = 3.60$; $SD = .94$) as higher in quality than China ($M = 2.88$; $SD = 1.14$) showing a significant difference in perceived quality at $F(2, 40) = 4.06$, $p < .05$. Thus, Japan and China were two appropriate brand origins for comparison.

Instrument Development

All items were adapted from the existing literature with appropriate reliabilities and all used seven-point Likert-type scales. Perceived quality was measured using the four items adapted from Agarwal and Teas' study ($\alpha = .94$). A higher score indicated higher brand quality (i.e., the brand is likely to be reliable). Patronage intention was measured using three items,

modified from Grewal, Baker, Levy, and Voss's (2003) study ($\alpha = .88$), which was originally adapted from Dodds, Monroe, and Grewal's (1991). A higher score indicated a greater willingness to shop, purchase and provide recommendation about the brand. Two items for brand familiarity were developed for the study and used to ensure that the respondents were not familiar with the brand ($\alpha = .90$). The items asked to rate the consumer's experience with the brand: "no previous experience" (1) to "much experience" (7). Second item asked to rate the familiarity of the brand from "unfamiliar" (1) to "familiar" (7).

Procedure

A convenience sampling was used to recruit participants across wide age ranges through email invitations with a URL link to a mock research website. Email invitations were sent to potential female participants through email list-serves available from a large U.S. university. When participants log onto the mock website, they were randomly assigned to one of the four treatment conditions (Japan vs. China X unique vs. generic product design). Male participants were excluded from the study given the product category (i.e., cosmetic) chosen for the study is predominantly for female consumers and web pages feature a cosmetic product for female consumers. After viewing one of four randomly assigned treatment conditions, participants were asked to answer a set of dependent measures followed by demographic questions.

RESULT

Sample Characteristics

A total of 328 women participated in the Web experiment. The mean age was 37 (SD = 19.83), ranging from 19 to 79. There were 214 (65%) participants from the younger generation (Generation X and Y) age 19−48, and 114 (35%) from the older generation (Baby boomers and Swing) ages 49−83. In terms of ethnic background, respondents were predominantly Caucasian (younger: 71%; older: 96%). More than half of all participants have shopped at least once online (younger: 61%; older: 50%) and less than half have purchased at least once online (younger: 37%; older: 44%) (refer Table 1).

Table 1. Sample Demographics.

Variable		Category	
		Group 1	Group 2
Age			
Group 1	19−28	200 (93.46%)	
	29−38	6 (2.80%)	
	39−48	8 (3.74%)	
Group 2	49−58		27 (2.37%)
	59−68		67 (58.77%)
	69−78		19 (16.67%)
	79−83		1 (0.01%)
Ethnic background			
	Caucasian	152 (71.03%)	108 (95.58%)
	African American	2 (0.93%)	1 (0.88%)
	Hispanic American	7 (3.27%)	1 (0.88%)
	Asian/Asian American	41 (19.16%)	1 (0.88%)
	Native American	1 (0.47%)	1 (0.88%)
	Pacific Islander	1 (0.47%)	0
	Other	10 (4.67%)	1 (0.88%)
Shopping characteristics			
	Shop online	131 (61.21%)	57 (50.00%)
	Purchase online	79 (36.92%)	50 (43.86%)
	Purchase in store	204 (95.33%)	103 (90.35%)
Attitude toward Asian brands			
	M (SD)		
	Experience with Asian cosmetic products	1.97(1.74)	1.70 (1.38)
	Willingness to try new Asian brands	4.27 (1.87)	4.08 (1.95)
Total		*214 (100%)*	*114 (100%)*

Preliminary Analysis

The internal reliability of the scale items was analyzed using Cronbach's Alpha. All items had adequate reliabilities: .95 for perceived quality and .97 for patronage intentions.

Hypotheses Testing for H1−H4

Brand Origin, Perceived Quality, and Age Cohorts
ANOVA revealed that there is no main effect of brand origin on perceived quality ($p = .11$), failing to support H1. However, ANOVA showed that age has a moderating effect for brand origin on perceived quality at $F (1, 326) = 6.96$, $p < .01$, supporting H2 (Refer to Table 2). Post hoc comparisons

Table 2. Perceived Quality.

Source	df	Mean Square	F	p	Power	Support of Hypothesis
Brand origin	1	3.595	2.484	0.116	0.008	H1: No
Brand origin × age	1	10.068	6.955	0.009	0.021	H2: Yes
Product design	1	5.363	3.705	0.055	0.012	H3: Yes
Product design × Age	1	2.019	1.395	0.238	0.004	H4: No

revealed that there was a significant different in the perception of China ($M = 3.30$; SD $= 1.20$) and Japan ($M = 3.88$; SD $= 1.09$) for the older group. In addition, younger group ($M = 4.14$; SD $= 1.20$) had a significantly higher quality perception of China than the older group ($M = 3.30$; SD $= 1.20$).

Product Design, Perceived Quality, and Age Cohorts

ANOVA revealed that there is a main effect of product design on perceived quality at $F (1, 326) = 3.70$, $p = .05$, with Asian-influenced design ($M = 4.07$; SD $= 1.30$) having a more positive influence on quality perception than the non-Asian, generic design ($M = 3.75$; SD $= 1.17$), supporting H3. However the result showed that age does not have a moderating effect for product design on perceived quality, failing to support H4 (refer Table 2).

Hypotheses Testing for H5 and H6

Perceived Quality and Patronage Intentions

Regression analysis revealed that there is a significant relationship between perceived quality and patronage ($\beta = .87$, $t = 15.01$; $p < .001$), in which perceived quality explained 48.6% of variance supporting H5. However, ANCOVA revealed that there was no interaction effect of age (used as dummy variable) on perceived quality and patronage ($p = .08$), which shows that age did not influence the relationship between perceived quality and patronage intentions, supporting H6.

DISCUSSION AND IMPLICATIONS

The purpose of this current research was to examine how quality cues of Asian brands can impact the U.S. consumers' perceived quality of Asian brands. In addition, given the generational differences in perceptions of Asian brands in the United States, the study further examined how the

relationship between brand cues (brand origin and product design) and perceived quality, and quality perception and patronage intentions differ as a function of age cohorts.

The findings of this study showed that product design impacted how U.S. female consumers' perceived quality of Asian brands while there was no difference between generational cohorts. Regardless of age cohorts, both age groups perceived higher quality from the unique Asian bottle design compared to generic product design. This finding suggests that both Chinese and Japanese cosmetic brands can use the design of their products as a viable tool to significantly improve quality for both age groups in the United States.

This is a valuable finding considering that the current challenge for many of the Asian brands expanding abroad is improving their reputation of inferior quality compared to the Western industry (Ben-Ur & Wang, 2008; Wang & Gao, 2010). Industry experts specifically share the sentiments regarding the need for Asian brands to be "exotic with just enough [Asian] flavors so as not to alienate foreign [audiences]" (Siegel, 2008). For example, past Asian brands like Giordano have learned their lesson the difficult way by entering into the United States without much product differentiation from American brands like American Eagle and Abercrombie & Fitch. As a result, many Asian brands have failed to successfully launch in the United States. On the other hand, other Asian brands such as Shiseido, Natori, and P.F. Chang's have used their unique Asian appeal in their brand/product design and have been successfully accepted by the consumers in the United States. The researchers recommend Chinese cosmetic brands, not to market based on price, which is a common practice that Chinese companies are known for, but to find the strength and uniqueness in their brands, and to utilize it in the product designs.

Age of the U.S. female consumers also played a moderating role on how brand origin influenced quality perception. Brand origin of Japan or China impacted perceived quality as a function of age cohorts. The older generation, Baby Boomers, and Swings significantly perceived a Japanese cosmetic brand to have higher quality than a Chinese brand. However, the younger generation, Generation X and Y did not perceive this difference. Furthermore, the younger generation significantly perceived Chinese brands to be of higher quality than the older generations did.

A plausible explanation for the discrepancy in perceived quality may be related to the different levels of exposure or experience two age groups have had particularly with Asian products while consumers "came of age." The findings indicate that the older generational group had a significantly

higher perceived quality toward Japan compared to China, which may imply that while this older group came of age with Japanese brands, the lack of earlier experience or negative stereotypes associated with Chinese brands have already solidified their negative perception. When the older generations came of age, most of the Asian products they encountered were from Japan. Other developing Asian countries during this time did not have the infrastructure or technology to produce goods for the United States. Although Japanese brands like Honda and Shiseido struggled in their initial introduction in the United States, they were able to gain acceptance from the older generational cohorts over time. However, this group did not come of age with Asian brands from other country origins like China, and thus still may consider them inferior. However, with the rapid growth of free trade between the United States and other Asian countries since the 1970s, the younger generations are now familiar and comfortable with consuming products from other parts of Asia, even witnessing global luxury brands like Burberry and Prada turning to China and Vietnam to produce their luxury products. Although these impacts have helped impact how the younger generations' view Chinese and Japanese brands more as equivalent in quality, the older generation may have already established a set view, and thus remained skeptical of Chinese brands. Thus, Chinese brands should especially consider these age when expanding specifically into the United States.

Moreover, results indicated that there is no difference in how quality impacts patronage intention for both age groups. This study identified that product design could help improve quality perception for younger generations. For older generations, future study needs to explore other ways to impact quality perceptions of Asian brands.

In future studies, more Asian brand cues can be tested in the same format to examine how other cues may influence the perceived quality of Asian brands in different industry sectors. This method is effective in shedding insight on how specific Asian brands can improve the quality perceptions of U.S. consumers. In addition, given the importance of age in the relationship between brand quality cues and perceived quality, further studies in may examine how the two different cohorts influence other brand cues to build perceived quality in different industry sectors. Lastly, given the category limitations of studying cosmetic goods involving only U.S. female consumers in the currently, the findings of the current study may not be generalizable to male consumers or other product categories. Future studies may compare other categories with both genders for generalizability in the variable relationships.

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