

## ABSTRACT

The increasingly interconnected global marketplace has extended the competition between brands in driving consumers' purchase intention. Consumers are exposed to multiple brands originating from various countries while making a purchase. Therefore, brand impression associated with country of origin is becoming a concern. Emerging countries' brands are mostly associated with less intriguing impressions as compared to developed countries' brands. The purpose of this study is to investigate whether the impression of emerging countries' brands will lead to lower or higher purchase intention among different levels of consumer frugality.

Employing a two-group experimental design, this study analyzed the contrasting pattern in purchase intention between groups of participants exposed to two different stimuli of country of origin. The results were measured using preceding studies on branding, country-of-origin effect, and purchase intention. Data is collected from Indonesian consumers to represent emerging markets.

The effect of emerging countries' branding was found to lower consumer purchase intention, emphasizing the positive impression of brands originating from developed countries. As opposed to the expected outcome, consumer frugality did not emerge as a significant mediator to alter the effect of country of origin towards purchase intention. This study also found an interesting result that, within this study context, frugality presented a positive correlation to purchase intention. The frugal characteristic of participants was taken into account to explain this phenomenon. This study definitively answers the question regarding the country-of-origin effect

(COE) of emerging countries' brands toward purchase intention among emerging market consumers. These findings offer insights into the complexities of consumers' concern and perception towards brand origin, highlighting the need for emerging countries' brands to comprehend these dynamics. This understanding is crucial to enhance their competitiveness against developed countries' brands within the emerging market.