

LAPPEENRANTA UNIVERSITY OF TECHNOLOGY

School of Business and Management

Master's Degree Programme in International Marketing Management (MIMM)

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Brand's country of origin's effect on brand image and purchase decision

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ABSTRACT

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Title of thesis: Brand's country of origin's effect on brand image and purchase decision

School: LUT School of Business and Management

Master's Program: International Marketing Management

Year: 2016

Examiners: Professor Olli Kuivalainen

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Keywords: brand origin, country of origin, country of manufacture, purchase decision, brand image, brand, smartphone market

The purpose of this qualitative research is to determine the significance of brand's origin on brand image and consumer purchase decision. Focus group is the research method used to collect empirical qualitative material. Earlier studies and research findings will be used to discuss and support the conclusions of paper.

Brand origin is part of brand and the way how brand is formed. Brand origin is present in brand theory in form of brand culture, image, perception and brand identity. Therefore it is important to understand the significance and effects of brand origin on brand image and consumer behavior. Equally important is to make sure that necessary actions and tools are in place to benefit from the positive effects and avoid the negative influences. Brand origin should be one of the first steps to consider when new branding takes place as it may be impossible to change the perception afterwards.

The results of this research show that brand origin is an important aspect to consider in branding in order to avoid negative effects on brand image. Results also reveal that brand origin is one of the less important factors for consumer's purchase decision.

TIIVISTELMÄ

Tekijä:	Antti Käpynen
Tutkielman nimi:	Brand's country of origin's effect on brand image and purchase decision
Oppilaitos:	LUT School of Business and Management
Maisteriohjelma:	International Marketing Management
Vuosi:	2016
Tarkastajat:	Professori Olli Kuivalainen Professori Sami Saarenketo
Hakusanat:	Brändin kotimaa, valmistusmaa, brändi image, brändi, kuluttajan ostopäätös, älypuhelinmarkkina

Tämän kvalitatiivisen tutkimuksen päämääränä on ymmärtää ja määrittää brändin kotimaan merkitys brändin imagolle ja maineelle sekä kuluttajan ostopäätökselle. Laadullisena tutkimusmenetelmänä käytettiin fokusryhmähaastattelua. Aikaisempia tutkimuksia käytetään pohdinnan, tehtyjen havaintojen ja johtopäätöksien tukena.

Brändin kotimaa on osa brändiä ja sen muodostumista. Brändin kotimaa on esillä bränditeoriassa, brändi-kulttuurissa, imagossa ja identiteetissä. Näistä syistä on tärkeää ymmärtää brändin kotimaan merkitys brändin imagoon sekä kuluttaja käyttäytymiseen. Brändin kotimaan huomioiminen brändäyksessä ja siihen liittyvissä toimenpiteissä on tärkeää positiivisten vaikutusten maksimoimiseksi ja negatiivisten vaikutusten välttämiseksi. Brändin kotimaa pitäisi ottaa huomioon heti brändäyksen alkuvaiheessa, sillä sen muokkaaminen jälkikäteen on hyvin vaikeaa.

Tutkimuksen tulokset osoittavat, että brändin kotimaa on tärkeää ottaa huomioon brändäyksessä ja brändin imagossa, jotta negatiivisilta vaikutuksilta vältytään. Tulokset myös osoittavat, että brändin kotimaan vaikutus kuluttajan ostopäätökseen on vähäinen.

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1. Introduction

This chapter will introduce the topic and give background on the centric topics of this research.

1.1 Background

Smartphones are defined as a mobile phone with computer capabilities. Smartphones are very similar to portable computers, but they also function as mobile phones. Smartphones feature the ability to access internet, social media as well as install and remove applications similar to personal computer software. Smartphones usually function with a touch screen that is less than 7 square inches small. The size of the screen is the crucial difference that separates smartphones from tablets. (Kong 2010)

According to some sources the term “smartphone” was created in 1995, but surprising the first devices made its appearance before that. The first device that could be called a smartphone was designed by IBM in 1992 as their Simon functioned as a PDA and phone at the same time. However this innovation was too sophisticated for its time and smartphones made their break through 15 years later when the iPhone was released by Apple. (Tweedie 2015)

At the moment smart phones have become an essential part of consumer’s lives and there are brands from at least 33 countries that house more than 100 hundred different brands in total. (Chartsbin 2016) These brands utilize three main operating systems. These operating systems are android designed by Google, iOS by Apple and windows phone by Microsoft. The largest brands represented worldwide are Samsung from Korea, Apple from USA and Huawei, Xiaomi and Lenovo from China. Smaller brands feature such names as HTC from Taiwan, LG from Korea and Nokia/Microsoft from Finland/USA. For a long time the market was dominated by Samsung and Apple, but the tides are starting to turn. These

two are still the two largest, but strong competition is coming from China with multiple different brands that are constantly increasing their market shares. One of the main reasons for this is the aggressive pricing strategy from the Chinese competitors as the other brands are facing difficulties with their profit margins. (IDC 2015; Tharawat 2015)

An intriguing question in relation to these phenomena of new brands succeeding in a highly competitive market is, what are the effects of brand country of origin to brand image and consumer purchase decision, as the market leading brands have long histories, but the recent competition has been setup quite recently. In the past products from developing countries have been thought to be of poor quality and produced under unethical circumstances. Has this view begun to change? Smartphone brands are an excellent product group for research focusing on consumer purchase decision and brand image as they are complex and of high value. This means that for an average consumer the purchase decision requires time, knowledge and research on the product and the decision is not made hastily. This thesis attempts to reveal the answer to this phenomenon with the help of theoretical framework, literature review and empirical research.

This paper is relevant for finding out, if there is a change in the consumer purchase decision behavior as well as perception and importance of a brand. The product category researched represents one of the most important consumer products of our time and, so this research can also provide an answer to other marketers' questions relating to purchase decision and brand image in regards to complex high technology products.

1.2 Aim and research problems

The aim of this research is to examine the significance of brand's origin on brand image and consumer purchase decision. Therefore the main research question is "how brand's country of origin affects brand image and consumer purchase decision?"

The sub-research questions are

- How does brand's country of origin affect consumer's perception of the brand?
- How does country of origin affect consumer's purchase decision?
- How does country of origin affect brand image?
- How do consumers perceive country of origin vs. country of manufacture?

1.3 Delimitations

The focus of this study is on brand's country of origin affecting smartphone brand image and consumers purchase decision. The methodological delimitation of this research is also that the focus group participants that are the main source of information are all from Finland and therefore their opinions might show some bias towards some countries of origin and brands. Research is also limited in the way that it is only from consumer's perspective and there is no empirical data from the brand/corporate side. Consumer perspective is also the reason why the focus is on the brand image that is how consumers perceive the brand. And the focus is not on other brand related dimensions such brand identity that on the other hand is how the owners of the brand plan and want their brand to

be perceived by consumers. Also consumer purchase decision is chosen over the other steps of buyer decision process such as need recognition or information search, because the actual purchase decision is the most tangible and important proof of the influence of the brand origin.

1.4 Methodology

Although country-of-origin is a well-researched field its meaning has changed over time. In the past it focused more on the country of manufacture on product level with perspective also known as the “made in” effect, but due to globalization the more recent studies have re-established these terms so that it is increasingly used to refer to brand’s country of origin (Chao 2001). The recognition of the importance of brand equity has led to significant research interest on the relationship between brand characteristics and consumer brand perceptions (Aaker 1990).

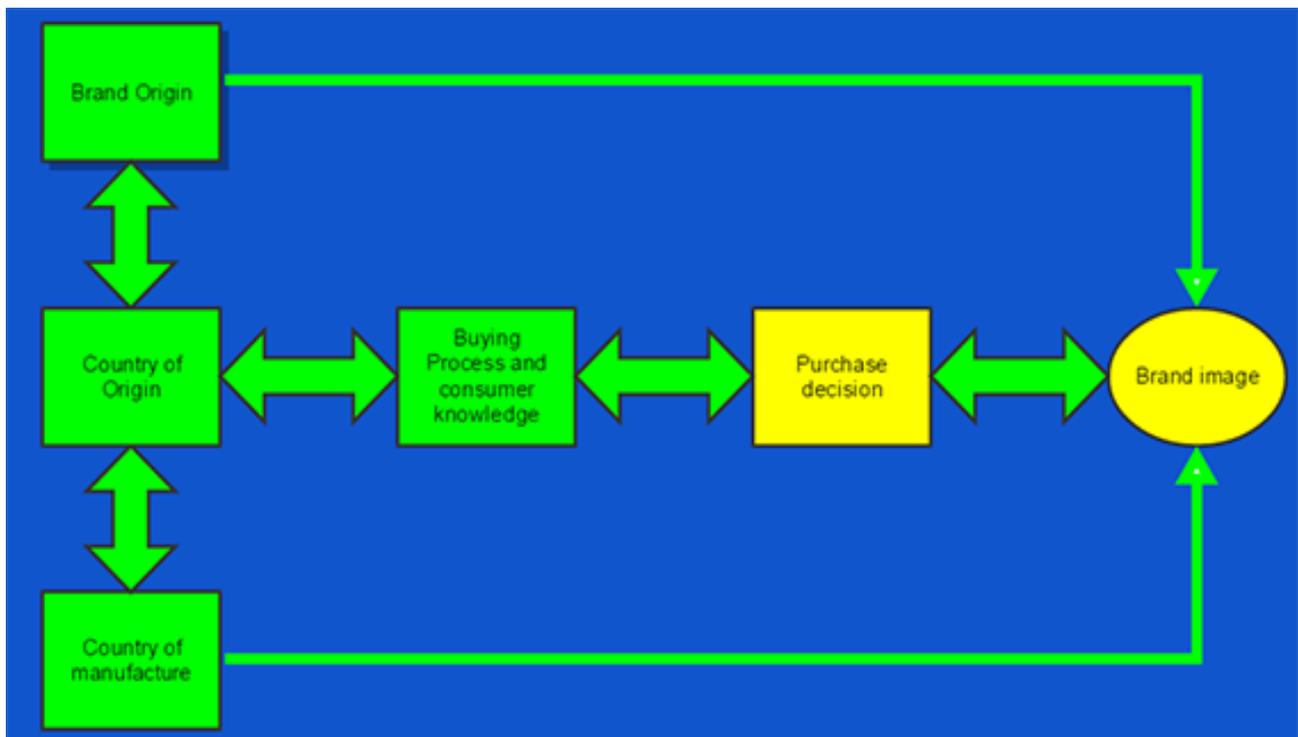
As this is a qualitative research the selection of a suitable data collection method is crucial for the success of this paper. As it is important to get unbiased opinions from consumers without trying to affect their opinions the data for the empirical part is acquired from focus group interviews.

The interviews are more like conversation within the group about the subject provided by the interviewee. The interviewee also acts as a kind of mediator who makes sure that the discussion remains within the interest of the topic. (Eriksson & Kovalainen 2008)

The ideal number of people in a focus group discussion is from four to ten participants. In this particular case taking into account the papers nature it is planned that each group would have closer to four than ten people in order to keep the conversations more focused as well as to allow all the people more time to discuss their opinions. (Mäntyranta & Kaila 2008)

1.5 Theoretical framework

Below in Figure 1 the theoretical framework of this study is portrayed. Theoretical framework illustrates how the concept of country of origin forms based on both brand origin and country of manufacture. This then feeds into consumer knowledge and buying process that are used to form a purchase decision. Purchase decision is also affected by the brand image that is the memory of the firm and a strong factor for consumer decision. The causal relations between brand origin, brand image and purchase decision can be seen clearly. Theories behind the theoretical framework will be discussed in more details in chapter 2 when literature review relating to the topic is conducted.



(Figure 1: Theoretical framework of the study)

2 Literature Review

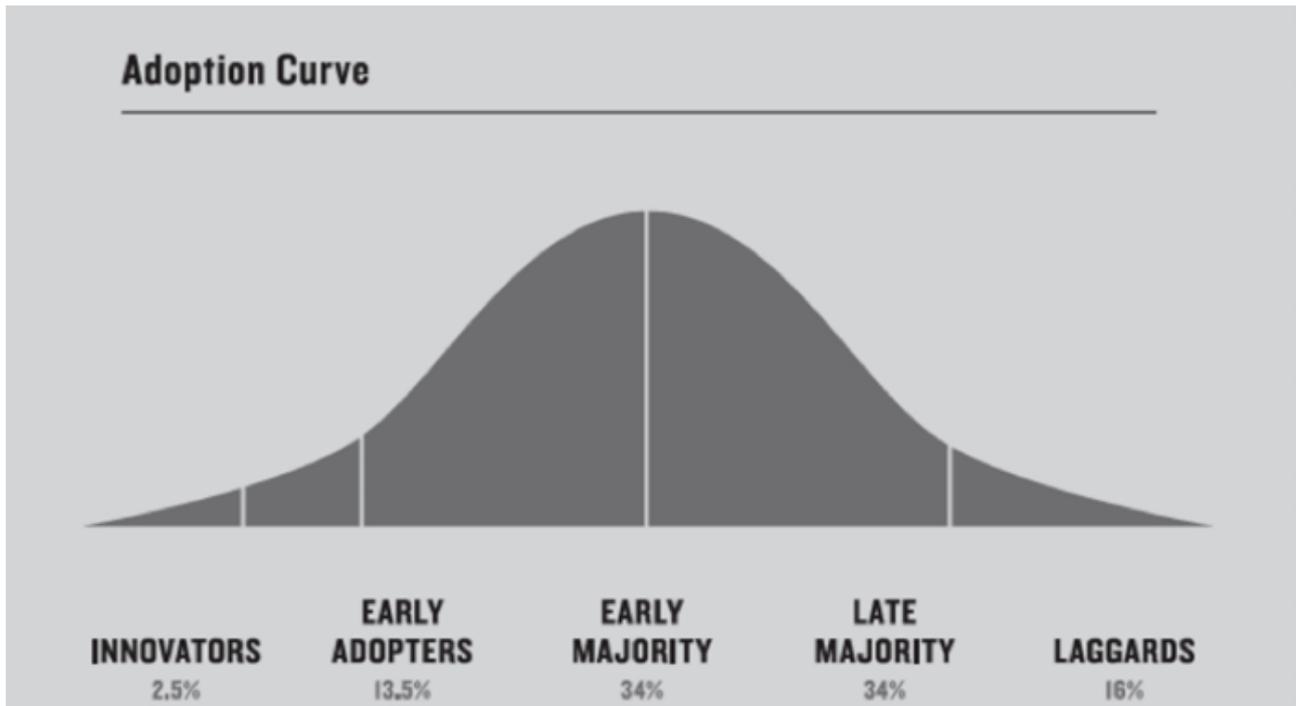
In this chapter past research, information and theories will be reviewed in order to form a base for understanding how does smartphone brand's country of origin affect brand image and purchase decision.

2.1 Market overview and theories

The literature review will be started off with an introduction to high-technology markets, because the empirical research will be conducted in high-technology smartphone context. Overview of the high-technology markets will be followed by a review of the context that is the smartphone market and then we will introduce what smartphone customers are like.

2.1.1 High-Technology markets

Smartphone market is a sub-market in the high-technology market of products, so it is only natural that the consumers tend to behave in a similar way in both markets. Therefore it is safe to say that the smartphone market is likely to behave in a similar way to other high-technology markets. Typical features for high-technology markets are high volatility, market uncertainty and technology uncertainty (Morh et al. 2010). Market uncertainty is the unpredictability of factors relating to the market of products such as diffusion rate, market needs now compared to the future, size of the market and standards. Technological uncertainty is uncertainty relating to the product and technology itself, for example delivery, rate of development, possible side effects and cannibalization of technology. Volatility is caused by the competition and substituting products as well as possible new technologies. These factors do not only concern the producers as the consumer also has to ponder these when making the purchase decision. The innovation adoption lifecycle introduced by Everett Rogers in 1962 displayed in figure 2 on the next page has been used for decades to describe the diffusion of new technologies and it is still applicable in today's high-technology society.



(Figure 2: Roger's innovation adoption lifecycle) (Hurst 2014)

As we can see from figure 2, there are 5 stages present in an innovations lifecycle before it has completely penetrated the market. These 5 stages are represented by different types of consumers that are innovators, early adopters, early majority, late majority and laggards that will be introduced in greater detail in chapter 2.1.3. The rate of diffusion varies between different technologies and not all innovations even reach the complete market penetration before being cannibalized by new innovations. (Hurst 2014)

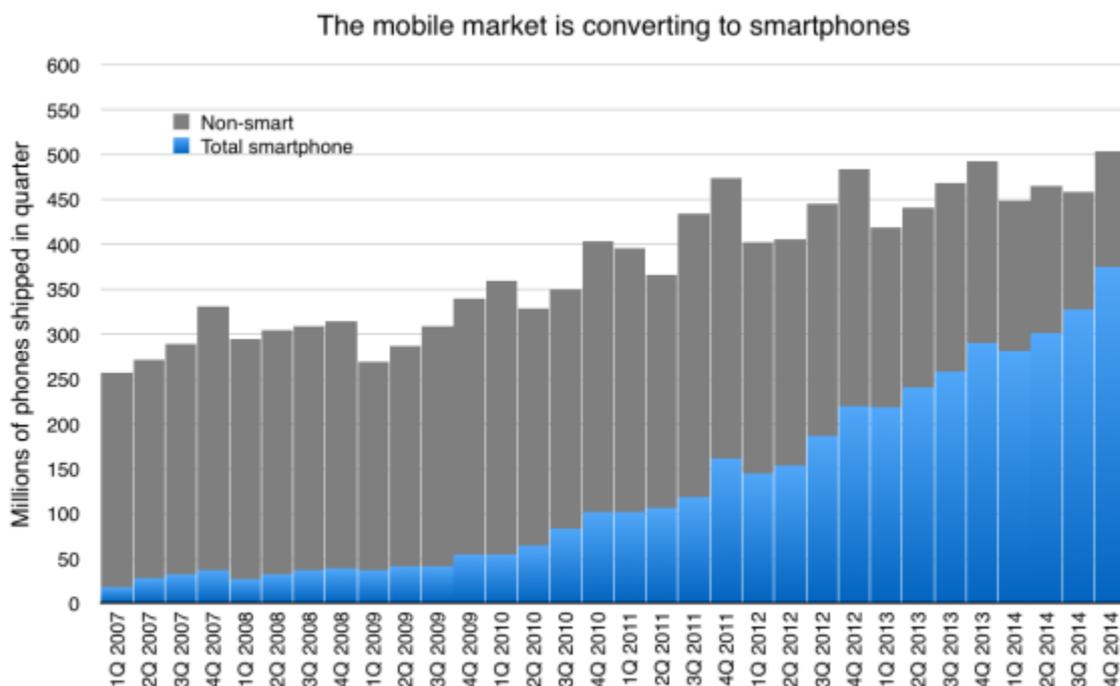
2.1.2 Smartphone market

As can be seen from the table 1, there are at least 133 mobile phone brands from at least 33 countries of origin. This is far more than most people can name or have even heard of. Some of these brands only cater to local needs and are produced under a license but some of them are aiming at the global smartphone markets.

Country	Number of brands	Country	Number of brands
Australia	1	Netherlands	3
Bangladesh	1	North Korea	1
Brazil	2	Pakistan	2
Canada	1	Philippines	3
China	16	Poland	1
Czech Republic	2	Romania	1
Denmark	1	Russia	7
Finland	3	South Korea	5
France	6	Spain	3
Germany	5	Sweden	3
India	16	Taiwan	8
Indonesia	4	Thailand	4
Italy	5	Tunisia	1
Japan	12	United Arab Emirates	1
Latvia	1	United Kingdom	5
Malaysia	2	United States	9
Mexico	3		

Table 1: Number of mobile phone brands per country (Chartsbin 2016)

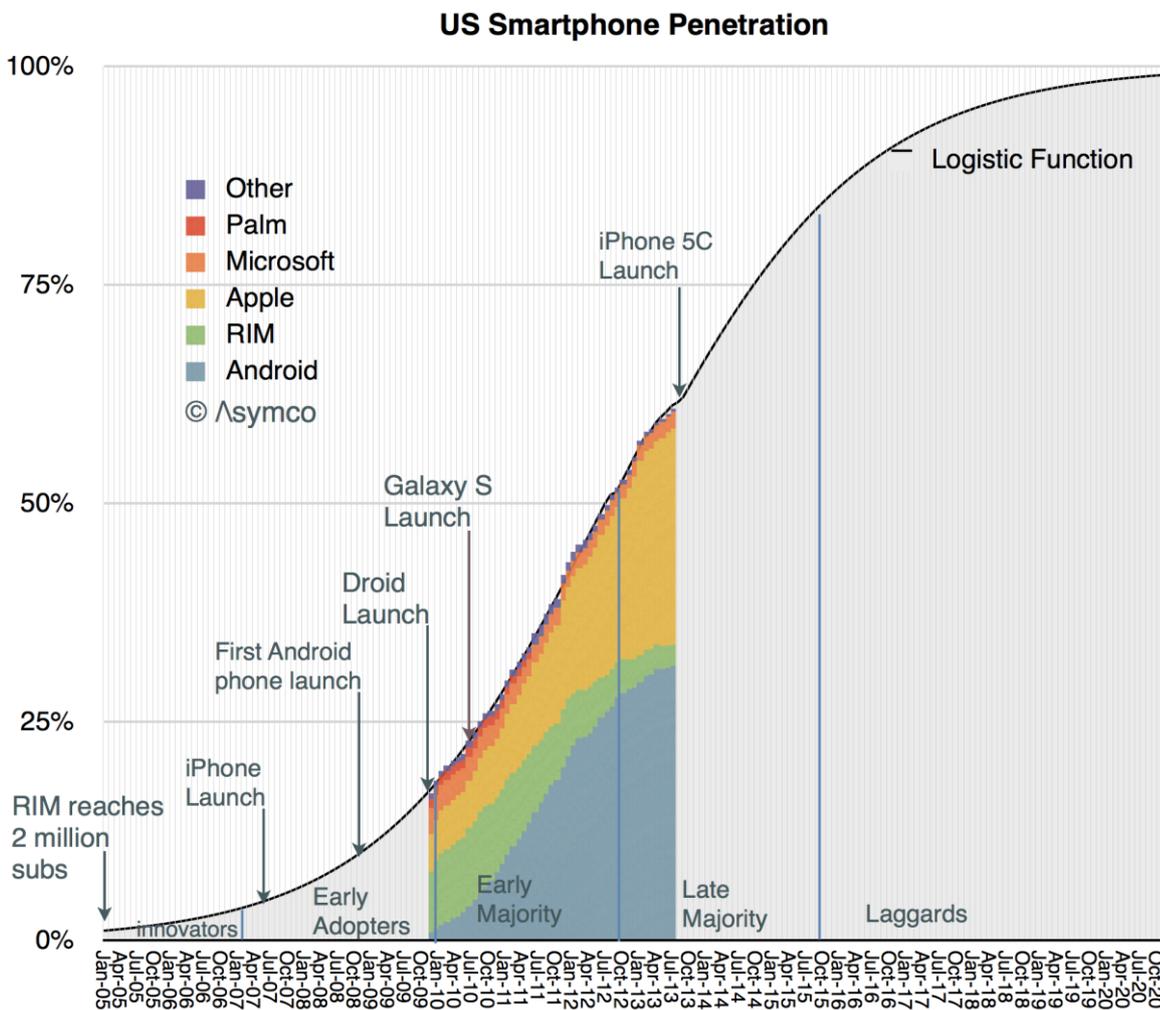
World smartphone has been growing every year since the introduction of the original iPhone. In the second quarter of 2015 the worldwide smartphone shipments grew by 13,0% compared to the year before and totaled 341,5 million units. The factor for this growth is the increasing demand in emerging markets. It is predicted that the market will continue to grow in the future due to rising demand in highly populated countries such as China and India that have almost half of the world's population with approximately 2,5 billion citizens. (www.idc.com 2015) It is highly likely that at one point almost all of the population of the world will be a user of a smartphone. This indicates that the smartphone market is far from complete. This can also be perceived from the below figure 3 that displays the deliveries of mobile phones and smartphones in the same chart. As smartphones are cannibalizing technology for non-smartphones, it is safe to say that at one point all users of conventional mobile phones will adopt smartphones.



(Figure 3: The mobile market conversion) (Arthur 2015)

This development is visualized in the figure 4 below. As we introduced in figure 2, there is a model for adoption of new technologies such as smartphones that was introduced by Roger already in 1962. This model has endured over the years and it has been

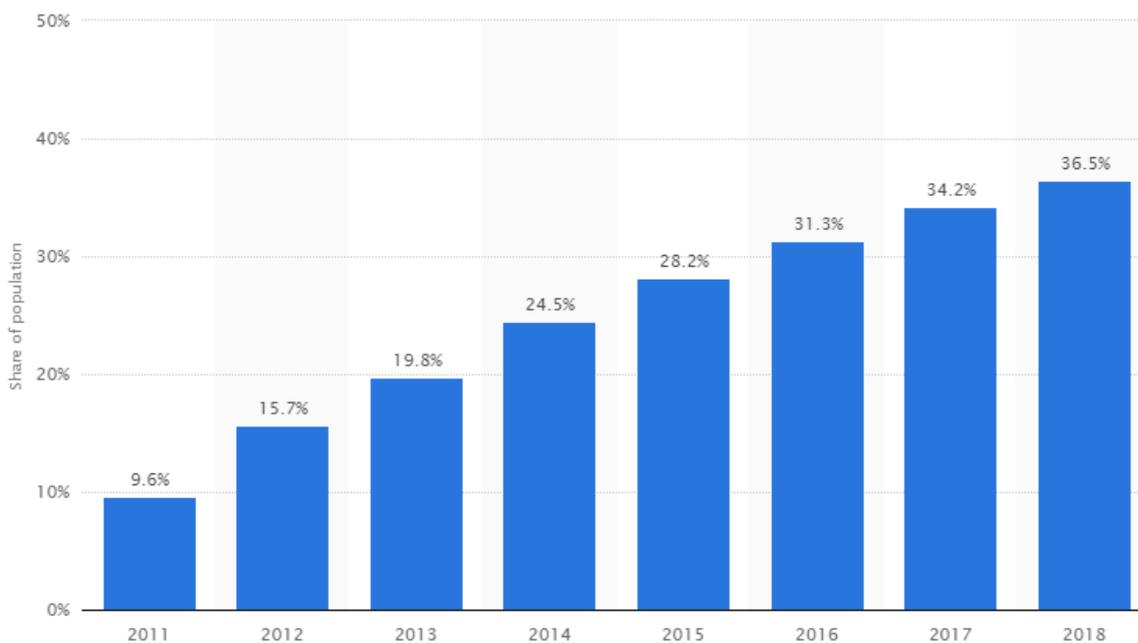
strengthened over time to meet present circumstances, products and markets (Mohr et al 2010). Researchers have even expanded it to specific products during their lifecycle. In the below figure 4, we can see where smartphones are at their lifecycle in the US market. The diffusion of smartphones for the world market is presented in figure 5. When these two are compared, it is clear that the world market is far behind the US market. This is most likely explained by the US market having better infrastructure, more informed and wealthier consumers.



(Figure 4: US smartphone penetration) (Dediu 2013)

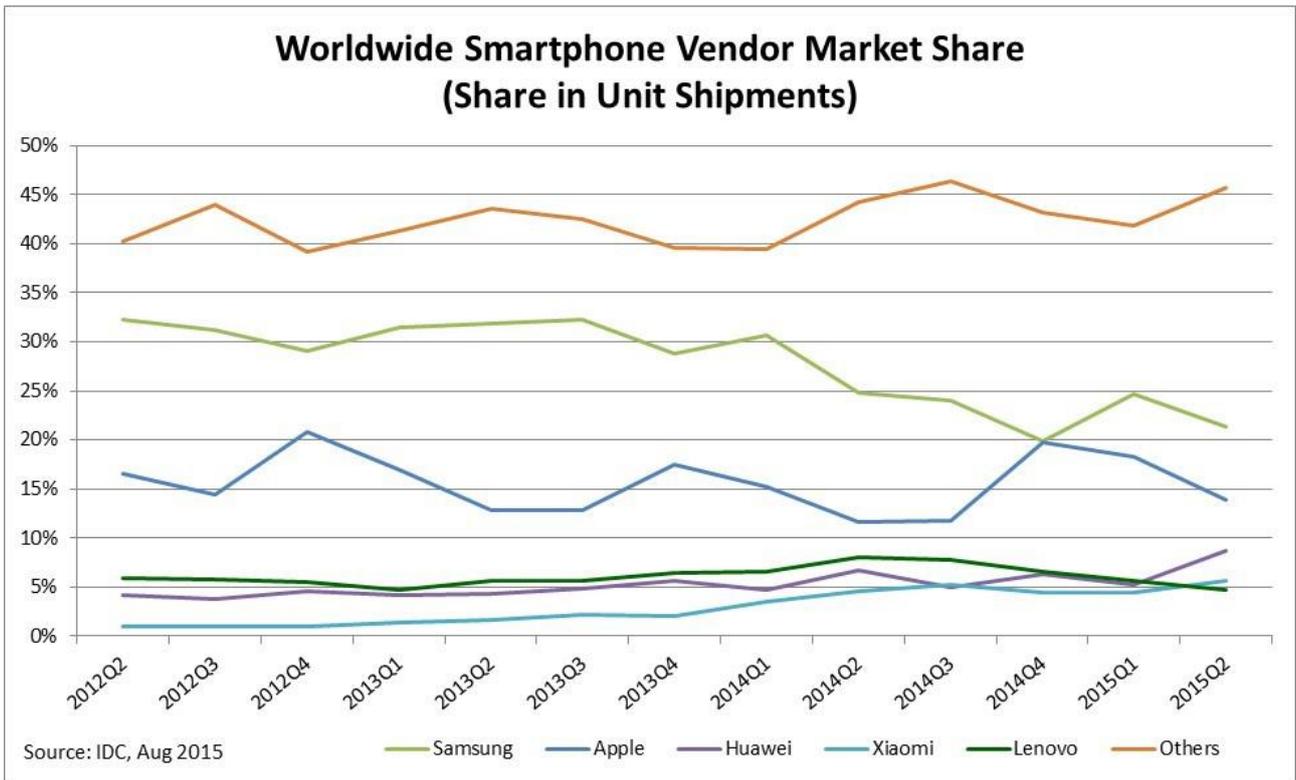
Figure 4 shows that the US market has developed as Android and iOS phones have become more and more the standard of the market. The reason why the market is still far from complete could be that there still are several ecosystems presents and none has been able to make itself the dominant standard of the market.

We have no similar data available for the world market, but one of the reasons why the world market has a slower diffusion rate could be that there has been even more competition between different standard ecosystems. This competition also hinders the development of complements and infrastructure such as applications, networks and appliances related to smartphones.



(Figure 5: World smartphone market penetration 2011-2018) (Statista 2016)

In figure 6 and table 2 we can see the world markets shares for the most popular brands that are Samsung, Apple, Huawei, Xiaomi and Lenovo. These five account for more than 50 percent of world smartphone shipments.



(Figure 6: Worldwide Smartphone vendor markets shares) (www.idc.com 2015)

Period	Samsung	Apple	Huawei	Xiaomi	Lenovo	Others
2015Q2	21.4%	13.9%	8.7%	5.6%	4.7%	45.7%
2014Q2	24.8%	11.6%	6.7%	4.6%	8.0%	44.3%
2013Q2	31.9%	12.9%	4.3%	1.7%	5.7%	43.6%
2012Q2	32.2%	16.6%	4.1%	1.0%	5.9%	40.2%

(Table 2: Worldwide Smartphone vendor market shares) (www.idc.com 2015)

As we can see from table 2, Samsung and Apple are still strong market leaders, but their market shares have continuously decreased every year and at the same time the Chinese competitors have increased their market shares. This can partly be explained by the strong growth in the Chinese brands home market as the growth has not been as strong as in other markets. However, in the already well established European and US markets other brands are also competing well with the two market leaders. The other Korean well-known brand LG was the biggest winner of the year in the US market as it increased its market share from 6,9% to 9,4% in 2015 (Heisler 2015).

Also in Europe Huawei became the second largest android brand after Samsung and was the 3rd largest brand in the market after Samsung and iPhone. This shows that the Chinese brands are starting to convince the well informed consumers in the developed countries, who do not have as strong monetary limitations on their purchase decisions as the consumers from developing countries might have. Also it will be interesting to see, if new smartphone brands from new countries of origin will arise as well.

As the “made in China” concept is starting to grumble, consumers might not be as afraid to purchase the technology from brands from other developing countries as well. China and Taiwan have proved that high-technology brands and products coming from developing nations can also be of great quality and purchasing them bears no additional risk compared to the more conventional high-technology countries of origin.

2.1.3 Smartphone consumer

We have already learned that smartphone is a high-technology product that is very complex and the smartphone market itself is also very complex. As Engel, Kollat and Blackwell noticed already in 1972 the consumer behavior for a complex product is also complex; because of the amount of time and work that consumer invests into searching, researching and understanding the product that they are considering purchasing.

Consumer is the key to every product. Without consumer there would be no reason for a product to even exist. For any existing product there must always be a person that uses the product. There are a lot of benefits in owning a smartphone to its consumer. However, not all people perceive these benefits the same way or feel the need to buy the phone at the same time. As we have established in chapter 2.1.1, the smartphone market is a sub-market for the entire high-technology market and that it behaves very much the same way as the market for any high-technology consumer product. Rogers (1962) introduced an innovation adoption lifecycle from high-technology products as shown in Figure 2 on page 7. This basically illustrates the market penetration for an innovation and shows at what rate different types of customers adopt new technologies. Thinking that this would be the smartphone market, there are usually 5 categories of consumers that are innovators, early adopters, early majority, late majority and laggards. These categories are described below and note that Rogers (1971) went as far as estimating what the percentage of each segment is compared to the total population of the consumers. Of course these percentages cannot be exact, but should be considered to more like guidelines and averages.

- Innovators are the first ones to buy new technologies. They are the enthusiasts that usually think of technology products as a hobby and are ready to spend money on it as well as take a risk when buying new innovations that have not yet been established as the standard. Innovators represent a very small part of the market that is around 2,5 percent.

- Early adopters are the ones that like new innovations and are ready to take some risks when purchasing them. They are interested in the new possibilities that these innovations offer and possibly want to cash in on them. Early adopters also have a great influence on the market and can be seen as trendsetters. They account for approximately 13,5 percent of the market.
- Early majority represents who purchase new innovations once they have become the standard in the market. They avoid risks and purchase innovations based on the most usual benefits and use them as tools to ease their life. As the name suggest they are a majority with around 34% market share.
- Late majority are more conservative in their purchase behavior than the past three. They also avoid risks until there is almost none. They like to stick to their ways and are very cautious with new technologies and ways. Late majority is equivalent to early with 34% part of the market.
- Laggards are the ones who avoid using new technologies until they are practically forced to and even then move to them with great annoyance. Laggards account for 16% of the market.

As we learned in the previous chapter, the world smartphone market is far from complete. At 31,3 percent market saturation we can interpret that it is somewhere in the middle of early adopters stage. This means the most conventional buyers have not even purchased their smartphones yet. This is intriguing for this paper. Depending on the empirical results, we might be able to establish predictions on how the consumers evaluate different brands based on their countries of origin. In the next chapter we will take a closer look on the concept of country of origin.

2.2 Country of Origin

In order for us to be able understand the effect of country of origin on smartphone brands and consumers we must first understand what is meant by country of origin in the first place. Especially in the old research country of origin was reflected as the country of production also known as “made in effect”. In this chapter we will establish what the present meaning of country of origin is, how it has changed over time, what is its importance and the theories that past studies have established relating to it.

The concept of country of origin has evolved over time and in the past the strongest indication to country of origin was the “made in” tag attached to the product. Researches from the 1960s to 1980s strongly indicate that the country of origin was equivalent of the country of manufacture (Schooler 1964; Bauer 1961 and Aaker 1990). However in the 1990s this thinking started to change as information became more available to consumers with internet and globalization in general (Saeed 1994; Chao 2001). In the most recent research country of origin is understood as the home country of the brand instead of the product. (Aiello 2008; Chao 2001) A good explanation for such a development of the term country of origin is that in the current world most markets and product categories are ruled by global conglomerates that represent countless products. According to the research by Aiello et al. (2008) in the current global business environment country of origin is considered to represent the brand of these conglomerates and their products. This means that we can also establish country of origin as the home country of a brand.

In more details country of origin is an extrinsic product cue, an intangible product attribute that has an effect on the consumer purchase decision even though it does not have a direct effect on the actual product performance. Past researches have indicated that country of origin can be though as a stereotype for certain brand’s attributes that are necessarily not true, but nevertheless have an effect on the consumer perception. (Peterson and Jolibert 1995; Agrawal and Kawakura 1999)

Peterson and Jolibert (1995) found out that consumers appreciate country of origin more when they read a product description compared to evaluating the actual physical product. This supports their other view that country of origin is an information attribute that affects the brand image, but has no direct effect on the purchase decision.

Consumers sometimes tend to use extrinsic factors when decision making is complex. This means that consumers use factors that do not directly represent the product as a source for summary of products qualities. Country of origin is an extrinsic factor that consumers might use to represent the quality of all the products of same category originating from the same country. (Agrawal and Kawakura 1999; Peterson and Jolibert 1995) As an example consumers might rate Swiss watches higher than watches coming from other countries. Therefore the country of origin definitely affects consumer's perception of the product's quality even though it does not give explicit information about the individual product at hand.

Agrawal and Kawakura (1999) point out that consumer purchase decision is dependent on the price-quality relation of the product that they are considering of buying. Even though higher quality should result in higher prices, Agrawal and Kawakura (1999) found out that Japanese brands with proven higher quality for their products as well as high country of origin brand image were not able to demand higher prices for their products. This would imply that country of origin does not have a significant effect on prices of the product.

2.3 Brand and brand image

First in this chapter we will define what a brand is, then an introduction to past research findings and theories will be established and lastly a connection between brand and country of origin will be formed.

There are several definitions of brands established over time in past research. According to some brand is thought to be the embodiment of firms' history, identity and reputation (Aiello et al. 2008; Peter and Olson 1987; Haubl and Helrod 1999). Another way to define brand is a recognized and distinguished name and symbol, which itself is valuable to the consumer (Farhana 2012). Brand combines together the tangible and intangible factors of the product and producer. These factors can be product itself, user, country of origin, country of manufacture, reputation, social benefits and pretty much anything that can be related to the product and producer (Aaker 2010). Aiello et al. 2008 introduced brand as "the memory of a firm". This is an excellent and simple way of thinking brands as a brand embodies all activities of and efforts of a company such as investments, research, development, marketing, advertising, innovation etc. (Aiello 2008).

The original purpose of defining a brand was to distinguish makers from one another as without brands all the products would go by an anonymous maker (Aaker 2010). Branding is one of the most important strategic pieces for corporations nowadays as the top management has noticed its value for business. Currently branding is seen as the most important intangible asset that can be used over and over again for pursuit of profit. For consumers brand represent a certain warranty for quality, small risk, bond and trust. (Prathamesh 2015)

Nowadays brand and branding are strong marketing tools for corporations when it comes to winning the consumers favor. A strong brand can bring benefits to both the company and consumer using their product and services. (Aiello 2008) For example usage of a certain brand can bring consumer personalization and rise in the social ladder and at the

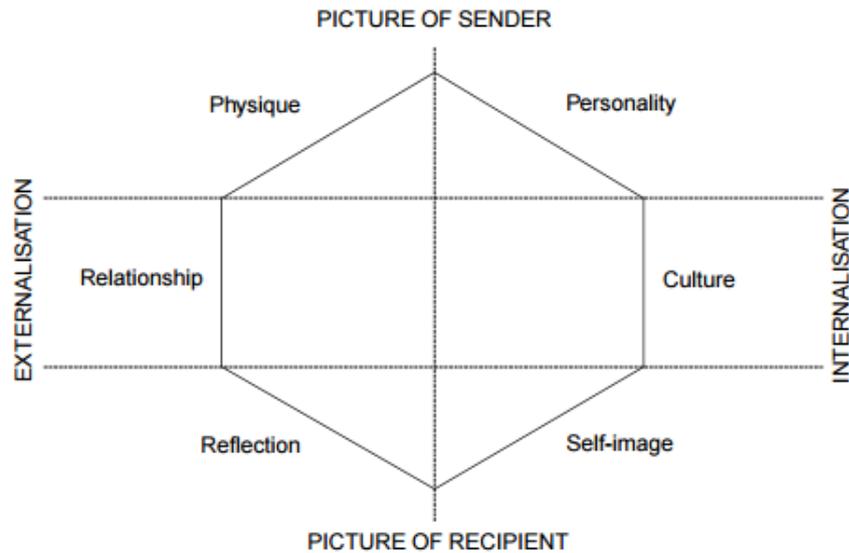
same time this can improve the profit margins of the company. Researches have stated that this emotional aspect of consumption can be even stronger than other product attributes when it comes to a choice of a brand. (Grandi 1987; Aaker 1997; Aaker 2010)

Aiello et al. (2008) found out that when it comes to evaluation of luxury products, brand was the most important attribute that consumers considered.

As brand is a very broad and complicated subject that is comprised of several different factors, it is only natural that the term brand itself can be divided into more than one component. The amount of components can vary between researches and sources that depend on the how closely each one is define.

According to Cook (1992) and Zara (1997) there are three components and they are identity, perceptual and trust. Identity component represent the recognition of a brand, perceptual component is the cognitive association and perception of a brand and trust component represents the consumers expectations related to a certain brand. (Cook 1992; Zara 1997)

Another concept created by Kapferer (2008) is that brand identity represents the aim of the marketers behind it. It is the goal that they are thriving towards with all their advertising, marketing, PR and other efforts. Then this brand identity is made of six components that are illustrated in form of a prism in the below figure 7.



(Figure 7: Brand identity prism) (Kapferer 2008)

- 1) **Brand's Physique** – These are the tangible assets of a brand
- 2) **Brand's Personality** – This represents the same kind of features that personality is for human. Some say that this can also be described as thought of what a brand's personality would be like, if it were human.
- 3) **Brand's Culture** – much like a culture of a country. Each brand has their own culture that the products and ways of the brand came derive from.
- 4) **Brand's Relationship** – this is the interaction that brand has with its users.
- 5) **Brand's Reflection** – this is how a customer sees brand befitting for someone. For example “this brand is for adventurers” or “that brand is for the rich”.
- 6) **Brand's Self Image** – is how a brand reflects to its owner and the person wishing to purchase it.

Whether there are 3 components, 4 components or 6 components, brands are still made of the same. Having 6 components is just a broader way of looking at the subject and the components are more defined. As brand image is the most interesting component to us and our research questions about how brand's country of origin affects brand image and customer purchase decision, we should take a closer look at how this particular component is comprised.

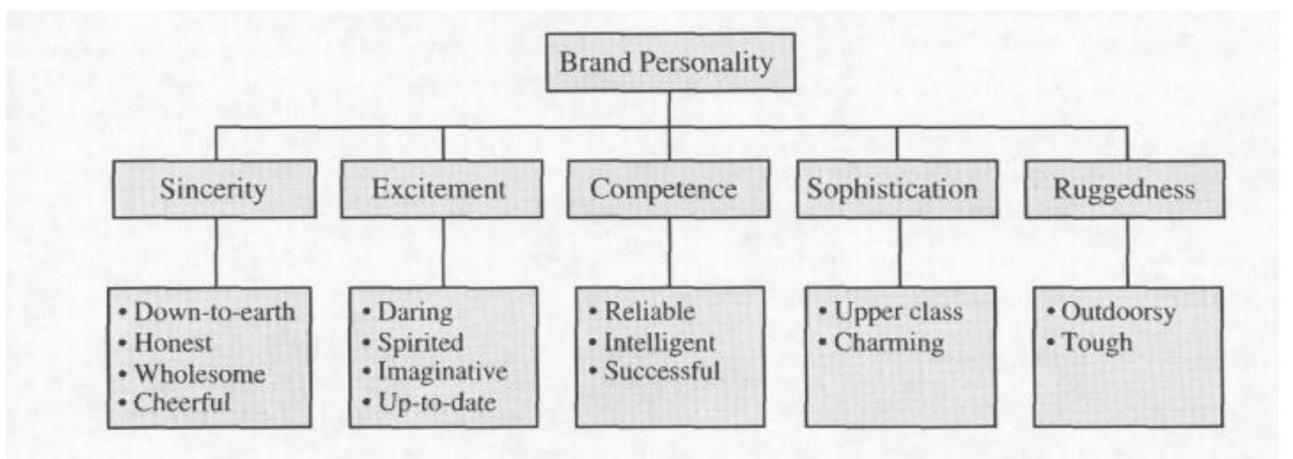
Brand image is what the consumer thinks of a brand. In Kapferer's (2008) model this would most be described by the two last dimensions that are reflection and self-image. Brand image is a very reliable measure of the brand's actual worth, as consumer's opinion is what matters to the marketers. Changing consumer's opinion about a brand towards positive is the whole reason for branding as it makes the brand and its products more recognizable and appealing that can then be turned into profit. (Kapferer 2008)

As consumer opinion is a very intangible feature, it is not that easy to measure. The largest database for brand value is produced by BrandAsset valuator introduced by Young & Rubicam. BrandAsset valuator is one of the tools that can be used to measure brand image. This tool uses 4 dimensions in order to evaluate the brand associations in consumer's memory. These four dimensions are:

- 1) **Brand's perceived differentiation** (Difference to competition)
- 2) **Brand's relevance** (evaluation of the practical benefits)
- 3) **Brand's knowledge** (emotional and symbolic value)
- 4) **Brand's esteem** (overall evaluation)

However this is not a very good tool for us to use as it is not revealed how these dimensions are made up and weighted. (Youngt & Rubicom 2015)

One tool that is accessible to all was introduced by Jennifer Aaker (1997). She stated that brands can also encompass certain emotional elements to the user. This is a result from the social impact of consumption and brings the customer a sense of being part of a group. She actually took this thinking even further by stating that consumers' feelings towards a brand are also a factor that is part of the process of how brand is established in the first place. Aaker (1997) called this factor "brand personality" and called it "the set of human characteristics associated with a brand". This was supported by Grandi's (1987) earlier notion that consumer's image of their favorite brands can be equal to that of a divine symbol. These images also have a nature of combining due to social interaction, recommendations and word of mouth. In total there are 5 dimensions that are used to measure the brand image. These dimensions are sincerity, excitement, competence, sophistication and ruggedness with sub-dimensions as shown below:



(Figure 8: Aaker's Brand personality framework) (Aaker 1997)

Consumers were asked to rate brands on Likert scale from 1 to 7 on these sub-dimensions and then a mean value was produced. This value then represents the strength of brand image and can be used to compare between brands.

2.4 Country of origin and branding

As country of origin is considered to be one of the factors that establish the brand, it is safe to say that these two definitely have an effect on each other. Aiello et al. (2008) found out in their study that brand's country of origin is only one of the factors affecting how customer's perception of a brand is established. However, they also pointed out that country of manufacture was found to be mostly irrelevant for most of the people interviewed for their research. The importance however varies from research to research and there is no clear image of the actual importance of the country of origin on the brand. There are also several ways of how country of origin can have an effect on the brand.

According to Haubl and Helrod (1999) consumer's perception of quality increases, if the product is produced and brand originates from the same country. However, people who are the most familiar with the brand are less interested in the country of manufacture. On the other hand, Ahmed et al. (2002) suggest that the country of origin holds more importance than the actual brand in terms of image, but as the purchase decision approaches the roles are reversed.

Country of origin also has a strong effect on the forming of a brand personality. It has been noticed that this has almost addictive attributes. This means the consumer faces an increasing need to know more and more about the brand. This also includes the information about a country of origin and the relating information. (Thakor and Kohli 1996)

Aiello et al. (2008) found out that when it came to evaluation of luxury products by consumers, there was a strong correlation between the importance of brand and country of origin. These were much more important than price that in comparison became more important when the product become simpler and less luxurious. This is an important notion this study as well as smartphones can be considered to be on the luxury side as they are more complex and represent the same price level. They also found out that over 75% of the interviewed consumers were able to connect the brand to its country of origin. For the strongest brands that were included in the research this figure was more than 90

percent. This proves that the strong brands and recognition of related country of origin have a very strong positive correlation.

2.5. Purchase decision

In this chapter of this thesis we will go over what purchase decision is, how it relates to consumer buying process and how previous researches have explained its relation to country of origin.

Purchase decision is the agreement that buyer makes with the seller on the terms of the purchase. These terms are the actual product, price, delivery and payment. Once all the terms relating to the purchase have been agreed on, then the purchase decision has been completed. In order to understand how consumer purchase decision is established, one must first take a look at the complete consumer buying process that leads to the actual purchase decision and even after that.

Consumer purchase decision is part of the buyer decision process that has been widely researched. Kotler (2009; Mohr et al 2010) has stated that there are five stages involved in the buyer decision process. These stages are:

- 1) Need recognition
- 2) Information Search
- 3) Evaluation of alternatives
- 4) Purchase decision
- 5) Post purchase behavior

Kotler (2009) also recognized not all of these steps are present in every buying process. The amount of steps depends on the situation and complexity of the product in question.

Also the order of these steps is not always the same and can be even the other way around. In order to understand these steps we must define them first. Need recognition is the moment when consumer/buyer notices that he lacks something or has a need. This can be triggered by either internal or external stimuli. Internal stimuli can be things such as hunger or thirst. Internal stimuli are often very primitive and arise in a spur of a moment. These are therefore related to less complicated products. External stimuli often relates to more complex products that are more for entertainment than for satisfying a primal need. External stimuli include boredom, break from work and such things that are results from the surrounding environment. Information search usually comes after the need recognition stage.

In this stage, consumer looks for information in order to decide the best solution for solving the need or a problem at hand. The ways for completing this stage include the use of media, reviews, word-of-mouth and any other source of information available.

Third stage of buying process is evaluation of alternatives that refers to the comparison of available products. Not all the products in the market satisfy the need or solve the problem at hand equally well and there are several factors that influence consumer decision at this stage. Such factors can be brand, quality, origin, attitude etc. This is one of the most important stages concerning this particular research paper as we are trying to compare different brands with each other and their effect on the consumer purchase decision and brand image itself.

Next stage of the buying process is purchase decision. Purchase decision is the part of the process when consumer after all the research, comparison and analysis decided to purchase the product that fits his/her needs the best. According to Kotler (2009) this part can still be disrupted by two factors. These factors are negative feedback from other customers and the level of motivation to accept the feedback.

Post-Purchase Behavior happens after acquiring the product that the consumer decided to buy. At this stage he/she evaluates how well this particular product satisfied the need that urged the buying process in the beginning. In case that the experience from the product is good and satisfactory this stage can lead to brand loyalty and may have an effect on the other stages of the buying process in the future that will favor this particular product or brand. In case of a bad experience this can work as a disadvantage towards this particular service provider. (Kotler 2009; Mohr et al 2010) Based on the above 5 stage model, Engel et al. (1995) have managed to identify three categories of factors that have an effect on the purchase decision. These are personal, psychological and social.

According to Agrawal and Kawakura (1999), as consumer comes closer to making a purchase decision, the effect of country of origin becomes weaker. They also pointed out that the effect is exaggerated in research situations compared to real life examples. The reason for this is that in real life consumers actually have to live with their choice and therefore they will take other factors in to account more seriously. Previous studies have indicated, that if the country of origin is the only factor studied with others controlled, its effect is exaggerated compared to studies with more variables researched at the same time. Past empirical evidence therefore supports the statement that as consumers get closer to the actual purchase decision the effect of country of origin gets weaker. (Agrawal and Kawakura 1999)

3 Methodology

First in this chapter the theory behind focus group research and questionnaire is explained. This is followed by the explanation how these are conducted in this study and finally the study is evaluated in terms of credibility, transferability, dependability and confirmability.

3.1 Focus group research

According to Robinson (1999), focus group interview is a good method for researching consumer behavior as consumer opinions and decision are often based on social context. Unique feature for group focus research is the interaction of individuals with each other as explained by Kitzinger (1994). However, she also pointed out that many of the past researches that have employed focus group as their method have neglected the emphasis on this part. According to her, a good way of emphasis would have been the use of quotations and emphasizing them as an interaction between participants. The aim of focus group interview is the same as in any qualitative research. Often group focus interviews are used in a combination to another research method.

In focus group research the researcher observes and records a group of people discussing the given topic. The discussion is moderated by the researcher, but researcher does not participate in the discussion actively, but still makes sure that the discussion will stay on topic. This way researcher will affect opinions of participants as little as possible and the results will be less biased than, if the researcher were to participate actively in the conversation. Focus group is a suitable method of data collection when the research topic is complex and the factor's being research cannot be accurately defined or quantified. (Morgan 1996; Robinson 1999; Mäntyranta & Kaila 2008)

Focus group interviews are an authentic discussion where the hierarchy of the group is defined and can be perceived from the behavior of the individuals. This way it represents real life social context well and how it can affect people's behavior such as opinions, feeling, purchase decision etc. Usually focus group interviews are made of 4-10 participants and last approximately two hours or even more. Most researches that have used focus group interviews as data collection method conducted at least 3 sessions with different participants. In qualitative research it is hard to estimate the saturation of data beforehand and therefore new interviews can be conducted, if more data is needed. When choosing participants the aim is to gather people that can provide multiple opinions towards the topic. Also participants must have equal abilities to participate and interact in the interview setting. It is usual that participants are found through other participants, so that a participating individual nominates others to join as well. It is also normal to combine a query in to the research in order to get background for interviews. Homogenous sampling and focusing have been found to be important aspects for choosing participants. These are important aspects in order to ensure the flow and continuity of the conversation. Factors of homogeneity can be for example occupation, educational background. Separating women and men has been found to especially important due to their too strongly differing opinions, sexual tension and men often dominating discussions. It is also encouraged that the participants within a group should be from same age and social group. (Mäntyranta & Kaila 2008; Pötsönen ja Välimaa 1998; Eriksson & Kovalainen 2008)

Aim of the focus group interviews is to get the participants to discuss as much as possible. The discussion makes up the data for the research. Moderator often uses a structure for the interview that has 5-8 themes for guidance. Themes are usually open questions asking how, why and what. On top of these for each theme there should be deepening questions in order to dig out more information when crossing opinions are to arise during the discussion. Questions should be neutral and not lead towards certain opinions. A very typical trait for focus group interview is that the discussion creates themes that support the research questions at hand. Sometimes the same data can be used to analyze topics outside of the research and future researches. For this reason and comfort it is usual that focus group interviews are recorded. It is important to make sure that the recording tools and devices work properly and are suitable for the purpose of focus group interviews, so

that the quality of sound is sufficient. It is common that even two or more microphones are used at the same time in order to make sure that everything is recorded. Recording are turned into research material through transcribing. (Mäntyranta & Kaila 2008; Kitzinger 1994)

Focus group interviews have been found out to possess several faults. One of the faults is that interviewees might influence opinions of each other. Often the strong minded and adamant personalities dominate the opinions of others and group thinkers follow their lead in order to uphold harmony. The setting, timing and situation itself might have an effect on the opinions. As mentioned these are also the benefits of the method as they bring out the social context that is present in real life human behaviors. Also moderator must be very careful when guiding the topic in order to avoid disrupting the discussion or affecting opinions. Also in the past researchers have experienced lack of depth in the discussions or discussions have produced too many arguing opinions. (Liamputtong 2011)

3.2 Data collection method

Data collection method for this study will be a combination of focus group interview and survey. These are suitable for our purpose as this is a qualitative research and our topic is hard to measure in terms of numbers and definitive answers. Interviews are the most important source of data and the surveys are used to support the results and form an understanding on participant's opinions. (Morgan 1996; Robinson 1999; Mäntyranta & Kaila 2008; Aiello 2008)

As explained in chapter 3.1. ideal number of participants in a focus group interview is between four to ten and the for most researches the sufficient amount of interviews is 3 or more depending on the data saturation rate. We aim to fulfill these requirements, but most likely the interviews will have closer to four participants than ten in order to avoid dragging them too long and allow all participants to participate equally in the discussions. Too long interviews can be harmful, if the participants have a hard time on concentrating and

staying on subject. Also too many participants in too short of a period, can cause people to hurry and not consider what they are saying and less dominant personalities might get to interact less than they should. (Morgan 1996; Robinson 1999; Mäntyranta & Kaila 2008)

3.3.1 Structure of the interview

The interviews are aimed to gather data for this paper's topic: how smartphone brand's country of origin affects brand image and consumer purchase decision and the relating research questions that are listed below:

- **How does country of origin affect consumer's purchase decision?**
- **How does country of origin affect brand image?**
- **How do consumers perceive smart phone's country of origin vs. country of manufacture?**
- **How does brand's country of origin affect consumer's perception of the brand?**

Therefore it is natural that the themes of the interviews and guiding questions are formed based on the requirements of answering the below questions.

- 1) What smartphone brands are there?
- 2) What is the best smartphone brand and why?
- 3) Where do these brands come from?
- 4) Where do best smartphone brands come from?
- 5) Where do best smartphones come from?
- 6) How does brands country of origin affect opinion about brand?
- 7) How does brands country of origin affect purchase decision?
- 8) Does country of origin affect which smartphones one buys?
- 9) Where would ideal smartphone brand come from?

As focus group interviews are not interrogations, but rather discussions, these questions are not just asked directly. Instead the interviewer uses them as a base structure for the discussion in order to guide the session without affecting opinions

3.3.2 Survey

In addition to the focus group interviews, participants will also be asked to fill a survey. The purpose of the survey is to form an understanding of their history relating to smart phones, smartphone consumer behavior, and brand loyalty. This information can be used both support and contradict the themes that we form based on the focus group interviews. Survey will only ask basic information that can be answered in a few words or a sentence. No extensive or essay answer will be required. The survey and its questions can be seen on the next page 37.

Survey

Please answer the following question with short answers:

Name: _____

Age: _____

1. What is the brand of your current smartphone?
 - a. What is the country of origin of this brand?
 - b. In one sentence, why did you choose this brand?

2. What was the brand of your first mobile phone?

3. What was the brand of your first smartphone?
 - a. What is the country of origin of this brand?
 - b. In one sentence, why did you choose this brand?

4. How many different smartphone brands have you owned?
 - a. What were these brands?
 - b. If there are more than one, why did you change in between?

3.4 Analysis method

Most common way to start analyzing focus group interviews is transcribing in order to turn the recordings and notions from the interviews in to a form that we will be able to handle. It is important to keep in mind that transcribing can produce huge amounts of data. Therefore it is important to narrow it down as much as possible and leave out all the irrelevant data for the study at hand. (Krueger & Casey 2000)

After transcribing the raw data, thematic analysis method will be used to analyze the transcribed data. Thematic method is one of the most common ways to analyze focus group interview data. In thematic analysis, the researcher forms themes or patterns from the transcribed data. These can be supportive of each other or opposing, but it is important is their relevance to the study. Usually these themes are coded case by case in order to compare cases with each other and form an understanding of the results. Coding is the process of turning the established themes into a form that can be used repetitively and easily to represent the theme. These codes can be in a form of a sentence, number, word or almost anything that is easy to use and replicate. The codes can then be gathered into a matrix or list for further analysis. (Krueger & Casey 2000)

For our purposes a matrix is a suitable way of coding the findings as we want to be able to compare the different participants and sessions with each other. So for each focus group interview session a separate matrix will be formed and then at the end these will be gathered into one. Table 3 on the next page illustrates the matrix that will be used:

	Theme 1	Theme 2	Theme 3	etc...
Participant number 1	There are only a finite amount of smartphone brands.			
Participant number 2	Knows that there much more smartphone brands than is able to list.			
Participant number 3				
Participant number 4				

(Table 3: Model of the matrix that will be used to describe the different themes)

As can be seen from the table three above, a matrix will be a useful tool for collecting the themes that are found out from the transcribed data. Also the matrix will make findings clearer and more comparable. Clarity and comparability will allow us to make out, which themes are dominant within the research material. These findings can then be used to form conclusions for the research questions of this thesis.

3.5 Evaluation of the study

Evaluating research papers such as this thesis is important in order to justify its trustworthiness. Traditionally internal validity, external validity, reliability and objectivity were the ways of measuring trustworthiness of research due to the strong emphasis on quantitative research in general. Guba and Lincoln (1994) noticed that different approach would be more suitable for qualitative research due to its data being more open to interpretation than the quantitative research data is. For qualitative research such as this the more suitable indicators used to measure its trustworthiness are credibility, dependability, transferability and confirmability. These criteria that are introduced in more

detail below are best suited for evaluating qualitative research as they take into account the underlying assumptions that relate to qualitative research. These indicators also take into account that not all data can be either correct or incorrect as the qualitative responses can vary depending on the research subject.

3.5.1 Credibility

Credibility measures how well the study actually measures the intended. In other words how well the results of the study represent reality and how well the researcher is able to represent the collected data. (Shenton 2003)

For this particular thesis, the focus group interviews were recorded using two smartphones in order to make sure that all the data from the interviews was definitely collected. Two smartphones also ensured that no research material would be lost due to a malfunction of the recording devices. Participants had no problems understanding the concepts and discussions were clear and provided good and credible data for the research. The credibility could have been improved with more participants and focus groups, but for this research the current numbers were good as the participants provided diverse and sufficient opinions and experiences for this research. Also the discussions in all focus groups were fluent and therefore the quality of each focus group was high.

3.5.2 Transferability

Transferability measures how well the results of the research can be applied to other situations. In other words, how well the results can be generalized for other environment, populations and studies. (Shenton 2003)

As the topic was quite wide and the focus group discussions were not strictly limited to one context, it could be said that the results could be reflected well to other studies and

environments as well. Focus group was also a flexible way for the participants to express themselves and their responses were not affected much by the researcher as it could be in some other research methods. The results as they are can already be applied to other high-technology and electronic products such as tablet, computers, televisions etc. In general the transferability could be improved by mixing different research methods and by expanding the research context to include other high-technology products.

3.5.3 Dependability

Dependability measures how well the results would resemble each other, if the same research context were to be repeated with the same method and participants. It has been noted in the past that with qualitative research this is not easy and is also affected by the credibility of the study. (Shenton 2003)

In this study the dependability is not easy to measure as focus group as a method emphasizes the free flow of conversation and discussion with as little interference as possible. Therefore the dependability of the study would depend on the researcher's abilities and ways as well as personal feats of the participants such as recent experiences, moods, age etc. The dependability of this research should be mediocre mainly due to focus groups nature and how dependent the results are on participants' situation at the moment of the research. Participants' situation refers to personal features such as mood, condition (energetic, tired, healthy sick etc.), life situation. It would be very hard to repeat the exact same focus group and discussion as the participants' days cannot be exactly same as before this one and neither can be their mood and feelings.

3.5.4 Confirmability

Confirmability is the measure of the objectivity of the study. Study should not be affected by the researcher and the results should be objective and neutral. Therefore any researcher in the same situation should get the same results. Focus group interviews were used for this study and all participants were beforehand familiar to the researcher. This could affect the results of the study, if it was to be performed by a different researcher, but otherwise identically. However as the focus group as a method did not involve researcher participation much, then the researcher and familiarity should not affect the collected results. This means that the results are reliable and produce reliable results regarding its field of study.

4. Research findings

In this research three focus group interviews were conducted. Two of these had four participants and one had three. All of the interviewees were asked to fill in a short survey about their history with smart phone before the interviews. The purpose of the survey was to establish an understanding of participant's history regarding smartphone consumption, opinions about the brands and purchase history.

4.1 Focus group interview 1

The first interview consisted of four participants. They were friends with each other, which made the interview situation more comfortable. There was some stiffness in the beginning, but participants understood the concept very fast within the first 5 minutes from the beginning of the interview. After that there was no difficulty in keeping up the conversation and the interview took approximately an hour to conduct.

Answers for the survey filled by participants before the interview are displayed in the tables 4 to 6 on page 39. Notable about these survey answers is that three out of four of the participants have owned more than one smartphone brand's phones. Also two of the participants have a different brand than their first smartphone brand was. What is most interesting regarding our topic is that none of the participants listed brand country of origin or manufacture as a reason for the purchase or brand choice. Two of the participants were unsure of their smartphones brand to begin with. Nokia, Lumia and Microsoft brand raised questions and participants with history with this line of product were unable to identify the brand origin.

Current smartphone details				
Participant	Age	Brand	Country of origin	Why
1	23	Apple	USA	Ease of use Design
2	28	Nokia/Lumia	Finland (or is it)	Employer
3	28	Nokia/Lumia	Finland	brand loyalty
4	27	Apple	USA	brand invested in OS

(Table 4: Participants current smartphone details)

Mobile phone history					
Participant	First mobile	Country of origin	First smartphone	Coutry of origin	Why
1	Nokia	Finland	Samsung	Korea (maybe)	Price Design
2	Nokia	Finland	Lumia	Finland (or is it)	Finnish
3	Nokia	Finland	LG	Taiwan(Probably)	Special offer with xbox
4	Nokia	Finland	Apple	USA	New innovation Exciting

(Table 5: Participants mobile phone history)

Brand history			
Participant	How many brands	Which brands	Why changed
1	3	Samsung HTC Apple	Android more difficult Heard that Apple is easier
2	1	Lumia	N/A
3	2 or 3 (Lumia vs Nokia)	Nokia Microsoft LG	All had windows Battery life
4	2	Samsung Apple	Change of OS Reviews Employer Invested in OS

(Table 6: Participants brand history)

Participants were all together able to name smartphone brands Samsung, Apple, HTC, Huawei, Oneplus, Sony Ericsson, LG, Google Nexus and Nokia. Participant 4 also pointed out that Google Nexus is also designed by Google and production is licensed to other brands.

Huawei and Oneplus were thought to be from Taiwan. Participant 3 suggested that also LG would be from there, but was corrected by participant 4 that it is actually from Korea. Everyone agreed that Apple is from USA.

At this point it was also pointed out that Apple as a brand is from USA and products are most likely designed there, but most likely none of the products are manufactured there. After that participants pondered whether Lumia is actually from Finland or from USA based on the windows phone operating system. Common conclusion was that nowadays Lumia

phones are from the US and this was supported by the fact that they no longer bear the Nokia brand on them. Even, if some of the parts being manufactured or at least designed in Finland. Google was said to be from USA. It was a commonly thought that all most all of the smartphone brands produce the actual products in China or somewhere else in Asia.

When talking about the best smartphone brand participant 4 said that the reason for choosing Apple is that he is too invested in the product in terms of apps. He said that sometime back his employer supplied him with a Samsung phone, but after using it for a week; he chose to buy an iPhone with his own money. Therefore he cannot consider any other operating systems anymore as Apple is the only one using iOS. He also thought that iPhone is a great phone, but also acknowledged that there could be better options out there in terms of pure hardware, flexibility and modifying. He also said that he is not hyped about his current situation, but as said before is too invested in to the operating system that cannot see anything else as a practical option. Participants 3 and 4 thought that iPhone hardware is not as good as the high price of the product would indicate and the other two did not think that it mattered much as long as the smartphone works as well as they expect it to. It was also commonly acknowledged that most of the smartphones available have the same parts and that they are made and assembled in China or somewhere else in Asia. It was also indicated that this does not really matter and does not have a big effect on their purchase decision or opinion about the brand.

Participant 1 said that her employer has given her a Lumia, but she does not use it anywhere else except in the workplace. She does not even bring it home with her, but uses Apple iPhone at home instead.

Participants 1 and 2 said that the best price to quality ratio would be with apple. Participant 1 also pointed out that it works well with her Apple computer and iPad. Others pointed out that is not necessarily true, but that it works just as well with a normal windows PC. And even, if there is some synergy between different product categories, it would exist with other operating systems as well, if all products had windows or android. It was also pointed out that a lot of the synergy is based on an image rather than hard facts and experience.

All participants also admitted that once they have started using one Apple product, they have started to consider buying other, so that they could benefit from this imagined synergy.

Male participants 3 and 4 said that they do not know how to use Apple computers well, even though consider themselves good with normal windows computers and manage to solve problems in them with ease. Female participants 1 and 2 on the other hand thought very highly of Apple computers and said that they are much better than any of their previous computers. The main reason were that they were so fast, easy to use and do not lag. Male participants then pointed out that most likely their previous computers cost a fraction of the price of the Apple and therefore they are not comparable. Owners of Apple computers admitted that this could be the case. Owners of Macs praised the operating system as one of the main reasons why they buy Apple products. Also they considered the fact that Apple operating systems are hard to modify a good thing, because then it is harder to get them to lag or jam.

Participants also discussed that, if iOS was available from other brands at a lower price, they would most likely purchase that. There is some loyalty towards Apple as a brand, but much of this is also related to the iOS and not the brand itself.

Participants 1 and 2 said that they would purchase a Finnish brand's smartphone over other brands, if the product was otherwise as good as the competition. Otherwise they said that the country of origin of the brand does not really matter as long as it is known that they have experience with smartphone production. If the phone was produced in a country that has never produced smartphones, they would be suspicious and most likely would choose to buy a brand that comes from a country that is known for smartphones even though it would be much more expensive. One of the participants used airlines as an example that a person would not like to use an airline from a random third world country, but would be ready to pay more for a known airline from a developed country. Others agreed to this.

Participants agreed that Asian smartphones are likely to be good. All participants also thought that Asia as a whole is a good indicator for goodness of the country of origin. Even though it would be nice to know the exact country that the brand is coming from or manufactured in, it would not be a deal breaker, if they only knew that the brand is Asian.

All participants also agreed that American products have a very good reputation in general. They thought that if any product is popular in the US, then it must be at least medium quality. It was also pointed out that the legislation, norms and consumer protection mean that products from developed countries are good in general. Products from less developed countries with less of these factors bear a certain risk that the product might be complete disaster. Therefore countries general reputation is a major factor for brand's image for smartphones as well as for any products, of course more for the products that they are known for. Examples given were that Germans make good products in general, but their food is not as famous as Italian foods are excellent.

All participants also agreed that there are certain countries that can be trusted for all products. Such countries are for example Germany, USA and Japan. They also agreed that other countries deemed as developed can be very good in some product categories and not the best, but still good in the other. Examples given were France and Italy. Newly industrialized countries such as China and Vietnam were given credit for being good at manufacturing and copying products that are designed in the developed countries. They thought that these countries are not good at innovating and designing something genuine. Participants acknowledged that there may be some exceptions such as Huawei, even though there was some doubt that these might also be designed somewhere else.

Participants discussed that some countries of origin's for brands would be so unreliable that they would rather pay a lot for a phone than take on from these countries for free. Examples given for such brand origins' were Ethiopia and India.

One of the participants thought of a hypothetical situation where Russian car producer Lada would be actually a BMW with Lada's logo and brand and asked others would they pay more, if they would get that car with BMW's logo instead. Participants agreed that they would pay more to get it with BMW's logo, because Lada is not reliable or good enough even, if they knew that the car is actually the same. Participants also said that they would rather buy a BMW produced in Russia rather than Lada produced in Germany.

Participants also discussed that when iPhone was introduced, it provided certain value to personal reputation. One of the participants said that when he purchased his first iPhone, he was proud to show off that he had an iPhone and that was one of the reasons why he bought it. All participants agreed that this was true, but this has diminished over time and this not as much of a factor anymore now that a lot of people have iPhones. They also said that the situation has actually become a bit of the opposite now that their parents and grandparents are actually using iPhones. Participants gave Apple credit that they have been able to create a luxury product that everyone buys.

Female participants stated that, if they would have to choose whether they bought a well-known luxury brand's bag such as Chanel that was designed and produced in China or a less known brand's bag that was produced and designed in France, that they would choose the one from China. Male participants agreed, but not as strongly. They felt that for example watches or suits are closer to a subject that they could relate to. They discussed that, if they had to choose a well-known Italian brand's off the shelf suit that is made in China compared to a random Italian brands off the shelf suit, they would choose the one made in china due to trust towards the brand's reputation.

Lastly participants discussed what would be their favorite brand origin; two of them said that they would like to purchase Finnish smartphones, if the product itself is equal to competition. They would also like to buy products that are made in Finland. They would be ready to pay extra for an Apple phone that is manufactured in Finland compared to one produced elsewhere. Apart from this the country of manufacture does not really matter.

Other two said that Finnish origin would be a bonus, but would not really affect their purchase decision.

If Finland was left out of the picture, then the best country of origin for the brand was thought to be Germany. It is notable that participants discussed that certain traits are related to certain countries of origin. American products were thought to be more fun, but might in turn contain some faults compared to for example German products. Japan was thought to be comparable to Germany as it is known for the same product categories. Male participants thought that the Japanese products are very good, but they were less masculine than the German ones. They admitted that this most likely affects their purchase decision for some products such as cars.

Summary of the first focus group

In this chapter the first focus group will be summarized. The summary will be started with the table 7 that illustrates the thesis related themes that emerged from during the interview. After this these themes will be discussed and explained with support from the interviews.

Themes	Brand is thought to be from the country where the company is registered	Most smartphones are produced in China or somewhere in Asia	Asian brands were associated more with Asia than a specific country	Purchase decision is based on the operating system	Apple has best quality to ratio	Apple has best synergy
Participant 1	x	x	x	x	x	x
Participant 2	x	x	x		x	x
Participant 3	x	x	x			
Participant 4	x	x	x	x		
Themes	All operating systems have synergy, if different products use the same operating system	Would purchase a different brand than Apple for lower price, if had iOS as a operating system	Domestic brand origin would be an advantage, if the product was otherwise competitive	Brand origin must have reputation with the product	Asian smartphone brands have a good reputation in general	American brand have a good reputation in general
Participant 1		x	x	x	x	x
Participant 2		x	x	x	x	x
Participant 3	x	x		x	x	x
Participant 4	x	x		x	x	x

Themes	Country's reputation is a major factor for brand's image. Such countries are Japan, Germany and USA	Chinese and Vietnamese brands were thought to be good at copying, but believe that they need help outside	Would be ready to pay for a smartphone rather than take a brand that comes from a random developing country	Would be ready to pay more for the exactly same car with BMW logo than Lada's	Would rather purchase a well-known luxury brand that comes from China than an unknown one from France	Favorite brand origin would be Finland
Participant 1	x	x	x	x	x	x
Participant 2	x	x	x	x	x	x
Participant 3	x	x	x	x	x	
Participant 4	x	x	x	x	x	
Themes	Apart from Finland, best brand origin Germany then Japan					
Participant 1	x					
Participant 2	x					
Participant 3	x					
Participant 4	x					

(Table 7: Themes from the first focus group interview)

Participants were able to name many different brands for smartphones, but were not able to connect all of them to a specific country. They also related some brands to an incorrect origin. As can be seen from the table, this particular group was quite coherent with many of their opinions. They agreed well on the definition of the brand that all agreed on being a combination of the company's home country and products design location. In general these were thought to be the same place. All participants also agreed that country of manufacture and brand origins' are two different concepts. They agreed that most

smartphones are most likely products somewhere in Asia, even though brands originate from different places. Participants also thought that Asia is the best description for the country of origin rather than a specific country there except for Japanese brands and products that was thought to be better than other Asian origins and therefore should be separated from the rest. All participants also thought that, if a country has good reputation and reputable brands in general, then most likely an unknown brand from a country like this is good as well. Therefore country's brand has a strong correlation with the perceived quality of brands coming from there. However they felt that they would most likely purchase a well-known brands products' no matter where that brand originates. All participants also agreed that they would not want to purchase an unknown brand's products, if they did not know the brand origin either. All thought that Finland has certain advantage at least in some product categories, but in general Germany and then Japan are the most desirable brand origins.

In addition to these participants 1 and 4 said that the main factor affecting their purchase decision of their current smartphones was the operating system iOS. Participants 1 and 2 thought that Apple smartphones have the best quality to price ratio and synergy between different devices even though participant 2 does not own an Apple smartphone.

4.2. Focus group interview 2

Second interview comprised of 4 participants. These participants were from older demographic group with ages between 60 to 70 years. They were two married couples that did not know each other before hand. Participants' answers to the survey can be found from the next page 47.

Current smartphone details				
Participant	Age	Brand	Country of origin	Why
1	68	LG	Korea	Recommendations Price
2	67	Asus	Taiwan	Good reviews Price Combined Tablet
3	61	Samsung	Korea	brand loyalty
4	67	LG	Korea	Recommendations Price

(Table 8: Participants current smartphone details)

Mobile phone history					
Participant	First mobile	Country of origin	First smartphone	Coutry of origin	Why
1	Nokia	Finland	Lumia	Finland	Brand loyalty Finnish Price
2	Nokia	Finland	Asus	Taiwan	Good reviews Price Combined Tablet
3	Nokia	Finland	Samsung	Korea	Recommendations
4	Nokia	Finland	Lumia	Finland	Brand loyalty Finnish Price

(Table 9: Participants mobile phone history)

Smartphone brand history			
Participant	How many brands	Which brands	Why changed
1	2	Nokia/Microsoft LG	Price to quality Recommendations
2	1	Asus	N/A
3	1	Samsung	N/A
4	2	Nokia/Microsoft LG	Nokia sold to Microsoft Recommendations

(Table 10: brand history)

Participants were able to name smartphone brands Nokia, Huawei, Oneplus, Samsung, Lumia, LG, Google, Asus, Alcatel, Motorola, Nexus, Apple, Blackberry, Phillips, Siemens Sony and Jolla. In total this makes 17 named brands. While thinking about the brands participants discussed what is considered a brand and what is a manufacturer. All participants thought that mostly all brands use sub-manufacturers and for example Siemens, Phillips and Asus are completely licensed to other companies in order to benefit from their brand image.

Two out of four participants considered the best smartphone brand to be the one that they owned. All participants had android phones at the moment. All participants thought that it was hard to judge any other phones, if they have not owned them before. None of the participants had ever owned iOS phones. However participants had an image that it could be a good alternative to android based the user experience from using iPad and Mac computers. One of the participants said that Samsung is the best smartphone brand. Again this started the discussion about the possible superiority of iPhone compared to others. As none of the participants had firsthand experience from using the iPhone, their opinions were based on what they had read and heard about iPhone from others. In the end all participants concluded that overall Samsung is most likely the best smartphone brand, but they thought that this might change, if they got a chance to test iPhone for the first time.

Participants discussed that all smartphones are produced in China except that some Korean brands might have production in Korea. Participants were able to name that Samsung is from Korea, Sony from Japan, Lg from Korea, Huawei from China and Apple from USA. One of the participants said that most of them come from Asia with a hint that it does not really matter where in Asia. Another participant said that she is suspicious towards Chinese brands compared brands that come from other countries. She said that this might not be true, but that is the image that she has when she thinks about Chinese products. She was supported by her husband who also said that this is most likely not true, but the feeling he gets is that Chinese products are not as good. The other couple thought that Chinese brands and products can be just as good as the brands and products from other countries.

Factors affecting the actual purchase decision were said to be experiences, feedback and recommendations from others. Also familiarity of the operating system, brand and therefore brand loyalty was considered an important factor. Participant 1 thought price to quality ratio to be the main factor affecting his purchase decision stating that bigger screen and faster hardware for the same mid-price range is what he will be looking for when upgrading his smartphone next time. Participants discussed how they perceive the quality of the smartphone. Participant 3 stated that she understands very little about the hardware and was surprised that her more smartphone does not have a radio functionality even though her old, cheap non smartphone did. Participant 1 listed that his smartphone should have internet, email, calling, text messages, clock and distance meter. He stated that all these work just as well as in his old Lumia smartphone that he had to change due to it breaking down. Participant 3 stated in her opinion most of the functionalities are useless and therefore there is no sense in buying the most expensive ones as the additional features will most likely be useless. She also said that she would appreciate a phone with a better battery, so that it could last more than a day.

Participants 2 and 4 agreed with these thoughts to some extent. Participant 2 thought that for other people, especially younger, these additional features might be fascinating and useful as well. Participant 4 also said that these features might be useful to some others. All participants also thought that the goodness of the camera reflects the quality of the phone as a whole. Participant 1 thought that in his current smartphone the camera might be too good as it is sometimes too complicated to use.

Participants 1 and 4 said that they would buy a Nokia smartphone rather than any other, if they still produced phones based on its Finnish origin. Participants 2 and 3 said that this has had and would have a positive impact on their thought process as well when considering the purchase of a new phone. At the moment in general they thought that the available Finnish option Jolla is a bit of a question mark and might be a risky purchase. They also thought that as Nokia is not an option anymore, the brand origin most likely will not have that much of an impact on their purchase decision.

Summary of the second focus group

In this chapter the second focus group will be summarized and explained. The themes found from the second focus group can be seen in the table 11. These will be also explained in more details.

It is notable in the beginning that the participants were able to name brands, but could not connect all those brands to a brand origin. Also the second group had quite similar opinions about the concepts relating to this thesis. All agreed that brand origin and country of manufacture are different concepts. However it was pointed out that due to licensing sometimes the manufacturer is the brand behind the one that is displayed on the product. Participants 3 and 4 thought that the best smartphone at least for them is their current one. None of the participants had not owned an Apple phone, but they thought that it is most likely the second best smartphone brand after Samsung. All participants also thought that pretty much all smartphones are produced in China. Participants 1 and 4 thought that all Asian brands are pretty close to each other in terms of quality. Participants 2 and 3 agreed except they said that they think that Chinese brands are inferior to other Asian brands. Participants 1 and 2 thought that the most important factor affecting their purchase decision is the quality to price ratio of the phone. Participants 3 and 4 are more open to recommendations from others. Participants 1, 3 and 4 only require the most basic functions from the smartphone and any extra functionality is a bonus. All participants thought that the quality of a camera in the phone correlates with the general quality of the phone. In other words a good camera indicates that the phone is good. All participants would favor Finnish brands, if there were viable options available and they thought that Finland is the best brand origin.

Themes	Brand origin and country of manufacture are different	Licensing allows manufacturers to act as brands	Best smartphone is the current one	Apple iPhone is most likely a good phone based on other Apple products	Samsung is the best smartphone brand	Apple is the only brand that could compete with Samsung
Participant 1	x	x		x	x	x
Participant 2	x	x		x	x	x
Participant 3	x	x	x	x	x	x
Participant 4	x	x	x	x	x	x
Themes	All smartphones are produced in China	All Asian brands are equal	Chinese are inferior to other Asian brands	Price to quality ratio most important factor affecting purchase decision	Requirements include only the most basic functions	Camera quality indicates the quality of the entire phone
Participant 1	x	x		x	x	x
Participant 2	x		x	x		x
Participant 3	x		x		x	x
Participant 4	x	x			x	x
Themes	Certain countries of origins are reliable for all brands/products	Would like to purchase a Finnish smartphone, if a viable option is available	Finland is the best brand origin			
Participant 1	x	x	x			
Participant 2	x	x	x			
Participant 3	x	x	x			

Participant 4	x	x	x			
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(Table 11: Themes from the second focus group interview)

4.3 Focus Group interview 3

Third focus group consisted of 3 participants. The original plan was to have four participants, but one had to cancel at the last minute. They are between 25-30 years old and are friends with each other. Participants' answers to the survey can be found from the following tables 12 to 14.

Current smartphone details				
Participant	Age	Brand	Country of origin	Why
1	27	Apple/iPhone	USA	Media Friends
2	28	Apple	USA	Design
3	27	Samsung	Korea	brand loyalty good history

(Table 12: Participants current smartphone details)

Mobile phone history					
Participant	First mobile	Country of origin	First smartphone	Coutry of origin	Why
1	Nokia	Finland	Apple	USA	Media Friends
2	Nokia	Finland	Samsung	Korea	Price
3	Nokia	Finland	Samsung	Korea	Friends

(Table 13: Participants mobile phone history)

Smartphone brand history			
Participant	How many brands	Which brands	Why changed
1	1	Apple	N/A
2	2	Samsung Apple	wanted change
3	1	Samsung	N/A

(Table 14: brand history)

Participants were able to list smartphone brands Samsung, Sony, Huawei, HTC, Apple, LG, Oneplus, Nokia and Microsoft. They pondered together whether Nokia still exists or should it be Microsoft. They also wondered whether the brand should be iPhone or Apple. They established together that the brand is Apple and model iPhone.

Participant 1 listed that smartphone brands and smartphones come from USA and China. Participants 2 added Korea and Taiwan. Participant 3 said that there are also brands coming from China. Participants thought that only Apple and Microsoft come from the US and most of the others come from somewhere in Asia. Participant 3 said that at least Samsung comes from Korea and Oneplus from Asia. Participant 2 stated that HTC comes

most likely from Korea and definitely from somewhere in Asia. He also thought that there might be some brands that come from India, but could not name any.

Participant 1 thought that Apple is the best brand, because it is easy to use, good brand and different devices connect well with each other. Participant 2 pointed out that this is the case with Microsoft devices as well as Android devices. Participant one said that Apple products work better as they get older compared to other brands that start to lag. Participant 2 said that this might not be true and the easiness of use is about getting used to. He also said that when he had a Samsung phone, it was easy to use and now that he's got an iPhone it is also easy to use. He also said that he thinks that the price-to-quality ratio is best in Samsung android phones and the difference to iPhone is not very big.

Participant 1 said that Apple products are well branded, because they are good looking, accessories are easy to attain. She also told that, when Steve Jobs died, she was in Australia and she was impressed how all the stores selling Apple products had set a candle as a screen saver for Apple products. She also told that the cult around Steve Jobs and Apple is impressive and somehow compelling. She also feels that she has always gotten very good customer service from Apple and that they care about the customer and their brand even though there are some sinister questions relating to the supply chain and subcontractor work environment and conditions.

Participants 2 and 3 also said that they had read something about Apple's subcontractor employees working in horrible conditions and committing suicides. Participant 3 also said agreed that Apple phones are better looking than other and have a nice design overall. She also said that Apple has managed to keep all their products under the same brand, so that whatever they advertise, one always thinks of Apple. In her opinion, Apple also seems to spend more money on marketing than others. Participant 1 agreed that this is the case, but that their advertisement also seems to be always of larger scale and for example bloggers usually advertise other brands. Participant 2 said that when he bought his first iPhone one of the reasons was the outstanding design and good looks.

Participant 1 said that, if she had to purchase a new phone right now, brand origin would not have an effect on her decision as there are no Finnish options available. Participant 3 said that, if there were Finnish options, then she might purchase the new phone based on that, but otherwise the brand origin does not matter. Participant 2 pointed out that Jolla is Finnish, but the other two did not know of this before.

Participant 3 said that she would rather pay more for a well-known brand than for a random Asian one. She also said that she would most likely buy a Samsung phone, not because it is from a particular country, but due to positive past experiences. She also said that she would like to perhaps try iPhone in the future, but thinks that changing a brand is a risk in case she does not like it. Participant 1 thought that for her it would not matter that much and that Asian brands and phones in general are of good quality. Participant 1 and 3 agreed that well-known Asian brands such as Samsung have improved the overall profile of Asian brands and products. Participant 1 pointed out that Asia is the source of many electronic products such as TVs and other home appliances.

Participant 3 said that she thinks that a brand like Miele is a guarantee for quality and mostly due to its German origin. Participant 1 agreed to Miele being perhaps the best electronics brand overall, but she did not know that it was German.

Participant 2 said that he would be especially interested in the brand origin of a smartphone, if he had not ever heard of that brand before. He also said that most likely it would not affect his purchase decision, if the product itself was good. If the brand and phone were from for example Africa, it would raise doubts, but good reviews and positive word-of-mouth would be enough to neutralize these doubts. An unknown German brand would not almost any concerns in his opinion.

Participant 1 said that corporations nowadays might brand themselves so that they might appear to come from another country even though in reality products are manufacture and designed somewhere else. In other words it is hard to be sure of the brand and product

origin anymore. Participants 1 and 3 agreed that, if Miele manufactured smartphones, they would trust Miele without much other information. Participant 1 also pointed out that there is a brand called honor that has been advertised strongly recently, but she still does not know where its origin is.

Participant 2 said that for cars brand origin matters much more than for many other products. He knows that there are for example Chinese car brands, but he only can recall Songyang, but would not trust the quality of it or other Chinese car brands. Participants also discussed how brand origin changes with ownership. Volvo is a good example that is now owned by the Chinese, but is originally Swedish. Participant 2 said that he can see that after the change of ownership there have been some adjustments to the design of the new Volvo's as well. He still owns and drives one, so the change is not negative, but there is some.

Participant 1 said that manufacturing of the product affects her opinion of the product and brand, if she finds out that there are some sinister aspects such as child labor, poor work conditions, too low salaries etc. related to the brand and product. Participant 3 said that she sometimes thinks about these things, but does not go through the trouble to find out whether these kinds of things relate to the products that she buys. Participant 2 pointed out that most likely most people would not be ready to pay much more for a product produced under good conditions compared to one produced under poor working conditions.

Participant 3 said that most likely she would not be ready to pay the much higher price for a product produced in Finland compared to one produced under child labor simply, because the one produced in Finland would probably be too expensive for her. She would also think that it would be stupid to pay more for the same product. Participant 1 however said that now she of course would say that she would pay more, but in the real purchase situation it might not be the case. Participant 2 said that he would not pay more based on the production country or better working conditions and work environment.

Participant 3 said that she would rather buy the same t-shirt from H&M without knowing the manufacturing details, if it is cheaper compared to a one produced in Finland that is definitely produced in a good work environment. She also said that she would like to say now that she would purchase the more ethical one, but it would not be true. All participants thought that what others think about ethical choices matter more than the actual ethical choice. In other words, if they would gain prestige in the eyes of others by choosing more ethical products, then they might choose them.

Participant 2 said that the design country of a product such as a car is much more important than the manufacturing country. Participant 3 said that for luxury products such as bags it do not matter much either where French or Italian brand is produced. All participants also were not sure where these products are actually made.

Participant 1 and 2 discussed that for food products they have ordered organic food from a particular farm in order to make sure that it is the real deal. They also pay attention to this in food products but not for other products. Participant 1 pointed out that for other products brands might lead consumers to believe that their products and supply chain is something that it really isn't. Participant 1 said that she would rather buy domestic products rather than others. Participant 3 said she does the same and is for example ready to pay more for Finnish tomatoes and other vegetables. Participant 2 said that he also trusts Finnish food products more, but also said that other product origins might be just as good or even better. As an example he gave that Latin American beef is most likely better than the Finnish one.

When considering all product categories and products, participant 1 said that she would in general always prefer Finnish products. Participant 2 said that Finnish origin is an advantage, but it depends on the product category how much it affects the purchase decision. Participant 3 pondered that Finnish origin is an advantage, but peer reviews matter much more, so if there was a sofa that is Finnish competing against a German popular sofa that is popular and well liked, she would probably purchase the German one.

Participant 1 said that when buying something expensive, she usually investigates and compares different products and ask other's opinions, but bases the purchase decision on her own thoughts rather than others. Participant 2 also would like to investigate him and ask others, but would put a bit more weight on the peer opinions than participant 1. Participant 1 also said that when purchasing her Apple laptop, she started to look into it based on good peer reviews and then investigated further and read official reviews from the internet.

Participant 3 said that she has always bought the same brand, because she has been happy with the brand. However they have always had the same problems and the next time she considers purchasing a new laptop, she might investigate other options more in order to get a better one. All participants also discussed that themselves and people are ready to pay much more for an smartphone or computer and then say that these are better than others even though they are not from the same price category. They discussed that one of the reason why people think that Apple products are better than others, because they pay more for them than they would for any other product. Participant 2 also pointed out that he does not recall knowing anyone who has bought a laptop of another brand that is as expensive as a MacBook. Therefore he does not have any peer reviews about such products and, if had to purchase a laptop in the price range of a MacBook, he might end up buying a MacBook just, because he has not heard of any other good ones that are as expensive.

Participant 1 said that she dreams of buying an expensive mulberry bag just based on the brand. She cannot really explain the urge to purchase that particular bag, but she still wants it. She also said that the aesthetics of the shop and other environment where to product is sold matter quite a bit when buying something very expensive. She said that she thinks that it matters how much the brand can be seen in other things than the product itself. These kinds of things are as said the shop, staff, advertisements, opinions and other intangible aspects too.

Participant 2 said that for her the same kind of things would be motorcycles. There are certain criteria that definitely need to be met, but for some reason he is drawn towards Harley Davidson rather than any other motorcycle brand. He stated that he would also be ready to pay more for a Harley Davidson than any other brand. He admits that therefore it is of course unfair to compare Harley Davidson to other brands, but that's just how it is. Participant 3 said that she also values Harley Davidson higher than any other motorcycle brand, even though she does not understand much about motorcycles.

Participant 1 said that when it comes to vehicles, she would also much rather purchase Volvo or BMW than for example Seat that sound like a toy and gizmo in her ears. Participant 3 on the other hand said that she thinks that Seat is a good car and that other people have also said so. Participant 2 said that he thinks that they are all good cars. All three said that German cars are good. Participants 1 and 3 said they would rather purchase a German car than a Japanese car. Participant 2 said that it is not that easy and that they are both good cars, but he would most likely be ready to pay more for a German car than a Japanese one. He also stated that the maintenance of Japanese cars is most likely cheaper than German cars. All participants agreed that for example Mercedes is a better car than Toyota, but they are not ready to pay the same price for Toyota as they would for Mercedes. They discussed that again certain brands are seen as better , because people are ready to pay more for them.

Participant 1 said that her favorite brand origin depends on the product category. For smartphone it might be Asia and a vacuum cleaner Germany. However she indicated that, if the origin country has been established to be good at producing a certain product category then it is of course an advantage. Participant 2 and Participant 3 agreed to this and also stated that there is no one good country of origin for all products. Participant 2 said that there are countries such as Germany where all products are most likely good and some are best, but not all. Participant 3 agreed with this as well and said that it definitely depends on the product.

Summary of the third focus group

In this chapter the third focus group will be summarized and explained. The themes found from the second focus group can be seen in the table 15. These will be also explained in more details.

Themes	Apple is the best brand due to ease of use and synergy between devices	Other brands are/can be equal to Apple	Sub-contractor reputation is associated with the product's brand	Finnish origin would be an advantage and would affect purchase decision	Would pay more for a well-known brand than a random brand	Asian brands are quite equal in quality
Participant 1	x		x	x	x	x
Participant 2		x	x		x	x
Participant 3		x	x	x	x	x
Themes	Breakthrough of one brand improves the image of all brands coming from its country	Asia is known for good electronics and home appliances	Miele is the best brand overall for electronics	Did not know that Miele was German	Would be more interested in the brand origin, if the brand itself was unknown	Brand origin is more important for some products than others i.e. cars
Participant 1	x	x	x	x		x
Participant 2	x	x			x	x
Participant 3	x	x	x			x
Themes	Ethical reasons affect perception of a brand	Would not be ready to pay much more for more ethically produced	Brand loyalty is a strong factor affecting purchase decision	Brand is an important factor affecting purchase decision for expensive	Ready to pay more for a certain brand origin for luxury/expensive products	Germany and USA are examples of brand origins that can be trusted for

		products		products		all products
Participant 1	x	x	x	x	x	x
Participant 2	x	x		x	x	x
Participant 3	x	x	x	x	x	x

(Table 15: Themes from the first focus group interview)

All participants agreed that sub-contractors reputation, ethics, working conditions etc. will affect the reputation of the products and its brand as well. In other words, if smartphone brand's sub-contract gets negative publicity, it will affect the smartphone brand's reputation equally. However participants would not be ready to pay much more a more ethical product or brand, if the products are otherwise identical. They also agreed that Asian brands are equal in quality and it does not matter much which Asian country the brand specifically comes from. It was also agreed that Asia is a reliable and reputable source of electronics and home appliance brands. One good brand breaking through from previously unknown brand origin was thought to have a huge positive impact on all the other brands coming from that country. It was also agreed that they would be ready to pay more for a well-known brand than for an unknown one. All participants also thought that brand origin is more important for some products than others, especially more expensive and important ones. Germany and USA were thought to be reliable brand origins' in general for all products.

Participants 1 and 3 were very brand loyal and appreciated the same operating system and usability that they had used before. They also would appreciate Finnish brand origin, if available. However they did not know that Jolla existed or came from Finland. They both also thought that Miele is the best electronics/home appliance brand in general, but participant 1 did not know that Miele comes from Germany.

4.4 Summary of all three focus groups

In this chapter we will compare all three focus groups and make connections to the research questions of this thesis. Strongest themes and how these are supported by the participants can be found from the below table 16:

Most important themes	Average	Group 1	Group 2	Group 3
Brand origin = Corporate home country/ Country of design	100 %	100 %	100 %	100 %
Country of manufacture = Country where the product is produced	100 %	100 %	100 %	100 %
Majority of smartphones are manufactured in China/Asia	100 %	100 %	100 %	100 %
Asian brands are often seen as Asian not from a specific country	82 %	100 %	50 %	100 %
Country of manufacture not important	100 %	100 %	100 %	100 %
Operating system most important factor affecting purchase decision	27 %	50 %	0 %	33 %
Finnish (domestic) brand origin clear advantage	72 %	50 %	100 %	66 %
Brand origin must have reputation with smartphones	100 %	100 %	100 %	100 %
Good country image = Good brand image	100 %	100 %	100 %	100 %
Brand loyalty important factor affecting purchase decision	82 %	75 %	75 %	100 %
Brand origin important to the image of the brand	100 %	100 %	100 %	100 %
Brand origin important to actual purchase decision moment	27 %	25 %	50 %	0 %
Brand origin is more important for more complicated products	100 %	100 %	100 %	100 %
Best country of origin = Finland	82 %	50 %	100 %	66 %

(Table 16: Summary of the most important themes)

The percentages for the groups in table 16 have been calculated by counting the participants who support these themes by the total number of participants in the groups. For example 2 out of 4 participants thought that operating system is the most important factor affecting purchase decision and therefore $2/4 \cdot 100 = 50\%$. The average is calculated by participants from all groups supporting the theme and divided by total number of participants. For example 3 out of 11 participants thought that operating system is the most important factor affecting purchase decision, so $3/11 \cdot 100 = 27\%$. It should be noted

that these themes give a feeling that participants opinions were either yes or no, and this is due to the nature of the focus groups. Discussions usually ended up, so that people either agreed or disagreed with each other and the final opinions were either for or against type with not much variation in between.

Firstly all participants for all focus groups agreed that brand origin and country of manufacture are two different concepts. The major agreement was also that majority of smartphones regardless of a brand are produced in Asia and within Asia most of them are product in China. Gives good grounds to answer one of the sub-research questions that is “How do consumers perceive country of origin vs. country of manufacture?” Common agreement was also that brand origin of a smartphone and products in general is the country where the company is registered. It was also thought that is the place where products are designed and the corporate home office is located.

For research questions “how does brand’s country of origin affect consumer’s perception of the brand”, one important notion is that 8 out of 11 participants considered domestic origin (all participants were Finnish) to be an advantage for a brand. However, not all participants were aware that there are Finnish options available for example Jolla. Also many of the participants had changed their smartphone brand even before Nokia phones were sold to Microsoft. In general participants had a lot of opinion about different brand origin’s and there were some that all participants thought highly of in general. Such origins were Finland, Germany, Japan and USA. It was also agreed commonly that some countries are especially good and associated with certain products such are Japanese electronics and German cars. Asia was acknowledged to be good at manufacturing products, but majority thought that most of the products manufactured there are designed somewhere else with Japan as an exception. Participants in general knew more smartphone brands than they could associate with a certain brand origin. Many of the brands originating from Asia were said to come from “somewhere” in Asia and participants might not be able to name the exact country or would name it wrong. This would indicate that continental origin is in some cases more important factor than country of origin.

The most common brand origins' named were Korea, Taiwan and USA. Almost all of the participants showed tendency of having stereotypes about some origins being good and some bad. Usually, if a country was known to be good at producing smartphones, then all brands coming from there were thought more highly of. This also worked in a negative way, that if a country was not acknowledged as a good smartphone or electronics producer, then brands' coming from there were not thought to be good. This shows that people acknowledge and know about countries being specialized in certain products. Then there are some countries as mentioned before that are thought to be good at producing almost everything. This would indicate that countries themselves have brands that heavily correlate with the brands coming from that particular country. Good country image was noticed to result in a good brand image in general for all product categories and all of the participants thought that in order for a smartphone brand to be a viable option, it should come from a country of origin that is already associated with smartphones.

When participants discussed brand origin's effect on their purchase decisions, most of them said that it does not have a major impact on the decision itself. The most common factors affecting purchase decision were noticed to be price to quality, brand loyalty, operating system and recommendations from others. Out of these, brand loyalty might have initially been affected by country of origin, but none of the participants made that notion. In all focus groups it was noticed that when they discuss aspects relating to their smartphones as well as other products, they might think that they want to buy a product from a certain country or one that has been ethically produced or any number of intangible aspects relating to the product at hand. But all participants also thought that as the actual purchase decision approaches, these intangible aspects become less and less important and more tangible factors take over such as price and appearance. This would mean that in the purchase process less appealing brand origin might mean that the product does not advance in evaluation, but in the end when there are several options and the actual purchase decision is at hand its weight becomes more meaningless. Participants were noticed to justify their own choices of brands during the focus groups with the brand origin and other intangible factors and this would indicate that the value of brand origin again increases post purchase decision.

Background and demographic factors of participants seem to have relatively low impact on their behavior compared to others. Older participants seemed to be more conservative with their decisions as can be expected. They also seemed to be more suspicious towards the newly industrialized brand origins such as China. They were the strongest supporter of the domestic Finnish origin and their purchase decisions were most affected by the brand origin at the actual moment of purchase decision. Gender seemed to have more impact on the opinions and actions than age. Female participants seemed to be impacted more by intangible factors both in terms of brand image and purchase decision. Female participants were also more affected by the opinions of others. In general it was noticed that brand image affected more female participants than male participants. Male participants concentrated more on the tangible factors such as operating system, hardware and price when they evaluated products and pondered the purchase process.

5 Discussions and conclusions

This chapter will discuss and make theoretical conclusions based on the empirical research and discusses these in relation with the previous studies and literature. This is followed by managerial implications. Final part of the research will be discussion regarding the limitations of the study and recommendations for future research.

5.1 Theoretical implications

This research paper has contributed to the research field of brand origin especially in relation to high-technology products and smartphones. This master's thesis concentrated on the significance of brand's origin on brand image and consumer purchase decision and the empirical research was conducted in high-technology context with focus group interviews with focus on smartphones. The aim was to be able to answer the main research questions "how brand's country of origin affects brand image and consumer purchase decision?" that is answered with the support of the following sub research questions 1) How does brand's country of origin affect consumer's perception of the

brand?, 2) How does brand's country of origin affect consumer's purchase decision?, 3) How does brand's country of origin affect brand image?, 4) How do consumers perceive country of origin vs. country of manufacture?.

In the past research, the first sub research question "How does brand's country of origin affect consumer's perception of the brand?" it has been noticed that the country of origin is part of the process how consumer's perception of the brand is formed. As the brand is defined as consumer's memory of the product and company and is formed by both tangible and intangible factors that include the country of origin and country of manufacture. (Aaker 2010; Aiello 2008) Cook (1992) and Zara (1997) defined one of the three components that identify brand and perceptual component is the cognitive is defined association and perception of the brand. In Kapferer's (2008) more recent research there are 6 components and country of origin would fall under culture of the brand that is defined as "much like a culture of a country. Each brand has their own culture that the products and ways of the brand came derive from". Kapferer also suggests brand origin has a direct impact on the brand's culture, so that the origin country's culture reflects on that of the brand coming from that country for example German punctuality and sharpness reflects on the good quality of products. Aiello et al (2008) concluded in their research that there are several ways how brand origin can have an effect on the brand, but country of manufacture does not directly have an effect on the brand, which is in line with the empirical findings of this study, since the participants unanimously thought that country of manufacture is not an important factor for neither brand nor purchase decision. In addition to these, domestic origin was noticed to produce the most positive perception.

Empirical notions also indicate that, if the country's perception in general is positive, it will also reflect positively on the brands coming from that country. Examples that almost all participants of the focus groups brought up and agreed on are Finland, Germany, USA and Japan. This is supported by the results of research by Aiello et al. (2008) when they noticed that there is a positive correlation between perception of a country and brand's coming from that country.

The second sub question is “How does brand country of origin affect consumer’s purchase decision?” As in the empirical research it was noticed that only a minority of the participants thought that country of origin has an effect on their actual purchase decision, we must conclude that brand origin does not have a great impact on the purchase decision itself. This is supported by past research by Agrawal and Kawakura (1999) as they noticed that as consumer comes closer to making a purchase decision, the effect of country of origin becomes weaker. They also pointed out that in many of the past researches country of origin’s effect is exaggerated due to its central role in those research forces research subjects to think more strongly on it than they normally would. In Kotler’s (2009) five stages of buyer decision process country of origin has been noted to have more effect on stages 2) information search, 3) evaluation of alternatives and 5) post purchase behavior than on the actual stage 4) purchase decision (Mohr et al. 2010). Both our notions and past research would indicate that this means that based on the brand origin some products/brands can be and are ruled out of the actual purchase decision stage before it, but at the moment of the purchase decision brand origin does not have an effect on the decision. Also it has been noticed that brand origin is used to justify purchase decision in the post purchase behavior stage. (Mohr et al 2010; Kotler 2009) Based on these it can be said that brand origin affects the purchase decision very little and there are many other factors that have more effect such as price, quality and design.

Third sub question of this research is “How does brand’s country of origin affect brand image?”. Firstly our finding strongly indicate that, if a country has good image then it has a strong positive impact on the brand’s coming from that country. If country image is poor then the impact on the brands coming from that country are also poor. At least for this research the most positive country of origin was noted to be the domestic/Finnish origin. This is supported by the past research notion by Kapferer (2008) that shows the direct reflection between country’s culture on brand culture. Also Aieollo et al. (2008) noticed that brand origin is one of the factors that correlate with the brand image directly. Ahmed et al (2002) noticed that country of origin holds much importance in terms of brand image, but as the actual purchase decision approaches its significance diminishes. Also in our findings domestic origin was noticed to affect the brand image most positively.

Last sub research questions “How do consumers perceive country of origin vs. country of manufacture?” is easily answered as all participants thought that country of origin these days is the country of the brand and country of manufacture is just the country where the product is made. Country of manufacture was also said to be irrelevant on many levels as many of the products were said to be produced in the same place that is China. This is both agreed and disagreed by Haubl and Helrod (1999) consumer’s perception of quality increases, if the product is produced and brand originates from the same country. However, people who are the most familiar with the brand are less interested in the country of manufacture. Aiello et al. (2008) also pointed out that country of manufacture was found to be mostly irrelevant for most of the people interviewed for their research, which supports our results.

In general all these notions are in line with the research of Peterson and Jolibert (1995), when they found out that consumers appreciate country of origin more when they read a product description compared to evaluating the actual physical product. Therefore our paper supports their conclusion that country of origin can and is an important factor for brand image, but its effect on the actual purchase decision is low.

This theoretical support with the aid of the sub research questions and other past research now allows us to form a conclusion to our main research question “how brand’s country of origin affects brand image and consumer purchase decision?”- Brand’s country of origin is found out have a correlation with brand image. This correlation can work both in positive and negative direction in relation with the country of origin’s image. It can also be said that brand’s country of origin has more impact on the brand image than on the actual purchase decision. This means that the effect of the brand’s country of origin diminishes as the consumer gets closer to the actual purchase decision and it has been noticed that at the moment of the decision it has almost no effect on the decision as there are several other factors both tangible and intangible that have a much greater effect.

5.2 Managerial implications

There are some implications that this study provides from managerial point of view. First of all, the results of this study and the past research indicate that managers and corporations should only emphasize their brand origin in case that the country of origin is positively perceived by the potential customers. In case that the country of origin is not known or is already perceived negatively in relations to the product/service category it is recommended that the brand origin is not emphasized until the origin country's image improves. In situations when origin country has a negative image, managers and companies can also attempt to brand themselves with a different brand origin. In domestic market it is recommended that the domestic origin is emphasized even, if a different approach is chosen for other markets.

Depending on the product category, multinational concerns might also want to consider branding different product categories to come from different countries. In other words, on average managers should try to make consumers perceive that brands come from countries that are known for that type of product. For example fashion brands should try to brand themselves as Italian or French, if possible and electronic brands for example from Japan.

In terms of the purchase decision and therefore on the effort at that point of the sale process, not much resources should be put on bringing up the brand origin as consumer has already found out and made the decision regarding this on earlier stages of the buying process. Instead it is recommended that the sales man, shop environment and other relating marketing efforts should be put on more tangible factors that the consumers seem to be more interested in at that point and time when the actual decision needs to be made. Brand image and therefore brand origin relating to that should be emphasized much earlier in the sale process when consumer is more open to receive and adjust his/her perception.

Also managers should not put much effort and resources into bringing up the country of manufacture of the product as this is becoming more and more arbitrary information to consumers. Instead the resources should be concentrated to find out how brand origin is perceived by consumers and to react accordingly in order to make most of it or reduce the damage caused by a negative brand origin.

Lastly managers should make sure that suiting marketing campaigns are directed to the correct demographics. Female and male participants that participated in this study seemed to have very different opinions on what are the important factors leading to the purchase decision as well as when making the purchase decision. Male participants valued more tangible factors while the female participants put more weight on the intangible aspects. This should be evaluated and taken into account when planning the marketing campaigns in order to capitalize on all demographics and potential customers.

5.3 Limitations and future suggestions

This study is limited in its findings. Although the method focus groups was found to be a good way to research this broad and intangible topic there are few clear limitations. The most obvious limitations are that all of the focus group participants come from the same country (Finland). Also the number of participants was 11 persons in total. In order to improve the research design it would be better to have more participants from as many nationalities and backgrounds as possible. As the research is at the moment its results can be generalized to some extent within the Finnish consumers, but international generalizations are hard to make. It would be interesting to compare results of focus groups where the focus groups were differentiated by nationalities or would have mixed nationalities. This would definitely bring better and more applicable results especially in the high technology context as all the involved brands are multinational to begin with. In future research it would be interesting to use the same research design with more nationalities and participants in order to achieve more controversial, theoretically and managerially applicable results.

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