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Lappeenranta **University of Technology**

School of Business  
International marketing  
Bachelor's Thesis

# **Effects of Country of Origin on Consumer Product Evaluations:**

## **Finnish clothing products in the minds of Russian tourists**

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# TABLE OF CONTENTS

1. INTRODUCTION .....	1
1.1 Research objectives .....	3
1.2 Research problems .....	3
1.3 Research limitations .....	4
1.4 Research methodology .....	5
1.5 Theoretical framework .....	6
1.6 Literature review .....	7
1.7 Definitions of key concepts .....	10
1.8 Structure of the thesis .....	11
2. COUNTRY OF ORIGIN EFFECT ON PRODUCT EVALUATION .....	13
2.1 Importance of country of origin in consumer product evaluation.....	13
2.2 The impact of country image on consumers' evaluation process .....	14
2.3 Consumer behavior patterns of Russians.....	18
3. RESEARCH METHODS.....	21
3.1 Quantitative research .....	21
3.2 Design of the survey.....	21
3.3 Sampling and data gathering .....	24
4. RESEARCH OUTCOMES AND DISCUSSION .....	26
4.1 Respondents' background information.....	26
4.2 Country image and product evaluation .....	29
4.2.1 Country image of Finland .....	29
4.2.2 Clothing product attributes that Russian tourists value.....	31
4.2.3 Evaluations of Finnish clothing products.....	32
4.2.4 Relation between the country image and product evaluations .....	35
4.3 Summary of the research outcomes.....	36
5. CONCLUSIONS.....	38
5.1 Contributions and implications of the research .....	38
5.2 Reliability and validity of the research .....	39
5.3 Limitations.....	40
5.4 Suggestions for further research .....	40
REFERENCES.....	42

## APPENDICES

Appendix 1: Research questionnaire, English version

Appendix 2: Foreign travelers visiting Finland

Appendix 2.1

Appendix 2.2

Appendix 3: Expenditure by travelers in Finland

Appendix 3.1

Appendix 3.2

Appendix 4: Country image of Finland

Appendix 5: Valued product attributes

Appendix 6: Evaluation of Finnish clothing products

Appendix 7: Correlation between COO and product evaluation

## 1. INTRODUCTION

Companies operating in today's highly internationalized markets consider product differentiation the key priority in pursue to attain a constant competitive advantage in challenging global environment (Baker and Ballington 2002, 158). The main driver affecting companies' differentiation actions was described as early as 1912 by one of the marketing pioneers A. W. Shaw (1912, 710) as meeting human wants more accurate than the competition, and thus increasing customers' perceived value and satisfaction. Dickson and Ginter (1987, 2) point out in their study based on earlier research by Chamberlin (1965) and Porter (1976) that differentiation can be based on either tangible characteristics of a product such as design or intangible characteristics such as a brand name and country of origin (hereafter referred to as COO).

The concept of COO and its impact on consumers' evaluation of a product as an extrinsic product cue has been one of the most noteworthy topics in international marketing, having been voluminously examined by over 780 authors in more than 750 academic publications in the past 40 years (Papadopoulos and Heslop 2002, 294). Many of these studies accentuate the significant effect the COO has on consumers' product attribute evaluations. People routinely associate country images with products and services in order to judge and categorize them based on perceived quality and risk levels; thereby COO can influence the likelihood of a purchase (Peterson and Jolibert 1995, 883-884; Verlegh and Steenkamp 1999, 523). Based on the vast research related to COO in the field of international business, it is widely recognized that the country associated with a product can act in a similar way as the name of a brand and even become a part of product's total image. Thereby depending on customer's values and perceptions, the product-country image can either increase or decrease perceived value. A stereotypical association of Germany to robust automobiles, France to luxury products and Japan to highly advanced consumer electronics is an example of positive linkage between country and product; whereas, South-Korea as mentioned COO usually tends to lower perceived product quality. (Keller 1993, 11; Lampert and Jaffe 1998, 64; Usunier 2000, 323-324; Olins 2002, 246; Elango and Sethi 2007, 372)

The COO is a feature that has the potential to enable company's competitive advantage by distinguishing the product from competitors' offerings, and thus strengthen company's market position. Keller (1993, 9) points out in his study that one of the effects of COO is that consumers with favorable attitude towards products originating from a certain country are more willing to pay premium prices, which comes across as notable profit to the company. The concept of country image effect embodies the economic value of brands and it has been generally noted that international marketers are beginning to realize just how much equity can be added through rational utilization of COO. (Shocker et al.1994, 150; Pappu et al. 2006, 697)

Interesting study results from several research groups suggest that in developing and recently developed economies, such as Russia, prevails some reverse ethnocentrism which can be detected by consumers' preference for imported branded products over domestic ones. Consumers in developing economies perceive Western brand to be of a higher overall quality and also possess status-enhancing features. (Ettenson 1993, 31; Marcoux et al. 1997, 8; Agbonihof and Elimimiam 1999, 97; Batra et al. 2000, 84; Wang et al. 2000, 171) Tourism consumer behavior studies (Swarbrooke and Horner 2007, 209) also confirm previously presented research conclusions and state, regarding Russian tourists, that leisure shopping abroad is becoming more popular especially in the wealthy Russian middle class as a way to improve their status in the home community. Another reason presented by Swarbrooke and Horner (2007, 209) is the relative novelty of such possibilities for Russian consumers since the overall atmosphere in late Soviet Union was quite introvert and people simply didn't have recourses to travel abroad.

Besides examining the theory behind the multifaceted concept of COO and its effect on perceived product value, this thesis seeks to discover through empiric observation the country image of Finland in the minds of Russian tourists and uncover the consequences that Finland as a COO has on the consumer's product evaluation. The amount of Russian tourists in Finland grew a significant 37 % in the winter season of 2011, between November 2010 and April 2011, exceeding half of the total foreign travelers (Appendix 2.1; Statistics Finland 2011a), at the same time their money expenditure composed 44 % of the total foreign travelers' spending (Appendix 3.1; Statistics Finland 2011b) and the main consumption target remained shopping

(Statistics Finland 2009). The importance of additional income they bring to Finland is unquestionable especially to municipalities situated close to Eastern border such as Lappeenranta, Kouvola and Imatra, as well as easily accessible Helsinki that has a rich variety of shopping opportunities.

## **1.1 Research objectives**

The objective of this thesis is to study the COO image and its potential effects on consumers' product evaluations. In this case evaluation is made by gathering attitudes of Russian consumers towards Finland and Finnish clothing products. Another aim is to examine which of the given product features Russian consumers generally consider important and if they find these qualities well represented by Finnish apparels. The main motivator behind this research is to find out if clothing products with Finnish COO have a good reputation which might partially explain the observed increase of Russian shopping tourists in Finland. If it is truly the "Finnishness" and the symbolic value and quality of Finnish brands that Russians find the most attractive, Finnish companies with an aspiration to increase their sell to Russian consumers should consider stressing these factors in their marketing messages.

## **1.2 Research problems**

The research problem of this thesis is focused on the relationship between the COO and foreign consumers' evaluation of products originating from that specific country. The research problem and sub questions are presented below.

**Research problem:** Do the beliefs about COO have an effect on consumers' product evaluations?

**Sub question 1:** What kind of country image does Finland have in the minds of Russian consumers?

**Sub question 2:** Which qualities Russian consumers find important in clothing products?

**Sub question 3:** What kind of product evaluations Russian consumers give to the clothing products that they believe originate from Finland?

### **1.3 Research limitations**

The study is limited to survey only Russian tourists entering Finland through border inspection posts of Nuijamaa and Vainikkala located in Southeast Finland. Thus the research is concentrated only on one nationality and one COO. Examination of only Russian tourists is justified because they represent the single biggest tourist group in Finland (Statistics Finland 2011a). However, results collected from this limited sample are only a small fraction of all the Russian tourists coming to Finland through different locations and border crossings. It is important to keep in mind that the results that are valid for a chosen sample may not be generalizable to the whole segment of Russian tourists, not to mention all the Russian consumers. Still the research outcomes are believed to give a general idea about Russians' attitudes towards Finland and its products. It must be taken into account that the opinions of Russian tourists traveling to Finland may be already better than the overall opinions of the Russian population when considering Finland and Finnish products; tourists are coming to Finland by their own desire and thus it can be assumed that they already have a positive image of the country.

The product category is limited to clothing making the research more detailed and accurate by allowing the use of more product specific features in the questionnaire. A strictly defined research with a valid result is perceived to be more valuable than a broad research which lacks in accuracy. Furthermore, chosen product group is easily approachable and the majority of consumers have an opinion or previous experience of clothing products.

In addition to previously mentioned limitations, in this research the multifaceted concept of COO is not decomposed to various sub-dimensions such as, country of manufacture, country of design, country of assembly, and country of parts, as it is in some of the previous literature (Nebenzahl et al. 1997, 30; Chao 2001, 68-69; Essoussi and Merunka 2007, 411). This research concentrates on more modern view of the COO concept, by Papadopoulos and Heslop (2002, 296), who describe COO

as a product-country image and define it as the place of origin with which a product is associated through branding, promotion, and other means. In this research the “Finnishness” of products is defined by brands’ and companies’ Finnish origin, and not for example by country of manufacture (COM). This clarification means that even though some Finnish companies operating in clothing industry have moved their manufacturing facilities to low cost production countries, the final product still counts as Finnish. This limitation is supported by findings of Thakor and Lavack (2003, 403) which state that consumers are more influenced by knowing the country of brand origin, and less influenced by knowing the country of assembly or country of parts.

## **1.4 Research methodology**

The theoretical part of the research is based on studying extensive literature published in the field of international marketing and consumer behavior in order to create a coherent theoretical basis for understanding the COO concept and its effects.

In the empirical part a quantitative research approach is used to analyze collected data and better gain a complete understanding of Russian consumers’ attitudes toward Finland and Finnish products. The survey is conducted using a structured questionnaire which is presented in a paper form to focus group consisting of Russian tourists entering Finland through border inspection posts of Nuijamaa and Vainikkala. The data is collected only once from multiple individuals hence the design of research is a cross-section of study population (Heikkilä 2008, 15).

An English version of the questionnaire is presented in Appendix 1. The questionnaire that is carried out to Russian tourists contains questions that are carefully translated into Russian language in the way that their associative value of the English language is not lost in translation. Structurally the questionnaire can be divided into two main parts. The first part is set to collect basic background information about target group. Second part is divided into three thematic groupings indicating country image, valued clothing attributes and evaluation of Finnish clothing products. These groupings follow the three sub questions introduced earlier in chapter 1.2, Research problems.

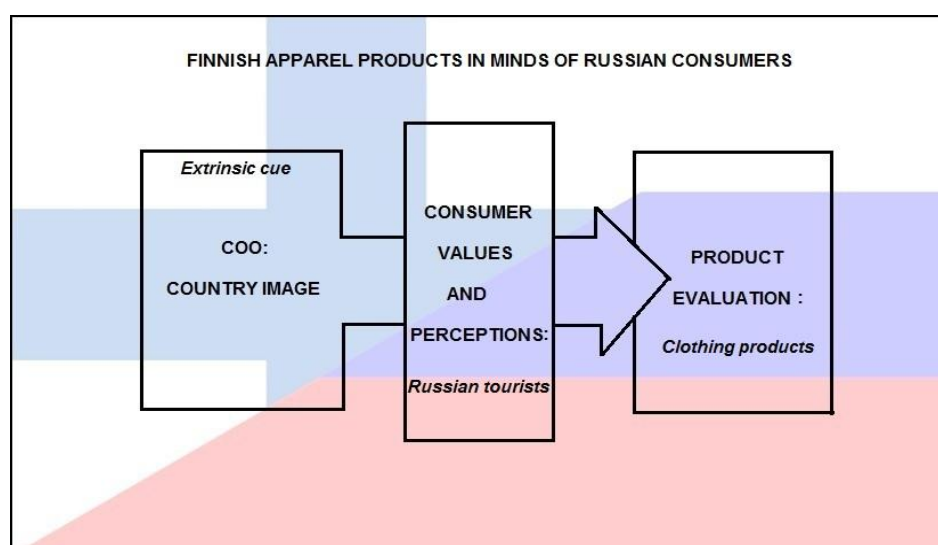


Measurement methods, particularly used in the second part of the questionnaire which concentrates on opinions and attitudes, are Likert scale and semantic differential. Answer alternatives presented on Likert scale are named based on their level of agreement or disagreement (Question 2.1), or importance (Question 2.2). Semantic differential, which was developed by Charles E. Osgood and his associates in 1957 (Osgood et al. 1957), evaluates the attitudes toward Finnish products by using descriptive polar-adjectival scales on a seven-point equal-interval ordinal scale. Reliability of this semantic differential method is noted to be high, as well as its specific advantages in measuring brand or product images (Mindak 1961, 28).

The data collected through questionnaire is statistically analyzed using Microsoft Office Excel and SAS Enterprise Guide business analytic software. Research methods are presented more thoroughly in the chapter 3 of this thesis.

## 1.5 Theoretical framework

The context and focus areas of this research are presented in the theoretical framework displayed in Figure 1. The initial case of Russian shopping tourists traveling to Finland creates the context in which the effect relationship between country image and product evaluation is observed.



**Figure 1.** Theoretical framework

The image of product's COO is an extrinsic factor influencing consumer's evaluations of the product. Consumer's values and perceptions include his or hers impressions about the country and its people, as well as different features they appreciate in a product. Even though a general origin bias in social environment, nation's politics and mass communication can have an influence on individual's attitude towards the COO, the outcome of evaluation process is also up to person's own mindset, knowledge and prior experience (Nagashima, A. 1970 , 68).

Theoretical framework also applies to the empiric research section since the questionnaire is constructed based on the subjects conversed in the framework. The questionnaire first aims to discover Finland's country image, secondly clothing product attributes that are valued by the Russian consumer and finally consumer's evaluation of Finnish clothing products.

## **1.6 Literature review**

According to research review by Verlegh and Steenkamp (1999, 522), a psychologist and marketing expert Ernest Dichter was the first to acknowledge that a product's COO has a *"tremendous influence on the acceptance and success of products"* (1962, 116). Three years after Dichter's statement the first empirical test in the field of COO effect was conducted by Robert D. Schooler in his article "Product Bias in the Central American Common Market" (1965). Schooler's (1965, 396) research results stated that there were remarkable differences in consumers' evaluations about products that were otherwise identical except for the name of the country appearing on the "Made in" label. From this groundbreaking publication began a systematic research of the COO, with most of the studies focusing on defining the occurrence, magnitude and significance of COO effects for different products (Verlegh and Steenkamp, 1999, 522). Another important publication in the history of COO research was an examination of the first 25 product-country image studies by Bilkey and Nes in 1982. Their extensive literature review discovered some deficiencies in the COO studies at that time, and accentuated the urgency for additional research on the subject; consequently the publication generated more attention and interest in the field (Bilkey and Nes, 1982, 95; Papadopoulos and Heslop 2002, 296).

The concept of product's COO has maintained its popularity amongst the academic researchers throughout numerous decades. The early research of COO concentrated mainly on documenting the existence of COO effect in different circumstances. In the late 1980's Tan and Farley called a product's COO and its potential influence on consumers' product evaluations "*probably the most researched international aspect of consumer behavior*" (1987, 540). Tan and Farley's observations were based on earlier studies conducted by Rierson (1967), Nagashima (1970), Schooler (1971), Anderson and Cunningham (1972) and Erickson et al. (1984). Papadopoulos and Heslop (2002, 294, 297) also stated based on their comprehensive database, which synthesized all mainstream publications in the field of COO published between 1952-2001, that the concept of COO has so far been one of the most noteworthy topics in international marketing and consumer behavior studies. They also ended up finding that the most popular theme of COO studies, with 25 % of the total, has mostly consisted of "*descriptive studies examining the image of a particular country (countries) from the point of view of respondents in another country (countries).*" (Papadopoulos and Heslop 2002, 297). With respect to this study, which concentrates on COO effect on product evaluations, it is worth noticing that also the earlier COO literature has mostly focused on origin effects at the product level instead of brand level (Verlegh and Steenkamp 1999; Piron 2000; Chao 2001; Pecotich and Rosenthal 2001).

Taking into consideration the large scope of COO studies conducted by hundreds of different authors, prevailing lack of unity can be detected regarding the magnitude of influence the COO has on consumers' evaluation of products. Some researchers (Liefeld 1993; Peterson and Jolibert 1995; Verlegh and Steenkamp 1999) state that COO has a great impact on consumer behavior and overall product judgments. Whereas other scholars argue COO to be only one extrinsic cue among other physical and nonphysical product characteristics (Agrawal and Kamakura 1999, 255) and that country image only impacts consumers' evaluation of specific product attributes rather than the evaluation of the whole product image (Erickson et al. 1984, 695). An early literature review of the first COO studies, conducted by Bilkey and Nes (1982, 94), presents several research results that indicate COO to have only a minor influence on product quality perceptions because research evidence suggests that

extrinsic cues (associations made with the product such as the COO) have a lesser effect on quality judgments than do intrinsic cues (the product's characteristics).

Early COO studies used to consider country image as a "halo" that consumers use to conclude the quality of an unknown foreign product (Bilkey and Nes 1982). This view implies that familiarity and knowledge about a certain foreign product should lessen consumers' reliance on extrinsic product cues such as the COO (Laroche et al. 2005, 99). Research findings by Johansson et al. (1985, 395) and Johansson and Nebenzahl (1986, 111) on the contrary report that people actually rely more on the COO information when product familiarity increases. Johansson (1989, 53) explains his findings by stating that country image could be seen as a "summary" construct which helps consumers to process product information efficiently and retrieve it from memory more easily. Johansson's view provides an explanation for the positive correlation between product familiarity, and the use of COO cue in product evaluation; thus *"people with more prior knowledge will have more relevant information on a country and will feel more comfortable about using it than others"* (Johansson 1989, 54). Han (1989) and Papadopoulos et al. (1990) tried to present COO using both halo and summary construct models depending on a consumers' level of familiarity with the country's products.

Majority of authors do agree that COO influences consumers' product evaluations, but the difference in opinions mostly concerns the magnitude of the influence. Some authors consider origin bias to influence all products in general (Nagashima 1977; Wall and Heslop 1986), others state that the COO effect depends on specific product categories or types (Eroglu and Machleit 1988; Han and Terpstra 1988; Roth and Romeo 1992) as well as purchasing agents in case of industrial B2B operations (Dzever and Quester, 1999). There is also a number of differing opinions concerning the characteristic of COO cue. Authors have mainly studied COO as a cognitive cue which is used by consumers as an external quality signal (Steenkamp 1990; Dawar and Parker 1994). However, various studies have shown that COO is more than a cognitive cue and a signal of product quality (Hong and Wyer 1990; Li and Wyer 1994). Researchers have found that the COO cue carries a deeper affective and symbolic meaning to consumers which can result in a strong emotional attachment to products and brands originating from certain country (Askegaard and Ger 1998;

Fournier 1998; Botschen and Hemettsberger 1998; Batra et al. 2000). In addition it is stated that consumers can compare their normative values to the ones of the COO of certain goods, and thus evaluate how well their personal and social morals meet the actions of the COO (Smith 1990; Klein et al. 1998).

Based on extensive literature review of main COO related publications, one can draw a conclusion that the research field in question still lacks an integrative theory which could make the COO phenomenon more universal and thus better understood and utilized. However, persistence of scholars has slowly started to pay off and an overall picture of the structure of COO seems to be emerging. Researchers are also keen to identify the process of how consumers incorporate information about product's COO in forming their attitudes and expressing their buying intentions (Nebenzahl et al. 1997; Knight and Calantone 2000; Laroche et al. 2005).

## 1.7 Definitions of key concepts

There are many relevant concepts related to the COO which are defined in various ways in the existing literature. Those concepts that are essential for this research are presented and explained in this chapter.

**Country of origin (COO)** is one of the nonphysical i.e. intangible characteristics of a product which influences consumers' perceptions regarding product's attributes and quality (Balabanis and Diamantopoulos 2004, 80). It is a place of origin with which a product is associated through branding, promotion, and other means (Papadopoulos and Heslop 2002, 296). Internationalization of markets and introduction of multinational products has led to partitioning of the global COO concept into various subcomponents such as country of manufacture, country of design, country of assembly, country of parts and country of brand origin (Chao 2001, 69; Thakor and Lavack 2003, 396; Insch and McBride 2004, 257). Thus it is important to understand the distinction between consumer perceptions of the country with which the product or brand is identified and the actual country of manufacture. In this research COO is defined as the **brand origin** in other words country which consumer associates with the product or brand, with no regard to the place of manufacture (Nebenzahl et al. 1997, 30).

**Country of origin (COO) effect** is the phenomenon where consumer evaluates products based on his judgments of country of origin (Chryssochoidis et al. 2007, 1519).

**Country image** is the total of all beliefs, ideas and impressions that people have of a place (Kotler et al. 1993, 141). Country image embodies national and cultural symbols, economic and political situations, degrees of industrialization, values, and products associated with the country (Essoussi and Merunka 2007, 412). It consists of cognitive, affective and conative dimensions (Papadopoulos et al. 1990, 2002). Country image can be an advantage when it is positive and a hindrance when it is negative, thus it is assumed that a positive country image results in a positive evaluation of products originating from that country and vice versa. This remark is also known as **origin bias**.

**Extrinsic product cue** is an intangible i.e. nonphysical product attribute such as brand, price and COO. Intangible product features can be modified without altering product's physical features. On the contrary **intrinsic product cue** is a tangible product attribute and a part of physical product such as design and packaging. (Agrawal and Kamakura 1999)

## 1.8 Structure of the thesis

This thesis consists of five main chapters and its content is divided into theoretical and empirical sections. Chapters 1 and 2 are based on theoretical approach whereas chapters 3 and 4 are based on empirical research. Chapter 4 also assimilates the research results to previously collected observations in the theoretical field. The final chapter 5 discusses contributions and implications of the empiric research and introduces suggestions for further research.

The first chapter introduces the topic and explains the reasons why country of origin (COO) research is an important and current part of international marketing studies. Research objectives, problems, limitations, methodology and framework, as well as

literature review, key concepts and structure of the thesis are all discussed in the first main chapter.

The second chapter uses earlier academic studies and publications to observe the concept of country of origin (COO) and its effect on consumers' product evaluations more thoroughly. The importance of COO is discussed as well as the impact of country image on product evaluations; here some models from previous literature are presented and reviewed. Lastly the second chapter concentrates on consumer behavior patterns of Russians, focusing especially on their brand perceptions and expenditure abroad.

In third chapter the research methodology used in this thesis is examined in detail. The quantitative research method is introduced; the design of the survey is scrutinized by going through the questionnaire created to gather data from sample group; and lastly the sampling and data collection methods are examined.

The fourth chapter presents the results of the empirical research. The findings of the survey are discussed and analyzed by first focusing on the respondents' background information and then proceeding to evaluating the country image of Finland and product evaluation of Finnish clothing products made by the target group of Russian tourists. In order to answer the main research problem profoundly, the correlation between the COO image and clothing product evaluations is studied. Lastly the fourth chapter summarizes the main research outcomes.

In fifth and last chapter the contributions and implications of the research are discussed. Both theoretical contribution and practical value are presented. The reliability and limitations of the research are also examined, and finally some suggestions for improvement and further research are proposed.

## **2. COUNTRY OF ORIGIN EFFECT ON PRODUCT EVALUATION**

In this chapter country of origin (COO) effect on consumers' product evaluation process is discussed more thoroughly from a theoretical point of view. First the importance of COO cue is examined in order to understand, on what extent it can affect consumers' product evaluations. Some earlier study results of the COO effect on clothing products as well as the impact of consumer demographics are introduced. Next the multi-dimensional concept of country image is introduced and its influence on consumer evaluations of foreign products is scrutinized. Lastly consumption trends and buying habits of Russians are examined based on earlier publications, with an emphasis on their brand preferences and expenditure patterns abroad.

### **2.1 Importance of country of origin in consumer product evaluation**

Even though it is now recognized through various studies that COO doesn't act as a single product evaluation cue for consumers but that consumers use it in combination with other product attributes, COO still continues to have an important effect on product assessing (Usunier 2000, 320). In terms of apparel industry, Chen-Yu and Kincade (2001, 33) present in their research concerning consumer decision process for apparel products, that in earlier studies carried out by Forney and Rabold (1984) and Davis (1987) it was found that the COO is the sixth most frequently chosen cue in apparel quality evaluation by undergraduate female students and that there is a significant relation between the COO and apparel quality judgments. Previous studies also indicate that in addition to the COO, price, brand name and product performance information are significant cues that influence consumers' product perceptions (Chen-Yu and Kincade 2001, 34).

Usually studies conducted on a target group consisting of consumers living in developed Western countries indicate a preference for own domestic products (Balabanis et al. 2001; 159); whereas respondents in developing and emerging economies prefer branded, well-established foreign goods (Marcoux et al. 1997, 9; Batra et al. 2000, 84). This observation has been explained by distinction related to the degree of countries' economic development, culture and political climate and to



perceived similarity with the belief system of the COO. Evaluation of foreign products also depends on the demographics of respondents, including sex, age as well as education and income level (Schooler 1971; Klein et al. 1998; Usunier 2000; 325-326). While examining behavior patterns of Greek consumers Chryssochoidis et al. (2007) discovered that consumers below the age of 35 are less ethnocentric as compared to previous generations. Researchers explain their findings by stating that younger individuals of society are more familiar with foreign countries, and thus these so called “modern consumers” are less prejudiced when evaluating products originating from foreign countries. Additionally these young individuals have a more skeptical attitude towards traditional stereotypes which state that domestic origin equals good quality and foreign origin equals bad quality. (Chryssochoidis et al. 2007; 1538)

Because COO has an effect on consumer product evaluation and decision making process, it is believed to be one way of increasing brand equity (Shocker et al. 1994, 150). This is a two-sided issue though, since a positive COO image can lead to a generalized positive evaluation and attitude towards all the brands associated with that specific country but on the other hand a negative image can influence the same way. All in all, the fact that product's COO matters to consumer has noteworthy strategic implications for companies operating in internationalized markets.

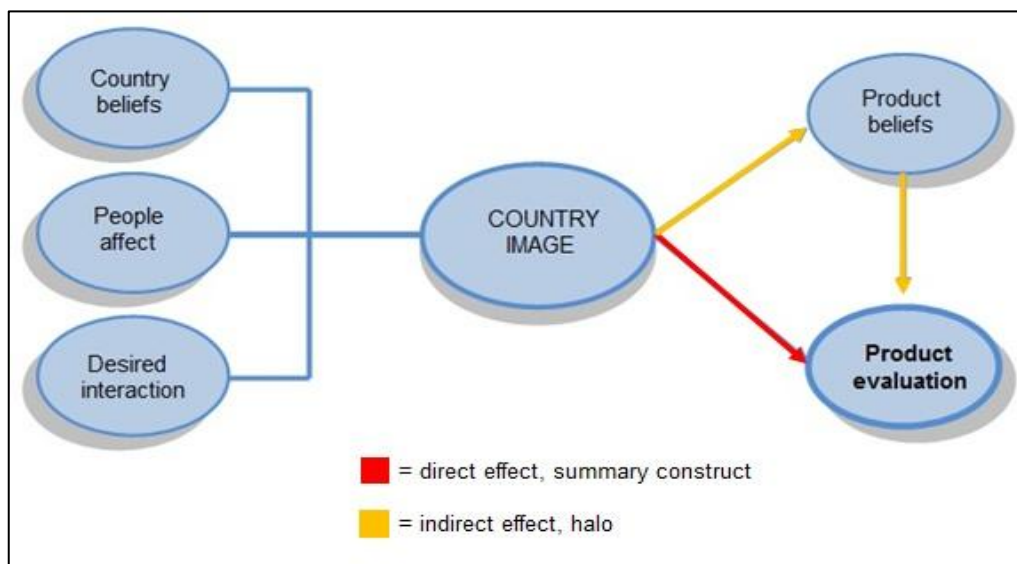
## **2.2 The impact of country image on consumers' evaluation process**

Country image studies are an important and apparent part of the COO research, because they allow academics to discover general attitudes that consumers have about different countries and to determine the connection and effects these attitudes have on product evaluation. In his meta-analysis Liefeld (1993) drew a conclusion that country image appears to influence consumer evaluation of product quality, risk, likelihood of purchase, and other variables. It has also been stated that country image can become a part of product's total image (Eroglu and Machleit, 1988). Researchers examining product images at the global level as well as product category level and brand level, have time and again ended up with results that confirm that country stereotypes exist at all levels and are quite similar amongst themselves.

Country image is not a one-sided concept; it has been introduced in various studies that country image construct in fact consists of three different components (Papadopoulos et al. 1990, 2002; Laroche et al. 2005). Consumers' perceptions about the COO of a product include:

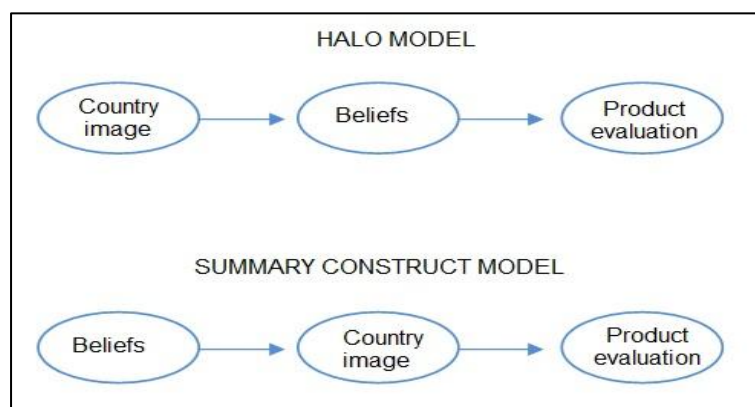
1. A cognitive component, which contains consumers' beliefs about the country's industrial and economical development and technological advancement;
2. An affective component, which describes consumers' emotional response (e.g. liking) to the country's people; and
3. A conative component, which comprises consumers' desired level of interaction with the COO.

In addition to country image, product beliefs (i.e. consumers' beliefs about a product's intrinsic characteristics such as reliability, technical advance and workmanship) influence consumers' product evaluations as well. More precisely it has been discovered that country image and product beliefs actually affect product evaluations simultaneously (Knight and Calantone 2000; Laroche et al. 2005). Laroche et al. also proposed a new model incorporating country image structure and its effect on product evaluation in one design (see Figure 2). The proposed Country image model of Laroche et al. (2005) combines parts of earlier research by Papadopoulos et al. (1990, 2002) in the way of three-dimensional country image construct, and studies by Bilkey and Nes (1982), Johansson et al. (1985, 1989), Erickson et al. (1984) and Han (1989) which all explain country image either through its role as a halo or summary variable. This model is based on a simultaneous processing of country image and product beliefs; country image is seen to influence product beliefs and thus have an additional indirect effect on product evaluation. In addition the model takes into account both the halo and summary views.



**Figure 2.** Country image model (Adapted from: Laroche et al. 2005, 100)

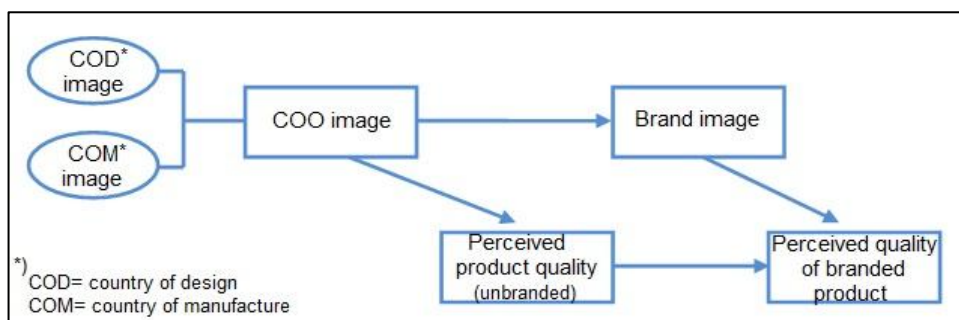
As one can see from the Figure 2 above, the direct effect of country image on product evaluation reflects its use as a summary construct; while the indirect effect, through product beliefs, represents consumers' use of country image as a halo. Conforming Han's (1989, 223) theory, when consumer has a low level of familiarity with country's products, country image affects consumer's attitudes indirectly through product beliefs (halo model, see Figure 3). Then again in case of high familiarity with country's products, country image affects directly consumer's attitudes toward the product, while product beliefs have an indirect effect (summary construct model, see Figure 3).



**Figure 3.** Causal models of halo and summary construct (Adapted from: Han 1989, 224)

Conclusions from the research conducted by Laroche et al. (2005) present that country image has an influence on product evaluations both directly and indirectly through product beliefs. Especially the affective component of country image construct has a direct and strong impact on consumers' product evaluation. They state: *"When the image of a country is essentially reflected by the affective component, the origin cue becomes a salient product attribute, directly affecting product evaluation"* (Laroche et al. 2005, 102). Thus if country image consists mainly of affective features, it will have a stronger and more direct impact on product evaluation than on product beliefs which leads to the conclusion that affection towards a country can be transferred directly to the product. Alternatively Laroche et al (2005, 102,108) suggest, although lacking significant scientific proof, that if a country image consists mainly of cognitive impressions, then it will have a stronger effect on product beliefs and thus an indirect result on evaluation of the products.

These days consumers more often encounter branded products; therefore it is important to notice that brand itself can act as a signal of product quality and affect consumer perceptions and to understand the existing relationship between the brand and COO. Researchers Essoussi and Merunka (2007) constructed a conceptual model of perceived quality of branded product which presents relationships between COO image, perceived product quality of non branded product, brand image and lastly the perceived quality of branded product (see Figure 4). Though Essoussi and Merunka (2007) studied only two product categories which were cars and TV sets, and partitioned COO concept solely into two parts (country of design and country of manufacture), they found significant and strong support for their hypotheses that COO has an impact on product quality perceptions directly and through brand image.



**Figure 4.** Conceptual model of perceived quality of branded product (Adapted from: Essoussi and Merunka 2007, 413)

### **2.3 Consumer behavior patterns of Russians**

The particular focus group of this research is Russian tourists. Thus it is also important to view some background theory and previous study results about behavior of Russian consumers generally as well as abroad. There is quite a limited amount of information available about the topic but Statistics Finland, GfK Group and some other publications in the Internet (mostly in Russian language) offer a general picture of Russians' consumption patterns abroad.

The Border Interview Survey has offered the information about incoming tourist flow to Finland through the most busy border inspection posts since the 1998. The survey is conducted every winter season (from November to April) and summer season (from May to October) in cooperation between Statistics Finland and Finnish Tourist Board (Statistics Finland 2011c). Data collected through this survey shows that the amount of Russian tourists visiting Finland has been rising steadily since the downturn in 2009 – a fact that can be explained by Russian financial crisis between 2008 and 2009 which diminished consumer spending. The share of Russian tourists in winter season of 2010/2011 was half of total tourists and grew 37 % when compared to the winter season of 2009/2010; in the summer season of 2011 Russian tourists continued to represent the major tourist group with a share of 40 % as the number of their visits increased by 27 % when compared to previous summer season (Appendix 2). The magnitude of Russian tourist group, when compared to other nationalities, also leads to the fact that their share of total expenditure is greater. In the winter season of 2010/2011 Russian travelers consumed a total of 402 million Euros and in summer season of 2011 they spent 434 million Euros (Appendix 3). Great numbers of Russian tourists bring important additional income to Finnish entrepreneurs and thus also income to cities and municipalities; moreover they have an indirect effect on employment rate, since more staff is needed to cater for their needs. Russian tourists are an important power player in economic lives of such municipalities as Lappeenranta, Imatra and Kouvola.

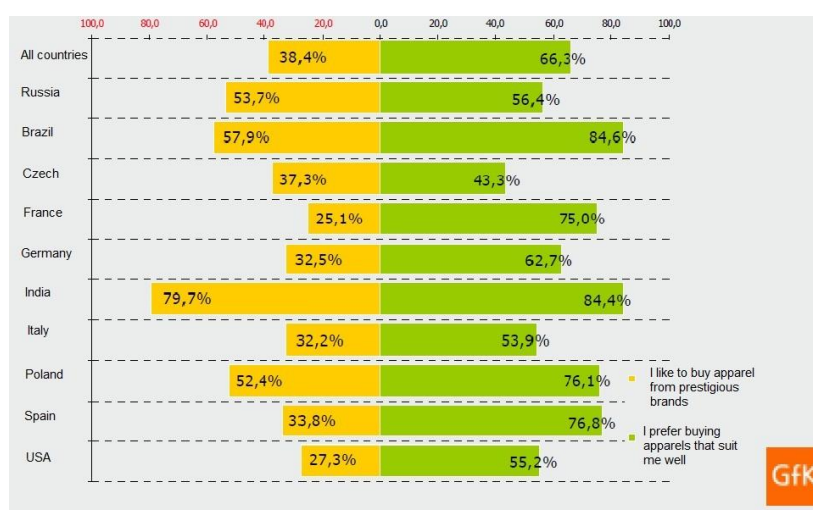
According to Alltravels Internet site, American Express carried out a survey which presents that 27 % of Russians travel abroad or plan on traveling abroad for the reason of doing shopping. When going for a visit in a foreign country, Russians

prepare to spend considerable amounts of money: 36 % of respondents of the American Express survey state that they take more than 1000 US dollars with them on a trip, and 42 % of respondents affirm that they spend the whole amount without leftovers. (Alltravels 2008)

Consumption survey conducted in 2008-2009 by Russian branch of the GfK Group, which is one of the world's largest market research companies, reports that Russian consumers are picking up on more European consumption habits. This is observed through Russians increased attention to type and location of the store, product selection as well as the quality of goods and service. Furthermore according to the survey the attitude towards brands has significantly changed since the times of Soviet Union. While a resident of Soviet Union could identify an average of five foreign brands (Adidas, Marlboro, Coca-Cola, Pepsi and Levi's), a few years after the collapse of Soviet Union in 1991 a consumer was able to name up to 300 different brands. Nowadays Russian consumers tend to rely more and more on their knowledge and prior experience of the brand. The survey states that 67 % of Russian respondents favor brands which they have used before and 51 % reckon that branded goods are better in quality than products equipped with unknown label. Even though Russians appreciate brands, only one third of consumers are ready to overpay for these products. Price rate is the main factor influencing buying decisions of clothing products for 48 % of Russians; however, the research suggests that the importance of the price is gradually decreasing, and that the trend is such that the quality and content will eventually overpower the price for the majority of Russian people. It is interesting to note that only 19 % of Russian consumers admit to buy more often imported brands and products than domestic ones. Russians are becoming more internationalized and open minded to different choices but there is still a strong feel of patriotism in them. The survey also states that Russian customers are brand loyal and once they find their favorite brand they tend to stick with it. (GfK Rus 2009)

Another interesting survey released in March 2010 by the same GfK Rus research group dealt with a topic of Buying habits and preferences of Russians in the apparel market. The survey indicated that due to the financial crisis, 20 % of Russians planned on cutting down their expenses on clothing, shoes and accessories in the

beginning of 2009. The research also states that in Russia majority of young people prefers prestigious brands and that desire for luxurious products is shared by both genders. When compared with other European countries it is clear that in so called BRIC countries consumers favor more prestigious apparel brands (Figure 5). In the Figure 5 below one can see that India, Brazil, Russia and Poland are countries where consumers put a considerable stress on brand and its social value; whereas in France which is usually associated with luxury brands, consumers prize the fit and suitability of a product. (GfK Rus 2010) This observation supports a remark of Marcoux et al. (1997, 8) on an issue that exposure to global media in emerging markets has increased consumers' desires for branded goods from developed countries, and that especially well-known Western brands enable people to demonstrate their social status and improve their outlook on quality of life. So called "modern consumers" tend to focus on hedonic values and use their surplus income to satisfy their growing desires for consumption. Thus consumers with strong hedonic expectations may not be satisfied only by the functional value of a product; instead, they are more concerned with so called expressive or emotional value of a product, such as brand and design, than with quality and price. These consumers seem to get their satisfaction from the immediate hedonic pleasures of consumption. (Wang et al. 2000, 171) Interestingly, in a study by Leclerc et al. (1994, 265) it was found that especially for hedonic products, the brand name with French pronunciation was favored, and in addition, the French pronunciation resulted in more favorable brand attitudes.



**Figure 5.** Russian Fashion Retail Forum 2010: Appreciation for prestigious brands and suitable apparels in different countries (Adapted from: GfK Rus 2010, statistics from Dec 2008)

### **3. RESEARCH METHODS**

In this chapter the research methodology used for this thesis is presented in more detail. First the quantitative research method and its qualities are introduced. Secondly the design of the survey is scrutinized by discussing different sections of the questionnaire created to gather data about the sample group consisting of Russian tourists. Lastly the sampling, data collection and response rate are also examined.

#### **3.1 Quantitative research**

The empirical part of this thesis is in the form of a quantitative research, or in other words statistical research. The prime purpose of quantitative research is to get answers to presented research problems. The form of this research is random sampling since only a randomly chosen sample from population is examined. The research material is primary since it has been collected particularly for this study purpose. Considering time perspective this research can be categorized as a cross-section study because the data is collected only once from multiple individuals. (Heikkilä 2008, 13-16) This research focuses on finding out if beliefs about Finland have an effect on Russian consumers' evaluation of Finnish clothing products. The empirical part is conducted in the form of survey based on question form which can be seen in the Appendix 1. Target group of the questionnaire is Russian tourists traveling to Finland through border inspection posts of Nuijamaa and Vainikkala.

#### **3.2 Design of the survey**

The survey is in the form of structured question form which is presented personally to randomly chosen Russian travelers. The content of the survey is translated into Russian language so that target group will have no problems understanding what is asked. Before conducting the survey the questionnaire is pretested with two persons of Russian nationality and native skills of Russian language in order to get feedback on the structure and the phrasing of the questions. The objective is to translate the questionnaire from English to Russian as accurately as possible so that words and concepts do not lose their value and meaning in translation. Before presenting



questions, the purpose of the survey is explained in Russian language to participants. It is also stated that if the respondent does not understand some part of the survey he/she can ask for a clarification from the executor of the survey.

As mentioned before the question form is structured which means that answer choices are predetermined; there is one exception in the part containing background information where respondent can choose to write his own reason to visit Finland if presented answer choices do not include a suitable option. There are two different types of questions used in the survey: multiple choice questions and scale questions. Scale questions can be further divided into two different types, which are the Likert scale and the semantic differential of C. E. Osgood. The product category of this survey is limited to clothing, making the research more detailed and accurate by allowing the use of more product specific features in the questionnaire. Furthermore, chosen product group is easily approachable and the majority of consumers have an opinion or previous experience of clothing products.

The questionnaire itself is divided into two main parts. The first part is intended to collect basic demographic information about the sample group. This information includes gender, age, visitation patterns and reasons, as well as the main object (product category) of expenditure while in Finland. The second part concentrates on opinions and attitudes of the respondents, and can be divided into three thematic sections that each follow the three sub questions of the main research problem.

The first section sets forward a question about Finland's country image, and asks the respondent to evaluate his perceptions of the country on a five-point Likert scale which ranges from "*I strongly disagree*" to "*I strongly agree*". There are seven different statements about Finland in this section, which are designed to represent country's economical, cultural and social features, as well as the three dimensions of the country image construct: cognitive, affective and conative.

The second section aims at finding out which of the presented features of clothing products in general Russian tourists consider important. The question includes eight descriptive attributes or phrases which are constructed using the adjectives found in earlier academic researches concerning COO. These same descriptive attributes are

furthermore used in the third section in purpose of generating continuity between these two sections. The importance of a clothing product attribute is measured on a four-point Likert scale, which ranges from “*Not important*” to “*Of a high importance*”.

The third and last section of the survey asks the respondents to evaluate clothing products that they consider originating from Finland. The purpose is to measure the attitudes of Russian tourists towards Finnish clothing products, and the semantic differential is chosen as a scale due to its proven high reliability and specific advantages in measuring brand or product images. The semantic differential uses descriptive polar-adjectival scales on a seven-point equal-interval ordinal scale. Respondents are showed an example on how they are supposed to read and use the scale with a contrary attribute pair of “Good” and “Bad”. Answers are marked on a seven-point scale from +3 to -3; the highest positive value representing “*Extremely good*”, and the lowest negative value representing “*Extremely bad*”. This section contains seventeen descriptive attribute pairs, which are grouped to five segments based on their quality, these groupings are: price and value, quality and manufacture, reputation of brands, design and style and lastly consumers’ profile. Later on in the survey, these groupings are used to create five summary variables.

The aspiration of this survey is to determine if Russians think highly of Finland as a country which, taking into consideration the theory backing this hypotheses, could be transmitted as more positive perceptions of Finnish clothing brands. This hypotheses, if approved, should come across when processing gathered data from the survey, in a way that high values of the country image section should portray as high values in the section that converses on qualitative attributes of Finnish clothing products. Thus the correlation between country image and product attributes is studied. The general clothing product attributes that are marked by respondents to be of a high importance are paid attention when evaluating the significance of product attributes used in evaluation of Finnish products. In addition the effect of background data on the country and product evaluation is studied. The data collected from sample group is gathered and processed using Microsoft Office Excel and SAS Enterprise Guide which is business analytic software.

### 3.3 Sampling and data gathering

The survey is conducted using a structured questionnaire which is presented to travelers of Russian nationality entering Finland through two different border inspection posts located in Southeast Finland: Nuijamaa and Vainikkala. Both Nuijamaa and Vainikkala locate 25-30 km from the centre of a city Lappeenranta, Nuijamaa situating a bit more to the North on a borderline of Finland and Russia. The main difference between these border inspection posts is the method of transportation people use when traveling between Finland and Russia. Through Nuijamaa border inspection, tourists pass mainly by cars and buses while Vainikkala is an inspection post intended for people using a train, such as Allegro which travels between Helsinki and St.Petersburg, and Tolstoi which goes between Helsinki and Moscow. Nuijamaa is a very busy border inspection post; in 2011 a total of 3 153 597 passengers from which 2 865 939 were Russians crossed the border in Nuijamaa (The Finnish Border Guard 2011). The numbers of statistics of Vainikkala border inspection post are much scarcer with a total of 435 929 passengers from which 249 641 were Russian in 2011 (The Finnish Border Guard 2011). Majority of the Russians traveling to Finland through Nuijamaa are from St.Petersburg or Vyborg region and they are traveling mainly to Finnish municipalities of Lappeenranta and Helsinki. Vainikkala, in spite of its lower volume of travelers, was an important place to conduct a survey because there was a better chance to get some respondents also from the Moscow region, due to the passengers traveling on the Tolstoi train.

Weekdays Friday and Saturday were chosen to conduct the survey by the assumption that on weekend there would be more people traveling between Russia and Finland. The survey was first conducted at Nuijamaa border crossing post on Friday 30<sup>th</sup> of March between 9:00 – 12:00 a.m.; the amount of respondents was 46. The second time survey was conducted in Vainikkala border crossing post on Saturday 7<sup>th</sup> of April between 4:30 and 9:00 p.m.; between those hours two trains departed from Finland to Russia – Allegro to St.Petersburg and Tolstoi to Moscow. The amount of respondents in Vainikkala was 9. Thus the total amount of responses collected through the survey was 55; from which Nuijamaa's share was 84 % and Vainikkala's 16 %.

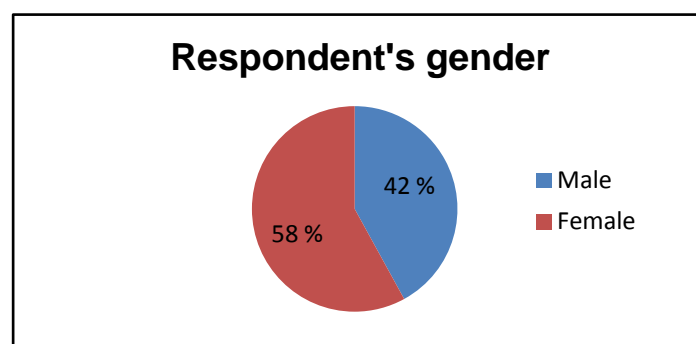
In Nuijamaa, the survey was conducted to the people entering Finland whereas in Vainikkala the questionnaire was presented to the passengers leaving the country. Participants of the survey were selected randomly as they came through the passport checking point. However, in Nuijamaa border crossing it was controlled that both tourists using public transportation (buses) and cars were asked evenhandedly to participate in the survey. Moreover it was made sure that there would be no intentional uneven distribution of age or gender.

## 4. RESEARCH OUTCOMES AND DISCUSSION

This chapter presents the results of the empirical research. The findings of the survey are discussed and analyzed by first focusing on the respondents' background information and then proceeding to evaluating the country image of Finland and product evaluation of Finnish clothing products made by the target group of Russian tourists. Lastly the research outcomes are summarized. The emphasis is put on the research outcome of the Finnish clothing product evaluation. Various figures are placed amongst the text to visually demonstrate results of the survey.

### 4.1 Respondents' background information

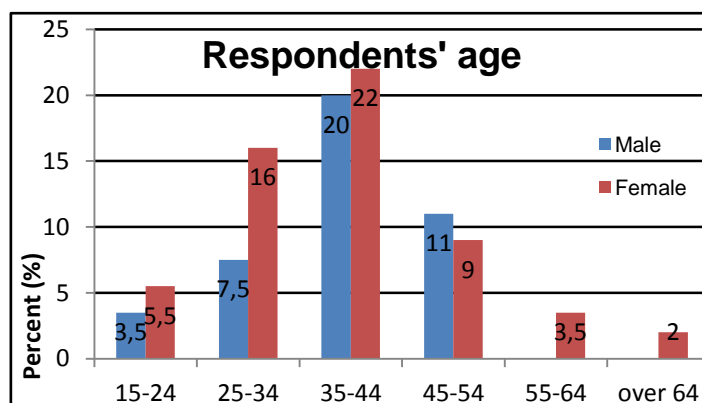
A total of 55 Russian tourists took part in this survey, from which 46 (84 %) were traveling through Nuijamaa border inspection post, and 9 (16 %) were traveling through Vainikkala. The gender distribution was such that the amount of female respondents was 32, making for 58 %<sup>1</sup>, and the amount of male respondents was 23, representing 42 % of total (Figure 6). An explanation for uneven gender distribution can be attempted to deduce from an observation made during the survey which implied that Russian females were more eager and compliant to participate while male travelers were more occupied by paper work related to registrations due to crossing the border by car. Another point worth mentioning is that the gender distribution of Russian Federation is in itself uneven with 54 % share representing females and 46 % representing males (Federal State Statistic Service 2010).



**Figure 6.** Gender distribution of the respondents

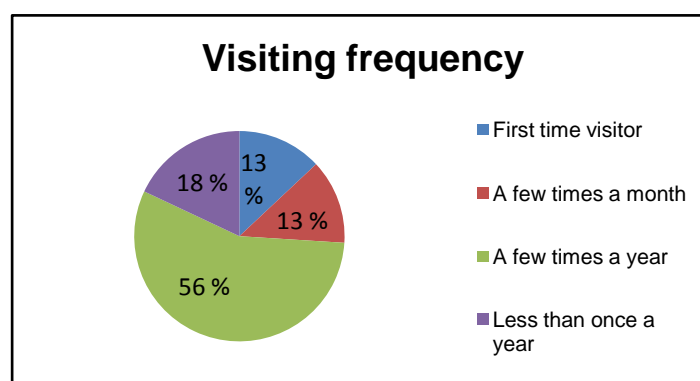
<sup>1</sup> Percentages are rounded to the nearest 0,5 %.

The respondents' age distribution with consideration of the gender is presented in Figure 7. In general, with no consideration of gender, the largest age group consisted of 35- to 44 -year-old respondents with a share of 42 %. The next age group was 25-34 years with 23,5 %; third was 45-54 years with 20 %; fourth was 15-24 years with 9 %; fifth was 55-64 years with 3,50 %; and lastly sixth age group consisted of over 64 –year-olds with only one respondent with a share of 2 % of the total.



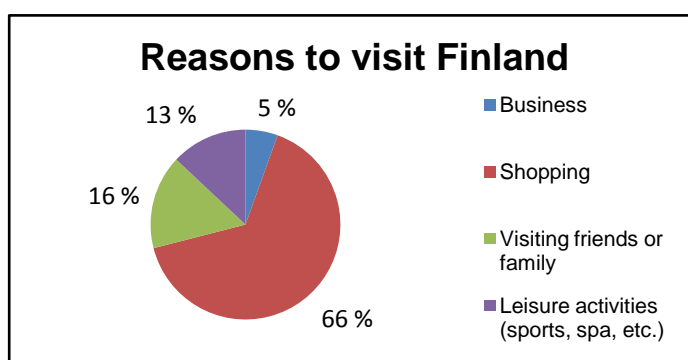
**Figure 7.** Age distribution by gender

Regarding the visiting frequency of the sample group of Russian tourists (Figure 8) it can be detected that the considerable majority of them, that is 56 %, visits Finland a few times a year. The second biggest group, with the share of 18 %, visits Finland less than once a year. Lastly both respondents that visit Finland as often as a few times a month, and respondents that are visiting Finland for their first time, represent 13 % of the total sample group.



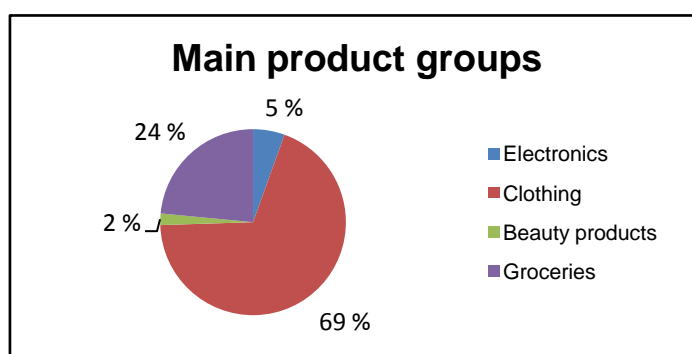
**Figure 8.** Routine of Russian respondents' visits to Finland

The significant majority (66 %) of the respondents confirm that their main reason to visit Finland is shopping, which supports a notion that this research topic is current and valuable. The second biggest reason, with a share of 16 %, is visiting friends or relatives that reside in Finland. There is a 13 % share of respondents that travel to Finland to spend their leisure time in different forms and activities. Visits relating to business actions represent the minority share of 5 %; however people on business and work trips often travel during the week. An answer option “*Other reason*” which is stated on the question form is eliminated from this examination because none of the respondents chose it. (Figure 9)



**Figure 9.** Main reasons to visit Finland

According to the data collected, while staying in Finland respondents spend their money mainly on clothing products, with a remarkable share of 69 %. This is again a valuable remark regarding the theme of this research which concentrates on clothing products. The second biggest expenditure target is groceries with 24 %. This doesn't come as a surprise since a large number of Russian tourists shopping in supermarkets and other stores is an everyday sight in Lappeenranta and Imatra. Product groups consisting of electronics and beauty products follow behind with shares of 5 % and 2 %. (Figure 10)



**Figure 10.** Products that are mainly bought while in Finland

## 4.2 Country image and product evaluation

This section converses on Finland's country image, clothing attributes that Russians value and their evaluations of Finnish clothing products. Data gathered from each of the subjects is first collected into a statistics table using Microsoft Office Excel. Then this data is transferred to business analytic software SAS Enterprise Guide (SAS EG). This software enables precise examination and presentation of survey results from the collected data; SAS EG makes it easier to report among other things for example averages based on background information, minimum and maximum scores and correlation statistics between different variables. Tables of the SAS EG analysis are presented in the Appendixes 4-7, while demonstrative figures are placed amongst the text.

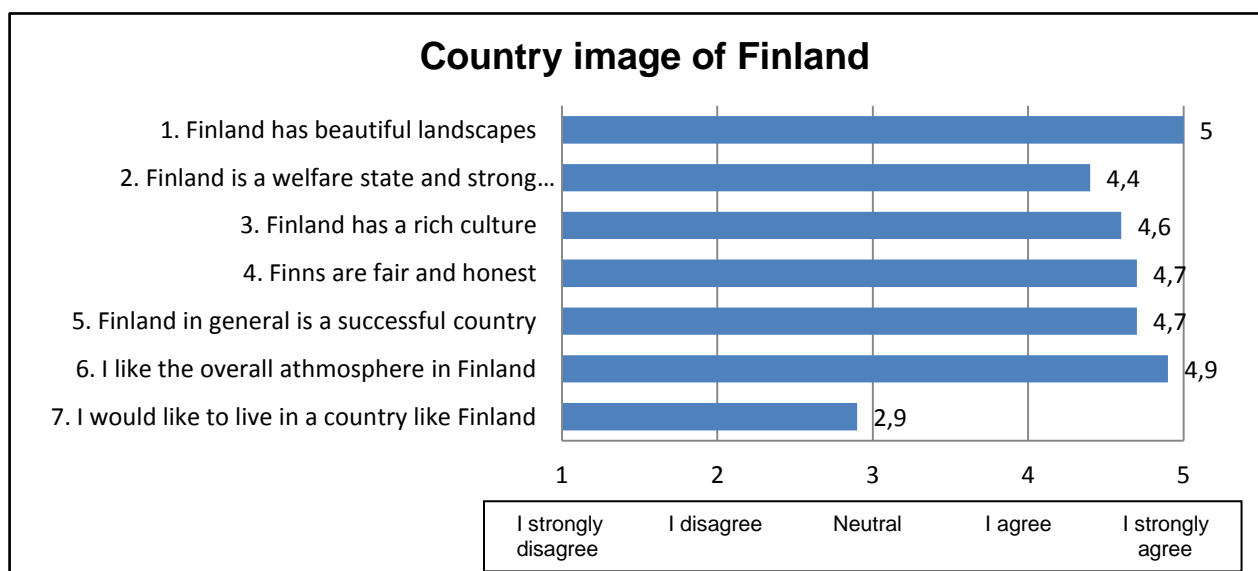
### 4.2.1 Country image of Finland

Country image of Finland was measured using a Likert scale which ranged from 1 (*I strongly disagree*) to 5 (*I strongly agree*). Seven different statements about Finland were created to evaluate Russian respondents' liking of the country (Figure 11). These statements were constructed in a way that they would express three different dimensions of country image construct: cognitive, affective and conative. Statement number two (*Finland is a welfare state and strong economy*) refers to the cognitive dimension, whereas statement seven (*I would like to live in a country like Finland*) refers to conative dimension. Remaining statements one (*Finland has beautiful landscapes*), three (*Finland has a rich culture*), four (*Finnish people are fair and honest*), five (*Finland in general is a successful country*) and six (*I like the overall atmosphere in Finland*) refer to the affective and emotional component of the country image structure.

Based on the collected survey answers from Russian respondents, the country image of Finland is very positive in their minds. The highest values are given to statements indicating the affective dimension of the country image. The values given to the cognitive statement about Finland's economy are a bit lower than those of the affective statements, because while answering the survey many respondents mentioned the overall economic recession and the fact that it probably also has an



effect on Finland's economy and position as a welfare country; thus the economic situation of Finland could be improved. Concerning the conative component of country image - in other words the desired level of interaction with the country of origin - given values are lower (mode is 2 = I disagree). Even though the respondents are fond of Finland as a country and enjoy visiting it, they prefer living in their motherland Russia. This notion can be also explained by the fact that living conditions in Russia have increased since the Soviet Union, and the migration rates of the people departing the country have fallen down remarkably. For example in the year of 1997 there were 232 987 persons leaving Russia to live abroad whereas in 2010 this amount was only 33 578 (Federal State Statistic Service 2011). Visiting frequency in Finland did not have a significant effect on its country image evaluation.



**Figure 11.** Averages of Finland's image in the minds of Russian respondents (based on Appendix 4)

When re-examining the average values that Finland was given in a country image evaluation based on the age group or gender, it can be detected that there is no remarkable difference in evaluations relating to these demographic characteristics of respondents (see Appendix 4). Though concerning the statement with a conative component (*I would like to live in a country like Finland*), it can be seen that the highest values (mean of 3,80) were given by respondents belonging to the youngest age group of 15-24-year-olds; whereas the lowest values (mean of 2,48) were

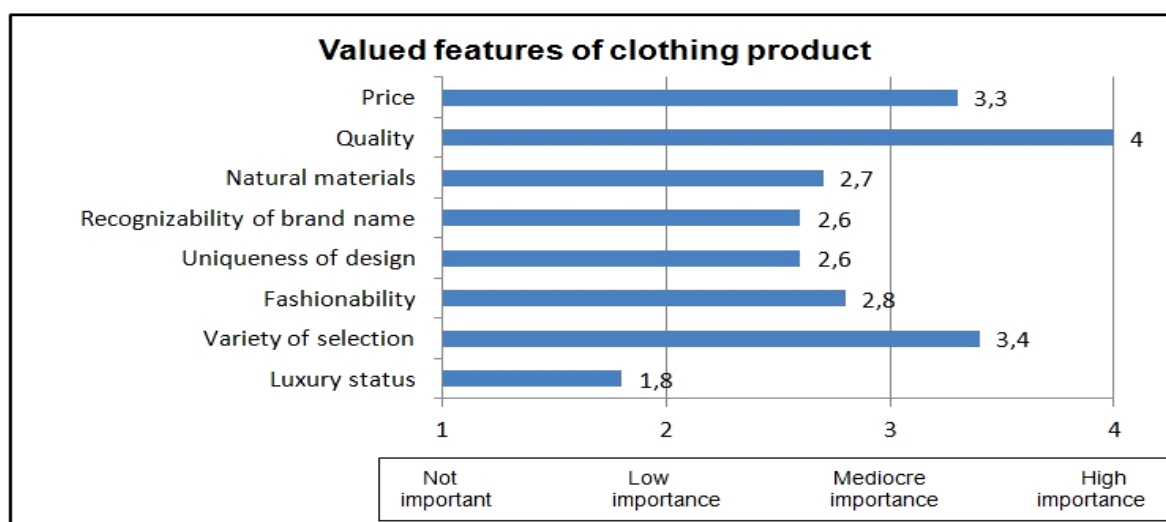
marked by the age group of 35-44-year-olds. There is also a slight difference in responses by males and females; men oppose more the statement of living in Finland (mean of 2,61) than women (mean of 3,09). (Appendix 4)

The difference between evaluations based on age groups can be explained by a matter that most of the persons below 24 years don't have their own family yet, and thus have bigger chances and are more eager to explore the world and travel in different countries. Whereas people that are 34-44 years old are usually already settled down and have children, so living in other country may seem to them as a bad option.

#### **4.2.2 Clothing product attributes that Russian tourists value**

Clothing features that Russians value were investigated by asking the respondents to evaluate the importance of eight different product attributes on a Likert scale from 1 (*Not important*) to 4 (*High importance*). Product attributes used in this part of the survey were: price, quality, natural materials, recognizability of brand name, uniqueness of design, fashionability, variety of selection and luxury status.

As seen from the Figure 12 on the next page, the respondents rated clothing products' quality to be of the highest importance with a general average score of 4. Second most important feature is variety of selection (mean 3,4) and thirdly comes the product's price (mean 3,3). According to the research conducted by GfK Rus, price rate the main factor influencing buying decisions of clothing products for 48 % of Russians; however, the research also suggests that consumption trend is such that the quality and content of the product will eventually overpower the price for the majority of Russian people (GfK Rus 2009). Survey result containing both male and female responses indicate that the luxury status of clothing products is of a low importance (mean 1,8).



**Figure 12.** Features of clothing products that are appreciated by Russian respondents (based on Appendix 5)

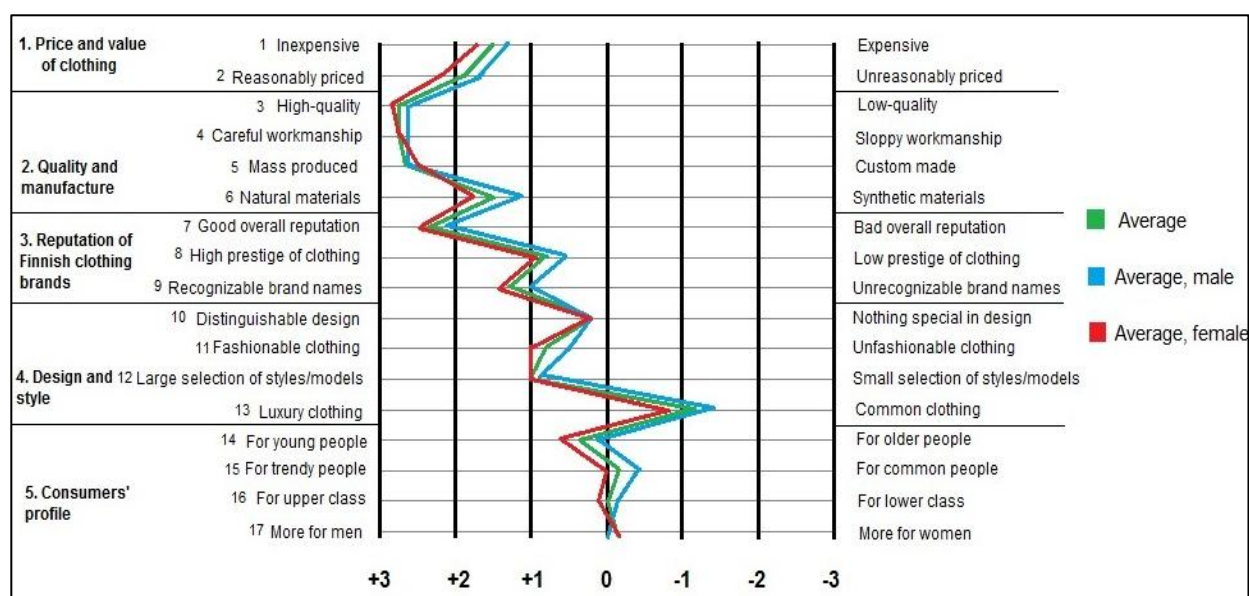
When re-examining the average values of the importance of the given clothing product attributes based on the age group or gender (see Appendix 5), it can be detected that price is more important to respondents of 15-24 years of age (mean 3,60), and to male respondents (mean 3,52). Importance of the price to younger persons can be explained through a matter that they probably don't have as big incomes or have not accumulated as much wealth as older respondents. It has also been stated in previous consumption research that in Russian culture it is usually men who carry the wallet and pay for products which women decide to buy (GfK 2010), this notion may support the finding of this survey that price matters more to male respondents since they are usually the ones paying. (Appendix 5)

Concerning product's luxury status, the highest values came from the youngest age group of 15-24-year-olds (mean 2,40) and 25-34 (mean 2,23), as well as from female respondents (mean 2,0). This notion also supports earlier findings of the research conducted by GfK Rus (2010), which states that in Russia majority of young people prefers prestigious brands and desire luxurious products.

#### 4.2.3 Evaluations of Finnish clothing products

Clothing products considered originating from Finland are evaluated using Osgood's semantic differential which involves a series of descriptive polar-adjectival scales on

a seven-point equal-interval ordinal scale. The scale ranges from +3 (positive) to -3 (negative), and 0-value represents neutrality. The semantic differential used in this survey includes a total of seventeen pairs of descriptive phrases that are categorized into five thematic groupings: price and value, quality and manufacture, reputation of brands, design and style and lastly consumers' profile. The general average values as well as averages based on age group and gender are visually presented in Figure 13, and numerically in the Appendix 6.



**Figure 13.** Evaluation of Finnish clothing products by Russian respondents (based on Appendix 6).

The evaluations given to Finnish clothing products by Russian respondents are generally quite positive (see Figure 13). The highest general averages are given to Finnish products' quality (mean 2,69), workmanship (mean 2,65) and their reputation (mean 2,27). The rating of Finnish clothing products as high-quality and of a careful workmanship is especially important since Russian respondents valued quality as the most important product attribute which is uncovered in the previous chapter 4.2.2. During the execution of the survey, concerning the reputation and recognizability of Finnish brands, many respondents mentioned in positive manner Finnish sports brands such as Halti and Luhta. This signifies that especially these brands have successfully managed to build up a strong position in the minds of Russian consumers. Prices of Finnish clothing products are also evaluated positively; products are seen as more inexpensive than expensive (mean 1,55) and their pricing

approaches the value of “*Very reasonably priced*” (mean 1,93). This notion is also significant because the price of clothing products is an important matter for Russian respondents of this survey.

Another evaluation which stands out is that Finnish clothing products are evaluated to be more of a common type than luxury goods (mean -1,15). Variety of selection of Finnish clothing products (0,98) could be more higher since it is the second most important product attribute to Russian respondents. The consumers’ profile of Finnish clothes is quite neutral with an average of the responses located around 0-value. This indicates that Finnish clothes are seen to be used by both young and old people, trendy and common people, people representing upper social class and lower class, as well as both men and women. The broadness of the consumers’ profile is not an automatically negative discovery because it implicates that Finnish clothing products are suitable for various types of consumers.

When examining the average values that clothing products considered originating from Finland were given based on the respondents’ age group or gender (see Appendix 6), it can be detected that women give generally a more positive evaluation of Finnish products than men. The high-quality and careful workmanship are valued high in all age groups. The price of Finnish products and reasonability of price are most positively valued in age groups of 25-34 (mean 1,85 and 2,15) and 45-54 (mean 1,82 and 2,18). Production of Finnish clothing products is seen to be more in the form of mass production than customization, though materials used in the making of clothes are valued to be more natural than synthetic (mean 1,51).

Regarding the evaluations given to prestige, uniqueness of design and especially luxury status of Finnish clothing, it is clearly the youngest age group of 15-24 -year-olds that is the most critical considering these factors. This age group sees Finnish clothing products to be more of the lower prestige (mean -0,20; mode -2) and of the ordinary design (mean -0,20; mode -2). They also evaluate Finnish clothing to be far from luxurious (mean -1,40; mode -3). Finnish clothing products clearly do not meet hedonic expectations of this age group, since it is stated that in Russia majority of young people desire luxurious products. This may be the reason behind a matter that this age group also sees Finnish clothing products to be more for common people than trendy people (mean -0,60).

#### **4.2.4 Relation between the country image and product evaluations**

In order to examine the potential effect the country image can have on product evaluations, correlation analysis is conducted. Before this, summary variables are created to simplify the execution and examination of the analysis. The internal consistency of these generated variable groupings is evaluated using the Cronbach's alpha – a reliability coefficient that ranges from 0 to 1, higher values indicating higher level of reliability (Heikkilä 2008, 187). Lower limit of acceptability in this research is considered to be 0,6 but if possible higher alpha-values are preferred by dropping inconsistent variables from final entity. The contents of created summary variables and their internal reliability statistics are presented in Appendix 7.

Correlation between Finland's COO image and generally preferred clothing product attributes as well as specifically Finnish clothing product evaluations is studied through Pearson correlation coefficients. Significance level of 0.05 is compared to p-values of correlation results and thus it is interpreted whether correlation exists (p-value < 0.05) or not (p-value > 0,05). Based on analysis results presented in Appendix 7, correlation can be found between Finland's country image and respondents' evaluations on importance of clothing product's fashionability and selection. In addition, a third correlation is found between the country image and a summary variable which expresses the level of quality and manufacture of Finnish clothing products.

An observed correlation between Finland's country image and clothing products' fashionability is a positive finding because respondents assessed this product feature to be of a mediocre importance. Nevertheless even more significant discovery, when examining connections between COO and general clothing product evaluation, is a correlation with variety of selection. Sample group of Russian tourists included in this survey highly appreciated a satisfactory variety of assortment. There is also an important correlation when observing a linkage between image of Finland and Finnish clothing products. As confirmed by the survey results presented in earlier section, most highly valued features of Finnish products are quality and workmanship. This discovery also matches observations of apparel industry

presented by Chen-Yu and Kincade (2001, 33), who state based on earlier research outcomes that COO is a commonly chosen cue in apparel quality evaluation.

A total of three correlations were found when comparing country image to multiple variables. This can be seen as a result of limited variability of the chosen sample group. A probability of more significant correlations in the light of research problem used in this thesis would increase if the respondents of the survey would represent more versatile individuals and their opinions.

### 4.3 Summary of the research outcomes

The major research findings are presented and discussed in this chapter. Then the outcomes are summarized and examined in light of the main research problem and sub questions. Research problem is: Do the beliefs about COO have an effect on consumers' product evaluations? And the three sub questions are: What kind of country image does Finland have in the minds of Russian consumers?; Which qualities Russian consumers find important in clothing products?; What kind of product evaluations Russian consumers give to the clothing brands that they believe originate from Finland?

A total of 55 Russian tourists participated in this survey, from which 32 (58 %) were females and 23 (42 %) were males. The largest age group represented by respondents consisted of 35-44 –year-olds. Majority of respondents visited Finland a few times a year, and the main reason to travel to Finland was shopping for clothing products.

Country image of Finland is positive in the minds of Russian tourist that participated in the survey. Especially the statements with an affective emphasis, such as “*Finland has beautiful landscapes*” and “*I like the overall atmosphere in Finland*”, hit higher values. Regarding the level of desired interaction with the country, which is stated as “*I would like to live in a country like Finland*”, Russians are quite patriotic and prefer living in a country resembling Russia; though results refer that younger respondents are more open minded to an opportunity live abroad.

The most important clothing product features are clearly the quality, then variety of selection and price. Fashionability, used materials, recognizability of brand name and uniqueness of design are of a mediocre importance; whereas, luxury status of a product is generally evaluated to be of a low importance. It can be also noted that price of a clothing product is more relevant to younger respondents and males. Moreover product's luxury status is also more important to respondents of younger age groups and for females.

Just as country image of Finland, also Finnish clothing products get high evaluations from Russian respondents. Most highly valued features of Finnish clothing products are quality, workmanship, and a good reputation of brands – especially such sport clothes brand as Halti and Luhta. Finnish clothes are also assessed to be reasonably priced and quite inexpensive, and also represent more the common type of clothing; thus the consumer profile of Finnish clothing products is also quite neutral and products are seen to be used by for vast types of consumers. Regarding the prestige, design and luxury status of these products, the most critical responses come from young people. In general, female respondents evaluate Finnish clothing products more positively than males.

A total of three correlations were found when observing an effect between country image and product evaluations. These positive correlations appeared between Finland and variety of clothing product selection; Finland and fashionability of the clothing; and lastly between Finland and quality and manufacture of Finnish clothing products.

Taking into consideration all of the presented research outcomes one can state that Finland has a good country image, which also comes across as positive evaluation of products originating from there. There are also many product features in Finnish clothing that Russians find generally very important; the most remarkable being the high-quality and careful manufacture of Finnish goods. The number of discovered correlations was limited, but could potentially increase if the survey was to be conducted on more extensive basis.



## 5. CONCLUSIONS

The main purpose of this thesis was to gain understanding of the multifaceted concept of country of origin and to learn how country images can affect consumers' product evaluations. As for the empiric part of this research, it was important to put the theory into practice by conducting a new survey which concentrated on evaluating Finland and its products in the minds of Russian tourists visiting the country. The objective of finding out if the beliefs about country of origin have an effect on consumers' product evaluations was pursued by first examining what kind of country image Finland obtains in the minds of Russians, then by finding out which qualities Russian consumers find important in clothing products in general, and finally by discovering what kind of product evaluations Russian consumers give to the clothing brands that they believe originate from Finland.

The theoretical part of this study was covered in detail in chapter 2, and the research methods reported in previous academic literature were modified and utilized to construct a new survey in a form of questionnaire used in this research. The research methods were examined in chapter 3. The research outcomes and discussion related to the results, as well as the summary of the main research findings is presented in previous chapter 4.

In this final chapter, contributions and implications of the research are discussed. Both theoretical contribution and practical value are presented. The reliability and limitations of the research are also examined and finally some suggestions for further research are proposed.

### 5.1 Contributions and implications of the research

This research contributes to the existing information about Russians' opinions of Finland and Finnish products. There is plenty of obtainable academic literature about COO and country image and their effect on product evaluations; but there was not found any information specifically regarding relation between Russian consumers and Finland as a COO. In addition, majority of the past academic research in the field

of COO effect has studied product groups consisting of electronics or automobiles, so choosing specifically clothing products was a fresh outlook on COO effect.

This research has also increased knowledge about clothing product features that Russian consumers appreciate both generally and specifically in Finnish products, and thus Finnish companies operating in the industry and striving to expand their marketing actions and sales in Russia could benefit from information presented in this research. The consumption trends and attitudes towards branded products of Russian consumers both in home country and abroad are as well an important part of contribution of this research. As this study was conducted to investigate relations between Finland and its products and Russian consumers, it is clear that the research implications best apply to this context. However by using the theory based part of this research and by modifying the empiric research, it is possible to utilize this framework in other contexts as well.

## **5.2 Reliability and validity of the research**

Reliability refers to precision of the research results and means that the results should not be random. Results of a reliable research should be consistent over time, and thus it should be possible to repeat the research under a similar methodology and reproduce matching results. The reliability of the research weakens if the size of a sample is small. (Heikkilä 2008, 30) Research is intended to measure that what it is in the first place meant to measure; to keep this in mind, it is important to set precise objectives to the research. Validity determines if the research in fact measures what it intends to and thus how truthful the research outcomes are. (Heikkilä 2008, 29-30)

The survey of this research was pretested with two persons of Russian nationality and native skills of Russian language in order to achieve better reliability and validity. It was important that the translation of the questionnaire from English to Russian language was done as accurately as possible so that words and concepts did not lose their value and meaning. During the survey it was also looked after that the Russian respondents understood the purpose of the survey and all the descriptive phrases used in the questionnaire by having a Russian speaking person executing the survey. In addition the survey was conducted in two border crossing posts where

people use different methods of transportation between Russia and Finland. Furthermore the respondents for the questionnaire were chosen randomly and it was pursued to ensure that the survey was as unbiased as possible. To ensure the internal reliability of survey results, the Cronbach's alpha was used in creation of the summary variables. Each of the summary variables surpassed the limit of acceptability.

### **5.3 Limitations**

Due to the target group and the surroundings of the survey as well as the time pressure, the sample size of the survey consisted of only 55 Russian respondents. Thus it is unjustifiable to make broad generalizations to the whole to the whole segment of Russian tourists, not to mention all the Russian consumers. The research was also limited to concern only one country of origin, consumers of one nationality and one product category.

The sample group of this research was Russian tourists entering Finland because they were the easiest to encounter. However variability in the answers of the chosen sample group was quite poor, and majority of the respondents answered positively regarding inquiries about Finland's country image and valued product attributes. This can be seen as a result of the fact that Russian tourists visit Finland of their own desire and thus must already have a good perception of Finland, in other words if they did not like Finland they probably would not travel there. Due to this limited variability in sample group, not as many significant correlations between COO and product evaluations were observed as it was hoped for.

Additional limitation of the survey includes the scarcity of respondents representing older age groups. In this survey there were only two respondents belonging to the age group of 55-64 -year-olds and only one respondent over 64 years of age.

### **5.4 Suggestions for further research**

As for the context of Russian consumers' evaluation of Finland and its products, in order to carry out a research that would better represent the population, and could be

generalized to concern the target group of Russian consumers, the survey should be conducted for example in major cities of Russia and include different types of people. Thus the sample group would be much bigger and would include more individuals with differing opinions and attitudes toward Finland and products originating from Finland. A larger and more versatile sample group would also represent people who have different levels of familiarity with products originating from a certain country and thus it would enable examination of consumers' use of country image either as halo or summary construct. In other words, more profound research would explicate the possible distinctions between the direct and indirect effect of the COO image on consumers' attitudes towards products.

In further research, with an assumption that it would not be as limited as bachelor's thesis, more than one country of origin and consumers representing different nationalities could be studied to examine the differences between them. In addition more than one product type or different brands could be studied in the research. Branded products could be furthermore contrasted with unbranded products to explore the absolute effect of COO and its effect combined with the existing brand image.

Because it is stated in the previous COO studies that evaluation of foreign products also depends on the demographics of respondents (Schooler 1971; Klein et al. 1998; Usunier 2000), more of these facts could be asked in a broader survey. For example having more respondents from different age groups participating in the survey would help the researchers to investigate if there is a significant difference in country images and products evaluations based on the respondent's age. Regarding this matter, an earlier research by Chryssochoidis et al. (2007) suggests that younger individuals of society are more familiar with foreign countries and thus so called "modern consumers" are less prejudiced when evaluating products originating from foreign countries. It would be interesting to see if this observation made from Greek consumers could be extended to concern also other nationalities living in countries with different history and environment. To make these generalizations one must conduct a much more extensive empiric research.

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## APPENDICES

### Appendix 1: Research questionnaire, English version

#### Part 1. BACKGROUND INFORMATION

1.1 Gender:

☐

Male

☐

Female

1.2 Age: ☐ 15-24 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ over 64

1.3 How often do you visit Finland?

☐

this is my first time

☐

a few times a month

☐

a few times a year

☐

less than once a year

1.4 Your main reason to visit Finland is one of the following:

☐

Business

☐

Shopping

☐

Visiting family/friends

☐

Leisure activities (e.g sports, spa etc.)

☐

other, what \_\_\_\_\_

1.5 What kind of products do you mainly buy in Finland? Mark only your first option.

☐

Electronics

☐

Clothing

☐

Beauty products

☐

Groceries

#### Part 2. COUNTRY IMAGE, VALUED CLOTHING FEATURES AND FINNISH PRODUCTS

2.1 How do you perceive Finland as a country. Circle the most suitable option.

I strongly  
disagree

I disagree

Neutral

I agree

I strongly  
agree

- |  | I strongly disagree | I disagree | Neutral | I agree | I strongly agree |
|--|---------------------|------------|---------|---------|------------------|
| 1. Finland has beautiful landscapes.....               | 1.....              | 2.....     | 3.....  | 4.....  | 5.....           |
| 2. Finland is a welfare state and strong economy.....  | 1.....              | 2.....     | 3.....  | 4.....  | 5.....           |
| 3. Finland has a rich culture.....                     | 1.....              | 2.....     | 3.....  | 4.....  | 5.....           |
| 4. Finnish people are fair and honest.....             | 1.....              | 2.....     | 3.....  | 4.....  | 5.....           |
| 5. Finland in general is a successful country.....     | 1.....              | 2.....     | 3.....  | 4.....  | 5.....           |
| 6. I like the overall atmosphere in Finland.....       | 1.....              | 2.....     | 3.....  | 4.....  | 5.....           |
| 7. I would like to live in a country like Finland..... | 1.....              | 2.....     | 3.....  | 4.....  | 5.....           |

**2.2 Evaluate how important the features of clothing products sited below are for you as a buyer.**  
Circle the most suitable option.

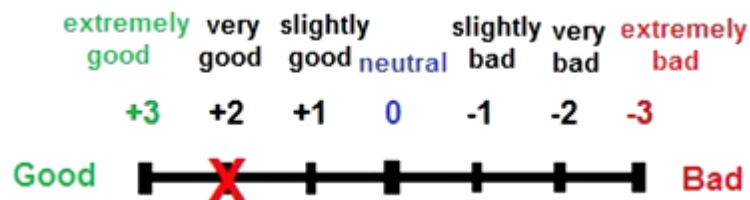
	Not important	Of a low importance	Of a mediocre importance	Of a high importance
1. Price .....	1.....	2.....	3.....	4.....
2. Quality .....	1.....	2.....	3.....	4.....
3. Natural materials.....	1.....	2.....	3.....	4.....
4. Recognizability of brand name .....	1.....	2.....	3.....	4.....
5. Uniqueness of design .....	1.....	2.....	3.....	4.....
6. Fashionability.....	1.....	2.....	3.....	4.....
7. Variety of selection .....	1.....	2.....	3.....	4.....
8. Luxury status.....	1.....	2.....	3.....	4.....

**2.3 Lastly please evaluate the “MADE IN FINLAND” clothing products based on the features stated below.**

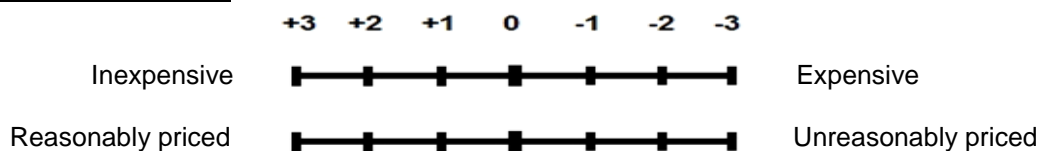
Try to mark your answer as quickly and honestly as possible.

Mark the most appropriate option on a scale from + 3 to -3, 0 being neutral.

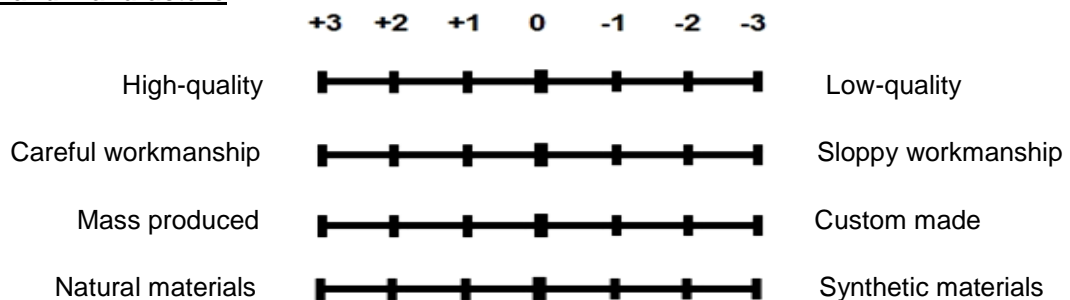
**EXAMPLE ON HOW TO USE THE SCALE:**



**1. Price and value of clothing**

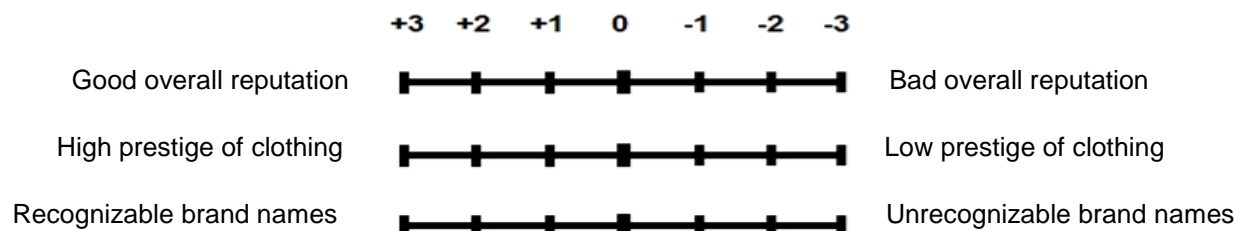


**2. Quality and manufacture**

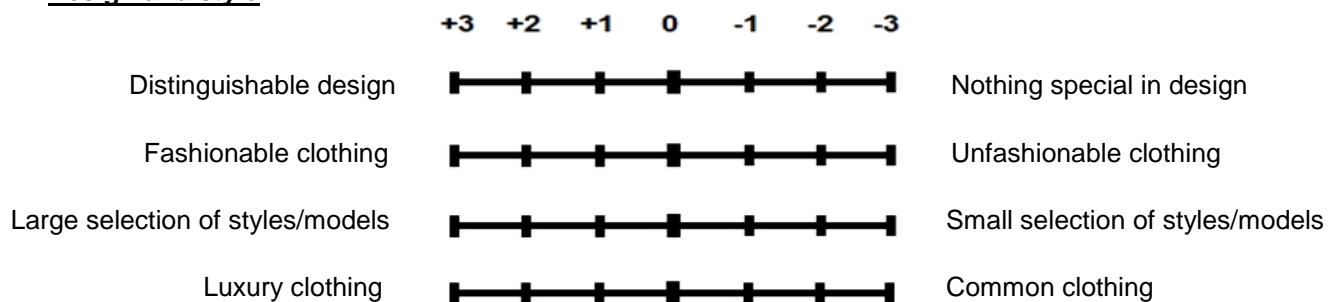




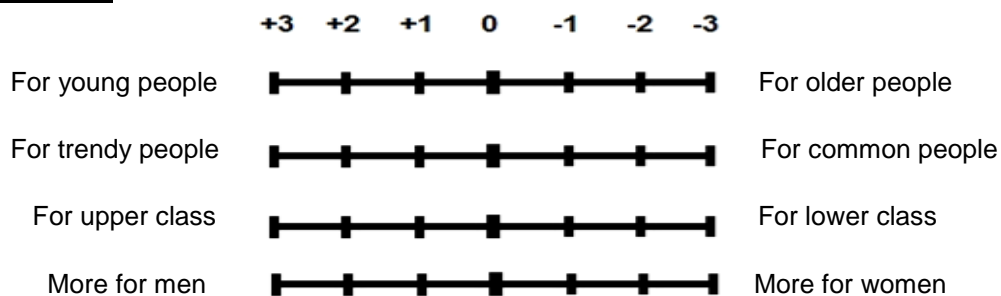
### 3. Reputation of Finnish clothing brands



### 4. Design and style



### 5. Consumers' profile



## Appendix 2: Foreign travelers visiting Finland

Place of residence	Year					
	2006/07 (1000 travellers)	2007/08 (1000 travellers)	2008/09 (1000 travellers)	2009/10 (1000 travellers)	2010/11 (1000 travellers)	Change (2009/10-2010/11, percentage (%))
Total travellers	2 348	2 559	2 396	2 419	2 894	+20
Russia	963	1 103	1 097	1 056	1 451	+37
Sweden	308	319	292	277	277	0
Estonia	205	198	181	245	232	-5
Britain	198	204	162	133	149	+12
Germany	113	129	104	123	128	+4

**Appendix 2.1:** Foreign travelers visiting Finland in winter seasons 2006/07-2010/11 (Adapted from: Statistics Finland 2011a)

Place of residence	Year					
	2007 (1000 travellers)	2008 (1000 travellers)	2009 (1000 travellers)	2010 (1000 travellers)	2011 (1000 travellers)	Change 2010-2011, percentage (%)
Total travellers	3 340	3 491	3 411	3 598	4 265	+19
Russia	1 048	1 180	1 159	1 369	1 733	+27
Estonia	346	339	386	316	466	+48
Sweden	454	467	468	422	412	-2
Germany	236	249	225	244	263	+8
Norway	149	143	130	142	167	+18
Britain	134	128	128	130	126	-3

**Appendix 2.2:** Foreign travelers visiting Finland in summer seasons 2007-2011 (Adapted from: Statistics Finland 2012a)

### Appendix 3: Expenditure by travelers in Finland

Place of residence	Per visit, euros	Per day, euros	Total, million euros
Total tourists	341	75	986
Russia	299	130	434
Sweden	228	65	63
Estonia	270	32	63
Britain	382	70	57
Germany	488	56	63

**Appendix 3.1:** Expenditure by travelers in Finland in winter season: November 1, 2010 – April 30, 2011 (Adapted from: Statistics Finland 2011b)

Place of residence	Per visit, euros	Per day, euros	Total, million euros
Total tourists	287	52	1 225
Russia	232	94	402
Estonia	212	23	99
Sweden	206	38	85
Germany	388	49	102
Norway	185	50	31
Britain	378	56	48

**Appendix 3.2:** Expenditure by travelers in Finland in summer season: May 1 – October 31, 2011 (Adapted from: Statistics Finland 2012b)

## Appendix 4: Country image of Finland

**SAS EG Summary table: Evaluation of Finland's country image (mean) by age and gender:**

		Finnish landscapes	Finnish economy	Finnish culture	Finnish people	Finland in general	Finnish atmosphere	Finland living
<b>Age</b>								
15-24	Mean	5	4,20	4	4,60	4,40	4,60	3,80
25-34	Mean	4,92	4,46	4,69	4,69	4,69	4,92	3,08
35-44	Mean	5	4,61	4,65	4,74	4,83	4,91	2,48
45-54	Mean	4,91	4,27	4,55	4,82	4,55	4,82	3,09
55-64	Mean	5	4	4	4,5	4	5	3
>64	Mean	5	4	5	4	4	4	3
<b>Gender</b>								
Male	Mean	4,96	4,26	4,57	4,57	4,65	4,83	2,61
Female	Mean	4,97	4,56	4,56	4,81	4,66	4,88	3,09

**SAS EG Summary statistics: Country image of Finland:**

Variable	Mean	Std Dev	Minimum	Maximum	Mode	N
Finnish landscapes	4.9636364	0.1889186	4.0000000	5.0000000	5.0000000	55
Finnish economy	4.4363636	0.5005048	4.0000000	5.0000000	4.0000000	55
Finnish culture	4.5636364	0.6013453	3.0000000	5.0000000	5.0000000	55
Finnish people	4.7090909	0.4583678	4.0000000	5.0000000	5.0000000	55
Finland in general	4.6545455	0.4798990	4.0000000	5.0000000	5.0000000	55
Finnish atmosphere	4.8545455	0.3558080	4.0000000	5.0000000	5.0000000	55
Finland living	2.8909091	1.0483272	1.0000000	5.0000000	2.0000000	55

## Appendix 5: Valued product attributes

SAS EG Summary table: Importance of product attributes (mean) by age and gender:

		Product price	Product quality	Product material	Product brand	Product design	Product fashionability	Product selection	Product luxury
Age									
15-24	Mean	3,60	4	2	3	3	3,4	3,6	2,4
25-34	Mean	3,38	4	2,54	3	3	3,38	3,62	2,23
35-44	Mean	3,17	3,96	2,87	2,65	2,35	2,65	3,35	1,61
45-54	Mean	3,36	4	2,55	2,36	2,45	2,45	3,36	1,64
55-64	Mean	3,5	4	4	1,5	2	1,5	2,5	1
>64	Mean	4	4	4	1	2	2	3	1
Gender									
Male	Mean	3,52	3,96	2,35	2,17	2,26	2,39	3,17	1,52
Female	Mean	3,19	4	2,97	2,97	2,78	3,09	3,56	2

SAS EG Summary statistics: Importance of product attributes:

Variable	Mean	Std Dev	Minimum	Maximum	Mode	N
Product price	3.3272727	0.7214837	1.0000000	4.0000000	3.0000000	55
Product quality	3.9818182	0.1348400	3.0000000	4.0000000	4.0000000	55
Product material	2.7090909	0.7858170	1.0000000	4.0000000	3.0000000	55
Product brand	2.6363636	0.8247028	1.0000000	4.0000000	3.0000000	55
Product design	2.5636364	0.7640932	1.0000000	4.0000000	3.0000000	55
Product fashionability	2.8000000	0.8692270	1.0000000	4.0000000	3.0000000	55
Product selection	3.4000000	0.6265721	2.0000000	4.0000000	4.0000000	55
Product luxury	1.8000000	0.6776867	1.0000000	3.0000000	2.0000000	55

## Appendix 6: Evaluation of Finnish clothing products

SAS EG Summary table: Evaluation of Finnish clothing products (mean) by age and gender:

		Price	Price ratio	Quality	Workmanship	Production	Material	Reputation	Prestige	Brand recognition	Design	Fashionability	Selection	Luxury	Age group	Trendiness	Class	Gender
Age																		
15-21	Mean	1,40	1,60	2,60	2,60	2,40	1,80	2,20	-0,20	1,20	-0,20	0,60	0,60	-1,40	0,40	-0,60	-0,20	-0,20
25-34	Mean	1,85	2,15	2,77	2,77	2,46	1,62	2,31	0,46	1,08	0,54	0,69	0,85	-1,08	0,54	0	0,08	-0,23
35-44	Mean	1,35	1,87	2,70	2,61	2,52	1,57	2,26	1,17	1,48	0,57	1,13	1,26	-1,13	0,39	-0,26	0	0,13
45-54	Mean	1,82	2,18	2,82	2,73	2,73	1,55	2,27	0,82	1,27	0,09	0,55	0,82	-1,09	0,27	-0,09	0	-0,27
55-64	Mean	1,0	1,0	2,0	2,5	3,0	0,50	2,50	0	1,0	-1,0	0,50	0,50	-1,0	1,0	1,50	0	0
>64	Mean	1,0	1,0	2,0	2,0	3,0	-1,0	2,0	1,0	1,0	-1,0	0	1,0	-2,0	1,0	-1,0	0	1,0
Gender																		
Male	Mean	1,35	1,65	2,57	2,57	2,61	1,13	2,13	0,57	1,04	0,30	0,52	0,91	-1,43	0,22	-0,39	-0,13	-0,04
Female	Mean	1,69	2,13	2,78	2,72	2,53	1,78	2,38	0,91	1,47	0,31	1,03	1,03	-0,94	0,59	0,03	0,09	-0,06

SAS EG Summary statistics: Finnish clothing product evaluation:

Variable	Mean	Std Dev	Minimum	Maximum	N
Finnish clothes_price	1.5454545	0.9778696	-2.0000000	3.0000000	55
Finnish clothes_priceratio	1.9272727	1.0515341	-2.0000000	3.0000000	55
Finnish clothes_quality	2.6909091	0.4663780	2.0000000	3.0000000	55
Finnish clothes_workmanship	2.6545455	0.4798990	2.0000000	3.0000000	55
Finnish clothes_production	2.5636364	0.6600684	0	3.0000000	55
Finnish clothes_material	1.5090909	1.1526576	-1.0000000	3.0000000	55
Finnish clothes_reputation	2.2727273	0.5917502	1.0000000	3.0000000	55
Finnish clothes_prestige	0.7636364	1.1049323	-2.0000000	3.0000000	55
Finnish clothes_brand	1.2909091	0.9751111	-1.0000000	3.0000000	55
Finnish clothes_design	0.3090909	1.1364781	-2.0000000	3.0000000	55
Finnish clothes_fashion	0.8181818	0.9247804	-2.0000000	3.0000000	55
Finnish clothes_select	0.9818182	1.0090500	-2.0000000	3.0000000	55
Finnish clothes_lux	-1.1454545	1.1125244	-3.0000000	2.0000000	55
Finnish clothes_agegrp	0.4363636	0.8555621	-2.0000000	3.0000000	55
Finnish clothes_trend	-0.1454545	1.2826215	-3.0000000	3.0000000	55
Finnish clothes_class	0	0.3849002	-1.0000000	1.0000000	55
Finnish clothes_sex	-0.0545455	0.4875556	-1.0000000	1.0000000	55

## Appendix 7: Correlation between COO and product evaluation

### SAS EG Cronbach's alpha:

Cronbach coefficient alpha test to ensure the internal reliability of created summary variables. Lower limit of acceptability  $\alpha = 0,6$ .

CRONBACH COEFFICIENT ALPHA	
Variables	Alpha, standard.
SUMMA_COO (incl. econ, cult, ppl, overall, athmsphr)	0,739442
SUMMA_PROD (incl. price, quality, material, brand, design, fashion, selection, lux)	0.722821
SUMMA_PRICE (incl. price, priceratio)	0,827423
SUMMA_QUAL (incl. qual, workmansh, material)	0,669669
SUMMA_REPUT (incl. reputation, prestige, brand)	0,766245
SUMMA_STYLE (incl. design, fashion, select, lux)	0,822545
SUMMA_CONS (incl. agegrp, trend, class)	0,645583

### SAS EG Correlation between variables:

Simple statistics and Pearson correlation coefficients to measure the potential correlations between summary variable of COO image and general clothing product features as well as summary variables of Finnish clothing product features. Chosen risk level of 0,05; H0=no correlation between x and y.

PEARSON CORRELATION COEFFICIENTS, N = 55 PROB >  r  under H0: Rho=0			
Variables	Mean	Std Dev	SUM_COO
product_price	3,32727	0,72148	-0,02935 0,8315
product_quality	3,98182	0,13484	0,09927 0,4709
product_material	2,70909	0,78582	0,14669 0,2852
product_brand	2,63636	0,82470	0,21802 0,1098
product_design	2,56364	0,76409	0,01778 0,8975
product_fashion	2,8	0,86923	0,30844 0,0220
product_selection	3,4	0,62657	0,28409 0,0356
product_lux	1,8	0,67769	0,10377 0,4509
SUMMA_PRICE	3,47273	1,87433	0,14848 0,2793
SUMMA_QUAL	6,85455	1,61496	0,31125 0,0207
SUMMA_REPUT	4,32727	2,26940	0,25697 0,0582
SUMMA_STYLE	0,96364	3,37180	0,09267 0,5010
SUMMA_CONS	0,29091	2,10531	0,15401 0,2616