What factors are influencing domestic purchasers in their purchase of imported low-involvement products due to the products’ country-of-origin?

- A case study of a natural stones importer

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Abstract

The author has applied an abductive research design and performed a case study which includes a survey and e-mail interviews of workers within the construction industry. The purpose of the survey and the interviews is to investigate what factors may be the most influential for individuals in establishing their apprehension of natural stones. The research has been made on commission of the case firm which is a natural stones importer located in Sweden and the survey is based on the 17-point CETSCALE originally created by Shimp and Sharma in 1987. The survey was sent to workers with different occupations (architects, contractors and purchasers) within the construction industry who encounter natural stones in their work.

Therefore, the theoretical purpose of this study is to contribute to increase the knowledge of country-of-origin effects of imported low-involvement products. The research gap this study aims to fill is to outline what factors are influencing consumers' purchasing behavior on purchasing low-involvement products. The practical purpose of this study is to provide the case firm with more knowledge of the phenomenon of negative COO-effects. Theories on ethnocentrism have been included since ethnocentric tendencies among customers have been considered by previous researchers as one of the contributing factors of fostering negative country-of-origin perceptions. The case firm can implement this knowledge in creating a more effective marketing strategy and thereby develop their operation domestically as they wish to do.

Empirical findings of this study demonstrate that cognitive influence is the factor with the largest influence on country-of-origin effects while factors such as familiarity and environmental concerns are less influencing.

The author recommends future researchers to further investigate this phenomenon, especially to investigate its connection to cognitive- and other psychosocial factors in order to gain a more solid understanding for why problems related to this phenomenon arise and how they may be encountered. Since Corporate Social Responsibility was demonstrated to be the most influencing factor in consumers’ purchasing decisions of this study, it is suggested to future researchers to investigate the phenomenon of country-of-origin in relation to ethical- and moral standards of individuals.
Acknowledgements

Firstly, I would like to express my gratitude to the co-owners of the firm who welcomed my suggestion to make this study on commission for them and provided me with the information needed. They have been supportive from the start and through the whole process of this study. Initially I had a proposition for a research purpose which they proved not to be as interested in as I was. However, the co-owner that I was initially interviewing expressed a highly complex problem that the firm is currently experiencing, and has been experiencing for a time, which resulted in the foundation of the research purpose for this study.

Secondly, I would like to thank everyone who has contributed by providing information in the data gathering process and thereby making this study possible. Especially I would like to express my gratitude to the interviewees who accepted to participate in the e-mail interviews on a short notice. My gratefulness also goes to all students who have provided me with constructive critique and support, among them my dear friend who supported me throughout the process of making this study and particularly during the last week before the deadline.

Finally, but not least, I would like to thank my supervisor, Kiflemariam Hamde, for taking time to supervise me and for his great advises.

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Ulrika Logardt
### List of abbreviations

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<th>Abbreviation</th>
<th>Concept</th>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
<td>Business administration concept</td>
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<td>COO</td>
<td>Country of origin</td>
<td>Marketing concept</td>
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<td>COO-effects</td>
<td>Country of origin-effects</td>
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<td>COA</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>ELM-model</td>
<td>The Elaboration-Likelihood-Model</td>
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<td>SCM</td>
<td>Stereotype content Model</td>
<td>Theory within business administration</td>
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<td>TFT</td>
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1. Introduction

The case firm of this study is a Swedish importer of natural stones, surfaced and non-surfaced natural stones, from countries all over the world which they sell to domestic clients. The firm was bought by the co-owners in 2004. An interview of one of the firm’s co-owners served as a prelude to this case study in order to find out what current problem they are experiencing that they prioritize to solve. The interview was a face to face interview which took place at the firm’s office in Sweden in 2014. The problem the firm is experiencing will be demonstrated in the beginning of chapter 1.1, Problem background. Before chapter 1.1 follows, some more background information about the firm will hereby be given.

The majority of the natural stones are imported from China and the rest of them are purchased from suppliers located in Portugal, Bulgaria and Turkey among other European countries. Since the working conditions of quarry workers are not as good in China as they are in European quarries, the firm takes extra responsibility of the Chinese quarry workers’ by contributing to improvement of their working conditions. The firm purchases stones from many different Chinese suppliers who all are managed by a Chinese agent who operates in China. The majority of the stones are from northern and southern quarries and the agent has 30-40 inspectors who perform quality controls of the stones. In 2010 the firm donated safety shoes, helmets, face masks and earplugs and instructed the workers, with assistance of a Chinese interpreter, in the importance of and how to use earplugs. The firm regularly performs quality controls of both the quarry workers’ working conditions and the quality of the stones through its agent. Additionally, they have by several occasions, also on commission of stakeholders, done social reviews of suppliers in assistance with a third party which actively contributes to improved working conditions (The firm’s brochure 2009). To test the quality of the stones, the firm hires both a Chinese testing agency and the CBI concrete institute (CBI Betonginstitut) which, as a subsidiary to the Swedish Technical Science institute, performs quality testing of natural stones among other things. The quality test is an essential processes in the firm’s operation since the test results certify the high quality standard of the products to their potential clients. The main tests are petrographic analysis, bending analysis and water absorption with the petrographic analysis being the most important since it sets the standard of the two following tests (Co-owner of the firm, 2014).

Providing the best possible service to their clients is also a fundamental part in the quality work of the firm and in the service process they play an important role as advisors, sharing their expertise with their client through every step of her purchasing process. The firm is very committed to its clients and works in close relation to them (The firm’s brochure 2009). In the service process the firm offers to make 3D CAD blueprints for the clients, whom they currently provide them, free of charge (Co-owner of the firm, 2014). All stone delivered by the firm is prepared according to specification and customized according to the client’s requirements. The core values of the firm are commitment, quality and expertise, which all are well applied in its operation, as described. The co-owners’ vision for the firm is for it to become Sweden’s leading natural stones company regarding quality of its products and services (The firm’s brochure 2009).
1.1 Problem background

While interviewing one of the co-owners of the firm, he himself expressed that the main problem they are currently experiencing is potential clients’ negative perception of Chinese stones; in specific that potential clients believe that Chinese stones are of lower quality than Swedish stones and that they are being inferior to the domestic stones which is resulting in a loss of actual orders. In reality, the Chinese natural stone products may in some cases be both superior in quality and competitive in pricing as their prices are 50-150% lower than the prices of Swedish stones. Nevertheless, the negative perception in the minds of the Swedish purchasers and architects has influenced their decision making negatively in their purchasing process. For that reason, it is of importance to focus this study on the impact of negative country-of-origin (COO) effects and ethnocentrism which have both been proven by previously conducted research to be two of the contributing factors to why individuals foster negative perceptions of products’ country-of-origin. These factors will be further described in subchapter 1.2, Theoretical problematization, where research propositions also will be developed. Firstly, to understand the meanings of the concepts, definitions of them will hereby be given. According to Collins online dictionary, country of origin (COO) is “the country from which a person originally comes” (Collins dictionary, 2014). However, this concept does not only refer to where persons derivates, but also were products come from. Collins online dictionary also provide a definition of the concept ethnocentrism, which is [the] “belief in intrinsic superiority of the nation, culture, or group to which one belongs, often accompanied by feelings of dislike for other groups” and the adjective of the word is ethnocentric (Collins dictionary, 2014). However, in the scientific articles applied in this study, it is written by all authors as “ethnocentric” and is therefore how the author of this study will write it. Oxford Advanced Learner’s Dictionary provides a similar definition of the concept ethnocentric; “based on the ideas and beliefs of one particular culture and using these to judge other cultures”, (Oxford Advanced Learner’s Dictionary 2005, p. 520). It is of underlying meaning that the ideas and beliefs on the particular culture are seen as superior to other cultures, which is distinguished in those ideas and beliefs being used to judge other cultures.

Before the theoretical problematization will be presented, more information about the practical problem the firm is experiencing will now follow. Today Sweden is considered as a quite small actor on both the domestic and international markets of natural stones. The firm’s marketing channels consist of its website, limited advertising and visits at architect bureaus. The marketing is based on the firm’s slogan and they do not express the nationality of their suppliers in any of their marketing channels, including their different information brochures, unless the client asks for this specific information. The origin of manufacture is only stated on the CE-label on each pallet of stones by delivery. The firm’s customer base consists of purchasers within private firms and communes where architects play a significant role in the decision making process of what materials to use in construction works. In the summer of 2013, a certification of stones was established, the C-certification, to certify the sustainability of the stones. Sometimes the firm hires Chinese or German testing agencies but usually it hires the Technical Research Institute of Sweden (Statens provningsanstalt, SP) for quality testing of the stones. Regarding certifications, with consideration to the ethical interest of the co-owners, there is not yet any stone certification with an ethical purpose of certifying quarry workers’ working conditions which is an aspect worth investigating for branding of the firm. However, the firm has been a member in the international organization TFT (Tropical Forest Trust) since 2012 which is an organization certifying suppliers of different raw materials, natural stones among others. It is possible for the clients of the case firm to track the origin of their product through the CE document attached to each pallet of stones. It is not expressed in the firm’s brochures that they are members of TFT since the brochures were printed in 2009,
before they became members (Co-owner of the firm, 2014), but the firm is the only Swedish member of TFT within the category of stones (TFT’s website, 2014). Although the suppliers are certified and approved by TFT, according to their CSR (Corporate Social Responsibility) standards which take both environmental and social issues in concern, the case firm does not highlight that the products are certified by TFT. The firm has in support of TFT chosen the manufacturers and quarries that they hire through their Chinese agent. The manufacturers are not members of TFT but they are approved by them and thereby active in TFT’s responsible manufacturing process; TFT has inspected the manufacturers and quarries and in collaboration with them made action plans for improvement of their working environment. In Europe, on the other hand, the case firm purchases stones directly from the manufacturers (Co-owner of the firm, 2014). On their website it is not presented that the firm is a member of TFT and the implications of its membership for its operation. They only present that they have selected stone suppliers from all over the world which delivers the right quality to competitive prices and with largest possible concern to environmental- and working conditions (The firm’s website, 2014). The firm strives for being the only importer of natural stones that Swedish architects will turn to in finding a special stone. As the interviewed co-owner expressed himself, he is well aware of negative aspects on Chinese stones being a common problem in Sweden. He also believes that Swedes commonly have less negative aspects on stones imported from European countries; however, he is not aware of how stones imported from markets beside the European- and Chinese markets are conceived on the domestic market. The firm has not made any other attempts in improving potential clients’ negative apprehensions of Chinese stones than arguing for- and affirming the quality of the stones by providing test results to the clients (Co-owner of the firm, 2014). One may believe that the test results speak for themselves in demonstrating the high quality of the products. Nevertheless, the problem of clients’ negative perception of Chinese natural stones still remains to be solved.

1.2 Theoretical problematization
This study is focused on the following four research areas within the topic of country-of-origin effects; branding, categorization theory, the stereotype content model and consumer ethnocentrism. The categorization theory and the stereotype content model will be discussed in the same subchapter since the theories have their similarities. In this sub-chapter previously conducted research on different standpoints within theory of country-of-origin effects will be introduced and the propositions’ origins from theory will be presented. The theories will be further described in the literature review in the second chapter.

1.2.1 Country-of-origin: Geographical distance
Country-of-origin and its effects on brands and consumers’ purchasing behavior are phenomena that have not been topics of research until in the second half of the 1900’s, thus they are still quite newly discovered phenomena. Schooler (1965) was the first researcher to conduct research on country-of-origin and his research confirmed the existence of country-of-origin effects. However, the direction and strength of COO-effects were not investigated in the study.

As globalization heightens the competition among companies, it has become very common to outsource the manufacturing process to countries with lower labor and material costs, usually to developing countries. While benefiting from the cost advantages that international
outsourcing brings, companies might simultaneously suffer from a phenomenon known as negative country-of-origin (COO) effect. According to Wang & Lamb (1983), country-of-origin effects, COO-effects, are intangible barriers to entering a new market in the form of negative consumer bias toward imported products. Evidences are manifested in the studies of Bilkey & Nes (1982); Gaedeke, (1973) and Han & Terpstra (1988) that product evaluation and purchase decision of the consumers are influenced by where the product is manufactured or made. It is also concluded in Wang & Lamb’s study (1980) that consumers have less favourable views on products made in developing countries. In 1969 Schooler and Sunoo conducted research within the area of consumers’ perceptions of international products by comparing regional versus national labeling. They discovered that consumer bias against products from less developed countries could possibly be moderated through regional rather than national labeling. This result indicates two matters that are worth emphasizing; firstly, that there is a possible preference among consumers to purchase products manufactured closer to their living areas. Secondly, what implications labeling may have on consumers’ decision making processes.

The first matter, regarding the products’ origin, had been investigated by Ahmed et al., (2004). Country-of-origin is commonly applied by individuals to form a belief about the quality or other features of a product. Sometimes consumers care about the COO because they prefer purchasing domestically produced products (Ahmed et al., 2004, p. 105). It even happens that consumers make purchases of locally produced products despite the products being of lower quality than imported products (Wall & Heslop 1986 cited in Ahmed et al., 2004, p. 105). The preference of consumers to purchase domestically, or even locally, produced products may in this case study depend on long shipping distance of the heavy natural stone products from China to Sweden which consumers may have a negative attitude towards because of environmental- and lead time reasons. This assumption, based on previous research by Ahmed et al., (2004) which demonstrates the preference among individuals of purchasing domestically produced products, has set the foundation for the first proposition, P1: “Shipment of products for a long distance is an environmental concern for consumers.”

1.2.2 The importance of branding

Labeling relates to the firms brand image and brand image is the subject of research by Ille and Chailan (2001), who demonstrate that brand image is a critical success factor to the firm. Although innovation is considered as a strong competitive advantage, it does not only arise from hard technologies but also from soft ones, such as marketing skills (IBM 2010 cited in Ille & Chailan 2011, pp. 84-85) where brand image is concerned. This is a reason for the firm to invest resources on brand image as a part of the innovation- and business development processes. In this study the firm in concern is Swedish, however, it imports a majority of its products from China and the current problem regards individuals’ negative perception on those products’ country-of-origin. In China, many competitive strategies are still price based Wei & Li (2009, p.14), in this case, Chinese stones are 50-150% cheaper than Swedish stones. However, this aspect should not have a significant contribution on the negative COO-effects of Chinese natural stones since with the shipping cost added the sales price to the final customer is only slightly lower than those of Swedish natural stones. On the other hand, there is a possibility that the slightly lower prices have a more significant role in the customers’ processes of creating a perception of the products than believed by the author. Additionally, another aspect that may contribute negatively to customers’ perception of the products is that China has not yet become recognized as an innovative country building strong brands which contributes to a shortage in country of origin effect (Ille & Chailan 2011, p. 85).
Low pricing strategies utilized in China as competitive weapons to compete internationally along with weak branding strategies leads to the second proposition, P2: “The significantly lower price of a product is seen as an indicator of the product’s quality, with the belief that it reflects poor quality of the product.”

1.2.3 Ethnocentrism contributing to negative COO-effects

There is also a tendency among consumers in developed countries to prefer locally-produced products from their domestic market prior to products from other developed countries, and then products from less developed countries (Ahmed et al., 2004, p. 105). This tendency is closely related to the ethnocentric influence on country-of-origin, assuming that the preference of consumers in developed countries depends on the consumers being more ethnocentric. Initially, the concept of ethnocentrism derives from a sociological concept used to distinguish between so-called ingroups (groups with which an individual identifies) and outgroups (groups regarded as antithetical to the ingroup. However, ethnocentrism has become a psychosocial construct with relevance to individual-level personality systems as well as to the more general cultural- and social-analytic- frameworks (Levine & Campbell 1972 cited in Shimp & Sharma 1987, p. 280). Ethnocentrism derives from most inter-group relationships (Lewis 1976 cited in Martínez et al., 2000, p. 1354) developing into family pride, sectionalism, religious prejudice, racial discrimination, and patriotism (Murdock 1931 cited in Martínez et al., 2000, p. 1354). The concept ethnocentrism involves people viewing their representative group as the center of the universe, to interpret other social groups from the perspective of their own group, and to reject persons who are culturally dissimilar while blindly accepting those who are culturally more alike themselves (Booth 1979; Worchel & Cooper 1979 cited in Shimp & Sharma 1987, p. 280).

The concept of ethnocentrism is used by Shimp and Sharma to represent consumers’ belief in the superiority of their own countries’ products. This perception is postulated to transcend mere economic and functional considerations, and instead to have a more noble foundation rooted in morality. Thus, consumer ethnocentrism is intended to capture the notion that some consumers believe it is somehow wrong to purchase foreign-made products, because it will hurt the domestic economy, cause the loss of jobs, which is from their view unpatriotic (Shimp 1984, p. 285 cited in Martínez et al., 2000, p. 1355). Previous research has demonstrated that some consumers are prone to be ethnocentric in their evaluation of products. Martínez et al., also mention the composition of consumer ethnocentrism made of the cognitive, affective, and normative orientations of the consumer toward imported products (Martínez et al., 2000, p. 1355).

Consumer ethnocentrism is together with consumers’ personal traits and animosities believed to have some influence on the [COO] effects (Tseng & Balabanis 2011, p. 596). Shimp and Sharma (1987) express their interest of measuring the influence of threat on consumers’ attitudes, buying intentions, and actual purchase behavior toward foreign-made products (Shimp and Sharma 1987, p. 288). These four researchers, Tseng and Balabanis and Shimp and Sharma, have all expressed a belief that animosity is one of the factors, together with consumer ethnocentrism, that have influence on country-of-origin effects. This gives a reason to further investigate negative COO-effects in relation to consumer ethnocentrism, which includes consumers’ hostile apprehension and behavior against imported products. Tseng and Balabanis recommend future researchers to be more attentive to those factors to fruitfully contribute to the theory of ethnic and country typicality. With standpoint in research by Tseng and Balabanis (2011) and Simp and Sharma (1987) on animosity and ethnocentrism as influencing factors to negative COO-effects, these factors will be taken into consideration in
the creation of the survey for the investigation of this study. Ethnocentrism as an influencing factor to negative COO-effects is also concerned by the third proposition, P3: “Ethnocentrism is a contributing factor in the fostering of negative COO-effects.”

2.2.4. The influence of cognitive processes for COO-effects

As previously mentioned; the concept of ethnocentrism derives from a sociological concept and has become a psychosocial construct with relevance to individual-level personality systems as well as to the more general cultural- and social-analytic- frameworks. COO-effects have become one of the major areas within the literature on international marketing and consumer behavior (Bloemer et al., 2009, p. 62). Bloemer et al., (2009) demonstrate an extended version of the so called Elaboration Likelihood Model (ELM-model) with purpose of explaining and predicting which of the four commonly applied cognitive processes in literature in relation to COO-effects that are expected to occur, with the four cognitive processes being: the halo-effect, the summary construct-effect, the product attribute-effect and the default heuristic-effect (Bloemer et al., 2009, p. 62).

The practical implication of the COO-ELM model is that it provides marketing practitioners with an easy and practical tool for the management of COO-cues (Bloemer et al., 2009, p. 62). Monroe and Krishnan (1985) defined a cue as all informal stimuli available to the consumer before consumption (Monroe and Krishnan; 1985 cited in Ahmed et al., 2004, p. 104). Although it is still uncertain how and to what extent COO-effects impact on consumer evaluations (Bloemer et al., 2009, p. 63) in their decision making processes, COO-effects refer to the marketing phenomenon of consumers subconsciously and/or consciously evaluating and creating an attitude towards a product based on the product’s country of origin. That evaluation process can either be cognitive, affective or conative/normative; cognitive COO-effects are characterized by consumers making rational use of the COO-cue – they attempt to distract information about the product’s quality attributes from the country of origin. Affective COO-effects stimulate emotional reaction for the consumer while conative/normative effects are apparent in situations where the consumer’s behavioral intentions towards the product are guided by moral reflections generated by the COO-cue. (Bloemer et al., 2009, p. 63). Regarding the case of the natural stones importer, the COO-effects are characterized by consumers making rational use of the COO-cue as they are attempting to distract information about the product’s quality attributes from its country of origin. Therefore, the negative COO-effects are in this case cognitive. Affective COO-effects are not considered as relevant in this case but so are normative effects since they are guided by moral reflections generated by the COO-cue. It is assumed that a mixture of cognitive and affective COO-effects is relevant in this case. These moral reflections of customers’ are possibly influenced by their concerns of Corporate Social Responsibility (CSR) and environmental issues, such as the long shipping distance from China to Sweden. Proposition one, P1: “Shipment of products for a long distance is an environmental concern”, may partly be explained by this theory and the fourth, and final proposition, P4: “The seller’s involvement in corporate social responsibility (CSR) is considered as important for potential customers in choosing a supplier” is based on this theory of normative effects by Bloemer et al., (2009).

1.2 Purpose

Since the research on country-of-origin effects is still quite limited, it is unclear what factors contribute the most to consumers’ perceptions of products’ country-of-origin and what effects
these may have on their purchasing behaviors. This study will investigate if factors such as ethnocentrism and cognitive processes have influence on consumers’ purchasing decisions of imported low-involvement products. These factors are by previous research known contributing factors in the creation of country-of-origin perceptions; however, this mostly concerns research on high-involvement products. Therefore, the theoretical purpose of this study is to contribute to increasing knowledge of country-of-origin effects of imported low-involvement products. This is of value for the ability to compare if there are any differences between negative country-of-origin effects of low-involvement products and high-involvement products. Additionally, increased knowledge of this could benefit organizations’ marketing strategies as it could increase the understanding of consumers’ perceptions of their products, and they could thereby make more strategically marketing decisions. The empirical purpose of this study is to provide the case firm with more knowledge of the phenomenon of negative COO-effects. The case firm can implement this knowledge in creating a more effective marketing strategy and thereby develop their operation domestically as they wish to do.

1.3 Research question
“What underlying reasons are found for why consumers prefer purchasing domestic low-involvement products to imported low-involvement products due to the products’ country-of-origin?”

1.4 Propositions
The research question has led the researcher to the following research propositions as support. Their origins will be described further in the following theoretical frame of reference.

P1: “Shipment of products for a long distance is an environmental concern for consumers.”

P2: “The significantly lower price of a product is seen as an indicator of the product’s quality, with the belief that it reflects poor quality of the product.”

P3: “Ethnocentrism is a contributing factor in the fostering of negative COO-effects.”

P4: “The seller’s involvement in corporate social responsibility (CSR) is considered to be important for potential customers in choosing a supplier.”
2. Theoretical frame of reference

2.1 Literature search

A literature search relies on careful reading of books, journals, and reports in the first instance. After identifying a few keywords that help to define the boundaries of your chosen area of research, electronic databases of published literature can be searched for previously published work in the field (Bryman 2012, p. 113). This is an abductive study which has its starting point in a real problem that a natural stones importer is experiencing and its continuance and problematization in theory. The process of searching for literature was implemented in accordance to Bryman’s (2012) guidelines; the author started by identifying ten combinations of key words to find academic articles focusing on COO-effects and ethnocentrism. As one can see in the table below, more research has been made on ethnocentrism than on COO-effects. However, the research within ethnocentrism is not limited to business since it is a psychological phenomenon, as COO-effects also are. Although both phenomena partly belong to psychological- and behavioral research the author has not included any theories of those subjects since this thesis is written within the frames of business administration.

Regarding the literature search, the author was initially not familiar with the term or the complexity of country-of-origin effects but her thesis partner was and suggested starting searching for articles using COO-effects as a keyword. For the literature search the author has used the databases EBSCO Business Source Premier, Emerald Journals and Scopus which are all available through Umeå University’s library website. EBSCO Business Source Premier and Emerald Journals are specific databases for research within business while Scopus is listed as a general database which also includes business research. The author chose to apply Scopus as an addition to generate more hits and, as the other databases used, it provides the opportunity to search for peer-reviewed articles. Scopus refer itself as ‘the largest abstract and citation database of research literature and quality web sources’ (Bryman 2012, p. 114) and is therefore considered to be a reliable data source.

The author started searching for previous research of country-of-origin effects performed in Sweden, using the shortening “COO-effects” + “Sweden” as key words. This search resulted in zero hits on EBSCO and Scopus. It did generate five hits on Emerald; however none of the results concerned research on country-of-origin effects in Sweden nor included Sweden in a comparative study. The author continued the literature search by adding the industry-specific key words “natural stones”, stones”, “stone” and “raw material”. Only one hit was generated by the additional key word “stone” which was on Scopus and it is the same academic article found in this database when using the same key word in plural form. The article is the one by Tseng and Balabanis (2011) which is applied in the literature review. The article is also one of the three hits on the same key words used on Emerald where there were three hits. There where zero hits when the key word “raw material” was added but when changing it into plural form there were four hits on Emerald. There were very little research found using the key words “negative COO effects”, however the number of hits when solely using the key words “COO effects” was satisfying. Something worth emphasizing is the significant larger number of hits on the key words “ethnocentrism” but also on ethnocentrism in combination with negative country-of-origin effects where there is previous research to a much larger extent.
This is also seen to the publication date of the first published article in each database. The oldest article found on country-of-origin effects is found on EBSCO and it was published in 1992, with a total of only eight publications in the 1990’s. The results are similar on Emerald and Scopus, with the first articles on COO-effects published in 1993 and 1994 and only eight articles are found on Emerald from the 1990’s and as few as two articles on Scopus for that time period. In comparison with research found on ethnocentrism, the oldest one was published in 1943 which was on EBSCO, followed by Emerald in 1966 and Scopus in 1973. Since then the number of hits increased significantly from decade to decade and in the 1990’s the research on ethnocentrism was far more extensive than the research on COO-effects. The author chose to include ethnocentrism as an aspect on the problem of negative COO-effects since it is commonly connected to COO-effects in previous research. An overview of the key words used in the literature search will now be presented.

<table>
<thead>
<tr>
<th>Key words</th>
<th>EBSCO hits</th>
<th>Emerald hits</th>
<th>Scopus hits</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;negative COO effects&quot;</td>
<td>3</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>&quot;COO effects&quot;</td>
<td>47</td>
<td>120</td>
<td>53</td>
</tr>
<tr>
<td>&quot;COO effects&quot; + &quot;natural stones&quot;</td>
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<tr>
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<td>0</td>
<td>1</td>
</tr>
<tr>
<td>&quot;COO effects&quot; + &quot;stone&quot;</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>&quot;COO effects&quot; + &quot;raw materials&quot;</td>
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<td>4</td>
<td>0</td>
</tr>
<tr>
<td>“Ethnocentrism”</td>
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<td>896</td>
</tr>
<tr>
<td>“Ethnocentrism” + “COO effects”</td>
<td>4</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>“COO effects” + “Sweden”</td>
<td>0</td>
<td>5*</td>
<td>0</td>
</tr>
<tr>
<td>“COO effects” + “branding”</td>
<td>2</td>
<td>33</td>
<td>28</td>
</tr>
</tbody>
</table>

Table 2: Number of hits on chosen key words.

*Although there were five hits on this key word on Emerald, none of the research papers concerned Sweden which proves that their search engine may not be as reliable as the ones on EBSCO and Scopus.

2.2 Literature Review

The literature review includes seven different theories which will be demonstrated in the following six sub-chapters. As mentioned previously, the categorization theory and the stereotype content model will be discussed in the same subchapter since the theories have their similarities.
2.2.1 Country-of-origin and Branding

To introduce with, a brand image is a critical success factor to the firm (Ille & Chailan 2011, pp. 84-85). Although innovation is considered as a strong competitive advantage, it does not only arise from hard technologies but also from soft ones, such as marketing skills (IBM 2010 cited in Ille & Chailan 2011, pp. 84-85) where brand image is concerned. This is a reason to invest resources on brand image as a part of the innovation and business development processes. In this research the firm in concern is Swedish, however, since it imports a majority of its products from China it is of interest to consider the influence of Chinese brand image as well. In China, many competitive strategies are still price based; in this case, Chinese stones are 50-150% cheaper than Swedish stones. China has not yet become recognized as an innovative country building strong brands which, together with low pricing strategies, contributes to a shortage in country of origin effect (Wei & Li 2009 cited in Ille & Chailan 2011, p. 85). This builds the foundation of the second proposition, P2: “The significantly lower price of a product is seen as an indicator of the product’s quality, with the belief that it reflects poor quality of the product.”

In another research, Guercini and Ranfagni found that brand image is created independently from the country image of China (Guercini & Ranfagni 2013, p. 508), which proves that there is an opportunity for firms to increase their competitiveness though their country-of-origin (COO). Firms apply corporate rebranding processes to respond to different cultures of consumption (Guercini & Ranfagni 2013, p. 508). Some authors have suggested that a product’s country-of-origin may not have as large influence on well-established brands (Cordell 1992; Han and Terpstra 1988, Tse and Gorn 1993 cited in Chu et al., 2010, p. 1056), thus marketers of strong brands should have a wider choice of outsourcing the manufacturing process than marketers of weak brands (Jo et al., 2003 cited in Chu et al., 2010, p. 1056). Despite this, the result in the study by Chu et al., (2010) shows that it is not necessarily that a strong brand image can overcome negative COO-effects. COO can be defined as “the picture, reputation and stereotype that workers and consumers attach to products of a specific country.” In addition, the image is created by variables such as representative products, national characteristics, economic and political background, history and traditions (Nagashima 1970 cited in Guercini & Ranfagni 2013, p. 509). Thus, a product represents certain pre-established conceptions that individuals have about the product’s country-of-origin based on their general knowledge and expertise.

There is an interaction between country image and brand image --- where the image of a brand can affect the image of the country and the affection may also be from the country to the brand (Guercini & Ranfagni 2013, p. 509). The affection can be both positive and negative; in the case of the case firm it is a clear disadvantage for them that individuals have a negative apprehension of Chinese natural stones. Previous researchers have found that the information value of COO might depend upon the availability of other information (Johansson 1989; Lim et al., 1994; Peterson and Jolibert, 1995 cited in Chu et al., 2010, p. 1056), indicating that the knowledge level of the customers – both general and industry specific [for natural stones] – are influential in their product evaluation process. The co-owner of the firm believes that this negative apprehension depends on the initial import of Chinese stones by other firms, with lacking knowledge of natural stones, which unfortunately were of very poor quality and set the initially low quality standard of imported stones. Since then it has been difficult to change the mindset of the customers into a positive one, especially since the firm has attempted to do so by attempting to convince their potential customers that the quality of the Chinese products is better than they believe it is. The firm has attempted to do
convince them only through arguments and presentations of valid, commonly Swedish quality certificates demonstrating the good quality of the natural stones.

Han (1989) demonstrated in his study that country image can be used by consumers in product evaluations either as a halo or as a summary construct. In the “halo effect” construct, country-of-origin acts as a cognitive cue for consumers to assume their beliefs regarding other attributes of a product and thus evaluation of the overall product (Han, 1989; Johansson et al., 1985), this happens especially when consumers are not able to detect the true quality of the product (Hong and Wyer, 1989). On the other hand, the “summary effect” model proposed that consumers recode and abstract their knowledge about a country's products into their image of the country (Johansson, 1989; Maheswaran, 1994). Both halo and summary effects suggested that a country's image functions as a clue to infer quality of products from that country.

Yaprak (1978) made conceptual advances in the COO literature by going beyond the simple single cue manipulations carried out by prior studies in the 1960's. Yaprak investigated purchase intentions among Turkish and US business executives for various brands made in Japan, Italy and Germany and the findings illustrated that both general country and product attributes, and also specific product attributes were statistically significant in affecting purchase intentions. Therefore, the importance of a country-product link was established.

When consumers have knowledge of the COO, they can use a positive country image in product- or brand evaluation. This occurs when they are not able to detect the true quality of a country’s products before purchase (Hubert & Mc Cann 1982 cited in Guercini & Ranfagni 2013, p. 510). In the same way, the brand image can be the driver of integration. Research has namely demonstrated that country image and brand image are correlated drivers. Regarding negative COO, it is possible for global brands to reduce the negative impacts on brand attitude and purchase behaviors (Johansson & Nebenzahl 1986 cited in Guercini & Ranfagni 2013, p. 510). In order to sort out what type of branding process a firm is currently situated in, Ille and Chailan apply the following matrix named Chailan’s typology (2010):

1. Firms buying existing Western brands with a strong image.
2. Creating global brands “ex-nihilo” by using western marketing principles.
3. Firms which have developed their local brands based on a favorable COO effect in their domain of expertise, to reach primacy in their field.
4. Creating global brands by using local image and marketing techniques related to their language, culture, even possible ethnical or religious belongingness.

The strategy which best reflects the current branding process of the firm today would be no. 3; the firm has developed a domestic brand within their domain of expertise to reach primacy in their field but the process is not complete with the intention to base it on favorable COO effects.

Sweden is a developed country but a considerably small actor on the natural stones market, therefore the researcher will consider it as an emergent actor on this specific market with China as a major actor on the natural stones market. China is the second largest producer of natural stones with 31,000 million tons per year, after India which has the largest production of natural stones with 35,342 million tons. Although India is the largest producer of natural stones in the world, China is a larger exporter of natural stones. In 2010, China exported 16 million tons with a value of $3.04 billion compared to India’s export, the amount is not found but it was with a value of $600 million (Thehindubusinessonline, 2011).
Ille and Chailan have found that the following elements strongly influence the success of brands arising from emerging countries, and markets, in general but also from China in specific:

- **COO effect**: A brand from China may suffer from the image of its political orientation or poor quality. But it is possible to remove that negative aspect by continuing to innovate and improve the image that influences the COO effect (Ramo 2007 cited in Ille & Chailan 2011, p. 91). In a study by Sharpio and Associates (Ille & Chailan 2011), only 17 percent of Americans had high interest in buying Chinese products.

- **Product category**: For instance Russian raw materials and African diamonds do not require the same level branding than products that are combined with “know how” expertise. Brand strategy of emerging countries’ products (ECP) depends on the type of industry and is easier for non-sophisticated products.

- **Degree of marketing “maturity” of the country**: Countries that passed through a planned economy discovered marketing in the 1980-1990’s and therefore started developing their brands later than countries from market economy. For that reason, countries like China are far behind Western countries in marketing, also regarding budget. Thus, branding strategy of firms from EC depends on marketing maturity.

- **Use of personality of the founder/CEO as a promotion tool**: Human personality of the leader strengthens the brand efficiency of emerging country brands (Ille & Chailan 2011, pp. 91-92).

Ille and Chailan found that Chinese firms in process of improving their competitiveness by implementing innovative branding strategies were very similar to other firms either from others of the BRIC (Brazil, Russia, India and China) countries or from other emerging countries; some of them buying existing Western brands to benefit from a long-term brand image, some developing their own brands by using either a western approach or by capitalizing on their own local idiosyncrasies. Imagination and innovation of the leading team will be the critical success factor to reach the global recognition status (Ille & Chailan 2011, p. 93).

It is possible to investigate different levels of COO based on depth and the multiple country images transferred to the brand based on width (Guercini & Ranfagni 2013, p. 511). Further on, it is possible to subdivide the COO in the following dimensions; country-of-design (COD), country-of-assembly (COA) and COO of parts (COP). The idea behind this subdivision is that the higher the congruence between the levels of COO, the greater the capacity of COO is to increase brand equity influencing consumer attitude toward a brand (Pappu et al., 2007; Kohinoor et al., 2011 cited in Guercini & Ranfagni 2013, p. 511). However, this subdivision is irrelevant for the case of the firm since the negative COO effect is based on the quality of the products. Both COA and COP are irrelevant in the case of this firm since the products do not consist of an assemblage of different parts. Although those factors are irrelevant, COD is an interesting factor to study since a major part of the products of the firm are processed which results in different appearances (designs) of the stones. When COA relates to a negative country image and COP is not influential; the greater the capacity of COO to influence brand attitude, the greater is the need to generate a positive integration between brand image and COD image (Guercini & Ranfagni 2013, p. 511).
2.2.2 Categorization theory and the stereotype content model (SCM)

Nagashima (1970; 1977) had taken a longitudinal approach to investigating ‘made in’ product image and the findings confirmed the dynamic nature of country image. In Nagashima’s study in 1970, he adopted a semantic differential method to compare Japanese and American attitudes towards domestic and foreign products and the findings indicated that “Made In” stereotypes were different between American and Japanese workers. Later in 1977, Nagashima studied that whether changes had taken place with Japanese workers in the evaluation of the made in image of products from the USA, Japan, Germany, Britain and France. The results were that the overall image of products made in Japan, Britain, Germany and France had improved however the overall “made in USA” image had declined. Nagashima’s finding thus shows the dynamic rather than static nature of country image.

In accordance with the research by Guercini and Ranfagni, who found that brand image is created independently from the country image of China (Guercini & Ranfagni 2013), previously research has additionally demonstrated that COO has an effect on buying behavior and it is a matter of country-specific and product specific variations (Peterson & Jolibert 1995; Verlegh & Steenkamp 1999 cited in Tseng & Balabanis 2011, p. 581). Thus, brand image is clearly a country specific matter. Country image may be defined as “the overall perception consumers form of products from a particular country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses” (Roth & Romeo 1992 cited in Tseng & Balabanis 2011, p. 581). The definition of COO is information pertaining to where a product is made, which is basically associations to the “Made in” label (Amine et al., 2005 cited in Chattalas et al., 2008, p. 55). The COO “made in” label is a legal requirement in some instances and is a great marketing tool for strong and positive country images of products. In this aspect of the firm, the “made in” label is not a legal requirement on natural stones products.

A difficult aspect for researchers is that the effects of COO differ across product categories (Tseng & Balabanis 2011, p. 581). Note that a country which has a positive COO effect for a certain product may have negative COO effect for another product --- as a COO may have high value in certain product categories but not in others (Tseng & Balabanis 2011, p. 582). In matters of multiple COO effects, research has shown that consumers use the perceived country of brand origin and country of manufacturing as distinct quality determinants (Han & Terpstra 1988 cited in Chattalas et al., 2008, p. 56).

Tseng and Balabanis have applied the concept “typicality” to integrate product-specific effects which is another way of describing categorization. Hadjumarcou and Hu concluded that COO, as a category-based heuristic, plays a major role in evaluation of stimulus across all conditions, no matter of the specific nature of attribute information or task complexity. As a matter of fact, human beings cannot deal with their surrounding world without categorization and psychologists are still working on gaining a deeper understanding of this matter (Hadjumarcou & Hu cited in Tseng & Balabanis 2011, pp. 582-583). The research by Chattalas et al., has its similarities with the research by Tseng and Balabanis although they are using the concept of stereotypes instead of typicality. Stereotypes represent individuals’ cognitive associations and expectations about any societal (national) group (Fiske & Taylor 1991 cited in Chattalas et al., 2008, p. 55), while national stereotypes are qualities (accurate or inaccurate) perceived to be associated with a nation’s people (Schneider 2005 cited in Chattalas et al., 2008, p. 55). Ahmed et al., (2004) also concern stereotypes, citing Maheswaran (1994) who suggests that COO is applied in product evaluation as a stereotyping
process allowing consumers to predict the connection between products manufactured in a certain country having certain features (Ahmed et al., 2004, p. 104).

Within categorization, the “label” and “feature” of the product are linked to category members through different relations (Yamauchi & Markman 2000 cited in Tseng & Balabanis 2011, p. 583). According to Tseng and Balabanis, the COO label should be seen as a category. A class-inclusion relation is for example that “a product is a Japanese camera”. For instance, regarding the case firm, it may be that Swedes have the preconceived view that natural stone is Swedish stone which might be a reason why it is difficult for customers to believe that Chinese stone is as good as Swedish stone. Then there is also the COO labels indicating that the entire product was made in a certain country where it is common that other features such as quality, price, and service being delivered with the product, can be demonstrated when the product’s label is presented to customers. Also, it is possible that a COO label is a category for many members and simultaneously it may be a member of another superordinate category (Tseng & Balabanis 2011, p. 583). It is possible that category members (products) differ to some extent and that they belong to several different subcategories (Tseng & Balabanis 2011, p. 584). In an example of the case firm, the stones granite and limestone both belong to the superordinate category natural stones but they also belong to different subcategories, such as different categories of granite- and limestone. Despite this, natural stone products are products more difficult to categorize since they are raw materials. One possible categorization of natural stone products is to divide it into surfaced and non-surfaced products. Possibly, surfaced stone may be conceived as more typical stone products, especially if the quality of surfaced stones would be better than that of non-surfaced stone. Even so, this is only a speculation of the matter. Research has shown that category members being perceived as more typical than others commonly have the following characteristics:

- They are named first in free recall of category instances.
- Sooner classified than less typical members.
- Classified with less errors.
- Learned sooner as a category member.
- Applied as cognitive reference points (as a standard product) in comparisons with substitute products (Tseng & Balabanis 2011, p. 584).

Tseng and Balabanis have divided typicality into ethnic- and country typicality. Ethnic typicality represents the typicality of a product in the global market of its product category (Tseng & Balabanis 2011, p. 584), e.g. how typical is Chinese stone in the global stone product category? While country typicality represents a product category of one country’s products, which is how typical stones are as a Chinese product globally. Higher typicality leads to more positive consumer attitudes, which simultaneously occurs when the product has higher recognition on the market. Products appearing to be more typical of a specific country tend to attract better consumer attitudes and are in that way distinguished from other products being less typical (Tseng & Balabanis 2011, p. 585). Thus, it is important for the case firm to increase the recognition of their natural stone products on the domestic market to counter the problem of negative country-of-origin effects.

Chattalas et al., review a number of previous researches, among them consumer expertise effects which is an interesting perspective of the problem of the case firm. The COO effect has namely been proven to differ from consumers’ level of expertise with the product category (Eroglu & Machleit 1989 cited in Chattalas et al., 2008, p. 56). In support of this view, Han found that when familiarity with a certain country’s products is low, national stereotypes operate primarily, resulting in consumers evaluating unfamiliar products
associated with that nation accordingly (Han 1989 cited in Chattalas et al., 2008, p. 56). The application of familiarity is related to consumer involvement effects which implies that when involvement of the customer is high, the motivation to engage in information processing is also expected to be high, which then leads to analytical processing discouraging the use of heuristics. This statement is supported by research of Gurhan-Canli and Maheswaran (2000) who demonstrate that the COO effect is reduced under high-consumer involvement (Chattalas et al., 2008, pp. 57-58). Customers’ level of expertise leads to their categorization of products; consumers tend to place products into logical categories. The categorization helps the consumer to process known information and to classify new information quickly and efficiently (Assael 1992 cited in Tseng & Balabanis 2011, p. 587).

Even though multiple previously researches state that better expertise and higher involvement in the information processing of products imply that workers within the industry of natural stones should have better expertise and thereby higher involvement and analytical processing based on heuristics to a lesser extent, the firm experiences that negative aspects on Chinese natural stones are still quite common.

Tseng and Balabanis emphasize the need of psychology studies to understand the phenomena of COO effects on consumer attitudes and suggest researchers to study psychology theories such as category learning, categorization flexibility, and category knowledge transfer and apply them in their research of COO effects. They found that typical products from a country commonly obtain stronger and more favourable consumer attitudes than atypical products of the same country obtain. Typical products of a country also have more positive COO images than atypical products of the same country. To apply product typicality as a measurement, intrinsically product-specific variables were applied which they experienced as an easy measure. It is possible to evaluate the level of ethnic or country typicality of a product and then use that value to infer possible consumer responses towards a product from that country (Tseng & Balabanis 2011, p. 594). COO is a heuristic for making inferences about the quality of the product as a cognitive process. As an effective process, it is a stereotype-driven attribute that links the product to positive and/or negative emotional associations with particular nations (Verlegh and Steenkamp 1999 cited in Chattalas et al., 2008, p. 58). Additionally, as a normative process, consumers may hold socially desirable behavioral norms linked to COO determinants. Martin and Eroglu have demonstrated that political, economic and technological factors possibly effect COO-based product evaluations (Martin & Eroglu 1993 cited in Chattalas et al., 2008, p. 58).

Further on, Tseng and Balabanis found that subordinate products attract more favourable attitudes than superordinate products, which only concerns typical products. According to the result of their research, typical subordinate products may possess more attributes that are common among members within the category. Subordinate categories are more homogeneous and thereby more attractive or unattractive and typical or untypical than superordinate categories being more heterogeneous. It is possible for firms to enhance the COO images of products more efficiently if they focus on increasing the product typicality in a more concrete, visual category name (Tseng & Balabanis 2011, p. 595) in order to take advantage of this knowledge.

A common belief is that stereotypes are uniform and consistent in nature. Chattalas et al., do not agree on this, stating that the SCM applied as a tool for COO research indicates that societal stereotypes are usually a mixture of competence and warmth (Chattalas, et al., 2008, p. 60). The main argument of Chattalas et al., is that product type and consumer characteristics of cultural orientation, expertise, involvement and ethnocentrism are
determinants of how national stereotype impacts the COO effect on product evaluation (Chattalas et al., 2008, p. 61). In summary, the strategy of stressing the COO of typical products can be very effective regardless of product types. But if the products are atypical, one shall be more artful in trying to utilizing the COO in a marketing strategy. Marketers can do their best to connect products with ethically-typical or country-typical products, which may improve the typicality of their products perceived by customers (Tseng & Balabanis 2011, p. 596).

The importance of the consumer ethnocentrism effect is also being reviewed in the research by Chattalas et al., (2008) stating that for highly ethnocentric consumers the COO determinant has a relatively larger effect on product evaluations, purchase intentions and willingness to buy foreign products. Consumers high in ethnocentrism usually perceive consumption of imported goods as unpatriotic (Chattalas et al., 2008, p. 58). The ethnocentrism phenomenon will be discussed as a separate theory in the following paragraph.

2.2.3 Consumer ethnocentrism measurement and the CETSCALE

The concept of ethnocentrism and its origin have been described in the theoretical problematization in the first chapter. In further explanation of this matter, the researchers Martínez et al., (2000), preferred to apply the term “tendency” in the context of consumer ethnocentrism, so did the researchers Shimp and Sharma did who created the CETSCALE to investigate consumers’ ethnocentric tendencies to purchasing foreign- versus American-made products. This demonstrates that the CETSCALE was used as an exploring tool of consumers’ ethnocentric tendencies in purchasing imported products versus domestically manufactured products with the underlying meaning that negative country-of-origin effects may be revealed in ethnocentric tendencies. If ethnocentric tendencies are found in the responses it is likely that those respondents are more prone to have a negative apprehension of imported products. This gains more strength in connection to the belief by Tseng and Balabanis (2011) who, among other researchers, believe that there is a likelihood of animosity being one of the influences on [negative] COO-effects since imported products may be considered as a threat to the domestic market and economy.

Shimp and Sharma (1987) explain their preference of using tendency as it describes a more general notion of a disposition to act in some consistent fashion towards foreign products in total. Tendency is preferred above the term “attitude” which more appropriately is used to assess the consumers’ feelings toward a specific object (Shimp & Sharma 1987, p. 281) and to be consistent in utilization of terms applied in previous research tendency is the term that will be applied in this research as well.

The CETSCALE can be useful as an explanatory variable in experimental designs in which the effect of a product's country of origin is controlled by the researcher or as an explanatory variable applied with psychographic- and demographic variables of attitudes, purchase intentions and consumer behavior. There is a tendency among highly ethnocentric consumers to emphasize positive aspects of domestic products and to undervalue the virtues of foreign products (Martínez et al., 2000, p. 1353). As the opposite of ethnocentric consumers, nonethnocentric consumers evaluate products based on their own judgments without consideration for where they are made. The products may possibly even be evaluated as more favourable because they are manufactured abroad. Individuals may even categorize themselves from what purchase behavior is acceptable or unacceptable to the ingroup (Shimp & Sharma 1987, p. 280).
Emotions may also affect customers’ decisions and those decisions can be quite independent of knowledge (Bettman 1981; Cohen 1981; Gardner 1985; Zajonc & Markus 1982 cited in Martínez et al., 2000, p. 1356). It has been demonstrated that the strength of emotions when evaluating products varies for each individual (Bettinghaus 1973; Burnett and Wilkes 1980 cited in Martínez et al., 2000, p. 1356). In this study the author will not attempt to measure the respondents’ emotions with regard to the chosen data gathering methods of a survey and e-mail interviews, it had been more favourable to do so during face-to-face interviews if that data gathering method had been applied. It has also been proved by some studies that ethnocentric consumers tend to have a lower level of education, a lower level of income and are proportioned differently among the social class schema utilized than more non-ethnocentrics (Shimp 1984 cited in Martínez et al., 2000, p. 1356).

Martínez et al., found the CETSCALE to be a reliable and valid tool in their study of Spanish consumers’ ethnocentric tendencies (Martínez et al., 2000, p. 1368). They conclude that by knowing the magnitude of the ethnocentric tendencies of consumers belonging to one market segment, an advertiser would be able to determine whether messages that included patriotic keys would be appropriate or not. Pertaining such information could help a firm to determine in what situations the product’s packaging should include messages of the “made in (country of origin)” (Martinez et al., 2000, p. 1369), or if the firm should put less emphasis on that.

According to Shimp and Sharma (1987), sociological phenomena have received insufficient attention from marketing and consumer behavior scholars. Therefore, Shimp and Sharma suggest applying the CETSCALE as a covariate in experiments that manipulate the COO variables or as a predictor variable in correlational studies together with consumer demographic and psychographic measures and other potentially relevant predictors of attitudes, buying intentions, and purchase behavior. In summary, the concept of consumer ethnocentrism can improve understanding of how consumers and corporate buyers compare domestic- to foreign products. It can also facilitate the understanding of how and why their judgments may be subject to various forms of bias and error (Nisbett & Ross 1980; John, Scott & Bettman 1986 cited in Shimp and Sharma 1987, p. 287). Highly ethnocentric consumers are likely to be more prone to biased judgments by being more inclined to accentuate the positive aspects of domestic products and to discount the virtues of foreign-made items (Shimp and Sharma 1987, p. 287).

Finally, it would be of interest to measure the influence of threat on consumers’ attitudes, buying intentions, and actual purchase behavior toward foreign-made products (Shimp and Sharma 1987, p. 288). Shimp and Sharma (1987) suggested researchers to investigate how socioeconomic, demographic, geographic, and regional economic factors influence early childhood socialization of consumer ethnocentric values and what role these variables have during adulthood in accentuating ethnocentric tendencies.

### 2.2.4 The influence of cognitive processes for COO-effects

COO-effects have become one of the major areas within the literature on international marketing and consumer behavior (Bloemer et al., 2009, p. 62). Bloemer et al., (2009) demonstrate an extended version of the Elaboration Likelihood Model (ELM-model) with purpose of explaining and predicting which of the four commonly applied cognitive processes in literature in relation to COO-effects that are expected to occur, with the four cognitive processes being; the halo-effect, the summary construct-effect, the product attribute-effect and the default heuristic-effect (Bloemer et al., 2009, p. 62), see an overview of the four different cognitive processes in the figure on the following page.
In the article Bloemer et al., (2009) focus on providing an explanation of cognitive COO effects and they state that the COO-ELM model needs to be tested further for empirical verification. The practical implication of the COO-ELM model is that it provides marketing practitioners with an easy and practical tool for the management of COO-cues (Bloemer et al., 2009, p. 62). Monroe and Krishnan (1985) defined a cue as all informal stimuli available to the consumer before consumption (Monroe and Krishnan; 1985 cited in Ahmed et al., 2004, p. 104). Although it is still uncertain how and to what extent COO-effects impact on consumer evaluations (Bloemer et al., 2009, p. 63) in their decision making processes, COO-effects refer to the marketing phenomenon of consumers subconsciously and/or consciously evaluating and creating an attitude towards a product based on the product’s country of origin. That evaluation process can either be cognitive, affective or conative/normative; cognitive COO-effects are characterized by consumers making rational use of the COO-cue – they attempt to distract information about the product’s quality attributes from the country of origin. Affective COO-effects stimulate emotional reaction for the consumer while conative/normative effects are apparent in situations where the consumer’s behavioral intentions towards the product are guided by moral reflections generated by the COO-cue (Bloemer et al., 2009, p. 63).

In their study Bloemer et al., (2009) focus on COO-effects of cognitive influence because it has been the most researched influence and they thereby judge it as being the most important. The ELM-model describes the way information processing is determined by a consumer’s motivation and ability to engage in COO cue-processing. It is possible to apply the model in
two different ways; through the central or the peripheral route. COO cues being processed through the central route are assumed to have a great and lasting impact on the consumer’s evaluation of the product, while the impact of cues processed through the peripheral route is supposed to be more limited.

According to previous researchers within this topic, the customer’s decision to utilize a cue is based on logical reasoning, which is information cues interpreted as useful to them – which is also seen as relevant for them (Bloemer et al., 2009, p. 63). Bloemer et al., (2009) argue that consumers appear to determine the relevance of information cues offered to them based on two cue-specific properties; the predictive and confidence value of the cues. These value constructs appear to depend on the level that a consumer’s knowledge about a cue is developed. Bloemer et al., (2009) hereby see consumer’s knowledge about a cue relevant for the COO-effects perceived by the consumer. Thus, the consumer’s knowledge about a product, or a specific raw material such as natural stones in this matter, sets the foundation for the consumer’s apprehension of the natural stones and/or its country of origin. Knowledge, as a part of the cognitive process, is included in figure 2, the background for the emergence of a COO-effect, which hereby will be presented on the following page.

Figure 2: The background for the emergence of a CoO-effect (Bloemer et al., 2009, p. 71).

2.2.5 Evaluation mode

It is important for firms to develop effective strategies to reduce negative COO-effects which can hinder the firm’s development. Chu et al., (2010) examined whether brand image and evaluation mode could facilitate a negative COO-effect, in order to do so they performed an experiment where the variation of brand image and COO-effects on product evaluation were investigated under different evaluation modes. Chu et al., (2010) conclude that COO-effects play an equally important role in consumer product evaluation for both strong and weak brands. Marketers should avoid direct comparison between products made in unfavorable
countries (which are manufacturing countries where negative COO-effects are more common among consumers) with manufacturing countries which are more favorable, no matter the firm’s brand strength. While marketing a product made in an unfavorable country, marketers should proactively manage to display the products together with products made in favorable countries for a greater chance to enhance quality perceptions among potential customers Chu et al., (2010, p. 1055).

Several previous studies, among them Wang and Lamb (1980) have concluded that consumers usually view products made in developing countries less favorably (Chu et al., 2010, p. 1056). China is still a developing country (UN World Economic Situation and Prospects 2012, p. 135) which provides an explanation to why products manufactured there are considered as less favorable among consumers, and thereby have more negative than positive COO-effects.

The standpoint of Chu et al. (2010) is that products are evaluated jointly or separately and may influence the effects of brand and COO on product evaluation. Usually customers have the opportunity to evaluate products being presented together, in joint evaluation (JE) mode where they are presented together all at once or in separate evaluation (SE) mode where they are presented one at a time and thereby evaluated separately by the customer (Bazerman et al., 1999; Hsee 1996 cited in Chu et al. (2010, p. 1056). Superior products are assumed to be evaluated higher by the customer when presented individually, for instance as expensive and high involvement products such as luxury cars or other luxury brand products are sold by the firm’s own stores than if they would be sold together with other, lesser products in retailer stores or shopping centers. Conversely, lesser products are assumed to receive higher evaluation when demonstrated together with superior products than if they are demonstrated separately (Chu et al., 2010, p. 1056).

**2.2.6 The significance of COO for low-involvement products**

When consumers are presented to a country-of-origin cue together with other cues, such as price and brand, the effects of COO in their cognitive process can be categorized as the halo effect and the summary construct. Ahmed et al., (2004) describe the COO effects in relation to the cognitive process, in accordance with Hong and Wyer (1989), as when consumers are unfamiliar with the products of a country, the country image functions as a “halo” that immediately affects the consumers’ apprehension about the product which also indirectly affects the overall evaluation of it. The summary construct takes shape as consumers’ inference of a country’s image from its product information, which also indirectly influences brand attitudes (Han 1989 cited in Ahmed et al., 2004, p. 104) and thereby the consumers’ overall apprehension about the product.

A cue can be either intrinsic or extrinsic; intrinsic cues may be taste and design while extrinsic cues constitute of COO, brand and price (Rao and Monroe 1989 cited in Ahmed et al., 2004, p. 104). The decision-making process by consumers regarding the quality of products is based on a systematic process of acquisition, evaluation and integration of product information or cues. Monroe and Krishnan (1985) defined a cue as all informal stimuli available to the consumer before consumption. When intrinsic cues are missing or not easily accessible, there is a tendency for consumers to shirt their reliance into more extrinsic cues (Jacoby et al., 1977 cited in Ahmed et al., 2004, p. 104) which is common in purchasing of low-involvement products since there is a probability that the cost of searching for intrinsic cues in product evaluation may exceed the benefits for the consumers (Zeithaml 1988 cited in Ahmed et al., 2004, p. 104).
Other studies have found that when additional cues are present, the relative importance of COO on product evaluation diminishes (Hastak & Hong 1991; Johansson et al., 1985; Johansson & Nebenzhal;1986). Consumers who lack information about a product rely more on the brand name to infer its quality (Szybillo and Jacoby 1974 cited in Ahmed et al., 2004, p. 105). Research has also shown that an attractive brand name can overweight negative COO-effects in customers’ product evaluation process (Cordell 1993; Erickson et al., 1984; Eroglu and Machleit;1988 cited in Ahmed et al., 2004, p. 105).

There is also a tendency among consumers in developed countries to prefer locally-produced products from their domestic market prior to products from other developed countries, and then products from less developed countries (Ahmed et al., 2004, p. 105). This tendency is closely related to the ethnocentric influence on country-of-origin, assuming that the preference of consumers in developed countries depends on the consumers being more ethnocentric.

Ahmed et al., (2004) found out that COO plays a part in consumers’ evaluation process of low-involvement products but only weakly, which can depend on the products’ characteristics. In their study, hypothesis 1a “brand is of greater importance than COO in evaluating low-involvement products” (Ahmed et al., 2004, p. 107) and hypothesis 3 “Singaporean consumers prefer low-involvement products with the ‘Made in Singapore’ label to low-involvement products made elsewhere” (Ahmed et al., 2004, p. 108) were both accepted. Hypothesis 1b “price is of greater importance than COO in the evaluation of low-involvement products” (Ahmed et al., 2004, p. 107) and hypothesis 2 “a renowned brand name for a low-involvement product will dilute the impact of negative COO (Ahmed et al., 2004, p. 107) were both only partially supported.

Since the researchers investigated the influence of COO on the groceries coffee and bread, the purchasing decision is of minor importance and there is a large tendency among consumers to purchase out of habit, choosing the alternative they are most familiar with or that is most popular (Ahmed et al., 2004, p. 112). This creates an opportunity for comparison between familiarity and typicality; as consumers commonly prefer buying products that are more familiar to them, they prefer buying the products that are more typical to them than other products. This familiarity or typicality is heavily dependent on the product’s country-of-origin; when a product is domestically produced, it is also more familiar to the consumer. It is also dependent on the popularity of the product; as the popularity of a product increases, so does the attractiveness and familiarity of the product for the consumer.
3. Methodology

3.1 The author’s pre-understanding

The author has studied business administration for four years consistently, whereof the latest year has been her first year on the Masterprogramme in Business Development and Internationalization. She has studied marketing on basic level and marketing has been involved in different courses within business development as well. Regarding country-of-origin effects and ethnocentrism that both are sub-topics within marketing and highly relevant for this the topic of this thesis, she has not been familiar with neither of the concepts since before. Neither has the author any pre-knowledge of the natural stones industry. She chose to apply a number of theories that is not too extensive nature for the literature review in an attempt to simplify this complex subject for the reader and to also to remain focus on the main concepts of this thesis relevant for finding solutions to the problem which are country-of-origin effects and ethnocentrism. Even though a wider marketing appliance perspective has been excluded for the reason to remain focus on the main problem of negative COO-effects possibly being caused by ethnocentric tendencies some suggestions for marketing appliance will still be done in the conclusions in providing some practical implications for the case firm.

3.2 Research strategy: Qualitative

To find answers on the research question the author has chosen to apply a qualitative research strategy. This choice is based on the appropriateness of applying a qualitative research strategy to investigate problems of a more complex nature to gain a deeper understanding of them which is what this study aims to do regarding negative COO-effects and ethnocentric tendencies. In support of this choice, ideas of previous research touch upon possible subjective factors of COO-effects and ethnocentrism which supports the author’s choice of a qualitative research strategy since it is more suitable for investigating phenomena of a subjective nature. A few of these subjective speculations will hereby be shortly described. The CETSCALE has been used as a measurement by Mars and Tharp (1990) to analyze potential relationships between consumer ethnocentrism, consumer personality type and the components of subjective norms. Assumptions have also been made by Fishbein and Ajzen (1975) that personality type would mediate in the relationship between consumer ethnocentrism and subjective norms (Martínez et al., 2000, p. 1358). As already mentioned in the literature of this study, Tseng and Balabanis (2011) also demonstrate that factors such as consumers’ personal traits, consumer ethnocentrism, and animosity are believed to have some influence on the [COO] effects and they recommend researchers to be more attentive to those factors to fruitfully contribute to the theory of ethnic and country typicality.

Developing measures of concepts are great parts of qualitative research (Bryman 2012, p. 388), and in answering this research question concepts as COO-effect, ethnocentrism, categorization and typicality all constitute important parts of the research process and methodology. In this study the author has not created the CETSCALE tool from the foundation but rather customized scale created by Shimp and Sharma (1987) so it appropriately focuses on natural stone products and clearly states that the domestic products in concern are Swedish products and that the imported products are Chinese, alternatively European in certain questions. Although the author has not developed any new tool to
measure the tendency of ethnocentrism within the natural stones industry, she has applied the customized CETSCALE as a qualitative tool in order to investigate the potential tendency of ethnocentric attitudes and behaviors among workers within the natural stones industry. If there proves to be a tendency of ethnocentric behavior within the natural stones industry it can be a partial explanation of the negative country-of-origin effects of Chinese natural stones. Thus, it is not the CETSCALE tool in itself that is of any scientific contribution, since it was developed by the researchers Shimp and Sharma in 1987 and it is only used as a tool to measure the tendency of ethnocentric attitudes and behavior, if such tendencies exist among the respondents – in this study, among workers within the natural stones industry in specific.

The arithmetic mean will be applied for the ability to measure the average level of ethnocentric tendencies of responses of the survey. The analysis of data gathered in the survey will be focused on distinguishing outstanding responses and on questions distinguishing animosity toward imported Chinese natural stones.

3.3 Research design: Case study

A case study entails the detailed and intense analysis of a single case (Bryman 2012, p. 66) and may for instance include research on a single organization (Bryman 2012, p. 67). For this study, a case study was chosen as research design due to its focus on one single organization and the specific problem that they are experiencing which is potential clients’ negative apprehension of Chinese natural stones. Case studies typically involve survey research on a single case with a view to revealing important features about its nature (Bryman 2012, p. 76) which is suitable for revealing features about the nature of COO-effects and ethnocentrism in this study, with COO-effects and ethnocentrism being phenomena of complex nature. Both phenomena do not only belong to the field of business administration but also to psychological and especially behavioral studies which, in itself, may indicate that problems related to COO-effects and ethnocentrism may be of highly complex, delicate nature.

In the Oxford Advanced Learner’s Dictionary, a survey is defined as 1, “an investigation of the opinions, behavior, etc. of a particular group of people, which is usually done by asking them questions” or 2, “to study and give a general description of something.” (Oxford Advanced Learner’s Dictionary 2005, p. 1546). Note that in the first definition it says that a survey is an investigation that is usually done by asking the participants questions, this indicates that a survey does not always constitute of questions which means that it might as well constitute of statements which the survey used in this study does. The CETSCALE which has been used to identify the possible tendency of ethnocentrism within the natural stones industry will be described further in chapter 3.9, Research operationalization.

Case studies may be categorized into the following different cases depending on the nature of the case; the critical case, the extreme or unique case, the representative or typical case, the revelatory case and the longitudinal case. In the critical case the researcher has a well-developed theory and the case is chosen to gain a better understanding of certain circumstances in which the hypothesis will and will not hold. The extreme or unique case simply holds an intrinsic interest which makes it essentially unique. The opposite of this is the representative or typical case which is of much broader nature which may be a chosen method since it exemplifies a broader category of which it is a member. Bryman prefers referring to this category as an exemplifying case instead of representative or typical since attributes of representativeness and typicality may lead to confusion (Bryman 2012, p. 70).
The revelatory case includes a researcher’s opportunity to investigate a phenomenon that has previously been inaccessible to scientific investigation. Finally, the longitudinal case contains a phenomenon that is appropriately studied over a longer time period (Bryman 2012, p. 70). A case can also consist of a combination of the described case attributes. In an attempt to categorize the nature of the case in this study, it is not an extreme case since this is not the first case study of country-of-origin effects. However, the focus of this study on imported natural stones products and how they are perceived by consumers on the Swedish market is a unique attribute of this case study. The case cannot be categorized as revelatory since the topic of country-of-origin effects has not been inaccessible to scientific investigation, there is only yet limited research on the topic for other reasons. This is clearly not a longitudinal case either since the phenomenon of consumers’ negative perceptions of imported Chinese natural stones has not been studied over a longer time period but only for two months. Despite the unique attribute of the natural stones market which is in focus of this study, it can be applied in other research on the topic of country-of-origin effects and to a broader extent, such as in research on consumer behavior and purchasing behavior. This attribute makes this study a representative or exemplifying case.

3.4 Sample

The sample constitutes of respondents of the CETSCALE survey and respondents to an e-mail interview. Both the survey and the e-mail interviews were sent to workers within the natural stone industry but the interview questions were not sent to workers who had already responded to the survey. Instead, the survey was sent to workers who specifically work with ground work and purchasers of stone products for the larger probability that they would have the knowledge needed to respond to the interview questions which also demanded a deeper knowledge of the material and the industry than the questions in the survey did. Thus, the purpose of the interview questions was to gather knowledge on a deeper level of the problem of negative country-of-origin effects for the ability to draw more reliable conclusions and to support the author’s practical recommendations to the case firm. Two different sample methods were chosen for the ability to make more comparisons. The sample is the segment of the population that is selected for investigation (Bryman 2012, p. 187). The research question is likely to provide guidelines as to what categories of people or unit of analysis is needed to be the focus of attention and therefore sampled (Bryman 2012, p. 416). The phenomena of negative COO-effects and ethnocentrism do not only occur within the natural stones industry but this study investigates a problem closely related to these phenomena within the natural stones industry in specific. For that reason, a non-probability sampling method was used to find respondents both to the survey and the e-mail interviews. The non-probability sample represents a sample that has not been selected using a random selection method, implying that some units in the population will more probably be selected than others (Bryman 2012, p. 187). A sampling error is an error in the findings deriving from research due to the difference between a sample and the population from which it is selected. This may occur even if a probability sample has been used (Bryman 2012, p. 187). This implies that there is no larger risk that there is any sampling error in the sample of this study due to the fact that a non-probability sample was used instead of a probability sample. Due to the research question and thereby the focus of this study, a probability sample had not been fruitful.

Probability sampling is likely to be a needed sampling approach for the researcher if it is important for the ability to generalize the results of the study to a wider population. This might occur when the audience for one’s work is one for whom generalizability in the
traditional sense of the word is important (Bryman 2012, p. 416). Since the author of this study is writing on commission of a firm, it is the firm that is the main audience of this work, but the main interest of the firm is not the ability to make generalizations but rather to get a fair view of the size of the problem of negative COO-effects of Chinese imported natural stones and to gain some understanding of the problems nature, where the clients’ ethnocentric tendencies play a great part.

The researcher selected the sampling area based on geography, which is deliberately limited to Sweden since the firm only operates domestically. For the sampling of participants the researcher only sought to generate one sample (Bryman 2012, p. 417); which is industry specific to natural stones. The respondents of both the survey and the e-mail interviews are spread over Sweden. The sample consists of 2,089 workers within the natural stone industry who sometime have been in contact with the Swedish natural stone importer, many of them being clients to the firm, and the sample was chosen by the case firm who provided the author with a file containing all their saved e-mail addresses to clients. The sampling of areas and then participants is a common strategy used in qualitative research (Bryman 2012, p. 417).

There is another dimension of sampling in qualitative research that is worth examining, concerning the different contexts within which interviewing or observation take place. For instance, the significance of time which means that the ethnographer must make sure that people or events are observed at different times of the day and different days of the week; to not do so would risk drawing interferences about certain people’s behavior or events that are valid only for a certain time of the day or a certain day of the week (Bryman 2012, p. 427). However, the author does not find such ethnographic considerations important in this study since the measured phenomena of ethnocentric tendency is a contextual matter deriving from individuals’ upbringing and social surroundings rather than an ethnographical matter. Peoples’ behavior is influenced by contextual factors, therefore it is important to ensure that such behavior is observed in a variety of locations and contexts (work, general socializing), which may involve observations at different times (Bryman 2012, p. 427). Nevertheless, due to the limited time frame this study, the clients’ purchasing behavior due to contextual factors depending on various locations and different times was not possible to perform.

3.5 Reasoning: Abductive

Abductive reasoning is based on a theoretical understanding of the contexts and people that are under investigation. This reasoning is based on the language, meanings and perspectives that form their worldview. The crucial step in abduction is that, having described and understood the world from his or her participants’ perspectives, the researcher must come to a social scientific account of the social world as seen from those perspectives. Also, arriving at a social scientific account must not lose touch with the world as it is seen by those whose voices provided the data. The abductive reasoning has its influence of inductive reasoning. What distinguishes abduction is the theoretical account which is grounded in the worldview of those concerned by the research (Bryman 2012, p. 401).

Some procedures for analyzing qualitative data are highly structured while others adopt a much lower level of structure. Additionally, some analysis approaches are associated with specific rules, while others rely more on the researcher’s interpretation. As an example, grounded theory is a structured approach to analyzing qualitative data; it is based on rules and is principally inductive. Saunders et al., (2012) demonstrate three dimensions of qualitative analysis which can facilitate the comparison between different qualitative analysis procedures,
these dimensions are presented in the following figure. The figure has been customized for this study with pointers indicating what direction the data of this study has taken.

Less structured \[\rightarrow\] More structured
Relies on interpretation \[\rightarrow\] Relies on rules
Inductive \[\rightarrow\] Deductive

**Figure 3:** Dimensions of qualitative analysis (Saunders et al., 2012, p. 556).

As one can distinguish from the figure, the data of this study is leaning to the direction of less structured. This is due to the fact that the data is subjectively based on individuals’ personal experiences of using imported Chinese natural stones in their construction work. This sets the foundation for the next dimension which thereby confirms that the data very much relies on interpretation by the researcher since qualitative data is not easily interpreted by rules.

A topic about which there is a wealth of information in one context but far less in the context which you are researching may lend itself to an abductive approach enabling you to modify an existing theory (Saunders et al., 2012, p. 148). One risk with both induction and abduction is that no useful data patterns or theory may emerge. Abduction begins with the observation of a ‘surprising fact’ and then works out a possible theory of how it may have occurred. These surprises may occur anytime during the research process (Saunders 2012, p. 147).

### 3.6 Data collection

As described in subchapter 3.4, Sample, the survey was sent to 2,089 workers within the natural stone industry who sometime have been in contact with the Swedish natural stone importer, some of them being clients to the firm. The case firm contributed to the data collection process by providing the author with a file containing all their saved e-mail addresses to clients. Despite the large number of e-mail addresses, with the survey being sent to all of them, not all of the e-mails containing the link to the online survey reached the recipients; 400 of them bounced which gives a bounce rate of 19%. Only 105 of the recipients chose to participate in the survey which gives a response rate of 5%. The response rate was quite low but still acceptable with consideration to the limited time frame of two weeks for collecting data. The following figure demonstrates the number of e-mails sent, bounced and responses on the online survey.

**Figure 4:** The response rate of the survey.
In addition to the online survey, the e-mail interviews were sent to workers within the natural stone industry aiming to gathering data on a deeper level of the problem of negative COO-effects of imported low-involvement products. They were sent to seventeen workers who work specifically with ground work, except one architect which the interviewed co-owner of the case firm already had suggested the author to contact for an interview because of her known negative apprehension of imported Chinese natural stones. Despite her different occupation she has been in contact with clients to the case firm since she plays a role in the decision making process of some purchasing decisions for projects which she has delineated for them. How both the online survey and the e-mail interviews were conducted will be described further in detail in chapter 3.9, Research operationalization.

It is questionable whether online surveys should be regarded as structured interviews or as self-completion interviews since they contain elements of both. Web surveys have an important advantage over e-mail surveys because they can be constructed in different formats, with different answering alternatives and with different design attributes. There are also more advanced features of web surveys, such as automatic redirection to the next question, or to skip a question depending on what answer the respondent has given (Bryman 2012, p. 671). The e-mail interviews in this study were constructed as an online survey using the Google Survey in Google Drive and were embedded in the e-mails sent to the interviewees, advantages of using this method for the e-mail interviews will be described in chapter 3.9 “Research operationalization.”

Triangulation entails using more than one method or source of data in the study of social phenomena. Triangulation can be utilized in different parts of the study; as multiple observers, theoretical perspectives, sources of data, and methodologies but the emphasis is usually on methods of investigation and sources of data (Bryman 2012, p. 392). This study comprises triangulation since two different types of data gathering have been applied; a survey and interviews which strengthens the value of the empirical results. The empirical results from the online survey and the e-mail interviews will later on be analyzed using analytic induction in chapter 5.2 “Analysis: Analytic induction.”

3.7 Epistemology: Hermeneutics

Hermeneutics refers to an approach that was originally devised in relation to the understanding or interpretation of texts and of theological texts in particular, it is seen by its modern advocates as a strategy that has potential in relation both to texts as documents and to social actions and other documentary phenomena (Bryman 2012, p. 560). In this research hermeneutics is applied to interpret the information gathered in both the online survey and the answers from the e-mail interviews with the aim to increase knowledge of country-of-origin effects of imported low-involvement products for an improved understanding of consumers’ purchasing behavior.

3.8 Ontology: Constructionism

Instead of seeing culture as an external reality that acts on and constrains people, it can be taken to be an emergent reality in a continuous state of construction and reconstruction (Becker 1982 cited in Bryman 2012, p. 34). Constructionism is also commonly used as a term that reflects the indeterminacy of our knowledge of the social world. However, Bryman applies the term constructionism in connection with the notion that social phenomena and categories are social constructions (Bryman 2012, p. 34). For this research constructionism is applied as ontology, it is appropriate since categories and social constructions are great parts
ethnocentric values and purchase behavior. Consumers construct their ethnocentric values and purchase behavior based on socioeconomic, demographic, geographic, and regional economic factors but also on personal attributes such as knowledge and expertise and also feelings, which are highly subjective and therefore more difficult to distinguish and explain.

3.8.1 Reflexivity
There are several different interpretations of reflexivity in the social sciences. The term is employed by ethnomethodologists to refer to the way in which speech and action are constitutive of the social world in which they are located; they do more than merely act as indicators of deeper phenomena. Reflexivity also refers to the researcher’s cultural, political, and social context. Thereby, ‘Knowledge’ from a reflexive position is always a reflection of a researcher’s location in time and social space (Bryman 2012, p. 393). In this study, the author would like to emphasize the first definition given of reflexivity since the qualitative data that has been gathered may contribute to significant understandings of the phenomena of negative COO-effects of Chinese natural stones.

3.9 Research operationalization
The measurements chosen to measure the concept that is in interest of the researcher is commonly referred to as the operationalization (Bryman 2012, p. 161). For this research the concepts of interest are COO-effects, ethnocentrism and categorization and with focus on ethnocentrism. To investigate the phenomenon of ethnocentrism, the researcher chose to apply the well-known CETSCALE which has been successfully applied in researches by not only the creators of it, Shimp and Sharma, but also Martínez et al., among others. The research by Shimp and Sharma has been discussed in the research by Martínez et al., among other researchers. The aim of the research by Shimp and Sharma (1987) was to create a psychometrically rigorous scale for investigating the concept of consumer ethnocentrism among American consumers. Historically, in America, American-made products had set the standards of product quality and when products began to be imported, all the imported products were being compared to American products by customers. Already then, there were customers who refused to buy imported products and some of their main arguments for their refusal were that buying foreign goods puts Americans out of work, it damages the American economy and that it is unpatriotic (Shimp & Sharma 1987, p. 280). Now this is an American example but individuals base their decisions on the same social- and psychological influences so it is likely that similar arguments against buying imported products are common in Sweden as well.

In their research Martínez et al., customized the original CETSCALE by adjusting the questions to make them fit the purpose of their study. These researchers also wrote all questions in Spanish to better fit their target respondents who were Spanish consumers. In this study the CETSCALE contains statements written in English but they are customized to fit the purpose of this study, concerning the natural stones industry. Shimp and Sharma’s (1987) CETSCALE has been an applicable tool to measure the influence of threat on the mentioned influences on purchase behavior. In the original CETSCALE the response format was a 7-point Likert-type scale (where strongly agree = 7 and strongly disagree = 1 and the range of scores is from 17 to 119). The requirements for a Likert scale are that the items must be statements and not questions, they must all relate to the same object (in this online survey the object is ethnocentric tendency) and the scale items should be interrelated (Bryman 2012, p. 166). The interrelation of the statements proves consistency of the scale and is important for
the internal reliability which is clear if respondents’ scores on any one item tend to be related to their scores on other items (Bryman 2012, p. 169).

However, for this research the author has instead chosen to collect Yes and No answers instead of numerical values on the statements of the online survey, aiming to get a clearer view of the tendency of ethnocentrism and thereby distinguishing what tendencies may contribute the most in customers’ cognitive formation of negative COO-effects of Chinese natural stones. All statements of the CETSCALE survey in this study are of qualitative nature and are created by the author for the ability to distinguish ethnocentric tendency and animosity among the responses. By the employment of a Likert scale the respondent must demonstrate to what extent she agrees or disagrees with the statement by choosing the numerical value which represents her agreement or disagreement. The responses are easily quantifiable and subject to calculation of mathematical analysis. Since it does not require the respondent to provide a Yes or No answer, it does not require her to take a stand on the particular topic but instead allows her to respond in a degree of agreement (psyc450wordpress.com, 2014). In this study the ability to clearly distinguish ethnocentric tendencies is essential, which is heavily dependent on the respondents taking a stand on each statement and it is for that reason that the author considers it as the most appropriate choice to gather Yes and No answers where ethnocentric tendency is by far clearer to distinguish than from quantitative data where the respondents are not required to take a stand on the statements. It had also been possible to distinguish ethnocentric tendencies from numerical values; however it would provide the respondent with the possibility of choosing a value in the middle of the two extremes which had not distinguished any ethnocentric tendencies as clearly as an answer that only can be one of the two extremes.

Shimp and Sharma (1987), suggested researchers to investigate how socioeconomic, demographic, geographic, and regional economic factors influence early childhood socialization of consumer ethnocentric values and what role these variables have during adulthood in accentuating ethnocentric tendencies. Partly following their suggestion, the author has taken some demographic- and regional factors into account in the analysis of responses on the online survey. Note that economic factors have not been taken into account for the reason that this study is only an introduction to the problem of negative COO-effects on the Swedish market. Shimp and Sharma (1987) also suggested measuring the influence of threat on consumers’ attitudes, buying intentions, and actual purchase behavior toward foreign-made products. The author considered this recommendation as an important part in the process of identifying the tendency, if there is a tendency, of ethnocentric attitudes and behavior among workers within the Swedish natural stones industry against imported Chinese natural stones. This tendency is distinguished in some of the statements in the CETSCALE, namely statement number 1, 9-13 and 17; the respondents’ answers on these statements in particular distinguish if there is a tendency of ethnocentric attitudes, beliefs and behavior among the respondents. The first statement followed by statement number 9-13 and 17 all concern the respondent’s feeling of threat on her attitudes, buying intention and actual purchase behavior toward natural stone products that have been manufactured in China and imported to Sweden. Please see appendix 1 to read the full statements.

Shimp and Sharma created the CETSCALE in the lack of a tool with the ability to investigate consumers’ ethnocentric tendencies related to their purchasing behavior. They considered that the California ethnocentrism scale created by Adorno et al., in 1950 is not relevant to study consumer behavior. Later created scales to measure ethnocentrism have been created by for example Warr, Fraust and Harrison (1967) and Chang and Ritter (1976) but they also lack
relevance to the study of consumer behavior and marketing phenomena (Shimp & Sharma 1987, p. 281).

No recently created scale or any other form of tool to investigate the phenomenon of ethnocentrism was found by the author of this study. Nevertheless, in the beginning of the literature search the aim was not to find a specific measurement of ethnocentrism, it was only to find relevant research to gain a deeper insight of the problem of negative country-of-origin effects. Later on in the literature search country-of-origin effects were found to be connected to the phenomenon of ethnocentrism in research by, for instance, Shimp and Sharma (1987) whose aim was to measure ethnocentric tendencies. Martínez et al., also, as previously described, found the CETSCALE to be a reliable and valid tool in their study of Spanish consumers’ ethnocentric tendencies (Martínez et al., 2000, p. 1368). In specific, they found it to be applicable for marketers to decide whether or not it is appropriate to include patriotic keys in advertisements. This helps the firm to determine in which situations the product’s packaging should include messages of the country-of-origin and which situations it should not (Martínez et al., 2000, p. 1369).

Additionally, regarding the literature search, in the titles and abstracts of many academic articles the CETSCALE was mentioned and applied as a tool of investigating ethnocentrism which increased the reliability of applying it as a tool of investigating the phenomenon in this study as well. Thus, the author chose to apply the CETSCALE created by Shimp and Sharma in 1987 based on the following reasons; the lack of other previously tested and thereby reliable measurements of ethnocentric tendency, the experience of the researchers Martínez et al., as a reliable tool of the phenomenon and finally, the anticipation of the CETSCALE to a great extent in previous research. If consumers have a tendency of being ethnocentric they are more likely to hold negative country-of-origin views of imported products.

After collecting information from the online survey the author draw conclusions of the data which could be applied in the research where the author was interested in answers that were outstanding from the others; the author made diagrams expressing the results of all the collected answers and used the answers that contributed the most to the research which will be described further in the analysis, chapter 5.2, and the discussion, chapter 6.

It is important to distinguish between embedded and attached e-mail questionnaire surveys. The main advantage of an embedded questionnaire is for the respondent to return to the researcher which requires less computer expertise. Besides that the respondents’ limited computer expertise may make it too difficult for them to respond to the survey in an attached file and then return it to the researcher there are other problems that also may arise, such as problems with their operating systems or software which causes troubles to open and read the document. Some respondents may also refuse to open the attachment because of concerns about receiving a virus on their computer (Bryman 2012, p. 670). For this investigation, the survey was a web survey embedded in the e-mail sent to the interviewees, providing the possibility for them to respond to the questions directly in the e-mail and send it back to the sender. The interviewees could also respond to the survey online by clicking on a link in the e-mail which redirected them to the online survey.

The author chose to write the interview questions in a Google formulary which provides the author with the responses from all interviewees in an Excel file in Google drive. The automatic generation of answers into the Excel file facilitated the process of transferring the data into an analysis scheme which will be presented in chapter 5.2, Analysis: Analytic induction. The majority of the interview questions were constructed in such way that they allowed the interviewees to give long answers where they could discuss their views on
imported Chinese natural stones. Despite this aim and the construction of the interview questions, the interviewees chose to give quite short answers. This may partly depend on their limited time frame of a week to respond to the questions, and for a few of the respondents the time frame was even shorter - only a few days since they were contacted later in the lack of responses from the workers contacted at first. The lack of longer interview answers may also depend on how the interviews were conducted. Since they were conducted through e-mails the author did not have the possibility to ask the questions face-to-face with a greater ability of asking follow-up questions and to interpret the respondents’ facial- and emotional expressions in their answers. No follow-up questions were asked through e-mail or telephone because of the limited time frame in complementing the study with data gathered from these conducted interviews. Even so, the respondents were given the opportunity to raise additional thoughts on the matter in the last question of the interview formulary which only a third of the respondents chose to do.

3.10 Limitations to the research

Qualitative research may be too subjective, difficult to replicate, problematic to generalize and have a lack of transparency (Bryman 2012, pp. 405-406). Regarding this study, it is firstly geographically limited to the country of Sweden and to the industry of natural stones. Secondly, it does not take a holistic view of the marketing area into consideration since it would exceed the limitations provided by the business administration institution, such as time frame of the research and page numbers of the report. Therefore, the area of marketing investigated is limited to branding. The author found branding as a necessary aspect of marketing for the firm to reach higher brand recognition; if the brand would be better known as a quality brand of natural stones, then clients may not question the products’ country-of-origin and thereby its quality. These limitations are directly based on the research question; “What underlying reasons are found for why consumers prefer purchasing domestic low-involvement products to imported low-involvement products due to the products’ country-of-origin?” In addition to the research question, to limit the area of research further, the author chose to formulate four propositions which gave further guideline in the empirical research. The propositions limited this research to consumers’ perceptions of products’ quality in relation to their prices, ethnocentrism and environmental- and CSR concerns.

3.11 Trustworthiness

The validity of the research method depends on the objectivity of the research, the ability to generalize the results and the reliability of the research. The following four criteria must be met for the social scientific research to be considered as trustworthy; credibility, transferability, dependability and confirmability and they will hereby be described in the following paragraphs.

Credibility

The credibility is equal to internal validity which entirely depends on the honesty of the online survey respondents. Since the respondents were informed that they are anonymous in the research, I wish they have answered the statements with honesty and trust in me as a researcher. But their anonymity does not guarantee their faith and trust in me and my study; therefore I cannot guarantee that this research is fully credible.
Transferability
The transferability is equal to external validity, which is not valid since the sample reflects a selection of that is only representative for the industry since they are working as architects, contractors and purchasers of natural stones and is not possible to make generalizations of the research results beyond the chosen research context. Therefore the sample does not result in transferability.

Dependability
Dependability is equal to reliability which concern if the results are likely to apply at other times. There is dependability since it is possible to apply the research in other research regarding COO-effects, especially among Swedish purchasers of imported raw material or processed natural stone products.

Confirmability
Confirmability is equal to objectivity (Bryman 2012, p. 49). The objectivity of this research is quite high since the data was collected from an online survey and e-mail interviews which may result in a higher objectivity than for instance deep interviews where the interviewees can be more deliberate with their answers. Although the research strategy reflects certain objectivity the research is still focused on a subjective matter, COO-effects, where subjective influences as personal feelings may affect the individuals’ decision making in their purchasing process which proves that the research is not entirely confirmable.

There are alternative quality criteria for qualitative research formulated by different researchers. For instance, Lincoln and Guba suggest four criteria for authenticity to raise a wider set of issues regarding a wider political impact of the research. These criteria are fairness, ontological authenticity, educative authenticity, catalytic authenticity and tactical authenticity. However, these criteria have not been influential since their emphasis on the wider impact of research is controversial. The authenticity criteria have some relation to action research which has not been commonly used within social research since its emphasis lies on practical outcomes (Bryman 2012, p. 393). Further on, regarding recent discussions on quality criteria for qualitative research, Bryman (2012) presents a proposition of quality criteria established by Yardley (2000). These criteria are considered as more appropriate to be applied for this research and will now be presented.

3.12 Quality criteria for qualitative research by Yardley
Another approach to investigate the validity of qualitative research consists of the following four validity criteria established by Yardley (2000).

Sensitivity to context
The sensitivity does not only refer to the context of the social setting in which the research is conducted but also to potentially relevant theoretical positions and ethical issues (Bryman 2012, p. 393). The social setting in which the study has been conducted takes place in the natural stones industry since the problem of this study is investigating exists within this particular industry. Relevant theoretical positions have been taken and connection to previous research has been made in the chapter of the literature review. Ethical issues will be concerned in the following subchapter, 3.14.
Commitment and rigor
Substantial engagement with the subject matter, having the necessary skills and through data collection and analysis (Bryman 2012, p. 393). Evidence on substantial engagement with the subject matter are found throughout this study, from its starting point in the research question, followed by relevant propositions and theory and appropriate methodological-and analysis choices.

Transparency and coherence
Research methods clearly specified, clearly articulated argument, and a reflexive stance (Bryman 2012, p. 393). The research method of a case study is clearly specified and argued for. A reflexive stance has also been taken as described in chapter 3.8.1.

Impact and importance
Importance of having an impact on and significance for theory, the community on which the research is conducted and for practitioners (Bryman 2012, p. 393). Theoretical- and practical contributions will be demonstrated in chapter 7, Conclusions, emphasizing the impact and importance of the study.

3.13 Research ethical reasoning
The firm its co-owners chose to be anonymous in this research. When the author sent the online survey to workers within the natural stone industry she explained that it was sent on the behalf of a Swedish natural stones importer and that she had received the e-mail address from that firm. She also explained the purpose of the study and that the recipients’ participation would be appreciated, but was not an obligation, and that their answers were anonymous and were only going to be used in a summary of the investigation in this research of a Master thesis. Finally, the research will be published in the database for thesis of Umeå University; http://umu.diva-portal.org/smash/search.jsf. The Research Ethics Framework (REF) gives the following six principles on ethical framework:
1. “Ethical research is of high quality. Thus, if a study is poorly designed, quite aside from the fact that it almost certainly wouldn’t receive financial support from the ESRC, it’s considered as unethical.”
2. “Research staff and subjects must be informed fully about the purpose, methods and intended possible uses of the research, what their participation entails and what risks, if any are involved.”
3. “Confidentiality of information must be maintained and anonymity of participants respected.”
4. “The involvement of research participants must be entirely voluntary.”
5. “Harm to participants must be avoided in all circumstances.”
6. “The independence of research must be clear, and any conflicts of interest or partiality must be explicit.” This draws attention to the possible role of affiliation bias to some writers on ethics in research draw attention (Bryman 2012, p. 146). By fulfilling all the ethical criteria’s above my research is considered as ethical.
4. Empirical results

4.1 Presentation of data
The online survey was written in English and the answers were thereby collected in English. Despite the fact that this study is written in English, the interviews were conducted in Swedish. The reason for this was to avoid linguistic misinterpretations since it was assumed by the author that not all of the interviewees have the same knowledge in English. Therefore, the data collected from the interviews will be presented in Swedish but this data will also be presented in English in the analysis chapter 5, analysis of empirical results. The data will not be presented here however, it is found in appendix 3 since it could not be presented in a more summarized table than it already is in appendix 3.

The data gathered from the online survey is even more extensive, consisting of 105 responses, and has for that reason been summarized in diagrams which are presented in appendix 4. Thus, the reader is referred to appendix 3 for the presentation of data from the interviews and appendix 4 for the data gathered from the survey before continuing to the next chapter where the empirical results will be analyzed.

5. Analysis of empirical results

5.1 Evaluation of different techniques of analyzing qualitative data
As it implies, a secondary analysis of data is an analysis of data where the researcher has probably not been involved in the data gathering process (Bryman 2012, p. 312). As this study only contains data which has been gathered by the researcher, a secondary analysis is therefore not applicable for the analysis of survey answers or interview answers since they are both primary data.

Thematic analysis is one of the most common techniques to analyze qualitative data. As in thematic analysis, the search for themes in the data can be found in most qualitative data analysis techniques, such as grounded theory, critical discourse analysis, qualitative content analysis, and narrative analysis. The main critique against thematic analysis is that it is not an identifiable approach (Bryman 2012, p. 578). For the analysis of interview answers narrative analysis was not considered as appropriate either. Narrative analysis is a technique commonly applied to analyze data gathered from individuals, often in the form of stories, about themselves or events by which they are affected, found in their lives and surroundings. Narrative analysis focuses not only on what actually happened but more on how individuals make sense of what happened (Bryman 2012, p. 582). Since the interviews in this study were conducted as e-mail interviews, without the natural opportunity of asking follow-up questions face-to-face, the interviewees have not given information about their experiences of Chinese natural stones in a story-telling setting. Narrative analysis had been a more appropriate analytical tool to apply in this study if the interviews had been conducted face-to-face with the interviewees since that had provided the interviewer with the opportunity to ask follow-up questions in a more natural setting.
Grounded theory is described as ‘theory that was derived from data, systematically gathered and analyzed through the research process. In this method, data collection, analysis, and possibly theory stand in close relationship to one another’ (Strauss and Corbin 1998 cited in Bryman 2012, p. 387). There are two main features of grounded theory being concerned with the development of theory out of data and the approach is recursive, referring to the data collection and analysis being conducted in parallel, repeatedly referring to each other. There is a problematic stance to grounded theory which is that it is not considered as a theory, rather as an approach to the generation of theory out of data. Another aspect on grounded theory is that it usually is applied to generate concepts rather than theory (Bryman 2012, p. 387). With these two aspects on grounded theory in mind, the author of this study has not chosen to utilize grounded theory for the analysis of data since the author’s focus is on generating theory and not concepts. The concepts country-of-origin effects and ethnocentrism are essential features in this study but they are used as tools in the process of increasing knowledge of the phenomena of negative COO-effects of Chinese imported stones. Note, these concepts are not utilized aiming to generate new concepts.

Analytic induction is a technique of analyzing data in which the researcher seeks universal explanations of the phenomena by pursuing the collection of data until no cases inconsistent with a hypothetical explanation (deviant or negative cases) of a phenomenon are found (Bryman 2012, p. 567). Analytic induction is defined by Saunders et al., (2012) as the “analysis of qualitative data that involves the iterative examination of a number of strategically selected cases to identify the cause of a particular phenomenon” (Saunders et al., 2012, p. 665). Analytic induction has its emphasis on developing and testing propositions, note that both analytic induction and grounded theory are inductively grounded in participants’ data rather than existing knowledge and theory. In the process of analytic induction, data is collected from an initial case study, through interviews or observations. These data will then be analyzed to identify categories and to recognize relationships between them to develop an initial definition of a proposition that seeks to explain the phenomenon. This initial proposition is then tested though the purposive selection of a further case study, involving additional interviews or observations (Saunders et al., 2012, p. 574). Analytic induction is an appropriate analytical tool for the qualitative data of this study, not only because of its emphasis on developing and testing propositions but it is also appropriate for analyzing case studies, for instance through interviews which is one of the data collection methods that are included in this study. Another advantage of utilizing analytic induction for the analysis of qualitative data in this study is the possibility to identify categories, such as different categories or levels of ethnocentrism in this case; and relationships as the relationship between negative COO-effects and ethnocentrism. For these reasons, the author has chosen to apply analytic induction to analyze the collected data.

5.2 Analysis: Analytic induction

Case study researchers commonly argue that they aim to generate an intensive examination of a single case, in relation to which they then engage in a theoretical analysis. The main focus is the quality of the theoretical reasoning in which the case study researcher engages, including how well the data support the theoretical arguments that are generated and if the data demonstrate connections between different conceptual ideas that are developed out of the data. Additionally, the emphasis is not on generalization to a wider application but instead on how well the researcher generates theory out of the findings. By Yin (2009) this is referred to as ‘analytic generalization’ and J. C Mitchell (1983) refer to this as ‘theoretical generalization’. Adler & Adler (1985) state that a case study is not necessarily associated with
an inductive stance; it can be associated with both theory generation and theory testing (Bryman 2012, p. 71). The analysis process of analytic induction is demonstrated in the following figure.

Figure 5: The process of analytic induction.

Analytic induction begins with a rough definition of a research question, proceeds to a hypothetical explanation of that problem, and then continues on to the collection of data (examination of cases). If a case that is inconsistent with the hypothesis is encountered, the analyst either redefines the hypothesis so as to exclude the deviant or negative case or reformulates the hypothesis and proceeds with further data collection (Bryman 2012, pp. 566-567). As Bryman (2012) describes the process of analytic induction, it begins with the research question which is “What underlying reasons are found for why consumers prefer purchasing domestic low-involvement products to imported low-involvement products due to the products’ country-of-origin?” The research leads to a hypothetical explanation of the problem which in this case is formulated as four propositions:

The first proposition is based on the case firm’s involvement in CSR through the organization TFT and their own initiatives to actively contribute to improve the working conditions for the Chinese quarry workers, especially to make their working conditions safer. It is not yet common among stone manufacturers or stone importers to engage in CSR, as described in the problem background the case firm is the only Swedish importer of stone that is a member of TFT and the total number of members of firms worldwide within the stone industry is also very limited. Despite this, since CSR has become increasingly popular among firms and consumers have also understood its value, the first proposition assumes that CSR is of importance for the firm’s customers; P4: “The seller’s involvement in corporate social responsibility (CSR) is considered as important for potential customers in choosing a supplier.”

The second proposition has its influence of theory by Wei and Li (2009) who demonstrate the fact that China has not yet become recognized as an innovative country building strong brands which, together with low pricing strategies, contributes to a shortage in country of origin effect. Here the low pricing strategy plays a great part of influence on a shortage in COO-effects; by shortage means negative. The significance of low pricing strategies on Chinese natural stones is investigated through the second proposition; P2: “The significantly lower
price of a product is seen as an indicator of the product’s quality, with the belief that it reflects poor quality of the product.”

Since environmental concerns, just as CSR, have become increasingly important for customers it is expected by the researcher to be an influencing factor of negative COO-effects on imported natural stones. It is likely that Swedish purchasers of natural stones prefer purchasing Swedish natural stones to avoid environmental pressure caused by shipping natural stones for the long distance from China to Sweden. For that reason this is concerned by the first proposition, P1: “Shipment of products for a long distance is an environmental concern for consumers.”

In this third step of the analytic induction the collected data will now be examined. The examination of data will begin by examining the data collected from the online survey and then continue by examining the data collected from the interviews which will provide a deeper understanding of the problem of negative COO-effects of Chinese imported natural stones.

From the survey 105 answers were collected with the response rate of 5%, as mentioned before this is considered as acceptable by the author since it includes above 100 responses. Additionally, there is a difficulty of getting responses from individuals because they do commonly not feel obligated to take time to participate and thereby helping a stranger. The figure in the end of this page demonstrates the number of respondents of different genders. There is no balance between males and females in the industry where males are dominantly constitute 87 % of the responses. The large difference in response rate between genders in the industry lowers the reliability, and thereby the validity, of the investigation due to lowered variation as gender is a demographic factor. Although the industry of natural stones and the construction industry are male dominated industries in Sweden it would be wishful in future research to gather responses from more female respondents for the ability to distinguish demographic differences, if any, between the answers of the male- and female respondents. The number of responses in this survey is too low to distinguish any significant difference on the level of ethnocentrism between males and females. With support of Hung (1989) cited in Ahmed et al., (2004, p. 105), there is no evidence from previous studies in western countries that there is any difference between males’ and females’ use of country-of-origin in their process of product evaluation. The empirical results of this study are consistent with the evidence by Hung (1989). However, the number of female respondents is too low to be able to make a justified assessment of this. It would still be interesting to investigate possible demographical differences further, on a larger number of respondents.

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![Gender of respondents](image)

- Male 87 %
- Female 13 %
Figure 6: Gender of survey respondents.

No calculation on how ethnocentrism may differ between different ages was made either because of the great number of respondents of the same age-span. For this reason the researcher chose to not calculate the level of ethnocentrism between different ages of respondents. However, since the total level of ethnocentrism also was calculated on average, all of the respondents were included in the category of low ethnocentrism. The following table will demonstrate the different age-spans in percentage of the survey respondents.

<table>
<thead>
<tr>
<th>Age Span</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-30 yrs</td>
<td>6%</td>
</tr>
<tr>
<td>31-40 yrs</td>
<td>22%</td>
</tr>
<tr>
<td>41-50 yrs</td>
<td>30%</td>
</tr>
<tr>
<td>51-65 yrs</td>
<td>42%</td>
</tr>
</tbody>
</table>

Table 3: Age-spans in percentage (%) of the survey respondents.

The following figure demonstrates the percentage of respondents representing their different occupations. The occupations architect, contractor and purchaser as alternatives in the survey based on the information given from the firm; these groups represent their main clients.

Figure 7: Occupations of the respondents’.

In order to measure the of ethnocentrism, the researcher began with counting the number of ethnocentric answers of each respondent for all questions; all Yes answers were counted as ethnocentric, since the Yes and No statements distinguish if the answer is ethnocentric or not. For instance; if one respondent answered Yes on eight of seventeen questions, the researcher divided eight with seventeen to get the respondent’s level of ethnocentrism in percentage ($8/17 = 0.47 = 47 \%$ ethnocentric). The researcher repeated this procedure for all respondents of the survey, added all numeric data together and divided it by the total number of respondents (105). This calculation procedure was repeated for each of the ethnocentric groups (non-, low-, ethnocentric- highly- and extremely ethnocentric) which were determined by levels of percentage as well. The following figure displays the result of this calculation of levels of ethnocentrism.
In the investigation of the origin of ethnocentrism, the researcher chose to measure levels of ethnocentrism in the different Swedish regions from where the answers were collected to distinguish if there are any geographical differences. The results are presented in the following figure where Northern Sweden dominates the representation of low ethnocentrism among respondents; no low ethnocentric answers were found among respondents in other regions of Sweden. Despite that, non-ethnocentric answers were found in not only the North, but also in the Middle of Sweden. The next item, ethnocentrism in a less outstanding form, was found in all three of the regions, although the lower level in the South may depend on the lower number of southern respondents. Although this research is limited to Sweden, a few respondents were of a different country-of-origin and since they are living in Sweden the researcher chose to include their answers under the category “other countries” in the diagrams rather than counting their answers as fall-offs. The foreigners’ answers are especially valuable in the investigation of geographical differences since it provides a clearer geographical contrast of this matter. In this measurement, only 1 % of the respondents were highly ethnocentric and that percentage is of foreign origin. What is especially of interest here is that the only regions are the North- and the South of Sweden; it is remarkable that those regions are located in the opposite sides of Sweden and still share the same values on some of the items. One conclusion that the researcher can draw from this is that ethnocentrism, in no extreme way (either high or low), exist in all Swedish regions. Reasons for this phenomenon are still to be investigated in further research.

The figure on the following page provides an overview of the answers in percentage, divided on different levels of ethnocentrism. Although the co-owners of the firm experience negative COO-effects of Chinese stones as their main problem, it seems from this measurement that it is not as great, or widespread, problem as they perceive it to be. This calculation was made on the average of responses in the exact same way as the other calculations for the figures presenting results in percentage. Clearly, high ethnocentrism is only visible in the Middle, 7%, and South of Sweden, 3 %, with a tendency of extreme ethnocentrism only in the Middle of Sweden. Simultaneously, non-ethnocentric respondents represent all Swedish regions (of those regions with respondents) and also other countries. Although there are non-ethnocentric answers, they are of a very small number constituting only 1 % in each region except for 2 % in the Middle of Sweden where the level of extreme ethnocentrism is also on 1 %.
Arithmetic mean, also known as the average, is the sum of all values divided by the number of values (Bryman 2012:338). The researcher applied this measure to calculate the arithmetic mean of ethnocentrism in percentage for the respondents of the survey. As the following figure demonstrates, the average level of ethnocentrism among the respondents is 31%. This level is considered as quite low since it is below 50% which is counted as low ethnocentric according to the measurement applied in this study (with the limit for ethnocentric being 50%). However, it still demonstrates that there is a tendency of ethnocentrism within the Swedish natural stone industry.

Figure 9: Ethnocentrism divided on different levels: North, middle & south of Sweden, in percentage (%).

Figure 10: Arithmetic mean of ethnocentrism.
The data gathered from the interviews will hereby be analyzed. A table of the interviewees’ answers with deviating answers in bold text is presented in appendix 4 - presentation of empirical results. The interviewees have purchased different types of Chinese natural stones and used them for different construction works. Among the interviewees the most commonly purchased types of stones are edge support and granite and the most uncommonly purchased types of stones are stone blocks which have only been purchased by one of the interviewees (Q5). The stone types have mostly been used for construction projects of streets and roads and the least commonly for facades and interior design, which has also only been used for this purpose by one interviewee (Q6). The most common perception of the stones’ quality is that it is jagged and most of the other perceptions are also interpreted as negative. There are two exceptions; firstly, the fifth interviewee describes the stone as harder which the author interprets as good quality since it represents the opposite of fragile which is a negative feature of stone. However, the response on this question (Q7) is contradictory since the interviewee has also described the stone as precipitate which is a feature of the stone being fragile. Secondly, the main exception on this question is the answer from the seventh respondent, who believes that the quality is good, only slightly lower than the quality of domestic natural stones. There are two fall-offs on the eight question with suspicion that this depends on the interviewees’ lack of knowledge of business administration terms, since the term “lead time” is widely known by most people working within business. These fall-offs could have been avoided by the author if she had provided a definition of lead time, however the interviewees could also easily have found a definition of lead time on the Internet before answering this question.

The answers on question nine, regarding the price’s reflection of the stones’ quality, all answers are consistent with each other. This interpretation is made with the underlying assumption that the answer by interviewee 5, “shipping costs and working conditions should be adjusted”, indicates that the costs of shipping and labor are not incorporated enough in the pricing of the stones which thereby implies that the prices of imported Chinese natural stones are lower than those of domestic stones. The interviewee Yttergård describes the prices as “somewhat lower than domestic [prices]”, a reason for this may be that the prices of imported Chinese stones may not be much lower than those of domestic stones since the shipping costs of such heavy products are high as mentioned earlier. On question ten most of the interviewees express that they are not aware of what working conditions the quarry workers are working under. Interviewee 4 states that she does not buy finished products which is interpreted as a ‘no’. Interviewee 5 has also answered ‘no’ despite her collaborators stating that they are aware of their working conditions. Only two of the six interviewees have answered that they are aware of the quarry workers’ working conditions and one of them clarify that he is not fully aware of the working conditions.

Regarding the eleventh question, most of the interviewees believe that they can contribute to improved working conditions for the Chinese quarry workers by purchasing stone imported from China, only two of the interviewees disagree on this. On question twelve, all interviewees except one believe that CSR (Corporate Social Responsibility) is important; the one who does not agree on this has expressed that she does not know whether it is important or not. As on question eight regarding lead time, this answer may also depend on a lack of knowledge of business administration terms since CSR is a term widely applied within this subject. This answer could also have been avoided by providing a definition of CSR but the respondent could also easily have found a definition of this on the Internet before answering the question. Question thirteen demonstrates the most consistency between the answers with all interviewees expressing their preference of purchasing CSR certified stones. Note that here it seems like interviewee 5 knows the definition of CSR since she has answered YES in
capital letters on this question which indicates a certain contradiction on the previous question where it seems like she does not know the meaning of CSR. The answers on question fourteen demonstrate that all interviewees know at least what the definition of TFT is and possibly also what it stands for with most of them having a certain knowledge about the organization. Yttergård is aware of TFT’s involvement in wooden products. It is not clear whether he or any of the interviewees awareness of TFT’s involvement in other raw materials, such as stone, except interviewee 3 who has encountered TFT in several ways.

Environmental concerns are dominating the interviewees’ answers on question fifteen with four of the interviewees expressing environmental concerns as a reason for preferring purchasing Swedish stones rather than Chinese imported stones. There are other reasons given by the interviewees for preferring Swedish stones before Chinese stones; interviewee 5 expresses a preference of Swedish stones because of its nice [appearance] and of benefiting the Swedish natural stones industry. Yttergård gives further reasons such as shorter lead time, safer quality control and observance of good working conditions. Interviewee 3 expressed a preference of European stones; this answer is interpreted as a preference of other European stones than Swedish stones before Chinese stones. With these reasons in mind, environmental concerns are still seen as the major reason for this preference. On question sixteen were the interviewees were supposed to give reasons for their choice of purchasing Chinese stones there is one fall-off by Andersson who has not given any reason for this. This may be interpreted as an indication for a non-preference of purchasing Chinese stones. There is a second fall-off, by interviewee 4 who answered that she has not bought stone in China. This is interpreted by the author as a misunderstanding of the question since it was clearly described in the instruction for the interview that it concerned imported Chinese natural stones. Another outstanding answer on this question is the reason of the customer’s requirement. Regarding the rest of the answers, the low price of Chinese stones is dominating the answers on this question.

Finally, in the end of the interview the interviewees were given the opportunity to raise additional comments about the topic which are demonstrated in the following table.

<table>
<thead>
<tr>
<th>Interviewee 3</th>
<th>Through development of the industry and simplification of permission trials, Swedish natural stones can compete with imported stones. Especially, if one add its appearance and the environment into the evaluation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee 4</td>
<td>Do not understand what these questions may lead to.</td>
</tr>
</tbody>
</table>

**Table 6:** Comments raised by interviewees.

As the process of analytic induction is demonstrated previously in this chapter, since the data gathered from the survey is not deviant from the research propositions and neither is the data gathered from the interviews, no deviant data was found. The data gathered from the interviews shows consistency with the data gathered from the survey which ceases the data collection and finishes the analytic induction.
6. Discussion

The first proposition, P1: “Shipment of products for a long distance is an environmental concern for consumers”, is rejected by the respondents on the survey with 55% of them disagreeing on statement 14 “I rather purchase Swedish stones than Chinese stones because it is bad for the environment to ship such heavy products for such a long distance.” The rejection is not significant which indicates that environmental concerns seems to be a reason for why 45% of the respondents prefer to purchase domestic stones over imported stones. The results of the interviews were similar regarding this proposition where half of the interviewees expressed environmental reasons for why they prefer purchasing domestic stones over imported Chinese stones; this was expressed on question 15 “what are your primarily reasons for purchasing Swedish natural stones instead of Chinese natural stones?”. One of the interviewees also expressed on the final question, where they were given the opportunity to raise additional comments, that Swedish natural stones has a chance to compete with Chinese stones, especially if one adds the stones’ appearance and the environment into concern.

The second proposition, P2: “The significantly lower price of a product is seen as an indicator of the product’s quality, with the belief that it reflects poor quality of the product.”, is strongly rejected by the data collected from the survey with 95% of the respondents disagreeing on the statement that lower priced products always have lower quality than more expensive products. Despite this clear rejection of the second proposition by the data gathered from the survey, the majority of the interviewees believe that the low prices of Chinese natural stones reflect the quality of the stones negatively. Nevertheless, the numbers of respondents on the survey consists of a far larger number than the number of interviewees which favors a rejection of the second proposition. Previous research by Wei and Li (2009) suggesting that a shortage of country-of-origin effects may depend on the fact that China has not yet become recognized as an innovative country building strong brands with low pricing strategies is not supported by the empirical evidence of this study.

One explanation to why workers within the natural stones industry believe that Chinese stones are of lower quality than Swedish stones may be because of an ingroup tendency within the industry which may demonstrate ethnocentric tendencies, which have been distinguished among the answers on the survey. This leads to the third proposition, P3: “Ethnocentrism is a contributing factor in the fostering of negative COO-effects” which was rejected by the empirical data gathered from the survey. Since there is a tendency among consumers in developed countries to prefer locally-produced products from their domestic market prior to products from other developed countries which is related to the ethnocentric influence on country-of-origin, it is assumed that the preference of consumers in developed countries depends on the consumers being more ethnocentric. This assumption was supported by interviewee 4 who expressed a preference of purchasing European stones before Chinese stones. This supports the existence of ethnocentric tendencies within the natural stones industry which was distinguished by the answers on the survey. The survey confirms the existence of ethnocentrism within the natural stones industry, however, this finding is not significant and another explanation for it may be an ingroup tendency within the industry that depends more on familiarity of domestic products. If the purchasers are unfamiliar with Chinese natural stones, the halo effect is the most influential in their product evaluation process which means that their apprehension of the stones is based on heuristics taking over in their lack of product specific knowledge. This result is surprising since the individuals involved in the natural stones industry should have more knowledge about [worldwide]
natural stones and should therefore be more familiar to the products. If there were better knowledge about worldwide natural stones, specifically Chinese, among workers within the construction industry their product evaluation process would be based on the summary construct which would include more reliable gathered information such as stone testing results proving the good quality of the stone products. One explanation for why these individuals still do not rely on the quality of the products, is that they have previously negative experiences of the products of this certain country-of-origin, or even the country-of-origin itself during other circumstances which have stronger influences on their purchasing decision. There is a great possibility that purchasers and other workers within the natural stones industry prefer purchasing domestically quarried stone products prior to imported products because of the fact that they are very familiar and typical for Sweden, which is may be the case for instance for the product of Swedish granite that is the most common and known Swedish natural stone.

This study has confirmed the existence of the problem of negative country-of-origin effects that is a problem the case firm is experiencing. Nevertheless, the problem may not be as large as the firm believes it is considering that the majority, 57% of the respondents, disagreed on the second statement, “the quality of Chinese natural stones is worse than the quality of Swedish natural stones”, which may be a positive surprise for the firm. The interviewees, on the other hand, hold the opposite view on the quality of the stones; five of them gave negative answers regarding their general perception of the stone (Q7). Only one of the interviewees perceived the stones as having good quality, only somewhat lower than that of domestic stones. This more positive answer may possibly derive from the interviewee having more experience from working with Chinese natural stones and thereby more knowledge about the products. Despite the positive result on the second statement of the survey, the majority of the respondents still prefer purchasing Swedish stones since 64% agreed on the first statement, “I prefer purchasing Swedish stones over Chinese stones” but this seems to depend on other reasons than the slightly lower sales price of the imported stones; as mentioned by the rejection of the second proposition, the majority of the respondents do not believe that the Chinese stones are of lower quality than domestic stones because of their lower prices.

Regarding the branding process of the firm today, which represents the third alternative in Chailan’s typology (2010); it has developed a domestic brand within their domain of expertise to reach primacy in their field with exception of the process being complete with the intention to base it on favorable COO effects. The firm is in need of recognizing what specific aspect of product quality that is unfavorable among potential clients; if there is something regarding the results of the petrographic analysis, bending analysis or water absorption analysis or if negative country-of-origin aspects commonly held by potential clients are concentrated to a specific type of stone. Since the firm appreciates open communication with its clients, the co-workers could investigate the client’s previously experience of Chinese natural stones and present their high quality Chinese stones for the client to demolish false preconceptions. The Chinese natural stones should also be presented to potential customers along with stones imported from other countries, such as European countries, and should not be presented separately, in order to increase its quality and value perceived by the customer.

According to the research by Ille and Chailan (2011) a brand from China (or products manufactured in China) may suffer from the image of the country’s political orientation or poor product quality. But it is possible for the firm to improve their brand image (and thereby also the image of their Chinese stones) through more active marketing- and branding strategies. Ille and Chailan also demonstrate that brand strategy of emerging countries products (ECP) depends of the type of industry and is easier for non-sophisticated products,
such as raw materials to which natural stones belong. As shown in the answers on the survey, the overall aspects of Chinese stones are not as negative as the firm believes they are. This result implies that the main reasons for clients preferring purchasing natural stones from Sweden or from other European countries primarily than from China, as 52% of the respondents do, clearly appear to be of other reasons than the products’ quality. Three possible reasons to why some clients prefer purchasing stones from Swedish or European suppliers may be because of environmental- and lead time reasons and the purchasers’ familiarity with domestic products. On statement 15, “I rather purchase Swedish stones than Chinese because the lead time is far higher and I cannot/do not want to wait during such long delivery time” the result was very similar; 46% agreed with the statement which implies that the lead time aspect is just as important as the environmental aspect for the clients.

Further on, according to Ille and Chailan (2011) countries like China are far behind Western countries in marketing, also regarding budget. Thus, branding strategy of firms from EC depends on marketing maturity. The lack of marketing of Chinese products in Western countries is possibly a large reason to the lack of knowledge of the quality of Chinese stones, even among workers within the natural stones industry. In Sweden there might be a dilemma when constructors are used to managing Swedish stones and they believe that managing Chinese stones would imply differences in material handling and their work processes. As also concerned in the categorization theory; customers’ level of expertise leads to their categorization of products; consumers tend to place products into logical categories. Therefore, what individuals are not familiar with or do not have knowledge in they do not know how to categorize which confuses them. Another aspect of the categorization of products, according to Tseng and Balabanis (2011) is that of categorization into superordinate and subordinate groups. Tseng and Balabanis demonstrated that it is a facilitated process for individuals to categorize subordinate products that belong to multiple subordinate categories – which increases the typicality of the products, thus it facilitates for the individuals to recognize products as “typical”. In this categorization aspect it may be difficult for individuals to categorize natural stones since raw materials do not belong to as many subcategories as other manufactured products do.

By time, being innovative has become to be essential for the development of any firm, as Ille and Chailan (2011) expressed that imagination and innovation of the leading team will be the critical success factor to reach the global recognition status. For the Swedish natural stones importer it is essential for them to stay innovative regarding their business model and here in specific marketing and branding of their products to have an ability to overcome the perceived negative associations of Chinese stones among clients. To investigate this deeper using the terms previously described in the literature review of the research by Guercini and Ranfagni (2013), when COA relates to a negative country image and COP is not influential; the greater the capacity of COO to influence brand attitude, the greater is the need to generate a positive integration between brand image and COD image. Thus, since the country-of-assemblage relates to a negative country image and the country-of-parts is not influential (no parts to assembly regarding stones), it is of even higher importance for the firm to work for generating a positive integration between brand image and the country-of-design image meaning that a strategy in the branding process that may be useful is to focus the branding on the attractive appearances of the stones designed by the different surface techniques used in the manufacturing process. This may be especially applicable for the firm since they prefer purchasing surfaced stones from their suppliers.

The forth proposition, P4: “The seller’s involvement in corporate social responsibility (CSR) is considered to be important for potential customers in choosing a supplier”, is confirmed by
the empirical data gathered from the interviewees and the survey respondents. All interviewees except one responded that the firm’s involvement in CSR is important in their choice of selecting a natural stones supplier. The only interviewee who did not give a positive answer did not take a stand on this question. Additionally, on the following question (Q12) regarding the interviewees’ preference of purchasing CSR certified natural stones, all of them answered that they do prefer purchasing CSR certified stones which supports the fourth proposition to a hundred percent.

The statement in the survey regarding the final proposition was not formulated to express the respondents’ preference of purchasing CSR certified natural stones, however three statements were based on the respondents’ belief in their possibility to contribute to improvement of Chinese quarry workers’ working conditions. On statement 5, “I believe that I cannot contribute to better working conditions for the workers in Chinese quarries by purchasing their products”, 69% of the respondents disagreed which is almost two thirds of the respondents. The result was similar on the following statement, on statement 6, “by purchasing Chinese stones I only show support for the quarry workers’ bad working conditions”, 83% of the respondents disagreed which also represents the majority of the respondents. On the previous question (Q11), four of the six interviewees believe that purchasing Chinese natural stones may contribute to better working conditions for the quarry workers which is consistent with the results from the survey on this item. The clear results of the interview questions and the survey questions on these questions displays a wish among the respondents to be able to contribute to improved working conditions for the Chinese quarry workers which is supposedly an underlying reason for their preference of purchasing CSR certified natural stones. Since involvement in CSR is perceived as a positive feature of a firm it is assumed to positively contribute to the firm’s brand image. Since the majority of consumers agree that the firm’s involvement in CSR is important when selecting a natural stones supplier and since it therefore likely would improve the firm’s brand image it is suggested for the case firm to get further involved in CSR activities since, with support in research by Ille and Chailan (2011), brand image is a critical success factor to the firm.
7. Conclusions and suggestions for future research

7.1 Theoretical implications

This study includes evidence of a slightly existence of ethnocentric tendencies within the domestic natural stones industry, the existence of negative country-of-origin effects of imported products manufactured in a developing country, and that low-involvement products can be affected by negative country-of-origin effects. Ahmed et al., (2004) found that country-of-origin takes part in consumers’ evaluation process of low-involvement products but only weakly, which can depend on the products’ characteristics. The theory that the characteristics of low-involvement products may determine the extent of the country-of-origin’s influence has been proven to be true in this study. In their research, Ahmed et al., (2004) only found a weakly influence of COO which may depend on the products in focus of their research that were food products. One possible explanation for why COO is more influential in consumers’ purchasing of natural stones is that the products are used for different construction works where the quality and durability of the products are essential for the safety of individuals in the surroundings of those buildings.

The theoretical implications of this study consist of the empirical results that derive from the propositions based on theory from previously conducted research. The first proposition, P1: “Shipment of products for a long distance is an environmental concern for consumers”, was rejected by the respondents on the survey with 55% of them disagreeing on statement 14 “I rather purchase Swedish stones than Chinese stones because it is bad for the environment to ship such heavy products for such a long distance.” The rejection is not significant which indicates that environmental concerns seems to be a reason for why 45% of the respondents prefer to purchase domestic stones over imported stones. The results of the interviews were similar regarding this proposition where half of the interviewees expressed environmental reasons for why they prefer purchasing domestic stones over imported Chinese stones. The rejection of the first proposition rejects the theory by Ahmed et al., (2004) which demonstrated a preference among consumers of purchasing domestically produced products.

A theoretical contribution of this rejection is that a preference of consumers of purchasing domestically produced products may not be the determining influencing factor in their purchasing process.

The second proposition, P2: “The significantly lower prices of a product is seen as an indicator of the product’s quality, with the belief that it reflects poor quality of the product”, was strongly rejected by the empirical data collected from the survey in this study. The proposition was rejected by the majority of the survey respondents but not by the interviewees. However, since the number of survey respondents clearly exceeds the number of interviewees, the proposition remains rejected. It is astonishing that the result does not support the previous research by Wei and Li (2009) who suggested that a shortage of country-of-origin effects may depend on the fact that low pricing strategies are still common as a competitive weapon in China. This leads to the theoretical contribution that despite the purchase price of an imported low-involvement product being lower than the purchase price of the corresponding domestic product it is not considered to be a strong influence to negative COO-effects of imported products.

A tendency of ethnocentrism within the domestic natural stones industry was revealed by the third proposition, P3: “Ethnocentrism is a contributing factor in the fostering of negative COO-effects”, but the proposition was still rejected by all statements in the survey formulated
to clearly reveal if there was any ethnocentric behavior among the respondents. These are all statements clearly expressing animosity against imported products. Since the overall result of the survey was not of significant ethnocentric nature, there are only ethnocentric tendencies revealed in the responses agreeing on those statements which are visible in the answers presented in appendix 6 and in appendix 7, were levels of ethnocentrism are presented as a summary in percentages. An explanation for the findings of ethnocentrism among the answers on the survey may be an ingroup tendency within the industry of which the respondents are working. This ingroup tendency depends more on familiarity of domestic products; if the purchasers are unfamiliar with Chinese natural stones, the halo effect is the most influential in their product evaluation process which means that their apprehension of the stones is based on heuristics taking over in their lack of product specific knowledge.

The fourth, and final, proposition, P4: “The seller’s involvement in corporate social responsibility (CSR) is considered to be important for potential customers in choosing a supplier”, is the only one that was confirmed. The proposition was confirmed both by the empirical data gathered from the interviewees and the survey respondents. All interviewees except one responded that the firm’s involvement in Corporate Social Responsibility is important in their choice of selecting a natural stones supplier. Note that the only interviewee who did not give a positive answer did not take a stand on this question. In addition to this, on the following interview question (Q12) regarding the interviewees’ preference of purchasing CSR certified natural stones, all of them answered that they do prefer purchasing CSR certified stones which fully supports the final proposition. With consumers’ interest of a firm’s involvement in Corporate Social Responsibility is dependent on their ethical- and moral standards which foster affective country-of-origin effects, the confirmation of this proposition is in accordance with the theory on the influence of cognitive processes for COO-effects by (Bloemer et al., 2009). It is therefore desirable to further test and develop this theory.

The research gap this study aimed to fill was to outline what factors are influencing consumers' purchasing behavior on purchasing low-involvement products. This was made by determining whether or not factors that have been discovered to be influential on country-of-origin effects in previous research were valid influencing factors for low-involvement in specific. Conclusions on this were drawn on the acceptance and rejection of propositions discussed in the previous chapter. In conclusion, environmental concerns, such as a long shipping distance, and ethnocentrism were proven to have only slightly influence on consumers’ purchasing behavior. The factor that was identified to have the most influence on country-of-origin effects is the seller’s involvement in Corporate Social Responsibility (CSR). The topic of CSR is heavily dependent on ethical considerations and moral standards. In other words, normative effects that are guided by individuals’ moral reflections may thereby contribute to individuals’ perceptions of a product’s country-of-origin.

7.2 Practical implications and suggestions for the case firm

Practical implications constitute effects of theoretical implications which in this study are partly focused on the case firm. Overall, increased knowledge of the phenomenon of negative country-of-origin effects of low-involvement products could benefit organizations’ marketing strategies as it would increase the understanding of consumers’ perceptions of products and the organizations could thereby make more strategically marketing decisions. This leads to the practical implications of this study which are highly relevant for the case firm. Hereby suggestions will be given by the author on how the co-owners can utilize knowledge from this
study in implementing a more efficient marketing strategy. Firstly, since low-involvement products are expected to receive higher evaluation when demonstrated along with superior products, there is a great opportunity for the Swedish natural stones importer to apply this in its marketing- and sales strategies. The firm is mostly selling surfaced stone and especially prefers to import surfaced stone from China since it is of cost advantage for them, but they also offer customers non surfaced stones which should be demonstrated along with the surfaced stones. Another aspect on this demonstration strategy is that the Chinese imported stones should be demonstrated along with natural stones from other countries, such as stones from European countries; thus, the natural stones imported from European countries should not be displayed separately since it would put the Chinese imported stones in a position that is more vulnerable for negative COO-effects in customers’ product evaluation process.

Secondly, there is an opportunity for the firm to suggest the Tropical Forest Trust (TFT) to introduce putting a stamp on each pallet of stones to clearly demonstrate for the end customers that all natural stones purchased from the firm is “TFT certified” meaning that all stone products are manufactured responsibly due to concerns of environmental- and social conditions. Once the end customers realize this more clearly, the only negative environmental issue they may be concerned about would be the long shipping distance of stones from China to Sweden. A Tropical Forest Trust certification stamp could create a competitive advantage for the firm since it is currently the only Swedish natural stones supplier that is a member of the organization. To start marketing their membership in the Tropical Forest Trust more actively it is also necessary for the case firm to update their brochures to clearly demonstrate their membership in TFT, and what it implies for the manufacturing process. The firm should also have a section on their website where they describe their involvement in Corporate Social Responsibility and their membership in Tropical Forest Trust. Considering that a product represents certain pre-established conceptions that individuals have about the product’s country-of-origin based on their general knowledge and expertise it is of high importance for the firm to educate their potential clients more actively. In addition to updating their brochures and website by highlighting their membership in Tropical Forest Trust, they can provide their potential customers with more information about the organization on their website with a link to their website. The results from the interviews displayed that the interviewees were concerned about the seller’s involvement in Corporate Social Responsibility and that most of them were not familiar with the environmental organization Tropical Forest Trust which are good reasons for the case firm to provide information about this organization and highlight their membership in their own brochures and on their website.

As consumers commonly prefer buying products that are more familiar to them, they prefer buying products being more typical to them than other products. This familiarity or typicality is heavily dependent on the product’s country-of-origin; when a product is domestically produced, it is also more familiar to the consumer. It is also dependent on the popularity of the product; as the popularity of a product increases, so does the attractiveness and familiarity of the product for the consumer. Therefore, it could be beneficial for the case firm if they would work towards increasing the typicality and thereby the familiarity of Chinese natural stones on the Swedish market through branding. A possibility for this is for the case firm to emphasize the fact that China is the world’s largest exporter of natural stones which supposedly will make consumers gain more confidence for Chinese natural stones manufacturers and suppliers of their products.

This study demonstrates that cognitive influence is the factor with the largest influence on country-of-origin effects while factors such as familiarity and environmental concerns are less influencing. Finally, the research question, “What underlying reasons are found for why
consumers prefer purchasing domestic low-involvement products to imported low-involvement products due to the products’ country-of-origin?”, is answered through empirical evidence from this study demonstrating that cognitive influences, familiarity, and environmental concerns are influencing factors to different extents.

7.3 Suggestions for future researchers
The author recommends future researchers to further investigate this phenomenon, especially to investigate its connection to cognitive- and other psychosocial factors in order to gain a more solid understanding for why problems related to this phenomenon arise and how they may be encountered. Since Corporate Social Responsibility was demonstrated to be the most influencing factor in consumers’ purchasing decisions of this study it is suggested to future researchers to investigate the phenomenon of country-of-origin in relation to ethical- and moral standards of individuals which may reveal understandings of the phenomenon on a higher societal level since this is not only a phenomenon concerned by business administration or marketing in specific but may rather be better understood by psychosocial studies. Nevertheless, the phenomenon of country-of-origin effects may be best understood when put into a concrete topic, such as business administration, in order to make comparisons and illustrations of theories and concepts.
8. Reference list

Academic articles


**Books and dictionaries**


**Interviews**

Anonymous co-owner of the case firm, face-to-face interview conducted in April 2014.

Henrik Andersson, NCC. E-mail interview conducted on October 14, 2014.

Nils Yttergård, Peab Anläggning AB. E-mail interview conducted on October 16, 2014.

Anonymous employee, WSP. E-mail interview conducted on October 25, 2014.

The three remaining interviewees chose to be anonymous. All e-mail interviews were conducted in October 2014.

**Online resources**


9. Appendices

Appendix one to six will hereby be presented, starting with the first appendix.

APPENDIX 1

17-item CETSCALE of natural stones - Sent to workers within the natural stones industry

1. I prefer purchasing Swedish stones before Chinese stones.
2. The quality of Chinese natural stones is worse than the quality of Swedish natural stones.
3. The price of Chinese stones is lower than the price of Swedish stones; therefore the quality of the stones must be lower.
4. I do not want to purchase Chinese stones because I do not want to support the workers’ bad working conditions.
5. I believe that I cannot contribute to creating a better working condition for the workers in Chinese quarries by purchasing their products.
6. By purchasing Chinese stones, I only show support for the quarry workers’ bad working conditions.
7. Chinese products have a general reputation of having low quality.
8. Lower priced products always have lower quality than more expensive products.
10. I do not want to purchase Chinese stones because I do not want to contribute to the development of the Chinese market.
11. I do not want to purchase Chinese products because it puts Swedes out of work.
12. I rather purchase stones imported from European countries than from China.
13. I rather purchase stones imported from European countries to support their development than buying Chinese stones to support the development of China.
14. I rather purchase Swedish stones than Chinese stones because it is bad for the environment to ship such heavy products such a long distance.
15. I rather purchase Swedish stones than Chinese because the lead time is far higher and I cannot/do not want to wait during such a long delivery time.
16. Only those types of stones that do not exist in Sweden should be imported.
17. If stones unavailable in Sweden are available in other European countries they should be imported from there primarily than from China.

Table 1: 17-item CETSCALE (Shimp and Sharma 1987:282). The response format is originally a 7-point Likert-type scale (strongly agree = 7, strongly disagree = 1). Range of scores is from 17 to 119. However, I chose to collect Yes or No answers on the statements of both surveys instead to get a clearer view and thereby a better understanding of the apprehensions creating negative COO effects.
APPENDIX 2 - Interview questions
Age (optional): Gender (optional):

1. What is your occupation?

2. Have you ever purchased Chinese natural stones?

3. Have you purchased them by several times?
   - Do you have good knowledge regarding the goods?

4. For how long have you been working within the industry?

5. What type of natural stones do you commonly purchase?

6. For what type of construction work may the stones be used?

7. What is your general apprehension about Chinese natural stones?

8. Do you consider the lead time of imported Chinese natural stones to be too long?

9. Do you believe that the prices of Chinese natural stones reflect their quality?
   - How so? /Why not?

10. Do you know under what working conditions the quarry workers are working for your suppliers?

11. Do you believe that you can contribute to better working conditions for Chinese quarry workers by purchasing their products?

12. Do you believe CSR (Corporate Social Responsibility) is important to increase environmental sustainability?

13. Would you prefer to purchase natural stones from a quarry that is CSR* certified by an organization before an un-certified quarry?
   *The quarries/suppliers are certified by an organization which certifies that the workers have good working conditions.

14. Do you know about the organization TFT (Tropical Forest Trust: http://www.tft-forests.org/)?
   - How do you know about it?

15. What are/would be your main reasons of preferring to purchase Swedish natural stones instead of Chinese stones?
16. For what reasons have you purchased Chinese stones?

17. * If you have any other thoughts about the topic that you would like to raise, please tell me about them here.
APPENDIX 3 – Data from the survey presented in diagrams

1. I prefer purchasing Swedish stones over Chinese stones.
   - YES 64%
   - NO 36%

2. The quality of Chinese natural stones is worse than the quality of Swedish natural stones.
   - YES 43%
   - NO 57%

3. The price of Chinese stones is lower than the price of Swedish stones; therefore the quality of the stones must be lower.
   - YES 14%
   - NO 86%

4. I do not want to purchase Chinese stones because I do not want to support the workers’ bad working conditions.
   - YES 42%
   - NO 58%

5. I believe that I cannot contribute to creating better working conditions for the workers in Chinese quarries by purchasing their products.
   - YES 31%
   - NO 69%

6. By purchasing Chinese stones, I only show support for the quarry workers’ bad working conditions.
   - YES 17%
   - NO 83%
7. Chinese products have a general reputation of having low quality.

8. Lower priced products always have lower quality than more expensive products.


10. I do not want to purchase Chinese stones because I do not want to contribute to the development of the Chinese market.

11. I do not want to purchase Chinese products because it puts Swedes out of work.

12. I rather purchase stones imported from European countries than from China.
13. I rather purchase stones imported from European countries to support their development than buying Chinese stones to support the development of China.

YES 26 %  
NO 74 %

14. I rather purchase Swedish stones than Chinese stones because it is bad for the environment to ship such heavy products for such a long distance.

YES 45 %  
NO 55 %

15. I rather purchase Swedish stones than Chinese because the lead time is far higher and I cannot/do not want to wait during such a long delivery time.

YES 46 %  
NO 54 %

16. Only those types of stones that do not exist in Sweden should be imported.

YES 27 %  
NO 77 %

17. If stones unavailable in Sweden are available in other European countries they should be imported from there primarily than from China.

YES 35 %  
NO 65 %
18. In what city are you working?

19. How old are you?

20. What is your gender?
21. What is your occupation?

- Architect: 12%
- Contractor: 40%
- Purchaser: 26%
- Other: 22%

Number of respondents in different counties (105)
Response rate

- E-mails sent: 2089
- E-mails bounced: 400
- Responses: 105

- 76%
- 19%
- 5%
## APPENDIX 4 – Presentation of empirical results

### Data gathered from interviews

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<td>10-15-2014 8:38:12</td>
<td>Kvinna</td>
<td>49</td>
</tr>
<tr>
<td>10-16-2014 16:22:13</td>
<td>Man</td>
<td></td>
</tr>
</tbody>
</table>

- Arbetsledare                Ja
- Arbetsledare                Ja
- Produktchef                 Ja
- Sales and Marketing Director Ja - inte personligen, men i anläggningar jag ritat köps det ofta
- Landskapsarkitekt           
- Inköpschef                  Ja

3. Har du köpt kinesisk natursten vid flera tillfällen?
- Nej
- Nej
- Ja
- om med en gång - ja
  ganska bra, då vi ofta diskuterar olika sorter, svenska och kinesiska
- Ja

4. Hur länge har du jobbat inom industrin?
- 25 år
- 23
- över 15 år
- 25 år
- Inte industrin. inom byggbranschen i 24 år.
- 25 år ca

5. Vilken typ av natursten brukar du vanligtvis köpa?
- Kantstöd
- Granit
- Gatsten, kantsten etc.

6. För vilka typer av byggnadsarbeten brukar stenen användas?
- Kantstöd
- Granit
- Gatsten, kantsten etc.
7. Vilken är din generella uppfattning om kinesisk natursten?
   - Ojämn kvalitet
   - Ojämn kvalitet
   - Man får vad man betalar för.
   - Tråkig
   - Hårdare, vassare färgnysor, en del utfällningar, spricker troligen oftare än svensk, oftare grovkorning och onaturligt stickig/självlysande (överdrift)
   - God kvalitet, men något sämre än inhemsken

8. Anser du att ledtiden för importerad kinesisk natursten är för lång?
   - Ja
   - Ja
   - Ja, om man inte har stora lager i Sverige.

9. Anser du att priserna på kinesisk natursten reflekterar dess kvalitet?
   - Ja
   - Ja
   - Ja, stenen och toleranserna är sämre.
   - Ofta
   - De kanske inte är bara en tredjedel så bra som svensk, och då kan man väl säga att priset är fel. Transportkostnader och arbetsförhållanden borde justeras så att priset blir rimligt.

   - Ja, därför att de är ngt lägre än inhemsken

10. Känner du till vilka arbetsförhållanden stenbrytarna arbetar under för dina leverantörer?
   - Nej
   - Nej
   - Ja
   - Köper inga färdiga varor
   - Nej, entreprenörerna som vi ofta jobbar med säger att de har kol, men jag tror det är mycket svårt i en stat som Kina. Generellt ja, men inte specifikt! D v s 100 kontroll i de specifika förhållandena har vi inte!

12. Anser du att CSR (Corporate Social Responsibility) är viktigt för att bidra till miljömässig hållbarhet?
   - Ja
   - Ja
   - Ja
   - Nej, kanske inte, men inte genom att sluta köpa heller troligen,
   - Vet inte
   - Ja, om vi samtidigt ställer krav och följer upp att kraven följs!

13. Skulle du föredra att köpa natursten från stenbrott/leverantörer som är CSR* certifierade framför att köpa produkterna från stenbrott/leverantörer som inte är certifierade?
   - Ja
   - Nej
   - JA
   - Nej

14. Känner du till organisationen TFT (Tropical Forest Trust)? - Hur känner du till den?
   - Nej
Ja, det är ett krav. Ja om intygen var trovärdiga.
Ja, genom kontrollrapporter, samt mail och hemsida.
Namnet ja
Ja, via import av trämaterial

16. Av vilka anledningar har du valt att köpa kinesisk natursten?

Lägre pris
Kundkrav
har inte köpt i Kina
jag har aldrig valt det, men beställarna gör det p.g.a
priset
Priset

17. *Om du har några andra tankar om ämnet som du vill framföra, var vänlig gör det här.

- Genom utveckling av industrin och förenkling av tillståndsprövningar kan Svensk natursten konkurrera med Importerad. Särskilt om man lägger till utseende och miljö i utvärderingen. förstår inte vad dessa frågor kan leda till

Företag (ej obligatoriskt):
Henrik Andersson NCC
Nils Yttergård Peab Anläggning AB
APPENDIX 5 – Analytical overview of empirical results

The data gathered from the interviews will hereby be presented with deviating answers in bold text. The occupations of the respondents were, stated in numbers (no.); chief operating officer (2), product manager (1), sales and marketing director (1), landscape architect (1) and purchasing manager (1).

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Purchased stone type(s) (Q5)</th>
<th>Construction project (Q6)</th>
<th>General view of the stone (Q7)</th>
<th>Too long lead time (Q8)</th>
<th>Quality’s reflection of price (Q9)</th>
<th>Aware of working conditions of quarry workers (Q10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, Henrik Andersson, NCC</td>
<td>Edge support</td>
<td>Street/road</td>
<td>Jagged quality</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>2</td>
<td>Edge support</td>
<td>Street/road</td>
<td>Jagged quality</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Granite</td>
<td>Installation work</td>
<td>“You get what you pay for”</td>
<td>Yes, without large warehouse in Swe.</td>
<td>Yes, stone &amp; its tolerance: worse than domestic</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>Different stone blocks</td>
<td>From facades to interior design</td>
<td>Boring</td>
<td>-</td>
<td>Often</td>
<td>Do not buy finished products</td>
</tr>
<tr>
<td>5, WSP</td>
<td>Granite</td>
<td>Ground work, mures</td>
<td>Harder, sharper colours, precipitate, sticky</td>
<td>-</td>
<td>Shipping costs and working conditions should be adjusted</td>
<td>No, collaborators say they do. Sceptical to this.</td>
</tr>
<tr>
<td>6, Nils Yttergård, PEAB</td>
<td>Paving stone, curbstone etc.</td>
<td>Street/road</td>
<td>Good quality, somewhat lower than domestic</td>
<td>Yes</td>
<td>Yes, since prices are somewhat lower than domestic</td>
<td>Generally, yes, but not to 100%.</td>
</tr>
</tbody>
</table>

Table 4: Data gathered from interviews, question 5-10.
<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Purchasing Chinese stone may contribute to better working conditions (Q11)</th>
<th>Importance of CSR (Q12)</th>
<th>Prefer to buy CSR certified stones (Q13)</th>
<th>Know what TFT is (Q14)</th>
<th>Reasons for preferring Swedish stones (Q15)</th>
<th>Reasons for purchasing Chinese stones (Q16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, Henrik Andersson, NCC</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Less pressure on environment</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td>Yes</td>
<td>YES</td>
<td>Yes</td>
<td>Environmen-tal reasons: less emissions</td>
<td>Lower price</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, it is a requirement</td>
<td>Yes</td>
<td>Appearance, environment, quality of stone and processing</td>
<td>Customer’s requirement</td>
</tr>
<tr>
<td>4</td>
<td>No</td>
<td>YES</td>
<td>Yes, if the certifications are credible</td>
<td>Yes</td>
<td>Prefer European stones</td>
<td></td>
</tr>
<tr>
<td>5, WSP</td>
<td>No, maybe not, but probably not by stop purchasing their stone either</td>
<td>Do not know</td>
<td>YES</td>
<td>No</td>
<td>Quality. Strange to ship such heavy material across the world. Swe stone is very nice &amp; it is a good industry.</td>
<td>The purchasers choose it because of the price</td>
</tr>
<tr>
<td>6, Nils Yttergård, PEAB</td>
<td>Yes, by making requirements and follow up that they are met.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Shorter lead time, safer quality control &amp; observance of good working conditions</td>
<td>The price</td>
</tr>
</tbody>
</table>

*Table 5:* Data gathered from interviews, question 11-16.
APPENDIX 6 – Calculations on averages of ethnocentrism among the survey respondents

Ethnocentric: 50%
50 % of 17 = 8,5
8/17 = 0,47

Highly ethnocentric: 70%
70 % of 17 = 11,9
11/17 = 0,64

Below 50 % = Low ethnocentric
0 = Non ethnocentric
1 = Extremely ethnocentric

Calculation of arithmetic mean on ethnocentrism among survey respondents
33,38/105 = 0,31
= 31 %

Calculations on levels of ethnocentrism among survey respondents
Results arranged from response 1-105, starting with the first response.
Levels of ethnocentrism

Ethnocentric: 16 = 15%
Highly ethnocentric: 10 = (0,095) 9,5%
Low ethnocentric: 74 = 70%
Non ethnocentric: 5 = 4%
Extremely ethnocentric: 1 = 0,90%
Calculations on levels of ethnocentrism among survey respondents including the Swedish counties the responses are gathered from.

*Results arranged from response 1-105, starting with the first response.*

<table>
<thead>
<tr>
<th>County</th>
<th>Value</th>
<th>County</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Stockholm</td>
<td>0.23</td>
<td>Västernorrland</td>
<td>0.29</td>
</tr>
<tr>
<td>Södermanland</td>
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<td>Stockholm</td>
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<tr>
<td>0 ABROAD</td>
<td>0.17</td>
<td>Stockholm</td>
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<td>0 Västerbotten</td>
<td>0</td>
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<tr>
<td>Stockholm</td>
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<td>0 Västra Götaland</td>
<td>0.64 Gävleborg</td>
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<tr>
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<td>0.11</td>
<td>0.35 Skåne</td>
<td>0.76</td>
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<td>0.52 Stockholm</td>
<td>0.88 Östergötland</td>
<td>0.52 Östergötland</td>
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<tr>
<td>0.7 Uppsala/Västerb./Sthlm</td>
<td>0.76 Skåne</td>
<td>0.76 Västmanland</td>
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</table>

**Levels of ethnocentrism**

- **Ethnocentric:** 16 = 15%
- **Highly ethnocentric:** 10 = 9.5%
- **Low ethnocentric:** 74 = 70%
- **Non ethnocentric:** 5 = 4%
- **Extremely ethnocentric:** 1 = 0.90%
APPENDIX 7 – Levels of ethnocentrism from the survey presented in diagrams

Level of ethnocentrism measured in percentage (%)

![Bar chart showing levels of ethnocentrism]

- Non ethnocentric 0%
- Low ethnocentric 1-49%
- Ethnocentric 50-69%
- Highly ethnocentric 70-99%
- Extremely ethnocentric 100%

Arithmetic mean of ethnocentrism in percentage %

- Arithmetic mean of ethnocentrism among the survey respondents in percentage %
Ethnocentrism measured on survey respondents - Counties in percentage %

Ethnocentrism measured on survey respondents – Regions: North-, middle- & south of Sweden, in percentage % (105 respondents)