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Economics

# **Country of Origin in International Marketing**

Using Finnish country of origin in South Korea

International business

Master's thesis

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In the globalized markets, country of origin (COO) has remained an important and well researched topic in international marketing. Prior research has shown that COO can influence brand equity, purchase intentions and perceived quality. The effect is often context-specific and varies between product categories, consumer profiles and consumers' involvement levels. Prior COO research is often conducted with larger developed nations. Smaller nations like Finland are underrepresented in COO research. At the same time, Japan has shown potential for Finnish brands. This raises the question of whether similar success could be achieved in neighbouring South Korea.

This thesis examines how Finnish COO could be used in international marketing. More specifically the focus is on Finnish COO shaping consumer perceptions in the South Korean consumer market. This research aims to understand when and how COO can be an effective part of marketing strategy. This research explores key factors that affect the impact of COO. These factors are product type (hedonic and utilitarian), consumers' involvement level (high and low) and consumer perceptions towards foreign products. Furthermore, researching the common marketing strategies when leveraging COO

This research uses a qualitative, exploratory research approach, combining semi-structured expert interviews and focus group interviews to gather information from both sides: marketing experts and South Korean consumers. A comprehensive literature review provides a theoretical foundation by focusing on COO dimensions, consumer behaviour and international marketing strategies leveraging COO. A thematic analysis is used to analyse the empirical data for interpretation. The empirical findings and comprehensive literature review led to theoretical contributions and managerial implications.

The findings suggest that Finnish COO evokes positive associations such as purity, sustainability, quality and beautiful design. These attributes resonate well with South Korean consumers in certain product categories. The COO effect is most effective with good product-country matches. Finnish brands can benefit from emphasizing storytelling and visual COO cues especially with hedonic products and high-involvement products. For utilitarian and low-involvement products the COO cue is less influential but still acts as a heuristic. The major issue Finnish brands face in South Korea is the lack of recognition of Finnish country image.

This study contributes to the literature by offering insights into how a small country's image can be leveraged in culturally specific countries. It also provides practical recommendations for Finnish brands entering or expanding in South Korea.

**Key words:** COO, hedonic, utilitarian, low-involvement, high-involvement, ethnocentrism.

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Globalisoituneilla markkinoilla alkuperämaa on säilynyt tärkeänä ja laajasti tutkittuna aiheena kansainvälisessä markkinoinnissa. Aiemmat tutkimukset ovat osoittaneet, että maamielikuva voi vaikuttaa brändiarvoon, ostoaikomuksiin ja koettuun laatuun. Vaikutus on usein kontekstisidonnainen ja vaihtelee tuotekategorioiden, kuluttajaprofiilien ja kuluttajan sitoutumisen tason mukaan. Aiempi maamielikuvatutkimus on keskittynyt usein suurempiin ja kehittyneisiin maihin, ja pienemmät valtiot, kuten Suomi ovat aliedustettuja. Samaan aikaan Japani on osoittanut potentiaalia suomalaisille brändeille, mikä herättää kysymyksen siitä, voisiko vastaavaa menestystä saavuttaa naapurimaassa Etelä-Koreassa.

Tämä tutkielma tarkastelee, kuinka suomalaista alkuperämaata voitaisiin hyödyntää kansainvälisessä markkinoinnissa. Tarkemmin, keskittyminen on siinä, kuinka suomalainen alkuperämaa muokkaa kuluttajakäsityksiä Etelä-Korean kuluttajamarkkinoilla. Tavoitteena on ymmärtää, miten ja milloin alkuperämaa voi olla tehokas osa markkinointistrategiaa. Tutkimus tarkastelee keskeisiä tekijöitä, jotka vaikuttavat alkuperämaavaikutuksen voimakkuuteen. Näitä tekijöitä ovat tuotetyyppi (hedonistinen ja utilitaristinen), kuluttajan sitoutumisen taso (korkea ja matala) sekä kuluttajien käsitykset ulkomaisista tuotteista. Lisäksi tutkimuksessa tarkastellaan markkinoinnissa käytettäviä keinoja, kun maamielikuvaa hyödynnetään.

Tutkimus perustuu laadulliseen ja tutkivaan lähestymistapaan, jossa yhdistetään puolistrukturoidut asiantuntijahaastattelut ja fokusryhmähaastattelut. Näin saadaan näkemyksiä sekä markkinoinnin asiantuntijoilta että eteläkorealaisilta kuluttajilta. Kattava kirjallisuuskatsaus muodostaa teoreettisen perustan tarkastelemalla alkuperämaaulottuvuuksia, kuluttajakäyttäytymistä ja kansainvälisiä markkinointistrategioita, joissa hyödynnetään alkuperämaamielikuvia. Empiirisen aineiston analysointiin käytetään temaattista analyysiä. Empiiriset löydökset yhdessä kirjallisuuskatsauksen kanssa johtavat teoreettisiin kontribuutioihin ja käytännön suosituksiin.

Tulokset viittaavat siihen, että suomalainen alkuperämaa herättää positiivisia mielikuvia, kuten puhtaus, kestävyys, laatu ja kaunis muotoilu. Nämä ominaisuudet resonoivat hyvin eteläkorealaisten kuluttajien kanssa tietyissä tuotekategorioiden välillä on hyvä yhteensopivuus. Suomalaiset brändit voivat hyötyä tarinankerronnan ja visuaalisten alkuperämaaviitteiden korostamisesta erityisesti hedonistisissa ja korkean sitoutumisen tuotteissa. Utilitaristisissa ja matalan sitoutumisen tuotteissa alkuperämaa toimii vähemmän vaikuttavana, mutta silti hyödyllisenä heuristiikkana. Suurin haaste suomalaisille brändeille Etelä-Koreassa on suomalaisen maaimagon tunnettuuden puute.

Tämä tutkimus tuo uutta näkökulmaa kirjallisuuteen osoittamalla, kuinka pienen maan imagoa voidaan hyödyntää kulttuurisesti erityisessä kohdemarkkinassa. Se tarjoaa myös käytännön suosituksia suomalaisille brändeille, jotka aikovat tulla Etelä-Korean markkinoille tai laajentaa toimintaansa siellä.

**Avainsanat:** alkuperämaa, hedoninen, utilitaristinen, vähäinen sitoutuminen, korkea sitoutuminen, kuluttajaetnosentrismi.

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# 1 Introduction

## 1.1 Background

Products are made in somewhere. Certain products are associated strongly to certain countries. For instance, commonly red wine is associated to Italy or France. On the other hand, Switzerland is known for luxury watches. Does the origin of the product genuinely matter? Does the country associated with the product influence consumers' behaviour. If there are two identical watches, one made in Switzerland and the other made in Hungary, which one is more desirable for the consumer?

“Image is a set of beliefs, ideas and impressions that a person holds regarding an object” (Kotler, 1997, p. 607). The definition of image does not contain the characteristics of an object meaning that for an individual, the image can represent the object, or in some cases, can be regarded as the object itself (Jaffe & Nebenzahl, 2001, p. 12). According to Kotler (1997, p. 317), “product image is the particular picture that consumers acquire of an actual or potential product”. Images of brands and countries can be explained likewise as the mental impressions of countries and brands (Jaffe & Nebenzahl, 2001, p. 13). Kotler (1997, p. 607) states that “people’s attitudes and actions are highly conditioned by that object’s image”, which is the reason why images are so important. In a nutshell, it is the image that inspires consumers rather than the actual product attributes (Jaffe & Nebenzahl, 2001, p. 13).

Country of origin (COO) adds something to a product since it affects the image. It directly influences consumer perceptions towards a product, buying intentions and willingness to pay (Bartsch & Zeugner-Roth, 2021). Koschate-Fischer et al. (2012) argues that consumers are willing to spend more money on products which are coming from countries that have positive country image. This makes understanding country of origin in international marketing extremely valuable. Country of origin is largely studied topic with mixed views on how it influences consumer behaviour. Others argue that country of origin literature gives COO cue too much value (Usunier & Cestere, 2007) but the general opinion of the over sixty years of research indicates that COO is an influential cue regarding consumer behaviour (Samiee et al., 2024).

Generally, products from developed nations enjoys from the country associations (Nughero et al., 2014). For instance, if a car is made in Germany, it is perceived better because of the association to Germany, which is a developed country. On the other hand, if the product is from a developing nation, usually the COO will negatively influence product evaluations (Ahmed et al., 2004).

The country image of Finland is seen very positively. Positive attributes such as, sustainability, purity and design are connected to Finland. Furthermore, the Nordic lifestyle is admired (Ryan, 2008; Siikarla, 2022). Some Finnish brands and Nordic-style products have succeeded in East Asian market by leveraging Nordic or Finnish COO. For instance, Finnish design brand Marimekko has succeeded in Japan and other Finnish companies are trying to follow those footsteps (Chiba, 2020.) When Finnish brands are considering doing business in East Asia, Japan is the number one option, and it is the second most important trading country to Finnish brands (Business Finland, 2024). While some Finnish companies are doing business in South Korea, their presence is significantly smaller than in Japan. Furthermore, in Japan Finnish image is more present (Kauppinen, 2012). Given the success in Japan, could Finnish companies also thrive in South Korea by leveraging COO?

## **1.2 Purpose of the study and Research questions**

Country of Origin is largely studied topic in the field of international business, but often the research is made from the perspective of large countries, so smaller countries have been on lesser notice. In addition, in the recent years, the effect of COO has been questioned by several articles, stating that the influence of COO cue is not as positive as often assumed (Brand & Baier, 2022.)

In this study, the aim is to find out if Finnish COO would influence the consumer behaviour of South Korean people. Furthermore, the aim is to investigate COO effect in different contexts to see if and how COO effect might vary to gain comprehensive understanding of the phenomena.

The aim of this study is to find out if and how Finnish brands could benefit from using Finnish COO in their marketing strategies. The main research question is: “How can Finnish brands strategically leverage Finnish country of origin in their marketing to shape South Korean consumers’ brand perceptions and purchase intentions?”. To help to answer the main research question, there are three sub-questions

- What is the role of COO in marketing communication?
- What is the role of COO in consumer perceptions and purchase decisions?
- How companies could use COO in international marketing?

### **1.3 Structure of this research**

This study consists of introduction, theoretical framework, methodology, findings, discussions and conclusions. First the topic at hand is introduced in the first chapter, presenting to the reader the background and purpose of the study, and the research questions the study strives to answer. Second, the literature behind this topic is reviewed in chapter two, presenting the reader a comprehensive understanding of COO phenomenon. Chapter 2 ends with a synthesis based on the theory. Then methodology is presented in chapter 3 to give understanding how the empirical research was conducted and why certain decisions was made. Chapter 4 presents the findings of this research. In chapter 5 the findings are connected to the literature, presenting theoretical contributions and managerial implications. Lastly chapter 6 concludes this research.

## 2 Literature review and theoretical framework

### 2.1 Country of origin

This chapter defines and explains country of origin and the different facets of the well research construct. Furthermore, the chapter explains who COO works as an information cue, how it affects consumer behaviour, how associations between a product and a country work and a closer look to Finnish COO. Overall, chapter 2.1. should provide a comprehensive overview of the COO construct.

#### 2.1.1 Country of origin definition

Country of Origin (COO) is a well-researched topic but there is not only one way to define the topic. Broadly defined, COO means where consumers associate the product or service originating from (Oduro et al., 2024; Usunier & Cestre, 2007). There are two strategies breaking down the multi-dimensional term: deconstruction strategy and general country image strategy. Deconstruction strategy or partitioned country image includes all the information about what countries has been involved in creating the product (Oduro et al., 2024, p. 110). Pegan et al. (2020) explains COO through traditional deconstruction strategy which deconstructs all the different facets of COO. The different facets of COO provide the information about all the countries that have been involved in making a product. There are many different COO facets but the most recognized ones are Country of Manufacture (COM), Country of Parts (COP), Country of Assembly (COA), Country of Design (COD) and Country of Brand (COB) (Oduro et al., 2024; Pegan et al., 2020; Hamzaoui & Merunka, 2006; Chung et al., 2009; Li et al., 2000). In today's world due to the huge rise of global sourcing, many products are bi-national or so called "hybrid", which refers to the different countries that are involved in the different stages of the pre-commercializing phase of a product (Fan, 2008, 8-9; Hamzaoui & Merunka, 2006). Since all the country information of a product is available, deconstruction strategy or partitioned country image strategy can be a viable tool for measuring the effects of different COO facets on consumer behaviour.

Another way of understanding COO is to explain it through general country image, general product country image and specific product country image (Oduro et al., 2024). Gertner & Kotler (2002, p. 251) defined country image as "the sum of beliefs and impressions people hold about places. Images represent a simplification of a large number of associations and pieces of information connected with a place. They are a product of the mind trying to process and pick out essential information from huge amounts of data about a place." According to Gertner & Kotler (2002)

country images are generally stereotypes or excessive simplifications of reality. These country images might be dated or simply inaccurate since the country images are often based on exceptions and impressions rather than facts. This means that COO is a subjective heuristic which might mislead consumers positively or negatively. In addition, country images are long lasting and challenging to alter. Particularly in low-involvement situations, people have confirmation bias, so they concentrate on the information that confirms their beliefs. There are different ways to enhance country image, but commonly catchy slogans, visual images like “Big Ben” and the “Eiffel tower” and different events like Wimbledon or Oktoberfest are utilized. It is also easier to create new positive connections to improve the country’s image than repeal old ones.

According to Roth and Romeo (1992) general product country image (PCI) refers to the general beliefs and perceptions about a country and its products. It is a multidimensional term which consists of multiple factors such as economic development, political situation, culture and history. The authors also address the importance of matching a product category to a positive country image. This indicates that people have perceptions towards particular product categories from particular countries. For instance, Italy is known for its red wines. Oduro et al. (2024) interprets this as specific product country image. Magnusson et al. (2011) states that PCI is not a factual representation of a country’s attributes but a subjective interpretation of a country and its products.

Due to the complexity of COO and different methods to explain it, in academic literature COO is more frequently regarded as the nation that consumers commonly link to a product or brand, regardless of where it is manufactured (Usunier & Cestre, 2007, p. 41). In other words, commonly what influences product evaluations is the COO perception and not the actual COO or specific COO facets.

### 2.1.2 Country of origin dimensions

Country of Origin is a multidimensional term which can be looked at different ways even though the main idea is the same. There are multiple dimensions of COO which are presented on the following table (Table 1). This research will concentrate on COO of products, but table 1 also includes COO dimensions for services.

**Products:**

Country of Manufacture (COM)	Some companies may find it convenient to produce their products in countries different from their original COO.
Country Of Parts (COP)	In some cases, companies give particular importance to the source of the products' raw materials.
Country of Assembly (COA)	Companies from countries with low reputation can move the assembly of their products to other countries with higher reputation.
Country of Design (COD)	Companies may choose to locate their R&D in countries different from the country of production.
Country of Brand (COB)	COB is the country in which the brand originated. There are a number of reasons why this may not coincide with the country where the company has its headquarters.
Country of Company (COC)	Refers where the headquarters of the company is located

**Services:**

Country of Brand (COB)	COB is the country in which the brand originated. There are a number of reasons why this may not coincide with the country where the company has its headquarters.
Country of Service Delivery (COSD)	Depending on the country in which the service is delivered, the perceptions and needs of customers may differ considerably.
Country Person Image (CPI)	CPI is the country in which the person providing the actual service was born.

Table 1: COO dimensions (Vianelli &amp; Marzano, 2012, as cited in Aichner, 2014)

It is important to understand that country of origin is not a single cue. As the table represents and research suggests, there are multiple COO dimensions. It is important because the salience of different COO facets vary by product category (Chung et al., 2009; Thakor & Koli; Usunier & Cestre). It is also important to know which COO facet to highlight. For instance, Apple uses "Designed in California" downplaying the manufacturing country (Saunders, 2010.) According to the research, Country of Brand (COB) (also known as Brand origin), Country of Manufacture and (COM) and Country of Design (COD) are the most important COO cues (Merunka & Small, 2007; Thakor & Kohli, 1996; Magnusson et al., 2011; Usunier & Cestre, 2007, p. 35).

In COO research one of the most important factors is brand origin (BO), since it is the first and strongest cue consumers use to associate a product with a country (Thakor & Koli, 1996). Brand origin can also be referred as country of brand origin (COBO) or just country of brand (COB). Thakor & Koli (1996) defines brand origin as “the place, region or country to which the brand is perceived to belong by its target consumers.” They also note that brand origin is not dependent on the real manufacturing country or the consumers’ perceived manufacturing country. In fact, consumers often have inaccurate brand origin perceptions. In a study conducted by Balabanis and Diamantopoulos (2008) only 22.2% of the correspondents were able to correctly identify the brand origin of a microwave oven. Magnusson et al., (2011) stated that for most brands, consumers can connect the brand to a correct country less than 50% of the times.

Even though the brand origin perceptions are often inaccurate, brand origin perceptions influence the consumer’s attitude towards a brand. Magnusson et al. (2011) argues that consumers use Brand Origin as a cognitive shortcut to evaluate the brand. Instead of analysing all the attributes of a brand they can use the brand origin as one major factor. The brand origin awakens a place association which is related to the consumers own experiences and images of that country. For instance, Germany can rise images about high-quality engineering and Italy can provide images about stylish clothing. The place associations are part of personal relevance that consumer connects to the brand (Keller, 2003). This meaning remains in the consumer's memory, and it activates when the consumer is facing the brand (Keller, 2003). Hence, brand origin is automatically being used when evaluating a brand (Magnusson et al., 2011).

Country of manufacture (COM) indicates where the product is manufactured. Based on multiple studies, COM as a single cue influences consumer's perception about quality of a product. If a product is manufactured in a developed country, consumers generally view the product as higher quality. COM has a significant effect especially on the technical prestige of a product. However, when other cues like brand name or cheaper price are implemented, the effect of COM decreases, but does not disappear. In addition, a good brand image cannot completely erase the effect of COM. In other words, COM does affect consumer perceptions of a product, but other cues like brand image have higher significance on consumer perceptions (Chung et al., 2009.)

Country of design (COD) refers to the country where a product is originally envisioned, crafted and designed (Genç & Wang, 2017, p.279). COD can be seen as a significant COO cue in multiple situations. The importance of COD varies between private and public use of the product as well as in different product categories. Country of Design influences more on products that are used

publicly such as cars and premium clothing. On the other hand, products used that are used privately, for instance TVs, the influence of COD is less significant. Furthermore, the influence of COD varies withing different product categories. In high-technology products, COD can signal the techno-logical sophistication of a product. COD can also promote the cultural heritage, style or aesthetic features of a product (Zhang et al., 2000.) For instance, cars that are de-signed in Germany benefits from the consumer associations that they design good cars in Germany. Other example is the Finnish design company Marimekko. The design company offers clothing and lifestyle products designed in Finland with Nordic aesthetics has been very successful internationally especially in Asia (Marimekko, n.d.; Helsinki Times, 2024).

Saunders (2010) studied the Apple corporation and COD. Apple has used the label “Designed by Apple in California” since 2004. According to the study consumers believe that the value of Apple products is made in the designing phase rather than during assembly or manufacturing phase. However, (Genç & Wang, 2017) challenges this idea by stating that if country of manufacture is a developing country, country of design won’t mitigate the negative effect on consumer perceptions towards the product. The authors suggest that in these scenarios, the COD information should be left out.

COB can be seen as the most influential facet of COO for consumers. According to Usunier & Cestre (2007, p. 62) COB is the superior COO facet even over COM. This has led global companies designing their brand names in a way that mimics a specific national origin, particularly when linguistic elements of the name can strengthen the desired brand image.

Generally, the research suggests that if the COO is a developing country, the COO will have negative effects on consumer perceptions. On the other hand, when COO is a developed country, it usually has positive effects on consumer perceptions (Nugroho et al., 2014.) In different product categories different COO facets might have more or less influence on consumer perceptions. Like mentioned earlier, COM has more influence on products with technological prestige (Chung et al., 2009).

### 2.1.3 Country of origin influence on consumer behaviour

COO is a critical aspect of international marketing and it has a significant effect on consumer behaviour (Samiee et al., 2005, p. 380; Sharma, 2019, p. 137). COO influences consumers’ evaluations of a product which will influence consumers’ purchase intentions and the selection of brands (Yasin et al., 2007, p. 40).

Consumer behaviour is significantly influenced by brand equity, since “brand equity is the added value endowed on products and services, reflected in the way consumers think, feel, and act with respect to the brand” (Kotler & Keller, 2016, p. 324). COO alters the consumers perception towards a product or a brand, so it has a direct influence on brand equity (Aaker, 1991; Keller, 1993; Andéhn et al., 2016). There are multiple approaches on brand equity. Commonly in marketing, consumer-based brand equity is used to evaluate how consumer perceive a brand (Pappu et al., 2006). Similar approach is used in this research, since the aim is to understand how consumers perceive Finnish COO information. There are different models, like Aaker’s (1991) brand equity model and Keller’s (1993) brand resonance pyramid, evaluating how consumers perceive and interact with a brand. Aaker’s model can be seen as the most significant framework in this field and it has been a ground theory for many researches (Christodoulides & de Chernatony, 2010). Aaker (1991, p. 7) defines brand equity as “a set of brand assets and liabilities linked to a brand's name and symbol, which add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers”.

In Aaker’s (1991, p. 15) model there are four major asset categories: “brand name awareness, brand loyalty, perceived quality and brand associations”. Brand awareness represents how present the brand is in the mind of a consumer from recognizing to recalling the brand. Brand loyalty refers how loyal customers are to a brand. It is important because loyal consumer base generate predicable sales and decreases marketing costs since pertaining customers is easier than gaining new ones. Perceived quality can be seen the measure of how good a brand is. It is seen as the most influential brand equity asset and when perceived quality improves, so does commonly all the other assets as well. Perceived quality indicates the combination of the actual quality and perceived quality of a product or service. Often the perceptions are stronger indicators of perceived quality than the actual product/service quality since consumers rarely have the time or the information to make an analytical and unbiased evaluation of quality. Many times, consumers only use one or two cues to evaluate quality. Lastly, brand associations refer to all the associations a customer has on a brand. These associations can be feelings, perceptions or attributes connected to a brand. In practice these associations can be famous people, product attributes or a particular symbol (Aaker, 1991, p. 7-36).

The influence of COO to brand equity varies by the country of origin, product category and brand equity dimension (Pappu et al., 2006). Depending on the country and the context, COO can have positive, negative or neutral effects on brand equity. In COO context, country image can be divided into three parts: basic country image, product country image and category country image. From these three parts, category country image is the most influential affecting to brand equity (Andéhn

et al., 2016, p. 226.) Pappu et al. (2006) also argues, that product category-country is the most influential factor influencing brand equity. Product category-country and category country image means that certain product categories are associated with certain countries (Andéhn et al., 2016, p. 226; Pappu et al., p. 689). The associations are bi-directional, so if certain countries evoke associations with certain product categories, certain product categories evoke associations with certain countries (Tepstra & Sarathy, 2000.)

COO can have influence on brand awareness by increasing brand recall and brand recognition (Hanaysha & Hilman, 2015; Yasin et al., 2007). In research conducted from Malaysia, which is an emerging market, showed that a favourable COO increased the brand awareness of automobile brands in car industry. When brand origin was respected, consumers were more aware and familiar with the brand (Hanaysha & Hilman, 2015). Same effect can be noticed with Portuguese wines in Portugal. However, in Canada, Portuguese COO in wine did not increase brand awareness, since Portugal is quite unknown there (Passagem et al., 2020). Kim & Choi (2018) found out that the COO of South Korea influences Samsung's brand awareness more than Chinese COO to Huawei's brand awareness in Colombia. The research indicated that because South Korean COO is better known in Colombia, the South Korean COO had more influence on brand awareness. It seems that COO only increases brand awareness, if the country image has positive perceptions and the country image is well known among consumers. In short, leveraging COO can strengthen brand awareness, when the country is associated with the product category and respected by the target market.

Country of origin has the most influence on perceived quality (Pappu et al., 2006; Han & Chao, 2018), which was also defined to be the most influential asset influencing brand equity (Aaker, 1991). However, in one study conducted in India amongst Gen Z consumers, brand loyalty had the most influence on brand equity (Sharma, 2019). According to Pappu et al. (2006, p. 700) consumers rated the perceived quality of a product higher, when it came from a country with a strong association with the product category. For instance, a strong influence of COO to brand equity can be seen with Germany and cars. Often "Made in Germany" indicates excellence, since Germany enjoys positive perceptions especially in automobiles (Yasin et al., 2007.)

#### 2.1.4 Country of origin as a product attribute

Products contains both intrinsic and extrinsic characteristics. They both serve as a criterion for product evaluation. Intrinsic characteristics are physical product qualities such as taste, appearance and quality. Extrinsic characteristics are product-related attributes that are not physically part of the

product itself but still influence product evaluation, such as brand name, store image and price (Szybillo & Jacoby, 1974, p. 74; Erickson et al., 1984.)

Country of origin is an extrinsic cue meaning country of origin is external characteristic or information affecting consumer's evaluation towards a product (Bredahl, 2004; Bilkey & Nes, 1982; Han & Terpstra, 1988; Erickson et al., 1984). In the academic literature, there is differing opinions on what is affecting more for the perceived quality of a product: intrinsic or extrinsic cues. The earlier research suggests that intrinsic cues have more influence on the perceived quality of a product (Szybillo & Jacoby, 1974; Olson, 1972). However, more recent studies suggest that extrinsic cues are more influential regarding perceived quality. A study conducted by Veale and Quester (2009) indicates that extrinsic cues such as "price" and "COO" had more influence on wine evaluations than the actual taste of the wine, which is an intrinsic cue.

Erickson et al (1984) states that the influence of COO cue is situation dependent. Extrinsic cues become more influential, when the consumer have low motivation, less experience with a certain product, or they are not able to get information about the intrinsic cues. In these situations, extrinsic cues are cognitive shortcuts (Bredahl, 2004.) For instance, when purchasing wine from a store, a consumer needs to rely only on extrinsic cues, since they cannot taste the product before buying it. On the other hand, extrinsic cues such as COO, hold a significant value in situations where the purchase has significance for the consumer. For example, COO has significant influence on consumers' perceptions towards luxury clothing or a high-end car (Veale & Quester, 2009.)

Overall, the importance of information cues can be seen as situation dependent. Richardson et al. (1994) found out that extrinsic cues, such as brand name and price, are shaping consumers' quality perceptions more than intrinsic cues in the context of store brands. A more recent study conducted by Javeed et al. (2022) found out that extrinsic cues positively influenced quality perceptions of consumer goods. The authors also found that the importance of certain information cues depends on the consumers prior knowledge of the products. In this study conducted in Pakistani consumer market, country of origin did not have a significant influence on perceived quality.

Usunier & Cestre (2007, p. 41) argues that the relevance of COO cue shifts form case to case. Multinational products are evaluated through multiple cues like price, brand name and information in stores (Lee & Shin, 2023, p. 541) Richardson et al. (1994, p. 29) states that the value of an information cue "is the degree to which consumers associate a given cue with product quality". This aligns with the existing COO literature, which suggests that a perceived country association with a brand influences consumer attitudes and purchasing behaviour (Brand & Baier, 2022).

### 2.1.5 Product-country matches

Country image refers to the ideas and beliefs a person has about a country. Generally, country images are stereotypes or simplifications of the reality (Gertner & Kotler, 2002.) Product-country (PCI) image refers to the beliefs and perceptions people hold about a country and its products. PCI can be broken down into four dimensions: “innovativeness, design, prestige and workmanship” (Roth & Romeo, 1992, p. 480). Those are used to assess how well a country’s image is aligned with the requirements of specific categories. For instance, Germany is known for workmanship and design which makes matches well to automobiles and watches. On the other hand, Japan has innovative reputation which aligns with high-tech products. Product-country image can be even more specific. Specific product country image implies that a specific product category is associated with specific country (Roth & Romeo, 1992). Usunier & Cestre (2007) defines refers to product ethnicity when discussing about PCI. Usunier & Cestre (2007, p. 36) define product ethnicity as “the stereotypical association a generic product with a particular COO”. For instance, Finland is associated with education and environmental consciousness (Ryan, 2008). This means that Finland would have higher product ethnicity in these product categories.

The previous examples are examples of favourable matches. If a country lacks perceived strengths and attributes relevant for a product category, it is considered as an unfavourable match. Favourable mismatch happens when country has positive country image which is not directly related to the product category (for instance Japan and beer). Unfavourable mismatch indicates that the country image is negative and requirements of a product category are irrelevant (e.g. Hungarian beer) (Roth & Romeo, 1992.)

		COUNTRY IMAGE DIMENSIONS	
		Positive	Negative
Important	I	Favorable Match	II Unfavorable Match
	Not Important	III Favorable Mismatch	IV Unfavorable Mismatch

Figure 1: Country and Product Category Dimension Matches and Mismatches, (Roth & Romeo, 1992, p. 483)

According to Roth and Romeo (1992), when there is a positive product-country match, COO should be utilized in marketing and consequently, when there is no good product-country match (unfavourable match & - mismatch), COO should not be emphasized.

In a favourable mismatch situation, the COO information can be beneficial, since the country image has high ratings. However, in favourable mismatch situation leaving out the COO information may be beneficial since the COO information do not enhance the evaluations. In favourable mismatch situations, the presentation of COO information depends on how positive the country image is and how important the other product attributes are. COO information can be presented as a secondary benefit. If the product attributes are not particularly important, there could be more emphasis on COO information (Dagger & Raciti, 2011.) On the other hand, altering the image perceptions to fit the product category may be useful. Beer is not commonly perceived as an innovative product, but Japanese beer could be marketed as tasty through innovation (Roth & Romeo, 1992.)

In COO literature common opinion is that products from developing countries suffers from negative COO effects. However, if there occurs a favourable match, COO cue can be very valuable. For instance, Colombia has a favourable match with coffee. In other words, even though Colombia is a developing nation, Colombian coffee is perceived as high-quality (Ahmed et al., 2004.) Kim et al., (2017) studied product country matches in fashion industry, and found out that favourable product-country matches positively influences perceived quality, perceived value and purchase intention while increasing the influence of COO.

#### 2.1.6 Finnish Country of Origin

Highly developed countries generally benefit from good consumer perceptions (Chung et al., 2009; Lee, 2020; Nugroho et al., 2014; Siikarla, 2022). Finland is no exception to this and a product from Finland is probably perceived more positively than a product from a developing country. Finnish country image and country of origin is positive almost without exceptions. Finland is better known in the nearby countries, and in more distant countries Finland's country image is obscure. For instance, in Sweden, Estonia and Russia Finland well-known. However, outside Europe, Finland doesn't have a clear and well-known image. One exception for this is Japan, where people have conception of Finland. In other distant countries, Finland is commonly associated with a broader Nordic identity, which is commonly perceived positively (Siikarla, 2022, p. 37-38.)

Finnish COO contributes to a broader image of Finnish brands. It shapes consumer perceptions regarding how a product is designed and manufactured, as well as the cultural and social values

associated with it. In other words, Finnish COO holds value both as intrinsic and extrinsic ways. Design, innovation and technological qualities can be seen as intrinsic qualities. Responsibility for safety and environmental standards, respect for consumers and fair working conditions can be seen as extrinsic qualities (Ryan, 2008, p. 16.) Globally there is no cohesive image of Finnish country of origin, which can be seen as the biggest weakness of Finnish COO (Siikarla, 2022, p. 39). There are still certain aspects which are connected to Finnish country of origin and country image. These aspects or stereotypes includes innovation and technological development, quality and prestige, design and functionality, Nordic lifestyle, purity, environmental consciousness, education and knowledge and sustainability and honesty (Ryan, 2008). For instance, Finland is relatively unknown in South Korea, but some Finnish companies have still succeeded in favourable fields regarding to Finnish product-country matches. Supercell and Rovio has succeeded in ICT industry, Marimekko and Iittala in design and Lumen in cosmetics (Toivanen, 2016.) In B2B or professional marketing price, purity, medicine, chemical residues and technical qualities are utilized as part of Finnish country of origin. In professional marketing there is bigger emphasis on price than in consumer marketing. The aspects of Finnish COO are positive, but the lack of recognition dampens the effect of COO in marketing (Siikarla, 2022, p. 40-45.)

<b>Favourable Finnish country image associations</b>
Innovativeness & technological development
Design & Functionality
Quality and Prestige
Nature & Sustainability
Nordic lifestyle and values
Education

Table 2: Attributes associated to Finnish COO

Table 2 contains a collection of features that are associated to Finnish COO. According to Roth and Romeo (1992) Finnish brands would enjoy favourable product-country matches with products in these categories. For instance, some products in foodstuff industry like berries from Finland benefits from the associations of being pure, high-quality, organic and ecologically friendly (Långbacka, 2018).

The effect of Finnish COO varies between different countries and different product categories. For instance, in Germany lakes, summer cottages, winter, purity and nature are connected to Finland's

country image. In more distant countries, these aspects or stereotypes can be different (Siikarla, 2022.) Usunier and Cestre (2007) argue that familiarity with a country increases the product-country associations. In other words, when consumer is more familiar with a country, the more products the consumer can associate to that country. The effect of COO can be different in different product categories as well (Siikarla, 2022). Finnish foodstuff products should benefit from the stereotypes of purity and safety (Siikarla, 2022; Suominen, 2020). Usunier and Cestre (2007) also argues that the more familiar a consumer is with a certain product, the more COO cues the consumer can utilize in decision making. Since the country image of Finland is still quite obscure, Finnish companies should resort to strong stereotypes. Even though those might seem overused, Finnish companies would benefit from positive favourable product-country matches (Tihaja, 2018; Siikarla, 2022, p. 46).

## **2.2 Variations in country-of-origin effects**

The influence of information cues as well as COO cue to consumer behaviour is situation dependent (Erickson et al., 1984; Richardson et al., 1994). The influence of COO cue depends on multiple factors. According to Chan et al. (2009), the influence of COO cue to purchase intentions are product- and consumer-specific. More specifically, the COO effect depends on product category (Chung et al., 2009; Časas & Makauskienė, 2013), consumer type (Časas & Makauskienė, 2013), level of involvement (Prendergast, 2010), level of knowledge and familiarity with a product and a country (Usunier & Cestre, 2007) and utilitarian and hedonic dimensions (Melnyk et al., 2012). One could argue, that the influence of COO cue is consumer dependent, since the level of involvement, attitudes towards foreign products, familiarity level and perceptions of hedonic or utilitarian value of a product are consumer dependent (Oberecker et al., 2008; Kotler et al., 2024; Usunier & Cestre, 2007; Voss et al., 2003).

This chapter discusses the variations of COO effects from multiple standpoints. First assessing the consumer attitudes towards foreign products. Secondly discussing about South-Korean consumer perceptions towards foreign products. Third evaluating how COO cue effects in high- and low-involvement situations. Lastly discussing the influence of COO cue with hedonic and utilitarian products.

### **2.2.1 Consumer perceptions towards foreign products**

Companies are trying to benefit from COO, since people are using COO stereotypes as indicators of product quality (Hamzaoui & Merunka, 2006). In addition to just understanding the potential COO

effect benefits, it is crucial to understand how the consumers in the target market perceive foreign products (Moradi & Zarei, 2011).

Shimp & Sharma (1987) were the first ones to connect ethnocentrism to marketing and are also the creators of CETSCALE, which measures the level of ethnocentrism in specific areas. According to them, **consumer ethnocentrism (CET)** illustrates how domestic consumers have negative attitudes towards foreign products. Shimp and Sharma (1987, p. 280) in the context of American consumers, defined consumer ethnocentrism as a set of beliefs about the “appropriateness, indeed morality, of purchasing foreign-made products”. According to the authors, consumer ethnocentric people might think that buying foreign products is unpatriotic and that it is harming the domestic economy and causes loss of jobs. In contrast, non-ethnocentric people evaluate foreign products by their other attributes regardless of the country of origin. According to Balabanis & Siamagka (2017) CET is a tendency rather than an attitude, which results as feelings, thoughts and actions towards foreign products. Consequently, the more the consumers are ethnocentric, the less probable is for them to buy foreign products. Consumer ethnocentrism can be seen varying between different socio-economic classes and areas. The more threat foreign competition brings to a certain area or socio-economic class, the more consumer ethnocentrism can be detected (Shimp & Sharma, 1987.)

Consumer ethnocentrism is not coherent across all product categories. CET doesn't have significant influence on less expensive products like convenience products, even though consumers tend to buy more domestic than foreign products within this product category. In low-involvement situations consumers may unconsciously prefer domestic products or turn down foreign products due to implicit ethnocentric tendencies. In contrast, CET has more influence on high-involvement foreign products apart from electronics brands (Balabanis & Siamagka, 2017, p. 177.) This is especially evident in industrialized countries. When the price of a product increases, people tend to prefer a locally made product instead of comparable product from a less developed nation (Cordell, 1991). Mäkinen (2016) found out that locally manufactured car significantly raised motivation to buy the car for Finnish people. Furthermore, people from developed countries tend to support local brands even though, they might think the quality is not that good, because they want to support their country and not spend on imports (Karoui & Khemakhem, 2019). The same effect was evident in Thailand, which is a less developed country (Charinsarn & Speece, 2025). As there are differences on how consumer ethnocentrism affects in low-involvement and high-involvement situations, there are no significant differences between publicly used and privately used products (Balabanis & Siamagka, 2017, p.177).

For domestic global brands and non-domestic global brands, the effects of consumer ethnocentrism are similar. Global brands have been excellent in mitigating CET effects. Their marketing strategies are designed to appeal globally focusing on universal themes, and by doing so, consumers might identify more with the global group, so they put less emphasis on their own country. Furthermore, cultural closeness does not mitigate CET effect. Consumer ethnocentric consumers tend to concentrate only on the issue if the product is domestic or not. (Balabanis & Siamagka, 2017, p.177.)

**Consumer animosity** involves even more negative feelings towards a product or a brand from certain countries than consumer ethnocentrism. While consumer ethnocentrism can be seen as more about national loyalty, consumer animosity is driven by strong negative feelings, like anger, towards a country. These feelings are rooted from political, economic or military disputes (Harmeling et al., 2015) Even though the feelings toward a certain country are very negative, a good PCI can still increase consumers' purchase intentions towards products from that certain country. Wang et al. (2023) found out that favourable PCI might increase purchase intentions even though when consumers have animosity to that country. The more positive the PCI is, the more it can influence consumers' purchasing intentions with more animosity.

Oberecker et al. (2008, p. 26) conceptualizes **consumer affinity** as "A feeling of liking, sympathy, and even attachment toward a specific foreign country that has become an in-group as a result of the consumer's direct personal experience and/or normative exposure and that positively affects the consumer's decision making associated with products and services originating from the affinity country." Furthermore, consumer affinity is an emotional bond to a particular country which is solely based on feelings and not on cognition. According to the authors, this distinguishes consumer affinity from country image (CI) or product country image (PCI) since those are cognitive constructs dependent on perceptions about a country and its products.

The emotional attachment (consumer affinity) towards a country has a positive influence on purchasing behaviour for that particular country without considering the attributes of products. Oberecker et al., (2008) states that consumer affinity effects more on hedonic products than utilitarian products. This means that consumer affinity influences more on products that provide enjoyment and emotional satisfaction (hedonic) such as food and fashion items (Batra & Ahtola, 1991, p.161) rather than items that have functional or practical value (Batra & Ahtola, 1991, p.161) such as vacuum cleaner which is powerful and easy to use.

Jaffe and Nebenzahl (2006) states that affinity towards a country is created when the person visits the foreign country. Oberecker et al. (2008, p. 47) states that affinity towards a country arises from the “perceptions of the lifestyle, scenery, and culture of the country and experiences gained through travel, long-term stays, and personal contacts in the focal country”. Oberecker et al. (2008) emphasize that one does not need to travel to the country, rather it can be enough to gain knowledge of the other country in other ways. They add that consumer affinity is usually developed in the early stages of life and is often consistent over time. However specific circumstances such as large shifts in politics or economics might alter attitudes towards a nation.

According to Jaffe and Nebenzahl (2006) there are three types of consumers, and they have different types of reactions to foreign products within consumer affinity theory. Other-centric consumers, meaning consumers who generally prefer foreign products and hold positive emotions towards the designated country are most probable to purchase products from that specific country. Neutral or "cosmopolitan" consumers who have neutral attitudes towards foreign products tend to be influenced by affinity in their purchasing behaviour. Ethnocentric consumers' purchasing behaviour cannot be predicted since they generally hold negative attitudes towards foreign products while still having positive emotions towards a particular country. In addition, people who in general are attracted to foreign countries (xenophilia and internationalism) tend to have a moderate positive relationship to consumer affinity (Oberecker et al., 2008, p. 47).

According to Oberecker et al. (2008) there has been increasing willingness to pay for affinity products so importing country products should be targeted to consumers with personal emotional connections towards the specific country. In addition, the marketing should appeal to emotions rather than emphasizing product functions.

**Consumer disidentification (CDI)** refers to the opposite of consumer ethnocentrism. Josiassen (2011, p. 125) explains CDI as “the active rejection of and distancing from the perceived typical domestic consumer”. Furthermore, consumers with strong CDI differentiate themselves from the major group of consumers within one country. CDI effects on consumers' purchasing behaviour since the disidentified consumers avoid domestic products.

Consumers perceptions towards foreign products can be categorized into four categories: ethnocentrism, animosity, affinity and disidentification. Consumers with ethnocentric tendencies like to support domestic products. Animosity refers to strong negative feelings towards a country and its products. Affinity vice versa refers to very positive attitudes towards a country and its products. Disidentification refers to the opposite of ethnocentrism, and these consumers separate

themselves from traditional domestic consumers. Companies that use COO in marketing, needs to understand how different groups of people perceive foreign products. Each of these attitudes influences on consumer behaviour.

### 2.2.2 South Korean consumer profile

South Korea is a highly developed nation with population over 50 million. Furthermore, South Korea has faced and extremely rapid economic development (Kekola, 2021; Suominen, 2020; Toivanen, 2019.) South Korea is the 12<sup>th</sup> largest economy in the world when measuring nations' GDPs (Statista, 2024). The population in South Korea is aging fast the median age being 44.8 years old (Santander, n.d.). The households are quite small and almost one out of three households are single households. Furthermore, the number of single-person households is increasing. This has also led to increasing number of people eating outside alone. Many restaurants have responded to this by offering eating spaces for only one person (Toivanen, 2019). The level of education is very high (89% of population completed secondary education). It is in fact much higher than OECD average (79% of population completed secondary education). The most common occupations are office jobs like administration, accounting and sales. Consequently, only 57% of women is in paid work (Santander, n.d.). Overall, South Korean consumers have great purchasing power (Lee, 2025).

South Korean consumers are very tech-savvy and almost everyone has a smartphone and access to internet (Santander, n.d). Smartphone ownership is the highest in the world (95% of population) and 96% of population has access to the internet. This provides consumers the opportunity to do online research about consumption items. South Korean consumers tend to be well informed about consumption items before purchasing. They are very sensitive to price and have high brand consciousness. Furthermore, product quality and price are very important to South Korean consumers. In other words, excluding cheap everyday products, the involvement level of the consumers can be high, and they expect great value out of products and recognizable and distinct brands (Toivanen, 2016; Toivanen, 2019.)

South Korean culture is relatively hierarchical and collectivistic. Koreans rank also high in uncertainty avoidance (Kekola, 2021.) Furthermore, South Korea is a highly authoritarian nation where references are appreciated (Långbacka, 2018). Toivanen (2019) states that word-of-mouth is one of the most important ways of communication influencing perceptions towards consumption items. Furthermore, South Koreans trust their idols and influencers which has great impact on consumers' decision making. Currently social media and social networks are used to review and research consumption items. (Santander, n.d.; Toivanen, 2019) South Koreans aims for convenience

(Toivanen, 2019), which is common for cultures with high uncertainty avoidance (Kekola, 2021). For instance, South Koreans eat more at restaurants rather than cooking for themselves, because of busy lifestyle and aim for convenience. Consequently, the market for home meal replacements has grown and food delivery is very popular (Toivanen, 2019.)

Over the history, South Koreans have been seen relatively ethnocentric people, but more recent research shows that South Korea is the least ethnocentric country in Asia. For instance, Japan, China and the USA are more ethnocentric nations than South Korea. Ethnocentric tendencies have positive influence on domestic consumption items and negative influence towards foreign consumption items. However, the effect is not always consistent, and it may vary between nations and product categories. For instance, products from western countries are perceived more positively and products from other Asian countries are perceived not as good. (Lee, 2025). Especially Japanese COO is seen negatively due to the history between the nations even though Japanese products are often seen as high-quality (Lee, 2025; Song, 2020). In general, western COO is perceived positively and domestic products are perceived better than “3<sup>rd</sup> world products” (Toivanen, 2016).

Attitudes towards foreign and domestic products varies between demographics. The younger generation shows increasing interest towards foreign products and less interest on domestic products (Lee, 2025; Santander, n.d.). South Koreans are very status orientated which guides consumption. Especially, the younger generation prefer strong global brands like Apple and McDonalds, since they feel it increases their social status. For status reasons, the luxury market is growing rapidly in South Korea. In fact, South Koreans are the world’s biggest spenders on luxury. Social media is boosting the rapid growth of luxury market even more. Especially western products are popular (Lee, 2025.) For instance, western style breakfast has increasing interest among South Koreans (Toivanen, 2019) and in luxury segment western products are popular, such as German cars. Consequently, South Korean consumers are willing to pay price premiums for western goods. Besides Japanese goods, goods from other Asian countries are seen as budget friendly and lower quality (Lee, 2025.)

South Koreans tend to change their consumption behaviour, and they are prone to trends (Santander, n.d.). Consideration about ecological issues are increasing, and the government is paying more attention to it and developing practices to be more environmentally cautious (Kekola, 2021). The ecological awareness is developing but it is in the early stages. Younger generation is more aware of ecological issues and for instance, the second-hand market has been increasing in

size (Santander, n.d.) In addition to ecological issues, South Koreans are showing more and more interest in free time and leisure. However, the balance between professional life and personal life is still almost non-existent and South Koreans work a lot (Kekola, 2021). Even though, South Koreans are prone to trends, they are still ranking high in uncertainty avoidance and long-term orientation, so generally they are not early adopters of new brands, products or services. This is especially apparent with older generations (Toivanen, 2016.)

South Koreans are open minded for foreign products and western COO is generally perceived very positively. However, foreign brands need to adapt to local preferences (Långbacka, 2018, p. 49). South Koreans want to have excellent service and with their own language and customer service is a major part of brand image. Furthermore, considering how South Koreans research consumption items, three things are important: accuracy, promptness and price. They call for accurate information that is easily accessible. Koreans have little patience for inaccurate or unclear information. Consequently, price is very important factor, and any hidden costs are perceived poorly (Toivanen, 2016.) This could suggest that South Koreans would care about congruence in COO. Since they don't want any surprises regarding the product and don't like unclear information, incongruence in COO might have negative effects on perceptions of a product.

Overall, South Korean consumers have great purchasing power and social status is one key driver in their consumption. Koreans need to feel they are getting value for their money, and they want to be sure of their purchases, making them often highly involved consumers. Price and quality are very important product attributes and product information needs to be accurate, prompt and easily accessible. Koreans are quite open minded for foreign products and especially western products are perceived positively.

### 2.2.3 Involvement level

Product involvement refers to how much effort and interest a consumer puts into evaluating and purchasing a product (Usunier & Cestre, 2007; Kotler & Keller, 2009 p. 214). Involvement is up there with the most researched topics in consumer behaviour (Lee, et al, 2005, p. 54). According to Assael (2004, p. 90-99), consumers' involvement with a product varies by each individual. The involvement can vary between high and low. For example, one customer might be highly invested in buying new jeans due to fashion trends and social identity as for the other customer jeans can be just regular part of clothing. Furthermore, a product can be seen as low-involvement product in one country and as high-involvement product in another country. In other words, the level of involvement is consumer related, not product related.

There are two types of involvement: situational and enduring. (Houston & Rothschild, 1978, cited in Lee et al., 2005). Situational involvement is driven by a specific situation, and it is temporary. For instance, if one needs to buy smart clothes for a job interview, the person will be involved with that product category just temporarily (Assael, 2004, p. 91-92.) On the other hand, the involvement can be enduring. In that situation the consumer has a continuous interest for a product category and the interest is based on the consumer's interests and prior knowledge. Enduring involvement is fairly consistent, and it changes gradually (Assael, 2004, p. 94-95; Houston & Rothschild, 1978, cited in Lee et al., 2005, p. 55.)

In general, there are few reasons why a consumer is more involved with a product. Consumer is more involved with a product when it has personal relevance for the consumer, the product has emotional appeal, the product continuously interests the customer, the product involves substantial risks, and the product is aligned with the values of a group (Assel, 2004, p. 88-109; Kotler et al., 2024, p. 217). There are cross-cultural differences on involvement on different products. For instance, bicycles have much higher involvement in China than in the US and beer has much higher involvement in England and the US than in South America. Marketers should have an idea about the involvement level when doing international business (Assael, 2004.)

Consumers involvement can be situational or enduring, but quite often in high-involvement situations, the involvement is situational. For instance, for some consumer, buying formal clothing for new a job arises situational involvement, unless the consumer is constantly involved in formal clothing. In high-involvement situations the consumer is seeking information about products beforehand and comparing options. First, brand beliefs are formed by actively seeking information. Second, brands are examined and lastly purchase decision is made. Highly involved consumers are seen as information seekers, who gather information from various sources. From marketers, perspective, it is essential to use central cues which underlines the quality and functionality of a product, when advertising to highly involved consumers. In high-involvement situations repetition in advertisements can be useful up to a point, but after a time it can turn counterproductive (Assael, 2004, p. 96-105.)

According to elaboration likelihood model (ELM) created by Petty and Cacioppo in 1986 consumers make evaluations differently in low- and high-involvement situations. In ELM, there are two ways of persuading consumers: through central or peripheral route. Central route is for more involved consumers and peripheral route is for less involved consumers. Central cues, which are the most important product information, are provoking a lot of thoughts which leads to evaluating the

product or a brand. On the other hand, peripheral cues are frequent and visible cues which are much less thought-provoking. These are for example, influencer marketing, packaging, celebrity endorsers and sponsorships. Peripheral route aims to generate positive feelings and increase brand awareness (Kotler et al., 2024, p. 217.)

Low-involvement products are not notably risky, important, expensive or overall, not personally relevant. Most purchases consumers make are made within low involvement level (Assael, 2004 p. 96-98). For instance, fast moving consumer goods are often categorized as low-involvement products (Charinsarn & Speece, 2025). Convenience goods refer to products that consumers use and purchase frequently with low effort, for instance, soft drinks and toothpaste (Kotler & Keller, 2009, p. 358).

Low-involvement products are purchased without much thinking and consideration. For low-involvement products, the product attributes or brand characteristics are not guiding purchasing behaviour (Assael, 2004; Charinsarn & Speece, 2025). In other words, consumers do very little information processing in low-involvement situations. With low-involvement products, consumer is passively receiving information and formulating brand beliefs. After passively learning about the product or a brand, the consumer can recall information which can lead to a purchase decision. The brand or product is only evaluated after the purchase decision (Assael, p. 98.)

Generally, marketers aim to increase consumers' involvement with a product by four ways: connecting a product to a current issue, connecting a product to personally involving situations, aiming to evoke strong feelings with advertising and adding a special feature. These aims to increase involvement from low to high, could raise the involvement to moderate level, but won't guide to highly involved purchasing behaviour (Kotler et al., 2024, p. 217.)

<b>Low-involvement hierarchy</b>	<b>High-Involvement hierarchy</b>
1. Brand beliefs are formed first by passive learning	1. Brand beliefs are formed first by active learning
2. A purchase decision is made	2. Brands are evaluated
3. The brand may or may not be evaluated afterward	3. Purchase decision is made

Table 3: Low- and high-involvement hierarchy

Country of origin (COO) information is generally relevant for both low - and highly involved consumers (Lee & Shin, 2023, p. 545). In low-involvement situation, the COO is an extrinsic cue which serves as a heuristic in decision making (Prendergast et al., 2010). Heuristics refers to mental shortcuts which guides decision making process (Kotler & Keller, 2009, p. 212). Prendergast et al. (2010) argues that COO cue is generally more significant in low-involvement situations than in high-involvement situations.

In low-involvement situation, the effort of searching and analysing intrinsic cues can be difficult and commonly it outweighs the potential benefits (Zeithaml, 1988). For consumers it is easy to evaluate a product quickly based on country stereotype (Prendergast et al., 2010). COO becomes even more influential cue, when consumer's knowledge about the product category is low. For instance, a consumer with limited knowledge of lawnmowers could assume that German lawnmowers are good because Germany is known for high-quality engineering (Josiassen et al., 2008.) Even though, a product is evaluated with good quality, the influence of positive COO can still be insignificant regarding purchasing decision. Especially in fast moving consumer goods, product attributes are relatively insignificant, and COO information is commonly overlooked (Charinsarn & Speece, 2025.) People tend to purchase low-involvement products out of a habit or due to popularity, rather than making purchasing decision based on COO (Ahmed et al., 2004).

There are mixed opinions about how influential COO cue is compared to other cues in low-involvement situations. Ahmed et al., (2004) argues that "brand" is the most important cue for low-involvement products. The authors studied two product categories: bread and coffee and for both product categories brand was the most important cue. With coffee, price was more important than COO but with bread there was no significant difference between COO and price. This also indicates that when prices get higher, the influence of price cue also increases, since coffee was more expensive product category than bread. However, Koschate-Fischer et al. (2012) argues that COO has more influence on willingness to pay for low-involvement products than familiarity of the brand. The authors found no significant influence between brand familiarity and willingness to pay when researching mineral water as a low-involvement product.

There are different ways of communicating country of origin with low-involvement products. As discussed earlier, in low-involvement circumstances, peripheral cues are used to influence consumer behaviour. Clement et al. (2013) argues that visual package elements are crucial for gaining recognition. In addition, visual packaging elements are great indicators of product quality (Ghorbani & Westermann, 2025). For convenience goods, brand name is one of the key visual cues

where the brand language can connect the brand to a country. Commonly brand names from developed countries are perceived as higher quality especially in developing countries (Yener & Taşçıoğlu, 2021; Lee, 2020). Ahmed et al. (2004) found out that Colombian coffee brand with a French sounding brand name “Boncafe” was rated higher than a domestic brand with functional brand name “Super”. However, the reason can be just that hedonic brand names work better than generic and functional brand names.

Many studies indicate that COO has relevant influence on high-involvement situations, but a common opinion seems to be that the more involved the consumer is, the less they rely on COO cues (Josiassen et al., 2008; Konate-Fischer et al., 2012; Kim & Chao, 2018; Nugroho et al., 2014). In high-involvement situation, consumer relies less on COO, since other important cues are also present and under consideration (Ahmed et al., 2004).

Highly involved consumers are also evaluating the different COO facets. For instance, when it comes to manufacturing country, highly involved consumers appreciate if the product is manufactured in the same country as the brand is from (lateral manufacturing) or if the product is manufactured in even more developed country (upward manufacturing) (Lee & Shin, 2023). On the other hand, Josiassen and Assaf (2010) argues that congruency or incongruency in COO facets do not affect highly involved consumers evaluations of a product. In low-involvement situations, congruency in COO of the product is important regarding quality perceptions (Josiassen & Assaf, 2010; Lee & Shin, 2023).

Consumers have different involvement levels regarding purchasing products. The involvement level influences how consumers process different product information, such as COO. In low-involvement situations consumers rely on simple cues. In low-involvement situation COO cue serves as cognitive shortcut shaping product perceptions. However, commonly price and brand are more effective cues with low involvement level.

In high-involvement situations consumers process more information about products. In high-involvement situations actual product attributes becomes more influential. COO can be seen still as a relevant cue, especially, if it is consistent with the different COO facets. Overall, COO can influence both high- and low-involvement products, but the influence depends on factors such as product type and consumers’ knowledge about products.

#### 2.2.4 Hedonic products and utilitarian products

Different products serve different purposes for consumers. One product might give pleasure, and another product might provide functional value. In this regard, a clear distinction can be made between hedonic features and utilitarian features of a product (Voss et al., 2003). Generally, a product has both hedonic and utilitarian features to different extents. For instance, a luxury watch serves a functional value telling the time, but it also can have hedonic value by being beautifully designed. Consumers make choices between these two types of features when making purchases (Bartra & Ahtola, 1991; Voss et al., 2003.) When the product has generally more utilitarian value, it is considered as primarily utilitarian product and if a product has generally more hedonic value it is considered as primarily hedonic product (Dhar & Wertenbroch, 2000, p 61).

Hedonic products give affective pleasure and emotional value for the consumer. Hedonic dimension evaluates how pleasant or positive the emotions towards the product are. Hedonic dimensions include also sensual and experiential attributes like taste. For instance, Pepsi is considered as a hedonic product due to the good taste and attending to a rock-concert is seen as fun. Hedonic value is consumer dependent, since it is only dependent on how much hedonic value consumer gets out of a product or a service (Bartra & Ahtola, 1991; Voss et al., 2003).

Utilitarian products are defined primarily through their instrumental and functional value. Utilitarian dimension measures how functional and useful a consumption item is. Utilitarian consumption is guided by cognition to perform a practical purpose rather than satisfying the consumer emotionally or sensually. Utilitarian products are evaluated by functional attributes. Furthermore, functional attributes are compared to the price and the return for the investment is analysed more than in hedonic products (Bartra & Ahtola, 1991; Voss et al., 2003.)

When acquiring a consumption item, generally, hedonic products are more desired than utilitarian products. People desire positive feelings like fun, so if they can justify their hedonic purchase, there is increased possibility of consumption of hedonic items. For instance, if two products (hedonic and utilitarian) are presented singularly, the hedonic product is evaluated better than the utilitarian one. However, if the products are presented side by side, people tend to favour the utilitarian product, since choosing that is more justified (Okada, 2005.) Dhar and Wertenbroch (2000) argues that consumers prefer utilitarian products when acquiring something new. Okada (2005) argues that acquiring hedonic items increases if there is justification for it, since generally consumption of hedonic items includes feelings of guilt. That is why consumers are more willing to spend time and

effort for acquiring hedonic items, since it works as justification. On the other hand, with utilitarian products, consumers are willing to pay more for convenience.

In forfeiture situations, hedonic products are more valuable than utilitarian products. Hedonic features are more present in forfeiture situations than in acquisition situations. Forfeiture situations stimulate more spontaneous elaboration than acquiring situations. Furthermore, in this situation, consumer is elaborating more hedonic features than utilitarian features (Dhar & Wertenbroch, 2000.) Concisely, hedonic products are more desired and after purchasing a hedonic product, it becomes more valuable to the consumer. Consumers prefer to use more money on utilitarian products, since those are purchased to serve a practical purpose, which gives is generally more justified than hedonic purchases (Bartra & Ahtola, 1991; Dhar & Wertenbroch, 2000; Okada, 2005.)

Country of origin influence consumers' purchasing intentions and brand evaluations differently when comparing primarily hedonic and utilitarian products, since consumers engage in different information-processing strategies (Melnyk et al., 2012). Generally, COO has more influence on brand equity with hedonic products. Since hedonic products are purchased for sensory desire, intangible cues like country image are well connected to overall brand images (Yang, 2015). Hedonic products are also evaluated more abstractly and subjectively for experiential and symbolic value. This leads consumers to use more cues like COO when making product evaluations. Furthermore, when consumers' have lower involvement levels, they concentrate more on extrinsic cues rather than actual product attributes (Melnyk et al., 2012.)

On the other hand, country of manufacture has influence on brand equity with utilitarian products. For instance, for products with higher technical prestige, COM can be seen as the most influential COO facet (Chung et al., 2009) Manufacturers are associated with certain type of functional attributes or quality. For instance, BMW is regarded as being innovative. Utilitarian products are evaluated with actual product attributes and functional value, so the reputation and manufacturing image of a brand is important for consumers (Yang, 2015). For instance, Germany as a manufacturing country or as implied COO commonly indicates utilitarian value for a product (Chattalas & Takada, 2013; Melnyk et al., 2012; Yang, 2015).

Consumers' expectations about hedonic and utilitarian features of consumption items are based on national stereotypes. For instance, "French" perfume, makes a perfume more hedonic due to the national stereotype. A distinction can be made between warmth and competence. Generally, a nation with higher perceived warmth increases hedonic expectations, and a nation with higher

perceived competence increases utilitarian expectations (Chattalas & Takada, 2013.) Warmth refers to friendliness and goodwill of the people in a country and competence refers to the capability, competence and efficiency of the people of a country (Chattalas & Takada, 2013; Diamantopoulos et al., 2021.) For instance, Italy is seen as a warm country, so a bicycle from Italy, could be seen more hedonic than a bicycle from Germany.

National stereotypes (warmth and competence) are interconnected with brand stereotypes. Consumers have their perception of brands but if the brands are associated with the brand origins, the national stereotypes transfer to the brand. Over time, country stereotypes are embedded into the brand. (Diamantopoulos et al., 2021; Magnusson et al., 2019). Commonly, consumers tend to perceive brands from a particular country as similar, since brand perceptions are interconnected with country perceptions. This effect is even more noticeable, when intrinsic cues are out of consumers reach and the consumer relies on extrinsic cues (Yang, 2015, p. 43). Country stereotypes and brand stereotypes are still distinct, since brand stereotypes constructs from many things and country stereotypes are just one part of that (Diamantopoulos et al., 2021; Magnusson et al., 2019.)

Country stereotypes can be congruent or incongruent with brand stereotypes. If there is congruence between brand perceptions and national stereotypes (i.e. warm brand and warm nation), the positive COO effect increases. On the other hand, if there is incongruence, for instance, competent brand perception and less competent national stereotype, emphasizing the COO can be disadvantageous. (Diamantopoulos et al., 2021.) Congruence between implied COO and actual COO is also important regarding hedonic and utilitarian products. For hedonic products incongruence in COO decreases willingness to purchase significantly. On the other hand, for utilitarian products, congruence/incongruence in COO is not significantly important.

Hedonic and utilitarian products require different marketing methods at least from the basis of COO (Yang, 2015). Generally, COO has more influence on hedonic products than utilitarian products, since consumers process information differently between these categories (Melnik et al., 2012; Yang, 2015). In addition, congruency in COO is more important to hedonic products. Furthermore, national stereotypes are influencing brand perceptions. Nation's perceived competence increases utilitarian value of a product and perceived warmth increases hedonic value (Chattalas & Takada, 2013). The relationship between nations and brand is interconnected and Diamantopoulos et al. (2021) found out that brands perceived as competent increases both utilitarian and hedonic value of their products regardless of COO stereotypes. Yang (2015) suggests that COO cues can be

beneficial when marketing hedonic products. On the other hand, emphasizing overall corporate and manufacturing image would be beneficial for utilitarian products.

## **2.3 International marketing using COO**

### **2.3.1 Common practices of using COO in international marketing**

As previous chapters suggest, and the large amount of literature covering COO over the past sixty years, COO has an influence on consumer behaviour (Samiee et al., 2024). The influence of COO on products depends on many things such as, consumer profile, the product type and consumer's involvement level. If the perception of COO is negative COO information should be hidden (Roth & Romeo, 1992). However, when COO is perceived positively, it can be a valuable asset for marketing, since it increases the possibilities of succeeding in international markets (Ahmed et al. 2004). Koschate-Fischer (2012) argues that a positive COO should be emphasized in advertising and packaging to increase consumers' willingness to pay. In this sub-chapter, the common ways of presenting COO information as part of marketing is discussed.

Country of origin of a product can be communicated in many ways to consumers. One of the most common ways is to use "Made in" labelling, which can be also mandatory. In fact, many companies put emphasis on the made in labelling to enhance the possible positive effect. This can be done by in many ways, for instance, enlarging "made in" symbol and using nation's flag (Thøgersen, 2023.) "Made in" label doesn't have to include a country, but it could also include a region for instance, "Made in Bergamo". It can be a beneficial strategy, if the country's COO is generally negative or otherwise the region is well regarded in some sector creating a good product region match (Aichner, 2014.) Sometimes the designation of origin is protected (PDO) so a company that produces products from that designation can have legally recognized certificates. This makes the origin cue more credible and effective (Tarabashkina et al., 2024.)

Second common way of communicating COO is foreign language display theory (FLD). Foreign languages can evoke feelings different countries and make consumers associate the product with other ethnic and social groups even though they don't understand the language (Yener and Taşçıoğlu, 2021.) Furthermore, brand name or the brand name language can give away the COO, even if COO is not given elsewhere (Aichner, 2014; Charinsarn & Speece, 2025). For instance, "Texas instruments" gives the COO directly and "Dolce&Gabbana" can sound like it is from Italy (Aichner, 2014).

An effective way of communicating COO to consumers is with storytelling. Storytelling with COO can create authenticity and originality to the brand and connect the country to the brand better. (Josiassen & Assaf, 2010) COO can be an affective cue which increases the emotional value of the product. With storytelling, the effect of affective COO cue can be enhanced. For instance, Dolce & Gabbana perfume was presented in a traditional Italian family dinner scenario (Zeugner-Roth & Bartsch, 2021.) In other words, with hedonic products, storytelling can be a strong marketing tool, since story telling increases the emotional value of the product

Using symbols, flags, national sights and other national elements that indicate COO is also common in marketing. Using symbols in the packaging is common especially in typical products such as foodstuff. For instance, Toblerone uses mountain Matterhorn in their packaging which indicates Swiss origin. The use of COO in marketing strategies can be explicit or implicit. Explicit strategy is more straightforward, and it includes using symbols and flags as labelling. Implicit cues are more subtle like brand name language and cultural sights, which require a little more understanding about that country and culture (Aichner, 2014.)

Companies can either hide COO information all put so much emphasis on it that COO becomes a unique selling point. However, the level of use of COO requires understanding of the company and its' situation. Commonly companies use few ways of communicating COO, but it depends on the company and its' situation (Aichner, 2014.)

### 2.3.2 Theory synthesis

Country of origin (COO) is widely studied phenomenon in international marketing, focusing on how consumers perceive foreign products. More specifically it studies how a country's image acts as an external product attribute (Oduro et al., 2024; Bilkey & Nes, 1982). Even though, the topic is widely studied, the topic has a lot of varying opinions. Most research is done from the viewpoint of a large and well-known country (Brand & Baier, 2022; Oduro et al., 2024.) This chapter synthesises the COO literature with the focus on how COO can be used as a marketing tool in international markets and what aspects to consider. Furthermore, there is a specific focus on Finnish brands in South Korea.

COO is a multidimensional term and researcher imply that COO consists of different facets. Consumers do not necessarily think that COO consist of many facets but rather interpret COO as country of manufacture (COM), country of design (COD) or country of brand (COB /BO) refers to the COO (Pegan et al., 2020; Oduro et al., 2024). Among these different facets, COM and BO are

seen as the most influential towards consumer perceptions (Magnusson et al., 2011; Usunier & Cestre, 2007). However, the influence of each COO facet is situation dependent by industry, product category and consumer involvement (Chung et al., 2009).

COO is an extrinsic cue similar to brand and price, which gives information about the external attributes of a product (Bredahl, 2004; Bilkey & Nes; 1982). Sometimes extrinsic cues can be more influential than intrinsic cues affecting product evaluation. This happens especially when intrinsic cues are not easily attainable or when consumers lack the prior knowledge about that product category (Veale & Quester, 2009). The importance of COO in international marketing is significant, since COO cue influences consumer responses towards brands through quality perceptions, risk perceptions, buying intentions and willingness to pay (Bredahl, 2004; Bilkey & Nes, 1982; Erickson et al., 1984; Bartsch & Zeugner-Roth, 2021). As a result, it is important to either highlight or downplay COO information depending on whether COO information evokes favourable perceptions and associations in the target market (Han & Terpstra, 1988; Prendergast et al., 2010; Roth & Romeo, 1992).

COO can have significant influence on consumer-based brand equity. COO information can influence quality perceptions, brand associations and brand awareness (Pappu et al., 2006; Andhen et al., 2016). A favourable product-country match (for instance, Germany and cars) enhances the effect even more, whereas a product-country mismatch (for example, Hungary and wine) can have negative influence on brand equity (Roth & Romeo, 1992).

Different types of consumers react differently to foreign products. Shim and Sharma (1987) argues that some consumers avoid foreign products for patriotic reasons, meaning they want to support their own economy in the global world. This is referred as consumer ethnocentrism (CET). Some consumers have even stronger negative emotions towards foreign products and services. That is referred as consumer animosity. These very negative feelings commonly spring from historical or political tensions with a certain country (Harmeling et al., 2016). Some consumers have a positive emotional bond to a particular foreign country that affects their purchasing behaviour. Consumers that affinity to a certain country perceive the products from that certain country better even without considering the product attributes (Oberecker et al., 2008.) Lastly there are consumers that dis-identify themselves from the general consumer in their home country. They prefer foreign products over domestic ones (Josiassen et al., 2011.) Different consumer profiles in a given target market should influence marketers' advertisement decision when using COO in marketing.

Consumers level of involvement with products varies between low and high. The level of involvement is consumer dependent rather than product dependent. The personal relevance of a product for each individual defines the level of involvement. Commonly products that involves financial risk, emotional appeal or is interesting for the consumer are seen as high-involvement products. Highly involved consumers process information differently than consumers with low involvement. Highly involved consumers are seen as information searchers that form perceptions and beliefs by actively learning while consumers with low involvement makes their further evaluations after the purchase. Highly involved consumers are influenced with central cues that involve processing of the most relevant product information, whereas low involvement consumers are influenced with peripheral cues like visual packaging and endorsements (Assael, 2004; Kotler et al., 2024.) COO is relevant information cue for both low- and high-involvement situations. In low-involvement situations COO acts as a simple mental shortcut (heuristic) which signals the overall value of the product. In high-involvement situations COO cue is still relevant but the effect usually decreases since other cues such as brand and price are present (Ahmed et al., 2004; Lee & Shin, 2023.)

COO can be seen influencing hedonic and utilitarian purchases differently. Generally, COO has more influence with hedonic products, since country image links better to brand image which has hedonic value (Yang, 2015). Consumers also engage in different information processing strategies with hedonic and utilitarian products. Since hedonic products are evaluated more abstractly and subjectively, extrinsic cue like COO can have more influence (Melnyk et al., 2012.) However, COM can be important cue for utilitarian products, since manufacturers can be associated with specific attributes and commonly utilitarian products are evaluated based on product attributes (Chung et al., 2009; Yang, 2015).

Finland has a very positive country image. Commonly Finland is associated with a broader Nordic identity. Finnish COO is associated with attributes such as technological competence, innovation, quality, sustainability and design. The associations vary between country and product category. Finnish country image is still obscure and only known better in the neighbouring countries. As an exception in Japan, Finnish country image is also quite well known. However, the biggest weakness of Finnish COO is the lack of recognition internationally (Ryan, 2008; Siikarla, 2022). If Finnish companies are aiming to increase the COO effect, relying on strong country stereotypes would be advisable (Siikarla, 2022; Tihaja, 2018).

The things Finnish brands need to take into consideration when using COO in marketing

- Product-country matches
- Different consumer profiles
- Low- and high-involvement in consumer behaviour and marketing
- COO effects with hedonic and utilitarian products

This theory synthesis provides a comprehensive overview of how COO influences in international marketing with emphasis on Finnish brands. Understanding the multiple dimensions of COO, product-country matches and variations of COO effects in different circumstances gives a robust theoretical background which can be further applied to real-world context. Extending to empirical research on the topic, the theoretical framework can be examined.

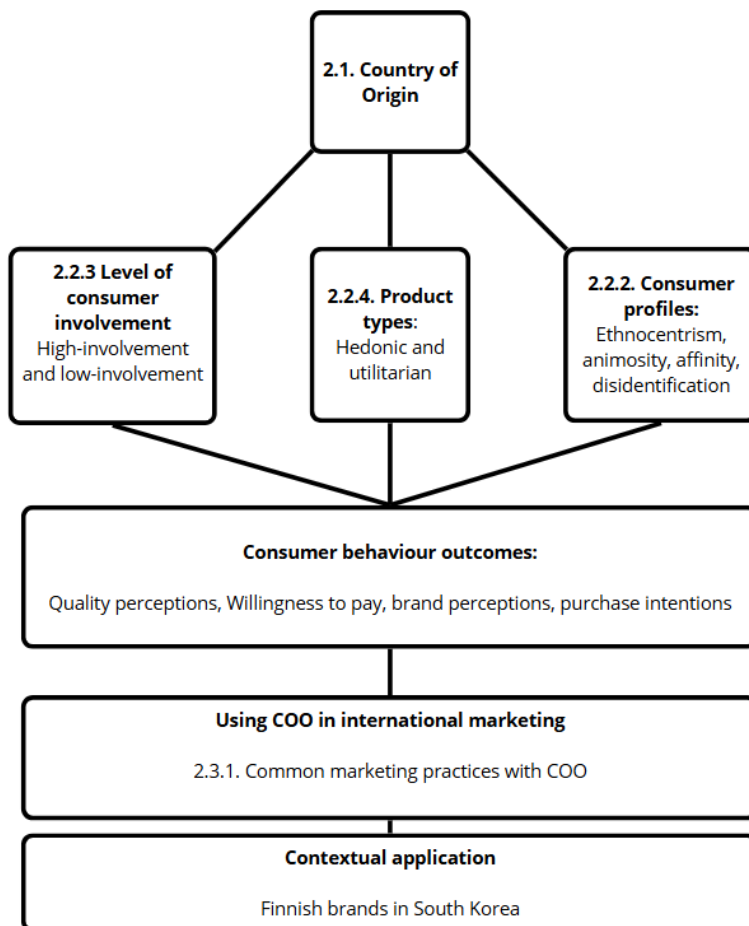


Figure 2: Theoretical framework

### **3 Methodology**

This chapter details the chosen research approach and investigates the implicit decisions behind the structure of the study. The motivation of the study was to gain understanding about how Finnish companies could benefit from COO when marketing in South Korea, which led to a qualitative nature of the study. First introducing the research approach, secondly discussing data collection and data analysis and lastly revealing data analysis methods and evaluating the methods.

#### **3.1 Research approach**

This study aims to find out the underlying factors that influence how international marketing could be done effectively. More specifically, this research aims to cover how Finnish companies can leverage country-of-origin (COO) cues in marketing to South Korean consumers. The research has two perspectives: South Korean consumer perspective and marketing professionals' perspective. Researching South Korean consumers give insights how COO cues influence their consumer behaviour and how they perceive Finnish COO. In contrast, researching the topic with marketing professionals, gives insights how professionals see COO as marketing tool and furthermore, how Finnish COO can influence in South Korea.

Combining the perspectives of South Korean consumers with the perceptions of industry professional, there will be a more comprehensive understanding on how Finnish companies could use COO cues in their marketing. Hence, South Korean consumers are researched as well as Finnish companies operating in South Korean consumer market. Overall, this subchapter explains the nature of this study and the reasons behind the methods used.

This research takes a qualitative approach. Qualitative research aims to understand how people make sense of the world and its issues. Qualitative research is based on existing assumptions based on literature and the aim is to enrich knowledge by interacting with people in their natural settings. The data is analysed by identifying themes or patterns or testing if the results hold true comparing it to the existing knowledge (Creswell, 2013, p.3.) According to Hirsijärvi et al. (2009, 160-161) the result of qualitative research is diverse, and the aim of qualitative research is rather discovering facts than verifying already existing truths or statements. The authors emphasize that the views and opinions, which are the data of qualitative research, are always subjective.

Qualitative research can be classified even in more detail, which leads to philosophical standpoints in research. According to Hirsijärvi et al. (2009) there are always background assumptions or in

other words, philosophical basic assumptions, which affect the choices in research strategy. Saunders et al. (2023) argues that taking a philosophical standpoint, the research becomes more likely more objective. In qualitative research the common research philosophy is interpretivism or constructionism. Interpretive or constructionist research analyses how people as individuals or groups understand the surrounding world. Furthermore, there can be multiple different interpretations of the same data which can all be influential (Eriksson & Kovalainen, 2016, p. 20-21.) This research takes the interpretive philosophical standpoint. This research studies how South Korean consumers interprets Finnish COO as well as how industry professionals interpret the role of Finnish COO in marketing practices in South Korea.

Besides the research being qualitative and more specifically interpretive, the study has an explanatory nature. According to Hirsijärvi et al. (2009) there are four reasonings for doing research: exploratory, descriptive, explanatory and predictive reasons. This research aims answer to questions “how” and “why” utilizing Finnish COO could influence consumer behaviour and marketing. The research is made to understand the mechanisms and causes of a phenomenon and how this knowledge can be applied to practice, which is the key element of explanatory research (Hirsijärvi et al., 2009).

Additionally, an operationalization table was made during the pre-design phase to distinguish the different themes of this research clearly. The operationalization table clearly structures the research by themes and sub-objectives and provides linkages form theory to data collection. This also helped in the creation of the interview body and further in coding the interviews. The operationalization table is located on the next page.

Title of the study	Purpose of the study	Sub-objectives	Theoretical framework	Interview themes
Utilizing Finnish country-of-origin in international marketing: Finnish companies in South Korea	How foreign companies can use country-of-origin in international marketing	What is Finnish country-of-origin and how does South Korean consumers picture it	2.1.4 COO as a product attribute 2.1.6 Finnish COO	COO as a cue Perceptions of Finnish COO
		How COO effect varies in different situations	2.2 Variations in COO effects 2.2.3 High-involvement and low-involvement 2.2.4 Hedonic and utilitarian products	COO variations: High- and low-involvement Hedonic and utilitarian dimensions
		How to use country-of-origin in international marketing	2.3.1 Common practices of using COO in international marketing	Marketing practices in South Korea using Finnish COO

Table 4: Operationalization table

## 3.2 Data collection

### 3.2.1 Data collection in qualitative research

In qualitative research, data collection is more than concentrating on the types of data and methods gathering them. Qualitative data collection involves the anticipation of ethical issues, developing a robust and logical qualitative sampling strategy, choosing the most suitable tools for recording information, resolving challenges as they emerge in the field, and secure storing of the data (Creswell & Poth, 2018, 147.) When designing this research and data collection, these guidelines were followed.

In business research the most common data is empirical data (Eriksson & Kovalainen, 2016, p.81). The data can be segmented into two categories: primary data and secondary data. The difference between the two types of data is that primary data is researcher-designed and secondary data is researcher-gathered (Eriksson & Kovalainen, 2016, p. 82). In other words, secondary data is data that already exist, and primary data is created by researcher by various methods. Commonly in qualitative business research the data is either textual, verbal, audio material or visual material that

supports interpretations and explanations rather than emphasizing numerical data (Eriksson & Kovalainen, 2016, p.83). In this research the collected data is researcher-designed meaning primary data. Primary data is considered essential for this research, since the aim is not to test any existing theories, rather gaining new insights. Furthermore, existing COO literature is quite rich, but in the context of Finnish brands in South Korea, there is no similar prior research done. Because there is lack of secondary data regarding the topic of this thesis, secondary data was considered to be not as suitable option as primary data.

Interviewing is the most common way of collecting qualitative data (Eriksson & Kovalainen, 2016, p. 83; Hirsijärvi et al., 2009, p. 205). This research reinforces that common opinion, since the chosen data collection method is interviews. More specifically, this research has two methodological approaches considering interviewing: qualitative semi-structured interviews and focus group interviews. Semi-structured interviews are conducted with industry professionals and focus group interviews are conducted with South Korean consumers.

Interviewing is seen as “unproblematic, effective, and reasonably structured means to gather data.” (Saunders et al., 2023, p. 442). With interpretative philosophical standpoint, the interviewees are seen as social actors who are interacting with the surrounding world, therefore putting even more emphasis on the interviewees’ views and opinions (Saunders et al., 2023, p. 442). Interviewing as a data collection method has perks and disadvantages, but the selection of this method must be justified (Hirsijärvi et al., 2009, p. 205). In this research the aim is to get subjective answers to clarify and deepen the knowledge about something, in this case COO effects in marketing. According to Hirsijärvi et al. (2009, 205) acquiring subjective answers to deepen knowledge about something are common reasons to select interviewing as the research method. The main advantage of interviewing is that the interviewee can adjust the data collection flexibly according to the situation and following the respondent. In addition, interviewing leaves much more room for interpretation (Hirsijärvi et al., 2009, p. 204-205). However, interviews have their challenges as well. First, designing an interview is a time-consuming process and the interviewee should practice the role of interviewer (Creswell & Poth, 2018, p. 164; Hirsijärvi et al., 2009, p. 206). Consequently, the interviewee, the participant or the situation itself can act as a source of error (Hirsijärvi et al., 2009, p. 206).

When choosing interviewing as the data collection method of the research, it seems that having different types of interview questions in the interview is a great way of gaining good research data. According to Holstein and Gubrium (2004) having “what” and “why” questions lead to best results.

“What” and “why” questions are commonly used in semi-structured interviews. Furthermore, interview questions can be closed, open-ended or somewhere in between. Open-ended questions provide the respondent more control over the topics discussed and often leads to more detailed answers. Interview questions should also be designed to be neutral avoiding any pre-assumptions to gain objective results (Eriksson & Kovalainen, 2016, p.96.) This research follows these guidelines by including “what” and “why” questions to the interviews and having neutral open-ended questions for gaining objective in-depth data. In addition, the interview questions were quite simple and direct, since the discussed topic was not sensitive or controversial, and simple questions tend get responded more easily (Eriksson & Kovalainen, 2016, 96-97).

### 3.2.2 Semi-structure expert interviews

Semi-structured interviews investigate how people perceive and understand something that is happening. Semi-structured interviews differ in the level of structure (Saunders, et al., 2023, p. 443; 446)), but generally follows a pre-designed outline which allows the researcher to adjust the interview questions, change the order of them and to come up with new questions (Eriksson & Kovalainen, 2016, p.94; Hirsijärvi et al., 2009; p. 208). The advantage of semi-structured interview is the systematic and comprehensive interview material, while still having a conversational and informational tone. The challenge of semi-structured interviews relates to following the pre-designed outline too closely, which might prevent new important topics emerging from the conversation, which might lead to less in-depth responses (Eriksson & Kovalainen, 2016, p.94-95.) A pre-designed outline was created for the interviews of this research to help to cover all the topics while still being aware of new possible topics emerging.

Semi-structured interviews can follow thematic or distinctive format (Saunders, 2023, p. 443-444). In this research thematic format was selected. In semi-structured interviews with thematic format, empirical data is collected to examine the research topic. The interviews are based on predefined themes and questions that guides each interview. Furthermore, semi-structured interview with thematic format can be exploratory or explanatory. Exploratory research collects data about a particular topic whereas explanatory research aims to contribute to theory development by being more structured based on different theories (Saunders, 2023, p. 443-444.)

The nature of this research is exploratory. The aim is to understand how Koreans perceive COO cues and especially Finnish COO cues. Furthermore, the aim is to understand the possibilities Finnish companies have from their COO and how to possibly use it to their advantage. The themes for the interviews are based on academic literature discussed in the literature review, but these

interviews don't test any hypotheses but rather gathers new insights from the practical world. One could see that there are explanatory traits in this research, since theory used as a lens to understand and uncover how COO is perceived and how it could be used in practice. However, the aim from the start has been to create exploratory research.

The semi-structured interviews were conducted with professionals that had experience and expertise in international marketing. See table 5: expert interview participants, below. Furthermore, they had experience and insights about consumer behaviour in South Korean and Nordic COO cues in marketing. There were total of four professionals with two being from Finland and the other two being from South Korea. Selecting participants to the research is does not require specific sampling methods but it is rather purposeful. The purpose is to get rich data which allows for comprehensive analyses and an opportunity to learn about the research topic (Eriksson & Kovalainen, 2016, p. 53.) The purpose of this research was to gain data from professionals who are familiar with the research topic. Based on the purpose of this study, potential participants were sought after online. Potential participants were found on LinkedIn and on Business Finland websites. Through LinkedIn, a professional with the wanted type of experience was found. The participant then provided more potential participants from his own network for this research with similar professional backgrounds. Those persons were contacted, and two further interviews was conducted. Reaching out to Business Finland, an expert in the wanted field was found and further interviewed.

After Covid-19 pandemic, the use of online tools has increased significantly to have meetings. It is convenient way, since online meetings doesn't require the participants to be in the same place. However, comparing to face-to-face meetings, it is harder for the interviewer to notice visual cues (Saunders, 2023, p. 448-449.) In this research three semi-structured expert interviews were held in online platform "Zoom". The fourth interview was conducted via email, since the participant could not make time for an interview on Zoom. Furthermore, since this is a master's thesis and it needs to be submitted, there was no time to exchange many emails, which is common for email interviews. Generally, an email interview is a series of emails with the participant. The researcher asks one or a small number of questions from the participant. The participant answers to that or those questions and then the interviewer presents follow-up questions, clarifications and continues with the selected themes. In other words, it is a discussion but just via email. Commonly, this way of communicating takes time, since there is delay between messages (Saunders et al., 2023, p. 477.) In this situation, when there was a limited amount of time, all the research questions were sent at the same time and the participant responded once to all of the questions and no further questions were asked from the

participant. According to Saunders et al. (2023, p. 433; 477) this would resemble an online questionnaire which are more suitable with structured interviews.

The data from the online interviews were stored and then transcribed for coding and analyzation. The answer from the email was also stored but no transcription was needed, since the data was already textual.

Interviewee	Profession	Date of the interview	Duration
Interviewee A	Business development manager & consulting	18.3.2025	55min
Interviewee B	Key Account manager	14.3.2025	43min
Interviewee C	South Korea market expert / marketing strategist	3.4.2025	32min
Interviewee D	Advisor	30.4.2025	E-mail

Table 5: Expert interview participants

### 3.2.3 Focus group interviews

Focus group research refers to a research method which consists of interviewing a group of people who are focused on the same topic. Focus group research is especially used in marketing research, when aiming to collect data about consumer behaviour (Eriksson & Kovalainen, 2016, p. 181-182.) Furthermore, the participants are not selected totally randomly, but with purpose. For instance, selecting individuals who are part of a group that is under research (Saunders et al. 2023, p. 481.) Since part of this research is understanding South Korean consumer perceptions of Finnish COO, focus group interviews with South Korean consumers suits the research well from this point of view. Focus group interviews also provides the opportunity to get more opinions which creates richer research data. Furthermore, the participants can challenge or support other views, which can help to identify patterns (Saunders et al., 2023, p. 481-485.)

Focus group interviews have benefits and disadvantages, but they are effective, since the researcher can collect information from multiple people at the same time. Other benefits with focus group interviews are, overcoming misunderstandings and remembering essential information with the help of the group (Hirsjärvi et al., 2009, p. 210-211.) Furthermore, focus group interviews are favourable, when the participants are co-operative and consistent with other participants, when

information is created within the interactions in the group or when individual interviews hold the participant back from providing information (Creswell & Poth, 2018, p. 164). Comparing focus group interviews to individual interviews, focus group interviews can't offer the same depth and detail on certain topics as individual interviews (Saunders et al., 2023, p. 484)

The participants for this research were selected through a personal connection who voluntarily asked people from his close circle to participate in this research. Since, the people I interviewed wouldn't have known me, I assumed the participants would be more relaxed in a group setting and therefore would provide more insightful data. In addition, since some of the participants knew each other, this might make them more co-operative. The participants of the focus group interviews were young adults (20-30 years old), which must be taken into consideration. Due to the lack of resources, only age-based demographic group could be included in this research.

The data collection process went as follows: deciding data collection methods, designing an outline for the interview, reaching out to my connection to get participants for the research, scheduling the meetings, practicing interviewing, hosting the interviews via online platform "Zoom", storing the audio and video recordings and doing transcriptions from the audio recordings.

There were challenges related to the first focus group interview and necessary changes had to be made. The original idea was to have five participants in the interview. Five people had accepted the invitation for the interview, but three participants were not able to join to the interview.

Rescheduling was not possible, so the interview was conducted for only two people. The original selected group consisted of two females and three males. The aim was to get perspectives from two sexes (females and males) to gain more diversity to the research data. However, the first focus group interview was conducted only for two females, so there was only female perspective. The second focus group interview went as planned. The second group consisted of four people, three males and one female. Again, the aim was to get perspectives from two sexes to get more diversity to the research data.

The opinions about the size of the focus group varies. Morgan (1997, p. 43-45) states that good rule of thumb is having 6-10 people in a focus group. Saunders et al. (2023) claims that 4-12 participants is a typical number of participants. However, depending on the situation, the number of participants can vary. In smaller groups the participants get more time to talk which provides more personal reaction to the topic at hand. Smaller groups however involve the risk of being less productive and it might be harder to hold an active conversation. According to Morgan (1997, p. 42) "Small groups also run the risk of being less productive because they are so sensitive to the dynamics among the

individual participants”. However, in the first focus group interview with only two participants, both participants seemed to be interested in the topic and the interview seemed to go well.

Both interviews were conducted by using virtual meeting platform “Zoom”, which was familiar to all participants. This allowed the participants to be at the most convenient place for them. Since, the participants live in Seoul, there was there a time zone difference which was also considered. The first interview lasted around 46 minutes and the second around 55 minutes. Each interview was recorded, which was informed to the participants already in the invitation. The audio recordings were then stored and then transcribed using word for further analysis.

This research has a circular nature, since during this research the research design changed a little after the first interview to narrow down the topic to gain even more detailed and more in-depth information. In the first focus group interview, some discussions were quite broad, so narrowing down the topic was good to get more in depth to the most important matters. According to Eriksson & Kovalainen (2016, p.88) it is common in qualitative research to re-think the research design, gather more data or just revisit the research plan if needed. Even though the pre-designed semi-structured outline for the second focus group interview changed a little, all the themes were the same as in the first focus group interview according to the operationalization table.

Group	Number of participants	Date of the interview	Duration
Group 1	2	24.11.2024	46min
Group 2	4	23.4.2025	65min

Table 6: Focus group interviews

### 3.3 Data Analysis

In qualitative research the data which is analysed can be text or audiovisual data (Eriksson & Kovalainen, 2016, p.120). In this research the data was gathered by interviewing. The interviews were recorded and further transcribed, making the analysed data textual. According to Eriksson & Kovalainen (2016, p.120) there are two objectives for qualitative data analysis. First objective is to provide a comprehensive and accurate explanation about the phenomenon which is researched. The second objective is to understand the rich and detailed contextual meanings from the research data. The data analysis of this research follows these two objectives.

In qualitative research, the researcher has various analysis types to choose from. Each analysis type has its own set of rules which are followed to conduct the analysis. The most common method is qualitative content analysis, which itself can be done in various ways (Eriksson & Kovalainen, 2016; Tuomi & Sarajärvi, 2018.) Creswell and Poth (2018) states that qualitative data analysis can be a difficult task for researcher, but they provide a six-step framework for qualitative data analysis. Eriksson and Kovalainen argues that the data analysis method should be selected based on the goals of the research. Based on different scientific literature and the goal of this research, the data analysis in this research is a thematic analysis. According to Braun and Clarke (2006, p. 86-94) thematic analysis should follow a certain structure: “Familiarizing yourself with data, generating initial codes, searching for themes, reviewing themes, defining and naming themes and producing the report”. However, in this research, all the interviews were already structured based on themes, so in the data analysis phase, spending too much time figuring out the themes was not necessary. Instead, the structure of this thematic analysis is based on the qualitative data analysis farmwork created by Creswell and Poth (2018, p. 185). The structure of the data analysis is as follows: “managing and organizing the data, reading and memoing emergent ideas, classifying codes into themes, developing and accessing interpretations, representing and visualizing the data”. According to Creswell and Poth (2018, p.182-185), this is a common process amongst researchers and the aim is to turn textual or audiovisual material into a detailed description of the researched topic.

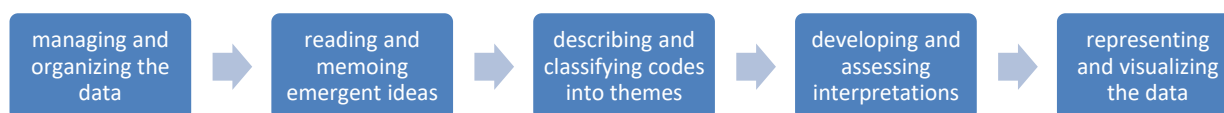


Figure 3: data analysis

First the data is prepared and organized. In practice, the audiovisual material from the interviews were stored into research data folder. Then the audio recordings were transcribed with Microsoft Word. After all the data was prepared and organized, the transcriptions of each interview were read multiple times to gain a comprehensive understanding of the interviews. In addition, interesting findings from each transcription, that had an important feel, were noted by writing notes to the margins of the transcription. The next step of the analysis was coding the interview data. The interviews were already structured into three larger themes, which can be seen on the operationalization table. That helped the coding process, since the data under each theme was closely theme related. However, to help the coding process and data analysis even more, five

different themes were used to code the transcriptions. With five different themes, it is easier to get into more detail with coding, which makes the further analysis easier.

The five segments that were created to coding were: Finnish COO, COO as a cue, variations in COO effect, South Korean consumer profile and marketing strategies with COO. Everything from the data related to Finnish COO was highlighted with colour blue. Everything from the empirical data related to the importance of COO cue was highlighted with yellow colour. Variations in COO effect has two colour codes: green highlighting data related to high- and low-involvement situations and red for highlighting data related to hedonic and utilitarian products. Brown colour was used to identify data related to South Korean consumer profile. In other words, data about Korean consumer behaviour, perceptions about foreign products and any information related to how South Koreans are as people, was highlighted with brown. Lastly, orange colour was used to highlight every marketing related data for instance, data about marketing channels and marketing communication. The transcribed data was colour-coded by using the highlight tool in Microsoft Word.

After the codes were developed, the five themes and codes were checked and verified. Regarding coding, option in which coding each large theme separately, was considered, but that had few issues. Firstly, the three themes in the operationalization table helped creating structure for the interview body and interviews. However, since the interviews conducted were semi-structured, the interview didn't proceed strictly according to the themes. Rather there was discussions, where multiple larger themes were mentioned. Secondly, if deciding to code each theme separately, the coding would have involved many codes, which could have made the coding unclear and too complex. The way of using five themes and six colour codes, made the coding and analysing simpler. The themes and coded factors are listed in the table below:

Interview themes:	Codes:	Colours:
Finnish COO	Perceptions about Finland Attributes related to Finnish COO Product country matches	Blue
COO as a cue	Relevance of COO cue in decision making	Yellow
Variations in COO effect	High-involvement & Low-involvement Hedonic & utilitarian	Green Red
South Korean consumer profile	Consumer behaviour Perceptions to foreign products	Brown

Marketing strategies with COO	Marketing channels Message Common practices	Orange
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Table 7: Coding table

With the help of colour coding, it was easy to find the wanted data from all transcriptions to further analysis. Every sentence of the transcriptions was not highlighted with colours, but everything was still read for further analysis. Data analysis in qualitative research reminds of a spiral rather than linear steps. Commonly researchers revisit the data analysis process from time to time (Creswell & Poth, 2018, p. 185.) Since, there was time gaps between the interviews, the data analysis was revisited few times during this research, to make sure everything is logical, and the data would be analysed thoroughly. The next steps of data analysis are assessing interpretations and presentation of the data. This information will be presented in the following chapter, which assesses the findings of this research.

### 3.4 Evaluation of the Study

Evaluation is important part of research, since it explains to the reader, why the research is trustworthy (Eriksson & Kovalainen, 2016, p.303). The steps and decisions made in the research process should be told and explained (Hirsijärvi et al., 2009, p. 232-233). In qualitative research, validity is reached, when the report is correct, which is reached by being reflective and inductive (Eriksson & Kovalainen, 2016, p. 305)

The evaluation of the research should be continuous during the research process and not only done at the end of the research (Eriksson & Kovalainen, 2016, p. 303). In this research all the steps taken and decisions made are told and explained to give clarification and transparency to the reader. Furthermore, every step of the process has been under evaluation to create trustworthy research. Overall, this chapter reflects the methodological decisions made and the steps taken. The overall trustworthiness of this research is evaluated through Lincoln and Guba's (1985, p. 301) four criteria: credibility, transferability, dependability and confirmability.

According to Shenton (2004, p. 64) credible research "measures or tests what is actually intended" Furthermore, credibility means that the results are in line with reality (Shenton, 2004, o. 64). In this research, the aim was to get insights into how Finnish companies could benefit from the use of COO in their marketing. In literature review the topic of marketing with COO was researched. Then based on the existing literature, the empirical research was done according to well-regarded

business research methods. To increase credibility even more, avoiding too one-sided opinions was done by interviewing both: experts and actual consumers. This way it can be seen if there are contrasting opinions between professionals and consumers. Triangulation refers to the use of multiple research methods, such as having focus group interviews and one-on-one interviews (Shenton, 2004, p.65-66). In addition, all the participants had the relevant background for the research.

The reliability of the research might decrease since participants tend to provide socially acceptable responses (Hirsjärvi et al., 2009, p. 206). However, in this research the interview questions had very neutral tone avoiding any controversial topics, which can reduce or eliminate this effect. Furthermore, the participants were volunteers and had the chance to refuse to take part in the research. According to Shenton (2004, p. 66-67) this increases honesty of the participants.

The second indicator of trustworthiness is transferability (Lincoln & Guba, 1985). Qualitative research is often contextual and straight generalization to other situations is difficult. For this reason, the researcher should be transparent and provide sufficient information about the empirical research. The researcher should also provide sufficient information about the phenomena itself to the reader. This way the reader has understanding about the phenomena and the research process and then the reader can independently evaluate how transferable the findings are (Shenton, 2004, p. 69-70.) This is why in this research a sufficient literature review has been made and the steps and decisions in the qualitative research has been discussed thoroughly.

The third criteria of trustworthiness is dependability (Lincoln & Guba, 1985). Dependable qualitative research means that the next researcher could repeat the study and get similar results. In qualitative research this is difficult, since phenomena change (Shenton, 2004, p.71.) The observations and findings of a research are tied with the current situation and context (Florio-Ruane, 1991). Lincoln and Guba (1985) argues that dependability increases credibility, and these two criteria are connected. Increased dependability could be reached for instance, using overlapping methods, such as conducting individual interviews and focus group interviews. Overall, the researcher should inform and discuss the methods used and decisions taken in detail to show dependability. This way other researchers could repeat the research even if they wouldn't get the same results (Shenton, 2004, p. 71-71.) In this research the aim of the research and the steps taken to achieve that aim is discussed in detail. Furthermore, the decisions and steps taken has been evaluated and reflected.

Confirmability is the fourth criteria evaluating the trustworthiness of a research (Lincoln & Guba, 1985). Confirmability refers to objectivity. The findings based on qualitative data should be objective and not based on the researchers' biases or attitudes. Complete objectivity is difficult to reach, since in qualitative research the researcher is generally the main data collector and analyst. It is important to minimize the researcher's own prejudices. To remain as objective as possible, the researcher should use triangulation, address personal prejudices and biases, include reflective commentary, include detailed methodological description and include an audit trail (Shenton, 2004.) In this research all the mentioned was done in order to remain as subjective as possible. Potential prejudices regarding Finnish COO were addressed. Interviewing and comparing the findings from South Korean experts, consumers and Finnish experts should also provide opportunity to reflect, if there is prejudices and biases from the Finnish participants of this research.

### **3.5 Research ethics and the use of artificial intelligence**

General ethical principles oversee all academic work. Research can involve frauds, lies and misconduct, which could cause significant harm to the science community. That is why research follows ethical guidelines to protect the persons being researched and to publish false information. (Eriksson & Kovalainen, 2016.)

In qualitative research, there is relations and responsibilities regarding the research participants. Voluntary participation and informed consent are crucial. The participants should not feel pressured to take part and they should have the option to withdraw at any point from the research. Furthermore, the participants should be informed about the background to the research and why they are potential participants for the research. This way the participants would understand their own position regarding to the research and if they wanted to, they could prepare before participating (Eriksson & Kovalainen, 2016, p. 71-72.) In this research the participants were provided with background of the research and why they were approached. This way, the participants had idea about what to expect from the interviews which gave them the opportunity to either participate or not.

Research should not cause any direct or indirect harm to the participants. Therefore, the researcher should consider all the possible negative consequences to the participants. By using ethical and well-regarded scientific principles in data collection, use of materials and evaluation methods, the risk of causing harm to participants should decrease (Eriksson & Kovalainen, 2016, p. 73.) One way of doing so is hiding the names of participants as early as possible to avoid presenting information in the analysis documents that can be identified (Creswell & Poth, 2018, p. 182). Even tough, the

interview questions did not include topics that would be seen as controversial or harmful, the names of the participants from the interviews were coded in the transcription phase, so the participants could not be identified by their names. Instead of original names, in focus group interviews “participant 1” and “participant 2” etc. were used. In individual interviews, the interviewees were named in according to Alphabets: “Interviewee A”, “Interviewee B” etc.

A second potential ethical issue related to analysing the data is related to presenting extensive and unbiased findings (Creswell & Poth, 2018, p. 183). In this research the data analysis was done systematically following a framework without considering the potential results. In presenting the findings of this research, every effort was made to avoid any biases to remain objective. The findings were analysed thoroughly to minimize personal or methodological biases that could impact the interpretation of the results.

Third common ethical issue in scientific work is plagiarism and it is referred as “intellectual crime” (Eriksson & Kovalainen, 2016, p. 75). In practice, plagiarism refers to situation where the original author is not cited and the researcher is using someone other’s work as their own work (Eriksson & Kovalainen, 2016, p. 76). In this research, all the information that is not discovered by the author is informed by citing the original author’s work.

In this research AI has been utilized in multiple ways: generating ideas about research topic (ChatGPT), finding relevant scientific literature (ScopusAI; ChatGPT), analysing and summarizing academic literature (NotebookLM), explaining topics which was hard to understand (ChatGPT), helping with better/correct language style (ChatGPT) and helping to formulate questions for the interviews. AI has not generated any of the text in this research, but it has polished some of my writing by suggesting more preferable ways of writing something.

## 4 Findings

### 4.1 South Korean consumer perceptions about Finland and Finnish products

Finland enjoys extremely positive perceptions amongst South Korean people. From expert point of view, Finnish country image involves attributes such as trustworthiness, purity, cleanliness, high-quality, expensive, safe, organic, natural, sustainability, healthiness, beauty and simplicity. Furthermore, Finnish education system is highly appreciated, Finnish lifestyle is perceived as relaxing, and the living standards are seen as high in Finland. The high-quality of life and good education extends to expectations of expensive and high-quality products.

*“I have never seen a country where Finnish country image has been so positive”  
(Interviewee B; Key account manager)*

*“Nordic lifestyle currently resonates with South Korean consumer trends”  
(Interviewee C; South Korean market expert)*

*“The national image is good enough, but its’ strength in terms of consumer goods lacks publicity” (Interviewee D; international trade manager)*

According to the group interviews with South Korean consumers, Finnish country image is seen similarly. The perceptions include attributes such as high-living standards, good education and welfare systems, high prices, beautiful nature, woods, practical and simple designs, still and quiet, cozy, relaxing, cold weather, Santa Claus and snow. Both consumers and experts connected very similar attributes to Finnish COO. Overall, the perception of Finnish COO is very good.

*“We have like a romantic image of Finland or the Nordic countries. Not like meaning love, but like the Northern lights, cabin in the woods and relaxing”  
(Group 2)*

The professionals and Korean consumers both agree that Finland is still relatively unknown in South Korea. Finland is seen as a part of Nordic countries and Korean people rather know some stereotypes of Finland but not too much more. They don’t know about the culture or the way of living in Finland, but they know the stereotypes like Santa Claus, Winter and the Moomins. To gain more benefit from the good country image, Finland needs more publicity.

*“The national image is good enough, but its’ strength in terms of consumer goods lacks publicity” (Interviewee D; international trade manager)*

*“One of the biggest issues is that Finland is relatively unknown in South Korea”  
(Interviewee A; Business development manager)*

Finland is seen as part of the Nordics. Finland is especially seen similar as Sweden and Norway. According to the Korean consumers, one reason for this effect can be, that many Koreans do package trips to northern Europe where they visit multiple Nordic countries. However, travel to Finland could increase the recognition of Finland and separate the image of Finland from other Nordic countries.

*“We think those countries are kind of similar. I Think it is similar how Europeans think of Asia. China, Japan and Korea are seen as similar or as the same country”. (Group interview 1)*

*“They only know the image and stereotypes” (Interviewee B; Key account manager)*

*“They don’t know the culture: what we eat, how we live etc.” (Interviewee A; Business development manager)*

*“They perceive Finland as part of the Nordics. There is no Finnish forest but maybe a Nordic Forest” (Interviewee A; Business development manager)*

South Koreans have a good image of Finland, but they tend to only know the stereotypes. What comes to Finnish brands and products, they don’t know almost any of them. According to the group interviews, they know Santa Clause, Xylitol, Marimekko and Finnair. Consequently, Xylitol can be seen as the most well-known consumer good from Finland. Marimekko was seen as a modern brand with simple designs. According to the interviewees, Finnish products are generally associated with good quality, trustworthiness and high pricing.

*“We see Finland as an expensive country, so we think the products are high-quality and expensive” (Group 1)*

#### 4.1.1 Finnish product-country matches

According to the interviews, Finland enjoys positive product-country matches in design, education, sustainability, craftsmanship and foodstuff. Design was the strongest product-country match

according to the interviews, since design products such as furniture and clothing appeared in the discussions strongly and was commonly the first thing that came to interviewees minds.

Furthermore, Nordic design has been popular for an extended period of time.

Besides design, a strong match with foodstuff products was detected. The professionals stated that Finnish food products are seen as healthy, organic and pure. They are premium products in South Korea, and they are more expensive. However, South Koreans are willing to pay higher prices for higher quality. Furthermore, Finnish COO in foodstuff evokes feelings of trustworthy. In the past, Korea has faces scandals related to foodstuff products, so trustworthiness can be a valuable attribute.

*“Nordic design has been trendy for a long time” (Interviewee A; Business development manager)*

*“Furniture, superfood, supplement like omega-3 and plant-based protein. Koreans don’t mind paying extra for high-quality food products” (Interviewee C; South Korean market expert)*

*“Whiskey, water, tea, sauna, handcrafted wood products would benefit from associations to Finland” (Group 2)*

## **4.2 Country of origin as a cue**

As the theoretical framework of this research suggests, COO can be very important cue influencing consumer behaviour. Based on the scientific literature of this topic, it can be also said, that the importance of COO varies and is dependent on consumer’s involvement, product category and consumer type. Based on all the interviews, COO influences purchasing behaviour, even though it is not the only thing that matters. At least from consumer perspective, price is the most dominant cue for Koreans. An interesting finding from the first group interview was that COO is not something that raises the interest to specific product. In other words, they wouldn’t want to purchase something just because it is made in somewhere. COO is not the first cue under evaluation. For instance, Finnish COO cue is rather a confirming factor that the product is high-quality, and it feels that it is safe to purchase. According to experts, Finnish COO is still strong and should be always advertised.

*“Finnish COO should always give competitive advantage” (Interviewee B; Key account manager)*

*“COO really matters and influences on brand image” (Group 2)*

*“COO is not the only thing influencing consumer behaviour so you cannot only focus on that” (Interviewee C; South Korean market expert)*

*“When I discover that the product is from Finland, it gives me confirmation to purchase and I feel I make a good decision” (Group 1)*

Interview findings indicate that consumers primarily base their purchasing decisions on the overall COO perception, which refers to the country they associate with a particular product. The overall COO perception being the most critical, individual COO facets, such as COM and COD, also has significant influence on consumer behaviour. Furthermore, congruence in COO seems to be important as well. However, incongruence does not necessarily remove all positive COO perceptions.

According to the interviews, in more significant purchases COM can have more influence on willingness to purchase. According to expert interviews, Volvo is now perceived more negatively, since many consumers know that they are manufacturing cars in China. From consumer perspective the incongruence was not as significant factor, because they understand that in today’s globalized world it is common to relocate production to a cheaper country. Furthermore, from consumer perspective, incongruence between BO, COD and COM doesn’t remove high quality expectations if the perceived COO is a Nordic country.

*“Country of manufacture is very important. For instance, Volvo is designed in Sweden but manufactured in China. I have heard that this is an issue amongst consumers, and it creates distrust” (Interviewee A; Business development manager)*

*“COO has influence. For instance, we know that it is manufactured somewhere cheap, maybe China, but because it is Swedish, we still expect higher quality” (Group 2)*

Products from developing countries are seen as worse than products from developed countries. For instance, Chinese products were seen worse in terms of quality than northern European products. In addition, there were assumption concerning the price of the product. All the interviewees have the assumption that Chinese products are cheaper than products from northern Europe. This finding suggests that COO impacts directly to the perceived financial value of a product. It also shows how price is connected to perceived quality amongst COO.

*“Made in China products are usually perceived as cheap and low-quality products. In contrast when it comes to products made in Northern Europe, people think they are high-quality. So, the origin of the product influences people’s attitudes.” (Group 1)*

The level of involvement affects to the influence of COO cue. According to the interviews, Finnish COO influences in both high- and low-involvement situations. Both the professionals and consumers thought that Finnish COO influences more in high-involvement situations.

*“Influences in both situations. However, every product from Finland could be seen as high-involvement product, since Finnish companies cannot compete with price. So, for example a toothbrush from Finland could be categorized as a high-involvement product” (Interviewee A; Business development manager)*

*“Price is more important in low-involvement COO can be irrelevant, however, actually in food products the COO can have influence” (Interviewee C, South Korean market expert)*

*In high-involvement situations, Koreans want to invest in what they are purchasing also due to the lack of free time (Interviewee B, Key account manager).*

*COO matters because you want the high-quality product. You also care about others’ opinions. When comparing a German car and Chinese electric car. I would rather choose the German car” (group 2)*

*Doesn’t matter in low-involvement because would not spend time researching. However, in foodstuff it matters because I care what I eat and would prefer reliable products from reliable countries” (Group 2)*

Both professionals and consumers had the same opinion that with high-involvement products COO has more influence and in low-involvement products price is more important cue. However, COO would have influence in foodstuff products. According to the interviewees, organic and healthy food is trending, and people are willing to pay extra for good quality, pure and healthy foodstuff products. Moreover, when thinking about products from Finland, every product can be seen as high-involvement product, since they are generally more expensive, which makes it difficult to compete with price.

What comes to the COO effect in hedonic and utilitarian products, the focus group participants stated that COO has influence in both categories. COO was still seen more important with hedonic products because it links well with brand image which is more important with hedonic product.

Yang (2015) had the same finding that COO influences more on hedonic products. Country image is connected to brand image, which is significant cue for hedonic products. On the other hand, utilitarian products are evaluated based on actual product attributes.

*“With hedonic products COO matters more because brand image influences more on overall satisfaction” (Group 2)*

*“For technology products we need to check the specifications of the products and do comparison to other products. If a Xiaomi (Chinese brand) product has like good specifications, the cultural perception influences just small, small little bit. But for the clothing and food the cultural perceptions influence a lot.” (Group 1)*

An interesting finding from the second group interview was that COO cue can shift the product from being more utilitarian to be more hedonic. In other words, a utilitarian product can become emotionally valuable due to the COO of that product. Furthermore, if the originally utilitarian product is seen as a product that the consumers use a long time, then cues that activate emotions, such as COO, becomes more influential. The professionals didn't have an opinion on the comparison between hedonic and utilitarian products.

*“Normally utilitarian product can become a hedonic product with COO. For instance, we use chopsticks every day, but a high-quality Japanese chopstick can become emotionally valuable” (Group 2)*

### **4.3 South Korean consumer profile**

South Korean consumer profile was researched to understand their consumer behaviour and how they perceive foreign products and COO in marketing. Even though in the interview body there was no specific theme for South Korean consumer profile, a lot of information was discovered.

South Koreans can be generally seen as highly involved consumers, since they tend to do a lot of research about products. Especially products that are more expensive, Korean consumer want to be very sure about making the right decision. This is one reason why they also trust references a lot. Common references are influencers or someone from their close circle, such as friends or family. They also share their own reviews a lot. Koreans rank very high in uncertainty avoidance (Kekola, 2021) so these findings are in line with the previous literature.

*“They trust references: influencers, friends or family etc. They want to be extremely sure about the purchase before they make it, especially with more expensive products”*  
(interviewee A; Business development manager)

In this research the participants for the group interview were in their mid-twenties. They were all very open to foreign brands. For instance, Apple iPhones were seen as better than Samsung phones, even though they would like to support their domestic company Samsung. The experts had the same impression. According to the expert interviews, generally people are quite open to foreign brands, especially younger generations. However, younger generations are more sensitive to price and quality. The participants suggested that income level can have influence on the effectiveness of COO cue. Older generations are seen as wealthier and more willing to pay premium price for western products. Younger generations care more about the price and quality ratio.

*“They are very conscious about others’ opinions”* (Interviewee B; Key account manager)

*“Younger generations care more about price and quality, maybe not too much about specific COO but older generations with stable income are willing to pay extra for European products”* (Interviewee C; South Korean market expert)

*“For instance, Apple is more popular here amongst younger generation. Samsung has tried to change it with different marketing strategies but so far, it’s not working.”* (Group 1)

South Koreans live by trends and tend to change their consumer behaviour occasionally. According to the interviews, especially younger generations move fast to the next brand. In one category South Koreans are ethnocentric and prefer domestic products. That is beauty products. Finnish products would not be able to compete with Korean beauty products, since the Korean products are cheap and high-quality. However, according to the interviews, with organic beauty products, Finnish brands could have possibilities.

*“There are ethnocentric tendencies with beauty products”* (Interviewee C; South Korean market expert)

*“Finnish companies could not compete with South Korean beauty products, since they can do so high-quality products very cheap”* (Interviewee B; Key account manager).

*“I would think Finnish cosmetics are natural and high-quality”* (Group 2)

#### 4.4 Optimal marketing communication for South Korean consumers

This research reveals the insights from South Korean consumers as well as the professionals about marketing practices with Finnish COO in South Korea. For Korean consumers visuality is very important. Visuality raises interest and helps with differentiation. South Koreans have a very low-attention span, so the different cues need to be present and presented immediately. This can be done by using “Nordic” images. For instance, using beautiful pictures with Nordic landscape in packaging or in websites. More straightforward method is using “Made in” labels, slogans and symbols like the Finnish flag.

*“Pictures of the northern lights, forest and sauna with beverages would create a sense of relaxation” (Group 2)*

*“Visuality can be the most important thing. You need beautiful pictures. For instance, a picture of Nordic forest. For Koreans there is no Finnish forest but a Nordic forest” (Interviewee A: Business development manager)*

In addition to visuality, according to the interviews, storytelling is very important, and it can be seen as major driver guiding consumer behaviour. Connecting COO and visuality to the storytelling is seen crucial. This could be done by including visuality from Finnish cultural sites such as forests, which are strongly associated with Finnish COO.

*“Visuality in stories, pictures of ingredients, what kind of field, what kind of forest is next to the factory” (Interviewee A; Business development manager).*

*“Brand story is most important. We get convinced by their story, their vision, their goal” (Interviewee C: South Korean market expert)*

All interviewees highlighted the importance of social media and influencers when it comes to selecting marketing channels. The respondents ranked influencer marketing and social media to be the best way to create interest and engage them with a brand. In addition, the group interview participants said that they will be most interested about products that are used by influencers that they know or care for.

*“Social media and influencer marketing. Collaborating with influencers that has some relationship to South Korea and to Nordics” (Group 2)*

*“SNS (Social networks, digital platforms) is much bigger marketing tools than you expect especially in South Korea. It’s fast, reactive, economical and easy to reach and target end-users” (Interviewee D; Advisor)*

Overall, when Finnish firm makes business in South Korea, marketing strategies needs to be carefully considered. Since Finland has currently quite low presence in South Korea, Finnish companies can’t expect that they are recognized or that they would automatically succeed. There needs to be continuous and strong effort in marketing to get recognizable and succeed. Furthermore, adaptation is needed, since for instance, package sizes are different, and South Korea has different selling points than European markets. This is why selecting a good agent or importer is crucial. Furthermore, marketing in South Korea is expensive, so collaborating with other Finnish companies would be advisable.

*“Adaptation is a must. There are different selling points in South Korea than in Europe. Also, the package sizes are totally different. Finnish consumers want large bag of candies, whereas Koreans only want a little bag. Finnish companies should carefully select a good local agent” (Interviewee A; Business development manager)*

*“Gather together! Of course, it’s not easy to collect all Finnish consumer products in one offline shop or online. For individual brands it is hard to cover costs or make communication online. Promote products together” (Interviewee D; Advisor)*

The common opinion from the professionals was that the importance of Finnish COO will rise in the future because healthiness and sustainability is trending. In addition, Finland is going to become more recognized which makes Finnish COO cue more influential. However, it is important to remember, that other cues like quality and price are very important and the COO cue itself won’t make a product or a brand to succeed

#### **4.5 Summary of findings**

The overall image of Finland is very positive and even romanticised. Finnish CI is associated with trust, purity, nature, design, high living standards, food education and sustainability. The awareness of Finland is still quite low, which can be seen as the biggest issue to Finnish companies. South Koreans know only the stereotypes: Santa Claus, The Moomins, winter and Nordic lights. South Koreans know some brands and products such as Xylitol, Marimekko and Finnair. Furthermore, Finland is seen as part of the Nordic countries so creating a distinct position can be hard but also it is not mandatory, since the general perception of Nordic COO is very good and more recognizable.

Finland has good product-country matches with in design, food and beverages, craftsmanship and sustainability. Products like furniture, organic foods, wooden products and sauna are associated to Finnish COO.

COO is an effective cue, although it is not the most important one. However, Finnish COO should always be communicated to consumer, because Finnish COO is perceived so positively. Finnish COO acts as a confirmatory cue, evoking feelings of trust and quality. The influence of COO cue also varies between situations and product categories. It can be seen more influential in high-involvement situations. One exception is foodstuff, where Finnish COO can be very valuable. Finnish products could also be categorised as high-involvement or premium products most of the time, since they tend to be always more expensive than the local products. The influence is also stronger with hedonic products, whereas actual product attributes tend to be more important with utilitarian products. Generally, COO facets don't affect that much, and the COO perception is more important. However, COM can be seen influential with utilitarian products. Since Finland is associated with design, COD can be seen influential also for Finnish products.

South Korean consumers are very tech-savvy, price-sensitive and they want to be sure about their purchases. That is why they make a lot of research about products so they can be seen highly involved. In addition, they trust references a lot and share reviews themselves. Status and brands are important for South Koreans, especially to younger generations. They are also very open to foreign brands and many of them even prefer Apple over Samsung. They are also very fast to move on to the next brand and they follow trends. People are also willing to pay extra for European high-quality products, especially older generations.

Marketing communication should be visual and fast, since South Koreans have a low attention span. Nordic imagery combined to storytelling can be seen very important. Furthermore, straightforward COO communication with symbols and labels is advisable. Social media and influencers are seen as the most cost effective and best way to do marketing. Because it can be difficult and expensive, collaborating with other Finnish companies is advisable. In addition, it is important to find a good local agent which helps with adaptation to the South Korean market. In the future, the importance of Finnish COO will probably rise due to trend involving healthiness. Also, the overall recognition of Finland is most likely to rise.

## 5 Discussion

This chapter discusses the empirical findings and compares those with the existing literature around this topic. Moreover, the following chapter addresses the research questions presented in chapter 1 based on the findings while acknowledging the prior literature. This chapter also discusses managerial implications of the results and presents limitations and suggestions for future research.

### 5.1 Theoretical contributions

This research studies how South Korean people perceive Finnish COO and what effect it has on South Korean consumers' behaviour. In more detail, the aim was to find out how Finnish brands can strategically leverage Finnish COO to shape South Korean consumers' brand perceptions and purchase intentions. To explore this topic, the research focused on three areas: the role of COO in marketing communication, the role of COO in consumers perceptions and purchase decisions and the practices for using in international marketing.

#### 5.1.1 The role of COO in marketing communication

The role of COO in marketing communication has varying opinions. Existing literature indicates that COO influences consumer behaviour (Oduro et al., 2024), even though, the potential COO effect can be overrated (Usunier & Cestre, 2007). The effect from COO to product can be negative, positive or neutral. The common opinion is that developing nations suffers from negative COO perceptions and developed nations enjoy positive COO perceptions (Ahmed et al., 2004). Siikarla (2022) argues that products from highly developed nations benefit from good quality perceptions.

The findings of this study reinforce the common opinion that COO influences consumer behaviour. Furthermore, the findings support the prior literature, which argues that products from highly developed countries including Finland enjoy very positive perceptions. According to the literature, Finnish COO is connected to high-quality and prestige, innovation and technological competence, minimalist design and functionality, Nordic lifestyle, purity and sustainability, education and honesty (Ryan, 2008; Siikarla, 2022).

The findings of this research support these product-country matches, since the interviewees connected very similar traits to Finnish COO: high-quality, trustworthiness, purity/cleanliness, sustainability, safety, premium prices and simple but beautiful designs. One exception was the perception of technological competence. In B2C sector, Finland doesn't have strong match with technological competence, since in the interviews it was not mentioned, except one interviewee

who recalled Nokia. However, in B2B sector, Finnish companies would benefit from perceptions of high technological prestige (Toivanen, 2016). Overall based on this research, in B2C market Finland enjoys strong product-country matches in design, education, craftsmanship, sustainability, purity and foodstuff. Furthermore, based on the interviews Finnish products are perceived as expensive and high-quality.

The attributes mentioned related to Finnish COO are very positive and the findings suggests that Finnish COO should be always communicated to the consumers in South Korea, since the perceptions are overall so positive. Even though, Finnish COO is perceived very positively, the main challenge is that Finland as a country is very unfamiliar in international markets, which dampens the potential positive COO effect (Siikarla, 2022). The findings of this research reinforce this claim, as the interviewees noted that Finland and Finnish culture is unfamiliar to South Korean consumers.

It is important to understand how consumers in a foreign target market react to foreign products and COO information (Moradi & Zarei, 2011). It is common that people are ethnocentric, so they prefer domestic products (Shimp & Sharma, 1987). On the other hand, some consumers really like products from certain countries, which is referred to as consumer affinity (Oberecker et al., 2008). In general, South Korean consumers are less ethnocentric than consumers in the neighbouring countries and they are very open to products from western countries (Lee, 2025; Toivanen, 2019). The findings of this research again, reinforces the findings of the prior literature. According to the interviewees, Apple is seen as better option for smartphones than the domestic brand Samsung. The interviewees also stated that generally people are more willing to spend more money on European products. South Korean people are status oriented, which guides their consumer behaviour (Lee, 2025). This could explain why western products are desired and some even valued over domestic ones.

South Korean consumers rank high in uncertainty avoidance (Kekola, 2021) and they appreciate references when purchasing consumption items (Långbacka, 2018; Toivanen, 2019). References such as word-of-mouth and influencers are very important on shaping consumers perceptions (Toivanen, 2019). Finnish COO is a great attribute to products in this sense, because according to the empirical findings, it increases the trustworthiness of the product. The empirical findings also suggest that after South Korean consumers see Finnish COO as a confirmatory cue. In other words, when they recognize the Finnish origin of a product they are researching about, they feel that the product would be a good and trustworthy purchase.

### 5.1.2 The role of COO in consumer perceptions and purchase decisions

The role of COO in consumer perceptions and purchase decisions is evident (Bilkey & Nes, 1982; Bredahl, 2004; Pappu et al., 2006) although with nuances. The effect of COO is strongest with hedonic products, because they are consumed for emotion and symbolism. (Melnyk et al., 2012; Yang, 2015). According to the interviews, COO matters more for clothing and food. The findings suggests that many consumers would be willing to pay premium price for Finnish foodstuff or lifestyle items. Based on the literature and findings, Finnish COO in hedonic products increases the value and desirability.

Utilitarian products are commonly evaluated through actual product attributes. With utilitarian products, COM can be seen as the most relevant COO information, since it signals technical competence (Chung et al., 2009.) The empirical findings in this case also are consistent with prior research, since the interviewees felt that COO only matters a little but actual product attributes are more important. However, COO can add emotional value to a utilitarian product. In this case, the functionality is again more important. But COO can increase the perceived value of the product.

In low-involvement situations, COO acts as a heuristic (Prendergast et al., 2010) but may still be less significant than price and brand (Ahmed et al., 2004). According to the findings, price and brand are indeed more significant. The consumers interviewed did not see COO as some significant factor when purchasing low-involvement products. One exception was foodstuff products where they could see COO having a significant influence.

In high-involvement products, the importance of COO cue decreases, since the consumer contemplates more cues (Ahmed et al., 2004). The general opinion is, that COO effect is less significant with high-involvement products than with low-involvement products (Josiassen et al., 2008; Koschate-Fischer et al., 2012; Kim & Chao, 2018) COO information still matters, especially when the COO is congruent (Lee & Shin, 2023.) The findings of this study indicate that COO cue would actually matter more in high-involvement situations, since the South Korean consumers want to be very sure about their purchases, especially when the purchase is more expensive. Furthermore, according to the interviews, Finnish products can always be seen as “high-involvement” products, since they are generally more expensive than domestic products.

Congruence in COO can be important. The literature states that the congruence in COO is more important with low-involvement products than high-involvement products regarding quality perceptions. The findings of this research found out that incongruence between brand and

manufacturing country negatively affected the quality perceptions making the product less trustworthy. However, if the brand origin is a highly developed country, the quality expectation still remains high, even though the manufacturing country was a developing country.

### 5.1.3 Practices for using COO in international marketing

When leveraging COO in international marketing, the approach is generally straightforward. Commonly COO is communicated visually by using “Made in” labels and symbols like national flags (Aichner, 2014; Thøgersen, 2023). According to the interviews, visuality is crucial since the importance of visuality was emphasized during the interviews. For instance, using pictures of Nordic forests, Nordic lights and winter. The findings suggest that South Koreans have a low attention span, so visuality is great way to catch the consumers’ attention. Furthermore, the most important information regarding the product should be communicated immediately and fast. With Finnish products, COO should always be communicated.

A more implicit way of leveraging COO in marketing communication is storytelling. Storytelling creates authenticity and originality to the brand while connecting the brand to its’ origin (Josiassen & Assaf, 2010). Since storytelling creates emotional value to products, it also enhances the effect of COO cue. This is valuable especially with hedonic products (Zeugner-Roth & Bartsch, 2021.) The importance of storytelling was emphasized also in the findings. According to the interviews, storytelling gets the consumers convinced about the brand. Furthermore, it would be important to include visuality into the storytelling. This way COO is communicated but it can also enhance the story. In addition, the literature suggests that using foreign language in brand name or elsewhere with the product is also a common way of leveraging COO (Aichner, 2014; Chairnsarn & Speece, 2025; Yener and Taşcıoğlu, 2021). However, this was not discussed during the interviews.

The findings of this research suggest that in South Korea Finnish COO should always be communicated. However, it cannot be the only selling point, since South Koreans are price sensitive and when comparing the importance of cues, COO is not the most important one generally. According to Aichner (2014), COO can become a unique selling point if there is a lot of emphasis put on that. On the other hand, if COO is left on less notice, it may become a less valuable selling point.

The findings of this research suggest that social media marketing has the best return for investment. Furthermore, the use of e-commerce was emphasized. According to the interviews, the same principles considering leveraging COO in international marketing exist online as well.

## 5.2 Managerial implications

Finnish COO is seen very positively in South Korea, so it should be leveraged in marketing, since it increases quality perceptions and willingness to pay. To gain more benefit from the Finnish COO cues, there should be focus on strong product-country matches. Finland enjoys positive product-country matches especially in foodstuff, design and sustainability.

COO influences hedonic products commonly more than utilitarian products. By using storytelling with Nordic imagery, the positive COO effect should increase. For low-involvement products, straight-forward visual cues are recommended. For high-involvement products using more detailed strategies are recommended. For instance, using storytelling and implying country of manufacture and country of design.

In South Korea all the product information should be clear and accurate. Congruence in COO is important and there should be no hidden extra costs. As the importance of sustainability is rising in South Korea, sustainability may become a very important cue. This can be done by emphasizing clean production and ethical standards, which aligns well with Finnish COO.

Collaborating with other Finnish brands in South Korea can help to reduce costs as well as gaining recognition. Using social networking services and e-commerce platforms are considered to be the best marketing channels in terms of value for money.

## 5.3 Limitations and further research

This research investigates COO literature and examines COO practices in marketing in the real world. From theoretical standpoint, the COO effect is researched only in B2C context which leaves out B2B context. Furthermore, this topic is narrowed down to products only, so COO effect in services is not researched. This research studies the literature around COO and how it varies in different contexts: involvement level, product type (hedonic and utilitarian) and consumer profiles regarding foreign products. In addition, the common marketing practices with COO was investigated. As the aim was to gain a comprehensive understanding of COO and everything related, there is more to research. For instance, how COO influences with publicly and privately used products and does the purchasing channel effect on the influence of COO. For instance, it was brought up during the interviews that over half of the purchases made in South Korea happens online.

This researched was narrowed down to how Finnish COO influences in South Korean consumer market. This context could be different in terms of what countries are selected. Since this research is a master's thesis with limited time and resources, it was logical to investigate Finnish COO, since the access to Finnish professionals was considered to be easier. Since Nordic countries are seen as a whole, it could be also beneficial to investigate the Nordic COO specifically and how Nordic countries could collaborate in foreign markets. For instance, if Marimekko and Ikea would collaborate, what is the possible COO effects then and how to utilize those.

As the findings of this study suggest, Finnish COO is perceived differently in South Korea in B2C market when compared to B2B market. In B2B market, Finland has very good reputation in ICT industry and circular economy (Suominen, 2020). Investigating how to use Finnish COO in South Korean B2B market could create valuable insights for Finnish B2B companies.

There are not very many studies exploring Finnish COO in South Korea so there is also a lot of more to explore within the same topic. According to the interviews, the recognition of Finland will probably rise, so this topic could remain relevant in the future as well.

## 6 Summary

Country of origin has been a popular research topic for a long period. The topic is important, since in today's globalized world it may give competitive advantage to brands. This thesis investigated how Finnish country of origin can be strategically leveraged in marketing to shape South Korean consumer perceptions and purchase intentions.

The findings suggest that Finnish COO can be a valuable cue for South Korean consumers, especially when strong product-country matches occur. Hedonic products amongst high-involvement products benefit the most from Finnish COO in South Korean consumer market. With low-involvement products, COO acts as a heuristic and with utilitarian products it rather gives confirmation about the quality of the product. Overall, Finnish COO cue is strong in South Korea, and it should be used in marketing. One of the major challenges Finnish companies face in South Korea is lack of recognition which dampens also the COO effect.

From theoretical standpoint, this research contributes to the literature by providing insights into how a smaller country's COO shapes consumer perceptions in a culturally distinct market such as South Korea. Practically this research gives insights for Finnish brands on how and when to leverage COO in South Korea. Visual storytelling and using SNS for marketing are strongly advised.

In summary, Finnish COO provides competitive advantage for Finnish brands in South Korea. The recognition of Finland is expected to rise in the future, which should make South Korea even more lucrative market for Finnish brands.

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## Appendices

### Appendix 1 Interview guide

Interview question	Theme
<p>1) Can you briefly introduce yourself (career background)?</p> <p>2) Do you want to remain unknown or can your name and the company you represent be used?</p>	<p>Introduction</p> <p>Anonymity</p>
<p>3) How does South Korean consumers perceive Finland</p> <p>4) What attributes South Korean consumers connect to Finland</p> <p>5) How does South Koreans perceive Finnish products</p> <p>6) There are different facets of COO: made in, designed in, assembled in, brand origin... - Have you noticed that some of these facets would be more influential than others?</p>	<p>South Korean consumer perceptions towards Finland</p> <p>Importance of COO</p>
<p>7) Have you noticed if and how different consumer segments (i.e. young vs old, higher vs lower socio-economic class, etc) perceive marketing where Finnish country of origin is showed?</p>	<p>Variations in COO effect</p>

<p>8) In what product categories emphasizing Finnish country of origin would raise most interest and willingness to purchase?</p> <p>9) Have you noticed that the effect of Finnish (Nordic, or just overall) country of origin varies between product types / circumstances</p> <ul style="list-style-type: none"> <li>a. Low-involvement – high involvement <ul style="list-style-type: none"> <li>i. Low-involvement: the product/purchase is not significant for the consumer i.e. convenience goods like soft drinks etc.</li> <li>ii. High involvement: the product/purchase is significant for the consumer. Consumer does research before purchase decision. For instance, buying a car</li> </ul> </li> <li>b. hedonic – utilitarian <ul style="list-style-type: none"> <li>i. Hedonic products: Purchased for pleasure, enjoyment, or emotional satisfaction (e.g., luxury watches, chocolate, video games).</li> <li>ii. Utilitarian products: Purchased for practical, functional, or problem-solving purposes (e.g., washing machines, toothpaste, office supplies)</li> </ul> </li> <li>c. If you have other examples about variations of COO effects in different situations</li> </ul> <p>10) Have you encountered situations where advertising Finnish country of origin would be unnecessary or even harmful</p>	

<p>11) Do you have examples about how Finnish (or Nordic) country of origin is communicated to South Korean consumers?</p> <p>12) What do you think, how should Finnish brands advertise their products with Finnish country of origin?</p> <p>13) Is there certain marketing communication styles/ways, that Finnish brands should know of?</p> <p>14) Looking to future, do you think emphasizing Finnish country of origin will be more or less significant in marketing?</p> <p>15) Lastly, is there anything you would like to add or talk about that we did not discuss yet?</p>	Marketing strategies
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