Home Sweet Home

- A Minor Field Study in Brazil about the use of Country of Origin associations for companies that want to attract new customers abroad

Bachelor Thesis in Marketing, 15 ECTS Credits
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“A man always buys something for two reasons: a good reason, and the real reason.” – J.P. Morgan
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January – May of 2009 will forever be in our memories as the time of our internships and bachelor thesis in Brazil. During our time in Brazil we have written this bachelor thesis which has been a bit difficult from time to time, especially being in a foreign country without the access to all the services of our school library in Halmstad. This time has given us a lot of cultural experiences and also many insights in the marketing processes of two Brazilian textile companies.

This bachelor thesis has given us a deeper and a wider knowledge in the field of nation branding and country of origin. Being in a third world country has given us a chance to get more insight in how the companies thinks and operate which can be very useful for us in the future if we would do business with a third world country. But this is not just a bachelor thesis it is also a Minor Field Study (MFS) that we have been doing for SIDA. The purpose of Minor Field Studies is to give us students an opportunity to get more knowledge about third world countries, development issues and to encourage internationalization. The students also research a question that is related to the development process in a third world country, in our case Brazil.

We would like to thank SIDA for making this field study possible and the University of Halmstad for helping us preparing the necessary information for our time in Brazil. We are very grateful for the help we have been getting from Sonia M.L. Imianowsky that helped us to get in contact with the companies and a warm thank you to David Bilsland that has been our guiding light in Brazil.

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Last but not least we what want to thank our families for giving us the support we needed during the dark times.

Halmstad, August 2009

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ABSTRACT

Title: Country of Origin – A minor field study about its use for companies that want to attract new customers abroad

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Level: Bachelor thesis in Marketing, (15 ECTS credits), Spring 2009

Keywords: Nation branding, Country of Origin, Country of Origin effect

Research Question: What is it that determines if large companies in the same country and industry use their Country of Origin or not when they want to attract new customers abroad?

Purpose: Our purpose with this Minor Field Study is to find out if companies within the Brazilian textile industry are using their Country of Origin and identify which factors that determine why they use it or not. By analyzing these factors, if and why they are important or not, we can develop a model with the purpose to give companies an idea of how close they are from to being able to use their Country of Origin.

Method: We have worked with a qualitative research method where we interviewed two Brazilian companies, CI Hering and Karsten, which is working within the Brazilian textile industry.

Theoretical framework: Our theories are mainly concerning the subjects of branding, nation brands, Country of Origin and competitive identity. We have also studied the so called Nation Brands Index and its hexagon. We will use theories of nation branding and Country of Origin to illustrate their importance to a country’s international companies.

Empirical framework: This part will show the outcome of our interviews with Hering and Karsten but also present some data on the nation brand of Brazil and activities linked to it.

Conclusion: We have found that there are six factors that mainly determine if a company will use its Country of Origin when trying to attract new customers abroad, and how appropriate this will be. The six factors are: Strong identity/image, brand awareness, knowledge, consistent and strong nation brand, research and willingness. Our final conclusions are that international companies that want to manage their reputation can benefit from relating their identity to some of the aspects in the national identity of their country. Associating to your Country of Origin is a way of doing this that aligns your company’s image to the image of your home country.
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APENDIX 1 INTERVIEW GUIDE
1. INTRODUCTION

1.1 PROBLEM BACKGROUND

Brazil is one of the fastest growing economies in the world today with increasing consumptions and outside investments (Exportrådet, 2009-03-25). More important, the nation has come out of the recent global economic crisis better than most countries. This is an effect of macroeconomic and institutional stability, sustained growth, strong social inclusion and income distribution policies that the country has been working hard on for several years (Office of Public Affairs, 2009-04-09). Thanks to a big currency reserve, low country depth and a cycle of expansion Brazilian companies on the international markets have an advantage in the present international financial crisis. But of course, it takes a lot more to gain costumers and increased turnovers in today’s competitive business environment.

Today most nations are adopting a concept called Nation Branding to promote the countries branded exports, attract tourists and increase inward investments (Dinnie, 2008). And the nation brand of a company’s home country can be of great importance to a company that is competing internationally. The branded export part of the nation brand is often called Country of Origin (COO), and for products it is often shown by a “Made in …”-label somewhere on the product. As companies are not competing solitary on their own basis their success to some degree depend on factors that they cannot control. COO is too some extent an uncontrollable factor, and it is often an important part of the product to international customers. A company’s choice if or how to use their COO can therefore be very important and challenging. If positive feelings and attributes of the country can be associated with the company’s products or services much is to be gained. Anholt (2007) writes that if customers get a feeling of personal experience from the country association they are more inclined to buy this “familiar” product.

According to Dinnie (2008) one of the biggest challenges when creating an attractive nation brand is how to build a representative group of stakeholders to handle the nation brand strategy. Both Dinnie (2008) and Anholt (2007) write that is important that the government has the coordinating role and Dinnie (2008) argues for the FIST (fully inclusive stakeholder) approach where stakeholders from citizens, public and private sector organizations are involved. In Brazil the government has created a brand for the country that is being used in a number of different areas in and outside the country. The government is not very open about what the brand is composed of (Federative Republic of Brazil, 2009-03-26), but the key concept of the brand can be found in its slogan: Brasil – Um país de todos (Brazil – A country for everyone). At the same time the Tourism Ministry of Brazil through EMBRATUR, the Brazilian Tourism Board, are using a different brand for Brazil: the Brazil – Sensational! campaign is used mostly to increase tourism to the country (Ministério do Turismo, 2009-03-26.). A third organization called APEX-Brasil is working with the Ministry of Industry Development.
and Foreign Trade to boost Brazilian exports (APEX-Brasil, 2009-03-26). As there are several institutes and organizations that could claim to be working with Brazil’s nation brand there is a risk for mixed messages and loss of a coordinating effect in promoting the country abroad. This makes it difficult for individual companies to understand what values in the nation brand of Brazil they can associate their products to. So what importance do these values have to companies in Brazil when they are looking for international expansion? Will their COO be seen as attractive to new customers abroad?

The importance of a company’s COO is highly related to the attractiveness of the country’s nation brand as a whole. And although the literature and research papers on the concept of nation branding are immense today, not much have been written about what specific companies think about when choosing to use their COO to attract new customers abroad. Why do they use it, what are the benefits and under what circumstances do they use it? Even if a company doesn’t make an active choice because it is unfamiliar with the concept of COO, might there still be factors that are influencing this non-choice? Our hypothesis is that there are factors that decide whether or not it will benefit a company to use its COO and that these factors somehow affects if the company ultimately will use its COO to attract new customers abroad. This leads us to our research question.
1.2 RESEARCH QUESTION

What is it that determines if large companies in the same country and industry use their Country of Origin or not when they want to attract new customers abroad?

1.3 OBJECTIVES

We will use theories of nation branding and COO to illustrate their importance to a country’s international companies.

We will identify which empirical factors determine if the companies use their COO in their branding or not.

We will analyze if and why these factors can be of importance to companies that want to attract new customers abroad.

We will develop a model for when it is appropriate for a company to use their COO to attract new customers abroad.

1.4 BOUNDARIES

In this dissertation we have decided to focus on the part of nation branding that affects the country’s export and that have an impact on the success of its international companies. We do not have the intention to present a broad picture of nation branding and all of its areas because the results will be more interesting if we focus on a specific part of nation branding. Our intention is to look at COO and its relevance to attract new customers abroad, and we will not account for other things that can affect a company’s international success. This is partly because we want to keep a main theme through our dissertation so it will be simple and fruitful, and partly because our hypothesis has never been researched before while most other parts of a company’s international success have. We will also not look at the developing and managing part of nation branding because this is not useful for individual companies and falls outside of the boundaries of our dissertation.

In our introduction we have mentioned that we will focus on large international companies, but without naming any specific industry, country or region. Because this is a field study that is going to contribute to the development for a third world country, we have chosen to locate our field study in Brazil which is a fast growing nation with many strong national industries. We want to research one of Brazil’s larger industries where the products international success to some extent can be determined by attributes and feelings that are connected to its country of origin. The textile and garments industry in Brazil is very suitable to our research because it produces important export products for its country and the Brazilian companies are competing on a very dynamic and competitive market with a lot of new low cost competitors from China and other Asian countries (De Marchi, V., Di Maria, I., Frederick, S. 2007).
The city of Blumenau in the south of Brazil and the region surrounding it is a center for Brazil’s textile and garment industry (Abit, 2009-08-01). Many of Brazil’s largest textile companies with international connections have manufacturing units and headquarters located here. On the basis of the above mentioned facts we limit our research to large textile and garment companies in Blumenau that have a significant export and an active international marketing function. To further narrow or research objectives we want to look at companies that are trying to find more customers abroad, but that might have problems in how to attract these customers.

1.5 DEFINITIONS

**Large Companies** = The European commission defines a large company as a company that has more than 250 employees and a total balance sheet that exceeds 43 million Euros and also an annual turnover of more than 50 million Euros (European Commission, 2009-08-01).

**Nation Brand** = Anholt (1998) argued that just like products and services, nations can be branded. And just like a product or service, a country has an image and a reputation to think about. A country can try to manipulate or to build up their image by using PR or advertisement but there is no proof that it works (Simon Anholt, 2009-08-01).

Dinnie (2008, p.14) defines a nation brand as “the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all of its target audiences”.

Fan’s definition of Nation branding is: “A nation’s ‘brand’ exists with or without any conscious efforts in nation branding, as each country has a current image to its international audience, be it strong or weak, clear or vague” (Fan, 2006, p.12)

We have let ourselves be inspired by the three authors thoughts about nation brand and branding but in the end we have chosen to use a simpler definition of it as we think it will make it easier to relate to the subject for readers of our dissertation. This might neglect some aspects of the nation brand if the reader takes it to literary. Our definition of a nation brand is:

*A nation brand aims to measure, build and manage the reputation of a country or nation.*

**Country of Origin** = Anholt (2007) doesn’t have a specific definition for the concept of Country of Origin, but he talks about that when companies or organizations want to show the heritage of their products through marketing, they use their COO. He also says that it can be used as a shortcut to an informed buying decision for the consumer.

Dinnie explains the effect that COO can have as: “The COO effect refers to the effect that a product or service’s origin has on consumer attitudes and behavior towards that product or service” (Dinnie, 2008, p.84).

Fan (2006) on the other hand has no specific definition for COO but like Anholt (2008) he thinks that the purpose of COO is to highlight the product’s origin.

COO is a multidimensional concept but the core meaning of it should be easy to
understand for everybody. In our dissertation we will refer to it as:

*COO* is the country where a product is mainly produced or manufactured, or the original home country of an organization or company.

### 1.6 ABBREVIATIONS

COO = Country of Origin  
NBI = Nation Brands Index  
FIST = Fully-Inclusive Stakeholder  
BRIC = Brazil, Russia, India, China
2. THEORETICAL FRAMEWORK

2.1 BRANDS AND BRANDING

There is a lot of confusion on the subject of what branding or a brand really is. A normal starting point is the definition used by the American Marketing Association. According to them a brand is “A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.” (AMA, 2009-04-16). This definition is somewhat limited to a brand owners perspective and doesn’t explain anything of how branding works. Grant (2006) uses a shorter but wider definition, “A brand is a cluster of strategic cultural ideas”, because he sees brands as existing in a cultural context that affects the success it has in its audience.

But what is the function of a brand? It’s function can be explained as the act of branding. Branding is often explained in a practical way, for example Anholt (2007, p.4) writes that: “branding is the process of designing, planning and communicating the name and identity, in order to build or manage the reputation”. But Melin (1999) argues that branding should be viewed through four perspectives: the legislators, the brand owners, the customers and the competitors’ perspective. To the legislator branding functions as a differentiator between goods so an effective trade/market can be maintained. The brand owner use branding as a function to incorporate information and identity in its products or services, to position them in a market and in the mind of consumers, as a guard against competitors and to generate growth through brand expansion. To the consumer branding functions as a source for information, as a guarantee of a certain level of quality or satisfaction and as an image creator. All this helps the costumer to navigate through different goods in a market and makes the decision process easier and faster, saving the costumer time and money. Finally, Melin (1999) writes that one company’s branding also acts as a source for information and perhaps as a prototype to competitors. But it also helps in the way of acting as an entrance barrier because it is hard for competitors to “steal” brand loyal customers from a strong actor on the market.

Kapferer (1997) is saying that too many companies believe that branding is all about designing and advertising, and that effective branding is about so much more. His definition is: “Brands are a direct consequence of the strategy of market segmentation and product differentiation.” (Kapferer, 1997, p.46). The product or service that is being branded must stand out among the crowd and find a unique position in its product category. A very good question for brand owners to ask themselves is: “What would the market lack if we did not exist?” Kapferer (1997) means that if you can answer this question you have found your so called brand purpose, the brands reason for existence.
2.2 BRAND EQUITY

The concept of Brand equity can in short terms be referred to as the value of the brand. A company's brand equity is a form of goodwill, as it is the consumers buying of the company's products that allow them to continue to manufacture their products. Anholt (2007) says that because consumers often choose a known brand as a shortcut to an informed purchasing decision, companies with strong brands often receive the most customers. He goes on to explain that a benefit for a company with a known name is that their products will be noticed and not disappear into the masses of competitors. If a company can acquire a positive, strong and solid reputation it will create a value for the company that can be seen as greater than of the actual products they sell, as this represents the company's ability to continue to do business (Anholt, 2007).

Dinnie (2008) declares that there are two kinds of perspectives that must be considered when talking about brand equity, the consumer perspective and the financial perspective. The financial perspective is described as a way to put a price on the brand but there is no universal agreement on what method that one should use when trying to value brands around the world. Nevertheless, there are different techniques of estimating the value of a brand that is available and Dinnie (2008) highlights three of them. One of them is to use historic costs which mean that the company or the analysts are treating the brand as an asset whose value is dated from investments over a period of time. The second technique says that instead of using historic costs one can estimate how much it would cost to create an equal brand which is valuating replacement costs. The last technique, Dinnie (2008) mention, is valuation of future earnings which is when you try to estimate cash flows associated with the brand. Anholt (2007) says that the brand equity of a well known company will often be worth many times more than the actual assets of the company on the balance sheet. Companies with powerful brands can be traded for enormous sums that far exceed the number of their balance sheet. According to Anholt (2007), what is being sold isn’t simply a company with all of its belongings, but a trusting relationship with a segment of the marketplace.

The other perspective Dinnie (2008) talks about, the consumer perspective, evaluates the awareness of the brand, judgments regarding brand quality, uniqueness, and prestige which means what the consumer thinks about the brand. He also proclaims that it’s important for the companies or the countries to conduct research to gain insight about their customer’s preferences. Melin (1999) says that a company’s goal has to be to create committed customers to its brand by offering unique, attractive and permanent brand equity which in the best way, has to satisfy the consumer’s needs and wants.

2.3 NATION BRANDING

The term Nation Branding was first used by the place identity and reputation expert Simon Anholt in 1996. Two years later he published an article called Nation Brands of the Twenty-First Century in the Journal of Brand Management where he argued that
just like products and services, nations can be branded. Anholt (2007) proposed that successful international brands and countries transfer positive imagery and brand equity between each other.

Dinnie (2008, p.14) defines a nation brand as: “the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all of its target audiences”. He also means that a nation brand doesn’t belong to any particular organization or brand manager, but that it belongs to the people of the nation, and that these citizens play a big part in the development and success of the nation brand.

Fan (2005) argues that a nation brand is not the same thing as nation branding because the latter requires active work. Therefore the two concepts should be distinguished from each other. Fan says that (2005, p.12): “A nation’s ‘brand’ exists with or without any conscious efforts in nation branding, as each country has a current image to its international audience, be it strong or weak, clear or vague”.

But why have the concept of nation branding become so popular since Anholt’s first article? Part of it is because nation branding is of interest to many different stakeholders like countries, companies, governments, tourist boards, events and the countries citizens (Dinnie, 2008). The other part is globalization. Anholt (2007) talks about globalizations impact on countries, cities and regions, and that they all have to compete with each other to get their share of the cake. The cake being the world’s consumers, investors, tourists etc. In many areas, the winner is the country with the strongest and most compelling nation brand.

Fan (2006) see two main uses of nations branding, the first is promoting sales and exports with the use of COO and the second is using place branding to promote the country as a place for tourism. But Dinnie (2008) mentions more reasons for countries to engage in nation branding, these reasons being to stimulate inward investment and to attract students and skilled labour.

Nation branding is more complex than branding a product and therefore one must take into consideration that brand theories and concepts that work for products might be inappropriate to use for nation branding (Anholt, 2007). Dinnie (2008) explains that one of the main reasons for this is the diverse number of stakeholders that both affect and are being affected by the nation brand. Fan’s (2006) view of nation branding is that marketing, which is closely linked to the branding of products, is not enough to promote a country’s image, and that all parts of a nations character needs to be involved. According to Fan (2006) a nation brand is composed of all of the countries intangible assets and cannot be related to any specific product whereas COO can be used to strengthen a product brand.

O’Shaughnessy, J. and O’Shaughnessy, N. J. (2000) talks about a paradox of the nation brand. They mean that the nation brand functions as an umbrella brand in giving all of the country’s branded exports a coherent and differentiating image on the global marketplace, but at the same time, individual customers with different and unrelated needs won’t all be attracted by the same nation brand image. So the paradox is how the nation brand can be attractive on both a global and individual level.
2.3.1 IDENTITY AND IMAGE

Two key elements of nation branding theory are the concepts of identity and image. Dinnie (2008, p.42) explains the difference between identity and image as: “Identity refers to what something truly is, its essence, whereas image refers to how something is perceived.” When a country’s image differs from how it wants be seen, a gap exists, and it is for the most part a negative one. Therefore one of the biggest tasks of nation branding is to reduce this gap and make the true identity of the country clear and attractive to its audiences (Dinnie, 2008).

According to Dinnie (2008) it is important for a country to be aware of how it is seen by the rest of the world, because its image can have a deep impact on its success. Anholt (2007) argues that brand image is virtually the same as reputation as it exists in the mind of the consumers. Anholt (2007) think that it is important to acknowledge that the brand image cannot be managed directly, one have to manage the identity first in order to influence the target audience´s image of the brand.

The nation brand identity of a country must be built on the country´s national identity if it is to have any success in its external communication. In Promoting Tourism Destination Image by Govers, R., Frank, M & Kumar, K. (2007) Reynolds defines national identity as the nation’s culture, landscape, heritage, people and core values. Dinnie (2008) thinks that culture is the most important aspect of national identity as it is composed by many elements that can often distinguish a country. Dinnie´s (2008) cultural elements are ethnocentrism, language, literature, music, food, drinks, sports and architecture.

2.4 COMPETITIVE IDENTITY

Simon Anholt was as mentioned above the person who introduced the concept of nation branding to the world. But as too many people have misunderstood what Anholt think nation branding is about, he developed his ideas of managing a country´s reputation and gave it a less branding focused concept. According to Anholt (2007) nation branding is not about promoting a country as a product using public relations and expensive communication campaigns and if governments believe this they will get disappointed with the results, leading to a negative image of nation branding. This is why Anholt came up with the term Competitive Identity, which has a broader meaning than nation branding. It’s hard to give a simple explanation of what competitive identity is but using Anholt´s (2007) own words it can shortly be described as the creation and management of brand equity. The process of creating a successful competitive identity is a long-term undertaking that must include an understanding of who the audience is, what their view of the country is, political will to invest in establishing the competitive identity in the mind of the audience and coordination between all of the country’s stakeholders. Anholt (2007) writes that brand management is only one part of this, public diplomacy, trade, investment and tourism is equally important for a country’s competitiveness on the global market.

Anholt (2007) says that most of us humans don’t have the time and energy to form a balanced and informed view of other places. This is why most country´s are associated
with one or two things, like technology for Japan, war and poverty for African countries and carnival and football for Brazil. Anholt (2007) means that these stereotypes affect our attitude and behavior towards other countries and their people and that it is very difficult to do anything about them.

So what can a country do to change its reputation and image? This is where Anholt’s (2007) concept of competitive identity differs from other nation branding experts like Dinnie’s (2008) ideas. Anholt (2007) is very clear about that he doesn’t think that new visual identities and promotion campaigns can change a country’s image. According to Anholt (2007) the reputation of a country exists in the mind of hundreds of millions of consumers around the world and cannot be changed by creating flashy brochures and websites or making the tourist board use new slogans etc. People have had their image of the country for decades and will not change it over night. The only way to change the image of a country is to get its people, companies and government to change to way they behave and make them create new and exciting things. Anholt (2007) writes that the key to developing a competitive identity is to get the country dedicated to developing new things (new ideas, policies, laws, products and services, businesses, buildings, science, art and other cultural expressions) that are all working in the same direction to prove the true identity of the country.

Dinnie (2008) doesn’t include these kinds of ideas in his descriptions of managing a nation brand. He uses more of a brand management perspective on nation branding and talks about what areas of corporate strategy and product branding that can be used to differentiate a country among others. Anholt (2007) and Dinnie (2008) agree on that one must first know how the audiences see the country (image) and how the country wants to be seen (identity). Both writers also think that the image that the country aspires to must be built on true parts of its identity and that a coordinated strategy among stakeholders is essential for developing a strong brand for the country.

### 2.5 THE NATION BRANDS INDEX

The Nation Brands Index was created by leading nation brand expert Simon Anholt 2005, and since 2008 he produces it together with GfK Roper Public Affairs & Media (GfK, 2009-06-26). The index is a tool to measure the opinion of what people around the globe think of the image of a country and what kind of reputation a country has. Today the index measures the brand image of 50 countries, a mix of high-income and middle-income countries, and strives to also be well balanced regionally (GfK, 2009-06-26). By using the hexagon figure (fig. 2.5) with the variables exports, governance, culture and heritage, people, tourism and investment and immigration we can measure which countries has the strongest, respective the weakest brands, when comparing with the other countries (Anholt, 2007). Every quarter Anholt and GfK collects opinions from citizens in 20 different countries by tracking their perception of the six named variables through interviews (GfK, 2009-06-26). The survey strives to represent
regional balance as well as the balance between high-income and middle-income countries.

The Nation Brands Index also makes it possible to rank the countries within each variable, or dimension as Anholt refers them as. This makes the Nation Brands Index a good tool for working with your country’s reputation as you can compare your country to all the others on many different variables. Paying customers can also get an analysis of the results for their country to get a deeper understanding of their country’s reputation (GfK, 2009-06-26).

**Exports** – This is the part where the consumers’ image of each and every country’s products and services are told. The consumers’ choose if or not they consciously avoid products or services from each COO. The “Made in…”-label on a product could lead to an increase or decrease on the likelihood of buying the products by the consumers.

**Governance** – The countries’ governments are being measured by the public’s opinion about their competency, fairness and also commitment to global democracy, justice, poverty and the environment. This helps the governments to know what the public think of them. Respondents are asked to choose an adjective that they think best describes the government in each country.

**Culture and Heritage** – Describes what the public think of each nation’s heritage and what they like or not like about its current culture, including film, music, art, sport and literature. Different cultural activities are presented so the respondents can name which activity they associate highest with each countries culture.

**People** – Measures the reputation of the countries’ citizens in aspects such as competence, openness and discrimination. The respondents will be asked to choose an adjective from a list that they think best describes the image of the citizens in each country. Also measures how willing the respondent is to hire a well-qualified person from each country or if they would like to have personal friends from a particular country.

![Nation Brand Hexagon](https://via.placeholder.com/150)

*Figure 2.5 The Nation Brand Hexagon (GfK, 2009-06-26)*
Tourism – Each and every country will be measured by respondents of how willing they are to visit the countries if money wasn’t an issue. Natural beauty, historic buildings and monuments, vibrant city life and urban attractions are the three major areas about the countries tourism attractiveness that the respondent will be rating the countries in.

Investment and Immigration – This part of the hexagon is measuring how willing the respondents are to study, work and live in a particular country. It also measures the perception of the countries’ economic wealth, equal opportunities and if a high quality of life is offered. The business climate of the countries is also being viewed in this dimension.

2.6 COUNTRY OF ORIGIN

Country of Origin and the “Made In…”-label is closely related according to Anholt (2007). Scotch whiskey, Swiss watches and Italian fashion are examples of product categories were the Country of Origin (COO) plays an important role. COO creates value to the consumers according to Dinnie (2008). A potential buyer that is affected by a product’s origin is an example of the COO effect. This effect can benefit companies when they market their product or services abroad if the country has a good reputation. Fan (2006) writes that a logo or name of a country can be used by a company or an organization to highlight the COO. Using the nation’s image in this way has the clear purpose of promoting sales and exports. According to Dinnie (2008) the perceptions of a brand will be affected by its country’s nation branding activities and that these can have an impact on why specific brands highlight or downplay their COO.

According to Anholt (2007) the consumers don’t want to search for too long when he or she comes to buy a product, but at the same time they also want to make an informed buying decision. Therefore a shortcut can be to choose the product because of its COO. Anholt (2007) states a good example: in the early 1990s American consumers bought a lot of Toyota Corollas, which was expensive, instead of buying Geo Prizms that was an American car and more or less exactly the same as the Corolla, made in the same factory but cheaper. According to Anholt (2007) it was because of the image that Japanese cars offered a greater value than American cars.

Anholt (2007) means that we humans prefer to make decisions based on our emotions rather than on pure facts. This is also true for companies and organizations. They might put some more effort into the decision process but in the end it is the people of the company or organization that will have to choose. And they will often use their perceptions and prejudices in their choice, so COO can be of great importance in some of the company’s strategic decisions. Anholt (2007) writes that an American banker named J.P. Morgan once said: “A man always buys something for two reasons: a good reason, and the real reason.” According to Anholt (2007) the meaning of the quote is that we rely more on emotions and less on logic the more important a decision becomes.
and that the shortcut of the COO can be very powerful.

A country’s ability to produce and market a certain product may be formed because of the consumers’ perception of the product. Depending if there’s a match or mismatch with a country’s connection to a brand’s desired feature the image can harm or benefit the product (Dinnie, 2008). A company called Kao, from Japan, tried to enter the European and American market with their beauty products that were a big success in Asia but they had a hard time to sell their product on the new markets. According to Dinnie (2008) this was because the consumers’ view of Japan as a technological country with very reliable products, but when it came to cosmetic products there was no connection. Thus, the image of Japan had a negative influence on Kao’s brand image.

Anholt (2007) says that when we are meeting new people one of the first questions is often where they are from, because it is in the human nature; and the same thing is true about new brands. He says that when a consumer makes a buying decision they often look for where the product was made. Being a developing country means that a lot of people around the world have a perception that their products doesn’t have the standard as the companies in the north. Anholt (2007) writes that we sometimes believe that companies in developing countries use bad materials and cheap labor, but at the same time we might be compelled by the fact that a product comes from a surprising, small, poor or exotic country. He therefore means that a product, service or corporate brand can get problems or benefits depending if there is a negative or positive COO bias, as consumers are affected by the brands COO.

One last point to the COO is to think of it as an umbrella brand. Anholt (2007) writes that the home country of the product can give consumers a sense of familiarity that encourages them to try a new product. A new product from an unknown company can never have the same ease in making consumers feel compelled to trial. But Anholt (2007) means that if a brand’s COO is to add this kind of free equity, some logic and emotions in the consumers mind must link the brand to its COO. This can be in traditional ways like Japanese cameras or in unexpected ways like skis from Slovenia.

2.7 COORDINATING EFFECTS IN NATION BRANDING

Dinnie (2008) talks about two states of stakeholder inclusiveness when developing a nation brand. The ideal state is the Fully-Inclusive Stakeholder approach (FIST), where all concerned parts are involved to gain benefits in commitment, motivation and stimulating creativity. It is led by a government body and generally involves citizens and both private and public organizations in the development of the nation brand. Dinnie (2008) explains that the FIST approach is more of an ideal state and that a program-specific inclusiveness approach is the usual way to go. This approach is used to improve an area of the country, like its tourism or its exports to Asia. An example is the Iceland Naturally campaign that wanted to increase the demand for Icelandic products in North
America and promote the purity of them. Dinnie (2008) also writes that developing a brand architecture for the nation brand will help tremendously, both by building on the coordination effect and by making it easier to manage all the parts of the nation brand.

Anholt (2007) and Dinnie (2008) have talked a lot about that nation branding is not a simple marketing task that can be communicated and sold like fast moving consumer goods. Even though this is true, the nation brand needs to be treated like a brand in the sense that it needs values to be associated with. Dinnie (2008) says that the values of the nation brand are the key to its success and that they should be guiding the nation branding campaign. It is important to choose values that the citizens of the country and its other stakeholders can support, and therefore we cannot let a group of consultants or an advertising agency deal with this task. As mentioned before we must do extensive research to find both how the image of the country looks today and what the country’s true identity is, looking at the strengths of the country’s history, nature, politics, culture, people and so forth. Dinnie (2008) suggest that we invite groups of stakeholders to give their opinions on which values to use after we have done the research, and letting the people of the country vote on the final group of concepts for the country can be a good idea. Dinnie (2008) says that a nation brand with unclear or irrelevant values will be less successful in promoting the country’s branded exports, because its international companies’ doesn’t get any positive associations from their COO.

On the other end of the scale, Dinnie (2008) explains that building and managing a nation brand is a very complex issue because of its multi-faceted character and the large numbers of interests that need to be considered. Because of the large group of people and organizations that have their view of what the nation brand should do and say, an effective managerial effort is required to create a coordinated effect, and Dinnie (2008) also mentions that it helps in avoiding a wasteful duplication of effort. Switzerland discovered that they had a number of different organizations and agencies that were telling the world their side of the story of what Switzerland stood for (Dinnie, 2008). This was confusing for potential investors, tourists and buyers of the country´s products who sometimes, because of the splintered picture of Switzerland, choose to take their business elsewhere. Dinnie (2008) writes that a law was created to coordinate the image of Switzerland, institutions set up and an above all, the federal organ Presence Switzerland was created to coordinate all activities regarding the image of Switzerland.

**2.8 ATTRACTING CUSTOMERS ABROAD**

Companies that want to grow internationally will seek to gain new customers and according to Doyle and Stern (2006) this can be done in a number of ways. First your company can try to increase market shares in current markets abroad, second you can look for new markets for your product and third you can develop new products for existing markets abroad. This is close to the ideas of Kapferer (1997) who says that to if a company wants to increase productivity, economies of scale and finally incomes they have to extend their market share locally, nationally or internationally, a.k.a. attract more customers. A very common method to increase market share is through brand extension, and Kapferer (1997) mentions some reasons why brand extension has become necessary.
One reason is that brands need to be innovative and respond to constant changes in customer preferences and behavior. Another reason why brand extension is so important to companies is because brands can have much longer life cycles than products, which will all eventually become obsolete (Kapferer, 1997).

When you are trying to attract new customer abroad, Anholt (2003) thinks that it’s important to not try and hide your COO, but to show where your company are from. Anholt (2003) says that “giving people what they want” is a common mistake because often people don’t know what they want. Customers are attracted to brands that are confident in their own identity, and showing potential international customers your company’s COO is rarely a negative thing since it can help to differentiate you among the competition. Anholt (2003) says that although a global company may sell their brands anywhere, it doesn’t mean that they should give the impression of being from anywhere. After all, COO can be a powerful tool and it already exists in the mind of the costumer.

Geographic extension is essential for a brand’s growth and going international is often a natural step for a company with ambitions (Kapferer, 1997). But the task of international expansion is complex and a company faces a lot of difficult decisions like what markets do we go to, do we enter slowly or try to make a big bang, how much should we adapt to cultural differences and which of our brands are more likely to succeed. The decision of using associations to COO when expanding internationally is not handled by Kapferer (1997) who are pushing for global brands. Anholt (2007) writes that many companies that worked to make their brands global a decade ago have discovered that customers are not too fond of home- and history less brands. But at the same time people are prejudiced and might consider a product from a second or third world country to be of poor quality. Anholt (2007) says that this problem is starting to lose relevance as American and European brand-owners usually have a “Made in …”-label one their products that tell customer that the product is manufactured in a developing country. As consumers have been proven for decades that manufacturing in developing countries is not something that affects the quality of the product, at least not in any noticeable way, Anholt (2007) means that it is very possible for these countries to sell their own brands to first-world countries.
3. METHODOLOGY

3.1 RESEARCH INTEREST

Jacobsen (2002) mentions that a scientific research must be possible to perform and that it should contribute with new knowledge. This doesn’t mean that we have to come up with revolutionary new knowledge, but that our dissertation should be of interest to the marketing community because it is built on cumulative knowledge. Nation branding and its closely related subjects of place branding and competitive identity has become a major area of interest for not only the marketing community, but for governments, international companies and citizens around the world. We want to contribute to the scientific part of nation branding by examining a company perspective of the COO effect. To make this of any interest to the nation branding community we have chosen to dig deep in an area that hasn’t been given much research before. Our intents are to contribute with new knowledge about the choice a company takes to use COO or not in their attempts to attract new customers abroad.

Our dissertation is written in English because it is not only a bachelor thesis but a Minor Field Study for SIDA. A Minor Field Study lets the students travel to a third world country to experience new cultures and write a dissertation that will contribute to the development of the country. SIDA insists that the dissertation should be written in the language of the visited country or in English if this is not possible.

3.2 RESEARCH APPROACH

A dissertation is often a choice between a deductive or inductive methodological perspective. Jacobsen (2002) describes the deductive approach as a perspective where the researcher use all his theoretical knowledge and experiences to form a hypothesis of what the reality looks like and then go out and test it empirically. The inductive approach is the opposite where the ideal is to go out with an open mind and collect empirical data without any theory or hypothesis beforehand. Then the researcher makes conclusions and form new theories. Alvesson and Sköldberg (1994) describes a third way, called abduction, that has become popular because it combines the deductive and inductive approaches, letting the researcher change between them during different phases of the study.

We choose to use an abductive approach. We started by looking at theories to get a feeling for the concepts of nation branding, COO and international marketing. After this we could better define what kind of empirical data we had to collect. Trying to keep an open mind for the results the empirical data gave us we analyzed it with the theories in mind and came up with some unexpected conclusions. As we had help by changing perspectives throughout the study we have to say that we benefited from using an abductive approach.
### 3.3 RESEARCH DESIGN

When planning for how to best serve a study’s research question and objectives you can choose between an intensive or extensive and between a descriptive or causal design of your study. Jacobsen (2002) explains the intensive method as digging deep within the problem and trying to find as many variables as possible for a specific number of units. The extensive method goes wide and researches a large number of units for a small number of variables. Jacobsen (2002) explains the descriptive method as a way of finding out what the situation is for a given point in time or how something has developed over time. The causal method gives us a way of finding reasons for why a situation or phenomenon functions or looks like it does.

According to Kvale (1997), a qualitative research aims at discovering the nature or character of something, making it intensive in its search for relevance and deep understanding. We have chosen an intensive and causal design for our dissertation as our problem question and objectives makes it more important to find relevance than being able to generalize our results to a larger population. As we want to examine what reasons a company might have to use or not use its COO to attract customers abroad we have to be able to dig deep and analyze the factors that might be behind this choice or non-choice. The causal method gives us a chance to see what conditions that has to be present for a phenomenon to take place. We can find out why these conditions or reasons make the companies use their COO or not. We use an intensive approach to be able to get as complete a picture as possible of how the units (companies) act about COO in their specific contexts at a given point in time.

Another choice to be made is in what time and space frame the study will be conducted. The choices are generally between a case study, a cross sectional study and a time series study. Jacobsen (2002) says that in comparison to a time series study, a cross sectional study doesn’t measure data over different points in time and in comparison to a case study it doesn’t limit the researcher to concentrate on just one specific case (unit). But there is a variant of the case study that is called Small N-study. This is the study that we have chosen because it allows the researcher to select a small number of units and study them thoroughly. What really makes a Small N-study different from a case study is that the researcher can chose units from different contexts, making it possible to look at a phenomenon from different angles. The Small N-study’s focus on a phenomenon makes it suitable for our dissertation as we need to get a rich and detailed picture of how the companies international business are taking advantage of associations to their COO.

### 3.4 QUALITATIVE OR QUANTITATIVE APPROACH?

The choice between a qualitative or quantitative approach can according to Jacobsen (2002) shortly be described as choice between what kind of information we need to collect empirically, words or numbers? Which method of data collecting that should be used depends on the purpose of the study. If the study can be structured beforehand and if we want to research the frequency or scope of a phenomenon the quantitative approach is good because the results can be generalized to a large population. Our
dissertation is focusing on a small number of units that we want to research thoroughly so we can find out many nuances and details in how the companies think about COO and international marketing and this is why we choose a qualitative approach. Jacobsen (2002) writes that a qualitative approach gives the researcher the openness and flexibility to gain a deeper understanding of the studied phenomenon. Kvale (1997) writes that the qualitative scientific interview tries to understand the world through the eyes of the interviewee, that it tries to develop the meaning of people’s experiences, and show their reality before scientific explanations. We want to do this in the context of nation branding and international marketing for large Brazilian textile companies.

3.5 DATA COLLECTION

3.5.1 PRIMARY DATA

We used open individual interviews to collect empirical data that could help us answer our research question. This method of collecting data is according to Jacobsen (2002) useful for when a small number of units are being researched, for when we are interested in what these units have to say and when we need their opinions and thoughts on a certain subject.

The open individual interview can be held face-to-face, over telephone or by email. We wanted to conduct both our interviews face-to-face because this method gives the interviewer a better chance to connect with the interviewed. According to Jacobsen (2002) the person being interviewed can easier open up and the body language during the interview gives the interviewer a better feel for the communication. Unfortunately our second interview had to be conducted over telephone because we where no longer living in Brazil when the person we wanted to interview at Hering had time to talk to us. We understand that this fact lowers the reliability of our dissertation as we might have missed out on some important information that we could have got from the interviewed in a face-to-face meeting. But Jacobsen (2002) writes that a positive effect of the telephone interview is that you are less likely to affect the answers of the interviewed by your facial expressions and body language.

Kvale (1997) suggests the interview should be based around questions of what, why and how. We had this in mind as we wrote our interview guide. According to Kvale (1997) we should ask ourselves the question of what to get pre-based knowledge about the subjects of the interview, we should ask ourselves the question of why to formulate a purpose of the interview, and we should ask ourselves the question of how to decide on what interview techniques that will be most suitable for this specific interview. He also suggests that we think about how the interviews should be analyzed and how the results should be verified and reported before the actual interviews. This kind of planning of the interviews is a shorter version of the seven stages of a research interview that Kvale (1997) argues that a researcher should use. We choose the shorter version because it let our dissertation take a more flexible form.

We choose to use a semi-structured interview as we used an interview guide with a number of questions that we wanted to ask. This gave us the opportunity to bring up important subjects but also to ask follow up questions and ask the interviewed to explain more about something or talk about something out of the interview guide.
According to Kvale (1997) the plus sides of a using a semi-structured interview is that we have help by a number of themes and relevant questions that we can use as much as feel needed. If the communication takes an unexpected turn we can dig deeper by asking unplanned questions and we can shift the form and order of the questions if needed to extract new information from the interviewee.

Jacobsen (2002) mentions that the context of the place affects the interview. The interview with Karsten took place at their headquarters in a meeting room of their choice. We thought that this location would have the least affect on the interview as our interview person at Karsten would be more likely to feel comfortable. The phone interview with Hering was conducted during Brazilian office ours and our interview person was sitting at his work station during the interview, making it a more comfortable situation for him.

### 3.5.2 SECONDARY DATA

In our dissertation we have used a number of sources for information that we didn’t collect by ourselves empirically. Jacobsen (2002) writes that secondary data can be texts, statistics and models that the researcher uses when he/she can’t get the information first handed. It is very common to use theories from other writers when doing a dissertation and we have used literature about branding, nation branding, and international marketing from eminent writers on these subjects. We have found some of our information on the Internet, for example the Nation Brands Index, but we have tried to only use Internet sources that seem reliable because of whom the producers are and in what purpose they were made. Articles and research papers in scientific journals is an example of normally very reliable sources, according to Mattson and Örtenblad (2008).

A problem for us was that we couldn’t get access to all the journals that we wanted to look at, but as we were able to read a large enough number of them we got more information than we needed.

Some of our empirical data came from secondary sources. The information we got about the nation brand of Brazil comes from web pages of Brazilian governments and organizations that in some way work with promoting Brazil. The reason for why we didn’t get any primary data in this matter was that there are no one source that have an coordinating role when it comes to the Nation Brand of Brazil. We also collected some company information about Hering and Karsten from their web pages as to shorten the number of questions during the interviews and to see what the companies written missions and values was.

### 3.6 CONSIDERATIONS FOR INTERVIEWS

#### 3.6.1 ETICHAL CONSIDERATIONS

Informed consent was conducted orally with the interview persons before the real interview started. We informed the interview persons about the subject and some of the purpose of the interview and why we had chosen their company. Kvale (1997) writes that it is important that the interviewed person get this information beforehand so he/she
can make a decision if he/she wants to go through with the interview. Kvale (1997) also writes that it can be damaging for the study if we tell the interview persons to much about what the study is looking for as this may affect their answers. To avoid this we didn’t tell the interview persons that we wanted to research why and how they use their COO or not.

Kvale (1997) writes that the level of confidentiality of a study decides if the researcher can use the real names of companies and interview persons in the published study. As our dissertation doesn’t bring up any sensitive personal information we didn’t use Kvale’s (1997) recommendations for confidential studies. We decided to publish the real names in our dissertation and informed the companies through the interview persons that this was the case. They agreed to let their names be published as they didn’t think that any of their Brazilian competitors would know and read a dissertation published in Sweden, and even if they did, the companies didn’t think the information would be damaging for them.

### 3.6.2 SELECTION OF COMPANIES AND RESPONDANTS

In the Boundaries section of this dissertation we have motivated what kind of companies we wanted to look at. The two companies that we interviewed were Karsten and Hering. Both companies are big actors in the Brazilian textile industry and both have headquarters in Blumenau, more information about these companies are presented in the empirical data part of our dissertation. The other requirements that we had for potential companies to look at were that they were large and that they had a significant export and an active international marketing function. Both Karsten and Hering have a large number of employees and they are both exporting a large number of textile products abroad. Before we chose these two companies we looked at information on their web pages and spook to other people in the industry to see if these companies had an active international marketing function. When we found out that Karsten had been successful on the US market until recently and that Hering was selling their branded products in Europe we decided to contact these two companies for interviews.

When we contacted the companies we explained our intents and asked to speak with a manager at the export or marketing department. The managers let us know that they would have a hard time to get available for an interview but that we could speak to a qualified person at the export department. We accepted this as they let us know that the person we would interview had worked at the department for several years and had good knowledge about the company’s exports and marketing.

The reasons for why we choose to interview two companies were that firstly, it would give the dissertation a comparing touch which we felt would be appropriate for discussing the findings in the analysis and conclusion parts. Secondly it wouldn’t give us that much more useful information to interview more companies in such a specific context as the Brazilian textile industry.

### 3.7 METHOD FOR ANALYSIS

The first task for us in the analysis part of our dissertation was to transcribe our
recorded interviews. Both Kvale (1997) and Jacobsen (2002) talk about the importance to do this shortly after the interview is finished and we followed their advice on this subject. The next step we took was to clarify the text that the interviews resulted in. Kvale (1997) says that deleting repetitions, ehmm-like words and talk about irrelevant things makes the interviews easier to read and is not something that damages the meaning of what was being said. After this we did a meaning concentration in the sense that we formulated each answer to a shorter and more concise version. This gave us a sense for the central themes of the interviews, which we then compared and merged to themes from the two different interviews. Kvale (1997) writes that we should interpret the themes we find without any prejudice and expectations so we tried to look at them with our eyes wide open, so to say.

Jacobsen (2002) talks a lot about the process of sorting the contents of the interviews to different categories and titles. We have not used his methods of cutting and pasting among the answers to sort them in different tables and making little notes beside them. However we had his directions for keeping an open mind of the results and based our categories on the empirical data we collected. Like Jacobsen (2002) suggests we started with the categories that the interview guide contained and from there we created new categories based on the themes that we had found.

Kvale (1997) gave us the idea to sort some of the information in positive and negative factors. So we ended up with conditions that were either good or bad if the companies were to use their COO. In our analysis we also tried to find opinions from the companies that would say something about their will to associate to Brazil. For us this worked as a kind of combination analysis, that both Jacobsen (2002) and Kvale (1997) talks about. This told us something about the connections between categories but also about the connections between theory and reality. Finally we used some tips from Jacobsen (2002) to make our analysis more interesting. He suggests researchers to look for both similarities and differences, to use quotes, draw models and explain why certain phenomenons in the analysis are connected.

3.8 CRITISISM AGAINST THE REFERENCES

Research and theories of nation branding has existed for almost thirteen years now, which makes it a relatively new concept in marketing. We have searched thoroughly to find reliable literature and articles about nation branding but the results were quite few. But we think that the litterateur we found has been helpful to apply in our dissertation as Anholt and Dinnie are eminent sources in the field of nation branding. We have also been using some Internet references in our dissertation in order to find information about EMBRATUR, Brazil Sensational!, APEX-Brasil and ABIT though it has sometimes been hard to find information about them in English. These web pages are to be seen as reliable according to us because they belong to organizations related to the Brazilian government. With the above mentioned in mind we say that our sources are reliable because the people and organizations behind them are from scientific and governmental backgrounds.
3.9 RELIABILITY AND VALIDITY OF THE DISSERTATION

3.9.1 VALIDITY

We transcribed the interviews word for word, even when the interviewed person repeated himself/herself, made another attempt at saying the same thing and we have used their English language even when it was incorrect. According to Kvale (1997) this is essential to not lose any information that can prove to be valuable. Kvale (1997) also made us transform the transcriptions to a material more easily read, but always in line with what we think the interviewed person really meant to say. We think that these actions have increased the internal validity of our dissertation.

We think that our earlier experience of doing interviews for reports and other minor dissertations have helped us. As we have also taken a course in scientific methods during our second school year at Halmstad University we think that it has helped us in our preparations, performing and interpretations of the interviews.

Our external validity is affected by the fact that we chose to do our interviews in the context of large Brazilian textile companies in the area of Blumenau. As Jacobsen (2002) says about the generalization value of the qualitative approach, we think there might be a somewhat limited use to generalize our findings to international companies in other countries and industries. Still, we think that the deep knowledge that we gained and present in this dissertation can be useful as an initial model for looking at the use of COO to attract new customers on foreign markets.

3.9.2 RELIABILITY

When we wrote the interview guide we tried to make sure that we didn´t use any leading questions because we didn’t want the interviewed persons to know what we were looking for. Jacobsen (2002) talks about that the reliability goes down if you try to drag an answer out of a person and we think that we didn’t try to make the interviewed persons say anything just to make us happy.

As we used analysis methods from both Kvale (1997) and Jacobsen (2002) the reliability of our dissertation has improved. We have tried to make sure that all our categorizing and combinations hold relevance to tested scientific methods that Kvale (1997) and Jacobsen (2002) describes.

To get relevant information we contacted two companies in the Brazilian textile industry that have a big export and marketing abroad. We also asked to speak with a person with good knowledge of the company´s marketing and exports. We think that this increased our reliability as we got to interview companies and persons with about as high a relevance to our study that can be found in the boundaries of our context.

As we have used a qualitative approach we have had a lot of room to think freely about our dissertation and in what directions we wanted to take it during different points in our work. Jacobsen (2002) says that the researcher will always affect the outcome of a study and we agree that our dissertation could have ended up in a different way in another person´s hand.
4. EMPIRICAL DATA

4.1 THE NATION BRAND OF BRAZIL

Ministério do Turismo and EMBRATUR – the Brazilian Tourism Institute, have together created the brand and logotype “Brasil – Sensational!”. It is an international marketing program conducted by Brazil which is aiming towards tourists. The concept of the campaign is to promote the country abroad by showing potential customers or tourists the diversity of Brazilian products and tourist destinations. By making a large survey asking eighteen countries and 1200 people about what they think of Brazil the idea is to use the results to develop customized marketing material to each country. For example: Japanese tourists are very interested in ecotourism, unlike Argentineans, who prefer sun and beach, and Belgians, who want culture (Brazil tour, 2009-07-26).

Another campaign, Brasil – Um país de todos (Brazil – A country for everyone) is a governmental project which is aiming towards Brazil’s population to show them that everyone is a part of Brazil (Governo Brasileiro, 2009-07-28). But the campaign is not only for Brazil’s own people; it’s also to show the world that Brazil is a strong country with a big diversity.

ABIT (The Brazilian Textile and Apparel Industry Association) is an organization that is representing the Brazilian textile industry at the domestic and international market by supporting the development and being the voice in governmental issues for the textile industry. ABIT is also cooperating with APEX-Brasil (Export Promotion Agency) and together they have created the trademark TEXBRASIL that is supposed to promote Brazilian textile products abroad. Every year they host the ABIT Fashion Prize which is an event where all the companies within the Brazilian textile industry are gathered to choose and reward the companies that have been most outstanding that year. This event gathers not only the textile industry but also the media. The idea with this is to get the industry and the final consumer to a closer contact. TEXBRASIL also helps the companies to increase their exportation by coming up with strategic programs for exportation, activities and courses (ABIT, 2009-07-26).

As we have mentioned above there are a number of different organizations that are working in different ways to communicate the nation brand of Brazil to its citizens and to the rest of the world. Some initiatives are working to help Brazilian companies abroad and some initiatives have tourists as target group. The problem is that the organizations and projects isn’t working together and there is no communication between them which leads to that they send mixed messages about the values of Brazil.

Brazil will be hosting the FIFA World Cup in football in the year of 2014 (FIFA, 2009-07-26) and Rio de Janeiro are applying to be the host of the Olympic summer games in the year of 2016 (Rio2016, 2009-07-26). These events will place all eyes on Brazil and are great opportunities for Brazil to create an attractive image that can benefit the country in many different ways, making the nation brand stronger.

Anholt and GfK Roper offer in-depth reports about the countries in the NBI to governments, tourist boards and other organizations that pay to subscribe to the NBI. The reports are customized for each country and contain full data and analysis in all of the six dimensions of the NBI hexagon (GfK, 2009-06-26). This can be very useful for
the country because they can see in what dimensions they are strong or weak, and why. In an e-mail correspondence with an employee at Simon Anholt’s website earthspeak.com we found out that there are no subscriber of the reports in Brazil and that they have been collecting data about Brazil for years but that it has never been analyzed (Alvarez-Loewenstein, M., e-mail communication, 2009-04-16). In the NBI of 2008 Brazil gets an overall 21st place out of the total 50 countries (GfK, 2009-06-26). In the tourism brand ranking Brazil is in 13th place, getting very positive opinions for its natural beauty and vibrant city life.

Anholt (2003) talks about Brazil as a very rich and powerful nation and also as one of the more powerful brands in the world. The image of Brazil is full of unique attributes such as samba dancing at carnival, rainforests that are both dangerous and exotic, and a country full of sports, music and magnificent beaches. Even with all these great assets in mind Anholt (2003) writes that there are very few famous brands from Brazil and that brands that seems to be Brazilian often isn’t when you take a closer look. He gives an example about the company Reef Brazil that is a successful brand of beachwear created by two argentines that live and manage the company in USA. These two guys link to Brazil is that they often like to surf in Brazil and probably felt that Brazil offers more associations to beachwear than their own home country Argentina.

A large part of Brazil’s exportation consists of raw material such as oil, cellulose and steel and also unbranded manufactured goods such as shoes, orange juice and coffee beans. Anholt (2003) writes that if the Brazilian companies that produce these types of products would sell branded goods directly to consumer overseas it would create a better profitability for the companies and Brazil.

Anholt (2003) mention that there are some negative associations to the brand of Brazil such as pollution, violence, corruptions among the police and poverty. But he says that this is more of a problem for the people in Brazil that has to face these problems than it is for the image of Brazil. He explains that a strong brand has many different aspects to it, both good and bad, and that these aspects give the brand a rich and intriguing mix of different elements to its image.

4.2 BASIC COMPANY INFORMATION

4.2.1 HERING

Hering is a retail apparel designer and manufacturer with clothes for men, women and children. Their main product is T-shirts and they have three different brands: Hering (for everyone), dzarm (mostly for teens) and PUC (for children). Hering have a franchising system and a good clothing know-how that they offer to third parties (Mayer, M., personal communication, 2009-06-26). The company was started in Blumenau by a German immigrant named Hermann Hering in the year 1880 (Cia. Hering, 2009-07-17). Hering have around 5000 employees (Mayer, M., personal communication, 2009-07-17) and the gross revenue totaled R$ 169.2 million in the first quarter of 2009 (Cia. Hering, 2009-07-17). Hering’s mission is to be the largest and
best apparel company for basic and fashion-basic products (Cia. Hering, 2009-07-17). They also aim to sell clothes with a good price and a good quality, but to always care for the environment and social issues (Mayer, M., personal communication, 2009-06-26). Hering’s goal is to have one billion in revenue in the year 2011. They also want to grow internationally once all business in the domestic market is stable. And in the interview the mission was almost the same as above and their vision was said to have both basic and fashion products with accessible prices (Mayer, M., personal communication, 2009-06-26).

Internationally, Hering is only selling clothes under their own brand names. They franchise their clothes in many South American countries but they also sell their clothes in multi brand stores in countries all over the world (Mayer, M., personal communication, 2009-06-26). Our interview at Hering was conducted with a man named Michel Mayer that is working at the export department. He has a graduation in international business and has worked at Hering for four years.

4.2.2 KARSTEN

A few kilometers outside the city of Blumenau, Karsten was founded in the year of 1882 by Johann Karsten and his family (Karsten, 2009-07-17). Karsten is a textile company that is manufacturing all kinds of towels, upholstery and also some beds. Karsten can provide services such as design, styling and logistics (Kratz, P., personal communication, 2009-04-28). Karsten has two factories, one in Blumenau and one in Maracanaú, the one in Blumenau is also their head quarters where the president of the company is located (Karsten, 2009-07-17). The reason why it always has been situated in Blumenau is because of the history Karsten has to Blumenau. Karsten’s mission is to offer attractive fashion ambiences aiming the well being of people and their vision is to be a world reference in quality and beauty, offering differentiated products with a motivated team committed to excellence in management (Karsten, 2009-07-17). But in the interview the mission was to offer fashion products in home textiles at a good price and good quality and the vision was to have the Karsten name as well known outside Brazil as it is in Brazil (Kratz, P., personal communication, 2009-04-28).

At the moment Karsten is not looking to expand their facilities abroad, but they want to attract more customers abroad (Kratz, P., personal communication, 2009-04-28). They export to South America, mainly Argentina, but also to England, France, Russia and a small part to the United States. Their biggest export is by private label which means that they manufacture the products but that it is the customer’s brand that is put on the product. Our interview at Karsten was conducted with a woman named Paola Massaferro Gilmet Kratz that is working at the export department. She has an education in Business and Administration and has been working at the company for thirteen years.

4.3 INTERVIEWS

In the following part of our empirical findings we will refer to the findings in the interview with Paola Massaferro Gilmet Kratz (Kratz, P., personal communication, 2009-04-28) at Karsten by using her first name, Paola, or refer directly to the company
Karsten. As for the interview with Michell Mayer (Mayer, M., personal communication, 2009-06-26) we will use his first name, Michell, to declare his views and descriptions, or refer directly to the company of Hering. A very small part of the information that follows regarding Hering was added via email communication with Michell (Mayer, M., personal communication, 2009-07-17).

4.3.1 EXPORTS

Private label vs. branding

Hering and Karsten are manufacturing companies of textile products and both of them have exported private labels which mean that the products are manufactured by the companies but it’s the customer’s brand that are put on the product. Hering made a change in the year of 2008 and went from exporting their products under private label to only using their own brands. Karsten’s main export product is towels under private labels and Hering exports their own clothing lines, T-shirts as the main product, through franchising or by selling to multi-brand stores.

International markets

Hering exports their clothes to England, Portugal, Spain and Hungary. The countries that have Hering franchising in are Uruguay, Venezuela, Paraguay, Bolivia, Colombia, Saudi Arabia and Netherland Antilles. And trough multi brand stores Hering sell their products to many other countries around the world as well.

Karsten sell their own brand in countries through South America and with Argentina as their main market. In Eastern Europe they have some sales under their own brand as well and they distribute to Poland, Russia and Hungary. It’s a growing market but in the central and western part of Europe they only keep a maintenance level with private label exports. The countries in Europe where they sell as private labels are mainly France and England.

Export problems

Both of the companies’ exportation is concentrated mostly in South America. According to them it’s mostly because of the hard competition that exists in Europe. Hering is selling their products through franchising and to multi-brand stores. In Europe Hering doesn’t have any franchising and their small European exports go to England, Portugal, Spain and Hungary. Depending on the market Hering uses distributors, agents, franchisers or go directly to the stores without going through an agent or a distributor to reach out with their products. Hering is currently very focused on the domestic market and want to be more stable there before putting in a big effort to grow internationally. They currently feel that their brands are not as developed abroad as they are on the domestic market.

Karsten’s biggest international market was the US but when the financial crisis struck, a lot of their customers went bankrupt and when their other customers started to buy from Asia instead because of the low price that was offered Karsten lost a lot of their export business. Karsten doesn’t have any plans to expand to Europe or USA in the near
future but they have vague plans to acquire more customers abroad. Karsten think that logistic problems stop them from making their brand known in Europe. The ideal would be to have a warehouse in Europe with an intelligent logistic system because today, when a customer puts in an order Karsten have to produce it and then it has to be shipped and this takes about 20 to 30 days. This is too long for the customer to wait for the products. They had a bad experience in the past so for now they just work with exclusive orders in Europe. Karsten think it is almost entirely because of logistic problems that they are held back internationally and Paola says that countries such as Turkey, India and Poland have an easier time delivering to Europe.

**Getting market information**

Before going abroad Hering does some research internally about the potential markets where they choose their entry depending on the market situation. Through Brazilian embassies they get some help with market information when doing business abroad. If it’s necessary they visit the market and do a proper research.

Karsten is getting help from ABIT and APEX-Brasil to get information about foreign markets and there are some Brazilian associations and Brazilian exporters that help them with getting this kind of information too. When Karsten wants to start a business with a new customer, for example a department store in England, they first contact the chamber of commerce and through them they get information about the customer and their market. Then they contact the customer and send samples and pricelists to them.

### 4.3.2 MARKETING

**Competitive advantages**

Michell says that the core of Hering´s brands is products of good quality and low prices. The competitive advantage that Hering has is a history of 129 years in the textile industry and that they have a good franchising system and product know-how. Overseas their main competitive advantages are the quality of their products, a good level of prices and their franchising system.

The competitive advantages of Karsten´s brand are that it is already an attractive brand domestically and that Karsten has well matched prices.

**Selling the brand or the product**

Brazilian customers follow trends and Michell thinks that their customers buy their products because Hering´s fashion products are always up to date with international brands overseas. He also mentions that the customers like their prices and that Hering´s stores are attractive and have a good layout and arrangement of the products inside the store. So Hering thinks good-looking stores sell their products and that if the brand is selling their products it is because of their good prices and product quality. If Hering didn’t exist they think the market would lack a brand for all social classes.
Hering know that the Brazilian public is trend sensitive and see themselves as a brand that follows international fashion trends. The feeling that Hering clothes give the customer is that the customer feel very comfortable and that he/she is sure that he/she is using clothes of a good brand. When it comes to image for the customer the Hering brand offers a casual image while the dzarm brand is used by people who like to enjoy life, for people that like to go out and have fun.

Karsten used to sell their products on looks, feel and fashion appeal but have noticed that the brand name of Karsten are attracting customers on its own in Brazil. Two years ago they started to invest in advertisements in soap operas and TV-commercials and this has given them good results because Brazilians like to watch a lot of TV. Karsten also think their company is special because they go beyond the classical way of how home textiles should look. They offer classic products but fashion products as well. The customer says that it’s good to have Karsten products in the windows of their shops. It’s important for Karsten to be up-to-date with worldwide trends and they are proud when they are the first Brazilian company to pick up on something fashionable and offer it to their customers. Paola think that Brazil is a fashion interested country but not a creator of fashion.

Marketing abroad

Hering have mixed market operations abroad and see it as a partnership together with the client. They offer a special discount to their clients so they can use this amount for market operations by themselves in their home country. All marketing activities developed by the clients have to be approved by Hering’s marketing department before being put to use. Hering also send materials for them to use. When Hering’s do marketing abroad they aim to reach the end-customer and not the franchisers with their promotions. They want to raise consumer awareness with billboards, magazine campaigns and flyers. When Hering are the part that develops the material, they make sure that the client likes it and use the clients knowledge of the market to decide on marketing channels.

Karsten doesn’t do much marketing abroad and they invest most of their advertisement in Brazil. They have a marketing budget for abroad that is mostly used for South American trade fairs and their sales represents usually pay for some advertisement in magazines and things like that.

Company image abroad

Hering’s image within Brazil and South America is good and it is seen as a high value brand that is well known by the population. But when it comes to international business Hering has not yet developed an international image and Michell mentions that Europe is not their current target market. They want to be seen in the same way by international customers as they are seen by domestic customers and they think that Hering is seen as a good cost-benefit brand abroad. They also want customers abroad to know that Hering take pride in how the clothes are prepared and finished.

Paola at Karsten’s only thought about the image of Karsten in Brazil is that it is good.
In Europe the image of Karsten is not so strong. Karsten’s brand is hardly known because most of the products they export are private labels. The end-customer doesn’t know that Karsten is the manufacturer but their clients recognize the products and services from Karsten among other competitors. Karsten would like international customers to see them as a strong Brazilian producer of home textiles. And when asked about what emotions Karsten would want to be associated with as a brand the answer is the feeling of a warm and welcoming home.

4.3.3 THE IMAGE OF BRAZIL

Traits of Brazil
According to Michell at Hering the most special things about Brazil is the country’s rich nature and all of its natural resources. And that people are improving their procedures to transform natural resources into higher value products every day. The environment is very important for the future of the world and Brazil is a country that takes care of the environment. He also mentions that people in Brazil are very devoted to studying and that many Brazilian companies are aiming to go overseas.

Paola at Karsten think that the Brazilian people are what makes the country so special. She is originally from Uruguay but has lived in Brazil since a young age and thinks that Brazilian people are very positive in general. They are a happy people that are good at reacting to crisis.

Brazil strengths in a business perspective and strengths of the Brazilian textile industry
Michell think that in a business perspective Brazil is a country with a stable economy that didn’t get affected too much by the global financial crisis. The biggest part of the Brazilian industries is focusing on base products, but it is changing. Many areas in Brazil, like informatics, are growing very well. It is important to be more spread out and not only focus on basic products. Typical goods for Brazil are IT, including software and hardware, and juice and coffee. He thinks that the strength of the Brazilian textile industry is that the Brazilian government has an agency specialized in exports. It is divided in sectors and the textile industry sector is working hard overseas. They gather information about other countries and give it to Brazilian producers so they have an easier time when entering foreign markets. Michell also adds that good looking products at good prices make the Brazilian textile industry strong. Hering has not reflected on the issue if their company is typical for Brazil in any way.

Paola at Karsten think that Brazil´s strength in a business perspective is that they are self-supplying and that the size of the country creates a great diversity of nature, animals, food, industries and products. Agricultural products are typical goods for Brazil. She thinks that Brazil has very good textile mills and that Brazil is very competitive in textiles. Most of the textile companies are based in Santa Catarina and Paola think that Karsten is a typical Brazilian company in this way.
Representing the image of Brazil abroad

Hering want to give a picture of Brazil on the international market as a structured country with high potential that is developing fast. Michell thinks that some foreigners have a bad image of Brazil, they only think about of Brazil as a country with forests and parties, but he means that Brazil is a modern country.

Karsten is representing the image of Brazil abroad in a very shy way. They would like to represent the image of Brazil by being a strong and recognized brand, as they do it in St. Petersburg. A Russian distributor do such a great job of distributing Karsten goods in St. Petersburg that home textiles of high quality and beauty has become synonymous with Karsten over there. Paola says that this is only a small portion of what Karsten export and that they would like to reach this success all over Europe and the United States. In some countries the law requires a product to have a “Made in...”-label but nowadays a lot of products don’t need to have that anymore. This results in that the end-customer on the private label markets often doesn’t know that the towel they just bought comes from Brazil.

The Karsten brand is doing very well in Argentina and other South American countries. Paola says it is because Argentineans and Brazilians have very similar taste in home textiles. But when it comes to Europe there is a problem because the preferences for towels are very different from country to country so Karsten would have to have a very big range of collections to supply to all of Europe.

Desired changes in Brazil’s image

Michell would like to change the wrong idea that people in Brazil only want to party and that Brazilian women are promiscuous. He would like to reinforce that people in Brazil are friendly and not promiscuous. Brazilian people keep their principles and are serious in their business.

Paola says that Brazil wants to be seen as a more serious country. Brazilian people don’t want to be seen only as a country with football, carnival, sunny beaches and naked people. Brazil invest a lot in science, culture etc, and this is not so know outside of Brazil. People hear a lot about the favelas, Rio, violence, carnivals and football but there is a lot more going on in Brazil that is not known outside.

The first thing people think about products from Brazil

Michell says that the first thing international customers thinks about when seeing that a product is made in Brazil is that is a carefully made product, and that it is made under good social conditions.

Paola thinks that when foreign people see that a product comes from Brazil it brings them a good feeling because they think of a country that is warm and with happy people. She also thinks that they know it’s coming from a country that is not exploiting child labour or forced labour.
Brazil versus the other BRIC-countries

Michell at Hering thinks that Brazil is a well positioned brand. Together with Russia, China and India it is growing in a very high speed and Brazil is trying to find a better position on the international market. But unlike Russia, China and India Michell says that Brazil have a good relationship with all international countries. Brazil has a good range of products, a good industry and good social awareness. Brazil cares about social issues and tries to grow in an organized way. Not like China that is growing uncontrollably.

Nation Branding and COO

Nation Branding is an unknown concept that confuses both Michell at Hering and Paola at Karsten. Both of them says that they are familiar with COO and think that Brazil has a positive COO. Michell mentions that Brazil has good labour laws and that Brazilians have a good quality of life. He thinks that people in foreign countries can understand that. Paola thinks that COO is important and that it is good to show a Brazilian origin because people react positive to products made in Brazil. She says that she knows that some people don’t feel comfortable when buying brands that comes from specific countries. Because of wars or politics or other things that are going on in those countries people avoid buying goods from those countries. But she doesn´t think this is the case for Brazil.

When we informed Paola about the Nation Brands Index and Brazils position in it (26 of 50) she thought it was a fair position for Brazil. She thinks tourism is the strongest category for Brazil because of the countries famous nature and she was proud that Brazil place first among third world countries. Paola didn’t know that the NBI existed but she thought it was interesting and good. She also thought that Brazils’ culture and heritage are better than Germany’s that tops the list of the NBI. We also mentioned that the countries that are in top have a better nation brand which makes it easier to attract tourism which she agreed with by saying that you trust these countries better.

Nation branding campaigns and organizations

Hering thinks that the “Brasil – Um país de todos” campaign is good because it shows that even though Brazil is a big country with a big diversity of people, everybody gets along. Hering has not thought about the campaigns use for their company. Hering knows about the “Brazil – Sensational!” campaign and likes that it can show Brazil´s many sides like being a well structured country with a lot of different things to offer. Hering are familiar with EMBRATUR as they participate in events promoted by APEX-Brasil and ABIT.

Karsten is a member of ABIT and APEX-Brasil so they are very familiar with the Brazilian tourism board, EMBRATUR. From ABIT and APEX-Brasil Karsten gets invitations during the year to participate in trade fairs and similar events and they also gets discounts for their booths in the fairs sometimes. Karsten appreciate that ABIT
and APEX-Brasil brings foreign people to the fairs. A common image for Brazil from these associations is nothing Karsten has heard about. Karsten knows about the campaign “Brasil – Um país de todos” but has no connection to it.

**4.3.4 ATTRACTING CUSTOMERS ABROAD**

**Finding new customers**

By having a good website with a high numbers of visitors Hering gets a lot of requests from new customers that want to do business with them. Hering thinks that their product, price, franchise system and layout of stores offer a good solution to the customer. And this is why they choose to do business with Hering. They think that because of Brazil’s economy and fast development there is a positive image that can help to create business opportunities. Hering has a clear focus on the domestic market. They are planning for future expansion overseas and have visions to be well known internationally but it is hard to change strategy from private label to using your own brand. Michell says that their long history with private labels is why they are not bigger internationally. He also says that Hering is taking it slowly now because they want to develop their brands for an internationalization, not just more sales overseas.

Karsten on the other hand send products and price lists when attracting new customers abroad and also try to visit them to show that Karsten is a solid company. They play on the long history of the company to create a trusting relationship. Paola thinks that the customers do business with them because of needs that Karsten can match with their products and prices. One other thing that makes customers to do business with them is because the customers want to have a big range of suppliers.

**Effects of being from Brazil**

Hering doesn’t think that being a Brazilian company affects potential customers abroad negatively, rather the opposite because Michell think that people around the world like the Brazilian way of doing business. Herring doesn’t have any experience with problems because the company is from a third world country.

Karsten thinks that sometimes the image of Brazil that is showed in the media is of a country with a high number of people getting killed and robbed and with many natural disasters. Even though an incident happens in a specific part of Brazil it affects foreigners view of the entire country as dangerous and prevents them from coming to Brazil. Most of the times Karsten visits the customers instead and Paola doesn’t think that being a Brazilian company makes a big difference for the customers in the end.

**Associating to Brazil**

As a company from Brazil Hering doesn’t associate to Brazil when they do business abroad, instead they are relying on the strength of their products. Herring has not thought about what kind of companies from Brazil that can use associations to Brazil when doing business abroad. But Michell mentions that some companies use a small Brazilian flag on their products to show their COO. Sometimes the clients promote the clothes with some Brazilian image but Hering never do this kind of things because they
think it’s not relevant for them. If another company would get established on another market Michell thinks it might be useful for other Brazilian companies that enter this market to use associations to Brazil.

Karsten doesn’t think that it’s necessary to use associations to Brazil in their contact with customers abroad because the customers they have contact with know that they are Brazilian. They don’t think that the final customers would like typical Brazilian motives on the products. Once they did a line of beach towels with Brazilian motives, like the skyline of Rio. Paola said that the beach towels could send the customers mental pictures of a past or future trip to Brazil but that this is not an option for table linens and other towels because they are plain products. Karsten have not considered using emotional associations to Brazil in marketing and communication because they are skeptical to this kind of marketing as they think it could look fun but only appeal to a small audience. Other companies from Brazil that could have advantage of using associations to Brazil are, according to Karsten, those who have products that are used outdoors in front of many other people like for example apparel products.
5. ANALYSIS

5.1 ANALYSIS OF CONDITIONS, OPINIONS AND THEORIES

5.1.1 TRAITS OF THE COUNTRY OF BRAZIL

Brazil is the world’s 5th largest country (CIA, 2009-07-30) with a very big diversity of natural resources and a large number of people. By this mean, the country of Brazil can be self-supplying when it comes to domestic products and food. Both companies talk about the great diversity in nature, people and food that Brazil has and they think that the environment is very important to Brazil. Hering says that Brazil is very large and has a big range of natural resources but that many industries in Brazil are focused on developing basic products. Both companies think that the country is developing fast and Hering adds that Brazil is growing in an organized way and are trying to develop more non basic products. But as Brazilian exports today mostly consist of raw materials and unbranded manufactured products, Anholt (2003) argues that these companies are missing a chance to increase their sales by not branding their products.

Being a self-supplying country combined with a strong economy have made Brazil less affected by the global financial crisis and this creates business opportunities in Brazil for foreign companies as well as better pre-requisites for Brazilian companies abroad. According to Hering Brazil is the strongest of the BRIC-nations which gives Brazil a better reputation around the world. Hering thinks that Brazil is very competitive and strong in textile and Karsten think that Brazil is a fashion interested country but not a creator of fashion; instead they let themselves be inspired by what is popular in other countries. For export purposes Brazil could use the positives that Hering and Karsten see in the country to incorporate information and identity in Brazilian products and services like Melin (1999) talks about. There exist multiple conditions to form an identity for Brazil that is based on solid business factors and just like Melin (1999) writes, guarding against competitors and creating opportunities for brand extension are also important functions in branding that the factors mentioned by Hering and Karsten could accomplish.

5.1.2 IMAGE OF BRAZIL AND DESIRED CHANGES

Both Hering and Karsten think that the image of Brazil is very stereotyped. The things that attract tourists to come to Brazil are normally the rainforests, football, carnival, beaches and parties. But they want Brazil to be seen as a modern, serious and structured country known for other products than orange juice, coffee beans and multiple grains. Michell at Hering wanted to be clear about his view of the Brazilian people and this quote from him shows how:

“And I would like to reinforce that people in Brazil are FRIENDLY and not promiscuous. Our principles are kept and we are serious in our business.”

A problem for many Brazilian companies are that they don’t want to be associated with the things that makes the country so attractive to people all over the world. In Hering’s and Karsten’s case it seems to be because they don’t think that this is Brazil’s true
identity and this comply with Dinnie’s (2008) argument that identity refers to what something really is. Anholt (2003) mentions magnificent beaches, sports, and samba as some of the attractive attributes in Brazil’s nation brand but companies with mostly basic products don’t feel any connection to these attributes. Brazil doesn’t have many internationally known product brands but Anholt (2003) think that there definitely are opportunities for Brazilian companies to improve on this. Hering and Karsten should be more suitable than many other Brazilian companies to use some Brazilian attributes as textiles easily can be given different desired looks and purposes.

Brazil is sometimes seen as dangerous which in Karsten’s experience have made clients unwilling to send their employees to Brazil. Although it is often just in a small part of Brazil that there is violence, poverty or a natural disaster, media enlarge it as it would be the whole country that is affected. This media image can be bad but as Anholt (2003) explains, it is actually not that damaging to Brazil’s image but of course it can be very bad for the people in Brazil that are being affected. Paola describes the population of Brazil as positive and she also says the following:

“Brazilian people are very strong even when facing a hard time. They can have a good laugh at the end of the day, relaxing with friends, listening to music and drink something good. So I think the specialty is reacting to crisis.”

Both companies want the world to know that Brazilian people are serious and hardworking and they don’t like the image of Brazilian women as promiscuous. Apparently there is a gap between the identity that Hering and Karsten see in their country and the image that they say that foreign people have of Brazil. As Dinnie (2008) explains reducing these kinds of gaps is one of the main tasks of nation branding and Anholt (2007) think that the only way to change your image is to change your identity or show it in another way, and this is done by producing and doing new things. Hosting a World Cup in football or an Olympic game is a great opportunity of showing your true identity to the world and by doing this new “thing” you can update people on the parts of your identity that you want to be known for. Dinnie (2008) think that culture (that includes sports) is the best way to communicate your national identity and in the coming years Brazil will have one and maybe two great opportunities coming up for them to express their national identity through the World Cup in football and the Olympic summer games.

5.1.3 COOPERATIONS AND USING MARKET INFORMATION

The Brazilian embassies around the world often help Brazilian companies that are trying to go abroad with their business by giving them information about markets in those countries. There is also a good cooperation between the textile industry and export agencies and organizations such as EMBRATUR, APEX-Brasil and ABIT where both Hering and Karsten are members. These organizations help the companies by supporting them with information and inviting them to fairs where they can get in contact with foreign companies. This is similar to the program specific approach in nation branding that Dinnie (2008) talks about. A program specific approach can be very useful to improve the success of an area of the country abroad and the Brazilian textile industry have some success in this even though it isn’t working with common values or a nation brand like Dinnie (2008) suggests.
Hering usually do some research internally about new markets and then use the kind of information mentioned above, but sometimes they go directly to the market and do a full research. This can give Hering information on customer preferences. This process is very much the same for Karsten but they also use information about customers that they can get from chambers of commerce. The above mentioned methods of getting information for Hering and Karsten are examples of how organizations and companies are cooperating in the purpose of increasing Brazilian exports.

5.1.4 LOW AWARENESS OF NATION BRANDING CONCEPTS

It seems that the companies are lacking awareness when it comes to nation branding, COO and the NBI which is not so good because companies can benefit by using associations to their COO when going abroad, especially if their COO has a strong and positive nation brand. In this meaning Hering and Karsten are lacking in one of the main purposes that Fan (2006) mentions for nation branding as they aren’t promoting their branded exports with the use of COO. Hering and Karsten also don’t seem to reflect about the power of a “Made in Brazil”-label. This can seem strange because Karsten and Hering think that when a foreigner sees a Brazilian product the first thing that comes to their mind is a happy feeling and that they think that the product is made with care and under good social conditions.

5.1.5 GOVERNMENT ACTIVITIES

The government, which should take the head responsibility for coordinating and learning companies about nation branding subjects, have not yet found it important enough to create a common nation brand for Brazil. Dinnie (2008) argues that one of the first things to do when working with a nation brand is to gather information about people in other country’s image of your country. As there have never been any subscriber of the nation brand information about Brazil from GfK Roper it is easy to say that this effort is still to be made from the Brazilian government.

As there are multiple values about Brazil being communicated from different sources there is a high risk for mixed messages and lack of good response and Dinnie (2008) writes that unclear values will make a country less successful in promoting its branded exports. Hering Likes that the Brasil – Sensational! campaign shows tourists that Brazil has a lot to offer but other than that they haven’t thought much about it. This campaign is at least good in the sense that it seems to communicate values that Brazilian citizens and companies can support which is an important aspect that will help the success of a nation branding campaign according to Dinnie (2008). The two nation branding campaigns are not involving enough Brazilian companies; Hering and Karsten know about them but have not been contacted or involved in any way even though the Brasil – Um país de todos campaign was created to inspire and gather the Brazilian people. It seems like the program specific help that Hering and Karsten gets from APEX-Brasil and ABIT is the only initiatives that have had any impact on their business and marketing. As we have mentioned before both Anholt (2007) and Dinnie (2008) think that lack of coordination between stakeholders will keep a country from showing its true identity to the world, therefore making it weaker as a nation brand and giving products using their COO a much smaller effect.
5.1.6 PRIVATE LABEL VERSUS BRANDING

Hering had a long and hard process when changing from private labels to only exporting their own brands and they are still restructuring for future expansions of their capacity. And as Hering doesn’t have that much experience as an exporter of branded goods they will need more time to develop a strong brand abroad but they are still in a better position for this than Karsten. Anholt (2007) talks about that companies use brands to position their products in a market and to manage their reputation. Hering will need to understand what Anholt (2007) says; a brand is not just a name, it’s an identity.

Private label is the majority of Karsten’s exports making them almost unknown to end-customers in first world countries. There is no uniqueness in only being a product and service provider on most markets abroad, and they have a weak image in the majority of Europe and are not branding themselves much there. Kapferer (1997) talks about finding a brand’s purpose for existence but when a company is exporting private label products it is very far from reaching this uniqueness. The fact that Karsten are hardly marketing their company at all internationally somewhat explains their lack of using associations to their COO. The biggest exception is their success with their own brand in Eastern Europe and especially in St: Petersburg and these growing markets are very interesting to Karsten. Beautiful home textiles became synonymous with Karsten in this Russian city and show as an example of that exotic manufacturers can be very attractive to people. As Anholt (2003) explains, showing potential international customers your company’s COO can help to differentiate you among the competition as an actor on the market that is confident in his own identity.

5.1.7 STRONG IN SOUTH AMERICA

Hering thinks that their competitive advantages are the quality of their products, a good franchising system, their long history and their product know-how. Hering is seen as a high-value brand in South America and think that the above mentioned factors are why they have a popular image there. But if Hering wants to keep growing they have to extend their market share and the oversea markets is where the real opportunities lie. Kapferer (1997) talks about brand extension as a way of increasing markets shares and argues that brands have longer life cycles than products making Hering and Karsten vulnerable if they keep being to product focused.

The experience Hering has from South America is valuable when trying to find new customers overseas but being focused on the domestic market have clearly made international marketing less important to Hering, for example they only have franchising in four European countries. Their weak brand equity overseas can according to Anholt (2007) make them disappear in the masses if their reputation isn’t strong enough. Karsten who is a big manufacturer of home textiles in Brazil produce products that are popular throughout South America too. Both companies have strong brand equity in Brazil and South America and as Anholt (2007) explains, this allows them to keep doing business with customers that use their strong brands as shortcuts to informed buying decisions. The Karsten brand is seen as attractive in South America where they are selling and promoting their product under the Karsten brand name.

Paola like the way Karsten represent the image of Brazil there as she says:
“In Argentina they do a great job almost everything that is sold to Argentina or another South American market carries the Karsten brand. So we are becoming very well known in these markets.”

This makes them feel good about their heritage and this together with the difficulties on the European market make them very home safe and the same can be said about Hering. Karsten’s experience in USA and the difficulties on the European market seems to have made them slow down their international visions as they have no present plans of expanding overseas.

**5.1.8 PROBLEMS ON THE EUROPEAN MARKET**

The logistic problems that keep Karsten from growing in Europe is apparently a big concern to them. The following quote from Paolo illustrates this:

“*It’s hard for us to compete with Europe because countries such as Turkey, India and Poland, that also have great products but they also have great logistics. / ... / So we lose the competition in Europe because of the logistic problem.*”

Even when we ask, Karsten doesn’t think about what else could be holding them back internationally, so there are no thoughts about how strong brands can decide the conditions in a partnership. Karsten also think there would be a problem to adjust the look of the towels for each and every country in Europe. They say that every country in Europe has their own preferences for how towels should look and Karsten is not considering that many consumers might like a different look from an unordinary producer. Anholt (2007) means that an unexpected COO for a product can be a very good thing, and as many brands doesn’t communicate where they are from Karsten could stand out in these countries that seem to have well established preferences.

**5.1.9 MARKETING AND PROMOTIONS**

Hering use mixed market operations abroad and their marketing department always checks and approves all marketing actions before they can be used abroad by Hering’s clients. This system would work well if Hering should want the clients to use associations to Brazil in their marketing but as the situation is today Hering don’t do this. Michell explains Hering’s marketing abroad in the following way:

“We usually do the work with promoting our brands because we do not want to market to attract franchises but to attract consumers. When we go abroad we use outdoor advertising, campaigns in magazines, flyers and things like that. This has the objective to raise consumer awareness.”

One thing that makes Hering less likely to use associations to their COO is that they don’t do any marketing abroad directly towards the clients and that they rely heavily on their website to find new customers. But this could be as simple to change as Fan (2006) explains, just use a logo or the name of Brazil to highlight the COO, thereby promoting the company’s sales and exports. In the interview Michell pretty much told us straight out that Hering is positioning themselves internationally towards everybody. They want to reach all social classes abroad and are not trying to make themselves unique. According to Anholt (2007) you have to create a strong identity if you want to affect the image of your brand and this cannot be done if you don’t aim your efforts
towards a specific target audience.

For Karsten it is a little different but not much better on the subject of associating to Brazil. Karsten is a product focused company and doesn’t think in emotional terms for their brand. They are not currently using emotional associations to Brazil in their marketing and communication. They are sceptical to this kind of marketing as they think it could look fun but only appeal to a small audience, and that it only seems useful for products that have a Brazilian look. Paola’s opinion shows a narrow view of how an attractive image for Karsten could look because as Anholt (2007) explains, emotional factors are often more important than logical to people when they have to make a decision. So using the shortcut of your COO can help consumers make an emotional decision and invest in your brand.

One positive thing is that Karsten has discovered that their promotion investments in Brazilian TV have raised the knowledge of the Karsten brand domestically. Now people are also buying the products because of the attractiveness of the Karsten brand and not just for the quality, look and price of the products. So in this way Karsten is more brand aware than what Hering is in their marketing but they have not yet used this kind of promotions abroad. Anholt (2007) thinks that with a positive, strong and solid reputation a company’s brand can create a value that can be seen as greater than of the actual products they sell which is pretty much what Karsten has done domestically but are hesitant to do abroad.

5.1.10 THE IMPORTANCE OF BEING TRENDY

Hering think that they are a fashionable company but in fact they are mostly making basic clothes that people use for casual occasions. They think it is important to be up-to-date with worldwide trends and the same is true for Karsten who do this to make their home textiles more fashionable. Karsten think that they are better at this than their domestic competitors as they go beyond the classical look of home textiles and Hering also give an impression of being very interested in the latest fashion trends. This shows the importance for Hering and Karsten to stand out among the crowd which according to Kapferer (1997) and Anholt (2007) is very important to find a unique position that is attractive to the customers. Of course, just having the intention and not actually succeeding in it will not make you unique so both companies need to research the preferences of the audience and how they view their company first. This is true to what Dinnie (2008) says about the consumer perspective in brand equity.

5.1.11 PRODUCT FOCUS AND WEAK BRANDING

The core of Hering’s brand is the price and quality of the products and they have not developed an international image yet. But they want it to be based on quality and well priced products. Hering think that that the reason why customers buy their products is that Hering brings good fashion to a low price and have stores with good layouts. We asked more questions indirectly about the importance of branding to Hering but the answers indicated that Hering is a very product-focused company that doesn’t understand the power of a strong brand. It’s clear from the interview that Hering have no real idea about why people buy their clothes except for the price and quality. Melin (1999) means that customers like brands not just for the practical satisfaction of the
product part but also for the image they can give them. But giving a certain feeling and image to the customer with their brands seems to be of less importance to Hering. Karsten is very much alike and they think that their competitive advantages are that the customers find their products attractive. Paola also said this about Karsten’s competitive advantage:

“I think the price matches our products because it’s neither expensive nor cheap.”

They have no real idea of what image they have in Brazil; it is only explained as good. They mainly play on their long history as a solid company to attract customers abroad and only have a practical idea of why customers choose them. Paola explain their international business as an act of supply and demand in the following way:

“Sometimes the customer buys a big range from a specific supplier because they don’t want to be in the hands of just one supplier and they switch for a change. They buy some from us and some from other countries. So I think if you make a good offer you have a great chance to sell to them.”

In many ways Hering and Karsten are not focusing on their brands and how their identities can be projected. Anholt’s (2007) definition of branding is not being fulfilled by Hering or Karsten as they are missing that branding has a lot to do with using your identity to build a good reputation.

5.1.12 SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Brazil is a country with many industries that produce low-cost basic products under good social conditions and the environment has become a very hot issue in Brazil. Brazil has affected its citizens and companies to be more environmental friendly and Hering and Karsten are in fact doing well in this area. This is a good example of what Anholt (2007) means when he says that the key to developing a competitive identity is to get the country dedicated to developing new things, and improving the environment is in line with the identity of Brazil.

Hering, with their main export product being basic T-shirts, is an example of a large Brazilian company that focuses on quality products at a good price level. They are also a company that emphasizes that social and environmental responsibility is very important to them and they want to have this in their image. On the question of the most special things about Brazil Michel among other things says the following about his country:

“The environment is very important for the future of the world and we are focusing in keeping, not destroying, the environment.”

This empathizes Hering’s view on environmental responsibility. Michell also think that Brazil has good labor laws and a good quality of life. As Michel think that the same issues are prioritized by the country of Brazil as well, it is something that if Hering thought about it would make sense for them to communicate as a part of their Brazilian heritage. The conditions are obviously good for the country and the company to transfer positive imagery and brand equity between each other as explained by Anholt (2007). Karsten are also socially and environmentally aware but they don’t have the same focus and doesn’t communicate it as much as Hering does.
5.1.13 WILLINGNESS TO USE THEIR COUNTRY OF ORIGIN

Hering thinks that some customers like that Brazil is a fast developing BRIC-country that at the same time cares about social issues. This and other thing that Hering mentioned as positive with Brazil shows that Hering wouldn’t be hesitant to use COO associations because they don’t like their home country. But for now Hering is not using any associations to their COO in their contact with customers abroad and Michell describes Hering’s image abroad like this:

“Outside Brazil it’s a well positioned brand. It’s not the cheapest brand but it’s not the most expensive brand as well. It offers a good quality and is perceived by the consumers as a good cost benefit brand.”

Apparently Hering don’t think it is necessary to change much in their image abroad because they rely on the strength of their products and because they think that many consumers don’t care about the origin of products. Another quote from Michell about if it is important to Hering that international customer knows that their products are Brazilian can illustrate this:

“It depends on the country. Sometimes the local operator promotes the brand and brings the Brazilian image with products. And some other countries do not care about the origin of goods. But generally speaking we don’t price this matter.”

If another Brazilian company would be well established on a specific market abroad Hering might consider to use Brazilian associations when doing business at that market. Dinnie (2008) writes that each stakeholder is being affected by and can affect the nation brand. Hering is a stakeholder to the nation brand of Brazil but as they are unaware of what this means they will not do anything actively to associate to their heritage. Anholt (2007) and Dinnie (2008) means that countries need strategies that coordinates what parts of the national identity the nation brand should be built on. When this is lacking it is hard for stakeholders to understand why associating to their country could be of use.

In the past Karsten have used Brazilian motives on some of their beach lines. The idea was that it could send customers mental pictures of a past or future trip to Brazil. This kind of branding is highlighting their COO and as we humans rather make decisions based on our emotions than on pure facts as Anholt (2007) says, it is unfortunate for Karsten’s brand that they haven’t use anything like that beach line again. Paolo also thinks that it can be a good thing for a company to show the COO of Brazil but Karsten doesn’t do this because they think that their Brazilian heritage is a part of their products and that their customers already know that they are from Brazil.

Karsten think they have to change the look of their towels to each European country they turn to as the preferences are so different. This shows that they lack some faith in their own style, people in a foreign market might actually find an unusual look appealing. Both companies are comfortable with their Brazilian heritage but are not yet using it very much in their branding or in their contact with customers abroad which is too bad because as Anholt (2007) described, a products origin can give the consumer a sense of familiarity that could encourage them to try this new product.

Nation branding is unknown to both companies and COO are not a subject that Karsten has thought about very much. When it comes to COO they think that Brazil has a good one but they are not showing any thoughts about how it can affect customers. And
nation branding was unknown for Paola before we told her about the NBI and what it measures.

Karsten think that they are representing the image of Brazil in a very shy way and it is clear to us that they don’t really know that they could use the image of Brazil in their contact with customers abroad. For example they don’t react much when the client doesn’t want a “Made in Brasil”-label on the product, it’s used when the law of a country requires it. But a “Made in…”-label can often affect the likelihood that a consumer buys a product, and a positive COO bias can act as a shortcut when choosing between similar products as Anholt (2007) writes. So in this way Karsten is missing out on some possible great help when their COO isn’t being displayed with a “Made in Brasil”-label. Karsten told us straight out that they don’t use associations to Brazil in their contact with customers abroad. This is partly because they think that the end-customer doesn’t want typical Brazilian motives on their home textiles. This is easy to understand when Karsten only consider things like palm trees and such as Brazilian motives.

5.1.14 INTERNATIONAL VISIONS

When we asked if Hering has ambitions to become a big international company they explained that they do have visions for this and that they are planning for international growth. As Michel said:

“We don’t want to open new stores just to have stores; we want to save the quality we have to have a future operation. Because we are structuring for an internationalization of our brands, not just a sale overseas.”

This shows that Hering have potential to become more brand aware and understand the power of using COO to their advantage. Dinnie (2008) says that if a brand’s image isn’t matching with connections to its COO the brand might be harmed if using them. Hering think that the image of Brazil is too playful and they can’t seem to connect to it because they see themselves as a serious producer of low priced qualitative clothes. Missing the emotional side of branding is making it harder for them to like the image of Brazil that they think foreigners have.

When it comes to Karsten, they want to be known as a strong Brazilian producer of home textiles. They would like to “make Brazil proud” by being a strong and recognized brand in Europe, USA and South America. They want to be associated with beautiful and qualitative products but also with feelings of a warm and welcoming home. All this makes it promising for the development of the Karsten brand and the fact that Paolo is using the words Brazilian producer shows that Karsten see themselves as a company with a heritage and not just a producer of textiles. Dinnie (2008) writes that companies in a country with poor nation branding activities will be more likely to downplay their COO, either because they haven’t learned about its possible impact or because their nation brand has a bad image. This can explain why Karsten isn’t using their COO even though many conditions for it is good. When comparing we can see that both companies have ideas of how they would want to be known internationally but that Hering are closer than Karsten of actually doing anything about it.
5.2 MODEL FOR USING COUNTRY OF ORIGIN ASSOCIATIONS

By using our theoretical knowledge and empirical data we have come up with a model that can be used to show how appropriate it is for a company to use its COO to attract new customers abroad. The purpose of this model is to give companies an idea of how near or far they are from to being able to use their COO and succeed with it. The model can also be used by other stakeholders that are interested in knowing if a company is fit to use COO associations. The model can also be used on companies that are completely unaware of COO because their conditions for using COO will be there regardless of what they know about it. We have come up with six factors that can determine if a company will use their COO or not and we found the influence to our model in Simon Anholt’s nation brand hexagon.

HOW THE MODEL WORKS

The figure inside the model varies in size and shape depending on how well the company performs in the six different areas of the hexagon. In the example below we see a company that has good conditions to use their COO because the figure inside the model is covering a large part of it. The company seems to be especially strong in the areas of STRONG IDENTITY/IMAGE and BRAND AWARENESS but somewhat weaker in WILLINGNESS and RESEARCHING. The smaller the size of the figure inside the model, the less appropriate it will be for a company to use their COO to attract new customers abroad. If the figure is small it also tells us that the company will be less likely to actually use associations to their COO to attract new customers abroad. The exact shape of the figure can be decided by appointing numerical values to the different areas and then calculating the angles and lengths of its side by using geometry. But for our dissertation we think it will be accurate enough to start with a figure that is a smaller copy of the hexagon, place it in its center and then transform it towards the corners with the strengths and weaknesses of the company in mind.

Figure 5.2 OUR COUNTRY OF ORIGIN MODEL
STRONG IDENTITY/IMAGE

As a strong image is based on a strong identity, the important thing is to be clear about who you are and what parts of your identity you want to be known for. The same is true for both countries and companies and working with your identity-image gap will benefit more than using marketing and promotions. If your company knows what it stands for and these values agree with those of your country’s nation brand, a very strong ground for international success is present. Using COO to attract new customers abroad becomes more likely and profitable with a strong brand identity and even more so if it shares parts with its home country’s nation brand. When companies feel that the image of their country doesn’t communicate anything they want to stand for the likelihood of using COO associations goes down.

BRAND AWARENESS

Brands differentiate products and positions them in the mind of consumers with the purpose of creating brand equity. A company that has good brand awareness and positive, unique associations connected to their brand will be much more likely to successfully use COO in their international marketing. If your company exports a lot of private label products it will usually have a weak brand on those markets making it less appropriate to use COO branding to attract customers. It also seems like branding becomes less important to companies that focus on the price and quality of their products. Companies that work a lot with their brands will also be more likely to see if their COO can strengthen their brands reputation.

KNOWLEDGE

The fact is that many companies seem to be unaware of what COO is and that they could benefit by using it. The chances that a company will use associations to its COO to attract customer abroad goes down if they have limited or no knowledge of the concept of COO. Some companies might actually feel very positive about their heritage and still have no idea that the “Made in...”-label can be a powerful tool for their international business. If a country is good at informing its stakeholders about the use of the nation brand and COO associations the chances of them understanding it and actually using it will be much higher.

CONSISTANT AND STRONG NATION BRAND

Brazil is using a number of different nation branding campaigns without connections to each other and with no coordinating strategy from a governmental body. There has to be some interaction between different nation branding actions or the countries companies and other stakeholders will send out mixed messages and be confused about what values in the nation brand to associate to. Another point is that if your country’s nation brand is weak overall or in the area that your company competes in, it will be less attractive for your company to use its COO to do business abroad.
RESEARCHING
It’s a fact that people are often attracted to someone who shows where they are from and highlighting your company’s COO can work very well with foreign customers. So knowing which target groups you aim for and which methods you will use to reach them is important when your company is looking at entering a new market. To get the information it’s important to research the new market and also to find out the preferences of the target groups. Some of this market information is available through embassies and export agencies of your company’s home country so use all the free help you can get. If your company doesn’t have any specific target group or don’t know how to reach it your chances of attracting new customers gets smaller.

WILLINGNESS
There has to be a willingness within your company to use COO if you are to reach out with your communication in a successful way. By this mean your company needs to involve the employees in the process of using the COO so everybody is telling the same story externally. Sometimes a company knows that other companies use COO associations, and that these companies are successful internationally, but still don’t think that the customers care about the origin of products. This attitude might come from unwillingness to change or a lack of faith in their own brand. Finally, a grand and motivating vision for international expansion is a way of inspiring your company to develop its brand to increase the willingness to use emotional associations in abroad marketing.
6. FINAL DISCUSSION AND RECOMMENDATIONS FOR FURTHER RESEARCH

6.1 CONCLUSIONS

To remind the readers about our research question we will present it again below, and after this we will talk about the objectives and conclusions of our dissertation.

*What is it that determines if large companies in the same country and industry use their Country of Origin or not when they want to attract new customers abroad?*

It has become clear to us that the concept of COO is not something that the Brazilian companies that we interviewed emphasize and from our analysis we have come to understand that there can be many reasons for this. But the main reason that determines if the companies will use their COO to attract new customers abroad seems to be if they find it appropriate or not to use associations to their COO in their specific situation. But what factors makes the companies find it appropriate or not? We have developed a model that is based on the most important factors that we have found to influence the use of COO to attract new customers abroad. The model is based on the following factors:

- Strong identity/image
- Brand awareness
- Knowledge
- Consistent and strong nation brand
- Research
- Willingness

Our objectives was to theoretically illustrate the importance of nation branding and COO, to identify empirical factors for the use of COO, analyze if and why they can be important to companies, and put them in a model that would show when it is appropriate to use COO to attract new customers abroad. We think that we have fulfilled these objectives through our analysis and the model we developed.

The Brazilian textile companies Hering and Karsten have served as examples of companies that are not using their COO and in their cases we think that it has a lot to do with that their background as private label exporters have made them very product focused and somewhat weak in branding. The fact that their home country of Brazil doesn’t have a coordinated nation branding strategy is also making it less attractive for Hering and Karsten to use associations to their COO. A lack of an active nation brand is not giving export companies any relevant values to associate their brand to that could transfer positive imagery and brand equity between their brand and the nation brand. The reasons mentioned above why our two studied companies doesn’t use COO to attract customers abroad can also be found in our model which makes us confident in the factors we included in it.

We are not saying that our model is all inclusive, because one can always find other factors that affect the use of COO, but it captures the most relevant findings in our dissertation. To name some other things that our dissertation showed about COO we could mention that external factors in the country will make it more or less suitable for export companies based there to grow internationally. The art and nature of a company’s
products or services will also be a factor in how well they comply with nation brand values. If a company can’t afford or simply doesn’t want to market themselves abroad it will obviously be very rare for them to enjoy the positive benefits of using COO associations. Another thing that might affect how successful a company is in using COO associations is there experience of marketing and selling branded goods. Finally we think that the way a company can use COO will be different if they aim their efforts towards the end-customers or towards clients, agents and distributors.

We have found factors that indicate that companies will use COO to highlight their identity on international markets because it can help them to stand out in the crowd. Their competitors will often be focusing on other parts of their competitive advantages to attract customers so making your COO known can have the beneficial effect of receiving an exotic and unique image in the customers’ minds. Of course COO is not always relevant, in some product categories and for some companies it would seem strange to highlight your COO. But it somehow makes sense for consumers to buy water from foreign brands so nothing can be that far off in the case of showing an unexpected heritage. Our final conclusions are that international companies that want to manage their reputation can benefit from relating their identity to some of the aspects in the national identity of their country. Associating to your COO is a way of doing this that aligns your company’s image to the image of your home country.

**6.2 SUGGESTIONS FOR FURTHER RESEARCH**

Brazil is currently one of the fastest growing economies in the world and we think it would be appropriate to research another branch of the Brazilian industry to see if they are using COO when doing business abroad. One interesting path for further studies is to make a quantitative research approach to statistically check if our model has relevance in larger populations. We would recommend using our COO model when researching other branches and compare the branches to see which one has the best COO possibilities. Another path would be to interview the Brazilian government and see which branch they think would benefit most by using COO when trying to attract new customers abroad. You could also look more into why there is no common nation brand for Brazil resulting in that the campaigns are divided and send mixed signals.

**6.3 WHAT WE COULD HAVE DONE DIFFERENTLY**

During the research process we choose to interview two companies, Karsten and Hering, but if we had interviewed more companies the essay had probably taken another direction. We don’t regret our choice but it would have been interesting to see where that road had taken us. Another thing about our interviews that we could have done differently was the time planning of them. We could have done them earlier in the year instead of in late spring when Brazilian textile companies are occupied by releasing their new winter collections and doesn’t have that much time. Instead we had to make the interview with Hering over Skype during their slower winter period. If we had planned and researched better we would probably have been able to get a personal meeting with
Hering too.

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APPENDIX 1

INTERVIEW GUIDE

1. **The Company, its business and products**
   - What is your company’s mission?
   - What products do you manufacture?
   - Do you provide any services?
   - What are your company’s goals?
   - What is your company’s vision?
   - Why are your company still located in Blumenau?

2. **Exports**
   - What products do you export?
   - To what markets do you export?
   - How do you sell your products on these markets?
   - Do you have help from any organizations when doing business abroad?

3. **Marketing**
   - What is the core of your company’s brand?
   - What are the competitive advantages of your company’s brand?
   - Why do you think your customers buy your products?
   - Is it because of the quality and looks of the products or the attractiveness of the your company’s brand?
   - Do you market your products abroad?
   - By which methods and channels do you market your company abroad?
   - What do you think the image of your company is in Brazil? In Europe?
   - How would you want to be seen by international customers?
   - What would the market lack if your company did not exist?

4. **View of Brazil and brand Brazil**
   - Do you think your company or products are typical for Brazil in any way?
   - What do you think is the most special things about Brazil?
   - What do you think the strengths of Brazil are in a business perspective?
   - What consumer goods do you think is typical for Brazil?
   - What picture of Brazil do you want to portray on the international market?
   - What would you like to change/develop in the picture of Brazil?
   - What do you think is the first thing international customers think about when seeing that a product is made in Brazil?
Are you familiar with the concept of nation branding?
With country of origin?

5. **Attracting customers abroad**
   How do you try to attract potential customers abroad?
   Why do you think your international customers choose to do business with your company?
   How do you think the fact that you are a Brazilian company affect potential customers abroad?
   Have you experienced any problems with international customers because your company is from a “third world” country?
   Have you used associations to Brazil to your advantage in your contact with customers abroad? (Why/why not?) (How?)
   (What companies do you think could benefit from doing this?)

6. **Show the index and ask for comments**
   Ask about:
   \textit{Brasil – Um país de todos}
   \textit{Brazil – Sensational!} and EMBRATUR
   APEX Brasil or ABIT?