The perception of Made in Italy in the Brazilian market: the result of an exploratory research

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ABSTRACT

Objective. This paper aims to analyse the perception of Made in Italy in the Brazilian market. The analysis is focused on the Brazilian consumer's perception of the Country-of-Origin (COO) and its components, and on the evaluation of the Italian country image, in comparison with the country image of other countries (Brazil, China, France, USA).

Methodology. The research has been conducted through the means of an exploratory survey based on an on-line questionnaire, on a sample of 112 Brazilian (management students and graduates).

Results. The main results of this study show Brazilian consumers have knowledge and appreciate made in Italy brands and products and they are willing to pay a premium price for buying them.

Key words: Country-of-Origin, Country image, Made in Italy, Italian products, Brazilian consumers.

1. INTRODUCTION AND OBJECTIVES.

This research is aimed at analysing the perception of Made in Italy in Brazil. The analysis is focused on the Brazilian consumer's perception of the Country-of-Origin (COO) and its components, and on the evaluation of the Italian country image, in comparison with the country image of other countries (Brazil, China, France, USA). The research objective is to examine, through the means of a survey the way Made in Italy brands and products are evaluated. We defined the following research questions:

- Q1: Which is the Brazilian consumers' perception about the COO concept?
- Q2: Which are the key characteristics linked to the image of Italy (and the other countries, namely Brazil, China, France, USA)?
- Q3: Which is the perception of Made in Italy and Italian products?
- Q4: What's the renown of Italian products?
- Q5: Which are the value and the premium price attributed to products made in Italy (and in the other countries, namely China, France, USA)?

2. LITERATURE REVIEW.

The concept of Country-of-Origin has changed over time increasing its centrality in the academia and the practitioners arena, due to its ability to target and influence consumers' choices of purchasing and consumption, in a context of increasing market globalization and the resulting strong competition of emerging economies.
As largely known, the first studies about COO were discussed at the end of '60s, when experts in the field began to think about COO as a variable able to facilitate the success of a product more than other marketing tools (Dichter E., 1962). The first explicit formalization is

due to Schooler (1965; 1971), who analyzed and tried to scientifically prove the existence of positive (or negative) COO effect on consumer behaviours.
On a theoretical level the paper refers to a part of the wide existent literature related to the relevance of country image (Pappu, Ravi, Pascale G. Quester, and Ray W. Cooksey, 2007, pp. 726–45.) in influencing the value that consumer gives to a product or a brand (R. Pappu, Quester P., Cooksey R., 2006). Nagashima defines "image" as the representation, reputation, or stereotype of a specific country which consumers associate with the products (Nagashima, 1970, 1977).
According to Roth and Romeo (1992), a country's image arises from different dimensions that qualify a nation in terms of its production profile (Aiello G. et al., 2008). Such dimensions include the following aspects: innovative approach (superior, cutting-edge and technology); design (style, elegance and balance); prestige (exclusiveness and status of the national brands) and workmanship (reliability, durability and quality of national manufactures). The origin of a product, indeed, influences the choices of the consumers that, according to the country stereotyping, evaluate the quality, the performance, the price and design (Baghi I., Tedeschi M., 2012). The stereotype is made up of three components (M. Laroche, M. Mourali, 2005): a cognitive component, referred to social, cultural, political and economic aspects; an affective one, that describes consumers' affective response to the country and country's people; a conative one, consisting of consumers' desired level of interaction with the sourcing country.
Moreover the country equity can be modified in time; to that regard literature brings up two concepts: the halo and the summary effect (Min Han C. 1989). The first one is referred to the consumer that, at the time of the purchase, has not directly experienced any product of a certain country yet and chooses accordingly to the image they have of that Country-of-Origin in order to evaluate the quality of the product; the second one is about the consumer who has already experienced some products of a certain country.
The COO effect is not only analyzed as single concept, but it is also studied in a multiple-cue approach, that considers it as a complex system of multiple components: the Country-of-Origin, Country-of-Manufacture, Country-of-Design, Country-of-Brand-Origin. In particular, referring to the Country-of-Design (COD) and Country-of-Manufacture (COM), Hamzaoui and Merunka (2006) have tested that, for products with status symbolic meanings, consumers from emerging countries are more sensitive to COD than for more private goods, for which COM and COM/product fit are important.
Therefore COO can constitute an important competitive advantage (Agrawal J., Kamakura W.A., 1999), as it influences not only consumer's perceptions, but also the price a consumer is willing to pay for a product with a certain origin (Koschate-Fischer N., Diamantopoulos A., 2012). Diamantopoulos et al. (2011) affirm that the consumer willingness to pay a certain price is greater for a given product originating in a country with a more appreciated country image, rather than one with a country image less appreciated.

3. METHODOLOGY.

On the empirical level, the research has been conducted through the means of a survey (Chisnall P. M., 1993), provided in Portuguese, and addressed to a sample of 112 people resident in Brazil (sample features are shown in Table 1). The respondents taking part in the survey, distributed via e-mail in Portuguese, are professors and students of Univali (Universidade do Vale do Itajaí), University of Santa Caterina.
The involvement of students and members of the academia as survey groups, is consistent in social science researches for analysing marketing phenomena such as perception and levels of brands familiarity. According to Peterson (2001), student and scholars samples are relatively

homogeneous in terms of demographics, socioeconomic background and education.

Table 1: Composition of the sample

Sample Feature	**Metrics**
Percentage of male	43.6%
Percentage of female	56.4%
Average of age	32.9
Percentage of Secondary school students	7.3%
Percentage of Graduated	32.7%
Percentage of Post-graduated	60.0%
Percentage of the sample visited Italy	38.2%
Percentage of the sample bought made in Italy products	86.4%

The questionnaire is composed of 45 questions (mainly closed questions and seldom based on four point Likert scale).

The main research topics have been investigated asking the following questions:

- Q1: *"In your opinion, how relevant are the following items in determining a product's country-of-origin (COO)?"*. Traits: both COD (Country-of-Design) and COM/A (Country-of-Manufacture/Assembly), only COD, only COM/A, both, but more COD, both, but more COM/A.
- Q2: *"Rate the key characteristics linked to the image of Italy (Brazil, China, France, USA)"*. Traits: innovativeness, design, prestige, workmanship.
- Q3: *"What's the first thing that comes to your mind thinking of Italy?"* Traits: art and culture, fashion, landscape, wine, food, soccer, technology. *"To what field do you associate Italian products?"* Traits: food and wine, fashion and accessory, boat and yacht, interiors, design, consumer electronics, technology, cars, machinery. *"What do Italian products evoke to you?"*. Traits: beauty, quality, creativity, culture, passion, innovation, tradition, living well.
- Q4: *"What Italian product have you bought"* Traits: food, wine, clothes, shoes, accessories, jewellery, cosmetics, consumer electronics, cars, furniture. *"Why have you bought Italian products (or you would have liked to?).* Traits: they are cheaper than products of other countries, they represent a status symbol, I like Italian style, I like foreign products, I'm curious about them, I consider them as quality products, they are cool, they bring to mind feeling related to a trip. *"How do you evaluate Italian products?"*. Answer options: very positively, positively, indifferent negatively, very negatively.
- Q5: *"How much would you pay for an Italian (Chinese, French, USA) t-shirt?"*. Answer options: up to 20€, 20-50€, 50-100€, more than 100€.

4. MAIN FINDINGS.

Empirical findings related to Q1 "In your opinion, how relevant are the following items in determining a product's country-of-origin (COO)?"

In order to analyze Q1, the sample of the study was asked to indicate how relevant are COD (*Country-of-Design)* and COM/A (*Country-of-Manufacture/Assembly*) in determining a product's COO *(Country-of-Origin)*. The main results demonstrate that, for the majority of the sample (38.8%), COD and COM/A have the same relevance in determining the origin of a product; a similar percentage (34.2%) indicates that, although both important, the COM/A plays a more critical role. So, according with other previous research results (Aiello G. et al., 2009) the perception of a product's COO depends on both the country where it was designed and the country in which it was physically produced and /or assembled.

Table 2: Perception of COO concept

COO Dimensions	Percentage
Both COD and COM/A	38.9
Only COD	0.9
Only COM/A	11.1
Both, but more COD	14.8
Both, but more COM/A	34.3
Total	100.0

Empirical findings related to Q2 "Rate the key characteristics linked to the image of Italy (Brazil, China, France, USA)".

With reference to the model proposed by Roth and Romeo (1992), the researchers asked the sample to evaluate the key image characteristics of a set of countries (Brazil, China, France Italy, USA); the evaluation criteria included the country's Innovativeness, Design, Prestige and Workmanship.

The analysis of the data points out, for each dimension, significant differences among countries; the main characteristics that the majority of the sample associates to Italy are Design (2.98) and Prestige (2.64), on the other hand Workmanship (1.98) represents the lowest value. We find a similar result for France, that is characterized by an image rooted in Prestige (2.93) and Design (2.82), not linked to Workmanship. On the contrary, Workmanship is the key factor that distinguishes the image of China (2.91) for which Prestige represents the lowest value (1.99). USA reaches the highest rating of all countries for Innovativeness (2.89). There's not a predominant characteristic for Brazil that still has the highest rate in Design (2.59).

Table 3: Key country image characteristics

	Design	Innovativeness	Prestige	Workmanship
Italy	2.98	2.43	2.64	1.91
Brazil	2.59	2.53	2.22	2.54
France	2.82	2.31	2.93	1.86
China	2.36	2.64	1.99	2.91
USA	2.37	2.89	2.81	1.88

Four point scale: 1= not associated at all; 2=not associated; 3=associated; 4=strongly associated

Empirical findings related to Q3 “What's the first thing that comes to your mind thinking of Italy?” - “To what field do you associate Italian products?” - “What do Italian products evoke to you?”

It has been asked to the sample to state what’s the first thing that Italy evocates in them (single option answer); data point out that nearly 50% of the respondents associate “Art and culture” (45.5%) to the country. “Food” (19.1%) and “Fashion” (16.4%) follow with a significant percentage. These results are confirmed by the following question that examines the fields associated to Italian products; indeed, “Fashion and accessories” (38.2%) , “Food and wine” (29.1%), both compare in the top of the rank. The sample has also indicated which are the main characteristics evocated by Italian products: it results that “Tradition” is the main factor for the 30% of the sample, followed by Beauty and Quality, with the same percentage (22.0%).

Table 4: Perception of Italy and Italian products

The first evocation associated to Italy	**%**	**Fields associated to Italian products**	**%**	**Evocation of Italian products**	**%**
Art and culture	45.5	Fashion and accessories	38.2	Tradition	29.4
Food	19.1	Food and wine	29.1	Beauty	22.0
Fashion	16.4	Cars/bikes	13.6	Quality	22.0
Wine	10.0	Design	11.8	Culture	11.9
Landscape	5.5	Home and interiors	2.7	Living well	6.4
Other	1.8	Machinery	1.8	Passion	5.5
Technology	0.9	Other	1.8	Creativity	1.8
Soccer	0.9	Consumer electronics	0.9	Innovation	0.9
Total	100.0	Total	100.0	Total	100.0

Empirical findings related to Q4 “What Italian product have you bought” - “Why have you bought Italian products (or you would have liked to?) - “How do you evaluate Italian products?

In order to analyze Q4, the participants of the study were asked to indicate which Italian product they bought (see Table 5; only one choice answer - the most bought product typology by each respondent); it results that a large percentage of the sample bought Italian wine (28.3%), Italian clothes (23.6%) and Italian food (17.9%) . This result is correlated to Q3 data where Wine, Clothes and Food emerged as the principle product categories associated to Italy.
The study has examined the reason of the purchase of these products (Table 6) ; data point out that the majority of the sample buys Italian products because considers them as quality products. This result confirms the previous answer given by respondents, for which quality is a mean evocation of Italian products; this aspect is confirmed and renewed (even more firmly) after the purchase. The second reason that pushes Brazilian consumer to purchase Italian products is the appreciation of Italian style.

Table 5 - Italian products bought

Product typology	**%**
Wine	28.3
Clothes	23.6
Food	17.9
Shoes	7.5
Cosmetics	5.7
Accessories	3.8
Cars	3.8
Jewellery	0.9
Furniture	0.9
Consumer electronics	0.9
Other	6.6
Total	100.0

Table 6 - The reason of purchasing Italian products

The reason of the purchase	**%**
I consider them as quality product	56.6
I like Italian style	21.7
I'm curious about them	7.5
They are cheaper than products of other countries	3.8
They bring to mind feeling related to a trip	3.8
They represent a status symbol	2.8
I like foreign products	0.9
Other	2.8
Total	100.0

The general evaluation of Italian product (see Table 7) is positive for the 93.5% of the sample (the 28.7% of this percentage expresses a very positive evaluation and 64.8% a positive evaluation). Nobody declares to give a very negative evaluation to Italian products.

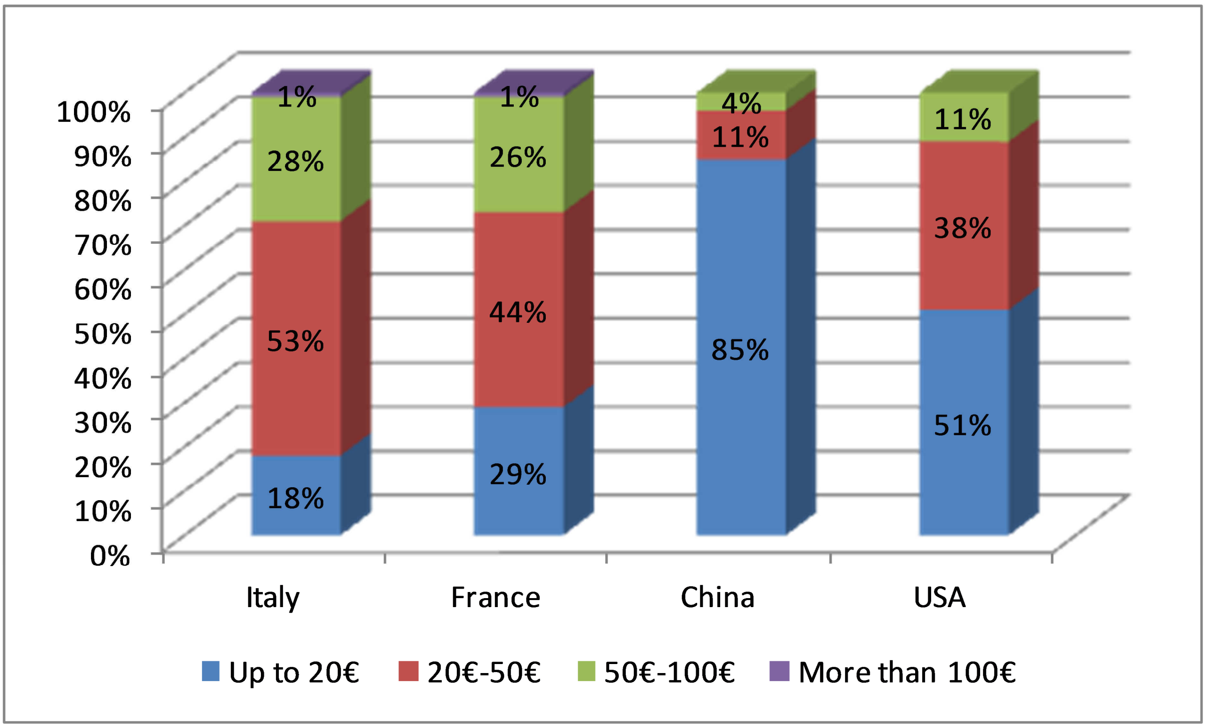
Table 7 - The reason of purchasing Italian products

Evaluation of Italian products	**%**
Positively	64.8
Very positively	28.7
Negatively	6.5
Very negatively	0.0
Total	100.0

Empirical findings related to Q5 "How much would you pay for an Italian (Chinese, French, USA) t-shirt?"

In order to study question Q5, it has been asked the participants to think about a same t-shirt, made in Italy and made in other countries.
Comparing a fashion product made in Italy with the same product hailing from France, USA or China, it results that the sample would be willing to grant a premium price for the Italian one (Figure 1).
We could note that a considerable percentage of the sample (53.3%) would pay an Italian t-shirt between 20€ and 50€, the 28.3% is minded to pay between 50€ and 100€; the 17.8% is willing to pay up to 20€. Only one percent would pay an Italian t-shirt more than 100€. The data show a similar situation for the t-shirt made in France: 43.3% is minded to purchase the fashion items paying between 20€ and 50€, 29% paying up to 20€, 26.2% to pay between 50€ and 100€. Only one respondent is willing to pay more than 100€. The research finds completely different results for a Chinese t-shirt: nobody would pay more than 100€ for the purchase, and 85.4% would pay more than 20€. The 10.7% is inclined to pay between 20€ and 50€, and 3.9% between 50€ and 100€. In the matter of the t-shirt made in the USA, data point out that the majority of the sample (50.9%) wouldn't pay more than 20€, 37.7% between 20€ and 50€, 11.3% between 50€ and 100€, nobody more than 100€.

Figure 1 - How much the respondents are willing to pay for an Italian Chinese, French, USA t-shirt



5. LIMITATIONS AND MANAGERIAL IMPLICATIONS.

The main limit of our research is the sample and size and its composition, that's statistically non-representative; nevertheless, it could orientates researchers and practitioners in the comprehension of the phenomena under evaluation. At the same time it would be relevant to craft a more structured experimental design for objectively measure the premium price assigned by consumers to the same product with different Country-of-Origin (i.e. providing digital or real product stimuli and not only a product concept).

It is intuitive to argue that, if a country has a good image, it is easier to transform the competitive advantage in "monetary value" (Jaffe, 2006). So managers should clearly communicate and emphasize the origin of a product in case it refers to a country with a good country image, and take advantage of it for differentiating their value proposal. This paper highlights Brazilian consumers' appreciation of the made in Italy products and shows that consumers are willing to spend more in order to buy Italian products than products from other countries. It is then necessary for companies' managers, who have a brand strongly associated to Made in Italy, to focus on the communication of this characteristic and to foster it using the multiple tools provided by the marketing strategy. There are also implications for national government seeking to manage images of Italy and export products; Brazil's growing interest to increase relationship with Italy (with the objective of benefit from the excellence of its production) is a good opportunity for firms that have Made in Italy as a key factor for their success.

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