**AN EXAMINATION OF CONSUMER PERCEPTIONS OF
DEVELOPING COUNTRIES**

by

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Abstract

This study examined consumer images and the related country equity of less-developed countries with specific emphasis on understanding the dimensions of the overall negative consumer perceptions of developing countries. A cross-sectional questionnaire collected respondent perceptions of the levels of economic, social and political development in the stimulus countries, as well as their perceived level of familiarity with the countries. The study reveals that consumers do not perceive developing countries as one homogenous group and that there are specific developmental dimensions along which consumers evaluate developing countries and their products. A country's economic and technological development dimensions contribute most to consumers' product response, while perceived levels of socio-political development and familiarity contribute most to how a country is rated overall. Countries that are seen as generally more developed are more positively perceived by respondents. A positive standing within the developmental and familiarity dimensions will allow countries to strengthen their brand equity.

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1.0 INTRODUCTION

Economic activity across national boundaries has been a feature of the world's economy for over 400 years. However in today's business markets and networks, the globalized supply chain allows products to be sourced from many countries in the world. Therefore consumers in most countries, especially developed ones, are exposed to more foreign products than ever before, and buyers can now choose from a plethora of domestic or foreign-produced products. The general increase in consumption of products from foreign countries over recent decades has been linked to the issue of whether or not consumers are receptive to the products from different countries, and how receptivity varies between and depends on the originating country (Samiee, 1994). This notion is captured by the literature on 'country-of-origin effects'. Country-of-origin effects research focuses on studying what consumers think and feel when they are exposed to information about the country-of-origin of products, how consumers form their country images, and how they may use this information in their marketplace behaviour. The published research on country-of-origin effects has shown that consumer bias based on a product's country-of-origin is widespread (Bilkey & Nes, 1982; Jaffe & Nebenzhal, 2001; Papadopoulos & Heslop, 2002).

One of the general findings from this country-of-origin effects research is that buyers distinguish between major, niche, and less-developed countries as producers (Papadopoulos, 1993; Papadopoulos & Heslop, 2002). This body of literature has also

consistently indicated that consumers rate less-developed¹ countries lower than developed countries as preferred sources of products they would wish to buy (e.g. Gaedeke, 1973; Wang & Lamb, 1980, 1983; Crawford & Lumpkin, 1993; Kaynak, Kucukemiroglu & Hyder, 2000; Jaffe & Nebenzhal, 2001; Papadopolous & Heslop, 2002; Wang & Chen, 2004; Heslop, Papadopoulos, Dowdles, Wall & Compeau, 2004; Hamzaoui & Merunka, 2006). However, despite existing negative bias of consumers towards products from developing countries, the availability of products from these countries has become much more widespread over recent years. Today's world markets are notably characterized by the considerable growth of imports from developing countries into developed countries (Gereffi, 1999; Avramovic, 1991). This growth of trade stemming from developing countries is known to aid the general economic development of these countries (Dollar & Kraay, 2004). Therefore, most developing countries will continue to be open to trade, eager to increase their exports, and strive to enhance the perceived value of their export products as one of the means of improving their country's economy.

From a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favourable consequences of brand use (American Marketing Association, 2006). In country-of-origin effects research, country images are the source of country brand equity. Known in the literature as country equity, this concept is the foundation for country branding and is defined as "...the value that may be embedded in perceptions by various target markets about the country, and the ways in which these

¹ The terms "developing country" and "less-developed country" will be used interchangeably for the purpose of this research.

perceptions may be used to advance its interests and those of its constituents.” (Papadopoulos & Heslop, 2002, p. 295) The present research contributes to understanding of consumers’ perceptions and the related country equity of less-developed countries.

There is a lack of studies on characteristics of development that are related to consumers’ perceptions of developing countries. The main purpose of this research is to examine the relationship between actual levels of economic, social, and political development and consumers’ perceptions of these developing countries. Perceptions of the country’s products, the countries themselves and the country’s people are explored, especially aspects of their economic, social, and political conditions. This research will be used as a basis to draw conclusions about the major drivers for country equity for developing countries and their international market development.

This thesis is divided into six sections, including this introduction. The second section is a literature review of the significant research in the broader area of country-of-origin effects. This section largely focuses on developing country images and potential sources of brand equity for these countries. The third section outlines the research objectives and hypotheses of the study. The fourth section details the research methodology followed for the selection of the stimulus developing countries and for data collection and analysis. The fifth section presents the results of the study and summarizes the findings. The study’s limitations are discussed in the sixth section. The final section is a discussion of the study’s benefits and implications for academics, practitioners and policy makers.

2.0 LITERATURE REVIEW

This research fills a gap in the country-of-origin literature by focusing on understanding the meaning and sources of the overall negative consumer perceptions of developing countries. The literature review reveals the general conclusions of country-of-origin effects research and focuses on and specifically discusses negative images of developing countries and their products. Moreover, it identifies parameters that are hypothesized to affect developing country images, e.g. levels of economic, social, and political development.

This literature review is organized into two main sections. The first section provides an overview of country-of-origin effects research, delving specifically into the topics of product-country images, country image effects, and attitudes to specific countries and their products.

The second section focuses on developing countries within the country-of-origin effects literature. It also explores country branding and country equity in relation to developing countries and observes relationships between developing countries and value-added exports. This section also illustrates the factors that are related to developing countries' images and provides a definition of developing countries. Finally, the literature review concludes by observing how this study fits into prior literature.

2.1 COUNTRY-OF-ORIGIN EFFECTS RESEARCH

Country-of-origin effects research has been widely conducted in marketing literature. In 2002, Papadopoulos and Heslop noted that in the previous forty years more than 750 studies had been completed in this field. Areas that have been examined in this research include country-of-origin effects on consumer beliefs, their influence on purchase decision making and purchase behaviour, and on the use of distinctive country-of-origin trademarks and logos in marketing initiatives. Heslop et al. (2004) stated that the prevailing conclusion for country-of-origin effects research is that “although the size of the effect may vary across products, consumers, and situations, the impact of (country-of-origin) is real, pervasive, and measurable.” (Heslop et al., 2004, p. 1178)

Schooler (1965), in examining product stereotyping among consumers, is often cited as the first researcher to examine country-of-origin bias as it affects specific product evaluations. He used products that were identical in every respect except country-of-origin as stimuli in an experimental design and discovered that, based on the country-of-origin difference alone, the products were evaluated differently. In this case, the Guatemalan respondents’ negative bias was directed at products from El Salvador and Costa Rica, and this bias was attributed to the general negative attitude of Guatemalan consumers’ towards the people of El Salvador and Costa Rica. Therefore, Schooler (1965) concluded that consumers’ negative bias towards products from foreign countries was related to general negative attitudes towards the people from that country.

Country-of-origin information is often used by consumers as an extrinsic cue to infer the quality of a product. Han and Terpsta (1988) suggested that the country-of-origin cue is largely used when consumers are less familiar with the countries from which specific products originate. These authors also found that country images related to specific product dimensions (e.g. technological advancement, workmanship, prestige) which were transferable between product categories and were also likely to contribute to general country images held by consumers.

The ways in which country image can influence consumers was further explored by Han (1989). He suggested that country image can be viewed in one of two ways. Firstly, when consumers are not familiar with a country's products, country image may serve as a “halo construct” from which consumers infer product attributes based on their general perceptions of the origin country (i.e. their image of the origin country). In contrast, as consumers become familiar with a country's products, country image may become a “summary construct” of consumers' beliefs about the attributes of products from a country. Consumers will thus use their knowledge about the products from a specific country to construct information about this country and its other products. While Han (1989) claims to have found this view of country image, his work was largely flawed in design as he measured “country” image through products rather than country measures.

Bilkey and Nes (1982), in one of the most cited early papers in the country-of-origin effects domain, studied the effect of the country-of-origin cue on the demand for products, and explored product evaluation and nationality differences. Their research

showed that country-of-origin affected product evaluations and also indicated whether consumers perceived the products from the tested countries positively or negatively. These researchers found the same product is evaluated differently depending on the perceived level of economic development and the perceived quality-of-life level of the origin country.

Bilkey and Nes (1982) also noted that for the most part, comparative 'made-in' studies asked consumers to evaluate their own country's products relative to foreign products (e.g., Nagashima, 1970; Lillis & Narayana, 1974; Bannister & Saunders, 1978). In these studies, it was found that there was a tendency for consumers to evaluate their own products more favorably than foreign counterparts' products, which is known in the literature as domestic country bias. However this bias is not universal, and specifically does not hold with respect to the evaluations of domestic products by consumers in developing countries (see section 2.2 for a further discussion).

Using a multi-attribute approach, researchers have also suggested that the impact of country-of-origin effects may be considerably more complex than was originally assumed. Johansson, Douglas and Nonaka (1985) posited that familiarity (with a particular product class or brand), and other factors affecting information or experience with a product, should be taken into consideration in addition to nationality of the consumer and other demographic characteristics when considering the impact of country-of-origin effects on product evaluation. These researchers aimed to highlight that country-of-origin is not the only factor that can influence consumer choice behaviour.

The authors questioned the importance of country-of-origin in affecting choice behaviour. This study showed that other variables, e.g. familiarity, affected consumer's evaluations of products. Their findings further showed that the country-of-origin of the product in question did not generally influence purchase behaviour. It should also be noted that a higher degree of familiarity did not necessarily result in more favourable product perceptions.

Laroche, Papadopoulos, Heslop and Mourali (2005) further investigated the role of country images in product evaluations. In addition to positing a three-dimensional structure of the country image construct, (see section 2.1.2), the authors also proposed that country image is expected to influence product beliefs and for this reason will have an additional indirect effect on product evaluations. Using the countries of Japan and Sweden, a questionnaire was designed to assess: i) consumers' beliefs about the quality of Japanese and Swedish products in general, their familiarity with these products, and their evaluations of them; and ii) respondents' views of Japan and Sweden and their people. The authors' findings provide insight into country-based affect in product evaluations. It was found that when a country's image has a strong cognitive component (Sweden), its direct influence on product evaluations is smaller than its influence on product beliefs. Conversely, when a country's image has a strong affective component (Japan), its direct influence on product evaluation is stronger than its influence on product beliefs. The results further showed that the total effect of country image on product evaluations was equally substantial whether the image is based on affect or cognition. Based on their research Laroche et al. (2005) recommended to managers that in the case

of products that are designed-in or assembled-in many different countries, it is wise to select for emphasis the country image that is likely to resonate more positively with the target market in order to offset a negative country image. They mention the example of the South Korean-made Daewoo car, whose advertising stresses the car's 'British handling, German engineering, and Italian styling,' as a case in point.

Though it has been shown that country-of-origin effects do indeed exist, it has also been shown that the stereotypes that surround countries can change over time (Papadopoulos, Heslop, Graby, & Avlonitis, 1987; Jaffe & Nebenzhal, 2001). This idea of the changing nature of country stereotypes is important and has implications concerning how a country is currently seen and how a country may be perceived in the future. Stereotypes are made up of pre-conceived notions based on many factors but are primarily perceptions that, as previously stated, can eventually change.

Buyers may profile a country's goods, which is to say they may have existing perceptions about a particular country that they transfer to images of products from that country. Nagashima (1970) concluded that the country-of-origin image that one attaches to products from a specific country is created by products representative of that country, national characteristics, economic and political background, and the country's history and traditions. However, these profiles may change as buyers' perceptions change with increased exposure to the country or as the dimensions of the products from the countries actually change (Nagashima 1970; 1977). This is a very important concept and can be especially valuable for developing countries. This concept suggests that country images

can shift over time. This case is illustrated by Japan, whose image greatly improved over the decades following the Second World War, shifting from a negative to a positive country image (Papadopoulos & Heslop, 1993). Saimee (1994) agrees with the notion of changing perceptions since "... political, cultural, social and, in particular, economic conditions change over time, the relative influence of CO (country-of-origin) is also likely to change." (Saimee, 1994, p.596)

2.1.1 Product-Country Image vs. Country Image Effects

Martin and Eroglu (1993) speculate that country image can develop as a result of direct experience with the country, through outside sources of information (e.g. advertising or word-of-mouth communications), or by inferences based on past experiences (e.g. using products originating from a specific country). Furthermore, according to these authors, "an accurate scale of country image needs to clearly specify the construct's domain and to be exact concerning what is included as well as what is excluded from the definition." (Martin & Eroglu, 1993, p.192) This point is stressed because, as pointed out by these authors and others (e.g. Papadopoulos & Heslop, 2002), many studies have not looked at the images of the countries themselves as separate from the country's products. As stated by one group of researchers, the majority of country-of-origin effects studies and country-image effects research has "...asked respondents to assess the *products* of various *countries*, equating the results with the countries' images – which of course they do not." (Papadopoulos & Heslop, 2002, p. 302 (emphasis in original))

Product-country image research examines: i) how a country's image is used as a cue that affects the manner in which consumers evaluate a specific country's products; and ii) overall how consumers use this information in their choice behaviour. Products can be thought of as consisting of a variety of information cues that are both intrinsic (design, materials) and extrinsic (brand name, price, country-of-origin) to the product. Cues provide consumers with a means through which to evaluate the product, particularly when they are making complex purchase decisions. Due to the fact that not all products can be fully evaluated before a purchase is made, consumers rely on country-of-origin information (along with other informational cues) to create, reinforce and bias their initial perceptions of products (Johansson, 1993).

Country images are defined as “...*the total of all descriptive, inferential and informational beliefs one has about a particular country.*” (Martin & Eroglu, 1993, p. 193 (emphasis is original)) Country image effects research focuses on studying: i) how consumers think and feel when they are exposed to country information, how they form their country images, their subsequent beliefs and attitudes towards various countries; and ii) overall how consumers use this information in their choice behaviour.

Product-country image research and country-of-origin effects research exist in the broader area of country image literature. Within the country image effects literature it is the notion of consumer choice decisions that is of major interest to researchers in the area of country-of-origin effects. As stated by one researcher “the implied rationale behind

the close scrutiny of the country-of-origin issues is its utility as a predictor of consumer attitudes and subsequent choice behavior.” (Samiee, 1994, p. 580)

2.1.2 Attitudes and Country-of-Origin Effects

A key aspect of country-of-origin effects research is focused on explaining these effects through an understanding of attitudes. Attitudes can be defined as “...a person’s general feeling of favourableness or unfavourableness toward some stimulus object.” (Fishbein & Ajzen, 1975, p.216) Fishbein & Ajzen (1975) posited that attitudes have three basic features: they are learned, they predispose action, and such actions are consistently favourable or unfavourable toward the object. Therefore, attitudes have three components; cognitive, conative and affective. The cognitive component of attitude is comprised of beliefs or knowledge; the affective component is comprised of emotion; and the conative component can be likened to action or behaviour (Fishbein & Ajzen, 1975). This is an extremely important point, as it is through appropriate measures of all components of attitude that one can discover consumer perceptions regarding a country, its people and its products.

Erickson, Johansson, Chao (1984) studied the influence of an image variable on the formation of inferential beliefs and attitudes. The authors define an image variable as “some aspect of the product that is distinct from its physical characteristics but that is nevertheless identified with the product”. (Erickson et. al, 1984, p. 694) The authors found that image variables, specifically country-of-origin, influence consumer beliefs about product attributes, and in turn affect their overall product evaluation. However,

despite the authors' findings with respect to country-of-origin influencing beliefs and product evaluation, it must be noted that product evaluation is not automatically related to product choice. If a consumer positively evaluates a product, this does not necessarily mean that the consumer will choose this product in a purchase situation. DeBono and Rubin (1995) also looked at country-of-origin as a specific image variable; in particular at how individuals deemed high or low self-monitors used this image variable in their product evaluations. Self-monitoring is the extent to which an individual observes and regulates his/her behaviour in social situations. It was found that if a product had a desirable country-of-origin, high self-monitors were likely to evaluate that product more favorably than if the product did not possess that attribute. Conversely, low self-monitors were more concerned with the actual performance of the product. The authors suggest for high self-monitors, country-of-origin, and other image variables, influence product perception since these individuals continually aim to present the most appropriate image in social situations. Therefore, in the authors' words "...one of the reasons that country of origin affects product perception may be that the country of origin of a product does indeed convey information about the image one can project and attain by using any given product." (DeBono & Rubin, 1995, p. 246)

Johansson (1989) posited that the country-of-origin effect is primarily rooted in cognitive aspects of information processing, meaning that country-of-origin signals product quality. He further stated that origin information is useful if it has predictive value and can be used to reduce risk by improving consumers' confidence in their judgment. This implies

that within a product category, if a country's products vary greatly in quality, the country's image would have less influence on product evaluations.

Liu and Johnson (2005) have recently noted that the country-of-origin cue is capable of producing an automatic influence on consumer thought, i.e. country-of-origin can trigger a well-learned set of associations or responses that have been developed through repeated activation or memory. These responses then contribute to product evaluations, without participants' intention or control, and even though consumers may not have intended to use the country-of-origin cue in product evaluation. The authors further inferred that this country-of-origin effect may have more impact on purchases that are determined by intuition or impulse but less impact in high-involvement situations. This can be good or bad for marketing practitioners, depending on whether there is a positive or negative stereotype associated with a product's country-of-origin and whether there is low cognitive processing with the associated products. When there is a low cognitive processing, a consumers' response is largely behavioural-based and determined by intuition or impulse.

Han, Yoon, and Vargas (2005) examined consumer attitudes and affect towards countries more closely in their research. They stated that one country can induce either positive or negative cognitive associations, depending on the product in question. However, they argued that country-of-origin effects can stimulate consumer behaviour *without* influencing the cognitive component of attitude, but rather by influencing affect, and then behaviour. As stated in the article "consumers may rationally think that a certain country

is expert at some product categories, but overall negative feelings associated with the country may lead to negative behavioral consequences.” (Han et al., 2005, p.264) The authors believe that the overall negative image of a country does not influence the cognitive components of attitude but does influence affective and behavioural components of attitude.

The above conclusion by Han et al. (2005) depends on the direction of the effect and can be held true for animosity effects. However, if a consumer has feelings of positive affect towards a country, but the product quality is perceived to be quite poor, then it is not likely that these positive feelings would lead to positive behavioural consequences.

Laroche et al. (2005) concluded that country attitude has three dimensions that parallel the components of attitude (Fishbein & Ajzen, 1975). The first is a cognitive component, which includes consumers' beliefs about the country's industrial development and technological advancement; the second is an affective component, which describes consumers' affective response to the country, and the last component is a conative one, which consists of consumers' desired level of interaction with the sourcing country.

Shimp, Samiee and Madden (1993) explored consumers' cognitive structures regarding products from select countries. Cognitive structures were originally defined by Kanwar, Olson and Sims (1981) and are considered to be consumers' encoded representations of information in memory, which in this case is what consumers know/believe about products made in different countries. The authors measured cognitive structures by a

measure of total number of thoughts identified through in-depth interviews, with the aim of finding out which countries cluster together in a perceptual map. Through these interviews the researchers were able to identify thought categories that consumers draw on when thinking about products made in specific countries. For these researchers; "...to understand how consumers categorize countries is to understand how they are likely to respond to products associated with those countries" (Shimp et al., 1993, p. 323). The authors discovered that cognitive structures were most developed for countries that were typically identified as heavy exporters of consumer products, (e.g. US, Japan and Germany), and that they were least developed for countries that were not typically identified as such, (e.g. Iran, Russia, and the former Yugoslavia). It should also be noted that those countries that would be classified as developed had more developed cognitive structures, as compared to those countries that can be classified as developing.

2.2 DEVELOPING COUNTRIES AND COUNTRY-OF-ORIGIN EFFECTS

Papadopoulos and Heslop (2002) stated that identifying the characteristics or dimensions that may strengthen or weaken a country's image is a key challenge. However, referring to their previous research concerning consumer evaluations of a group of origins, a clear delineation was found between the developed countries and the developing countries. The developed countries were rated more positively overall on the variables that were selected to represent the cognitive and conative aspects of attitudes. On two key variables relating to products, (e.g. products overall ratings and willingness to buy) and to the country itself (e.g. ideal country and want closer ties with), there was a clear delineation between developed and developing countries.

Generally, the research within the country-of-origin effects field shows that consumers perceive products from less developed countries as lower quality than products from developed countries (Schooler, 1965, 1971; Gaedeke, 1973; Krishnakumar, 1974; Wang & Lamb, 1980, 1983; Heslop, Liefeld & Wall, 1987; Crawford & Lumpkin, 1993; Laroche et al., 2005). It has also been shown that a negative country image can create significant market barriers for firms from less developed countries (Choi, 1992; Samiee, 1994) or for products from less developed countries (Wang & Lamb, 1983; Choi, 1992).

Gaedeke (1973) stated that the products from industrialized countries were more favourably viewed than products from developing countries. The results of his study showed that consumers from the United States expressed lower opinions with regards to the quality of products from developing countries (e.g. in descending order of perceptions; Philippines, Hong Kong, Argentina, Brazil, Taiwan, Mexico, South Korea, India, Singapore, Turkey, and Indonesia). The study showed that this is true for products in general, classes of products, and specific product items. Wang and Lamb (1983) also generally found that U.S. respondents "... were more responsive to products from developed countries, less receptive to products from developing countries, and even less receptive to products from poor countries." (Wang & Lamb, 1983, p.78) Johansson (1988) posited that the reason for respondents having biases against developing countries, or negative stereotypes, is the lagging consumer awareness of the progress in developing countries.

Risk has often been discussed in the literature concerning developing countries. The products from less developed countries have been found to be perceived as riskier and of lower quality than those products having 'no country-of-origin' labels (Nes & Bilkey, 1993). Furthermore, products from less-developed countries were generally perceived to be more risky and of lower quality than products made in developed countries (Laroche et al, 2005). Batra, Ramaswamy, Alden, Steenkamp and Ramachander (2000) stated that much of the research surrounding country-of-origin effects explores the risk-reducing biases used by Western consumers "...when evaluating products from, among others, less-developed and, therefore, 'risky' countries or regions." (Batra et al., 2000, p. 84) In examining country-of-origin preferences of U.S. consumers, Cordell (1992) hypothesized perceived product performance risk to be positively associated with the detraction of a less-developed country-of-origin's image. He further posited that product-specific preferences would be more significant with products from industrialized countries compared to products from less-developed countries and that consumer preference and quality evaluations would be more consistent for products from developing countries. The rationale behind this is that industrialized countries may be perceived as having expertise in certain products that does not transfer to other products. Therefore the ability of these countries to produce quality may vary by product. Conversely, consumers will have fewer product-specific thoughts about developing countries, and their quality perceptions are likely to be more consistent across product categories (i.e. uniformly negative/low).

Through a survey that examined country-of-origin perceptions further, (seven industrialized and seven developing countries, and eight products), Cordell (1992) found support for the propositions that product risk detracts from less-developed country or product images. He also supported the hypothesis that consumers evaluated products from less-developed countries more consistently than they did same or more general products from industrialized countries.

Heslop et al. (1998) studied the influence of ethnic affiliation on product ratings of products from countries considered ethnically similar to both French and English Canadians. Using countries that were both developed and developing, the researchers found that with respect to developing countries, the high risk associated with the products from those countries overshadowed ethnic influence on product ratings. The researchers thus inferred that even if there is cultural affinity present between ethnically similar countries, it can be superseded by general negative quality perceptions of products from developing countries. Wang and Chen (2004) concluded that a preference for domestic products can be partly attributed to consumers' risk bias towards products from developing countries. They inferred that consumers often purchase domestic products to avoid the risk associated with products from developing countries.

It is interesting to note that while a preference for domestic products has been found for consumers in developed countries (Bilkey & Nes, 1982; Samiee, 1994; Damanpour, 1993) that has not been the case for consumers in developing countries (Krishnakumar, 1974; Heslop & Papadopoulos, 1993; Agbonifoh & Elimimian, 1999; 2000; Wang et al.

Batra et al. 2000, Jaffe & Nebenzhal, 2001). This research concerning consumers in developing countries supports the statement that the notion of “universal domestic preference is a fallacy.” (Heslop & Papadopoulos, 1993, p.45)

Krishnakumar (1974) examined the attitudes of American and foreign students from the less-developed countries of India and Taiwan towards products from India, Taiwan and America. He found that persons from less-developed countries were biased against products from their respective countries of origin, e.g. India and Taiwan. These respondents tended to have an unfavourable image of their own domestic products particularly in terms of workmanship, reliability, durability, and technical superiority when compared to products from more advanced nations. This finding rebuts the concept of universal domestic-country bias, and parallels other studies showing no domestic bias among consumers of less developed countries.

Agbonifoh & Elimimian (1999) found that consumers in a developing nation, (Nigeria), demonstrate preferences for products from developed countries. The authors characterize developed countries as having more technologically advanced products compared to products made in Nigeria. However, the food industry in particular has shown that as developing countries progress and the quality of life within them improves, consumers of these countries can begin to show preferences toward domestically produced consumer goods (Huddleston, Good & Stoel, 2000; Wang and Chen, 2004).

One of the features of the literature on country-of-origin effects that concerns developing countries is the notion that for developing countries, the perception of their brands is weak in the markets of developed countries. Gaedeke (1973) further found that consumers' rankings of established brands can change as a function of country-of-origin information, i.e. specifying or not specifying the country where that product was made. Furthermore, while individual consumer attitudes toward well-know brand name products can vary depending on whether or not the product's country-of-origin is made known, in general, country-of-origin information did not significantly affect consumer's opinions about the quality of well-known branded products. These findings suggest that an established brand name can override a negative country-of-origin effect.

However, it has been suggested elsewhere that the notion of brand name overriding a negative country-of-origin effect is not always the case. Johansson & Nebenzahl (1986) concluded that multi-national corporations with foreign manufacturing operations may risk potential loss in brand image if there is a negative bias with respect to the country image of the source country . Moreover, Tse and Gorn (1993) discovered that Sony brand electronic products made in Japan were perceived by consumers to be significantly higher in quality than those Sony products made in Indonesia. Tse and Gorn (1993) posited that country-of-origin is an important cue in evaluating a stereo system, perhaps even more important than brand name since, despite the machine being a Sony (strong brand name), it did not offset the associations or down ranking of the product for being made in Indonesia. Furthermore, Han and Terpsta's (1988) earlier research had

discovered that across product categories, the country-of-origin cue had greater effects on consumer evaluations of product quality than did the brand name of the product.

Researchers have hypothesized alternative methods of offsetting the general negative perception of weak brands originating from developing countries. The first is offering a warranty or performance guarantee (Bilkey & Nes, 1982; Schooler, Wildt & Jones, 1987; Thorelli, Lim, & Ye, 1989; Cordell, 1992; Jo, Nakamoto & Nelson, 2003), the second is using the leverage that a prestigious/strong retail image provides to offset the negative perception of a weak brand (Bilkey & Nes, 1982; Thorelli et al., 1989), and the third is to offer a discounted price (Johansson & Nebenzahl, 1986; Heslop et al., 1987; Jaffe & Nebenzahl, 2001). Chao (1993) also examined consumer perceptions of quality of a hybrid product with multiple-country designation with respect to country-of-design and country-of-assembly. This research discovered that while a good design location cannot be used to compensate for a poorly perceived country-of-assembly, a well perceived country-of-design can be used to boost the perceived quality of the product.

2.2.1 Country Branding, Country Equity and Developing Countries

Brand identity is defined as “a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members.” (Aaker 1996, p.68)

Brand identity and brand image can generally be differentiated: “Identity refers to the elements controlled and "sent" by the brand owner, while image is essentially that which is received by the consumer. Identity and image inevitably differ as the consumer is the

recipient of communication stimuli beyond those controlled by the brand owner.”
(Meenaghan & Shipley, 1999, p. 329)

Kotler & Gertner (2002) posited that, similar to brand image, country images help consumers evaluate products and make purchase decisions and are responsible for associations that may add to or subtract from the perceived value of a product. Kim (1995) similarly likens country names to brand names, since both are accompanied by a set of associations that significantly influence consumers’ attitudes toward a product. However, traditionally those brand identities that are contrived by marketers for conventional products can be to a large extent controlled by marketers. When it comes to country branding, the country brand identities that are projected by nations and images perceived by consumers are often largely out of marketers’ control. Public policy, the media, and unforeseen events can either tarnish or enhance a country’s image in no time at all. Even when a country is actively trying to brand itself with a national brand strategy, mixed messages are common, as oftentimes the communications and images portrayed by the country are not consistent.

It can also be said that even *with* the active management of a country’s brand, consumers still hold preconceived notions or images about that country itself. In fact, Kotler & Gertner (2002) argue that most country images are in fact stereotypes and are extreme simplifications of reality that are not necessarily accurate. Papadopoulos & Heslop (2002) similarly caution that failing to develop an attractive country image would essentially leave consumers in target markets free to create whatever stereotype they wish. Papadopoulos (2004) states that the efforts of country branding are typically undertaken

to achieve one of the following goals: enhance the place's exports, protect its domestic business from 'foreign' competition, attract or retain factors of development (investment, people, etc.) and position the place advantageously in economic, political and social terms.

When looking at countries as brands, the central notion is "country equity; or the value that may be embedded in perceptions by various target markets about the country, and the ways in which these perceptions may be used to advance its interests and those of its constituents" (Papadopoulos & Heslop, 2002, p. 295). Country equity embraces "the real and/or perceived assets and liabilities that are associated with a place (country) and distinguish it from others" (Papadopoulos, 2004). A country is said to have positive (or negative) country equity if consumers react more (or less) favourably to products originating from a particular country, than they would to the product without the country name (Shimp et al., 1993).

Shimp et al. (1993) suggest that they were the first to explore the notion of country equity, though the authors acknowledge that the idea can be found in Johansson & Nebenzahl (1986). Shimp et al. (1993) proposed a brand-country equity grid (Figure 2.1) that countries can use to understand where they lie with respect to both the equity of the brands their country produces and the equity the country itself has. The authors state the enviable position is to be positively perceived with respect to both the country and its brands, and the least desirable to be negatively perceived in both of these categories.

Figure 2.1 – Leveraging Brand and Country Equity

Brand Equity	Country Equity	
	<i>Positive</i>	<i>Negative</i>
<i>Positive</i>	Highly Leverageable Brands	Country-Deficit Brands
<i>Negative</i>	Company-Deficit Brands	Non-leverageable Brands

Source: Shimp et al. (1993), p. 328.

Papadopoulos (2004) states that image-based marketing can be disadvantageous to the development of less-developed countries and their products. Some of the reasons for this situation include the fact that less-developed countries' products are generally evaluated less positively than those products from developed countries, as earlier noted in the research. Developing countries also often lack the political stability and the trained public service that is required on the management side in order to implement a nation-branding effort. However it has also been argued that with effectively applied branding strategies, less developed or poorly perceived countries can not only improve their images but also become competitive in global markets (Anholt, 2003).

Anholt (2003) argues against the conventional low-pricing or commodity-based strategies often employed by developing countries. He maintains that these strategies are not sustainable, nor are they adequately profitable to improve the images of developing countries. He highlights the use of a nation's culture as a unique positioning strategy. His book argues that "...culture works in many different ways as a metaphor for personality, and people deduce a great deal about the inner qualities of a nation through its cultural enterprises." (Anholt, 2003, p.142) He believes that these positive stereotypes can be used by developing countries as an advantage and as a positioning strategy. When a

consumer is familiar with a nation's culture, and perceives the culture favourably, these positive perceptions can be seen as contributions to the country's brand equity. In comparison to other aspects of country image, culture may not change perceptions overnight. However, its effects are strong and irreversible due to its uniqueness to the country and specific links between country's past, present and future, to its spiritual and intellectual qualities (Anholt, 2003).

2.2.2 Brand Development and Value-Added Exports

Olins (2002) suggests that the reason why nations continue to explicitly and sometimes implicitly re-brand themselves is because their reality changes, and they need to project this real change symbolically to all the audiences, internal and external, with whom they relate.

“... (some nations) have very carefully and deliberately adapted the techniques used by corporations in marketing themselves and their products and services in order to help them project a new or revised or in some way modified view of themselves.” (Olins, 2002, p.246)

For instance, with aggressive, well-planned and targeted marketing, “Japan has moved in the view of consumers from being a producer of cheap, flimsy knick-knacks, to a sophisticated high technology maker of complex, durable, high value products.” (Papadopoulos & Heslop, 1993, p. 49) While this transformation occurred some time ago, it does show not only that perceptions can positively change, but also that this change can be sustained, as perceptions of Japan today are much the same, if not more enhanced. Moreover, many other countries in the same region, e.g. Korea, Singapore, have used the same model to achieve similar transformation, and other developing countries in the region are trying to exploit the process.

Humphrey (2001) states that the typical path of brand development from less developed countries begins with domestic product assembly, usually done for a foreign corporation seeking low cost labour. The firms that provide these products then use their experience to progress through a set of stages, acquiring manufacturing and design capabilities, and eventually marketing and branding capabilities. These firms are then in the position to be able to design and market products with their own brand name.

“The shift towards product design, branding and investment in research and development moves firms, industries and national economies into higher value-added activities and moves them away from market segments which are prone to competition from low-wage producers.” (Humphrey, 2001, p.14)

He refers to specific Korean companies, Samsung, Hyundai and LG as brands that exemplify this brand building process. Choi (1992) further argues that the success of these brands is the result of the intervention by the Korean government. In order to support the country's products, the government of Korea provides a national certification and selection program which inspects export products for quality. The firms that are selected by the Korean government as 'General Trading Companies', have the country's reputation in support of the products.

France is another very interesting example of the high level of involvement by government in the processes and techniques of branding itself. France is a country that one may think has always had the luxury of the positive country image that it enjoys. In reality, this country undertakes massive efforts not only to put forth this image, but also to control and maintain the efficiency with which it is portrayed (Graby, 1993) and, as a result, France has more public and industry programmes to research and promote the

image of its products abroad than most other countries. French decision-makers recognize the paramount importance of their country's image.

Anholt (2002) says that it is exceptionally rare for a developed country to depend on a single export for more than a few percentage points of its foreign revenues. Yet, developing countries are much more likely to rely on a few products, mainly unbranded and likely commodities. However, the world's developing countries now account for one-third of world trade (International Monetary Fund, 2001), and many of these countries have substantially increased their exports of manufactured goods and services, compared to the traditional commodity exports they are often associated with. For instance, key imports into Canada from less developed countries are not limited to commodities and include consumer products such as textiles, apparel, and electrical and electronic equipment (Trade Facilitation Office of Canada, 2003).

Many developing nations compete on a low cost advantage. However, there is higher profitability associated with a strategy based on product differentiation and brand ownership. Maesincee, Nuttavuthisit, Ayawongs and Phasukavanich, (2003) argue that in the case of Thailand, in order to compete on the basis of product differentiation and brand ownership, the country must not only raise the standard of its product attributes, but also build credible product images. Such product images are influenced by firm level factors (e.g. the firm's branding efforts) and by the country itself (e.g. country branding efforts). The authors' vision for Thailand, and the case of Japan mentioned above,

demonstrates the reciprocal effect of company and country branding supporting the idea of so-called “virtuous circle” (Anholt, 2003):

“..Once a country’s brand image begins to improve, a virtuous circle comes into play: the country promotes the brands and the brands promote the country. Branded goods promote tourism, tourism brings real income; foreign policy promotes inward investment, which improves the environment for branded exports, which sustain the country image, which improves tourism, which makes consumers more receptive to representations of culture which stimulates the purchase of branded exports, which encourages more producers to export their brands, and so forth...” (Anholt, 2003, p.134)

This opinion is also supported by other researchers, “exposure to the brand name [from a certain country] triggers recall of that country and its attributes” (Jaffe & Nebenzahl, 2001, p.61). Furthermore, as it can be seen from almost all country-of-origin effects studies, products from countries with strong country-of-origin image, that are mainly developed countries, are accepted more positively in foreign markets (Bilkey and Nes, 1982; Heslop & Papadopoulos, 1993; Papadopoulos & Heslop, 2002).

2.2.3 Reason for Interest in Developing Countries

Despite the documented importance of country-of-origin images in the global context, country-of-origin effects research has concentrated on perceptions of developed countries by consumers in developed countries (Szamosi, 1995). Studies of consumer perceptions of developing countries have typically been done within the context of a set of countries that are both developed and developing. For example, Wang and Lamb (1983) proposed the idea that it is possible that consumers use environmental factors (e.g. economic development, political climate, culture) to generalize their knowledge or perceptions of

the quality of products in foreign countries. They applied this idea to a sample of countries that included both developed and developing countries and found that consumers were most willing to buy products from countries that were highly economically developed, politically free, and culturally similar to their home country.

With the publication of Anholt's book, *Brand new justice: The upside of global branding*, (2003), there has also been more discussion about what brands can do for developing countries. Anholt (2003) suggests that though not all countries are economically wealthy, virtually all are rich in intangible assets including cultural, historical, geographical, human and intellectual capital. He maintains that the most common reason for a disconnect between a developing country's image and the reality that exists is time. This is also echoed by Jaworski and Fosher (2003) who use the case of Korean car brands. Hyundai as an example of a brand who has spent considerable efforts over the past two decades trying to overcome perceptions of poor quality. Despite the fact that Hyundai had been a prominent manufacturer in other sectors, such as cargo and oil tank manufacturing, the negative image of Korea was stigmatizing the brand. Furthermore, despite a 2002 JD Powers Initial Quality Study ranking Hyundai as the most improved automaker, consumers are still not entirely convinced that Korean cars are synonymous with quality (Jaworski & Fosher, 2003).

However, the important part to take from this is that the notion of changing country images is applicable to most countries, including developing countries. Through identifying which aspects of development are related to consumers' perceptions of

developing countries, the consumers' negative perceptions of these countries can be further understood. It is only in developing a deeper degree of knowledge about consumer perceptions of developing countries that marketers can begin to change perceptions.

2.2.4 Dimensions of Development

Samiee (1994) states that when there is knowledge of and sensitivity to country-of-origin as a purchase cue, specific influencing factors can aid in determining the level of country-of-origin influence. Influencing factors include those that exist at the consumer level (e.g. product familiarity and experience), at the product-market level (e.g. product type, characteristics and attributes) and at the environmental level. Those that exist at the environmental level are the factors that refer to the environmental conditions of nations including their "... (a) presence and influence in global markets, (b) levels of economic development, and (c) political, social and cultural standing." (Samiee, 1994, p. 585)

Wang and Lamb (1980) studied environmental influences as the cause of consumer bias based on country-of-origin and consumers' willingness to buy products from specific countries. In this research, environmental influences referred to the consumers' perceptions of both the level of economic development and the political freedom in the product's country-of-origin. These researchers discovered that there is a direct relationship between willingness to buy and the perceived level of economic development and political freedom in the foreign country. Additionally, research has shown a positive relationship between country-of-origin effect and certain dimensions of

development. A positive relationship has been recognized between country-of-origin effect and degree of economic development, (Schooler, 1971; Krishnakumar, 1974; Wang & Lamb, 1980, 1983; Heslop & Papadopoulos, 1993; Verlegh & Steenkamp, 1999; Kaynak et al., 2000; Heslop et al., 2004), and political development (Wang & Lamb, 1980, 1983; Samiee, 1994). Foreign countries that are more economically advanced and have more political freedom have generally been evaluated more positively by consumers. Therefore, the lower images of developing countries are related to their poor standing within the above dimensions.

In a similar way, culture has been studied as another country environment dimension that can influence of foreign environments on consumers' willingness to buy foreign products. A particular country's local culture, tourist attractions and nationalistic attitudes are also thought to influence a country's image and equity. Shimp et al., (1993) noted that despite these aspects not necessarily being directly related with a country's level of development, they nonetheless influence a country's image and equity.

Countries that are perceived as having a similar culture to the home country have also generally been more positively evaluated by consumers (Wang & Lamb, 1983; Heslop et al., 1998; Watson & Wright, 1999). Wang & Lamb (1983) discovered that U.S. consumers were most willing to buy products from countries with what was perceived as a European, Australian, or New Zealand culture. Research has also been conducted on the role of cultural similarity as an explanatory variable within the idea of domestic country bias. Several studies have observed that consumers tend to prefer products that originate from culturally similar countries than from countries that are culturally

dissimilar to the home country (e.g., Wang & Lamb 1983; Johansson et al., 1985; Heslop et al., 1998). This finding has also been echoed by research at the subcultural level, when exploring ethnic affiliations between subcultures and across countries (Wall & Heslop, 1986; Heslop et al., 1998). In a large study based on a national sample, Wall and Heslop (1986) established that Québec residents and other French speaking Canadians gave higher ratings to French products from France compared to English speakers and respondents outside of Québec.

Heslop et al. (1998) studied the effects of sub-cultural differences on product evaluations from ethnically linked origins. They chose stimulus countries and regions with differing levels of cultural connection to the Canadian English and French sub-cultures being examined. Ties between provincial, national, international, ethnically linked colonial root countries, and developing countries with similar colonial roots and language were examined for each of the sub-cultures. The results showed a relationship between the geographic proximity and the degree of perceived ethnic affiliation among each of the two subcultures being tested. The researchers found that the closer culturally, ethnically and historically the origin region is perceived by the consumer, the stronger is the influence of culture on product evaluations. Respondents had the weakest ethnic affiliation with the developing countries that were tested, Zimbabwe and Cote D'Ivoire, despite historic colonial ties. These countries were also the most developmentally different and the least familiar to the respondents. The researchers concluded that ethnic affiliation appears to depend on the uniqueness of the ethnic group, as well as the state of economic development of the origin evaluated. Heslop et al. (1998) also inferred that the

higher level of risk associated with products from developing countries may be partially responsible for overshadowing any cultural affinity that may exist.

2.2.4.1 Defining and Determining Development Levels of Countries

In order to study country images of developing countries, it is important to identify them and distinguish them from developed countries. The United Nations (UN) acknowledges that there is no established process for designating which countries are developed and which are developing (United Nations, 2006). In spite of this, the UN states that “in common practice, Japan in Asia, Canada and the United States in Northern America, Australia and New Zealand in Oceania and Europe are considered developed regions.” (United Nations, 2006) Additionally, the UN refers to international trade statistics that tend to categorize Southern Africa Customs Union countries (including South Africa, Botswana, Lesotho, Namibia and Swaziland) and Israel as developed countries. However, the Eastern European and the former USSR countries in Europe are not classified as either developed or developing. This may be attributable to the fact that the countries of Eastern Europe and the former USSR have been in the process of transition from a Soviet-style command economy to a free market economy and are also often referred to as transition economies (Adams, 2002).

The World Bank is a functional organization affiliated with the UN’s Economic and Social Council whose mandate and activities are centered on developing countries. The World Bank does give a definition of developing countries; “low- and middle-income countries in which most people have a lower standard of living with access to fewer goods and services than do most people in high-income countries” (World Bank, 2006).

The World Bank thus classifies countries based on their gross national income² (GNI) per capita, which has replaced the previous term of gross national product (GNP). Countries are thus categorized as high, middle, consisting of both upper middle and lower middle, and low income. At the upper end are the developed countries, which have a high income (GNI of \$10,726 or more) and are typically characterized by extensive infrastructure, a largely urban population, an educated labour force and competence in technology and science. In the middle is a range of developing countries (e.g. upper middle income - GNI of \$3,466 - \$10,725 and lower middle income - GNI of \$876 - \$3,465), some of which have been rapidly growing for many years and others that are only at the beginning of the development process (Adams, 2002). The region of East Asia can be used to illustrate these differences in development. Singapore, Korea and Taiwan have been rapidly growing, whereas Indonesia and Vietnam are at the lower end of the spectrum. In the lowest range of developing countries, the countries are characterized by low income (GNI of \$875 or less) and often "...lack the infrastructure, education and stable political organizations necessary to begin the development process." (Adams, 2002, p. 7)

The notion of income as a measure of development raises an important issue in the definition of developing countries. This is the issue of whether or not development is to be measured solely in terms of economics. There are many additional indices and systems of classification to categorize countries that are available to supplement the determination of development of countries because they address perceptions related to conditions for, or aspects of, development and have been found to be related to country image. The literature in the previous sections has identified three dimensions of development;

² GNI is measured in U.S. dollars.

economic, social and political. Therefore, the criteria used to define or measure development needs to include constructs that are intended to measure aspects of social and political development. Such measures recognize that the lives of citizens of a country are not wholly dependent on or reflected in the economic dimension. These constructs are found in sources that are widely renowned for categorizing countries, e.g. World Bank, United Nations, and in other reputable sources such as universities and academic publications. These constructs address various dimensions of development used by consumers in forming images of countries and ensure that the developing countries to be chosen for this research represented a broad spectrum of countries within the developing world.

The use of multiple indices to choose countries for country image research purposes must be broad enough to capture different elements of development in addition to the traditional index of economic development. Social development and political development, which have known or hypothesized connections to consumer perceptions of developing countries (e.g. Wang & Lamb, 1980; 1983, Saimee, 1994), are important to defining development. Additional indices and measures assess elements of familiarity.

2.3 SUMMARY AND CONCLUSION

Though the country-of-origin effects literature abounds with examples that illustrate the preference for products from developed countries and the negative perceptions held by consumers of developing countries, there has been little research to understand how different specific country development characteristics may be related to these negative

perceptions. The literature does identify country characteristics that have been linked to positive perceptions of countries including levels of economic, social and political development, cultural similarities, historical ties, and familiarity. It can be inferred that the status of a country's image is not based solely on its economic status, and therefore there may be other dimensions on which developing countries can improve their images and impact their country equity.

Furthermore, in spite of the large research base on the topic of country-of-origin effects, there has been relatively little research focused on possible strategies to support country branding efforts for places with negative or weak images, namely developing countries. The research has yet to offer a basis for how to use consumers' country images of developing countries to understand the country equity of these countries.

3.0 RESEARCH QUESTION

The purpose of this research was to understand consumers' images and the related country equity of less-developed countries. The research question used in this study was two-part:

- 1) *How are the overall measures of economic, social and political development of developing countries related to consumers' country images, people images, product images and consumers' responses to the country, its people and its products?*
- 2) *How is familiarity related to consumers' country images, people images, and product images and consumers' responses to the country, its people and its products?*

This research sought to understand whether there is any hierarchy of country images within the sample of developing countries. Consumer perceptions of the level of various dimensions of development of a range of developing countries were tested. The dimension of familiarity of the country to consumers was included in order to understand if this construct contributes to the differences in consumers' perceptions of developing countries.

Specifically, this research examined consumers' perceptions of the economic, social and political dimensions of development of the countries, and the perceived familiarity of these countries. Each of these dimensions (economic, social, political and familiarity) was measured by one single overall measure, and also by associated country constructs.

The research further examined how the single development measures and the familiarity measure were related to consumers' responses to the country and people, and the country's products. Finally, the research also tested the relationship between the perceived level of overall development and consumers' responses to the country, people and the products. Willingness to buy has been included as a measure of response as it has been found to be related to consumers' views of the products of countries and also their views of the country and the people (Heslop et al., 2004).

3.1 RESEARCH OBJECTIVES AND HYPOTHESES

The first objective of this study was to explore consumers' perceived levels of development for each of the dimensions and compare these perceptions with the actual levels of development for each of the dimensions obtained from published indicators. The perceived and actual levels were tested to determine whether or not a relationship exists between them. The following null hypothesis was proposed:

H₁: Consumer perceptions of the dimensions of country development will not be related to the actual levels of these dimensions as determined by the published indices of country development

The second objective of this research was to establish whether or not consumers perceived differences in the characteristics of development of the stimulus developing countries. The following null hypothesis was proposed:

H₂: There will be no difference in consumer perceptions of the levels of **economic, social and political development** and **familiarity** across developing countries

In addition, the research was interested in finding out the relative contribution of each dimension of development, and familiarity, to the country image. Therefore the final objective of this research was to understand how each of the developmental constructs (e.g. economic, social, political) and familiarity of the country to Canada relate to the overall level of development, country image, people image, and product image, including willingness to buy products from each of the developing countries. The following null hypotheses were proposed:

H₃: Consumer perceptions of the developing country itself, the people, and its products will not be related to the country's perceived level of **economic development**

H₄: Consumer perceptions of the developing country itself, the people, and its products will not be related to the country's perceived level of **social development**

H₅: Consumer perceptions of the developing country itself, the people, and its products will not be related to the country's perceived level of **political development**

H₆: Consumer perceptions of the developing country itself, the people, and its products will not be related to their perceived level of **familiarity with the country**

4.0 RESEACH METHODOLOGY

The research undertaken involved survey research of consumer perceptions of developing countries for dimensions of development, familiarity, product images and country and people images. The research involved several stages. The first stage consisted of selecting the developing countries to be used as stimulus countries in the primary research collection. This stage entailed finding the various criteria of development to assess the development characteristics of the country, comparing the countries on these criteria and then using cutoffs in order to categorize the stimulus countries. The country-of-origin effects literature suggests the developing country's level of development (economic, social and political), and familiarity with the country is related to the country's image. Building on this research, actual measures of economic, social and political development, along with measures of familiarity were used to select a sample of developing countries to study. The first section of the methodology will begin by describing this initial process.

The second stage of research involved the collection of data. The second part of the methodology section describes the research design for data collection and the respondent selection process. The research instrument and data analysis that were used for this study will also be explained.

4.1 *DEVELOPING COUNTRIES SELECTION*

Ten stimulus developing countries were tested in this research. This number was selected because it is large enough for a wide range of representation on dimensions of development, geography and culture among the countries, but not so big as to require an overly large sample. These stimulus developing countries were selected by the procedures described in the following section.

4.1.1 Criteria for Country Selection

As previously mentioned, development is not measured solely in terms of economic development. As the literature has pointed out, social development and political development have known or hypothesized connections to consumer perceptions of developing countries (e.g. Wang & Lamb, 1980, 1983; Samiee, 1994). Familiarity has also been suggested to be related to consumer perceptions of developing countries (Johansson et al., 1985; Wall & Heslop, 1986; Heslop et al., 1998). The stimulus developing countries were selected based on a number of general criteria, including economic development, social development and familiarity to and contact with Canada that clearly identify them as developing.

However, for purposes of this study, countries were included in the country set only if they fell above a minimum development level cutoff. According to Anholt (2002) there are many conditions that must be in place before a developing country can create branded exports. The developing countries themselves must have legal and financial systems which make manufacturing and exporting feasible, and a national technological

infrastructure which enables companies to ‘plug-in’ to the global economy (Anholt, 2002). This list of criteria is not comprehensive, but it allows one to understand that a nation must have certain economic, social, political and technological conditions present in order for value-added exports to be possible.

The goal of the selection process was to identify a number of countries with different levels of each of the criteria, in order for the differences between the countries to be studied, but also the range must have a minimal level to provide a base for viable progress. The following sections will explain in detail each of the criterion that the countries were required to meet. (Refer to Appendix A for a summary of the criteria use to select the stimulus developing countries).

4.1.1.1 Stage 1 - Economic Development

Economic development is most commonly defined by level of average income. The World Bank List of Economies (2006) classifies all World Bank member countries (184) and all other economies with populations of more than 30,000 by average income. This list was used to determine which countries are classified into their four categories: High (56), Upper Middle (40), Lower Middle (58) and Low income (54). Those 56 countries with a ‘high’ income are typically referred to as developed countries and were thus not used in the sample, in order to be consistent with the World Bank definition of developing countries. Income is the primary classifier of the stimulus countries, though it should be noted that the World Bank does not classify within categories, rather the countries are listed alphabetically. Therefore in this research the countries were first classified by their income group, and then listed in alphabetical order.

4.1.1.2 Stage 2 - Social Development

The selection of the stimulus countries based on social development involved consulting the UN Development Programme's (UNDP) most recent Human Development Report. This report is produced annually to measure and analyze developmental progress in countries worldwide. One index that has been developed to emphasize the people and their capabilities as an important criteria for assessing the development of a country is the Human Development Index (HDI) (Human Development Indicators, 2005).

The HDI is a summary composite index that measures 177 countries' average achievements in three basic aspects of human development: longevity, knowledge, and a decent standard of living. Longevity is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and tertiary gross enrollment ratio; and standard of living by GDP per capita (Human Development Indicators, 2003). Some countries choose not to, or are unable to, provide the necessary statistics to the UN to be ranked according to their human development. Those countries that were not ranked by the HDI (2005) were eliminated from the sample, leaving 138 countries. These remaining stimulus developing countries were classified by their rank on the HDI: high human development (with an HDI of 0.800 or above), medium human development (HDI of 0.500–0.799) and low human development (HDI of less than 0.500) (Human Development Indicators, 2005).

4.1.1.3 Stage 3 - Political Development

While this section is referred to as Political Development it is mainly comprised of indicators related to governance, the state and its institutions, and how these operate in a governing sense. According to the Fund for Peace's Failed States Index (FSI) index, published by Foreign Policy Magazine, a failing state is one in which the government does not have effective control of its territory, is not perceived as legitimate by a significant portion of its population, does not provide domestic security or basic public services to its citizens, and holds a monopoly on the use of force (Failed States Index, 2006).

The first step in the political development evaluation was to rank the countries by their position on this index. It should also be noted that the index does not list failed states *per se*, rather the index measures vulnerability to violent internal conflict. It is an index of country risk, not of countries that have already failed. Through the use of social, economic, political, and military indicators, the index ranks 148 states in terms of which are most vulnerable to internal conflict and societal dysfunction. Those countries that scored higher than 60 points (the top 28 most vulnerable states) are seen to be 'critical'. Not surprisingly, the vast majority of the countries ranked as 'critical' are developing countries. Therefore, for the purposes of this research, those countries present in the top 28 most 'critical' corrupt countries as ranked by the FSI were eliminated from the sample. This again ensured that those countries that do not have the basic foundations for country brand development were not considered (Anholt, 2002).

The second step in the selection of stimulus countries on political development was to look at the Corruption Perceptions Index (CPI), published annually by Transparency International. Transparency International is an international organization devoted to fighting corruption. The CPI, first published in 1995, serves to rank the world's countries according to their degree of corruption, which is defined by the organization as the abuse of public office for private gain. The 2005 CPI was used in the stimulus country selection in order to eliminate those countries burdened with a significant degree of corruption, as defined by the Index. This ensured that those countries which are not equipped or considered by the developed country community (e.g. Anholt, 2002) as being ready to concern themselves with non-commodity exports were not considered.

The 2005 index ranks 159 countries in terms of the corruption perceived to exist among public officials and politicians. According to this index a higher score (10) means less perceived corruption in the country, while a score of zero (0) indicates a highly corrupt country. The CPI shows that 70% of countries ranked on the index have a score of 5 or less out of 10, where 5 or below is the score which Transparency International defines as indicating serious levels of corruption. Furthermore, the index shows that 90% of developing countries have scores below 5. Even in the extended European Union, which is generally acknowledged to be a developed region, the average score is only 6.7, indicating that many of its countries are still wrestling with a sizeable corruption problem.

Because almost all of the stimulus developing countries identified to this point in the selection process scored below 5, the cutoff for selection was lowered to 2.8. The publishers of the index acknowledge that a score of 2.7 or lower indicates devastating levels of perceived corruption, which can pose a serious threat to political and social stability (Nussbaum, 2005).

The last indicator consulted as part of the political development stage is published by Carleton University's Norman Patterson School of International Affairs. The School publishes country rankings based on various Country Indicators for Foreign Policy. The specific indicator of Armed Conflicts (Conflict Intensity Level, 2000) was consulted by the researcher in selecting the final ten stimulus developing countries. The "Conflict Intensity Level" describes the intensity of armed conflicts occurring within a country in a given year, based on data from the Conflict Data Project (CDP) at Uppsala University. An armed conflict is defined as a contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state. In order to be counted as an armed conflict, it is required that there be a minimum of 25 battle-related deaths per year and per incompatibility. The index shows that Peru, Turkey, Egypt, South Africa, India, and Iran have each been known to suffer from armed conflict present in each year from 1996 to 2000. For the purposes of this research, these six countries were eliminated from the sample. As Anholt (2003) has stated, countries whose main problems include war or armed conflict have more immediate concerns at hand than creating value-added exports.

4.1.1.4 Stage 4 - Familiarity to Canada

Familiarity with a country has been noted as a factor that may affect country perceptions and attitudes in several ways. Han (1989) proposes that familiarity is a moderating variable that affects the mechanism by which countries and products are related. With increasingly low familiarity, consumers' country-related products' images are based on general images of the country (halo effects). With higher familiarity and direct experiences with and assessments of the products from the country, these experiences and assessments reflect back on country images and on other products of the country (summary effect). There are many researchers who have used familiarity as a factor which may affect country perceptions (e.g., Wang & Lamb, 1983; Johansson et al., 1985; Wall & Heslop, 1986; Samiee, 1994; Heslop et al., 1998).

Factors that may increase one's familiarity with a stimulus country include, but are not limited to: i) geographic proximity to one's home country (Jaffe & Nebenzahl, 2001); ii) knowledge about the country itself; iii) knowledge about or access to the country's products; iv) access and contact with the country e.g. via travel. For the purposes of this research, familiarity consisted of a 'nearness' element using geographical proximity, a product-based 'relation' element (e.g. knowledge, familiarity and contact with a country's products), and familiarity and contact with the country itself.

As noted by Shimp et al. (1993), when exploring consumer perceptions and attitudes about different countries, it is important that the stimulus developing countries be active in international trade, specifically in the production and export of consumer goods.

Therefore, to help ensure that respondents do have an image of the developing countries and to increase the chances of exposure to various countries, the developing countries selected were compared against Canada's Top 100 2005 Merchandise Import Sources (on a customs basis, as a percentage share of Canadian Imports), as published by the Office of the Chief Economist of Canada (2006). The first step in the selection of stimulus countries on familiarity was to ensure that the countries were ranked on this list. The list was used as a screen, and those countries that were not included were eliminated from the sample.

A second screen that was used in the selection of stimulus countries based on familiarity was the 2005 A.T. Kearney/Foreign Policy Globalization Index. As noted by Anholt (2002), developing countries must have the necessary social, political and technological infrastructure to enable companies to 'plug-in' to the global economy. This indicator was chosen as the countries ranked on the index are seen to be in a position where they have the necessary infrastructure to 'globalize', and the capacity to benefit from building country brand equity. The authors of the index acknowledge that globalization has many measures, and this Globalization Index (2005) serves to determine the rankings of a specific group of 62 countries (developed and developing), which together account for 96% of the world's GDP. In order to measure globalization, this index uses indicators across trade, finance, political engagement, information technology and personal contact to determine the relative level of a country's globalization. Those countries that were not included on the A.T. Kearney Index (2005) were eliminated from the sample of developing countries for lack of information and their likely low levels of globalization.

4.1.1.5 Stage 5 - Additional Criteria

In determining the developing countries to be selected by economic characteristics above, countries located in Eastern Europe were eliminated because they were not classified as either developed or developing by the UN (United Nations, 2006). However the emerging nations of Eastern Europe are a special case of interest and as such, it was decided that one transitional economy from Eastern Europe would be included in the sample. Poland was chosen out of the transitional economies (Czech Republic, Hungary, Romania and Poland) as the latter two were ranked lowest on both the 2005 Human Development Index and the 2005 A.T. Kearney Globalization Index. These two lowest countries were of interest because of their earlier stage of development, and therefore, closeness to the lesser developed countries. Additionally, Poland was ranked higher than Romania on Canada's Top 100 2005 Merchandise Import Sources, which implies respondents having more contact with Polish rather than Romanian products. Therefore, Poland was included to more fully represent the variations in the economic, social and familiarity variables, as well as to increase the geographic variation among the stimulus countries.

Furthermore, with respect to the characteristics of familiarity above, there were two exceptions made in the selection of developing countries. With regards to the 2005 A.T. Kearney Globalization Index, two countries were re-included in the sample despite their absence on this index - Ghana and Tanzania. These exceptions were made due to the fact that these two countries are located in Sub-Saharan Africa and were included to more

fully represent geographical variations in the sample. Furthermore, if these countries had not been included, there would have been no representation of countries with Low income, as classified by the World Bank. The choice to include Tanzania and Ghana is justified as neither of these countries has experienced armed conflict over recent years (Conflict Intensity Level, 2000), and their levels of corruption (Corruption Perceptions Index, 2005) are above the cutoff of 2.8. Furthermore, both of these countries are included on Canada's Top 100 2005 Merchandise Import Sources list.

4.1.1.6 Stimulus Country Selection

At this point there were 13 stimulus developing countries in the selection set. The number of countries had to be further reduced in order to have a more manageable number of test countries for respondents, while still obtaining a substantial amount of country responses. Several of the cut-offs from Stages one through four were used to reconsider inclusion into the sample. Firstly, out of the remaining countries, the lowest ranked country on Canada's Top 100 2005 Merchandise Import Sources list in each of the Upper Middle and Lower Middle income categories were eliminated. This meant that in the Upper Middle income category, Panama was excluded, and in the Lower Middle income category, Tunisia was excluded. No countries from the Low Income category were excluded, as there were only two countries present in this category.

The final country to be eliminated was Brazil. There were a larger number of countries in the Lower Middle income section, several of which belonged to Latin America. Due to the larger number of countries in this section relative to the other income categories and

the over representation of Latin American countries, Brazil was eliminated. Brazil was eliminated instead of either Chile or Argentina as it was ranked the lowest on A.T. Kearney's Globalization Index. The final ten stimulus countries are shown below in Figure 4.1. Please refer to Appendix B for a full classification of these countries on all of the development and familiarity indicators.

Figure 4.1 – Stimulus Developing Countries

Argentina	Ghana	Morocco	Thailand
Chile	Malaysia	Poland	
China	Mexico	Tanzania	

4.1.1.7 Additional Information

There were also four additional sources of country information that were taken into account when analyzing the stimulus developing countries. These additional sources of information were not used as means for selecting the stimulus developing countries. However, they were consulted when selecting the final ten countries to be tested. These additional classifications were used as they may be correlates of development, although they are less likely to be determinants of development.

The first additional source of information considered was the geographic distance between Canada's capital and the capital of each of the stimulus countries (as the "crow flies"). This distance was calculated by an online tool, (How Far Is It, 2005) noted, and used for classification. This step was added to understand whether physical proximity to Canada is related to respondents' familiarity of these regions.

The second additional indicator that was taken into account was the Gini Index (CIA Factbook, 2006). This economic index is a calculation of income distribution within a country that measures the degree of inequality in the distribution of family income in a country. According to the Gini Index, an index of 0.00 would represent perfectly equitable income distribution in the population, while an index of 100.00 would represent perfectly inequitable income distribution. The more nearly equal a country's income distribution, the lower its Gini index, e.g. a Scandinavian country with an index of 25. The more unequal a country's income distribution, the higher its Gini index, e.g. a Sub-Saharan country with an index of 50.

The third indicator included was the 2005 Environmental Sustainability Index, produced by Yale University's Center for Environmental Law and Policy and the Columbia University Center for International Earth Science Information Network. This 2005 index uses 21 indicators of environmental sustainability to provide a useful mechanism for benchmarking a country's environmental performance (Environmental Sustainability Index, 2005). The higher a country's ESI score, the better positioned it is to maintain favorable environmental conditions into the future.

There has been some academic investigation into this subject as well. Manrai, Manrai, Lascu and Ryans (1997) investigated how advertising based on environmental-friendliness, or green-claims strength, interacts with an individual's attitude toward the country-of-origin of the product, in the case of cars. They posited that "consumers who

are not familiar with the environmental practices of foreign companies are likely to rely on country image to evaluate environmental claims.” (Manrai et al., 1997, p. 515) There was evidence to support that product evaluation and company image were more favorable among consumers with highly positive attitudes towards the country-of-origin on environment than among consumers with less positive country disposition.

The fourth and final additional source of information considered was the 2006 Global Competitiveness Index (GCI) published by the World Economic Forum. This index ranks 125 of the world’s economies according to their level of competitiveness. Competitiveness is defined by the GCI as a “collection of factors, policies, and institutions which determine the level of productivity of a country and that, therefore, determine the level of prosperity than can be attained by an economy” (Kiggundu, 2007). The rankings are drawn from a combination of publicly available data and the results of a comprehensive annual survey conducted by the World Economic Forum and its partner institutes around the world (World Economic Forum, 2007).

4.1.2 Summary of the Stimulus Country Selection Process

Table 4.1 summarizes the sequential steps that were undertaken in order to select the stimulus countries, per the criteria described above.

Table 4.1 – Sequential Steps in the Selection of the Stimulus Developing Countries

Steps	General Criteria	Specific Criteria	Description	Number of Countries Eliminated	Number of Remaining Developing Countries
At the outset: 208 Countries					
1	Economic	Country Income Level	High income countries are eliminated	56	152
2	Social	Human Development Index	Those countries not ranked on the index are eliminated	14	138
3	Familiarity	Canada's Top Importers	Countries that are not ranked on the index are eliminated	77	61
4	Political	Failed States Index	Countries that are listed in the top 28 are eliminated	6	56
5	Familiarity	Globalization Index	Countries that are not ranked on the index are eliminated (except Tanzania & Ghana)	25	30
6	Political	Corruptions Perception Index	Countries that are ranked at or below 2.7 are eliminated	8	22
7	Political	Armed Conflict Index	Countries that are known to have armed conflicts for at least 4 of the 5 years from 1996-2000 are eliminated	6	16
8	Additional Criteria	Select Eastern European Countries	Hungary, Czech Republic and Romania are eliminated	3	13
9	Additional Criteria	<i>Ten (10) countries were then chosen based on their representative characteristics, variations, and their position within each group</i>			10

4.2 RESEARCH DESIGN FOR DATA COLLECTION

This research used a cross-sectional survey design. The survey questionnaire measures the perceived level of development of the developing countries and perceptions of the country, its people and its products. Country development perceptions include economic development, social development and political development. Perceived familiarity of the developing countries was also measured to determine its relationship to consumers' perceptions of developing countries. The questionnaire used groups of country image measures based on the attitude theory components of cognition, affect and conation (Figure 4.2). Researchers have suggested that measures related to these components of attitude should be included when conducting research related to country image (Heslop et al., 2004; Laroche et al., 2005). A description of these measures can be found in section 4.2.2.

Figure 4.2 – Attitude Theory Components and Associated Measures of Country and Product Images

<i>Attitude Theory Components</i>	<i>Country Image Measures</i>	<i>Product Measures</i>
Cognition/Beliefs	Country description People description Country competence People competence	Product Beliefs
Affect/Evaluation	Country Evaluation People Evaluation	Product Liking Product Evaluation
Conation/Association	Country Receptivity People Receptivity	Product Receptivity

(Please refer to Appendix E for a the questionnaire's scales, measures and attitude theory components)

4.2.1 Respondents

As imports into Canada are widespread, it is likely that Canadian respondents will have had contact with products from many foreign countries. According to trade data

published by the World Trade Organization, from 1997 to 2004 Canada ranked as the 5th largest importing country in the world (World Trade Organization, 2006). Canada also ranks among those countries with the highest imports per capita, importing approximately two times more, per capita, than the United States (Trade Facilitation Office Canada, 2006). Also, Canada's level of imports from developing countries has increased in the last five years. Canadian imports from developing countries increased 70% from 1999 to 2004, and in 2004, approximately 22% of the country's total imports were from developing countries. While the majority of these imports are in commodities, consumer goods (e.g. textiles, apparel, electrical and electronic equipment) are occupying an increasing volume of these imports (Trade Facilitation Office, 2003). Therefore, Canadian consumer perceptions of developing countries is of particular value to the researcher.

The sample of respondents was made up of 305 individuals. The first part of the sample consisted of 163 Carleton University employees and visitors. These respondents were included in the sample to ensure that a wide variety of individuals, with respect to demographics and experiences, were included in the research. The second part of the sample was comprised of 142 undergraduate students at Carleton University. It was decided that undergraduate students were well suited to this research due to the fact that these students likely would have come from families with lower middle to high levels of income and are likely to have exposure to imported goods. Furthermore, this portion of the sample was selected due to its ease of accessibility. Each of these two groups was contacted in person and verbally screened using a small series of questions in order to

ensure their classification in the samples (i.e. student and non-student). These respondents were then asked to complete the written questionnaire.

4.2.2 General Description of the Research Instrument

The cross-sectional questionnaire used seven-point Likert scales to measure the perceived level of development of the developing countries (Appendix D). A total of 16 product scales and 33 country/people scales were used to test respondents' perceptions about the countries, their people and their products. The questionnaire's measures can be seen in table form in Appendix E, and mainly used previously established scales from country image research.

It must be noted that each of the respondents was asked to respond to two of the ten countries. This design allowed for 45 country pairs to be evaluated in total. Each respondent evaluated one country pair. The countries were paired so that each country was presented with every other country at least once to minimize effects of the presence of the other country in the pairing. This variety within the survey helped ensure that respondents did not become bored, and keeping the stimulus countries to two for each respondent helped to minimize the length of each questionnaire.

Respondents were asked to complete five main sections concerning product images for the two countries, country and people images for the two countries, and basic demographic information. No personal identification information was collected in the questionnaire. Only some general demographic questions were present to capture gender,

age, travel and international/domestic living experiences of the respondents that might be related to responses. According to some research, direct contact between the perceiver and a country can help consumers in having a more objective perception about what a country is like (Papadopoulos & Heslop, 1986; Balabanis, Mueller and Melewar, 2002). In their research, Balabanis et al. (2002) assessed one's direct contact with the country of origin by analyzing the amount of time the respondent has lived in the country, and the number of visits made to the country. They found that the higher the direct contact with the country, the more definite and objective was the image that consumers had of both the country and its products.

4.2.3 Data Collection Procedure

Data was collected through the period of March 14, 2007 to May 16, 2007. The drop off/pick-up technique was employed for both groups due to its potential to yield higher response rates and the potential to collect data in a shorter period of time. The non-student portion of the sample was also given the option to mail back the completed survey in a sealed addressed envelope via inter-office mail at Carleton University.

The student portion of the sample was obtained by convenience. Instructors and professors of undergraduate classes at Carleton University were contacted to gain permission to distribute the questionnaires during class time. The students were asked to fill out the questionnaire and return it upon completion. Students retained the right to decline participation in the research, and this right was communicated in the letter of information and announced in class.

The non-student portion of the sample was obtained both by convenience and by random interception. Respondents in this portion of the sample were also given an incentive for their participation in the research. Willing participants were given a two-dollar coin along with the survey to encourage their response. As previously mentioned, respondents were also given the opportunity to mail back the completed survey through Carleton's inter-office mail system if they had not completed the survey when the researcher returned to their office. Additionally, potential respondents were randomly approached in various areas and buildings on the Carleton campus. These respondents were given an addressed envelope and instructed that the completed survey should be returned to the researcher via inter-office mail.

With respect to organizing the data, each survey that was returned was manually numbered and identified as to whether the respondent was student or non-student. This was possible since those surveys handed out to students were returned to the surveyor immediately after the students filled out the surveys. Conversely, for the non-student sample, the respondents had the option of returning the surveys by inter-office mail. As this option was not given to the students, it was simple to keep track of which group the respondents belonged to.

Out of a total of 410 surveys distributed, 168 were distributed to students, and 242 were distributed to non-students. Of those surveys that were distributed, 14 students and 63 non-students did not complete the survey. An additional 28 surveys were deemed

unusable since they exhibited patterned response, suggesting that respondents were not making an effort to differentiate between the survey measures. Out of the 333 responses received, 305 were entered into a database in SPSS. This resulted in a final figure of 305 useable questionnaires, and a response rate of 81.2%.

Table 4.2 – Data Collection Summary

Surveys Distributed		Non Response		Unusable
<i>Student</i>	168	<i>Student</i>	14	12
<i>Non-student</i>	242	<i>Non-student</i>	63	16
Total Surveys Distributed	410	Total Non Response	105	
Response Rate		Surveys Returned and Completed		
<i>Student</i>	91.7%	<i>Student</i>	154	
<i>Non-student</i>	74.0%	<i>Non-student</i>	179	
Total Response Rate	81.2%	Total Surveys Returned and Completed	333	

4.2.4 Data Analysis Procedures

Descriptive statistics were used to present the demographic characteristics of the sample. The overall means and standard deviations of each of the country measures were calculated in order to better understand respondents' country images of the stimulus countries. These overall means were also used to appreciate how respondents' perceptions of development and familiarity compared to the images that the published indicators portray. Kendall's rank correlation was used to formally address hypothesis one by testing respondents' perceptions and the actual levels of development for each of the dimensions obtained from published indicators.

In order to achieve the second research objective and understand the bases of differentiation of consumer perceptions of developing countries, principal components analysis (PCA) of the country measures, the people measures and the product measures was performed. A t-test was also performed in order to ensure that combining the student and non-students group was a practical and viable decision. The first PCA included 12 product measures. The second PCA included 26 country and people measures, including the single measures of economic, social and political development, and familiarity. Both the country/people and the product response measures were tested separately by PCA.

Once this primary PCA analysis was complete, multivariate analysis of variance (MANOVA) tested whether or not there was a significant difference between the means of perceptions of the level of development, familiarity and other country and people perceptions among the stimulus developing countries. This addressed hypothesis two of the research.

Concerning hypotheses 3 through 6, correlation analysis was performed. For the correlation analysis it was necessary to separate the single measures of overall level of each of economic, social and political development and familiarity from the other related country measures. Therefore, PCA was undertaken on the set of country and people measures without these three summary measures, as well as overall technological development and familiarity.

The final and most comprehensive step in the data analysis was the use of multiple regression to further explore hypotheses three through six, and to meet the first research objective. The regression equations shown for each of the developmental, familiarity and overall ratings constructs in Table 4.3 were tested.

Table 4.3 – Measures to be Tested by Multiple Regression

Single Measures (<i>Dependent Variables</i>)	Associated Measures (<i>Independent Variables</i>)
Level of economic development	Wealth, Stability of economy, Distribution of wealth, Need for international assistance, Skill level of the workforce, Level of technological development, Access to modern technology
Level of social development	Quality of life, Education level, Individual rights and freedoms, Environmentally friendly country
Level of political development	Level of government and business corruption, Political stability, Presence of armed conflict, Admirable for role in world politics
Familiarity with country	Similarity of country's people to Canadians, Aligned with Canada, Canada's proximity to country, An exotic culture
Overall level of development	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
Overall, how would you rate it as a country	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
Overall, how would you rate the country's products	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
Willingness to Buy (products)	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country

This examined the joint relationship of each of the single development measures, and each of the related measures (e.g. *Level of Political Development* tested with *Level of Government and Business Corruption*, *Political Stability*, *Presence of Armed Conflict* and *Admirable for Role in World Politics*). This was also done for the measures of *Level of Economic Development*, *Level of Social Development*, and *Familiar with Country* to

determine which constructs contributed the most to each single developmental measure's variance explanation.

The single development measures and the familiarity measure were also tested to examine their joint relationship with the *Overall Level of Development*, *Overall how would you rate it as a Country*, *Willingness to Buy* and the *Overall how would you rate the Products* single measures. The regression analysis revealed the relative role of the different ratings of development vectors in accounting for variance in the country/people and product ratings and response ratings.

5.0 FINDINGS

This section presents the results of the analysis undertaken. It is divided into six parts: the first part explains the characteristics of the sample; the second the descriptive statistics of the measures of country perceptions; the third discusses two sets of PCA to determine relevant constructs; the fourth contains the product and country/people multivariate analysis of variance, the fifth presents the analysis of the correlations of the developmental and familiarity measures; the sixth and final section presents the regression equations tested.

5.1 CHARACTERISTICS OF THE SAMPLE

At the outset of the data analysis stage, ranges were calculated in order to ensure that there were no coding errors in the data. With the use of 305 usable survey responses, frequencies and percentages were then analyzed in SPSS in order to identify the characteristics of the sample. Table 5.1 describes the sample's demographic characteristics.

As the table indicates, the percentage of male respondents was 43.3 and that of female respondents 54.4. The majority of the respondents were between 18 and 34 years, but 20% were 45 or older. Over 85% of respondents have lived in Canada for more than 10 years. The percentage of respondents that have lived outside of Canada for greater than six months was 35.7, and 93.1% of the respondents have traveled outside of Canada. Though overall the sample is younger and quite well traveled, it fits the study

requirements for a diversity of respondents with wide country and import product expertise. The respondents are all associated with Ottawa's Carleton University. As Ottawa is a metropolitan city, it is expected that these respondents, as urban consumers, are more likely to know more about foreign countries and products (Szamosi, 1995). Also, the high degree of international travel exhibited by the respondents coupled with their many years living in an import rich country implies that these consumers have been exposed to foreign countries and products, which makes them suitable respondents for this research.

Table 5.1 – Demographic Characteristics of the Sample

Variable		Sample	
		Number	Percent
Gender	Male	132	43.3
	Female	166	54.4
	Missing	7	2.3
	Total	305	100.0
Age	18-24	137	44.9
	25-34	54	17.7
	35-44	45	14.8
	45-54	33	10.8
	55 +	30	9.8
	Missing	6	2
	Total	305	100.0
Years lived in Canada	Less than 1 year	4	1.3
	1 to 5 years	22	7.2
	6 to 10 years	14	4.6
	11 to 15 years	12	3.9
	16-20 years	55	18.0
	20+ years	193	63.3
	Missing	5	1.6
	Total	305	100.0
Have you lived outside of Canada for greater than 6 months?	Yes	109	35.7
	No	192	63.0
	Missing	4	1.3
	Total	305	100.0
Have you traveled to countries outside of Canada?	Yes	284	93.1
	No	18	5.9
	Missing	3	1.0
	Total	305	100.0

Furthermore, since there were two groups included in the sample, student and non-student, the General Linear Model (GLM) function was used to compare the means of the two groups on all product and country/people composite variables. However since the individual survey measures were so numerous, there was an increased chance of overstating the significant difference between the two groups. Therefore, comparisons were done at a composite variable level (see section 5.3 for a full discussion). Following this analysis, it was decided that the two groups would be combined for all analysis.

5.2 DESCRIPTIVE STATISTICS OF THE MEASURES OF COUNTRY PERCEPTIONS

In order to initially explore the data, frequencies, means and standard deviations of respondents' product (Table 5.2) and country/people responses (Table 5.3) were calculated. These results are discussed in the following sections.

5.2.1 Product Measures

All product measures were rated on a 1 (low) to 7 (high) scale. Overall, China received the highest mean product ratings, followed by Thailand, Argentina, Chile and Mexico (Table 5.4). China was rated highest by respondents on nine out of the 16 scales, far more than any other of the countries. Moreover, China was rated the highest on the product receptivity measures, e.g. *Interested in Purchasing* and *Willingness to Buy*, and also on the *Familiar with Country* and *Availability of products in Canada* measures. The closest country to China in terms of positive ratings was Argentina, with highest ratings on *Reliability*, *Workmanship* and *Attractiveness*.

Table 5.2 – Mean Ratings and Standard Deviations of Product Measures

Measure	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA
Reliability	4.09 (1.08)	3.87 (1.04)	4.08 (1.31)	3.04 (1.23)	3.64 (1.29)	3.81 (1.13)	3.48 (1.18)	3.92 (1.09)	<u>3.00</u> (1.27)	3.55 (1.16)
Workmanship	4.43 (1.19)	4.05 (1.24)	4.13 (1.38)	3.62 (1.42)	3.71 (1.20)	4.07 (1.27)	3.80 (1.22)	4.23 (1.22)	<u>3.52</u> (1.49)	3.65 (1.26)
Technological complexity	3.67 (1.21)	3.44 (1.03)	4.80 (1.32)	<u>2.58</u> (1.29)	3.65 (1.40)	3.52 (1.23)	3.02 (1.23)	3.90 (1.21)	2.72 (1.28)	3.71 (1.57)
Design Quality	4.12 (1.27)	3.89 (1.18)	4.31 (1.15)	3.40 (1.59)	3.80 (1.28)	3.88 (1.22)	3.73 (1.27)	4.05 (1.22)	<u>3.19</u> (1.43)	3.90 (1.39)
Attractiveness	4.63 (1.41)	4.31 (1.22)	4.58 (1.18)	3.71 (1.64)	4.11 (1.43)	4.24 (1.37)	4.11 (1.42)	4.08 (1.42)	<u>3.54</u> (1.58)	4.08 (1.15)
Prestigious	3.47 (1.40)	3.44 (1.11)	3.23 (1.47)	2.78 (1.44)	3.05 (1.29)	3.22 (1.16)	3.44 (1.43)	3.69 (1.37)	<u>2.70</u> (1.38)	3.29 (1.26)
Good value	4.15 (1.38)	4.27 (1.25)	4.78 (1.42)	3.54 (1.63)	4.15 (1.42)	4.22 (1.45)	3.82 (1.44)	4.06 (1.20)	<u>3.43</u> (1.46)	4.27 (1.35)
Exotic	4.59 (1.50)	4.40 (1.55)	3.46 (1.33)	4.64 (1.60)	4.26 (1.64)	4.00 (1.45)	4.97 (1.23)	<u>3.16</u> (1.52)	4.85 (1.80)	4.14 (1.45)
Riskiness	4.05 (1.37)	3.85 (1.27)	3.67 (1.26)	4.09 (1.72)	3.89 (1.50)	3.66 (1.35)	4.33 (1.39)	<u>3.22</u> (1.26)	4.30 (1.71)	3.95 (1.30)
Expensive	3.20 (1.23)	3.22 (1.20)	3.18 (1.14)	<u>2.45</u> (1.29)	2.86 (1.17)	2.93 (1.03)	3.30 (1.17)	3.56 (1.34)	2.78 (1.28)	3.03 (1.34)
Familiarity with products	2.36 (1.40)	2.74 (1.43)	4.40 (1.24)	<u>1.82</u> (1.32)	2.97 (1.64)	3.39 (1.46)	2.19 (1.25)	2.65 (1.38)	2.16 (1.71)	3.71 (1.73)
Willingness to buy	4.29 (1.23)	4.17 (1.30)	4.33 (1.17)	<u>3.36</u> (1.63)	4.11 (1.34)	3.98 (1.30)	3.80 (1.33)	4.02 (1.39)	3.50 (1.62)	4.31 (1.31)
Availability of products in Canada	3.31 (1.32)	3.57 (1.22)	5.69 (1.21)	2.44 (1.16)	4.00 (1.54)	4.26 (1.57)	3.03 (1.10)	3.30 (1.10)	<u>2.40</u> (1.33)	4.51 (1.49)
Interested in purchasing products	3.63 (1.53)	3.95 (1.27)	4.10 (1.16)	2.98 (1.68)	3.58 (1.17)	3.78 (1.31)	3.42 (1.37)	3.58 (1.52)	<u>2.95</u> (1.63)	4.05 (1.29)
Overall, how would you rate the country's products?	4.05 (1.03)	4.13 (1.03)	4.43 (1.02)	<u>3.20</u> (1.25)	3.76 (1.11)	3.97 (1.11)	3.51 (.994)	3.90 (1.14)	3.22 (1.25)	3.94 (1.01)
Willingness to recommend products to others	3.57 (1.45)	3.80 (1.34)	4.13 (1.20)	<u>2.69</u> (1.37)	3.30 (1.35)	3.52 (1.37)	3.08 (1.11)	3.59 (1.25)	3.07 (1.61)	3.73 (1.23)

Bold = highest score of all the countries, Underline = lowest score of all the countries, () = standard deviations.

Note: ARG = Argentina, CHL = Chile, CHN = China, GHA = Ghana, MAL = Malaysia, MOR= Morocco, POL = Poland, TAN = Tanzania, THA = Thailand

Tanzania and Ghana were rated the lowest on product ratings, each being rated the lowest on eight and six scales respectively. Neither one of these countries was rated highest on any of the product ratings. Poland received two of the highest (*Prestigious* and *Expensive*) and two of the lowest product ratings (*Exotic* and *Riskiness*). Morocco rated

the highest on both *Exotic* and *Riskiness*. This is interesting, since despite the fact that respondents rated Tanzania and Ghana the lowest overall, respondents still perceived products from Morocco as being slightly riskier than those from its African counterparts. In general, the ratings on the 7-point product scales are quite low with China at the highest overall mean rating of 4.21, and Ghana at the lowest mean rating of 3.15.

Table 5.3 – Summary of Overall Mean Ratings of Product Items

Measure	CHN	THA	ARG	CHL	MEX	MAL	POL	MOR	TAN	GHA
# of Highest	9	0	3	0	0	0	2	2	0	0
# of Lowest	0	0	0	0	0	0	2	0	8	6
Mean Score	4.2	3.9	3.9	3.8	3.8	3.7	3.7	3.6	3.2	3.2
Rank	1	2	3	4	5	6	7	8	9	10

Note: ARG = Argentina, CHL = Chile, CHN = China, GHA = Ghana, MAL = Malaysia, MOR= Morocco, POL = Poland, TAN = Tanzania, THA = Thailand

5.2.2 Country/People Measures

Once again all country/people measures were rated on a 1 (low) to 7 (high) scale. There are three measures for which a low rating is considered better than a higher rating - *Need for International Assistance*, *Level of Government and Business Corruption*, and *Presence of Armed Conflict*. These items were reverse coded to ensure their direction would match the rest of the scales, i.e. a higher rating reflecting a higher level of development, when measures were combined.

Argentina rated highest on four ratings - *Enjoyable People to be With*, *Likeability of People*, *Would Welcome Immigrants From* and *Would Like to Travel to* (see Table 5.4).

These ratings seem to indicate that the respondents have feelings of affection towards the

Argentinean people and would welcome them into Canada. Argentina received none of the lowest ratings, and this shows that respondents generally have a positive picture of the Argentinean people and their country.

Mexico rated the highest on *Aligned with Canada*, and *Canada's Proximity to Country*, but received the lowest rating on *Trustworthiness of People*.

Table 5.4 – Mean Ratings and Standard Deviations of Country and People Measures

Measure	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA
Level of economic development	3.66 (1.04)	3.71 (1.01)	4.58 (1.10)	<u>2.73</u> (1.11)	3.80 (1.24)	3.55 (.976)	3.48 (1.11)	4.32 (1.05)	2.74 (1.15)	3.63 (1.15)
Wealth	3.39 (1.20)	3.16 (1.12)	3.80 (1.21)	<u>2.20</u> (1.18)	3.39 (1.29)	2.97 (1.12)	3.47 (1.42)	3.90 (1.15)	2.56 (1.18)	3.44 (1.17)
Stability of economy	3.14 (1.28)	3.25 (1.13)	4.20 (1.15)	<u>2.42</u> (1.01)	3.56 (1.28)	3.29 (1.06)	3.44 (1.18)	4.27 (1.11)	2.69 (1.09)	3.62 (1.05)
Distribution of wealth	2.64 (1.30)	2.93 (1.27)	2.62 (1.47)	<u>2.04</u> (1.03)	2.88 (1.16)	2.47 (1.25)	3.08 (1.11)	3.95 (1.24)	2.51 (1.15)	2.89 (1.16)
Need for international assistance	4.03 (1.32)	3.93 (1.23)	4.73 (1.43)	<u>3.36</u> (1.60)	4.18 (1.49)	4.17 (1.37)	3.97 (1.35)	4.71 (1.44)	3.42 (1.58)	4.20 (1.26)
Skill level of the workforce	3.64 (1.01)	3.65 (.994)	4.36 (1.21)	<u>2.96</u> (1.13)	3.92 (1.29)	3.62 (1.09)	3.56 (1.11)	4.44 (1.01)	3.06 (1.20)	3.90 (1.21)
Level of technological development	3.46 (1.09)	3.33 (.944)	4.90 (1.22)	<u>2.49</u> (1.07)	3.68 (1.45)	3.47 (.941)	3.13 (1.16)	4.29 (1.23)	2.91 (1.15)	3.66 (1.24)
Access to modern technology	3.88 (1.25)	3.49 (1.17)	4.85 (1.22)	<u>2.56</u> (.996)	4.11 (1.56)	3.98 (1.18)	3.53 (1.28)	4.49 (1.13)	3.04 (1.29)	3.87 (1.30)
Level of social development	3.78 (1.12)	3.65 (.985)	3.55 (1.23)	<u>3.20</u> (1.13)	4.00 (1.13)	3.72 (1.18)	3.60 (1.18)	4.30 (1.10)	3.23 (1.22)	3.68 (1.05)
Quality of life	3.66 (1.05)	3.75 (1.14)	3.42 (1.12)	<u>2.69</u> (1.29)	3.57 (1.13)	3.29 (1.06)	3.58 (1.22)	4.43 (1.12)	2.84 (1.27)	3.61 (1.16)
Education level	3.63 (1.19)	3.51 (1.14)	4.25 (1.15)	<u>2.71</u> (1.01)	3.76 (1.24)	3.40 (1.17)	3.56 (1.14)	4.76 (1.04)	3.04 (1.26)	3.42 (1.03)
Individual rights and freedoms	3.69 (1.12)	3.55 (1.02)	<u>2.65</u> (1.46)	3.00 (1.12)	3.64 (1.24)	3.79 (1.17)	3.44 (1.15)	4.35 (1.22)	3.15 (1.52)	3.37 (1.24)
Environmentally friendly country	3.02 (1.41)	3.39 (1.14)	<u>2.43</u> (1.37)	3.13 (1.31)	3.17 (1.39)	2.66 (1.19)	3.23 (1.21)	3.71 (1.26)	3.33 (1.35)	3.13 (1.09)
Level of political development	3.97 (1.10)	3.51 (1.12)	3.57 (1.27)	<u>2.96</u> (1.12)	3.82 (1.28)	3.91 (.960)	3.50 (1.10)	4.41 (1.01)	3.11 (1.21)	3.58 (1.15)
Level of government and business corruption	3.14 (1.25)	3.60 (1.27)	3.08 (1.11)	3.44 (1.67)	3.32 (1.45)	3.17 (1.57)	3.73 (1.23)	3.73 (1.29)	<u>2.95</u> (1.46)	3.71 (1.43)
Political Stability	3.44 (1.26)	3.44 (1.14)	4.37 (1.25)	<u>2.96</u> (1.23)	3.64 (1.33)	3.76 (1.13)	3.77 (1.17)	4.44 (1.04)	3.07 (1.29)	3.38 (1.31)
Presence of armed conflict	4.66 (1.27)	4.36 (1.35)	<u>4.12</u> (1.42)	4.22 (1.72)	4.77 (1.44)	4.52 (1.45)	4.69 (1.26)	5.00 (1.16)	4.35 (1.65)	4.63 (1.45)

Measure	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA
Admirable for role in world politics	2.95 (1.24)	2.81 (1.21)	3.08 (1.28)	<u>2.47</u> (1.17)	2.74 (1.20)	3.14 (.963)	2.97 (1.29)	3.39 (1.21)	2.59 (1.24)	2.95 (1.15)
Familiarity with country	3.00 (1.59)	2.80 (1.47)	3.86 (1.42)	2.72 (1.45)	2.67 (1.42)	3.41 (1.57)	2.50 (1.35)	3.33 (1.30)	<u>2.38</u> (1.93)	3.18 (1.46)
Similarity of country's people to Canadians	3.25 (1.32)	3.24 (1.41)	3.10 (1.32)	<u>2.83</u> (1.38)	2.85 (1.19)	3.38 (1.28)	3.18 (1.33)	4.24 (1.25)	2.89 (1.33)	3.08 (1.22)
Aligned with Canada	3.39 (1.25)	3.30 (1.34)	3.27 (1.01)	3.26 (1.15)	3.30 (1.23)	3.86 (1.25)	3.34 (1.20)	3.84 (1.29)	<u>2.96</u> (1.67)	3.33 (1.17)
Canada's proximity to country	2.54 (1.38)	2.87 (1.32)	2.43 (1.33)	2.24 (1.36)	1.95 (1.17)	3.84 (1.31)	2.50 (1.23)	2.81 (1.27)	<u>1.85</u> (1.19)	2.86 (1.55)
An exotic culture	4.41 (1.46)	4.35 (1.46)	4.23 (1.52)	4.58 (1.45)	5.02 (1.44)	4.10 (1.37)	5.11 (1.32)	<u>3.43</u> (1.49)	5.00 (1.67)	5.02 (1.51)
Enjoyable people to be with	5.00 (1.40)	4.67 (1.31)	<u>4.35</u> (1.25)	4.38 (1.60)	4.67 (1.28)	4.84 (1.17)	4.44 (1.25)	4.86 (1.38)	4.96 (1.26)	4.68 (1.11)
Likeability of people	5.17 (1.21)	4.70 (1.38)	4.65 (1.22)	4.73 (1.51)	4.85 (1.26)	4.74 (1.18)	<u>4.52</u> (1.11)	4.94 (1.16)	5.15 (1.13)	4.74 (1.14)
Trustworthiness of people	4.59 (1.18)	4.18 (1.22)	4.45 (1.21)	4.47 (1.48)	4.53 (1.19)	<u>3.83</u> (1.24)	4.10 (1.19)	4.89 (1.18)	4.59 (1.31)	4.34 (1.09)
Would welcome immigrants from	5.10 (1.48)	4.74 (1.63)	4.63 (1.26)	<u>4.38</u> (1.78)	4.65 (1.60)	4.60 (1.30)	4.39 (1.65)	5.05 (1.45)	4.52 (1.74)	4.42 (1.60)
Would like to travel to	5.39 (1.77)	4.53 (1.96)	4.62 (1.81)	3.96 (1.96)	4.68 (1.98)	4.90 (1.56)	4.63 (1.75)	4.77 (1.72)	<u>3.93</u> (2.13)	4.89 (1.45)
Canada should have closer ties with	4.12 (1.23)	3.95 (1.31)	4.42 (1.27)	<u>3.38</u> (1.42)	4.02 (1.26)	4.16 (1.21)	3.60 (1.31)	4.38 (1.49)	3.82 (1.50)	3.93 (1.16)
Would like Canada to invest in	3.93 (1.31)	3.76 (1.31)	4.45 (1.33)	3.35 (1.46)	3.97 (1.43)	4.00 (1.23)	<u>3.21</u> (1.31)	3.84 (1.44)	3.73 (1.37)	3.92 (1.30)
Would like investment from	3.60 (1.46)	3.65 (1.39)	4.20 (1.45)	<u>3.00</u> (1.52)	3.65 (1.36)	3.82 (1.34)	3.03 (1.29)	3.95 (1.51)	3.16 (1.65)	3.84 (1.37)
Overall level of development	3.81 (.880)	3.65 (1.04)	4.22 (.993)	<u>2.95</u> (1.16)	3.79 (1.21)	3.84 (.862)	3.52 (1.05)	4.40 (1.24)	3.28 (1.19)	3.82 (1.12)
Overall, how would you rate it as a country?	4.32 (1.11)	4.07 (1.07)	4.20 (.917)	<u>3.44</u> (1.37)	4.05 (1.09)	4.23 (.907)	3.85 (1.11)	4.57 (1.07)	3.91 (1.27)	4.08 (1.12)

Bold = highest score of all the countries, Underline = lowest score of all the countries, () = standard deviations.

Note: ARG = Argentina, CHL = Chile, CHN = China, GHA = Ghana, MAL = Malaysia, MOR = Morocco, POL = Poland, TAN = Tanzania, THA = Thailand

China received the second largest number of highest ratings, particularly for technological and economic measures. China was also rated as the country that the respondents were most familiar with, the country that Canada should have closer ties with, and the country with which Canada should have more investment ties. China received a lowest score for all countries on the social ratings of *Individual Rights and Freedoms*, *Presence of Armed Conflict* and *Environmentally Friendly Country* (see Table

5.4). Interestingly, China also rated lowest on *Enjoyable People to be With*, implying that respondents are more interested in furthering economic ties with China than building relationships on a personal level.

Poland received the largest number of highest country and people measure ratings (see Table 5.5). Poland was only rated lowest by respondents on the *Exotic* measure, whereas Morocco was rated the highest, which is identical to how they were rated in the product measures.

With respect to development, on the ratings of *Level of Economic Development* and *Level of Technological Development* China was rated the highest. For the *Level of Social Development* and *Level of Political Development* measures, Poland was rated highest. Poland was also rated the highest on *Level of Overall Development*. Ghana was the country that received the largest number of lowest country/people measures. Ghana received 20 lowest ratings and did not rate highest on any of the country/people measures. Ghana was also rated lowest on all measures of development, including *Level of Overall Development*.

Table 5.5 – Summary of Overall Mean Ratings of Country/People Items

Measure	POL	CHN	ARG	THA	MAL	MEX	CHL	MOR	TAN	GHA
# of Highest	18	8	4	0	0	2	0	1	0	0
# of Lowest	1	4	0	0	0	1	0	2	5	20
Mean Score	4.3	3.9	3.8	3.8	3.8	3.8	3.7	3.6	3.4	3.2
Rank	1	2	3	4	5	6	7	8	9	10

Note: ARG = Argentina, CHL = Chile, CHN = China, GHA = Ghana, MAL = Malaysia, MOR= Morocco, POL = Poland, TAN = Tanzania, THA = Thailand

5.2.3 Comparison of Actual and Perceived Images

In order to test hypothesis one, the respondent's ratings of the stimulus countries were compared to the published ratings. The criteria used to categorize the published indicators were economic, social, political or familiar in nature (Appendix A). The surveys' country and people developmental and familiarity measures were also categorized in this manner (Appendix E). For both the published indicators and the survey mean ratings "1" is the best ranking (Table 5.6)

To ensure that the published indicators were compatible with the survey ratings, the direction of "better" and "worse" country image had to be aligned. Therefore the published indicators were set up so that the number one indicated a higher level of development. Table 5.6 illustrates the comparison of each of the categorized published indicators with the survey's mean ratings of the related measures (Please refer to Appendix F for a summary of the survey's mean development and familiarity ratings).

The Global Competitiveness Index was categorized as an economic indicator, and each country's rank was compared to each country's rank on the survey's economic ratings. Poland and China were generally rated highest by respondents, whereas in the Global Competitiveness Index Malaysia and Chile are the top ranked countries.

Table 5.6 – Comparison of Country Rankings from Published Indicators and Survey Rankings

Category	Rank	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA	T
Economic	GCI	7	2	5	-	1	6	8	4	9	3	.33
	GI	8	10	5	1	6	9	4	2	3	7	.11
	Survey Rank (Means of Economic Items)	5	8	2	10	3	7	6	1	9	4	
Social	HDI	1	3	7	9	5	4	8	2	10	6	.56*
	ESI	1	3	10	4	2	7	9	8	5	6	.11
	Survey Rank (Means of Social Items)	4	3	8	10	2	7	5	1	9	6	
Political	FSI	2	1	10	4	5	6	8	3	9	7	-.07
	CPI	10	1	7	4	2	5	8	6	9	3	.16
	Survey Rank (Means of Political Items)	7	8	6	10	4	3	2	1	9	5	
Familiarity	CIS	7	5	1	10	3	2	9	6	8	4	.33
	KGI	7	3	8	-	1	5	4	2	-	6	-.21
	Distance	6	5	7	4	10	3	2	1	8	9	.24
	Survey Rank (Means of Familiarity Items)	6	7	4	9	8	1	5	2	10	3	

Note¹: ARG = Argentina, CHL = Chile, CHN = China, GHA = Ghana, MAL = Malaysia, MOR = Morocco, POL = Poland, TAN = Tanzania, THA = Thailand,

Note²: GCI = Global Competitiveness Index, GI = Gini Index, HDI = Human Development Index, CPI = Corruption Perceptions Index, ESI = Environmental Sustainability Index, FSI = Failed States Index, CIS = Rank as Canadian Import Source, KGI = A.T. Kearney Globalization Index

Note³: T = Kendall's *tau b*, * = Significant at the $p < 0.05$ level when correlated with associated survey mean ranks

On the rating of Level of Social Development, Poland is ranked highest by respondents followed by Malaysia. Poland is the country that is generally seen by the respondents as

being the most developed overall. Generally, respondents tended to overrate Poland when compared to its general ratings on the published scales, whereas respondents generally ranked Malaysia similarly to the published indices. Argentina is ranked first by the published indicators on the Human Development Index and Environmental Sustainability Index, however, the political Corruptions Perception Index ranks Argentina as the most corrupt of the stimulus countries. Respondents similarly ranked Argentina higher for social development and lower for political development.

The Failed States Index ranks China as the most failed state, and the respondents also rank China as the country with the most presence of armed conflict. In the selection of the stimulus developing countries, the researcher tried to eliminate those countries that had pervasive armed conflict within their borders (Section 4.1.1.3). It is noteworthy that while China was ranked at the country with the highest presence of armed conflict, there was only a 0.88 difference between this rating and that of Poland, which was deemed to have the lowest presence of armed conflict. Respondents rated China lower on the measures of social and political development, and rated it in the top four countries with respect to economic and familiarity indicators.

On the published indicator of Top 100 Canadian Import Sources, China is ranked first among the stimulus countries followed by Mexico and Malaysia. Morocco and Ghana are the countries that export the least amount of products to Canada relative to the other stimulus countries. Malaysia, Poland and Chile comprise the highest ranked countries on A.T. Kearney's Globalization Index, whereas Tanzania and Ghana are not ranked as their

economies are not considered by the publisher. The capital of Poland is the closest distance to Ottawa, followed by the capitals of Morocco and Mexico respectively.

Respondents perceived Mexico to have the highest proximity to Canada and Poland was rated as the third highest on this rating. On the familiarity with country rating, respondents were most familiar with China, Mexico and Poland. They were least familiar with Tanzania.

China was generally overrated by respondents in the economic and political categories and slightly underrated it in the familiarity category. In the published indicators, China ranked among the top five best rated countries for only two indices; the Global Competitiveness Index, and the Canadian Import Source rankings. While the majority of published indicators ranked China with a more negative country image, the respondents rated the country as the fourth highest overall on the *Overall, How would you rate the Country* rating.

In general, Ghana was notably underrated by respondents. Ghana is the country that was rated the lowest overall by respondents, having received the lowest score on 16 of the 26 country ratings. However on the published indices, Ghana received much better scores and was rated in the top half of the stimulus countries for its rating on the Corruptions Perceptions Index, the Environmental Sustainability Index and the Failed States Index. From the published indicators, it seems that Ghana is not as corrupt or as politically underdeveloped as respondents' perceived. In general it seems as though the respondents' perceptions of Ghana are lagging behind its progress, and this may be in part due to the respondents' lack of familiarity with the country.

Hypothesis one was formally tested using Kendall's rank correlation. This was calculated to measure the degree of association between each of the published rankings for each category of Economic, Social, Political and Familiarity with the survey mean ranking for each category of Economic, Social, Political and Familiarity (Table 5.6). Specifically Kendall's *tau b* test was performed since it measures the strength of association of the cross tabulations when both variables are measured at the ordinal level (e.g. comparing two ranks). Only one correlation was significant, and that was the correlation between the Human Development Index (HDI) and the survey rank of the Social measures at $\alpha = .025$ ($p < 0.05$). For a complete list of the Kendall's *tau b* tests please refer to Table 5.6. The null hypotheses stated that no such relationship would exist between the published indicators and the respondent's perceptions. Specifically:

H₁: Consumer perceptions of the dimensions of country development will not be related to the actual levels of these dimensions as determined by the published indices of country development.

Although there is some evidence that supports the rejection of hypothesis one, formally there is not enough evidence to reject the null hypothesis, only to reject that there is no relationship between the HDI and consumer perception of social development.

5.3 *PRINCIPAL COMPONENT ANALYSIS*

For the purposes of this analysis Principal Component Analysis (PCA) was used to develop summary constructs from the survey's many country, people and product

measures. PCA aids in understanding how different measures group together and also generates composite³ variables to further data analysis techniques.

PCA was administered separately to the product and country/people items. The Kaiser Criterion of inclusion was used for variable retention, retaining factors with eigenvalues greater than one. To more easily interpret the results of the analysis, varimax rotation of the component variables was selected. This type of rotation allows for each factor to load highest on a smaller number of variables and lower on the other variables, which generally makes interpretation of the resulting factors easier to understand (Stevens, 2002). Following Stevens (2002) recommendation, it was decided that loadings above 0.40 would be interpreted in order to produce good interpretation results for the sample size.

Two approaches were used in administering the PCA to the country/people measures. The first approach taken was to perform PCA on all of the 26 country/people measures. However, since the correlation analysis to be done required a test of the correlations between the *Level of Economic Development*, *Level of Social Development*, *Level of Political Development* and *Familiarity with Country* with the new country composite variables, these measures had to be removed from the PCA. Furthermore, since there had been a trend of respondents rating technological development as a significant dimension for products, the people and the stimulus countries, this measure was also removed.

³ Composite variables generated by the researcher are intended to describe combinations of individual scales through the use of a single explanatory variable (Szamosi, 1995)

In order to justifiably combine the student and non-student groups, a multivariate test was run to compare the means of the two groups on all product and country/people composite variables. Though the multivariate test was significant, there were only two composite variables that were significantly different. Those were Market Presence of the Product, and Utopian State, each at $\alpha = .019$ ($p < 0.05$) and $\alpha = .000$ ($p < 0.05$) respectively. However, a t-test confirmed that the difference between these two means was quite small. Therefore, since the mean difference of the student and non-student groups within each of these composite variables was quite small ($< .4$), it was decided that these groups were not substantively different and could be analyzed as one group.

5.3.1 Product Composite Variables

PCA was first run with all of the product measures excluding the product response measures and the overall product rating measure. Three composite variables emerged from the product measures analysis: Product Competence, Product Market Presence and Uniqueness of Product.

As shown in Table 5.7 the *Technological Complexity* measure loaded higher in the Product Competence group, and was therefore kept in that group. Similarly, the *Exotic* measure also loaded in two groups, however had a higher loading with *Riskiness* so these measures were retained in what was termed the Uniqueness of Product group.

Table 5.7 – Rotated Components Matrix: Product Composite Variables

	Component		
	Product Competence	Product Market Presence	Uniqueness of Product
Reliability	.803		
Workmanship	.832		
Technological complexity	.619	.505	
Design Quality	.849		
Attractiveness	.820		
Prestigious	.772		
Good value	.624		
Exotic	.412		.730
Riskiness			.887
Familiarity with products		.823	
Expensive	.616		
Availability of products in Canada		.851	
Eigenvalue	4.75	2.02	1.42
Percentage of Variance Explained	39.58	16.80	11.88

The remaining product measures (*Willingness to Buy, Interested in Purchasing Products, Willingness to Recommend Products to Others, and Overall how would you rate the products*) were excluded since they were all considered to be response-related measures. This was verified by checking these measures as a group to ensure that they loaded onto one composite variable (Table 5.8). This was the case and therefore the Product Response composite variable was named and treated separately. Therefore, for the product measures, the new composite variables that describe respondents' product ratings are: Product Competence, Product Market Presence, Uniqueness of Product and Product Response.

Table 5.8 – Component Matrix : Product Response Composite Variables

	Component
	Product Response
Willingness to buy	.863
Interested in purchasing products	.858
Overall, how would you rate the country's products?	.899
Willingness to recommend products to others	.885
Eigenvalue	3.07
Percentage of variance explained	76.79

5.3.2 Country/People Composite Variables

Two approaches were used in administering the PCA to the country/people measures, where the second approach excluded measures to be tested in correlation analysis. The first approach taken was to perform PCA on all of the 26 country/people measures. The first approach to the country/people PCA yielded six composite variables (Table 5.9).

The first composite variable is called Eco-Tech Development, and is comprised of economic, education, work skills and technological access measures. The *Quality of Life* measure also loaded here suggesting respondents felt the economic and technological aspects were most highly related to overall life quality for the countries selected. The second composite variable was named Socio-Political Development and includes four measures: *Individual Rights and Freedoms*, *Political Stability*, *Level of Social Development* and *Level of Political Development*.

The third composite variable was named Affability, and includes the affective measures of Likeability of People, Trustworthiness of People, Enjoyable People to be with and

Exotic Culture. The fourth composite variable was termed Affinity, as it represents a respondent's familiarity and kinship with a country.

Table 5.9 – Rotated Components Matrix: First Approach - Country/People Composite Variables

	Component					
	Eco-Tech Development	Socio-Political Development	Affability	Affinity	Utopian State	Compromised State
Likeability of people			.878			
Trustworthiness of people			.792			
Enjoyable people to be with			.837			
Similarity of country's people to Canadians				.503		
Skill level of the workforce	.767					
Education level	.716					
Wealth	.795					
Stability of economy	.811					
Quality of life	.673					
Distribution of wealth	.511				.460	
Need for international assistance	-.457					.543
Individual rights and freedoms		.778				
Level of government and business corruption						.734
Political stability	.571	.409				
Presence of armed conflict						.775
Admirable for role in world politics	.421				.428	
Environmentally friendly country					.641	
Access to modern technology	.790					
An exotic culture			.539			
Aligned with Canada				.556		
Familiarity with country				.675		
Canada's proximity to country				.784		
Level of economic development	.816					
Level of social development	.437	.668				
Level of technological development	.823					
Level of political development	.540	.522				
Eigenvalue	6.64	2.95	2.17	2.17	1.69	1.68
Percentage of Variance Explained	25.52	11.34	8.36	8.34	6.52	6.48

Affinity includes the measures of *Similarity of country's people to Canadians*, *Aligned with Canada*, *Familiarity with Country* and *Canada's proximity to Country*.

The fifth composite variable was termed Utopian State, which includes the *Distribution of Wealth* measure, the *Admirable for Role in World Politics* measure and the *Environmentally Friendly Country* measure. The last composite variable was labelled Compromised State, and this composite variable includes the *Need for International Assistance*, *Level of Government and Business Corruption* and *Presence of Armed Conflict* measures.

Table 5.9 also illustrates that the overall measures of *Level of Social Development* and *Level of Political Development* loaded in two composite variables: Eco-Tech Development and Socio-Political Development. Though the measure of *Level of Social Development* loaded in these two composite variable groups, it displayed higher loadings in the Socio-Political Development composite variable and was therefore included in the latter composite variable group. The *Level of Political Development* measure was assigned to the Socio-Political Development composite variable, where it made more logical sense as the differences in the loading was marginal.

The measures of *Distribution of Wealth* and *Political Stability* also each loaded into two composite variable groups. *Distribution of Wealth* loaded in Eco-Tech Development and Utopian State, and *Political Stability* loaded with Eco-Tech Development and Socio-Political Development. Again, a logic based decision was made to assign each of these

two measures to the Utopian State and Socio-Political Development composite variables respectively.

The above PCA analysis for the country and people measures was conducted without the overall country or overall level of development ratings and without the response measures. Once again the response measures and the overall measures of country and development loaded together, and this composite variable was called Country/People Response. The response variables included in the country/people response composite variable are: *Would like to Travel To, Would like Canada to Invest In, Would like Investment From, Would Welcome Immigrants From, Canada should have Closer Ties With, Overall, How would you Rate it as a Country and Overall Level of Development.*

Table 5.10 – Component Matrix: Country/People Response Composite Variable

	Component
	Country/People Response
Would like to travel to	.674
Would like Canada to invest in	.839
Would like investment from	.748
Would welcome immigrants from	.649
Canada should have closer ties with	.864
Overall, how would you rate it as a country?	.820
Overall level of development	.759
Eigenvalue	4.13
Percentage of variance explained	59.06

To complete the second approach to the country/people PCA, it was necessary to run a second factor analysis on part of the original data. In order to test the correlations between the *Level of Economic Development, Level of Social Development, Level of Political Development* and *Familiar with Country* with country/people composite

variables, these measures had to be removed from the factor analysis. Furthermore, since there has been a trend of technological development being a significant dimension along which respondents rated products, the people and the stimulus countries, the *Level of Technological Development* was among the measures excluded from the second PCA.

Through the use of PCA and a varimax rotation, five composite variables emerged from the second approach (Table 5.11). With the removal of the selected measures, the dimensions of development of Eco-Tech Development and Socio-Political Development essentially merged into one dimension named Level of Development.

The majority of the remaining measures loaded into the same composite variables with some exceptions. *Distribution of Wealth* loaded in two components as it did in the original factor analysis. However, as in the first country/people factor analysis, in a logic driven decision this measure was included in the Utopian State component. The measures of *Need for International Assistance* and *Admirable for Role in World Politics* also loaded in two composite variables, but were each assigned to the composite variable where they had the highest loading.

Table 5.11 – Rotated Component Matrix: Second Approach - Country/People Composite Variables

	Component				
	Level of Development	Affability	Affinity	Utopian State	Compromised State
Likeability of people		.882			
Trustworthiness of people		.786			
Enjoyable people to be with		.843			
Similarity of country's people to Canadians			.658		
Skill level of the workforce	.790				
Education level	.741				
Wealth	.810				
Stability of economy	.846				
Quality of life	.722				
Distribution of wealth	.581			.496	
Need for international assistance	-.437				.495
Individual rights and freedoms				.577	
Level of government and business corruption					.746
Political Stability	.647				
Presence of armed conflict					.802
Admirable for role in world politics	.438		.422		
Environmentally friendly country				.733	
Access to modern technology	.760				
An exotic culture		.524			
Aligned with Canada			.700		
Canada's proximity to country			.766		
Eigenvalue	5.2	2.8	2.0	1.8	1.6
Percentage of Variance Explained	24.9	13.4	9.6	8.4	7.8

These new composite variables demonstrate that within country/people images, there are significant differences in perceptions of the related measures. In the first PCA approach six new composite variables emerged, and in the second approach five new composite variables emerged. Stevens (2002) states that components with four or more loadings above .60 are reliable regardless of sample size, and that components with only a few low loadings can be interpreted if the sample size is greater than 300. This indicates that the PCA has provided a stable base from which to proceed with the analysis of the data.

Table 5.12 provides a summary of the new composite variables created, and the ratings that make up each of the composite variables. Also of note is that in comparing the two PCAs, only two measures moved – *Admirable for Role in World Politics* from Utopian State to Level of Development, and *Individual Rights and Freedoms* from Socio-Political Development to Utopian State.

Table 5.12 – Product and Country/People Composite Variables and Associated Survey Measures

PRODUCT COMPOSITE VARIABLES	
Product Competence	Reliability, Workmanship, Technological Complexity, Design quality, Attractiveness, Prestigious, Good value, Expensive
Product Market Presence	Familiarity with products, Availability of products in Canada
Uniqueness of Product	Exotic, Riskiness
Product Response	Willingness to buy, Interested in purchasing products, Willingness to recommend products to others, Overall how would you rate the products
COUNTRY/PEOPLE COMPOSITE VARIABLES (First Approach)	
Eco-Tech Development	Skill level of the workforce, Education level, Wealth, Stability of economy, Quality of life, Access to modern technology, Level of economic development, Level of technological development
Socio-Political Development	Individual rights and freedoms, Political Stability, Level of social development, Level of political development
Affability	Likeability of people, Trustworthiness of people, Enjoyable people to be with, An exotic culture
Affinity	Similarity of country's people to Canadians, Aligned with Canada, Familiarity with country, Canada's proximity to country
Utopian State	Distribution of wealth, Admirable for role in world politics, Environmentally friendly country
Compromised State	Need for international assistance, Level of government and business corruption, Presence of armed conflict
Country/People Response	Would like to travel to, Would like Canada to invest in, Would like investment from, Would welcome immigrants from, Canada should have closer ties with, Overall how would you rate the country, Overall level of development
COUNTRY/PEOPLE COMPOSITE VARIABLES (Second Approach*)	
Level of Development	Skill level of the workforce, Education level, Wealth, Stability of economy, Quality of life, Political Stability, Admirable for role in world politics, Access to modern technology
Affability	Likeability of people, Trustworthiness of people, Enjoyable people to be with, An exotic culture
Affinity	Similarity of country's people to Canadians, Aligned with Canada, Canada's proximity to country
Utopian State	Distribution of wealth, Individual rights and freedoms, Environmentally friendly country
Compromised State	Need for international assistance, Level of government and business corruption, Presence of armed conflict

* This PCA does not include the following measures: *Level of Economic Development, Level of Social Development, Level of Political Development, Level of Technological Development* and *Familiar with Country*.

5.4 *MULTIVARIATE ANALYSIS OF VARIANCE*

Multivariate analysis of variance (MANOVA) was used in this research to test whether or not consumers perceived differences in both the product and country/people composite variables across the ten stimulus developing countries.

5.4.1 Product MANOVA

To test whether or not consumers perceived differences in the product composite variables across countries, MANOVA was run using the General Linear Model function. Product Competence, Product Market Presence and Uniqueness of Product were the dependent variables, and Country Identification was the fixed factor. The overall MANOVA of country differences of product factors indicated a significant difference (Wilk's Lambda = 15.82, $\alpha = .00$), which indicates that the three product composite variables ratings levels are significantly different among the ten countries.

The Tukey-test, which adjusts for multiple test effects, was used as a multivariate follow-up test in order to determine which country pair means were significantly different. The summary of the homogenous subsets identified through the Tukey post-hoc test are summarized in Table 5.13.

Table 5.13 – Tukey HSD for Product Composite Variables

	Product Competence	Mean	Market Presence	Mean	Uniqueness of Product	Mean
	Tanzania ^a	3.11	Ghana ^a	2.12	Poland ^a	3.19
	Ghana ^a	3.14	Tanzania ^{a, b}	2.31	China ^a	3.56
	Morocco ^{a, b}	3.59	Morocco ^{a, b, c}	2.61	Mexico ^{a, b, c}	3.83
	Malaysia ^{a, b}	3.61	Argentina ^{b, c, d}	2.82	Thailand ^{b, c, d}	4.06
	Thailand ^{a, b}	3.69	Poland ^{b, c, d}	2.94	Malaysia ^{b, c, d}	4.08
	Mexico ^b	3.74	Chile ^{c, d}	3.13	Chile ^{b, c, d}	4.13
	Chile ^b	3.81	Malaysia ^{d, e, f}	3.50	Argentina ^{c, d}	4.32
	Poland ^b	3.94	Mexico ^{e, f}	3.82	Ghana ^{c, d}	4.35
	Argentina ^b	3.97	Thailand ^f	4.11	Tanzania ^d	4.56
	China ^b	4.13	China ^g	5.03	Morocco ^d	4.65
F value	6.18		33.25		8.34	
Sig.	.00		.00		.00	

Note: Countries with the same superscript letter are not significantly different

From the Tukey HSD post-hoc test, it can be seen that products from Ghana and Tanzania are perceived lowest on the Product Competence composite variable, and make up one homogenous subset. Mexico, Chile, Poland, Argentina and China are not perceived as significantly different from one another on Product Competence, and comprised the highest rated subset of countries. Morocco, Malaysia and Thailand products form a middle group with overlap to both the highest and lowest countries.

With respect to the Market Presence composite variable, China is in a group on its own having the highest mean score of all of the countries. China's mean score is more than twice the mean score of Ghana for this particular composite variable. Thailand is positioned below China, but shares a subgroup with Malaysia and Morocco. The remaining countries are in five overlapping groups. Ghanaian products are perceived as having the lowest market presence.

On the Uniqueness of Product composite variable, the countries of Poland and China have products that are perceived as less unique. While Morocco and Tanzania have the highest means on this composite variable, these countries are not perceived as being significantly different from five other countries: Ghana, Argentina, Chile, Malaysia or Thailand. Mexican product ratings for Uniqueness of Product overlap with five other countries in the middle of the scale.

5.4.2 Country/People MANOVA

To test whether or not consumers perceived differences in the country/people composite variable across countries, MANOVA was run using the General Linear Model function. Eco-Tech Development, Socio-Political Development, Affability, Affiliation, Utopian State and Compromised State were the dependent variables with Country Identification as the fixed factor.

The overall MANOVA of country differences on the country/people composite variables indicated a significant difference among the countries (Wilk's Lambda = 8.19, $\alpha = .00$). However for the composite variable of Affability, the test of between subjects effects indicated that this composite variable only approached significance ($\alpha = .07$). Once again Tukey HSD was used as the follow-up to the significant multivariate test. The homogenous subsets of countries with respect to country/people composite variables are summarized in Table 5.14 below.

Table 5.14 – Tukey HSD for Country/People Composite Variables

	Eco-Tech Development	Mean	Socio-Political Development	Mean	Affability	Mean
	Ghana ^a	2.59	Ghana ^a	3.03	Mexico	4.38
	Tanzania ^a	2.86	Tanzania ^a	3.13	China	4.42
	Mexico ^b	3.45	Thailand ^{a, b}	3.50	Chile	4.46
	Morocco ^b	3.47	China ^{a, b}	3.53	Poland	4.52
	Chile ^b	3.48	Chile ^{a, b}	3.54	Morocco	4.53
	Argentina ^b	3.56	Morocco ^{a, b}	3.58	Ghana	4.54
	Thailand ^b	3.65	Argentina ^b	3.72	Thailand	4.70
	Malaysia ^b	3.73	Malaysia ^b	3.77	Malaysia	4.77
	China ^c	4.30	Mexico ^b	3.80	Argentina	4.79
	Poland ^c	4.36	Poland ^c	4.38	Tanzania	4.93
F value	20.37		9.31		1.78	
Sig.	.00		.00		.07	
	Affinity	Mean	Utopian State	Mean	Compromised State	Mean
	Tanzania ^a	2.53	Ghana ^a	2.55	Poland ^a	3.52
	Malaysia ^{a, b}	2.70	China ^a	2.71	Thailand ^{a, b}	3.83
	Ghana ^{a, b}	2.75	Mexico ^a	2.75	Morocco ^{a, b}	3.87
	Morocco ^{a, b}	2.88	Tanzania ^a	2.82	Malaysia ^{a, b}	3.93
	Argentina ^{a, b, c}	3.05	Argentina ^a	2.87	China ^{a, b}	4.02
	Chile ^{a, b, c}	3.05	Malaysia ^a	2.93	Chile ^{a, b}	4.04
	Thailand ^{b, c, d}	3.14	Thailand ^a	2.99	Mexico ^{a, b}	4.05
	China ^{b, c, d}	3.17	Chile ^a	3.05	Argentina ^{a, b}	4.06
	Poland ^{c, d}	3.54	Morocco ^a	3.09	Ghana ^b	4.34
	Mexico ^d	3.63	Poland ^b	3.69	Tanzania ^b	4.43
F value	7.74		6.47		3.56	
Sig.	.00		.00		.00	

Note: Countries with the same superscript letter are not significantly different

In the Eco-Tech Development and Socio-Political Development composite variables Ghana and Tanzania are in a group together and account for the respondents' lowest country perceptions. Poland and China provide an interesting difference in ranking on these two highly important composite variables. China and Poland are perceived as having the highest level of Eco-Tech Development. However for the Socio-Political Development composite variable, Poland alone is perceived as having the highest

development with a means of 4.38, whereas China is ranked much lower with a mean of 3.53.

Table 5.14 illustrates that there is only one subset for Affability, which is logical as there were no significant differences on this composite variable between the countries. That is to say that the respondents' feeling of affability is felt concerning all of the countries, with none being perceived as significantly more likeable than others. On the composite variable of Affinity, Tanzania ranks the lowest with a mean of 2.53, but overlaps with five other countries in a subgroup. Mexico overlaps with four other countries, but has the highest mean in the subset. Mexico being ranked lowest on Affability and highest on Affinity implies that a feeling of familiarity with or connection towards a country does not necessarily mean that a country's people are more liked.

Poland is recognized as the highest ranked country on the Utopian State composite variable, with a mean of 3.69. The rest of the countries group together with very low means ranging from 2.55 (Ghana) to 3.09 (Morocco). When looking at the Compromised State⁴ composite variable, Poland is the only country rated significantly different from the other countries with the lowest mean of 3.51. Respondents seem to perceive Poland as the best country in terms of those measures making up both the Utopian State and Compromised State composite variables. Ghana and Tanzania are the only two countries to belong exclusively to the lower subset of Compromised State, with means of 4.34 and

⁴ Recall that the original ratings are used for this analysis, and not the reverse-coded ratings. Therefore, a higher rating means a more Compromised State.

4.43 respectively, whereas all of the other countries overlap with Poland in the top Compromised State subset.

Hypothesis two was concerned with understanding whether or not consumers perceived differences in the characteristics of development across the stimulus countries. The null hypotheses stated that no such relationship would exist. Specifically:

H₂: There will be no difference in consumer perceptions of the levels of **economic, social and political development** and **familiarity** across developing countries

Given the results seen in Table 5.14 hypotheses two is rejected. The overall MANOVA of country differences of country/people composite variables indicated a significant difference between the countries on the country/people composite variables of Eco-Tech Development, Socio-Political Development, Affiliation, Utopian State and Compromised State. Only on the composite variable of Affability was there no perceived difference among the countries.

5.5 CORRELATION ANALYSIS OF DEVELOPMENTAL AND FAMILIARITY MEASURES WITH PRODUCT, COUNTRY/PEOPLE AND RESPONSE COMPOSITE VARIABLES

Hypotheses 3 through 6 were concerned with correlation analysis. In order to test these hypotheses, two-tailed bivariate correlations were computed for each pair of measures and composite variables. These correlations are presented in Table 5.15. For the most part, the measures and composite variables within the correlation matrix were all high and significantly correlated.

Table 5.15 – Correlations between Development and Familiarity Measures and Product, Country/People and Response Composite Variables

	ED	SD	PD	F	TD	PR	C/P R
Product Composite Variables							
Product Competence	.49(**)	.40(**)	.44 (**)	.29(**)	.53(**)	.76(**)	.52(**)
Product Market Presence	.37(**)	.15(**)	.21(**)	.43(**)	.42(**)	.58(**)	.28(**)
Uniqueness of Product	-.04	.05	.02	.03	-.04	.21(**)	.14(**)
Country/People Composite Variables							
Level of Development	.78(**)	.61(**)	.67(**)	.33(**)	.76(**)	.48(**)	.58(**)
Affability	.19(**)	.28(**)	.29(**)	.23(**)	.19(**)	.37(**)	.55(**)
Affinity	.42(**)	.42(**)	.42(**)	.42(**)	.38(**)	.37(**)	.52(**)
Utopian State	.45(**)	.64(**)	.53(**)	.22(**)	.41(**)	.32(**)	.42(**)
Compromised State	-.17(**)	-.11(**)	-.13(**)	.01	-.21(**)	-.04	-.11(**)
Response Composite Variables							
Product Response	.41(**)	.32(**)	.34(**)	.38(**)	.42(**)	1	.56(**)
Country/People Response	.47(**)	.49 (**)	.53(**)	.38(**)	.49(**)	.56(**)	1

** Correlation is significant at the 0.01 level (2-tailed)

Note: ED = Level of Economic Development, SD = Level of Social Development, PD = Level of Political Development, F = Familiar with Country, TD = Level of Technological Development, PR = Product Response, C/P R = Country/People Response

However, Uniqueness of Product and Compromised State are the two composite variables that are not significantly correlated with the majority of the other measures and composite variables. Uniqueness of Product is not significantly correlated with any of the development variables but is significantly correlated with Product and Country/People Response composite variables.

Compromised State is significantly negatively correlated with the *Level of Economic, Social, Political Technological* development measures, however as might be expected, it is not significantly correlated with the *Familiar with Country*. Compromised State is not correlated with the Product Response composite variable; however it is significantly correlated with the Country/People Response composite variable, which is in turn highly correlated to Product Response.

For the correlation analysis of the developmental and familiarity measures with the product, country/people and response composite variables, it is the measures of *Level of Economic Development* and *Level of Technological Development* that are most highly correlated with the Level of Development composite variable. Both the Product Response and Country/People Response composite variables are highly correlated with all of the developmental and familiarity measures. However, Product Response has the highest correlation with *Level of Technological Development*; whereas Country/People Response's highest correlation is with *Level of Political Development*.

Hypotheses three through six were concerned with understanding whether or not there is a relationship between consumers' country image perceptions and the country's perceived level of development. The null hypotheses stated that no such relationship would exist. Specifically:

H₃₋₆: Consumer perceptions of the developing country itself, the people, and its products will not be related to the country's perceived (**H₃) level of economic development, (H₄) level of social development, (H₅) level of political development** nor will these perceptions be related to respondents' perceived (**H₆) level of familiarity with the country**.

Given the results seen in Table 5.15 Hypotheses 3, 4, 5 and 6 are rejected. The measures of *Level of Economic Development*, *Level of Social Development*, *Level of Political Development* and *Level of Technological Development* are highly significantly correlated with all of the country/people composite variables and with all of the product composite variables except for Uniqueness of Product. Furthermore, the *Familiar with Country* measure is significantly correlated with all composite variables with only two exceptions: Uniqueness of Product and Compromised State. Also, though it was not a formal

hypothesis, *Level of Technological Development* was significantly correlated with all measures and composite variables except for Uniqueness of Product.

5.6 MULTIPLE REGRESSION ANALYSIS OF DEVELOPMENTAL AND FAMILIARITY MEASURES AND PRODUCT AND COUNTRY/PEOPLE COMPOSITE VARIABLES

The research objectives of this study are to understand how the overall measures of economic, social, and political development and familiarity are related to consumer perceptions of, and their responses to, the countries, their people and their products. These objectives and related attitudes concerning the countries' level of development were explored using multiple regression analysis. There were some additions made to the regressions initially discussed to be tested in section 4.2.4 in Table 4.3. This was due to the fact that the composite variables generated by the PCA were also tested for relationships with all overall measures of development and familiarity. For the multiple regression analysis all independent variables were entered at once. A complete list of regressions tested can be found in Appendix G.

For the *Level of Economic Development* dependent variable, the independent variables tested were *Wealth*, *Stability of Economy*, *Distribution of Wealth*, *Need for International Assistance*, *Skill level of the Workforce*, *Level of Technological Development*, and *Access to Modern Technology*. The regression equation was a very good fit ($R^2_{adj} = 0.60$), and the overall relationship was significant ($p < 0.05$). In multiple regression analysis, a large value for the standardized beta coefficient indicates that a unit change in this variable has a large effect on the dependent variable. In this case it is the independent

variables of *Stability of the Economy* and *Level of Technological Development* had the largest effect on the *Level of Economic Development* variable (Table 5.16). The measures of *Need for International Assistance* and *Access to Modern Technology* were not significant contributors to the regression equation.

The regression equation for *Level of Social Development* included the measures of *Quality of Life*, *Education Level*, *Individual Rights and Freedoms* and *Environmentally Friendly Country*. The regression equation was a good fit as well ($R^2_{\text{adj}} = 0.54$), with *Level of Individual Rights and Freedoms* having the largest effect on the dependent variable, much higher than the other measures. Table 5.16 also illustrates that the independent variable *Environmentally Friendly Country* did not have a significant effect on the *Level of Social Development*.

For the *Level of Political Development* regression the fit of the equation was good, ($R^2_{\text{adj}} = 0.38$), however *Level of Business and Government Corruption* did not significantly explain any of the variance of the dependent variable. Furthermore, the independent variable of *Presence of Armed Conflict* had a negative beta coefficient. Therefore, when a country is seen as more politically developed, the presence of armed conflict is seen to be lower. The independent variables that had the largest effect on the *Level of Political Development* measure were *Political Stability* and *Admirable for role in World Politics* with beta coefficients of 0.43 and 0.30 respectively.

Table 5.16 – Multiple Regression on Development and Familiarity Single Measures

Dependent	Independent	Adjusted R-Square
Level of economic development	Wealth*, Stability of economy*, Distribution of wealth*, Need for international assistance, Skill level of the workforce*, Level of technological development*, Access to modern technology	.60
Level of economic development = .17 Wealth + .25 Stability of the economy + .08 Distribution of wealth + .16 Skill level of the workforce + .22 Level of technological development		
Dependent	Independent	Adjusted R-Square
Level of social development	Quality of life*, Education level*, Individual rights and freedoms*, Environmentally friendly country	.54
Level of social development = .15 Quality of life + .20 Education level + .49 Individual rights and freedoms		
Dependent	Independent	Adjusted R-Square
Level of political development	Level of government and business corruption, Political stability*, Presence of armed conflict*, Admirable for role in world politics*	.38
Level of political development = .43 Political stability - .14 Presence of armed conflict + .30 Admirable for role in world politics		
Dependent	Independent	Adjusted R-Square
Familiarity with country	Similarity of country's people to Canadians, Aligned with Canada*, Canada's proximity to country*, An exotic culture	.20
Familiarity with country = .16 Aligned with Canada + .34 Canada's proximity to country		
*Significant at the p=0.05 level		

In the multiple regression involving *Familiarity with Country* as the dependent variable, the fit of the equation was lower than for the other developmental equations ($R^2_{adj} = 0.20$). *Canada's Proximity to Country* explained most of the variance within the equation, and whether or not the country was seen to be *Aligned with Canada* was also positively related to consumers' level of familiarity with the country. However Table 5.16 also

shows that the independent variables of *Similarity of country's people to Canadians* and *An Exotic Culture* did not have a significant effect on *Familiarity with Country*.

For the multiple regression on the *Overall Level of Development* measure, (Table 5.17), the single measures of *Level of Economic Development*, *Level of Social Development*, *Level of Political Development*, *Level of Technological Development* and *Familiarity with Country* explained a large proportion of the variance ($R^2_{adj} = 0.55$) in the dependent measure. All independent variables were significant, with the highest betas associated with *Level of Economic Development*, and slightly lower betas for *Level of Technological Development* and *Level of Political Development*. *Familiarity with Country* was the lowest contributor to the equation, with a beta coefficient of 0.10.

Table 5.17 – Multiple Regression on Overall Level of Development Single Measure

Dependent	Independent	Adjusted R-Square
Overall level of development	Level of economic development*, Level of social development*, Level of political development*, Level of technological development*, Familiarity with country*	.55
Overall level of development = .26 Level of economic development + .21 Level of social development + .20 Level of political development + .21 Level of technological development + .10 Familiarity with country		
Dependent	Independent	Adjusted R-Square
Overall level of development	Eco-Tech Development*, Socio-Political Development*, Affability*, Affinity*, Utopian State, Compromised State	.58
Overall level of development = .26 Eco-Tech Development + .18 Socio-Political Development + .27 Affability + .13 Affinity		
*Significant at the p=0.05 level		

For the regression equation with the country/people composite variables as independent variables, it is the composite variables of Affability and Eco-Tech Development that have the largest beta values. The regression equation was again a very good fit ($R^2_{\text{adj}} = 0.58$). The Socio-Political Development composite variable was a lesser contributor to the regression equation, and Affinity had the lowest beta value. This is similar to the previous regression equation, in which *Familiarity with Country* was significant, however it was a lesser contributor to the overall equation. Recall that the Affinity is the composite variable that includes the measures of *Familiarity with Country*, *Similarity of Country's People to Canadians*, *Aligned with Canada* and *Canada's Proximity to Country*. Therefore the composite variable that measures familiarity is Affinity. The only two composite variables that were not significant in the multiple regression on the *Overall Level of Development* measure were Utopian State and Compromised State.

The *Overall, How would you rate it as a country* regression included the measures of *Level of Economic Development*, *Level of Social Development*, *Level of Political Development*, *Level of Technological Development* and *Familiarity with Country*. All of these measures were found to be significant, and the regression equation was a good fit ($R^2_{\text{adj}} = 0.39$). The single measures of *Level of Social Development* and *Level of Political Development* had higher relative weights in explaining the variance in the first regression equation. This implies that a country with higher perceived levels of social and political development is more likely to be positively perceived by consumers.

The second regression equation comprised of the country/people composite variables was again a good fit ($R^2_{adj} = 0.48$). It was the independent variable of Eco-Tech Development that had the much higher predictive ability compared to the other independent variables. This composite variable's beta coefficient was more than twice that of the next highest composite variable. Socio-Political Development was the next highest contributor, but its beta coefficient was much lower, at 0.25. Affinity and Affability were both found to be significant, though their beta coefficients were the lowest in the equation. Utopian State and Compromised State were again not significant contributors to the regression equation.

Table 5.18 – Multiple Regression on Overall Country Single Measure

Dependent	Independent	Adjusted R-Square
Overall, how would you rate it as a country	Level of economic development*, Level of social development*, Level of political development*, Level of technological development*, Familiarity with country*	.39
Overall, how would you rate it as a country = .11 Level of economic development + .23 Level of social development + .21 Level of political development + .14 Level of technological development + .16 Familiarity with country		
Dependent	Independent	Adjusted R-Square
Overall, how would you rate it as a country	Eco-Tech Development*, Socio-Political Development*, Affability*, Affinity*, Utopian State, Compromised State	.48
Overall, how would you rate it as a country = .51 Eco-Tech Development + .25 Socio-Political Development + .07 Affability + .11 Affinity		
*Significant at the $p=0.05$ level		

When using the overall product single measure as the dependent variable (Table 5.19), and the developmental and familiarity measures as independent variables, the regression

fit was lower ($R^2_{\text{adj}} = 0.29$) than the fit obtained using either the country/people composite variables ($R^2_{\text{adj}} = 0.33$) or the product composite variables ($R^2_{\text{adj}} = 0.65$).

In the first equation the individual measure of *Level of Technological development* was the strongest predictor, followed by *Familiarity with Country*, *Level of Economic Development* then *Level of Social Development*. The measure of *Level of Political Development* was not found to be a significant predictor of consumers' overall ratings of a country's products.

The second equation was comprised of the following composite variables: Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State and Compromised State. It was the composite variable of Eco-Tech Development that was found to be by far the strongest predictor at more than two and a half times stronger than both Affinity and Affability. The composite variable of Socio-Political Development was not found to be significant.

In the third equation in which Product Competence, Market Presence of Product and Uniqueness of Product were tested against the overall country rating measure, each of the independent variables was significant. However, it was the composite variable of Product Competence which was the strongest predictor overall, with a beta coefficient of 0.68. It is also this equation that accounted for the largest percentage of variance explained ($R^2_{\text{adj}} = 0.65$). This is not surprising since the predictor variables are all specific product measures.

Table 5.19 – Multiple Regression on Overall Product Single Measure

Dependent	Independent	Adjusted R-Square
Overall, how would you rate the country's products	Level of economic development*, Level of social development*, Level of political development, Level of technological development*, Familiarity with country*	.29
Overall, how would you rate the country's products = .15 Level of economic development + .09 Level of social development + .24 Level of technological development + .17 Familiarity with country		
Dependent	Independent	Adjusted R-Square
Overall, how would you rate the country's products	Eco-Tech Development*, Socio-Political Development, Affability*, Affinity*, Utopian State, Compromised State	.33
Overall, how would you rate the country's products = .44 Eco-Tech Development + .16 Affability + .14 Affinity		
Dependent	Independent	Adjusted R-Square
Overall, how would you rate the country's products	Product Competence*, Market Presence of Product*, Uniqueness of Product*	.65
Overall, how would you rate the country's products = .68 Product Competence + .21 Market Presence of Product + .05 Uniqueness of Product		
*Significant at the p=0.05 level		

When the single measures of *Level of Economic Development*, *Level of Social Development*, *Level of Political Development*, *Level of Technological Development* and *Familiarity with Country* were included in the equation to predict *Willingness to Buy*, (Table 5.20), the equation's predictive ability was comparatively quite low ($R^2_{adj} = 0.16$). Only *Level of Economic Development*, *Level of Political Development* and *Familiarity with Country* were found to be significant, with the latter composite variable contributing

slightly more to the overall equation. *Level of Social Development* and *Level of Technological Development* did not have a significant effect on *Willingness to Buy*.

When the composite variables of Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State and Compromised State were tested with the dependent variable, only half of these independent variables were significant. Eco-Tech Development, Affability and Affinity were significant while Socio-Political Development, Compromised State and Utopian State were not. It was the composite variable of Eco-Tech Development that explained most of the variance within this regression equation with a beta coefficient of 0.29 (Table 5.20). This regression equation was a slightly better fit, ($R^2_{\text{adj}} = 0.24$), than the previous equation that used only single measures as independent variables.

Table 5.20 also shows that the regression equation comprised of the product composite variables had a good fit overall ($R^2_{\text{adj}} = 0.48$). The composite variables of Product Competence, Market Presence of Product and Uniqueness of Product were the strongest combined predictors for *Willingness to Buy*. It was the composite variable of Product Competence that was the strongest relative contributor, with a beta coefficient of 0.54.

Table 5.20 – Multiple Regression on Willingness to Buy Products Single Measure

Dependent	Independent	Adjusted R-Square
Willingness to buy	Level of economic development*, Level of social development, Level of political development*, Level of technological development, Familiarity with country*	.16
Willingness to buy = .11 Level of economic development + .11 Level of political development + .18 Familiarity with country		
Dependent	Independent	Adjusted R-Square
Willingness to buy	Eco-Tech Development*, Socio-Political Development, Affability*, Affinity*, Utopian State, Compromised State	.24
Willingness to buy = .29 Eco-Tech Development + .16 Affability + .14 Affinity		
Dependent	Independent	Adjusted R-Square
Willingness to buy	Product Competence*, Market Presence of Product*, Uniqueness of Product*	.48
Willingness to buy = .54 Product Competence + .22 Market Presence of Product + .10 Uniqueness of Product		
*Significant at the p=0.05 level		

The same three sets of independent variables were used in the regression equations with the composite variable of Product Response as the dependent variable. For the equation that contained the developmental and familiarity measures, the fit was comparatively low ($R^2_{adj} = 0.27$). *Level of Technological Development* became significant, and surpassed *Level of economic development in importance* (Table 5.21). *Familiarity with Country* was the strongest contributor to the equation, with a beta coefficient of 0.26. *Level of Social Development* and *Level of Political Development* were not significant contributors to the regression equation.

Table 5.21 illustrates that while Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State and Compromised State were tested with the dependent variable, only three of the six independent variables were significant. Eco-Tech Development was the strongest contributor, followed by Affability and Affinity. The composite variables of Socio-Political Development, Utopian State and Compromised State were not found to be significant contributors to the overall equation.

Product Competence, Market Presence of the Product and Uniqueness of Product were also tested with the Product Response composite variable. All of these independent variables were found to be significant, and the regression equation was a very good fit ($R^2_{\text{adj}} = 0.57$). Compared to the regression in Table 5.20, Table 5.21 illustrates that the beta coefficient of Market Presence of Product increased the overall predictability of the equation. Again it was the product composite variables that proved to be the best predictors of Product Response.

Table 5.21 – Multiple Regression on Product Response Composite Variable (without Overall Product Rating)

Dependent	Independent	Adjusted R-Square
Product Response	Level of economic development* Level of social development, Level of political development, Level of technological development*, Familiarity with country*	.27
Product Response = .14 Level of economic development + .17 Level of technological development + .26 Familiarity with country		
Dependent	Independent	Adjusted R-Square
Product Response	Eco-Tech Development*, Socio-Political Development, Affability*, Affinity*, Utopian State, Compromised State,	.29
Product Response = .36 Eco-Tech Development + .21 Affability + .21 Affinity		
Dependent	Independent	Adjusted R-Square
Product Response	Product Competence*, Market Presence of Product*, Uniqueness of Product*	.57
Product Response = .54 Product Competence + .31 Market Presence of Product + .08 Uniqueness of Product		
*Significant at the p=0.05 level		

For the regressions calculated for the country/people response composite variable, the single measures of *Level of Social Development*, *Level of Political Development*, *Level of Technological Development* and *Familiarity with Country* explained a large proportion of the variance ($R^2_{adj} = .42$). *Level of Economic Development* was not found to be significant. While *Level of Political Development* and *Level of Social Development* were the most important in predicting response to the country and its people, it is also interesting to note the high importance of the *Familiarity with Country* measure (Table 5.22).

When the regressions were carried out with the country/people composite variables instead of the single measures, it is the respondents' feelings of Affinity and Affability that contributed most to their response to the country and its people (Table 5.22). Eco-Tech Development and Socio-Political Development were also significant, although at a lower level. Compromised State and Utopian State were not found to be significant. This regression equation was comparatively the best predictor of country/people response ($R^2_{\text{adj}} = 0.46$).

When all three of the product composite variables (Product Competence, Market Presence of the Product and Uniqueness of Product) were inputted in the regression equation, only Product Competence was found to be significant in predicting response to a country and its people. Neither Market Presence of Product nor Uniqueness of Product was a significant contributor to the regression equation (Table 5.22). Since the equation only had one predictor variable, its predictive ability was comparatively quite low ($R^2_{\text{adj}} = 0.20$).

Table 5.22 - Multiple Regression on Country/People Response Composite Variable
(without Overall Country Rating and without Overall Level of Development Rating)

Dependent	Independent	Adjusted R-Square
Country/People Response	Level of economic development, Level of social development*, Level of political development*, Level of technological development*, Familiarity with country*	.42
Country/People Response = .21 Level of social development + .26 Level of political development + .14 Level of technological development + .22 Familiarity with country		
Dependent	Independent	Adjusted R-Square
Country/People Response	Eco-Tech Development*, Socio-Political Development*, Affability*, Affinity*, Utopian State, Compromised State,	.46
Country/People Response = .13 Eco-Tech Development + .42 Affability + .23 Affinity + .14 Socio-Political Development		
Dependent	Independent	Adjusted R-Square
Country/People Response	Product Competence*, Market Presence of Product, Uniqueness of Product	.20
Country/People Response = .42 Product Competence		
*Significant at the p=0.05 level		

6.0 SUMMARY OF FINDINGS AND DISCUSSION

This study examined the bases of differentiation of consumer images for developing countries. There was an emphasis on understanding how perceptions of economic, social and political development and familiarity relate to consumers' willingness to engage with the country, its people and its products. Respondents' perceived levels of country development were compared to actual levels of country development and familiarity as determined by select published indicators of country development and familiarity. This research was concerned with finding out not only if there was relationship between perceived development and country image but also perceived familiarity and country image. The following section provides a summary of these results and discussion.

The research questions were addressed by understanding how the overall published independent organization indicators of economic, social and political development, and indicators associated with familiarity, were related to consumers' images of and responses to and perceived familiarity with the country, its people, and its products.

The first hypothesis involved testing consumers perceived level of country development against the actual levels of development obtained from published indicators. With respect to products, China was the country that overall received the highest product ratings. Notably, China received the highest ratings on response measures, familiarity, and availability of products in Canada. This corresponds to the published ratings, where the Canadian Import Sources (2005) ranks China number one relative to the other stimulus countries. China was seen by respondents as economically developed and familiar but

less developed politically and particularly socially. China rated quite poorly on the survey's social development items, which paralleled its ranking on the published indicators.

When comparing the country rankings from published indicators to the mean survey rankings on the economic, social, and political development and familiarity items, Poland was the country that was rated as the most developed country, despite some low rankings on the published indicators specifically with respect to corruption and environmental sustainability practices. Respondents were also quite familiar with Poland, ranking it as the second highest country overall with respect to familiarity.

Respondents were least familiar with the countries of Ghana and Tanzania, and similarly were least familiar with the products from these countries. Heslop et al. (1998) also found that respondents had the weakest ethnic affiliation to countries that were most developmentally different and the least familiar to them, and thus rated the less developed countries least favorably. There is a link between this study and the present research, as those countries rated as the being most developmentally different and the least familiar to respondents, e.g. Ghana and Tanzania, were also rated lowest on the overall country rating.

Ghana and Tanzania were again rated lowest on availability of products, which coincides with their low relative rank on the Canadian Import Sources List (2005). This result supports earlier findings about the relationship between cognitive structures and exports.

Shimp et al. (1993) found that what consumers know or believe about products was most developed for products made in countries which were identified as heavy exporters and least developed for countries not identified as heavy exporters.

Despite some general similarities between the published country rankings and the mean rankings of the survey items, the first null hypothesis was only partially rejected. This hypothesis stated that consumer perceptions of the dimensions of country development will not be related to the actual levels of these dimensions as determined by the published indicators. There was only enough evidence to reject that there was no relationship between the HDI (2005) and consumer perceptions of a country's level of social development.

Despite being unable to fully reject the first hypothesis, the study found considerable discrepancies between the published indicators' ranking of the countries tested and the rankings based on respondent survey answers. This suggests that respondent information may not be the most up to date. Oftentimes consumers are not aware of advancements in developing countries, and there is likely a time lag between what development is happening in a country, and what developments consumers are hearing about. Some of what consumers know may be from unreliable or general sources, and consumers may be slow to change or react to this information because of lack of involvement or interest in the countries. Hence, countries' positions may have improved or deteriorated and it may take some time for consumers to become aware of these changes and in the meantime, their marketplace responses to products from the country are reflective of old

information. This can work to the detriment of countries which have improved their positions but also insulate for a time countries whose situations have deteriorated.

However, consumers did pick up on the fact that those countries tested had a low presence of armed conflict, which suggests that respondents were aware of low conflict levels in the stimulus countries. But in general there are not many mainstream sources of information on how these countries are progressing, and generally consumers are likely not consciously looking to find out which countries are advancing and which are not.

The second hypothesis questioned whether or not there was a difference in consumer perceptions in the characteristics of development of or in the level of familiarity with the countries. In order to address the second hypothesis, it was necessary to uncover the dimensions along which consumers perceive developing countries. PCA was used to develop composite variables, and this new view of the data allowed dimensions of country image to be discovered. Respondents viewed the developing countries along dimensions of Eco-Tech Development, Socio-Political Development, Affinity, Affability, Utopian State and Compromised State. Despite the analysis revealing these dimensions, the latter two dimensions did not have any significant bearing on consumers' willingness to engage with a country or its products. Consumers did perceived differences across developing countries on all of above dimensions, except for Affability. This shows that respondents' feelings of affability did not differ across countries, and that they found all people of the countries to be equally likeable. However, a significant MANOVA test led

to the rejection of hypothesis two, which states that no differences in the levels of economic, social and political development and familiarity across countries would exist.

Hypotheses three through six stated that consumer perceptions of the country, its people and its products would not be related to the country's perceived level of economic, social or political development nor to the respondents' perceived level of familiarity with the country. These hypotheses were addressed using correlations between the development and familiarity measures and the product, country/people and response composite variables. The majority of the measures and composite variables were high and significantly correlated, therefore hypotheses three through six were rejected.

The regression analysis was particularly helpful in understanding more about the relationship between developmental levels, familiarity and country images. Wang and Lamb (1983) noted that consumers were most willing to buy products from countries that were culturally similar to their own country, highly economically developed and politically free. This study's results are generally similar to this finding, however the present results show that a country's socio-political development has a greater impact on ratings of the country itself rather than the products. It is the country's level of technological development and one's familiarity to the country in question that most strongly affected consumers' product response. This was illustrated in the multiple regression analysis where the dimension of Eco-Tech Development had the largest impact on consumers on the product response regression.

China is an excellent example of the power of the Eco-Tech dimension in relation to product response. China was rated the second highest on overall level of development, despite its presence among the lower half of the stimulus countries on the measures of social and political development. In addition to this, China was rated lowest on the measure of *Environmentally Friendly Country*. This opposes earlier findings by Manrai et al., (1997) that countries that elicit positive attitudes from consumers with respect to environmental practices receive more favorable product evaluations compared to countries that elicit less positive attitudes about the country's environmental practices. In the present study, the *Environmentally Friendly Country* measure was not found to be significant in the regression related to social development. China is the country that respondents rated highest overall with respect to all of the Product Response measures, including *Willingness to Buy Products*.

Interestingly, the composite variable of Socio-Political Development was not a significant predictor of Product Response. In this study, a strong perception of Eco-Tech Development can outweigh even the most negative Socio-Political Development perceptions in terms of consumers' willingness to engage with a country's products. This is again illustrated by the fact that respondents were most willing to buy product from China, a country that they also rated lowest on many social and political development measures. This contradicts part of Wang and Lamb's (1983) findings related to consumers being more willing to buy products from countries perceived as politically free.

This study does reveal a hierarchy for developing countries. Those countries perceived to be the most politically and socially developed and the most familiar are more highly rated by respondents. This is in contrast to this study's findings with respect to products, where a country's level of socio-political development was not found to be a significant predictor of overall product ratings or product response. With respect to the country evaluations, levels of economic and technological development are also important predictors of consumer response, but with less explanatory power. For example, the South American countries of Chile and Argentina were rated quite positively overall, particularly on people measures and those measures related to people and country response. This is explained by the country/people response regression, where Affability and Affinity that had the highest relative contributions, followed by Socio-Political Development and Eco-Tech Development respectively.

A geographic bias also seems to be present. The only European country in this study was Poland. Poland is consistently rated highly on all dimensions of development and familiarity, and seems to be viewed separately from the rest of the countries. The respondents generally rated the Sub-Saharan African countries lowest overall on all dimensions of development and familiarity. The East Asian countries rated among the top four countries on the measures of economic development, and China and Thailand were generally seen as familiar by the respondents. However, Malaysia was the outlier, as it was perceived to be relatively well-developed but was rated by respondents among the bottom three countries with respect to familiarity.

Malaysia could improve its country image among international consumers by becoming more of a familiar country to them. Jaffe and Nebenzahl (2001) suggest that some factors that may increase one's familiarity to a country include knowledge about the country itself and knowledge about or access to the country's products. As a relatively well-developed country with strong technological infrastructure and a perception of having exotic products and exotic culture, Malaysia has a good base from which to further build its reputation as a country and for its products.

In his research, Anholt (2003) posits that when a consumer is familiar with a nation's culture, and perceives the culture favourably, these positive perceptions can be seen as contributions to the country's brand equity. The present research has found that the measure of *Exotic* and the composite variable of Product Uniqueness contributed positively to consumer views of and willingness to engage with the country's products. This finding may be helpful to Malaysia which is a country perceived to have exotic products and an exotic culture. However, perhaps more important than the consumers' positive perception of a country's exotic culture is the consumers' *familiarity* with the country and culture. The perception of an exotic culture alone is not enough to warrant engagement from consumers. For instance while Poland is rated lowest on the exotic measures, it is the country that is rated highest or second highest overall and as a product source.

This study has established that developing countries are not perceived as a homogenous group by consumers. Consumers do differentiate between developing countries, and the

perceived levels of economic, technological, political and social development of the country and the perceived level of familiarity with the country serve as dimensions along which country image is organized.

If developing countries wish to enhance their country image, it is important for international consumers to perceive their products to be technically competent and for the country's products to have a market presence in the buyer country. The country should also aim to project the image of being firstly, technologically and economically developed and secondly, socially and politically developed. The dimension of Eco-Tech Development is of paramount importance to consumers and affects their evaluations of both the country and its products. Though projecting an image of being socially and politically developed would be beneficial in terms of how the country is viewed, it will not affect how consumers respond to the country's products. Finally, it is as important for individuals to perceive the country as familiar, as familiarity seems to be a positive driver of consumer country images of developing countries.

7.0 LIMITATIONS

All studies have limitations. This study has several, and these are discussed with attention to their possible impacts on findings. Respondents are all associated with Carleton University. As Ottawa is a metropolitan city, it may be that the results of this study are not generalizable to the population of Canada as a whole. However, urban consumers are more likely to know more about foreign countries and products (Szamosi, 1995). Therefore, as developing countries continue to attempt to reach consumers in developed countries, these views of upscale educated consumers, like those in the sample, are likely to serve as trend-setters. Therefore, opinions of this type of consumer are especially important to determining market directions.

While not all respondents used in this study were students, some were. Some researchers have disagreed with the use of students in country-of-origin effects studies as they may produce findings with very low effect sizes (Ozsomer & Cavusgil, 1991) or be non-representative. However, in a meta-analysis using 24 previous country-of-origin effects studies, it was concluded that "within the range of studies reported, there is little difference in effect sizes that can be associated with student samples." (Liefeld, 1993, p. 142). Moreover, Peterson and Jolibert (1995) found that the effect sizes did differ between students and non-students for purchase intentions but they attributed the difference to the use of specific products not usually purchased by students.

Respondents may have overemphasized country-of-origin effects as other informational cues, such as price or brand, are not presented in the questionnaire (Bilkey & Nes, 1982).

Furthermore, these effects may be overemphasized through the exclusion of tangible or specific product stimuli from the study (Schooler, 1971). It is possible that respondents may have had different reference products in mind when responding to the product measures in the survey. However, Laroche et al. (2005) state that while images may vary across product classes, product images can be examined at the global level (i.e. all products of a country) when the interest of the research is to advance the general understanding of a country's image. Furthermore, research has found that consumers evaluate less-developed countries more consistently across product classes than they do products from industrialized countries (Cordell, 1992), which applies specifically to this study. Though some researchers feel that global evaluations of a country's products may differ from consumer views about specific products, more tend to appreciate a general approach to studying products (Papadopoulos & Heslop, 1993; Heslop et al., 1998). Furthermore, it would be difficult to specify a single or small set of products that would be equally appropriate for the countries studied in this research. Therefore, the general product image approach for this research was the only feasible approach.

Some of the published indicators used to select the stimulus developing countries may have been dated by the time that this research was completed. The surveys were completed in early 2007, and the majority of the indicators used for the research were published in 2005. For example an indicator that ranks countries in terms of armed conflict is difficult and may become outdated the day after it is published, as conflicts within borders can arise quickly and are not always predictable. However the use of cutoffs in other published indicators, such as the Failed States Index and the Corruptions

Perceptions Index, helped to ensure that those countries predisposed to internal conflicts were not included in the sample.

8.0 RESEARCH BENEFITS AND IMPLICATIONS

Knowledge from the study helps advance understanding of consumer perceptions and responses to developing countries as sources of products. Ultimately, such knowledge can be of use to developing countries to build country brand equity and increase export effectiveness, in order to improve country well-being in an increasingly globalized trading environment. It can also help developing countries understand what they have to address in order to improve their country equity.

For instance, it could be that consumer perceptions of the country, people and products have to be influenced. If a country is relatively well-developed technologically, but the country image perceptions do not match this reality, then affecting consumer perceptions, likely through a cognitive approach to attitude change, may be a route to better markets. The alternate approach is that the actual situation in the country must be changed or improved in order for consumer perceptions to improve and this then becomes the basis for bringing about the image change. The choice of approaches will depend on a number of factors including the direction and degree of discrepancy between reality and perceptions and the ability to affect either or both. In all cases, it is not possible to attempt to change perceptions where reality cannot sustain these perceptions.

The results obtained through this study help the marketing community in analyzing one of the many facets of the product-country image literature and understand the bases for

differentiation of consumers' perceptions of developing countries by identifying the foundations of the differences in these perceptions. It is expected that the research will be of assistance in identifying those countries that have the best chance to build country brand equity and suggest ways of doing so. It will also help countries in identifying which issues they need to address in order to enhance their image.

This research has implications for the academic literature, as it contributes in not only identifying the bases of differentiation between developing countries but also in providing understanding why developing countries are negatively perceived by consumers. According to Papadopoulos and Heslop (2002) a key challenge of the country-of-origin effects literature is "identifying the *specific attributes or dimensions* which may strengthen, or weaken, a country's overall image (Papadopoulos & Heslop, 2002, p. 311). This research has provided a base of differentiation between developing countries related to dimensions of development and familiarity and allows practitioners to utilize this basis to help determine which developing countries meet their business needs.

This study also introduces a number of published indicators (e.g. Failed State Index) to the field of marketing. This study used the data from these published indicators to understand the current situations in developing countries. For researchers in the area of country-of-origin effects, some of the published indicators presented in this study may be useful for their own research purposes. For example, the published indicators can provide researchers with a clearer picture of the situation in their stimulus countries, and, if needed, provide a baseline for comparison with consumer perceptions of each country.

This research also has implications for developing countries. As the bases for differentiation among developing countries have been identified, policy makers can begin to understand which perceptions are widely held by consumers, and use these perceptions to leverage their country image. By identifying the specific dimensions which seem to contribute to a developing country's overall image, the countries themselves are closer to understanding how consumers perceive them.

Understanding which dimensions add to or detract from country equity can be beneficial for developing countries. For instance, if a country such as Ghana were to think that positioning itself as a state in need of international assistance would encourage buyers to purchase its products, this would be a misplaced attempt to improve country equity. This measure did not load with any of the product or country response composite variables and was not seen as a predictor of buyer behaviour. It is the dimensions of economic and specifically technological development that are most related to product response. A country such as Ghana would be better off to primarily focus its efforts on positioning itself as a country that is developing economically through technical competence.

In order to maintain and gain brand equity, country images must be managed accordingly through an appropriate combination of strategy and communication. Cattin, Jolibert and Lohnes (1982) maintain that a communication campaign with the goal of improving the national image may be an important long-term strategy to consider for countries that are unfavourably perceived by foreign consumers. Again, it is important to emphasize that countries must communicate about the dimensions of development that

have an impact on consumers' country images, such as socio-political, economic and technological development. It is also this communication that will help increase consumers' familiarity with a country. This study has shown that a higher level of familiarity positively impacts consumers' willingness to engage with developing countries and their products. van Ham (2001) posits that image leveraging can improve a country's economic and political situation. He then goes on to say that these improvements in socio-economic situation can positively contribute to a country's power when negotiating and interacting with other countries. Furthermore, if consumers are made aware of improvements in a country's socio-economic situation, this can positively impact their evaluations of the country and its products. Therefore, this is not a one-way street but rather a circle of development dimensions.

Heslop and Papadopoulos (1993) suggest that countries may wish to follow Japan's example; that is moving gradually from penetration-priced, medium quality products to higher-priced and higher-quality products with increasing levels of technological sophistication. As it is this dimension of technological development that is most related to product response, this strategy would fit well with a developing country positioning itself as continuously developing technologically, and as such gradually increasing the technological complexity of its products.

This study has focused on consumers' country and product perceptions. An issue for future research to explore is consumer perceptions of and attitudes towards a country's services as opposed to its products. It would be interesting to see whether or not the

dimensions of social and political development influence consumer perceptions of specific services such as tourism, or if the perceived level of technological development affects consumers' willingness to engage with a country as a service provider.

The present research has also collected data with respect to international travel. Though a further exploration of this particular data was outside the scope of this research, an interesting venue for future research is to explore if direct contact through travel to developing countries is related to consumer perceptions of developing countries. Also, this study has revealed that developing countries are not perceived as a homogenous group. Countries such as Poland and China were perceived as significantly different from the other stimulus countries on development and familiarity dimensions, and Tanzania and Ghana were almost always perceived in a group together. Future research could explore whether or not consumers perceive additional subsets of developing countries as a group, and if so, along which dimensions these countries' perceived similarities lie.

This study has demonstrated that there are specific developmental dimensions along which consumers evaluate developing countries. While it is generally advantageous for countries to capitalize on the positive images held about their countries, it is most important for countries to concentrate on promoting aspects related to their economic and technological and socio-political, development. Furthermore, countries must figure out ways of becoming more familiar to consumers. It is these developmental and familiarity dimensions that resonate most with consumers and a positive standing within these dimensions will allow countries to strengthen their country's brand equity.

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APPENDIX A – CRITERIA APPLIED TO THE SELECTION & ANALYSIS OF STIMULUS DEVELOPING COUNTRIES

Category		Source of Index	Description of Index	Description of Rank
Economic		World Bank List of Economies (2006)	Income	1 = Highest level of Income
Social		United Nations Human Development Index (2005)	Ranked according to well being in a country	1 = Highest level of Human Development
		Transparency International's Corruption Perceptions Index (2005)	Ranked according to level of perceived corruption	0 = Highly Corrupt 10 = Highly Clean
Political		The Fund for Peace's Failed States Index (2006)	Ranked according to vulnerability to violent internal conflict.	1 = Most Vulnerable to Violent Internal Conflict
		Conflict Intensity Level - Carleton University's Norman Patterson School of International Affairs' Armed Conflict Scores (2000)	The "Conflict Intensity Level" describes the intensity of armed conflicts occurring within a country in a given year	1 = Low level of Armed Conflict 9 = High level of Armed Conflict
Familiarity		Canada's Top 100 Merchandise Import Sources (2005)	Ranked according to dollar value	1 = Top Importing Country
		A.T. Kearney/Foreign Policy Globalization Index (2005)	Ranks according to level of globalization	1 = Most Globalized Country
Other Measures Used in Analysis		Source of Index	Description of Index	Description of Rank
Familiarity	Geographic Distance	How Far Is It (2005)	Measures distance as the crow flies between Canada's capital and stimulus developing country capital	Closer to zero = Closer geographic distance to Canada
Economic	Gini Index	CIA Factbook (2006)	Calculation of income distribution of family income in a country	0.00 = Perfectly equitable income distribution 100.00 = Perfectly inequitable income distribution
Social	Environmental Sustainability	Yale University Center for Environmental Law and Policy and the Columbia University Center for International Earth Science Information Network's Environmental Sustainability Index (2005)	The higher a country's ESI score, the better positioned it is to maintain favorable environmental conditions into the future.	1 = Best positioned country with respect to Environmental Sustainability
Economic	Global Competitiveness Index	World Economic Forum (2006)	Ranks the world's 125 most competitive economies	1 = Most competitive

APPENDIX B –STIMULUS DEVELOPING COUNTRIES

Stimulus Developing Countries (n=10)										
World Bank List of Economies 2006 (alphabetical within categories)	Geographic Region	Human Development Index (HDI) 2005 (1=highest)	Global Competitiveness Index 2006 (1=highest)	2005 A.T. Kearney Globalization Index (1=most globalized)	Corruption Perceptions Index (CPI) 2005 (0=highly corrupt)	Failed States Index (FSI) 2006 (1 = most failed)	Environmental Sustainability Index (ESI) 2005 (75.1=highest)	Rank as Canadian Import Source (2005) (1=largest import source)	Gini Index 2006 0.00= equitable income dist. 100.00= inequitable income dist.	Distance (km) from Ottawa to country's capital
Upper Middle Income										
Argentina	1	34	69	47	2.8	122	62.7	48	52.2	9000
Chile	1	37	27	34	7.3	132	53.6	25	57.1	8747
Mexico	1	53	58	42	3.5	85	46.2	4	54.6	6576
Poland	2	36	48	31	3.4	115	45	45	34.1	3599
Lower Middle Income										
China	3	85	54	54	3.2	57	38.6	2	44.0	10476
Malaysia	3	61	26	19	5.1	98	54	14	49.2	14620
Morocco	4	124	70	40	3.2	76	44.8	64	40.0	5857
Thailand	3	73	35	46	3.8	79	49.7	18	51.1	13431
Low Income										
Ghana	5	138	not ranked	not ranked	3.5	106	52.8	98	32.5	8437
Tanzania	5	164	104	not ranked	2.9	71	50.3	62	38.2	12484

1 = Latin America & Caribbean, 2 = Europe & Central Asia, 3 = East Asia & Pacific, 4 = Middle East & North Africa, 5 = Sub-Saharan Africa

APPENDIX C – STIMULUS COUNTRY REPRESENTATION

Stimulus Developing Countries (n=10) ~ Representation

	Number of Countries in Each Group (Total Overall)	% of Each Income Level represented in Total Overall (152)	Number from Each Income Group in 10 Sample	% of Each Income Level in Sample (10)
Income Level				
Upper Middle Income	40	26.3%	4	40.0%
Lower Middle Income	58	38.2%	4	40.0%
Low Income	54	35.5%	2	20.0%
Total:	152	100%	10	100%

	Total Overall Number of Developing Countries	% of Each HDI Level from 152 in Total Overall (152)	Number from Each HDI Range in 10 Sample	% of Each HDI Level in Sample (10)
HDI Rank				
High (HDI of 0.800 or above)	21	15.2%	4	40.0%
Medium (HDI of 0.500–0.799)	85	61.6%	5	50.0%
Low (HDI of less than 0.500)	32	23.2%	1	10.0%
Subtotal:	138	100%	10	100%
<i>not ranked</i>	<i>14</i>			
Total:	152			

	Total Overall Number of Developing Countries	% of Each Geographic Region in Total Overall (152)	Number from Each Region in Sample (10)	% of Each Geographic Region in Sample (10)
Geographic Region				
Europe & Central Asia	27	17.8%	1	10.0%
East Asia & Pacific	24	15.8%	3	30.0%
Latin America & Caribbean	31	20.4%	3	30.0%
Middle East & North Africa	14	9.2%	1	10.0%
South Asia	8	5.3%	0	0.0%
Sub-Saharan Africa	48	31.6%	2	20.0%
Total:	152	100%	10	100%

APPENDIX D – RESEARCH INSTRUMENT

Thank you for participating in this research study and assisting a masters student in carrying out thesis research. We are interested in learning a little about people's opinions and responses about countries and their products. While there is no direct benefit to you from participating, the study will advance knowledge about consumer perceptions of these different countries and their products.

The following pages contain requests for your opinions. Please read all instructions carefully and respond to the questions on the basis of your first impression. There are no wrong answers, as we are interested in your perceptions and opinions. While you are free to leave some questions blank, you are encouraged to respond to every scale.

This study is not part of your course requirements (for students only) and you are free to leave at any time. Please answer the following questionnaire giving your opinion about the countries and their products. It should take about 10-15 minutes to complete. Completion of all the questions is very important to our being able to do a complete analysis but you are free not to answer any questions at any time. However, we hope you will take the time to complete the questionnaire.

All responses are anonymous and will be kept confidential. There are no personally identifying pieces of information collected and only aggregate data will be reported. Individual responses will NOT be identified. Data will only be used and retained for purposes of completing the thesis and related publications. If you would like an early summary of results, please contact either of the two researchers at the contact information below.

Thank you for your assistance.

Sincerely,

Christie Jamieson
MBA Candidate

Sprott School of Business
Carleton University
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Dr. Louise A. Heslop
Professor and Research Supervisor

Sprott School of Business
Carleton University
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This research project has been reviewed and has received ethics clearance by the Carleton University Research Ethics Committee. If you have any questions or concerns about your involvement in this study, please contact: Prof. Antonio Gualtieri, Chair, Carleton University Research Ethics Committee, Carleton University, 1125 Colonel By Drive, Ottawa, Ontario, K1S 5B6, telephone - (613) 520-2517.

Please keep in mind that you are **not** required to have extensive knowledge of the countries or their products to fill in this questionnaire, and your general impressions about the countries are important.

To answer each scale, simply circle the appropriate number that is closest to your opinion.

Section 2 – ARGENTINA's Products

Please rate the product of **ARGENTINA** on the following scales. Circle a number from 1(Low) to 7 (High).

	Low						High
Reliability	1	2	3	4	5	6	7
Workmanship	1	2	3	4	5	6	7
Technological complexity	1	2	3	4	5	6	7
Design quality	1	2	3	4	5	6	7
Attractiveness	1	2	3	4	5	6	7
Prestigious	1	2	3	4	5	6	7
Good value	1	2	3	4	5	6	7
Exotic	1	2	3	4	5	6	7
Riskiness	1	2	3	4	5	6	7
Willingness to buy	1	2	3	4	5	6	7
Familiarity with products	1	2	3	4	5	6	7
Expensive	1	2	3	4	5	6	7
Availability of products in Canada	1	2	3	4	5	6	7
Interested in purchasing products	1	2	3	4	5	6	7
Overall, how would you rate the country's products?	1	2	3	4	5	6	7
Willingness to recommend products to others	1	2	3	4	5	6	7

Section 2 – THAILAND's Products

Please rate the products of **THAILAND** on the following scales. Circle a number from 1(Low) to 7 (High).

	Low						High
Reliability	1	2	3	4	5	6	7
Workmanship	1	2	3	4	5	6	7
Technological complexity	1	2	3	4	5	6	7
Design quality	1	2	3	4	5	6	7
Attractiveness	1	2	3	4	5	6	7
Prestigious	1	2	3	4	5	6	7
Good value	1	2	3	4	5	6	7
Exotic	1	2	3	4	5	6	7
Riskiness	1	2	3	4	5	6	7
Willingness to buy	1	2	3	4	5	6	7
Familiarity with products	1	2	3	4	5	6	7
Expensive	1	2	3	4	5	6	7
Availability of products in Canada	1	2	3	4	5	6	7
Interested in purchasing products	1	2	3	4	5	6	7
Overall, how would you rate the country's products?	1	2	3	4	5	6	7
Willingness to recommend products to others	1	2	3	4	5	6	7

Section 3 – Please tell us a little about yourself

How many years have you lived in Canada? _____ years

Have you lived outside of Canada for greater than 6 months? ☐ Yes ☐ No
(if No, please skip the next question)

List all countries in which you have lived for 6 months or longer:

Have you traveled to countries outside of Canada? ☐ Yes ☐ No
(if No, please skip the next question)

List all the countries in which you have traveled in the last 10 years:

Please indicate your gender: ☐ Male ☐ Female

Please indicate your age by marking the appropriate range:
☐ 18-24 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ >65

Section 4 – ARGENTINA and its People

Please rate the country of **ARGENTINA** and its people on each of the following scales .Circle a number from 1(Low) to 7 (High).

	Low						High
Wealth	1	2	3	4	5	6	7
Stability of economy	1	2	3	4	5	6	7
Skill level of the workforce	1	2	3	4	5	6	7
Quality of life	1	2	3	4	5	6	7
Level of economic development	1	2	3	4	5	6	7
Distribution of wealth	1	2	3	4	5	6	7
Education level	1	2	3	4	5	6	7
Need for international assistance	1	2	3	4	5	6	7
Individual rights and freedoms	1	2	3	4	5	6	7
Level of social development	1	2	3	4	5	6	7
Level of government and business corruption	1	2	3	4	5	6	7
Political stability	1	2	3	4	5	6	7
Presence of armed conflict	1	2	3	4	5	6	7
Admirable for role in world politics	1	2	3	4	5	6	7
Environmentally friendly country	1	2	3	4	5	6	7
Level of technological development	1	2	3	4	5	6	7
Access to modern technology	1	2	3	4	5	6	7
Level of political development	1	2	3	4	5	6	7
Likeability of people	1	2	3	4	5	6	7
Trustworthiness of people	1	2	3	4	5	6	7
Similarity of country's people to Canadians	1	2	3	4	5	6	7
An exotic culture	1	2	3	4	5	6	7
Aligned with Canada	1	2	3	4	5	6	7
Enjoyable people to be with	1	2	3	4	5	6	7
Familiar with country	1	2	3	4	5	6	7
Canada's proximity to country	1	2	3	4	5	6	7

Please rate the country of **ARGENTINA** and its people on each of the following scales.
Circle a number from 1(Low) to 7 (High).

	Low						High
Would welcome immigrants from	1	2	3	4	5	6	7
Would like to travel to	1	2	3	4	5	6	7
Canada should have closer ties with	1	2	3	4	5	6	7
Would like Canada to invest in	1	2	3	4	5	6	7
Would like investment from	1	2	3	4	5	6	7
Overall level of development	1	2	3	4	5	6	7
Overall, how would you rate it as a country?	1	2	3	4	5	6	7

Section 4 – THAILAND and its People

Please rate the country of **THAILAND** and its people on each of the following scales.
Circle a number from 1(Low) to 7 (High).

	Low						High
Wealth	1	2	3	4	5	6	7
Stability of economy	1	2	3	4	5	6	7
Skill level of the workforce	1	2	3	4	5	6	7
Quality of life	1	2	3	4	5	6	7
Level of economic development	1	2	3	4	5	6	7
Distribution of wealth	1	2	3	4	5	6	7
Education level	1	2	3	4	5	6	7
Need for international assistance	1	2	3	4	5	6	7
Individual rights and freedoms	1	2	3	4	5	6	7
Level of social development	1	2	3	4	5	6	7
Level of government and business corruption	1	2	3	4	5	6	7
Political stability	1	2	3	4	5	6	7
Presence of armed conflict	1	2	3	4	5	6	7
Admirable for role in world politics	1	2	3	4	5	6	7
Environmentally friendly country	1	2	3	4	5	6	7
Level of technological development	1	2	3	4	5	6	7
Access to modern technology	1	2	3	4	5	6	7
Level of political development	1	2	3	4	5	6	7
Likeability of people	1	2	3	4	5	6	7
Trustworthiness of people	1	2	3	4	5	6	7
Similarity of country's people to Canadians	1	2	3	4	5	6	7
An exotic culture	1	2	3	4	5	6	7
Aligned with Canada	1	2	3	4	5	6	7
Enjoyable people to be with	1	2	3	4	5	6	7
Familiar with country	1	2	3	4	5	6	7
Canada's proximity to country	1	2	3	4	5	6	7
Would welcome immigrants from	1	2	3	4	5	6	7
Would like to travel to	1	2	3	4	5	6	7
Canada should have closer ties with	1	2	3	4	5	6	7
Would like Canada to invest in	1	2	3	4	5	6	7
Would like investment from	1	2	3	4	5	6	7
Overall level of development	1	2	3	4	5	6	7
Overall, how would you rate it as a country?	1	2	3	4	5	6	7

Thank you for participating in this study! If you have any additional comments please write them on the back.

APPENDIX E – SURVEY MEASURES, RATIONALE AND SOURCE

Survey's Country/People Measures	Related Developmental Construct	Related Attitudinal Theory Component	Country Image Measures	Supporting Study
Economic Measures				
Level of economic development	Economic	Cognition	Country Description	New
Wealth	Economic	Cognition	Country Competence	Heslop et al. 2004
Stability of economy	Economic	Cognition	Country Competence	Heslop et al. 2004
Distribution of wealth	Social	Cognition	Country Competence	New
Need for international assistance	Economic, Social	Cognition	Country Competence	New
Skill level of the workforce	Economic	Cognition	People Competence	Heslop et al. 2004
Level of technological development	Economic, Social	Cognition	Country Competence	Heslop et al. 2004
Access to modern technology	Economic, Social	Cognition	Country Competence	New
Social Measures				
Level of social development	Social	Cognition	Country Description	New
Quality of life	Social, Economic	Cognition	Country Description	Heslop et al. 2004
Education level	Social	Cognition	People Competence	Heslop et al. 2004
Individual rights and freedoms	Social	Cognition	Country Description	Heslop et al. 2004
Environmentally friendly country	Social	Cognition	Country Description	Heslop et al. 2004
Political Measures				
Level of political development	Political	Cognition	Country Description	New
Level of government and business corruption	Political, Social	Cognition	Country Competence	New
Political stability	Political	Cognition	Country Description	Heslop et al. 2004
Presence of armed conflict	Political	Cognition	Country Description	New
Admirable for role in world politics	Political	Affect	Country Evaluation	Heslop et al. 2004

Survey's Country/People Measures	Related Developmental Construct	Related Attitudinal Theory Component	Country Image Measures	Supporting Study
Familiarity Measures				
Familiar with country	Familiar with country	Familiar with country	Familiar with country	Familiar with country
Similarity of country's people to Canadians	Similarity of country's people to Canadians	Similarity of country's people to Canadians	Similarity of country's people to Canadians	Similarity of country's people to Canadians
Aligned with Canada	Aligned with Canada	Aligned with Canada	Aligned with Canada	Aligned with Canada
Canada's proximity to country	Canada's proximity to country	Canada's proximity to country	Canada's proximity to country	Canada's proximity to country
An exotic culture	Familiarity	Affect	Country Evaluation	Anholt 2005
People Measures				
Likeability of people	-	Affect	People Evaluation	Heslop et al. 2004
Trustworthiness of people	-	Affect	People Evaluation	Heslop et al. 2004
Enjoyable people to be with	-	Affect	People Evaluation	Heslop et al. 2004
Response Measures				
Would like to travel to	-	Conation	Country Receptivity	Szamosi, 1995
Would welcome immigrants from	-	Conation	People Receptivity	Szamosi, 1995
Canada should have closer ties with	-	Conation	Country Receptivity	Szamosi, 1995
Would like Canada to invest in	-	Conation	Country Receptivity	Szamosi, 1995
Would like investment from	-	Conation	Country Receptivity	Szamosi, 1995
Overall Development Measure				
Level of overall development	-	Cognition	Country Description	New
Overall Response Measure				
Overall, how would you rate it as a country?	-	Cognition	Country Description	New

Survey's Product Measures	Related Attitudinal Theory Component	Product Measures	Supporting Study
Reliability	Cognition	Product Beliefs	Szamosi, 1995
Workmanship	Cognition	Product Beliefs	Szamosi, 1995
Technological complexity	Cognition	Product Beliefs	Szamosi, 1995
Design Quality	Cognition	Product Beliefs	Szamosi, 1995
Attractiveness	Cognition	Product Beliefs	Heslop et al. 2004
Prestigious	Cognition	Product Beliefs	New
Good value	Affect	Product Evaluation	Szamosi, 1995
Exotic	Affect	Product Evaluation	Anholt, 2003
Riskiness	Conation	Product Evaluation	New
Willingness to buy	Conation	Product Receptivity	Heslop et al. 2004
Familiarity with products	Cognitive	Product Beliefs	New
Expensive	Cognition	Product Beliefs	Szamosi, 1995
Availability of products in Canada	Cognitive	Product Beliefs	New
Interested in purchasing products	Conation	Product Receptivity	New
Overall, how would you rate the country's products?	Affect	Product Evaluation	New
Willingness to recommend products to others	Conation	Product Receptivity	New

APPENDIX F – CATEGORIZED AND RANKED MEAN RATINGS OF DEVELOPMENT & FAMILIARITY MEASURES

Note: ARG = Argentina, CHL = Chile, CHN = China, GHA = Ghana, MAL = Malaysia, MOR = Morocco, POL = Poland, TAN = Tanzania, THA = Thailand

Economic Development	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA
Level of economic development	3.66	3.71	4.58	<u>2.73</u>	3.8	3.55	3.48	4.32	2.74	3.66
Wealth	3.39	3.16	3.8	<u>2.2</u>	3.39	2.97	3.47	3.9	2.56	3.39
Stability of economy	3.14	3.25	4.2	<u>2.42</u>	3.56	3.29	3.44	4.27	2.69	3.14
Distribution of wealth	2.64	2.93	2.62	<u>2.04</u>	2.88	2.47	3.08	3.95	2.51	2.64
Need for international assistance	4.03	3.93	4.73	<u>3.36</u>	4.18	4.17	3.97	4.71	3.42	4.03
Skill level of the workforce	3.64	3.65	4.36	<u>2.96</u>	3.92	3.62	3.56	4.44	3.06	3.64
Level of technological development	3.46	3.33	4.9	<u>2.49</u>	3.68	3.47	3.13	4.29	2.91	3.46
Access to modern technology	3.88	3.49	4.85	<u>2.56</u>	4.11	3.98	3.53	4.49	3.04	3.88
# of Highest Ratings	0	0	4	0	0	0	0	4	0	0
# of Lowest Ratings	0	0	0	8	0	0	0	0	0	0
Mean Score	3.48	3.43	4.26	2.60	3.69	3.44	3.46	4.30	2.87	3.65
Rank	5	8	2	10	3	7	6	1	9	4

Social Development	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA
Level of social development	3.78	3.65	3.55	<u>3.20</u>	4.00	3.72	3.6	4.30	3.23	3.68
Quality of life	3.66	3.75	3.42	<u>2.69</u>	3.57	3.29	3.58	4.43	2.84	3.61
Education level	3.63	3.51	4.25	<u>2.71</u>	3.76	3.40	3.56	4.76	3.04	3.42
Individual rights and freedoms	3.69	3.55	<u>2.65</u>	3.00	3.64	3.79	3.44	4.35	3.15	3.37
Environmentally friendly country	3.02	3.39	<u>2.43</u>	3.13	3.17	2.66	3.23	3.71	3.33	3.13
# of Highest Ratings	0	0	0	0	0	0	0	5	0	0
# of Lowest Ratings	0	0	2	3	0	0	0	0	0	0
Mean Score	3.56	3.57	3.26	2.95	3.63	3.37	3.48	4.31	3.12	3.44
Rank	4	3	8	10	2	7	5	1	9	6

Political Development	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA
Level of political development	3.97	3.51	3.57	<u>2.96</u>	3.82	3.91	3.50	4.41	3.11	3.58
Level of government and business corruption	3.14	3.60	3.08	3.44	3.32	3.17	3.73	3.73	<u>2.95</u>	3.71
Political Stability	3.44	3.44	4.37	<u>2.96</u>	3.64	3.76	3.77	4.44	3.07	3.38
Presence of armed conflict	4.66	4.36	<u>4.12</u>	4.22	4.77	4.52	4.69	5.00	4.35	4.63
Admirable for role in world politics	2.95	2.81	3.08	<u>2.47</u>	2.74	3.14	2.97	3.39	2.59	2.95
# of Highest Ratings	0	0	0	0	0	0	0	5	0	0
# of Lowest Ratings	0	0	1	3	0	0	0	0	1	0
Mean Score	3.63	3.54	3.64	3.21	3.66	3.70	3.73	4.19	3.21	3.65
Rank	7	8	6	10	4	3	2	1	9	5

Familiarity	ARG	CHL	CHN	GHA	MAL	MEX	MOR	POL	TAN	THA
Familiar with country	3.00	2.80	3.86	2.72	2.67	3.41	2.50	3.33	<u>2.38</u>	3.18
Similarity of country's people to Canadians	3.25	3.24	3.10	<u>2.83</u>	2.85	3.38	3.18	4.24	2.89	3.08
Aligned with Canada	3.39	3.30	3.27	3.26	3.30	3.86	3.34	3.84	<u>2.96</u>	3.33
Canada's proximity to country	2.54	2.87	2.43	2.24	1.95	3.84	2.50	2.81	<u>1.85</u>	2.86
An exotic culture	4.41	4.35	4.23	4.58	5.02	4.10	5.11	<u>3.43</u>	5.00	5.02
# of Highest Ratings	0	0	0	0	0	2	1	1	0	0
# of Lowest Ratings	0	0	0	1	0	0	0	1	3	0
Mean Score	3.32	3.31	3.38	3.13	3.16	3.72	3.33	3.53	3.02	3.49
Rank	6	7	4	9	8	1	5	2	10	3

APPENDIX G – DEPENDENT AND INDEPENDENT VARIABLES TO BE TESTED BY MULTIPLE REGRESSION

Dependent Variables		Independent Variables
Level of Economic Development (single measure)	I	Wealth, Stability of economy, Distribution of wealth, Need for international assistance, Skill level of the workforce, Level of technological development, Access to modern technology
Level of Social Development (single measure)	I	Quality of life, Education level, Individual rights and freedoms, Environmentally friendly country
Level of Political Development (single measure)	I	Level of government and business corruption, Political stability, Presence of armed conflict, Admirable for role in world politics
Familiarity with Country (single measure)	I	Similarity of country's people to Canadians, Aligned with Canada, Canada's proximity to country, An exotic culture
Overall Level of Development (single measure)	I	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
	II	Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State, Compromised State
Overall, how would you rate it as a country (single measure)	I	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
	II	Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State, Compromised State
Overall, how would you rate the country's products (single measure)	I	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
	II	Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State, Compromised State
	III	Product Competence, Market Presence of Product, Uniqueness of Product
Willingness to Buy (products) (single measure)	I	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
	II	Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State, Compromised State
	III	Product Competence, Market Presence of Product, Uniqueness of Product
Product Response (composite variable)	I	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
	II	Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State, Compromised State
	III	Product Competence, Market Presence of Product, Uniqueness of Product
Country/People Response (composite variable)	I	Level of economic development, Level of social development, Level of political development, Level of technological development, Familiarity with country
	II	Eco-Tech Development, Socio-Political Development, Affability, Affinity, Utopian State, Compromised State
	III	Product Competence, Market Presence of Product, Uniqueness of Product

Note: For the Independent Variables: I = Single Measures, II = Country/People Composite Variables, III = Product Composite Variables