

TALLINN UNIVERSITY OF TECHNOLOGY

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**COUNTRY IMAGE AND THE LINK TO PRODUCT EVALUATION BASED ON
ESTONIAN WOODEN BUILDINGS EXPORT**

Masters's thesis

Programme International Business Administration, specialisation International Business

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Tallinn 2023

I hereby declare that I have compiled the thesis independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading.

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ABSTRACT

The master's thesis research problem is that the prefabricated wooden building sector faces price pressure and intensifying competition during export. This paper aims to determine whether the country's image encourages exports of Estonian prefabricated wooden buildings and how the country's image affects product evaluation. Product country image and country of origin perspectives are examined to comprehend the connection between image, product evaluation and export.

Author uses mixed methods research, combining qualitative and quantitative data. Seven consumers of Estonian prefabricated wooden buildings are interviewed one-on-one to gain insight into their purchase process and the significance of the country's product image and product evaluation in their purchase decisions. In quantitative research, a survey questionnaire is issued among potential consumers. Survey respondents are primarily French to explore customers' perceptions from a distant market for Estonian companies.

The findings show that West-European buyers of Estonian-made wooden buildings have limited knowledge of the country, yet the image is positive. People with better country knowledge give higher product evaluations and are more confident in doing business. Attributes affecting product quality evaluation in the prefabricated wooden building sector the most are design, price, and energy efficiency. Communication, easy delivery and installation with customisation were the most critical aspects of the buying process. Based on the study results, suggestions are made for enhancing the growth and competitiveness of the sector in international markets.

Keywords: country image, country of origin, product country image, product evaluation, export

INTRODUCTION

Export is primordial for small countries due to the size of the local market, resource constraints and small economic size. Positive export numbers contribute to a nation's GDP and are directly linked with economic growth (Callen, 2023). A company's home country image may be an asset, a source of competitive advantage for its internationalisation strategy, and a resource for international expansion and benefiting its exports. Therefore numerous governments and private businesses place considerable importance on the country's image. Academics in marketing acknowledge the significance of country image and link it to product evaluations. (Balabanis, 2022, p.1)

In past years, wooden buildings have become an important export sector for Estonia. The sector has been thriving, primarily due to operating in export markets. The competitive advantage, consisting of price and weaker competition, with today's increasing labour and input costs, demands marketing and image design implementation to maintain the sector's competitiveness (Eesti Puitmajaklaster, 2018). The author has lived many years in France and is a sales manager developing the French market for one Estonian wooden building exporting company. France also has a significantly high country image in several product categories (Lampert & Jaffe, 1998, p. 75). Therefore, learning how customers from France perceive products from Estonia challenged the author's curiosity.

The research problem of the master's thesis consists of the fact that the prefabricated wooden building sector encounters price pressure in the intensifying competition, the necessity to expand to new target markets and increase exports. As a result, companies consider systematic marketing and image design of target markets vitally essential to increase the share of international sales of products and find new customers. Estonian Wooden Houses Cluster, the roofing organisation of wooden house manufacturers, has also pointed out the need for joint marketing activities to improve the sector's international competitiveness. (Vilt, 2021)

The work aims to understand whether the country's image supports the exports of Estonian prefabricated wooden buildings and how product evaluation is affected by the country's image. The author of this research is especially interested in exploring country branding from product country image and country of origin perspective to understand the relation between image and product evaluation. Find possibilities to develop activities to support the companies to grow exports and make suggestions.

This study is of particular interest to the marketing and salespeople of the companies exporting Estonian prefabricated wooden buildings, creating value on entering new markets and in contact with export partners and prospects, helping to communicate better whilst understanding the country image they face and, as a result, achieving the goals of export.

The research questions of this work are:

- 1) What is the image of Estonia, and how does Estonia's image support prefabricated wooden building exports?
- 2) How country image affects product evaluation and purchase intention?
- 3) Which attributes affect the product quality evaluation in the prefabricated wooden building sector?

Based on the goals of the master's thesis, the following research tasks have been established:

- theoretical overview of the country's image and how it affects product evaluation, exports, and models used;
- study of Estonia's prefabricated wooden building sector, exports, sales, and marketing;
- conduct qualitative and quantitative research among Estonian prefabricated wooden building buyers and prospects;
- make propositions to exporting companies and supporting structures based on the study results.

To achieve the goal author of the work executed mixed methods research where qualitative research was combined with quantitative. Seven consumers of Estonian prefabricated wooden buildings were interviewed in one on one using MS Teams to understand their purchase process and how the country's product image and product evaluation position in their purchase decision. A survey questionnaire was also executed using Survey Monkey among prospects of such products.

To study the perception of the country's image and product evaluation of consumers from a country unfamiliar with Estonia, all survey participants were from West Europe, mainly from France, which is not historically a primary export market for Estonian companies.

The work consists of three chapters. In the first chapter, the author opens the country image construct through the halo theory and product country image connection to product evaluation. The second chapter overviews the Estonian prefabricated wood building export context, including marketing and sales roles. In the third chapter, the author analyses the results of the conducted studies. Based on the analysis of the study, the author makes conclusions and suggestions for marketers or sales professionals in the prefabricated wooden building sector and governmental trade organisations to support better the exporting companies whilst facing ongoing challenges. Additionally, the thesis has ten appendices.

The work's author would like to thank the supervisor of this master's thesis, Siiri Same, for his professional advice and for good collaboration in preparing the work. The cooperation in preparing the master's thesis has been enriching, providing new knowledge and skills. The author would also like to thank all seven people who accorded their time and thoughts to the interview, and 69 participants contributed to completing the work by filling in the questionnaire.

1. THEORETICAL FRAMEWORK FOR COUNTRY IMAGE AND PRODUCT EVALUATION

1.1. Country Image

Country image (CI) can be defined as "the sum of people's beliefs and impressions about places, a simplification of many associations and pieces of information connected with a place." (Kotler & Gertner, 2002, p. 251) Most country images are stereotypes, simplifications of reality that are not necessarily accurate, as people are more likely to pay attention to information that confirms their expectations. For an image to be effective, it must be near to reality, credible, straightforward, appealing, and unique (Kotler & Gertner, 2002). Martin and Eroglu (1993, p. 193) define a CI as "the sum of one's descriptive, inferential, and informational beliefs about a specific country." Li (1997, p. 166) define a CI as "consumers' images of different countries and products made in these countries." CI is a generic concept of generalised images comprising representative products and historical events and relationships, culture and traditions, technological skill and industrialisation, and the degree of economic and political maturity. (Samiee, 2010, p.727)

"Nation branding "and "country branding" concepts were founded by Simon Anholt in 1996. The extensive work and research of Kotler, Papadopolus, Heslop, Martin, and Eroglu in the evolution and development of CI theory confirm the topic's relevance. Before, "place marketing" dealt with countries to attract investment, industry, and tourism, a concept developed by Philip Kotler, the forefather of marketing, in 1993. (Anholt, 2010, p. 2) It is more beneficial to view place branding as intellectual property, which is the totality of thoughts, feelings, associations, and expectations that arise when a prospect or consumer is exposed to an entity's name, logo, products, services, events, or any design or symbol representing them (Van Ham, 2008).

With globalisation, the world has become a single market, and every country, city, and region must compete for their share of consumers, differentiate themselves, and be appealing to compete on the global market (Anholt, 2005, 2007). Place branding is also required for a country's economy and citizens to benefit from its image (Van Ham, 2008). The key indicators for identifying a place brand fall under two categories: national culture and infrastructure, both of which influence the

attractiveness of place branding (Foroudi et al., 2016, p. 241). Modern brands succeed by aligning themselves with their audiences' desires, promising a better world and striving to make it a reality. Since nation-states need to regain popular support and comprehension, they should use the power of branding to communicate their values and principles to the broadest possible audience. (Van Ham, 2008, p.129)

The significance of country branding is to position the country, distinguish it from "competitors", create a uniform brand strategy, and coordinate the various messages about the country (Papp-Váry, 2018, p.87). The benefits of a strong country brand are far-reaching: a favourable influence on enterprises, financial markets, public diplomacy, and the identity and self-image of citizens (Same & Solarte-Vasquez, 2014, p. 139). The modern world's complexity and information overflow has turned it into a global village. There is a new era in the competition of nations, and fights are going over the minds of consumers. (Papp-Váry, 2018, p. 89)

Anhold examines the competitive identity, globalisation and, overflow of information, complexity of the modern world. To navigate, people form simple cliches opinions. These stereotypes they are not fully aware of affect their behaviours towards places, people, and products. Therefore it is essential to study the world's perceptions of a country. Competitive identity is the term he uses to describe the synthesis of brand management with public diplomacy and trade, investment, tourism and export promotion. It is a model for enhanced national competitiveness globally and is already beginning to pay dividends for many countries, cities and regions, both rich and poor. (Anholt, 2007)

Rather interestingly, marketing academics have not devoted their attention to country brands but to brands from specific countries, that is, the country of origin effect (COO), which has been extensively researched (Papp-Váry, 2018, p.88). The numerous practical and theoretical implications of COO research have made it one of the most fruitful research areas in marketing, with hundreds of studies published since the 1960s (Laroche et al., 2005). Consumers utilise information about a product's COO as an indicator of quality. Research into COO effects has established that when consumers lack objective knowledge about a product, they rely on their perceived image of the product's COO to form stereotypical beliefs about it. Consequently, a positive CI provides a competitive advantage to the country's products. In contrast, a negative CI can be a formidable obstacle for international marketers seeking to enter foreign markets, even if

the perception is erroneous or inaccurate. (Kotler & Gertner, 2002; Lee et al., 2016; Chryssochoidis et al., 2007)

Lee, Lockshin, and Greenacre (2016) also raise an important question about whether product beliefs can shape a country's image. COO research shows that a country's image affects its products. The reverse COO effect suggests a "chain effect," where a product's perceptions first affect the country's image, affecting its other products. However, strong brands like Louis Vuitton and Mercedes-Benz have such strong national identities that they can unknowingly influence perceptions of the country and its other similar brands. (Lee, 2016) Consumer ethnocentrism causes the COO effect, which varies by product category and country. Thus, companies should not predict product success solely based on target market consumer ethnocentrism. (Chryssochoidis et al., 2007, 1520)

National prejudices also affect manufacturers' international customer interactions (Kotler & Gertner, 2002). Moreover, the COO also links to place branding. Like tourism, export is a sector consisting mainly of private operators independently marketing their goods and services directly to consumers, but with an 'umbrella' effect provided by the state. Export marketing forms another bridge between the state and the private sector. Expertise in promoting a country's products leads to the conclusion that the country's image needs management, just like a corporation's or product's brand. (Anholt, 2010)

Country image, and country brand, have been consciously built in Estonia since the early 2000s by deciding to become E-Estonia. Great brands: Skype, Playtech, TransferWise, Pipedrive, Bolt and Starship Technologies, to name a few come from this country. The impact of this smart E-Estonia positioning on the Estonian economy is remarkable: at least a third of the 700% GDP growth is related to information technology. However, none of the brands above directly communicate their Estonian roots. Doing so would increase awareness regarding Estonia and develop the country's image, adding to the communication of the E-Estonia message. (Papp-Váry, 2018)

Papadopoulos and Heslop (2002, p.308) say that a country is a 'corporation' that produces many products. As such, it needs a corporate positioning strategy based on its core competencies, which today arise mainly from people, ideas, approaches, and business styles. For example, the competencies of Switzerland, like accuracy and trustworthiness, are transferable and actionable in unique ways to the country's different 'product lines', such as tourism, banking or the exporting of

watches and premium dairy products. Therefore, the issue is developing distinct strategies for each of the several outputs that can be meaningfully distinguished from each other and coordinated so that they do not conflict.

Country equity refers to the emotional value of consumers' brand association with a country. Country names are brands that help consumers evaluate products and make purchasing decisions. They influence product value through associations. Research has confirmed that consumers are more willing to buy products from industrialised nations due to country equity. (Kotler & Gertner, 2002)

Country images exist and change, but without the countries' involvement, they will frequently be based on misconceptions that may have adverse short- and long-term effects. In this regard, locations must assess their current image and use this information to enhance or improve it. (Papadopoulos & Heslop, 2002, p.309) Even if a country does not intentionally manage its name as a brand, individuals have images of countries activated simply by pronouncing the name. Finding export markets requires countries to adopt strategic marketing management tools and conscious branding. Purchase decisions are likely to be influenced by people's perceptions of a country. (Kotler & Gertner, 2002) CI and its impact need to be taken into consideration in export planning.

1.2. Country Image and Halo Effect

The halo effect occurs when positive impressions of a person, organisation, country, brand, or product in one area affect one's view or emotions in other areas, either positively or negatively (Woo et al., 2017, p. 935). The halo theory explains how CI affects customer perceptions of products from that country. Since the beginning, researchers have considered a country's image a halo affecting its products. (Woo et al., 2017) The country's image only affects consumers' brand attitudes if they are unfamiliar with its products. Similar effects have been found in other informational cues like price and seller reputation (Min Han, 1990, p. 25).

Consumers unfamiliar with a country's products may use its image as a halo to infer product attributes, indirectly affecting their brand attitude. In contrast, as consumers become familiar with a country's products, the country's image may become a construct that summarises consumers'

product attribute beliefs and directly affects brand attitude. These implications suggest structural interrelationships between CI, beliefs about product attributes, and brand attitude. (Han, 1989) Two concepts were initiated from Han's (1985) work. In the halo model, where CI influences product attribute beliefs that directly influence attitude toward the product, the halo model operates in consumers unfamiliar with the foreign product. In summary construct CI influence attitude formation directly and indirectly through beliefs. (Knight & Calantone, 2000, p. 129-131)

Consumers may have greater confidence in the quality of products from a familiar country, and they may consider not buying an unfamiliar foreign brand simply because they make unfavourable inferences about the brand's quality from their lack of familiarity with the products from the country. They may also eliminate the brand from a small set of alternatives they carefully consider for purchase decisions. (Min Han, 1990, p. 55)

The image of one well-known product category may influence consumer expectations for other related product categories from the same nation (Agarwal & Sikri, 1996). One of Han's (1989) critical propositions was that the halo effect of a country's image could be especially more significant for a country's less-known/new product category because consumers have little access to the product information other than their images toward the origin country (e.g. their usage experiences, word-of-mouth from others, quality ratings), thus tending to rely more on a CI in assessing the products.

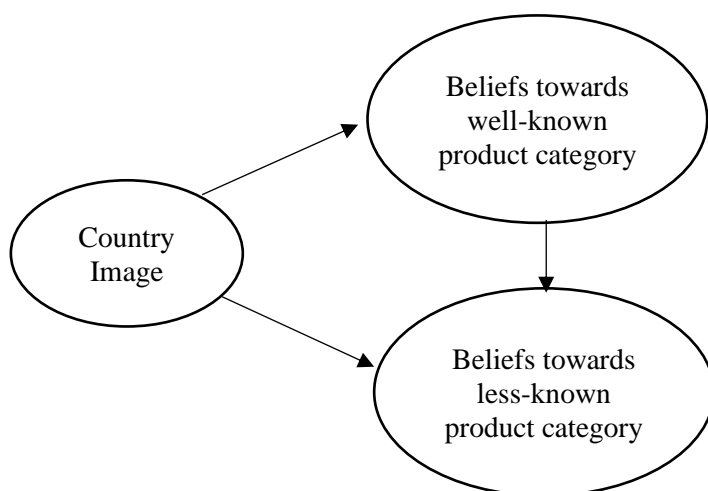


Figure 1. The Proposed research framework of the two levels of the halo effect
Source: Created by the author based on Woo *et al.* (2017, p. 938)

Woo, Jin, and Ramkumar (2017) examine the two levels of halo constructs, see Figure 1 - the country's general image as a halo among consumers and a well-known product category from the country as a halo on a less-known product category from a recently developed country and finds that the general CI and the country's well-known product images are critical in introducing the country's less-known product to foreign markets. This construct has seldom been discussed in the literature.

The COO's reverse influence shows that product beliefs can affect a country's image. If product beliefs generalise into a positive CI, a chain effect will allow traditional COO effects to benefit the country's other products, see Figure 2. The influence decreases with country familiarity and only exists when the product and country match. Japan is more congruent with electronics than fashion. (Lee et al., 2016)



Figure 2. Reverse the country of origin effect
Source: Created by the author based on Lee *et al.* (2016)

International marketing and cognitive psychology research illuminate COO effects and human memory systems. It deconstructs the halo effect using memory functions. Product beliefs positively influence CI when COO familiarity is low. Product beliefs positively affect a country's image for both visitors and nonvisitors. The influence can operate outside of conscious awareness. Figure 3 illustrates an associative network theory of memory.

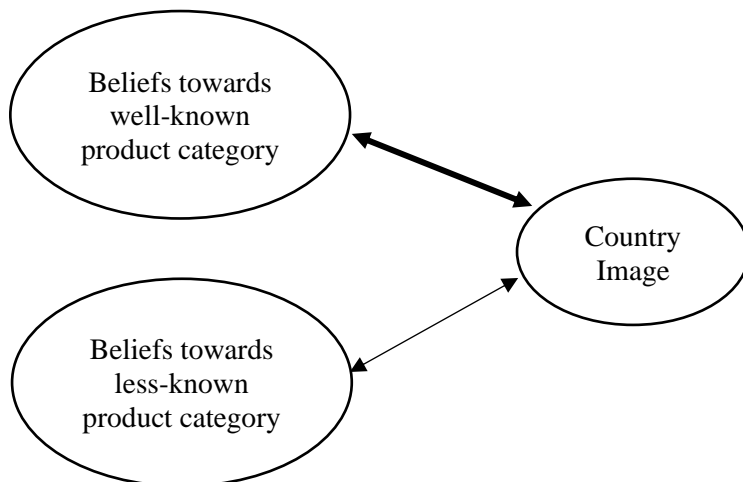


Figure 3. Example of an Associative Network Theory in Memory. Note: The thicker line indicates a stronger association.
Source: Created by the author based on Lee *et al.* (2016, p. 64)

The halo and reverse COO effects demonstrate the relationship between product beliefs and CI, which can affect one another both ways.

1.3. Country Product Image and Product Evaluation

Country images are significant extrinsic indicators in product evaluations. They are recognisable, evoke associations, and affect product evaluations and buying decisions. Country images can enhance a positive reputation for a whole category. (Kotler & Gertner, 2002) Also, products may include a variety of information cues, which provides customers with a basis for evaluating the product, intrinsic, like taste, design, and fit, and extrinsic, like price, brand name, and warranties (Bilkey & Nes, 1982, p. 89).

Product country image (PCI)-based marketing is rising with global competition and market complexity. Marketers often use country associations to differentiate their brands because products can be made anywhere and have increasingly standardised core characteristics. On the other hand, consumers in complex markets use origin images to "chunk" information, reduce perceived risk, and assess product social acceptability. (Papadopoulos & Heslop, 2002)

Nevertheless, recent COO research has shown that consumers frequently miscategorise brands, even well-known ones. Regardless of whether the brand's true origin has strong or weak CI, non-classification negatively impacts brand image evaluations and purchase intentions. Thus, classification to any COO is preferable to non-classification. Less interest in the brand was shown when consumers were unaware of the COO. (Balabanis & Diamantopoulos, 2011)

PCI and COO cues determine product evaluation based on customers' product knowledge. Consumers with high product knowledge are less likely to be influenced by COO cues in their product evaluation. Product knowledge is made up of objective and subjective knowledge. Objective knowledge represents specific attribute information. It determines consumers' true knowledge in their memory and relies mainly on stored information on a product class. Whereas subjective knowledge is how much consumers think they know about the product, it reflects self-assessment and relies more on product-related experience. It helps define consumer decision-making strategies and tactics based on what they think they know. Consumers with high objective knowledge would be less likely to rely on COO cues in their product evaluation. (Lee & Lee, 2009)

However, Nebenzahl, Jaffe, and Lampert (1997) note that a country's image affects product evaluation changes predictably. Relative CI perceptions determine brand and product perceptions when consumers lack product line experience. When a country's brands are introduced to a foreign market, if their qualities do not change much, the initial halo role of the country's image will be replaced by a summary role (the conclusions a consumer draws on the COO based on all the products and brands they know that originate from the particular country), which is based on the true qualities of the country's products. On the other hand, if a country's brands vary widely, its image will not affect product perception. Thus, long-term experience is needed to change the country's image.

However, Lampert and Jaffe argue that the COO model is dynamic and changes over time, using Japan as an example. In 1959, the "made in Japan" label was a cheap imitation of products made in industrialised countries. Today, it stands for high quality, excellent workmanship, and innovative products (Lampert & Jaffe, 1998). Sometimes, PCIs may shift quickly due to intervening events like the successful organisation of the Olympic games. In the absence of major events, some longitudinal studies suggest that origin images may slowly change. This suggests that PCIs are powerful stereotypes that are difficult to change. (Papadopoulos & Heslop, 2002, p. 300)

PCIs seem to have seven main parts: three country parts that measure a country's development, how people feel about it, and how much they want to connect with it; and four product parts that measure how people feel about the products, their price, their market presence, and how happy they are with them (Papadopoulos & Heslop, 2002).

Papadopoulos and Heslop (2002) summarised key findings about PCI. National and other place images are powerful stereotypes that influence the behaviour of all target markets. PCI effects for industrial and consumer goods were remarkably similar, disproving the notion that industrial buyers are more rational than the average consumer. Whereas Ahmed and D'Astous (1995) brought out that buying behaviour of organisational and household buyers is somewhat different. Since household buyers are less informed, they should emphasise product attributes like warranty that provide reliability and cost containment.

Koschate-Fischer, Diamantopoulos, and Oldenkotte (2012) found that consumers will pay more for branded products from a COO with a positive CI than one with a negative image. Papadopoulos

and Heslop (2002, p.32) confirm that PCI affects price expectations - the lower the image of a country, the greater the price discount buyers expect compared with an identical product from an origin with a stronger image. Penetration pricing and other incentives can help to overcome initial consumer resistance (Papadopoulos & Heslop, 2002, p. 300). Organisational buyers should be more concerned with cost considerations, like in the product evaluations more function-oriented and more prestige-oriented among household buyers. Thus, the latter should prioritise brand name, while organisational buyers should prioritise COO. (Ahmed & D'Astous, 1995) Nevertheless, stereotyping may influence industrial and consumer purchasing decisions (Bilkey & Nes, 1982, p. 90).

In the case of hybrid products, buyers can differentiate between a product's country of design, manufacture, or assembly and the producer's COO. Industrial buyers have a higher opinion of developed nations as design hubs, and the more complex the product, the greater the perceived significance of design skills. (Papadopoulos & Heslop, 2002) Consumer attitude toward a product should be most positive if the product is designed and assembled in a country with a strongly positive CI using parts from the same country (Chao, 2001).

A product's COO, or PCI, influences consumers' product evaluation. Laroche, Papadopoulos, Heslop, and Murali (2005) have extended the research to devise an integrative theory of how consumers incorporate PCI information in forming their attitudes and expressing their purchase intention. CI is a three-dimensional concept of cognitive, affective, and conative components. Cognitive (thoughts and beliefs), affective (feelings and emotions) (Katz, 1960; Rosenberg, 1960), and conative or behavioural are components of attitudes. Attitude is a complex mental state involving our knowledge, emotions, values, and tendency to act in particular ways, and it shapes social orientations or the tendency to respond favourably or unfavourably to something (Same, 2015).

According to Koschate-Fischer et al. (2012, p. 19), COO is an extrinsic informational cue that influences consumer perceptions and evaluations of a product by indicating product quality, risk, and value, directly affecting purchase likelihood. Bilkey and Nes (1982, p. 89) also indicate that the COO affects product quality perceptions. Evaluating a product's characteristics and overall quality significantly influences consumer purchasing decisions (Harju & Lahinen, 2021, p.1).

Laroche *et al.* (2005) modelled the relationships' CI, product beliefs, and product evaluations visible in Figure 4. They found that CI and product beliefs affect product evaluations simultaneously regardless of consumers' familiarity with a country's products. Findings also indicated that the structure of a country's image influences product evaluations both directly and indirectly through product beliefs. Consistent with affect transfer theory, the results showed that when a country's image has a strong affective component, its direct influence on product evaluations is stronger than its influence on product beliefs. Alternatively, when a country's image has a strong cognitive component, its direct influence on product evaluations is smaller than its influence on product beliefs. Country beliefs are defined as consumers' beliefs about the country's industrial development and technological advancement. The people affect refers to consumers liking the country's people. The desired interaction reflects consumers' willingness to build close economic ties with the target country.

Diamantopoulos, Arslanagic-Kalajdzic, and Moschik (2020) extended the study to determine whether consumers buy with their heads or hearts. It divides people into two groups: those needing cognition and those needing to affect individuals. Individuals with a high need for cognition are likely to follow the central route and form attitudes based on the in-depth processing of product-relevant information. On the other hand, low-need cognition people are more affected by outside signals and more likely to process information methodically. In contrast, those with a high (low) need for affect score demonstrate a greater (lesser) tendency for processing emotions and using (not using) emotions and affective information to make sense of their environment and form attitudes.

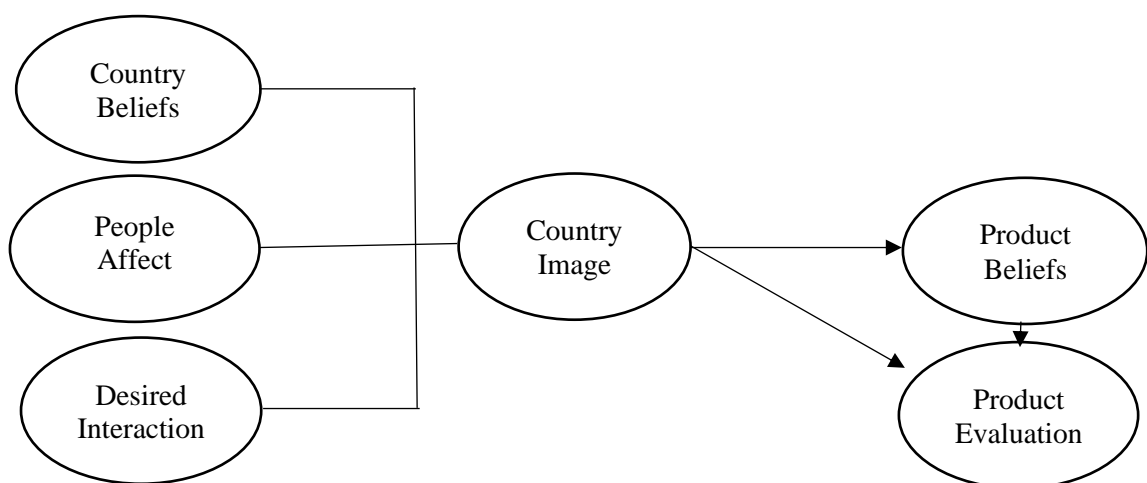


Figure 4. Laroche *et al.* the three-dimensional model
 Source: Created by the author based on Laroche *et al.* (2005,100)

The COO strongly influences industrial buyers' quality perceptions. It also affects consumers' buying decisions. Consequently, like price, the COO can be a proxy variable when other information is lacking. Adopting a multiattribute approach suggests that the COO's impact may be much more complex than previously thought and that familiarity and other factors affecting information or experience with a product should be considered in addition to nationality and other demographic characteristics, particularly gender, which do influence evaluations. Therefore, consumers familiar with a product category may be less likely to use the COO as a product evaluation criterion. (Johansson et al., 1985)

Eroglu and Machleit (1989, p. 40) found product type-related inconsistencies in COO product quality evaluations, depending on how involved people were with the product class, how much experience they had with the product category, how well they could spot quality differences, and how technical they thought the product was, affected the perceived value of the COO cue as an indicator of product quality. Similarly, positive or negative experiences with a country's products or brands may affect their evaluations. COO effects may be smaller than thought and more prevalent in evaluating specific attributes than overall evaluations. Thus, the multicue approach should be used to study COO effects on product evaluations, which considers product class familiarity and knowledge as well as COO. (Johansson, 1985)

Any cue can be described by how much it is part of the physical product itself, like taste, colour, or weight, or how much it is not, like the store where it is sold, its brand, its advertising, or its price. The "made in" label is an extrinsic cue because the label can be taken off without changing how the product looks or feels. When intrinsic cues are unavailable, people are more likely to use extrinsic cues to judge a product. (Eroglu & Machleit, 1989, p. 29)

Businesses need branding, quality, trustworthiness, and other fundamental characteristics no longer distinguish products, services, and locations. Branding adds emotion and reliability to these "products," providing consumers with hints that facilitate their decision-making. Brand loyalty comes from this emotional bond. With branding, one can create an aspirational lifestyle. Emotions, relationships, and lifestyle (values) allow brands to charge more for products, services, and locations that would otherwise be hard to distinguish from generics. (Van Ham, 2008, p.129-130) Social media can also improve product origin-consumer behaviour relationships in product assessment and purchase (Vrontis & Basile, 2022, p. 1222).

Laroche et al. model (2005) connects the three country parts named by Papadopoulos and Heslop (2002) and Han's (1989) halo model and summary construct, where he links CI influence to attitudes directly or indirectly through beliefs. With a product class like prefabricated wooden houses, the author found all three country parts are relevant for purchase intention, country industrial development, feeling about the people and desire to connect with them. Understanding the country's image and its impact on product evaluation and purchase intention is essential for successful collaboration, sales or marketing activities. Images are frequently unintentional and not necessarily accurate simplifications. However, building up a competitive advantage for a sector or country, therefore, CI in a globalised world and marketplace is something to pay attention to. From different theories and constructs, this study examines a country's image, product belief and product evaluation from a three-dimensional concept of cognitive, affective, and conative components.

2. ESTONIAN WOODEN BUILDINGS EXPORT BACKGROUND

The second chapter of this master's thesis is divided into two subsections. In the first subsection, the author of the master's thesis gives an overview of prefabricated wooden buildings export. The second subsection explains the marketing and sales role of the export process.

2.1. Prefabricated Wooden Buildings Export Overview

As a small country with an open economy, Estonia's economic growth is mainly influenced by foreign trade, making it highly vulnerable to global economic changes. Exporting products and services represents almost 80% of Estonia's GDP. Increasing the volume of the country's exports is essential both to ensure the country's stable economic growth and to increase competitiveness (Estonian Chamber of Commerce and Industry).

One of its top exports of Estonia is Prefabricated Buildings (The Observatory of Economic Complexity). According to the Estonian Trade Development Agency, Estonia has been Europe's largest exporter of wooden buildings for the past ten years, ranking only behind China and Canada in global statistics (Tuul, 2022). Prefabricated buildings, whether or not complete or already assembled, were the fourth most significant export article for Estonia in 2021, counting 495 million euros. The sector has been producing more yearly; in 2022, it was 535 million euros (Statistics of Estonia). In a high-inflation environment, like those encountered in 2022 to 2023, export prices rise rapidly, which hides a significant drop in exports. When exports have not yet decreased in nominal prices, taking inflation into account, the drop is noticeable (Nestor, 2023).

The Estonian wooden house sector has succeeded primarily due to operating in export markets, which forms approximately 90-95% of the companies' total turnover. Buildings are mainly delivered to the Nordic countries, primarily Norway, Sweden and Finland but also to Germany, Denmark, and new markets are seen in France, Great Britain, the Netherlands, Switzerland, and also, for example, the USA. The Statistics of Estonia, export information for prefabricated buildings of wood, whether or not complete or already assembled in Figure 5, shows that almost

60% of exports have been to only three markets: Sweden, Norway and Germany. The sector is facing a significant risk of over-concentration in a few markets. Strengthening exports to secondary markets and expansion in new export markets are needed. (Vilt, 2021, p.6, 14) With this said, increasing volumes of prefabrication and offsite construction in Northern Europe indicate that modular housing is regaining relevance and may account for a significant portion of the construction industry in the coming years (Hetman, 2022, p. 10).

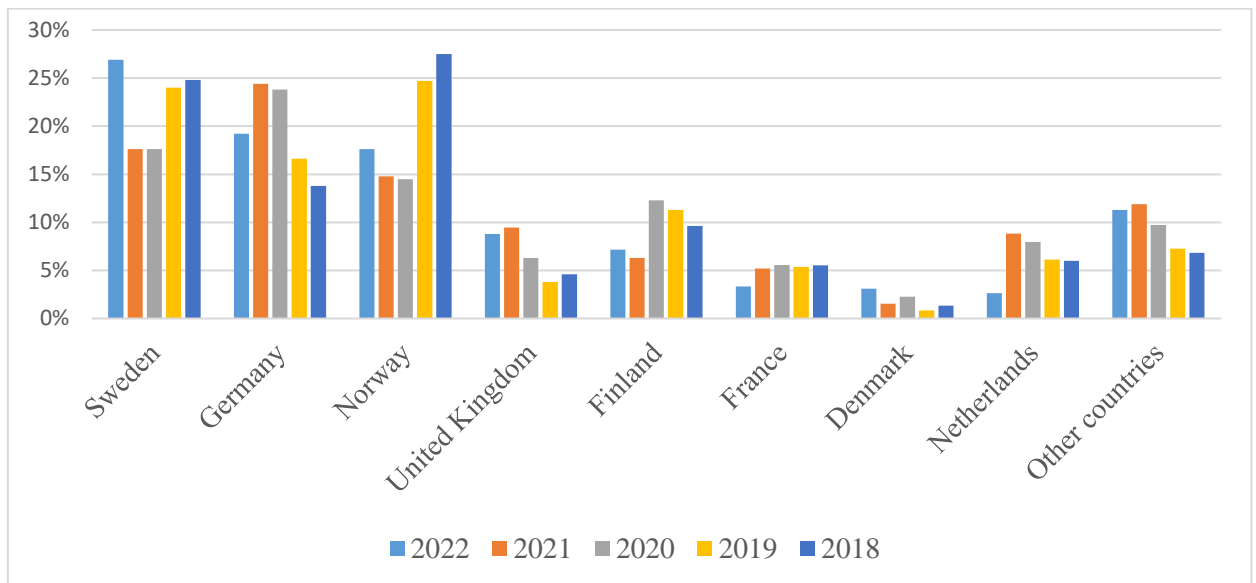


Figure 5. Prefabricated buildings of wood, whether or not complete or already assembled export statistics in %

Source: Created by the author based on Statistics of Estonia Data on 9th April 2023.

Prefabricated building construction benefits several fields: construction quality due to prefabrication's consistency; customer satisfaction due to reduced unexpected problems and defects; technical precision due to controlled factory fabrication processes that allow for higher thermal, structural, and acoustic performance; and reduced erection time because activities are scheduled to happen at the same time instead of sequentially and finally less waste because of better control of materials and automation (Cid et al., 2021, p. 7284).

Prefabricated construction has drawbacks, such as initial investments being high for automatized production lines and high demand volumes being needed to justify the investment; distance between the factory and the construction site, as project cost and delivery time can be sensitive to transport cost and delivery time; and means of transport, because every means of transport has different transport constraints, such as module dimension, weight, and rigidity; construction

industry according to innovation expenditure ratio; and traditional delivery method (Design–bid–build), as prefabrication, is more efficient when clients, designers, and fabricants plan and work together. (Ibid.)

Due to the availability of land and raw materials, most factories are situated in the middle of Estonia (Hetman, 2022, p. 34) since most of the production is located outside major cities, which is crucial in maintaining growth and employment in rural areas. A house is a product with the highest added value made from wood.

Construction and wooden house manufacturers are directly linked. However, environmental sustainability, which manifests through reducing CO₂ footprint and promoting wood as a renewable natural resource, impacts wooden building manufacturers (Kallas, 2018, p.28). Construction, use, renovation, and demolition of buildings account for 40% of EU energy consumption and 36% of greenhouse gas emissions. The European Green Deal's 2050 carbon neutrality goal requires improving energy efficiency (European Commission, 2020).

Several factors point to supporting the sector's growth. Von der Leyen founded the New European Bauhaus Academy in Helsinki in November 2022. She emphasises the forest's value as a complex ecological system that benefits people and the planet: "Forests provide jobs, energy, building materials, and economic growth. Wood-based products have an enormous potential to replace fossil-based products". Consumers view wood products as environmentally sustainable and value their environmental benefits. In recent decades, the significance of sustainability in defining the quality of wood products has increased among consumers (Harju & Lähtinen, 2021, p.2).

The New European Bauhaus wants to increase wood use in European construction, which is currently 3%. Compared to concrete, building with wood reduces carbon emissions by 40%. The President of the European Commission states that Finland, Estonia, and Sweden have centuries of experience building with wood, and green transition quality wood and construction, along with other aspects, are growing in importance (2022). The European Union's development goals include green and digital revolutions and climate neutrality. Energy-efficient, eco-friendly, and resource-saving new buildings are required. The companies in this sector benefit from these changes. (Vilt, 2021)

Due to rising production input prices, Estonian wooden house manufacturers competed with local producers in 2017 and 2018. Next to raw materials, labour costs dominate factory production of wooden buildings. Estonia's primary competitors' lower labour costs cause extreme competition in target markets. (Eesti Puitmajaklaster, 2018)

Significantly higher costs also put Estonian house producers in a more difficult situation than local producers since they also need to consider the cost of transportation. Compared to local manufacturers-builders, the transportation costs of house elements are a long distance much higher due to this, including ship loading and unloading, sea transport, and port taxes. Compared to local producers, Estonia house producers have an average of 7-10% added to the contract price additional costs due to more expensive transportation. (Vilt, 2021) Moreover, customers tend to evaluate their country's products more favourably than those from other nations (Bilkey & Nes, 1982, p. 90).

Over time, Estonian producers have developed certain cooperation partners, which are further disadvantaged by the fact that the decision of the main contractor or partner to reduce against a foreign (Estonian) house factory should estimate to be at least 10%, i.e., the Estonian house manufacturer must sell equivalent goods cheaper than a local company. Due to distant communication and foreign language contracts, it is called a risk and inconvenience fee. The price difference is usually even more significant for new customers but can also be smaller than for old cooperation partners. (Vilt, 2021) Considering this, prefabricated wooden building producers have advantages to overcome the challenges.

2.2 Marketing and Sales Activities Role in Prefabricated Wooden Buildings Export

A study by the Estonian Woodhouse Association (Vilt, 2021) visualises commercialisation activities and highlights the following aspects. Cooperation partners have developed with time, so there is no direct competition with other local companies for projects. Sales work is mainly limited to "incoming" projects by solving price queries. For companies, the main partners in export markets are developers or those with the capacity of general contracting construction companies. In most cases, a significant part of the entire sales portfolio comprises so-called repeat customers, companies with whom trustful cooperation has developed. Hopes are on the regular customers and new customers with initiative. Seeking new clients is not addressed, and as a rule, companies do

not engage in active sales work. The core values of the product customers find as the driver for purchase are trustworthiness and reputation, a favourable price lower than local house manufacturers, plus high and reliable quality.

Systematic marketing to find customers, advertisement and sales campaigns are not done. Despite that, the producers go to fairs and use the help of the Enterprise of Estonia, but the whole process is still more accidental. Stable partners are positive, but their share should not become too decisive regarding risk management, especially if there are few. One company's share in the sales portfolio should be limited. (Ibid.)

Live events like fairs are as important as digital ones for attracting and retaining foreign brands and product interest. Despite social media's growing role in the global village of consumers and influencers, establishing—mainly in physical spaces and live events—will always be necessary. (Vrontis & Basile, 2022, p. 1233) An overall focused plan for market development is a must and particularly relevant to such emerging economies as those of Eastern Europe, which appear to have put more emphasis on 'promotion' than systematic marketing (Papadopoulos & Heslop, 2002, p.300).

In the sales phase, it would be essential if the companies had previously introduced themselves and their activities in the markets of the target countries (e.g. articles in specialised print media, on the Internet). Sales and support personnel should know the target country's construction regulations, requirements, and practices. (Vilt, 2021) Modular prefabrication works best when people work together, and it requires teamwork and a wide range of skills and knowledge that complement each other (Hetman, 2022, p. 10).

Estonia should also prioritise excellent production quality as the price is the most important bid characteristic in low-risk situations. In contrast, in high-risk situations, quality and location were more significant (Bilkey & Nes, 1982, p.93). Finally, information technology has accelerated offsite fabrication with virtual reality and 3D computer-aided design, project and decision support software and digitally controlled production machinery. Hetman's (2022, p. 45) research suggests that IT innovations could simplify design, planning, and project management. These aspects could fit with the E-Estonia image.

Individual exporters are responsible for the majority of mass export marketing. At the same time, government and industry groups concentrate primarily on intermediaries (e.g., arranging a "country week" at a major department store in the target market or encouraging participation in trade fairs). Consequently, the export image of most countries tends to be less consistent than that of their tourism industries, suggesting that government and trade associations may have a greater opportunity to coordinate and promote the country's export brand (s). (Papadopoulos & Heslop, 2002, pp. 310-311) Nevertheless, when analysing the strengths of the wooden housing industry in Nordic countries, it is necessary to recognise the significant role of the public sector. Governments have greater confidence in developing a sustainable and environmentally friendly wooden house construction industry due to the clear formulation of strategies and objectives and, more importantly, their successful implementation. (Kallas, 2018, p.33)

Producers must decide if linking a product's COO is worthwhile. Certain producers can emphasise their origin, and the national trade body can promote the products. In this way, both parties would benefit from establishing or enhancing their significant connections. COO as a competitive strategy only works if a country and its products are perceived as congruent. Mismatches may fail. Countries can collaborate with major export industries to create copromotions that increase product and country selection by fostering positive subconscious associations. (Lee, 2016)

Although the turnover and export volume of the Estonian wooden house sector has increased, many companies need help maintaining their position in export markets where the product price often exceeds the price level of local producers, more substantial sector-wide joint marketing is required to maintain competitiveness (Eesti Puitmajaklaster, 2018, p.3). Estonia could follow the example of the Nordics and bridge the private sector and the state for the fourth export article of the country via export marketing.

3. RESEARCH ON COUNTRY IMAGE AND THE LINK TO PRODUCT EVALUATION BASED ON ESTONIAN WOODEN BUILDINGS EXPORT

This chapter provides an overview of the research conducted by the author. The chapter is divided into three subsections, the first provides an overview of the research methodology, the second focuses on providing an overview and analyses of the study results, and the third part brings the author's conclusions and suggestions for further activities.

3.1. Research Methodology and Sample

The study aimed to find the link between the country's image, product evaluation and Estonian wooden building exports. The research was carried out based on the image and its impact on evaluations discussed in the first chapter, and it was adjusted according to the specifics of the Estonian wooden house sector.

A selected group of foreigners and their perception of Estonia were studied to understand the country's image in supporting Estonian wooden building exports. Moreover, the product country's image was investigated in one of the vital export sectors for Estonia among foreign customers, and a link was created to the product evaluation and purchase intention. The goal was to understand the country's image phenomena in exporting goods, as the theory says that the general CI is critical in supporting exports or entering new target markets. The research was executed in two parts, combining the qualitative and quantitative research methods.

The first part of the study aims to understand and explore the process by researching the consumer's thoughts and describing their experience, expressed through their own words; therefore, the best-suited research method is the qualitative method to carry out the research tasks to explore the perception. It was decided to execute the general interview guide approach to ensure that the same general areas of information were collected from each interviewee. This method for collecting primary data in which a sample of interviewees are asked questions to find out what they think or feel provides more focus, yet, it allows a degree of freedom and adaptability in getting the

information from the interviewees. The interview questions (Appendix 1) were developed based on the three-dimensional model created by Laroche *et al.* (2005) connecting CI, product beliefs and product evaluations. The three dimensions of CI summon consumers' beliefs about the country's industrial development and technological advancement named as country beliefs. The people affect refers to consumers' liking of the country's people. Consumers' willingness to establish close economic ties with the target country is reflected in the desired interaction.

When deciding on the selection of cases, different sampling criteria were compared, and the decisive factor was the criterion of convenience, which means that the cases that were easiest to find under the given conditions were selected for the study. All the participants were from the French and German markets and had purchased a prefabricated wooden building from Estonia. Primary data was collected from individual interviews, executed on Microsoft Teams, as this was the only possible way to consider the interviewee's location and time availability. The same software was used to transcribe and save the interviews.

The author conducted seven one-on-one interviews for research between 23rd March and 4th April 2023, an overview visible in Table 1. The selection criteria were that all the participants of the interviews had purchased a prefabricated wooden construction from Estonia from a company called Iglucraft. Among them were three people who had purchased a sauna for personal use and four people who had purchased a tiny house only or, in addition, a sauna for professional use. Three of them had not received their product when the interview occurred, and two had not seen the product and its quality in real life. Five of the purchases were made by customers located in France. One of them was a customer of Finnish origin. Two interviewees were customers from Germany.

The interviewees were chosen from France to study the perception of people coming not a historic target market for Estonian prefabricated wooden house manufacturers. This relatively faraway country shares little historical, cultural and linguistic links with Estonia. On the other hand, it has much potential due to its size and purchasing power of its citizens. France also has a high CI (Lampert & Jaffe, 1998, p. 75), and learning how customers from France perceive products from Estonia challenged the author's curiosity. All this was possible since the author worked in the sector for one Estonian wooden building exporting company as a sales manager developing the French market. Two interviewees were added from the German market, which has been among Estonian companies' three primary export markets for at least the last five years, as seen in Figure 5, page

21, based on Statistics of Estonia Data 9th April 2023. It allowed the author to study the perception phenomenon of the Estonian CI and the triggering factors of purchase decisions from customers from two different markets.

Table 1. Overview of the interviews executed

Date of interview	Interviewee number	Nationality	Purchased product	Purchase type (personal or commercial)	Status of the order
23 rd March 2023	Interviewee 1	French	Sauna	Personal use	Not delivered, nor has seen the product
	Interviewee 2	French	House and sauna	Professional use	Not delivered, but has seen the products
24 th March 2023	Interviewee 3	French	Sauna	Personal use	Delivered
	Interviewee 4	Finnish in France	House and sauna	Professional use	Not delivered, nor has seen the products
31 st March 2023	Interviewee 5	German	Sauna	Personal use	Delivered
	Interviewee 6	German	House	Professional use	Delivered
4 th April 2023	Interviewee 7	French	2 Houses and a sauna	Professional use	Delivered

Source: Created by the author

In qualitative research, the sample size is appropriate if it can adequately answer the research question. In practice, the number of participants is usually revealed during the study, depending on how the study progresses and when there is a moment when no more categories, topics or explanations are added. If the involvement of the participants is stopped when new perspectives are no longer added from the interviews, i.e. the material is "saturated", we talk about data saturation and compliance with the theoretical saturation criterion. Although the saturation idea has found broad support in qualitative studies, there needs to be more about determining such a sample, as it depends primarily on the erudition of the researcher and how much he can notice new perspectives while collecting data. Therefore, to the question of when the researcher can be sure that new information will no longer be added, it has been found that data saturation is achieved chiefly after conducting 12 interviews. (Laherand & Orn, 2008, pp. 67-68)

Inductive coding was chosen since the qualitative approach was adopted to understand the consumers' thoughts regarding the country's image in supporting Estonian wooden building exports. Inductive coding, specifically open coding, allows participants' perceptions to emerge in

a specific context, and open coding to better understand the participant's responses in a particular context. (Saunders *et al.*, 2012, p. 48)

Specifically, structural coding, descriptive coding and in vivo coding was used since structural coding uses research and interview questions to guide the development of some codes. Descriptive coding aims to summarise extracts by using words that encapsulate the general idea of the data. These words or codes will typically describe the data in a highly condensed manner, which allows the author to refer to the content quickly. In vivo, coding uses the participants' own words. In other words, some of the participants' direct quotes will be used as codes, so the codes stay as close to the participants' original phrases and words as possible, giving the author a better interpretation of their perceptions and point of view. (Ibid.)

In the second part of the research, the survey questionnaire was added to get more input from a broader group and contextualise the interviews. A survey questionnaire was launched using Survey Monkey, consisting of 15 questions and is fully visible in Appendix 2.

The sample criteria were convenience sampling, and the selection criterion was the prospects from West Europe, mainly France, who had been in touch with one Estonian manufacturer during the last six months. All the people who received an invitation to fill in the survey were among the sales contacts of the author accumulated throughout the last six months for various inquiries, as well as people who had been targeted by the salesperson, like contacts collected from trade fairs. It could be assumed that the sample is interested in and has an opinion about prefabricated wooden buildings. Likewise, know at least one Estonian manufacturer as they had been in touch with an Iglucraft company representative. The invitation to complete the questionnaire was sent to 958 contacts. However, the participants who decided to respond were those contacts' who were available and interested in contributing. As a result, 69 answers were collected. From a relatively low participation rate, we can assume little knowledge or interest in the topic, together with wanting to avoid exposing opinions to someone responsible for sales in a company whose products have been glimpsed over the internet or international exhibition. The survey was sent out on the 1st of April 2023, and data was collected till the 8th of April 2023.

Out of 69 participants who completed the survey, 53 of the respondents were French (77%), and 16 others were mainly West Europeans (23%), like Belgium, Swiss, Portuguese, English, American, German, Danish, and Russian. 64% of them were men, and 36% were women. Only 6

% of respondents were between 18-29 and above 64 years old, people between 30-39 were 23%, people between 40-49 were 20%, and the most represented group were people between 50-63 years old, 45%. 91% of the participants of the questionnaire had not visited Estonia, and 9% who have visited Estonia.

The author used descriptive statistics and the Mann-Whitney test, the Kruskal-Wallis test and correlation analysis based on the Spearman correlation coefficient to explore relationships and differences between variables and identify potential trends and patterns within the data collected for this study.

3.2. Research Results and Analysis

The transcribed interviews and coding is visible in Appendix 3. [Google Drive Folder](#).

1st interviewee has had a positive experience visiting Estonia, "really nice city, country and friendly people", bringing out the development of new technologies. However, he considered his experience limited. 2nd interviewee has never visited Estonia but relates it to good quality of life and proximity to nature "when you say Estonia, we think of quality, of good and friendly people and great landscapes", besides mentioning the trustworthiness of the people. 5th and 6th interviewees have not visited and have limited knowledge about Estonia, both stressing digital and modern image with IT developments and ease of administration and overall positive image of the country. 5th interviewee says, "this is a very forward-going country; it is a very digital country," and 6th interviewee "they teach IT to the children in the school". The 7th interviewee never visited and has limited knowledge of its small and quiet country, "small country, and I think it is a really quiet country". 3rd interviewee neither has visited Estonia, bringing out nature: wetlands, woods, lakes, seaside, and durability regarding architecture, referring to difficult living conditions. Stressing the country's role at the political level and bringing out the modern approach to public administration and effectiveness, as well as economic values - good business attitude; seriousness and resilience of the population.

The ability of the three Baltic states to reinvent themselves in a modern and innovative manner over the last 30 years: a modern approach to public administration, very efficient,

having taken a full grasp of the abilities of the Internet and the digital world that projects an image of efficiency, which I feel is very beneficial for the image of these countries.

4th interviewee has extensive knowledge about Estonia, and the country's image is a positive, avante-garde country which needs to be better known as Estonia is little known in France.

It's a young country. They have a lot of young people in important positions. They are very liberal-minded and sometimes even forget the social aspects, especially older people. They are very innovative and on top of all these digital technologies, so to me it is very advanced small country.

The image is relatively neutral, with some positive aspects. People can locate it geographically and link it to nature among Nordic or Baltic countries. Some of them know more about history and have heard about public sector innovation and E-residency program. None of them could name other products from Estonia besides the one they had purchased.

Some interviewees think the country's role in sales of prefabricated wooden buildings is limited; others think it is essential. North Europe, especially Scandinavia, is associated with wooden architecture. Estonia's part of it varies between the interviews. Nonetheless, Northern Europe is associated with better quality; one would expect woodworking knowledge. The country's role would be to assure the customers and geographical location renounces that the construction quality is solid to diverse climate conditions. Interviewee 3:

Nordic and Baltic states are associated with wood and wooden products in my mind and French people's minds. We do not have wooden buildings as a tradition in France, but we know that it is a tradition in Nordic states altogether. Therefore, a very spontaneous positive image of wood products coming from those countries.

Their experience with their purchased product strongly influenced the overall quality evaluation of Estonian-produced buildings. Interviewees 2, 3, and 6 mentioned good or excellent quality, with elaborate design by interviewee 4 and a mixture of traditions with modern technology by interviewee 1. The 5th interviewee highlights the importance of timely transport and good product quality. The 7th interviewee mentions the solid construction, good finishing and technology used inside. The 5th interviewee reveals that excellent quality extends from a product to customer

service. Good contact with a salesperson and a company representative is of the utmost importance brought out by all participants in different parts of their interviews. It includes quickly answering requests, and people want to feel close to the company. Guiding customers through different processes and executing tasks in promised time generates trust. Confidence in the company makes it easier to take on some challenging decisions like payment upfront before receiving the goods, which can be problematic to some people, as interviewees 1, 3 and 5 mentioned. The possibility to communicate in their language was brought out by interviewee 6 to generate trust and a comfortable purchase process. Personal contact with company representative is valued by interviewee 7, the professionalism and knowledge of laws and regulations.

The majority would expect the price range to be lower as it is not produced in Western Europe, and salaries and production costs are expected to be lower in Estonia, interviewees 1, 3, 4, and 7. However, according to interviewees 2, 3, 5, and 6, people are willing to pay more for good quality, unique products. The interviewees who had received the product agreed that the price they had paid and the quality were aligned and were very satisfied with the deal they had made, confessed interviewees 2, 3, 5, 6, and 7. However, interviewee 7 brought out that if prices exceed the local ones, the purchase intention would be for the local product, and 4th interviewee said that the price was not an issue as it was the same as the local product.

Good online communication, named by interviewees 1, 2, 5, and 6, who specified Linked In, interviewees 1, and 4 highlights the importance of deciding whom to target online marketing to these groups. Product showcasing at trade fairs pointed out by interviewees 1, 5 and 6 were brought out to raise the knowledge and promote Estonian products. The importance of being present in the local market via showroom, local representative or affiliate was named by interviewees 2, 3, 6 and 7, as the distance is a challenging and onsite point of contact for a comfortable and convenient sales process. Interviewee 2 specifies the need to see the products in real life. As well interviewee 1 named the need for a local representative who would help with installation or at least with bigger orders, additionally, the after-sale service. Interviewee 7 mentioned specifically local industry partners and partners who could support installation. Besides, the association with different actors in the sector was brought out by interviewee 3, "The industry is faced with shortages in France", as some leading construction companies are still far from their set goals regarding including wood in their projects and "local implementation being the key." Interviewee 4 suggested linking the product to Estonia, as the product she purchased could be produced anywhere. "What would make Estonia special in a way? It could be linked to nature, history, handicrafts, the quality of the houses,

or maybe a forest." The image of Estonia needs to be created and products linked to it. The 5th interviewee suggested trade articles and local and daily press advertisements in advertisement imagery quality and proximity of Nordics associations named by interviewee 3. On top of it, he had seen the Estonian company product in the magazine, which he considers an excellent reference to quality.

When it comes to promoting the country, interviewee 1 thinks that stories that dwell telling about traditions can be helpful. Emotion work as well, in the opinion of interviewees 2, 7 and 3, who also add the knowledge and factual side. Interviewee 7 mentions how she thinks the French can imagine that all Estonians live in wooden buildings, making them comfortable buying Estonian houses as that confirms know-how. Interviewee 3 was surprised to hear that the driver who delivered his sauna does it all over Europe weekly.

On the website, there is a small hint that you deliver products to a number of places, but you do not give the magnitude of what you do, the actual size of the company, how many products are sold annually, growth rate. This information gives assurance and confidence to customers, letting people know takes the risk of buying a product from a far away place.

Interviewee 5 thinks emotions would work better in business-to-customer contact, whereas providing knowledge and factual information would be more influential with business-to-business interaction; the emotional side was brought out as well by interviewee 6. The opposite interviewee 4 thinks that factual knowledge about the country, together with information on how things are made and delivered.

The interviewees could name the Nordics, interviewees 1, 3, 5 and 7, for other countries that produce wooden houses. France was mentioned by interviewees 2, 3, and 4; she brought out as well that France has lots of tiny house producers who pay attention to greenness but are more conventional in design, otherwise Estonia and Finland. Interviewee 5 also names Austria, Switzerland, and other Central and Eastern European countries for reasonable pricing, not Baltics. Interviewee 1 thinks the products might compete with German products, and interviewee 7 thinks the closest competitors might be the neighbouring countries to Estonia. Interviewee 6 was not able to name any.

The most valued qualities were sustainability by interviewees 1, 2, and 6; interviewee 2 brought out as well, energy efficiency, and interviewee 3 climate-friendly dimension and good thermal insulation. Interviewees 2, 6, and 7 mentioned the easy installation process. The design was mentioned by many, interviewee 3, after covid world essential comfortable inside environment; interviewee 4, excellent and functional design; interviewee 5, cosiness, uniqueness and special inside atmosphere; and interviewee 7, unique design. Structure, as brought out by interviewee 4, quality wood by interviewee 7, and interviewee 5 pointed out that in German perception, wood might not be perceived as a durable enough material.

Other important aspects of purchasing besides already mentioned designs by interviewees 1, 2, 4, and 6, who name as well brand. Sustainability and energy efficiency were mentioned again by interviewees 2, 6, and 7, and ease of installation and transport by interviewees 1, 3, 4 and 6. Price was mentioned by interviewees 2, 3, and 4. Customisation is essential to many interviewees 1 suggests that "customisation allows people to have a choice and allows to charge them more", and is mentioned by interviewees 2, 5 and 7. Interviewee 3 shares in two segments, lower market values price, high en market design and quality; he also brings out the quick construction process. Quality is stressed as well by interviewee 4, and interviewee 5 names good customer relations.

About the customer segment for tiny houses, interviewees 1, 3, 4, 6 and 7 brought accommodation businesses, as well as people with good financial situations who have their home with a garden or summer house to add something little extra was named by interviewee 1, 3, 4 and 7. However, interviewee 2 revealed that people over 30s prefer smaller houses as they are more affordable than big houses; saunas, however, would be preferred by people in their 50-60s; interviewee 6 added wealthy customers between 40-60. Interviewee 5 thought an open mind and connection to nature characterise the customer.

All interviewees agree that price is an essential component of a purchase decision. However, interviewee 2 points out that the perception of quality is based on pricing, and one needs to see further the price of this kind of investment. The interviewee says the price is subjective to customers' affordability, and interviewee 4 agrees that price is a critical component when it is too high; plus, other costs are linked with such products, which needs to be considered. Interviewee 6 thinks it is essential as everyone has limits, and 7th interviewee mentions the decisive role when it is much higher than elsewhere. Interviewee 5 says it is a design, quality and price compromise.

The product country in the decision-making process is somewhat essential. Interviewee 1 considers some other aspects more important; however, he says that "Made in Europe" is the only thing that counts for him. He specifies that products made in Estonia are slightly better than those made in Poland due to geographical proximity to Finland. Interviewee 2 thinks it plays a role in the final comparison. Interviewee 3 reveals that the French have minimal knowledge about Estonia, and it does not necessarily associate with wooden buildings and has stigmas of the immediate past. For example, the country's knowledge could be built through a good documentary or art. Interviewee 4 agrees that the country's image projects an image of quality, and Estonia has a good image in doing business, its reliable answers to emails. Interviewee 5 admits that Germans prefer local products; however, younger people are more international; nonetheless, good contact has a significant role in purchase decisions, in his opinion. Interviewee 6 thinks it can be important, but it was the design in her case. Interviewee 7 thinks it plays a role like price, quality, and good contact as the customer will choose the company they feel more comfortable with. Interviewee 3 mentions as well sustainable forest management.

In the interviewees' opinion, the future of wooden houses and the change in consumption patterns is happening. Interviewees 1 and 2 think that people are positively tuned towards wooden houses, and improved technical solutions have a role to play in it. Interviewees 3, 4, 6, and 7 mention climate change, the growing importance of wood, and environmental criteria; interviewee 6 thinks the change is insignificant, and interviewee 7 adds quality and smaller surfaces. Interviewee 5 thinks it is a rather lifestyle choice.

Other information that customers mentioned they would have needed were drawings, norms, technical information, and information about transportation and installation mentioned by interviewee 1. The 3rd interviewee recommends bringing out durability to reassure and calm the fear. Standardised technical information was mentioned as well by interviewee 4, and interviewee 5 drew attention to the trustworthy online interface for detailed information, other customer success stories or satisfaction, significant as well in the opinion of 4th and 7th interviewee together with good contact in a company. Interviewee 2 confessing seeing the products physically was the decision-making initiator. Transport and delivery were very challenging and generated worry and stress in the case of interviewee 7.

People do look around the market before deciding, and if the design is unique, it can be a crucial selling point; otherwise, good argumentation of the company representative's friendly, informative and precise response to the customer is valued brought out by interviewees 3 and 4.

The codes extracted from the interview transcripts are presented in the word cloud in Figure 6.



Figure 6. Wordcloud of the codes withdrew from interviews

Source: Created by the author with ATLAS

Of the quantitative research participants, 91% of the questionnaire participants had not visited Estonia; however, 56% of the total respondents see the image of Estonia as positive or rather positive (arithmetic mean 3.88, standard deviation 1.078), and only 6% see it as negative or rather negative, results division visible on Figure 7.

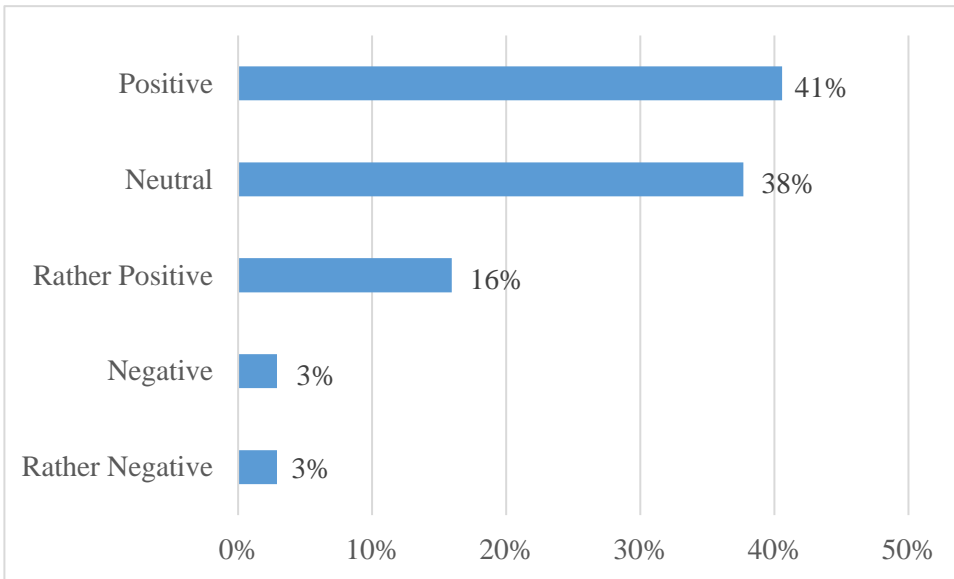


Figure 7. The image of Estonia and the reputation Estonia carries, % (n=69)
 Source: Created by the author based on the results of a study prepared by the author

Regarding the role of PCI in purchasing a prefabricated wooden house or sauna, Figure 8 shows that the most significant share was formed by respondents who consider it very important (36%, arithmetic mean 3.41, standard deviation 1.005). The second part, by weight, comprises respondents who think it is somewhat important (32%).

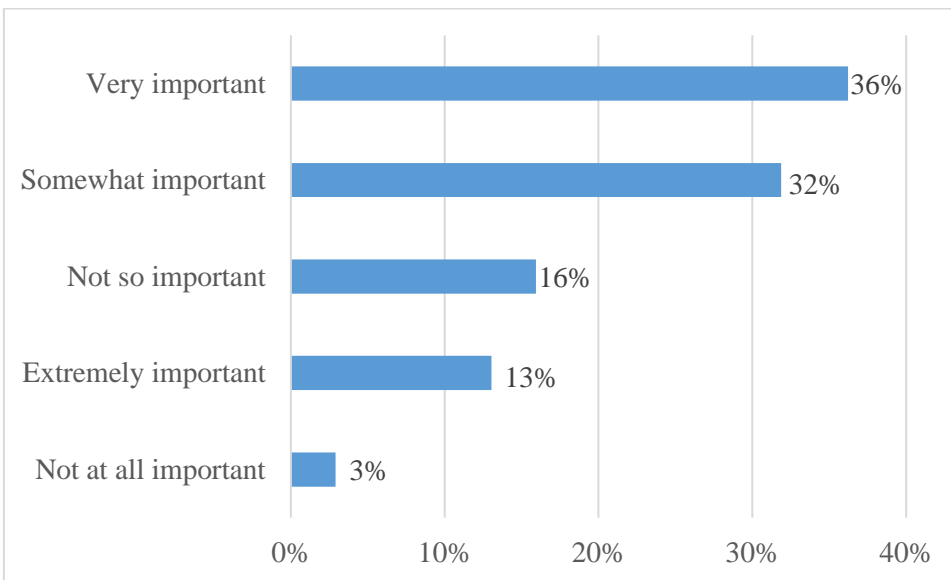


Figure 8. The role of product country image in purchasing a prefabricated wooden house or sauna, % (n=69)
 Source: Created by the author based on the results of a study prepared by the author

59% of respondents claim to decide based on a product's COO when purchasing a wooden house or sauna, and 41% do not. 61% would purchase a domestic and foreign product, 25% would buy domestic, and 14% would buy a foreign-produced prefabricated wooden building.

Regarding the product quality of the Estonian prefabricated wooden building, Figure 9 shows that the most significant share was formed by respondents considering its high quality (58%, arithmetic mean 3.91, standard deviation 0.68). The second part, by weight, comprises respondents who think it is neither high nor low quality (23%), and the third group considers its very high quality (17%). None of the respondents thinks Estonian-produced products have very low quality.

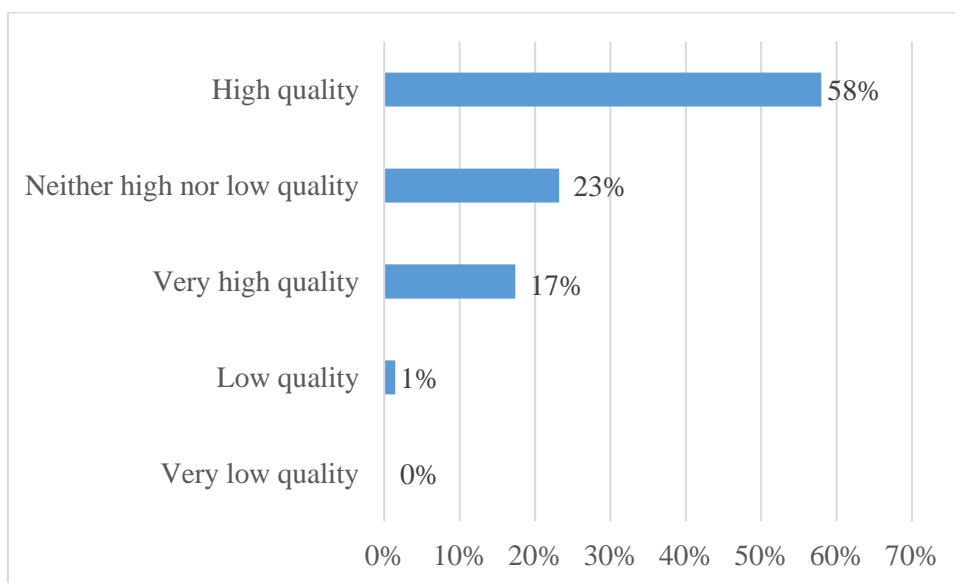


Figure 9. The Estonian prefabricated wooden building product quality, % (n=69)
Source: Created by the author based on the results of a study prepared by the author

Regarding the price when choosing which prefabricated wooden house to buy, Figure 10 shows that the most significant share was formed by respondents considering it very important (53.6%, arithmetic mean 3.9, standard deviation 0.71). The second part, by weight, comprises respondents who think it is somewhat important (26%), and the third group considers it extremely important (19%). None of the respondents thinks that price is not at all important.

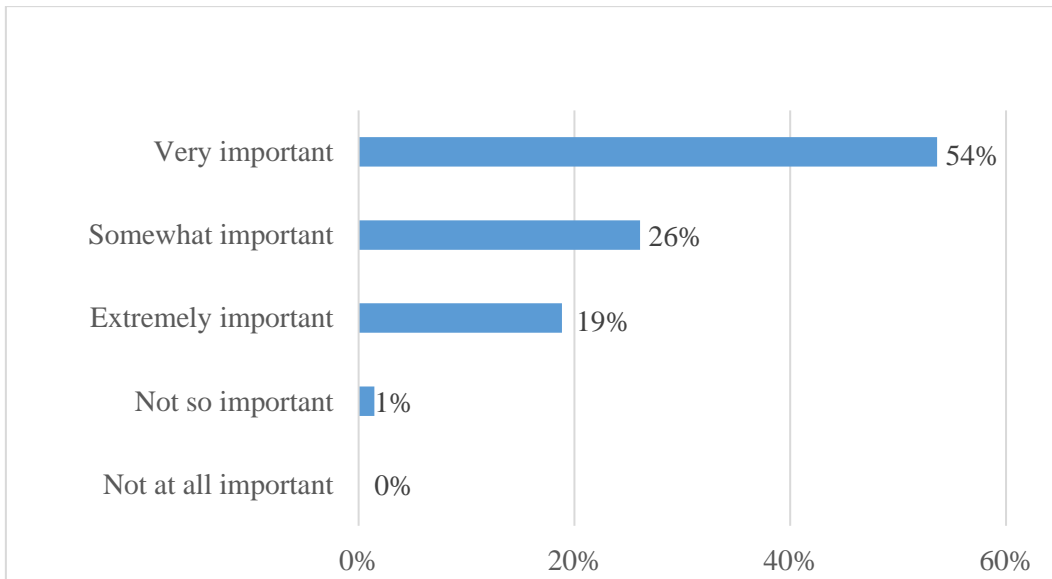


Figure 10. The importance of the price when choosing which prefabricated wooden house to buy, % (n=69)

Source: Created by the author based on the results of a study prepared by the author

Regarding the price expectation of Estonian-produced wooden buildings, Figure 11 shows respondents' most significant share was formed considering the average price range (46.4%, arithmetic mean 3.22, standard deviation 0.872). The second part, by weight, comprises respondents who think it is above average (25%), and the third group considers it below average (20%). None of the respondents thinks that the price is far below average.

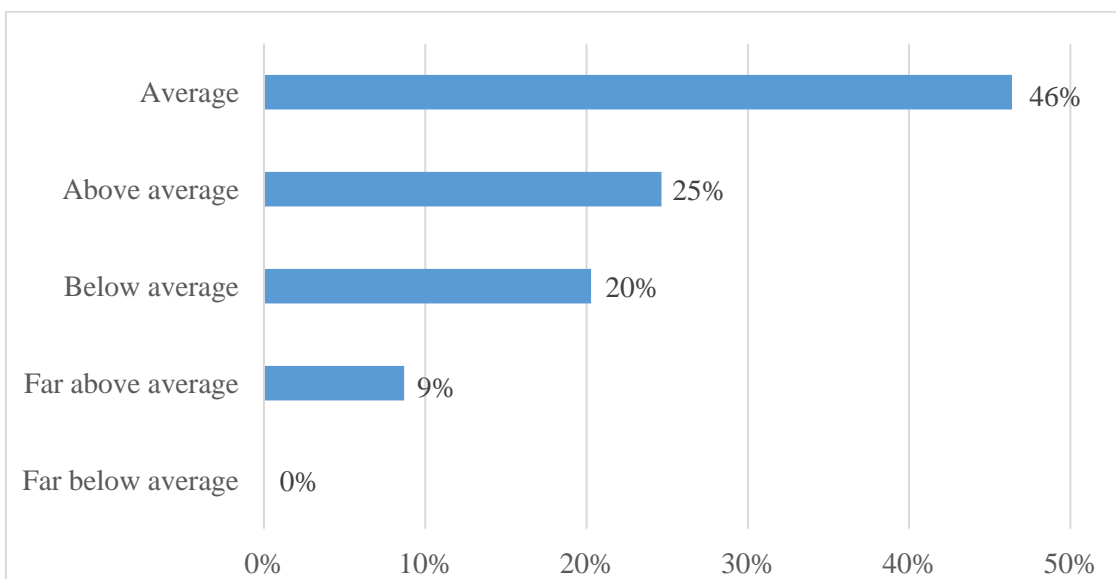


Figure 11. The price expectation of Estonian-produced wooden buildings, % (n=69)

Source: Created by the author based on the results of a study prepared by the author

Regarding the attributes that respondents evaluate as the most important in purchasing a prefabricated wooden building, Figure 12 shows what respondents value the most, design 84%, price 78% and energy efficiency 61%. Under other, it mentioned the quality of the product, production materials, experience, value for money and comfort.

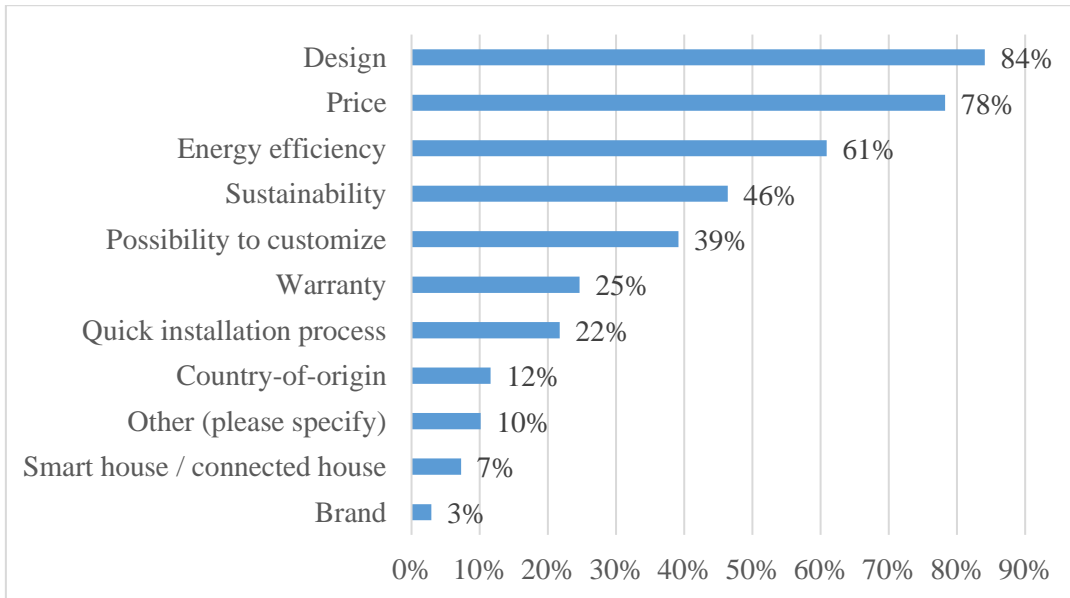


Figure 12. The most important when purchasing a prefabricated wooden building, % (n=69)
 Source: Created by the author based on the results of a study prepared by the author

Regarding the attributes that respondents evaluate as the most important in the process of sales of a prefabricated wooden building, Figure 13 shows what respondents value the most, good contact with a company representative 72%, design of the product 67% and price of the product 57%. Under other, it mentioned the quality, possibility to customize, installation service, possibility to see the product in showrooms or at the manufacturer's place, after purchase maintenance, value for money and comfort.

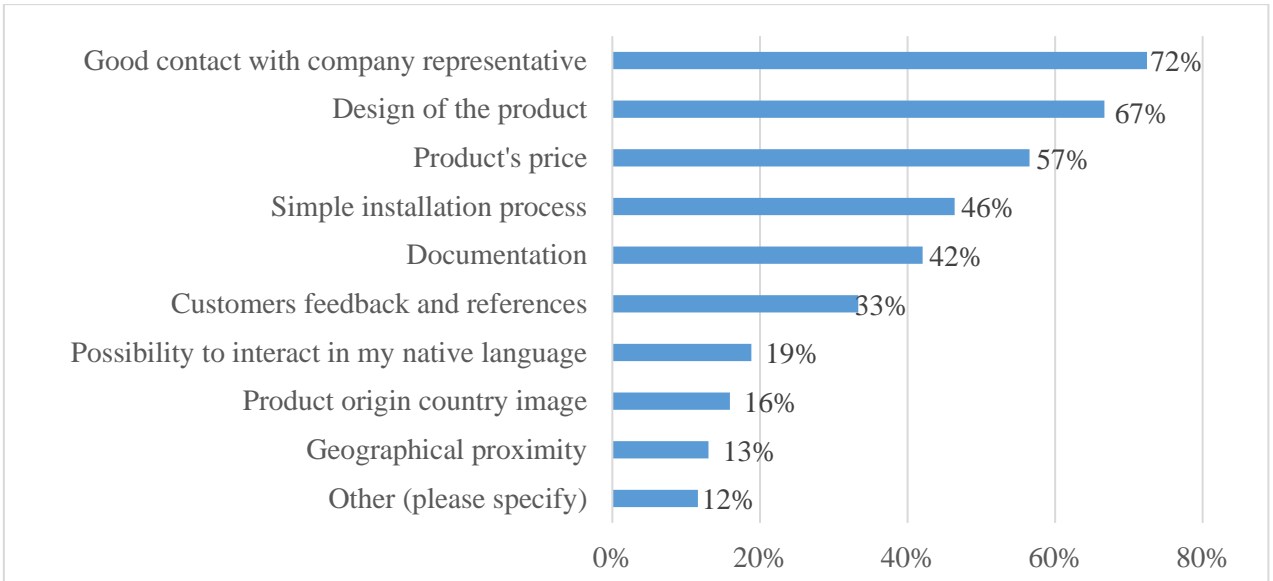


Figure 13. The most valued aspects in the sales process when purchasing a prefabricated wooden building, % (n=69)

Source: Created by the author based on the results of a study prepared by the author

Figure 14 shows what would help to raise the knowledge of Estonian-produced wooden buildings on the French market. According to the results, 71% think social media is an essential tool, 61% think using wholesalers and 45% participating in international trade fares. Under other showrooms, local representative, TV advertisement, and certification was brought out.

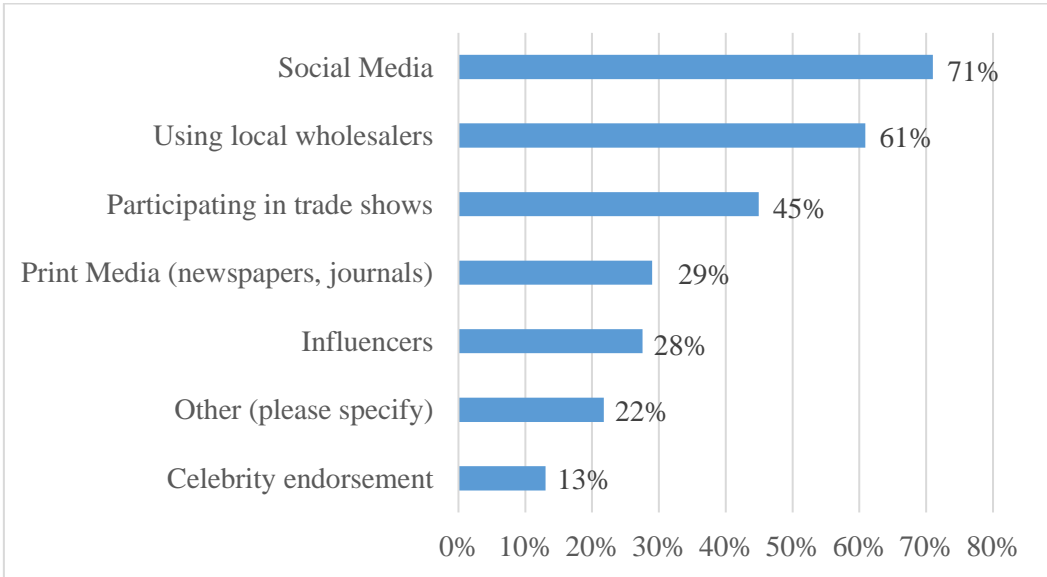


Figure 14. Tools that would help to raise the knowledge of Estonian Produced wooden buildings on the French market, % (n=69)

Source: Created by the author based on the results of a study prepared by the author

The author uses descriptive statistics and the SPSS program to look for connections. The averages of all ordinal characteristics across all nominal characteristics are compared. For this purpose, non-parametric tests (Mann-Whitney and Kruskal-Wallis) are used because the distribution of ordinal characteristics is not a normal distribution. Spearman's correlation is used for relationships between ordinal features because it is non-parametric. The statistical probability significance level is set at 0.05, which means a 95% chance. Therefore, if $p < 0.05$, the association is statistically significant. The overview of tests where statistical significance was found is found in Table 2.

Table 2. Overview of the tests where statistical significance was found.

	Test Name	Mean Rank	Significance	Questions
1.	Mann-Whitney test (Appendix 4)	MR = 33.05 NO; MR = 55.5 YES	U=66; p=0.005	2. country image perception 1. visited Estonia
2.	Mann-Whitney test (Appendix 5)	MR = 25.79 NO; MR = 41.29 YES	U=316; p=0.001	3. role of product country image 4. decision criteria product country of origin
		MR = 27.66 NO; MR = 40.01 YES	U=368; p=0.006	8. importance of price 4. decision criteria product country of origin
3.	Kruskal-Wallis test (Appendix 6)	MR=42.74 domestic (1); MR=46.75 foreign (2); MR=29.07 domestic and foreign (3)	Chi-square=10.531; p=0.005	3. role of product country image 5. purchase domestic or foreign (1 3)
4.	Mann-Whitney test (Appendix 7)	MR = 38.41 domestic (1); MR = 26.60 domestic and foreign (3)	U=214; p=0.012	3. role of product country image 5. purchase domestic or foreign (1 3)
5.	Mann-Whitney test (Appendix 8)	MR=37.10 foreign (2); MR=23.98 domestic and foreign (3)	U=104; p=0.010	3. role of product country image 5. purchase domestic or foreign (2 3)
6.	Spearman's Correlation (Appendix 9)		$\rho=0,376$	3. role of product country image 7. product quality expectation
			$\rho=0,373$	3. role of product country image 9. price expectation Estonian-produced
			$\rho=0,357$	2. country image perception 7. product quality expectation

Source: Created by the author

Based on questions one (have you visited Estonia) and two (how do you see the image and reputation of Estonia) of the survey, the Mann-Whitney test (Appendix 4) showed that the difference is statistically significant ($U = 66.000$; $p = 0.005$). Therefore, those who had visited Estonia differed significantly in their assessments from those who had not visited Estonia. Those

who had visited Estonia rated Estonia's image and reputation significantly higher (MR = 55.5) than those who had not visited Estonia (MR = 33.05).

Based on questions four (do you decide based on COO) and three (what role does the PCI play in purchasing), the Mann-Whitney test (Appendix 5) showed that the difference is statistically significant ($U = 316.000$; $p = 0.001$). Therefore, those who said they decided based on the product's COO when purchasing a wooden house or sauna differed significantly in their assessments from those who did not decide based on the COO. Those who said that they decided based on the product's COO when purchasing a wooden house or sauna rated the importance of the role of the PCI significantly higher (MR = 41.29) than those not deciding based on COO (MR = 25.79).

Based on questions four (do you decide based on a product's COO when purchasing) and eight (how important is the price when making a purchase decision), the Mann-Whitney test (Appendix 5) showed that the difference is statistically significant ($U = 368.500$; $p = 0.006$). Therefore, those who said they decided based on the product's COO of origin when purchasing a wooden house or sauna differed significantly in their assessments from those who did not decide based on COO. Those who said that they decided based on of product's COO when purchasing a wooden house or sauna rated the importance of the price of the product while purchasing significantly higher (MR = 40.01) than those who are not considering price important (MR = 27.66).

Based on questions five (would you purchase the domestic, foreign or both domestic-and foreign-produced product) and three (what role does the PCI play in purchasing product) of the survey, the Kruskal-Wallis test (Appendix 6) showed that the difference is statistically significant (Chi-square = 10.531; $p = 0.005$). Therefore, those who stated that they would purchase domestic and foreign products differed significantly in their assessments from those who would purchase only domestic or foreign prefabricated wooden buildings. Those who would purchase both rated the role of the PCI as the least important (MR = 29.07), in comparison to those who would purchase domestic (MR = 42.74), and those who would purchase only foreign rated the role significantly higher (MR = 46.75).

Based on questions five (would you purchase the domestic or both domestic-and foreign-produced prefabricated) and three (what role does the PCI in purchasing) of the survey, the Mann-Whitney test (Appendix 7) showed that the difference is statistically significant ($U = 214.000$; $p = 0.012$). Therefore, those who had stated that they would purchase domestic prefabricated wooden

buildings differed significantly in their assessments from those who would buy domestic and foreign. Those buying domestic products rated the role of PCI in purchasing significantly higher (MR = 38.41) than those buying domestic and foreign products (MR = 26.60).

Based on questions five (would you purchase the foreign or both domestic-and foreign-produced prefabricated product) and three (what role does the PCI play in purchasing decision) of the survey, the Mann-Whitney test (Appendix 8) showed that the difference is statistically significant ($U = 104.000$; $p = 0.010$). Therefore, those who had stated that they would purchase foreign prefabricated wooden buildings differed significantly in their assessments from those who would buy domestic and foreign. Those who would buy foreign products rated the role of PCI in purchasing significantly higher (MR = 37.10) than those who would buy domestic and foreign products (MR = 23.98).

The nonparametric correlation Spearman's test (Appendix 9) showed that the significance level is medium above 0,3 in three cases. The case correlation coefficient was lower than 0,3 were not considered as the significance level was weak.

The correlation coefficient of $\rho = 0.376$ suggests a moderate positive relationship between respondents' perceptions of the product country image and their opinions on the product quality of the Estonian prefabricated wooden building.

The correlation coefficient of $\rho = 0.373$ suggests a positive relationship between the product country image and the price that consumers anticipate paying for prefabricated wooden buildings produced in Estonia.

The correlation coefficient of $\rho = 0.357$ suggests a moderate positive relationship between how consumers perceive the reputation of Estonia and their assessment of the quality of Estonian prefabricated wooden buildings.

3.3. Conclusions, Guidelines and Suggestions

The results from qualitative research show that the people with experience with Estonian-produced prefabricated wooden buildings say that they have limited overall knowledge of the country;

however, the things brought out are relatively positive and accurate, mostly digitalisation of the public sector, the efficiency of a country, untouched nature. Quality of life and products are often considered good, and people are mostly referred to as pleasant, friendly, serious, and trustworthy. The interviewees have been in contact with the Estonian people, and many stressed the importance of this contact in their purchase process. Almost all of them also mentioned the importance of telling stories and sharing emotions when promoting the country. Only one participant with good knowledge of Estonia wished for more factual information.

The findings of the qualitative study can be related to affect transfer theory as the results showed that when a country's image includes a strong affective component, its direct influence on product evaluation is stronger. All participants of the interviews evaluated the product positively; similarly, they had affective responses and liking towards the people.

The interviewee, who has good knowledge of Estonia, claimed that she feels comfortable doing business with Estonians, felt at ease with prepayment, and was confident that information was provided timely and emails would be answered. The quantitative data showed that over half of respondents have a positive image of Estonia (56%) and a neutral 38%. Better country knowledge giving higher product evaluations or confidence in doing business, was supported as well by a quantitative study where it was confirmed that those who had visited Estonia rated Estonia's image and reputation significantly higher than those who had not visited Estonia. A good image assures the prospects about the product quality. As the perception of a country is constrained, factors that support the export process are

- the possibility of seeing the products in real life;
- having a local contact person or customer to ask for feedback;
- having suppliers on the spot who can support them during the installation process.

The images that exist and are used: modern solutions, good technical know-how, efficiency, precision, trustworthiness, forests, and nature could work well for the prefabricated building sector. However, using more visuals, where a wooden house or church could be seen, would demonstrate the wooden construction as local architecture and a way of living in Estonia. On top of it, confident communication to inform the magnitude of what has been achieved would reinforce Estonia's expertise and image in this sector. The study results show that Estonia does not have the image of a country involved in wooden prefabricated wooden building export. However, the current image

of Estonia does not exclude the possibility of such successful economic activity, at least based on this study.

Interviewees highly valued the quality of products and elaborate design. Overall, Northern Europe is associated with woodworking skills, wooden architecture, and better product quality; Estonia does not belong to this group entirely; nonetheless, the proximity sheds some positive light on Estonia. Additionally, the difference with Western Europe is sensible as the cost of work and products are expected to be lower or at least not exceed the prices of local Western-European products.

Building a stronger image would relieve the price pressure. When a country is little-known, and prices are higher than local products, selling the products might take much work. In the image building, Estonia should be linked more firmly to Nordic countries and cover sustainable forest management topics. As it would help assure the woodworking tradition and justify the price. As the interviewees expressed, the company representative significantly influenced how the customer felt and positively affected the purchase intention, so professional and helpful relations must be part of the process.

With a weak CI, a potential customer comparing a few products might decide in favour of the one they feel more comfortable with and who is geographically closer to them; therefore, Estonian prefabricated wooden buildings need some promotion to be better known and have a place on the market they deserve. In the case of having a competitor from another Baltic state, the price difference would be hard to explain as Baltic states are seen as one area; therefore, the customer price expectation is the same.

Overall, CI from the qualitative study was positive, though limited knowledge was stressed, and in the quantitative study, 56% of total respondents saw the image of Estonia positively. 75% of respondents from the quantitative study evaluated the Estonian-produced product as either high quality or very high quality, which is a positive overall result. 59% of respondents claim they decide when purchasing based on the product's COO.

Based on the halo theory and the model proposed by Laroche et al. (2005) used in this study, these results allow the author to assume that a positive CI influences consumers' product quality evaluations. CI affects product evaluation and purchase intention in two ways directly, by product

evaluation and consumer attitudes in case of high familiarity of country image and indirectly through product beliefs in case of low familiarity of country image, which can be assumed in this research as by the quantitative data only 9% of the respondents had visited Estonia.

Nevertheless, the reverse COO effect, where positive product evaluation was transferred to a CI, cannot be excluded. All the respondents had been acquainted with one Estonian prefabricated house producer, and only 9% had visited Estonia. 91 % of respondents who had visited Estonia evaluated the country's image higher. Then again, the high product evaluation can be questioned as all the participants had seen at least one Estonian prefabricated house producer's products online. Therefore, their ideas can also be based on their perception towards this specific company's products.

The research shows that the product attributes highly evaluated were the design, price, and energy efficiency. In addition to the mentioned, the aspects most appreciated in the purchase process were the good contact with the company representative, communication, simple delivery, and installation. From the qualitative research, the often-mentioned aspect was customisation. Then again, the product's COO is not given much importance.

To conclude, the work's author would like to draw attention to Lampert and Jaffe, who proposed that the COO model is dynamic and changes over time—image perception shifts, "made in Japan" label transformed in 40 years from a cheap imitation of products made in industrialised countries to a label representing high quality, excellent workmanship, and innovative products (Lampert & Jaffe, 1998, p. 62). In the case of the image of Estonia, its size and little knowledge are the decisive factors.

As a suggestion, an exciting idea to reinforce a country's image by generating cognitive and conative aspects was raised from one interview, where it was proposed that when receiving the product from Estonia, it would be nice to receive a gift from the COO. It could be something that can be consumed as food or drink or a book for example about Estonia. Rather than providing discounts, a company should give incentives. A book is not costly, and it is possible to tell the story, create emotion and promote the country's products, which projects the Estonian culture on top of it, which would be a way of accompanying the product from Estonia by projecting Estonian culture. A book is relatively inexpensive. A book with excellent photographs of Estonia helps project what Estonia stands for and what Estonian buildings or other Estonian products are about.

A beautiful book with great images often serves as a table decoration. In a culture such as French, it is much appreciated to have something on paper that one can touch and come back to from time to time that reminds itself and the COO.

This idea supports the reverse COO effect theory, which has broader and more meaningful implications and benefits many export businesses. As trade globalisation intensifies competition among foreign firms, understanding this effect would enable exporters and even government trade agencies to develop strategies for gaining a competitive edge by tapping into the favourable perception of one product to improve the beliefs about the country's other products. Government trade bodies would have another channel - through product users - to promote the country and its products nationally. The strong positive relationship between product beliefs and CI suggests close collaborations between government trade bodies and major product exporters. As long as the promoted product and the CI are congruent, cross-promotion should work to build semantic memory and connected intersection, which would encourage memory retrieval of either the country or the product, depending on the context. (Lee et al., 2016) Based on the interviews, creating emotion is the most convincing when promoting a country. Besides, it helps to spread knowledge, which is very fragmented among most foreigners from different age groups.

As a weakness of the research, it can be pointed out that, presumably, all the people who participated in the research are interested in or familiar with tiny houses and one specific Estonian company Iglucraft. However, the profile of companies producing wooden houses in Estonia is much more diverse, and tiny house manufacturers are only one segment. Iglucraft products have a distinctive design and reinforce excellent quality. The design has high relevance in the tiny house segment since the total surface of a house is limited. Therefore, the result of this survey is not exhaustive, and a follow-up survey with a different sample should be conducted. In general, however, the image of the country and the link to the product evaluations of West Europeans (French and German) can be considered reliable and wide-ranging. Even in this case, this study is just a first step in studying Estonia's PCI and can be considered an introduction.

As a recommendation, the Estonian Woodhouse Association and producers could choose the new target markets together based on research. Before the image-build-up and joint marketing, a study specific to the location should be conducted. Based on this study France next to Germany, could offer exciting possibilities for Estonian companies.

CONCLUSION

The paper aims to determine whether the country's image supports exports of Estonian prefabricated wooden buildings and how the country's image influences product evaluation. This study's author is particularly interested in examining product country image and country of origin perspectives to comprehend the relationship between image and product evaluation. Determine the potential for developing export-supporting activities and make suggestions.

The research problem of this master's thesis is that the Estonian prefabricated wooden building sector encounters challenges, input price and labour expenses have increased, whilst competition has tightened, the companies need to expand to new target markets to increase exports. As a result, companies view systematic marketing and emphasise the importance of joint marketing activities in improving the sector's international competitiveness—target market image design as critical to increasing the share of international product sales and finding new customers. In a globalised world, a positive country image can positively affect exports.

The author used mixed methods research to achieve the goal, combining qualitative and quantitative data. Seven customers who had purchased Estonian prefabricated wooden buildings were interviewed one-on-one using MS Teams to understand better their purchasing process and the product country image and product evaluation in their purchase decision. In quantitative research, 69 prospects for such products completed a Survey Monkey questionnaire. To investigate the perception of the country's image and product evaluation of potential consumers, all survey participants were from West Europe, primarily France, which has historically been a secondary export market for Estonian companies.

The paper's main results showed that West-European customers of the Estonian-produced building sector consider their knowledge of Estonia, a product country of origin limited. However, the image of the country was relatively positive. The same goes for potential customers from the quantitative study, of whom over half evaluated Estonia's image positively. The people who visited Estonia evaluated its image more highly. None of the study participants related Estonia's image to

prefabricated wooden buildings; neither made its purchase decision since the product originated from Estonia. The quality of Estonian-produced prefabricated buildings was evaluated positively by three-quarters of respondents. Over half of the survey respondents claimed to decide based on the product's country of origin when making their purchase decision, which explains the relevance of this topic.

Design, price, and energy efficiency affect product quality evaluation in the prefabricated wooden building sector the most. Aside from those above, the most valuable aspects of the purchasing process were good contact with the company representative, communication, simple delivery, and installation. The most frequently mentioned aspect in qualitative research was customisation.

According to research and this study, country image affects product evaluation and purchase intention. Estonia's image still needs to be discovered, and all efforts to create and reinforce the country's image would benefit exporting companies, especially those with complex sales cycles and higher value-added products.

Knowing that generating a positive country image is close to impossible for a small country, there are small things that can be integrated to generate a long-term change. The author's suggestions based on this study are:

- Due to their small size, companies must work together through the roofing organisation Estonian Woodhouse Association and Enterprise Estonia to prepare and effectuate image creation plans for new target markets. Governments, industry associations and individual firms should work together as they bring a potentially valuable perspective to country marketing.
- Future changes with the Green Deal will provide excellent moments to effectuate successful projects and communicate on this. Therefore, Estonian Woodhouse Association, representing Estonian producers, should generate quality information about achievements and best practices implemented by Estonian producers.
- As environment and sustainability are the big words of the future, focusing on designing products that follow these values with good design and quality, younger people who are more apt towards healthy and environmental living are willing to pay for such innovative products.

- To create a booklet, leaflet, or book that tells the story of Estonia and introduces other products from Estonia as a gesture of gratitude; this can be given as a gift when an Estonian product is purchased. From the interview, a documentary introducing Estonia's better suggestion arose.
- Training and ensuring company representatives are true professionals who know how different markets' regulations and requirements together with skilful communication. Training and sharing know-how on the topic are highly recommended.

Future research with different samples would help better plan the sector's joint marketing and image-generation activities. It would help develop the products that correspond the best to market specifics. In order to grow the export numbers supporting activities like marketing are primordial; therefore, further research on the topic is recommended.

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APPENDICES

Appendix 1. In-depth Interview Guide

Country image: cognitive – Knowledge and beliefs of Estonia and brand

1. Have you visited Estonia? What do you know about this country? What would you say if you needed to describe Estonia in few sentences?
2. How do you see the image of Estonia, and what reputation Estonia carries? What could people from your country know about Estonia, and what do they think of Estonia's image and reputation?
3. What products do you know from Estonia?
4. What do you know about Iglucraft?
5. What role does the country's image play in the sales of wooden buildings?

Country image: affective - What emotions and feelings arise when you look at Estonian wooden buildings? What makes them unique?

6. What do you think of the product quality of the Estonian-produced wooden house? How are they evaluated?
7. What would you imagine the price of products produced in Estonia their purchase value?
8. What thoughts and emotions the Iglucraft brand evoked in you? What emotions do Estonian-produced wooden buildings evoke in you?
9. Name three keywords that you associate with Iglucraft.

Country image: conative - intentions and motivation related to a country

10. What would help to raise the knowledge of Estonian-produced wooden buildings on the French market? How could we promote these products?

Product Beliefs

11. In your opinion, which country produces the best quality wooden buildings? Who would you think is the closest competitor to Estonian wooden buildings?

Appendix 1 continued

12. What qualities do you rank highest or value the most for wooden buildings? Do you think the wooden building is environmentally friendly, energy-efficient, sustainable, or quick to install? Is it its price, warranty, design, brand, possibility to customize, or smart or connected house? Is there anything else you would bring out?

Product evaluation

13. What is most important for customers when purchasing a wooden house? Customization, price, warranty, design, brand, easy installation process, smart house or connected house, energy efficiency, something else?
14. Who purchases wooden buildings or saunas? Which type of customer?
15. How important is the price for consumers when they choose which product to buy?
16. Do you believe consumers decide based on a product's country when purchasing a wooden house or sauna? In your opinion, based on what they make, the purchase decision? In your case, what were the factors when deciding?
17. What do you think about the future of wooden buildings? What do you think if there is a change in the consumption pattern regarding wooden buildings? What is your perception of the market for wooden buildings?

Purchase intention

18. What impact does the country of origin have on your decision-making process?
19. What other information and support would you like when purchasing a wooden building?
20. What were your concerns when purchasing a wooden building from Estonia?
21. Did you compare the Estonian-produced products with a similar local product? Which? Why did you decide in favour of Estonia? Which other producing countries you considered when planning your purchase or project?
22. How could Estonian-produced wooden buildings be promoted in your country? What deserves special attention in introducing these products abroad? What could be the three main selling arguments in your country? How should we introduce Estonian wooden buildings to potentially interested parties? What main arguments should be focused on and

Appendix 1 continued

emphasized to sell better Estonian wooden buildings on the French market?

23. What is more convincing when promoting a country: rational facts like new knowledge about Estonia, emotions, and feelings, or motivating arguments to visit Estonia like incentive to do something, e.g., win a trip?

Ending

24. What is the country image's role in selling Estonian-produced wooden buildings in your country?

25. Is there anything you would like to add?

Additional notes: gender, age, nationality

Appendix 2. Survey Questionnaire: Country Image in Supporting the Exports of Estonian Wooden Buildings

* 1. Have you visited Estonia?

- Yes
- No

Comment

* 2. How do you see the image of Estonia and the reputation Estonia carries?

- Positive
- Rather Positive
- Neutral
- Rather Negative
- Negative

Comment

* 3. What role does the product country image play in purchasing prefabricated wooden house or sauna?

- Extremely important
- Very important
- Somewhat important
- Not so important
- Not at all important

Comment

Appendix 2 continued

* 4. Do you decide based on a product's country of origin when purchasing a wooden house or sauna?

Yes

No

Comment

* 5. Would you purchase the domestic or foreign-produced prefabricated wooden building (house, cabin, sauna)?

Domestic

Foreign

I do not mind purchasing both domestic and foreign product

Comment

* 6. What attributes are the most important when purchasing a prefabricated wooden building (house, cabin, sauna)?

Maximum 4 choices

Possibility to customize

Price

Warranty

Design

Brand

Country-of-origin

Quick installation process

Smart house / connected house

Energy efficiency

Sustainability

Other (please specify)

Appendix 2 continued

* 7. What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?

- Very high quality
- High quality
- Neither high nor low quality
- Low quality
- Very low quality

Comment

* 8. How important is the price when choosing which prefabricated wooden house to buy?

- Extremely important
- Very important
- Somewhat important
- Not so important
- Not at all important

Comment

* 9. What would you imagine the price of Estonian-produced wooden houses?

- Far above average
- Above average
- Average
- Below average
- Far below average

Comment

Appendix 2 continued

* 10. What counts most for you in the sales process of wooden prefabricated buildings (houses, cabins, saunas)?

Maximum 5 choices

- Possibility to interact in my native language
- Good contact with company representative
- Customers feedback and references
- Product's price
- Documentation
- Geographical proximity
- Design of the product
- Product origin country image
- Price
- Simple installation process
- Other (please specify)

* 11. What would help to raise the knowledge of Estonian-produced wooden houses on the French market? Maximum 4 choices

- Social Media
- Print Media (newspapers, journals)
- Participating in trade shows
- Influencers
- Celebrity endorsement
- Using local wholesalers
- Other (please specify)

12. Is there anything you would like to add?

Appendix 2 continued

* 13. What is your nationality?

* 14. Which age group do you belong to?

- 18-29
- 30-39
- 40-49
- 50-63
- 64 +

* 15. What is your gender?

- Man
- Woman

Appendix 3. In-depth Interview Transcripts

The transcribed interviews and coding is visible in the [Google Drive Folder](https://drive.google.com/drive/folders/1hQ9L6tilz_YkaIQyEvBgok2p2JYdPB7f?usp=share_link) on a link https://drive.google.com/drive/folders/1hQ9L6tilz_YkaIQyEvBgok2p2JYdPB7f?usp=share_link

Appendix 4. Mann-Whitney Test 1

Ranks				
	1. Have you visited Estonia?	N	Mean Rank	Sum of Ranks
2. How do you see the image of Estonia and the reputation Estonia carries?	no	63	33,05	2082,00
	yes	6	55,50	333,00
	Total	69		
3. What role does the product country image play in purchasing prefabricated wooden house or sauna?	no	63	34,24	2157,00
	yes	6	43,00	258,00
	Total	69		
7. What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	no	63	34,79	2192,00
	yes	6	37,17	223,00
	Total	69		
8. How important is the price when choosing which prefabricated wooden house to buy?	no	63	34,79	2192,00
	yes	6	37,17	223,00
	Total	69		
9. What would you imagine the price of Estonian-produced wooden buildings?	no	63	35,02	2206,00
	yes	6	34,83	209,00
	Total	69		

Test Statistics^b					
	2. How do you see the image of Estonia and the reputation Estonia carries?	3. What role does the product country image play in purchasing prefabricated wooden house or sauna?	7. What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	8. How important is the price when choosing which prefabricated wooden house to buy?	9. What would you imagine the price of Estonian-produced wooden buildings?
Mann-Whitney U	66,000	141,000	176,000	176,000	188,000
Wilcoxon W	2082,000	2157,000	2192,000	2192,000	209,000
Z	-2,799	-1,069	-,312	-,305	-,023
Asymp. Sig. (2-tailed)	,005	,285	,755	,760	,982

Appendix 4 continued

Exact Sig. [2*(1-tailed Sig.)]	,007 ^a	,320 ^a	,795 ^a	,795 ^a	,992 ^a
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a. Not corrected for ties.

b. Grouping Variable: 1. Have you visited Estonia?

Appendix 5. Mann-Whitney Test 2

Ranks					
		4.Do you decide based on a product's country of origin when purchasing a wooden house or sauna?	N	Mean Rank	Sum of Ranks
2.How do you see the image of Estonia and the reputation Estonia carries?	no		28	34,57	968,00
	yes		41	35,29	1447,00
	Total		69		
3.What role does the product country image play in purchasing prefabricated wooden house or sauna?	no		28	25,79	722,00
	yes		41	41,29	1693,00
	Total		69		
7.What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	no		28	34,14	956,00
	yes		41	35,59	1459,00
	Total		69		
8.How important is the price when choosing which prefabricated wooden house to buy?	no		28	27,66	774,50
	yes		41	40,01	1640,50
	Total		69		
9.What would you imagine the price of Estonian-produced wooden buildings?	no		28	32,98	923,50
	yes		41	36,38	1491,50
	Total		69		

Test Statistics^a					
	2.How do you see the image of Estonia and the reputation Estonia carries?	3.What role does the product country image play in purchasing prefabricated wooden house or sauna?	7.What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	8.How important is the price when choosing which prefabricated wooden house to buy?	9.What would you imagine the price of Estonian-produced wooden buildings?
Mann-Whitney U	562,000	316,000	550,000	368,500	517,500
Wilcoxon W	968,000	722,000	956,000	774,500	923,500
Z	-,157	-3,298	-,330	-2,771	-,737
Asymp. Sig. (2-tailed)	,875	,001	,741	,006	,461

a. Grouping Variable: 4. Do you decide based on a product's country of origin when purchasing a wooden house or sauna?

Appendix 6. Kruskal-Wallis Test

Ranks			
	5. Would you purchase the 1 or foreign-produced prefabricated wooden building (house, cabin, sauna)?	N	Mean Rank
2. How do you see the image of Estonia and the reputation Estonia carries?	domestic	17	30,71
	foreign	10	45,85
	domestic and foreign	42	34,15
	Total	69	
3. What role does the product country image play in purchasing prefabricated wooden house or sauna?	domestic	17	42,74
	foreign	10	46,75
	domestic and foreign	42	29,07
	Total	69	
7. What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	domestic	17	35,00
	foreign	10	39,90
	domestic and foreign	42	33,83
	Total	69	
8. How important is the price when choosing which prefabricated wooden house to buy?	domestic	17	35,94
	foreign	10	45,25
	domestic and foreign	42	32,18
	Total	69	
9. What would you imagine the price of Estonian-produced wooden buildings?	domestic	17	36,18
	foreign	10	38,00
	domestic and foreign	42	33,81
	Total	69	

Test Statistics ^{a,b}				
	3. What role does the product country image play in purchasing prefabricated wooden house or sauna?	7. What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	8. How important is the price when choosing which prefabricated wooden house to buy?	9. What would you imagine the price of Estonian- produced wooden buildings?
2. How do you see the image of Estonia and the reputation Estonia carries?				

Appendix 6 continued

Chi-square	4,314	10,531	,938	4,234	,491
df	2	2	2	2	2
Asymp. Sig.	,116	,005	,626	,120	,782

a. Kruskal Wallis Test

b. Grouping Variable: 5. Would you purchase the 1 or foreign-produced prefabricated wooden building (house, cabin, sauna)?

Appendix 7. Mann-Whitney Test 3

Ranks

		N	Mean Rank	Sum of Ranks
	5.Would you purchase the 1 or foreign-produced prefabricated wooden building (house, cabin, sauna)?			
3.What role does the product country image play in purchasing prefabricated wooden house or sauna?	domestic	17	38,41	653,00
	domestic and foreign	42	26,60	1117,00
	Total	59		

Test Statistics^a

	3.What role does the product country image play in purchasing prefabricated wooden house or sauna?
Mann-Whitney U	214,000
Wilcoxon W	1117,000
Z	-2,509
Asymp. Sig. (2-tailed)	,012

a. Grouping Variable: 5.Would you purchase the 1 or foreign-produced prefabricated wooden building (house, cabin, sauna)?

Appendix 8. Mann-Whitney Test 4

Ranks

		N	Mean Rank	Sum of Ranks
	5.Would you purchase the 1 or foreign-produced prefabricated wooden building (house, cabin, sauna)?			
3.What role does the product country image play in purchasing prefabricated wooden house or sauna?	foreign	10	37,10	371,00
	domestic and foreign	42	23,98	1007,00
	Total	52		

Test Statistics^a

	3.What role does the product country image play in purchasing prefabricated wooden house or sauna?
Mann-Whitney U	104,000
Wilcoxon W	1007,000
Z	-2,572
Asymp. Sig. (2-tailed)	,010

a. Grouping Variable: 5.Would you purchase the 1 or foreign-produced prefabricated wooden building (house, cabin, sauna)?

Appendix 9. Nonparametric Correlations

Correlations

			2.How do you see the image of Estonia and the reputation Estonia carries?	3.What role does the product country image play in purchasing prefabricated wooden house or sauna?	7.What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	8.How important is the price when choosing which prefabricated wooden house to buy?	9.What would you imagine the price of Estonian-produced wooden houses?
Spearman's rho	2.How do you see the image of Estonia and the reputation Estonia carries?	Correlation Coefficient	1,000	,279*	,357**	-,200	,154
		Sig. (2-tailed)	.	,020	,003	,099	,208
		N	69	69	69	69	69
Spearman's rho	3.What role does the product country image play in purchasing prefabricated wooden house or sauna?	Correlation Coefficient	,279*	1,000	,376**	,245*	,373**
		Sig. (2-tailed)	,020	.	,001	,042	,002
		N	69	69	69	69	69

Appendix 9 continued

7.What do you think of the product quality of the Estonian prefabricated wooden building (house, cabin, sauna, etc.)?	Correlation Coefficient	,357**	,376**	1,000	,085	,223
	Sig. (2-tailed)	,003	,001	.	,486	,066
	N	69	69	69	69	69
8.How important is the price when choosing which prefabricated wooden house to buy?	Correlation Coefficient	-,200	,245*	,085	1,000	,265*
	Sig. (2-tailed)	,099	,042	,486	.	,028
	N	69	69	69	69	69
9.What would you imagine the price of Estonian-produced wooden houses?	Correlation Coefficient	,154	,373**	,223	,265*	1,000
	Sig. (2-tailed)	,208	,002	,066	,028	.
	N	69	69	69	69	69

*. Correlation is significant at the 0.05 level (2-tailed).

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

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