

The perceived attractiveness of Russian products by German consumers

A socio-psychological approach

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ABSTRACT

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The presence of Russian companies in Germany has increased throughout the last years. One of their main challenges is to overcome the negative image that Russian brands have in this country. Country-of-origin is regarded as informational cue when consumers evaluate products and brands from foreign countries. This study aims to shed light on how socio-psychological elements affect the perceived attractiveness of Russian companies in Germany, using a social-psychological approach based on social identity theory (SIT) and social learning theory (SLT). A mall-intercept survey among German consumers was conducted using a self-administered questionnaire which resulted in a total number of 193 completed questionnaires. The results of multiple regression analyses show no significant effects of the independent variables.

Key Words: Russian brands, country-of-origin, perceived attractiveness, social identity theory, social learning theory, German consumers

INTRODUCTION

Throughout the last decades we see Russian companies investing increasingly abroad. The annual growth rate of Russian foreign direct investment outflow averaged 48% between 1994 and 2007 (UNCTAD 2008). Simultaneously, Russian share of worldwide FDI outflow grew from 0.1% in 1994 to 2.2% in 2007. This increase is reflected in the case of Germany, where direct investment inflow from the Russian Federation made up 2.1% of the total FDI inflow in 2008, compared to 0.3% in 2005 (UNCTAD 2008). One important aspect of this phenomenon is that Russian companies do not only invest in their neighbouring developing countries but to a great extent in developed countries, e.g. in Europe. As a consequence, FDI from Russia has become an important factor in the global economy. The recorded FDI outflow from Russia was \$ 45.7 bn in 2007 (UNCTAD World Investment Report 2008) and is expected to increase. Many companies, particularly from the energy sector have risen to global presence since the 1990s, among them Gazprom, Lukoil, Mechel and Severstal (see e.g., Dorfs 2007). Russia had been a non-open country for many years and started liberalisation recently, therefore consumers have not had the possibility to use other sources to judge the quality of Russian products than their image of the country. It was highly difficult to travel there and no Russian products have been available in Germany for many years. Therefore it is argued that consumers assign their image of the economic, social and political image of the country to its products. Although Gazprom has doubled its revenues in the recent years, the company is still facing a negative image in the German public. Nevertheless, the phenomenon itself is relatively recent and the available data are just beginning to provide some answers to research questions about motivations, strategies and impact of the expansion of Russian companies abroad (Liutho 2006; Vahtra 2006; Kalotay 2008).

The objective of the internationalization of Russian companies has been to advance their international competitiveness by gaining increased access to strategic resources and assets such as advanced technology and established foreign brands and to improve access to

distribution channels and to sources of foreign capital (see, e.g., Kalotay 2008; Kreppel & Holtbrügge, 2008).

The globalization of business activities and increased international business transactions have facilitated the availability of brands from one country to consumers in other countries (Hsieh, 2001). Moreover, shifting trade patterns and the emergence of products from newly industrialized countries have changed the business landscape. Consumers in industrialized countries thus have a great variety of goods to choose from (Papadopoulos *et al.*, 1990). This variety and diversity of products often lead to confusion about country-of-origin, as sometimes it is not apparent where the product originates from, i.e. in which country it is made or assembled (see, e.g., Inch & McBride, 2004). Yet there is evidence that awareness and use of country-of-origin information is still important (Han, 1989; Papadopoulos, *et al.*, 1990, Ahmed & d'Astous 2008; Lee & Lee, 2009). This country-of-origin cue becomes especially important when the brand or the product is not known. As argued above, this is especially true for Russian products which have been out of reach for Western consumers for a long time.

Russian companies are facing problems in terms of liability of foreignness resulting from a negative country image (see, e.g., Semenenko *et al.*, 2007). For quite a long time, Russia has been a communist country and information based on fact has been hard to obtain. Therefore, the label “Made in Russia” is often associated with sometimes low-level, low-tech and bribe-prone products and the image of Russian brands on the global marketplace is fairly negative. It is assumed that this could be explained to a large extent by negative country-of-origin effects. Thus, the often negative image of Russian products is argued not to stem from consumers’ previous experience with these products themselves but from a negative perception of the country where they originate from. Despite the increased presence of Russian brands on the world market, there exist only very few studies about the country

image and country-of-origin effects of Russian products and brands, especially in the German context. The study of Johansson et al. (1994) is one of the very few studies on this issue with the US as the reference country. Moreover, there exist only a few studies with Germany as the reference country (e.g., Verlegh, 2002). Most studies focus on the image of foreign brands in the US, the UK, and Australia. Thus it can be argued that although there exist some studies on the country-of-origin effect in the evaluation of Russian products, these cannot explain the liability of foreignness Russian companies are facing in Germany, mainly resulting from the “Russianess” of those products. This study therefore contributes to the existing literature by extending it by explaining country-of-origin effects.

The present study is aimed to shed light on the country-of-origin effects of Russian products in Germany. A socio-psychological approach based on social identity theory (SIT) and social learning theory (SLT) is applied to analyze the impact of various individual characteristics on the perceived attractiveness in the evaluation of Russian products by German consumers. The study is aimed to better understand the link between the foreign direct investments of Russian companies in Germany and the country-of-origin effects of Russian products in Germany, therewith linking the FDI literature on FDI with the country-of-origin literature. The purpose of this study is moreover creating a more conceptualized approach. In doing so, the country-of-origin literature will be extended by essential aspects of SIT and SLT. While the main body of the country-of-origin literature has primarily focused on the country of origin, the influence of the home country and characteristics of the consumers has been largely neglected. This helps to get a better understanding of Russian FDI and country-of-origin effects. The involvement of social identity theory and social learning theory helps to distinguish more properly the results of other studies and to develop a more distinguished picture of country image and the country-of-origin effect.

The remainder of this paper is structured as follows. First, the literature on country-of-origin effects and social identity theory as well as social learning theory is briefly reviewed and hypotheses are derived. Afterwards, the methodology of the study is explained and the main results are reported. The final section of the paper discusses these findings and their implications for practice and future research.

THEORETICAL BACKGROUND

Country-of-origin and country image

Country-of-origin effects are a widely researched topic in the international marketing literature (see, e.g., Agarwal & Sikri, 1996; Jaffe & Nebenzahl, 2001; Papadopoulos, *et al.*, 1990; Pappu, *et al.*, 2007). Country-of-origin is known to give rise to complex associations in consumers' mind and refers to the evaluation consumers may make of a product based upon the country where it was made. In this context, country image is a set of country-of-origin associations organised into groups in a meaningful way (Aaker, 1991; Keller, 1993).

Generally, two different concepts of country-of-origin can be distinguished. Country-of-origin associations may refer to the economic stage of the country, i.e. the macro level, or products produced in that country, which is referred to as the micro level (Heslop & Papadopoulos, 1993; Pappu, *et al.*, 2007). This conceptualization corresponds to Nagashima's (1970, p. 68) definition of country image as "the total of beliefs one has about the products of a given country". Therefore it can be argued that consumers have country-level as well as product-level images of a country. Knight & Calantone (2000) use the term country-of-origin image and affirm that it reflects a consumer's general perceptions about the quality of products made in a particular country and the nature of people from that country. Pappu, *et al.* (2007) consider macro and micro country images as interrelated (see also Amonini, *et al.*, 1998; Heslop & Papadopoulos, 1993), thus integrating previous research which mainly considers either the macro or the micro image of a country. The majority of the country-of-origin studies focus on the comparison of consumer's perception of domestic vs. foreign products (e.g., Inch & McBride, 2004; Kim & Chung, 1997; Papadopoulos & Heslop, 1990; Pappu, *et al.*, 2007).

Country-of-origin is considered to act as an informational cue in consumers' product evaluations and purchase decisions (e.g., Agrawal & Kamakura, 1999; Bilkey & Nes, 1982;

Lee & Schaninger, 1996; Papadopoulos & Heslop, 2002; Pappu, *et al.*, 2007; Verlegh, *et al.*, 2005) and as an important variable influencing consumer perception of brands and brand images (Ahmed, *et al.*, 2002; Hong & Wyer, 1989; Hulland, 1999; Pappu, *et al.*, 2007;). According to Zeugner-Roth, *et al.* (2008), the name of a country can often act in a similar way as the name of a brand, and hence has the ability to add to or subtract from the perceived value of a product. This might be particularly important when the brand or the product is not known or the consumer has only limited access to other information about the product. Moreover, in today's complex market environment, consumers try to reduce complexity by simplifying information processing. Therefore they use product origins as surrogate indicators of product quality and social acceptability (Papadopoulos & Heslop, 1990).

In this context, it is important to note that brands from the same country share images or associations which are referred to as country equity (Shimp, *et al.*, 1993). Certain market segments and other information (economic, political, etc.) are knowledgeable about the country of the brand. It is argued that brands originating from a particular country can create intangible assets or liabilities in consumer's minds, shared by other brands originating in the same country (Kim & Chung, 1997). In particular, country equity is believed to be derived from the associations of the product with a country and therefore is considered to be product-category specific (Thakor & Katsanis, 1997). Therefore, as countries generate elusive constructs in consumers' minds and possess country equity, a country's image could influence (positively or negatively) the equity of brands originating from that country, in a selected product category. For example Swiss watches are generally associated with a superior quality. Regarding Russian products, Russian caviar has a positive image while Russian cars have a fairly bad image. Thus we argue while the country-of-origin effect can be positive in one product category it might be negative in another. China, for instance, has quite a positive image regarding food products and electronic appliances, while its image regarding cars is fairly low. India has a fairly good image concerning tea and IT electronics on the one hand

while on the other hand Indian cars or airlines are associated with a bad image. In the case of Russia, e.g. the country has a fairly good image regarding classic music, components, ballet and literature. With regards to electronics again Russian products suffer from a negative image.

Previous research on country image and country-of-origin effects suggests that country image has a halo effect (Han, 1989), i.e. the perception of a country's image is dominated by a small number of decisive characteristics, such as derived from history, technologies and the level of development. This is especially true when consumers have limited knowledge of the country's products (e.g., Erickson, *et al.*, 1984). Johansson, *et al.* (1985) confirm that the country-of-origin cue affects consumers' product attitudes by biasing their perceptions of particular attributes. The authors also find that this bias is stronger when product knowledge is low. In this context, the country-of-origin cue may lead consumers to cognitive elaboration (Hong & Wyer, 1989). When consumers have a positive country image, this may then lead to positive evaluations of the products. Conversely, a negative country image could lead to negative evaluations (Thakor & Katsanis, 1997).

Social identity theory and social learning theory

As illustrated in the previous section country-of-origin is regarded as informational cue in the evaluation of foreign products. When entering a foreign market it is therefore of vital interest to understand how individuals utilize country-of-origin information in evaluating foreign products and how their perceived attractiveness is influenced by individual characteristics (e.g., Chao & Rajendran, 1993; Huang, *et al.*, 2008). Many authors highlight the importance of factors on the individual consumer's psychological level when processing country-of-origin information. Zhang (1997), for instance, suggests that individual differences in their tendency to evaluate product information may influence the effect the country-of-origin cue and the perception of the product. Furthermore, socio-psychological motives are believed to be very important in terms of consumer perceptions of foreign brands and products (Tajfel & Turner, 2004).

While the impact of individual characteristics on the evaluation of foreign products is widely discussed in the existing literature many studies lack of a theoretical foundation that conceptualizes this impact. We argue that social identity theory and social learning theory are helpful theoretical foundations to better understand this relationship between individual characteristics and foreign product evaluations.

Social identity theory (SIT) suggests that identity is comprised of two components, namely personal identity and social identity. The former is related to a person's individual sense of self, the latter is related to groups to which a person belongs or is affiliated to (e.g., Tajfel, 1978; Tajfel & Turner, 1979; Turner, 1982). Tajfel (1982, p. 225) defines social identity as "that part of an individual's self-concept which derives from his knowledge of his membership in a social group (or groups) together with the value and emotional significance attached to that membership". According to Tajfel & Turner (2004), much of the work on the social psychology of intergroup relations has focused on patterns of individual prejudices and

discrimination and on the motivational sequences of interpersonal interaction. It is further argued that situational demands can activate one particular component of identity which will, in turn, impact the way an individual thinks, feels, and behaves. Thus it can be said that social group membership forms crucial elements of the individual's self and influence thoughts and action. In the case of foreign product evaluation, different components of identity are supposed to be activated.

Tajfel & Turner (2004, p. 283) conceptualize a group as a "collection of individuals who perceive themselves to be members of the same social category, share the same emotional involvement in this common definition of themselves, and achieve some degree of social consensus about the evaluation of their group and their membership in it". Social categories, in this sense, are comprehended as cognitive tools that segment or classify the social environment (Turner 1982). Goar (2007) asserts that social categories define clearly the attributes and characteristics that are related with a particular identity. They also determine and define the appropriate behaviour and the societal value of this identity. Social groups thus provide their members with an identification of themselves in social terms. This identification is supposed to influence an individual's behaviour and perceptions of external cues, e.g. foreign products.

The construction of social identity may be regarded as a learning process, i.e. by assuming that the behaviour of others and the outcome of these behaviours is permanently observed (Bandura, 1977; Ormrod, 1995). Social learning theory (SLT) explains an individual's learning and behaviour in terms of a continuous interaction between cognitive, behavioural, and environmental determinants. Thus, SLT constitutes a transition between behaviourist learning theories and cognitive learning theories. Social learning theorists underline the cognitive processing during learning and contend that attention and expectations are critical factors in learning. According to this perspective, it is an interaction of the individual's

knowledge, past and previous experiences, the environment and the individual's behaviour that influences his or her thinking (Bandura, 1977; Crittenden, 2005).

In this study, SIT is used as theoretical foundation to analyze the influence of past experiences and individual learning on the evaluation of Russian products. We argue that in a situation when a product is unknown to an individual (which is true for most Russian products for most individuals in Germany as discussed above), previous experience in the country where these products originate from have an impact on the evaluation of these products. For example, overseas stays in Russia and other related intercultural experiences can be regarded as such experiences.

In the next section, important aspects of SIT and SLT will be discussed in more detail with regard to country-of-origin effects and the evaluation of Russian products, and research hypotheses will be derived.

Hypotheses: Socio-cultural characteristics and the perceived attractiveness of Russian products

Past research has linked SIT and country-of-origin effects mostly in terms of nationality (see e.g., Verlegh, 2004, White and Argo, 2008). Nationality is seen as part an individual's identity, and national products therefore serve as a symbol of national identity. In the context of consumer behaviour, several authors propose that when one aspect of consumer identity is threatened, consumers will become motivated to avoid products associated with an alternative identity. Various studies therefore focus on the relationship between consumer behaviour and social identity threat, mostly paying attention to the consumer's nationality as social identity in-group versus out-group (Askegaard & Ger, 1998; Shankarmahesh, 2006; Supphellen & Rittenburg, 2001; Tajfel & Turner, 2004; Verlegh, 2007; White & Argo, 2008). These studies show that when national identity is threatened from the external interference, consumers would rather prefer national over foreign products. Other studies have shown that national identification strongly influences individuals' judgements of their own country and of other countries (e.g., Duckitt & Mphuthing, 1998; Mackie & Smith, 2002). This in-group bias is attributed to a common need for maintaining a positive evaluation of the self and the social groups one belongs to. Individuals seek to express their identity through consumption, and domestic products have important social and cultural connotations (Askegaard & Ger 1998).

In this study, SIT refers not only to the in-group versus out-group discussion (e.g., in terms of nationality), but suggests that distinctive social identities of an individual will influence his or her perception and attitudes towards foreign products. Social identity theorists believe that the need to maintain a positive self-esteem includes social identities as well as the personal identity. The assumption of SIT is that people feel a desire and propensity to build a positive identity for themselves which may be manifested by their identification with various groups (Tajfel, 1981; Turner, 1982). In the context of this study, it is referred to social categorial

groups in terms of age, education and occupational status (see, e.g., Sierra & McQuitty, 2007).

Some studies suggest that younger people tend to show lower consumer ethnocentrism and thus less rigorous attitudes towards foreign products than do older people (Huang, *et al.*, 2008), even though the results of other empirical studies are not consistent (e.g., Shankarmahesh, 2006). Insch & McBride (2004) show a strikingly moderating effect of age on the country-of-origin effect in a study involving US and Mexican consumers. Younger people are supposed to show less restrictive attitudes towards other countries, especially newly industrialized countries. It can be argued that due to a more extensive media exposure, access to the internet and other information platforms as well as the availability of foreign products, younger people tend to exhibit a more liberal view towards new products and are regarded as less traditional. Furthermore, younger consumers, especially in developed countries, experience a liberal and open economy with plenteous product import from abroad. This might be especially important in the case of products from emerging markets and Russian products in particular that are available in these countries since a short time, only. Although young consumers might consider Russian being of inferior quality and bribe-driven, they might not feel threatened or show rigorous rejection towards the label 'Made in Russia'. The fact that Russian products are new and used by a small minority so far only might even enhance their perceived attractiveness by younger individuals who are often more open to new things and keen on making new experiences. Therefore, the following hypothesis is derived:

H1: Individuals' age will significantly influence the perceived attractiveness of Russian products

According to Tajfel & Turner (1979), social identity has the capacity to impact consumer behaviour. When individuals identify with a group based on social categorization, this may influence attitudinal and emotional responses to stimuli associated with that era. Consumer's individual profiles, which are partly comprised by the belonging to particular social categories, will therefore have an effect on the perception of foreign products and the processing of country-of-origin information. The consumer's level of education is one social category a consumer belongs to.

The influence of the consumer's level of education on country-of-origin effects has shown inconsistent results in prior studies (see, e.g., Inch & McBride, 2004). Some authors have found that higher levels of education are associated with more positive attitudes towards foreign products (e.g., Wall, *et al.*, 1991), i.e. showing a less rigorous impact of the country-of-origin cue. Higher levels of education may help buyers to incorporate product specifications and further information, including the country of origin, into their product evaluation and purchase decision making (e.g., Kaynak, 1989). On the other hand, higher levels of education are supposed to support or accompany the use of other information cues, which in turn weakens the impact of country-of-origin effects (Yu & Chen, 1993). Therefore, the impact of the level of education on cues and consumer quality perceptions remains unclear. In the context of the perceived attractiveness of Russian products we argue that individuals with a higher level of education tend to be more cosmopolitan. They may also be more likely to use other information cues than the country-of-origin when evaluating products. Therefore the following is proposed:

H2: Individual's level of education will significantly influence the perceived attractiveness of Russian products.

According to SIT, an individual's occupational status is believed to be a social category that impacts his or her feeling of self and plays an important role in the individual's daily life. A higher occupational status is supposed to increase the access to a wider range of product-related information and the capacity to process this information. It is also regarded a social category that separates consumers into different consumer segments and that influences the perceptions of foreign products (Chao & Rajendran, 1993). Furthermore, an individual's occupational status is an element that affects his or her self-esteem which may be reflected in preferring specific goods, i.e. goods from a particular country. In the context of this study, people who are unemployed or are looking for a job might judge Russian products more negatively, having in mind more and more jobs being transferred to Russian workers or Russian companies blackmailing or gouging of German government and companies. Conversely, people who are employed might judge them more positively, showing less rigorous feelings towards Russia and products from this country. On the other hand, occupational status may be regarded as an indicator of an individual's income as well as his or her price-sensitivity. Jobless people may be argued to more price-sensitive and thus to have a more positive attitude towards Russian products which in many countries are perceived as less inexpensive. Individuals who are less price-sensitive, on the contrary, might associate inexpensive with being cheap and low quality, and are thus argued to perceive Russian products more negatively. On the basis of these considerations, the following hypothesis is derived:

H3: Individuals' occupational status will significantly influence the perceived attractiveness of Russian products.

As outlined in the previous section, an individual's previous experiences influence his or her perceptions. In the context of this study, it is particularly supposed that experience with foreign cultures will have an impact on the perception of Russian products. In the cultural adjustment literature, it has been frequently shown that previous foreign experience (e.g., during a private holiday or an occupational overseas assignment) helps the individual to develop a more realistic attitude towards other countries and to build a global mindset (see, e.g., Black *et al.*, 1999; Holtbrügge, 2008). Several empirical studies emphasize the role of an individual's willingness to make new experiences, particularly while travelling (e.g., Black *et al.*, 1992; Kreppel *et al.*, 2008). Other authors argue that previous international experience is an explicit means for augmenting intercultural competence and for creating a more multifaceted image of a particular country (Takeuchi, *et al.*, 2005; Black, *et al.* 1999). When individuals travel to foreign countries – if even only for a short holiday – they have the opportunity to perceive, process, understand and associate attitudes, customs and norms of other cultures and to create new images in their minds. In this context, it is believed that the more people have learned, the more access to they have to – explicit and implicit – information and to processing this information. Therefore the following hypotheses are derived:

H4a: International experience will significantly influence the perceived attractiveness of Russian products

In the context of this study it is argued that not only travel to other countries per se, but travel to Russia in particular may influence the opinion about Russian products. Given the uniqueness of the Russian history and culture (e.g., Yoosefi & Thomas 2003; Tomalin & Nicks 2007) we argue that the experiences a person has made in other countries may not be directly transferred to Russia. Thomas (2007) argues that intercultural learning is to a large

extent culture-bound, i.e. the evaluation of a country is mainly influenced by the experience an individual has made in and with this particular country and not so much by his or her international experience in general. Thus, we propose:

H4b: International experience in Russia will significantly influence the perceived attractiveness of Russian products.

2. METHODOLOGY

2.1. Survey procedures and sample

The study was conducted in Germany (in the cities of Nuremberg and Munich) between November and December 2008 using a mall-intercept survey. The data was collected from a convenience sample of consumers ($n = 193$). Shopping mall consumers are commonly regarded to constitute an adequate sampling universe (see e.g., Liefeld, *et al.*, 1996; Pappu, *et al.*, 2007; Tull & Hawkins, 1990). Based on previous studies, a questionnaire that covers all aspects of this study was developed. Since it could not be expected that all participants are fluent in English, the questionnaire was translated into German and back-translated to ensure reliability and appropriate translation of the items. The questionnaire was in a sample of 20 consumers and subsequently revised to improve readability and understanding. Since consumer's country images were known to differ by consumer's home country and it was intended to control for this effect, it was necessary to ensure the respondents originated from a given country, i.e. Germany (see also Pappu, *et al.*, 2007).

The sample provided a good cross-section of the German population. The sample comprised a slightly higher proportion of males (52.8%) and than females (47.2%) compared with the national population, which consisted of males (49.0%) and females (51.0%) in 2007 (Table 1). The age range was from 16 years to 75. The age distribution in the dataset was shifted towards the younger population compared with the age distribution in the German population, but nevertheless regarded to represent an acceptable sample of German consumers.

Table 1 Demographic profile of the sample

<i>Demographic characteristic</i>	<i>Sample</i>		<i>German population (2007 census)</i>
	<i>n</i>	<i>Percentage</i>	<i>Percentage</i>
<i>Gender (n = 193)</i>			
Male	102	52.8	49.0
Female	91	47.2	51.0
Total	193	100.0	100.0
<i>Age (n = 193)</i>			
0-15 years	0	0	13,7
15-29 years	68	35,2	17,6
30-39 years	40	20,7	13,1
40-49 years	23	11,9	16,9
50-59 years	31	16,1	13,46
60 years and more	31	16,1	25.3
Total	193	100.0	100.0

2.2. Measures

Respondents were asked to rate the attractiveness of Russian products of a given set of industries based on the International Standard Industrial Classification on a 7-point-Likert-scale with “1” = “very unattractive” and “7” = “very attractive”. The industries included in the study are automotive industry, IT & electronic equipment industry and consumer goods industry. These industries reflect a good picture of Russian products to German consumers.

The second part of the questionnaire comprised questions in relation to demographic data and social group identity. Respondents were asked to specify their age and gender. Education was assessed by indicating the highest obtained graduation of the respondent (an academic career was then weighted in comparison to a non-academic one). The occupational status was assessed by indicating the current occupational status. The answers were then grouped to 'not employed/unemployed' and 'employed'. The number of countries the respondent has visited outside Europe was assessed by indicating the grouped number on a 7-point-Likert-scale. Overseas stays in Russia were assessed by indicating the total number of weeks spent in Russia (for private, study and/or occupational reasons).

RESULTS

The means of the attractiveness items are demonstrated in Appendix A. Products from the ‘consumer goods’ industry (3.51) were rated higher than ‘IT and electronic equipment’ (2.68). The attractiveness of the Russian automotive industry was rated lowest (2.31). Overall, the attractiveness of Russian products was rated fairly low.

The results of the multiple regression analyses are presented in tables 2 to 7. Intercolinearity was controlled for, but emerged only at a very low level so that the existence of a suppressor can be denied (see Backhaus et al. 2006). The regression analyses do not reveal significant effects of the independent variables on the perceived attractiveness of Russian products from different industries. In the case of the perceived attractiveness of Russian products from the ‘automotive’ industry negative effects of international experience on a significance level slightly above a 10 per cent level can be found. Regarding the attractiveness of products from the IT and electronic equipment industry no significant effects can be found for the independent variables integrated in the model. A third regression analysis with the perceived attractiveness of Russian products from the ‘consumer goods’ industry as dependent variable, shows negative effects of occupational status and international experience, but the model is not significant.

In a second step we analyzed the effects of international experience only. In the case of automotive industry, a very significant negative effect of international experience on the perceived attractiveness of Russian products from this industry can be found. A regression analysis on the perceived attractiveness of IT and electronic equipment shows no effect. In the case of consumer goods, a marginal negative significant effect of international experience can be found.

In summary, the regression analyses reveal no significant effects of the independent variables. Though international experience has some effect, the results show slightly differing effects on

the attractiveness of products from different industries. Thus, hypotheses H1, H2, H3 and H4b cannot be confirmed. A marginal significant negative effect of international experience can be assessed in the case of automotive industry and the consumer goods industry. This effect cannot be assessed for IT & electronic equipment, thus showing different results for different industries. Thus H4b might be partly confirmed. Taking these results into consideration, it can be concluded that age, education, occupational status, international experience and international experience in Russia do not show significant effects on the perceived attractiveness of Russian.

Table 2 Regression Analysis (independent variable: ATTRACT Automotive industry) (n = 193)	
AGE	,058
EDUCATION	,052
OCCUPATIONAL STATUS	,058
INTERNATIONAL EXPERIENCE	-,171*
EXPERIENCE IN RUSSIA	-,055
R	,212
R ²	,045
R ² corr.	,020
F	1,764 (p = ,122)

Table 3 Regression Analysis (independent variable: ATTRACT IT & Electronic equipment) (n = 193)	
AGE	,026
EDUCATION	,023
OCCUPATIONAL STATUS	-,019
INTERNATIONAL EXPERIENCE	,094
EXPERIENCE IN RUSSIA	-,025
R	,097
R ²	,009
R ² corr.	-,017
F	,356

Table 4 Regression Analysis (independent variable: ATTRACT consumer goods) (n = 193)	
AGE	,024
EDUCATION	,089
OCCUPATIONAL STATUS	-,122 ^t
INTERNATINAL EXPERIENCE	-,137 ^t
EXPERIENCE IN RUSSIA	-,011
R	,187
R ²	,035
R ² corr.	,009
F	1,348

Table 5 Regression Analysis (independent variable: ATTRACT Automotive industry) (n = 193)	
INTERNATIONAL EXPERIENCE	-,187**
R	,187
R ²	,035
R ² corr.	-,030
F	6,884**
Table 6 Regression Analysis (independent variable: ATTRACT IT & Electronic equipment) (n = 193)	
INTERNATIONAL EXPERIENCE	,089
R	,089
R ²	,008
R ² corr.	,003
F	1,531
Table 7 Regression Analysis (independent variable: ATTRACT consumer goods) (n = 193)	
INTERNATIONAL EXPERIENCE	-,127 ^t
R	,127
R ²	,016
R ² corr.	-,011
F	1,659 ^t

3. DISCUSSION, LIMITATIONS AND IMPLICATIONS

The present study examined the effects of socio-psychological determinants derived from social identity theory and social learning theory on the perceived attractiveness of Russian products by German consumers. In doing so, this research provides new findings for the literature as well as for practitioners and gives way to ongoing research.

Hypothesis H1 proposed a significant effect of age on the perceived attractiveness of Russian products. Regression analyses revealed no significant effect of age in the case of all three industry types. In the case of the attractiveness of Russian products from the automotive industry, the model was slightly above a 10 percent significance level. In the other two cases it was not significant at all. Russian products are rated fairly low no matter the age of the individual. Although it might be argued that older consumers had known Russia as a communist country and might still regard it as that, the results show no such effect. Without any doubt, Russia has undergone a tremendous economic transformation and thus it was expected that younger consumers will rather have the image of Russia as an emerging market and new player on the world's economic stage. The results have shown that this is not the case in the context of this study.

Hypothesis 2 proposed a significant effect of the individual's level of education on the perceived attractiveness of Russian products. In none of the three analyses such effect could be revealed. No matter which education an individual has gone through, Russian products are rated fairly by all participants. The findings of this study indicate that Russian products are regarded as fairly unattractive no matter the education of the participants. Although it was argued that more educated individuals might have a more distinguished picture of Russia which might influence their perception and thus their evaluation, no such effect could be confirmed.

Hypotheses 3 proposed a significant effect of the consumer's occupational status on the perceived attractiveness of Russian products. In the regression analyses on the perceived attractiveness of Russian products from both the automotive industry and the IT and electronic equipment industry no such effects could be confirmed. The analysis on the attractiveness of consumer goods a marginal negative significant effect could be revealed, but the model itself was not significant. This might lead to the assumption that employed individuals rate the attractiveness of Russian consumer goods lower than do unemployed individuals. This might be coherent with the assumption that unemployed individuals are regarded to be more price-sensitive and therefore might perceive Russian products to be less expensive than Western products. Taking into consideration the price-sensitivity of those individuals, it might be argued that they pay much more attention to price than to quality and thus see Russian products that unattractive. But as the findings are very weak, this needs to be investigated in further studies.

Hypotheses 4a and 4b proposed significant effects of international experience on the perceived attractiveness of Russian products. While Hypothesis 4b has to be denied, hypotheses 4a could be partly confirmed. Contrary to expectations, the time spent in Russia had no effects on the perceived attractiveness of Russian products. This might lead to suggest that the individual's perception is influenced by a variety of inputs but international experience in Russia. In contrast, general international experience showed partly significant effects on the perceived attractiveness of Russian products. The more international experience individuals have, the lower they evaluated Russian products in terms of attractiveness. Again, these findings are contrary to expectations and have to be clarified in ongoing research.

While the first series of regression analyses showed no significant effects, the second series of regression analyses show significant effects of international experience on the perceived attractiveness of products from the automotive industry as well as the consumer goods

industry, while no such effect could be detected for products from the IT and electronic equipment industry. This might lead to the assumption, that the perceived attractiveness of Russian products is partly industry-specific or products-specific. This has to be investigated and clarified in future studies.

One shortcoming of the study is that the explanatory content of the regression analyses is very low and significant results could only be revealed when only one single independent variable was included into the model.

Contrary to any expectations, no significant effects of individual characteristics based on the concepts of social identity theory and social learning theory could be assessed in the case of the perceived attractiveness of Russian products by German consumers. A study on the perceived attractiveness of Chinese products by German consumers showed different results (Kreppel & Holtbrügge 2009). In this case, significant effects of age, education and international experience could be revealed. This might lead to the assumption, that consumers have a more distinguished picture of Chinese products, while they do not in the case of Russia. Younger consumers, e.g. might be more familiar with Chinese products than they are with Russian products which are still less known to German consumers. Chinese companies therefore might therefore engage in market segmentation and target group aligned strategies for their products while Russian companies have to start one step afore. They might have to establish a more distinguished picture and reputation of Russian products before they might engage in more distinguished strategies. Therefore it might be interesting to investigate further in the differences in the case of the perceived attractiveness of products from these two emerging markets. This should be done in further studies.

Appendix A

Perceived attractiveness of Russian products in different industries

(Means and Standard Deviations)

	Means	SD
Automotive industry	2,31	1,360
IT and electronic equipment industry	2,68	1,468
Consumer goods industry	3,51	1,668

n = 193.

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