A COMPARATIVE STUDY OF HOW THE U.S. PRODUCTS ARE RANKED BY CANADIAN AND TURKISH CONSUMERS

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Abstract

Data were collected in Winnipeg, Manitoba—Canada and Kayseri-Turkey on three different classes of products: clothing, automobiles, and electronics. The rankings of the U.S. products in comparison to the products from other countries were examined on the selected attributes. Recommendations were made for improving the export opportunities in Canada and Turkey for the U.S. firms.

Introduction

The export performance of a country indicates the health of its economy and therefore, the investigation of the factors affecting export opportunities is an important endeavor for any country trying to improve its economic plight. Because of huge trade deficits in recent years, export performance of the U.S. firms became a national issue. Scholars and politicians as well as the media people started to talk about being competitive in the world markets. The presumption is that the U.S. firms are no longer perceived to be competitive by the consumers around the world. According to Hackett (1977), while it is still prestigious, the magic of "Made in U.S.A." is not there anymore. The purpose of this study is to investigate whether this presumption is true or not in two different countries.

Consumers hold a certain image of a given country just as they associate an image with a brand or a store. Research indicates that the image people have about a country influences their attitudes toward products of that country. If potential customers have a negative image of a country, marketers of that country will have difficulty in selling their products in that market. This is true for both international and domestic markets since quality perceptions of products are affected by the country-of-origin or the phrase "Made in ..." (Bilkey and Nes 1982).

For a country seeking to develop export markets it is important to determine its image and, if unfavorable, seek ways of changing that image. Therefore, investigating the perceived image of a country and its products is an important step in the development of entry strategies by businessmen seeking to sell their goods in a foreign country.

Canada and Turkey are chosen for several reasons to investigate the image of the U.S. products among consumers in other countries. First of all, both countries are members of NATO and have friendly relations with the U.S. It can be assumed that consumers in these countries are not anti-American and hence, the U.S. products are not expected to be unjustifiably ranked lower. In addition, Canada as a developed country might be used to represent, to a certain extent, the other developed countries. Whereas, Turkey as a developing country could be used to represent the other developing countries. Also, the recent Free Trade Agreement between Canada and the U.S., and the growth in Turkish economy make these countries important markets for the U.S. firms. During the last decade, Turkey was reportedly one of the five fastest growing economies in the world (Dawson 1985).

Background

Reiersøn (1966) studied the attitude of students toward the products of ten selected nations and found that there was a clear stereotyping of products from particular countries. In this study, American products were ranked in first place while Japanese products were ranked in last place.

Nagashima (1970) investigated the attitudes of American and Japanese businessmen toward the products from various countries. He found that American businessmen rated American products at a very high level but Japanese businessmen had a lower regard for American products. Also, the evaluations of Japanese products by American businessmen were more favorable than the evaluations of Japanese products by Japanese businessmen. According to this study, Japanese businessmen were fascinated by the label "Made in Germany".

Gaedeke (1973) studied the opinions of students toward the quality of products made in various developing countries and the United States. Again, American products were ranked in first place but he found significant differences of opinion toward the quality of products from the various developing countries. Also, the results indicated that a particular country might be ranked high for one product class and low for another.

Nagashima (1977) replicated the earlier study done in 1970 on the attitudes of American and Japanese businessmen toward the products of various countries and found a deterioration of the "Made in U.S.A." image.

Bannister and Saunders (1978) studied the attitudes of UK (United Kingdom) consumers toward the products manufactured in different countries. The results of this study indicated favorable ratings for the products of West Germany, United Kingdom, and Japan, mediocre ratings for the products of France, Italy, and the U.S., and poor ratings for Russian products.

Bilkey and Nes (1982) reviewed the literature in the area of country-of-origin effects on buyer evaluations of products and came up with the following observations: 1) country-of-origin affected the evaluations of products, 2) country
-of-origin influenced both industrial and consumer purchase decisions, 3) attitudes toward the products of different countries might change over time, 4) people evaluated their own country's products much more favorably than did foreigners, and 5) attitudes toward products from a country varied by product categories.

Erickson, Johansson, and Chao (1984) studied the country-of-origin effects on the formation of beliefs about and attitudes toward automobile brands. The results indicated that country-of-origin had direct effects on beliefs but indirect effects on attitudes through beliefs.

Czepiec (1984) replicated Reisron's study which was done 15 years ago. She found that Americans no longer ranked American products in first place. On the other hand, the ranking of Japanese products improved from last place to first place during the fifteen year period.

Wall and Heslop (1986) studied Canadian consumers' attitudes toward Canadian made products versus imported products and reported that there were significant differences in the ratings of products from different countries between men and women. Women rated Canada and the U.S. highest while men rated Japan and West Germany as the best. Clothing and footwear products made in Canada were rated high, but automobiles and home entertainment products made in Japan were rated higher than the products made in other countries.

Two important conclusions can be drawn from these studies. First, it is apparent that the attitudes consumers have toward various products is influenced by the country-of-origin. Second, these attitudes will change over time.

Objectives of the Study

The objectives of this study include: 1) determining and comparing how the U.S. clothing items, automobiles, and electronic products are ranked by consumers in Canada and Turkey in comparison to similar products from other countries on selected attributes, and 2) investigating the relationship between the rankings of the U.S. products on different attributes and the gender of consumers.

Methodology

The Sample

Data regarding Canadian consumers were collected in two shopping centers in Winnipeg, Manitoba-Canada. One of the shopping centers was located in downtown Winnipeg and called Eaton's Place. The other one was located in the western part of the town and called Polo Park Mall. Winnipeg is a city of over half a million people.

Questionnaires and postage-paid, self-addressed envelopes were distributed to 250 shoppers in each mall. Since the questionnaire was relatively long, personal interviews were considered not to be feasible. Mall intercept studies are used widely and are very popular among commercial market researchers. Although this method may not result in a scientific sample, it is cost effective and affords better control over interviewers (Sudman 1980, Gates and Solomon 1982, Reid 1984, Bush and Hair 1985). Since there was no intention to generalize the results to other populations throughout Canada, a mall intercept technique was considered to be adequate. Questionnaires were distributed on a Saturday between 11:30 am and 2:00 pm. Three weeks later 121 completed questionnaires had been returned.

Data regarding Turkish consumers were collected by choosing a systematic sample of households in the city of Kayseri by utilizing the latest telephone directory which was printed in 1983. Kayseri is located in the central part of Turkey; it has a population of approximately 350,000. However, having a telephone at home is still considered as a luxury rather than a necessity; therefore, mostly upper and middle class homes would have phones. For investigating the images of products from foreign countries, these are the right social classes to study. Therefore, a telephone directory is considered as an adequate sample frame. Besides there is no other feasible sample frame available. As a result of this limitation, however, the findings of this study can not be generalized to any other group or region.

The number of phones in the directory was estimated to be about 10,000. A 15% response rate was expected due to the fact that people in Turkey were not used to participating in a survey research. Hence, 1,000 questionnaires were mailed out which resulted in the inclusion of every 10th person in the directory. Some questionnaires could not be delivered by the post office because of address changes. So, only 921 of the 1,000 questionnaires were received by Turkish households and 201 respondents completed and returned their questionnaires. Given the fact that the questionnaire was rather lengthy, this response rate is considered to be very good.

The Questionnaire

Basically, the same questionnaire was used in both countries with slight differences. One difference was obviously regarding the language used in the questionnaires; one was in English while the other was in Turkish. The other difference was regarding the number of countries involved in the rankings. Although ten countries were considered by Canadian consumers in ranking the products, only eight countries were considered by Turkish consumers in ranking the same products. The following countries were listed in alphabetical order, which is different in each language, in the questionnaire: Brazil, Canada, England, France, Italy, Japan, South Korea, Turkey, the United States, and West Germany. After the pretesting of the questionnaire, Brazil and South Korea were dropped from the list in Turkey. Due to the small trade between Turkey and these countries, most Turkish consumers were unable to relate and