# UNIVERSITY OF EASTERN FINLAND

Faculty of Social Sciences and Business Studies Business School Innovation Management

# CONCEPTUALIZATION AND USE OF THE DESIGN FROM FINLAND LABEL

Master's Thesis Evelina Muljar May 31, 2019

# Abstract

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Title

## Conceptualization and use of the Design from Finland label

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The purpose of this research is to examine the conceptualization and use of the Design from Finland label. Additionally, the aim is to answer why and how companies use the label. This research is significant because the objective is to provide knowledge concerning the innovation process and concept development of an imperative marketing strategy that is designed to impact purchase decisions of consumers and increase global visibility. The study is conducted in the context of Finland.

The theoretical framework of this study is synthesized according to the key concepts that are the innovation process, country of origin effect and the using methods of the country of origin branding. This study contributes to academic literature through addressing the research gap. It studies the conceptualization and use of the Design from Finland label. Additionally, it studies why and how the companies use it. To answer the two sub-research questions three member companies who have the Design from Finland label were chosen for this study. The case companies are Stockmann, Reima and Globe Hope. They are also members of the Association for Finnish Work.

The research strategy of this study was the intensive case study research. The data was gathered by conducting a semi-structured interview with the Brand Manager of the Design from Finland label, from the Association for Finnish Work. The interview was tape-recorded, transcribed and translated from the Finnish language to the English language. The interview data were analyzed by conducting a qualitative content analysis. How and why the three case companies use the label was studied by gathering sufficient data from media and internet sources.

The results show that the conceptualization of the Design from Finland label went through a seven-step innovation process. The label was first launched in 2011 and due to negative feedback from the member companies, the label was updated and re-launched in2013. This resulted in more visibility of the label. The idea for the concept came from the Ministry of Economic Affairs and the Employment of Finland. The Ministry wished to promote Finnish work and make it globally visible. The label was conceptualized as a cooperation with the Association for Finnish Work.

Companies use the label because they want to have the competitive advantage, especially in the global market. They also use the label to indicate the excellence and high quality of Finnish design. These points are used to impact buyers purchase decisions. The results show that the using methods of the label are too humble and minimalistic in relation to the purpose of the label. The reasons may be due to the humble Finnish mentality and the fact that the label is still relatively young and has not received enough visibility and recognition. A conclusion and discussion of the results are presented as well as the evaluation of the study and managerial and practical implications introduced. Additionally, future research suggestions are presented.

Key words: Design from Finland, Innovation process, marketing, branding, country of origin effect

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#### **1 INTRODUCTION**

#### 1.1 The topic of the research

The topic of this research concerns the widely-studied country of origin effect. Based on previous studies the topic has been examined extremely widely from a viewpoint of how it affects the buying behavior and the perception of products (Jagdish & Wagner, 1999). This research addresses the topic from a managerial point of view to understand how these types of strategies are conceptualized and what value do these types of strategies offer to the companies (Roth & Diamantopoulos, 2009).

Therefore, the country of origin branding has been used as a significant marketing tool in the global environment to increase sales and gain a competitive advantage (Saydan, 2013). Having a strong brand can aid the company to gain an identity in the market. Researchers have begun to study the concept of brand equity as it has brought significant value to organizations as well as consumers. Previous research suggests a linkage between consumer-based aspects of brand equity and the country of origin effect. Several researchers according to Saydan (2013) have indicated that how consumers perceive quality was impacted by the country of origin of the product or service (Saydan, 2013).

The research question of this study aims to examine how the Finnish country of origin label, Design from Finland has been conceptualized. The label was launched in 2011 by the Association for Finnish Work. The reason for establishing such a label was to promote Finnish work and make it visible, distinguished as well as to attract buyers, especially in the global context. The label emphasizes the country of design. This research addresses how this type of label is conceptualized. Additionally, this research examines how and why is the label used by the companies who receive it.

The country of origin effect has been considered an important strategy that is used globally by marketers to make an impact on consumers' product perception and brand value. It has been widely documented by previous studies that the country of origin effect has an impact on buying behavior and may boost sales and marketing (Roth & Diamantopoulos, 2009). This topic holds a significant interest and it is important to study because it is current and futuristic. It may be of great importance for companies, managers, entrepreneurs, designers, marketers, business planners, the government as well

as other researchers especially in the context of Finland. This topic may also be very significant for investors.

The country of origin effect indicates the country where a brand is originally from or where it is produced. The impact that the effect has had on consumers purchasing behavior is one of the most researched issues in the context of international business (Peterson & Jolibert, 1995). The country of origin effect is one way of creating brand equity and gaining competitive advantage as consumers are sensitive to the product- country- image aspect when they are making purchase decisions (Keller, 1993; Shocker et al., 1994).

The competition of the international companies is growing on a constant level, therefore, it has become relevant for brand managers to take into consideration that consumers are rather sensitive to the country of origin effect and that it may be used as a competitive advantage. The phenomenon has been studied extensively by researchers by considering consumers' behavioural intentions, judgments of quality and preferences in response to the country of origin aspect. Studies confirm that the country of origin branding is a reliable and impacting way to show the quality of the brand (Jagdish & Wagner, 1999).

The practical references for studying the topic of Finnish country of origin label, Design from Finland, are significant. The study offers insight into the conceptualization of the country of origin marketing strategy for Finnish design and how companies gain value from using it. This research provides information on building branding and marketing strategies that use the country of design as the selling point in the context of Finland but the information can be applied in other countries as well. The information will be useful for managers, marketers, entrepreneurs, business planners, designers, students, other researchers, the government and more importantly investors.

The Finnish country of origin effect was studied by Ryan (2008) in his conceptual research paper where he discusses the efforts Finland made to emphasize their country of origin by showing the image of quality, innovation as well as the prestige of their production. The efforts that Finland made were dating from the early 1990s which indicates that they were relatively recent. Finland had to go through a lot of self-discovery to find out its country of origin effects.

The growing global competition pushed Finland to emphasize its excellence in design, as it had been one of their traditional excellence for a long time. Therefore, Finland started to produce goods consciously with an effort to make the made in Finland aspect stand for high-end design, innovation as well as high quality. Ryan (2008) also states that Finnish companies have launched brands with an obvious Finnish flavor that carries an image of Nordic life which is seen as dynamic, contemporary, responsible as well as advanced technologically. Finland has been very successful at creating these types of brands.

Finland had always traded with northern Europe and Scandinavia but not so much with the rest of the world. After the fall of the Soviet Union Finland went through a serious economic downturn which was the most serious out of all the OECD countries since World War II. Finland's GDP dropped by 10% in three years and the unemployment rate grew from 3% to 17%. Finland recovered rapidly from the fall due to new industries, for example, the telecommunications industry. Finland had to rethink its economic position after the end of the Cold War as it confirmed the growth of global trade. For Finland to ensure their competitive advantages they had to plan a strategy for the future. Finland was ranked as the last country to become internationalized among the developed countries in 1993, based on the survey by the World Economic Forum's World Competitiveness Report stated by Ryan (2008) which indicates that Finland was relatively late in globalizing its economy. Nevertheless, approximately ten years later Finland transformed and became an important producer and exporter of high-technology products. Electronics were the most successful exports in Finland. The significant growth of electronics exports took place in the 1990s and mostly in the context of mobile phones. Finland was ranked as sixth in the World Economic Forum's World Competitiveness Report in the year 2007 (Ryan, 2008).

With the emergence of many developing countries, supply and demand were drastically reversed. It became difficult especially for a country like Finland to create or identify demand because it had been specializing in supplying resource intensive products instead of value-added products. After taking on the euro Finland faced difficulties in competing as a producer of low-cost in the global market. Therefore, it meant that if Finland wanted to succeed in the global market it needed to start selling finished value-added goods with a higher value instead of focusing on resource-intensive products as they did in the past. For example, in the context of the wood industry, as it was one of the Finnish strengths, instead of selling raw lumber they would need to sell wood flooring that was engineered and

other finished products. Finland has become an expert in the use of innovation, research, and design (Ryan, 2008).

Finland had to consider what makes its products distinctive from others and how can the aspects that distinguish the products be increased and used for their benefit. Globalization had forced high-cost countries to consider their advantages and disadvantages. As mentioned before that Finland was well known for its design tradition. Finnish designers and architects such as Alvar Aalto (1898-1976), Eliel Saarinen (1873-1950) as well as Eero Saarinen (1910-1961) had promoted Finland's global reputation for its skilfulness and innovation in design. Aino Aalto (1894-1949), who was also a product designer had an international reputation as well. These were Finland's highly significant assets that it could present itself to the world market with. Design was an important asset and a competitive advantage for Finland (Ryan, 2008).

#### **1.2 The purpose of the study**

The main purpose of this research is to examine the innovation process of conceptualizing the Design from Finland label. Additionally, how and why is it used by companies. This research is significant because its purpose is to provide knowledge about the innovation process and concept development of a marketing strategy that is aimed to increase global visibility, profit, and growth of companies. Additionally, the purpose of this research is to provide findings of how and why this strategy is used by companies.

The purpose is also to produce new understanding for organizations, self-understanding and academically interesting findings to other researchers. Understanding the innovation process will help to gain knowledge for creating future innovations as well as improving existing ones. This is significant because it may help the development of better marketing strategies and branding tools to attract more buyers and as a result gain more profit. Gaining profit will result in growth and the rise in the value of the company. Another purpose is to develop an agenda for future research on this topic.

The objective of this research study is to examine how the Design from Finland label was conceptualized. Through this gain the knowledge of the innovation process that the concept went

through. Another point of interest is how do the companies who have the label, use it and why. The main research question that has been formulated is as follows:

- Through what kind of innovation process has the Design from Finland label been conceptualized?

This type of question can help understand the process of conceptualizing the idea into a meaningful, innovative and value adding tool for companies to gain competitive advantage, especially in the global context. I have also developed two sub-research questions that are formulated as follows:

- How do the companies use the label?
- Why do the companies use the label?

These types of questions can help understand how a company can benefit from the country of origin label as a marketing and branding tool. To answer the main research question, I have developed an objective to study the conceptualization of the Design from Finland concept. To answer the sub-research questions the objective is to study what role does the Design from Finland label hold in the companies' innovation process and what value do the companies gain from using the label.

Based on the previous studies by Chao (1998) and Chao (2001) on the topic of the country of origin it seems that more research is needed to achieve a better understanding on specific country of origin dimensions, for instance, the country of design dimension. As well as the innovation and conceptualization processes of these types of marketing and branding strategies. Also, more research is needed in the context of how do companies use these types of strategies and what value do companies gain from using them. Therefore, this is my research gap.

## 1.3 Case Design from Finland

The Design from Finland label was established and first launched in 2011. The reason for establishing such a label was when it was recognized that it should be highlighted that design needs to be a critical factor of success for Finnish companies. The goal of the label is to provide the evidence of Finnish design excellence for consumers abroad as well as in Finland. The label may be granted to any product or service that is designed in Finland. The condition is that the company needs to demonstrate it officially that they have invested into Finnish design. The head office of the company must be situated in Finland but the product may be produced or manufactured abroad or in Finland. To get the right to use the label the company must apply for it and it is granted for three years at a time. The Design from Finland label has already been granted to hundreds of products and services that have been designed in Finland (suomalainentyö.fi).

The Design from Finland label is targeted for companies that want to distinguish themselves as specialists of Finnish design in a case where design plays a significant role in the success of the company. The label will help companies to stand out and differentiate themselves from their competitors. The label will also send a message to consumers about the excellence of Finnish design, in Finland as well as globally (suomalainentyö.fi).

The label is granted and governed by the Association for Finnish work which is a politically independent, non-profit organization, owned by its membership. The Association grants labels that give recognition to Finnish manufacture, design and contribution to social good. There are two more labels that the Association for Finnish work governs and grants; The Key Flag label and The Finnish Social Enterprise label. The Key Flag label is granted to products that are manufactured in Finland as well as services that are produced in Finland. The Finnish Social Enterprise label is granted to businesses who use most of their profits for social good (suomalainentyö.fi).

The community of the Association for Finnish Work consists of 3,000 business and associative members. Most their members have been granted the Key Flag, the Design from Finland and / or the Social Enterprise label. The goal of the Association is to take part in efforts that would increase the

appreciation for Finnish work and to make sure that it prospers and succeeds. The association implements its mission in three ways:

Conducts research studies and take part in active communication concerning themes that have a positive impact on the appreciation for work that is performed in Finland as well as its success. Administer and develop logos and labels as well as insignias that about Finnish work. Conducting projects that relate to the appreciation for Finnish values together with the member associations. In addition, taking part in joint marketing campaigns both in Finland as well as globally (suomalainentyö.fi).

The members of the association range from sole traders to large corporations and organizations. They share a desire to support Finnish work and tell others about Finnish skills. The associations highest decision making body is the Board of Governors, elected each year. The Board directs the work of the Executive Committee, The Mark/Label committees and the Association's employees. The association believes that Finnish work succeeds well when labour is regarded as meaningful, it is proudly international and when all of us pay attention to our buying decisions (suomalainentyö.fi).

#### 1.4 Key concepts of the study

The key concepts of my research study are innovation process, country of origin and branding in the context of the country of origin effect. I will introduce these key concepts shortly for a better understanding of the phenomenon. The aim is to describe the connection between the existing literature and the research. The key concepts introduced provide a basis for the empirical study.

**Innovation process** plays a key role in my research as I will examine the innovation process of the Design from Finland label. Cooper and Edgett (1999) define the innovation process as a thought process that can be compared to running a new project from the idea generation stage to launch and beyond. Lecklin (2006) Defines a process to be a set of activities where a company transforms the inputs into outputs of a process. It is a series of activities that can be defined, repeated and measured.

**Country of origin** effect plays a significant role in my research as the topic of my research is the Finnish country of origin label, Design from Finland. In the chapter on the theoretical background of this topic, I have combined different previous studies to form a sufficient understanding of the topic. The country of origin indicates where a brand, a company, a product or a service, is originated from. The country of origin effect has been considered an important factor that is used by global marketers to influence consumers' product perception and brand value perception. It has been widely documented by previous studies that the country of origin effect has an impact on the buying behavior and may boost sales and marketing (Rashid, Barnes & Warnaby, 2016).

**Branding** is what the country of origin effect is impacting and it is the core of the concept. The country of origin or the country-image-perception is what influences brand equity and brand value of products and services. Branding is not only associated with placing a name or a logo on a product. But how the product was conceptualized and produced. Not only how the physical product is viewed but the values as well as traditions that it is perceived to hold within (Ryan, 2008). In my research, I am studying the conceptualization of the Design from Finland label and how the companies utilize this concept into their business and what value do they gain from it by using it as a strategic branding and marketing tool.

#### 1.5 Structure of the thesis

The structure of this thesis follows the following guidelines: introduction, theoretical background, methodology, analysis of the study, results of the study and conclusion as well as evaluation of the study. The first chapter introduces the topic, the purpose, the key concepts as well as the structure of the thesis. The research questions are also presented in the first chapter.

The second chapter will introduce the theoretical background. This chapter will start with the introduction of previous studies concerning the topic of the innovation process. The second part of the literature review will introduce the concept of the country of origin effect. The following part will introduce the previous studies and literature on the country of origin as a branding tool and how it is used as a strategic imperative. The last part of the theoretical background will introduce the theoretical framework of this research. The third chapter of this thesis will introduce the methodological approach

of the study and describe what methods were used to conduct the study. To follow, there will be an introduction to the method of data collection and finally, the method of analysis chosen for this study will be introduced and thoroughly described.

The fourth chapter will introduce the results of the research. The analysis of the collected data will be conducted in this chapter. This chapter will also introduce three case companies that have been chosen for this study. The companies are the member companies of the Association for Finnish Work and they have been granted the Design from Finland label. How and why the label is used by the companies will be described and compared in this chapter. Chapter five will finally conclude the study. In this chapter, the key results will be summarised, discussed and concluded. Theoretical and practical implications, as well as the evaluation of the study, will be presented together with the future research suggestions.

#### 2 THEORETICAL BACKGROUND

This chapter will introduce the reader to the theoretical background of the research topic of this study. The chapter will start by introducing the previous studies conducted on the topic based on the key concepts of this research. The first section will introduce previous studies on innovation processes followed by an introduction to the concept of the country of origin effect. The following section will describe how the country of origin aspect is used as a branding tool. In the last part of this chapter, a synthesis of the theoretical framework of this study will be presented.

#### **2.1 Innovation Process**

The theoretical background on innovation process will introduce six previous studies conducted on the topic of innovation processes as well as innovation in general, that are relevant to the topic of this research. These previous studies will offer a base for understanding the topic of this research and one of the key concepts that are involved.

Cooper and Edgett (1999) define the innovation process as a thought process that can be compared to running a new project from the idea generation stage to launch and beyond. "A Process is a series of activities that can be defined, repeated and measured" (Lecklin 2006, 123).

Ottenbacher and Harrington (2007) have conducted an empirical research on the innovation process of Michelin-starred chefs in fine dining innovations. I would like to specifically address the innovation process as well as the research approach in this study as it can be applied to my research. The study was conducted using a qualitative data collection method and performing semi-structured interviews. I will use the same data collection method in my research. This type of method gives the researcher the chance to gain a deeper understanding and simultaneously to create new knowledge. The study in this literature review was done by using existing theoretical innovation process models.

In the figure below I have illustrated the basic BAH innovation process model by Booz, Allen, and Hamilton (1982) that was mentioned in this research paper. This type of innovation process can be applied to different concepts in various industries.



Figure 1. The BAH Innovation Process model by Booz, Allen and Hamilton (1982)

Based on the research findings in the study by Ottenbacher and Harrington (2007) the innovation process can be broken down into seven steps unlike in the BAH innovation process model where a six-step innovation process model was presented. The seven-step innovation process model is illustrated below. Based on my hypotheses the Design from Finland label went through a similar innovation process that can be applied to these two models. The seven-step innovation model that resulted from the study by Ottenbacher and Harrington (2007) is elaborated in more detail and is illustrated in figure 2 below:

1. Idea generation is the first part of the innovation process model. Strategy and idea formulation perform together simultaneously. There are surrounding aspects that have a direct effect of product consideration, tacit creativity skills and sources of inspiration.

2. In this stage, the ideas generated in the first part are being screened whether they are suitable for the purpose like for instance style, design, etc.

3. After the screening stage, the idea is tested on a theoretical level by brainstorming and testing to see what kind of outcomes are received.

4. In this stage, the idea that has been tested is developed into a concept.

5. Final testing is the fifth stage of the innovation process model.

6. In this stage, the staff is being trained after the final testing of the product. This is considered important because the staff needs to know the elements of the new product.

7. In the final stage, the commercialization of the innovation takes place. This is an effective evaluation system that analyses the sales, market reactions as well as issues that may arise. The performance is recorded and the necessary alterations performed based on the assessment stage that is conducted after the seven-step innovation process. In this research study, this stage provides two aspects of the

performance in the project that is customer satisfaction and the number of sales compared to the other or previous sales. After the assessment stage, the performance is evaluated by feedback and learning (Ottenbacher & Harrington, 2007).

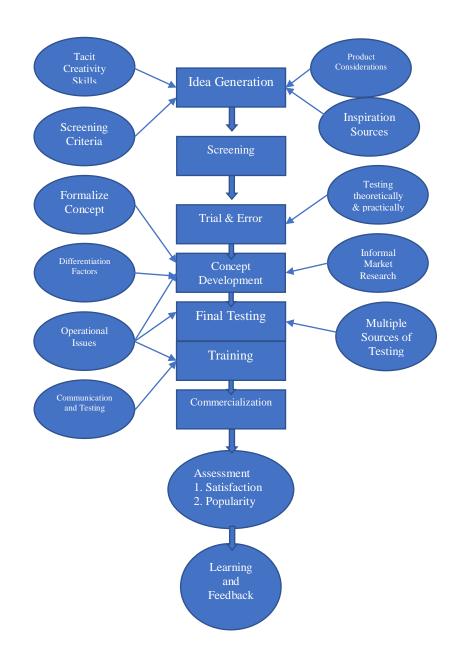


Figure 2. Innovation process model resulting from the research by Ottenbacher and Harrington (2007, 448).

Häkkilä et al. (2016) conducted a research that's aim was to design a mobile wellness concept for tracking everyday activities. The concept was developed by using a service design approach which can also be applied to the design process of the Design from Finland label. The methodological approach used in this study was centered around user-centric design, user experience design as well as service design. In this type of approach, the user experience design emphasizes on the emotions and impacts a significant role in the holistic perception of the concept (Häkkilä et al. 2016).

Service design is rooted in design research and it has taken over the working traditions from many fields such as social science, marketing, business management, and industrial design. It applies the methods of product design to creating and improving services instead of tangible design artifacts and objects as well as creating and improving services around immaterial and material products. The process of service design concerns different contributors such as service providers and customers. It tries to focus on the approach where the design case is seen from the user's viewpoint and favors the co-creation methods in concept design. The service design approach in this study is a user-centric design method (Häkkilä et al. 2016). This approach can also be applied to the conceptualization and innovation process of the Design from Finland label.

In the research by Gupta, Raj and Wilemon (1986) a conceptual framework was developed for the study of R&D marketing integration in the innovation process and how to gain innovation success by using this method. The framework in this study developed by using literature that concerns marketing, organizational behavior, business strategy, research management, innovation as well as new product management. According to the research it has been documented and several previous studies have resulted in findings that support that innovation success depends on several issues such as technical efficiency, ability to recognize market demand and knowing how to interpret it as well as environmental uncertainties. And the results have also concluded that R&D marketing implementation has a significant and positive impact on successful innovations. If the R&D marketing is not integrated into the early stages of the innovation process it is possible for the innovation to fail according to Gupta, Raj, and Wilemon (1986). It has been documented that R&D marketing integration for innovation success is a significant part of planning a business (Gupta, Raj & Wilemon, 1986).

The research introduces three key questions that need to be taken into consideration in the innovation process. How much R&D marketing integration is needed? Do some companies need more integration than others? What aspects have an impact on the degree of integration needed? (Gupta, Raj & Wilemon, 1986). According to Gupta, Raj and Wilemon (1986) it has been argued that if a company's innovation strategy involves them being the first ones in with new products then it is more likely that they will need more R&D marketing integration. The study discusses six types of innovation strategies: Offensive strategy, Defensive strategy, Imitative strategy, Dependent strategy, Traditional strategy, and the opportunist strategy. The offensive innovation strategy are second in with their products and they are more cost-efficient and have used the pioneers with the offensive strategy to learn from them (Gupta, Raj & Wilemon, 1986).

The imitative strategy usually indicates that the companies using it are following the leader. Their activities in the R&D aspect are emphasized toward the scientific and technical services. Companies who follow the dependent strategy are often subordinate to the other dominant companies or somehow dependent on them for instance subcontractors. The changes are made by the dominant customers or by the companies that they supply their products to. Traditional companies are not willing to be innovative. These types of companies can, for instance, be handicraft types of companies. Opportunists don't need a lot of R&D. These types of companies see the need for other experts to help them take advantage of the market opportunities, for instance, marketing or sales experts (Gupta, Raj & Wilemon, 1986).

Berkhout, Hartmann, van der Duin and Ortt (2006) introduce the reader to an innovation process model from a different viewpoint. As a circle of change. The traditional innovation process models were conceptualized as chains that have the scientific part at the start and the market stage at the end. In the circular model, there are no permanent points of the beginning or end. "Innovations are built on innovations and can start anywhere and anytime. This results in an endless build-up of economic and social value that is realized by the reinforcing cycle along the entire cycle. The model replaces the traditional chain concept by a circle with four nodes of change, connected by four interacting cycles of change" (Berkhout et al., 2006, 402).

This new concept can be interpreted as a place for an opportunity that enables processes to cross the traditional boundaries (Berkhout et al., 2006). The study discusses the concept of an innovation economy that includes creativity as the fourth key factor of production. The other three are capital and knowledge. In a knowledge economy logic is the key but in an innovation economy imagination is the most significant aspect that everything is based on. Processes are made more effective emphasizing on creative solutions, for instance in my research the emphasis is on creative and innovative ways of using the Design from Finland label. Innovation is the driving force of the economy and is described as a combination of creativity, knowledge, and entrepreneurship. Entrepreneurship plays the most significant role in the fourth-generation innovation model (Berkhout et al., 2006).

A study by Unaya and Zehirb (2012) discusses innovation intelligence and entrepreneurship in the fashion industry. The research argues that fashion business and fashion employers require a significant level of innovativeness as well as entrepreneurship to produce efficiently performing companies because innovation increases the performance of the company and builds competitive advantage. According to the study, this argument is supported by evidence acquired from innovation-based entrepreneurs and how being innovative is related to entrepreneurship. This evidence was received from fashion companies, fashion designers who are also entrepreneurs as well as their innovations. There are plenty of examples in the fashion industry about people who are inventors and owners as well as managers of fashion companies. This theory applies to many of the member companies of the Association for Finnish Work who have the Design from Finland label.

As an example, the study by Ünaya and Zehirb (2012) presents a strategy by Pierre Cardin who is a skillful fashion designer, an innovator, and a businessman. He has been innovative and creative in fashion design as well as in business approaches and is an expert of the current fashion management. The study states that there is a link with innovation and new markets, creativity, products, processes as well as technology. Innovation is the way to create a competitive advantage and it requires an entrepreneurial mindset. This statement is also supported by the study on innovation processes mentioned by Berkhout et al. (2006) that there can't be innovation without entrepreneurship and that it is the key factor in the innovation process. Understanding the dynamics of the competitive advantage of fashion businesses with the help of innovation and entrepreneurship is crucial for success. Entrepreneurship makes a company perform better and competitive advantage is achieved by

entrepreneurs with creative skills. The study concludes that this approach is significant practically as well as theoretically because there is a significant connection between innovation and entrepreneurship in the fashion industry and it has an impact on the company's performance and competitiveness (Ünaya & Zehirb, 2012).

#### 2.2 The Country of Origin effect

The theoretical background on the country of origin effect will introduce several previous and relevant studies conducted on the topic from different viewpoints for the reader to get a holistic understanding. These previous studies will offer a base for understanding the topic of this research and one of the key concepts that are involved in this research study.

The country of origin labeling indicates the country where a brand or a product is originally from or where it is produced. The impact that the country of origin effect has had on consumers purchasing behavior is one of the most researched issues in the context of international business (Peterson & Jolibert, 1995). The country of origin effect is one way of creating brand equity and gaining competitive advantage as consumers are sensitive to the product- country- image aspect when they are making purchase decisions (Keller, 1993; Shocker et al., 1994).

Based on the research study conducted by Roth and Diamantopoulos (2009) there have been over 1000 publications, from which over 400 are academic, based on the topic of the country of origin and its impact on how consumers assess products or services originating from different countries. The results indicate that the country of origin labeling holds the meaning of either a sign of good quality or a sign of poor quality of a product or service. There have been numerous business publications according to Roth and Diamantopoulos (2009) that indicate the importance of the country of origin as consumers want products that are good quality and reliable. The focus of country of origin research has been changing increasingly from studying where consumers prefer their products or services to be originating from to studying why they prefer certain countries. Country of origin studies are being more and more country of image studies as the country image is seemingly holding a more important role in consumer's perceptions and purchase decisions. This theory can be applied to the Design from Finland label as the concept holds a similar strategy.

Rashid, Barnes, and Warnaby (2016) show a new perspective from the management point of view by conceptualizing the country of origin effect and identifying the effect it has on the context of fashion retailers as well as manufacturer businesses. The country of origin effect influences buying behavior because consumers know where products are manufactured and if they are manufactured in a country that is perceived as less developed, where for instance the working ethics are poor and employees receive small wages, these factors can put consumers off. The research also refers to the country of brand origin and its importance in how consumers perceive a brand. The origin of a brand is considered important as it usually holds the emotional association with the core brand values such as the history and heritage of the brand, economic status as well as quality. The country of design is an important factor especially in the design context (Rashid, Barnes & Warnaby, 2016) and can be applied to the study of conceptualization of the Design from Finland label as the aim of the label is to impact buying behaviour with the country image branding strategy (Roth & Diamantopoulos, 2009).

This research is related to the Design from Finland concept as it indicates specifically the country of design and the country of brand origin. Rashid, Barnes, and Warnaby (2016) continue that it is especially important in the design context because the design elements reflect the style of the product as in Finnish design in this case. This affects the product and brand image. Consumers prefer products that are designed in western countries. Europe, for instance, is perceived as more reliable concerning work ethics as well as quality. For instance, Finnish brands are carrying an image of the Nordic lifestyle that is progressive, responsible, technologically advanced as well as carries a certain economic status and wellbeing (Ryan 2008). The study by Rashid, Barnes, and Warnaby (2016) was qualitative and it was conducted by a series of in-depth interviews. The results of this study showed that the country of origin is found to be a strategic business imperative and it functions variously depending on how the brand is positioned and its long term strategic plans, know-how, experience as well as the values of the brand. The research is limited to the United Kingdom only, therefore, it can't be considered a worldwide view though several other studies have been made in a similar context and the results have been similar according to this research (Rashid, Barnes & Warnaby, 2016).

One of the most significant topics in marketing has been brand equity. The reason for this is that having a strong brand with positive associations of brand equity has many advantages such as higher consumer preferences and purchase intentions, increase in profits as well as opportunities for extending the brand. Measuring brand equity offers a valuable marketing strategy that aids tactical decision making and provides a base for evaluating the possibilities of brand extension. How consumer perceives a brand is affected by the country of origin branding in such a way that consumers start to form beliefs and evaluations concerning the brand and product. There are several studies according to Saydan (2013) that deal with brand equity as well as the country of origin effect but there are not many studies on how the country image affects brand equity. One of the most significant factors influencing consumers buying decisions is the country of origin effect. It forms the consumers' subjective perceptions of the products, which provides an important conception that these perceptions have an impact on buying decisions (Saydan, 2013).

Therefore, the country of origin branding has been used as a significant tool in the global environment to increase visibility and sales by providing companies a competitive advantage. Having a strong brand can aid the company to build an identity in the market. Researchers have begun to examine the concept of brand equity as it has brought significant value to organizations as well as to consumers. Previous research suggests a linkage between consumer-based dimensions of brand equity and the country of origin effect. Several kinds of research according to Saydan (2013) have shown that how consumers perceive quality was impacted by the country of origin of the product or service (Saydan, 2013).

When building global marketing strategies, it is crucial to consider the country of origin aspect from a multidimensional viewpoint as it is becoming more common that brands move their production to less developed countries for cheaper costs. Chao (1998) amongst many others has researched that consumers' perception of quality depends on several factors that are for instance the country where products are manufactured, country of design as well as the country of parts. All three dimensions have an impact on perception and purchase decisions. Chao (2001) studied the multidimensional aspects of the country of origin effect and that consumers may be influenced by other information concerning the origin of the product and not only where it was made. For instance, some consumers might continue to associate a product with a certain country even if the production has been moved elsewhere. There have been several studies that have combined both, the inside as well as the outside factors in addition to the country of origin factor. They did this to study consumers' assessment of the quality or preference. Consumer attitudes and perceptions have also been studies from the perspective of the information processing paradigm to identify the circumstances where the country of origin information

is most likely going to be more significant. The impact of country of design, country of manufacture and country of origin on consumer product assessment has been studied also by David, Tse, Gerald and Gorn (1993); Li, Zhan, Murray, and Scott (2000).

According to Chao (2001), there have been several U.S. companies using the Made in the U.S.A. labeling with poor outcomes. Therefore, a change in the promotional approach may be in place according to the study. For example, marketers may need to turn consumers focus on the country of design aspect instead of using the country of origin as a selling point. The coherence between the different country of origin elements should have an impact on consumer's attitudes toward the product positively if the product is designed as well as made in a country that has a strong positive image (Chao, 2001) for instance Finland. In reverse, consumers should have a strongly negative attitude towards a product that has been designed or made in a country that has a strongly negative image. (Chao, 2001). Consumers may value the country of design more than the country of manufacture or parts. The country of assembly and the country of parts may have lost some of its value due to outsourcing. Many multinational corporations have increased these activities during recent years. Consumers may rely more on the country of design aspect which will impact the formation of their attitudes and judgments and not rely as much on the aspect of the country of assembly or country of parts (Hastak & Hong 1991: Li, Murray & Scott 2000).

Previous literature on the topic that I have presented in the theoretical background can be concluded that the country of origin phenomena is related to marketing strategies and brand image building by using the country image perception strategy. It is a powerful marketing tool that incorporates the emotional association with the country image, brand image as well as product image. All the studies have found that the country of brand origin impacts the emotional aspects of country perceptions thus affects consumers buying decisions and how the brand image is perceived.

## 2.3 The using methods of the country of origin as a branding and marketing tool

In this section, previous studies on the topic of how the country of origin concept is used as a branding and marketing tool will be presented. The literature will provide a holistic understanding of the concept and the phenomena for the reader to gain sufficient understanding. This will also provide a sufficient base for the research of conceptualization of the Design from Finland concept. Different companies hope to benefit from the nationalism of domestic buyers as well as from positive stereotypes that foreign customers may have about products from that country, therefore, the companies advertise the country of origin of their products. An effective country of origin marketing tool can become a competitive advantage and enhance their new market entries globally as well as domestically. The country of origin is typically advertised by using the phrase "Made in…". Several other strategies enhance the visibility of the products (Aichner 2013). Different symbols of the country of origin are used as branding tools to gain competitive advantage, visibility, and recognition on a global level as well as in the domestic market. Manufacturers emphasize the country of origin or the country image in their promotions, campaigns, packaging as well as branding (Leclerc et al., 1994; Papadopoulos, 1993).

Peterson and Jolibert (1995) state that the country of origin of a product is an intangible attribute that can be compared to the price, brand name and warranty because these attributes are not directly based on the performance of the product. For this reason, it is distinct from a tangible characteristic. Aichner (2013) has studied that customers have started to assess their products according to visually appealing packaging, an interesting brand name or because the product originates from a country that holds a positive image. The tangible attributes have not been as important as the attributes mentioned previously. In general, consumers want to pay more for a branded product that originates from a country with a well-perceived image. This is since the country of origin is often perceived as a sign of quality (Aichner, 2013) and this can be applied to the country image perception in the context of Finland and Finnish design.

The consumers' perceptions of the country of origin are influenced by the aspects of quality and they include reliability, performance, aesthetics, and durability (Aichner, 2013). Aichner (2013) presents German cars as an example as they are perceived as very reliable and strong. Italian cars may be perceived as more visually pleasing and American cars are perceived to perform better if compared to the cars from a different country of origin. Other examples include French cosmetics, Swiss watches, and Argentinian meat. For example, these products are perceived to be high quality based just on their origin. High competition in branding has caused companies to start using these dimensions of the country of origin and one of these dimensions is, for instance, the country of design. As the different dimensions are somewhat complex in the increasing environment of global production, the impact that it has on consumers' behavior concerning product evaluation is more complex than researchers thought

(Aichner, 2013). For example, a school that teaches the Italian language has been established in any other country than Italy and native Italian language teachers or teachers who have received their training in Italy are hired to teach in this school. This type of a structure is considered to have a country person image because it would be perceived as a competitive advantage for the school to have that type of teaching staff and could be used as a unique and appealing selling point when advertising.

It would be difficult for consumers to know the exact origin of a product because for example it could be designed in the U.S., manufactured in China and assembled in Mexico. This would open more opportunities for building marketing strategies from a company's viewpoint. For instance, the U.S. electronics brand Apple uses the label "Designed by Apple in California" on its products which indicates the country of design only. Possible negative associations with the country of assembly, which for most of Apple products is China, are reduced by this method. There is some typical country of origin strategies that Aichner (2013) mentions in his research that are described below. Strategies 1-2 are regulated by national or regional law. Strategies 3-8 are unregulated.

- The Made in... label. This label is regulated by law.

- Quality and origin labels. This label is regulated by law.

- Country of origin enclosed in the company name. For example, Air France or Finnair Typical country of origin words enclosed in the company name. For example, Novo Nordisk (Drugs and Biotechnology, Denmark), Dollar General (Retailing, USA) and for example Sandvik (Capital goods, Sweden).

- Using the country of origin language. For example, the German car brand Volkswagen uses the slogan "Das Auto" which means "the car" in German language. Or the French cosmetics brand L'Oréal that sounds and visually resembles French but has no real meaning. It is solely used for branding purposes to impact consumers' perceptions.

- Using stereotypical or famous people from the country of origin. For example, Italian TV commercial of Giotto chocolate cookie brand owned by the Italian company Ferrero, wanted to

emphasize the country of origin of the advertised product by using a famous Italian actress and model in the campaign because she has a typical Italian name, looks like a typical Italian and the language used in the advertisement was also Italian.

- Using the country of origin flags or symbols. This strategy is usually used in packaging especially for typical products like hamburgers and popcorn in the United States. Bratwurst and beer in Germany. Pasta and pizza in Italy, etc.

- Using typical known buildings and landscapes from the country of origin. This strategy is mentioned by Aichner (2013) and Kotler & Gertner (2002) in their studies. For example, the Eiffel Tower in France, the Statue of Liberty in the United States, the Coliseum in Italy, the Taj Mahal in India, the pyramids in Egypt as well as landscapes like the Corcovado in Brazil with the statue of Cristo Redentor. A Swiss chocolate brand Toblerone uses an illustration of Swiss Alps and their national flag in their packaging, and to pay attention that the shape of the chocolate is also resembling the mountains. This type of strategy allows consumers to make quick associations with the products country of origin and increases brand awareness (Aichner, 2013; Kotler & Gertner, 2002).

An empirical research study by Kotler and Gertner (2002) where they ask a question whether a country can be considered a brand and is there such a phenomenon as country brand equity. The study refers to the emotional value that results from the buyer association about the image of a country. According to Kotler and Gertner (2002), country names are also brands just like products, therefore, consumers make their buying decisions based on the associations. Research supports that consumers are more willing to make purchases from an industrialized country because of country equity. For example, products that are labeled Made in Germany, Made in Switzerland or Made in Japan are typically considered to be of high quality because of the highly respected reputation of these countries. As a comparison, if a product is labeled Made in Myanmar or Surinam, it may cause doubts towards the quality because of the low country brand equity that those countries have (Kotler & Gertner, 2002).

A country may in some situations use its name on purpose for promotional reasons. An example of how this strategy may be used is for instance Café de Columbia which is a Columbian coffee brand and Columbia is generally considered a country where high-quality coffee comes from. The logo is used as a seal of guarantee and it has been issued by the National Federation of coffee growers in Columbia, therefore, it is a regulated label. The logo is used in marketing materials as well as on coffee packaging. In some cases where the country's name is not used as a marketing tool, the consumers may still have images of countries which can impact their purchase decisions nevertheless (Kotler & Gertner, 2002).

A country's image comes from its history, geography, art, music, nature, famous citizens as well as from many other aspects. Certain social and ethical aspects can harm country image perception. These aspects are associated with certain countries and include serious illnesses, epidemics, political problems, civil rights violations, environment attacks, racial conflicts, economic problems, poverty, and violence. These aspects have continuously been associated with certain nations, therefore, the country image may be disrupted due to these stereotypes. These stereotypes result in extreme simplification of the reality that may not be fully accurate. People will probably notice information that confirms the expectations they already have and they choose to ignore the information that may challenge their beliefs unless they find some advantage in the reconsideration of their perceptions. Due to this factor perceptions can be challenging to change (Kotler & Gertner, 2002) therefore for instance in the case of the Design from Finland concept some of the companies who have the label manufacture and assemble their products in less favorable countries but don't wish to emphasize this fact. Instead, they turn the buyers' attention to the country of design which is a more favorable selling point.

The country of origin effect has been examined for decades and it has become an important part of product evaluation. The impact of the country of origin has been investigated by different methods. Questions have been asked about whether the country image branding should be broken down into different dimensions, for instance, one of them being the country of design (Kotler & Gertner, 2002). Kotler and Gertner (2002) state that questions have been asked whether the country image concept should be broken down into different dimensions. The Design from Finland concept is specifically indicating and emphasizing the country of design dimension.

## 2.4 Theoretical framework of this research study

The theoretical framework of my research is defined by my research problem as well as the key concepts of my study. The key concepts of my study are innovation processes, country of origin effect and country of origin branding. I will illustrate the theoretical framework of my research in the figure below.

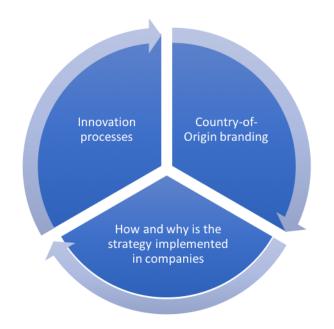


Figure 3. Theoretical framework

I will synthesize and combine the key concepts of my research as an aim to answer my research questions and form results. I have conducted an in-depth literature review where I have used older studies as well as newer studies to conceptualize the theoretical background of my topic in a holistic manner. I have reviewed the previous research studies on the innovation process to form an understanding of my research problem and how to approach it methodologically. I have conducted an in-depth literature review on the topic of the country of origin effect and the country of origin branding methods. To conclude the previous studies, it has revealed that more research is required on the topic of the country of origin and its different dimensions. This research addresses the dimension is the country of design. It has also revealed that the innovation process that these labels were conceptualized through needs to be studied in more depth to gain sufficient knowledge. The sub-research questions of this research aim to examine how and why do the companies use these labels in the context of Finland.

#### **3 METHODOLOGY**

This chapter introduces the methodological approach that was applied to this research study. It describes the chosen research strategy, method of data collection and the chosen method of analysis that is conducted on the data collected for this study.

#### **3.1 Methodological approach**

The methodological research strategy that is chosen for this study is a qualitative intensive case study. The data for this research is collected by conducting a semi-structured interview. The interview is recorded and transcribed. The transcribed data is analyzed with qualitative content analysis to form results to answer my research questions.

The reason for choosing a qualitative research method for this study is because it is used to describe real-life situations verbally and it aims to describe a phenomenon, process of meanings and use theoretically based concepts as well as to discover understanding which is the aim of this research study. Qualitative studies use words to describe and explain the research cases and this is the main characteristic of qualitative studies. Hypotheses are created from data and cases are resulted in individual results instead of generalized results. (Silverman 2014, 4-5.)

A qualitative method is a typical research method used in a case study research and can also be called a research strategy according to Eriksson and Koistinen (2005). The main research methods in the case study approach are observations, open interviews as well as various collection of documents and analyzing. What-, How- and Why- are the key questions of the case study research approach. The researcher has little control over the events.

The subject of this research is the Design from Finland label that is something actual and contemporary from this period and a phenomenon of life today. Therefore, I have chosen the intensive case study method for this research study. As this research is an intensive case study, the aim is to interpret, understand and describe a unique and theoretically interesting case. The idea is to study the logic behind how a certain unique phenomena or case functions, in this case, the Design from Finland label. The inner world, the case itself as well as the logic of this world are the main targets of interest in this

type of research approach. The intensive case study research is aiming to produce a good story based on real life in the context of the topic of this research concerning the Design from Finland label. A story is considered good if it makes the case understandable in a way that interests other researchers, participants of the research, societal decision makers and other practical persons. The researcher of the intensive case study approach makes an active interpretation of cases who also builds the case into a certain kind in the research report as well as decides what about the case is particularly interesting based on the chosen criteria by the researcher (Eriksson & Koistinen, 2005). This aspect is particularly applied in this research study.

Criticism of the methodological approach of my choice can be made concerning the intensive case study research method. It has been criticized from time to time because of the poor data analysis, lack of evidence and unelaborated assumptions. The challenge of an intensive case study research is how to combine theoretical implications and ideas to the carefully constructed empirical analysis in a way that would inspire the reader to learn and to act. On the other hand, the benefits of this type of research approach are the presentation of the real-life phenomena's practically and interestingly (Eriksson & Koistinen, 2005) that may offer significant knowledge and a new point of view.

#### **3.2 Data collection**

The primary data for this research study was collected by conducting a face-to-face, semi-structured interview. The interview was tape-recorded and transcribed. The secondary data was collected from the internet and media sources. The interview was conducted with the Brand Manager of the Design from Finland label, Johanna Lahti in the Association for Finnish Work. The interview took place on the 23rd of January 2019 in the premises of the Association for Finnish Work in Helsinki, Finland. The duration of the interview was approximately 1,5 hours.

Johanna Lahti had worked as the Brand Manager for the Design from Finland label for over three years at the time of the interview. Johanna Lahti had approximately 10 years of other work experience in the media sector as a marketing manager and she was responsible for the Otavamedia branding project for approximately 1,5 years. Johanna's work consists of the holistic responsibilities for the Design from Finland label together with the CEO and her colleagues. Johanna's responsibilities also include

budgeting, operational tasks, building and conceptualizing the cooperation campaigns as well as selling the label. Johanna's main responsibility is to keep the member companies satisfied. Before she started working with the association there were 217 member companies but now after three years, there are 510 member companies with the Design from Finland label. Therefore, the growth has been significant. Johanna Lahti has a Master's degree in business/economics.

The information that was acquired about the research participant implies that the participant was a reliable source of data due to her current position in the Association for Finnish Work as a Brand Manager for the Design from Finland label, her other professional qualifications, and accomplishments as well as her academic Master's level education from the field of economics/business.

The participant was chosen through the researcher's academic network. The researcher contacted the participant by e-mail explaining the reason for the contact being the researchers Master's Thesis and expressing interest in the possibility to conduct an interview. The researcher explained to the participant that the topic of the Master's Thesis concerned the Design from Finland label and its innovation process. The participant gladly agreed to participate in the interview. The participant agreed on the recording of the interview. The interview questions were semi-structured, guided and open-ended which enabled the interview to resemble a conversation. The interview was carefully constructed of 10 open-ended questions and the aim was to gain relevant information to answer the research questions that were formulated for this study.

To conduct a successful qualitative interview, the research questions were carefully constructed into interview questions. The interview questions were formulated to provide answers to the research questions. The researcher prepared specific interview questions as initiators of conversation and this can take the conversation into many directions depending on the interaction and how it proceeds (Eriksson & Kovalainen, 2008, p. 79-81)

Good qualitative interviewers should prepare their questions in advance even though the style of interviews will be more like a conversation. The interview should be kept focused on the issues that are related to the topic of the study. Later the gathered data will be analyzed and reported. (Eriksson & Kovalainen, 2008, p.78) As the interview questions were developed it was important to plan the

questions according to what type answers are needed for the research questions to be answered. For this interview, the researcher developed open-ended questions to enable a conversational atmosphere. The interview questions may vary between very open and very closed questions when considering interviews generally. An open question can be described as follows, "Tell me the story about how you ended up in this company". A very closed question can be described as follows, "Were you part of the innovation process of this company or not". It is possible to have an option between these two types of questions, for example, to ask the participant to give a few examples of how the innovation process of the company took place. Open-ended and unstructured questions give the participant more control over what is talked about therefore this usually produces more detailed and precise answers. Therefore, the researcher has adopted this method of forming interview questions.

Interviews can be recorded in several ways, for instance, a tape recorder, a video recorder or notes, either written during the interview or afterward. Tape recording is usually the best way to record an interview because everything that is said is recorded and the information stays accurate and precise. Compared to note-taking as some of the conversations might be missed due to the interviewer not being able to write as rapidly as the conversation is taking place. It is crucial to use good quality equipment that has been tested beforehand if the interview is recorded. (Eriksson & Kovalaien 2008, p. 85)

The popularity of interviews in qualitative research is overwhelming and it is the most common method of data collection. As a general view interviews consist of questions and answers that are organized into a conversation. Qualitative interviews are usually more conversational and it may be difficult to distinguish between the interviewer and the interviewee and it may not seem like an interview. Rather it might resemble a conversation taking place between two people. Interviews are usually conducted between two people face to face but can also be conducted with groups according to Eriksson and Kovalainen (2008, p.78).

Interviews try to describe the meanings of central themes in our world. The main point in interviewing is to understand the meaning of what the interviewee is saying. The qualitative research interview tries to cover both the factual and the meaning level. (Kvale 1996, p.1-2). An interview can be called a conversation with a structure and a purpose. It is about precise questioning as well as listening and the purpose is to gain knowledge. (Kvale 1996, p. 6)

#### 3.3 Analysis of the data

The data that was gathered from the interview were analyzed by qualitative content analysis. The basic method of analyzing any qualitative data is the content analysis according to Tuomi and Sarajärvi (2009, 92-93). Content analysis can be used for various research studies and it can be said that several qualitative analysis methods that go by different names are based on the basic principle of content analysis in one way or another. (Tuomi & Sarajärvi, 2009, 92-93). In my research study, I conducted a content analysis of the gathered interview data by following the steps described by Tuomi and Sarajärvi (2009, 92-93).

The first step of my process was to go through the data, familiarize myself with it very well and decide which parts of the data are going to be included in the research and the analysis. This needed to be done with strict consideration because it was not possible to use all the gathered data in the research. Even though several interesting themes were revealed from the data but as Tuomi and Sarajärvi (2009, 92-93) state that in this situation the other interesting data will need to be used in the next research study. As I familiarized myself with the data it was crucial for me to identify the elements that will help me answer my research questions. The following step was to go through the data and mark the parts that are relevant to the research. All other data were excluded from the research. The data that I included in the research were categorized and divided into relevant themes according to my research problem. The following step was to formulate an overall interpretation of the data and link it to the theoretical links based on previous studies. The final step was to answer my research questions and conclude the findings. (Tuomi & Sarajärvi, 2009, 91-94; Ruusuvuori, Nikander & Hyvärinen, 2010, 10-15).

The qualitative content analysis is considered a problematic form of analyzing data because it allows the researcher to use his or her understanding and interpretation. There are no specific rules on how to interpret or understand the data, therefore, it is up to how intellectually sensitive and insightful the researchers understanding is. The researcher is meant to find the uprising themes from the data based on his or her intuition, insightfulness and ability to realize the key elements because the themes don't come up from the data by themselves. They need to be seen through the researchers own understanding and realization. The researcher is responsible for making the research reliable and credible in the eyes of the reader. There is no single correct way of conducting a content analysis. It is acceptable to

analyze in a way that suits the researcher and the research subject, topic or theme. This type of analysis method is challenging (Tuomi & Sarajärvi, 2009, 95-100).

According to Kvale and Brinkman (2009, 190-191), the method of analysis should be considered already before the interview has been conducted. The consideration of the analysis in advance will help to guide the interview process as well as the transcription process. To a certain degree, the analysis can also be integrated into the interview situation as this may help the process of analysis later.

The qualitative content analysis aims to examine what/how/why is said or done. It is possible to use the coding method to analyze the data but in qualitative content analysis it is not necessary. It is possible to rely on intuition, mind mapping, memo writing and reading of the text. This leads to direct interpretation. By using these mentioned ways of analysis, it focuses on the role of the researcher as being the subjective and self-reflective interpreter of the data. Some researchers in the fields of qualitative studies think that the interpretative capability of a qualitative researcher is the most important asset of the research process. (Eriksson & Kovalainen 2016, chapter 10).

It is crucial to formulate and reformulate the research question as the data becomes more and more familiar to the researcher. In qualitative content analysis, it is common that the data and the research problem are interacting with one another during the process. This means that the data may slightly alter the research questions along the way. The sub research problems may reveal themselves during the process of analysis. In my research, I could confirm the research questions only after I familiarized myself with the data thoroughly. (Ruusuvuori, Nikander & Hyvärinen, 2010, 10-15).

The data itself doesn't necessarily reveal anything concrete on its own but the research question, as well as the researcher's skills of interpreting, may bring out the relevant findings from the data. Also, the choices that the researcher made will guide how the data reveals information. The way the data is analyzed depends on the researchers epistemological as well as an ontological base understanding of what phenomena does the data reveal and which information is relevant. (Ruusuvuori, Nikander & Hyvärinen, 2010, 10-15).

#### **4 RESULTS OF THE STUDY**

In this chapter, I will present the results of this research by analyzing the interview data with the method of qualitative content analysis. I will compare the findings to previous literature. I have chosen the main themes discussed in the interview, that I as a researcher consider relevant in the context of this study and my research question. I have chosen three member companies that have been granted the Design from Finland label. The label has been granted either to all their products or only for some of their products. There will be a discussion concerning the reasons why and how companies use the Design from Finland label at the end of this chapter.

#### 4.1 The starting points of the Design from Finland label

"The Design from Finland label was started in 2011. The Ministry of Economic Affairs and The Employment of Finland came up with the idea that something should be done about the immaterial Finnish work so they started to plan if some type of label would be suitable. A decision was made that the focus would be Finnish design and they contacted the Association for Finnish Work as the association had already been managing the Key Flag label for so long and with good performance. The Ministry of Economic Affairs and The Employment of Finland approached the association and asked if they would be willing to launch this type of label. The association agreed to it."

The quotation above shows that Finnish work and specifically Finnish design is significant and it needs to be addressed, promoted, recognized globally and make Finland globally visible as well. Authoritarian figures have been participating in the planning of the label that will represent Finnish work globally as well as domestically which indicates the significance of the label. The idea of promoting Finnish work with the Design from Finland label is important because Finland needs to become more visible globally and it can be interpreted from the quotation that Finnish design is a good competitive advantage for Finland in the context of the global market. Finnish design can be well distinguished from the foreign design due to its original style, therefore, it can be used as a competitive advantage. The label is meant for the specific type of companies that have specific characteristics. It's not meant for all companies but only for the ones who meet the criteria that the association has set up.

"The association has a lot of companies that use both, the Design from Finland label as well as the Key Flag label. Some of the companies produce their products in Finland and some companies produce elsewhere but all the companies who are holding the Design from Finland label are Finnish companies. Their main offices are in Finland, they employ in Finland and one thing that they all have in common is that they have all invested into professional design. The label supports global visibility therefore, it is in English. Some time ago there were still members of some companies who were curious why the symbol had to be made in English and not in Finnish, but these days there are less questions concerning this matter. Some of the member companies have said that the label has given them more visibility and supported their business domestically rather than internationally which was a positive surprise for the association. There are plenty of member companies that operate only in the Finnish market or they have not yet gone global."

The quotation above shows that the member companies use the labels to communicate the country of origin aspect of their products and services and in this way, aim to impact purchase decisions. The Design from Finland label indicates only the country of design but it also holds other indicators. Having the Design from Finland label indicates that the companies have all their business operations in Finland except the production and manufacturing part. That can take place in another country but it is not used as a selling point but instead, the focus is on the country of design (Chao, 1998; Chao, 2001). The Design from Finland label indicates that the product is of a high standard and quality therefore also the foreign consumers may be looking for these labels from the products as they do their shopping. It may be an important clue for foreign consumers when they visit Finland. These labels distinguish products and services from the rest.

It can also be interpreted from the quotation above that the label is in English because its main purpose is to provide global visibility for the companies and help them get distinguished internationally. This indicates that the label is not prioritized to function in the domestic market only for the Finnish population. The quotation above indicates that companies who have questioned the language of the label may have not understood or not been aware of the reason for the choice of language. This may be because they have been concentrated and accustomed more on the domestic market. Therefore, they may have not considered the global market as a priority. For some companies, the global market may have not occurred as an option at all. Now that the questions have become less frequent according to

the quotation, it can be interpreted that Finland has started to get accustomed to global business operation and internationalization. According to Ryan (2008), Finland experienced globalization only in the early, therefore, it can be assumed that getting accustomed to global or international operations may take some time. It can be interpreted that it may have started to become obvious that if the label was in Finnish language then it wouldn't serve its true purpose, which is to gain global visibility.

The quotation also indicates that Finnish consumers consider their local products and services reliable and desirable. Based on previous research by Aichner (2013) this may be due to the nationalism of domestic customers. This also indicates that products and services that originate from Finland are of high quality and are made with excellent Finnish know-how and expertise. Therefore, they are considered reliable and desirable from the viewpoint of domestic consumers. A research study by Aichner (2013) discusses how various companies advertise either their company's or their products' country of origin because they hope to benefit from the nationalism of domestic customers as well as from positive stereotypes that foreign customers have about products from that specific country which in this case is Finland. Based on the interview answers the Design from Finland label supported the member companies' business operations globally as well as domestically.

"The median revenue of the companies who apply for the label is approximately 240 000€. The companies are not particularly large in general. There are a few large companies such as one of our members Fiskars for example but most of them are small or medium sized companies. The median number of staff members is about 3. Approximately 90% - 95% of the member companies have less than 50 staff members."

The quotation above indicates that the companies who mostly apply for the Design from Finland label need it for growing their business as well as for branding and marketing purposes to get more visibility. These factors enable growth in profit. Smaller companies need the label more than the large companies that already have achieved those aspects. It can also be interpreted that the label is not applied that much by the large companies because they have already achieved visibility, growth, global attention and profit, therefore, they don't strive for the label as much as the smaller companies. It can be interpreted that large companies may want to obtain the label for other reasons than small companies.

"There are two challenges that come across the Finnish nation. One is that Finns are afraid of growth, the feeling of not having enough recourses or not knowing where to apply for things from. Often, they settle for being small and don't have the courage to go ahead and try it out even though there is a big market out there. The second challenge that the Finns face is their inability to be proud for what they have. There is a sort of scepticism and "don't get too proud" type of thinking. "Don't make a big deal of yourself" type of mentality is a big challenge in Finland and it can stand in the way of success."

The quotation above shows that Finnish mentality that may be too humble and insecure can reflect negatively on holistic business operations and global growth of the company. It can be interpreted that Finns may have low self-esteem in business and it drives the over the top humble mentality and insecurity which in turn impacts the ability to be proud of one's achievements or expertise. This can, in turn, affect the growth of companies especially in the global context but also domestically due to the large competition. Buyers and investors may not get interested in companies that are not visible enough. It can be assumed that Finland is not yet fully accustomed to global operations or having to work with the outside world because of their relatively late globalization that took place only in the early 1990s (Ryan, 2008). This may have an impact on their confidence and insecurities.

"Also, a certain kind of inability to work together. Everyone is just alone in their own caves doing their own thing. If a colleague entrepreneur gets some gain from somewhere, it can cause worry. It is beginning to change bit by bit, thanks to the younger generation and there has been a lot of feedback from the member companies that how wonderful it is to work together and help each other."

The quotation above indicates that there is a kind of jealousy or envy that Finns experience if someone else gains or profits from something especially if it's not mutual. They worry because they start comparing themselves with the companies who gained more and start worrying that they are not good enough. This can cause insecurity and low self-esteem. In turn, the situation can also affect negatively on business operations and growth. Instead of worrying it would be beneficial to analyze their activities and see successful colleagues as examples that they can learn from instead of seeing them as rivals. The quotation indicates that the change in mentality due to younger generations may have a positive impact

on future business innovations and business growth but it may require more time for this to affect most of the population for things to change on a larger scale. As mentioned before that it may be that Finland is accustomed to working in a smaller scale due to its small market and relatively late globalization (Ryan, 2008) which therefore impacts the insecurities that people face. Because losing a client or not gaining benefit from somewhere may result in loss of profit in the context of Finland in some cases due to the small market. Especially for smaller companies that are more at risk. This may also indicate why the inability to work together is lacking as people may see working together as a risk that may result in loss of profits, clients or own company strategies. Therefore, some people may react jealously towards other people who gain or benefit from something as it might not be as easy in Finland compared to the global market where there are enough clients for everyone.

"A comparison between Sweden and Finland was made where it occurred that Sweden has more courage with launching their innovations and they work out well, unlike the Finns who are too shy and humble. Finns, think they are not good enough and it is not accustomed to brag about oneself even if there is a reason. The association arranged a trip to the Japanese fair for their member companies and approx. 12 companies went there. It was amazing to see that there are millions of opportunities there and there is no need to be jealous or scared that you will not get anything and your colleagues will. There is no need to compete in the large market. Finns fail to see this and continue to be very protective over their own."

The quotation above indicates that Swedes are more successful with their innovations because they have more confidence and they don't have the same level of insecurities as the Finns. This, in turn, indicates that courage and confidence are needed for business success in this context specifically. Nevertheless, courage and confidence are also required in almost all aspects of life if one wishes to gain something. It can be interpreted that Finns are not brave enough and don't have the confidence to push forward and be proud of what they are doing. They may be more prone to settle for what they get because they may be accustomed to this habit due to operating in a small market and not having to fight for attention as one would need to do in the global market to succeed. It can also be interpreted that Finns may feel as if it's almost not allowed to want something more for themselves. The quotation also gives room to interpret that the Finnish mindset is very much oriented towards only having what one needs to survive and wanting more is considered selfish or greedy. As if it would indicate that if one

gains something then someone else loses. This may cause innovation failure or companies not experiencing enough growth globally or even domestically.

## The Goals of the label

"The goal and the mission of the Design from Finland label is to offer global visibility and awareness of Finnish work. Companies that have realized to invest into design and whether in one way or another the business is about design then why not make it their competitive advantage and make it visible."

The quotation above shows that the label is significant because it spreads information about Finland and Finnish work globally and domestically. This, in turn, increases sales which is the main goal for the companies. As mentioned before that the idea of starting the label was to promote Finnish work and make it globally visible. The label is aimed at design-oriented companies. This means that the company wants to be distinguished and recognized by its design aspect more than by other aspects of their business operations. The label provides companies a certain status that they can use as their competitive advantage in the global market place as well as domestically.

"The association does not import companies or help them become global. They solely provide a tool that the company can use to obtain global visibility. The label draws attention to the Finnish design aspect as well as to the registered trade mark aspect of the product or service that is provided. These are the points that arouse interest, build trust and credibility."

The quotation above shows that the purpose of the association and the label is to offer the member companies a branding and marketing support tool that can boost their visibility, their sales as well as make them easily distinguished and as a result to attract a buyer especially in the global context. For this to work, the companies need to know how to use the label to gain the desired outcome. The quotation shows that the association does help the companies become global in some ways. It can be read between the lines that the idea is for the companies to learn how to use the tool to their advantage. The label itself is meant for global recognition and is granted by the association, therefore, it can be interpreted that if a company wishes to gain more global visibility they would possibly turn to the association and apply for the Design from Finland label to get a boost in their business operations. The

key is to know what to do with the label and how to use it, to get the full benefit and value that the label can provide.

"Member companies that get hold of the label all get a certificate that states for which product or service has the label been granted to. The certificate can be made in at least 25 different languages. In certain areas of the world, it is very appreciated to have a certificate of this kind. It is not possible to purchase the symbol but it needs to be applied for. There are certain criteria's and the committee of the association grants the label. Internationally thinking the goal is to draw interest. The label is aimed at such companies who want to gain competitive advantage, visibility and boost their product or service."

The quotation above shows that the label is indeed a certified global marketing tool that helps companies gain visibility and recognition. The certificate of the label is made in several different languages which indicates that it does strive for global visibility and therefore can be interpreted that the association and the label help the companies become global in some ways. At the least, it can be interpreted that the actions of the association and the purpose of the label indicate that they provide a helping tool for the companies who wish to gain global visibility. Nevertheless, the companies that get a hold of the label need to independently make an effort to use the label as a tool to gain global visibility. The label is aimed to arouse interpreted that the labels and the association's strategy are to use the companies to make Finland stand out globally with the label and in this way, promote Finland instead of only promoting the companies particularly. The companies may also be tools that spread the label and make Finland known in the global context. This can be called country image branding and it may help Finland gain more visibility and recognition globally and as a result, become more attractive for investors and enhance tourism. This can be very beneficial for Finland.

Aichner (2013) has studied that depending on the product type and the target market, an effective country of origin marketing tool can become a competitive advantage for companies and can boost their new market entries. The goals of the Design from Finland label encourage the companies to make their expertise a competitive advantage for them. In this case, the member companies are mainly design oriented which makes the design aspect their competitive advantage and what they have invested in.

Also, the country image of Finland is a competitive advantage in this case, as Finland is globally perceived to be a technically advanced, reliable and has excellent know-how and expertise.

### The core of the strategy

"The core of the strategy is to affect consumers purchase decisions. The label symbolizes something that is Finnish, is of high quality, supports employment, is reliable and responsible. This label is not for everybody but it is aimed for specific target groups. The relevant target group that the label is aimed for is women, persons interested in design, persons that are in the age group that like to consume as well as decision makers in organizations from who actually 72% of them know the label already. The meaning that the label carries is positive and it becomes part of the brand experience for the member companies. The labels of the association tell more about the member companies products and services. They bring that something into it. They tell about the Finnish origin and the expertise. It has also been studied in the Association for Finnish Work that half of the people who know and see the symbol say that it does influence their purchase decisions. It is different between what people say and what they do therefore there are research studies that want to find out peoples buying behaviour and what affects it. We all know the things that can affect how we buy; price, place, whether it is an online shop, normal traditional shop, a fair, your feelings/emotions at that specific moment, your needs whether it is a rational purchase or based on emotions. Some people shop rationally and some irrationally but we all have that itch".

The quotation above shows that the label aims to attract a buyer and impact the purchase decision by using the Design from Finland aspect as something that the consumers would find appealing and want to recognize with. It can be interpreted that the strategy aims to impact consumers buying behavior as well as decisions by using the country of image aspect as a branding and marketing tool. The Design from Finland aspect is labeling the products and services but also the country in question. It can be interpreted that the label is also promoting Finland. The label wants to communicate a certain kind of honesty, responsibility, nature, humility and hard work. These are some of the main Finnish traits. Based on the quotation the association studies consumers buying behavior and what affects it because they want to know whether the label has had the desired impact or not. As the quotation states that people have different reasons for shopping therefore, it can be interpreted that the label aims to impact the services are some.

The quotation above shows that for example women are considered to consume a lot. They may be more driven by emotions and may be more sensitive to different life changes that affect emotions. Women are considered to be more interested in fashion, beauty products, jewelry, decorative items and so on. Therefore, it may be that women are more easily influenced by different branding and marketing strategies. The label is also aimed at instances who have the power to decide what to sell, to who and how. For instance, the Stockmann department store would suit this type of organization because it is the largest multi-brand retail store in Finland that also sells products that have the Design from Finland label.

As the label holds a positive meaning, it becomes part of the brand experience for the companies and it adds a special something to the holistic brand experience. Based on the previous study by Rashid, Barnes, and Warnaby (2016) where they examined the country of origin labeling as an effective tool for branding we can imagine, for instance, a designer glass vase that has the Design from Finland label, it becomes a special kind of vase that is designed in Finland, the country of high quality and expertise that promotes the minimalistic Nordic lifestyle. Therefore, the vase in the example is seen differently from the other vases that are not branded in any way or don't have the Design from Finland label. It becomes more desirable in the eyes of the consumer. This can be also an emotional impact. It draws more attention and interest to itself especially if the brand is also well thought through. The label raises the products and services to a higher standard and they become more desirable, valuable and respected.

Previous findings by Rashid, Barnes, and Warnaby (2016) have shown that the country of origin labeling is an effective tool for branding and building marketing strategies. The research also refers to the country of brand origin and its importance in consumer's brand image perception as for instance Design from Finland, in this case, is a label that also indicates the country of brand origin as well as the country of design. The origin of the brand, which in this case is Finland, is considered important as it usually incorporates the emotional association with the core brand values, brand history, heritage, the economic status as well as quality and is a large part of the core strategy. The country of design is an important factor, especially in the design context. This aspect is related to the Design from Finland concept as it symbolizes specifically the country of design. It is especially important in the design context because the design elements reflect the style of the product and where it originates from. This affects the product and brand image. Rashid, Barnes, and Warnaby (2016) have studied that consumers prefer products that are designed in the western part of the world. For instance, Europe as that part of the world is perceived as more reliable concerning the work ethics, as well as the quality of the products. For instance, Finnish brands are carrying an image of the Nordic lifestyle that is progressive, responsible and technologically advanced as Ryan (2008) has previously studied. Therefore, the Design from Finland concept holds a strategy that is aimed to impact consumers' perception, buying behavior and to reflect the image of Nordic lifestyle and all the positive attributes that the image is holding which therefore impacts the brand image and how it is perceived.

Chao (1998) and Chao (2001) has studied the country of origin effect in a multidimensional way in two of his studies, which is also an interesting key point that I want to address in my research and to refer to the findings of the core strategy of the Design from Finland concept. When building global marketing strategies, it is crucial to consider the country of origin aspect from a multidimensional viewpoint as it is more common today that brands move their production to less developed countries for cheaper production and costs. For example, many of the companies that hold the Design from Finland label produce their products in other countries for cheaper costs.

The core of the strategy of the Design from Finland concept emphasizes the dimension of the country of design. Chao (2001) studied that consumers may be influenced not only by where the product was made but also by other information. For instance, some consumers might continue to associate a certain product with a certain country even if the production has been moved elsewhere and this is the case with the Design from Finland concept. Instead of focusing on the country of origin information as the only valuable selling point, companies may need to draw consumers' attention to the design and parts country of origin aspects just as the Design from Finland strategists have done. This sort of paradigm shift can be a useful strategy to implement as a part of the company's innovation process especially if the production is concentrated elsewhere than in the domestic area and therefore are unable to use it as a selling point.

## The criteria for receiving the label

"The label itself doesn't resolve anything because the product or service must be on point and therefore there are certain criteria's for obtaining the label."

The quotation above shows that the label itself doesn't make any product or service more desirable if the product or service is not, for instance, good quality, well made, original and functional. Responsibility and ecological aspects are also significant for the product and service to be considered high standard. If the companies want to have the label for their products and services they need to have the mentioned qualities. The company is required to have specific characteristics if it wishes to obtain the label for its products or services.

"If a company wants to get a hold of the Design from Finland label then they need to become a member of the Association for Finnish work and this is compulsory for all the member companies. The companies must pay a member fee that is bind to the company's turnover. There is also a label usage fee that is bind to the turnover of the specific product or service that will carry the label. Typically, there may be a large company that has the Design from Finland label only on some part of their products or services. The Design from Finland label is granted for certain products or services that meet the criteria. In some exceptions if there is a start-up company that has zero revenue from their first fiscal year it is possible to grant the symbol for one year if the company would benefit from the symbol and if it shows that the company has a strong funding plan and has obvious potential. It is not enough that someone would just start designing something because in that case the association would have to recommend for that person to try the application process again after they have gained some revenue or at least started their business running properly."

The quotation above shows that the association receives its income from the member companies. They pay for the membership as well as for the label using fees. The association is also a company that aims to gain profit. Therefore, it can be said that the benefit for the association as well as for the member companies is mutual. Therefore, granting the label for a company that has no revenue means that the association will not gain any profit from them, therefore, they will not gain anything from granting the

label for such a company. It can be interpreted that this is the reason why the companies are required to have revenue when they apply for the label.

It can also be interpreted from the quotation above that the companies who want to get a hold of the label must have a certain required level of income to afford the membership as well as the label fees. For a very small starting company, the fees may be challenging as they have not gained enough turnover yet. The small starting companies would most likely benefit from the label the most as they need to grow their business and may need the label for this purpose. They need a competitive advantage to attract buyers and to get turnover. This causes a challenging situation because they may need the label to get the required turnover.

## "There are three main criteria's for obtaining the Design from Finland label.

The company has invested into professional design. This means that there is a designer that has a professional qualification. For example, someone with a design related education, for instance an industrial designer, artisan or something similar. The design aspect needs to be obviously visible, for instance furniture, lighting, textile or clothing design, etc. Now there have been some changes in the industry and there have been a lot of label applicants that have been specializing in service design, therefore the people in charge are usually holding a Master's degree from economics or business, psychology or engineering, for instance. Therefore, there is a thin line between what is considered professional design and what is not and it is always considered and decided individually."

The quotation above indicates that the designers are required to have a professional qualification in design. Professional, qualified designers have the appropriate know-how, skills, and experience that they have acquired from an official educational facility, for example, a university or a professional school. This aspect communicates credibility, reliability, and know-how. This aspect immediately becomes a competitive advantage for companies as it reflects credibility and expertise. It may be one of the factors that impact purchase decisions positively. As the member companies are design oriented it is required that the design aspect is visible for instance, the company needs to be specializing in clothing design, fashion design, glass design, service design or any other type of design.

According to the quotation above in the field of service design, it is difficult to determine what constitutes professional design. This is because the persons running a service design business may have degrees in other fields such as a master's degree in economics. It can be interpreted that service design is a relatively new field and it needs more time to get distinguished properly and get better situated in the context of design companies.

"The company must show that the investments made have payed off and that the company has received financial gain or return on their investments. It is not enough that the owner of the company knows someone who knows someone and they buy some design products for  $500\epsilon$  and then they think they can get the label and that's it, everything is settled. No. It needs to be officially visible that there is a clear return on investments."

The quotation above shows that when a company applies for the label it must show that it has received officially documented profit from the investments that it has put into professional design. It has profitably sold products or services that have been professionally designed. This indicates that the company applying for the label needs to have a product or service that has been successfully sold to the extent that they have gained revenue which would indicate that the product or service is appealing to the consumer and it is worth investing into. The quotation gives room for interpreting that the product or service that the label will be granted to needs to show that it is worth it and has possibly already gained positive attention and popularity. As if the label is granted or the idea is to grant the label mainly to products and services that already have a strong brand, reputation and show potential for growth.

"The product or service needs to be user friendly. How has the designer considered the end user and the target group when he or she has designed the product or service. How does this product or service resolve the target groups or the end user's problems? Or in what way does the product or service provide joy for the target group or the end user."

The quotation above shows that a significant aspect of the criteria is to consider the purpose of the product or service. That it has been thoroughly considered to serve a purpose for the consumer either emotionally or physically. The product or service needs to provide a specific benefit or make the

consumer happy in some way. It can be interpreted that the end user needs to be considered from the start of the innovation process.

As the interviewee states, that the Design from Finland label is a business support tool that may be used to gain competitive advantage by impacting the consumers' purchase decisions and country image perception (Ryan, 2008; Chao 1998 &2001, Aichner 2013). Aichner (2013) studied the different country of origin labeling and the basis of how they are obtained. Geographically based labeling is regulated by law and there is a long tradition of using geographically based labels to brand products with these types of labels in Europe. The food processing industry is one of the most important image-building strategies of the country of origin effect. These types of labeling systems provide credibility, superb quality and minimize costs for the customers. Quality labels diminish the risk of purchasing a product that is not satisfactory in a situation where a consumer is not able to test the quality before purchasing the product. Various local, regional and national seals are partly regulated by national or regional law or administered and awarded by public or private corporations based on certain criteria, for instance, a membership, country of assembly, country of a brand, country of manufacture and the list goes on. This can be compared to the Design from Finland label as the criteria are very similar such as the membership criteria as well as the country of brand criteria.

# What value does the label provide for the companies?

"The label strengthens and boosts the company's sales and marketing. It is valued as an indicator of something that is Finnish, high quality, reliable, responsible and it employs people. There are positive attributes linked to the label that become a part of the company and the company's brand. It can be said that the label tells more about your company. It's one way of communicating the Finnish aspect as well as the know-how. The association believes that the membership as well as having the label will open doors to networking. It has been highly appreciated amongst the member companies who have the label that the membership has opened possibilities to network with other companies from a similar field. Networking usually happens during events and mutual projects that are organized by the association, using the funds that the member companies have paid for their memberships and rights for their labels. There have been events like Habitare as well as the "Explore Finnish Design" campaign. The association offers a meeting place for these companies and a possibility for them to network. The

member society is based on mutual values where the ideology is about helping each other so that we can be more together".

The quotation above shows that the member companies need to use the label accordingly to gain the value that it holds within. For the consumer to interpret and see the attributes that the label is aimed to communicate it needs to be used correctly. It can be interpreted that if the label is not used correctly or the company is not aware of how to use it then the label will most likely not provide the intended value to the company. The label is supposed to impact the holistic brand experience for the companies' products or services.

The label is seen as a door opener for networking among the member companies which in turn helps the companies build contacts among each other. This may result positively in possible future cooperation's as well as mutual support. It may be difficult for small companies to find such opportunities without this type of a member society that offers opportunities especially for a small company that may not have a large network. It can be interpreted that these types of events encourage the companies as well as gives them more confidence. It enables them to feel that they are a part of a society and they belong to something special. These types of events may provide the companies with more information on how to use the label more efficiently and a possibility to find out how other companies are using it for their benefit.

The results of the study conducted by Rashid, Barnes, and Warnaby (2016) showed that the country of origin is found to be a strategic business imperative and it functions in many ways depending on the brand positioning, strategic plans in the long-term, knowledge, and experience as well as the values of the brand. The study argues that the country of origin concept is a strategic dimension which is used in a variety of ways. It is a branding tool that builds brand equity (Rashid, Barnes & Warnaby, 2016). Therefore, the companies need to use the label accordingly to get the full benefit that its aimed to provide.

One of the key topics in marketing has been brand equity. The reason for this is that having a strong brand with positive attributes of brand equity has numerous advantages such as higher consumer preferences and purchase intentions, higher margins as well as opportunities for brand extension.

Measuring brand equity offers a value guiding marketing strategy that helps to make tactical decisions and a ground for evaluating extendibility of the brand. Consumers perceptions of a brand are affected by the country of origin branding in such a way that consumers start to form beliefs and evaluations concerning the brand and product (Saydan, 2013). This is a significant factor to consider when making marketing strategies with the Design from Finland label.

Several studies deal with brand equity as well as the country of origin effect but according to Saydan (2013), there are not many studies on how the country image affects brand equity. One of the most significant factors influencing consumers purchasing decisions is the country of origin effect. It incorporates the consumers' subjective perceptions of the products, which provides an important observation that these perceptions have an impact on making the buying decision. Therefore, the country of origin branding has been used as a significant tool in the competitive and global environment to increase product sales (Saydan, 2013). As a result, the findings of this research support previous findings on Design from Finland label providing value for the member companies through boosting sales and marketing.

# 4.2 Conceptualization of the Design from Finland label

# The innovation process of the label

"The idea started from the Ministry of Economic Affairs and The Employment of Finland and they contacted the association for Finnish work because the association already had a long history with managing the Key Flag label as well as the Social Enterprise label. We started planning and designing the graphical aspect of the label together. The committee decided on the rules and regulations concerning the label. The visual look of the label has changed once during its existence because the feedback from the member companies was poor. The label was updated in 2013 and it is safe to say that the label got more visibility after that. Ministry of Economic Affairs and The Employment of Finland funded the process in the beginning therefore many things were possible due to that. At this point the Design from Finland label is functioning independently and with the money that comes in from the membership fees".

The quotation above shows that the innovation process of the Design from Finland label started originally from the Ministry of Economic Affairs and the Employment of Finland. This aspect indicates that the label is very significant for Finland because the idea came from an authoritarian figure. This indicates that it is a national matter. The conceptualization process of the label was done as a cooperation between the ministry and the association. As the label was launched at first in 2011 it didn't appeal to the member companies due to the way it looked. This indicates that the unappealing visual aspect of a branding and marketing tool can affect whether the companies want to have it representing their products or services. It seems that it is not enough that there is just a mere label stating that the product or service is designed in Finland. The label needs to look appealing to the eye, suit the style of any company and their products or services as well as draw attention to itself positively. Success was finally achieved after the visual look of the label was updated in 2013. After the re-launch, the label received a positive reception and has been successful. This indicates that the appealing visual aspect of the label has an impact on the positive perception of the label. It can also be interpreted that it would have been a lot more challenging to make the innovation process happen without the outside funding that the association received. Funding plays a huge role in companies' innovation processes and their business planning as well as execution. This also gives room for an interpretation that funding is a crucial part of any innovation process or business planning especially in the beginning when the idea needs to be developed and launched.

The original design process of the label can be interpreted with the BAH innovation process model by Booz, Allen, and Hamilton (1982) because based on the interviewees answer the design process of the label resembles the innovation process demonstrated in the figure below before it was updated in 2013.



Figure 4. The BAH Innovation Process model

A study on innovation process by Ottenbacher and Harrington (2007) resulted in an innovation process model with 7 steps. These results would apply to my results of the updated label after it had gone through changes and was re-launched in 2013. Even though in the findings by Ottenbacher and Harrington (2007) the trial & error stage was done theoretically, the Design from Finland was tested practically to come to an outcome where the member companies were not pleased with it. The label received poor feedback from the member companies after 2011 when it was first launched and it was updated in 2013 to a new look. The seventh step is trial & error, which would provide evidence on the fact that the label was first launched and after the trial & error step it had to be changed due to the errors as they resulted in poor feedback. According to the interviewee the label received more visibility after the re-launch in 2013 with the new label design.

# The role of the label as a brand, in the innovation process

"The role of the brand is the core. When thinking of the Design from Finland label it needs to feel like it is designed individually for you, for me. That when you get it you feel like oh someone thought of it for me. It can be felt from the little things like from how it is talked about. It promotes the holistic brand experience. It is difficult to imagine that the brand would come along at some stage. No, it should be there from the very beginning. Of course, a brand lives and develops along the way but if thinking of innovations then it should be there from the start. For instance, if the innovation is that we need to do something about the immaterial work and promote it somehow then the branding needs to be there from the start. It makes no difference whether the design or the visual aspect of the symbol comes first but the brand idea needs to be there from the start."

The quotation above shows that the Design from Finland label is indeed a branding tool and the brand aspect was considered from the beginning of the innovation process. The quotation shows that the brand can nevertheless go through changes and evolve as the Design from Finland label has done when it was altered and re-launched in 2013. The label was designed to be used as a branding tool to promote Finnish work and gain global visibility as well as make the design aspect a competitive advantage for Finland. Therefore, the brand that the label holds within was considered from the start of the innovation process. The brand and the label reflect individuality and originality. The emotional impact that the label is aimed to provide can be described as a holistic emotional experience that as a result is aimed to impact purchase decisions.

The brand in the innovation process is the core of the whole concept as the quotation above indicates. As Ryan (2008) studied that branding is a multifaceted compound that consists of perception and recognition of the product. Branding considers the bigger picture, the experience and the larger associations and attributes that are linked to the product. The country of origin aspect of the brand is part of the bigger picture and this can also be said about the Design from Finland label as it promotes a holistic emotional brand experience and should be conceptualized from the start if thinking from the viewpoint of the innovation process. The branding aspect views the consumer's perceptions of how the product was conceptualized. It also considers the social as well as cultural dimensions and values that are linked to the product (Ryan, 2008). Similarly, the quotation above describes the role of the label as a brand to be a multidimensional aspect that is very much associated with emotions and feelings towards the label. According to the study by Gupta, Raj, and Wilemon (1986) if it is failed to implement R&D and marketing at an early stage of the innovation process then it can cause new products to fail. It has been documented that R&D marketing implementation for innovations to succeed is a significant part of planning a business and has a significantly positive impact.

### The role of the label in the companies' innovation process

"The role of the Design from Finland label in the companies' innovation process is like a cherry on top and it offers a guarantee that this is the quality that has been designed in Finland. It is rarely thought of from the start of the innovation process. The symbol of course carries all the positive attributes and the choice that we want to identify with Finnish design and knowhow therefore we want to make it our competitive advantage. There is a concept "Form follows nature" where we claim that the Finnish design springs from nature in one way or another. No matter what the theme is but they are probably part of the innovation process all along but it is unlikely that the Design from Finland label is what drives the innovations and their processes. Perhaps I could give a better answer or change my mind if I would think about it for longer or listen to smarter people but right now I would have to say that it is unlikely that companies integrate the label in to their innovation process from the start."

The quotation above shows that the Design from Finland label holds significant meaning as it provides a finishing touch for the company's product or service. Products and services that have the label become more valuable, meaningful and desirable. It gives the products and services a soul and makes them stand out. The label lifts the products and services to a higher standard and gives them a status. This indicates that the products and services immediately become high-end in the buyer's viewpoint and gain more respect and appreciation.

According to the quotation, Finnish design is considered to get its inspiration from Finnish nature and it can be interpreted that this aspect distinguishes Finnish design from other design around the world. These attributes are the aspects that become a competitive advantage for Finnish design and Finnish work. It can also be interpreted that the nature aspect can be seen in the style of Finnish design and the materials used to make the products. For instance, the silver birch tree is a traditional Finnish tree according to Weaver (2014). The silver birch is used for different purposes but some of them include the production of numerous different objects and artifacts.

The companies include their inspiration from nature into their innovation processes but the quotation above shows that the Design from Finland label is not considered to be a part of the companies' innovation process. This indicates that the member companies either don't communicate or inform the association of the Design from Finland label being integrated into their innovation process or it is indeed not a part of their innovation process.

If companies do not integrate the label into their innovation process then it can be interpreted that the companies are not aware of the label or they don't understand the full purpose of the label and don't see its value. This, in turn, could be an indicator of the association not promoting the label enough to the companies to raise awareness of the value it provides. The label should be more significant to the companies from the start of their business planning and therefore it should be important to promote the label more to expand its visibility and awareness among the Finnish design companies. This could motivate companies to integrate the Design from Finland label into their innovation process. Consumer awareness is also a significant aspect to consider.

It can be interpreted that the Design from Finland label can be seen as an R&D marketing strategy that needs to be integrated into the company's innovation process from the beginning to gain innovation success in the global market. A previous study by Gupta, Raj, and Wilemon (1986) stated that if it is failed to implement R&D and marketing at an early stage of the innovation process then it can cause

new products to fail. It has been documented that R&D marketing implementation for innovations to succeed is a significant part of planning a business and has a significantly positive impact. To conclude it has been stated several times in the quotations that the Design from Finland label is a strategic branding and marketing tool, therefore, it should be integrated into the innovation process planning during the marketing and commercialization stage also confirmed by previous studies.

### The Brand Managers contributions to Finnish innovations

"I feel that here I have a tool to offer, one tool among many others. My responsibility is to help use the tool but even more than that it is to encourage and support companies to aim forward. In addition, the association provides the member companies the opportunity to gain tacit knowledge that can help with global interactions as well as with networking in the domestic market with other companies."

The quotation above shows that the role of the brand manager is significant for the member companies. It can also be interpreted that her role is significant for Finland as well as for its economic growth. It is also significant for the holistic global awareness of Finland. The Brand Manager Johanna Lahti opens doors for companies and she functions as a facilitator for the whole world because with her help Finland can become a globally known country and this, in turn, may enable growth possibilities in many ways. It may enable Finland to become more attractive for investors and gain more respect in the global arena. Every member company individually contributes to this aspect as well by carrying the label.

Johanna Lahti as a Brand Manager of the Design from Finland label feels that she contributes to Finnish innovations by offering the innovators a strategic marketing tool to help their business get more visibility, especially in the global context. Her responsibility is to make sure the member companies are aware of how to use the tool and more importantly her responsibility is to encourage companies to strive for success with the help of the Design from Finland label. Member companies get the opportunity to learn and gain the kind of knowledge that is not possible to get from anywhere else due to the membership that enables them to participate in mutual events and be a part of the society. The knowledge that the companies receive can be for instance information about global and domestic interactions, events, communication as well as networking with other companies. Johanna Lahti encourages the member companies to be more courageous in becoming internationalized and strive for global recognition as that is the main goal of the Design from Finland label.

Based on the study by Rashid, Barnes and Warnaby (2016) showed that the country of origin branding is found to be a strategic business imperative and it works in many ways depending on the brand positioning, strategic plans in the long-term, know-how as well as the values of the brand. The study states that the country of origin concept is a strategic compound which is used in many ways. It is a branding tool that builds brand equity and contributes to all different kinds of innovations.

## 4.3 Case companies

In this section I will introduce three member companies of the Association for Finnish Work who have been granted the Design from Finland label either for all the company's products or just for some of the products that meet the criteria. I have chosen innovative companies that operate in the Finnish textile and fashion retail industry. I will explain the key company information as well as how and why companies use the Design from Finland label. Most of the original company information is in Finnish language that I have translated into English language for this research.

# **Case Stockmann**

Stockmann is a Finnish department store that is a listed company and engages in the retail trade sector. The company was established in 1862 and it specializes in multibrand retail. There are almost 44 000 shareholders and about 7000 employees. Stockmann's revenue in 2018 was EUR 1 018.8 million. The operating structure is divided into three divisions that are Stockmann Retail, Stockmann Estate and Lindex. The company strategy consists of a vision that Stockmann is its customers. Stockmann's focus is on the customers. Stockmann offers high-end products from the fashion, home and beauty categories. Their key business consists of Stockmann Retail, Real Estate and Lindex. Company values consist of inspiring their customers, encouraging each other to achieve top results, making courageous decisions and taking responsibility for what the company promises.

Among various brands that are sold in the department store, Stockmann has its own private labels as well that are designed in Finland by the Stockmann's own design team in Helsinki, Pitäjänmäki. These private labels have received the Design from Finland label. The Design from Finland label symbolizes high quality Finnish know-how and quality design. The label is attached to the product information and price tags as an additional small cardboard label or printed on to the pricetag. In the online shop the Design from Finland label is communicated in the product information page as well as on some of the product labels own pages. Stockmanns private labels are:

- Women's fashion and accessories: Cut & Pret, Cut & Pret PLUS, A+more, Global Essentials, Noom and Noom Loungewear
- Men's fashion: Bodyguard and Cap Horn
- Children's fashion: BEL, Bogi, Bogi Accessories and CUBE.CO
- Home: Casa Stockmann and Villa Stockmann

The design team receives inspiration from international fashion and customizes the trends to fit the customers of Stockmann. How the clothes fit the Finnish consumers is especially focused on. There are 23 specialists working in the design and buying department whose responsibilities are product design, sizing, large scale production as well as the manufacturing process. Receiving the Design from Finland label was an important accomplishment for the design team and especially to the customers. The label communicates that the product has been designed in Finland and it brings competitive advantage for the company (Muotikaupanliitto, 2017; Stockmann, 2018).

One of the Stockmanns private home labels Casa Stockmann, that is designed at their own Design studio also received the Design from Finland label to indicate the high-quality Finnish know-how and design. Casa Stockmann has been presented at the Habitare Finnish home décor fair several times already and during the last time in September 2018 there was a feeling of strong connection to nature in addition to authenticity (Stockmann, 2018).

Some of the Stockmanns private labels that were mentioned before also have a Sustainable Design label to help consumers make more responsible purchase decisions. The label is also attached to the product and price information tag just as the Design from Finland label and it includes information about the material used in the production of the item. For instance, lyocell or organic cotton are examples of ecological and responsible material choices. Some of the products have information about the ecological and responsible material used in the production of the item, on the label that is attached to the seam at the back of the neck in clothing items (Stockmann, 2017).

The Design from Finland label is used accordingly as the association intended but there could be more emphasis visually displaying the label in a bigger scale. Not just as a small label that is attached to the price tag. This is a good way of advertising the Design from Finland label but unfortunately it may not get noticed very well if a consumer doesn't specifically look at the tag or get interested to look at the product more closely. It also indicates that buyers must be aware of the label to know how to look for it because otherwise it may be noticed only by accident if there is no awareness beforehand. The association has made an informative video for the member companies on how to use the label accordingly and there were some aspects that are integrated by Stockmann and some aspects that are not. The video demonstrated different ways for using the label such as large labels hanging from the ceiling, posters on the walls, large sticker type labels on the display windows and shop doors to draw attention. Also, distinctively labelled products that clearly demonstrate the label as well as roll up standees. It is advised in the associations video that the label should be displayed rather in a way that is too large than too small. These using methods may be helpful for consumer marketing when the aim is to make a visual impact, impress and affect purchase decisions (youtube.com/watch?v=psuNWkCZW84).

Stockmanns private labels that display the label online, on their private product label pages as well as the single product information pages are Noom, Cut & Prep, Body Guard, Caphorn and A+ More. The rest of the private labels only have the Design from Finland label integrated into the single product information page which indicates that the consumer will not be aware of the Design from Finland label if not visited in the single product page directly or if not aware of it in advance through other sources.

Based on the company information the target group of Stockmanns private label brands are Finnish consumers, consumers that may be foreign but are living in Finland as well as tourists. Stockmanns Facebook as well as Instagram profiles do not show signs of the Design from Finland label or it is not

visible for the visitor immediately as entered the webpage. This is may be since the label is granted to specific labels and it is not possible to use it generally in their overall department store marketing. The Design from Finland aspect may be beneficial to be used in a bigger scale with more creativity to gain more visibility and attract more buyers. In Stockmanns case the label is prioritised for the domestic market and the foreign consumers who visit Finland.

### **Case Globe Hope**

Globe Hope is an innovative Finnish design house that was established in 2003. The company makes bags and accessories from recycled and left over materials and turns them into accessories. It also makes natural cosmetics from pure northern ingredients. The company values include ecology, ethics and aesthetics. The products have a sustainable story, origin and meaning. Globe Hope sees material as opportunity (globehope.com). The company's revenue in 2017 fiscal year was EUR 1,116000 million according to Kauppalehti, the Finnish economist newspaper. There was approximately a 60% growth for the first time in years. This was due to their EUR 60 000 b2b-sales. Globe Hope employs 8 persons according to the information in the Finnish economist newspaper (Kauppalehti, 2018).

The first collection made of recycled materials was launched in 2003 and presented at Vateva, the Finnish Fashion fair. The conceptualized collection that was made of recycled army and hospital material received contradicting reception. Consumers that were ecologically aware fell in love, buyers were confused and the fashion industry was more than surprised. The fashion industry was permanently changed. In the first five years, the collection was sold to Japan and in Finland to the Stockmann department store as well as the Design-museum shop. For example, Globe Hopes first selected product was an innovatively designed bag made of the Nokia rubber boot arm. The concept of the bag was that the reflector of the rubber boot had been left on the bag so that the carrier would be seen in the dark. Globe Hope gives the materials an opportunity as a designer of sustainable lifestyle products (www.globehope.com)

According to the interview by Kauppalehti as well as by the Nordicstyle Magazine, Globe Hope renewed its brand image in the fall of 2018 and wants to emphasize on the design aspect rather than the recycle aspect in the future but still hold on to its ecological as well as ethical values. The company

renewed their logo from a star to a globe shaped black and white, graphic logo that holds more of a minimalistic style compared to the previous logo. The company has been functioning for 15 years at the time of this interview and they felt that it was time to make changes and take on a new strategy. Responsible consuming had changed from underground to mainstream according to the CEO and founder Seija Lukkala. Globe Hope wants to focus their business on minimalistic Scandic style, premium bags, accessories and natural cosmetics as well as strengthen their b2b business operations. Globe Hope also conceptualizes company- as well as image gifts either from their own or from the companies left over or recycled materials. In addition, Globe Hope has teamed up with the Finnish ecocertified skincare line Mia Höytö and now has a combined name Globe Hope Cosmetics by Mia Höytö. The cosmetics range is based on carefully selected organic and powerful Scandinavian ingredients and is developed for the harsh Nordic climate.

The company's products are manufactured in Finland and in Estonia. Globe Hope received the Design from Finland label in 2012 and has had it since then. The label is attached to their products on to the price and product information tag in a small print. The label can also be seen on the shelves. The label indicates high-quality Finnish expertise as well as design and it is used to gain competitive advantage globally as well as domestically. The label is used accordingly as the association intended but from a point of view of a researcher it can be said that the label is used on a relatively small scale and is not easy to notice if not looked at the product tag specifically and with care. Consumers who are not aware of the fact that there is a Design from Finland label attached to the price tag will most likely not notice it because it is rather small. Globe Hope also has the Key Flag label which indicates Finnish production and manufacturing. It is used to gain competitive advantage with the concept of country of manufacture/production effect. The Globe Hope Cosmetics by Mia Höytö carries the Ecoert label which indicates that the products are natural and organic. The Ecocert label is also used by companies to get competitive advantage and increase their sales and marketing.

Globe Hope is an international company that has been globally recognized. It uses the Design from Finland label by attaching it to their products price tags but in a rather small size that is difficult for the consumer to notice from a researcher's viewpoint. It does not draw enough attention if consumers are not already aware of the Design from Finland label. The inside of the shop lacks the visibility of the label as well. Department stores that sell Globe Hope have not made the Design from Finland label visible enough to draw attention on a larger scale. The internet pages and the online shop of Globe Hope has very little visibility of the Design from Finland label. As the web page is entered by the visitor the Design from Finland label can't be seen. The consumer needs to click on a specific product and only then the product information will open and possibly show that that specific product has the label. As the consumer enters the online-shop or the company web pages there is no clue about the label unless the reader starts reading through the company information and the history section where the information can be found. The label can be found in a rather small print on the product and price information tags. The company's Facebook page has integrated the Design from Finland label on to the cover page so it is very visible for the visitors immediately as entered the page. Globe Hopes Instagram profile does not emphasise on the Design from Finland label if considered from the visitors and consumer's viewpoint. The large scale visual integration that was demonstrated in the associations video is not used by Globe Hope but a rather simplistic and small scale using methods have been integrated.

## **Case Reima**

Reima is a globally leading and innovative Finnish brand that specializes in functional children's wear. The company was established in 1944 in Finland. The company's aim is to provide good quality and durable garments for active children who are aged between 0-12. The fundamentals of Reimas design are functional, safe, sustainable and innovative. According to the information on the company's internet page in 2018 Reima's net sales reached EUR 124 million. Their annual growth volume percent has been a double digit since 2012. Over 80% of Reimas net sales come from global markets and this includes over 70 countries across the world. Russia is Reimas biggest market which is then followed by Finland, Sweden, Norway, and China. The company entered the North American market in 2016 through Canada that was followed by the U.S. market in 2017. Reima employs almost 500 persons and has its own sales units in eight countries. Reima has over 70 stores or franchise stores in Finland, Sweden, Norway, Germany, Russia and China. Reima's goal is to be the most attractive and profitable children's clothing brand in the world in the field of high-end functional wear. In 2016 Reima developed an innovative activity sensor, the ReimaGo concept, together with Suunto that is an innovative Finnish company that designs and produces hand crafted premium sport watches,

compasses, instruments and dive computers as well as other sport accessories. The activity sensor was

Reimas first digital product. The ReimaGo concept motivates children to be more active which is Reimas mission. The ReimaGo activity tracker can be used by attaching it to a wristband or to clothing, for instance by putting it in a pocket of the child's coat. Children's activity can be measured with a downloadable ReimaGo smartphone application that is connected to the ReimaGo activity tracker that was placed in the child's coat.

Reima has received the Design from Finland label for all its products as they have met the criteria set by the Association for Finnish Work. The label indicates that the products are of high-quality Finnish design and expertise. The company uses the label as a marketing tool to boost sales and gain competitive advantage. The CEO Elina Björklund talks about the Design from Finland label in the promotional video made by the Association for Finnish Work where she states that Reima uses the Design from Finland label in their marketing communication, in their meetings with clients and it is a highly important tool internationally. Elina Björklund continues that it is a guarantee that the product produced and sold by Reima to the children will be any weatherproof. The CEO states that because the consumer makes the purchasing decision in the store then it is crucial to have a label that indicates high quality Finnish design and it is an effective way to gain competitive advantage compared to many others.

The Design from Finland label is beneficial for Reima because it is a widely known international company and clearly benefits from the competitive advantage provided by the aspect of Finnish design. According to the CEO Elina Björklund the label is being used accordingly as the association had intended but from a researcher point of view the label should be more visible for the consumer. Reimas internet pages seemed to be lacking the information or it was difficult to find. As the company's webpage is entered there is no immediate indication that the company has been granted the Design from Finland label. The information about the label or the label itself is showed in the design and product development page but not in the product descriptions or in the information tags. It is not easily noticeable unless the consumer is either aware of it beforehand and knows to look for it in the product information and price tags or gets interested in the product and notices the label unintentionally.

## Using methods of the label

Based on the study by Rashid, Barnes and Warnaby (2016) and the content analysis it showed that the country of origin branding is found to be a strategic business imperative and it works in many ways depending on the brand positioning, strategic plans in the long-term, the know-how as well as the values of the brand. The country of origin concept is a strategic compound which is used in many ways. It is a branding tool that builds brand equity and contributes to all different kinds of innovations.

According to the interview conducted with the Design from Finland brand manager Johanna Lahti, the label is aimed at design oriented companies to boost their sales and marketing as well as to help them get global visibility in the international market. The case companies are using the Design from Finland label in their products and price information tags, company webpages, social media and inside the shops but in a relatively minimalistic style. The aim of the label is to get noticed by the consumers and to affect consumers purchase decisions. The products and services that have the label are meant to appear more appealing to the buyer. It is a branding and marketing tool.

Analytically from a researchers' viewpoint, the label is used accordingly but not in a large enough scale to draw enough attention especially based on the available information that was accessible for this research. Based on the demonstrative video by the Association for Finnish Work on how to use the label, I wouldn't say that the case companies are using the label to its full potential. The label aims to draw the buyers' attention to the products or services, to boost sales, visibility, enhance global business as well as offer a holistic brand experience for the consumer. It can be interpreted based on the information about the case companies that they are using the label in a slightly humble style or they are not fully aware of the value that it is meant to provide and how to maximize the value for their benefit.

The labels are presented in a minimalistic style and in a small size that may not get enough attention in the global context where the competition is very large. It is possible to interpret that the case companies may be seeing the label as an achievement for themselves rather than something to attract a buyer with. Even though based on the interview the label is supposed to be a marketing tool and provide a competitive advantage for the companies. It might be difficult to achieve competitive advantage if the

label is not seen by the consumers, therefore it should be more visible, impressive and on a larger scale to catch the eye. But not in a way that it would compete with the brand of the company.

As based on previous studies, Finland is considered to have a positive country image, therefore, it should be also seen as a competitive advantage for the companies to display the fact that the products are in fact designed in Finland and use this information as the selling point. Companies pay usage and membership fees for the right to use the label, therefore, this indicates that it is important to them and they want to have it as a part of their brand image. Nevertheless, the usage of the label is slightly humble. The label should be considered from the consumer's and buyers viewpoint instead of the company's viewpoint. As the aim of the label is to attract buyers' attention, boost sales and marketing domestically and even more globally.

### 4.4 Differences and similarities between the ways that the case companies are using the label

To compare the three case companies, I would have to say that all of them have a similar way of using the label. Stockmann uses the label on its private label brands in the department store where the Design from Finland label can be seen attached to the product price and information tags. The label is rather small but still distinctive enough to see if looking at the items specifically. It may be difficult to distinguish from further away especially if not aware of the label beforehand. Stockmanns online store has integrated the label by displaying it on the product information pages as well as on the main page of Stockmanns private labels. Stockmann's web pages have integrated the Design from Finland label in a creative style (stockman.com/inspiroidu/naiset/muoti/suunniteltu-suomessa/). The private labels are sold in Finland for Finnish consumers and the consumers of Stockmann. The consumers also include foreigners living in Finland as well as tourists. It could be interpreted that the idea is to draw the attention of the domestic market as well as tourists visiting Stockmann

(stock man. com/inspiroidu/naiset/muoti/stock mannin-omat-merkit-tarjoavat-vastuullisia-valintoja).

Reima uses the Design from Finland label similarly as Stockmann by having it attached to the product information and price tag. The label is the same size as the one that is used by Stockmann (store.emmy.fi/products/id416368). Reima also uses the Design from Finland label in a smaller print on the product and price information tags (eastonhelsinki.fi/wp-content/uploads/2018/08/P8220473.jpg). The Design from Finland label is not very visible in Reimas webpages unless the visitor goes to the

design and product development page but in this case the visitor needs to be aware that the label is there, visit the page unintentionally or intentionally. The label is not that much integrated into the Reima shop visual marketing or into the departments that sell Reima garments, for instance, Stockmann department store (twitter.com/reima\_official/status/986932878981419008). For example, Reima shops in Russia and Sweden don't show signs of the Design from Finland label integration into their store image (profashion-kids.ru/news/167648/ and twitter.com/reima\_official/status/742614598671568897). To conclude, the label is mainly seen on the products on a small scale. The using methods of the label resemble the using methods of Stockmann.

Globe Hope is slightly different from Reima and Stockmann. Globe Hope use the Design from Finland label in an even more minimalistic way and it is difficult to distinguish. The label can be seen on their product and price information tags in an even smaller size than Stockmanns and Reimas label size (toyotaplus.fi/henkilo/turvavyo-taipuu-muodiksi). Globe Hopes web pages do not have the label integrated visually into the pages as the pages are entered by the visitor. The label can only be found if looked through the company history information where it states that the company has received the label. In the online store, the label is integrated into the product information section of each product that has the label but it can only be seen if the visitor opens a specific individual product page. Globe Hope has a shop in Finland that is situated in Nummela. The shop does not show the Design from Finland label being integrated into their visual marketing such as the display windows or shelves inside the shop (globehope.com/gh-myymalat).

To conclude, Stockmann seems to be using the label more visually and promoting it the most out of the three case companies. Reima and Globe Hope integrate the label in a minimalistic style. This may indicate that the information about the design country origin is not communicated well enough to the buyer. From a researcher's viewpoint, it can be interpreted that the three case companies are using the label as intended but there doesn't seem to be enough creativity used in the integration of the label into the visual marketing context and it doesn't try to impress the consumer or the buyer especially in the global context where the competition is very large and it is crucial to be distinguished. The Association for Finnish Work aimed the Design from Finland label for companies so that they can attract more buyers with it and gain global visibility. The using methods of the label are not very impressive, creative or broad enough considering from the buyer's viewpoint in the global context especially.

## **5 CONCLUSION AND DISCUSSION**

### 5.1 Summary of the study

The topic of this research concerned the widely-studied concept of country of origin branding and how it is used to affect the buying behavior and the perception of products (Jagdish & Wagner, 1999), as well as how, is this type of marketing strategy conceptualized. This research concerned the context of Finland. This research addresses the topic from a managerial viewpoint and provides an understanding of how these types of strategies are conceptualized and what value do they offer to the companies (Roth & Diamantopoulos, 2009). The objective of this research was to study the conceptualization of the Finnish country of origin label and how and why companies use it.

The idea for the concept came from the Ministry of Economic Affairs and the Employment of Finland. The Ministry wished to promote Finnish work and make it globally visible. The label was conceptualized as a cooperation with the Association for Finnish Work. The label was launched in 2011. The Design from Finland label is aimed at design oriented companies. The concept uses Finnish design as a competitive advantage for Finland in the global marketplace.

This research was significant because its purpose was to provide knowledge about the innovation process of the concept development of a marketing strategy that may increase global visibility, profit, and growth of a company. Additionally, the purpose of the research was to produce new understanding for organizations, self-understanding as well as findings that are academically interesting to other researchers. Understanding the innovation process will help gain knowledge for creating future innovations as well as improving existing ones. This is significant because it may help the development of better marketing strategies and branding tools to attract more buyers. This may result in more profit. Gaining profit will result in growth and rise in the value of the company. Another purpose was to develop an agenda for future research on this topic.

The theoretical framework of this research was constructed by synthesizing and combining the key concepts of the research as an aim to answer the research questions and form results. I conducted an in-

depth literature review where I used older studies as well as newer studies to conceptualize the theoretical background of my topic. I reviewed the previous research on the innovation process to form an understanding of my research problem and how to approach it methodologically. I conducted an indepth literature review on the topic of innovation processes, the country of origin effect as well as the country of origin branding and the using methods of this strategy.

To conclude the previous studies, it has revealed that more research is needed on the topic of the innovation process of these labels and how they are conceptualized. How do companies use these labels and what value do they gain from using them? The aim is to answer these questions and research problems in the context of Finland.

The research strategy chosen for this research was a qualitative intensive case study method. The data was gathered by conducting a semi-structured / guided interview with the Brand Manager of the Design from Finland label, Johanna Lahti from the Association for Finnish Work. The data was analyzed by conducting a qualitative content analysis. The results of the study were formed through the content analysis of the interview data and the case company information. In the next chapter, I will provide a summary of the key results of this research.

# 5.2 Key findings of the study

In this chapter, I will summarise the key findings of this research study. I will present my findings by building my results based on the content analysis that I have conducted on the collected data and compare the results to previous studies. The purpose of my study was to answer my research questions, therefore, I will present my results accordingly.

## Through what kind of innovation process was the Design from Finland label conceptualized?

According to the results of the study, the idea for promoting the immaterial Finnish work and making it visible in the global market came from the Ministry of Economic Affairs and the Employment of Finland. Based on the results Finnish work and specifically Finnish design. It is significant in the eyes of the Ministry and needs to be promoted and globally recognized. As authoritarian figures have participated in the innovation process of conceptualization of the Design from Finland label it indicates that the role of the label is significant as it aims to represent Finland and Finnish work in the global market to gain visibility and recognition.

It can be interpreted that the reason for choosing to promote Finnish design is that Finland has a long tradition in design excellence based on the study by Ryan (2008). After the increased global competition, Finland started to make products consciously with an effort to make the made in Finland stand for high-end design, innovation as well as high quality. Ryan (2008) also states that Finnish brands have an obvious Finnish style with an image of a dynamic, responsible, contemporary and technologically advanced Nordic lifestyle. Finnish design can be distinguished by these factors.

Finnish designers and architects such as Alvar Aalto (1898-1976), Aino Aalto (1894-1949), Eliel Saarinen (1873-1950) as well as Eero Saarinen (1910-1961) had promoted Finland's global image for its skilfulness and innovation in design. These were Finland's highly significant assets that it could use to show itself to the global market with (Ryan, 2008). Therefore, it can be indicated based on the results of this study and the results of previous studies that this was the reason why the Ministry of Economic Affairs and the Employment of Finland wished to promote specifically Finnish design.

The Design from Finland label was conceptualized together with the Association for Finnish Work. The goal of the label is to promote and provide visibility to Finnish design mainly in the global context. This results in increased sales, profits and growth of the company. The label provides the products and services the status of a high-end product that indicates excellent quality, credibility, and Finnish knowhow. The Association for Finnish work handles the label applications and grants the labels. The original innovation process of the conceptualization of the label can be interpreted with the sixstep BAH innovation process model by Booz, Allen & Hamilton (1982). Based on the results the design process of the label resembles the innovation process demonstrated in the figure below before it was updated in.



Figure 5. The BAH Innovation Process model

A study on innovation process by Ottenbacher and Harrington (2007) resulted in an innovation process model with seven steps. This would apply to my results of the updated Design from Finland label after it had gone through changes and re-launched in 2013. Even though in the findings by Ottenbacher and Harrington (2007) the trial & error stage was done theoretically, it can be interpreted by the results that the Design from Finland label was tested in practice, unintentionally. This resulted in an outcome where the member companies were not pleased with how the label looked and didn't want to use it. After the negative feedback, the label was updated in 2013 and re-launched with success according to the findings. The label received more visibility after 2013 with its new design.

Based on the results of the study the innovation process that the Design from Finland label was conceptualized through is illustrated in the figure below:



Figure 6. Innovation process model based on the results of the study

Based on the results of this study the branding aspect was the core of the innovation process when conceptualizing the Design from Finland label. The aim was to conceptualize a branding and marketing tool that will provide global visibility to Finnish design and impact consumers perception and purchase decisions. The label aims to function as an indicator of Finnish excellence, high quality and distinguish products and services from others. As Ryan (2008) studied that branding is a multifaceted compound that impacts perception and recognition of the product. Branding considers the bigger picture, the experience, the larger associations and attributes that are linked to the product. It also considers the social as well as cultural dimensions and values that are linked to the product (Ryan, 2008) which in this case are the Finnish qualities that the buyer experiences and identifies with when he or she makes the purchase decision. A previous study by Gupta, Raj, and Wilemon (1986) argued that it is crucial to include R&D marketing in the early stages of the innovation process to prevent innovations from failing.

### Why companies use the Design from Finland label

The first sub-research question that was formulated for this research study is asking why do companies use the Design from Finland label. The results show that the main reasons why companies use the label are to boost their sales and gain competitive advantage globally as well as domestically. The companies want to make it visible that the products or services are high-quality Finnish design and excellence. The CEO of Reima, Elina Björklund explains that the Design from Finland label is a highly important tool internationally and they use it in their company to increase the efficiency of their marketing communications and to impact their clients. The label is an effective way to gain a competitive advantage and it is crucial to have the label to indicate high-quality Finnish design.

The label is aimed at design-oriented companies that have made design their competitive advantage. The label emphasizes specifically on the country of design. This indicates that the company wishes to be distinguished and recognized by their design expertise more than by other aspects of their business operations when they use the Design from Finland label. The Design from Finland label also indicates that the companies have all their business operations in Finland except for the production and manufacturing part. That can take place in another country but it is not used as a selling point. Instead, the consumers' focus is shifted to the country of the design aspect. It is used as the selling point in the case of the Design from Finland label. The study conducted by Rashid, Barnes, and Warnaby (2016) showed that the country of origin effect is a strategic business imperative and it functions in many ways that depend on how the brand is positioned and strategically planned. The study argues that the country of origin concept is a strategic compound which is used in many ways. It is a branding tool that builds brand equity (Rashid, Barnes & Warnaby, 2016) similarly as the concept of the Design from Finland label and these are the reasons for using it.

Based on the study by Ryan (2008) brands that are from Finland are carrying an image of a contemporary, dynamic, responsible and technologically advanced Nordic lifestyle therefore the aspect of Finnish design is aimed to be perceived similarly and this message is something that companies wish to communicate with the use of the Design from Finland label. The label is a powerful marketing tool that impacts the emotional associations with the country image, brand image as well as product image. It impacts the emotional perceptions and therefore affects consumers buying decisions and how the brand image is perceived. Hence the reason why companies use the label.

A research study by Aichner (2013) discusses how companies hope to benefit from the nationalism of domestic customers as well as from positive stereotypes that foreign customers have about products from that specific country by advertising the country of origin of their products.

According to the study by Saydan (2013) having a solid brand with positive qualities of the brand, equity will have many benefits such as increased consumer preferences, purchase intentions, and higher margins. It also provides an opportunity for the company to extend its brand. How consumers perceive a brand is affected by the country of origin branding in such a way that consumers start to form beliefs and evaluations concerning the brand and product. This is the aim of the Design from Finland label and why it is used. One of the most significant factors influencing consumers buying decisions is the country of origin according to Saydan (2013) and this is a significant reason for using the Design from Finland label.

The country image aspect incorporates the consumers' subjective perceptions of the products, which provides an important observation that these perceptions have an impact on making the buying decision. Therefore, the country of origin branding has been used as a significant tool in the global context to increase visibility and sales (Saydan, 2013) and based on the results of this research the

Design from Finland label was conceptualized to be used according to this type of ideology on country image perception and the impact it has on purchase decisions.

#### How do companies use the Design from Finland label?

The second sub-research question of this study asks how do companies use the Design from Finland label. The Association for Finnish Work demonstrated creative using methods of the label with a video (www.youtube.com/watch?v=psuNWkCZW84) where it is demonstrated that the label can be used in several creative ways to attract buyers' attention. For example, by displaying it in a rather large manner on the shop windows, doors or the wall. A visually attractive cardboard label can also be hanged from the ceiling to attract attention. It is also possible to attach it on the products, product packaging as well as integrating it into the company's marketing material as the case companies have done.

The case companies of this research have a similar style of using the Design from Finland label. Stockmann uses the Design from Finland label on the private label brands in the department store (stockman.com/inspiroidu/naiset/muoti/stockmannin-omat-merkit-tarjoavat-vastuullisia-valintoja). The Design from Finland label can be seen attached to the product price and information tags. The label is rather small but still distinctive enough to see if looking at the items specifically. It may be difficult to distinguish from further away especially if the buyer is not aware of it. The online store has integrated the label by displaying it on the product information pages as well as on the main page of the Stockmanns private labels. The company web pages have integrated the Design from Finland label visually and interestingly (stockman.com/inspiroidu/naiset/muoti/suunniteltu-suomessa/).

Reima uses the Design from Finland label similarly as Stockmann, attached to the product information and price tag. The label is the same size as the one that is used by Stockmann (store.emmy.fi/products/id416368). Reima also uses the Design from Finland label in a smaller print on Reimas own product and price information tags (eastonhelsinki.fi/wpcontent/uploads/2018/08/P8220473.jpg). The Design from Finland label is not very visible in Reimas webpages unless the visitor goes to the design and product development page. In this case, the visitor needs to know where the label is situated. Additionally, he or she needs to visit the page by accident or intentionally. The label doesn't seem to be integrated into the Reima shops or into the departments that sell Reima garments (twitter.com/reima\_official/status/986932878981419008). For example, the Reima shops in Russia and Sweden don't show signs of the Design from Finland label integration into their store image (profashion-kids.ru/news/167648/ and twitter.com/reima\_official/status/742614598671568897).

Globe Hope is slightly different from Reima and Stockmann as they use the Design from Finland label in a rather minimalistic way and it may be difficult for buyers to distinguish. The label can be seen on their product and price information tags in an even smaller size than Stockmanns and Reimas label size (toyotaplus.fi/henkilo/turvavyo-taipuu-muodiksi). Globe Hopes web pages do not have the label integrated visually as the pages are entered by the visitor. The Design from Finland label can only be found if looked through the company history information where it states that the company has received the label. In the online store, the label is integrated into the product information section but it can only be seen if the visitor opens a specific individual product page. Globe Hopes shop in Finland that is situated in Nummela does not show the Design from Finland label being integrated into their visual marketing such as the display windows or shelves inside the shop according to the images provided on the internet (globehope.com/gh-myymalat).

To conclude, Stockmann is using the label slightly more creatively out of the three case companies according to the acquired information. Reima and Globe Hope use the label in a rather small, minimalistic and humble way. It may be that the information about the design country origin is not communicated well enough to the buyer as the label may be too small to gain enough visibility. From a researcher's viewpoint, it can be interpreted that the three case companies are using the label as intended but there doesn't seem to be enough creativity used in the integration of the label into the visual marketing context. It doesn't try to impress the buyer especially in the global context where the competition is very strong. The Association for Finnish Work aimed the Design from Finland label for companies to gain more visibility and attract more buyers in the global market. Based on the results of this study the using methods of the Design from Finland label are not very visible, impressive or creative in relation to the purpose of the label which is to gain more visibility specifically in the global context.

The overall results also indicate that Finnish companies may be accustomed to operating in a small market and haven't yet adopted the mindset of globally operating companies that face a large competition where they are required to use creative methods to stand out to succeed. This may be due to Finland's relatively late globalization/internationalization that took place as late as in the early 1990s according to Ryan (2008) which implies that Finns may not be accustomed to global operations. This may have an impact on their confidence, courage, and insecurities which in turn may be the cause of not being proud of themselves and being too shy to show their know-how and expertise to the world. The results also indicated that Finnish humble mentality may be affecting the fact that they are prone to settling for what they get because they may be accustomed to do in the global market to gain visibility. They may feel as if it's almost not allowed to want something more for themselves.

The results also indicate that the Finnish mindset is oriented towards having only what is needed to survive and wanting more is considered selfish or greedy. This type of mentality may be one reason for the humble and minimalistic using methods of the Design from Finland label. Lack of courage or confidence to display own excellence may be resulting in companies not using the label very creatively. As it is not accustomed to highlight one's own excellence or achievements in Finland because it is seen as arrogance to some extent. The results also showed that this type of mentality is slowly improving due to the younger generation that is entering the market. This indicates a positive impact on future business innovations and business growth but it may take time for the mentality to fully change on a national level.

The results also indicate that the Finnish mentality that may be too humble and insecure can reflect negatively on holistic business operations and global growth of companies. It can be interpreted by the results that Finns may have low self-esteem and it drives the over the top humble mentality and insecurity which in turn impacts the ability to be proud of one's achievements or expertise. This can, in turn, affect the growth of companies especially in the global context but also domestically due to the large competition.

The Design from Finland label is not necessarily considered to be a part of the member companies' innovation process according to the results. This may indicate that the label is still relatively young and may still need time to get visibility and recognition within the design industry in Finland. This can be due to the label receiving proper visibility only after 2013 when the design was updated. The results also indicate that the label may not have been promoted enough to the companies for them to see the full potential that it provides and holds within. To obtain more reliable results this aspect requires future research from the member companies' viewpoint.

Previous findings by Rashid, Barnes, and Warnaby (2016) have shown that the country of origin labeling is an effective tool for branding and building marketing strategies. The research also refers to the country of brand origin and its importance in the consumer's brand image perception. Design from Finland, in this case, is a label that also indicates the country where the brand is originally from as well as the country of design. These aspects are important for the buyers to see therefore the label needs to be more visible.

Rashid, Barnes, and Warnaby (2016) have studied that consumers prefer products that are designed for instance in Europe or the western countries, as that part of the world is perceived more reliable concerning the work ethics, as well as the quality of the products. For instance, in this case, Finnish brands are carrying an image of a contemporary, dynamic, technologically advanced and responsible Nordic lifestyle as Ryan (2008) has previously studied. Therefore, according to the results of this research, the Design from Finland concept holds a significant strategy that is aimed to impact consumers' perception, buying behavior and reflect the image of Nordic lifestyle and all the positive attributes that the image is holding. This, therefore, impacts the brand image and how it is perceived when the label is used accordingly.

When building marketing strategies in the global scale, it is crucial to consider the country of origin aspect from a multidimensional viewpoint as it is more common today that brands move their production to less developed countries for cheaper production and costs (Chao, 1998; Chao, 2001). For example, many of the companies that hold the Design from Finland label produce in other countries due to cheaper costs. Chao (1998) and Chao (2001) studied that consumers' perception of quality depends on many different factors that are for instance the country where the products are assembled,

the country of design as well as the country of parts. Not only on the element where the product has been made or produced. This indicates that using the Design from Finland label accordingly offers a good selling point for the companies.

Chao (2001) studied that consumers may be influenced not only by where the product was made but also by other information. For instance, some consumers might continue to associate a certain product with a certain country even if the production has been moved elsewhere and this is the case with the Design from Finland concept. Instead of focusing on the country of origin information as the only valuable selling point, companies may need to turn the buyers' attention to the aspect of design or parts country of origin. As the Design from Finland strategists have done. This sort of paradigm shift can be a useful strategy to implement into the company's innovation process especially if the production is concentrated elsewhere than in the domestic area and therefore it can't be used as a selling point (Chao, 2001). This emphasizes the importance of creative using methods of the Design from Finland label. Especially in a case where the production is moved to a less developed country for cost reasons as it may, in turn, have a negative influence on the product country image, as Chao (1998) and Chao (2001) indicated in both of his studies on the topic.

To conclude the results of the using methods of the Design from Finland label it can be said that the key is to know how to use the label to get the full benefit and value that it can provide. Companies that get a hold of the label need to independently make an effort to use it creatively as a branding and marketing tool to gain global visibility and all the other benefits that it provides.

#### **5.3 Managerial and practical Implications**

The managerial implications based on the results of this study are that these types of labels that are designed to work as branding and marketing tools need to be used to impress the buyer. To impress the buyer, the label needs to be very well visible also to buyers who may not be aware of the existence of the label or the products that the label is attached to. If the label is used in a very minimalistic way then it will unfortunately not get enough visibility and not serve its purpose which is to gain visibility and profit by boosting the company's sales and marketing. The label will fail to serve its purpose if it's not used creatively enough. It can also be implied that the strategy is to promote Finland to become more

global in addition to promoting the companies. The companies may also be tools that spread the positive attributes associated with Finland and make Finland known in the global market. This can be called country image branding and it may help Finland gain more visibility and recognition globally. As a result, Finland becomes more attractive for investors and may enhance tourism as well as global business operations. This can be a very beneficial aspect of the economic growth of Finland.

Additional implications can be made based on the results of this study that the consequences of the significant information will have a positive impact on the visibility of the Design from Finland label and additionally provide more awareness of the values as well as the benefits of the label. The label was established in 2011, therefore, it is relatively young and it needs to be considered that the label didn't please the companies when it was first launched. The label received proper visibility only after 2013 therefore it requires more time and promotion to gain visibility.

The label requires more advertisement and promotion to communicate and emphasize its value to the companies as well as to the consumers. In this case, the companies would know their worth. It can be implied that the Design from Finland label is also be considered as a badge or an insignia that also consumers need to be aware of. Not only companies and organizations. It can be assumed that consumers may not be fully aware of the labels values and meanings and therefore may not be able to appreciate it to its full potential if it is displayed in a humble and minimalistic style. Possibly shortly, the label will be seen more impressively and creatively.

It can be implied that for the companies to gain the desired outcome that the label is designed to provide it needs to be used accordingly as a branding and marketing tool. If the label is not used correctly or the company is not aware of how to use it then it will most likely not provide the intended value that it was originally conceptualized to provide. It can also be implied that the Finnish humble mentality needs to start shifting and entrepreneurs need more courage to present themselves to the world accordingly.

The key results of this research were significant and will contribute positively to the existing literature on the topic of the country of origin effect. In this research study, I have combined the principles of the innovation process, country of origin effect as well as country-image-perception branding to study the

conceptualization of the Design from Finland label. This research has been conducted in the context of Finland. It addressed concepts that are significant for Finland and its business operations domestically as well as globally. The significant contributions of this research provide new insight into the conceptualization of the country image branding strategy in the context of Finland. This research study contributes to the topic of the country of origin as well as the country image perception studies in the context of branding. It offers a new viewpoint on how this strategy is conceptualized. Additionally, it offers a new viewpoint on its using methods and the important factors that affects them.

Studying the innovation processes of the conceptualization of the country of origin marketing strategies gives a significant insight into how companies gain competitive advantage and succeed in the global market. This is a contemporary topic in the context of business innovation, marketing, branding as well as Finland. The managerial implications of this study offer significant knowledge that can be put to practical use by building marketing strategies, finding tactical ways for the internationalization of brands and companies as well as how to build a positive country image to gain competitive advantage. Additionally, this study can offer knowledge on how to use the country image branding strategy to boost the reputation of a country. These types of marketing strategies may have a positive impact on tourism, entrepreneurship, investments and it can increase companies' profits. It can be a significant strategical tool for Finland to gain a competitive advantage in the global market.

#### 5.4 Evaluation of the study and suggestions for future research

The topic of this research was very interesting and contemporary. The theoretical framework suited the research well and the results of the study were supported by relevant previous studies which made the process logical and understandable. The intensive case study approach, as well as the data collection method, were also relevant and suitable for this type of research. The qualitative content analysis that was conducted on the data was very challenging, disciplinary but educational. The analysis enabled me to develop my interpretational and analytical skills.

This research study required me to use a multidimensional viewpoint and a deep analytical understanding of the phenomena to comprehend the full concept of the Design from Finland label and the value it provides. This research was challenging and required an in-depth review of the topic and an analytical approach to the case companies'. To see the reasons why and how they use the label the way they do.

The limitation of the study was that the primary data was collected from only one source and only one viewpoint. The interview was successful and it provided significant information for the research and the formulation of results. Nevertheless, more research is needed to provide findings of the role of the label in the member companies innovation process. Additionally, more research is needed to look deeper into the role of the label from the viewpoint of the member companies. As well as how the companies view the label.

In addition, a limitation can also be seen in the fact that the Design from Finland label is an indicator of only the country of design but for instance, the Key Flag label is an indicator of products and services that are produced and manufactured in Finland. Therefore, a future research possibility may be to study the role of the Key Flag label in companies' value adding aspects and whether this label can also be used globally to advertise Finnish production and manufacture. Or whether the Key Flag label is solely designed for the Finnish market. These are some questions that have risen during the research process.

A contradicting key result of the study that I see as significant was that that the value provided by the Design from Finland label to the companies is rather significant according to the results of the study. On the other hand, the results argue that the label has no significant role in the innovation process of the member companies. The companies hardly consider it in their innovation processes or business planning according to the findings. This aspect needs more research because based on the findings there was evidence of the fact that this type of marketing is a significant tool and provides a competitive advantage and global visibility. Therefore, it can be suggested that future research was conducted from the member companies' viewpoint to get reliable results on this matter and get results on the significance and value of the label from the member companies' viewpoint. Another interesting topic for future research would be to study the reasons behind the companies' minimalistic use of the label.

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Nordic Style Magazine, Globe Hope promotion with information about the ECOCERT cosmetics line

http://www.nordicstylemag.com/2019/03/globe-hope-new-contemporary-look/ A photo of how Globe Hope uses the Design from Finland label on its products https://toyotaplus.fi/henkilo/turvavyo-taipuu-muodiksi

A picture of Globe Hope Nummela shop windows as well as the inside of the shop

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Reima company pages with information about ReimaGo Innovation

https://www.reima.com/int/reimago

Reima company pages, Design and product development page where the Design from Finland label can be found

https://www.reima.com/int/design-and-product-development

Picture of how Reima uses the label

https://eastonhelsinki.fi/wp-content/uploads/2018/08/P8220473.jpg

Picture of how Reima uses the label similarly as Stockmann

https://store.emmy.fi/products/id416368

Picture of Reima shop display window

https://twitter.com/reima\_official/status/986932878981419008

Example picture of the Reima shop in Russia and their visual shop image https://profashion-kids.ru/news/167648/ Association for Finnish Work promotional video with Reima's CEO Elina Björklund explaining about the Design from Finland labels importance and usage https://www.youtube.com/watch?v=ZeVmQowDfHk Association for Finnish Work promotional/informative video for the member companies where they explain how to use the Design from Finland label https://www.youtube.com/watch?v=psuNWkCZW84

Interview. Lahti, J., Brand Manager, Design from Finland, Association for Finnish Work, Helsinki, 23.1.2019.

### Appendix

The interview questions/themes

# Haastattelu – Suomalaisen työn Liitto, Design From Finland

23.1.2019 Helsinki Haastateltava: Design From Finland, Brand Manager Johanna Lahti Organisaatio: Suomalaisen Työn Liitto Haastattelija: Evelina Muljar KTM opiskelija Ohjaaja: Professori Päivi Eriksson Organisaatio: Itä-Suomen yliopisto, kauppakorkeakoulu

- **1.** Mikä on tehtäväsi Suomalaisen työn liitossa ja kauanko olet ollut nykyisessä tehtävässäsi?
- 2. Kauanko Suomalaisen työn liitto on ollut olemassa?
- **3.** Mitä Suomalaisen työn liitto käytännössä tekee ja mikä on sen pääasiallinen toiminta?
- **4.** Kerro hieman Design from Finland merkistä. Mitä se merkitsee, kuka sen saa ja millä kriteereillä?
  - a. Miksi yritykset yleensä sitä hakevat, minkälaisessa toiminnan vaiheessa, miten tyytyväisiä ovat sen tuomaan huomioon, jne.
- 5. Minkälaista lisäarvoa koet, että Design from Finland merkki tuo yrityksille?
- **6.** Pystytkö kertomaan hieman merkin suunnittelu- ja toteutusprosessista myös innovaationäkökulmasta?
- 7. Miten koet oman tehtäväsi, suomalaisten innovaatioiden edistäjänä?

- **8.** Missä asemassa brändäys on osa innovaatioprosessia ja innovatiivisuutta, sinun näkökulmastasi?
- 9. Minkälainen rooli merkillä on mielestäsi yritysten innovaatioprosessissa
- **10.** Miten koet, että mikä työnanatajasi rooli on suomalaisten innovaatioiden edistämisessä?

## Lähetän gradun kaikille tutkimuksessa mukana olleille sähköisesti!