

International Business
Master Thesis No 2002:4

IN BRANDS WE TRUST

A CASE STUDY OF THE TRUST FOR INTERNATIONAL BRANDS IN SWEDEN

NATALIE ANN RYAN

Graduate Business School
School of Economics and Commercial Law
Göteborg University
ISSN 1403-851X
Printed by Elanders Novum

ABSTRACT

Trust is an abstract concept whose definition can differ based on the individual. However, when it comes to brand trust in international markets, it can mean only one thing. International companies need to ensure that foreign consumers have trust for their brands if they want to have successful relationships with their customers. Brand trust is a concept that has been explicitly discussed in marketing literature, but has not been widely examined in an international context. The purpose of this thesis is to give an outlook at the present situation of brand trust for international markets, while examining different theoretical propositions.

It became evident early in this thesis that Sweden would be a good market to test exactly how trusted international brands are, since it is a small country and is dominated by many international brands. Therefore, the study was conducted in Sweden, where the Swedish culture was specifically examined to see how this impacted their trust for international brands.

The relation between Swedish culture, theory and the perception of individuals is explored in order to investigate how Swedes trust international brands in comparison to domestic ones. Swedish consumers were shown to have different opinions on what constitutes a Swedish brand but had the tendency to trust brands that have a connection to Sweden and reflected Swedish characteristics. It was found that there is a 'natural trust' for domestic brands prevalent in Sweden that an international company wishing to be successful has to consider. However, this 'natural trust' can be counteracted and international brands have the potential to achieve a high level of trust in Sweden. Overall, the concept of globalization is questioned.

Key Words: International brand, Trust, Sweden, Culture, Perception

ACKNOWLEDGEMENTS

First and foremost, I would like to thank God for giving me the energy, will, patience and guidance to write this thesis during the cold dark winter in Sweden. Next, I thank my thesis Professor Jan-Erik Vahlne for his constructive criticism as well as his attentiveness and respect to my ideas. Moreover, without the support of Joakim Alex, Cecil and Ann Ryan, I would not have been able to do this without you. I love you guys!

Gothenburg, December 2002

Natalie Ann Ryan

Table of Contents

TABLE OF CONTENTS

1. INTRODUCTION.....	1
1.1. BACKGROUND	1
1.2. RESEARCH PROBLEM.....	1
1.2.1. <i>Research Background</i>	1
1.2.2. <i>Research Problem</i>	2
1.2.3. <i>Problem Definition</i>	6
1.3. RESEARCH STRATEGY	6
1.4. PURPOSE	6
1.5. DELIMITATIONS	7
2. THEORETICAL FRAMEWORK.....	9
2.1. BRANDING STRATEGY	9
2.1.1. <i>Positioning</i>	10
2.1.2. <i>Brand Equity</i>	11
2.1.3. <i>Value</i>	11
2.1.4. <i>Brand Image and Identity</i>	12
2.1.5. <i>Brand Popularity</i>	13
2.1.6. <i>Product and Company Branding</i>	13
2.1.7. <i>Yin and Yang Model to Branding</i>	13
2.1.8. <i>Factors Favoring Local Brands</i>	14
2.1.9. <i>Porter's International Industry Categories</i>	15
2.2. PERCEPTION.....	16
2.3. CULTURE	17
2.3.1. <i>Generic Aspects of the Cultural Environment</i>	18
2.3.2. <i>Hofstede's Cultural Model</i>	19
2.4. TRUST	22
2.4.1. <i>Company Trust</i>	22
2.4.2. <i>Factors for Achieving Trust</i>	23
2.4.3. <i>Expectation</i>	24
2.4.4. <i>Trust Threshold</i>	25
2.4.5. <i>Trust's Place in Branding</i>	27
2.4.6. <i>Remarks on Trust</i>	29
2.5. THE THEORETICAL MODEL	30
3. LITERARY REVIEW	33
3.1.1. <i>Perception</i>	33
3.1.2. <i>Experience</i>	34
3.1.3. <i>Meeting Expectations</i>	35
3.1.4. <i>Consistency</i>	35
3.1.5. <i>Information</i>	36
3.1.6. <i>Balance Emotional and Functional Appeal</i>	37
3.1.7. <i>Quality</i>	38
3.1.8. <i>Culture</i>	38
3.1.9. <i>Country Image</i>	39
3.1.10. <i>Longevity and Recognition</i>	40
3.1.11. <i>Organization</i>	41
3.1.12. <i>Corporate Trust</i>	42
3.1.13. <i>Opportunism and Ethics</i>	42
3.1.14. <i>Integrate Trust in Strategic Plans</i>	43
4. REFLECTIONS ON BRAND TRUST IN INTERNATIONAL MARKETS	45
5. SWEDEN'S CULTURE	51
5.1. GENERAL BACKGROUND INFORMATION ON SWEDEN	51
5.2. THE GENERIC MODEL APPLIED TO SWEDEN'S CULTURAL ENVIRONMENT.....	53
5.2.1. <i>Language</i>	54

Table of Contents

5.2.2.	<i>Political Government</i>	54
5.2.3.	<i>Economy</i>	55
5.2.4.	<i>Social Organization</i>	55
5.2.5.	<i>Social Stratification</i>	56
5.2.6.	<i>Material Culture</i>	57
5.2.7.	<i>Values/Attitudes</i>	57
5.2.8.	<i>Education</i>	62
5.2.9.	<i>Religion</i>	63
5.3.	HOFSTEDE'S CULTURAL MODEL	64
5.3.1.	<i>Power Distance</i>	64
5.3.2.	<i>Uncertainty Avoidance</i>	66
5.3.3.	<i>Individualism-Collectivism</i>	69
5.3.4.	<i>Feminine/ Masculine</i>	71
6.	METHODOLOGY	75
6.1.	RESEARCH APPROACH	75
6.2.	RESEARCH METHOD	75
6.3.	DATA COLLECTION	76
6.4.	DATA ANALYSIS	78
6.5.	EVALUATION OF THE STUDY.....	78
7.	EMPIRICAL FINDINGS	81
8.	ANALYSIS	99
8.1.	TRUST.....	99
8.2.	WHAT IS A SWEDISH BRAND	99
8.3.	SWEDISH VERSUS INTERNATIONAL.....	100
8.4.	MOST TRUSTED COUNTRIES AND BRANDS.....	106
8.5.	ADVERTISING AND PRICING	108
8.6.	(LOW) POWER DISTANCE AND TRUST FOR INTERNATIONAL BRANDS.....	109
8.7.	(LOW/HIGH) UNCERTAINTY AVOIDANCE AND TRUST FOR INTERNATIONAL BRANDS	111
8.8.	INDIVIDUALISM AND TRUST FOR INTERNATIONAL BRANDS	113
8.9.	FEMINISM AND TRUST FOR INTERNATIONAL BRANDS	114
9.	CONCLUSIONS	117
9.1.	GLOBALIZATION	117
9.2.	NATURAL TRUST.....	118
9.3.	AREAS FOR FUTURE RESEARCH.....	120

Table of Contents

TABLE OF FIGURES

FIGURE 1: ACHIEVING HARMONY BETWEEN THE BRAND IDENTITY AND BRAND IMAGE.....	12
FIGURE 2: CONTINUUM OF WORLD INDUSTRIES (HUNGER AND WHEELLEN, 2001)	16
FIGURE 3: THE GENERIC ASPECTS OF THE CULTURAL ENVIRONMENT	18
FIGURE 4: ACHIEVING AND SUSTAINING TRUST (SHAW, 1997)	23
FIGURE 5: TRUST- DIFFICULT TO REGAIN ONCE LOST (SHAW, 1997)	27
FIGURE 6: THE COMPONENTS FOR SUCCESSFUL RELATIONSHIPS (AAKER AND BIEL, 1993)	27
FIGURE 7: THE CIRCLE OF RELEVANCE (UPSHAW, 1995).....	28
FIGURE 8: THE TRUST EQUATION (SHAW, 1997).....	29
FIGURE 9: THEORETICAL MODEL (OWN)	31
FIGURE 10: NEW BUSINESS CHALLENGES DEMANDING HIGHER LEVELS OF TRUST.....	47
FIGURE 11: POWER DISTANCE VERSUS MASCULINITY (HOFSTEDE, 1991)	65
FIGURE 12: UNCERTAINTY AVOIDANCE VERSUS MASCULINITY (HOFSTEDE, 1991)	69
FIGURE 13: INDIVIDUALISM VERSUS UNCERTAINTY AVOIDANCE (HOFSTEDE, 1991)	70
FIGURE 14: MASCULINITY VERSUS INDIVIDUALISM (HOFSTEDE, 1991).....	73
FIGURE 15: QUALITY/VALUE RATIO (OWN).....	90
FIGURE 16: SWEDES MOST TRUSTED COUNTRIES	91

APPENDIX

APPENDIX 1: FOCUS GROUP INTERVIEW MANUAL

APPENDIX 2: MOTIVATING THE FOCUS GROUP INTERVIEW MANUAL

1. INTRODUCTION

The first section will give a general picture of the thesis and what the aim of this study will be. Furthermore, a background to the study will be given and the problem area of branding in international markets will be discussed. The research problem will subsequently be defined, as well as the purpose and the delimitations.

1.1. Background

I have always been interested in sociology and psychology, and have found that the conflict that exists between the theories of ‘nature versus nurture’ is ever more prevalent today as it has been in the past. It is remarkably interesting that it is still a phenomenon why certain people behave in some ways and some in others. Maybe it is the cultural environment, which causes people to act or behave in a certain way, or perhaps it’s genetic, or some even argue that it is a combination of both. However, based on the fact that I am an American, and have been studying in Sweden for almost two years, I have truly recognised the substantial impact that culture plays in shaping the accepted norms within a society, and shaping the behaviour of individuals within that society. Furthermore, I have become conscious of the conflicts that can occur from not being aware of cultural accepted norms and standards, especially being closely integrated within Swedish society for a sustained period of time. In addition, I have learned that through sharpening ones insight and sensitivity to a culture that is not your own, will positively influence the level of communication and intercultural effectiveness that can be created between individuals.

1.2. Research Problem

1.2.1. Research Background

More and more are we seeing national brands expand to global markets, as international companies seek to expand, in order to gain an increase in their market share. A current trend is for consumer product companies to create single branded products that can be marketed globally. The reason behind this strategy is primarily the great financial gains that follow the consolidation of manufacturing, packaging and marketing costs (Brandweek, Oct 31, 1994). This is obviously a cost driven strategy that pays little attention to the effects it

Introduction

might have on revenue. Extensive marketing research is the only mechanism that is available to control the strategy's success. It is also being admitted that the local input in some way has to be synthesized into a unified marketing message, which might not be an easy task. In trying to cut costs by a unified brand the company is essentially set up to either succeed or fail on a global basis. Evidently, there seems to be a trade off between risk and reward when choosing between uniform global branding and more locally adapted branding, and the stakes are high.

1.2.2. Research Problem

So why do consumers care about brands so much? According to Aaker and Biel (1993) there are many reasons why consumers care about brands. Throughout consumers lives there are always cycles or periods where they go through developmental changes. For example, we can see the social maturity one faces from high school to college, dating to marriage, as well as how ones sense of style and fashion changes with age. When these changes take place consumers look at brands to see if they conform to their lives. If brands do not fit into consumers lives, and they no longer connect with the brand, they will not trust that this brand can fulfill their needs. However, it is possible for brands to maintain meaning and trust in consumer's life. If trust can be established and maintained through customer satisfaction it is possible to build successful relationships with the consumers (See Figure 6).

According to Clifton and Maughan (2000) it is important that the brand owner takes responsibility of their brands by creating real value for their customers. In order to accomplish this, companies need to make sure that they are creating, managing, or re-developing their brands to the changing needs of their target audience. Sang Jin Park, who is the Vice President of Global Marketing Operations at Samsung Electronics, believes that the company needs to perceive the signs of change and then meet the needs of new trends.

Howard Schultz who is the Chairman and Chief Executive Officer of Starbucks Coffee Company, believes that trust is the future of brands, since there are too many choices available to consumers today. Therefore, he argues that if brands are going to be sustainable in the world today, they need to strongly focus on trust. He further explains that there are three attributes that brand must have

Introduction

today in order to be successfully competitive. First is building trust with consumers by always providing them with good experiences, second is building respectful relationships with workers in the company, so this can transfer to consumers, and third is giving back to the community through various forms of community service and goodwill. However, Karl-Heinz Kalbfell (Global head of Brand and Product Strategy for BMW Group), claims that the more people there are working in a company the harder it becomes to keep the brand consistent. Therefore, brands today need to maintain a consistent brand image, since today consumers increasingly have a high demand for security. In addition, Jo Harlow (Reebok's Vice President of Western Europe), believes that since there is so much advertising which takes place, it is increasingly becoming important for brands to be consistent and differentiated. However, she claims that in order for brands to be successful companies need to focus on the brands personality, and carefully choose how to advertise, which will allow the brand to stick out from all the advertising clutter that consumers are daily faced with. (Clifton and Maughan, 2000)

Lawrence and Johnson (2002) argues that by understanding the drivers of customer behaviors and attitudes along with the ability to build a company, and brand that people trust, as the key to the success of a marketing strategy. In certain industries, trust in the brand is becoming crucial for consumers to even consume the product. Biotechnology and food safety are issues that are placing more emphasis on trust (Button, 2002). For example, in the meat industry, where foot-and mouth and mad cow disease have been raging, trust could not be more important.

Although trust has been greatly studied by many marketing and management theorists, as well as by sociologist and psychologists, if you ask ten people to define trust, you are likely to get 10 (maybe 11) different answers as to what it means. Furthermore, trust literature consists of a mixture of different theories that link one way or another to brands but still there has been no consolidated research in this area that specifically links to international companies. The result is a multitude of different conceptualizations of the trust concept. However, if one were to define the most basic meaning of trust, it would be to simply say that trust is developed when another shows they truly care and are

Introduction

concerned about our individual needs during the toughest circumstances, while not taking advantage of their vulnerability.

Trust and international brands is increasingly gaining importance. Today, we are living in a modern and materialistic world, where brands have become the center of our consumer-driven capitalistic economy. Temporal and Lee (2001) argue that powerful brands are the ones that are build on trust and this will not change, but only get more important in the future. Furthermore, they articulate that trust is the key deciding factor that determines why consumers favor particular brands over others. Upshaw (1995) agrees and claims that branding is the art of trust creation and therefore it is imperative for companies to build a trustworthy identity in order to maintain trust with their consumers. However, today companies are faced with many problems affecting the success of their brands identity and distrust is increasingly growing. Lucas (2001) argues, that although it takes a long time to build consumer trust in a brand, it takes just a fraction of the time to destroy that trust. For example, when consumers became aware that there were critical defects associated with Ford Explorer, the first thing that Ford did was to entirely blame Firestone's tires. Firestone continuously insisted that their tires were safe. At this point consumers were very confused and did not know which company to believe. As a result, this destroyed the trust and brand identity for both of these brands (Cody and Moed, 2001).

Based on the decreasing level of trust in the market environment today, and the difficulties for companies to develop and maintain trust for their brands, one can imaging the difficulties for international companies to develop and sustain trust with foreign consumers. According to Majkgård and Sharma (1998), this is becoming more important as international trade is increasing and there are many differences in cultures, which makes it more difficult to establish trust with consumers. They further express that it can take a longer time and more money in order to gain the trust of foreign consumers.

One could argue that it is astounding that International brands even exist at all in a world with so many different cultures. Usunier (1993) argues that in actuality, in one way or another all cultures have borrowed something or another from somebody else, and then they just adapt it to fit their cultural

Introduction

norms and standards. However, not many societies will admit that aspects of their culture were borrowed from another. He further expresses that many societies want to protect and maintain their own cultural identity. One could ask themselves why foreign consumers should trust international brands over their domestic brands, especially when considering the elements of Western capitalist culture today. Buckley and Casson (2001) argue that Western culture has encouraged a 'low-trust' form of capitalism, which is essentially based on a high level of competitiveness and self-interest is very dominant.

According to Usunier (1993) today it is very common to see international companies ranting and raving in magazines such as Fortune and Forbes, about their competitive and strategic tactics, usually comparing and referring their strategies to military and war. While these companies are proudly boasting of new ways to increase sales and profits, should international consumers trust these companies that will do anything for a dollar to beat the competitors? Should consumers be expected to trust companies that refer and compare to them as numbers and prospects? Are consumers supposed to believe that these companies have their best interest in mind? Moreover, entrepreneurs look for the best way they can exploit and maximize profit of their consumers at any cost, whether through manipulative marketing techniques or deceptive practices. If I buy Nike sneakers will my athletic performance really improve, and will I actually become more powerful? In reality how safe is Volvo when compared to other vehicles and how ethical is the sale of cigarettes? If I buy a Mercedes does that actually mean that I am more prestigious?

So which brands and companies can foreign consumers actually trust? Should they trust companies who are part of this materialistic world, or advertisers who hire psychologists to find out the best ways to get into our minds? According to the Economist (2001) brands have come to represent a 'fascist state', where consumers have lost total control of the brands that enter their lives. Since, Internet servers, streets and retail spaces are all controlled by multinational corporate interests, as well as newspapers and television stations, who can we trust to actually have the consumer interest at heart.

According to Fletcher (2002) the most trusted brands hold onto consumers' confidence year after year and nowadays the most trusted brands are trusted

Introduction

multi-nationally. His conclusion is that that consistency over time and consistency across borders are the main characteristic of great brands. Furthermore, brands that offer consumers good quality and good value are trusted, but good quality and good value can be perceived differently by individual consumers, especially across national borders.

1.2.3. Problem Definition

As shown in the research background, there are several important issues to consider when managing a brand. International brands also have to compete with local brands that have the advantage of closeness and familiarity to the consumer. The main problem chosen to be investigated is therefore:

How trusted are international brands in Sweden and how does it differ from the trust for Swedish brands?

1.3. Research Strategy

The study will be performed as a case study, which is appropriate when researching contemporary and social phenomena (Yin, 1999). The trust of international brands is a current phenomenon and will be studied within the case of Sweden. The concept of case studies is rather diffuse but this study can be considered to fit reasonably well to the case study concept. Yin (1999) states, that “a case study is an empirical inquiry that (a) investigates contemporary phenomena within its real-life context, especially when (b) the boundaries between phenomenon and context are not clearly evident”. It is obviously difficult to distinguish the trust from the context (marketing a brand). Often, the study object is examined during a period of time, which has not been feasible in this study due to time limitations.

1.4. Purpose

The purpose of this study is to investigate and increase the knowledge about the trust consumers have for brands from an international perspective. In particular, the characteristics of Sweden will be investigated to examine how their culture affects the trust for international versus domestic brands. Furthermore, the

purpose is to provide a foundation for future research in the area of brand trust in international markets.

1.5. Delimitations

This study will focus on the consumer view point and will not investigate the company perspective. Furthermore, the study will be conducted as a case study limited to Sweden and therefore, will not directly be applicable to other countries. Also, this study will only examine branded products and will not investigate services as the differences and implication could potentially be substantial. In addition, it is the general aspect of trust for international brands that is being examined and not specific brands or product categories.

2. THEORETICAL FRAMEWORK

To investigate the trust for international brands, four major theoretical areas need to be utilized. First the concept of brands and the theories behind branding will be explained. Brands are the target for the trust in this study and it is obviously important to be aware of the components brands are built of. The components of the brand, such as the personality and image, are greatly affecting the perception of the brand. Perception, true or false, is linked to trust since this is what the individual bases the trust or distrust he or she will have for a certain brands. Furthermore, the perception that the individual will have is greatly influenced by the culture he or she has been brought up in. Theory that explores and describes culture will therefore play an important role since this is deeply connected to the individual's values and perception. Theory behind trust is lastly considered as well as how it is linked to brands.

2.1. Branding Strategy

According to Kotler (1999), a brand is described as a name, term, sign, symbol or design, or a combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. We can further look at a brand to identify the maker or supplier of a product, while presenting specific features, benefits and services to consumers. Moreover, a brand is a promise to the consumer of what the product, service, or company stands for, and of the kind of experience they can get from it.

A brand incorporates a personality based on cultural factors including film stars, sport heroes, or fictional characters. Today's brands are viewed and understood from an emotional perspective. Furthermore, Arnold (1992) compares a brand to a prejudice, in the literal sense of a prejudgment. Therefore, branding has to do with the way that customers perceive and buy things, not simply a characteristic of certain industries.

Clifton and Maughan, (2000) claim that a brand equals a 'relationship', 'reputation', a 'set of expectations' and a promise. Moreover, they state that a brand is a combination of tangible and intangible attributes, symbolized in a trademark, which if properly managed, creates influence and generates value.

Theoretical Framework

Temporal and Lee (2000) also define the brand as a promise to the consumer of what the product, service, or company stands for, and for the kind of experience they can get from it. If the promise is delivered customers will be satisfied which will keep them coming back to a company's product.

Kotler (1999) defines three clear advantages which brands offer to consumers. Firstly, brands inform the consumer about the product quality. Buyers, who consistently purchase the same brand, are aware that they will get the same quality each time they purchase the product. Secondly, brand names simplify shopping for consumers, where they are quicker able to find the products that match their wants and needs, as oppose to generic branding. Lastly, brand names allow consumers attention to be drawn to new products that are beneficial to them, since the brand is the first form of recognition.

The performance of a brand usually depends on how long the brand has been in the market in a particular country and the competitive environment in which the brand operates in each country. Moreover, the advertising and marketing pressure that supports the brand and cultural receptiveness to the content of the brand's advertising and marketing programs also impact the performance of the brand. (Aaker and Biel, 1993)

2.1.1. Positioning

Arnold (1992) claims that positioning is an essential aspect of branding. Positioning is the process by which a company offers its brands to the consumer. It is necessary that the message is communicated by all the organizations activities because any of them may be the particular characteristic that the customers analyses and develops their perception. Moreover, Arnold sees the objective of the positioning as the process to make the offer into a brand. Positioning is not about what you do to a product, but what you do to the mind of the prospect. This simply means products are positioned in the mind of prospects (Kotler, 1999).

According to Aaker and Biel (1993), brand positioning refers to both the process and the end result of building or rebuilding an image for a brand relative to a target market segment. However, Kotler (1999) explains that a

product position is defined as the way the product is visioned by consumers on important characteristics as well as the mental thinking that the consumer has for the product relative to competing products. Thus, positioning focuses on gaining a share of consumer's minds rather than the share of the market. By a company focusing on this they strongly develop a good image or reputation that stands out from competition and gains the trust of consumers (Temporal and Lee, 2001).

2.1.2. Brand Equity

Brands differ in the amount of power and value they have in the market place due to different factors. Powerful brands are known to have brand equity. Brand equity is a set of brand assets and liabilities linked to a brand through its name and symbol, which adds or subtracts from the value provided by a product or service to a firm and/or to that firm's customers (Aaker, 1991). According to Kotler (1999), the brand equity is based on the extent to which it has brand loyalty, name, awareness, perceived quality, strong brand associations, and other assets such as patents, trademarks and channel relationships. Furthermore, brands that have strong brand equity are seen as a valuable asset to the company and can be bought or sold for a price.

2.1.3. Value

Value is the trade-off between what a consumer gives and gets from a brand. Intangible values are the benefits that customers experience that are not functional or physical aspects of the brand, which can include the aspects of the brand personality. These characteristics of the brand cannot be seen, tasted, felt, heard or smelled before they are bought. For example, trust, freedom, power and excitement. However, tangible values are the benefits that the customer experiences that are the functional or physical aspects of the brand. These characteristics of the brand can be seen, tasted felt, heard or smelled before they are bought. Perceived value is the consumers overall evaluation of the benefits of a product, which is based on what they receive (ex: quality, satisfaction, or convenience) and what is given (ex: price, time, effort). Furthermore, perceived value is completely based on the individual. Perceived quality is the consumers perception about a products overall excellence or superiority in comparison to other products, and is also based on the individual. (Aaker and Biel, 1993)

2.1.4. Brand Image and Identity

The personality and the positioning of the brand make up the brands identity and image (Temporal and Lee, 2001). Brands are built by creating a strong brand personality, or set of brand values, and positioning the brand by creating a favorable perception in the mind of the target audience. Brand images are the set of beliefs that a consumer holds about a particular brand. Consumers beliefs may differ based on their individual experience or perception of the brand (Kotler, 1999). Furthermore, the brands identity is the total proposition that a company makes to consumers, or the promise it makes and is everything the company wants to be seen as. It may consist of features, benefits as well as all other values that the brand possesses. (Temporal and Lee 2001). Therefore, the identity is a brand’s unique fingerprint that makes it one of a kind. The company needs to achieve harmony between the brand identity and the brands image through creating good experiences. If consumer’s perception of the brands image is different than how the company has built the brands identity, the consumer will not see the brand as credible. Furthermore, if the brand identity offers something that the brand cannot actually deliver to consumers, the consumer will have a bad experience with the brand and therefore a negative perception. Therefore, it is important that companies base the brands personality and position the brand based on the things that are relevant and achievable to the target consumer (Temporal and Lee, 2001)

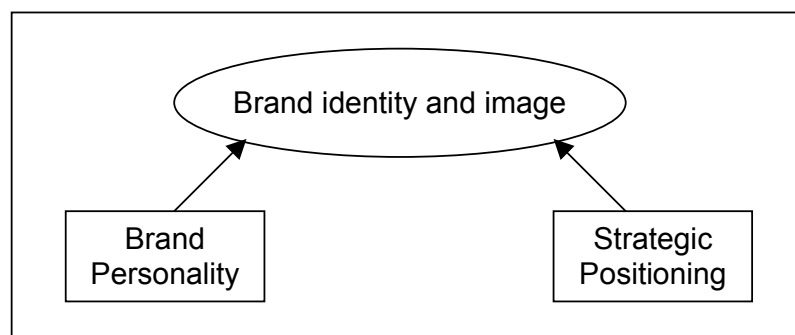


Figure 1: Achieving Harmony Between the Brand Identity and Brand Image (Temporal and Lee, 2001)

2.1.5. Brand Popularity

Brand popularity can be defined as the extent to which a brand has been widely sought after and purchased by a significantly large population. Furthermore, it is considered to be the accumulation of market acceptance and brand goodwill over a long period of time. Brand popularity can occur from word-of-mouth, from prior users (friends, family, and work associates) and is the result of the superior image of the brand, which is reflected in the brands marketing (ex: product quality, advertising and price). Brand popularity will positively influence the brand performance in the short run as well as in the long run, by creating a favorable brand image in the minds of consumers. As a result, the brands popularity will have a positive contribution to the brand's loyalty, image, or market sales.

2.1.6. Product and Company Branding

A company uses product branding when they decide that the product should stand on its own, and should be left to succeed or fail without any support from the corporate brand or company name. Usually fast moving consumer goods are associated with this level of branding. For example, Lux soap. Corporate branding is when the brand name gives all its identity to the products, and then the products receive strength and association through the companies brand values. In extreme cases of corporate branding the company's name is strongly associated with the product, while there is no mention of products and services at all for ex, Amazon.com. (Temporal and Lee, 2001)

2.1.7. Yin and Yang Model to Branding

According to Asian culture, Yin and Yang are complementary sides to every individual and it provides balance so that the individual is harmonized. Like Yin and Yang, the human brain has two hemispheres; one on the left, another on the right. The left side of the brain deals with logic and rationality, while the right side is concerned with emotions, dreams and creativity. In branding the Yin represents the rational (quality and reliability), while the Yang represents the emotional (sophistication, and caring attitude). Both the left side and the right side of the brain are important for people to have because it creates balance. Based on this concept, companies either build their brand personality to appeal to the rationality, or the emotions of consumers, while others use both. This way of looking at consumers began with packaged consumer goods,

but has adopted rapidly by practically every type of business in various industries, since it has shown to provide many benefits. (Temporal and Lee, 2001)

2.1.8. Factors Favoring Local Brands

According to Kapferer (2002) local brands are filled with a high level trust and personal connections, which is based on the way that consumers relate the brand to their personal life. Furthermore, it is explained that local brands are more than just brands. They can be seen as institutions, which foster a definite level of trust. This trust is dependent on four factors, which include *structural, brand equity, competitive, and environmental*.

Structural Factors

Local brands provide consumers with trust and loyalty. A local brand can be known for generations, and if the purchase is not frequent, people are more likely to go with what they know (ex paint). Furthermore, consumers rely heavily on trust and confidence they have developed in well-known brands, or on the advice they may receive from friends or professionals. (Kapferer, 2002)

The sales force plays a key role in customer bonding, and have a strong ability to impact the buying behavior of consumers towards a local brand. Local brands have the ability of being close to the distributors, and have a better advantage to follow up on consumers. Furthermore, local brands are many times cheaper than foreign brands, due to the added on tax, that is transferred to the final price in which the consumer pays. This factor may further promote a consumer to stick to their local brands, which may be less expensive, familiar, and trust worthy. (Kapferer, 2002)

Brand Equity Factors

Consumers develop strong emotional connections to local brands in which they normally develop a positive perception of the brand image. Emotional connections to the brand can be further explained by the fact that the consumer has been around the brand for a long period of time. When a new foreign brand comes on the market, consumers are not inclined to see the need to even try a foreign brand, especially when there is nothing wrong with the brand that they are using, and they have developed an emotional connection to the brand. In

Theoretical Framework

many circumstances one can see that local brand names incorporate nationalistic meanings in order to further enhance emotional added value. In France two famous detergent brands are La Croix (Henkel) and Saint Marc (Benckiser), both have a credible reputation in terms of product performance. Moreover, they both use the country's symbols, which has a religious connotation (La Croix means the cross), which creates latent sources of consumer bonding. In addition, we can look for further comprehension in an old widow who has developed an emotional bond with the local bread brand that she eats. This bond was established based on the fact that she and her husband that passed away used to eat this exact bread together for breakfast every morning. (Kapferer, 2002)

Competitive Factors

According to Kapferer (2002) local brands have a high level of awareness and are usually able to deliver faster services to customers, unlike foreign brands that can experience complications in getting the final product to the end consumer.

Environmental Factors

Lastly, a distinctive aspect that the local brand obtains is the pride in which a consumer feels towards a brand that is linked to their country. “Brands are perceived as local participants in the defense of what makes each country or even region in highly federal states unique.” Furthermore, consumers want to support their own countries domestic market. (Kapferer, 2002)

2.1.9. Porter’s International Industry Categories

According to Porter, world industries can either be multi-domestic, global or something in between (Hunger & Wheelen, 2001). In *multi-domestic* industries products and services are tailored for essentially every country. The subsidiaries of the multinational company (MNC) in a multi-domestic industry operate highly independent to satisfy the particular needs of their market. The MNC in a *global* industry on the other hand, operates with a global scope, with minor adjustments in local markets. The subsidiaries in a company like this are coordinated to a higher extent in their activities.

Theoretical Framework

There are two factors determining the nature of the industry. The first one is the *pressure for coordination* within the MNC. Pressure for coordination could be coming from other companies taking advantage of economies of scale. The second factor is the *pressure for local responsiveness*, which could be coming from cultural differences and tastes. If the pressure for coordination is strong and the pressure for local responsiveness is weak the industry will become global. If the relationship is reversed the industry becomes multi-domestic. Between the two extremes lies a continuum of industries with varying amounts of pressure. Of course, in multi-domestic industries there will be more trust for local brands while in global industries there will be more even in global industries where there is no pressure for local responsiveness.

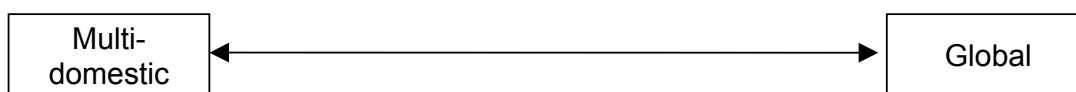


Figure 2: Continuum of world industries (Hunger and Wheelen, 2001)

2.2. Perception

Perception is the way in which individuals select, organize, and interpret information in order to create a meaning for themselves. Furthermore, individuals will have different perceptions on the same stimulus due to three perceptual processes, which include *Selective Attention*, *Selective Distortion*, and *Selective Retention*. (Kotler, 1999)

1. *Selective Attention* is the tendency for individuals to screen out most of the information to which they are exposed.
2. *Selective Distortion* is the tendency for individuals to adapt information to personal meanings.
3. *Selective Retention* is the tendency of individuals to retain only part of the information that they are exposed to, which usually supports their attitudes or beliefs.

Theoretical Framework

Traditionally suppliers have used their name as a way to simply identify and differentiate themselves in the marketplace from competitors, since consumers are faced with so many choices. However, today brands are commonly seen as a reflection of feelings that the company wants to stimulate, in which the consumer perceives the brand from an emotional standpoint (Arnold, 1992). For example, a consumer who wears Nike buys into the attitude of being a professional athlete, which includes power, athleticism and, accomplishment in reaching the highest of ones potential, all in which Nike has portrayed as a brand. Therefore, one can see that perception is based on the attributes of a brand that are relevant or directly stands out in the mind of each and every individual.

Customers generally view products based on their perception since they do not acquire the same knowledge of the supplier, who is aware and understands everything that goes into the product. Therefore, a brand can be seen as a prejudice (Arnold, 1992). Consumers initially have feelings towards a brand before they even consume it. In many cases this is not based on what the supplier originally intended the brand to be. These feelings may be based on facts or reality in the eyes of the individual. Moreover, the prejudice, in which an individual has of a certain brand, deeply reflects the trust of the brand. (Buttle and Burton 2002)

2.3. Culture

Many definitions have been put together to give significance and precise meaning to the word culture, but since it is seen as an ambiguous theoretical concept, there exist many definitions. Culture is the make-up of learned behavior and can be seen as patterns of thoughts and manners which are widely shared and passed along to members of society. Culture can also provide individuals with guidelines to use in their daily life within their society and community. Other academic theorist define culture as a set of elements, which consist of knowledge, beliefs and values, arts, law, manners and morals, as well as all other skills and habits obtained by an individual, by being a member of a particular society. On the other hand, some argue that there is no reality to culture, that it is fiction and used as an excuse when individuals cannot find a way to explain the way that something is. Selma Lagerlöf defines culture as

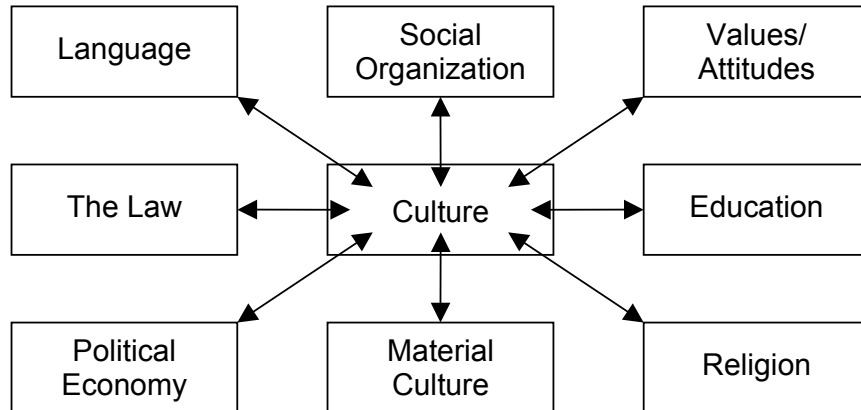
Theoretical Framework

‘what remains when that which has been learned is entirely forgotten’. (Usunier, 1993)

However, there are two basic elements of culture accepted by theorists. First, culture is learned, and second, culture can be forgotten. This means that human beings can disassociate elements of culture in which they have learned (Usunier, 1993). Hofstede (1991) claims that culture is learned and not inherited, meaning that culture does not come from ones genetic makeup, it derives from ones social environment. Moreover, culture is an important determinant for brand trust, since it greatly influences one preference.

2.3.1. Generic Aspects of the Cultural Environment

According to (Mercado and Prescott, 2001), there are nine Generic aspects of culture that one can analyze in order to gain perspective of a countries Cultural Environment which include *language, social organization, social stratification, education, law, political economy, Material Culture, values and attitudes and religion.*



**Figure 3: The Generic Aspects of the Cultural Environment
(Mercado and Prescott 2001)**

Language- Language is the main factor in a culture, which provides a means of communication between a firm and its buying environment. It is important that international businesses make sure that the name brand of their product does not have any negative meanings within another culture.

Theoretical Framework

Social Organization- The family has an important influence on the way in which individuals think and behave, because it is here that social norms are instilled in an individual at a young age.

Social Stratification- The class group of an individual can impact the way in which they perceive things, and directly impacts the things that they see as being upper or lower class.

Education- Education influences the attitude of an individual within their society.

Law- The law of a country impacts the social norms within that society, and structures what will or will not be accepted in a society.

Political Economy- Politics and economics have an important role to play in shaping national character. This can directly influence the way an individual feels when it comes to buying foreign or national products.

Material Culture- Material culture relates to the way in which people regard material possessions and wealth and often serves to communicate important messages about different societies. This directly impacts the products, which there will be higher demand for in different societies.

Values and Attitudes- Values and attitudes refer to the beliefs that an individual has and directly impacts the behavior of that individual.

Religion- Religion provides a foundation for attitudes, beliefs and values in a society, and shapes individual group behavior. Furthermore, religion may provide reasons for buying a product or for not, because some things may be thought of as not classy or too secular.

2.3.2. Hofstede's Cultural Model

Hofstede's model, which includes power distance, uncertainty avoidance, individualism-collectivism, and masculinity-femininity, can be used to describe the differences between national cultures in general terms when managing. Furthermore the position of a country based on Hofstede's dimensions allows

Theoretical Framework

one to make predictions on the way a particular society operates. (Hofstede, 1991)

Power Distance

Power distance is the level or extent to which a culture encourages or fosters social inequality. Furthermore, one can observe the power distance of a country based on the differences within countries social class, education level and occupation, as well as the relationship one has with their family. (Hofstede, 1991)

High Power Distance

A country with a high level of power distance indicates that inequality is the norm and that there are big differences between individuals in reference to power status and wealth. In addition high power distance countries are more likely to give emphasis to the importance of prestige, status and wealth, in shaping boundaries and relationships between social and economic classes such as rich and poor. As a result, individuals within this culture seek to maintain and increase their power as a source of satisfaction and are motivated and inspired by the need to conform to those in their class. (Hofstede, 1991)

Low power Distance

Countries with low power distance shows that equality is the societal norm. They focus much less on class, power and status differences and the law guarantees that everybody regardless of status has equal rights. Since there is more equality in this society, wealth and power is less likely the basis for forming relationships (Hofstede, 1991)

Uncertainty Avoidance

Uncertainty avoidance is the level or extent to which individuals in a culture feel threatened by uncertain or unknown situations and experiences. One can see the expression of uncertainty avoidance when individuals are either stressed or nervous, and therefore have the need to develop written or unwritten rules or laws to increase predictability when situations arise. It is possible for one to analyze a countries uncertainty avoidance based on their norms in society, family, the work place and politics. (Hofstede, 1991)

High Uncertainty Avoidance

Countries, with a high level of uncertainty avoidance, are those that live life according to high levels of structure, and a lot of formal rules. Countries associated with high uncertainty avoidance are risk averse, resistant to change and have a low tolerance or acceptance for uncertainty. When consumers experience something they dislike they will be motivated to remove or reduce the problem or potential as far as possible, in order to not threaten or jeopardize anything. (Hofstede, 1991)

Low Uncertainty Avoidance

Countries that are associated with low uncertainty avoidance will not be subjected to follow many rules in their society. They will be more open to variety, changes, and will be less afraid of taking risks. Furthermore, aggressions and emotions are not shown in low uncertainty avoidance cultures. (Hofstede, 1991)

Individualism-Collectivism

Individualism is the level or extent in which people are more likely to value personal and individual time, freedom, as well as experiences. Furthermore, the interest of the individual prevails over the group. On the contrary, cultures that emphasize collectivism show patterns of group or collective thinking and acting, and the interest of the group comes before the interests of the individual. Moreover one can view individualism and collectivism based on the way they were raised in their family, laws protecting one in their working environment, and views on privacy. (Hofstede, 1991)

High Individualism

Individuals can be described as those who like a high sense of independence. Countries that display high individualism will therefore look for more independence, uniqueness, variety, self-indulgent and self-gratifying experiences. Furthermore, people in high individualistic countries are less likely to follow social norms. They are more likely to form relationships, make decisions, and initiate behaviors or trends independent of others. (Hofstede, 1991)

High Collectivism

Countries that exhibit a collectivist culture are associated with high levels conformity as well as group behavior. Moreover collectivism focuses on the power of the group, and not the power the state has over the individual. One could view a country's femininity or masculinity by analyzing the gender roles played in society, family, workplace, industry and politics. (Hofstede, 1991)

Feminine/ Masculine

Femininity relates to societies whose social gender roles overlap, this means that both men and women are supposed to modest, tender and concerned with the quality of life. On the other hand masculinity defines societies whose social gender roles are clearly distinct. (Hofstede, 1991)

High Femininity

A highly feminine country strives for a welfare society and strongly value social partnerships and harmonization within society. Moreover, they strongly stress the importance of quality in work life. Dominant values in society include caring for others, and behaving in a modest way. Furthermore, feminine countries are more likely to resolve international conflicts through compromise and negotiation. (Hofstede, 1991)

High Masculinity

A highly masculine country strives for a performance society and strongly values assertiveness and materialism, while highly promoting competition and strong leadership. Furthermore masculine countries are less tolerant than feminine countries and therefore, are more likely to try to resolve international conflicts through fighting. (Hofstede, 1991)

2.4. Trust

2.4.1. Company Trust

Trust is developed with customers through competence, which is the ability for a company to do a job well. To earn trust it is important that consumers believe that they can trust your decisions and judgment even when there are changes. It is also important that the company is open, honest and truthful with their

Theoretical Framework

consumers in order to gain their trust. This means that they have to be as transparent as possible with their business actions, including financial performance, and taking responsibility for their actions when they wrongfully hurt consumers (Reynolds, 1997).

Furthermore, companies need to show their consumers that they are reliable and consistent, which simply means that they do what they say that they are going to do. In order for consumers to build trust with the company they need to know that they can depend on them. Lastly, equity affects the relationship between the consumer and the company. This means that the company must find out what consumers really want and provide this equitably and fairly. Consumers will not trust the company if they feel that the company is unreasonable for example, overpricing their brands (Reynolds, 1997). Also, trust has also been viewed as a form of behavior that allows one to rely on a partner and in doing so they allow themselves to be vulnerable since they cannot know for certain that they will always be satisfied by the trustee. (Moorman et al, 1993)

2.4.2. Factors for Achieving Trust

There are three actions that companies can take in order to create trust in a rapidly changing marketplace, which include *Achieving Results*, *Acting with Integrity*, and *Demonstrating Concern*. Although each of these factors influence one another, the importance and relevance of each of these actions in building trust is different according to the situation. Most importantly, in order for companies to achieve high level of trust with their consumers, they must understand and practice these factors consistently. (Shaw, 1997)

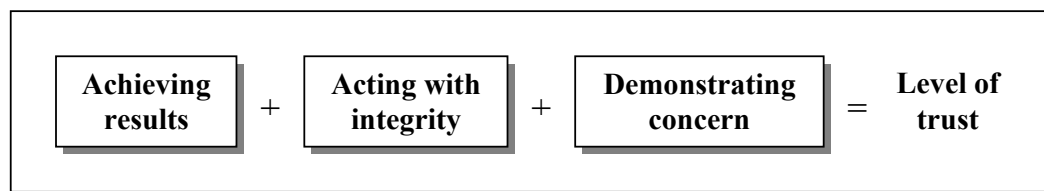


Figure 4: Achieving and sustaining trust (Shaw, 1997)

Achieving Results

If companies want to earn as well as sustain the trust of their consumers it is their responsibility to fulfil and be committed to the promises they make. Since expectations are based partly on what the company promises the brand will perform or achieve for them, consumers will lose trust if their expectations are not met or the brand does not deliver on their promises. In addition, everyone in the organization needs to work together by fulfilling their obligations, in order to see that consumers develop a trustful relationship with the brand. Organizations whose brands can achieve results but lack integrity or manufactured in an unethical way will not gain the trust of their consumers. (Shaw, 1997)

Acting with Integrity

Inconsistency in words and actions is the key factor that draws one to believe that another is untruthful or untrustworthy. Since most individuals are prone to trust those who they perceive to behave consistently in their words as well as actions, if companies want to gain the trust of consumers, it is imperative that they act with integrity (being honest, truthful and consistent) in all their actions.

Demonstrating Concern

A company's ability to demonstrate concern is imperative if they want to develop trust with their consumers and want their consumers to feel that they can rely on them at all times. The company can do this by showing consumers that they understand and are responsive to their well-being (interests, needs and satisfaction). (Shaw, 1997)

2.4.3. Expectation

Trust is built on the expectation that something or someone will act in the way that they need, want, desire, or crave. When individuals put trust in someone or something, they believe that their expectations will be met and they will not have to deal with the disappointment of their expectations not being fulfilled. When expectations are met trust is built, while if they are unfulfilled expectations, the result will be lost trust. (Sanner, 1997)

Expectations are connected to three central modes of trust. In process-based trust, the person's willingness to trust is based on the outcome of a prior

Theoretical Framework

exchange. Therefore, firms make investments in ‘process-based trust’ by creating positive brand names and building a positive reputation. In ‘characteristics-based trust’, the person’s willingness to trust is based on information concerning social similarity in family background or social situation. Therefore, the individual is likely to trust based on the common understanding that is created from these similarities. From the trust based on this common understanding, individuals will expect that they will have a satisfactory exchange outcome. In ‘institutional-based trust’, the person’s willingness to trust is based on their formal societal structure. Therefore, one’s trust would depend on the connection to an individual or firm’s specific characteristics, features, or attributes. Moreover in ‘institutional trust’ formal mechanisms are used to gain trust through the subculture, including professional associations, and common accepted procedures within the culture. (Sanner, 1997)

Trustworthiness depends on an individual’s norms and social structures within their society, which is based on the social and economic governance mechanisms. Individuals form their opinions to whether they will trust or not based upon the values principles or standards from their culture, class membership, family line, and their individual characteristics. (Sanner, 1997)

2.4.4. Trust Threshold

According to (Tan, 2002) individuals only participate in transactions when their level of trust exceeds their ‘personal threshold’, meaning that individuals will purchase goods or services only when their trust meets their personal standards. Determinants for a person's threshold can include the potential profit, and the risk involved. Furthermore, the personal threshold depends on the type of transaction as well as the parties involved in the transaction. The threshold will be high if the value of the transaction is high, while the threshold will be low if the individual shares a long history of satisfactory trade transactions.

Therefore, whether a consumer will trust a brand enough to buy it depends on if the individual's trust is greater than the benefits that the brand is going to offer, as well as the risk that they are taking. Furthermore, the level of trust consumers must have for a brand in order to buy it (the threshold) will depend on how much potential risk and benefits are involved as well as who is

Theoretical Framework

manufacturing the brand. The threshold can increase or decrease according to who and what the consumer is dealing with. If the brand is international or unknown to the consumer, this might increase the threshold while a history of satisfaction with the brand will decrease it. This basically means that consumers need to develop more trust for foreign brands as oppose to domestic brands, due to their familiarity and relationship with that particular brand.

When an individual has trusted and has been disappointed, it is their threshold that blocks them from rebuilding that trust. Furthermore, trust is ‘self-perpetuating’, meaning that the individual will always look to find reasons to support why they should not trust again. This makes it difficult for one to gain back the trust and confidence in something or someone, after they have violated mislead, or misinformed. Moreover, once the individuals trust has been violated to trust again would involve a higher level of risk that many are not willing to take, but again depends on that individual. There are three factors important in the establishment of a threshold, which includes the *situation*, *those giving their trust*, and *those asking to be trusted*. (Shaw, 1997)

The Situation: Depending on the risk involved for the individual, some situations will require a higher or lower threshold of trust. If the individual considers the situation or circumstances risky, they will have a higher threshold of trust. Conversely, if the individual judges the situation to be of low risk they will have a lower threshold of trust. (Shaw, 1997)

Those Giving Their Trust: Individuals are prone to higher or lower trust thresholds based on their history and individual characteristics. For example, if a consumer has had a bad experience with a brand in the past, this will have a direct impact on their trust. This individual is very likely to associate risk with their brand and therefore will set a high threshold of trust towards the brand, in order to prevent or avoid being dissatisfied. (Shaw, 1997)

Those Asking to be Trusted: An individual will have higher or lower thresholds depending on the perceived credibility of who or what the individual is deciding to trust. For example, if a brand or a company is perceived by the consumer to have a highly credible or trustworthy reputation the individual will have a lower threshold of trust. On the other hand, if the individual does not

perceive the brand or the company to be credible, they will have a higher threshold of trust. (Shaw, 1997)

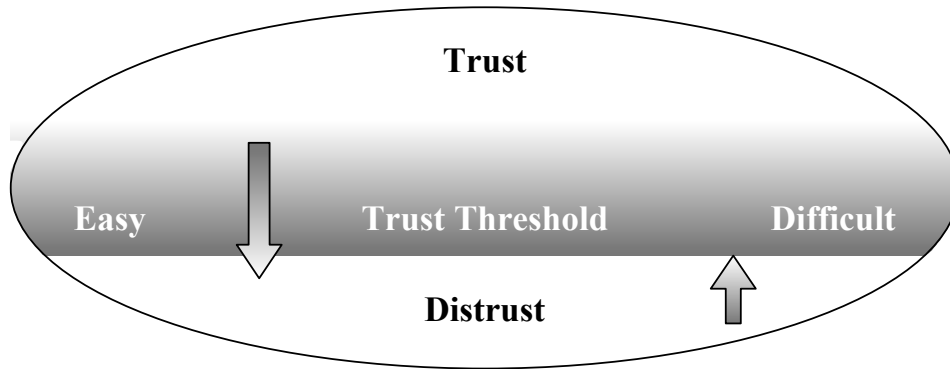


Figure 5: Trust- Difficult to regain once lost (Shaw, 1997)

2.4.5. Trust's Place in Branding

Aaker and Biel (1993) studied the relationship between consumers and corporate brands and found two key components for successful relationships, brand trust and customer satisfaction with the brand.

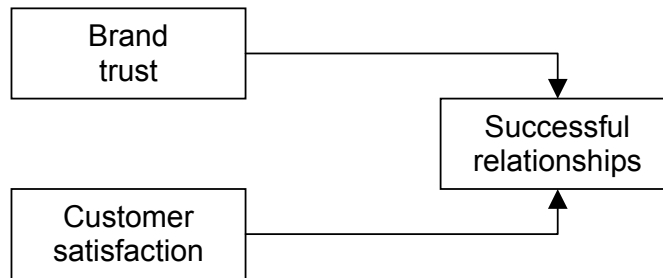


Figure 6: The components for successful relationships (Aaker and Biel, 1993)

The reasoning is logical, the relationship between the consumer and the brand will be successful if the consumer trust the brand and are satisfied with it. Furthermore, successful relationships will lead to a better understanding of the consumer's wants and needs and hopefully brand loyalty. Brand loyalty focuses on a company retaining existing customers so that they can decrease the vulnerability of consumers going to their competitors. For any business it is

Theoretical Framework

expensive to gain new customer and relatively inexpensive to keep existing ones, especially when the existing customers are satisfied with the brand (Aaker, 1991).

Expressed differently, these relationships can all be put into a circular reasoning. This is called the circle of relevance (Upshaw, 1995):

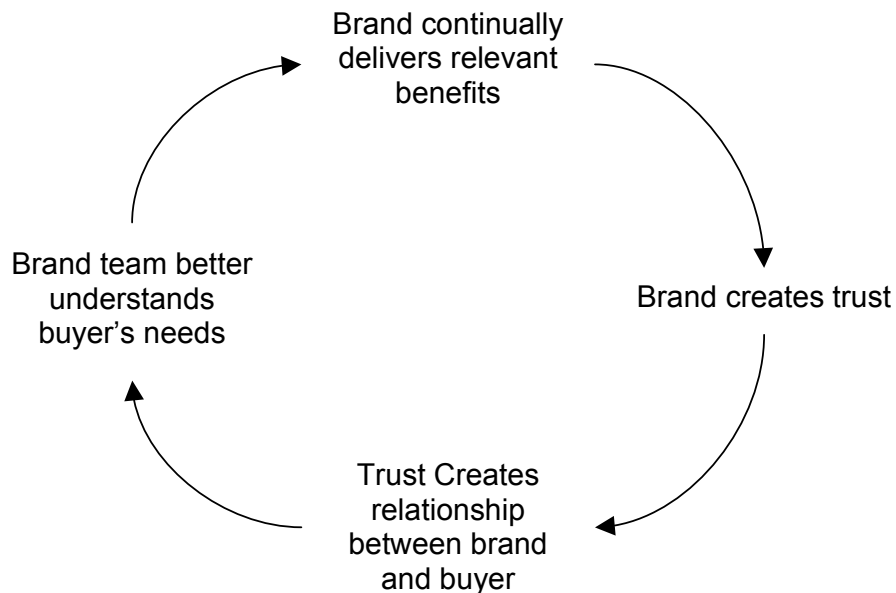


Figure 7: The circle of relevance (Upshaw, 1995)

First the brand has to deliver relevant benefits to the consumer (comparable to customer satisfaction), which will create trust for the brand. Consequently, trust is not seen as one of two components to successful relationships but as following satisfaction. As the relationship continues between the consumer and the brand the marketing team has the ability to understand more about the buyer's needs, which helps them to provide more relevant benefits to their consumers. Trust then creates the relationship that allows brand managers to better understand the consumer.

Trust for brands can also be defined by the following equation:

$$\text{TRUST} = (1/\text{RISK}) * \text{CREDIBILITY} * \text{INTIMACY}$$

Figure 8: The Trust Equation (Shaw, 1997)

The greater the level of risk that consumers perceive the less they will place their trust in the brand. With higher perceived risk consumers will try to lower the risk by gathering more information, look at products with extended warranties or look for national brands, which can be disadvantageous for international brands (Kotler, 1999). Furthermore, trust in the brand is dependent on credibility, which is the image created through dependability and reliability. Also, trust is dependent on the created intimacy, which has two parts. First, it is important that the brands personality connects to the target consumer and second, the degree of intimacy is a measure of the brand's success in creating a personal and emotional bond with the consumer (Shaw, 1997). This further shows that the brand understands their target market and is responsive to their needs. According to Aaker and Biel (1993) corporations seems to act as if risk and credibility are the only two components in gaining consumers trust. By ignoring intimacy, the link between the brand and the individual consumer, will make it impossible to build trust. Moreover, without a personal link where the consumer feels that he is more than a statistics there will never be any trust, regardless of the credibility. Hence, trust is a very emotional and fragile building block in the marketing process.

2.4.6. Remarks on Trust

The paradox is that although it is crucial that organizations achieve results, act with integrity, trust, and demonstrate concern, these three factors are based on the actual perception of consumers, and can potentially conflict with the wellbeing of the company. Although the company may perceive that they are behaving in a trustful manner, this does not guarantee that the consumer will perceive it that way. (Shaw, 1997)

Furthermore, managing these actions becomes increasingly difficult for companies in today's constantly changing business environment. For example a company may need to cut costs, so they produce their product in a country in

which they are ensured on not paying high wages. A consumer of this product may think that the company is not acting with integrity and does not care, since they may find it unethical to make profits on low paid workers. Unfortunately, it is situations like these where consumers loose trust in a company or its brand. If the consumer feels the brand is unethical and the company advertises that their brand cares for their needs, this causes a clash between the brand and the consumer (Shaw, 1997).

2.5. The Theoretical Model

The trust for international brands in Sweden will be targeted from four different areas of theory, brand theory, culture theory, trust theory and perception theory. These theories will be used to interpret and explain the findings in the empirical study and support the analysis. The basic concept of brands will be used to explore how trust is integrated into brands. The concept of brands will then be broken down in order to be able to closer explore how the different components affect the trust for international brands in Sweden, since the components of the brand, such as the personality and image, are intricately linked to the perception of the brand. Moreover, the perception that individuals will have of a brand is influenced by the culture in which he or she is brought up in. Together, these theoretical aspects are forming the basis for the trust of brands, which is the last theoretical aspect.

Theoretical Framework

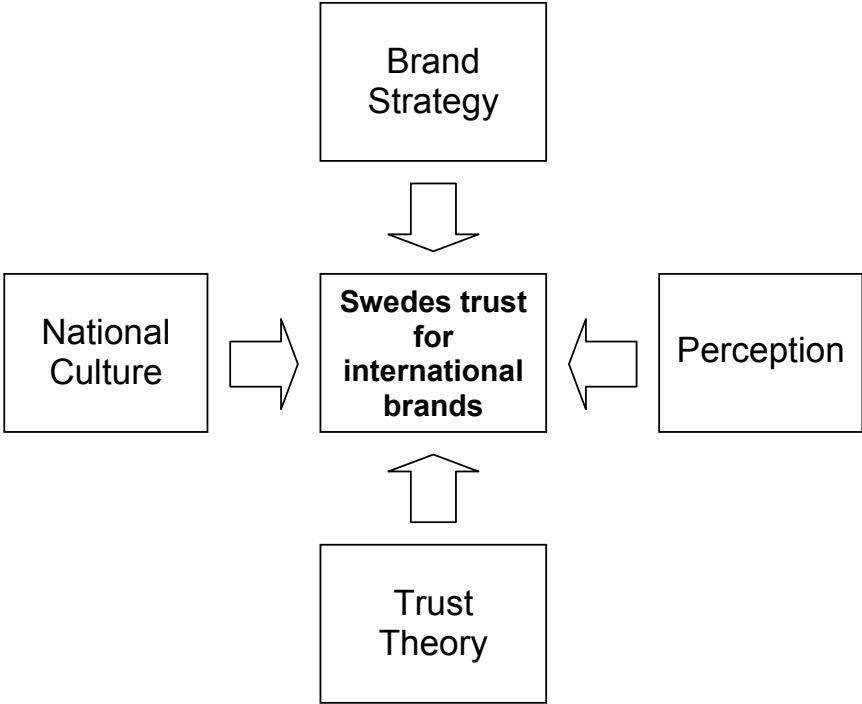


Figure 9: Theoretical Model (Own)

3. LITERARY REVIEW

In this chapter a broad review of literature that is connected to the problem will be performed. The literature will cover areas linked to trust and branding to give a general idea of what has been previously studied by other researchers. Also, this part will provide a foundation for the analysis.

3.1.1. Perception

Although it is natural for consumers to look at a brand and perceive different judgments about the products image, price, value, quality and other things, there has been little empirical work in the literature that actually shows how consumers perceive the positioning of international brands in foreign markets (Ghose and Lowengart, 2001). However, many academic researches agree that trust can be established for brands based on that individual's perception. Aaker and Biel, (1993) explain that the perception of the brands image is very important, since consumers analyze the attitude (personality) of a brand, then creates meaning out of the brands message. Furthermore, Upshaw (1995) adds that consumers also perceive brands based on who they are as individuals as well as the environment that they have been exposed to. Therefore, the brands true identity is based strongly on the consumer's perception, which may be entirely different from what marketers have created for the brand.

According to Upshaw (1995) brands are packages of trust and performance which is strongly based on the consumer's perceived value of the brand. On the other hand, in order to perceive quality of the brand consumers often look at price. Usunier (1993) explains that in general consumers want brands that offer them high quality at a reasonable price. Moreover, a company's method of sales promotion can have either a positive or a negative influence on the consumer's perception of the brand's quality, and therefore, have an impact on the brand images. For example, a company that always has price promotions can allow a consumer to perceive that the product is of low quality. Conversely, if consumers see special offers from a brand once in a while, they will feel more rewarded for being a customer. Furthermore, by advertising this way, the company can maintain the consumer's perception of quality that they have for the brand, while also maintaining a positive image of the brand in the consumers mind (Aaker and Biel, 1993). It is important that a brands identity

matches the consumer's image of the brand because this determines whether a brand will gain the trust of consumers, and whether the brand will be successful or not. However, companies do not put enough time or effort in making sure that their desired consumer perception matches the actual consumer's perception. Unfortunately, this means that there is no harmony between the brand identity and the image and this is an important factor that is necessary for building trust in a relationship between the consumer and the brand (Temporal and Lee, 2001).

3.1.2. Experience

Petromilli and Morrison, (2002) explains that customers develop relationships with brands through direct experiences and then base their perception of the brand on this experience and how that brand compares to other brands they have experienced. The personal experience in which a consumer has with a company is the main factor in developing or destroying trust. According to Dolliver (2001) 76 percent of consumers would find it difficult to trust a brand again the first time didn't work, or meet their needs. Since a company's brand is a promise of a certain experience, the trust or distrust of a brand depends upon the experience the consumer has. This is imperative because it is through the experience customers will decide whether or not the brand is valuable to them and worth trusting (Temporal, Lee, 2001).

In general, consumers believe that companies have good intentions and work hard not to repeat mistakes, and believe that most companies will do the right thing when faced with a serious problem with one of their products. Still, the fact remains true that consumers find it more difficult to trust brands after the first time of having a bad experience with the brand (Dolliver, 2001). Customer relationships are longer with a company, when customers gain high levels of cumulated satisfaction for a brand. On the other hand, if a customer has a poor or failed experience with the product, they will be less satisfied and will not seek a long relationship with a particular brand. When a consumer is satisfied with a brand this means that they are content with all aspects of the product which are relevant to their needs and therefore gains trust for the brand (Buttle and Burton 2002).

Customers expect to be recovered in ways that match the failure that they experienced with a product or service; both in the value and the form of recovery. Therefore, if a company rightfully deals with complaint handling they have an opportunity to obtain customer loyalty (not losing trust with consumers). In a report by KPMG, they show that 82 percent of customers whose problems are solved buy again. Furthermore, PA Consulting observed in their study that if solving problems effectively, 80 percent of customers will stay, and by solving problems fast and effectively, 95% will stay and sometimes becoming more loyal (Buttle and Burton, 2002).

3.1.3. Meeting Expectations

Now, more than ever, it is important for companies to make sure that their brands deliver its promises to consumers and meet or exceed their expectations. This is because consumers have more availability of knowledge through consumer magazines, television shows, and newspaper articles, which keeps them updated on products and services which fail at keeping their promises (Upshaw, 1995). Therefore, it is necessary for brand managers to define an experience that the customer values, deliver that experience in everything they do, and deliver that experience consistently. Throughout these tasks customers develop trust for a brand. Since a brand's promise gets tested with each consumer's encounter, if the brand's execution does not meet or exceed its promise, then the consumer will be dissatisfied with the product and not develop trust. (Rush, 2002)

3.1.4. Consistency

According to Lindstrom (2001) consistency means that every part of the brand's message (values, design elements, quality, value etc...), should be delivered to its targeted consumers so that the brand is easily recognizable. Furthermore, Elliott and Kritsadarat, (1998) argue that in order for brands to develop trust with consumers, they need to consistently deliver benefits, that coincide with the changing experiences in the target consumer's life over time. They believe that it is through this consistency; consumers will first, develop predictability second, dependability and lastly, trust for the brand. In addition Temporal and Lee, (2001) claim that since branding greatly depends on trust, and people naturally distrust change, it becomes even more important for companies to make sure that their brands are consistent in what they are delivering to the

consumer. They also point out that this becomes increasingly difficult in highly innovative markets where technology is linked to constant change.

Uttley (2002) argues that in order for brands to get across their desired impact, it is necessary that they are communicated consistently, regardless of where the brand is being marketed. It is important that companies make certain that the values in which they communicate to consumers are consistent with its internal values (Khermouch et al, 2001). Omelia, (1995) claims that although the communication of the brand can differ from market to market in order to be responsive to consumer local needs and wants, it is still essential that advertising in each country expresses a consistent point of view about the product. However, differences between markets can create inconsistency and confusion in particular markets by overlapping media. For example, Swedish consumers that have access to satellite channels can receive German and Danish television, and Swedes are subjected to a great portion of American television. This kind of media leakage can allow them to get confused about the image of a brand if brand images differ in these countries (Usunier, 1993).

Buttle and Burton (2002) stress the importance and connection of consistency to international companies. They claim that the reality is that companies are having difficulties in achieving consistency, even where relationships with customers have been successfully developed. Therefore, they express that it is imperative for international companies to offer brands to foreign consumers that consistently satisfy their needs and wants. Summing up, a brand that is consistent is a brand that consumers can trust. Furthermore, a company that is consistent over time and has gained trust with their consumers across borders creates what is considered as a 'hallmark' (successful) brand. This implies that the brand has greatly gained the trust and acceptance of a broad consumer audience which usually means that they have gained an international status (Fletcher, 2002).

3.1.5. Information

According to Salaun and Flores (2001) there is an increasing lack of trust and consumer loyalty when it comes to brands, due to the explosion of products on the market place. They claim that information is the key factor that trust is based on. Furthermore, they express that consumers are increasingly looking

for information about the conditions (ex: environmental) in which the product was manufactured, because they are concerned for their health and safety. Therefore, they conclude that when consumers receive reliable information they are more likely to trust the brand as well as the company, which results in customer loyalty. Buttle and Burton (2002) agree and argue that biotechnology and food safety, are two industries that have been particularly placing more weight on creating trust with their customers. They believe that increasing transparency of information about how food is produced, by including all contents within the product, can allow consumers to trust the brands in that they consume.

Aaker and Biel (1993), discuss ‘meaning transfer’, which means that it is essential that advertising and other marketing processes used to communicate the brand to consumers, should reflect the brand’s actual personality (what the brand stands for) and true value of the brand in order to maintain a positive perception of the brands image. Temporal and Lee (2001) agree, and further argue, that the brands advertising must reflect the personality in order for consumers to trust the brand. Therefore, advertisements should represent the target market, by using words that they would use, and models or people that are appropriate to the brand’s character. Moreover, Buttle and Burton (2002) claim that the value of brand needs to be communicated in an efficient way. Consumers usually do not admit to being influenced by a company’s advertising according to Dolliver (2001). However, from his study, he found that when the quality of the advertising campaign is high, consumers will be more confident in the brand, and will trust products more when they have an attractive or appealing packaging.

3.1.6. Balance Emotional and Functional Appeal

A critical issue in branding is that a rational appeal has to be balanced with an emotional appeal. The human brain consist of both the rational (left), and the emotional (right) side which both function differently, but make individuals balanced in their personality. According to Temporal and Lee (2001), a brand success depends on its appeal to the rational and the emotional side of a consumer’s brain and the two sides must work in harmony and be balanced. Therefore, it makes sense to say that the brand personality should also appeal to the left and the right side of the consumer’s brain. By doing so, the brand will

stimulate and be appealing to the consumer entirely. As a result, the consumer will trust and find the value of the brand to be even more attractive, since they can emotionally and rationally connect with the brand. For example, Tag Heuer uses rational and emotional appeal to gain trust of consumers. From the rational perspective they project to consumer's versatility, durability, and sturdiness. On the other hand, we can see that from the emotional perspective they project that their brand is fashionable, dynamic, attractiveness, precise, and heroic.

3.1.7. Quality

De Chernatony (2001) argues that companies strongly need to focus on building the quality of their products and services. Commercials and advertisements should focus more on showing quality in instead of having a lot of information crammed into the commercial space. According to Fletcher (2002) brands that offer their consumers good quality as well as good value, gain their consumers trust and have a long life cycle. Furthermore, the more trusted the brand the more of a chance it has to compete in an international market composed of different nationalities.

Temporal and Lee (2001) argue that generally, consumers connect or link brands with a certain level of performance and quality standards. By consumers experiencing different brands, they can compare quality standards and gain knowledge in the value that they are getting for their money. The consumer then decides which brand they trust to satisfy their expectations. It is very likely that the consumer will trust brands which offer them the highest quality standards. Furthermore, they make clear that it is consumers trust for the brand that a company will have to rely on, especially in the crowded markets brands are competing in today.

3.1.8. Culture

Brands trust effectiveness is based on culture responsiveness, since cross-national differences continue to exist. Therefore, it is necessary that advertising content is altered to match cultural attitudes as well as social changes, and should be relevant to what consumer's value in the brand. Although Coca Cola and Nike have been able to use the same brand image strategies cross nationally, many international brands have failed because they did not adapt

their brand image strategies to cultural differences. By international marketers identifying and positioning their brands to their target markets conditions they will be more successful. We can see international companies such as Levis, whose brand image in the United States is social and group oriented, while in Europe the image is positioned as sexual and more individualistic. According to Usunier (1993) every country reinvents the original international brand image that is positioned to them in order for it to coincide with their own local images. Therefore, national culture will continue to strongly influence the implementation of many aspects of marketing strategies, because cultural differences will never disappear. Thus, marketing strategies tailored to national markets is important. Some argue that culture and nationality can be regarded as the same thing, but sometimes nation-states can be multicultural. For example Switzerland is made up of Germans, French, Italians, and Romanics. Furthermore, if international marketers use stereotypes to market products to consumers, they can lose consumers trust since they would be lacking the important cultural aspects on which to base the brands identity with. Consumers can also be offended by stereotypes, and will not identify nor personally bond with the product, since they feel the identity is not relevant within their life. It is evident that consumer's trust is highly dependent upon their culture, and their bonds to consumer goods are based on how well the product is adapted to their cultural norms. (Usunier, 1993)

3.1.9. Country Image

Consumers also have stereotypes of which countries they feel are better at producing certain goods. For example, in a study where industrial consumers were asked which countries products have the best quality price and technological capabilities, Germany was perceived to have the best product quality and reliability, and was considered the finest producer of heavy industrial equipment. Furthermore, Italian industrial products were perceived to be of inferior quality when compared to the US, France and Britain. Many international brands have in fact built credibility with foreign consumers based on their national image. This is because brands that come from a particular country share the same intangible assets that one perceives of the country. Therefore, the perception might be based on country specific intangible factors instead of brand specific factors. For example, when a symbolic label reads 'Made in Sweden', consumers from Sweden will perceive the branded product

to be trustworthy, reliable and durable and that all ideas of mechanical failure are removed (Usunier, 1993). Furthermore, the consumers experience with brands from that country before can also influence their perception of the international brand. However, if the national aspect of a brand is marketed too heavily, this can lead one not to trust the foreign brand if consumers do not like that national culture. Consequently, brand image in a global market is greatly influenced by country image, since consumers usually rely on references to the country when forming trust for a brand (Kim and Chung, 1997).

Presently, we are living in a world where consumers are ethnocentric, meaning that they place high value, and favoritism on their country, nationality, and culture. Country culture has just as much impact on consumer's feelings and beliefs towards a product as the products characteristics and features. In general, consumers from developed countries have a preference for their national products over foreign products. To some this may seem irrational and arrogant to think this way, but Usunier (1993) claims that customers may believe that they are immoral if they buy foreign goods since it could potentially put their national economy at risk and leads to job losses.

Furthermore, non-durables (clothing, food or house hold cleaners), appeal more to tastes, habits and customs and therefore, are more culture-bound. A greater trust for domestic brands will therefore be present here. On the other hand, high technology products (computer hardware, machine tools and heavy equipment) are most suitable for global strategies.

3.1.10. Longevity and Recognition

The number of brands that originate from foreign countries are increasing more and more, especially when considering the foreign brands that compete with domestic brands in North America (ex: the automobile market) (Kim and Chung, 1997). Brands that have been consistently available to consumers for a long period of time give a company in the domestic market more of an opportunity to understand consumer's needs. Furthermore, brands that are present in the consumer's life become part of their culture due to the familiarity that the consumer associates with the brand. If consumer did not have brands that they recognized and could trust, shopping for almost anything would be confusing and time consuming. Therefore, a strong brand that is perceived to

be trustworthy has more of an advantage when entering new markets or offering new products, when compared to competitors who have not gained the same level of recognition and trust (Khermouch et al, 2001). Geographic proximity in manufacturing can also allow consumers to psychologically perceive that the foreign brand is more familiar and in touch with their needs, and as a result, consumers will have more trust in these brands and prefer to others (Kim and Chung, 1997). Furthermore, the greater the number of committed consumers in the market the more difficult it will be for an international brand to be successful in a new market. The uncommitted consumers of existing brands are namely more probable or likely to try new products and will not commit to any brand. That could leave the international brand with a very small potential market. The majority of new products that fail due to the commitment and trust consumers have to already existing products. Furthermore, it makes no difference to how great the new competing product is; the product is still more likely to fail due to the trust that consumers have with their favorite brands (Dinnie, 2001).

3.1.11. Organization

A company that is focused on building their brand on trust needs to understand the values of their employees, and align these values with those that are built within the brand's promise (De Chernatony, 2002). The more that employees within a company understand the image that the brand is suppose to portray to foreign consumers, the more the organization will have the ability in making sure that the brands image is sustained, and that the message is articulated well and transferred to consumers. If the company can not articulate the brands values in an efficient way, unfortunately the consumer's perception will reflect that (Khermouch et al, 2001). Often employees within a company are unsure of the brand's promise and its role. If employees lack knowledge of the brand promise, it will be difficult for them to deliver the value of the brand on a consistent level (De Chernatony, 2001). Summing up, organizations that do not build trust internally are at a competitive disadvantage, while organizations that have been based on trust will also be shown in their business outcomes. In order for trust to have a positive impact on business outcomes, trust must be integrated as a structural and cultural characteristic of the organization (Shaw, 1997).

3.1.12. Corporate Trust

According to Crosby and Johnson (2002) not only do brands have an image, but the company does as well. Therefore, how the company manages their brands will affect the way consumers perceive the brands. According to Temporal and Lee, (2001) today the trend is very much towards corporate branding, (ex: BMW 3, 5 and 7 series) or branding where the corporate name appears with the product brand. Many organizations are trying to gain customers trust through corporate branding, which means that the image of the company is transferred to the brand. This allows consumers to gain trust for the brand when compared to product branding because the brand is directly linked to the corporate brand name. However, product branding does not have the benefit of automatic recognition through the corporate brand name. As a result, the product is left to gain trust in the consumer's eyes without the strength of the company.

Akio Morito from Sony claims that the company's name is the life of their enterprise because it carries the responsibility as well as guarantees the quality of the product. In addition, sometimes when a company develops new product consumers find it difficult to trust something new. Consumers can trust the product more when they previously have had positive associations with the brand, based on past experiences with products under the corporate brand name. Through corporate branding, companies can promise consumers that through the name being consistent, they can also trust the brand to be consistent in its values, even as products and services change to reflect new technology. Although companies such as Proctor and Gamble and Unilever have been successful through product branding; it is more expensive and less likely that other companies can successfully gain the trust of consumers in this manner. In addition, since a corporate name develops credibility over time, it is easier for consumers to trust a new brand that they bring into the market place (Temporal, Lee, 2001).

3.1.13. Opportunism and Ethics

Increasingly companies are realizing the importance of ethical behavior within their company, and the effect that this factor has on consumer's willingness to trust. The more that companies show consumers and the public that they are ethical the stronger the bond will be with consumers (Veit, 2001). De

Chernatony (2001) agrees and claims that more and more companies are trying to gain consumers trust through goodwill. If an international company is driven by opportunism, meaning that they are only thinking of ways to make profit and maximize their outcome, while not considering the target consumers interest, will result in a low level of consumer trust (Friman, 2002). As a result of the company only thinking about ways to enhance their proceeds, they can neglect the relevant and important needs of consumers. For example, raising prices while lowering quality, will give consumers no reason to trust the brand, since they will feel taken advantage of.

Some consumers may not trust that brands are ethical when they are produced cheaply in third-world sweatshops, or environmentally damaging to society. Others feel that companies are not trustworthy since they use brands to exploit consumer's emotional needs. Since brands are in the public domain, it becomes increasingly more important that they maintain the perception of their brand image. If not, there are always individuals out there that are looking for evidence to prove that companies are unethical. Therefore, companies that own brands need to continuously to work to retain that trust with their consumers, since without trust the brand is not valuable (The Economist, 2001).

3.1.14. Integrate Trust in Strategic Plans

The success of a company's marketing strategy is strongly dependent on their ability to build a brand and company that people trust (Crosby and Johnson, 2002). Therefore, managing brand image strategies in international markets is a very significant aspect of a company's marketing program and has a great effect on consumer's perceptions. Since the purpose of a brand image strategy is to design an image and position it appropriately in order to satisfy the needs of the target market, one can see how this can become extremely difficult for an international company. Cultural, social and economic dimensions of international markets shape and influence consumers needs. With different market environments comes different consumer needs. Based on this fact, international marketers need to look at cultural and socioeconomic characteristics that affect the performance of their brand image strategy (Roth, 1995). Therefore, if the company wants to create trust for their brands in the marketplace, it is imperative that they make improvements in their strategic decisions: (target market definition, product positioning and specific marketing

Literary Review

mix strategies) which will allow customers to trust and be committed to the company brand (Crosby and Johnson, 2002).

For example, Samsung Electronics Co, made the strategic decision to move into a more innovative field with higher-margin products. Since their products were being sold at Wal-Mart, which is a mass-market discounter, they seriously began to think about their brand image. Samsung realized that their current positioning strategy was in direct conflict with the premium image in which they wanted to build. How in fact could a company who is trying to sell high margin products in a mass-market discount store, think that consumers would trust that their products can deliver a high level of service? Hence, Samsung made the strategic decision to pull their product for Wal-Mart in order to protect their brand image and trust for their products (Khermouch et al, 2001).

4. REFLECTIONS ON BRAND TRUST IN INTERNATIONAL MARKETS

In this section the concept of trust in relation to international brands will be discussed based on what was found in the literary review. Furthermore, what is written in this segment is primarily based on logical and rational assumptions drawn from the arguments of brand trust from researchers in the literary review, since the international aspect is rarely included in the literature.

Based on the literary review one can say that “A brand without trust is like a bird with no wings”. I see branding as a valuable corporate asset that can be used to increasingly gain the trust and commitment of consumers. Moreover, the importance of consumers trust for brands is imperative if international companies want to create lasting relationships between consumers and brands. People are inclined to look at trust in ‘black and white’ with no gray area; either they trust you or they don’t. This ideology can be transferred to brands as well, which means that international brands will either be trusted in foreign markets or not, especially in homogenous countries like Sweden. Although in the literature, trust for brands has uncommonly been linked to international markets, I have come to believe that trust especially becomes more significant in foreign markets. Since consumers have less knowledge of international brands when compared to their domestic brands, and are more inclined to establish relationships with local brands that are connected to the cultural norms within their society, it becomes a struggle for international brands to gain the trust of foreign consumers. However, there may be exceptions if consumers have been raised using a particular international brand, or it has been in their market for a substantial period of time.

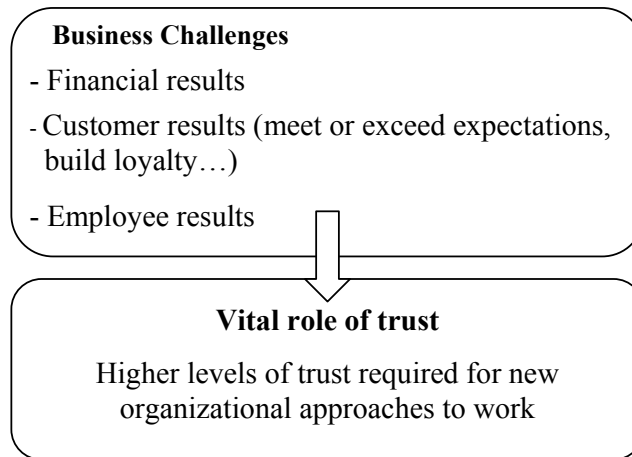
This abstract concept of trust is one that I have come to see as a natural function that every human systematically looks for as a way of survival in life. This means that as humans we are always looking for something we can trust and depend on, whether it is in relationships, jobs or the legal system because it simply makes life easier. Who wants to go through life always confused and not knowing what to trust? When consumers can trust brands it makes their life easier when they go shopping, they know exactly what will satisfy their needs without having to search through the clutter in the marketplace.

Reflections on Brand Trust in International Markets

Every thing that one does has a certain level of trust attached to it, however, it is clear that the things that one trusts in life are usually the things you know, have been raised with, and taught are good by your family, or society. Therefore, since international brands are not as familiar to consumers in domestic markets, if international companies sincerely want to gain the trust of their target consumers, it becomes necessary to establish and maintain a trustful perception of their brands image. This is done by first knowing exactly who your customers are. Without international companies actually knowing and understanding their consumers, trust will not take place because today consumers are more informed about the brands that they are using. If they believe that the brand will not correspond with their needs, they will have no need to trust it. Furthermore, it is important for international companies to keep the brands promise. No one likes being lied to or likes to feel that they have been deceived or cheated, so it's more important for international companies to create good experiences. This can be done by meeting or exceeding their expectations and responding to foreign consumer's local needs and wants, while sustaining a consistent brand message. This is not easy for companies to do but is crucial for them to remember if they really want to establish trust with consumers.

Today, more than ever, brand trust in international markets has become significant because the marketplace is very competitive, and it is so easy for competitors to copy the characteristics of existing brands. According to Shaw (1997) every aspect of business needs higher levels of trust, especially in increasingly competitive global markets. As it becomes more difficult to gain consumers trust it therefore becomes increasingly important for international brands to meet or exceed consumer's expectations even more.

Increasingly Competitive Global Markets



**Figure 10: New Business Challenges Demanding Higher Levels of Trust
(Adapted from Shaw, 1997)**

Furthermore, since there are so many brands that are undifferentiated in their functional characteristics, it becomes harder for consumers to have a preference for the brands that they want. Consumers are being bombarded by advertisements wherever they go, on TV, in the streets, in sports arenas, and systematically consumers begin to tune out the clutter. Massive advertising does not build trust; instead building a brand reputation that consumers can trust and have faith in is more beneficial. All these concerns contribute to the fact that in this day and age, it is essential that international companies focus on building trust for their brands. It is through trust and trust alone that international brands will have the possibility to stand out from the others in the market place. Consistently focus on building and maintaining trustful relationships with their customers can be more effective than always trying to gain new customers for an international company. The more uncertain foreign consumers are about the particular brand, the harder it will be for them to trust the brand. However, once trust is built consumers need less advertising or information of the brand and their decision processes in the market are made less complex, which is what consumers want.

Based on this literary review one can clearly see that consumers are looking for brands that they can trust, which reveal a brand personality that reflects their self identity and changes as they change. Therefore, international companies

Reflections on Brand Trust in International Markets

need to create an emotional attachment between the brand and the consumer, through its personality that reflects an image that consumers can relate to, so that the customer develops an even stronger bond and connection to the brand throughout the relationship. As time may change so may the values of foreign consumers, so it is important that the company continuously researches their target market, and position brands to reflect this fact. More and more foreign consumers will trust brands due to the great experiences and delightfulness that they receive from the brand, as a result of the company continuously keeping the brand fresh and alive.

Today what people are noticing about brands are more their image than their functional aspects, since many brands are so similar when it comes to their functional aspects. One can imagine the difference in the way that international marketers and consumers perceive the world, especially since perception is such an individualistic characteristic that we all possess as human beings. For example, marketers are concerned with the changes and trends in the market place, competition, as well as their business objectives, while consumers are more interested in how the brand is going to relate to their personal lives. If the brands image is not communicated in a way that consumers perceive it relevant, then the brand will not gain consumers trust. Culture is the main barrier that can cause the brands image to be misinterpreted. Since culture is blind and most times consumers are not even aware of the things they are culturally influenced by, the difficulty increases for international marketers to maintain a positive perception of the brand image in foreign consumer's minds. Therefore, it is imperative for international marketers to continuously research their consumers, keep up with the things that are going on within their country that can also influence their trust for the brand. Also, it is imperative that international marketers are aware of their own personal stereotypes of the culture they are marketing to, by learning and understanding the target consumer's relevant cultural aspects. However, generalizations are acceptable as long as they are based on educated assumptions. This will create a trusting brand image in the minds of target consumers. Moreover, by consistently offering consumers what they need the international company will be able to build a relationship, where they have the ability of learning more and more about the customer and gaining credibility, which will allow them to better compete on the market with local brands.

Reflections on Brand Trust in International Markets

Not only is a foreign consumer's trust for brands important but their trust for the company is essential as well. International companies can easily build trust for their brands, which however, can be destroyed just as easily. If international companies do not realize that if the consumer's perception of the company's behavior is not positive, this same attitude will be transferred to the brand. Therefore, it is important that international companies establish trust internally and externally. Although trust alone can not guarantee that a business is successful, it is imperative that it is included in business practices, since new business challenges are demanding a higher level of trust. Most importantly, the way that international companies handle failure will also impact the trust that they have with consumers. Ideally it is best for international companies to admit when they are wrong, and do everything in their ability to satisfy consumers when they have been disappointed. This will help to maintain a positive and trustworthy reputation and perception in the eyes of consumers, even when mistakes do occur.

5. SWEDEN'S CULTURE

Where one is presently situated in their life is generally a result of the things that have happened within their past, and allows others to have a better understanding and awareness of ones behavior. Therefore, this section will give a general overview of Sweden's background from their past to where they are presently today. Also, this shall allow one to be conscious of where the accepted norms and behaviors within Swedish culture has originated. This especially is more essential for non-Swedish readers who are not as knowledgeable of Sweden's heritage as Swedes are.

5.1. General background Information on Sweden

Sweden, which comes from the word Sverige, is located in Northern Europe and is the fourth largest country in Europe. One could say that it is around the size of California. The capital of Sweden is Stockholm. In Sweden there are close to nine million inhabitants and the Swedes are descendants of Germanic tribes that had settled in Scandinavia thousands of years ago (The Swedish Institute, 1981). Interestingly enough, Sweden still consists of many different ethnic groups who have come to search for better quality of life. (The World Fact Book, 2002)

Swedish history is more than 10,000 years old and began after the last glacier period. After the inland ice melted, the climate became warmer. As a result European settlers from the South and East started to immigrate to the northern parts of Sweden. Agriculture in Sweden began during the Stone Age, and developed during the Bronze and Iron Age. Political unity started in Sweden around 1100 A.D. (www.sverigeturism.se, 2002)

Sweden in the 19th century can be described as a poor country of solitude due to its cold climate, where 90 percent of people either lived off the land, forestry or farming. From 1840 to 1930 many Swedes emigrated to North America. The majority went to the United States (Wisconsin and Minnesota) with hope of finding better farming land. (Childs, 1980)

Although in the 19th century Sweden was strongly dominated by agriculture, today it plays a minor role by representing only 2 percent of the economy.

Sweden's Culture

Sweden can be characterized as having a modern society and distribution systems, good internal and external communications, as well as a skilled labor force. Furthermore, the main sector that dominates Sweden's economy is services. (The World Fact Book, 2002)

Sweden had military power during the 17th century, however neutrality was preserved in both World Wars and they have not participated in any war in almost two centuries (The Swedish Institute, 1981). Despite the fact that in the 1990's there was a high level of unemployment, rising maintenance costs, and a decrease in Sweden's position in world markets, they have still maintained an economic capitalist system which integrates many welfare benefits (that some view as socialistic). (The World Fact Book, 2002)

Sweden's welfare system is a result of two factors which include industrialism and the creation of the Social Democratic welfare policy. This provides Swedes with a high level of security within their society. Furthermore, Sweden's main goal of social democracy was and still today, is to have an economic organization where all citizens have equal rights and freedom regardless of their economic class (Childs, 1980). Sweden stands out from other countries because they have had the world's strongest trade union movement and has the largest public sector when compared to Western countries. Furthermore, they have established many well known international companies, such as Volvo, Saab, SKF, ABB, Ericsson, and Pharmacia (Philips-Martinsson, 1991).

Philips-Martinsson (1991) describes Sweden as a country that has gone from 'rags to riches'. For many decades Sweden has been one of the top countries in regards to gross national product per capita. This is essentially due to their rapid growth in industrialization and technological development, after World War II (The Swedish Institute, 1981). Despite the fact that Sweden is ruled by social democracy, it is astounding that roughly 90 percent of their industrial output comes from private enterprises. According to Childs (1980), The Swedish Social Democrats are known as the first socialist party in the world to have the ability to gradually increase the power of the state in economic life without revolution or communism.

Sweden is influenced by America in many different ways. Examples include television, movies, books, music, fashion, and food. Also, Swedes learn English from a young age. In Sweden there are many different American television shows, although they have Swedish subtitles at the bottom of the screen. Movies from the United States account for the majority of cinema visits. Moreover, there is a substantial amount of American literature read by Swedes in Universities as well as casual reading (The Swedish Institute, 1981). Critics would say that America's impact on Swedish culture is a form of 'cultural imperialism' (www.sverigeturism.se, 2002). However, history has shown that Sweden has had no influence from any other country, which strongly contributes to the high level of homogeneity that this culture is deeply characterized by. The Vikings, which lived in Scandinavia around 1000 A.D., had a great deal control over other cultures. Hence, it is clear that Sweden's separation from war and lack of ever being invaded or occupied has also resulted in the longevity of their cultural characteristics. (Childs, 1980)

In January 1995 Sweden became members of the European Union (EU), which shows their interest in internationalization (europa.eu.int, 2002). As a result of joining the EU they have largely increased their international contacts and exchange, and have contributed to the stability of Europe. Furthermore, Sweden gives complete support for further enlargement of the EU, including countries in Central and Eastern Europe, as well as the Baltic countries. However, in Sweden there is still remains a great deal of skepticism of being members of the EU among a large group of people. (www.eu2001.se, 2002)

5.2. The Generic Model Applied to Sweden's Cultural Environment

Some academics have done a cultural analysis by breaking down the socio-cultural environment into detailed elements (Mercado and Prescott, 2001). However, I have chosen to analyze Sweden by using a generic framework, which allows me to have a closer assessment of the main elements of Sweden's culture that can have an impact on brand trust. Furthermore, the information in this section will be used to make an in-depth analysis Swedish culture within Hofstede's cultural model.

5.2.1. Language

Swedish is an isolated language due to its geographic position and has played an important role in creating and preserving Sweden's national identity. The Swedish language is an important characteristic that shows how homogeneous this culture actually is. Except for Sami and Finnish speaking minorities in the northern part of Sweden, Swedish is spoken everywhere. (www.sverigeturism.se, 2002)

Today, when considering immigration in the second half of the 20th century, there are now many foreign languages used by immigrant groups living in Sweden. Although English is learned through schooling, television, music as well as movies, Swedish is still the dominant language spoken within the country. (www.sverigeturism.se, 2002)

5.2.2. Political Government

Sweden is a constitutional monarchy with a parliamentary form of government. However, the Swedish Monarch is considered to be 'down to earth' and well liked and respected by most Swedes. Even though the Monarch King Carl XVI Gustav doesn't have any control over government decisions, he represents Sweden's Executive branch as chief of state (www.sverigeturism.se, 2002). Sweden's legislative branch is the Parliament or what they call Riksdag in Sweden. The government is led by the Prime Minister Göran Persson who is approved by Parliament, and the Cabinet is appointed by the Prime minister. (The World Fact Book, 2002)

Herlitz (1995) explains that Political Pressure Groups in Sweden do not play a strong role within their society. In Swedish culture it is the ideal that Swedish officials as well as other professionals should be governed by rules and not personal emotions, and everyone should be treated fairly. Therefore, Swedes have learned to trust the ability of their authorities to handle conflicts through regulations. This allows them to feel secure and confident in their government. In addition, when it comes to politics Herlitz (1995) explains that Swedes practice 'Lagom' (moderation), which can be seen in their policies of non-alignment and diplomacy. They are usually in the middle when it comes to dealing with foreign affairs, being very cautious of not picking sides or having enemies. (Philips-Martinsson, 1991)

5.2.3. Economy

Sweden can be described as a mixed economy, in which the majority of companies are privately owned. Firms that are privately owned account for about 90% of Sweden's industrial output, while the engineering sector accounts for 50% of output and exports. Furthermore, 2 percent of GDP and jobs are a result of Agriculture. (The World Fact Book, 2002)

Sweden participates heavily in foreign trade and has been one of the top countries in regards to gross national product per capita. However, the majority of Sweden's export and import partners consist of members from the European Union (EU). Import commodities usually include machinery, petroleum products, chemicals, motor vehicles, iron and steel; foodstuffs and clothing. They mainly export machinery, motor vehicles, paper products, pulp and wood, iron and steel products, and chemicals. The countries that Sweden mostly exports to are Germany, UK, Denmark, France, and Norway. Import partners mainly consist of Germany, UK, Denmark, France, Norway and the US. (The World Fact Book, 2002)

5.2.4. Social Organization

Swedish families consist of few members (the norm is 2 children), and is considered the most important social unit. Strong family values include being respectful, sensitive to others feelings, and sustaining harmony and loyalty within family. Most children move out of their parent's house in their late teens to either work or further their education, which encourages them to be independent and individualistic (www.americaninsweden.com, 2002).

According to Herlitz (1995) the Swedish way of raising kids is based on respect for the individual. Furthermore, independence and responsibility is strongly emphasized at a young age, so they learn how to take care of themselves. It is the cultural norm for parents to teach their kids to think for themselves and not to follow rules arbitrarily. Instead, children learn to question and criticize the rules and other things around them openly. Herlitz (1995) points out that this concept of independence and responsibility coincides with the active role one is supposed to play in Sweden's democratic economy. However, Childs, (1980) rationalizes Swedes value for independence and self reliance differently. He

argues that since there is a cold climate and dark days for most of the year in Sweden, in the 19th century they were isolated from other people, and therefore, had to depend on themselves to survive. Hence, it is this same instinct to survive that Swedes still idealistically value within their culture, since it is so deep rooted in their past.

5.2.5. Social Stratification

Since Sweden has a large public sector, this allows the country's wealth to benefit the entire population. Their main focus is directed towards health, education and the elderly. The social welfare system consistently aims to decrease the gaps between income levels. Especially when compared to other countries such as the United States, one can see that the gap between the rich and the poor (wealth, income and social status) is smaller in Sweden. A phrase which further emphasizes this point is 'all Swedes belong to the middle class'. Therefore, they generally have a high standard of living due to their economic system which combines capitalism and welfare. Sweden's welfare system provides all Swedes with free education, health insurance and those who are permanent residents of Sweden are guaranteed income maintenance (Philips-Martinsson, 1991). Although Sweden's welfare system provides them with many benefits, they have a high tax pressure.

Since Sweden has a high level of homogeneity in their culture and the government provides various welfare benefits, their living standards are moderately equal across social classes. This is shown in the high level of ownership of private cars, boats, summer homes, color TV sets, refrigerators, and freezers, access to telephones, radio and daily newspapers. (Herlitz, 1995)

In some countries high status is giving to those who have reached high positions in society. However, Swedish culture views status very differently than other western countries. One's social status in Sweden is not only determined by education, income, or wealth alone, but can be acquired by just being good at what one has chosen to do in life. Moreover, Sweden's social democratic system which has played a dominant role in politics has strongly supported this point of view (Herlitz, 1995).

5.2.6. Material Culture

When it comes to material culture there are differences between cultural subgroups (Mercado and Prescott, 2001) but since Sweden is homogeneous we can characterize the country on a whole. Although the standards of living are high when compared to other countries, one must keep in mind that the gap between the rich and the poor is narrow (Philips-Martinsson, 1991). This can indicate that material wealth is not as important in this culture when compared to other countries whose economic system does not offer the same benefits. It is more important in Sweden that everybody has the basic means of education for the opportunity to excel.

The fact that taxes are progressive moderates Swedes strive to work harder towards material wealth, which is an indication that Sweden is less materialistic than most northern European countries. On the other hand, the welfare system is based on material values where material wealth should be distributed fairly equal. (Herlitz, 1995)

5.2.7. Values/Attitudes

Swedes can be characterized as being hard workers. Since work is a very essential part of Swedish life and their culture, having strong work ethics are highly valued. Compared to most countries Sweden has a high level of productivity. Hence, productivity should be the primary focus in life, while human and social relations are secondary (Philips-Martinsson, 1991). Furthermore, these values have been heavily supported by Lutheranism which has greatly impacted Sweden's culture. Lutheranism view of work is that it should not be joyful or fun, and should come before any other personal interests in life. This focus on working hard has further been promoted by the rapid development in technology that Sweden has experienced during the last century.

In Swedish culture independence is linked to hard work and these values are important to them financially as well as practically. There are many phrases or proverbs within this culture that clearly show that hard work is the guide to personal responsibility and accomplishment within ones life. For example: "Lön för mödan" which means in English "To be rewarded for ones pains".

Sweden's Culture

This strongly emphasizes that it is important for one to work hard in everything that you do because without hard work, one will never be rewarded.

(www.americaninsweden.com, 2002)

Sweden's social democratic system has led to their strong individualism since it offers basic security and benefits that make it possible for one to live on their own without the support of family and friends. These welfare benefits include food, social care, medical care, education, and money when unemployed. This safety net allows Swedes to be even more independent than those in other countries, and enforces an even stronger individualistic society. (Herlitz, 1995)

Although Swedes are highly educated and are individualistic, being modest, humble and to think of ones self as average is valued very highly in this culture. 'Jantelagen' or the 'Jante Law' (an unwritten law) is a term often used and understood within Swedish culture, which means that one should never think that they are better than anyone. This means that it is seen as unethical to brag about how great one is, or how much one has accomplished. It is important to note that what one considers bragging in this culture, is often seen by others as 'just telling it the way it is' (www.americaninsweden.com, 2002). It is essential for one to acknowledge that 'Jantelagen' is deeply rooted within Swedish culture, since it greatly shapes their thoughts and values. For example, Swedes are less likely to show expressions of nationalism when compared to other countries and associate nationalism with negative thoughts. This can strongly be linked to the Jante law, and indicates why there is a low level of nationalism within Sweden. (Herlitz, 1995)

According to Swedish culture one should have the balance of the 'Lagom' principle deeply integrated in their life. This unwritten law will guide the way in which one is suppose to behave in all aspects of their life (www.americaninsweden.com, 2002). Since 'Lagom' means in moderation, one should behave 'just right' by not overdoing anything. Therefore, Swedes can be characterized as being calm, cool and collected at all times regardless to the situation. It is not common for Swedes to disagree with someone in public, laugh or talk too loud or to do anything that will draw attention to themselves, or that would make them stand out in their homogenous culture (Philips-Martinsson, 1991). One can further view the high extent to which Swedes value

Sweden's Culture

moderation, by observing the low percentage of energy that they use when compared to other countries. Childs (1980) states that Sweden is what you would call an 'energy-efficient economy'. Furthermore, the conservative ways in which houses are built in order to prevent heat loss. For example, double glazing of windows show their strong beliefs in moderation.

In general Swedes appreciate and respect nature as well as the environment and can be considered an environmentally conscience culture. Herlitz (1995) explains that the relationship between Swedes and nature is sacred, and is hard for many foreigners to understand. In this culture nature represents freedom and leisure time. In the summers when Swedes normally have long vacations, many get away to their summer homes located in the countryside of Sweden. Furthermore, Swedes are known in the world for their strong environmental movements. One can especially observe Swedes respect for nature and the environment, through the low percentage of people who drive big heavy cars such as Expeditions or other Jeeps. It is more common to see Swedes riding bikes or driving lightweight cars. (www.americaninsweden.com, 2002)

Swedes are also known for consuming less alcohol than other countries. The government plays a strong role in ensuring that they maintain their health without the drawbacks of the over consumption of alcohol (Herlitz, 1995). The systembolaget (Swedish state owned company which monopolizes the sales of alcoholic beverages), further prevents the consumption of alcohol by controlling the sales. Furthermore, one can say that the government makes sure that Swedes drink 'lagom' (moderately), so that alcohol does not cause the society health problems and raise government expenses (Philips-Martinsson, 1991). However, critics often argue that this government control promotes the excess consumption of alcohol.

Ideally in Swedish culture they are likely to avoid conflicts especially in public, and look to compromise or reach mutual agreements, which shows their deep beliefs in democracy. Therefore, one can use the principle of 'Lagom', which perfectly describes their attitude towards dealing with conflicts within their society as well as amongst individuals (www.americaninsweden.com, 2002). However, Herlitz (1995) strongly argues Swedes tendency to avoid conflicts is based on the fact that the government provides many rules and regulations that

Sweden's Culture

are enforced (some countries rules and laws are not followed as strictly) in order to solve conflicts. Even in social situations Swedes behavior is strongly constrained by unwritten rules and many social relationships can be described as being institutionalized. Therefore, Swedes rely on this system instead of taking matters in their own hands.

Herlitz (1995) strongly characterizes Sweden as being a culture that is obedient and submissive to authority. Rules are followed more strictly in Sweden when compared to other countries and are valued within this society in order for it to function in a structured manner. He claims that according to Swedish culture they believe that it is ethically right for individuals to take responsibility and carry their own weight, which is a strict interpretation of from Luther's doctrine. Therefore, this means that it is necessary for all to do what is right and lawful in order to not be a burden on someone else. He further explains that even though Sweden's Social Democratic welfare policy has made it possible for them to be strong on their own through providing the essential needs to live, it is considered unethical and a 'deadly sin' according to Swedish culture to take advantage of anyone (Herlitz, 1995). However, Philips-Martinsson, (1991) argues the need for Swedes to follow rules differently. He claims that Swedes strongly follow rules, and do not take risks, due to their controlling bureaucracy, which is filled with many rules and regulations.

Within Swedish culture objectivity is expected in most life situations. For example, when dealing with arguments one is expected to tell the facts, show evidence clearly as well as logical demonstration. One could observe these expectations with Swedish politicians, who win support based on objective information and not on emotions. (Herlitz, 1995) Furthermore, Swedes are realistic, precise, practical and direct people. Therefore, they are known to weigh their words more carefully when compared to other countries. This means that in this culture it is honorable to stick to what they say and say what they mean.

It is valued in Swedish culture for one to be punctual. Being punctual is recognized by Swedes as an indication of showing respect, responsibility and professionalism. Punctuality is especially important in Sweden because they are not considered to be flexible when it comes to being on time (Philips-

Sweden's Culture

Martinsson, 1991). Since Swedes have a low threshold when it comes to time, most things are carefully planned and structured and it is frustrating to them when others don't deal with time in a courteous manner.

According to Herlitz (1995) Swedes perceive planning as a contract, which should not be broken without negotiation. Therefore, when they make plans to do something with someone else and the person decides to break the plans they will be disappointed, and will then perceive this person to be unreliable. Childs (1980) further clarifies Swedes strong connection to planning, by explaining that they strongly value self-discipline and believe that careful planning is the key to life. He then connects this to the reason why Sweden can be characterized as being highly organized and structured. Moreover, he argues that it is these two factors (high organization and structure) which also illustrate the way in which Swedish individuals and institutions deal with problems. Herlitz (1995) agrees and claims that without Sweden's structure and organization, it would be very difficult for them to maintain their even distribution of living standards. However, Philips-Martinsson (1991) argues a different view, which explains why Swedes can be characterized as a culture with high organization and structure. He claims that in Swedish culture; organization is strongly connected to effectiveness and productivity, and therefore, is generally accepted as an individual's obligation and personal responsibility.

Although it is not common for Swedes to go to church, most of their values and ethics are based on the 'Ten Commandments' from the Lutheran doctrine and the 'Golden Rule'. Therefore, Swedes believe that honesty is the best policy. Within this culture lying, or giving false impressions is considered dishonest and untrustworthy (Philips-Martinsson, 1991). Furthermore, according to Swedish culture, honesty means that one must tell the truth without exaggerating and keep their word and promises. Therefore, Swedes are considered to be more literal and factual in conversations as well as other aspects of daily life. For example, they do not like when others exaggerate or embellish the truth just to make a story or a situation sound better when compared to other cultures. (www.americaninsweden.com, 2002)

Sweden's Culture

It is deeply rooted within Swedish culture that all should have equal rights and therefore, egalitarianism has played a dominant role within their culture. They strongly believe that everyone should have the equal opportunity regardless of one's background. Egalitarianism is furthered showed in their living standards, in which one could see that the gaps are substantially smaller between the rich and the poor especially when compared to other Western cultures. Moreover, in Swedish culture it is said that competition is more discouraged when compared to other countries, for example when young children play sports, teams are often times divided equally according to skill. It is important for one to realize that this high level of egalitarianism, which is very dominant in Swedish culture, also provides them with a strong sense of security (Philips-Martinsson, 1991).

In 1968 Sweden became the first country in the world to establish a government policy directed towards achieving equality between the sexes and the roles in which men and women play within Swedish society (Scott, 1982). When compared to other countries Sweden has a higher level of equality between men and women and the sex roles that they play. It is important for one to recognize that this sense of equality is deeply rooted within their culture. Therefore, women literally expect to be offered the same positions and roles that are offered to men and presently women play an influential role in the work force. In 1988 Sweden's government adopted a program to increase female representation in all indirectly elected bodies and had the goal that 'every other lady' would represent government positions. Consequently, in 1998 women's representation on central government boards increased to 44 percent. This shows that Sweden's government strongly encourages and supports creating an equal society in Sweden and a balance of sexes in the representation of government held positions (www.wedo.org, 2002). Although Swedes are sensitive to what is considered masculine or feminine, the fact still remains, that when it comes to equal opportunities, there is still a gap between the 'ideal' and 'reality'.

5.2.8. Education

Sweden has a nine year compulsory school for students aged 7-16, which is known as comprehensive school, which by law all must attend. The majority has literacy (reading and writing) in Swedish as well as in English. English is

Sweden's Culture

taught to student's grades three to nine as part of their compulsory learning and then in high school (which is optional), where Swedes further continue studies in English. After nine years of compulsory learning, almost all students continue to upper secondary education (equivalent to US high school). (www.skolverket.se, 2002)

Sweden strongly believes in high education standards and this is one of the key issues supported by the welfare state. Swedes can be characterized as being highly educated since in general their education covers a broad spectrum of topics (Philips-Martinsson, 1991). They are also known for reading more newspapers per capita, have more trade and technical magazines, and also have a high rate of internet usage when compared to other countries, which shows their willingness to learn and be informed of the daily occurrences and affairs of the world. (The World Fact Book, 2002)

5.2.9. Religion

Today, Sweden's religion mainly consists of Lutheranism which is around 87% of the population. Although, a big percentage of Swedes are members of the state church, these days few show actual interest in religious issues or are active church goers. (The World Fact Book, 2002) However, Swedes still attend church for holidays such as Christmas, Easter, and Advent Sunday, and for children baptisms (www.sverigeturism.se, 2002). According to Swedish Law, there is complete religious freedom in Sweden. This means that everyone has the right to choose and practice their own religion without their beliefs being questioned or criticized, as long as the actual practice of the religion does not conflict with other Swedish laws (Herlitz, 1995). However, Swedes have the tendency to view religion as fantasy, which is unattractive to the average Swede. Herlitz (1995) argues that the fantasy aspects of religion (complete submission to priests, god, heaven and the bible), go against their cultural values such as lagom (moderation), individualism, and has the potential to lead to conflicts. Therefore, Swedes have the tendency to intellectualize religion. Arguing or reasoning without presenting evidence is considered childlike and is less accepted in Swedish culture when compared to other countries. This means that Swedes are more likely to question religious faiths, by analyzing with their brain instead of their heart, and using rational, logical and justified arguments.

5.3. Hofstede's Cultural Model

Hofstede's cultural model will be used in this segment to categorize Swedish culture according to 'power distance', 'uncertainty avoidance', 'individualism/collectivism' and 'feminism/masculinity'. Moreover, by using Hofstede's cultural model, the analysis of the cultural impact on brand trust in Sweden will be simplified.

5.3.1. Power Distance

Sweden is a country that can be characterized as having a low power distance since there is a high level of equality in their society, in which their capitalistic welfare economy supports. This is further supported by Hofstede's (1991) study of cross cultural value systems. He specifically points out that Sweden deals with inequalities very differently than other cultures. Based on the generic model of Sweden's culture discussed above, I will further demonstrate that Sweden is a low power distance country.

In Sweden the government supplies everyone with equal opportunities, welfare benefits and taxes are progressive, which decreases the inequality and narrows the gap between the social classes within their society. This explains why there is a large middle class in Sweden, and therefore strongly characterizes Sweden as a low power distance country. Furthermore, since in Sweden education is free, this allows individuals within this society to all have the same possibility of reaching success and achievements in life. According to Hofstede (1991) classes differ based on their access to opportunities. He explains that education is the main factor that allows one to have a career that supports a middle to higher class level of living. Thus, the fact that equal opportunity and education are welfare benefits provided by the Swedish government justifies why Sweden can be characterized as a low power distance country.

Hofstede (1991) points out that in low power distance countries there is interdependence between less and more powerful people. Swedish officials as well as other professionals are greatly governed by law and not personal emotions, and are considered to be just as equal as citizens. Therefore, those in power do not abuse or take advantage of their status, and are lawfully obligated to treat all citizens fairly and value the concerns of everyone in society.

Sweden's Culture

Since in Sweden all are considered equal and no one is greater than the law, someone of greater monetary status can not use their wealth as a way of getting what they want. This behavioral characteristic of Sweden coincides with the attributes of low power distance societies. Hofstede (1991) illustrates, that in low power distance countries wealth and power are not connected and those in power are 'legitimate', which means that one is subjected to conduct their behavior according to what is legally bounded and right within their society.

Sweden can also be characterized as a low power distance country based on the way children are brought up by their parents. From birth Swedes are raised to be highly independent and move out of their parent's house at an early age. Furthermore, children are raised to not obey everything their parents say. Instead, they are expected to use reason, question things around them, and to figure life out on their own. In addition, children are considered equal to their parents and use the informal form 'you' and always respond to each other by first names regardless of ones position in society (Herlitz, 1995). This corresponds with Hofstede's (1991) analysis of power distance. He confirms that in societies with low power distance, independence is encouraged, children are not expected to be obedient towards their parents and formal respect is hardly shown. In addition, he explains that children are inspired by their parents to handle their own affairs at an early age.

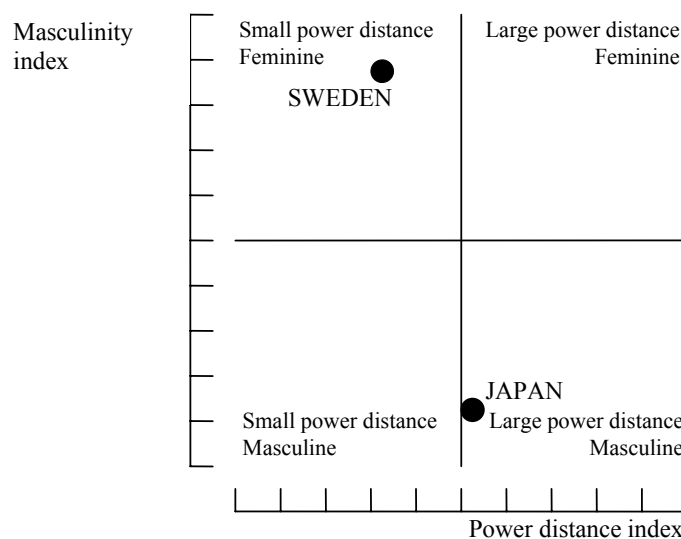


Figure 11: Power distance versus masculinity (Hofstede, 1991)

5.3.2. Uncertainty Avoidance

Hofstede (1991) portrays Sweden as a culture with low uncertainty avoidance. This may be true; however, they possess many key characteristics of a high uncertainty avoidance society, which I will also describe.

Low uncertainty Avoidance

Tolerance and moderation in politics are used to describe countries with a low level of uncertainty avoidance (Hofstede, 1991). Sweden's culture coincides with this characteristic since they are commonly known for dealing with political policies in a 'Lagom' (moderate) way, and always try to satisfy the needs of the society as a whole.

Hofstede (1991) also explains that cultures with low uncertainty avoidance are low stressed and have a subjective feeling of well-being. Based on this theory Sweden has shown itself to be a country with low uncertainty avoidance. Since Sweden's welfare policy provides benefits (such as education) and the level of equality is considered to be high, this lowers the stress that one normally would have in a culture that did not provide these benefits. For example, in America students have to worry about paying for college, which many times is a huge burden for those who do not come from a background that can afford the expenses involved. Furthermore, the fact that Swedish cultural norms do not pay much attention to status decreases the stress that one may feel in a society if they have not achieved many things. One can conclude that these factors also allow Swedes to take more risks in life, since they know that they have the support of the government to fall back on. This is supported by Hofstede (1991) who claims that low uncertainty avoidance cultures are more likely to take more risks.

Since Sweden's government is lead by officials who are strictly governed by set rules and laws, Swedes place a high level of trust and security in the institutions which surround them. Hofstede (1991) expresses that citizens within cultures of low uncertainty avoidance, will place trust for the institutions that guides their life. The fact that Sweden's public sector mainly focuses on health education and the elderly, further provides Swedes with a high level of security. They know that even if they do not have the monetary resources, they still have the same opportunity as others and if they get sick they trust that they

Sweden's Culture

will be taken care of. These factors indicate that Sweden is a country with a low level of uncertainty avoidance.

According to Hofstede (1991) countries that can be described as having low uncertainty avoidance, will believe that they can participate in political decisions at the lowest level and they believe that everybody should be treated equally. Since Sweden joined the EU they have shown concern in issues such as greater transparency, reducing unemployment and strengthening environmental commitments. For example, Sweden gives support for further enlargement of the EU, including countries in Central and Eastern Europe, as well as the Baltic countries, which shows that they believe in equality. Moreover, their commitment to support political causes at the lowest level is expressed by their use of efficient ways of traveling such as bicycles and light weight cars, in order to reduce environment erosion. These factors further support that Sweden can be characterized as a low uncertainty avoidance culture.

Positive attitudes towards young people and the lack of showing aggression and emotions in a culture strongly indicate that a country has a low level of uncertainty avoidance. This means that stress in these cultures are internalized, and if shown one will be socially criticized. In addition, these cultures believe more in science and factual evidence if they are suppose to accept an idea as true (Hofstede, 1991). Sweden portrays these facts in various ways that one can observe based on my analysis.

Since youth is valued and idealized in Swedish culture (Philips-Martinsson, 1991) and represents power and potential, they can be characterized as a low uncertainty avoidance society. Furthermore, Swedes do not reveal their emotions openly since when they are raised as children, it is often stressed that they should have control of their emotions and feelings. One can also see that objectivity is used by Swedes when showing evidence or explaining logic. They are also considered to be literal and factual people and do not over exaggerate the truth. Moreover, this country can strongly be characterized as a low uncertainty avoidance culture since they have the tendency to intellectualize religion. They analyze using their brain instead of their heart using rational, logical and justified arguments.

High Uncertainty Avoidance

In high uncertainty avoidance cultures there is a strong emotional need for laws, rules and structure within the political system. Consequently, this leads to the development of rule-oriented behaviors within the society that may not make sense or be logical. (Hofstede, 1991)

Rules are strictly followed in Sweden since citizens are obedient and submissive to authority. Swedes are known to weigh their words more carefully when compared to other countries, which means that it is honorable for one to say what they mean and stick to what they say. Furthermore, one can say that Swedes have more of a need to follow rules and incorporate structure in their lives, based on the influence of their bureaucracy. The bureaucratic system makes structure and organization necessary in order to maintain their even distribution of living standards. In addition, Swedes behavior is strongly constrained by unwritten rules that guide their behavioral norms. 'Lagom' is a principle strongly valued in Swedish culture, and deeply affects the way that rules are formed and relationships are built.

According to Hofstede (1991) the emotional need for rules in a strong uncertainty avoidance society can result in their need for precision and punctuality, which will come naturally over time. One can observe this factor in Swedish culture, where it is extremely ideal for one to be punctual. Moreover, since Swedes have a low threshold when it comes to time, most things are carefully planned and structured. This point further emphasizes how important rules and organization and structure play within their society. One can see that all these elements of Swedish society indicate that from this point of view they can also be characterized as a society with a high level of uncertainty avoidance.

Sweden's Culture

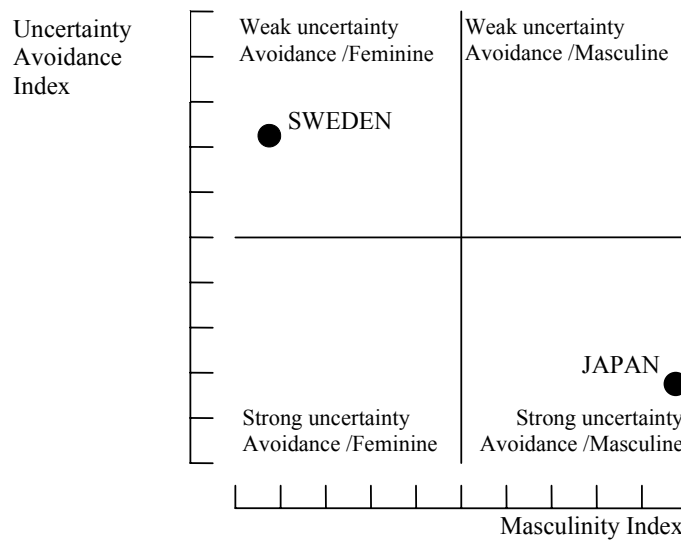


Figure 12: Uncertainty Avoidance versus Masculinity (Hofstede, 1991)

5.3.3. Individualism-Collectivism

Sweden can be characterized as an individualistic culture based on various aspects of their country. The legal redistribution of land, industrialization followed by the migration to the cities and the development of the Social Democratic welfare policy all have contributed to Sweden's individualism. Hence, today Swedish families normally do not consist of those outside the immediate family, and they learn to depend on themselves, which consequently characterizes them as independent individuals. Herlitz (1995) points out that in Swedish papers job-vacancy descriptions demand that those applying have the ability to work independently, take responsibility and take initiative. Furthermore, Swedes place work before social aspects of life and these two elements are not mixed. In the work force they have a high level of security, based on the fact that unions are provided to those in the labor market and there are other strong laws which protect the main interest of employees. This system is dependent on a high level of honesty; therefore it is important that people are truthful. These points strongly indicate that Sweden is a highly individualistic society and is supported by the views of Hofstede (1991). He explains that in individualistic societies families are composed of just the nuclear unit,

Sweden's Culture

therefore, children do not look to others to take care of them. Moreover, in individualistic societies, relationships at work are considered a conflict of interest, since tasks are supposed to prevail over personal interests and labor unions are formed to protect employee interest. He also expresses that individualistic cultures value honesty highly, which means that telling the truth shows that one is genuine.

Although Swedes are not religious they are tolerant to the beliefs of other people, and everyone is allowed to practice their religion as long as it does not conflict with Swedish law. Therefore, everyone has the right to their privacy and to practice the religion of their choice. Even though there is freedom of the press, everyone is expected to respect each others privacy. Furthermore, Swedes practice 'Lagom' so they do not cross others boundaries. These factors also indicate that Sweden is an individualistic society. Hofstede (1991) expresses that in individualistic cultures, ideologies of individual freedom prevail over ideologies of equality. Buckley and Casson (2001) claim, that socialism in its purest form represents a collectivist high-trust system. This somewhat questions Hofstede's categorization of Sweden as an individualistic society since the Swedish system leans towards socialism. It would also imply that Swedes are likely to put their trust in institutions, such as big international brands.

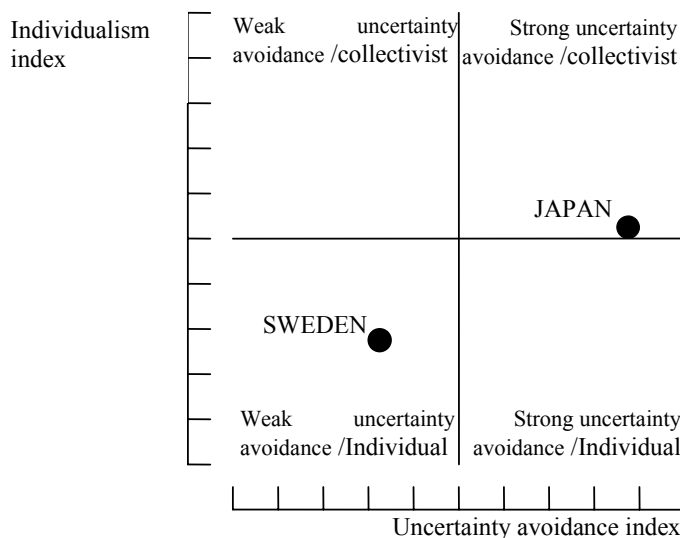


Figure 13: Individualism versus uncertainty avoidance (Hofstede, 1991)

5.3.4. *Feminine/Masculine*

Hofstede (1991) characterizes Sweden as an extremely feministic country especially when compared to other countries. From his study on masculinity and femininity, he concluded that in Sweden there is an overlap between the values of men and women. Therefore, it is very likely that Swedish men and women will have the same values although there may be some differences.

Feminine countries strive for a welfare society, and believe that those who are less unfortunate should be helped. Therefore, the government spends substantially large proportions of their budget on assistance to poor countries (Hofstede, 1991). Based on this understanding, one can see why Sweden can be strongly characterized as an individualistic culture. Although they have high tax regimes, they have maintained an economic capitalist system which integrates many welfare benefits. Moreover, it is captivating that they still manage to play an active role within the UN, which shows their value for human rights, helping others in need and support for equality.

In feminine cultures like Sweden, Hofstede (1991) claims that there is a preference for resolving international conflict by compromise and negotiation. Through analyzing Sweden's culture one can see that they have not participated in any war in almost two centuries. Swedes believe that violence goes against human rights (Herlitz, 1995). Generally, Swedes prefer to avoid conflict, which can be seen in their policies of neutrality and diplomacy.

According to Hofstede (1991) both men and women in feminine countries learn to be modest. Therefore, excellence is something one is expected to keep to themselves. Furthermore, he claims that assertive behavior is not the cultural norm of feminine countries. Based on these factors, one can see that Sweden's 'Jante Law' (one should not think they are better than anyone') and the principle of 'Lagom' (all things in moderation), further indicate that they are a feminist culture.

In feminine societies the education that men and women receive are equal and they are offered the same job opportunities. Men and women also have the same aspirations in regards to career goals. Furthermore, in feminist cultures it

Sweden's Culture

is not unlikely to see a large percent of women elected to political positions (Hofstede, 1991). As a result of these attributes constituting a country's femininity, one can draw the conclusion that their society is feminine. When compared to other western countries, Sweden has a higher level of equality between the sexes and roles that they play in society. Not only is education provided by Sweden's government, but men and women can both apply to the same universities and jobs. This is further supported by their belief that education is the same as any other human right.

Hofstede (1991) explains that in feminist cultures, both men and women are allowed to be tender and concerned within family relationships. Moreover, men and women play equal positions in the family and religion is not considered an important aspect in family life (God is considered more masculine). According to Herlitz (1995) Swedish men do not dominate the relationship in marriages and take care of the children as much as the women do. It is not rare to see men stay home from work to take care of new born children, while the woman goes back to work in order to support the family. Although Swedes attend church for special occasions such as Christmas and baby christenings, religion and church do not play an active role in family life. These elements of Swedish culture further indicate that they are a feminist society.

It is common for feminine societies to reward individuals based on equality rather than equity. Furthermore, individuals in these societies strongly emphasize quality of life in the work place. It is also common that feminine cultures have a large advantage when it comes to service industries (Hofstede, 1991). In exploring Sweden's culture, it is apparent that they do have a feministic view of work. They believe that everyone should always work hard and do their best regardless to the monetary rewards ('Lön för mödan'). Furthermore, government subsidies encourage the support of health clubs in the work place, which brings quality of life to the work environment. One can also see that Sweden is a feminine country based on the fact that services are the main sector that dominates their economy.

Sweden's Culture

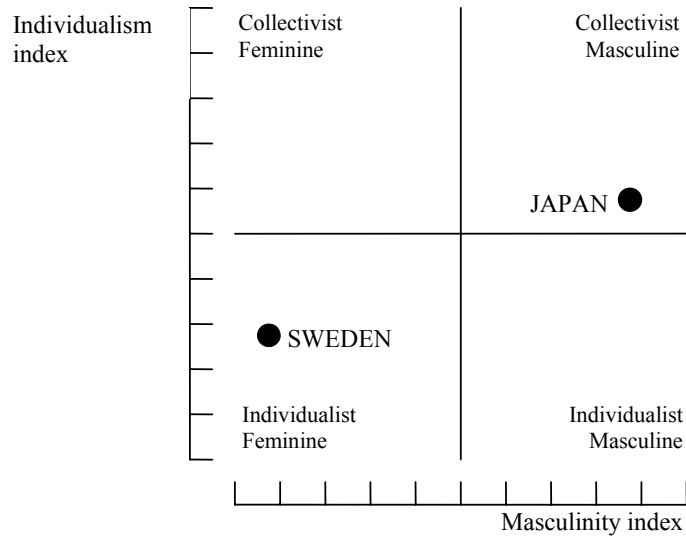


Figure 14: Masculinity versus individualism (Hofstede, 1991)

6. METHODOLOGY

I will explain the approach that was chosen for this thesis in order for me to illustrate the applied research method in this section. Furthermore, it will give the reader a precise understanding of how the empirical work and data collection has been conducted, as well as how the findings have been analyzed. Also, this part will discuss research validity, reliability, in order to assess the integrity of the thesis.

6.1. Research Approach

The aim of this study is to examine the phenomena of brand trust. The descriptive approach was chosen for the study as it is appropriate when the focus of the study is to describe and explain phenomena (Merriam, 1994). As customary, according to Merriam (1994), the descriptive study is of an inductive nature. The variables that should be examined are hard to establish through theory. Therefore, they come rather from practical experience rather than theory.

6.2. Research Method

In the early stages of this study, it became clear that the study would be of a qualitative nature. This was due to the complexity of the subject and the difficulty by which trust is quantified. Therefore, it would be extremely important to understand the concept of trust before trying to quantify it and its underlying factors. Trust is part of a social system and it would be difficult to gain an understanding of it through a quantitative study before the social system in which trust is embedded is examined. A quantitative study could therefore be an imaginable follow-up.

The main difference between the quantitative and qualitative method is that the quantitative method is more formalized and structured. The possibility to statistically analyze the results is the foundation of quantitative research, which however distances the researcher from the research object. When studying an issue like brand trust it is important to have a close connection to the respondents in order to gain their trust and for them to reveal their true feelings. The closeness to the research object that the qualitative research method offers also leaves the researcher with more space for interpretation and understanding.

Since the research problem focuses on the concept of trust, it is natural that the study takes a qualitative approach, which further allows one to analyze the unique and diverting responses, as oppose to the minimum of what statistics offers in quantitative methods. Yin (1999) gives an example: if you would ask “how” or “why” Bill Clinton was elected a survey (quantitative) would show that Ross Perot drew votes from Bush. A case study on the other hand could show how Clinton was able to manipulate the pubic opinion in his favor and how the weak U.S. economy pulled support away from Bush. It is clear that the qualitative case study in this case can give more useful information. Thus, a deeper and more real picture can be painted with the qualitative method. Furthermore, a qualitative study has the advantage of possibly bringing out elements and ways of thinking that the researcher wasn’t aware of. This could be things such as recognition, status and motivation.

6.3. Data Collection

Data can be collected trough two types of sources, primary and secondary. Primary data is gathered with the particular study in focus, and thus gathered for the first time. Secondary sources do not have this connection to the study, and the data is collected previous to the study, often by others. An advantage of the case-study is that the whole range of evidence is available to the researcher to use (Yin, 1999).

Secondary Data

This study will start with looking at secondary sources, primarily books and articles. Databases, such as ABI/Inform and General Business files, have been important means to find interesting articles. A comprehensive and systematic literary review is the backbone of this study and its primary purpose was to establish a base on what has been done previously on the subject, and to identify factors that are important for the trust of brands that may have international implications.

Primary Data

Primary sources will be utilized in order to gain a deeper understanding of these factors and their impact on trust. In depth focus groups were conducted for this purpose. This is the best way to collect evidence that can not be

Methodology

observed (Merriam, 1994). Focus group interviews are one of the most important sources for case studies. The interviews are based on open-ended questions where the respondents can be asked both about facts and their opinions.

At the focus groups an interview manual was used. The manual is however not a standardized questionnaire that should be followed but rather an aid to secure that the areas of interest are covered. It is important that the respondents are allowed to freely give their views and experiences and the use of the manual makes it possible to discuss certain areas deeper than a questionnaire would since the manual is open-ended.

It is extremely hard and mentally exhaustive to conduct qualitative interviews. The researcher has to be a good listener as well as being able to ask good questions. This requires many years of training to master, which might be a slight shortcoming in this study. Also, flexibility, an unbiased mind and a firm grasp of the issues discussed are desired skills. As much as possible has been done to conduct the data collection in a satisfactory way. Among other things, exhaustive research on the subject was made prior to the primary collections in order to get the most out of the interviews. Admittedly, the interviews were not flawless but conducted to the best of my ability and therefore, the result must be considered satisfactory.

For the selection of participants in the focus group study, the convenience sampling method was used. This is a non-statistical sampling method, where respondents are chosen on the basis of availability (Kinnear & Taylor, 1996). A random sample is not necessary, since no statistical analysis will be performed. Since the interviews are long, between two and three hours, they were conducted as focus groups in my kitchen. The sample was chosen from the area surrounding my apartment, so that the respondents would experience minimum inconvenience. In addition, only people that genuinely wanted to participate in the study were used, which will give the best results. The only reward for participating was coffee and some snacks. However, it is important to note that it has been somewhat difficult to recruit people to participate in the study. When approached, people were hesitant to the amount of time they would have to spend. Also, the fact that the interviews had to take place in English was a

deterrent, which might also have had an effect on the results. Unfortunately, convenience samples might be biased, in this case since the neighborhood probably doesn't fully represent Sweden. However, due to time limitation, budget restrictions and the length of the interviews, this was the only option. In total 28 individuals participated in the study of which 19 were Swedes and 9 non-Swedes mostly from within the EU. Men and women from the ages between 20 and 47 were used, and represented different educational and career backgrounds. The internationals were used as a control group to determine whether the Swedes responses were characteristics of Sweden or general of all consumers. The focus groups were conducted during a time period of two weeks and included four groups of five and two groups of four.

6.4. Data Analysis

There has been little academic work done in the areas of *linking the data to propositions* and *interpreting the findings* of case studies. However, the analysis will include a descriptive account as well as establishing themes that are found through *pattern matching* where pieces from the case are matched with theoretical propositions. By using multiple sources it is possible to triangulate the data to obtain valid results. The qualitative approach of this study will allow speculation about the linkages between what is presently known about the phenomena, theory and what has been discovered in the study.

6.5. Evaluation of the Study

Validity

Validity is a measurement of how well the research result corresponds to reality. Qualitative studies often suffer from problems with validity. In this case it is meaningful to discuss the internal validity as well as the external validity.

The *internal validity* is concerned with how well the empirical results are related to reality, do they capture reality or not? Usually, internal validity measures whether the researcher investigated what was intended to be investigated. In this case it is rather the investigator's ability to observe and put interpretations in the right context that should be measured. Lack of experience is probably affecting this ability the most but is reasonably compensated by solid preparation and research. Another factor that affects the internal validity

Methodology

is that it is impossible to know if what the respondents say is how they truly act and feel, and how much they are actually aware of when it comes to brands, since these are issues that the respondent have not been reflecting over. However, in this case, I believe that due the extensive research conducted before the focus groups study, the time spent in the interviews in a relaxed and comfortable environment, and the high level of openness that participants expressed to me, I believe that there is a satisfactory level of internal validity. Also, the design of the question in the focus group interview manual strengthens the validity since they approach the problem from different aspects, which will reveal if what they are saying is actually what they really mean. In addition, the internal validity is reinforced since the questions from the manual were discussed with non-Swedes, which allowed me to separate typical Swedish answers from general answers. Also, Swedes and non-Swedes were included in the same focus group, which further allowed Swedish answers to be distinguished. However, the non-Swedes participation in the study had the strict purpose for only being used as a control instrument, and not with the intention to perform a comparison study.

External validity answers the question whether the findings can be generalized or not. Unfortunately, case studies can not be generalized like a statistical study could be, because the case is not trying to represent a larger population. The case is rather a separate topic and any generalization has to be done with caution. However, the purpose is to describe and understand how consumers in the Swedish market perceive brands based on their cultural uniqueness and not to draw general conclusions about other countries. The concept of culture makes it difficult to distinguish what could be a general finding and what depends on culture and therefore, the external validity is rather low between countries. However, external validity is reinforced since this study can be reasonably generalized to this area within Europe. Furthermore, the external validity increases since this study can be generalized to different product categories within Sweden, because their culture remains the same regardless of what is being sold. Moreover, this thesis provides a foundation for future studies, for example a statistical one, and can be compared to studies of other countries which further validates the purpose of this study.

Reliability

Would an investigator reach the same conclusions if the same procedures were followed? If so, the study is said to be reliable. A large part of this study is based on interviews, which are subject to a great deal of subjectivity. Firstly, the respondents answer the questions from their subjective reality. Secondly, when the researcher interprets the answers, there might also be some subjectivity involved, which could lead to an erroneous interpretation of the data. There has also been some language barriers, where the questions or the answers could have been misunderstood and therefore lead to a faulty interpretation. However, since the interviews were recorded on tape and then transcribed into writing, this allowed more time and opportunity for interpretation of the data, which increases the reliability. Also, the convenience sample might suffer from being biased to some degree, which however is counteracted by the homogeneity in Swedish society. Most Swedes have the same cultural background and the social system also maintains a great deal of equality, which increases the reliability of this study. Furthermore, the collection of secondary data was very selective, and academic journals were used in conjunction with books written by well renowned authors. The bibliographies from these journals and books have then been examined to find reliable sources. In this aspect the reliability is reasonably high, which increases the probability of drawing the right conclusions.

7. EMPIRICAL FINDINGS

This part will describe the results of the focus group interviews and will give a clear overview of the major findings. The information discussed in this chapter will be further discussed in the analysis and will be linked to theory. In addition, the viewpoints of the non-Swedish participants are also described as it contrasts or corresponds to what the Swedes have said. Therefore, it is feasible to check if Swedish responses are typical Swedish or more general. The motivation behind each question can be found in Appendix 2. Moreover, in this chapter the term ‘majority’ means that 14 or more out of the 19 Swedes or seven or more out of the nine non-Swedes thought in a similar way. ‘Most’ means that more than half of the Swedes or non-Swedes had the same views and a ‘few’ means that at the most five Swedes or three non-Swedes had common perspectives.

1. When I asked Swedes and non-Swedes to define what trust meant to them they all had the same way of thinking. Swedes and non-Swedes stated that when you have to trust something you are giving a lot of your self, therefore you need to be able to rely, depend and feel confident in something or someone. Furthermore, they associated trust with ‘knowing what you get’. This means that in general they believed that it was hard for them to trust something or someone if they did not know what to expect. In addition, they all claimed when they put their trust in something or someone they need to be treated well. Also, they articulated if there is a problem, the person they were trusting would be there for them to help them get through the situation. However, if the person who they trusted was the cause of that problem, then they would expect that person to make it up to them in some way.

2. When I asked Swedes if they were risk takers or risk adverse, the majority of Swedes said that they were risk adverse. Furthermore, most of them were very assertive in their response to being risk adverse, while the few that claimed that they were risk takers were more hesitant in giving their answer. Non-Swedes were risk-takers to higher extent, which shows that Swedes are really not risk-takers.

Empirical Findings

3. When I asked Swedes and non-Swedes to describe their culture the Swedes all agreed on the same characteristics. They stated that Sweden is a very traditional culture that does not change much, and when there is change it is normally done in a slow process. Also, they claimed that everything in Sweden should be 'Lagom', and that Swedes are honest, modest and dependable people. Furthermore, they claimed that in Sweden there is equality and all people basically have the same social status. "Swedes don't want executives of companies to have millions of dollars, that's not the social climate here; we are not like the republicans in America". Moreover, Swedes all agreed that no one is supposed to think that they are better than anyone else. One Swede expresses, "We want to be similar to each other in Sweden and don't want others to be jealous, that's why everyone drives a Volvo, even if they can afford a more expensive car." In addition, they expressed that everything in Sweden is safe, there is a lot of security in everything you do and you know that you will always be taken care of since you are given a lot of support from the government. Furthermore, they all agreed that Sweden is very organized and there are a lot of rules. One person pointed out that "Swedes believe in their society since they are paying a lot of taxes, and that's why we follow the rules and the laws". However, the non-Swedes gave very different characteristics of their cultures like for example conservative (England), quiet and strict (Finland) and open-minded but cheap (Holland). It was clear that Swedes were very homogenous and gave similar answers whereas non-Swedes gave very different answers. Therefore, it seems like the Swedish responses were characteristic for Sweden.

According to how Swedes replied, one can see that in Sweden rules play a strong role within the society and this is especially more noticeable when looking at the contrast in what some non-Swedes expressed. For example, one person stated that in Belgium, rules do not guide the behavior of the people as strongly as it does in Sweden. Belgian people do not care about the law and basically do what they want, especially when it comes to traffic laws. The majority of the Swedes also stated that in Sweden things are tense and that it is a stiff environment. Furthermore, they stated that Swedes are afraid of the unknown, have a hard time trusting people, and considered themselves to be narrow-minded when it comes to trying or accepting new things, culture, or people. For example, one girl pointed out that "when you sit on the bus, you

Empirical Findings

never take the seat next to somebody you don't know, this is typical Swedish". In addition, they pointed out that Swedes care a lot about the environment, more than other countries.

4. When I asked Swedes and non-Swedes what stands out the most in their culture that brands need to connect to, in order to receive their trust, the Swedes stated that the 'Lagom' principle and 'Jante law' are essential. Therefore, they expressed that brands should be moderate. For example, the packaging should not be too big or small because then they feel that the company in some way is cheating them. Furthermore, they believe that the brand should be safe, honest, durable, and have really good quality. Also, the majority of Swedes stated that the quality should match the price. One Swede pointed out, "A good product is better than ten bad products". Furthermore, all Swedes believed that the properties of the brand should not be exaggerated, and the advantages to the consumer should be accurate. One person said "If a brand is advertised as being so great I think that is typical American, and then I will be less likely to trust that brand". In addition, Swedes agreed that the brand should be kept simple and there should not be too much detail or decorations on the product. A clear picture is given that Swedes are very quality sensitive and this is a concept that is reinforced by what the non-Swedes expressed. For example, it was claimed that in Holland brands should be cheap because they are more price than quality sensitive but should come with a good guarantee. Furthermore, it was clear within the focus group study that the majority of non-Swedes did not emphasize quality in the same way as the Swedes.

The majority of Swedes thought that companies should be open and have a dialogue with buyers in order to establish trust with them, because that is how things work in Sweden. In addition, the brand should function well and serve its purpose, and if the product does not work they should be able to return, exchange or get their money back. One person pointed out "it is important that the manufacturer keeps its promise, and if they don't, I have the Swedish law and the media to stand up for me, which is why companies cannot do anything wrong in Sweden". For example, "Swede's won't buy the Mercedes minivan, after the media discovered that it flips when you make a sharp turn." Furthermore, they claimed that it is important that they have information about the brand and its history if they are going to trust it, since Swedes buy things

Empirical Findings

based more on factual evidence and not on their emotions. “In Italy they sell cars with naked girls without telling any benefits of the car, in Sweden we don’t like that, we focus on the reality of the brand.” In addition, Swedes claimed that they trust brands that are well known. “We trust Swedish brands more than brands from other countries, because we know what we are getting in Sweden, and know how the brand was produced”.

5A. When I asked Swedes and non-Swedes what makes a brand domestic the Swedes were not consistent in their thoughts, which means that if the majority agreed to one statement, they may have been opposed to another. However, they basically all agreed that the brand is Swedish when you have grown up with the brand and have gotten used to seeing the brand in Swedish stores. One Swede pointed out, “when you go shopping, and look at the brand and *think* Swedish, then it is Swedish”. Another Swede even exclaimed, “McDonald’s is Swedish because it is so common here”. Also, few Swedes claimed that a brand is Swedish especially when it is made for the Swedish market, like *snus* (tobacco). Moreover, a few agreed that the brand is Swedish when it appeals to the Swedish population interests and has gained popularity. One person explained, “brands can become Swedish, especially when there is a need for them”.

The majority of the Swedes claimed that the brand is Swedish when the company has been started in Sweden, and stated if this is the case, then it doesn’t matter if the product is produced somewhere else or have complete or partial foreign ownership. Furthermore, a few declared that the brand is Swedish when there is Swedish leadership, because then the brand would be able to connect to Swedish needs. One person pointed out, “Ericsson has a lot of factories in Sweden and the executives and Board of Directors are located in Sweden. This makes me feel like I can trust that the company will take care of my needs as well as the needs of the country”. However, a few people pointed out that the brand is Swedish only when Sweden is the main market for the company. When the Swedish company has been taken over by someone else, then the brand is no longer Swedish. For example, one Swede expressed “Estrella was bought by Philip Morris so this brand is no longer Swedish, even though it may be produced in Sweden, and Sweden is the primary market”. Interestingly enough, there was no consensus among the non-Swedes either.

Empirical Findings

When speaking to a German, he claimed that if the name of the company behind the brand is not German then the brand is not German either. One English guy claimed that for a brand to be English, the materials used to produce the brand should be English as well, while the girl from Holland claimed that the brand had to sound Dutch. It is clear that the perception of what is domestic differs from individual to individual.

5B. When I asked Swedes if the following brands: Nivea, Marabou, Gevalia, Volvo and Felix were Swedish or International brands, they were often unsure what to answer and were also uncertain whether the brands were manufactured in Sweden, or if Sweden was the main market for the brand. Therefore, they guessed when it came to some of the brands. All Swedes claimed that Gevalia, and Volvo are definitely Swedish brands. One Swede exclaimed, “Gevalia is Swedish, I know for a fact that it is Swedish owned.” However, another stated that Gevalia is Swedish because, “Gevalia is based in a city called Gävle. Furthermore, another Swede expressed that Volvo is Swedish since, “Volvo is Swedish tradition, I will always consider it Swedish no matter what, and when you talk about a Swedish family you think, a house, a dog, two kids, and a Volvo”.

The majority claimed that Marabou was Swedish since it has a long history in Sweden, is manufactured in Sweden and has always been in the Swedish market. Furthermore, they stated that when they were kids they always remembered seeing it in stores. However, one guy pointed out that “Marabou is not Swedish, because it does not sound Swedish.”

The majority claimed that Nivea was an international brand because they have bought it in other countries and the commercials do not seem Swedish because they have more of an international appeal. Furthermore, the majority claimed that Felix was Swedish since it sounds Swedish, the packaging looks Swedish and familiar. One person stated, “Felix is Swedish because I am from the south of Sweden, Helsingborg, and 5 kilometers from my home, they have this big Felix industry, therefore this brand is Swedish.”

Note: Nivea is owned by the German company Beiersdorf, Marabou and Gevalia are owned by Kraft food, which is ultimately owned by the American

Empirical Findings

company Philip Morris, Volvo Cars is owned by the American company Ford and Felix is ultimately owned by the Norwegian company Orkla.

6. When I asked Swedes what was their most trusted brand in the world, the majority named brands they thought were Swedish. Some of the perceived Swedish brand names that were mentioned included Volvo, Marabou, Yes, and Ramlösa. One person pointed out that Volvo was their most trusted brand because “Volvo is equal to security, it’s a safe car, the commercials have always focused on safety, my family drives a Volvo and we have never had a problem with this car.” However, it was interesting, that few people pointed out that “in Sweden you don’t think so much if the brand is Swedish or international, you just assume that all brands are Swedish, made by Swedes and therefore, you trust the brands that you see”. Conversely, when non-Swedes were asked the same question, the majority of trusted brands mentioned were international and the majority showed to be less nationalistic than Swedes. However, one Finnish person based her trust for Finnish Air on the fact that it is run by Finns.

The Swedes, who stated that their most trusted brands are international, mentioned brand names such as, Dell, Philips, BMW, and Mercedes. They claimed that these brands were dependable and had good advertising. They also claimed that the value was good for their money, and that they generally had good experiences with these brands, and therefore were highly satisfied.

7. When I specifically asked Swedes and non-Swedes to tell me their most trusted international brand the majority of the Swedes stated Coca-Cola, McDonalds and Sony. For example, one person expressed “my most trusted international brand is Coca-Cola because it always tastes the same wherever I go in the world, I know what I am getting, the quality is very good and it’s cheap. Another Swede stated, “I can go to Afghanistan, and I can trust that McDonalds will still taste good. In addition, those who said that Sony was their most trusted brand exclaimed, that “Sony makes good products, they have a strong market position, it’s well known, stands for quality, and what ever product you get (tv, dvd, cd etc...), you know that it will last”. However, non-Swedes expressed that their most trusted international brands were the ones that they have never had problems with such as Philips and Sony. One non-Swede

Empirical Findings

explained that her most trusted international brand was The Body Shop, because they do not test their makeup on animals, which shows her trust was connected more to emotions and beliefs. One can see that the Swedes and non-Swedes answers differed, where it is more characteristic of Swedes to link quality to their most trusted international brands.

8. When I asked Swedes and non-Swedes whether it was more difficult for them to trust domestic or international brands, the majority of the Swedes claimed that it did not matter if the brand is international or Swedish. The Swedes stated that it is easier to trust the brands that they know and are familiar with. One Swede stated, “I grew up using a German washing machine and I trust that it is a good brand. But the brand could have been Swedish as well, so, I don’t believe it matters if the brand is Swedish or international, it just depends what you have grown up with.” Furthermore, they expressed that since there are so many international brands in Sweden, which they have been purchasing for a long time, it’s hard to really say which brand is more difficult to trust. Also, they claimed that because they travel, watch TV and go to the movies a lot, they have a great deal of international exposure, which has allowed them to trust international and Swedish brands equally. However, few Swedes stated that it would be more difficult for them to trust international brands because, “Swedish brands have better quality than international brands, especially when it comes to food, but I guess all countries believe that their brands are the best”. The non-Swedes answered similarly and most stated that they had no problem trusting international brands as long as they are known.

9. When I asked Swedes and non-Swedes to describe experiences that they have encountered with international brands and the way that their experiences have impacted their trust for the brand, Toyota and Nokia were two experiences that stood out the most. Two Swedes described their experiences with Toyota. The first Swede claimed “I have owned my Toyota for ten years, and it has never needed any service. Also, I believe that this car is better than any other European car. Therefore, when I do decide to buy another car it will definitely be a Toyota.” However, the other Swede claimed that he had a bad experience with Toyota, since after they bought the car it did not work very well. Therefore, this Swede expressed, “since this bad experience, I don’t trust other brands like Nissan or any other brands from East Asia, because I believe that

Empirical Findings

these brands have bad quality. Even if someone gave me ten thousand dollars, I would never buy another Toyota”. Furthermore, another Swede claimed that she had a Nokia cell phone that the company had to fix four times. After the fourth time the company gave her a brand new phone of a different model. She expressed that after this experience, “I would never buy another Nokia phone again, or recommend that anyone else buys a Nokia, even though the new phone that they gave me is working well, because I do not trust the brand and believe Nokia is unreliable. A Dutch girl described her experience with a Compact computer. She claimed, “after I bought a brand new computer from Compact, it broke down only after two weeks, but the guarantee was really great, and they gave me a new computer, and my trust has not gone down for the brand or the company.”

10. When I asked Swedes and non-Swedes if they believe that international brands fit into their culture, the majority of Swedes stated that international brands did fit. They exclaimed that since there are so many international brands in Sweden, you get used to these brands and they “automatically begin to fit into Swedish culture when people start using them.” Also, they claimed that after the brands have been in Sweden for a while, they begin to adapt the brand to their life, so it fits into Swedish culture. Furthermore, one Swede expressed “since the world is so global now, and countries are getting more similar to each other, international brands fit into Swedish culture more. However, some Swedes affirmed that international brands seems synthetic and unnatural and therefore do not fit into Swedish culture. For example, one Swede articulated, “In America they sell mayonnaise that says on the label real mayonnaise, but their mayonnaise is white, and real mayonnaise is yellow, like the brands that are Swedish. Of the non-Swedes, people from smaller countries tended to express that international brands fit well into their culture, while non-Swedes from the larger countries Germany and England were more suspicious to international brands.

11. When I asked Swedes and non-Swedes, whether domestic brands are trustworthier than international brands, Swedes all agreed that Swedish brands are trustworthier. They articulated that they trust Swedish brands more because in Sweden there is better quality, safety, and higher regulations on goods that are meant for the wellbeing of the people, that other countries such as Spain do

Empirical Findings

not follow. One Swede expresses, “I don’t think that international brands are advertising that their brands are safe or reliable, and if they want to gain the trust of the Swedish market, they definitely need to focus on safety.” Furthermore, they expressed that they trusted Swedish brands more since they have the responsibility to the Swedish people. Also, the employers are Swedish and therefore, care about the Swedish interests more. However, a few Swedes believed that international brands were trustworthier and one Swede expressed in fact that “international companies are better at technology and quality”. Most of the non-Swedes claimed that they trusted their domestic brands more than international brands. However, a Dutch girl claimed that trust for the international or Dutch brand depends on the reputation the company. Therefore, the brand whose company had a better name behind it would be found trustworthier. Based on non-Swedes responses to this question, one can see that Swedish responses were slightly more nationalistic also; once again one can observe Swedes trust in connection to quality.

12. When I asked Swedes and non-Swedes when given the choice, would they prefer a Swedish brand or an international brand, the majority of the Swedes stated that they would choose the Swedish brand. One reason why they chose the Swedish brand was because they wanted to support the Swedish economy. Also, they stated that Swedish brands have local benefits such as employment, and with the Swedish brand they always know what they are getting. Furthermore, they would prefer Swedish brands because it is better for the environment. For example, one Swede said, “If I am going to buy apples then I want them to come from Sweden rather than New Zealand, because that will be polluting the air for no reason.” However, few Swedes pointed out that they would prefer international brands because these brands offer more variety, status and therefore more satisfaction. However, most non-Swedes claimed with few exceptions that it would not make a difference when given the choice of the brand they would prefer. Although, one person from Belgium stated that they would prefer brands from their domestic market because they are not in favor of globalization as other countries are. Still one can see that Swedes preference is more towards their domestic brands.

13. When I asked Swedes and non-Swedes to rate the quality and value of the following countries; America, France, Germany, Italy, Sweden, Japan and

Empirical Findings

Korea, the majority of the Swedes rated Germany to have the highest quality. Sweden followed really close and showed to have the second best quality, although they came in low in regards to value. Furthermore, the country with the third highest quality was Japan. In addition, the top three countries with the highest value was first Germany, followed by Japan and then Korea.

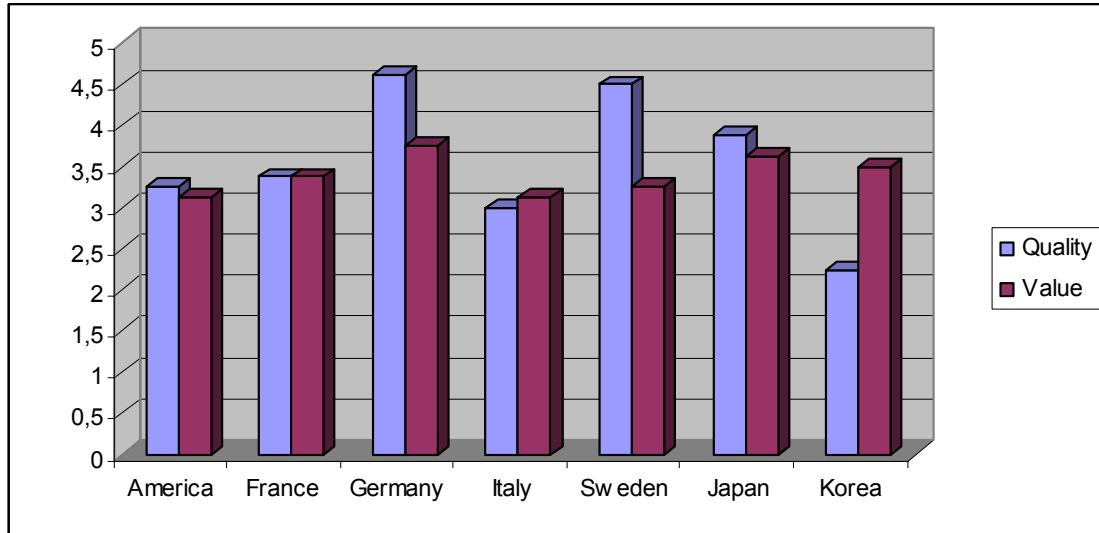


Figure 15: Quality/Value ratio (Own)

The majority of Swedes claimed that in general, German brands have a very high level of quality and that they are reliable. Although Swedes expressed that German brands were sometimes a little on the expensive side, they believe that they are getting a lot for what they pay for. One Swede pointed out; “it is worth more to pay the higher price for a German brand, because then you know for sure that you will be satisfied.” Also, the majority of Swedes claimed that with Swedish brands, they know that they are getting good quality for what they are paying, and believe that Swedish brands have higher quality, (which is traditional Swedish characteristic) durability, and reliability than the other countries mentioned. Furthermore, they claimed that Japan brands have greatly improved. Therefore, they have fairly good quality, the value is really great, and they are especially reliable when it comes to electronics.

The majority of Swedes believed that America has expensive brands and the quality is average, while Italy and Korea rated to have very poor quality, and the French brands are too expensive for the quality they offer. Non-Swedes also

Empirical Findings

place Germany, Sweden and Japan for the highest quality, while they claimed that America has the highest value, followed by Germany and Japan, which is interesting since America had the lowest value for Swedes.

14. When I asked Swedes and non-Swedes what were their most trusted brands from the following countries, America, France, Germany, Italy, Sweden, Japan and Korea, Swedes showed to first trust Swedish brands, followed by German and Japanese brands. The majority of Swedes claimed that they trust Swedish brands because they are local, and trust German brands because their country has a good reputation for high quality. Furthermore, the majority of Swedes expressed that they did not trust Korean brands because they make “crap that nobody else makes”, and rated Italy with a low level of trust because they believe that in general, they are not a high quality country. Other Swedes pointed out that that they didn’t trust French cars, and their designs were not attractive.

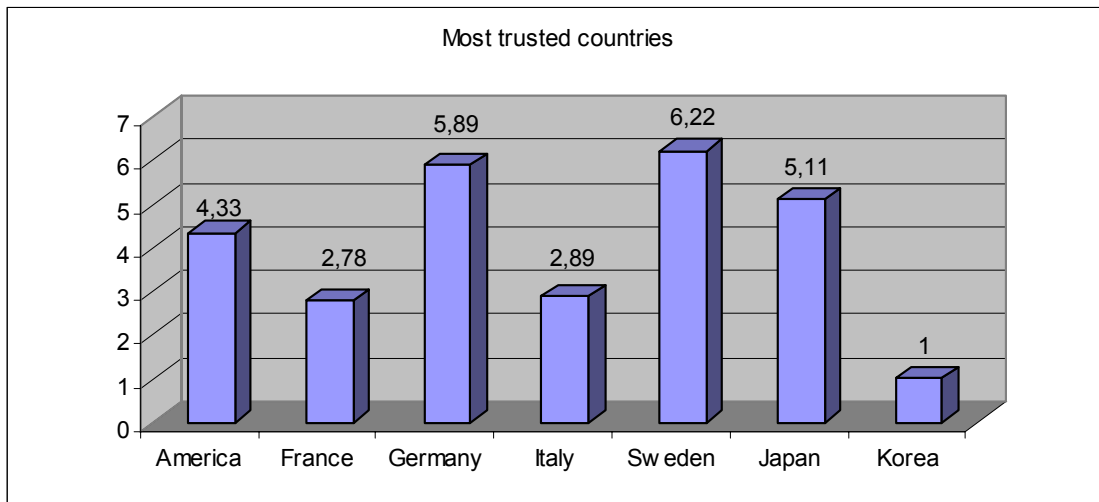


Figure 16: Swedes most trusted countries

The top three trusted brands for the non-Swedes were first Germany, Sweden, and Japan. It seems Swedish brands are trusted outside of Sweden, because they are trustworthy brands and have high consistent quality.

15. When I asked Swedes and non-Swedes if they trusted domestic or international brands specifically in regards to cars, candy, clothing and mineral

Empirical Findings

water, all Swedes claimed that they trusted Swedish candy more than international candy. They all agreed that they trust Swedish candy more because there are stricter rules in Sweden concerning what is allowed to be put in foods. Therefore, they trust that Swedish candy brands will list all the ingredients so they can tell what is actually in the product, as well as the preservatives. Furthermore, they claimed that that they trust Swedish candy brands because the Swedish market has more candy that they like and is specifically made for their taste. Also, they stated “you like things that you are used to”. In addition, the majority of Swedes expressed that they trust Swedish brands in regards to cars clothing and mineral water. One Swedish man articulated, “when it comes to cars, I have to say that I trust Swedish brands more because when you mix all the international cars and take the medium, then Swedish cars have higher quality, they are more safe, and have a better reputation than international brands.” Another Swede expressed “when it comes to mineral water, I would have to pick Swedish brands because our environment and nature is cleaner than other countries, and especially since we are less populated than other countries, our environment isn’t as polluted. Therefore, our water tastes better than international brands. Another Swede pointed out, “even our tap water is clean, and therefore, I definitely trust that Swedish mineral water is more healthy and satisfying. When it comes to clothing, most Swedes believe that they trust Swedish brands because they do not exploit third world workers. However, few Swedes mentioned that they trust international brands because they are more satisfied with the variety, and exclusivity that they are not offered in Sweden.

All non-Swedes trusted domestic candy more than international candy, (just like Sweden) but they showed that when it comes to cars, clothing and mineral water they trust equally international and domestic brand. Based on this, it seems as if Swedes are more nationalistic and pick Swedish brands more in general.

16. When I asked Swedes and non-Swedes if they believe that when the price of international brands are higher than Swedish brands, would they also believe that the quality is better, the majority of the Swedes expressed that they would not believe that the international brand necessarily had better quality. They claimed that most times you are paying for the design of the brand or the added

Empirical Findings

costs for the company to compete in the market, (ex: transport expenses and taxes). One Swede claimed, “sometimes the international company manufacturers the brand in China, and then they put a designer label on it and then charge 2000 to 3000 kronor (200 to 300 USD). Conversely, few Swedes believed that the international brand would have a higher level of quality than Swedish brands, since in general they think that international brands are cheaper than Swedish brands. However, the majority of the non-Swedes that I interviewed believe that when the international price is higher than their domestic brands then they would believe that the brand had higher quality.

17. When I asked Swedes and non-Swedes if they stick to the same brands or switch brands regularly, the majority of the Swedes claim that they usually stick to the same brands. They expressed that they normally go through different experiences with products, and when they find the brand that satisfies them the most, they stick to that brand. Moreover, they stated that they switch brands when they no longer are getting what they expect. For example, one Swede pointed out “in general brands have been decreasing in their quality; therefore, I believe it is safe for me to stick to the brands that I know that will definitely satisfy my needs.” However, few Swedes exclaimed that they change brands when they want to try something with new technology or something exciting and different that has come into the market. Furthermore, they claimed that if they had more money they would probably switch brands more regularly. Most of the non-Swedes agreed that they stick to the same brands and don’t switch regularly. One English guy articulated, “if it’s not broke then don’t fix it.” However, it seems as though it is more characteristic of Swedes to stick to the brands they know.

18. When I asked Swedes and non-Swedes the things that influenced them to trust international brands, the majority of the Swedes exclaimed that they were highly influenced by experiences and recommendations from friends and family more than commercials. One Swede expressed, “It is better that a commercial for an international brand promise less, so I don’t get disappointed when I purchase the brand.” However, a few Swedes claimed that commercials did play an important role in the trust that they had for international brands. For example, one Swede pointed out “if the brand lives up to the expectations that they portrayed in the commercial, and I am not disappointed with the brand

Empirical Findings

after I have purchased it, then my trust will be very strong for the international brand”. However, the majority of the non-Swedes claimed that they were influenced by commercials in gaining trust for international brand although; few claimed that they had influence from friends and family. One can see that it is more typically Swedish for one to trust and rely more on family and friends, as oppose to commercials based on the non-Swedes responses.

19. When I asked Swedes and non-Swedes if they found out that a brand they thought were domestic actually was not, would their trust for the brand change, the majority of Swedes stated that their trust for the brand would not change. They claimed that as long as the brand still had the same quality, satisfied their needs and lived up to their expectations, they would maintain the same level of trust. One girl exclaimed, “I think that when you are used to a brand and have been using it for a long time, you gain trust for the brand. I never think, oh no the brand is from Italy, so now I don’t trust this brand, that’s not how I think.” However, other Swedes claimed that their trust for the brand would decrease. They expressed that they would be suspicious of the brand, because “international companies think a lot about profits and not consumers needs.” Also, Swedes claimed their trust would change, because they think that the price of the product is affected by where the brand is produced. Therefore, if they realize that the brand is not Swedish, they believe that they probably have paid too much money for it. Furthermore, other Swedes stated that their trust would go down if they did not support the values of that company. One Swede expressed clearly, “when I found out that Philip Morris had bought Estrella, my trust went down for the brand, since this company makes cigarettes, and I do not want to buy anything that supports the tobacco industry.” Most of the non-Swedes claimed that their trust would not decrease if they found out that the brand was not domestic after they thought it was. They further stated that if the brand remained good then they would not lose trust for the brands.

20. When I asked Swedes and non-Swedes their impression of international advertisements compared to domestic and if they trust international ads more than domestic ads, the majority of the Swedes stated that they had bad impressions of international ads and they did not trust international ads, more, for various reasons. One Swedish guy expressed, “sometimes the way that international brands show traditional roles of the sexes are offensive to me, for

Empirical Findings

example, Toffee fee, which is German, has advertised women in old fashion rolls, being a server to her husband and son.” Therefore, this Swede states that they will not support this brand because it does not connect to their beliefs. Moreover, other Swedes claimed that international ads were cheaply made and dubbed in order to save money from making an entirely new commercial for the Swedish market. Therefore, Swedes stated that this also made them have a bad impression and loose trust for the international brands. Furthermore, Swedes claimed that they thought international companies think that they are stupid and will buy anything. For example, one Swedish guy pointed out, “TV Shop advertises brands that I don’t believe will work, and Swedes would never falsely advertise this way.” In addition Swede’s don’t believe that international brands are funny. However, one Swedish girl exclaimed, “I think that international ads are more fun to watch and their print ads are more colorful. I also think their slogans are catchier, so I trust international ads more than Swedish ads because they are more appealing”. However, few non-Swedes had bad impressions of international ads and only few showed to trust their domestic ads more. One German guy states, I do not like Benetton ads since they advertise on issues (mainly social) that have nothing to do with the brands, I prefer the advertisements to stick to what the brand is about. On the other hand, a Belgian girl stated that she loved the brand The Body Shop and their advertisements, because they do not test their products on animals, which shows that the company doesn’t do it for the money but actually care about the customers (she is a vegetarian).

21. When I asked Swedes and non-Swedes if international or domestic brands were more consistent in their marketing (ex: message, quality, value and advertising), the majority of Swedes claimed that international brands were more consistent than Swedish brands in portraying the brands overall message. For example, they stated that Coca-Cola, Microsoft and Duracell were international brands that are consistent in the message. Swedes stated that Swedish companies are more likely to change their marketing strategy more frequently, to adapt to the Swedish market. Furthermore, they expressed that international companies were more consistent since they do mass marketing in order to save money and achieve economies of scale. One Swede exclaimed, “I like the fact that Swedes are less consistent and adapt to the needs of Swedes, because then I would get bored having the same thing all the time.” However,

Empirical Findings

they claimed that Swedes were more consistent regarding the quality and value of the brand. One Swede expressed, “with Swedish brand you always know what the value represents”. Most non-Swedes believed that international brand and their domestic brands were equally consistent in their marketing, and stated that it depends on the product. Furthermore, the majority of non-Swedes made clear that it is hard to tell who is being more consistent.

22. When I asked Swedes and non-Swedes if they thought international or domestic companies exploited workers from third world countries, the majority of the Swedes expressed that international companies do this more (ex: Nike, and McDonalds). They claimed that in Sweden this behavior is less tolerated and accepted when compared to other countries, and the Swedish media makes a big deal when companies exploit workers in this way. Furthermore, one Swede pointed out, “when you buy products from Ikea, and you open it, they have written clearly on the label that they don’t use workers from third world countries.” In addition, another Swede articulated, “in Sweden it’s better to say nothing at all if you are using workers from these countries than to claim that you don’t, because if media finds out and it is printed, the company will be basically destroyed”. However, few Swedes claimed that this behavior is all over the world, and even though this happens in Sweden, “it would be kept a secret”. Moreover, another Swede stated “Sweden is equal to other industrial companies, and we have had our bad examples (Ikea, and H&M). But I think that Swedish companies do it more because in general, all other countries don’t have the resources to exploit other countries.” Also, many claimed that they would not trust brands from international companies who exploit these workers. One person exclaimed, “I would rather pay more money for a brand that did not exploit workers from third world countries”. The majority of the non-Swedes also claimed that international companies exploit workers from third world countries more than companies from their country. They all expressed that they hear more stories from international brands such as Nike. One Dutch girl articulated, “international companies need to look for lower labor costs in order to increase their profits, and in Holland this is not the focus of companies”. It seems however, that Swede’s tolerance for exploitation is lower and will react stronger if exploitation is uncovered.

Empirical Findings

23. When I asked Swedes and non-Swedes if they believed that international or domestic brands gave a more credible impression, the majority of Swedes claimed that Swedish brands were more credible. Swedes exclaimed that Swedish brands were more credible because they had access to more information about the history of the brand, how the brand was produced and the company. However, few Swedes stated that there is no difference between the credibility of Swedish and international brands. They further express that since international brands are sold in different countries, and liked in other parts of the world, that is enough to justify their credibility. However, the majority of the international people stated that international brands gave them a more credible impression than their domestic brands. These people expressed that international brands were more dominant in their home markets, have gained good reputations, and that they used international brands more, so they believed them to be more credible. Therefore, one can see that it is more distinct for Swedes to have a more credible impression of their domestic brands.

24. When I asked Swedes and non-Swedes if they developed a closer bond to domestic or international brands, the majority of the Swedes expressed that they developed closer bonds to Swedish brands. Those who chose Swedish brands agreed and said that it was because they were raised using these brands as kids and felt the brands had become a part of their life. Furthermore, they claimed to become dependent on Swedish brands because they are familiar and have consistent packaging. However, a few Swedes believed that they developed closer bonds with international brands since they mainly use international brands, and therefore have become part of their life. One girl expressed, “I am not a typical Swede, I develop bonds with international brands because I feel more comfortable with them. I love other cultures, and have adapted them to my life”. However, when I asked non-Swedes if they developed bonds with international or domestic brands more, the majority claimed that they equally developed bonds with international and domestic brands. One Dutch girl exclaimed, “I develop bonds with international brands more, but Dutch is really close”. Based on non-Swedes answers, it seems that it is more typically Swedish to develop closer bonds to Swedish brands.

25. When I asked Swedes and non-Swedes in total the percent of international and Swedish brand that they use, the majority said that they used international

Empirical Findings

brands more than Swedish brands. On average Swedes used 67.5% international brands and 32.5% Swedish brands. Although Swedes use more international brands than Swedish brands this does not necessarily mean that they trust them to that extent. International brands are more available but the Swedes stated systematically that they in general trust Swedish brands more. However, when I asked non-Swedes to give me the percent of international and domestic brands that they used they stated that they used 56.7% international brands and 43.3 domestic brands, which shows that they use more domestic brands than Swedish brands

8. ANALYSIS

In the analysis there will be links made to the information found in the empirical and the theory. The main problem, how trusted international brands are in Sweden and how it differs from the trust for Swedish brands, will be tackled by analyzing what Swedes and non-Swedes responded to in the empirical. Furthermore, Sweden's culture and the implication it has on the trust for international brands will be examined.

8.1. Trust

Based on the way that Swedes defined trust I can logically assume three factors that international brands need to obtain in order for Swedes to trust them. First, it is important that the brand is reliable and dependable so that they can feel confident in the brand. According to the trust equation (Aaker and Biel, 1993) this will lower the perceived risk that Swedes will connect to the brand, and therefore they will find it easier to trust the brand. Second, the brand should always live up to Swedes expectations. Based on the trust equation (Aaker and Biel, 1993), Swedes will find the brand more credible and therefore more trustworthy, if the brand's offerings coincide with what they assume. Third, if Swedes are experiencing difficulties with the brand, Swedes generally expect that the company of the brand will attend to their needs and fix the problem in some way. This is the intimacy aspect of the trust equation (Aaker and Biel, 1993), which explains that if Swedes believe that they are unimportant customers and believe that the company does not care about their problems, they will find it hard to trust their brands.

8.2. What is a Swedish Brand

In the focus group study it was obvious that perception played a huge part in determining whether Swedes thought that brands were international or Swedish. Their responses were not based on actual facts, but rather their emotions and perception. For example, one Swede pointed out, "When you go shopping at look at the brand, and *think Swedish*, then it is Swedish". This coincides with (Arnold, 1992) view on perception, where he makes it clear that the knowledge that consumers actually have on the brands is very little. Therefore, one can assume that when Swedes claim that they trust Swedish brands more than international brands, their perception of what is a Swedish

brand may fault the reality of which brands they actually trust. Moreover, Swedes were often unsure if specific brands were Swedish or not, and based their answers on what they perceived to be true and not factual evidence. In addition, even though some Swedes knew that Volvo is not fully owned by Swedes, the majority still perceived the brand to be Swedish. For example, one girl pointed out, “Volvo is Swedish tradition, I will always consider it Swedish no matter what, and when you talk about a Swedish family you think, a house, a dog, two kids, and a Volvo”. Similarly, when it came to Marabou, it did not matter if the brand was fully owned by Swedes or not, they perceived the brand to be Swedish since they have grown up with this brand since they were little kids. One can see that that their answers were mainly based on the emotional connection to the brand and their perception.

8.3. Swedish versus International

Swedes claimed that Swedish brands are more trustworthy than international brand and based this on better quality, safety, and higher regulations that are meant for the safety of Swedes. This was especially characteristic of Swedes since non-Swedes did not link their trust to international brands with these attributes. Swedes do not think other countries follow these regulations as much as they do. Furthermore, they trust Swedish brands more because employers are Swedish, have responsibility to Swedish people and therefore, care about the Swedish interests more. When looking at institutional-based trust (Sanner, 1997), Swedes will trust Swedish brands more because these brands follows the norms and accepted rules within their societal structure. In addition, Swedes do not believe that international companies are advertising their brands based on the relevant attributes important to them which mainly include safety and reliability, which are the accepted societal norms within Sweden. However, Swedes singled out Germany as the one of the countries that has the most trusted brands (they rated Sweden first then Germany) and this can be linked to the fact that Swedes also rated their quality high as well. One can assume that since Swedes are quality sensitive, this explains why Germany was the second most trusted country for brands. Furthermore based on another question, one can see that Swedes still develop closer bonds to Swedish brands.

When looking at Shaw’s (1997) theory on achieving trust, one can assume that it will be important for international companies when marketing their brands to

Analysis

Sweden to ‘demonstrate concern’ and ‘act with integrity’. They can achieve this by being consistent and following the norms within Swedish society. This will show Swedes that the company cares for their well being and therefore Swedes will be more willing to rely and trust these brands. Furthermore, the focus group study indicated that unethical behavior of companies, such as exploiting workers from third world countries, is less tolerated and accepted when compared to other countries. It was also thought by the majority of the Swedes that international companies do this more. However, it was interesting that non-Swedes also believed their domestic companies exploited third world workers less than international companies. Consequently, when looking at the theory on perceptual processes (Kotler, 1999), one can assume that Swedes believe that international companies use workers from third world countries more based on ‘selective distortion’. This means that Swedes believed that international companies exploit third world countries more, since they personally do not connect exploitation with Sweden, and therefore, cannot imagine that Swedes could be capable of this behavior. Still, unethical behavior is not accepted in Sweden and will definitely damage the brands image.

Swedes claim that they do not change brands once they found a brand they trust. When asked which specific brands that they trust in the world, the majority picked brands that they perceived Swedish that often had qualities that correspond to Swedish social norms. For example, Volvo was picked for its safety and Yes was picked because you only need to use a moderate amount to wash the dishes efficiently. This coincides with ‘the circle of relevance’ theory (Upshaw, 1995) which makes it clear that if international companies want to gain the trust of Swedes, their brands need to consistently deliver the relevant benefits in order to satisfy and gain their trust. Through continuously following this pattern, the international company will be able to develop a relationship with Swedes, where they can learn more about their changing needs, and have the advantage of being able to continuously adapt the brands with a high level of relevancy. Based on Swedes answers one can see that for trust it is important that the international brand has good quality, safety, and moderation. It is interesting that these characteristics also correspond to the way that Swedes described their culture to be, when asked in the focus group study. Therefore, one can assume that an international company marketing their brand to Sweden

Analysis

could benchmark a Swedish company, to find out approximately how 'lagom' the brand should be.

Although, Swedes clearly showed more trust in Swedish brands, it is still quite possible for Swedes to trust international brands as much as they trust Swedish brands. Swedes claimed that it is easier to trust the brand they know and are familiar with and this does not necessarily have to be a Swedish brand. Furthermore, they expressed that since there are so many international brands in Sweden, which they have been using for a long time, it's hard to say that it is more difficult to trust international brands. This correlates with process-based trust (Sanner, 1997), which means that since Swedes have had positive experiences with international brand, they can equally trust them as much as Swedish brands. Also, they claimed that because they travel a lot and have many international TV-shows, and go to the movies they have international exposure, which have allowed them to trust international brands as equal as Swedish brands. Therefore, when looking at characteristic-based trust (Sanner, 1997), one can assume that Swedes have information concerning international 'social similarities' since they are exposed to international culture through TV, travelling, movies, and therefore can equally trust certain international brands as much as Swedish brands. Given that the majority stated in the focus group study that international brands do fit into Swedish culture, one can also assume that they can equally trust the international brands that they know and socially connect to. Also, non-Swedes mostly expressed that they had no problem trusting international brands as long as they are known. People from smaller countries expressed that they have a larger portion of international brands in their country, and therefore it is logical to assume they trust international brands more since there are fewer domestic alternatives. Even though it is possible for Swedes to trust international brands, they still claim that Swedish brands are more credible.

Although Sweden ranked in the top for having the highest quality, their value was amongst the lowest when compared to (America, France, Germany, Italy, Sweden, Japan and Korea). However, it is remarkable that Germany had the highest value and quality, which indicates that even though Swedes shows to trust mainly Swedish brands, if the international brand has the right characteristics, Swedes will trust these brands as well. Even though German

Analysis

brands were sometimes a little on the expensive side, Swedes claimed that with German brands they know that they are getting a lot for what they pay for. One Swede pointed out; “its worth more to pay the higher price for a German brand, because then you know for sure that you will be satisfied.” The theory on ‘perceived value and quality’ (Aaker, Biel, 1993) can be used to analyze Swedes perception of Germany. One can assume that since Swedes overall benefit from German brands are high, and they perceived their quality to be superior to brands from the other countries, it is understandable why they would pay a higher price for German brands. Furthermore, Swedes overall perceived satisfaction of German brands is worth the price they assume they would have to pay with German brands. This demonstrates that German brands can be considered as trustworthy as Swedish brands due to the perception of their qualities. However, in general Swedes claimed that when the international brands are priced higher than Swedish brands they do not necessarily have better quality. In addition, the international brands that Swedes have been exposed to, experienced and have become familiar with, are the brands that Swedes will have a lower ‘trust threshold’ for (Shaw, 1997) and therefore trust more. This is because the risk has been lowered with the international brands they are familiar with and has gained their trust. However, few Swedes stated that it is harder for them to trust international brands. One can assume that they have had less experience with international brands and therefore, their ‘trust thresholds’ are high when compared to Swedish brands. Still the fact remains that Swedes believe that Swedish brands are more trustworthy than international brands, according to their responses in the focus group study.

Swedes claimed that they would prefer a Swedish brand when given the choice. They clearly expressed that they wanted to support the Swedish economy, which has local benefits such as low employment. Swedes also claimed that they would prefer the Swedish brands because then the brand would not have to be transported to far, which they clearly state is bad for the environment. For example, one Swede said, “If I am going to buy apples then I want them to come from Sweden rather than New Zealand, because that will be polluting the air for no reason.” This coincides with Kapferer’s (2002) factors favoring local brands. First, Swedes clearly show that they want to protect their domestic market. Second, they take pride in protecting their environment and would rather support brands that their country produced since it will be less harmful to

Analysis

the environment. However, it is interesting that Swedes claimed that they consume more international brands than Swedish brands. One can logically assume that if Swedes produced the same products as international companies, then Swedes would consume more Swedish brands than international brands, since in reality that is their preference. Moreover, this is supported by the fact that the majority of Swedes explicitly claim in another question, that Swedish brands are more trustworthy than international brands.

Although the majority of Swedes claim that they would not find it harder to trust international brands in another question, Swedes make it apparent in another question that when given the choice they would prefer the Swedish brand, since they always know what to expect. This correlates with Sanner's (1997) theory on expectations. This means that Swedes will prefer the Swedish brand when given the choice because through their experiences they trust more that their needs will be met and not be disappointed. Also, Swedes claim that if the company is doing something wrong that can have some affect on their experience with a particular brand; they will always have the Swedish law and the media to protect their interest. One can see that this also encourages Swedes to prefer Swedish brands to international brands. It was also interesting to see that, in general, Swedes were more prone than non-Swedes to choose domestic brands over international brands when faced with the choice. Therefore, one can say that the preference of domestic brands over international brands is more prevalent in Sweden.

The majority of Swedes claimed that if they found out that a brand they thought were Swedish actually was international, their trust for the brand would not change. They expressed that as long as the brand still had the same quality, satisfied their needs and lived up to their expectations, they would maintain the same level of trust. This clearly shows that the brand image is more important than whether the brand actually is Swedish or not in gaining Swedes trust. However, if the brand image does not remain credible to Swedes and the company 'asking to be trusted' (Shaw, 1997) does not have a good reputation, this will then transfer to the brand, and will not gain the trust of Swedes. For example, when one Swede found out that Philip Morris acquired Estrella, his trust decreased because the Philip Morris image is strongly connected to the tobacco industry, which this Swede detests.

Analysis

In general Swedes indicated that their trust for international brands is dependent on the product category. It would be reasonable to assume that international brands in global industries would be easier to trust than brands in multi-domestic industries, where the pressure for local adaptation is higher. Such a connection might exist but can not be supported by my study. However, a study by Readers digest gives more support for this theory. In that study people were asked to name the most trusted brand for 21 product categories. In general, in multi-domestic industries, like banking and insurance, Swedish brands were trusted, while in global industries such as soap and toothpaste, international brands were most trusted (www.rdtrustedbrands.com, 2002). In my study, Swedes trusted Swedish brands when it came to mineral water, a product that seems to have little pressure to be locally adapted. Swedes claimed that they believe their mineral water is more trustworthy mainly based on Sweden's clean environment, which they express would make the water cleaner and healthier. Note that Swedish brands are competing against brands like Evian and Perrier, which are hard to imagine being less clean and therefore unhealthier. Therefore, it seems that in this case, a favorable perception of Sweden is reflected in the perception of the domestic brands. Even when it came to cars it was indicated that Swedish brands (Saab and Volvo being perceived as Swedish) were more trustworthy than international brands. These brands are built on traditional Swedish values, such as quality and safety and therefore receive more trust. In the other categories, Swedish brands were also trusted more than international brands. This general trust can be explained by the Kampferer's (2002) factors favoring local brands. Volvo has been known and used for generations in Sweden, and dealerships are widespread across the country, which are the 'structural factors'. Based on the strong emotional link that Volvo has to Sweden, this indicates a brand equity factor. Furthermore, the 'competitive factor' is prevalent since no other car manufacturer has the same level of awareness of consumer needs and response speed. This lets consumers know that they, for example, can be provided with spare parts quickly. Also, Volvo is almost a national symbol, which gives the owners a sense of pride. This is an important environmental factor that favours Volvo. It is easy to see that even though a brand may be global, it can be exceptionally local as well. The non-Swedes support the fact that Swedes are more nationalistic in their responses since they claimed that for the majority of the product categories,

they trust domestic and international brands equally. However, it is interesting that Swedes show this level of nationalism, since it goes against 'Jante Law', and allows one to question, how strong does this unwritten law guide the behaviors and norms within this culture.

8.4. Most Trusted Countries and Brands

Swedes showed to trust Swedish brands first followed by Germany and Japan, among America, France, Germany, Italy, Sweden, Japan and Korea. The majority of Swedes claimed that they trust Swedish brands because they are local. Furthermore, Swedes also claimed that they built closer bonds to Swedish brands as oppose to international brands. When looking at Kapferer's (2002) factors favouring local brands one can assume that Swedes will trust local brands because they identify with Swedish brands. Furthermore, since they are more personally connected to these brands they have deeply been integrated into their life, which is further supported through cultural norms, values, and their associations. In addition, Swedes are able to trust Swedish brands because they are well known and they have been using these brands since they were young or have seen their parents using them. These are all 'structural factors'. Therefore, Swedish brands provide them with trust confidence and loyalty. Also, Swedes trust local brands more because they develop strong emotional connections to local brand and generally have a positive perception of the brands image. Therefore, when Swedes see international brands, they do not have the drive to develop bonds or trust to these brands, especially when there is nothing wrong with the brands that they are using, which correlates with 'brand equity factors'. In addition, once this bond is developed Swedes are likely to stick to that brand, since in the focus group study, Swedes claim that they do not switch brands regularly.

One can assume that the gap between Swedish companies and Swedes is smaller when compared to international companies, and therefore, they have a better opportunity to respond to local needs faster than international companies. Moreover, since Swedish companies have the advantage of more easily delivering the relevant benefits to Swedish consumers they are more satisfied with Swedish brands. Therefore, Swedes trust and develop bonds with Swedish brands more, especially since the brand is showing they understand Swedish needs. This coincides with Kapferer's (2002) 'competitive factors' as well as

Analysis

Upshaw's (1995) theory 'the circle of relevance'. The better access to the Swedish market that Swedish companies have allow them to have a greater advantage in understanding Swedish consumers needs and delivering continuous appropriate benefits, which according to 'the circle of relevance' would be needed in order to gain Swedes trusts. Furthermore, Swedish companies have an advantage when coming up with the brands personality and positioning the brand more than the international company because they are closer to the market and are able to respond to Swedish needs quicker than foreign companies. This also coincides with Temporal and Lee's (2001) theory that claims that companies need to 'achieve harmony between the brand identity and the brand image'.

When asked what brand they trust the most in world, a few Swedes chose international brands initially but the majority picked, as mentioned, Swedish brands. However, they were all asked to pick the international brand that they trust the most and it is interesting that they all picked brands that are all managed by major international companies and are backed by high marketing pressure. With the exception for Dell, these brands have been in the Swedish market for a long time and enjoy great brand recognition, which is further extended by corporate branding. These brands are trusted based either on exceptional quality (BMW, Mercedes), reliability (Dell, Phillips and Sony) or consistency (McDonalds and Coca Cola). Sweden has also been shown to be receptive to the marketing of these brands. Quality, like in the German made cars, is highly valued by Swedes and the influence that American television shows and movies can not be underestimated when it comes to receptiveness. These are all aspects that are counteracting Kapferer's factors favoring local brands, since they reduce the local advantages of buying Swedish brands.

It was also declared in the focus groups that international brands automatically fit into the Swedish culture since they are being used and adapted into their lives. However, Swedes still form closer bonds to Swedish brands according to their responses in the focus group study. In addition, Swedes considered international brands to be more consistent in the way that the brand is portrayed, which was linked to the mass marketing. It is remarkable however, that mass marketed brands with little cultural adaptation was chosen as Sweden's most trusted international brands. This is strange because typically

Swedes show in other questions that they mostly trust domestic brands, which implies that they would trust international brands that are more adapted to Sweden than mass marketed brands. This can be viewed in the light of what Sanner (1997) calls process-based trust. Process-based trust builds on previous experience and companies invest heavily in making sure they keep a good reputation. This is accomplished by constantly making sure that the customers have positive experiences and making sure that negative experiences are rectified. If this is done, a brand can build a solid ground for trust. Good experiences also tend to lower consumers 'trust threshold', which puts the company in a competitive advantage. Swedes also stated that commercials can be a base for trust as long as their expectations are being met. From the focus group study, it is evident that the brands commercial should not make promises it can not deliver, which is worse than not making any promises at all. For example, one Swede expressed, "it is better that a commercial for an international brand promise less, so I don't get disappointed when I purchase the brand". However, it was still shown in the focus group study, that Swedes rather trust a brand based on recommendations from friends and family as oppose to commercials, which emphasizes the importance of international companies to deliver ads that live up to Swedes expectations, since they have a low trust for commercials.

8.5. Advertising and Pricing

When I asked Swedes their impression of international advertisements the majority had a bad impression of international ads, and believed that Swedish ads were better and more trustworthy. However, based on 'selective distortion' (Kotler, 1999), Swedes view of international advertisements and trust for international brands, may not be the reality. 'Selective distortion' is the tendency for individuals to adapt information to personal meanings and means that Swedes had a better impression of Swedish ads and trusted them more because they interpreted the ads to fit in the preconception that Swedish brands are more trustworthy. Furthermore, 'selective retention' or the tendency of retaining only part of the information that one is exposed to, which supports personal attitudes or beliefs also helps in explaining the fact that international ads are perceived in a negative manner and less trustworthy. One can assume that Swedish brands have more longevity and connection to Swedes personal attitudes and beliefs and therefore, they trust these brands more than

international brands. Non-Swedes did not have a particularly bad impression of international ads, therefore Swedes negative impression of international ads can be considered typically Swedish since it is a highly homogenous society when compared to other countries.

The majority of Swedes claimed that when the prices of international brands are higher than Swedish brands, they would not believe that the quality of the international brand was higher than the Swedish brand. They expressed that most times they are paying extra costs that the company ads on to not loose profit. Based on this one can assume that Swedes do not necessarily link price to quality, but they still make clear in other questions that their most trust brands are the ones that are directly linked to quality. It is interesting that Swedes rated the value of Swedish brands relatively low, which further shows that quality is their primary motivation for trusting brands in general. However, almost all non-Swedes claimed that if the international brand were higher than their domestic brand then they would also believe the quality was higher. When looking at the different national barriers to sales promotions in the EU, one can speculate why the non-Swedes answer was drastically different from the Swedes. Although the European Commission wants to harmonize EU rules on sales promotions (two-for one offers), there are specific countries such as Germany, France, Belgium, and Ireland, who want to keep barriers to protect competition in their domestic market, especially for small and medium-sized enterprises (Guerrera and Jones, 2002). Therefore, since some of the non-Swedes that participated in my focus group come from some of these countries, one can assume that since the price generally does not go down in these countries, and remain fairly high, they would naturally presume that the quality of the international price is higher. Furthermore, since quality is connected to trust, one could say that non-Swedes can develop a higher level of trust for international brands based on their perception when compared to Swedish consumers.

8.6. (Low) Power Distance and Trust for International Brands

According to Roth (1995) countries with low power distance will respond to functional brand images. These are brands that are directed towards the fulfillment of consumer's practical needs, and therefore the brand solves

Analysis

realistic problems and prevent them from further taking place. For example, toothpaste would be marketed based on cavity, tartar and decay prevention.

Sweden fits well into the description of a low power distance country and the behaviours of Swedes correspond well to that categorization. This indicates in general that there is a high level of trust in their society. This is based on the fact that Swedes are willing to put their trust in institutions since they are used to not being abused by people in power. Therefore, in general Sweden will not have much difficulty to put their trust in international brands. However, once the trust is gained it is crucial that the international company does not violate the trust by being misleading in anyway. In addition, it is important that the international company uses the power of their position legitimately. This means that the ethics and morals of the company should be consistent in other existing markets, since how the company behaves strongly reflects on the image of the brand. The fact that education is widely available to all Swedes and they have a high consumption of newspapers, allows them to stay informed of company affairs. Furthermore, since Swedes were raised as children to be inquisitive, and not just take things for granted, they will scrutinize international brands to make sure that they are living up to their expectations.

Sweden is very equal and status is not of great importance since moderation is more accepted. In high power distance countries it is important to conform to your social class. The focus group study revealed that there is a need for conformity, not to a certain social class but rather to Swedish society, which shows the prevalence of social equality. This is further illustrated by the statement “everyone drives a Volvo, even if they can afford a more expensive car”. Swedes stated in the focus group study that in order to be trusted brands have to connect to quality and function. Status or prestige was however, not mentioned in any form. Philips-Martinsson (1991) supports this point and states that if you wish to do business in Sweden you should highlight the technical aspects of your product. This is reflected in Swedes factual and scientific relationship with religion.

Evidently, Swedes expect high quality if they are going to establish trust for international brands. Therefore, international companies need to focus on the product attributes like quality rather than arguments of social acceptability such

as status. The focus group study revealed that German brands are perceived to have the highest quality and Swedish brands the second highest. This pattern occurred among the international group as well, which means that Swedes probably ranked Sweden high in quality based on actual quality and not based solely on nationalistic feelings. This highlights the need for international brands to stress quality if they want to gain Swedes trust since they have to compete against both the high quality as well as nationalistic augmentation of Swedish brands. One can see that nationalism exists, since Swedes rate Sweden as the most trusted country overall and systematically trusted Swedish brands over international brands in the focus group study. Furthermore, since consumers have stereotypes of which countries they feel are better at producing certain goods, (Kim and Chung, 1997) and this perception transfers onto the brand, this may have impacted the rates of quality and value that Swedes assigned to other countries. Therefore, it is important that international companies are aware of the perception of their countries image when marketing their brands to Sweden.

There is a high level of expectancy in Sweden, and quality is strongly emphasized in their society. The taxes are high so they expect good quality and high standards in public goods. Since Sweden is a homogenous and equal society, if some Swedes have had a bad experience with the international brands, it is fair to say that many will think the brand is untrustworthy. Moreover, Swedes have a high level of security in the society they live in since the government provides many social benefits. Based on this one can conclude that this will raise the expectations for the international brands that they purchase.

8.7. (Low/High) Uncertainty Avoidance and trust for International Brands

Sweden is theoretically characterized as a low uncertainty avoidance country, but has strong traits of high uncertainty avoidance as well. The Swedes also distinctly claimed to be risk averse in general, and mostly stated that they stick with the brands that they use. Therefore, any changes are probably more a result of dissatisfaction rather than curiosity. Other common themes were the inherent organization in Swedish society and the many rules that should and also are being followed. It is apparent from the focus group study that Swedes care more about rules than non-Swedes. While Swedes thought that rules are

Analysis

important one Belgian girl, for example, said that rules don't guide the behavior of the people in Belgium, they basically do what they want, especially when it comes to traffic laws. That is in sharp contrast to Swedes, who responded that rules are very strictly followed in Sweden. All these traits are behaviours of cultures with high uncertainty avoidance, which goes against the low certainty behaviour that theory suggests that Sweden should exhibit.

In the analysis of Swedish culture, I pointed out that certainty avoidance is higher than Hofstede's (1991) original estimation and the focus group study support this claim. However, Sweden can still be characterized as a low certainty avoidance society based on the definition but the behaviour differs from what theory implies. It seems like a big part of the trust Swedes put in brands is based on risk reduction. For example, safety is a reoccurring theme in their answers and they make clear that if international brands want to be trusted, they have to stress safe qualities. Trusting international brands for Swedes can be considered riskier than trusting Swedish brands since Swedes stated that they find Swedish brands to be more credible than international brands. When considering the trust equation (Aaker, Biel, 1993), one can see that the more risk involved and the less credible that Swedes perceive the brand to be, the less they will trust a particular brand. Furthermore, when looking at the 'trust threshold' theory (Shaw, 1997), one can assume that Swedes threshold for trusting international brands is high when compared to Swedish brands.

Swedes trust more science and factual evidence, which means that international brands should concentrate more on the rational and logical aspects of the brand rather than the emotional. One Swede pointed out, "In Italy they sell cars with naked girls without telling any benefits of the car, in Sweden we don't like that, we focus on the reality of the brand". Looking at the 'Ying and Yang' theory by Temporal and Lee (2001), this means that they would prefer international brands that appeal more to their 'rational' than 'emotional' side. The fact that Swedes are not aggressive people indicates that international brands should not be marketed in an aggressive or pushy way. Moreover, since Swedes are objective, literal, and very precise, they weigh words very carefully. Therefore, when international companies are marketing brands to Sweden, they should not over exaggerate the brands functional characteristics if they want to gain the

trust of Swedish consumers. This is further supported by what Swede's say in the focus group study as well as Philips-Martinsson (1991) who expresses that in Sweden giving false impressions is considered dishonest and untrustworthy. It is therefore strongly supported that it is characteristic for Sweden not to trust brands that are embellished.

Furthermore, the focus groups study revealed that the majority of Swedes consider it imperative that they have information about the brand and its history if they are going to develop trust. This can explain why Swedes had a better impression of Swedish advertisements and trusted Swedish ads more. Consequently, it is just as important that when international companies are advertising their brands in Sweden, they make sure that they focus on the relevant factual features of the brand. One Swede declared. In conclusion, international brands should incorporate the 'Lagom' principle in their marketing strategy. Since so much of Swedish culture is based on this belief international brands should be modest in order to be trusted. Also, Sweden is a very environmentally conscious society and therefore trusts brands that appeal to the environment. Hence, international brands that have functional characteristics that are environmentally efficient should especially focus their marketing on the environmental aspects of the brand.

8.8. Individualism and Trust for International Brands

According to Roth (1995) countries with high individualism will respond to sensory brand images. These are brands that are directed towards the fulfillment of consumer's individual needs and pleasures, and offers originality and stimulation. On the other hand, in collectivist societies, social brand images are more appealing since it reinforces group membership, which is unattractive to individualistic societies.

Swedes described their culture as moderate and governed by the principles of 'Lagom' and the 'Jante law'. They further use words like modest, equal, jealousy when describing Sweden. In the cultural analysis, Sweden was found to be an individualistic country based on the family organization, the high level of independence and the security they receive from the welfare system. However, this shows the difficulty of generalizing Hofstede's (1991) theories, since countries with very different social structures, like America, are

considered individualistic. Roth (1995) claims that individualistic societies tend to seek variety and hedonistic experiences, whereas collective countries correlate more with conformity. Also, individualistic countries tend not to follow social norms. Clearly, according to the focus group study, Swedes seem more moderate than hedonistic and give conformity great importance. They further stated that they need quality, good functionality and moderation in order to trust a brand, which corresponds more to the collectivistic society.

Although Sweden theoretically can be categorized as individualistic, their behavior follows more collectivistic patterns, which makes this aspect of cultural theory hard to interpret. On one hand Swedes have the freedom and independence of individualistic countries but do not behave accordingly. Hofstede (1991) makes the general conclusion that individualistic countries tend to be rich and collectivistic countries poor. The fact that the distribution of wealth in Sweden is more equal can possibly be a factor that alters their behavior when compared to other rich countries. Hard work is the norm in individualistic societies and in this aspect Sweden is individualistic. This will contribute to the high level of expectancy of what the international brand is supposed to deliver. Therefore, they will expect the international company to work hard to deliver what they promise. Furthermore, honesty is highly valued. Therefore, it is essential that international brands keep the brands promise when marketing to Sweden. This means that they should not promote benefits or other aspects of the brand that it can not realistically provide, if they want to gain the trust of Swedes.

8.9. Feminism and Trust for International Brands

Sweden can be characterized as an extremely feministic country and therefore strongly supports equality. Hence, it is imperative for international companies to show less differences in the roles that men and women play when advertising brands in Sweden. For example, if a car is masculine, the company should not discourage women from purchasing the brand (ex: ‘the car is such a manly car’). This factor was also prevalent in the focus group study, where one Swedish man was appalled by the traditional roles that women are shown to have in some German commercials. He claimed that these ads seemed very offensive and does not support that particular German brand. This is further supported by Hofstede (1991) who rates Germany as a more masculine country

Analysis

and explains why Swedes might react this way. In addition, international companies that are considered to be masculine need to be very cautious when marketing their brands to feminine societies such as Sweden.

Since compromising is highly valued and Swedes are known to avoid conflict it is fair to say that they also do not want conflict with the brands they purchase. Therefore, to gain Swedes trust international companies should also try to avoid conflict as much as they can, by adapting policies that are flexible and responsive to Swedish needs.

9. CONCLUSIONS

This section will conclude what was found in the Empirical Findings and in the Analysis. The most central aspects of brand trust pertaining to the Swedish market will be discussed in the perspective of global versus local adaptation. Moreover, appropriate areas for future research will be considered.

9.1. Globalization

Globalization has been viewed as this great phenomenon in which marketers can exploit their strategies to the fullest potential and gain high profit margins with the goal of winning over the world. If one looks at globalization from an international point of view, Usunier (1993) argues that globalization is just a myth, and wishful thinking of marketers, who just do not want to invest the time, money and energy of researching in depth their foreign consumers. It could however, be argued that there is no reality to culture and that it is just an excuse when something can not be explained. As a result he claims that consumer's cultural differences are being ignored so that companies can respond to competition and create entry barriers in the market. There exists little empirical evidence that shows that consumer's tastes and preferences around the world would be homogenizing. Although products may be global the reality is that consumers are not. However, today, culture is still a force that plays a strong role in influencing the thoughts, behaviors and actions of those within their society. In fact, this study gives support to the fact that culture and emotions toward ones country influences the trust for domestic and international brands.

According to Kim and Chung (1997) it is imperative that brands have an understanding of the differences in country-specific intangible assets, and brands that can not do this will result in failure. Furthermore, depending on the product some countries will prefer reliability as oppose to another country that is looking at the price. It is clear to me that globalization cannot take all these concerns in mind and therefore, I believe that global brands will have difficulty being trusted in particular markets. However, it was shown in the focus group study that certain product categories are trusted when they are marketed globally, due to the consistency that follows with mass-production.

Conclusions

Based on these arguments and the study done on Sweden, I strongly believe that consumers simply trust brands that correspond to their needs and the needs that one may have in their culture. Therefore, I believe that the role that global standardization should play in marketing brands definitely should be limited, allowing more room for local adaptation and tailoring brands to the needs of consumers.

Usunier (1993) strongly agrees and claims that companies need to be careful about globalizing marketing strategies in Europe. He argues that cultural differences are so extensive in Europe that, there is no such thing as a euro customer, or euro brands, which explains why many global marketing strategies have failed.

9.2. Natural Trust

In Sweden, the trust for a brand is clearly favoured by a connection to Sweden. It was shown in the focus group study that there is little or no consensus regarding what constitutes a domestic or Swedish brand. It is however obvious that when a brand is perceived to have a strong link to Sweden, this has a positive effect on the trust for the brand compared to the trust for brands that does not have this link. But it is not always favourable to adapt all brands locally. Coca-Cola has shown that it is possible to build a high trust brand around the world with very little local adaptation and seem to enjoy a high level of trust in Sweden as well.

By studying the Swedish culture and interviewing Swedes as well as non-Swedes a logical conclusion can be made about Swedes and their relationship to domestic and international brands. The difference when it comes to trusting Swedish and international brands lies in a 'natural trust' for Swedish brands that are given to the brand based on the perception and emotional link the brand has to Sweden. Swedes have a great deal of trust for their country and they transfer this trust onto the brands that they feel are connected to the values that are strong in Sweden. However, this 'natural trust' can be counteracted by a number of factors giving international brands an opportunity to level the playing field. In some cases the 'natural trust' can be completely lost if the factors counteracting the trust are strong enough. The international brand can even build stronger trust for its brand based on these counteracting factors.

Conclusions

For example, if the brand is competing in a high quality segment, a link to Sweden could have a positive effect and give natural trust for the brand. However, another brand could counteract the trust for the Swedish brand by a link to a country also known for their high quality and maybe also with higher perceived value.

In general, longevity is a key factor that Swedes need in order to trust an international brand. If a brand can obtain longevity, this can to a high degree counteract the domestic advantage. Unfortunately, it can take a long time to achieve longevity in a market. A common statement was that ‘you trust what you have grown up with’, which basically means that you have to start building trust with the target generations parents. Market penetration and marketing pressure are also factors that counteract the ‘natural trust’. If the brand is recognised and available it can gain trust through this. Furthermore, the cultural receptiveness to certain products could also work against the ‘natural trust’ of Swedish brands.

It seems as if there are two successful strategies for an international company that want to obtain a trusted brand in Sweden. First, it is possible to introduce an international brand in Sweden and gain trust for it with long-term thinking, well-managed marketing pressure and certain flexibility to Swedish needs. The brand does not have to be totally adapted to the culture but flexible to cultural norms of what is acceptable and not. Secondly, a company can obtain an existing brand in Sweden without affecting the perception or trust for the brand noticeably. The brand equity in the form of trust can be substantially higher with this strategy than if the company tried to introduce a global brand in the Swedish market. The alternative that is appropriate is dependent on the industry that the brand is in. Therefore, it is important to examine the pressure for local adaptation as well how high the ‘natural trust’ is for domestic brands in the industry. When there is a great need for local adaptation in combination with high ‘natural trust’, a brand with strong links to Swedish culture is more preferable to market to Swedes. When the need for local adaptation is lower as well as the natural trust, a global brand strategy would not experience difficulty in gaining the trust of consumers.

9.3. Areas for Future Research

There is great need to investigate trust and the relation to brands in order to develop a consistent body of knowledge in the area. A major study on the relationship between consumers' trust and brand performance should be carried out as a first step. Second, how trust is affected in international markets must be studied more in depth. This thesis can be considered as a valid pre-study for an extensive study in these areas. Thereafter, the logical next step would be to examine specific implications in international markets for the trust of brands.

When it comes to the Swedish market there are some interesting implications to examine. In the last couple of years several brands strongly connected to Sweden has been sold to foreign companies. In this study it is initially found that the actual knowledge among consumers about the ownership of brands and companies is very low. In addition, brands that used to be domestically owned but are known to be owned by international companies today, can still be considered Swedish under certain conditions. Where the ownership, operative leadership and production facilities are located are some of the factors that affect the perception of whether a company is domestic or not. It would be of great interest to statistically study whether the trust for brands is independent of these factors or not. Another approach would be to follow a company before, during and after it's sold and measure the effects the sale has on the trust for its brands. It could be hypothesized that the trust would go down initially when the news is first released to media but that the trust for the brands will eventually normalize.

It would be most interesting to study how the internal organization in a company actually affects the trust for a company's brands. Many researchers claim that this is a key factor to the trust that a brand receives. For a large international company it must be harder to achieve consistency in the behaviour within the organization. It should be examined if the size of a firm and the extent to which a brand is international can be connected to trust.

Also, there is a need for normative studies in order to spread the implementation of trust strategies. For example, how can international companies maintain its brand image in different markets?

BIBLIOGRAPHY

Books

Aaker, D. A. & Biel A.L (1993) *Brand equity and advertising*. Lawrence Erlbaum Associates Publishers, New Jersey.

Aaker, David A. (1991) *“Managing Brand Equity”* The Free Press, New York.

Arnold, D. (1993) *The handbook of brand management*. Pitman Publishing, London.

Childs, Marquis W. (1980) *“Sweden: The middle way on trial”* Yale University Press, New Haven.

Clifton, R. & Maughan, E. (2000) *The future of brands*. MacMillan Press, London.

Herlitz, Gillis (1995) *“Swedes -What we are like and why we are as we are”* Konsultförlaget, Uppsala.

Hunger, J. D., Wheelen, T. L. (2001) *“Strategic management”* Prentice Hall, New Jersey.

Kinney, T. C & Taylor, J. R (1996) *Marketing Research: an Applied Approach*. New York, McGraw-Hill.

Kotler, P. et al (1999) *Principles of marketing*. Prentice Hall, London.

Majkgård, Anders & Sharma, Deo (1998) *“Service Quality By International Relationships: Service Firms in the Global Market”* In C. P. Rao (ed) *Globalisation, Privatisation and Free Market Economy*. Quorum Books, Westport.

Mercado, S., Welford, R. Prescott, K. (2001) *“European business”* Prentice Hall, Harlow.

Merriam, S. B. (1994) *Qualitative research and case study applications in education*. Jossey-Bass, San Fransisco.

Philips-Martinsson, Jean (1991) *“Swedes As Others See Them”* Second Edition, Studentlitteratur, Lund.

Bibliography

Reynolds, Arry (1997) "The Trust Effect, Creating the high trust high performance organization" Nicholas Brealey Publishing, London.

Sanner, Leif (1997) "Trust between entrepreneurs and External actors. Sensemaking in organising new business ventures" Doctoril thesis no. 67, Uppsala Universitet.

Scott, Hilda (1982) "*Sweden's 'Right to be Human'*" M.E. Sharpe, Armonk.

Shaw, Robert B. (1997) "Trust in the Balance, Building Successful Organizations on Results, Integrity, and Concern" Jossey-Bass Publishers, San Francisco.

Temporal, Paul & Lee, K.C. (2001) "Hi-Touch Branding, Creating Brand Power in the Age of technology" John Wiley & Sons, Singapore.

The Swedish Institute (1981) "*Sweden in Brief*" The Swedish Institute, Stockholm.

Upshaw, Lynn B. (1995) "*Building Brand Identity, (a strategy for success in a hostile marketplace)*" John Wiley & Sons, New York.

Yin, R. (1994) *Case study research design and methods*. Sage Publications, Thousand Oaks.

Journals

Brandweek (Oct 31, 1994) "*Border crossings: brands unify image to counter cult of culture*"

Buckley, Peter J. & Casson, Mark (Jul, 2001) "*The moral Basis of Global Capitalism*" International Journal of the Economics of Business.

Buttle, Francis & Burton, Jamie (Feb, 2002) "*Does service failure influence customer loyalty?*" Journal of Consumer Behavior.

Button, Tom (Apr, 2002) "*Trust is key to positive brand experience*" Agri Marketing.

Cody, Steven & Moed, Edward (Jun 11, 2001) "*Death of a partnership*" Brandweek.

Bibliography

Crosby, Lawrence A. & Johnson, Sheree L. (Jul/Aug, 2002) "*Going my way?*" Marketing Management.

De De Chernatony, Leslie (Sep, 2001) "*A model for strategically building brands*" Journal of Brand Management.

Dinnie, Keith (Sep, 2001) "*Commitment-led marketing: The key to brand profits is in the customer's mind*" Journal of Brand Management.

Dolliver, Mark (Jul 16, 2001) "*In brands we trust--or not*" Adweek.

Elliott, Richard & Wattanasuwan, Kritsadarat (1998) "*International Brands as symbolic Resources for the construction of Identity*" International Journal of Advertising.

Fletcher, Winston (Mar 14, 2002) "*Cross-border consistency is a positive sign for trusted brands*" Marketing.

Friman, Margareta (Aug, 2002) "*An analysis of international business-to-business relationships based on the Commitment-Trust theory*" Industrial Marketing Management.

Ghose, Sanjoy & Lowengart, Oded (Sep, 2001) "*Perceptual positioning of international, national and private brands in a growing international market: An empirical study*" Journal of Brand Management.

Guerrera, Francesco & Jones, Adam (August 22, 2002) "*EU bargains over sales promotions*" The Financial Times.

Hiscock, Jennifer (Feb 14, 2002) "*Most trusted brands 2002*" Marketing.

Hofstede, Geert (1991) "*Cultures and Organizations: 'Soft ware of the Mind'*" McGraw-Hill Book Company.

Kapferer, Jean-Noel (Jan 2002) "*Is there really no hope for local brands?*" Journal of Brand Management.

Keller, Kevin L. (Sep, 2001) "*Brand research imperatives*" Journal of Brand Management.

Khermouch, Gerry (August 6, 2001) "*The Best Global Brands*" Business Week.

Bibliography

Kim, Chung Koo & Chung, Jay Young (Summer, 1997) "*Brand popularity, country image and market share: an empirical study*" Journal of International Business Studies.

Lucas, Peter (Sep/Oct, 2001) "*Is it the end of the road for Firestone?*" The Journal of Business Strategy.

Moorman, Christine; Deshpande, Rohit; Zaltman, Gerald (Jan, 1993) "*Factors affecting trust in market research relationships*" Journal of Marketing.

Omelia, Johanna (Sept, 1995) "*The essence of global branding*" Drug & Cosmetic Industry.

Petromilli, Michael & Morrison, Dan (Jul/Aug 2002) "*Creating brand harmony*" Marketing Management.

Roth, Martin S. (May, 1995) "*The effects of Culture and socioeconomics on the Performance of Global Brand Image Strategies*" Journal of Marketing Research.

Rush, Robert M (Aug 12, 2002) "*Brand management-Grateful Dead style*" Brandweek.

Salaun, Yvette & Flores, Karine (Feb, 2001) "*Information quality: meeting the needs of the consumer*" International Journal of Information Management.

Tan, Yao-Hua (Jul, 2002) "*Formal aspects of a generic model of trust for electronic commerce*" Decision Support Systems.

The Economist (Sep 8, 2001) "*Leaders: The case for brands - Pro Logo; Brands*"

Uttley, Brandon (Jul 15, 2002) "*Consistent voice: The sine qua non of strong brands*" B to B.

Veit, Lori (Jun, 2001) "*Ethical matters*" Credit Union Management.

Internet

The World Fact Book:

<http://www.odci.gov/cia/publications/factbook/geos/sw.html>

Available online: October 22, 2002

Bibliography

<http://www.sverigeturism.se/smorgasbord/smorgasbord/culture/>

Available online: October 21, 2002

http://europa.eu.int/abc/history/1995/1995_en.htm

Available online: October 20, 2002

http://www.eu2001.se/static/eng/eu_info/sverigeeu.asp

Available online: October 20, 2002

<http://www.sverigeturism.se/smorgasbord/smorgasbord/culture/>

Available online: October 21, 2002

<http://www.americaninsweden.com/ais/culture/nature.shtml>

Available online: October 22, 2002

<http://www.rdtrustedbrands.com/>

Available online: September 28, 2002

<http://www.btimes.co.za/99/1010/survey/survey02.htm>

Available online: October 10, 2002

<http://www.unilever.ca/divisions/lipton.html>

Available online: October 15, 2002

<http://www.skolverket.se/english/system/swedish.shtml>

Available online: November 28, 2002

<http://www.wedo.org/5050/sweden2.htm>

Available online: November 28, 2002

Appendix 1:

Focus Group Interview Manual

1. What does trust mean to you?
2. Would you say that you are a risk taker or risk averse and explain why?
3. What are some words that you would use to describe your culture and explain why?
4. What are the characteristics that stand out in your culture the most, that you think brands need to connect to if you are going trust that particular brand and explain why?
5. a) What makes a brand Swedish and explain why?

b) Are the following brands domestic or international and explain?
 - ◆ Is Nivea Swedish and explain why?
 - ◆ Is Marabou Swedish and explain why?
 - ◆ Is Gevalia Swedish and explain why?
 - ◆ Is Volvo Swedish and explain why?
 - ◆ Is Felix Swedish and explain why?
6. What is your most trusted brand in the world and explain why?
7. What international brand do you trust and explain why?
8. Would it be more difficult for you to trust and international or a domestic brand and explain why?
9. Describe experiences with international brands and explain how these experiences have impacted your trust for the brand?

Appendix

10. Do you think that international brands fit into your culture and explain why?
11. Are your domestic brands more or less trustworthy than international brands and explain why?
12. Would you prefer domestic or international brands when given the choice and explain why?
13. What is the quality and the value (what you are getting for your money) of the following brands, America, France, Germany, Italy, Sweden, Japan, Korea from a scale of 1-5 (1 being the lowest 5 being the highest) and explain why?
14. From the most trusted to the least trusted, tell me the order of the brands in which you trust from the following countries, America, France, Germany, Italy, Sweden, Japan, Korea, and explain why?
15. Would you trust your domestic or an international brand more when it comes to the following products and explain why?
 - ◆ Cars
 - ◆ Candy
 - ◆ Clothing
 - ◆ Mineral Water
16. If the international brand has a higher price than your domestic brand, do you believe that the brand has better quality and explain why?
17. Do you usually stick to one brand or do switch brands regularly and explain why?
18. What are the things that influence you to trust international brands and explain why?
19. If you find out that a brand is not domestic and that it is international does that change your perception of the brand and explain why?

Appendix

20. What is your impression of international advertisements compared to your domestic brands and do you trust international ads more than Swedish, explain why?
21. Are international brands more or less consistent in their marketing than your domestic brands and explain why? (*Ex quality, value, advertising etc...*)
22. Do you think that international companies exploit worker from third world countries more than domestic companies and explain why?
23. Do you get a more credible impression from international brands or your domestic brands and explain why?
24. Do you usually develop a closer bond to your domestic brands or international brands and explain why?
25. In total what is the percent of international and domestic brands that you use?

Appendix 2:

Motivating the Focus Group Interview Manual

In this section I will motivate why I chose each question in the focus group interview manual so one understands the purpose of all the questions asked.

In question number one where I ask Swedes and non-Swedes to define what trust means to them, I wanted to see exactly what their general views on trust were. This would then allow me to also understand what is important for them in order to trust anything in general, and then make a link to what brands needed to have in order for them to trust them as well. Also, from asking Swedes and non-Swedes their views on trust I would have the ability to make clear whether Swedes responses were typically Swedish or if in general all people have similar outlooks of what trust means to them.

In question number two, where I ask Swedes and non Swedes if they were risk takers or not, I had the intention to analyze this based on theoretical propositions. For example, Hofstede's theory on uncertainty avoidance was further investigated through the participant's responses. Also, this question gave a foundation to analyze the risk that Swedes associate with trusting international brand and their trust threshold. Furthermore, by asking Swedes and non-Swedes this question, I would have the ability to make the logical assumption of what distinctly characterizes as Swedish culture and what doesn't.

In question number three where I ask Swedes and non-Swedes to describe their culture, I wanted to be able to cross reference between how the literature explains Sweden to be, and how Swedes actually see Swedish culture in their reality. In doing so this would possibly strengthen the internal validity of my research. Also this question gave Swedes and non-Swedes the opportunity to talk openly about many other different things in their culture that I was able to apply to other parts of this study. Also, by asking non Swedes the same question, I would have the ability to see the differences in other cultures, which further emphasized more precisely the typical accepted norms and behaviors within Swedish society.

In question number four where I ask Swedes and non-Swedes the things that stands out in their culture the most that brands need to connect to if they are

Appendix

going to trust it, was intended to directly link attributes of their culture to brand trust. Furthermore, I would be able to cross check between the sources used throughout this thesis which potentially raises the internal validity of this research. Also, by asking Swedes and non-Swedes the same question, I would have the ability to analyze the culture attributes which link to brand trust that were characteristically Swedish.

In question number five where I asked Swedes and non-Swedes what makes a brand Swedish; I had the intention of finding out the reality of the participants views of what actually makes a brand Swedish. Furthermore, this question was used to show the confusion that actually exists in defining what an international brand is. In addition, I was able to in depth find out the reality of how they defined international brands and the situations where the brand could still be characterized as a domestic brand. Moreover, since there are questions later on, where I ask Swedes whether they would prefer Swedish or international brands, and if they trust Swedish or international brands more, this question could potentially fault their answers since, what Swedes actually think an international brand is may not correspond with how they respond to this question. Furthermore, this questions as well as others, allows one to gain a better understanding of brand trust in Sweden, because questions are systematically designed to be similar in nature, in order to get true responses. Also, I had the ability of determining which responses were attributes of Swedes, since non-Swedes were asked the same questions.

In question five B where I ask Swedes if the brand *Nivea*, *Marabou*, *Gevalia*, *Volvo* and *Felix* are Swedish or international brands, I wanted to know the knowledge of what the participants had of brands, and triangulate this information with other sources within this thesis. Moreover, this question was used to see if contradiction existed with the ways that participants answered the previous question, which would further show the confusion people have in defining international brands. I only asked Swedes this question because internationals would obviously know less about the brands that would be considered Swedish. Furthermore, since the focus of this study is on Sweden, one can logically see the irrelevance.

In question number six where I ask Swedes and non-Swedes what was their most trusted brand in the world; I mainly had the intention of determining in general if their most trusted brands were domestic of international. Also, I would have the ability of seeing how strong the role of nationalism was

Appendix

between Swedes and non Swedes. Furthermore, since I asked both Swedes and non Swedes these questions, this would give me the chance of seeing whether Swedes or non-Swedes trusted domestic or international brands more, who showed to be more nationalistic, as well as what answers showed to be characteristic of Swedish culture.

In question number seven where I ask Swedes and non-Swedes specifically which international brands they trust, my intention was to find out the characteristics of the international brands that they trusted and see if it correlated with other questions previously asked. Also, this question would possibly allow me to see if their trusted international brands had the same characteristics of the Swedish brands that they trusted. Furthermore, by asking this question, it would give me a closer interpretation of the international brands that are accepted within the norms of Swedish society. Also, since I asked Swedes and non-Swedes this question I would possibly be given the aptitude to analyze the responses that were typically Swedish.

In question number eight where I ask Swedes and non-Swedes would they find it more difficult to trust domestic or international brands, I wanted to examine the trust threshold that the participants had. Furthermore, I used this question in order to cross check the way that other similar questions were answered in order to get to the reality of their responses. In addition, since I asked Swedes and non-Swedes the same question I would have the ability of validating responses that are distinctive within Swedish culture.

In question number nine where I ask Swedes and non-Swedes to describe positive or negative experiences that they have had with international brands, and to explain in what ways their experiences impacted trust for these brands, I essentially intended to break the patterns of the questions. This is because after a period of time, of asking exhausting questions I wanted to throw in a question where the participants can just talk freely, without me necessarily trying to get them to focus on a particular subject matter. In addition, when going on to other questions, I would potentially have the ability of getting more fresh answers, after taking a break from more serious issues.

In question number ten where I ask Swedes and non-Swedes if they believe that international brands fit into their culture, I was determined to analyze if international brands were consistent in responding and adapting to the local needs and wants throughout the marketing process. I also, wanted to see the

Appendix

how informed were the participants to this subject matter. Furthermore, I had the intention of using this question to cross check with other responses in order to strengthen the analysis. In addition, by asking Swedes and non-Swedes the same question I would possibly be able to see which answers correspond as being specifically Swedish traits.

In question number eleven where I asked Swedes and non-Swedes if international or domestic brands are more trustworthy, I intended on seeing how differently the participants would respond to this question since there is another question that is similar to this. Furthermore, since I have continuously asked the participants to thoroughly explain their answers; in a progressive and systematic way I would have a better opportunity of gaining a clearer perspective of their thoughts. Also, by asking Swedes and non-Swedes the same questions, this further allowed me to conceivably detach the characteristics were not distinctly Swedish.

In question number twelve, where I ask Swedes and non-Swedes if they prefer international or domestic brands, I intended on finding out the participant preference for domestic and international brands, which was another way of examining the existence of nationalism. In addition this question would contribute in allowing me cross analyze other questions to see where Swedes and non-Swedes really stand in their statements. Also, as with other questions I have the advantage of seeing which behaviors are the divergent norms within Swedish culture since Swedes and non-Swedes were asked the same question.

In question number thirteen, where I ask Swedes and non-Swedes to rate the quality and value of brands from these countries: America, France, Germany, Italy, Sweden, Japan, and Korea; I had the intention of finding out the participant's perception, image and stereotypes of these countries, while cross referencing their answers with theoretical propositions. Furthermore, the purpose was to examine the response to this question with others, while depicting the characteristics that were evident of Swedish culture since Swedes and non-Swedes were asked the same question.

In question number fourteen where I ask Swedes and non-Swedes to tell me their most trusted to least trusted brands from the following countries: America, France, Germany, Italy, Sweden, Japan, and Korea; I wanted to see whether specific countries would have the perception of being more trustful than others, and see in what ways these responses would correlate or contradict with the

Appendix

countries who were rated as having the highest value or quality. In addition this question was formulated in order to cross check and analyze other statement made by Swedes and non-Swedes, while emphasizing the traits that are typically Swedish.

In question number fifteen where I asked Swedes and non-Swedes to explain if they would trust Swedish brands or international brands more when it comes to: cars, candy, clothing, and mineral water; I intended on finding out whether the participants perception of trust changed according to different product categories, as well as seeing how well their responses correlated with theoretical propositions. Also, it would become clear if responses were ideally Swedish or more general in nature.

In question number sixteen where I asked Swedes and non-Swedes if an international brand was a higher price than a domestic brand in the market, if they would believe that the quality was higher, I wanted to see how strongly participants linked quality and price, and in what ways would their perception change of the brand based on the price. In addition, I formulated this question to analyze the role that trust has in connection to the quality. Also, I could possibly determine which responses were typical of Swedish culture since Swedes and non Swedes were asked the same question.

In question seventeen where I ask Swedes and non-Swedes if they normally stick to one brand or switch brands regularly; I wanted to know whether lack of trust played a role in the reason to why the participants would stick to one brand or change to another. Also I had the intention of distinguishing whether the way that Swedes responded were ideally Swedish or general in nature since Swedes and non-Swedes were asked the same questions.

In question eighteen I ask Swede and non-Swedes, what are the things that influence them to trust international brands; I had the intention on finding out how strong the role of advertising played as oppose to word of mouth from friends and family. Furthermore, I wanted to connect the responses from this question to the theory written on culture, while analyzing the characteristics that were distinctly Swedish.

In question number nineteen where I ask Swedes and non-Swedes if they found out that a brand was not domestic would that change their perception of that brand, I wanted to see if nationalism was prevalent from the responses and how

Appendix

this in turn would have an impact on the trust for the brand. Also, as in all previous questions both Swedes and non-Swedes were asked the same questions in order to separate the answers that are ideally Swedish in nature.

In question number twenty where I ask Swedes and non-Swedes what their impression of international advertisements compared to advertisements in their domestic markets, I had the intention of finding out how their perception of ads impacted the actual trust for the brands and in what ways this corresponded with theoretical propositions. Furthermore, Swedes and non-Swedes were asked the same questions to separate which answers could be categorized as be distinctly Swedish.

In question number twenty one where explicitly ask Swedes and non-Swedes if international brands or domestic brands are more or less consistent in their marketing (quality, value, advertising), I intended on finding out their perception from a different point of view, since there is another question that is similar to this one. Furthermore, by doing this I could further find the reality of the responses that were typically Swedish since I asked non-Swedes the same questions.

In question twenty two where I asked Swedes and non-Swedes to explain whether they believed international companies or their domestic countries exploited workers from third world countries more, I wanted to become aware of how participants perceived this issue and what ways would this correspond to the credibility of the brand which is also linked to trust. Also, in asking this question like the others I wanted to find out what characterizes as typically Swedish.

In question twenty three where I overtly ask Swedes if they get a more credible impression from international or their domestic brands, I wanted to analyze this questions with others to see if their were any interesting connections based on previous questions that were similar. Furthermore, I wanted to find out their actual perception of credibility and in what ways this influenced trust for the brand. Also, as in all previous questions both Swedes and non-Swedes were asked the same questions in order to separate the answers that are ideally Swedish in nature.

In question twenty four where I asked Swedes and non-Swedes to explain to me if they developed a closer bond with their domestic or international brands; I wanted to see if the participants developed more intimacy and emotional

Appendix

connection to their local brands due to various reasons such as experience. Furthermore, I wanted to depict the personalities that were evident of Swedish culture since Swedes and non-Swedes were asked the same question.

In question twenty five where I asked Swedes and non-Swedes to tell me in total what is the percent of international and Swedish brands that they used, I wanted them to give me an average of all the brands that they utilize and to tell me in general how many international brands they consumed when compared to their domestic brand. In formulating this question I wanted to see if they mainly used international or domestic brands more, and then cross check and analyze this information with other statements made. Furthermore, by asking Swedes and non-Swedes this question, I would have the ability to make logical assumptions.