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Country of Origin Effect: the value of Made in Italy in the United Kingdom and Russia

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Well done is better than well said

Benjamin Franklin

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INTRODUCTION

Country of Origin Effect: the value of Made in Italy in the UK and Russia is the title of my dissertation and it contains the three main interests gained during my university studies: the UK and the English language, Russia and marketing and communication. The topic was chosen in order to join these subjects and have the possibility to conduct an empirical study as well as a literature review. The phenomenon of Country of Origin Effect (COO), the concept of Made in Italy and its position in the British and Russian market and economy are the main important topics which are analyzed and developed in the thesis. In the dissertation a central role is given to the notion of the COO, as from personal experience and common sense it is easy to understand how the Country Image is important and sometimes essential in determining the purchasing choices, and how it influences the behaviour of consumers in many everyday situations. In particular, the concept has an important role in the current-day global world and market, where not only the economical, but also the political, social and cultural interactions among people and countries are growing more and more. From an academic point of view, the phenomenon also was first studied in the context of business administration, but then, its importance was recognised by the other disciplines.

In the first chapter the concepts of Country of Origin and Made in Italy are examined. Here, the history of COO is described in detail, from the single cue period beginning in 1965 to the multi cues period and the studies of today's researchers. Moreover, the halo and the summary constructs, the two most important effects of COO, are described, together with the relations between the Country Image, the Product Image, the Brand Image and the problem of hybrid goods. The halo effect shows that even if a person does not know the products made in a certain country or has no previous experience with the products of this country, he/she may anyway have an own image of these products and country. Instead the summary construct means that the country image which a consumer has is based on his/her buying experience of products of that specific country, and therefore the consumer knows the real characteristics of the product because he/she had experience of them. The hybrid goods represent quite a recent concept and they refer to the fragmentation of the value chain; they are products in which some or all the passages from the initial idea of the product to the sale of the product can happen in different countries. Then, some aspects of the topic of Made in Italy are discussed. Over the years, this term has turned into an expression able to evoke the idea of Italian products all over the world. Their reputation has made the idea of Made in Italy become that of a real brand marked by distinctiveness, creativity, originality and quality typical of Italian companies and artisans. In particular, Made in Italy strengths and weaknesses are described with some concrete examples of Italian companies. In the last part of the chapter, data and information about Made in Italy exports are shown, described and analyzed, including the most important countries for Italian exports or the main exported Italian products.

In the second chapter the analysis focuses on the UK and the role of Made in Italy products in this country. At first some information about the UK economy and its relationship with Italy are given. The connection between the two countries is very old, of long tradition and has deep roots, above all as they were both members of the European Union. However, in 2016 after a referendum, the British people decided to leave the European Union. In one section this historical event is described and explored and its consequences on Italian exports are analyzed. In fact, the importance of Made in Italy exports before Brexit is explored together with the features of the two years after Brexit. In the last part of the section an Italian company is taken as a case study in order to have a concrete example of a Made in Italy producer who decided to face the reality of the UK market. Levante is the name of the firm and it was chosen because I had the chance to interview the person who deals with foreign relations. The questions concerned the history of the enterprise and its relations with European and non-European countries, with particular attention focused on those with the UK. In brief, Levante began its activity approximately 50 years ago and it specialized in the production of socks and tights for women; then during the 1990’s it extended its range of products, including underwear for men and women and hosiery, outwear and beachwear collections.

Finally, in the last chapter an analysis is carried out on the Russian market and economy, and the importance of Made in Italy in Russia is shown, also using graphs and tables. To be precise, it describes what a planned economy is, and a short economic Russian history from the 1920's until now is provided, analyzing the importance of Made in Italy products in Russia over the years. The focus is especially on the period when Russia evolved from a planned economy to a market economy and the problem of European restrictive measures and Russian embargo. The second part concerns a questionnaire on Made in Italy I conducted with a number of Russian people. In 2018, I spent a semester on the Erasmus programme in Estonia for six months at Tartu University and I had the opportunity to complete a part of my dissertation there, in particular to plan and realize the survey. The University of Tartu was founded in 1632 by the Swedish king Gustavus Adolphus and it is Estonia's leading centre of research and training. It preserves the culture of the Estonian people and spearheads the country's reputation in research and provision of higher education, and in particular, it stresses the importance of international co-operation and partnerships with reputable research universities all over the world. It is for this reason that I succeeded in finding almost 60 Russian young adults who took part in my study. In the chapter, the methodology, the structure and the questions of the questionnaire are described in detail, and the results are shown and analyzed.

To conclude, through my dissertation I will investigate how important the factor of the Country of Origin is for consumers' decisions, especially in the case of Italian products, as Made in Italy became a kind of brand thanks to the positive features associated with Italy and Italians, such as originality, the crafts abilities or the attention to the tradition. The COO is a very important competitive factor for the marketing of goods and services, and therefore, in today's context of strong competition due to increasing globalization it is a topic of particular interest as it has effects on consumers' behaviour. Specifically, I would like to present how important Made in Italy products have been and are for the UK and Russian market and economy and which are the Made in Italy strengths on which to focus. In particular, as it is a vast topic, attention is focused on the changes in the value of Made in Italy exports in the UK and Russia after two of the most important events happening in these two countries in the last few years. To be precise, in the UK Italian exports are analyzed before and after Brexit, while in Russia before and after the European restrictions and Russian embargo. I decided to focus on the UK and Russia because studying their culture and history I understood that they are, especially for Italian companies, two countries full of opportunities, which can grow even more in the future. Finally, the aim of the case study and the questionnaire is to show and analyze concretely from one hand the experience of an Italian company towards the trade of its products with the United Kingdom, which are the positive and the negative aspects, and, from the other hand, Russians' opinions about Made in Italy, why it is appreciated and which are the problems.

CHAPTER ONE

COUNTRY OF ORIGIN EFFECT AND MADE IN ITALY

1.1 Country of Origin effect

In this age of globalisation the opening of the territorial borders to the movement of people, goods and capitals has had important and inevitable consequences. On one hand, a process of internationalization of the national production began in many countries around the world and it made the distinction between domestically-manufactured assets and foreign-manufactured assets more difficult than before; on the other hand, a strong increase in the competitive levels between companies and countries happened as they have to consider new and more competitive strategic policies in order to support the production systems and encourage economic development. Indeed, a company's native country has a very important role in the international marketing strategies because of the influence that the nationality of the company and the product has on the purchasing behaviour of consumers. In order to achieve the aim of exploiting the economic activities of the territory it is important to analyze the relationship between Country Image, Brand Image and Product Image; all these aspects are part of the phenomenon named *Country of Origin Effect* (COO). Before explaining and analyzing this concept, it is important to describe briefly how this line of research has evolved over the years.

1.1.1 History of the Country of Origin Effect

Speaking about the COO it is essential to say that there is not an unambiguous definition of the term since scholars have always modified, implemented or invalidated other theories. The first period of studies is known as the single-cue period of studies and it lasted from 1965 until 1982, and even though a linear definition of this phenomenon does not exist, all the scholars consider Schooler the first author who spoke about the Country of Origin effect; in 1965 in Latin America he conducted a research in order to understand if the origin of the products influenced consumers' purchasing choices[1]. He asked a group of students in Guatemala to complete a survey in which they had to give an opinion about the quality of some identical products characterized by a different origin (Mexico, Costa Rica, El Salvador, Guatemala). The result showed "a significant differences in the evaluation of products, identical in all respects except the name of the country appearing on the label"[2],as the Mexican and Guatemalan products had a positive judgment, while the Costa Rican and Salvadorian ones had a negative judgement. Schooler's conclusion was in favour of his hypothesis: "Statistically significant differences exist in the evaluation of products by Guatemalan market participants on the basis of the national origin of the products"[3]; he added that this fact happened because of the hostility of Mexico and Guatemala towards Costa Rica and El Salvador.

Moreover, in another research Schooler found a relation between demographic factors and the COO, assuming that the consumers with a higher education, the youngest and women were more inclined to buy foreign products.[4] Other important scholars of the first period were Reierson, Nagashima and Yaprak. The first one followed the same line as Schooler, finding out that American students preferred their national products instead of those of Germany, Japan, France, Canada, Italy, Great Britain, Denmark, Belgium and Swiss, and consequently the existence of stereotypes[5]. The Japanese scholar Nagashima studied the behaviour of some businessmen toward the national and foreign products in Japan and America, but in two stages: the first time in 1970 and the second one in 1977[6] [7]. He found a different way of thinking from the Americans and Japanese and a change during the years in the Japanese people's

[1] Schooler, R. D., Product bias in the Central American common market, Journal of Marketing Research, 1965
[2] Ibid.
[3] Ibid.
[4] Shooler, R. D., Bias phenomena attendant to the marketing of foreign goods in the US, Journal of International Business Studies, 1971
[5] Reierson, C., Are foreign products seen as national stereotypes?, Journal of Retailing, 1966
[6] Nagashima, A., A comparison of Japanese and US attitudes towards foreign products, Journal of Marketing, 1970,
[7] Nagashima, A., A comparative 'Made in' product image survey among Japanese businessmen, Journal of Marketing, 1977

perception; in fact, they began to prefer the national products instead of the American ones. In particular, he proved the dynamism of the COO. Immediately after this research, in 1978, Yaprak made a great step forward, demonstrating that the consumer choice can be influenced both by the country of origin of the product and some specific characteristics of the product[8]. In this first period the point in common in all the studies was the consideration of only one cue on the consumers, the origin of the product, with the consequence of an overestimation of the COO and unreality of the situation.

For this reason in 1983 the experts began to study the phenomenon in a different way, taking into consideration other important cues, such as the price, the brand, the guarantee etc., and trying to have more realistic features; this second period is known as the multi-cue period (1983-1992). During this period of time many studies were conducted and many factors taken into consideration. In 1985 Heslop and Wall invalidated Schooler's theory (women are more keen on choosing foreign products), demonstrating that there is not a big difference between man and women in the choice of foreign products, whereas in the same year Johansson, Nonaka and Douglas found a different behaviour of men and women towards the foreign product[9]. In 1988 Richard Ettenson showed that the Country of Origin Effect was less important than the price and the quality of the products; other factors analyzed in the studies were the age of the consumers and the level of education (younger people and consumers with a higher level of education are more inclined to buy foreign products)[10]. Then, in 1992 the economists Romeo and Roth tried to be more concrete in their research, explaining the importance of associating the image of the country of origin with the right products categories in a marketing strategy[11].

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[8] Yapra, A., Formulating a multinational marketing strategy: a deductive cross-national consumer behaviour model, PhD Dissertation, Georgia State University, 1978

[9] Heslop, L. A., and Wall, M., Differences between men and women in the country of origin product images, Administrative Sciences of Canada Proceedings, Montreal, Canada, 1985

[10] Ettenson, R., Wagner, J., and Gaeth, G., The Effect of Country of Origin and the Made in the U.S.A. Campaign, Journal of Retailing, Spring, 1988

[11] Roth, M., and Romeo, J., Matching Product Category and Country Image Perceptions : a Framework for Managing Country of Origin Effect, 1992

This passage was very important because it opens the door to the third period of studies, which continues today, where the theories are more concrete and the COO is analyzed taking into consideration the changes arising from the globalization of the world and the markets. Regarding this period Papadopoulos and Heslop are two of the most important scholars, because they underlined the importance of a multi-cue model also based on other subjects such as sociology, anthropology, geography and psychology, and the fact that the country where the product is built can be different for example from the country where the product is assembled or designed; they wrote: "The subject is of vital importance to companies looking for ways to enhance their competitiveness, whether by expanding to foreign markets or protecting their domestic consumer franchise. It is also important to academic researchers with interests in a wide range of areas, including international marketing strategy, branding, stereotyping, ethnic imagery, rules and patterns, cultural geography and anthropology, international relations at the people or country level, and many others"[12].

Moreover, other studies have shown the fact that the verbal description of a product increased the influence of the COO more than the written survey in the consumer's decision, and that a good brand name influences positively the opinion on a product, even if the image of the country of origin is not so positive[13]. Finally, another important study was conducted by Zhang in 1997; he developed a new parameter to calculate the effect of the COO: the need for cognition (NFC). It indicates the need of information about the products for the consumers and Zhang claimed that the less is the NFC, the more is the importance of the COO[14].

In conclusion, even if there is not a uniform theory about the phenomenon of the Country of Origin Effect, but many divergent ideas and opinion, the same idea that links all the studies is the fact that the country image can be an important yardstick of the offers of a country.

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[12] Papadopulos, N., and Heslop, L. A., Product and Country Images: Research and Strategy, The Haworth Press, New York, 1993

[13] Peterson, R. A., and Jolibert, A. J. P., A Meta-Analysis of Country-of-origin Effects, Journal of International Business Studies, 1995

[14] Zhang, Y., Country-of-origin effect: The moderating function of individual difference in information processing, International Marketing Review, 1997

1.1.2 The Halo Effect and the Summary Construct

Nowadays the country image is becoming more and more important, as we live in a globalized world, where internationalization is the path that a great number of companies are pursuing. The image of the country is not a close concept that cannot change, but a dynamic one; in fact, it can be modified. Every country, city and region has a specific image and for this reason, on one hand, it is important to try to improve the image, for example with territorial marketing campaigns; on the other hand, for companies it is essential to verify the country image before their entry in foreign markets, in order to understand which is the best communication strategy and if, for example, it is better to hide or "show" the country image. Therefore, analyzing consumers' thought processes (percept and cognitive) used in the formation of the image of a country is very important for companies to understand better the role of the COO in today's multi-cue environments. The importance of consumers' behaviour can be seen in Roth and Diamantopoulos' definition of perceptions and COO: "Perceptions usually refer to the process consumers select, organize, and interpret intrinsic or extrinsic stimuli. In the context of COO research, the perceptual process could thus help to explain how consumers select, organize and interpret the COO cue compared to other cues such as brand, warranties or price. In this respect, COO represents a synonym for a verbal or textual stimulus, that is, "the made" in label printed on the product. Thus, the concept of perceptions offers a good theoretical framework for analyzing, say, the importance of COO compared to other extrinsic or intrinsic cues or the relative importance of one COO compared to another"[15].

The perceptions mentioned above develop in accordance with the socio-demographic characteristics of each consumer and the information about the country and the offer, such as the characteristic of the product that the consumer has. Since it is impossible to analyze the perceptions of each consumer, it is possible to generalize this analysis trying to understand how a consumer can behave toward both his country and the foreign ones. There may exist three different types of consumers: the geocentric

[15] Roth, M., and Diamantopoulos, A., Advancing the country image construct, Journal of Business Research, 2009

consumer, the ethnocentric consumer and the indifferent consumer[16]. The first is the consumer who has a positive perception of the foreign products; probably he is a curious person and for him buying a product is not a simple fact but a real and great experience, he wants to feel a citizen of the world or simply he is aware of foreign product superiority compared to the national product; he desires to live and know different cultures and countries. The ethnocentric consumer is the opposite of first consumer as he is close to foreign products and brand to the point that sometimes he refuses to buy a foreign product only because it is not realized in his country. The last consumer is the one who does not have a real preference for the national products and an hostility towards the international products; for this reasons he analyzes the various characteristics of the product carefully before buying a product in order to make the better choice. The way the consumer perceives a country is very important to understand how the COO influences his choices; in particular the Country image can have two different effects on the consumer, the halo effect and the summary construct and they depend on the level of knowledge that the consumer has about a certain country.

The Halo Effect can be defined as "a rater's failure to discriminate among conceptually distinct and potentially independent attributes, with the result that individual attribute ratings co-vary more than they otherwise would. In accordance with cognitive consistency theories, people strive to maintain a consistent set of beliefs and attitudes. Inconsistency in the cognitive system is hypothesized to induce adverse psychological tension. This tendency towards consistency manifests itself a higher-than-actual correlations between attribute ratings because individuals are psychologically motivated to level out discrepancies which appear in belief structure"[17]. In more simple and concrete words the Halo Effect shows that even if a person does not know the products made in a certain country or did not have previous experience with the products of this country, anyway she has an own image of these products and country; therefore in this case the consumer infers information about the products on the basis

[16] Pastore, A., Impresa e comunicazione, Apogeo Editore, 2008
[17] Leuthesser, L., Kohli, C. S., Harich, K. R., Brand equity: the halo effect measure, European Journal of Marketing, 1995

of his knowledge of the country and beliefs[18] [19]. In order to understand the phenomenon better, we can imagine a consumer faced for the first time with a product Made in Russia, he has never bought products from Russia before. The intrinsic features of the product are known, but the country of origin (an important extrinsic feature for the consumer) does not give important information about the quality of the product, and because of his lack of experience with Made in Russia products, the consumer cannot have advices about the quality from other Russian products. Therefore, he relies on his ideas about Russia as a producer country through some information that he had from television, friends, other people, word of mouth, the political and economic situation of the country, etc. This image is used to judge the product from the consumer and have the overall assessment of the product: in this case the image of Russia exercises the halo effect on the consumer. On the contrary, the summary construct involves that the country image, which a consumer has, is based on his buying experience of products of that specific country[20] [21].

When consumers have more experience and know the real characteristics of the foreign product, they modify their image of the country, that has a summary effect. For example, we can imagine that a consumer may decide to buy a Russian product thanks to the positive Halo Effect; at this point the purchase can modify or clearly support the consumer's image of Russia. Therefore, the direct experience with a Made in Russia product develops a new image of Russia, which will be very important and useful for the future decision to buy Russian products. The Summary Construct depends on the intrinsic and extrinsic features of the products, which the consumer has already experienced. This analysis shows that the postmodern consumer feels the act of buying as a whole process of dynamic and interdependent sequences of cognitive and emotional elements.

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[18] Beckwith, N. E., and Lehmann, D. R., The Importance of Halo Effects in Multi-Attribute Attitude Models, Journal of Marketing Research, 1975
[19] Ayyildiz, H., and Cengiz, E., Country image effect on customer loyalty model, Innovative Marketing, 2007
[20] Min Han, C., Country Image: Halo or Summary Construct, Journal of Marketing Research, Chicago, 1989
[21] Yong, J., Kyungdo, P., Dubinsky, A. J., Impact of retailer image on private brand attitude: Halo effect and summary construct, Australian Journal of Psychology, 2011

1.1.3 The relationship between the Country Image, Product Image and Brand Image

Speaking about the country image it is important to underline that it can be of two types, a general country image and another country image associated to a specific line of products; therefore, this means that every product category is associated to a specific country image. In fact, Nagashima defines the country image as "the picture, the representation, the stereotype, that businessmen attach to products of a specific country. The image is created by such variables as representative products, nation characteristics, economic and political background, history and tradition". For this reason there is no guarantee that if a country has a positive image, then the image of the country associated to a specific products line is also positive: in this dynamic dimension of the COO the country image relates to the brand image and the product image. Therefore, companies have to pay attention to these relationships in order to choose the right strategy; for example, the models of the matching product category of Roth and Romeo explains which situation they can meet speaking about the relationship between the country image and the product features[22]. They can be summarized as in the following table (Table 1.1).

[22] Roth, M., Romeo, J., Matching Product Category and Country Image Perceptions: A Framework for Managing Country-of-Origin Effects, Journal of International Business Studies, 1992

Table 1.1: the relationship between the country image and the product features[23]

		Country Image	
		Positive	Negative
Product characteristics	Important	I. Favourable match	II. Unfavourable match
	Non Important	III. Favourable mismatch	IV. Unfavourable mismatch

A favourable match happens when the country image is positive and it is relevant for the perceptions of the products category taken into consideration (such as Italian furniture); while an unfavourable match occurs when consumers do not consider the important features of a product as strengths of the origin country (such as Chinese furniture). The favourable mismatch happens when the country image is positive, but it is not relevant to judge the product taken into consideration (for example the Italian reputation in fashion is not useful to analyze an Italian mobile phone); while an unfavourable mismatch when the country image is not positive and it does not affect the judgment of the product.

Therefore, using the COO would be a great decision in the first situation, where the features of the product, important for the consumer, are positive and in harmony with the positive image of the country; on the contrary using the COO in the second and forth situations would not probably bring positive effects. In the last situation it would be useful not to focalize the marketing strategy on the COO, or try to focus the attention on the positive image of the country of origin[24].

[23] My data processing of the model in Roth, M., Romeo, J., Matching Product Category and Country Image Perceptions: A Framework for Managing Country-of-Origin Effects, Journal of International Business Studies, 1992

[24] Ibid.

Kotabe and Helsen explained the possible relationships between the Country Image and the Brand Image, following Roth and Romeo's theory, and they showed the strategy that a company should follow on the basis of these relationships[25]. The different possibilities can be schematized as follows (Table 1.2).

Table 1.2: the possible relationships between the Country Image and the Brand Image[26]

		Country Image	
		Positive	Negative
Brand Image	Important	I. Favourable match	II. Unfavourable match
	Non Important	III. Favourable mismatch	IV. Unfavourable mismatch

The first hypothesis (favourable match) indicates a very positive relationship between the country image and the brand image, and in the marketing strategy the phenomenon of the COO can be used; in fact, the brand can explicitly relate to the country of origin. This is the case of the Italian cheese Parmigiano Reggiano, whose name derives from the cities where it is made, Parma and Reggio Emilia, or the Nero Giardini company, which has the image of an Italian flag in its brand. The second situation (unfavourable match) shows an important brand image associates to a negative country image, for this reason it could be useful to use an imaginary brand name and emphasize the features of the product. The third hypothesis (favourable mismatch) indicates a situation of a positive country image and a negative brand image: the company should try to improve its brand image in order to move to the first relationship. The last situation (unfavourable mismatch) presents a negative association between the Country Image and the Brand Image, for this reason the COO is cancelled and it cannot be used in the strategies of the company.

[25] Kotabe, M., Hensen, K., Global Marketing Management, Johh Wiley & Sons, 2000.
[26] My data processing of the model in Kotabe, M., Hensen, K., Global Marketing Management, Johh Wiley & Sons, 2000

In conclusion, these studies underline the need for companies to analyze which effects the COO can have on the opinions, ideas and perceptions of the foreign consumers; in which cases it should be useful to take advantage of the COO; and if and how these effects can be modify over time.

1.1.4 Hybrid Goods

Over the last few years, defining the phenomenon of the COO has become more and more difficult due to an increasingly globalized economy. In fact, globalization has given rise to a more and more complex relationship between companies and to a new definition of the national product. Due to the development of international trade, increasing competition between countries and the need to reduce costs, multinationals have had to modify their strategies and in some cases to break up their activities in several countries[27]. This fragmentation of the value chain led to the birth of hybrid goods; they are products in which some or all the passages from the initial idea of the product to the sale of the product can be made in different countries, for example the assembly can be made in China, while the manufacture in the USA. Because of this new economic situation, recent studies about the COO divided the concept into several dimensions and, despite the presence of many theories, it is possible to have a list of the possible different parts of the COO[28]. The first dimension can be the Country of Design, "the country where product was conceived and engineered"; the second one is the Country of assembly, "the country where the majority of the product's final assembly took place"; the third is the Country of parts, "the country where the majority of the materials used in product come from and/or the components parts are made"; the forth is the Country of manufacture, "the country where the product is manufactured"; the last one is the Country of brand, "the country in which the brand name originated".

[27] Caroli, M., Economia e gestione delle imprese internazionali. McGraw-Hill, 2008
[28] Chao, P., Partitioning Country of Origin Effect: Consumer Evaluation of a Hybrid Product, Journal of International Business Studies, 1993

There may be many reasons for this fragmentation, for example the benefits in term of costs or quality when the companies decide to move the activity in another country: the opening of a factory in China could mean lower labour costs, while in Italy an higher quality[29]. Moreover, in addition to the economic reasons, the choice of fragmentation can be a strategy based on the reputation and image of the various countries. Once more, during all this process, it is important to take into consideration consumers' opinions about the countries chosen by the companies for the different activities, because, for example, it is possible that in general the developing countries, where the costs are lower, are negatively perceived by the consumers. Therefore, marketing campaigns are essential to guarantee the success of the hybrid products and in many cases it could be useful to draw attention to the countries which have a positive image and reputation.

1.2 Made in Italy

The Made in Italy world is a very large and complicated reality and it is difficult to explain exhaustively and give a definition of this concept, but one may argue all the important aspects are expressed in the following thought present in Fabiana Romano's book *Passione I.T.A.L.I.A*: "Il Made in Italy è la capacità di privilegiare il lungo termine al breve. La lealtà verso il mercato contro la mistificazione del prodotto finalizzata a produrre una crescita vertiginosa e spesso ingiustificata. È creare qualcosa di bello. È passione e rispetto della tradizione. È sedurre l'economia facendo le cose che facevano gli altri prima di noi e rassicurarla facendo quel qualcosa sempre un po' meglio"[30].

One of the most important aspects of Made in Italy is that industry means culture, as the cultural sphere is essential for the importance of the product; in fact, the productive dimension has never been separated from the cultural dimension, even if since the twentieth century the culture has nothing to do with the object of the

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[29] Nebenzahl, I., and Jaffe, E., Measuring the joint effect of brand and Country image in consumer evaluation of global products, International Marketing Review, 1996
[30] Romano, F., Passione I.T.A.L.I.A., Edizioni Mondadori, 2011

production. This means that the values connected to the product are related to the cultural asset: in Italy not only a product is exported, but also a piece, a part of the culture; for this reason it is important to understand the cardinal values of the Made in Italy. The most important merits are an almost perfect harmony and beauty of the product and a high manufacturing quality; in particular, this results in a special attention to the craftsmanship, design, personalization and authenticity of the product[31].

1.2.1 Craftsmanship, design, personalization and authenticity

The craftsmanship is a real prerogative in Made in Italy products; it is essential to know how to value the homemade dimension, also in industrial contexts. This aspect is very significant for the details in the product, but it has also to do with the innovation, that is possible only with a thorough knowledge of the manufacturing dimension: being able to do is very important[32]. Indeed, the passion for the work, the attention to details and the transfer of knowledge are some of the main features that foreigners appreciate in the Italians. The craft quality is the basis of the most qualified and advanced productions[33]. For example, a reality which have valued the craftsmanship is Italian Stories (Fig. 1.1); in fact, it offers the possibility to the travellers from all over the world to meet the best Italian

Fig. 1.1: Italian Stories website

[31] Bettiol, M., Presentazione Power Point, Università degli Studi di Padova, 2017
[32] Bettiol, M., Raccontare il Made in Italy:un nuovo legame tra cultura e manifattura, Marsilio Fondazione Nord Est, Venezia, 2016
[33] Anselmi, P., The Italian way: i valori degli italiani e del Made in Italy, Seminario annuale Gfk Eurisko, Milano, 2014

craftsmen. It is a platform that allows to choose and book authentic experiences in the craftsmen's workshops and it began its activity four years ago during the economic crisis and the period where the people began to search for authentic experiences in their holiday planning and to be interested in craftsmanship, in particular Italian craftsmanship. Italian Stories decided to concentrate on the passions and an experience-based tourism, trying to combine architectural interest (the craftsmen's workshops are very nice and rich of history), an excellent product (the craftsmen do a very good and original job) and the Italian ability in the relationships (in the craftsmen's workshops many relationships have been developing for several years). The craftsmen is required to register to the platform and if he has all the necessary characteristics, Italian Stories helps him to create his own story: the platform sends him some story finders, who do a photo shoot to load online. The traveller books the journey according to the activity he likes and the place. There are three possible activities: the visit where the craftsmen work or of some museums; the workshop which includes the possibility to create simple artifacts under the leadership of the craftsmen; the "special packet" that depends on the ideas of the craftsmen and lasts more days. The other thoughts that Italian Stories wants to spread are the fact that teaching is a mutual gift and the person who wins is the one who can "contaminate" (the person who visits the workshop has a specific interest in the craftsmen's work and she can bring new points of view and ideas), and that it is important to travel as temporary citizens because a country or a village has not to be visited but lived (it is essential trying to know which stories are hidden in the places)[34].

The unique design is another important characteristic of Made in Italy; in fact in Italy it is possible to find the right skills in order to improve the product. The designers come to Italy because they need the Italian skills to turn the drawing into an object: this is possible thanks to the Italian craftsmen skills, manual work that is also an intellectual process[35]. The designers come to Italy to develop the ideas as in some other countries there are not the necessity skills, whereas Italians have never lost the connection with

[34] Italian Stories, online website
[35] Micelli, S., Fare è innovare: il nuovo lavoro artigiano, il Mulino, Bologna, 2016

craftsmanship. Consumers like the Italian products, such as cars, cloths, furniture, or shoes, because they have a unique and recognizable style since good taste, natural elegance and fashion are the main features associated to Italy and Italians by international consumers. Indeed, international consumers think that the sense of beauty is a value that pervades Italians' daily life: from Italy cultural diversity and artistic heritage to Italians' elegance of dress, taste in interior decoration and care in setting the table[36]. An important example of a company which decided to place the Italian design at the centre of its work is Design Apart (Fig. 1.2), an innovative and distributive platform, which aims at selling Italian furniture abroad. In fact, Italian exports are the main source of profits for the furniture industry. The Design Apart founders, Stefano Micelli and Diego Paccagnella, believe that Italy and its craft enterprises have all the necessary skills to compete on world markets. there are two are the fundamental elements of Design Apart activity: the Manufactures and the Living Showroom.

Fig. 1.2: Design Apart website

The Manufactures are furniture designers and makers, who have been selected by Design Apart and are members of the team. They have been chosen according to specific needs and criteria based on their product, type of production, their team and thoughts; they are all entrepreneurs, who were looking for something new and different, such as TM Italia and Berto. The Living Showroom is a real flat in New York, where the furniture of the artisans are placed; it is a space where it is possible to meet some members of the team, do some workshops and see which materials the furniture is made of and how it is designed. The strategy is one of the most important characteristics of Design Apart, which acts as the middleman between the artisans and

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[36] Anselmi, P., The Italian way: i valori degli italiani e del Made in Italy, Seminario annuale Gfk Eurisko, Milano, 2014

the showroom, and uses storytelling in order to attract the clients. Thanks to this platform the furniture companies increase the esteem of their brand and their authority. Moreover, Design Apart recently carried out a project in Italy, Casa Flora: it is the suite of a hotel near Piazza San Marco (Venice), where the guests can live like real Venetians. This strategy is always the same: give the possibility to see behind the scenes and take part in workshops and digital story telling in order to maintain and increase the interest of people in Made in Italy products[37].

The third important feature of Made in Italy is the possibility for costumers to personalize their products; in fact, the Italian producers have always paid the attention to clients' demands and less on standard products, as they prefer to create custom-made products where possible. Indeed, it has to be said that the artisan dimension is strictly related to the possibility of personalization[38]. Giving the possibility to personalize means creating an emotional connection with the consumers. Personalization creates important feelings in the clients because they become a kind of designer as they take part in the development of the product, he/she enters in the creative process, he/she is proud to share and speak about his/her creative experience, and he/she gets a unique and original product. Moreover, the consumer becomes a brand ambassador and he/she establishes and maintains strong personal relationships with the brand[39]. A remarkable example regarding the personalization is DIS, Design Italian Shoes (Fig. 1.3), a company that sells shoes and allows consumers to personalize them. It was founded thanks to the

Fig. 1.3: Design Italian Shoes website

[37] Design Apart, online website
[38] Bettiol, M., Presentazione Power Point, Università degli Studi di Padova, 2017
[39] Anselmi, P., The Italian way: i valori degli italiani e del Made in Italy, Seminario annuale Gfk Eurisko, Milano, 2014

collaboration of three professionals, Andrea Carpineti, Michele Luconi and Francesco Carpineti, who turned this project into a reality, using their expertise in different areas. DIS gives people the opportunity to stand out and express their personality designing and wearing classic customised shoes 100%, Made in Italy. In fact, one of its slogan is "Designed by you, handmade by us". Thanks to the 3D configurator it is possible to choose between different footwear models for men and women, to customise every part of the shoe and to select the material it will be made from. For example, the consumer can personalize the colours, the eyelets, the laces, the lining, the type of the sole etc., and he/she can create up to 5 million different combinations. In the website every possible passage of personalization is explained, also how to measure the size of the feet, and the client will be able to create his shoes, even if he is not an expert. Moreover, it is possible for him/her to ask for some help. Therefore, the company focuses its attention on underlining the craftsmanship of the products, explaining that the shoes are 100% handmade and Made in Italy, and no-one can have the same shoes because they are made by the artisans, who follow exactly consumers' desires. Thus, using the DIS service there is the opportunity to create an exclusive model, the perfect footwear for a particular situation, moment or outfit[40].

The last but not least important feature of the Made in Italy is authenticity. Indeed, most of Italian industry has well-defined territorial dimensions. Especially nowadays, the authenticity aspect is very important because the presence of fake products is growing[41]. A very interesting example that have valorised this value and the link with the geographical area is Birrificio Antoniano, a Paduan Craft Brewery, which began its activity in 2011 (Fig. 1.4). The

Fig. 1.4: Birra Antoniana website

[40] Design Italian Shoes, online website
[41] Bucci, A., Cadeluppi, V., Ferraresi, M., Il Made in Italy, Carocci, Roma, 2011

values that Birra Antoniana wants to convey are the links and importance of the local area, the sense of sociality and the significance of the craftsmanship and quality; indeed, the aim of the founders was to create an excellent Paduan beer affordable by everyone. Even from the name it is possible to understand the strong relationship with the region: Birra Antoniana is the beer of the city of the Saint with no name, Saint Anthony, who is very important in the history of Padua. The creators decided to cultivate more than 90 acres of land in Northern Italy and, in this way, reflect the idea of "Short Food Supply Chain", in which the values are the sourcing of raw materials and the attention for the consumers. Moreover, in Padua thanks to experts' consultancy the hops is cultivated. They chose to create three different ranges of beer, Classic, Panorama and Heritage. The first one includes beers that reinterpret different beer styles of the international brewing tradition, with a hint of Italian originality; the second one wants to pay tribute to the beauties of Italian landscapes and nature, where art, melts into taste and culture; the last one enhances local harvests and focuses the attention on the direct relationship with farmers and cultivators. In this reality another key point linked with the authenticity is the pursuit of the traditional methods, which means the constant presence of the brew master in all the steps of the production, the patience in following all the phases of the product and the decision not to accelerate some passages[42].

Therefore, craftsmanship, design, personalisation and authenticity are the most important features and values of Made in Italy, but it has to be said that much still remains to be done, as some negative aspects are also associated to the huge world of Made in Italy.

[42] Birra Antoniana, online website

1.2.2 Made in Italy weaknesses

Italy has its roots planted in a soil made greener by some great traditions, an important culture and history, which have produced an inimitable style. Even today, in an age of constant innovation, Made in Italy can assert itself in the world thanks to its ability to evoke beauty and humanity, but some aspects need to be improved. In fact, the swinging position of Made in Italy on foreign markets (above all with regard to Italian typical productions) poses a problem of relocation of the economic system and a reflection. First of all, according to a survey published by the Italian Chamber of Commerce and Industry for the Foreign Country (Assocamerestero), the Italians are seen as very brilliant people individually, but with some problems in working together[43]. Therefore, it is important to improve the image of all the sectors or areas of action, where the intensity of the teamwork has to be stronger. In fact, outside the country Italy is not always seen as a country that can exploit the abilities of the individuals. Italian companies should try to concentrate on team building at all levels, because it is essential to build the image of a country which moves in a cohesive way. Moreover, the Italian companies are often not present with continuity on foreign markets and this fact brings out the need for greater stability and rootedness of their position on the global market. In the achievement of the goal a limit could be the fact that Italian enterprises are most of all of small and medium-size. For this reason, sometimes, the small business size can be an obstacle to the capacity for innovation and the process of innovation, because of financial difficulties to conduct research or a lack of strategic vision in acquiring a management able to manage or feed the research.

Therefore, as the journalist Ernesto Galli Della Loggia asserts in his book *L'identità italiana,* it is possible that the international development of the Italian economy suffers from the difficult reconcilement between the State geography and the geography of society. In fact, for example, he states that Italy is not divided only between North and South, but also East and West from the point of view of the

[43] Assocamerestero, Stile italiano e Italian Way of Life: carte vincenti per il Made in Italy?, Edizioni Voices, Milano, 2006

geography, history, mentality and communications; so, in many situations where the Italian system should appear as a united system, the various components cannot join together around a sole State project. Indeed, it is not enough to produce Italian goods, but it is important to influence people's way of thinking in order to make the difference in a production that aims at creating uniformity; there is the necessity to assert the Made in Italy as a real philosophy and a special way of living[44]. Thus, the new technological tools cannot be ignored and it is absolutely fundamental to use them and to communicate with them in the right way, in order to create a winning image, define its privileges and personality, and create an experience and cultural economy[45]. Finally, an important problem for Made in Italy is the counterfeiting phenomenon. The Organization for Economic Co-operation and Development (OECD) estimates that the international trade of counterfeit goods has reached the amount of 461 billion dollars in 2013 equal to 2.5% of the entire world trade. This trade can be divided into a *primary market,* where the consumers buy counterfeit goods unconsciously, and a *secondary market,* where the consumers decide to buy counterfeit goods consciously because of their convenience price. As regards Italy the sales channels are various: from the real shops to the informal markets and Internet, which is going to be one of the main channels, both for unconscious and conscious buyers. It is important to consider that a popular brand has more possibilities to see its products counterfeited, but during the last years the type of counterfeit goods have become wider: luxury products, clothing, jewellery, pharmaceutical products, food, toys, cigarettes and car parts. Specifically, the numbers are reported in the following table (Table 1.3).

[44] Galli della Loggia, E., L'identità italiana, il Mulino, Bologna, 2010
[45] Bettiol, M., Raccontare il Made in Italy:un nuovo legame tra cultura e manifattura, Marsilio Fondazione Nord Est, Venezia, 2016

Table 1.3: Counterfeit goods (values in millions of Euro)[46]

Product Category	2015		Variation 2012-2015
	N	%	%
Clothing and Accessorize	2,247	32.5	-1.0
Audio and Video supports	1,965	28.5	+8.7
Food and Beverage products	1,020	14.8	-2.7
Electrical equipment	732	10.6	+23.4
Jewellery	402	5.8	+4.7
Computer equipment	282	4.1	+14.8
Perfumes and Cosmetics	107	1.5	-2.8
Car parts	101	1.5	-2.7
Toys	28	0.4	-4.7
Medicines	21	0.3	-2.7
Total	**6,905**	**100**	**+4.4**

Therefore, Italian companies are greatly affected by counterfeiting: the phenomenon is more developed in the West, in particular in the United State, Canada and Mexico, but also in other parts of the world, such as China. This is a real problem both for the companies and the Made in Italy concept because it leads to some negative effects. In particular, counterfeiting has these consequences[47] [48]:

- it weakens the innovation capacity, that is the key to growth;

- it negatively affects foreign trade and investments;

- it has negative effects on employment and the policy on environmental protection;

[46] EUIPO, OECD, Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact, 2013
[47] Senato della Repubblica, Ufficio Valutazione Impatto, Lotta alla contraffazione e tutela del Made in Italy, 2017
[48] INDICAM, La minaccia della contraffazione, Milano, 2009

- it can create health problems for the consumers;

- it limits the government's tax revenues;

- it consolidates the spread of criminal activity.

In order to fight against this problem it is important to underline that Italy and also other countries are looking at ways of improving the situation both at an international and national level, even though much remains to be done.

1.3 Made in Italy exports

In 2017 Italian exports increased by 7.4% compared to 2016 and this expansion concerns both non-EU countries (+8.2%) and EU countries (+6.7%). Exports to Spain (+10.2%), United States (+9.8%) and Switzerland (+8.7%) have grown more clearly than those to Germany (+6%) and France (+4.9%); sales to China (+22.2%) and Russia (+19.3%) stand out in absolute terms. In particular, the following tables show the geographical areas of destination for Italian exports and the main recipient countries for Italian exports[49] (Table 1.4) (Table 1.5) (Table 1.6).

[49] Giliberto, J., Commercio estero in crescita per un valore del +7,4% nel 2017, Il Sole 24 Ore online, 2018

Table 1.4: Geographical areas of destination of Italian exports (values in millions of Euro)[50]

	2015	2016	Jan.-Nov. 2016	Jan.-Nov. 2017
Europe	270,494	276,741	254,809	274,393
EU	225,975	233,413	215,134	230,469
EMU	165,086	171,293	157,933	168,806
Non EU countries	44,519	43,329	39,675	43,924
Africa	18,800	17,331	15,513	15,971
North Africa	13,095	12,444	11,233	11,259
Other African countries	5,705	4,888	4,280	4,712
America	53,428	53,501	48,261	52,962
North America	39,656	40,586	36,725	40,010
South Central America	13,772	12,916	11,536	12,952
Asia	61,990	61,622	55,232	60,317
Middle East	21,479	20,035	17,866	18,145
Central Asia	5,643	5,972	5,302	5,612
East Asia	34,868	35,615	32,064	36,561
Oceania and other territories	7,579	8,073	7,355	7,655
Entire world	412,291	417,269	381,169	411,297

[50] Production of data from Giorgio, F., Statistiche relative all'import/export di merci dell'Italia, Ministero dello Sviluppo Economico, Osservatorio Economico, 2018

Table 1.5: Percentage on the Italian exports[51]

	2015	2016	Jan.-Nov. 2016	Jan.-Nov. 2017
Europe	65.6	66.3	66.8	66.7
EU	54.8	55.9	56.4	56.0
EMU	40.0	41.1	41.4	41.0
Non EU countries	10.8	10.4	10.4	10.7
Africa	4.6	4.2	4.1	3.9
North Africa	3.2	3.0	2.9	2.7
Other African countries	1.4	1.2	1.1	1.1
America	13.0	12.8	12.7	12.9
North America	9.6	9.7	9.6	9.7
South Central America	3.3	3.1	3.0	3.1
Asia	15.0	14.8	14.5	14.7
Middle East	5.2	4.8	4.7	4.4
Central Asia	1.4	1.4	1.4	1.4
East Asia	8.5	8.5	8.4	8.9
Oceania and other territories	1.8	1.9	1.9	1.9

[51] Ibid.

Table 1.6: Main receivers of the Italian exports. Rankings according to the year 2017[52]

Position	Country	2014 Million	%	2015 Million	%	2016 Million	%	Jan-Nov 2016 Million	%	Jan-Nov 2017 Million	%
1st	Germany	50,144	12.6	50,767	12.3	52,703	12.6	48,858	12.8	51,896	12.6
2nd	France	42,016	10.5	42,664	10.3	44,008	10.5	40,476	10.6	42,673	10.4
3rd	United States	29,756	7.5	35,977	8.7	36,888	8.8	33,384	8.8	36,399	8.8
4th	Spain	18,030	4.5	19,762	4.8	21,054	5.0	19,331	5.1	21,438	5.2
5th	United Kingdom	20,939	5.2	22,358	5.4	22,417	5.4	20,585	5.4	21,403	5.2
6th	Switzerland	19,053	4.8	19,228	4.7	18,966	4.5	17,509	4.6	19,056	4.6
7th	Belgium	13,196	3.3	13,520	3.3	13,525	3.2	12,483	3.3	12,591	3.1
8th	China	10,494	2.6	10,413	2.5	11,057	2.6	9,954	2.6	12,319	3.0
9th	Poland	10,352	2.6	10,901	2.6	11,240	2.7	10,319	2.7	11,526	2.8
10th	Netherlands	9,396	2.4	9,562	2.3	9,710	2.3	8,923	2.3	9,590	2.3
11th	Turkey	9,734	2.4	9,978	2.4	9,599	2.3	8,726	2.3	9,212	2.2
12th	Austria	8,396	2.1	8,586	2.1	8,884	2.1	8,219	2.2	8,777	2.1
13th	Russia	9,503	2.4	7,093	1.7	6,690	1.6	6,065	1.6	7,371	1.8
14th	Romania	6,272	1.6	6,688	1.6	6,679	1.6	6,175	1.6	6,709	1.6
15th	Japan	5,357	1.3	5,507	1.3	6,022	1.4	5,465	1.4	5,961	1.4
16th	Hong Kong	5,460	1.4	5,906	1.4	5,770	1.4	5,229	1.4	5,494	1.3
17th	Czech Republic	4,685	1.2	5,054	1.2	5,357	1.3	4,961	1.3	5,486	1.3
18th	U. A. Emirates	5,330	1.3	6,178	1.5	5,426	1.3	4,837	1.3	4,851	1.2
19th	Hungary	3,811	1.0	4,134	1.0	4,337	1.0	4,021	1.1	4,385	1.1
20th	Sweden	3,925	1.0	4,155	1.0	4,205	1.0	3,886	1.0	4,209	1.0

[52] Ibid.

21st	South Korea	4,157	1.0	4,499	1.1	3,988	1.0	3,597	0.9	3,923	1.0
22nd	Mexico	3,077	0.8	3,482	0.8	3,694	0.9	3,320	0.9	3,859	0.9
23rd	Slovenian	3,774	0.9	3,712	0.9	3,685	0.9	3,377	0.9	3,839	0.9
24th	Greece	3,851	1.0	3,713	0.9	3,889	0.9	3,589	0.9	3,719	0.9
25th	Portugal	3,239	0.8	3,361	0.8	3,534	0.8	3,252	0.9	3,678	0.9
26th	Canada	3,095	0.8	3,679	0.9	3,697	0.9	3,340	0.9	3,599	0.9
27th	Saudi Arabia	4,820	1.2	5,111	1.2	4,187	1.0	3,681	1.0	3,532	0.9
28th	Australia	3,601	0.9	3,573	0.9	3,570	0.9	3,244	0.9	3,449	0.8
29th	Brazil	4,619	1.2	3,869	0.9	3,201	0.8	2,865	0.8	3,448	0.8
30th	India	3,037	0.8	3,349	0.8	3,273	0.8	2,894	0.8	3,168	0.8

Specifically, it should also be added that in 2017 Italy beat both Germany (about two points ahead) and France (almost doubled) in exports; in fact, in the farthest markets the Italian results are above average and in general Italy manages to do better than the main continental exporters[53]. Speaking about the sectors, Italy has no negative results, but more than one double-digit growth segment: the segments of cars and other machineries are some of the areas which are progressing more quickly[54] (Table 1.7).

Table 1.7: Main export products. Rankings according to the year 2017[55]

Position	Products	2014		2015		2016		Jan-Nov2016		Jan-Nov2017	
		Million	%	Million	%	Million	%	Million	%	Million	%
1st	**General Purpose Machines (Others)**	**21,513**	**5.4**	**22,111**	**5.4**	**22,829**	**5.5**	**20,605**	**5.4**	**22,736**	**5.5**
	Furnace burners, ovens, heating system	1,244	0.3	1,275	0.3	1,265	0.3	1,136	0.3	1,295	0.3

[53] Orlando, L., L'Italia batte la Germania nell'export, Il Sole 24 Ore online, 2017
[54] Istat, Le esportazioni delle regioni italiane, 2018
[55] Production of data from Giorgio, F., Statistiche relative all'import/export di merci dell'Italia, Ministero dello Sviluppo Economico, Osservatorio Economico, 2018

	Lifting equipment	5,075	1.3	5,365	1.3	5,446	1.3	4,971	1.3	5,601	1.4
	Office supplies	412	0.1	435	0.1	475	0.1	435	0.1	495	0.1
	Power-operated hand tools	210	0.1	228	0.1	253	0.1	231	0.1	253	0.1
	Refrigeration and ventilation tools (non domestic)	5,521	1.4	5,711	1.4	5,877	1.4	5,408	1.4	5,997	1.5
	Others	9,050	2.3	9,096	2.2	9,514	2.3	8,424	2.2	9,095	2.2
2nd	**Automotive**	**15,257**	**3.8**	**19,962**	**4.8**	**21,278**	**5.1**	**19,487**	**5.1**	**22,014**	**5.4**
3rd	**General Purpose Machines**	**23,685**	**5.9**	**23,524**	**5.7**	**22,922**	**5.5**	**20,645**	**5.4**	**21,969**	**5.3**
4th	**Medicines and pharmaceutical items**	**18,797**	**4.7**	**17,597**	**4.3**	**18,908**	**4.5**	**17,437**	**4.6**	**19,786**	**4.8**
5th	**Special Purpose Machinery**	**18,982**	**4.8**	**19,777**	**4.8**	**20,196**	**4.8**	**17,951**	**4.7**	**18,543**	**4.5**
	Machinery for metallurgy	1,238	0.3	1,146	0.3	1,239	0.3	1,124	0.3	807	0.2
	Machinery for mining, quarrying and construction	3,377	0.8	3,579	0.9	3,531	0.8	3,200	0.8	3,383	0.8
	Machinery for food products, beverages and tobacco	3,107	0.8	3,310	0.8	3,365	0.8	2,986	0.8	3,203	0.8
	Machinery for textile and clothing industries	2,306	0.6	2,474	0.6	2,539	0.6	2,275	0.6	2,439	0.6
	Machinery for the paper industry	1,233	0.3	1,166	0.3	1,303	0.3	1,096	0.3	1,059	0.3
	Plastic and rubber machinery	1,758	0.4	1,933	0.5	1,920	0.5	1,669	0.4	1,856	0.5
	Others	5,964	1.5	6,169	1.5	6,298	1.5	5,601	1.5	5,786	1.4
6th	**Clothing**	**15,573**	**3.9**	**15,808**	**3.8**	**16,199**	**3.9**	**14,853**	**3.9**	**15,520**	**3.8**
7th	**Chemicals and fertiliser**	**13,234**	**3.3**	**13,567**	**3.3**	**13,339**	**3.2**	**12,226**	**3.2**	**13,755**	**3.3**
8th	**Refined petroleum products**	**13,927**	**3.5**	**12,281**	**3.0**	**9,942**	**2.4**	**8,814**	**2.3**	**12,280**	**3.0**

9th	**Automotive parts and engines**	**11,711**	**2.9**	**12,188**	**3.0**	**12,231**	**2.9**	**11,373**	**3.0**	**12,168**	**3.0**
10th	**Plastic products**	**10,455**	**2.6**	**10,944**	**2.7**	**11,274**	**2.7**	**10,440**	**2.7**	**11,168**	**2.7**
11th	**Leather goods**	**9,876**	**2.5**	**10,164**	**2.5**	**10,106**	**2.4**	**9,257**	**2.4**	**10,049**	**2.4**
12th	**Other metal products**	**9,441**	**2.4**	**9,709**	**2.4**	**9,483**	**2.3**	**8,783**	**2.3**	**9,551**	**2.3**
	Iron bins and containers	210	0.1	218	0.1	235	0.1	220	0.1	235	0.1
	Light metal packaging	666	0.2	695	0.2	683	0.2	636	0.2	659	0.2
	Wire or chain products	972	0.2	1,019	0.2	971	0.2	898	0.2	1,036	0.3
	Fasteners products	1,511	0.4	1,582	0.4	1,601	0.4	1,490	0.4	1,650	0.4
	Others	6,081	1.5	6,195	1.5	5,994	1.4	5,538	1.5	5,971	1.5
13th	**Precious metal and nuclear fuel**	**9,807**	**2.5**	**9,572**	**2.3**	**9,492**	**2.3**	**8,725**	**2.3**	**8,930**	**2.2**
14th	**Shoe industry**	**8,741**	**2.2**	**8,958**	**2.2**	**9,190**	**2.2**	**8,475**	**2.2**	**8,776**	**2.1**
15th	**Furniture**	**8,643**	**2.2**	**9,206**	**2.2**	**9,258**	**2.2**	**8,421**	**2.2**	**8,744**	**2.1**

Another important aspect to investigate concerns the Italian regions as it is interesting and significant to know which are the territories that have increased their exports and the ones that have decreased compared to previous years. In the year 2017, Lombardy (+7.5%), Emilia Romagna (+6.7%), Piedmont (+7.7%), Lazio (+17.2%) and Veneto (+5.1%) are the regions that have contributed most to the growth of national export. On the contrary, there were negative signs for Basilicata (-13.3%), Marche (-2.0%) and Molise (-23.9%). In particular, the products that have contributed to the growth of Italian exports are the automotive in Lazio, the refined oil products in Sicily, the basic metals and related products in Lombardy and pharmaceuticals, chemical and botanical products in Lazio and Lombardy; also the export of machines and equipment from Emilia Romagna and Piedmont has contributed to the positive increase[56].

In 2017, compared to the previous year, Lombardy (+8.0%), Emilia Romagna (+7.6%), Veneto (+6.0%) and Piedmont (+7.3%) were the regions that contributed most to the

[56] Istat, Le esportazioni delle regioni italiane, 2018

increase in sales to EU countries (+6.7%); also Friuli-Venezia-Giulia (+14.9%), Sicily (+19.1%), Sardinia (+19.9%) and Valle d'Aosta (+23.7%) had positive results with the countries in the EU area. As far as exports to non-EU markets (+8.2%) are concerned, the region that have determined this result are Lombardy (+6.9%), Lazio (+37.2%), Piedmont (+8.3%), Sicily (+39.3%), Emilia-Romagna (+5.4%), Sardinia (+33.4%) and Abruzzi (+41.5%)[57] (Table 1.8).

Table 1.8: Main exporting regions. Rankings according to the year 2017[58]

Position	Regions	2014		2015		2016		Jan-Nov 2016		Jan-Nov 2017	
		Million	%	Million	%	Million	%	Million	%	Million	%
1st	Lombardy	109,546	27.5	111,341	27.0	111,961	26.8	82,658	26.8	88,674	26.8
2nd	Veneto	54,597	13.7	57,517	14.0	58,321	14.0	43,197	14.0	45,408	13.7
3rd	Emilia-Romagna	52,972	13.3	55,308	13.4	56,143	13.5	41,768	13.5	44,189	13.4
4th	Piedmont	42,770	10.7	45,789	11.1	44,489	10.7	32,644	10.6	35,566	10.8
5th	Tuscany	32,020	8.0	33,026	8.0	33,351	8.0	24,569	8.0	26,055	7.9
6th	Lazio	18,490	4.6	19,046	4.6	19,624	4.7	14,387	4.7	16,938	5.1
7th	Friuli Venezia Giulia	12,018	3.0	12,457	3.0	13,255	3.2	10,074	3.3	10,492	3.2
8th	Marche	12,497	3.1	11,377	2.8	12,020	2.9	8,901	2.9	8,815	2.7
9th	Campania	9,477	2.4	9,718	2.4	10,083	2.4	7,481	2.4	7,636	2.3
10th	Sicily	9,672	2.4	8,550	2.1	7,102	1.7	5,143	1.7	6,823	2.1
11th	South Tyrol Trentino	7,268	1.8	7,806	1.9	7,820	1.9	5,792	1.9	6,275	1.9
12th	Abruzzi	6,934	1.7	7,447	1.8	8,167	2.0	6,131	2.0	6,272	1,9

[57] Ibid.
[58] Production of data from Giorgio F., Statistiche relative all'import/export di merci dell'Italia, Ministero dello Sviluppo Economico, Osservatorio Economico, 2018

13th	Apulia	8,139	2.0	8,094	2.0	7,936	1.9	5,824	1.9	6,137	1.9
14th	Liguria	7,081	1.8	6,805	1.7	7,356	1.8	5,432	1.8	6,065	1,8
15th	Sardinia	4,650	1.2	4,723	1.1	4,209	1.0	2,929	1.0	3,981	1.2
16th	Umbria	3,427	0.9	3,646	0.9	3,653	0.9	2,771	0.9	2,948	0.9
17th	Basilicata	1,148	0.3	2,941	0.7	4,522	1.1	3,350	1.1	2,802	0.8
18th	Aosta Valley	607	0.2	605	0.1	566	0.1	408	0.1	506	0.2
19th	Calabria	325	0.1	375	0.1	415	0.1	299	0.1	337	0.1
20th	Molise	361	0.1	491	0.1	526	0.1	430	0.1	299	0.1
Others or non specified		4,869	1.2	5,228	1.3	5,751	1.4	4,139	1.3	4,518	1.4

Speaking about the first months of the year 2018, seasonally-adjusted data decreased for incoming flows: exports fell for non EU countries and for EU countries. In fact, over the last three months, seasonally-adjusted data, compared to the three months earlier, showed a decrease for exports (-0.1%). However, in February 2018, compared with the same month of the previous year, exports increased (+3.9%): outgoing flows increased by 6.9% for EU countries, while non EU countries are stationary[59].

Therefore, despite the not entirely positive latest data, in the year 2017 there was a positive growth compared to the 2016 and this fact means that the Italian companies are catching up their competitiveness. In fact, the State Secretary for the Economic Development, Ivan Scalfarotto, claimed that in 2017 the Italian economy experienced positive changes and some sectors and markets are again exhibiting an upward trend as in the best years[60].

[59] Istat, Commerci con l'estero e prezzi all'import dei prodotti industriali, 2018
[60] Giliberto, J., Commercio estero in crescita per un valore del +7,4% nel 2017, Il Sole 24 Ore online, 2018

CHAPTER TWO

THE UK ECONOMY AND MADE IN ITALY BEFORE AND AFTER BREXIT: LEVANTE CASE STUDY

One of the most important economies for Made in Italy exports is that of the United Kingdom; in fact as presented in Table 1.6 of the first chapter, this country is in fifth position in the list of the main receivers of Made in Italy products. The trade relationships between Italy and the UK have deep roots, but in 2016 the latter chose to leave the UE. Therefore, it is interesting to understand better the importance and weight of Italian products in the UK and whether consumers' choices have changed after Brexit.

2.1 The UK economy and its relations with Italy

The United Kingdom is the oldest industrialised country, where the Industrial Revolution began at the end of the 18th century, and from where it expanded all over the world. This fact together with the vast colonial possessions made Britain one of the largest economies in the world. After the disintegration of the Empire (from the 1950's) the country changed its financial and economic system, but it remained one of the main global actors[61].

As regards the production structure, the importance of the different sectors has changed over the last few years as there has been a downsizing of the manufacturing industry in favour of the services sector. To this day, agriculture only accounts for 0.7% of the UK's GDP, but thanks to technologies and advanced methods and machinery it is very efficient and produces 60% of the daily food needs; everything else depends on imports[62]. Industry accounts for 21.5% of GDP and is made up especially of small and

[61] Encyclopaedia Britannica, United Kingdom: economy, 2018
[62] Union Camere, Regno Unito: settori produttivi, 2018

medium-sized enterprises[63]; in particular the fastest-growing sectors have been chemicals (pharmaceuticals and specialty products have shown the largest increases) and electrical engineering, where the electrical and instrument engineering and transport engineering, including motor vehicles and aerospace equipment, have grown faster than mechanical engineering and metal goods. Instead, the services account for 77.8% of GDP and the sector consists mainly of banking and insurance; in fact the United Kingdom, particularly London, has traditionally been a world financial centre, where there is a high number of organized financial markets[64]. This share of invisible trade, such as receipts and payments from financial services, interest, profits, and dividends, and transfers between the United Kingdom and other countries, has been rising steadily since the 1960's and it is now essential for the country.

Therefore, in view of the numbers of the different sectors and the low percentage of agriculture and industry, since the past centuries until now trade has been very important and significant for the United Kingdom's economy; in fact, speaking about 2017, the combined value of exports and imports equals 58% of GDP. In particular, the imports have always been essential for the UK, which is nowadays in sixth position in the list of the main world importing countries. In fact, it is characterized by strong traditions of openness and internal competitiveness, as the varied social, ethnic and cultural composition makes the country suitable for all kinds of goods, from luxury and exclusive products to standardized mass consumption. In detail, from the next table it is possible to see which are the countries of origin of the imports and understand which are the most important countries for the United Kingdom. The features refer to 2016.

Table 2.1: The most important countries for the UK[65]

	2013	**2014**	**2015**	**2016**
European Union	**53.1**	**54.6**	**55.1**	**52.0**
Germany	13.5	14.4	15.0	13.8

[63] InterNations, The Economy of the UK: an overview, Economy and Finance, 2017
[64] Forex-news, L'economia del Regno Unito, 2016
[65] ICE –Italian Trade Agency-, Scheda paese: Regno Unito, 2017

Netherlands	8.2	7.7	7.5	7.4
France	6.2	6.3	6.1	5.6
Belgium	4.8	4.9	5.0	5.0
Italy	**3.8**	**4.1**	**4.0**	**3.8**
Spain	3.0	3.2	3.4	3.3
Ireland	2.8	2.8	3.0	2.9
Poland	1.9	1.8	2.0	2.0
Sweden	1.8	1.8	1.7	1.3
Czech Republic	1.1	1.1	1.2	1.1
Non-EU European states	**9.2**	**9.0**	**7.8**	**10.1**
Swiss	1.6	1.5	1.6	4.2
Norwegian	3.9	4.1	3.0	2.7
Turkey	1.4	1.5	1.8	1.9
North Africa	**1.5**	**1.3**	**0.8**	**0.5**
Other African states	**2.9**	**2.2**	**1.9**	**2.2**
South Africa	0.7	0.9	0.9	1.5
North America	**10.6**	**10.4**	**10.9**	**11.1**
United States	8.3	8.4	9.2	9.0
Canada	2.3	2.0	1.7	2.1
South Central America	**1.8**	**1.7**	**1.7**	**1.6**
Middle East	**2.1**	**1.7**	**1.5**	**1.1**
Central Asia	**2.5**	**2.5**	**2.6**	**2.4**
India	1.5	1.5	1.5	1.4
East Asia	**15.1**	**15.4**	**16.5**	**16.9**
China	8.8	9.2	10.0	9.4
Japan	1.7	1.5	1.6	2.0
Hong Kong	0.5	0.5	0.5	1.2
Oceania	**0.8**	**0.7**	**0.7**	**1.3**
Others	**0.4**	**0.4**	**0.5**	**0.8**
WORLD	**100**	**100**	**100**	**100**

Among the European countries Italy is in fifth position right after Belgium, France, Netherlands and Germany in order of importance as UK import country. This is a positive result because even if it is not in the first place, it has a fundamental impact on the UK economy. This result confirms the fact that the relations between the two countries are old, deep and necessary, and nowadays they are based on a large network of relationships, not only among the Institutions, but also, for example, the academic, cultural or scientific organisations, the production systems or the local authorities. For example, speaking about the commercial and political field, Italy and the UK share the same values of promotion of peace, defence of international security and protection of human rights and these values hold up the actions of both countries in the main international organizations of which they are members, such as NATO[66]. Even the frequent meetings between the Heads of State and Government or the ministers show the strength of the relationship and have resulted in the same Foreign Policy priorities, such as the promotion of democracy, sustainable economic development and environmental protection[67]. This strong, active and constructive relationship that allows for the success of Made in Italy exports in the UK has also been based on the membership of both countries of the European Union, of which the UK became a member in 1973. However, on 23 June 2016 things changed because a referendum reflected the will of the UK people to leave the European Union. Over the next two years, this event of historic significance has been the focus of the other European and non-European countries meetings and of media attention. The episode could be analyzed from different points of view, but for this work the interesting aspect is to understand if in the two years after the decision there has been a negative impact on Made in Italy exports to the UK.

[66] Farnesina –Ministero degli Affari Esteri e della Cooperazione Internazionale-, Ambasciata d'Italia a Londra: i rapporti bilaterali, 2018
[67] Ibid.

2.2 Brexit

Over the last two years everyone has spoken a great deal about Brexit and will speak about it for a long time to come, as the meaning of Brexit is not only technical but also ideological; in fact it has an impact not only on the British people but on the whole global economy and population, because it is a signal that questions the stability of the European project and its operating. The meaning of the word Brexit refers to the exit of the UK from the European Union, it derives from the union of the words "Britain" and "exit" and it was invented following the term Grexit, which indicated the possible exit of Greek.

2.2.1 The results

The referendum took place on 23 June 2016 and the turnout very high, to be precise 72.2%. Those who wanted to leave, the "Leavers", won with a percentage of 51.9% against 48.1% of "Remainers", but the results were not uniform[68]. In fact, as it is possible to see from the following graphs (Fig. 2.1 and 2.2), in the area of London, Scotland and North Ireland, the vast majority expressed the desire to remain in the European Union, and, in particular, the data show that the strongest supporters of remaining were young adults (from 18 to 44) (Fig. 2.3)[69]. However, it is important not to overestimate the feature, because the low turnout of the young voters makes them not so relevant[70]. People over 65 years and older were the majority who wanted to leave Europe (Fig. 2.4)[71].

[68] BBC News, EU Referendum Results, Politics, 2016
[69] Barford, V., If more young people actually voted, would it change everything?, BBC News, 2017
[70] Ibid.
[71] Villa, F., Brexit, tutti i numeri del voto, EuNews, 2016

Fig. 2.1: The Remainers[72]

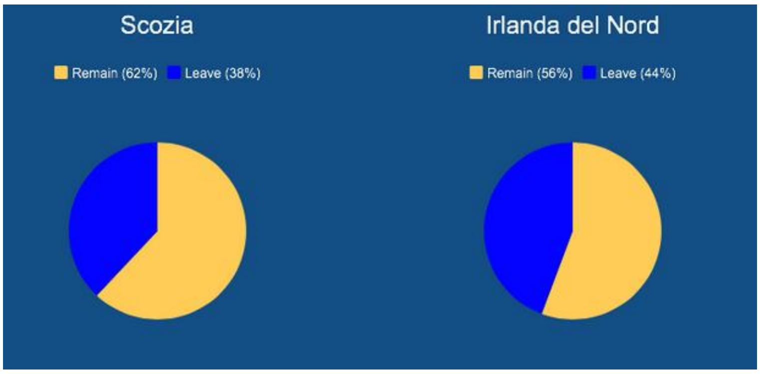
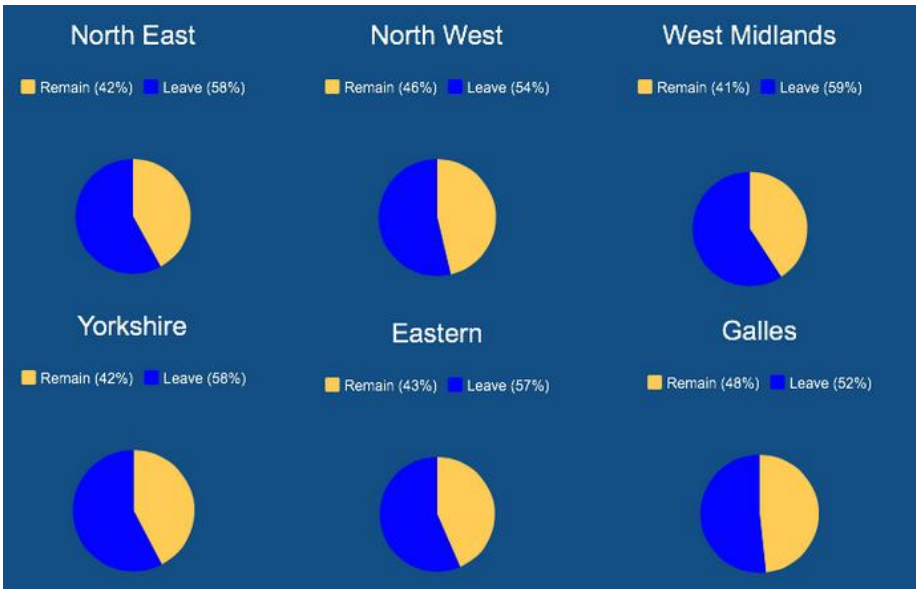


Fig. 2.2: The Leavers[73]



[72] Ibid.
[73] Ibid.

Fig. 2.3: The results according to the age group[74]

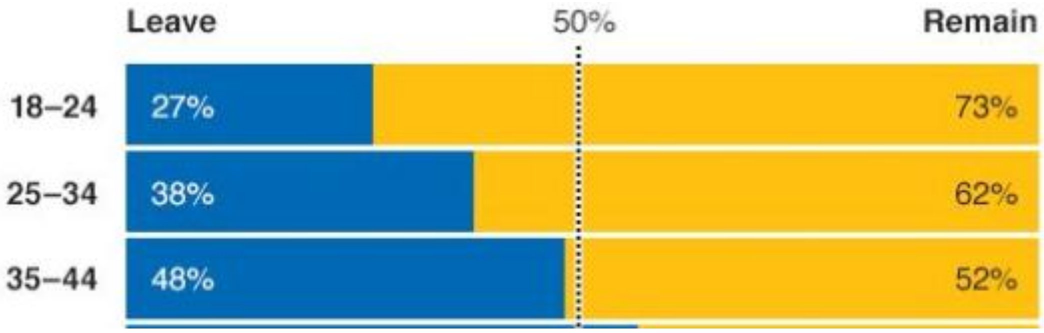
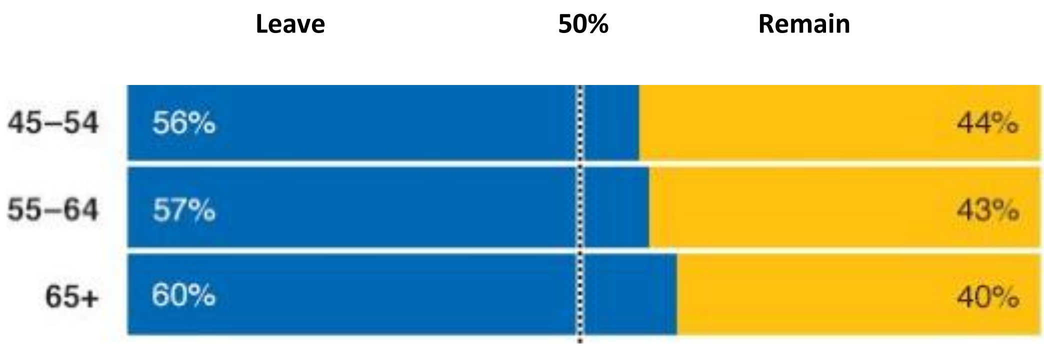


Fig. 2.4: The results according to the age group[75]



After having seen the results, it is important to understand which were the main reasons to leave or remain in the European Union.

2.2.2 Leavers and Remainers' motivations

During the referendum campaign both sides presented their arguments and in this section the most important reasons to leave or remain in the European Union are described. One of the first issues that the Leavers took into consideration regarded the membership fee; in fact they claimed that the immediate result of leaving the UE would be a cost saving, as the UK would not have to contribute to the EU budget any more. In 2016 Great Britain paid 13.1 billion dollars to the Union, which could be

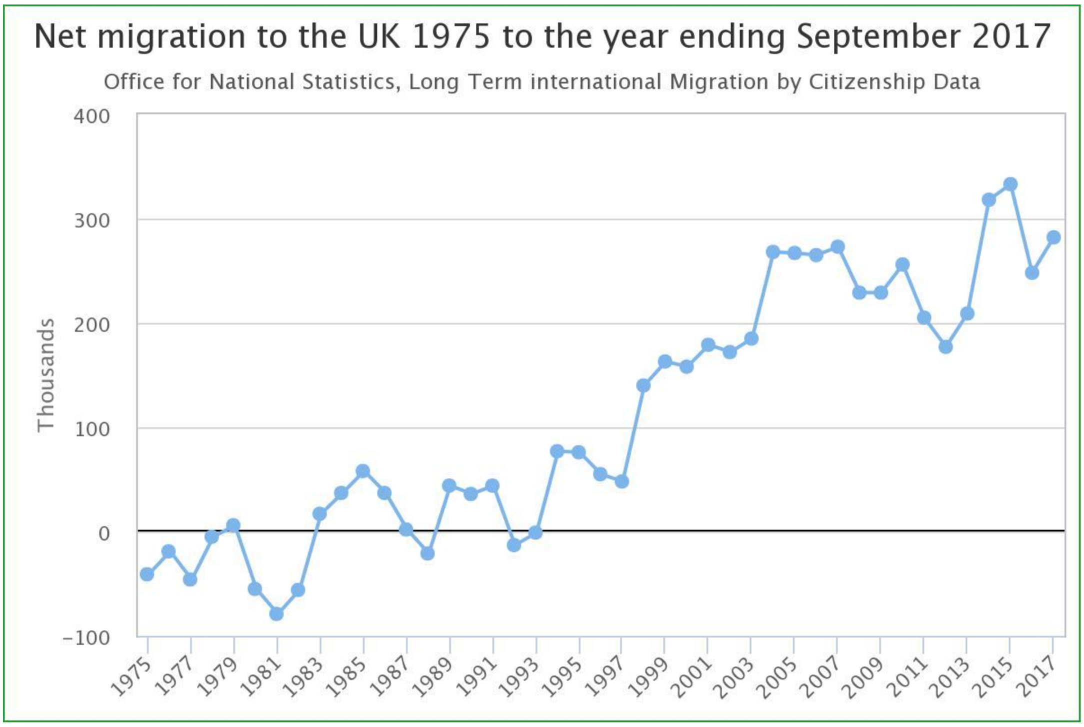
[74] Barford, V., If more young people actually voted, would it change everything?, BBC News, 2017
[75] Ibid.

invested in different ways, for example in the National Health Service or in the public services[76]. Moreover, European bureaucracy is very cumbersome and sometimes excessive to the point of slowing time, increasing costs and damaging the medium and small enterprises. However, on the contrary, the Remainers argued that the saved money would be spent on the trade with other Europeans countries[77]. In fact, as the EU is a single market no tariffs are imposed on imports and exports between member states and all the members can benefit from trade deals between the EU and other world powers. They explained that by leaving the EU, the UK would lose all the trade benefits with its neighbours and reduce its negotiating power with the rest of the world; the Single Market has brought benefits to the UK and has enriched it.

Another topic at the centre of the discussion was the high percentage of immigrants. The Brexiters consider it as a problem and they have supported the idea that immigration to the UK is out of control as EU members cannot limit the movement of Europeans and they have to accept free movement between countries. Therefore, the UK cannot prevent anyone from another member state from coming to live in Great Britain. For the Leavers this is a problem because during the years the number of immigrants has grown a great deal as it is possible to see from Fig. 2.5. For example, in their opinion, this means a damage for British workers, as immigrants take up jobs at a low cost, pushing down the wages. The only way to control the boarders and limit the arrivals is in their opinion to leave the EU[78].

[76] Furlon, C., Brexit: the pros and cons of leaving the UE, The Week, 2016
[77] Degli Innocenti, N., Brexit sì o no: le cinque ragioni dei due fronti pro e contro l'Unione Europea, Il Sole 24 Ore, 2016
[78] Migration Watch UK, Net Migration Statistics, 2018

Fig. 2.5 Net migration to the UK from 1975 to the year ending September 2017[79]



On their part, the Remainers said that the effect of immigration had been overwhelmingly positive over the years, even if there were some difficulties, such as with housing or service provision[80]. In fact, for example, they claimed that a drop in immigration might mean more jobs for the people who remained, but, on the other hand, it could mean a skills shortages in the UK workforce that could hurt some sectors and this could hold back the economy, reducing its potential for growth[81]. Moreover, a fall in population could reduce the demand for goods and services.

The third important point is the national sovereignty, as the Brexiters argued that the EU had had a significant control over UK domestic affairs and the Pro-Brexit Labour MP Kate Hoey added that the EU is "an attempt to replace the democratic power of the people with a permanent administration in the interests of big business"[82]. The idea is that European institutions have deprived the British parliament of power, for example

[79] Ibid.
[80] Furlon, C., Brexit: the pros and cons of leaving the UE, The Week, 2016
[81] Dos Santos, N., UK elections: the pros and cons of a Brexit, CNN Money, 2015
[82] Furlon, C., Brexit: the pros and cons of leaving the UE, The Week, 2016

the European Court of Justice proposes some judgment against the will of the British judges.

2.3 Made in Italy exports in the UK before Brexit

In this section the features of Italian exports to the United Kingdom before Brexit are presented. The period taken into consideration is that just before the exit of Great Britain from the European Union; to be precise the data refer to the years 2014 and 2015 because it is from the years 2013-2014 that Italian exports to the UK started to increase again significantly after the crisis which struck the European Union from the year 2008. In fact, after a slowdown due to the financial crisis of the year 2008, during the years before Brexit the United Kingdom recorded favourable economic conditions, which resulted in a steady GDP growth (+2.6% in 2014 and +2.2% in 2015), low unemployment and high foreign investment[83]. Thanks to this positive climate, even the imports increased, among these the imports of Italian products. The following table shows the value of the Italian exports per sector reached in 2014 and 2015.

Table 2.2: Main sectors of Italian exports to the UK (values in billions of EURO)[84]

Italian export to the UK	2014	2015
Total	20,911 mln, €	22,488.46 mln, €
Products	**2014**	**2015**
Agriculture, fishery and forestry	295	316.61
Mining and quarrying products	12	13.81
Foodstuff and beverages	2,675	2,901.86
Tobacco		0.05
Textile products	394	420.69
Clothing (fur and leather products too)	1,239	1,382.56
Leather products and similar (no clothing)	1,004	1,052.28
Wood and straw products (no furniture)	82	102.4

[83] Farnesina, Scambi commerciali (Regno Unito), InfoMercatiEsteri, 2016
[84] Ibid.

Paper products	390	396.63
Press products	2	1.57
Coke and refined petroleum products	73	84.3
Chemical products	1,154	1,204.9
Pharmaceutical products	1,154	1,120.19
Rubber and plastic products	738	751.2
Other non metallic mineral products	429	484
Metallurgy products	1,028	885.14
Metal products (no machinery)	883	898.81
Computer, electronic and optical products; electro medical articles, measuring devices and clocks	550	629.59
Electrical equipments and non electrical household equipments	1,260	1,276.53
Machinery and equipments	2,909	3,130.35
Car, trailers and semi-trailers	2,059	2,558.54
Other means of transport (ships and boats, locomotives and rolling stock, aircraft and spacecraft, military means)	811	786.78
Furniture	789	927.79
Products of other manufacturing	585	741.18
Electricity, gas and steam	1	14.17
Other products and activities	389	402.38

As it is possible to see, the value of the total Italian exports to the Great Britain increased by almost 2 billion Euro from the year 2014 to 2015, growing from 20.9 to 22.5 billion Euros. In 2015 the rise was visible in almost all sectors, with few and no remarkable exceptions. According to the data, in 2014 and 2015, the sectors that offered most opportunities to Italian companies were those of food and beverages, clothing and furniture[85].

In fact, speaking about food and beverages, the UK imported almost 90% of its food requirements and for this reason the British market is very interesting for Italian producers. Moreover, during the last decade there have been significant changes in

[85] Pieraccini, S., Asse strategico Italia-Regno Unito, Il Sole 24 Ore, 2016

the dietary habits in Great Britain, as the consumers showed an increasing interest in the healthy products associated to the Mediterranean region. The niche products became very important, such as some types of cheese, the tomato sauce and pasta[86]. As regards clothing and furniture, the British have always appreciated Italian fashion and the quality of Made in Italy products, in fact the sectors increased from 1.23 to 1.38 billion Euros and from 789 to 927 billion Euros respectively.

Therefore, during those years, as the situation was positive, the forecast was very favorable for Italian exports until the exit of the United Kingdom from the European Union. From that moment the estimates became negative because the exports had been predicted to slow down also in the short period, without the need to wait for the end of the treaties.

2.4 Made in Italy exports in the UK after Brexit

For two years the attention of most of the world was focused on the United Kingdom and the developments of Brexit, one of the most important events of recent time. Even if the formal negotiations on the exit of the Great Britain from the European Union have not yet been completed (they may be completed in 2019), a decrease in UK imports from the first moments after the exit has been predicted, including Made in Italy products.

However, on the contrary, the data for 2016, 2017 and the first quarter of 2018 show that the trade relations between Italy and the UK are well structured and strong, and that the British cannot renounce Italian products[87].

[86] ICE –Italian Trade Agency-, Scheda paese: Regno Unito, 2017
[87] Farnesina, Scambi commerciali (Regno Unito), InfoMercatiEsteri, 2018

Table 2.3: Main sectors of Italian exports to Russia (values in billions of EURO)[88]

Italian export sto the UK	2016	2017	Jen-Apr 2017	Jan-Apr 2018
Totale	22,503.46 mln, €	23,109.13 mln, €	7,312.05 mln, €	7,389.16 mln, €

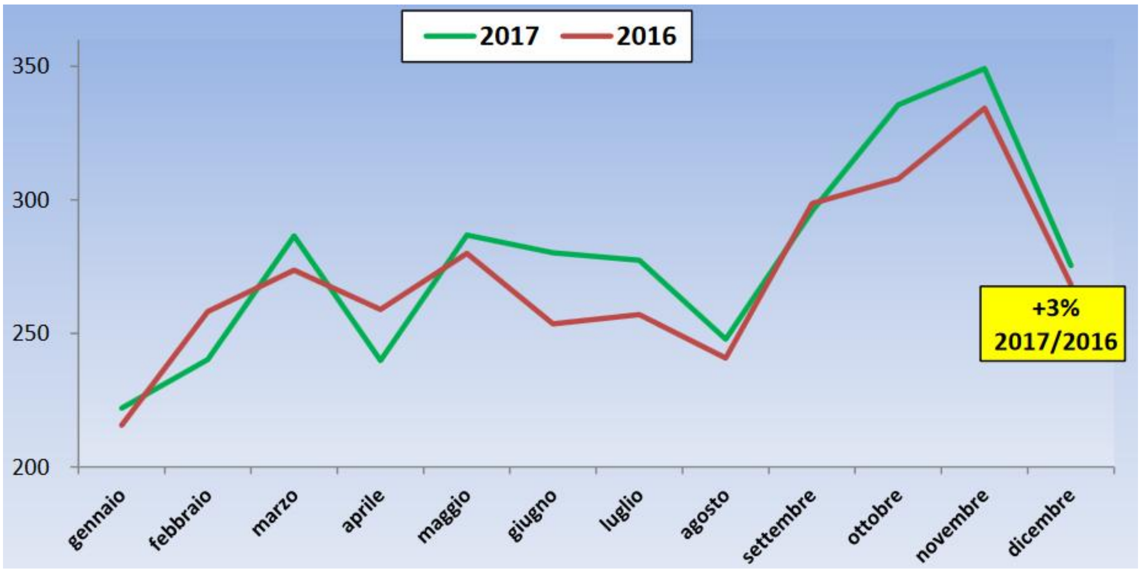
Products	2016	2017
Agriculture, fishery and forestry	318.69	312.02
Mining and quarrying products	20.8	19.85
Foodstuff and beverages	2,921.60	3,023.38
Tobacco	0.15	1.61
Textile products	410.33	402.17
Clothing (fur and leather products too)	1,454.51	1,560.69
Leather products and similar (no clothing)	1,063.67	1,117.08
Wood and straw products (no furniture)	107.07	108.58
Paper products	379.14	361.92
Press products	0.92	0.54
Coke and refined petroleum products	97.76	189.27
Chemical products	1,196.22	1,243.34
Pharmaceutical products	1,005.38	1,357.65
Rubber and plastic products	699.78	712.36
Other non metallic mineral products	493.15	475.83
Metallurgy products	922.26	997.01
Metal products (no machinery)	896.91	922.48
Computer, electronic and optical products; electro medical articles, measuring devices and clocks	614.69	596.41
Electrical equipments and non electrical household equipments	1,264.92	1,214.92
Machinery and equipments	3,160.82	3,088.4
Car, trailers and semi-trailers	2,631.67	2,608.76
Other means of transport (ships and boats, locomotives and rolling stock, aircraft and spacecraft, military means)	724.24	707.8
Furniture	927.73	902.19
Products of other manufacturing	767.08	762.97

[88] Ibid.

Electricity, gas and steam	nd	nd
Other products and activities	403.33	421.89

As it is possible to see from the Table, the volume of Italian exports to the United Kingdom is huge and in 2016 its value was of 22.5 billion Euros. In 2017, despite the event of Brexit, Italian exports accelerated and amounted to an overall total of 23.1 billion Euro. The positive data also concern the year 2018; in fact, in the first quarter the exports reached the value of 7.39 billion Euros, higher than that of 2017 (7.31 billions). In particular, the main important sector is that of food and beverages. The United Kingdom is essential for Italy in the agri-food sector; in fact it represents the fourth market for Italian agri-foodstuffs. Looking at the monthly dynamism of Italian agri-food exports, it is possible to understand that throughout the year 2017 the sales values are higher than those of 2016, except for the months of February and April. In particular the greatest growth was in the periods of March, May-August and mid-September till mid-November (Fig. 2.6)[89].

Fig. 2.6: Monthly dynamic of the Italian agri-food exports in 2017[90]



[89] Ufficio studi CIA-Agricoltori italiani, Brexit: le esportazioni agroalimentari Made in Italy verso il Regno Unito, 2017
[90] Ibid.

As regards the main exported agri-foodstuffs in 2017, in first place there was wine, with a value of more than 810 billion Euros, which represents a quarter of the total. To follow there was processed fruit and vegetable products (13%), bakery and farinaceous products (10%) and the products processed from milk and meat (15%). Speaking about the most dynamic products, on the podium there was the chocolate and sugar confectionery (+14%), whereas there was a reduction in the exports of processed meat (-5%) and condiments and spices (-5%)[91].

Table 2.4: Top 10 products exported to the UK[92]

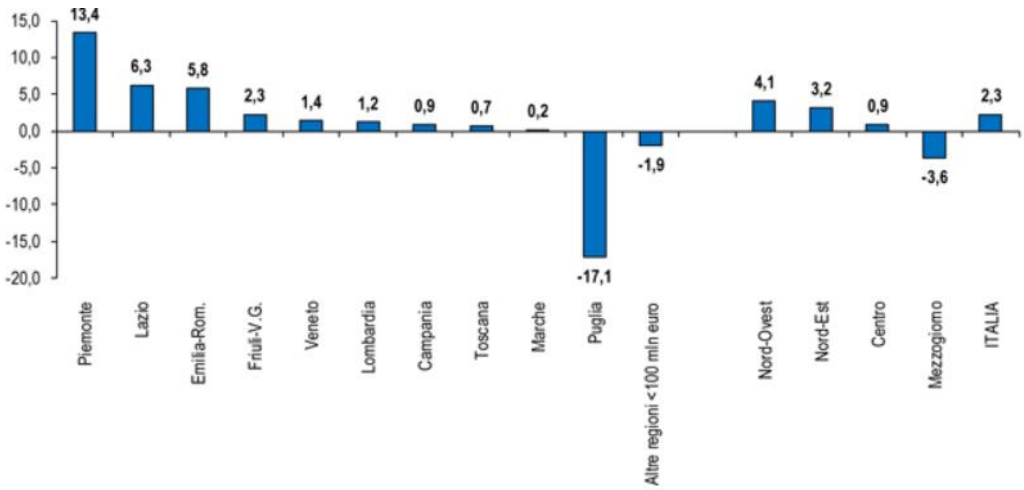
Top 10 products		
	%	**2017/2016**
Wine	24%	6%
Processed fruit and vegetable products	13%	0%
Bakery and farinaceous products	11%	1%
Milk products sector	8%	10%
Processed meat products	7%	-5%
Fresh fruits and vegetables	4%	-1%
Prepared meals and dishes	4%	8%
Chocolate and sugar confectionary	4%	14%
Condiments and spices	2%	-5%
Olive oil	2%	0%

The other important sectors are those of machinery, automotives and clothing, which are followed by leather goods, pharmaceutical and chemical products, electrical equipment and beverages. Among these, the most dynamic ones are those of pharmaceutical and leather goods.

[91] Ufficio studi CIA-Agricoltori italiani, Brexit: le esportazioni agroalimentari Made in Italy verso il Regno Unito, 2017
[92] Ibid.

With reference to the most productive regions, the available data of 2017 show that Piedmont (+13.4%), Lazio (+6.3%) and Emilia-Romagna (+5.8) increased more than the average. Instead, the South of Italy, in particular Puglia (-17.1%), had some difficulties[93].

Fig. 2.7: Most productive regions in the exports to the UK[94]



Among the various Italian products which have had great success in the United Kingdom over the last few years, craft beer is one of the most noteworthy, especially because Great Britain is one of the most important producers and connoisseurs. The motto written in British pubs more or less until the year 2000 was "There are a lot of beers, but only one way, English way" and, in fact, almost all the British drank English, Irish or Scottish beers, also for reasons of national pride. Then, the first foreign beers started appearing and becoming appreciated, including Italian beer. A significant growth in the export of the Italian craft beer to the UK happened in 2015, when there was an increase of 27% in comparison with 2014[95]. Since then, such growth has not stopped and it is now successfully continuing. Credit for this success goes to the small

[93] Confartigianato Imprese, Verso la Brexit: Made in Italy nel Regno Unito per 22,7 miliardi di euro , in salita dello 0,9%. La Cina dopo Brexit nel 2020 supererà l'UE a 28-1 e nel 2031 supererà gli Usa, 2017
[94] Ibid.
[95] Calandrelli, S., La birra Made in Italy invade il Regno Unito, Rai Cultura Economia, 2016

craft breweries, which have multiplied the types of beer and the production volumes, and are appreciated for the special taste and the natural and healthy ingredients[96].

2.5 The Levante company

In this section the trade relationship with the UK of the Levante company is briefly described. The decision was to take it as a concrete example of an multinational firm because it is the place where I am working and had the possibility to speak with Mr. Claudio Pacchioni, who is in charge of foreign relationships.

The company specializes in the production of luxury socks both for women and men and tights, but it also has a large range of other products, including underwear for men and women and hosiery, outwear and beachwear collections. It began its activity at the end of the 1960's with the role of sub-contractor for other firms which commercialised ladies stockings. Only at the end of the 1970's, it begin to sell its own branded products and have a verticalisation of production, and thus to be able to deal with all the stages of the production chain: sewing, weaving, dye works and fixing. The sales value has been exponentially growing over the time, but only since the 1990s the company has become nationally noticed and famous. As with other companies in the same sector, the quality and quantity leap forward happened with the advent of tights, which replaced the traditional socks with garter belts. Further growth happened when shiny socks and tights were introduced in the market thanks to the use of elastomeric fibres, such as lycra.

Speaking about the foreign trade, obviously, the marketing of its own branded products abroad did not begin with the setting-up of the business, but only during the 1990s. The entering in foreign markets was gradual, beginning from the European one, such as the Netherlands, Belgium and France, and then turning to the non-European countries, for example the company had its first contacts with Russia in 1996. From the

[96] Battistuzzi, G., Il Made in Italy è una garanzia nel Regno Unito, anche quando si tratta di birra, il Foglio, 2015

start, the greatest challenge was the decision of the company to sell its own branded products, thinking that it can represent a possibility to build a closer and more stable relationship with the importer, but unfortunately in some cases the efforts failed. However, in the great majority of situations the company succeeded in having a strong connection; in fact, this is demonstrated by the fact that today the percentage of exports accounts for around 52% of the total turnover. From the next table it is possible to see the net turnover for each importing country.

In particular, as regards to the United Kingdom, the turnover of the year 2017 is around 225,000 Euro. Levante began its activity there more than twenty five years ago and it took the decision to sell mostly its own branded products and the private label products only to the Marks and Spencer chain. To be precise, a private label product is manufactured by a contract or third-party manufacturer and sold under a retailer's brand name. The retailer specifies everything about the product, what goes in it, how it is packaged, what the label looks like, and pays to have it produced and delivered to the store. Some of the biggest advantages of private label products include: control over production as third-party manufacturers work at the retailer's direction, offering complete control over product ingredients and quality; control over pricing because thanks to the control over the product, retailers can also determine product cost and profitable pricing; control over branding as private label products bear the brand name and packaging design created by the retailer; control over profitability, as thanks to the control over production costs and pricing, retailers control the level of profitability its products provide. On the other hand, the main disadvantages include the manufacturer dependency; in fact, as the production of the product line is in the hands of a third-party manufacturer, it is important to partner with well-established companies, and the difficulty building loyalty because the established household brands have the upper hand and can often be found in a variety of retail outlets, while the private label product will only be sold in specific stores, limiting customer access to it.

Marks and Spencer is a unique retailer with a great heritage of brand values and customers. It was founded in 1884 by Michael Marks and Thomas Spencer in Leeds and it started as a Penny Bazar. Today, they operate Food, Clothing & Home and other retail businesses using the M&S own-brand model, focusing on delivering great value for money. Although primarily based in the UK, they sell in 57 countries from 1,463 stores and websites around the world[97].

The entering in the British market happened through the collaboration with the importer of the company, who began the distribution in the department stores, such as Davis Johns or Selfridge, and even today the department stores are the main distribution channel, while as it was underlined before, the private label is entirely managed by Marks and Spencer.

Table 2.5: Export net turn over[98]

Export turnover	**2015**	**2016**	**2017**
Albania			7,551
Argentine	9,426	9,593	12,920
Armenia	42,386	44,914	93,330
Australia	1,524,870	411,633	1,084,447
Austria	2,065	21,123	1,968
Azerbaijan	50,791	26,806	108,991
Belarus	6,346		
Belgium	524,311	533,782	369,062
Bulgaria	39,50	39,568	36,344
Canada	812	1,157	
China	4,809	14,245	10,022
Cyprus	163,395	109,042	91,692
Columbia	1,010		
Croatia	12,916	16,973	14,355
Estonia	277,910	300,532	182,508

[97] Mark and Spencer, online website
[98] Levante company features

France	234,389	166,500	393,431
Georgia	123,390	83,013	225,923
Germany	30,350	30,830	13,212
Japan	10,540	26,832	4,407
Jordan	11,740	5,999	12,890
Great Britain	264,504	351,451	222,920
Greece	164,843	228,621	340,508
Hong Kong	15,466	5,605	4,790
Iceland	128,700	107,671	101,705
British Vergin Islands	160,318	56,534	89,334
Israel	3,489,283	2,307,299	2,504,902
Kazakhstan	25,857	50,868	65,308
Latvia	43,923	27,308	94,811
Libano	281,267	298,046	403,272
Lybia	7,956		7,922
Lithuania	89,395	90,425	64,637
Marocco	1,689	16,413	6,707
Moldova	196,601	216,904	217,274
Montenegro	16,365	14,905	13,268
Nigeria			18
Norway	23,087		
Netherlands	101,979	616,885	587,990
Poland	862,817	457,339	514,389
Czech Republic	1,507		
Romania	91,145	99,520	87,343
Russia	1,204,200	1,403,153	1,369,984
Serbia	7,298	8,228	6,490
Serbia	46,670	35,347	36,579
Slovenia	20,588	18,449	9,839
Spain	143,401	124,395	84,294
United States	402,316	394,459	173,267

Swiss	10,803		-77,865
Turkey	6,423		
Ukraine	263,180	185,46	302,937
Hungary	3,441	4,969	2,973
United Kingdom	1,169	4,172	7,935
	11,146,828	8,866,552	9,906,585

As concerns the consumption and consumers, the British market is quite important for Levante; in fact, after the decrease in consumption during the period of the economic crisis, from the 2015 the value of the exports of the company to the UK is more or less stable, even if it is a type of market where the possibility to increase the turnover significantly is very difficult. The main feature which is taken into consideration from the consumers who decided to buy a Levante product, that is a luxury product, is the quality, which means attention to detail, the good quality of the materials, the experience in the administration of all passages of the chain. In particular, the Levante consumers prefer light tights and knee socks; moreover, in the UK the sale of socks is higher than in other European countries. The ideal consumer is one who has a middle-high purchasing power, goes shopping in the big cities and looks for the quality and brand, even in the case of a non essential product as tights. Instead, the problem is that the consumer who has a less purchasing power sees the tights as a pure commodity and tries to find the product in the large retailers or supermarkets at a low price. Many British consumers consider the tights and socks as products which have to be bought at the lowest price possible and they overlook the qualitative features; in fact, for example, the Primark success in the socks business is the confirmation that the low price is a successful element. Therefore, when the market is orientated to the price, the fact that the product is Made in Italy is not so influencing, but many Private Label Italian producers take advantage of Made in Italy for a higher mark-up and they try to earn more by saying that the product is made in Italy, even if it is marked under the British brand. Moreover, it has to be underlined that with the exception of the distribution in the Department stores or big city centres, the British market of socks and tights is of very low quality and the sales proposed in multi-packs.

One of the other discussed points was that of marketing and communication; Levante did not have the possibility to have an important budget for the advertising of its products in the United Kingdom and its action was very limited. In fact, the communication on the point of sale was limited to promotional measures, while in the Private Label world the communication is left to the signs.

Finally, speaking about Brexit and the importance of the presence of linguistic and cultural experts in the companies, Mr. Pacchioni explains me that since the UK is not a great producer of tights, Levante did not have any problems or changes after Brexit, as Great Britain buys them especially from Italy and the far East (for price reasons). The linguistic expert is considered more and more of an important figure because he/she knows the culture of the foreign countries and this can help in the communication; then, it is necessary for a company to have a person able to explain the various features of a product or point out the differences from other products and for this reason it is also important for the expert to have also a good and detailed knowledge of the technical features.

CHAPTER THREE

THE RUSSIAN ECONOMY, ITS RELATIONSHIP WITH ITALY AND YOUNG RUSSIANS' OPINIONS ABOUT MADE IN ITALY

As was underlined in the first chapter, the emerging markets represent a very important opportunity for Italy and the exports of its products. In particular, Russia is one of the most important emerging markets for our country as Made in Italy goods are much appreciated by Russians, yet before describing this trade relationship in detail, it is very important to describe quickly the changes which happened in the Russian economy from the early 1920s.

3.1 Planned economies

Planned economies are typical of countries where the state has a central and centralist role. Therefore, in these societies the main characters are "the directors", who have the decision-making power and issue orders, and "the executors", who have the task of carrying out the orders they receive[99]. This vertical relationship is also found in the economy where the state or the government are the two subjects who make the economic decisions, which are not made by the interaction between consumers and businesses. In fact, a centrally planned economy controls what is produced and the distribution and use of resources: state-owned enterprises undertake the production of goods and services[100]. These types of economies can be found both in a capitalist and socialist system. In the first case, the private initiative coexists with the state totalitarian power: the state checks that people do not break the rules or carry out some activities in contrast with the dominant ideology. Therefore, a kind of personal freedom exists, but it has many limits because of the way that individual expression is

[99] Morandi, P., Economia pianificata, Dizionario storico della Svizzera, 2006
[100] Murrel, P. and Mancur, O., The devolution of centrally planned economies, Journal of Comparative Economics vol. 15, Elsevier, 1991

imposed by the central power. In the second case, everything belongs to the state and there is no private ownership: the initiative can only be public and the actions in the interest of the state, which should represent the common good. Speaking about the economy of planned societies, some general features can be described. Firstly, the state plans in detail and controls every economic aspects, in order to impose its superiority on the consumers; secondly, the state sets the targets for production and their achievement has a variable deadline: this means that resources distribution is based on administrative regulations and that the prices are not taken into consideration as they do not consider the depreciation, the interests and consumers' preferences[101]. Moreover, another important feature is the trend towards protectionism since a planned economy is a closed economy, where foreign trade is not very important and takes place only if it is essential[102]. Finally, it is to be said that in a planned economy the speed in achievement progress is better than in a market economy because the aim is to reach higher and higher production levels.

3.2 Historical Outline

Since the 1920s Russia has undergone many changes in its economic management, and therefore it is important to describe them in brief. During the 1920s, in order to repair the damages caused by the First World War, Lenin decided to adopt the New Economic Policy (NEP), a series of free market-orientated reforms, which led to economic recovery, but which he himself abolished in 1929. Indeed, when Stalin came to power and became the leader of the Party, he decided to adopt the Stalinist economic model, which was in force up until the moment that he died, in 1953[103]. The model provided for a centrally planned economy and every single economic situation was governed by the state. One of the main decisions was to militarize and strengthen the arms industry; lands were given shared participation; and investments were used

[101] Variato, A.M.G., Organizzazione del sistema economico & mercato, Università di Bergamo, 2007
[102] Bornstein, M., Economia di mercato ed economia pianificata, Milano, Franco Angeli Editore, 1973.
[103] Bartlett, R and Federici, M., Storia della Russia, Milano, Mondadori, 2017

for heavy industry. Thanks to the victory in the Second World War the Stalinist model was exported to many other Central and Eastern European countries. Then, after Stalin's death, the power of the regime decreased and the "thaw" period began: the economy was restored and grew until the 1972[104]. These were the best twenty years in Russian economic history, during which the country became the world's leading producer of oil and steel thanks to an industrialization programme which began right after the war and the inclusion of new market mechanisms in order to solve the problems due to the planned economy. However, this positive situation changed during the last years of Breznev's leadership, when the economy began a period of stagnation, which lasted until 1984[105]. The most important problem was that Russia lost its drive for growth. It began to step up relations with the West and, facing these advanced economic systems, the country understood that it had to make some internal changes in order to keep up with the West, yet reforming the economy and maintaining the productivity level was impossible, as the system was ruled by some social groups, who were not interested in the necessary changes. The person who tried to save the Russian economy was Gorbachev, the Secretary General of the Soviet Union Communist Party. This period is known as "perestrojka"[106]. he did not decide to implement some reforms or innovations based on the Western model, but he tried to reorganize the already present economic system and implement a strategy of "glasnost", transparency, of which the aim was to free Russia from corruption. The result was a country ever more isolated from the West and as a consequence the failure of Gorbachev's plan. Russia needed a real change, which began hesitantly at the end of the 1980s.

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[104] Riasanovsky, N., Storia della Russia. Dalle origini ai giorni nostri., Milano, Bompiani, 2001
[105] Cigliano, G., La Russia contemporanea. Un profilo storico, Roma, Carocci editore, 2013
[106] Riasanovsky, N., Storia della Russia. Dalle origini ai giorni nostri., Milano, Bompiani, 2001

3.3 The turning point in the Russian economy: from a planned economy to a market economy

The most important event concerning the Russian economy and market are that cannot be omitted, is the shift from a centrally planned economy to a market economy. This change was sharp and grievous, especially because before Russia had lived with a planned economy for about seventy years, as is described in the previous chapter[107]. However, during the 1990s it was necessary for Russia to learn how to shift to a market economy and its rules and this was very difficult. The first moment of change happened in 1988, when on 26th May the Supreme Soviet approved the Act on Cooperatives, which authorized the setting up of private businesses and new independent forms of work organizations[108]. In fact, in that period there were many experimental cooperatives in Moscow, but all the raw materials were managed according to the planned economy law.

The most important market reforms were carried out after the collapse of the Soviet Union thanks to the 500 day programme, which scheduled a large scale privatisation of companies. This process began effectively in 1992 for many sectors, even if some important industries, such as the extractive industries, were privatized only during the 1995 and 1996 years through mortage auctions[109]. However, first, this process was very difficult; in fact, during the years 1992 and 1994 there was a reduction in Russian production and the GDP drastically decreased compared to 1989[110]. It is important to underline that the first capital was accumulated by the "shuttle men", who imported the individual foreign consumer goods and, then, retailed or wholesaled in the Russian market. This type of trade was conducted in large markets similar to the bazaars and it was a potential source of income as large capital investments were not required. Moreover, the shuttle men had some advantages at customs, as the goods individually imported were free of duty up to a certain quantity. It is important to specify that at

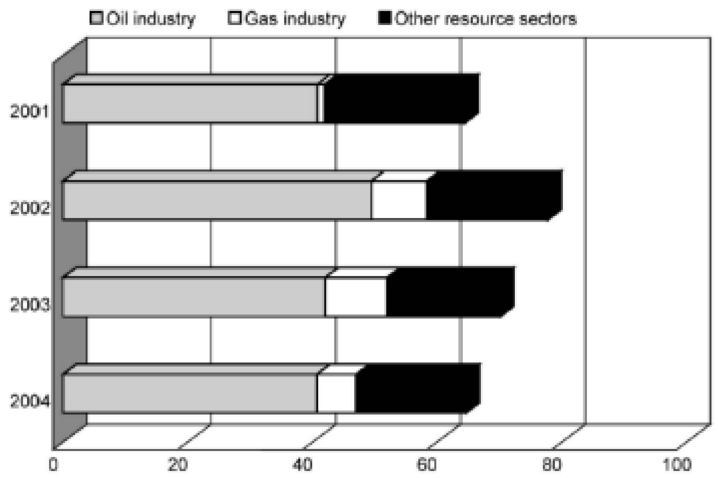
[107] Benaroya, F., L'economia della Russia, Bologna, il Mulino, 2006
[108] Cigliano, G., La Russia contemporanea. Un profilo storico, Roma, Carocci editore, 2013
[109] Riasanovsky, N., Storia della Russia. Dalle origini ai giorni nostri., Milano, Bompiani, 2001
[110] Nuti, D. M., La transizione nell'economia russa, Treccani, 2009

first the shuttle men traded only with the former socialist countries such as Poland, Bulgaria, Hungary and Romania, because they had no experience of travelling abroad. Later, China and Turkey became the most popular destinations. The symbol of that period was the Cherkizovskij market, situated at the East of Moscow, which began its activity in the 1990s and was closed in 2009 because of many offences and illegal trade[111]. In the same years, the phenomenon of counterfeiting began to spread in Russia: the entrepreneurs opened actual "boutique", where they passed off Chinese clothes as designer clothes. They bought them in the Moscow wholesale markets and then they sold them at a high price; this problem began to decrease only when Russia entered the OMC.

The fact that Russia could not compete with the imported goods was evident from its position in the advertising market, in which it was not present up to the 1998. In the same year Russia had to announce technical default because of an economic and financial crisis. This was brought about by an over-estimate of the rouble, the opening to the investors of the purchase of Government bounds, the difficulty in levying taxes, the contagiousness of the Asian financial crisis and the fall of oil prices[112]. Conducting this operation, the value of the currency felt down so much, but the default made the industry grow, although the population's real income decreased a great deal. This growth took place especially in the fuel sector, the metal industry and the food sector[113]. In particular, thanks to the oil revenue the external and public accounts improved, the problem of the outstanding payments was solved, the government debt declined, and the development and investments began again: the following graph shows the importance in percentages of the natural resources fields for industrial production growth between the years 2001-2004 (Fig. 3.1).

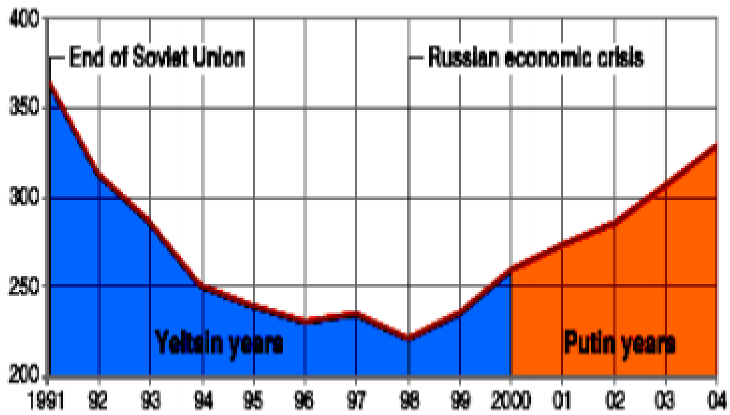
[111] Iljinskaya, K., I ruggenti anni Novanta dell'economia russa, Russia beyond, 2016
[112] Alexeev, M. and Weber, S., The Oxford handbook of the Russian economy, New York, Oxford University Press, 2013
[113] Salsecci, G. & Co., Russia. Un'economia ad alto potenziale di crescita di fronte alle sfide della crisi globale, Intesa San Paolo, 2009

Fig. 3.1: Importance in percentage of the natural resources fields for the Russian industrial production growth between the years 2001-2004[114]



This change resulted in an increase in the GDP during the first years of the 21st century and in an improvement in the population's welfare standards with an increase in income. The following image represents the GDP trend from the collapse of the Soviet Union to the year 2004 (Fig. 3.2).

Fig. 3.2: GDP trend from the collapse of the Soviet Union to the year 2004[115]



[114] Salsecci, G. & Co., Russia. Un'economia ad alto potenziale di crescita di fronte alle sfide della crisi globale, Intesa San Paolo, 2009

[115] Greco, E., Alcaro, R., Fabbri, V., Le Relazioni della Russia con Europa e Stati Uniti: sviluppi recenti e scenari futuri, Servizio Studi del Senato Della Repubblica, 2007

Therefore, at the start of his term, Putin followed liberal economic policies, which encouraged the creation and development of companies, less bureaucratic procedures and the growth of the financial market. Then, from the beginning of 2003, the state started to gain strength again, intervene in the economy, have the function of owner and entrepreneur. Russia now began to develop a kind of dual economy, where the two dimensions of private and state coexisted[116]. However, Russia development and the economy started to lose momentum in the second half of 2008 due to a decrease in oil demand and, as a result, in oil prices. Therefore, the country entered a difficult crisis and negative business climate: unemployment, government deficit, discontent and a decrease in import and export as it is clear from the following table (Table 3.1).

Table 3.1: Percentage decrease in Russian exports[117]

	2005	**2006**	**2007**	**10 months 2008**	**2008**	**First quarter 2009**	**4 months 2009**	**6 months 2009**	**9 months 2009**
Industrial production	+4	+3.9	+6.3	+4.9	+2.1	-20.8	-14.9	-14.8	-14.5
Manufacturing industry	+5.7	+4.4	+9.5	+7.0	+3.2	-20.8	-22.0	-21.3	-19.1
Carbon coke and petrochemicals	+5.4	+6.1	+2.7	+3.6	+2.7	-3.7	-2.9	-2.2	-1.3
Food industry	+4.4	+5.4	+6.1	+3.0	+1.1	-3.3	-3.1	-2.9	-2.0
Leather and footwear	-2.6	+16.7	-0.1	+5.3	+1.7	-17.0	-13.6	-10.1	-5.5
Plastics industry	+5.5	+11.7	+22.1	+16.5	+12.5	-17.3	-18.5	-16.5	-14.6
Textiles and clothing	-1.5	+7.3	-0.3	-0.4	-4.5	-21.2	-20.2	-22.2	-20.7
Chemical industry	+2.6	+1.9	+6.1	+0.8	-4.2	-22.4	-20.5	-17.0	-13.0
Metallurgical industry	+5.7	+8.8	+2.0	+1.7	-0.2	-27.7	-27.4	-26.0	-21.1
Woodworking	+4.5	+0.5	+6.2	+6.6	+1.4	-29.2	-28.9	-26.9	-23.1
Metal industry	-0.1	+3.3	+19.3	+8.2	+4.0	-25.7	-34.3	-34.6	-31.7
Transport industry	+6.0	+3.3	+15.9	+15.1	+9.5	-35.5	-36.4	-39.1	-41.6

[116] Nuti, D. M., La transizione nell'economia russa, Treccani, 2009
[117] Production of data from Rosstat, Russian Federation Federal State Statistics Service, 2009

Electrical, electronic and optical products	+20.7	-5.5	+12.8	-5.9	-7.9	-43.4	-42.0	-39.9	-36.1
Raw materials and fuel (mining and processing)	+1.3	+2.3	+1.9	+0.1	+0.2	-3.8	-3.2	-3.4	-3.0
Electricity, gas and water manufacture and distribution	+1.2	+4.2	-0.2	+4.1	+1.4	-5.1	-4.6	-6.3	-6.9

Between 2008 and 2009 there was a stock market crash and the rouble collapsed, causing a fall in Russia Central Bank foreign-exchange reserves; but, after the first interventions, in 2009 the rouble began to stabilize and the Government decided to introduce other crisis-response measures. It decided to invest in the development of technologies and innovation, and in the restructuring and diversification of the economy. However, even if the diversification plans were not successful, the GDP began to grow again at the end of 2009 thanks to other measures and the rise in oil prices. Therefore, the crisis was soon over and the economy, imports and exports began to grow again until the year 2014, when the commercial relations between Russia and Europe, in particular Italy, fell. Before describing what happened in that year, it is important to describe briefly which were the relations between Russia and Italy over the years.

3.4 The Relations between Russia and Italy

The beginning of economic relations between the two countries dates back to 1924, even if they became stronger during the 1950s, when Russia and Italy signed their first agreements about the oil and gas trading with Made in Italy products. Italy was essential for the Soviet Union and vice versa, because it provided the materials for plants and gas pipelines; there was a balance since one country was functional to the other. At first, URSS-Italy cooperation was made up only of single and particular agreements, but then, since they affected every sector, the two protagonists decided for a global collaboration[118]. In particular, after the USSR collapsed, Italy took advantage of the Russian predilection for Italian culture and capacity to produce refined and high-tech goods, and of its geographical location, which represents a connecting point between East and West Europe[119]. In particular, in order to emphasize the importance of the bond, in 1964 the Italian-Soviet Chamber of Commerce (now the Italian-Russian Chamber of Commerce) was founded; it groups the most important Italian companies which work with Russia and vice versa, and makes reciprocal trade easier thanks to a close cooperation between the Institutions of the two countries[120]. Therefore, this link is strategic as both countries benefit from the cooperation: the rich Russian consumer is willing to buy luxury Italian goods and thanks to Italy, Russia can diversify its economy[121]. Thus, there is not a dependency ratio because none of the nations is in an inferior position and because there is not a vertical relationship, but an interdependent one[122]. In conclusion, Russia has always represented a potential opportunity for Italy as over the years and Russian people have taken more and more interest in Made in Italy products, but in 2014 the situation started to change.

3.5 The year 2014: European restrictive measures and the Russian embargo

In March 2014, the EU decided on restrictive measures towards Russia as a response to the illegal annexation of the Crimea and Sevastopol, and the intentional destabilisation of Ukraine. In particular, the European Council has gradually decided on diplomatic restrictive measures, individual restrictive measures, economic sanctions, restrictions

[118] Sideri S., La Russia e gli altri:nuovi equilibri della geopolitica, Milano, Università Bocconi Editore, 2009
[119] David, M., Gower, J. and Haukkala, H., National Perspectives on Russia, New York, Routledge, 2014
[120] Camera di Commercio Italo-Russa, Chi siamo/Mission, 2018
[121] Dallocchio M., Vizzaccaro M., Italia-Russia: scenari per un nuovo sviluppo, Milano, Egea, 2014.
[122] David, M., Gower, J. and Haukkala, H., National Perspectives on Russia, New York, Routledge, 2014

on economic cooperation and economic relations with Crimea and Sevastopol[123]. Specifically, in 2014 the UE-Russia summit was cancelled and the EU Member States decided not to have regular bilateral summits with Russia; moreover, instead of the G8 Summit in Sochi, a G7meeting took place on 4th and 5th June 2014 and from that moment Russia was excluded from the meetings, and the EU members agreed on the suspension of the negotiations on Russia's accession to the Organization for Economic Cooperation and Development (OECD) International Energy Agency (IEA). As regards the individual restrictions, 150 people and 38 entities are subject to the assets freeze and travel ban, because their action compromised Ukraine's territorial integrity, sovereignty and independence: these measures were extended on March 2018 for other six months.

The European Council also decided to freeze the assets of people identified as responsible for the misappropriation of Ukrainian State funds; this restriction was extended until March 2019[124]. Furthermore, in July and September 2014 the EU imposed economic sanctions in specific economic fields on trade with Russia; these measures prohibit the import and export of weapons and dual-use products for military purpose, limit the access to EU capital markets from some of Russian banks and societies and to specific technologies and services, used for oil production. These restrictions are bound by the full implementation of the Minsk agreement, and for this reason, they were extended until July 2018[125]. Concerning the restriction on economic cooperation, the European Investment Bank suspended the signing of financial agreements with Russia, and the EU decided to suspend some of the bilateral cooperation programmes. Moreover, the European leaders decided to carry out restrictions toward Crimea and Sevastopol, including the ban of goods from these two cities, trade and investment restrictions, the ban in providing tourist services in Crimea

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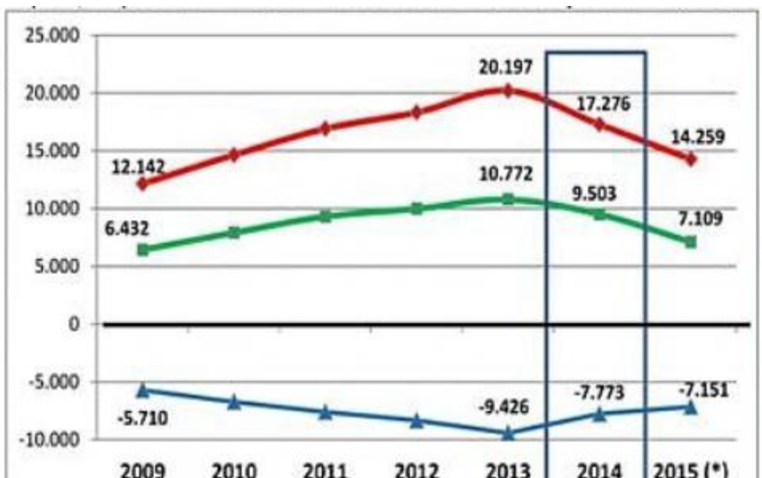
[123] Consiglio dell'Unione europea, Misure restrittive dell'UE in risposta alla crisi ucraina, 2018
[124] Camera di Commercio Italo-Russa, Speciale sanzioni, 2018
[125] Ibid.

and Sevastopol and the ban in exporting some products and technologies. On 19th June 2017, these measures were extended until June 2018[126].

For its part, Russia did not simply undergo European Union decisions; in fact, right after the restrictions, Putin decided on a total embargo of most of foodstuffs from the EU, United States, Australia, Canada and Norwegian (other countries that decided for restrictions toward Russia)[127]. Then, after the renewal of the European sanctions, in turn, Moscow renewed its sanctions for another year, till 31st December, but Putin always made it clear that if the Europeans would cancel the restrictions, then Russia would also do so[128]. This answer from Moscow, as it is possible to see from the next diagram and table, already in the first two years, negatively influenced the European economy and in particular that of Italy, since Italy is one of the most important European export countries for Russia. In 2013 the Italian exports reached 10.7 billion Euro, but in 2014 they decreased to 7.1 billion: Lombardy, Veneto and Emilia Romagna were the most affected regions (Fig. 3.3).

Fig. 3.3: Italian export and import trend (refer to Russia)[129]



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[126] Ibid.

[127] Scott, A., Putin, guerra alle sanzioni: embargo totale per un anno sull'import di ortofrutta, carne, pesce e latticini, il Sole 24 Ore online, 2017

[128] Scott, A., Mosca risponde alla UE: embargo alimentare prolungato al 31 Dicembre 2018, il Sole 24 Ore online, 2017

[129] Ricciardi, R., Sanzioni ed embargo, la Russia è costata all'Italia 3,6 miliardi, La Repubblica online, 2016

In particular, from the start, the most affected sectors were the machinery field, clothing, the motor vehicles, the footwear, the metal products, furniture and electrical equipment (Table 3.2).

Table 3.2: Main sectors of Italian exports to Russia (values in billions of EURO)[130]

Manufactured products	**2013**	**2014**	**2015**	**Changes**	
				2015-2013	**% 2015/2013**
Machinery	2892.5	2771.3	2244.2	-648.3	-22.4
Clothing	1316.3	1128.3	777.1	-539.2	-41.0
Automotive	556.9	333.9	157.8	-399.1	-71.7
Footwear and leather goods	811.44	635.5	441.9	-369.4	-45.5
Metal products	571.2	518.3	311.4	-259.8	-45.5
Furniture	685.6	624.0	455.4	-230.2	-33.6
Electrical equipment	655.6	598.1	459.9	-195.7	-29.8
Transports	276.5	70.3	92.0	-184.5	-66.7
Food industry	439.6	407.8	267.4	-172.2	-39.2
Drink industry	170.3	143.2	96.9	-73.4	-43.1
Textile industry	186.0	168.3	118.9	-67.1	-36.1
Chemicals	580.6	560.7	514.9	-65.7	-11.3
Computers and electronics	156.9	134.5	97.5	-59.4	-37.9
Metallurgy products	171.1	155.6	118.6	-52.5	-30.7
Eyewear sector and dental instruments	114.3	91.7	70.1	-44.2	-38.7
Paper	115.8	93.1	72.3	-43.6	-37.6
Rubber and plastic	221.2	219.6	188.3	-32.9	-14.9
Wood and cork	84.3	80.7	66.5	-17.8	-21.2
Jewellery	49.4	54.2	36.7	-12.7	-25.7
Sporting goods	20.2	19.0	11.8	-8.4	-41.5

[130] Ibid.

Other products	23.2	25.4	15.8	-7.4	-31.8
Musical instruments	2.3	1.9	0.6	-1.7	-75.4
Tobacco	0.8	1.0	0.8	+0.1	+7.6
Printing	1.4	0.9	1.6	+0.2	+16.4
Toys	14.3	14.5	14.7	+0.5	+3.3
Coke and refined products	17.5	18.5	18.1	+0.7	+3.9
Pharmaceutical products	205.5	273.5	226.9	+21.4	+10.4
Total	10,641.1	9,409.4	7,071.9	-3,569.2	-33.5

The year 2016 was also not good for Italian exports to Russia because they decreased again compared to 2015 (EUR 6,737.53 billion compared to EUR 7.110,2 billion), whereas in 2017 the situation changed, as it is possible to see in the next section[131].

3.6 Made in Italy in Russia today

As shown above, the economic and trade relations between Italy and Russia are traditionally strong, even though over the last years the turnover has significantly decreased due to the sanctions and counter sanctions, in particular during 2015 and 2016. Therefore, it is important and interesting to understand more about the year 2017 and the first impressions about 2018. In fact, the situation of 2017 was clearly better than that of the dark two-years: in 2017 exports reached the value of EUR 8 billion, +19,3% than the year before[132]. The recovery was confirmed by Antonio Fallico, the president of Russia Banca Intesa and the Association Knowing Eurasia, during the sixth Italy-Russia summit, organized by the Russian Federation General Consulate, Knowing Eurasia and Saint-Petersburg international economic Forum. He explained that Italy had begun to focus again on Russia as the exports increased and had no negative signs thanks to the Italian Business diplomacy, even though right it was not

[131] Farnesina, Scambi commerciali (Russia), InfoMercatiEsteri, 2018
[132] Albano, A., Export Italia-Russia: +19,3% nonostante le sanzioni UE, L'Indro, 2018

possible at that time to recover the losses produced by the restrictions[133]. Thus, Italian companies were working in order to regain their market share in this essential area and to reach the maximum value of EUR 10.7 billion of 2013. In particular, it is possible to understand better the situation of the various sectors from the following table, drawn up on ISTAT data (Table 3.3).

Table 3.3: Main sectors of Italian exports to Russia (values in millions of EURO)[134]

	2015	**2016**	**2017**
Total	7,110.2	6,737.53	7,982.7
Agriculture, fishery and forestry	17.05	41.15	41.53
Mining and quarrying products	5.97	5.67	5.59
Foodstuff	267.37	277.56	330.06
Beverage	96.94	99.56	144.83
Tobacco	0.82	3.53	7.66
Textile products	118.87	131.09	127.98
Clothing (fur and leather products too)	777.08	823.88	942.14
Leather products and similar (no clothing)	441.94	438.66	501.99
Wood and straw products (no furniture)	66.45	54.59	38.1
Paper products	72.25	81.85	82
Press products	1.64	1.18	1.27
Coke and refined petroleum products	18.14	17.39	15.99
Chemical products	514.89	560.58	601.08
Pharmaceutical products	226.89	233.86	294.5
Rubber and plastic products	188.27	210.65	222.64
Other non-metallic mineral products	193.79	167.74	168.86
Metallurgy products	118.59	135.57	149.3
Metal products (no machinery)	311.37	326.86	361.47
Computer, electronic and optical products; electro medical articles, measuring devices and clocks	97.5	92.67	121.32

[133] Ibid.
[134] Farnesina, Scambi commerciali (Russia), InfoMercatiEsteri, 2018

Electrical equipment and non-electrical household equipment	459.92	390.12	543.74
Machinery and equipments	2,244.22	1,770.14	2,325.85
Car, trailers and semi-trailers	157.83	201.57	264.99
Other means of transport (ships and boats, locomotives and rolling stock, aircraft and spacecraft, military means)	92.05	86.53	118.72
Furniture	455.41	389.4	376.07
Products of other manufacturing	149.74	161	175.98
Other products and activities	13.74	19.32	19.04

In 2017, the most important sectors for Made in Italy in Russia were machinery, chemicals and clothing, followed by electronics, leather goods, furniture, metal products and the food industry; in particular Veneto and Lombardy are two of the best regions in trade with Russia. Even from Russia the thoughts were positive; in fact during the summit Igor Karavaev, the president of the Russian Trade Representation in Italy, claimed that a new way to increase the business possibility for the Italian companies in Russia is the "Made with Italy", in fact, during the last period the cooperation between the two countries was not only in the aerospace field, but also in those of metal and zoo technical, especially on farms[135][136]. Speaking about the first quarter of 2018, even if the features are not precise and definitive, Made in Italy exports decreased by 1.2%, in particular the agro-food sector, due to the ban on access to Russia of fruits, vegetables, meat, cheese, fish and other products, which is explained above[137]. Thus, so far, exports dropped to a value of just under EUR 8 billion, but, despite this, it is not possible to predict how things will turn on during the year, as many changes could happen both politically and economically. The only sure thing is that Russia is a very important for Italian products and economy, therefore for Italy it is important to maintain an interest bearing dialogue with this country in order to increase more and more the trade relations.

[135] Business community, Italia-Russia: export torna a crescere (+19,3%) grazie a diplomazia del business, Fare Business, 2018
[136] Scott, A., Made as in Italy:torna a Mosca il food italiano fatto in loco, il Sole 24 Ore, 2018
[137] Coldiretti, Russia, giù l'export Made in Italy nel 2018, 2018

3.7 What do young Russians think about Made in Italy?

After having seen all the features about Italian products in Russia, I was interested in knowing more about the thoughts of Russians about Made in Italy and I wished to have “more direct contact” with their opinions. Last semester (from September 2017 to February 2018) I was in Tartu (Estonia) as an Erasmus student and, after having considered that at University there were many Russian students, who had decided to move to Estonia to study, I thought that it could be a good idea to devise a questionnaire on Made in Italy for Russian people in order to understand their impressions and which experiences they had had with Italian products.

3.7.1 Questionnaire methodology

In order to understand better the results and the questionnaire in general, it is important to know all the passages and the decisions taken to “build” the questionnaire. The first thing I thought about was the aim of the research, what I wanted to know at the end of the project. Simply the aim of the questionnaire is in general to discover a little about the opinions and perceptions of potential Russian consumers of Made in Italy, whether they had Italian products and in which sectors they consider Italy as a good producer. The second aspect I decided was the target: I needed to narrow the search field, as finding people available for questions is not simple and in order to reach some general conclusions or ideas with not many answers it is important to have a restricted target of people. I was interested in particular in young people like me and surely for me much easier to find and interview, therefore I decided to take into consideration young and young-adult Russians, from twenty to thirty-five years[138]. After that I thought on how structure the questionnaire: always because it is difficult to find the participants, I opted for few questions at multiple choice or with a very short answer and I tried to be as clear and simple as possible and cancel out any possibilities of misunderstanding or incomprehension.

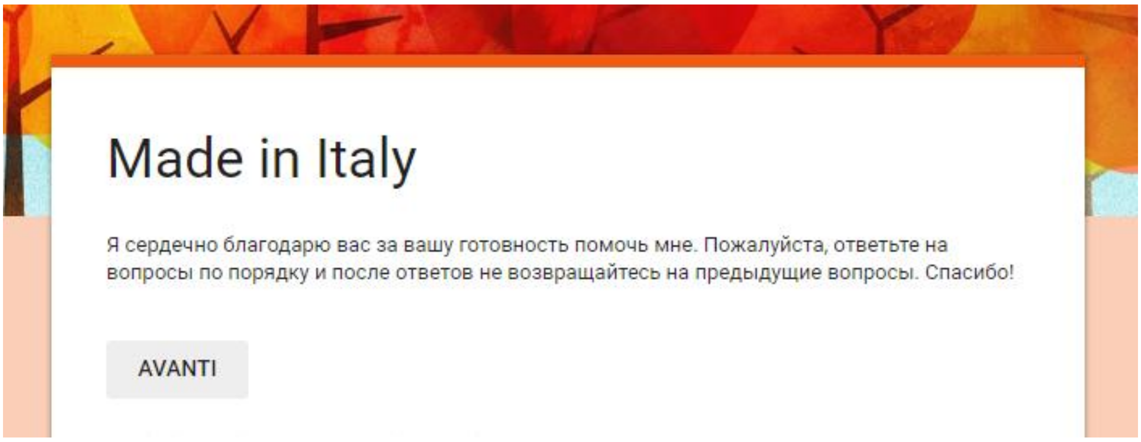
[138] Treccani, I “giovani anziani” e i “tardo-adulti”, 2013

As the topic is vast, before choosing the questions, I read and studied the majority of the materials used to write the dissertation in order to make up some questions based on theoretical aspects and I followed what I had studied and experienced during these years about how to create a questionnaire. After having chosen the questions, I established the way to deliver the survey. The first decision was to write the questions in Russian to facilitate the participants and make them more comfortable, and to create both a paper and an online form; for the online version I used Google Forms because it is not so complicated but complete and with this app sending the questionnaire by email or Facebook is very quick. Then, I thought about how I could find a good number of people and in particular "qualified" participants, in terms of being sure about their appropriateness (it is necessary to be Russian and aged between 20 and 35). The dean office of Tartu University Russian department made himself available to send the questionnaire by mail to all the Russian students (around twenty) explaining the situation, but this method did not work as practically none answered. Therefore, I went to the students during their lessons and after having explained my project and given them some chocolates to break the ice, they helped me and someone sent the survey to other friends. Moreover, I asked the other Erasmus students, who were studying Russian with me, if they could send it to some of their Russian friends. Finally, I succeeded in getting 59 answers, which may be enough to make some considerations.

3.7.2 Structure and questions

Choosing the right questions for a survey is not simple because each question has to have a specific purpose and reason and also the order is very important. Since only a couple of people answered using the paper form, the following images refer to the online version. The survey consists of ten questions, but before beginning it there is an "invitation": Я сердечно благодарю вас за вашу готовность помочь мне. Пожалуйста, ответьте на вопросы по порядку и после ответов не возвращайтесь на предыдущие вопросы. Спасибо! (I heartily thank you for your willingness to help me. Please answer the questions in order and after the answers do not go back to the previous questions. Thank you!). (Fig. 3.4)

Fig. 3.4: The beginning of my questionnaire



"Do not go back to the previous questions after having answered" is very important not to change the answers according to the questions which come after and invalidate the results. The first three questions concern some personal information: the age, the gender and present residence. These queries were made in order to see if there is a difference in the answers according to the age, the fact if the participants are male or female or live in a big city or in a small village. The next four questions require short answers and investigate interviewers' perceptions about Made in Italy and try to understand if the perceptions are based on real and concrete experiences or simply ideas based on stereotypes or for example word of mouth (halo or summary effect?). The participants are asked to write which products they associate with the term "Made in Italy", the first three adjectives they think about to describe the term "Made in Italy", if they buy Made in Italy products (yes, no or sometimes) and why. In the last three questions the participants have to make a judgment in numbers (Fig. 3.5). In detail, these are the questions: По шкале от 1 (вы предпочитаете русские продукты) до 5 (вы предпочитаете итальянские продукты) вы предпочитаете покупать следующие итальянские или русские продукты? (On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products? Fig. 3.5), По шкале от 1(минимум) до 5 (максимум), как вы думаете, эти продукты Made in Italy? (On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?), По шкале от 1(минимум) до 5 (максимум), насколько, по вашему мнению, вы можете доверять тому, что эти продукты были итальянскими? (On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products are Italian?).

Fig. 3.5: How appears the first of the last three questions

Thanks to these questions it is possible to understand if the young people interviewed prefer to buy national or Italian products and, so if they are open also to products from another nation, how much they know about Italian exports to Russia and what are their opinions or experiences with Italian products. The list of the products (wine, technology, cheese, clothing, pharmaceutical products, machinery, furniture, automotives, coffee, footwear and cosmetics) was chosen thinking about specific or general products in which Italy is one of the biggest producers and others that are not typically linked to Italy.

3.7.3 Results and comments

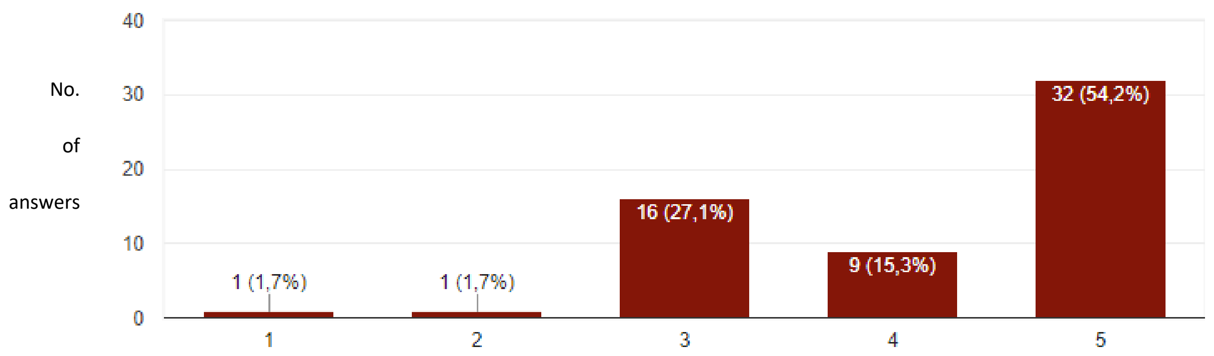
After having explained the methodology and the structure of the questionnaire, it is interesting to summarize the results. At first it has to be said that just over half of the participants is made up of females and that none answered that he/she has never bought Italian products; 75% of the participants claimed to buy Italian products, while the remaining part buy them only occasionally. Speaking about the first questions on Made in Italy, it is possible to understand that Italy is especially associated to foodstuff and beverage, fashion and cars, in fact the most frequent answers were: обувь, одежда, косметика, аксессуары, паста, пицца, вино, сыр, часы, очки, мода, Ferrari, Lamborghini and Fiat (footwear, clothing, cosmetics, accessories, pasta, pizza, wine, cheese, watches, glasses, fashion, Ferrari, Lamborghini and Fiat). In particular, it has to be underlined that the female respondents referred especially to clothing products and cosmetics, whereas the male respondents know the most famous Italian car brands, but in this case it is more difficult that they had concretely experiences with the products as they are very expensive; both male and female respondents gave examples of foodstuffs and beverages.

Another interesting result is the fact that only one person gave specifically coffee and leather products as answers, whereas none referred to furniture, even if Italy is one of the biggest producers in this sector. Instead, looking at the adjectives that the participants used to describe the term “Made in Italy”, it is easy to see that almost all the adjectives refer to the most important Made in Italy qualities shown in the first chapter. In fact, more than an half of the participants gave these examples: элегантное, качественный, модно, современный, стильное, утонченный (elegant, high quality, fashionable, modern, stylish, refined). This result is very important because it means that Italian companies are succeeding in spreading the values and features of the Italian spirit and products. Another positive and in a way curious aspect is the fact that some of the people interviewed linked the term with adjectives which express warmth, sunshine and brightness: these adjectives also express the authentic Italian spirit and familiarity and it is very important that these characteristics are perceived by foreigners. The only negative point but remarkable point is that more than half of participants think that Made in Italy products are too expensive; this could be a problem because it means that still many people cannot frequently afford Italian goods. Certainly all the participants are young, but it has to be remembered that the majority have or had the possibility to study at university, and therefore. The same ideas and opinions were expressed in the answers to the question on the reason why they buy Italian products; the participants explained that the Italian products are of high quality, frequently better than the others (the food is considered delicious), but too expensive. Another interesting consideration was that people are also attracted by the appearance of the product, its image and outer packaging, and thus this is concrete evidence of the marketing activity. Moreover, it has been claimed that during the last years due to the sanctions it is more difficult to find some Italian products (in particular food) and the counterfeiting has grown; even with this evidence some issues discussed before were confirmed.

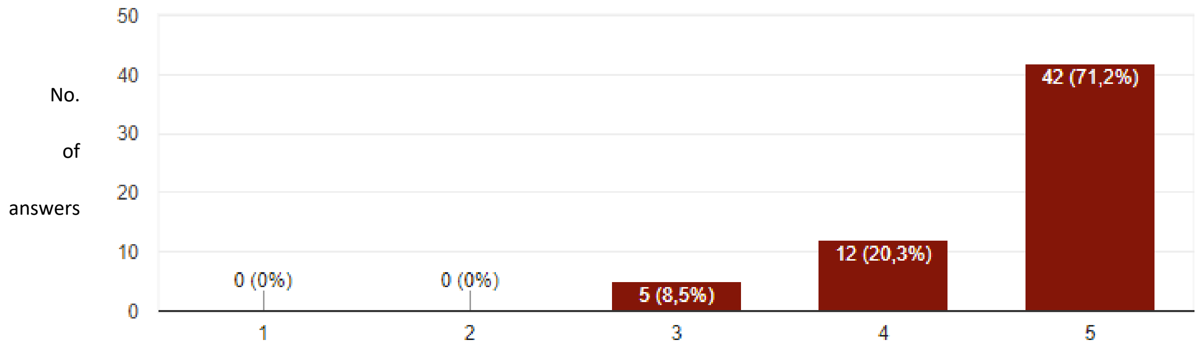
Speaking about the last three questions (On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?; On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?; On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?), the results are shown by the following graphs (from Fig. 3.6 to 3.16): the three graphs for each product represent the answers to the three questions respectively.

Fig. 3.6: Wine [139]

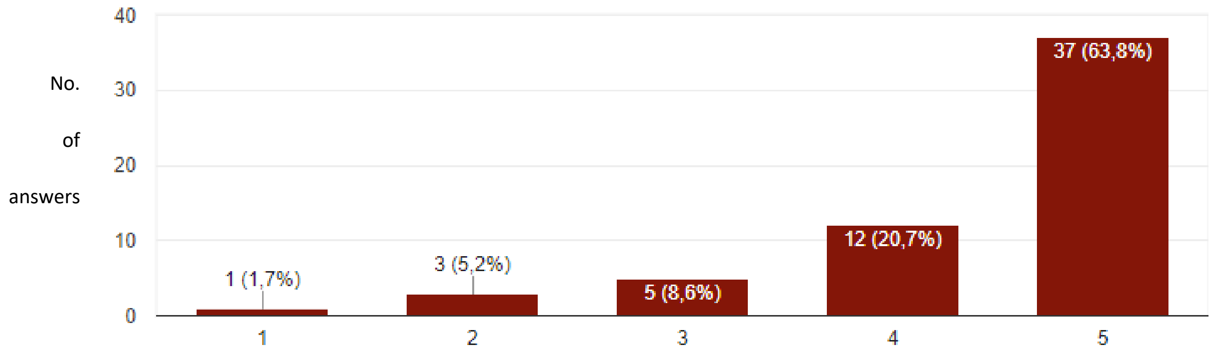
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



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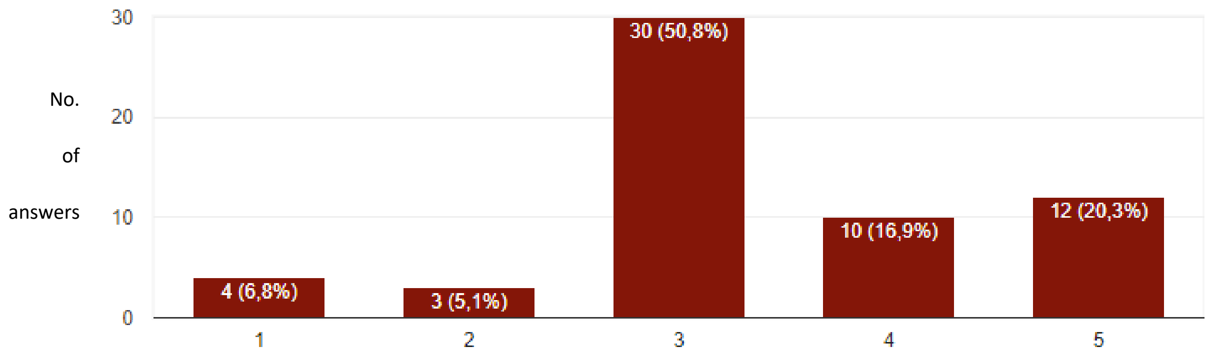
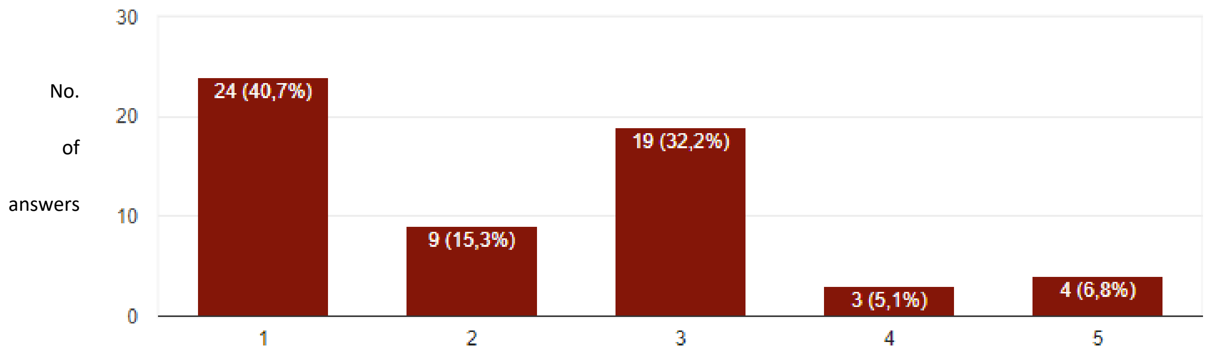
139 Processing data of my questionnaire

Fig. 3.7: Technologies [140]

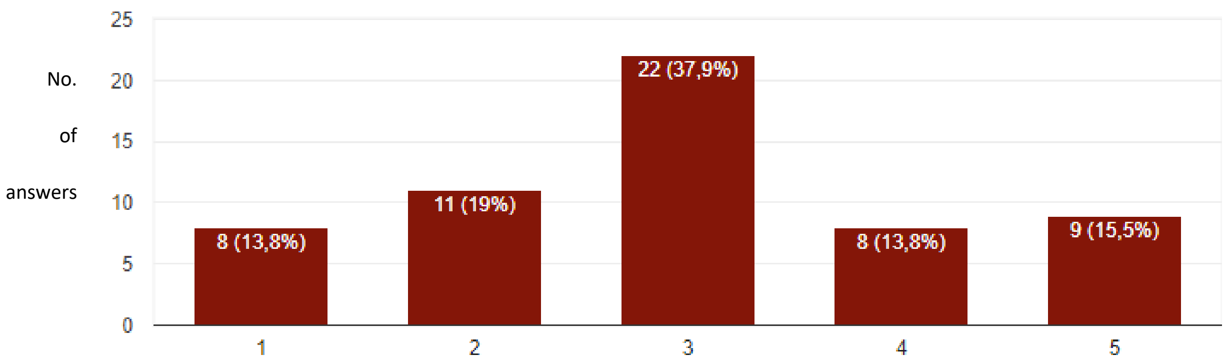
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



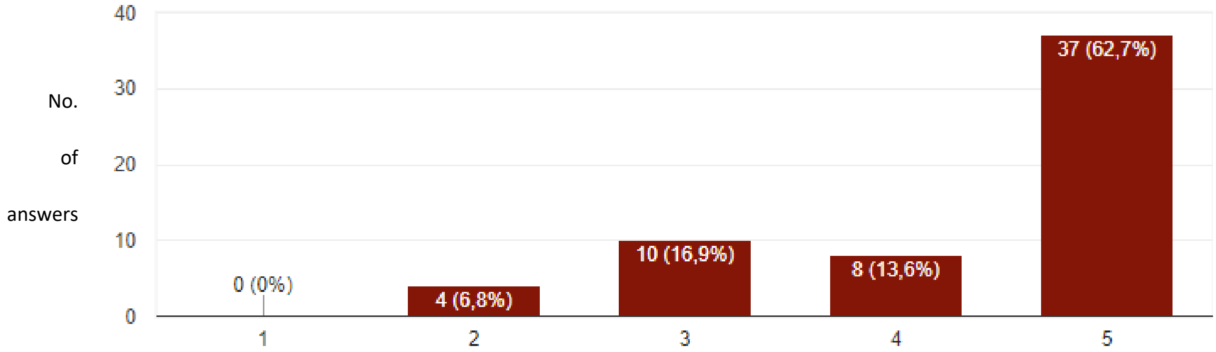
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



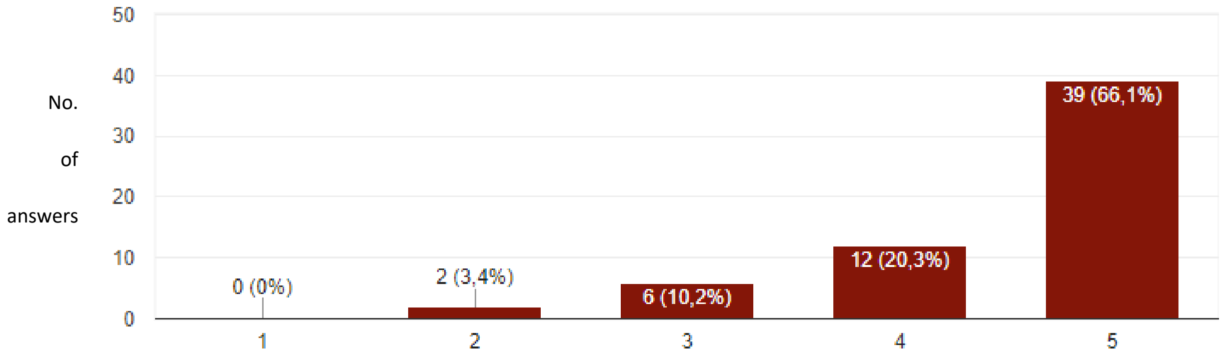
[140] Processing data of my questionnaire

Fig. 3.8: Cheese[141]

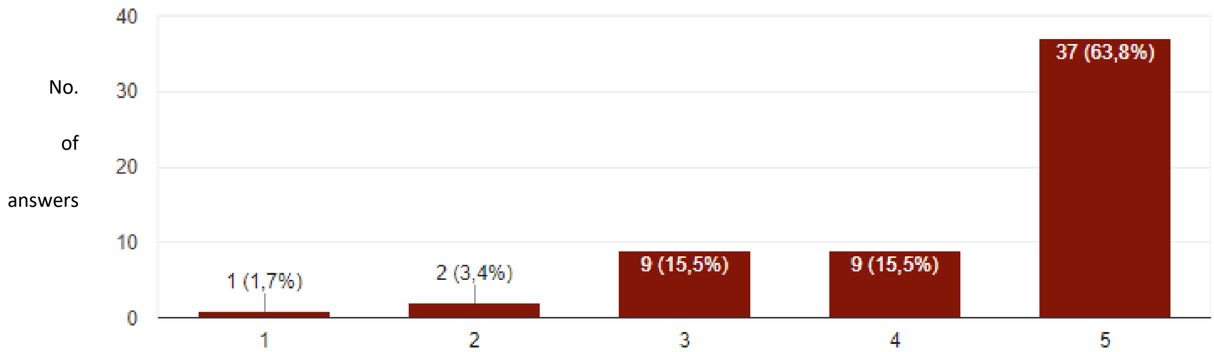
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



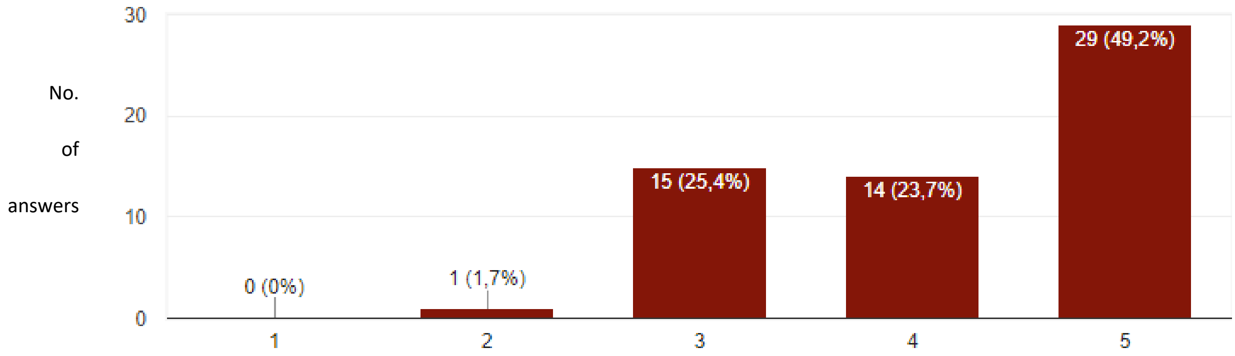
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



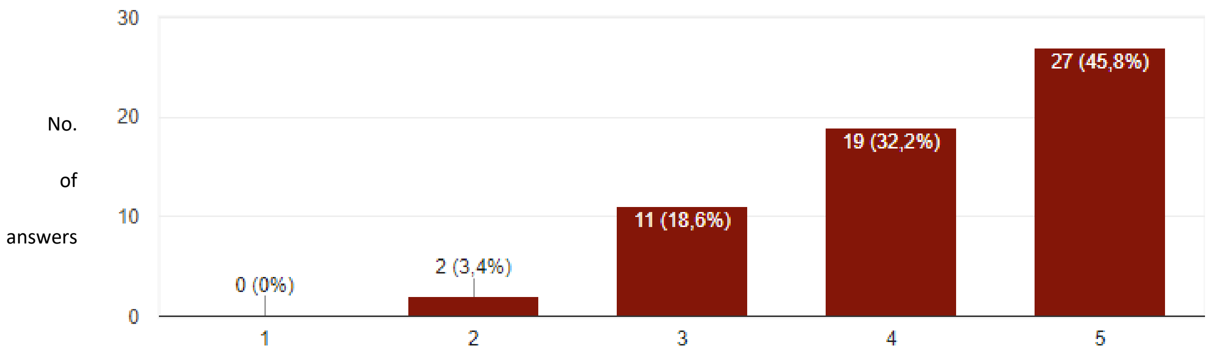
[141] Processing data of my questionnaire

Fig. 3.9: Clothing[142]

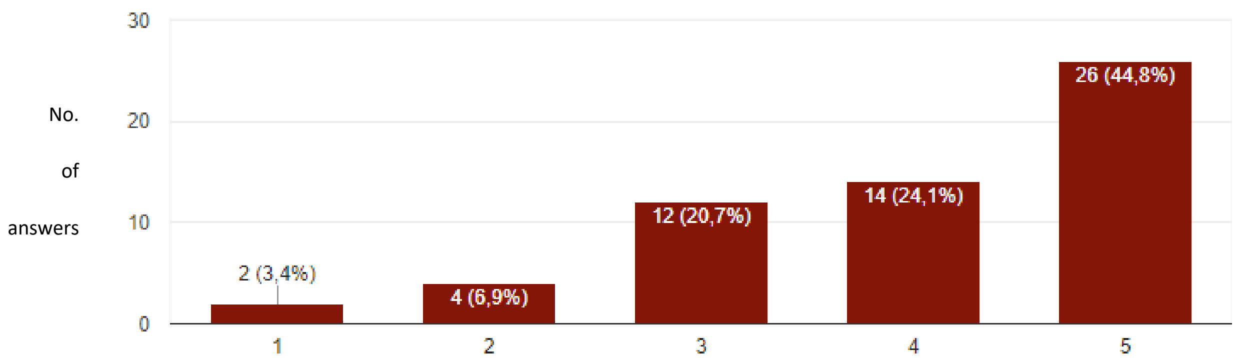
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



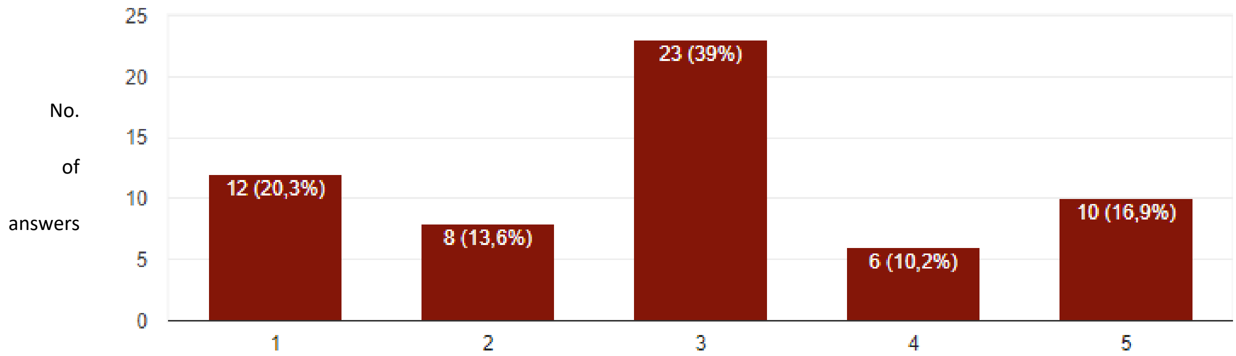
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



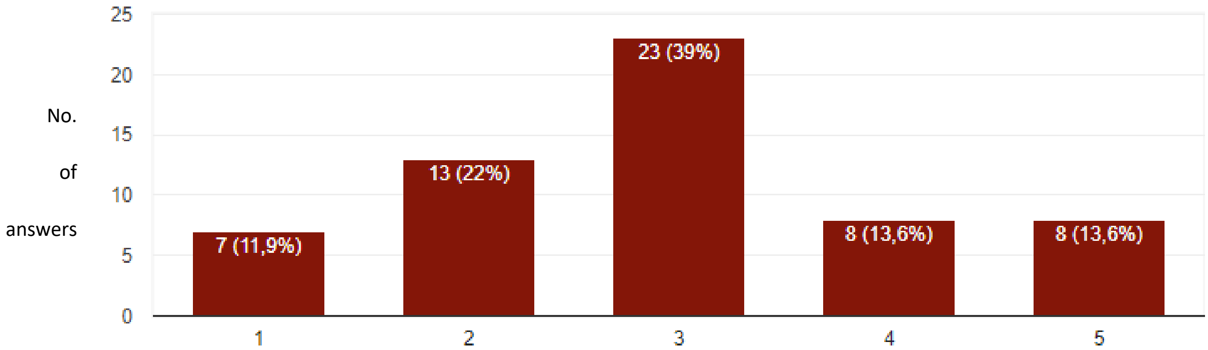
[142] Processing data of my questionnaire

Fig. 3.10: Pharmaceutical products[143]

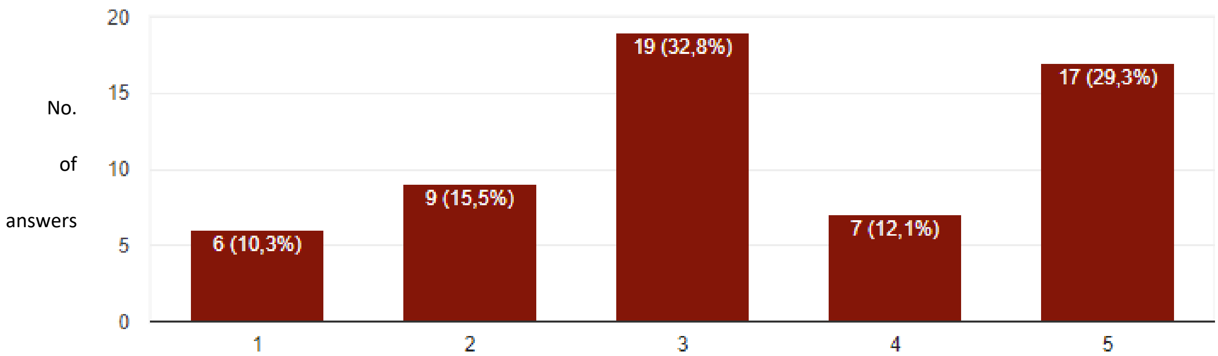
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



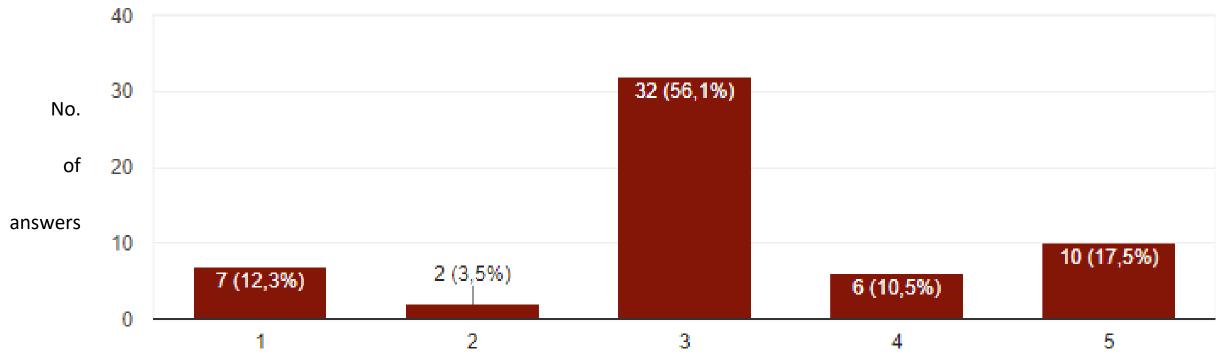
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



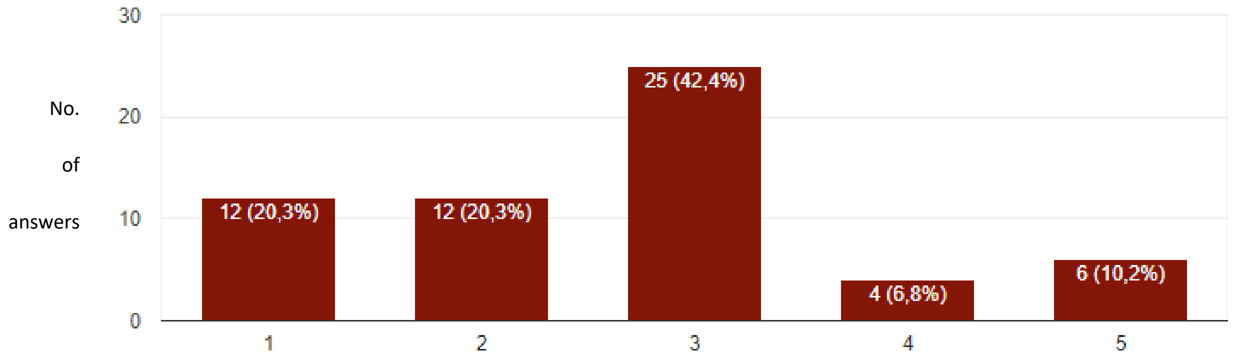
[143] Processing data of my questionnaire

Fig. 3.11: Machinery[144]

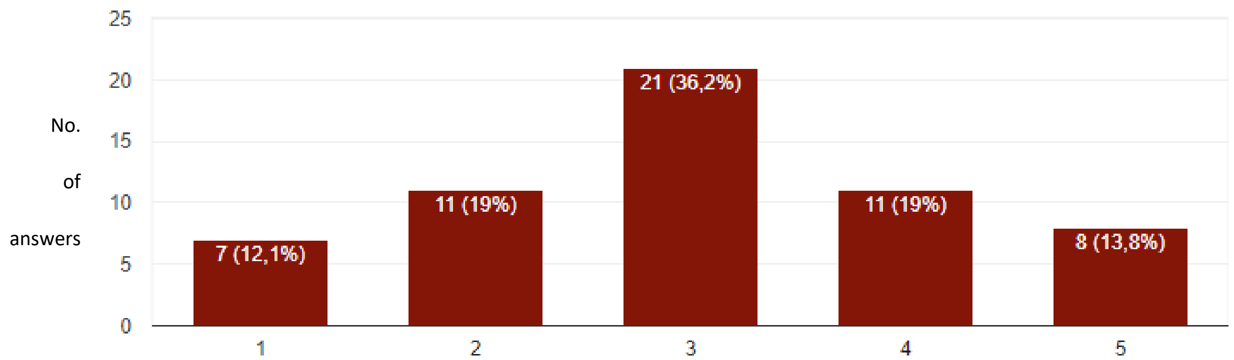
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



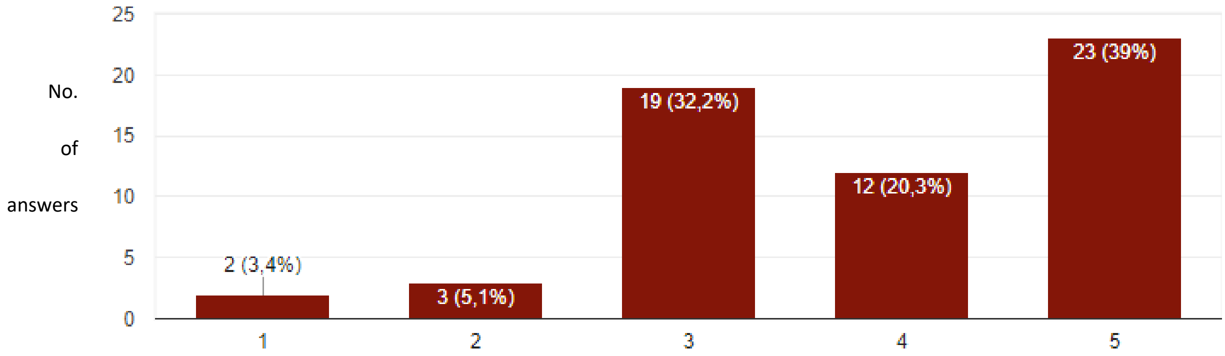
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



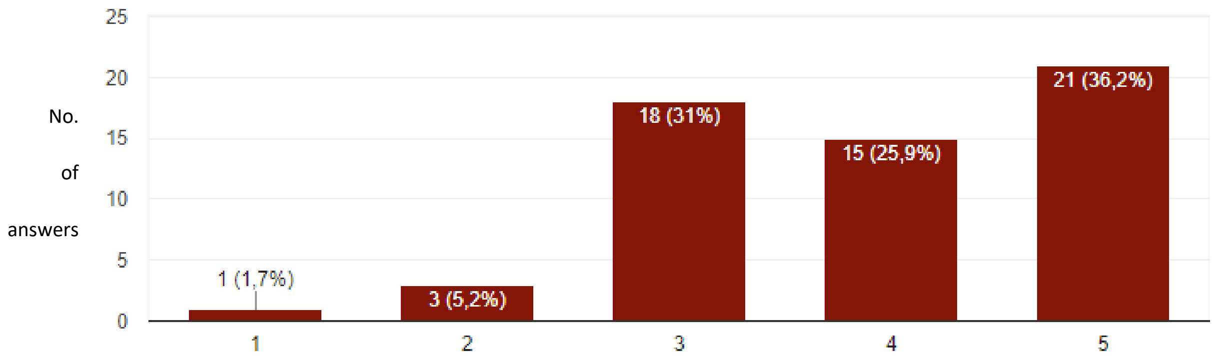
[144] Processing data of my questionnaire

Fig. 3.12: Furniture[145]

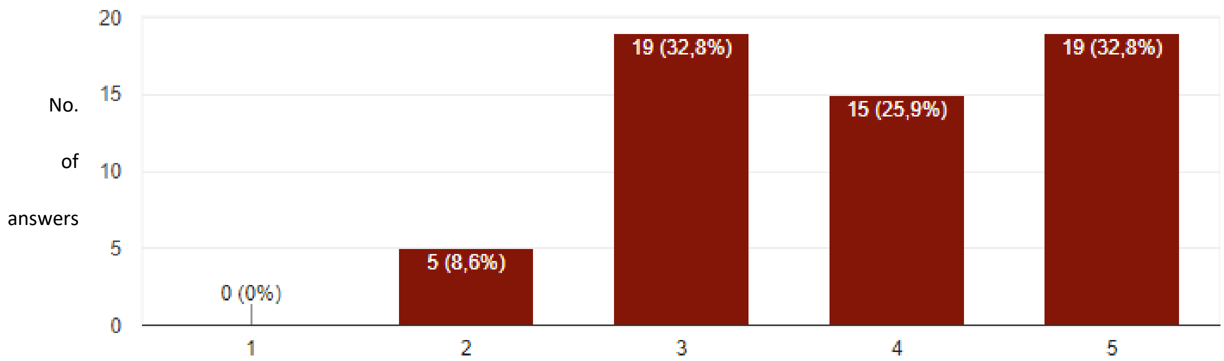
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



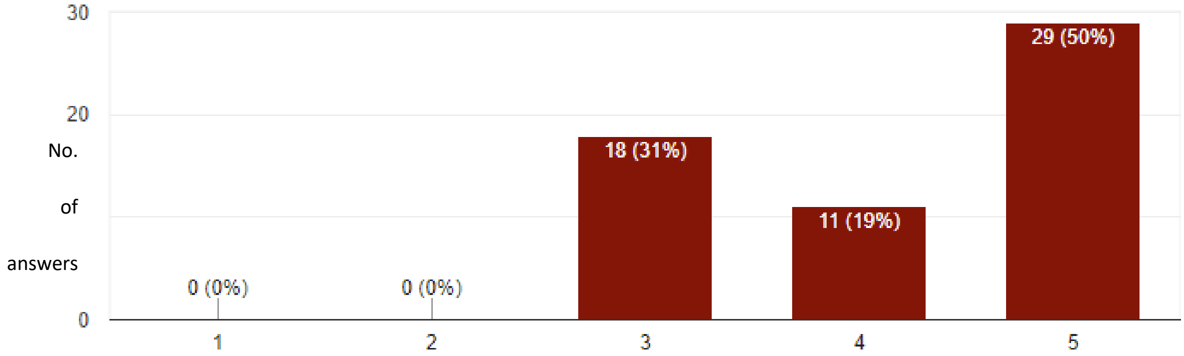
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



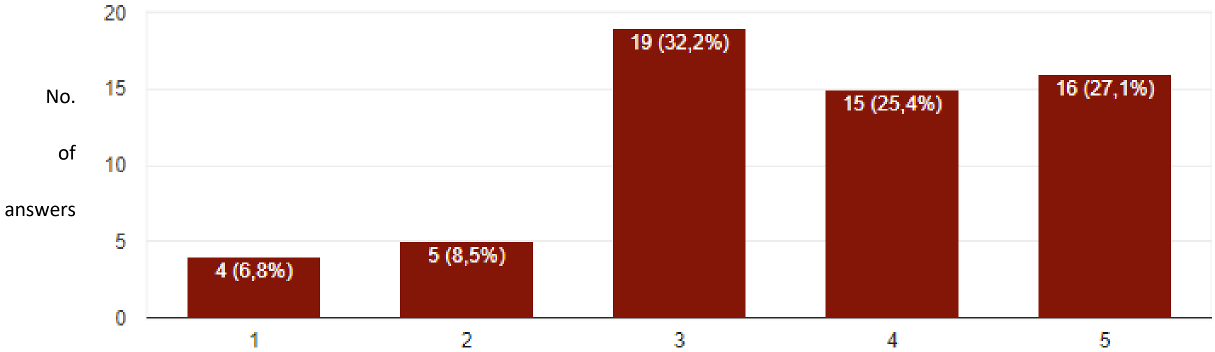
[145] Processing data of my questionnaire

***Fig. 3.13: Automotives*[146]**

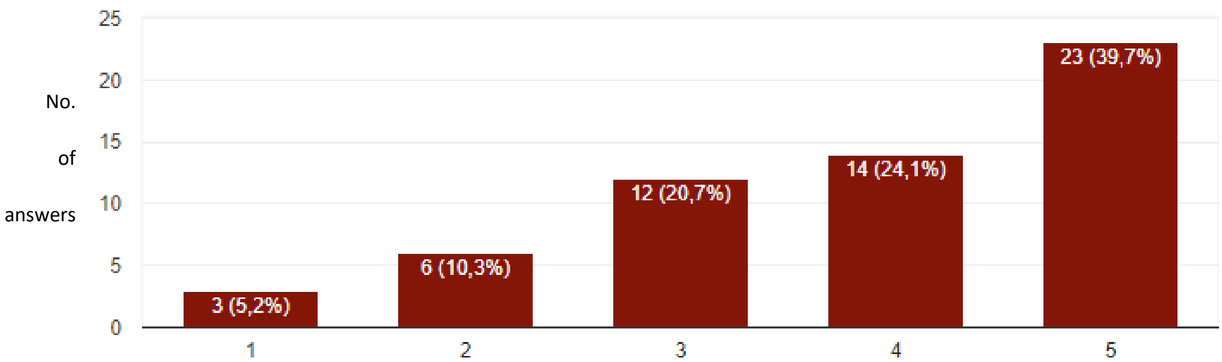
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



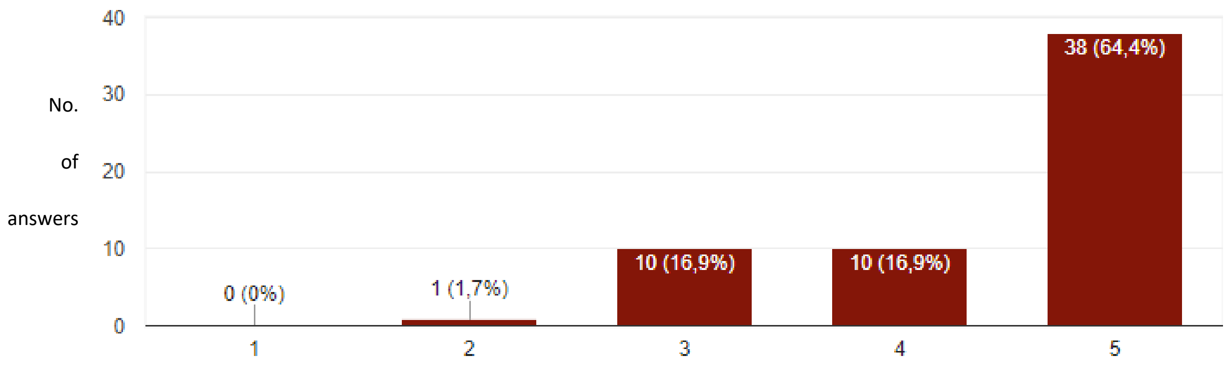
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



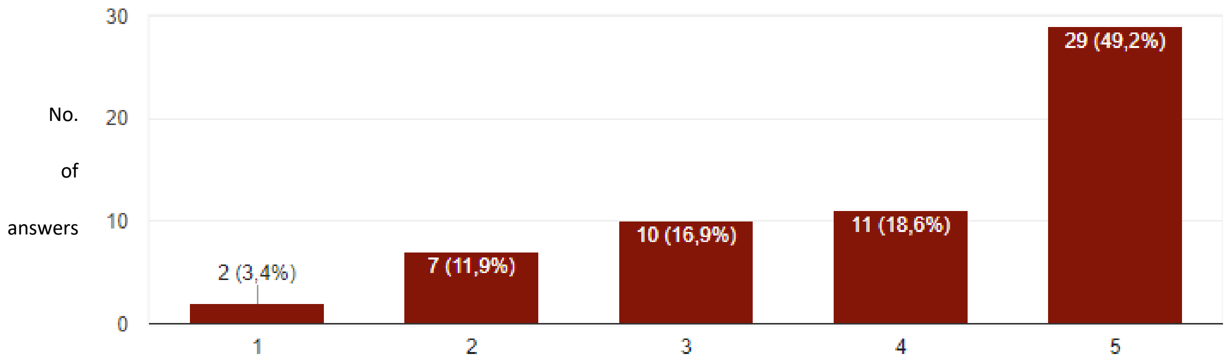
[146] Processing data of my questionnaire

Fig. 3.14: Coffee [147]

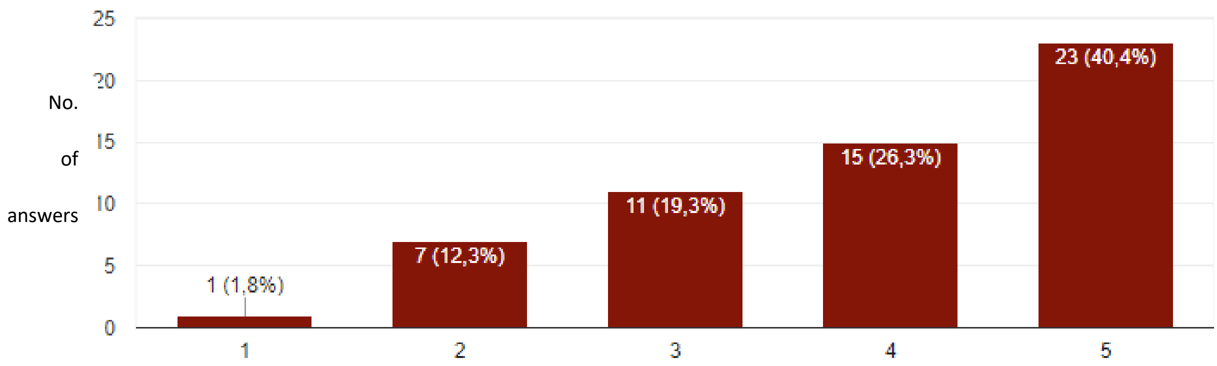
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



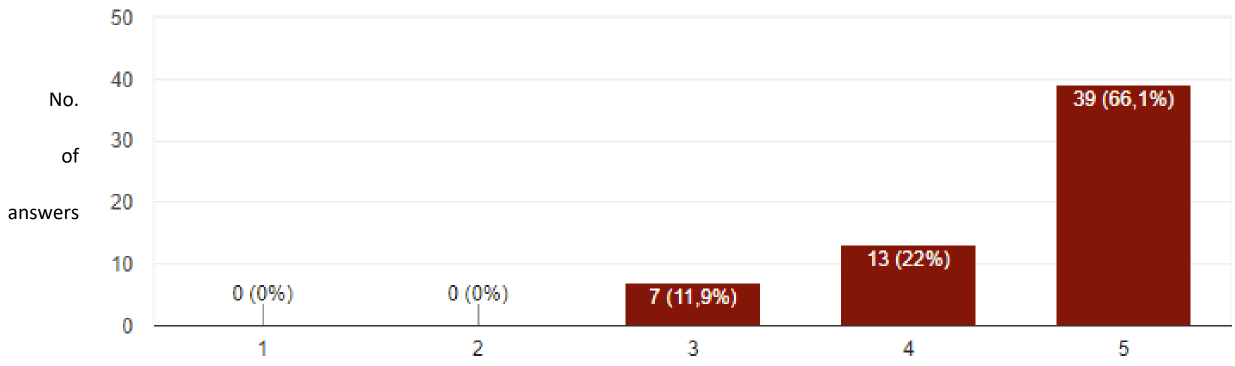
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



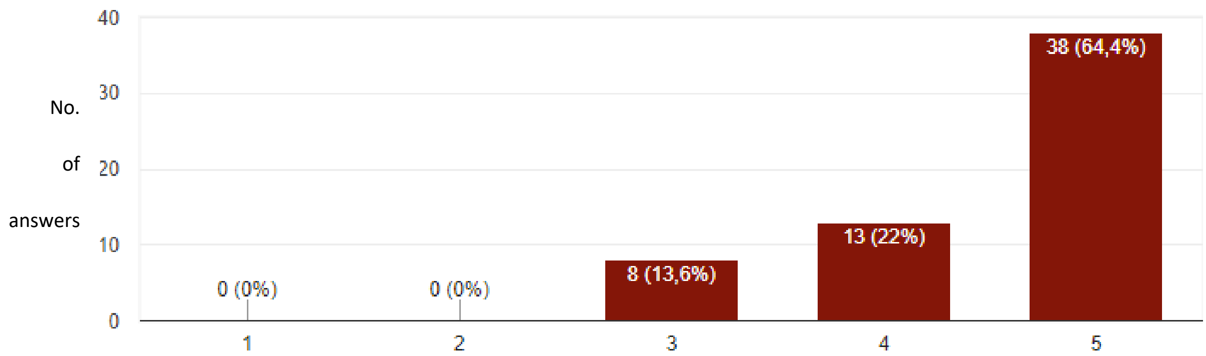
[147] Processing data of my questionnaire

Fig. 3.15: Footwear[148]

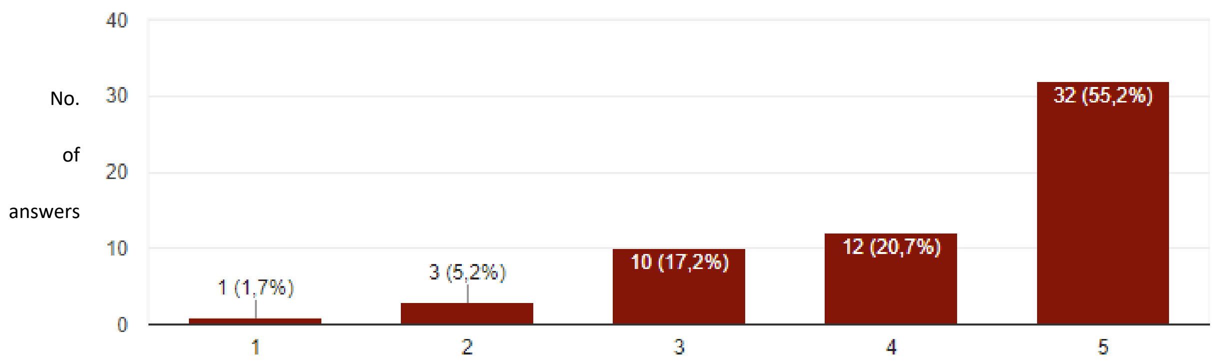
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



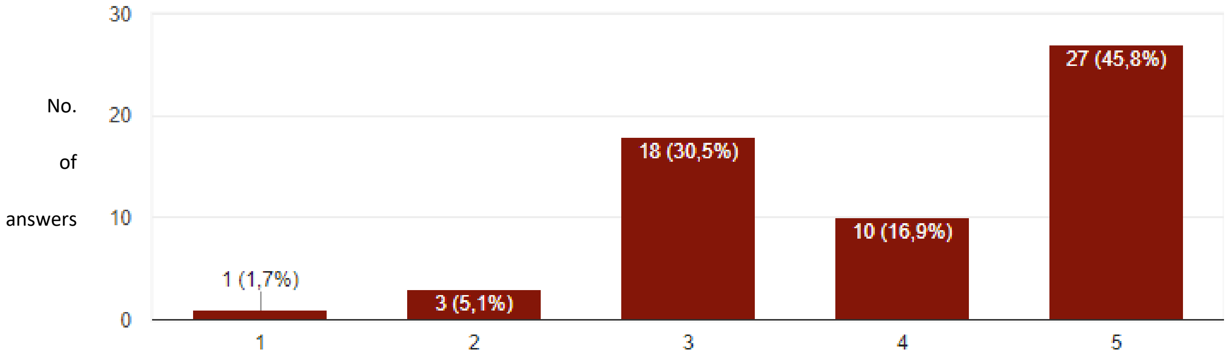
On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



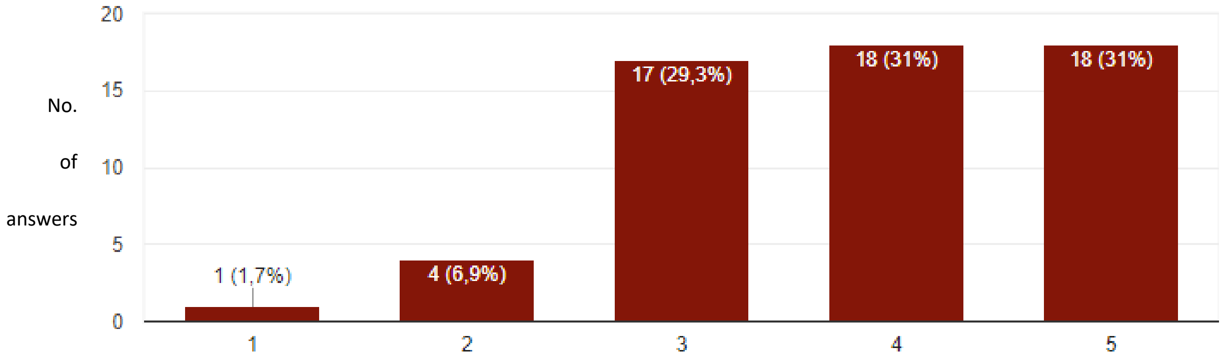
148 Processing data of my questionnaire

Fig. 3.16: Cosmetics[149]

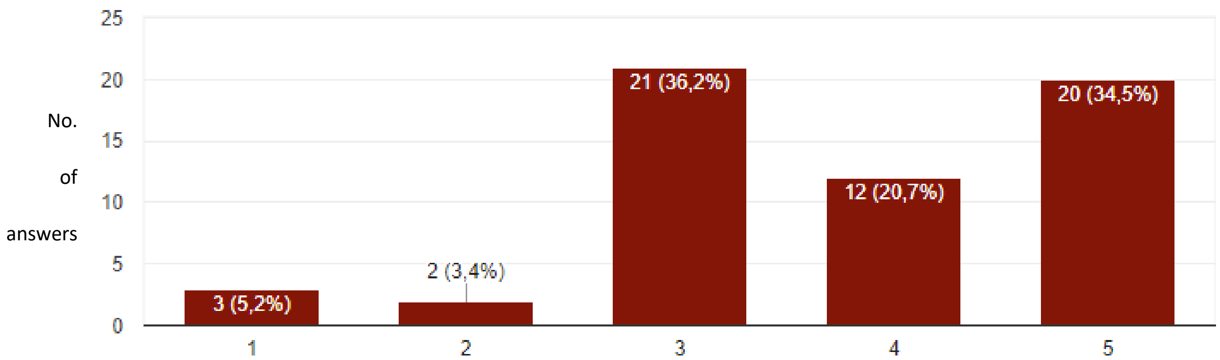
On a scale of 1 (do you prefer Russian products) to 5 (do you prefer Italian products) do you prefer to buy the following Italian or Russian products?



On a scale of 1 (minimum) to 5 (maximum), do you think these products are made in Italy?



On a scale from 1 (minimum) to 5 (maximum), how much, in your opinion, can you trust that these products were Italian?



[149] Processing data of my questionnaire

From the graphs it is possible to see that the products that had the best results were the foodstuffs in the list: wine, cheese and coffee (Fig. 3.6, 3.8, 3.14). This indicates that not only the Russian consumers have confidence in these Italian products, but also that if they have the chance, they buy them instead of Russian products. Footwear (Fig. 3.15), cosmetics (Fig. 3.16), clothing (Fig. 3.9) and automotives (Fig. 3.13) also had very positive answers and in fact, they are among the most mentioned products in the answers before; almost all respondents would prefer to buy Italian footwear. Italian furniture (Fig. 3.12) considered a quality product, and therefore even if they are not the first products the participants thought about because none gave this example, they are known to be of high quality. In fact, Italy is one of the biggest producers thanks to its special craftsmanship and superior design. Machinery (Fig. 3.11) and pharmaceuticals (Fig. 3.10) are not so positive as the others, even if it cannot be said that the answers were entirely negative. The reason could be that these are products which, in most cases, are bought by Russian companies and they are not goods that people buy in their everyday lives. Moreover, surely, these are not the classic products Italy is well known for.

To conclude, from this questionnaire it can be confirmed that Russian people appreciate Made in Italy products because they consider them of high quality, but also full of feelings, traditions and positive sensations; the only problem seems to be the price. Therefore, surely Russia represents a market full of possibilities and opportunities for Italy, which Italian companies can use in order to increase the relations between these two countries.

CONCLUSION

As already mentioned in the introduction, the aims of the dissertation were various. On one hand, attempts have been made to investigate the phenomenon of the Country of Origin Effect and demonstrate how this topic is important today, especially for Italian products, as the concept of Made in Italy has become a kind of brand and is associated to many positive features and values, such as craft abilities, originality, good quality, personalization and authenticity, by many foreign consumers. On the other hand, I have focused on the importance of Made in Italy products in two different markets, the British one and the Russian one. In particular, attention has been focused on the changes in the value of Italian exports to the United Kingdom after Brexit and Russia after the European restrictions and the resulting Russian embargo. In order to have some concrete experiences on Made in Italy exports and products, it has been decided to use as an example the case of an Italian company, which has trade relationships with the Great Britain, and to create a questionnaire on Made in Italy to be completed by young Russians.

The effect of COO has become an object of strong interest and academic study as a result of the great relevance that the country of origin of the companies has on the business strategies. In fact, the image of the place of origin of a product can affect the global perception the consumers have of the brand or the companies themselves. Therefore, especially in the current context, which shows the companies taking a more and more internationalised form, there is a need for a distinction between the various components of the COO: the Country of Design, the Country of Assembly, the Country of Parts, the Country of Manufacture and the Country of Brand. Thus, understanding the way the various geographical markets perceive the different dimensions of the Country of Origin Effect has become essential for companies which wish to develop a significant presence in foreign markets. The development of a positive country image in a foreign market often requires a long-term strategy, as changing the consumers' perceptions is a process that demands constancy and continuity over time. Obviously, the speed at which the company can reach this aim depends on the existence of a country which has a positive image with regard to the type of the products offered.

Surely, Italian firms, despite the several problems existing in the Italian economy, can boast many values and positive features associated by the foreign consumers to the term Made in Italy. In fact, it can be considered as a real brand on which the Italian companies rely in order to have a competitive advantage compared to other enterprises. This is possible because international costumers associate with the Made in Italy world the values of quality, beauty, culture, passion, creativity and luxury. In particular, it is characterized by the capacity to evoke a certain lifestyle, a positive model in the majority of the opinions and a typical Italian experience. Certainly, in the collective imagination the emotional value of the brand is one of the main strengths for the Italian market and industry, because costumers look at Italy as a sensory experience related to the senses of touch, smell, taste and hearing, but also as a cultural and enriching opportunity. In fact, in the Italian market the cultural sphere is essential for the importance of the product, since the productive dimension has never been separated from the cultural dimension and as a consequence, Italian companies do not export only a simple product, but also a piece of the culture and tradition. In the costumers' dreams there is also the participatory aspect, which shows the desire to communicate with Italians and to feel part of the place; they may wish to take part in the development of the product or the experience, enter into the creative process in order to have creative, unique and original involvement. Therefore, communicating and enhancing all these aspects of the Italian offer could be a great opportunity for Italian businesses.

Speaking about the British and Russian markets, it is possible to understand that they are two important economies for Italian exports. Through the case study of the company and the questionnaire, it is clear that both British and Russian consumers associate Made in Italy products to the same positive features: high quality, fashionable, full of traditions, creativeness, beauty. The most important problem seems to be the price, often too high for the consumers' purchasing power, especially in Russia. Despite this fact, the Made in Italy world has an important piece of both markets. However, in Russia, after the European sanctions and the Russian embargo, the consumption of the Italian products decreased, causing great damage in particular to the regions of Lombardy, Veneto and Emilia Romagna. During the year 2017, though, the situation changed because the Italian exports to Russia began to increase again and the Italian enterprises regained some space in the Russian market. Instead, there has not been yet negative evidence about Italian exports to the United Kingdom after Brexit. The forecast is mostly adverse, but for the moment it seems that the British continue to appreciate Made in Italy products.

Certainly, as these data are variable and dependent not only on the economic situation, it is very difficult to foresee the future situation, above all because the political situation of the various countries and the relationship among the political leaders can change quickly. However, many international consumers appreciate the Made in Italy dimension, and Italian producers have the opportunity to take full advantage of this love of Italy.

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ITALIAN SUMMARY

Il titolo dell'elaborato, "L'effetto del paese d'origine: il valore del Made in Italy nel Regno Unito e in Russia", contiene le tre principali passioni coltivate nel corso dei miei studi universitari: l'amore per il Regno Unito e la lingua inglese, la curiosità nei confronti della Russia, l'interesse in merito a materie quali il marketing e la comunicazione. L'argomento di tesi è stato quindi scelto per avere la possibilità di approfondire le varie discipline sia da un punto di vista teorico che empirico. I temi principali analizzati sono quindi il fenomeno dell'effetto del Paese d'origine, comunemente conosciuto come Country of Origin Effect (COO), il concetto del Made in Italy e la sua posizione nei mercati britannico e russo. Nello scritto la nozione di COO ha un ruolo centrale poiché anche solo basandosi sulle proprie esperienze personali e sul senso comune è possibile capire quanto l'immagine di un Paese sia un fattore importante e a volte essenziale nella determinazione delle scelte d'acquisto dei consumatori, e quanto abbia il potere di influenzare il comportamento dei consumatori in molte situazioni quotidiane. Nello specifico, questo concetto sta assumendo sempre più una posizione fondamentale nell'attuale mercato globale, nel quale si stanno incrementando e sviluppando non solo le relazioni economiche tra gli Stati, ma anche quelle sociali, politiche e culturali. Infatti, inizialmente, il fenomeno era studiato solamente in un contesto di amministrazione economica, poi, la sua importanza è stata riconosciuta anche dalle altre materie economiche, sociali, politiche e psicologiche.

Nel primo capitolo sono descritti ed analizzati i concetti di Paese d'origine e Made in Italy. Durante questa era di globalizzazione l'apertura dei confini territoriali alla circolazione di merci, persone e capitali, ha portato a due principali conseguenze. In primo luogo, è iniziato in molti Paesi un processo di internazionalizzazione della produzione nazionale che ha portato ad una difficoltà nella distinzione tra prodotti locali e stranieri. In secondo luogo, è aumentato molto il livello di competitività tra le aziende e gli Stati e si sono sviluppate nuove strategie per incoraggiare lo sviluppo economico. Tra queste, il ruolo del Paese di origine dell'azienda ha assunto un’importanza strategica fondamentale, data l’influenza che detiene sulle scelte di acquisto dei consumatori. Quindi, ad oggi, risulta fondamentale saper sfruttare al meglio il fenomeno del COO e le relazioni tra i suoi componenti, l’Immagine Paese (Country Image), la Brand Image, e l’Immagine Prodotto (Product Image) per avere un vantaggio competitivo rispetto ad altre aziende.

Parlando del COO, non vi è una definizione univoca del concetto. Il primo periodo di studi si sviluppa dal 1965 al 1982 ed è conosciuto con il nome di “single-cue period”, cioè periodo in cui viene presa in considerazione solamente l’influenza che ha sui consumatori il Paese di origine e non altri aspetti ad essa collegati. Schooler è considerato il principale esponente di questi anni, nei quali lo scopo principale è comprendere quanto e come di fronte a merci identiche per caratteristiche, che differiscono solo per luogo di produzione, i consumatori basano le loro scelte d’acquisto sul Paese d’origine. Ad esempio, Schooler fece compilare un questionario a degli studenti del Guatemala, in cui chiedeva di dare un’opinione riguardo a vari prodotti differenti solo per Paese d’origine. I prodotti messicani e del Guatemala ebbero un giudizio positivo, mentre quelli prodotti in Costa Rica ed El Salvador negativo; la ragione di tali risposte venne ritrovata nell’ostilità presente tra Messico e Guatemala nei confronti di Costa Rica ed El Salvador.

Successivamente, gli studiosi iniziarono a concepire il fenomeno del COO come una nozione dinamica, formata anche da altri aspetti fondamentali, quali le caratteristiche specifiche di un prodotto, il prezzo o l’importanza del brand. Nel 1983 inizia quindi il secondo periodi di studi, conosciuto come “multi-cue period”, dove il principale obiettivo è stato quello di studiare il fenomeno dell’effetto Paese in relazione ad altri aspetti, così da poter avere dati più certi e reali. I principali studiosi furono Romeo e Roth, i quali cercarono di essere il più concreti possibile, spiegando l’importanza della relazione tra l’immagine del Paese d’origine e le giuste categorie di prodotti per una strategia di marketing efficace.

Questo passaggio fu molto importante poiché aprì le porte al terzo periodo di studi iniziato nel 1992 ed in corso ancora oggi. Gli esperti fanno riferimento a situazioni concrete e reali, prendendo in considerazione i cambiamenti avvenuti e che stanno avvenendo nei mercati ed in campo economico come conseguenze alla globalizzazione. Papadopoulos e Heslop sono considerati due tra i principali studiosi dell'ultimo periodo, poiché hanno sottolineato l'importanza di un approccio di studio indirizzato a più fronti, basato anche su materie diverse quali la sociologia, l'antropologia, la geografia e la psicologia. Sicuramente, nonostante le opinioni divergenti dei vari ricercatori, l'idea che lega tutti i vari studi è l'importanza del COO e dei suoi aspetti per un vantaggio strategico e competitivo nell'offerta dei prodotti.

Nel corso del capitolo sono analizzati anche i due effetti principali del Country of Origin, l'effetto Halo e l'effetto Summary, e le relazioni che intercorrono tra l'Immagine Paese, l'Immagine Prodotto e la Brand Image, con particolare attenzione ai prodotti ibridi. L'effetto Halo mostra che anche se un consumatore non conosce i prodotti realizzati in un certo Paese o non ha mai avuto esperienze riguardo a prodotti di quello specifico Paese, ha comunque una sua immagine specifica di quel prodotto e di quel Paese. Invece, l'effetto Summary si basa sull'immagine Paese che un consumatore ha dopo aver avuto esperienza di prodotti provenienti da quel Paese specifico, perciò il consumatore conosce le reali caratteristiche del prodotto perché ha avuto esperienza di esso. Ad esempio, si immagini un consumatore che deve decidere se comprare o meno un prodotto proveniente dalla Russia e che non ha mai comprato prodotti Made in Russia. Egli conosce le caratteristiche intrinseche del prodotto, ma il Paese d'origine non gli fornisce importanti informazioni riguardo la qualità del prodotto data la mancanza di esperienza con i prodotti Made in Russia. Perciò, il consumatore si baserà sull'idea di Russia come Paese produttore, formata attraverso le notizie avute dalla televisione, le opinioni di amici, il passaparola o la situazione economica e politica dello Stato. Questa immagine è usata dal consumatore per dare un giudizio sul prodotto, ed in questo caso, l'immagine di Russia esercita l'effetto Halo sul consumatore. Successivamente, nel momento in cui il consumatore avrà esperienza e conoscerà le reali caratteristiche del prodotto straniero , allora potrà modificare l'immagine che ha di quello specifico Paese e far agire quindi l'effetto Summary. Ad esempio, si immagini che il consumatore decida di acquistare il prodotto russo grazie ad un effetto Halo positivo; a questo punto l'esperienza dell'acquisto può modificare oppure supportare l'idea che il consumatore aveva della Russia come produttore. L'esperienza diretta del prodotto Made in Russia sviluppa nella mente del consumatore una nuova idea di Russia, essenziale per le future decisioni d'acquisto. Quindi, l'effetto Summary dipende sia dalle intrinseche che dalle estrinseche caratteristiche del prodotto, delle quali il consumatore ha già fatto esperienza.

Come già sottolineato in precedenza, sfruttare il COO può portare un'azienda ad avere un vantaggio competitivo importante rispetto ad un'altra, ma se utilizzato nel modo sbagliato può portare ad un risultato negativo; per questo è necessario analizzare nel dettaglio le relazioni che intercorrono tra Immagine Paese e le caratteristiche di un prodotto e tra l'Immagine Paese e la Brand Image prima di decidere se utilizzare o meno l'effetto Paese nella strategia di marketing dell'azienda. Ad esempio, risulterà utile utilizzare il COO quando le caratteristiche del prodotto considerate importanti dal consumatore sono positive e in armonia con l'immagine positiva di un dato Paese (si pensi alla relazione tra un consumatore che deve comprare un mobile e la presenza di un mobile Made in Italy); non porterà invece ad un effetto positivo l'utilizzo del COO quando il consumatore non considera le caratteristiche di un prodotto per lui importanti come punti di forza del dato Paese d'origine (ad esempio la relazione tra un consumatore che deve comprare un mobile e la presenza di un mobile prodotto in Cina, paese non conosciuto per le sue doti nell'artigianato). Inoltre, il fenomeno del Paese d'origine può essere utilizzato nel momento in cui vi è una relazione positiva tra il Paese d'origine e la Brand Image, in questo caso il brand può essere esplicitamente collegato al Paese d'origine, come il Parmigiano Reggiano, il cui nome deriva dalle due diverse città nelle quali è prodotto, Parma e Reggio Emilia. Al contrario, nel caso in cui si abbia un'immagine positiva del brand associata ad una negativa del Paese d'origine, risulterà utile utilizzare un nome immaginario per il brand ed enfatizzare le caratteristiche positive del prodotto.

Negli ultimi anni le campagne di marketing basate sul COO sono diventate sempre più importanti a causa dell'aumentare dei prodotti ibridi per i quali è necessario focalizzare l'attenzione sui Paesi che hanno una positiva immagine e reputazione rispetto allo specifico prodotto preso in considerazione. Ibridi sono ritenuti i prodotti nei quali alcuni o tutti i passaggi (dall'idea iniziale del prodotto alla vendita) sono portati a termine in Paesi differenti, ad esempio un prodotto ideato nel Regno Unito ma realizzato in Cina. A causa di questa frammentazione della catena di produzione sempre più comune, i recenti studi sul fenomeno del COO lo hanno diviso in più dimensioni, che, nonostante la molteplicità di teorie, possono essere definite come Paese di Progettazione, Paese di Assemblaggio, Paese di provenienza dei materiali e Paese del Brand.

Nella seconda parte del primo capitolo è descritto il concetto di Made in Italy e vengono presentati e analizzati i principali dati riguardo l'esportazione di prodotti Made in Italy nel mondo. Nel corso degli anni il termine Made in Italy si è trasformato in un'espressione in grado di evocare l'idea del prodotto italiano in tutto il mondo, e la sua reputazione ha fatto sì che sia riconosciuto ora come un vero e proprio brand, caratterizzato dalle tipiche e distintive qualità associate alle aziende italiane e all'artigianato, come creatività, originalità e inimitabilità. Uno fra i principali aspetti del Made in Italy si ritrova nel fatto che l'industria italiana è strettamente collegata alla sfera della cultura, infatti la dimensione produttiva non è mai stata separata da quella culturale; ciò significa che non si esporta semplicemente un prodotto italiano ma anche una parte della cultura italiana. Infatti, i principali valori associati ai prodotti Made in Italy sono l'artigianalità, il design innovativo, la personalizzazione e l'autenticità.

L'artigianalità è una vera prerogativa per i prodotti italiani, nei quali è rimasta essenziale la valorizzazione della dimensione artigianale, seppur in un contesto industriale. Questo aspetto è molto significativo per quanto riguarda sia i dettagli che l'innovazione del prodotto, che risulta possibile solo grazie ad una attenta conoscenza della dimensione artigianale. Quindi, la qualità artigianale è alla base delle più qualificate e avanzate produzioni italiane e la passione per il lavoro, l'attenzione ai dettagli e la capacità di tramandare le abilità artigianali sono tra le principali caratteristiche apprezzate dai consumatori stranieri. Il design unico e originale dei prodotti italiani è un'altra delle caratteristiche essenziali del Made in Italy. In Italia è possibile trovare le giuste abilità e competenze in grado di migliorare un prodotto; per questo molti designer vengono in Italia per poter sfruttare l'abilità italiana di trasformare un disegno in un oggetto vero e proprio, processo possibile grazie alle sviluppate abilità artigianali e al buon connubio tra lavoro manuale e processo intellettuale. I consumatori stranieri apprezzano molto i prodotti italiani perché hanno uno stile unico e riconoscibile in linea con le tipiche caratteristiche associate all'Italia ossia il buon gusto, la naturale eleganza e l'attenzione per la moda. Infatti, i consumatori stranieri ritengono che il senso del bello sia un valore che pervade la vita quotidiana degli italiani, dal patrimonio artistico e diversità culturale, all'eleganza nel vestire e al buon gusto in generale. La terza caratteristica dei prodotti Made in Italy è la possibilità data ai consumatori di personalizzare i propri prodotti; infatti i produttori italiani hanno sempre posto attenzione alle richieste dei clienti e preferito creare prodotti basati sulle esigenze dei consumatori che prodotti standard. La dimensione artigianale è strettamente collegata alla possibilità di personalizzazione che permette di creare un legame emotivo con il consumatore. La personalizzazione da la possibilità ai clienti di provare sentimenti profondi poiché assumono il ruolo di designer dei propri prodotti, prendendo parte al processo creativo e di sviluppo dell'oggetto in questione. Inoltre, il consumatore si trasforma in una sorta di "brand ambassador", stabilendo e mantenendo un legame solido e duraturo con il brand. L'ultima caratteristica essenziale associata ai prodotti italiani è l'autenticità, infatti la maggior parte delle industrie italiane ha una dimensione territoriale ben definita. In particolare al giorno d'oggi l'autenticità risulta un aspetto fondamentale a causa della crescita sempre più elevata di imitazioni.

Accanto ai valori positivi associati al Made in Italy, vi sono però anche aspetti che necessitano di essere migliorati. In particolare, secondo un'indagine pubblicata dalla Camera di Commercio italiana, gli italiani sono visti come persone molto brillanti nel lavoro individuale ma con qualche difficoltà quando si parla di lavoro di gruppo; per questo si ritiene fondamentale che le aziende si impegnino nella costruzione di un'immagine Paese in grado di lavorare in modo coeso e unito in ogni stadio della catena produttiva. Inoltre è presente un problema nella continuità della presenza delle aziende italiane sul mercato globale, ponendo la necessità di una stabilità della loro posizione nel contesto internazionale. È poi visibile la difficile riconciliazione tra la geografia effettiva dello Stato e quella della società, dimostrando che l'Italia non solo è divisa tra Nord e Sud, ma anche tra Est e Ovest; così, in numerose situazioni dove il sistema dovrebbe apparire unito, i vari componenti non riescono a dialogare tra loro e a lavorare per il raggiungimento di un unico progetto comune. Infine, un importante problema per i prodotti Made in Italy è quello della contraffazione che ogni anno cresce sempre di più e riguarda un insieme sempre più vasto di prodotti: prodotti di lusso, vestiti, gioielli, prodotti farmaceutici, cibo, giocattoli, sigarette e parti di auto.

Per quanto riguarda i dati concreti delle esportazioni di prodotti Made in Italy, nel 2017 vi è stato un aumento del 7,4% rispetto al 2016 e questo miglioramento è avvenuto sia nei confronti dei Paesi europei che di quelli extra europei. In particolar modo sono cresciute le esportazioni verso Cina, Russia, Stati Uniti, Spagna e Svizzera. I dati riferiti ai vari settori mostrano che l'Italia non ha avuto nessun risultato negativo, ma anzi una crescita importante soprattutto per quanto riguarda i veicoli e l'insieme dei macchinari in generale. Ponendo l'attenzione sulle singole regioni italiane per comprendere quali territori hanno aumentato o diminuito l'export dei propri prodotti, i dati mostrano che Lombardia, Emilia Romagna, Veneto, Piemonte e Lazio sono i principali soggetti che hanno contribuito alla crescita delle esportazioni nazionali; mentre invece hanno registrato segno meno la Basilicata, le Marche ed il Molise. Infine è da sottolineare che i primi dati del 2018 non sono del tutto positivi, infatti si è registrata una diminuzione dello 0,1% nei primi tre mesi dell'anno rispetto a quelli precedenti, sia per quanto riguarda i Paesi europei che quelli extra europei.

Nel secondo capitolo l'analisi si focalizza sul Regno Unito e sul ruolo nel Paese dei prodotti Made in Italy. I rapporti commerciali tra Italia e Gran Bretagna sono fondati su una lunga tradizione ed hanno radici profonde, infatti il Regno Unito si trova in quinta posizione nella lista dei principali importatori di prodotti italiani. Il Regno Unito è il

Paese di più antica industrializzazione, dove si sviluppò la Rivoluzione Industriale nel diciottesimo secolo e dal quale si espanse in tutto il mondo. Questo fatto e i vasti possedimenti coloniali hanno fatto della Gran Bretagna una fra le principali economie mondiali. Dopo la caduta dell'Impero il Paese ha apportato cambiamenti al proprio sistema finanziario ed economico, rimanendo comunque uno fra i principali attori globali. Per quanto riguarda la struttura produttiva britannica, l'importanza dei vari settori è cambiata nel corso degli anni; ad oggi l'agricoltura contribuisce al PIL con una percentuale di 0,7%, ma grazie alle avanzate tecnologie è molto efficiente e produce il 60% del fabbisogno della popolazione; l'industria contribuisce al PIL per il 21,5%, è formata per lo più da piccole e medie imprese e le industrie chimiche e di macchinari elettrici sono quelle che hanno avuto un aumento maggiore negli ultimi anni; il settore dei servizi ricopre invece il 77,8% del PIL ed è formato soprattutto da banche e assicurazioni. A causa quindi della bassa produzione sia in agricoltura che nell'industria, il commercio è sempre stato fondamentale per il Regno Unito, da sempre caratterizzato da una forte apertura commerciale e da un'interna competitività, dato che il vario strato sociale, etnico e culturale lo ha reso adatto ad ogni tipo di merce, dai prodotti esclusivi e di lusso ai prodotti standard. Con riferimento ai dati del 2017 l'Italia si trova al sesto posto nella lista dei principali Paesi per le importazioni in Gran Bretagna. Questo dato conferma concretamente che le relazioni tra i due Stati sono profonde e importanti, e presenti non solo fra le Istituzioni ma anche nei vari contesti accademici, scientifici e culturali; ciò è stato possibile anche per l'appartenenza comune a varie organizzazioni, come la NATO, e soprattutto perché entrambi membri dell'Unione Europea. Da due anni a questa parte però la situazione è cambiata perché il 23 Giugno 2016 il Regno Unito ha deciso di lasciare l'Europa. Questo evento (Brexit) di importanza storica è stato ed è ancora al centro dell'attenzione dei media e degli incontri internazionali e potrebbe essere analizzato sotto vari punti di vista: nell'elaborato si è cercato di capire se l'episodio ha influenzato negativamente o positivamente le esportazioni Made in Italy e se ci sono stati cambiamenti nelle esportazioni italiane verso il Regno Unito nei due anni successivi alla decisione di questo ultimo di uscire dall'UE rispetto agli anni precedenti.

Come già accennato la Brexit ha scosso buona parte del mondo poiché oltre che ad un impatto prettamente concreto sull'economia globale e sulle popolazioni, ha un significato anche ideologico, un segnale che mette in dubbio la stabilità e l'operatività dell'Europa. La decisione dell'uscita dall'UE è stata presa dal popolo britannico attraverso un referendum il 23 Giugno 2016 che ha segnato la vittoria dei pro Brexit con una percentuale del 51,9%. I risultati non sono stati uniformi, infatti nelle aree di Londra, Scozia e Irlanda del Nord la maggioranza ha espresso il forte desiderio di rimanere nell'UE ed in particolare i dati mostrano che i principali sostenitori del sogno europeo sono stati i giovani.

Il dibattito riguardante l'uscita o meno della Gran Bretagna dalla UE si è sviluppato attorno ad alcuni punti principali. Uno fra i più importanti argomenti utilizzati dai pro Brexit è stato quello delle tasse da versare alla UE ogni anno e l'eccessiva burocrazia europea; nel 2016 il Regno Unito ha infatti dovuto versare all'Unione Europea 13,1 miliardi di dollari che avrebbe potuto investire in altri modi, ad esempio nei servizi sanitari o in quelli pubblici. Al contrario, gli europeisti hanno affermato che il denaro risparmiato sarebbe poi servito a sostenere il commercio con gli altri Stati europei. Infatti, essendo il mercato europeo un mercato unico, gli Stati membri possono importare ed esportare senza nessuna difficoltà e tariffa, cosa non possibile per i Paesi extra europei. Un altro tema toccato nel corso della campagna elettorale è stato quello degli immigrati. I "Brexiters" hanno sostenuto l'idea che il fenomeno dell'immigrazione in Gran Bretagna è ormai fuori controllo per il fatto che i membri dell'EU non possono limitare in alcun modo la circolazione degli europei e devono accettare la libera circolazione delle persone tra i Paesi membri, e che la situazione ha danneggiato ad esempio i lavoratori britannici a causa della disponibilità degli immigrati ad accettare lavori a bassa paga. I "Remainers" invece hanno sempre sottolineato il contributo positivo dato dagli immigrati alla Gran Bretagna, seppur non nascondendo le varie difficoltà incontrate negli anni riguardo a questo tema, come i problemi riguardanti gli alloggi o i servizi; hanno supportato l'idea che un calo dell'immigrazione avrebbe forse significato più lavoro per i britannici, ma anche un enorme calo delle competenze produttive e intellettuali, quindi una diminuzione della crescita economica e della domanda di beni e servizi. L'ultimo macrotema affrontato durante i mesi precedenti il referendum è stato quello della sovranità nazionale. I pro Brexit hanno infatti accusato l'Unione di una presenza troppo forte nelle questioni nazionali britanniche ed hanno sostenuto l'idea che le Istituzioni europee abbiano privato il parlamento britannico del potere che invece dovrebbe poter esercitare, ad esempio la Corte europea di giustizia ha espresso giudizi contrari rispetto a quelli dei giudici britannici.

Nel corso del capitolo vengono poi presentati i dati riguardo le esportazioni dei prodotti Made in Italy nei due anni precedenti la Brexit e nei due anni successivi, infatti nonostante il fatto che le negoziazioni formali per l'uscita del Regno Unito dalla UE non siano ancora terminate (dovrebbero essere completate entro il 2019), è stato predetto dagli esperti una diminuzione delle importazioni da parte della Gran Bretagna fin dai primi momenti successivi al referendum, idea sostenuta anche da buona parte dell'opinione pubblica. I dati riguardanti il periodo precedente alla Brexit si riferiscono agli anni 2013-2014 e 2015, poiché sono i momenti in cui le esportazioni italiane verso il Regno Unito hanno iniziato ad aumentare notevolmente dopo la crisi che ha colpito tutta l'Europa, e non solo, dal 2008 in poi. Durante quegli anni il PIL britannico è aumentato notevolmente con una conseguente diminuzione della disoccupazione, un aumento degli investimenti stranieri e delle importazioni, comprese quelle italiane. Infatti, le esportazioni Made in Italy sono cresciute di 2 miliardi di euro tra il 2014 e il 2015, con risultati positivi specialmente nei settori alimentare e bevande, abbigliamento e mobili. Soprattutto il settore alimentare è risultato ricco di opportunità per le aziende italiane, sia per il fatto che il Regno Unito importa il 90% del proprio fabbisogno alimentare, sia per i significativi cambiamenti avvenuti negli ultimi anni nelle abitudini alimentari dei britannici, divenuti più attenti ed interessati al consumo di prodotti salutari e soprattutto associati alle regioni mediterranee. Sull'onda dei risultati molto positivi di quegli anni, anche le previsioni per i periodi successivi puntavano ad un aumento ancora maggiore delle esportazioni italiane verso la Gran Bretagna fino a quando il popolo britannico non ha deciso di uscire dalla UE; da quel momento la maggior parte delle previsioni sono state negative. Al contrario però i dati del 2016, 2017 e del primo quarto del 2018 mostrano che le relazioni commerciali tra Italia e Regno Unito sono ben strutturate e forti e che i britannici non riescono a rinunciare ai prodotti italiani. Infatti, nel 2016 il volume delle esportazioni italiane ha raggiunto il valore di 22,5 miliardi di euro (contro i 22,4 del 2015) e nel 2017 ha superato i 23 miliardi. Il trend positivo si è mostrato anche nel primo quarto del 2018 dove il valore registrato delle esportazioni italiane verso la Gran Bretagna è di 7,4 miliardi, contro i 7,3 dei primi mesi del 2017. Fra i settori principali e più importanti risulta esserci ancora quello di alimenti e bevande ed infatti nel 2017 il Regno Unito rappresentava il quarto mercato più importante per i prodotti agroalimentari italiani; sono stati esportati soprattutto vino, frutta e verdura, prodotti da forno, formaggi, carne, cioccolata, confetti e olio d'oliva. In particolar modo si è poi registrato un aumento importante nell'esportazione della birra italiana artigianale verso la Gran Bretagna, successo degno di nota se si pensa al fatto che i britannici sono sempre stati ritenuti tra i più importanti produttori e conoscitori di birra.

Nell'ultima parte del secondo capitolo viene riportata l'esperienza di una azienda italiana che esporta i propri prodotti nel Regno Unito, per poter avere un esempio concreto riguardo il Made in Italy in Gran Bretagna. L'azienda in questione è la LVT s.p.a. (Levante), scelta perché è dove sto lavorando in questo momento e ho avuto la possibilità di intervistare il responsabile estero. L'azienda ha iniziato la sua attività circa cinquanta anni fa e si è specializzata nella produzione di calze e collant da donna, poi negli anni Novanta ha esteso la sua gamma di prodotti, inserendo anche intimo uomo e donna, le collezioni out wear ed i costumi da bagno. L'impresa ha iniziato a commerciare i propri prodotti all'estero intorno agli anni '90, iniziando dai Paesi europei (Belgio, Francia, Olanda, ecc.), per poi passare a quelli extra europei (Russia, Stati Uniti, ecc.).

Per quanto riguarda il Regno Unito, la Levante ha iniziato ad esportare là i propri prodotti circa venticinque anni fa e nel 2017 il valore delle esportazioni ha raggiunto i 223 milioni di euro. I principali canali di distribuzione utilizzati per vendere i prodotti a marchio Levante sono i department store, mentre invece il private label è interamente gestito da Mark and Spencer. Il mercato britannico è piuttosto importante per l’azienda soprattutto perché si è dimostrato un mercato in grado di rimanere stabile negli anni, nonostante le poche possibilità di un aumento elevato. I consumatori britannici apprezzano soprattutto la qualità del prodotto, l’attenzione al dettaglio e i materiali utilizzati, mentre invece, essendo un prodotto di lusso, uno fra i principali problemi è quello del prezzo, accessibile solo a chi detiene un potere d’acquisto medio - alto. Per ora l’azienda non ha registrato problemi o cambiamenti in senso negativo per quanto riguarda il volume delle esportazioni dopo la Brexit, in particolar modo perché il Regno Unito non è un importante produttore di calze e quindi ha la necessità di importarle.

Nel terzo capitolo l’attenzione si sposta sul mercato e sull’economia russa e sull’importanza del Made in Italy in questo Stato. L’analisi parte dalla spiegazione del significato di economia pianificata per poi spostarsi sulla descrizione dell’economia russa a partire dagli anni Venti del Novecento e delle relazioni presenti tra Italia e Russia. Principalmente si intende mostrare se e come il valore delle esportazioni dei prodotti italiani verso la Russia si sia modificato dopo le sanzioni imposte dall’Unione Europea alla Russia e il conseguente embargo russo.

Le economie pianificate sono tipiche di quei Paesi in cui lo Stato ha un ruolo centrale ed esercita un potere centralizzante. In questo tipo di società gli attori principali sono due, coloro che dirigono, che hanno il potere di prendere le decisioni ed ordinare, e coloro che eseguono, i quali hanno il compito di eseguire gli ordini ricevuti. Questa relazione verticale si trova nelle economie dove lo Stato o il governo sono gli unici due soggetti che hanno la possibilità di prendere le decisioni commerciali ed economiche, che non si costituiscono quindi in base all’interazione fra i consumatori e le aziende; infatti, un’economia pianificata centralizzata controlla sia ciò che è prodotto, sia la distribuzione e l’uso delle risorse. Questo tipo di economie possono essere trovate o in un sistema capitalistico oppure socialista. Nel secondo caso tutto appartiene allo Stato e non è presente la proprietà privata, infatti l’iniziativa può solo essere pubblica e le azioni eseguite nell’interesse dello Stato, che dovrebbe rappresentare il bene comune. Lo Sato pianifica quindi dettagliatamente e controlla ogni aspetto economico, così da imporre la propria superiorità sui consumatori; inoltre impone i target di produzione; ciò significa che la distribuzione delle risorse è basata su regolamentazioni amministrative e che i prezzi non sono presi in considerazione. Infine, un'economia pianificata è spesso favorevole alle misure protezionistiche, essendo un'economia chiusa in cui il commercio con l'estero è presente solo se necessario ed essenziale; è da sottolineare però che in questi tipo di economia la velocità nel raggiungimento del progresso è migliore che in un'economia di mercato poiché l'obiettivo principale è quello di raggiungere sempre più alti livelli di produzione.

La Russia è uno fra i principali Paesi conosciuti per aver vissuto sotto il potere di un'economia pianificata per molti anni. Infatti, durante tutto il regime di Stalin, dal 1929 al 1953, venne adottato nel Paese il modello ad economia pianificata, in cui ogni singola situazione economica era governata dallo Stato. Dopo la morte di Stalin in Russia iniziò un periodo di crescita e di restaurazione dell'economia, dove il Paese diventò il principale produttore di petrolio, che terminò però nel 1972. Infatti, sotto la direzione di Breznev la Russia conobbe un periodo di stagnazione dell'economia che terminò solo nel 1984. Il problema più importante si riscontrò nel fatto che l'economia russa perse la propria spinta verso la crescita, poiché iniziò ad avere i primi rapporti commerciali con l'occidente e a comprendere, dopo essere entrata a contatto con questi sistemi economici avanzati, che sarebbero stati necessari cambiamenti interni e riforme economiche concrete per poter avere la possibilità di competere con le economie occidentali. Un reale cambiamento ci fu in Russia verso la fine degli anni Ottanta, quando iniziò il passaggio da un'economia pianificata (durata circa settanta anni) ad un'economia di mercato. Questo cambiamento fu molto difficile e gravoso poiché imparare le regole presenti in un'economia di mercato non fu semplice. I due eventi principali che sancirono effettivamente l'inizio di un cambiamento furono l'approvazione dell'Atto sulle cooperative nel 1988 che autorizzò la formazione di nuove forme indipendenti di organizzazioni lavorative e di alcune aziende private, e il Programma dei 500 giorni che approvò la privatizzazione su larga scala delle imprese. Questo processo però fu molto difficoltoso per la Russia che dall'anno 1992 vide il suo PIL diminuire drasticamente, fino al 1998 quando fu costretta ad annunciare il default tecnico a causa di una crisi economica e finanziaria. Ciò avvenne in seguito ad una sovra estimazione del rublo, alla possibilità data agli investitori di acquistare bound governativi, alla contagiosità della crisi finanziaria asiatica e al crollo del prezzo del petrolio. Attraverso questa operazione il valore della valuta decadde ma l'industria ricominciò a crescere (soprattutto il settore alimentare, siderurgico e del petrolio), il problema degli insoluti venne risolto, il debito pubblico diminuì e gli investimenti e lo sviluppo ricominciarono. Di conseguenza, durante i primi anni del XX secolo ci fu anche una crescita del PIL russo che portò ad un miglioramento degli standard qualitativi di vita della popolazione e ad un aumento dei salari. Il modello di economia di mercato in Russia continuò anche durante i primi anni di governo di Putin, ma dal 2003 lo Stato ricominciò ad aumentare il proprio potere, ad intervenire nelle decisioni economiche e ad avere la funzione di proprietario ed imprenditore; iniziò così a svilupparsi un modello a doppia economia, presente ancora oggi, in cui coesistono la dimensione privata e statale. Nel 2008 però la crescita economica russa iniziò a diminuire a causa di un crollo della domanda di petrolio e quindi anche del suo prezzo; il Paese entrò in crisi, il valore del rublo crollò e iniziò ad esserci un clima economico sfavorevole: disoccupazione, deficit pubblico, diminuzione sia delle importazioni che delle esportazioni. Fin da subito il governo intervenne con misure riparatrici, investendo nello sviluppo tecnologico e nell'innovazione e cercando (con poco successo) di diversificare l'economia. Così, già dalla fine del 2009 il PIL russo iniziò a crescere di nuovo, come il prezzo del petrolio, le importazioni e le esportazioni, fino al 2014, quando le relazioni commerciali tra Russia ed Europa, ed in particolare l'Italia, iniziarono a diventare complicate a causa delle sanzioni europee e dell'embargo russo.

Le relazioni economiche tra Italia e Russia iniziarono attorno al 1924 e diventarono sempre più importanti verso gli anni Cinquanta, momento in cui furono firmati i primi accordi riguardo lo scambio di petrolio con prodotti Made in Italy. Inizialmente la cooperazione era basata su accordi singoli, ma quando questi iniziarono a riferirsi ad ogni settore produttivo, i due attori optarono per una collaborazione "globale". In particolare dopo il crollo dell'URSS, i prodotti italiani iniziarono a prendere sempre più piede in Russia grazie alla predilezione del popolo russo per la cultura italiana e tutti i valori associati al Made in Italy; perciò la Russia dal 1991 ha sempre più rappresentato una grande opportunità per l'export italiano, fino al 2014 quando la situazione iniziò a cambiare.

Infatti, nel Marzo 2014 l'Unione Europea ha deciso di imporre misure restrittive nei confronti della Russia, in risposta all'illegale annessione russa di Crimea e Sebastopoli e all'intenzionale destabilizzazione dell'Ucraina. Nello specifico il Consiglio Europeo ha deciso gradualmente di imporre misure diplomatiche restrittive, misure individuali restrittive, sanzioni economiche, restrizioni sulla cooperazione economica e sulle relazioni economiche con la Crimea e Sebastopoli. Per quanto riguarda le sanzioni economiche, le misure proibiscono l'importazione e l'esportazione di armi, di prodotti militari a doppia funzione e limitano l'accesso da parte della Russia ai capitali europei e a specifiche tecnologie e servizi utilizzati da questa ultima per la produzione del petrolio. L'Europa ha deciso che tutte le varie restrizioni rimarranno in vigore fino all'implementazione totale da parte della Russia degli accordi di Minsk e per questo sono state estese fino alla fine del 2018.

Da parte sua la Russia ha subito risposto alle sanzioni imponendo un embargo totale sulla maggior parte degli alimenti provenienti dall'Unione Europea e lo ha rinnovato fino alla fine del 2018. Questa decisione da parte di Putin ha influenzato negativamente fin da subito le esportazioni europee ed in particolar modo quelle italiane, data l'importanza che il Made in Italy era riuscito a raggiungere nel mercato russo nel corso degli anni. Nel 2013 infatti le esportazioni italiane verso la Russia hanno raggiunto i 10,7 miliardi di euro, e già nel 2014 il valore è sceso a 7,1 miliardi: Lombardia, Veneto ed Emilia Romagna sono state le regioni principalmente penalizzate. In particolare i settori più colpiti sono stati quelli dei macchinari, dell'abbigliamento, dei veicoli, delle calzature, della metallurgia, dell'arredamento e dei materiali elettrici. Nei due anni successivi la situazione è peggiorata ulteriormente, infatti il valore complessivo delle esportazioni Made in Italy in Russia è diminuito nel 2016 a 6,7 miliardi di euro rispetto ai 7,1 del 2015. Al contrario, invece, il 2017 ha rappresentato una sorpresa per le esportazioni italiane in Russia ed il quadro è stato molto più positivo rispetto agli anni precedenti: le esportazioni hanno raggiunto il valore di 8 miliardi di euro, +19,3% rispetto al 2016. Non è stato registrato alcun segno meno nei vari settori, dimostrazione del fatto che le aziende italiane stanno lavorando per ritornare ai valori raggiunti nel 2013. I principali settori sono stati quello dei macchinari, dei prodotti chimici, dell'abbigliamento, dell'elettronica, dei prodotti in pelle, dell'arredamento, metallurgico e il settore alimentare. Per quanto riguarda il primo quarto del 2018, si è registrata una diminuzione delle esportazioni italiane verso la Russia dell' 1,2%, ma nonostante ciò le previsioni rimangono positive, anche per l'impossibilità di prevedere i possibili cambiamenti sia politici che economici dell'anno in corso.

Nell'ultima parte del capitolo vengono presentati i risultati ottenuti dalla compilazione da parte di giovani russi di un questionario riguardante il Made in Italy e i prodotti italiani. Il questionario è stato pensato per poter conoscere concretamente le opinioni e le idee dei giovani russi (dai 20 ai 35 anni) riguardo il termine e i prodotti Made in Italy; le risposte ottenute sono state 59. Il questionario è formato da dieci domande a risposta multipla o risposta breve: le prime tre domande riguardano i dati personali degli intervistati (età, sesso e residenza), le ultime sette le percezioni degli intervistati riguardo al Made in Italy. In particolare si richiede agli intervistati di descrivere il termine Made in Italy con tre aggettivi, di dare una lista di prodotti riferiti a questo termine, se hanno mai comprato prodotti italiani e perché, di esprimere un giudizio su una lista di prodotti data riguardo a quanto li ritengono prodotti Made in Italy, alla fiducia riposta in questi prodotti se fossero italiani e alla loro preferenza nell'acquistare i dati prodotti italiani o russi. I prodotti associati al termine Made in Italy sono stati principalmente tipi di alimenti o bevande, macchine, capi di abbigliamento e cosmetici, mentre gli aggettivi più utilizzati si riferiscono all'eleganza, alla raffinatezza, allo stile e alla qualità dei prodotti italiani. Tutti gli intervistati hanno comprato almeno una volta prodotti italiani perché li ritengono migliori di altri, l'unica nota negativa riguarda il prezzo, per molti troppo alto. Per quanto riguarda la lista di prodotti dati, le opinioni maggiormente positive riguardano il vino, i formaggi, il caffè, i cosmetici, l'abbigliamento, le automobili e l'arredamento; più negative invece sono state quelle riguardanti i macchinari e i prodotti farmaceutici.

Per concludere, l'elaborato ha lo scopo di dimostrare quanto il fattore del Country of Origin Effect sia importante nelle decisioni dei consumatori, in particolare nel caso del Made in Italy, grazie alle caratteristiche positive associate ai prodotti italiani. Specialmente in questo tempo di elevata globalizzazione il COO risulta essere un fattore competitivo importante nella vendita di merci e servizi, in grado di avere effetti sul comportamento dei consumatori. In particolare, l'attenzione è posta sull'importanza che i prodotti Made in Italy hanno avuto ed hanno tutt'ora nei mercati britannico e russo, prima e dopo due fra i più importanti eventi accaduti negli ultimi anni nei due Paesi, rispettivamente la Brexit e le sanzioni europee. Si è deciso di focalizzare l'analisi su questi due Stati perché dopo lo studio della loro cultura e storia sono risultati essere mercati essenziali e ricchi di opportunità per le aziende italiane e il mondo Made in Italy.

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