Attitudes Towards Nepalese Handicrafts: Impacts on Willingness To Pay (WTP) for Nepalese Handicrafts in Finnish Market



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Abstract

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Subject

Attitudes Towards Nepalese Handicrafts: Impacts on Willingness To Pay (WTP)

for Nepalese Handicrafts in Finnish Market

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The purpose of this study is to explore how the attitudes towards Nepalese handicrafts can affect willingness to pay in the Finnish market. It analyzes the relationship between consumer's attitude towards the product and willingness to purchase the product. These days, consumer's willingness to pay can be varied from one situation to another and also how the product meets the requirements of consumers. Thus, this research is trying to determine the values that underline consumer's attitudes towards Nepalese handicrafts in the Finnish market and how their attitudes impact on willingness to pay.

This research is based on the case study; therefore, the writer has chosen the quantitative method along with the deductive approach. Hence, the quantitative data has been collected from the primary data, which was conducted through an online questionnaire from 105 handicraft consumers in Finland. The study has found out that the respondents have positive attitudes towards Nepalese handicrafts and are willing to pay for them.

Descriptive analysis was used to analyze demographic features. However, regression analysis was performed to examine the relationship of two variables of this research.

Keywords: Consumer attitude, attitude towards Handicrafts, willingness to pay, Nepalese

handicrafts.

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1 Introduction

Handicrafts are such expressions of a society or culture created with local material and craftsmanship. Handicrafts are one of the most important productive sectors or export commodities for many underdeveloped and developing countries. They are typically produced with low production cost from materials available normally within the manufacturing country, which represents the local culture and skills. Normally, handicrafts made from natural material which does not produce any harm to animals and environments are more in demand than other handmade products. In the market, varieties of handicrafts can be found, for example, handcrafted, semi-handcrafted, and machine-made goods in different colors, sizes, and arts, among them fully handcrafted items are more popular and in high demand in the market (Khanal,2011). Due to internalization and an increased interest in global products have been created market opportunities for the artisans and small handicrafts industries. However, the grown company should "understand the target customers" (Kundu & Silver, 2013), so the knowledge and information of industries and customers will play a vital role in reaching the desired objectives. In order to sustain itself in the market, every business should know the attitude of consumers so that they can meet the needs, wants, and desires of the consumers.

1.1 Background

According to the research done in the past decade, handicrafts were consumed mainly as decoration and textile products. And consumption of handicrafts was very low, the reason behind the low demand was the use of machine-made products. As Nepal has a unique comparative advantage on its handicrafts because of the massive and cheap labor force, handicrafts became the third major export item in Nepal (Koirala, 2011). This statement puts the handicraft business of Nepal in a serious position for the international market. According to Koirala (2011), Nepalese handicrafts are sold in different international trade fairs. Amidst the declining base of exports, the Nepalese economy is going down. After the global financial crisis, 2008/2009, more than 250 hand-knotted woolen carpet firms have closed their business. There is a massive need to increase the potential exports by ensuring duty-free and quota-free market access in developed countries (Khanal,2011), as duty-free and quota-free

ease less developed country to export goods and services by providing zero tariffs. Nepalese handicraft producers need to learn more regarding the rules of origin in the foreign market. Rules of origin implemented by the European Union for Nepal and other least developed countries state that:

- a. There must be the proof of originating status of the goods
- b. The goods must be transported directly from the beneficiary countries to the EU (Khanal,2011)

For example, the major export from Nepal to the EU market has been tea. However, the USA and Japan import more Nepalese carpets and pashmina. The export trends in carpets, pashminas, handicrafts, and tea are major demands from Nepal, even though there is a sharp decline in exports of carpets, handicrafts, and tea (Khanal,2011). Handicrafts are important growth drivers in urban areas of Nepal; many new products in Nepal are recognized internationally(Muzzini & Aparicio, 2013). However, the exports in handicrafts are declining due to a lack of technology use. Nepalese export systems do not have effective marketing skills and brand advertising quality. This has placed handicrafts exports behind (Muzzini and Aparicio, 2013).

1.2 Problem statement

When examining Finland, which is known as one of the top importers of goods, it is stated that in the year 2020, Finland imported goods worth approximately 67 billion dollars (Trade Economy, 2021). Handicrafts are also one of the growing imported goods in Finland. Among the Scandinavian countries, Finland has the largest number of handmade handicrafts or decorative items for consumers. In the Finnish market, most of the consumers are not aware of Nepalese handicrafts and their quality and history. The main reason behind this is there are very few Nepalese or Asian shops where Nepalese handicrafts can be found.

Moreover, consumer attitudes vary from one product to another, even between brands, and depending on the product's quality and origins. Consumer behavior can be influenced by internal and external factors when internal factors include age, income, occupation, lifestyle and personality, and psychological factors; and external factors related to cultural and social aspects. Similarly, different people have different attitudes about the same product. For example, suppose one person likes Nepalese handicrafts because of their quality and arts at

the same time. In that case, another can dislike Nepalese handicrafts for various reasons or might like the same product due to another cause. Despite that, some consumers might have a higher willingness to pay for the Nepalese handicrafts, and some might not. In addition, some people might be influenced to pay even more though they have a totally different attitude towards the product. As handmade products are popular over the past decades, the perspective of consumers, selection of products, way to choose brands or handicrafts origin may impact how the consumer recognizes the Nepalese handicrafts.

So far, studies that explain the relation of consumer's attitudes towards Nepalese handicrafts and willingness to pay were not found. Therefore, this research is going to determine the attitudes of handicrafts consumers and the relationship between their attitudes towards Nepalese handicrafts and their willingness to pay on the Nepalese handicrafts. Furthermore, this thesis is focused on what factors influence Finnish handicraft consumers when it comes to purchasing handicrafts from Nepal.

1.3 Research Objectives

This research is going to specify the attitude of handicrafts consumers towards Nepalese handicrafts and the impacts of these attitudes towards Nepalese handicrafts on WTP for handicrafts produced in Nepal.

Thus, the main objectives of this research are as follows:

- a. To examine the attitudes of handicrafts consumers towards Nepalese handicrafts.
- b. To examine whether the attitude towards Nepalese handicrafts can affect willingness to pay.

1.4 Research Questions

Though the research is conducted to find the objectives mentioned above, the research question provides a clear focus and purpose of the research. The research questions for this thesis are:

- a. What kinds of attitude do consumers have towards Nepalese handmade products?
- b. What factors affect or influence Finnish customers when buying Nepalese handicrafts?

1.5 Structure of the Thesis

This research includes five main chapters followed by recommendations, reference lists, and appendices. A brief description of each chapter is as follows:

In the first chapter of this study, a small introduction of handicrafts and Nepalese handicrafts, along with the history and market of both producers as well as consumers of handicrafts, are discussed. In addition, consumers' willingness to pay, a slight description of consumers' attitude towards Nepalese handicrafts, and consumption of handmade products in Finland are illustrated. In the same way, the background study of Nepalese handicrafts and the problem statement and research objectives are included in chapter one. Overall, this chapter provides an overview of the elements of the study.

The second chapter provides the literature reviews of the study, where the previous research about attitudes and Willingness to Pay (WTP) in general will include. At the same time, attitudes towards handicrafts, WTP for Nepalese handicrafts, and the relationship between attitude and WTP are described in the second chapter. In addition, the theoretical framework of the study is included in the same chapter.

The third chapter of this study is about the methodology, which includes the explanation of the research approach, strategy, and method of research. Moreover, it also explains research population and sampling, research instrument, and data collection and analysis followed by limitation of the study and ethical issue and consideration.

The fourth chapter is the analysis of the findings from the survey. The results from the survey are investigated and analyzed by using a table bar graph, pie charts from own creation vie SPSS software, and statistics. Also, this chapter includes a descriptive analysis. This chapter deals with the overall presentation of collected data.

Lastly, a discussion chapter focuses on the findings from the previous chapter by comparing them with the theoretical approach. This chapter also includes a conclusion and recommendations for marketers. The references and appendices are attached at the end of this study.

2 Literature Review

2.1 Finnish Handicraft Market

Handicrafts have their roots deep in the professional, economic, social, and cultural texture of Europe (Oraviita, 2016). Marketing skills on handicrafts must be attentive to the wants of European people. Mostly, sustainable products with essential qualities that reflect several aspects of culture, traditions, and ethics are valued. The opportunities in handicraft can be identified by the cultural background of consumers.

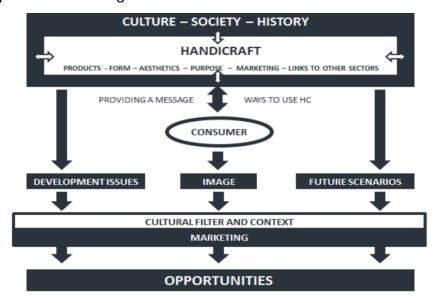


Figure 1. The background framework of research (source: Oraviita, 2016)

The handicrafts and entrepreneurship report of Finland market from 2013 to 2015 shows the Finnish craftspeople as artists, designers, and craftspeople, and companies as being a vehicle for self-expression (Oraviita, 2016.). It means that Finnish craftspeople have been gaining their abilities through learning various skills that are provided by the Finnish education system. This has proven that Finnish handicraft marketing is supporting a sustainable environment for handicrafts. Likewise, the opportunities in Finnish markets are dependent on the creative products, cultural background, handicraft awareness programs, and promoting the products in various ways(Oraviita, 2016). However, there are a lot of threats affecting very cheap industrial products. Also, the high wages of craftspeople make profitability quite challenging. Thus, the Finnish market of handicrafts demands improvement in the entrepreneurial sector to match the needs (Oraviita, 2016). According to Oraviita (2016), "The Finnish handicraft

enterprises' primary markets are the domestic markets, but recently their international activity has increased." This statement clarifies that the Finnish handicrafts market is getting more global, which is an advantage for new entrepreneurs to expand handicrafts business.

2.2 Theory of Planned Behavior

Consumers' attitude and willingness to pay for the product is related to the theory of planned behavior. The theory of planned behavior (TPB) explains the psycho-social model of human behavior that helps to predict and understand human behavior clearly (López-Mosquera, 2016). TPB proposed three psychological factors – (resources, time, and opportunities to carry it out) which determine the final behavior of an individual. These three determinants must be compatible with the intentions and behavior of a person to make any decisions. Thus, the theory believes that if people have a positive attitude towards the behavior, then they will gain support from people who are important to them (López-Mosquera, 2016). It means that a positive attitude and behavior can be influenced by family, relatives, and friends. According to the authors López-Mosquera, (2016), the correlation between TPB and WTP is that people intend to believe in their intuitive feelings towards public goods in their WTP responses. Likewise, WTP is highly dependent on the collective beliefs of the public on whether they should pay rather than their own ability to pay (López-Mosquera, 2016). However, another element that determines TBP is action, target, context, and time. Also, Bernath and Roschewitz (2008) cited that individuals have different attitudes towards different scenarios. It is rather worthwhile to measure their attitudes based on these elements instead of their attitude towards the behavior of paying for the goods to be valued (Bernath & Roschewitz, 2008). This paper clarifies, however, the WTP responses are completely different from behavioral intentions. WTP depends more on the value of goods than the strength of their intention to pay (Bernath & Roschewitz, 2008).

2.3 Attitude towards Nepalese Handicrafts

Attitude word comes from the Latin word apto and acto, which means to do or to act (Cacioppo, Petty, & Crites, 1994). According to Bohner and Wanke (2002), the marketer should understand the consumer's attitude to predict the consumer behavior, their intentions towards the product, and to get sustained in the market. The term attitude has been used in

many other circumstances and is essential to research to determine and adapt attitudes about products, brands, and services. The attitude is one of the best foretellers of willingness to purchase more (Barber, Taylor, & Strick, 2009). According to Barber et al. (2009), marketers should understand attitudes to find out the consumer behavior. The small changes in attitude can influence change in the exact behavior and WTP of consumers. It is stated that attitudes are taken as a strong component when "they are resistant to change and persistent to change" (Barber et al., 2009). There are so many factors that can influence the attitudes of consumers; some are demographic, some can be psychographic, or geographic conditions; however, the positive attitudes of the consumer can be an advantage to the marketer (Dean, 2010). In general, attitude is explained as an overall evaluation of a product or service framed over time (Solomon, 2015). Attitude plays a vital role in describing consumer behavior and strongly impacts the purchasing decision, usage experiences directly in the same way, the decision and usage experiences can influence consumers' attitude towards the products or services (lacobucci & Churchill, 2015).

Likewise, Iacobucci and Churchill (2015) have stated the attitude is a predisposition to react to an object; therefore, an attitude has the quality of willingness. Attitude is the "summary evaluation of an object of thought" (Vogel & Wanke, 2016). And the attitude of an individual can influence the opinion of the public. In the same way, the social, political, and cultural climate of society can also be affected by the attitude and vice versa (Vogel & Wanke, 2016). In the previous research done by Kaushal and Kumar (2016), an attitude has been described as the main aspect which plays a vital role in the entire process of purchase and helps to decide whether an emerging product will meet their needs or not.

According to the research done by Yaovarate, Wiboonpongs, Sriboonchitta, and Chaovanapoonpool (2014), with the review of past research done under Thai handicraft products, it was noted that the handicraft consumers' attitudes are unpredictable. This means it is very difficult to evaluate the handicraft just by looking at it, and consumers should have the particular experience to judge the handicraft. Consumers hardly find out the value of art and quality just by looking at the handicraft. In addition, the research also found that the consumers' attitude is not only influenced by the low price of the products; other attributes such as neatness, style, right color, and design are also important factors (Yaovarate et al.

2014). The consumption of handicrafts has been increasing in the whole world (Bantawa, 2017).

Nevertheless, some small handicrafts industries are not so much popular in the international market, but they are trying to emerge in the market. The past study done by (Erkan & Topcu, 2011) found out that the country of origin of handicrafts was the most crucial factor which can drive consumers to the high involvement in consuming handmade products. In addition, it was found out that the attitude in both positive or negative ways towards handicraft can be influenced by previous experience, the recommendation from their friends' circles, and quality of handicraft (Erkan & Topcu, 2011). Similarly, in the case of handicrafts as a product, the appearances of the handicrafts and different variety of arts are the standard factors that can change the attitude towards handicrafts (Erkan & Topcu, 2011).

Likewise, another research done by Silver and Kundu (2012) states that handicraft is characterized by many features, some of the intrinsic features are color, material, design, and style, whereas price, name, country of origin, and label design are extrinsic features. Besides these, the focus is on the popularity in design, price, brand familiarity, and showing status as the most factors that influence handicrafts' consumers (Silver and Kundu 2012). Lots of past studies have found that price, brand, origin are the major influencers that can impact consumers' attitudes and can change the attitudes towards handicrafts (Silver & Kundu, 2012). According to the result found out by Lockshin & Corsi (2012), the attitude towards wooden handicrafts can vary from person to person, from one aged group to another, and even in genders. Despite prices, most of the men consumers usually check the label, quality, and features while purchasing wooden handicrafts, whereas women preferred buying home decorating and textile products (Yadav & Mahara, 2017). In addition, another research on consumers' buying behavior on Malaysian traditional handicrafts explored that the attitude of the consumer towards handicrafts can differ from experienced handicrafts consumers to inexperienced ones (Chan, Lim, & Lim, 2021). which means that if the consumer knows the products or handicrafts, the intention to purchase will be positive, and if the consumers are inexperienced and do not have any knowledge about the product, the intention to purchase will be negative.

In addition, Mogindol and Bagul (2014) explored that handicrafts from a different country are normally purchased for gifts purpose. While Chan, Lim, and Lim (2021) mentioned that traditional handicrafts were purchased because of the uniqueness of the products, personal consumption, and affordability.

2.4 Willingness to pay (WTP)

Willingness to pay means the exceeding amount of money "a consumer is willing to spend for a product" (Fischer, 2012). Willingness is one of the best factors which can force the actual actions of consumers. WTP can be explained as "the maximum prices a buyer is willing to pay" (Barber, Kuo, & Bishop, 2012). The previous research done by Barber et al. (2012) has stated that the WTP can be affected through the way of purchasing activity and personal satisfaction level of consumers. WTP relies on the experience from the previous purchase, and the negative purchase experiences can lower the intentions to pay and vice versa (Barber et al., 2012). Locksin and Corsi (2012) have noted that the WTP results from the price of handicrafts, discounts and offers, and the country or region of origin.

According to Kaushal and Kumar (2016), WTP is the advanced aim to purchase certain goods or services in the upcoming days, but "this plan may not always lead to implementation because it is affected by the ability to perform." In terms of handicrafts, the different outlets like attractively setting handmade products can drive consumers' intentions to pay. Most people are willing to pay less in local stores than in well-known companies and online stores (Li & Zhang, 2002). There are many factors of attitude that affect WTP; some are price, design, country of origin, taste, etc.

For this research, where handicrafts are seen as a product, the main factors that influence the WTP are price, quality, and different art and history behind the products (Locksin and Corsi 2012). Similarly, the place of origin is a less important factor than price while consuming handicrafts (Chan, Lim, & Lim, 2021). This means consumers are more willing to pay if the price of the products is low. In contrast, Deliana, Fatimah, and Charina (2014) focus on the label of origin as an important factor to win consumer trust and to describe that the product is more competitive than other products. In the context of handicraft as a product, the factors such as gender, age, level of education do not affect and drive consumers' intentions to pay, but

instead of that, these factors act as dependent variables for independent factors such as level of income, past experiences, reflects of local life and so on (Yaovarate, Wiboonpongs, Sriboonchitta, & Chaovanapoonpool, 2014). The researchers also found that there is a positive relationship between the income of consumers and WTP.

Additionally, the outcome from the sample survey done on the study 'What is new about country-of-origin? The Handicraft Effect.' explored that the consumers are willing to spend more when the motivation of consumers behind the handicrafts purchase is from social or ethical perspectives (Demirtshyan, 2018). Besides, the researcher also mentioned that handicrafts consumers measure the quality of the handicrafts based on the country's image (Demirtshyan, 2018). To support this statement, the similar research done in Italy on the attitude of consumers towards "Made in Italy" products explored that most of them responded willingly to pay 50% more premium on the products made in Italy (Cappelli, D'ascenzo, Ruggieri, Rossetti, & Scalingi, 2019). The researchers also mentioned that the country of origin demonstrates the actual significance of the products. For instance, in countries like Greece and Northern Ireland, the country of origin is the essential factor that impacts on willingness to pay for wine, whereas only 35% of consumers from Asia think about the country of origin while purchasing wine (Pei et al., 2014). It means the factors that impact WTP can vary from one person to another.

On the other hand, Pei, Zeng, Song, and Lone (2014) stated that price is another important factor that drives the intention of the consumer to pay for handicrafts. Some handicraft consumers viewed prices as the main tool to evaluate the quality of handicrafts. The previous research of Joseph and Peter (2004) explored the price of the product act as an anchor which affects on WTP for the product that motivates to buy. Quality and prices are the main drivers that can influence the consumer to choose handicrafts products, and consumers might have a willingness to pay more or premium (Sogari, Corbo, & Macconi, 2015).

2.5 Relationship Between Attitudes towards Nepalese Handicrafts and WTP

In the word of Pani (2018), a positive attitude can drive and influence WTP on the product. The past research done in Taiwan by (Hsu & Ngoc, 2016) has described handicrafts as home decoration and home textile products and that most people are willing to pay a part of their

income on textile and decorative products like carpet, handmade furniture, and home decorating items. A positive attitude towards the product can drive and increases the intention or willingness to pay more (Bernath & Roschewitz, 2008). The previous research reflects that there is an interrelationship between attitude, its factors, and willingness to pay towards handmade and any other products. The WTP can be lowered by the tight income and low purchase attitude (Hsu & Ngoc, 2016). Hsu, together with Ngoc (2016), found out that the factors of attitude like country of origin, quality, price, creativity impact on the consuming handmade products as well as for luxury and daily used purpose. These attributes effects on purchasing helps to analyze and measure the price that consumers are willing to pay for the products (Bernath & Roschewitz, 2008). and can change their WTP in domestic and foreign handicrafts (Hsu & Ngoc, 2016).

3 Methodology

The previous chapter provides a brief description of the introduction, aims, and objectives of the research and literature review on handicrafts, Nepalese handicrafts, consumer attitude, and willingness to pay. In this chapter, the researcher has described the methodology, and the content consists of philosophies, approach, method. These different sections of methodology are organized by using the research onion as it is the crucial part of research that provides the various important elements regarding the research.

3.1 Research Approach

This study analyses the relationship between the consumer's attitude and willingness to pay. In addition, the research also generalizes the results of the elements that effects on willingness to pay for Nepalese handicrafts by using the deduction approach. As the research is based on the deductive approach, it will not be involved in generating new theories, but it will focus on testing existing theories.

3.2 Research Method

The quantitative method is used for this study where a survey questionnaire is used as the method for collecting data. The quantitative research is applied to analyze the relationship between attitudes of consumers and willingness to pay for Nepalese handicrafts in the Finnish market in terms of numbers. According to Saunders, Lewis, and Thornhill (2016, p166), the quantitative method is a research strategy that emphasizes on relationship between variables, which are measured numerically to evaluate the procedure by using graphs, statistics, and tables. It also deals with hypothesis testing and examines the existing theories from the deductive approach. Therefore, the data collection needs to be valid as it focuses on solving the research problem.

On the other hand, the qualitative research method is emphasizing on developing theoretical framework to analyze the relationship between variables by using various data collection methods (Fabrigar, 2012). It means this method is used to collect the theoretical data in words rather than numerical data. Moreover, qualitative research is associated with several strategies, for example, action research, ethnography, case study, grounded theory, and narrative research (Saunders, Lewis, and Thornhill, 2016, p169). As per the scholars, most of the qualitative data are collected with an inductive approach to theory development.

However, the researcher will use a deductive approach to test and analyze existing theories through the qualitative procedure (Couper, 2011). Mixed method research is the type of research strategy in which multiple methods have combined the use of qualitative and quantitative data collection and systematic process (Saunders, Lewis and Thornhill, 2016, p170). As per this method, the researcher can use deductive, inductive, or abductive approaches to theory development for specific research (Tashakkori and Teddlie, 2010 cited in Saunders, Lewis, and Thornhill, 2016).

To conclude this, after analyzing these methods, the quantitative research method will be used for this study to find the information on consumer attitude towards Nepalese Handicrafts and willingness to pay for Nepalese handicrafts in Finland through a survey questionnaire.

3.3 Research strategy

Generally, the term 'strategy' is a design of action to attain a certain goal. Thus, the research strategy is the process of organized study that gives direction to the research question by conducting the research systematically to achieve the goal of the researcher (Saunders, Lewis and Thornhill, 2016, p177). It can be said that the research strategy needs to be linked with different research methods such as qualitative, quantitative, and mixed methods (Couper, 2011). According to Saunders, Lewis, and Thornhill (2016, p178), different nature of research has led to several options to research strategy, for example, experiment, survey, archival and documentary research, case study, ethnography, action research, grounded theory, and narrative inquiry. As mentioned earlier, a deductive approach is used in this research. This means that quantitative methods or techniques will be analyzed from primary sources (Fabrigar, 2012). In this study, the survey and sampling method will be used to collect data, and later the hypothesis will be tested as mentioned above. In simple terms, a survey method is a popular approach in business and management research, which focuses on answering 'what', 'who', 'where' 'how much, 'how many questions. In addition, survey questionnaires allow collecting quantitative data, which will provide more control on the research process (Saunders M. L., Research Methods for Business Students, 2015). According to Habib (Habib, 2014) research survey also involves the structured interviews by different ways, such as online surveys, telephone interviews, and face-to-face questionnaires. In this study, an online survey will be used through questionnaires, which will be asked via emails or social media, such as Facebook, WhatsApp, Instagram, and tweeter by sending a link. An online survey is appropriate for this research based on time, as the survey method is validated, effective, flexible, and low expensive to find information and data compared to other survey methods like telephone, face to face, interview or postal (Couper, 2011).

3.4 Research population and sampling

According to Saunders, Lewis, and Thornhill (2016, p274) research population is the total number of collections of all individual, group, or units that meets the requirement of the selection criteria for the study. The author also suggested that the researcher needs to specify the studying population through identifying the sample population because it is difficult to collect data at a specific time from a large number of populations. As the research is based on

the Attitudes Towards Nepalese handicrafts and Impacts on Willingness to Pay (WTP) for Nepalese Handicrafts in Finnish Market, the population will be the total number of handicraft user in Finland, and the target population is approximately 700 consumers who are living in Finland and buy handmade products.

There are two different sampling techniques for data collection such as probability or representative sampling and non-probability sampling (Saunders, Lewis and Thornhill, 2016, p275). Where probability sampling is related to survey and experiment research strategy to get the information about research question and objective. In contrast, non-probability sampling deals with a subjective and analytical method where the sample population is unknown for the study (El-Masri, 2017). This sampling technique is used for sampling for this study as it requires much less effort, time, and cost.

Thus, the research population used for this study is around 700 consumers. The targeted population is 150 people from different areas of Finland. Though, the sample size for this research will be around 105 respondents who willingly filled the online questionnaire, including male and female from all ages 18 above and from all backgrounds and nationalities. From these factors, the research can be established and analyzed, from which individuals or consumers are willing to pay the most, and can also be evaluated gender, age, nationalities, and backgrounds.

3.5 Research instrument

According to Saunders, Lewis, and Thornhill (2016, p436), research instruments are the tools of measurements such as questionnaires, scales, indexes, interviews, and observations, which are designed to attain data on a specific research topic. A questionnaire is one of the survey methods that organized the research question to gather different views of individuals or groups, to analyze and interpret the information and theory (Fox, 2003), and will be used for this research. Furthermore, this online questionnaire has different sections and questions. It starts with a brief description of the research topic, purpose of study, researcher introduction, and provided clear instructions to fill the online survey. The first section for this study enclosed questions regarding demographic features of the respondents such as age, cities, gender, marital status, and their monthly expenses for handicrafts products. The second part includes

questions about attitudes towards Nepalese handicrafts, whereas the last section was focused on questions about willingness to pay. The questions were organized differently, the respondents could choose the provided option, and they can select in a 7-point scale rating from1-7 to the statements in which 1 denotes strongly disagree, dislike, or not pleasant whereas 7 indicates strongly agree on the given survey statements (Fox, 2003). Moreover, the research will use some other questions, which include the kind of attitude or behavior that impacts willingness to pay for handicrafts by rating and comments. The data is collected from 105 consumers of handicrafts in Finland through an online survey. The data is collected for this research is primary data collected by the researcher. The data collection was planned and discussed with the supervisor. After the meeting, an online survey link was sent to friends, relatives, and different social media pages. After the survey, all collected data were set and measured by using Excel so that exact responses could be drawn from the actual proportion of the respondents. The result of the responses will be shown in tables and graphs.

3.6 Analysis of Data

Data analysis is a major part of any research that can be done by using different types of analysis methods such as computer data analysis package. For this research, data will be analyzed by using SPSS (statistical package for social science), which is related to the objectives of the research. The data will be analyzed through tables or diagrams that show the frequencies or percentage of the respondent in an organized manner. The data will be examined detailly in chapter four through converting in graphs, charts, and tables which are collected from 105 respondents.

3.7 Business/Managerial implications:

This research can be beneficial to handicraft industries and small business owners, and home decorating industries because it can identify and analyze the attitude of consumers and the factor of willingness to pay. This research also helps to identify what kinds of factors affect consumers' willingness to pay for Nepalese handicrafts in the Finnish market. It can help improve the quality of the products or can be used to produce promotion plans, which will lead to effective outcomes and increase the profit of the organization.

3.8 Limitation of the proposed study:

This research is based on time and cost limitations. Which means it involves survey, online questionnaires sent to the handicraft consumers in Finland. Therefore, data collection may not be accurate as surveys and questionnaires could be given to someone else to complete due to busy schedules. Besides, this research is a specific study on attitudes towards Nepalese handicrafts: impacts on willingness to pay (WTP) for Nepalese handicrafts in the Finnish market. The research is adding information regarding the interest of Finnish consumers towards the eco-friendliness of Nepalese handicrafts.

3.9 Ethical issues and consideration:

As it is already mentioned quantitative method will be used to collect primary data, which has fewer ethical problems. But it is still important to consider ethical issues, especially when it comes to data collection. There are issues associated with the researcher's and participants' right to privacy and safety. The researcher has ensured the confidentiality and anonymity of each participant. The researcher has informed the participants of the aims of the study and has not forced anyone to participate in the questionnaire and survey. In addition, the researcher has ensured the participant's right to withdraw. Moreover, the research is fully aware of ethical issues and followed the instruction of ethical recommendations for thesis writing at the University of Applied Sciences and followed the ethical guidelines for thesis work checklists for students and supervisors from University. The data is collected fairly without being bias and protecting the confidentiality and anonymity of participants. The participants are well informed about the research purpose, confidentiality, and security of personal information as all the information was mentioned at the beginning of the online survey. This study did not violate Finnish law and security. The age of participants is above 18 years.

4 Results

This chapter will describe the information on data collected from respondents on attitude towards Nepalese handicrafts and willingness to pay for them in the Finnish market. While analyzing data, the number of incomplete questionnaires was removed. Thus 105 responses are considered as total respondents. The summary of the survey, including the demographic profile of respondents, how often they consume handmade products, reason, and monthly expenses, has been described. In addition, descriptive analysis has been done to analyze attitude towards Nepalese handicrafts, whereas regression analysis has been used to compare the relationship between two variables of this study.

4.1 Respondents' Profile

The majority of respondents belonged to the age group of 26 to 35, i.e., 46.7%(n=49), and only 1.5%(n=2) of participants were above the 55-age group. The major participants were Single (unmarried) which covers 53.3%(n=56) of the total respondents of the questionnaires, whereas 44.8% (47) of participants were married, and the least number of participants were divorced, i.e., 1.9% (2). The questionnaires were distributed all over Finland as much as possible via social networking sites and through email. As a result, 23,8% (25) of participants were from Pirkanmaa, which was the highest number of participants in total respondents; however, there were zero respondents from Southern Ostrobothnia, Päijänne Tavastia, Kymenlaakso, and Äland island. The overall profile of respondents is shown in table 1.

Table 1. Respondent's profile

Characteristics	Respondents	Percentage							
Gender									
Male	54	51.4%							
Female	51	48.6%							
Age Groups									
18-25	36	34.3%							
26-35	49	46.7%							
36-45	12	11.4%							

46-55	6	5.7%
Above 55	2	1.9%
Region Finland		
Lapland	6	5,7%
Northern Ostrobothnia	3	2,85%
North Karelia	1	0,95%
Central Finland	17	16,2%
Central Ostrobothnia	7	6,7%
Ostrobothnia	2	1,90%
Pirkanmaa	25	23,8%
Tavastia Proper	6	5,7%
Uusimaa	19	18,1%
Southwest Finland	18	17,1%
Eastern Uusimaa	1	0,95%
Southern Ostrobothnia	0	
Päijänne Tavastia	0	
Kymenlaakso	0	
Äland Island	0	
Marital Status	'	
Single	56	53,3%
Married	47	44,8%
Divorced	2	1,9%

4.2 Description of Handmade products consuming

Out of 105 participants of the survey, most of them spend less than 50 euro per month on handmade products, which is 71.4%. In comparison, 21.9% of respondents pay from 51-100 euro. And few participants spend between 101-500 Euro on handicrafts items. The minor percentage of respondent expenses was 501-1000 euro, and none of the respondents spent more than 1000 euro on handicrafts per month. The overall expenses of participants on

consuming handmade or handicraft products per month have been demonstrated clearly in figure 2.

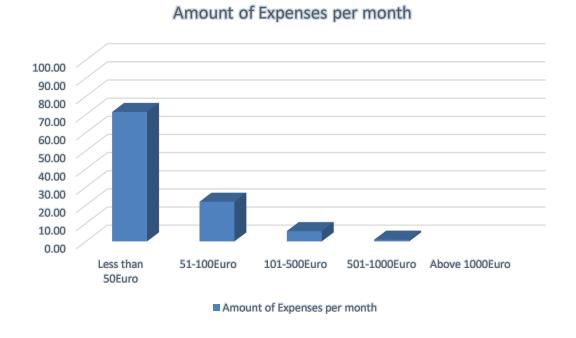


Figure 2: Expenses on consuming handmade products per month

In the same way, as shown in figure 3, out of 105 respondents, 60% of the participants prefer to purchase handicrafts based on country of origin. At the same time, only 40% of them do not care about the country of origin while purchasing handicrafts items. As more than half of the participants are mostly keen to check the country of origin before buying any handmade products, which denotes the country of origin is also the most essential factor in Finland.

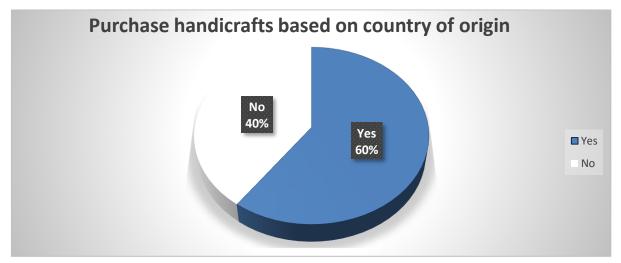


Figure 3: Purchase Handicrafts based on country of origin

When surveys were filled about how often they buy handicrafts products, 70.5% of participants, which is 74 respondents, purchase handicrafts once a month. Meanwhile, 3 participants out of 105 spend on handicrafts several times a week. According to the survey, only one person buys handicrafts daily. Even though handicrafts markets are more popular in Finland and there are various types of products included in handicrafts, there are lots of people who rarely consume that is 22,9% of total participants. The overall responses about the consumption of handicrafts have demonstrated in the bar graph of figure 4.

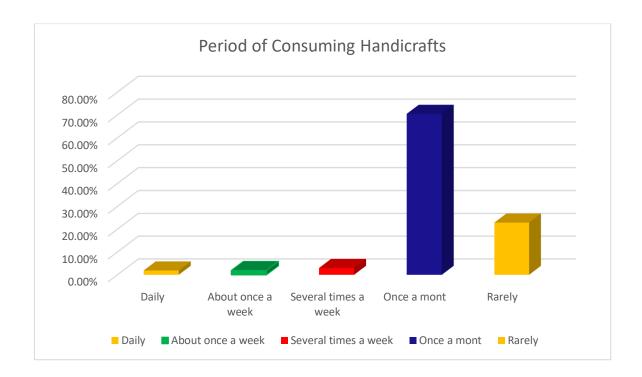


Figure 4: Consumption of handicrafts

4.2.1 Purposes of purchasing handicrafts

The purpose of purchasing products and services can also influence willingness to pay for the products. It means consumer's purpose of purchasing handmade products affects the price they willing to pay.



Figure 5: Purposes of Purchase Handicrafts

As the above bar graph states that 45.7% of the respondents usually purchase handicrafts for the gift, whereas only 10.5% of them prefer to buy for regular consumption. Supporting the local economy is another main reason to purchase handicrafts which are 27.6% of the total respondents. On the other hand, 16.2% of total participants consume handicrafts as it is environment friendly. Which means the consumer of handicrafts in Finland purchase handicrafts for the gift purpose.

4.3 Descriptive Analysis

Descriptive analysis is used to examine, describe, compare, or present the information of quantitative data in an organized way (Saen, 2010). In this study, cross-tabulation and frequency tables are used to provide general information about variables and highlight the relationship between elements. This analysis has been done to analyze the constructs of attitude and to understand the respondent's perception of the variables. Through the descriptive analysis, the attitude of handicrafts consumers towards Nepalese handicrafts has been measured. There were five statements, and every respondent was asked to use a Likert scale from 1 to 7, where 1 refers to strongly disagree, and 7 indicates strongly agree.

4.3.1 Overall Image of Nepalese Handicrafts

During the data collection period, participants were requested to mention the overall image of Nepalese handicrafts. The results of the survey are illustrated below.

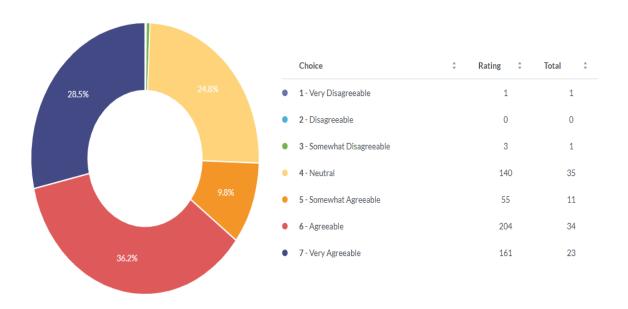


Figure 6: Overall image of Nepalese handicrafts

According to figure 6, which illustrates the rating of the general overview of Nepalese handicrafts, out of the 105 respondents, 24.8% of the participants are neutral overview towards Nepalese handicrafts. At the same time, 36.2 % are agreeable to the statement. This means most of the respondents believe that the image of Nepalese handicrafts is positive and scales more than the neutral point. It explains that the Nepalese handmade products have a good impression in the Finnish market.

4.3.2 Attitude Towards Price of Nepalese Handicrafts

The price of the products plays a vital role in the buying process. In the research, survey respondents were asked to scale the statement "I feel handicrafts produced in Nepal have reasonable price". The results of the survey will be analyzed as below.

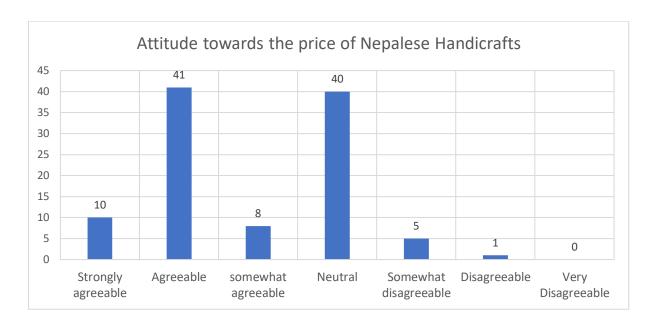


Figure 7: Attitude towards the price of Nepalese Handicrafts

The above bar graph illustrates that the consumer attitudes towards the Nepalese handicrafts in the Finnish market are agreeable as it can be seen on the graph that most of the respondents' scale 6 out of 7, which states that Nepalese handicrafts have a reasonable price than the handicrafts produced in other countries.

4.3.3 Attitude towards handicrafts produced in Nepal

The respondents were asked about their preference to buy handicrafts produced in Nepal; Whether they prefer to purchase or not. The findings of the questionnaire are described below.

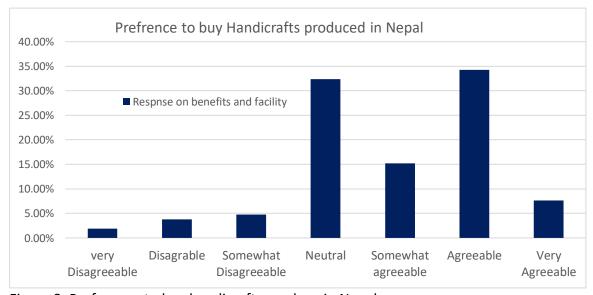


Figure 8: Preference to buy handicrafts produce in Nepal

The above bar graph explains the agreement or disagreement on preference to buy handicrafts produced in Nepal. As it can be seen, the highest number of participants agreed to buy, which is 34.28%, and 32.38% of the respondents were neutral. In contrast, very few respondents did not prefer to buy Nepalese handicrafts, which is 1.9%. In conclusion, it can be said that most of the respondents were somehow agreeing to a certain level to purchase Nepalese handicrafts as the preference is more than neutral, which directly reflects that they would prefer to buy handicrafts produced in Nepal.

4.3.4 Attitude towards the quality of Nepalese handicrafts

The survey questiones were asked to respondents to indicate the level of agreement or disagreement on the quality of the Nepalese handicrafts. Out of the 105 respondents, only 104 respondents have answered this question. As a result, 37 out of 105 participants agreed. While 38 respondents are neutral, this means they do not have a strong opinion about the quality of Nepalese handicrafts. Likewise, 14 responses strongly agree on the quality of Nepalese handicrafts. In contrast, one respondent disagrees about the quality. Overall, the results present that most of the participants are agreed. This means the attitude towards the quality of Nepalese handicrafts is somewhat agreeable in the Finnish market.

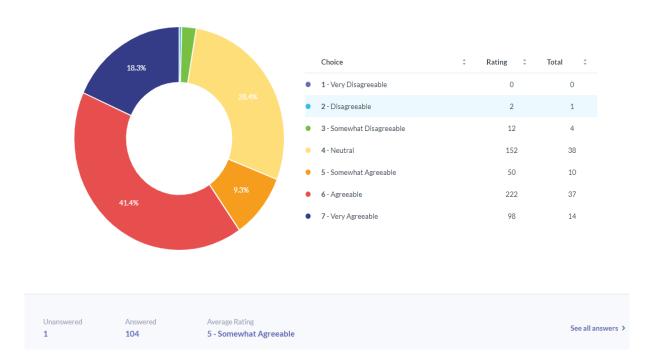


Figure 9: Attitude towards the quality of Nepalese handicrafts

4.3.5 Willingness to pay for Nepalese handicrafts

Willingness to pay might be affected by different factors such as packaging, quality, green marketing, shape and size of the products, and price as well. Moreover, attitude towards Nepalese handicrafts is one of the influential factors that influence willingness to pay for it. Respondents were asked to scale or rate their willingness towards Nepalese handicrafts. The

results of the survey are described below.

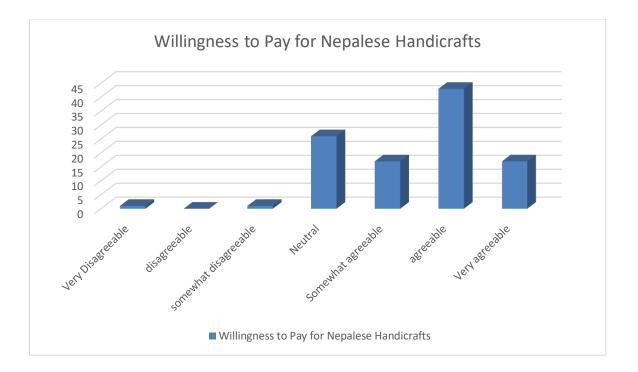


Figure 10: Willingness to pay for Nepalese Handicrafts

The above bar graph (Figure 10) illustrates that the statement of willingness to pay for Nepalese handicrafts is positive as 43 respondents agree and 17 respondents scale 7, which is very agreeable to pay more for Nepalese handicrafts. In contrast, a very small number of people are not willing to pay for it, which is less than 1 percent of total participation. In comparison, some of the respondents stayed neutral. To explain this, it can be said that for those who were neutral, the country of origin has a very low effect when it comes to purchasing any kinds of handicrafts.

5 Discussions, conclusion, and recommendation

This chapter is presenting the findings and analysis from the previous chapter. It discusses and describes the summary of the findings result from the survey, which has been done by an online questionnaire.

5.1 Discussion and conclusion

This study includes two variables: attitude towards Nepalese handicraft and willingness to pay for it. Where attitude towards Nepalese handicrafts is an independent variable and WTP for it is a dependent variable of this study. To investigate these objectives, descriptive analysis was done, and online surveys were collected from 105 respondents through social networks in Finland. The maximum number of participants were men, and the highest percentage of the respondents belonged to the 26-35 age group and from Pirkanmaa. It was also found that most of the respondents spent less than 50 euros on handicrafts or handmade products per month, and more than half of the participants always checked the country of origin before the purchase of the handicrafts. The largest number of respondents have been purchasing handicrafts once a month for gifts and to support the local economy. When it comes to the attitude towards Nepalese handicrafts, the general overview of Finnish people believes that Nepalese handicrafts have a reasonable price and better quality, and more than half of respondents are interested in buying handicrafts produced in Nepal. This clearly explains that the respondents have positive attitudes towards Nepalese handicrafts.

The result of the survey shows that the majority of participants are from the 26 to 35 age group, unmarried and spending less than 50 euro per month for consuming Handicrafts. Generally, the trends of traveling to new places and buying gifts for friends and family begins from the age group of 26 to 35, which means people who come under this age group are more liable towards their new lives and spends less amount of money on consuming handicrafts. Similarly, there were 12 participants from 36-45 who can be assumed as quality conscious and purchase handicrafts to support local and also, like to collect traditional cultural arts. The outcome of the survey implicates that the country of origin is also one of the significant factors which can influence the handicrafts consumer of Finland while purchasing handmade products. The similarity between the result of this study and the study was performed by

Chan, Lim, and Lim (2021) explains that country of origin can impact consumers' involvement in consuming handicrafts.

In Finland, most of the people are loving to buy a handmade product such as decorating items and furniture (Trade Economy, 2021) and the result of this research also shows the largest number of participants consumes handmade products about once a month. The interesting outcome from this survey was that the respondents prefer to buy handicrafts for gift purposes and below the age group of 35. At the same time, the targeted group was more than 35 years old who is financially strong to spent on eco-friendly handicrafts.

Likewise, the outcome of descriptive analysis illustrates that an average number of participants almost agrees that the handicrafts produced in Nepal have a reasonable price. such as the production cost, along with labor cost in Asia, are comparatively lower than in European countries (Brooks & Stone, 2010), the price for Asian products is relatively low. Thus, the majority of Finnish handicrafts consumers believes that handicraft produced in Nepal has an affordable price. On the other hand, 38 participants were neither disagreed nor agreed with the statement that Nepalese handicrafts have greater quality. Since Nepalese carpets are the most popular carpet in the international market, a majority of people were uninformed about the carpets produced from different materials such as hemp, nettle, pure wool so on with greater quality. While 37 respondents almost believed that Nepalese handicrafts have good quality and agreed to buy handicrafts produced in Nepal. Reliable with the study done by Chan, Lim, and Lim (2021), this study also describes that the factors like a reasonable price, uniqueness of the products, quality, and material determine the attitude of consumers toward Nepalese handicrafts.

In comprehensive, the findings show that the Finnish handicraft consumer has a positive attitude towards Nepalese handicrafts. A larger number of respondents have a strong opinion on Nepalese handicrafts being affordable at a reasonable price. From the research done in Malaysian traditional handicrafts also found that 50% of respondents buy Malaysian traditional handicrafts as it has a reasonable price (Chan, Lim, & Lim, 2021). However, these two studies were done in two different countries Malaysia and Finland, respectively. Furthermore, the attitude towards Nepalese handicrafts can be impacted by both external and internal factors, as Silver and Kundu (2012) mentioned in their previous study. The

external factor like price, country of origin, design impacts consumers' attitude at first glance; however internal factors like colors, qualities, and fabrics can be included to draw a positive attitude from the second time. According to the results, the two variables of this study show that there is an interrelationship between Attitude and WTP. It indicates the attitude towards Nepalese handicrafts has an impact on WTP for Nepalese handicrafts in Finland. As described in the above chapter, the attitudes of Finnish handicraft consumers towards handicrafts produced in Nepal can affect WTP for Nepalese handicrafts. Whereas the other factors like style, shape, and sizes of products, settings of gifts items, visual packaging impacts, and green marketing like reuse and recycles of products might have implications on willingness to pay for the products. The lack of information about social responsibility among consumers is the issue. As most of the Finnish consumers are unknown about the eco-friendliness of Nepalese handicrafts. It is highly recommended to the organizations to market social responsibility about the products as social responsibly is strongly affecting consumer buying decisions. The positive attitude toward Nepalese handicrafts can drives handicrafts consumers' WTP for Nepalese handicrafts, as the study of Erkan and Topcu (2011) also mentions. Likewise, the previous research of Taiwan (Wen-Chih Liao, 2014) describes that many people were willing to pay a huge part of their income as they believe that handicrafts are a luxury product that shows social status. In contrast, this research's outcomes describe that most people are spending less than 50 euros on handicrafts per month, which is not a huge amount for Finnish people. Even though they are interested in different types of handicrafts and consume once a month. However, few people rarely consume handicrafts by spending more money on quality products.

5.2 Recommendations for Handicrafts Industries

As the finding shows that there is a positive attitude among Finnish handicrafts consumers towards Nepalese handicrafts, the marketer should introduce Nepalese handicrafts in the Finnish Market. The Finnish consumers are mostly spending less than 50euro per month. The marketer should launch Nepalese handicrafts, which have lower prices with better quality than other available handmade products in Finland. In order to launch, it should better follow an awareness program and apply the best promotional and communicational strategies to cover the Finnish market. Since the outcomes of this study illustrate that 45.7% of participants

purchase handicrafts as a gift to others thus, the marketer should focus on gift items and attractive packaging as well, so that handicrafts consumers might get interested in purchasing Nepalese handicrafts.

Moreover, handicraft industries should launch on special occasions like Christmas, New Year, and Easter. as most of the people buy gifts on special occasions. The finding describes that more than 16% of the respondents purchase handicrafts because it is environmentally friendly. Thus, the handicrafts marketers should also focus on Nepalese handicrafts made by hand and have no harm to the environment. Additionally, handicraft marketers should apply promotional strategies by using an online platform. Besides these, marketers should focus on other factors like quality, materials, story behind the products, Scandinavian design, packaging, shapes and sizes, and so on while entering Finland.

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Appendix 1: Survey Questions

Dear Respondent,

I am doing a research on the attitude towards Nepalese Handicrafts: Impacts on willingness to pay for Nepalese Handicrafts in the Finnish market as part of my thesis requirements for a Bachelor degree at HAMK University of Applied Science. I would greatly appreciate it if you could assist me in completing this survey. Please complete the survey based on your opinion. All the responses will be kept confidential and the information gathered will be used only for academic research purposes.

Your responses, support, and precious time are highly appreciated.

Sincerely yours, Endorsed by,

Dev Narayan Bhurtel Simona Chilba

Bachelor's in International Business

Senior Lecturer

HAMK UAS

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Section A: Attitudes towards Nepalese Handicrafts

The overall image I	Strongly	1	2	3	4	5	6	7	Strongly Agree
have about Nepalese	Disagree								
Handicrafts is positive									
I feel Handicrafts	Strongly	1	2	3	4	5	6	7	Strongly Agree
produced in Nepal has	Disagree								
reasonable price									
I prefer to buy	Strongly	1	2	3	4	5	6	7	Strongly Agree
Handicrafts produced	Disagree								
in Nepal									

I feel that Nepalese	Strongly	1	2	3	4	5	6	7	Strongly Agree
Handicrafts has greater quality	Disagree								
The overall image I	Strongly	1	2	3	4	5	6	7	Strongly Agree
have about Nepalese	Disagree								
Handicrafts is having									
the verity of arts and									
quality products.									

Section B: Willingness to pay for Nepalese Handicrafts

I am willing to pay for	Strongly	1	2	3	4	5	6	7	Strongly
handicrafts produced in	disagree								Agree
Nepal									
I am willing to pay more	Strongly	1	2	3	4	5	6	7	Strongly
when I am confident	disagree								Agree
that the Nepalese									
handicraft has good									
quality									
I plan to buy Nepalese	Strongly	1	2	3	4	5	6	7	Strongly
Handicrafts in the future	disagree								Agree
The lower price of	Strongly	1	2	3	4	5	6	7	Strongly
Nepalese Handicrafts	disagree								Agree
impacts my intentions to									
purchase									
Country of origin of	Strongly	1	2	3	4	5	6	7	Strongly
handicrafts impacts my	disagree								Agree
intentions to purchase									

Section C: General questionnaires about Nepalese handicrafts

1. In which age group do you belong?

- a. 18 to 25
- b. 26 to 35

- c. 36 to 45
- d. 46 to 55
- e. above 55

2. Gender

- a. Male
- b. Female

3. Marital Status

- a. Single
- b. Married
- c. Divorced

4. Which part of Finland do you come from?

- a. Lapland
- b. Northern Ostrobothnia
- c. Kainuu
- d. North Karelia
- e. Central Finland
- f. Southern Ostrobothnia
- g. Central Ostrobothnia
- h. Ostrobothnia
- i. Pirkanmaa
- j. Pirkanmaa
- k. Päijänne Tavastia
- I. Tavastia proper
- m. Kymenlaakso

d. 501 to 1500 e. above 1500 6. Do you purchase handicrafts based on country of origin? Yes a. b. No 7. How often do you buy handmade products? Daily a. b. About once a week c. Several times a week d. Once a month e. Rarely 8. For what purpose you often purchase handicrafts? Regular consumption a. b. Supporting local economy c. For a gift d. Good for environment 'Thank you for participation'

Uusimaa

Äland island

Less than 50Euro

51 to 100

101 to 500

Southwest finland

Eastern uusimaa

5. How much do you expense on handmade products per month?

n.

0.

p.

q.

a.

b.

c.