Consumer Attitudes towards Foreign Products: an Integrative Review of its Origins and Consequences

Qianpin Li, PhD candidate, Edith Cowan University, Perth, Australia

ABSTRACT

Negative attitudes towards foreign countries and their products can arise from a number of sources. Consumers may believe products from certain countries, e.g., emerging markets, are of inferior quality. They may hold feelings of hostility or animosity towards a specific country and hence ‘boycott’ their products. Equally, consumers may have strong feelings of patriotism and pride in domestic products and consider it wrong, almost immoral to buy foreign products.

In examining the literature on consumer attitudes towards foreign products, two principal streams of research can be identified at first. One focuses on the impact of country of origin (COO) on consumer attitudes and specifically, its use as a cue in making inferences about or evaluating foreign products. This often generated conflicting and ambiguous findings. The second strand focuses on factors underlying attitudes towards foreign products, such as the impact of hostile attitudes towards a specific country, and the effect on buying intent and ownership. In addition to introduction, two allied concepts of concern, consumer ethnocentrism and consumer animosity, are discussed critically and embrace their antecedents and consequences.

INTRODUCTION

Country of Origin

An extensive volume of study on COO has been conducted for decades and it is roughly estimated that over 600 studies have been published so far (Papadopoulos and Heslop 2003). Indeed this number might underestimate the actual number of studies that have been conducted in an unpublished form (i.e., conference papers, working papers) and those written in other languages except English. A prevailing theme in early research was inferences made by consumers about product quality based on COO (Bilkey and Nes 1982). Typically products from developing countries were perceived to be of inferior quality (Han 1988). However, this research was widely criticized on the grounds that only ‘made in’ cue is exploited to assess consumer intents, whereas in reality they are typically faced with many more cues. In addition, it was argued that consumers were typically not aware of a product’s country of origin (Bilkey and Nes 1982). Some researchers have concluded that the COO cue was used in the absence of other information on which to assess products (Jackson 1995) especially if consumers are less familiar with the product category (Han 1989).

More recent COO studies have paid more attention to such complexity and ambiguity (Levin and Jasper 1996). For example, the respective impacts from the different perspectives of COO effects have been examined and tested, such as country of manufacture, country of assembly, and country of design (Han and Terpstra 1988). Additionally the influence of using misleading captions to evoke a specific country of origin has been investigated as well (Mueller, Broderick et al. 2001). Nevertheless, these studies have resulted in substantial confusion in consumers’ perceptions with regard to the COO cue, and have revealed that consumers are often misled or misinformed about its effect. Following this thread of thinking, it has been concluded that much of the ambiguity and conflicting findings pertaining to the COO effect might be due to misinformation and the more complex tradeoffs they make.

Factors Underlying Attitudes

Another stream of research aims at exploring consumer attitudes towards foreign products or brands. This direction primarily paid close attention to negative attitudes towards imported or foreign products in general, notwithstanding a mass of studies has examined consumers’ feeling on specific countries, particularly those
controversial countries such as Japan for China, Israel for Palestine and the United States for Iran. In some studies, consumer attitudes towards foreign products are the dependent variable, whereas the potential determinants that generated these attitudes turn into the central focus of research. In other cases, however, this sort of attitude is determined as an independent variable by which one understands consumer intent and buying behavior (Balabanis, Diamantopoulos et al. 2001).

In recent years, the focus of research has shifted to examining whether hostile attitudes towards a specific foreign country may spread to the similar attitudes towards their products. Klein et al. (1998) claims that its impact on foreign product judgments may be extremely complex. For examples, they may result from attitudes towards a given country and its historical resentment. Additional ingredients of its influence involve the COO-based interaction of quality judgments and attitudes towards foreign products in general. Therefore, Klein et al. (1998) termed “animosity” as the remnants of antipathy related military, political, or economic conflicts, whether they occurred in the past or are underway. Differing from consumer ethnocentrism, the feelings of animosity towards a given country would affect consumers’ willingness to purchase foreign products rather than their product evaluation. Empirical evidence was found to confirm this hypothesis, based on a study of consumers’ willingness to buy Japanese products in Nanjing.

**CONSUMER ETHNOCENTRISM**

With the flourish of globalization and international trade since 1990’s, one of the most lasting leverage exploited for non-tariff barriers is consumer ethnocentrism or CET for short (Shimp and Sharma 1987)). By definition CET reflects consumers’ intent to avoid purchase of all foreign products irrespective of product judgment per se. As a contemporary practices of CET around the world, government procurement policy has been frequently utilized as a high-sounding but unfair form to unduly benefit domestic industries (Kotabe and Helsen 2004). Furthermore, CET has been prevalent as a common societal phenomena or tendency for decades (Shimp and Sharma 1987).

**Antecedents of Consumer Ethnocentrism**

In general, the concept of CET is recognized to derive from two theoretical foundations, namely, economic and political.

1. **Economic Environment**

   The economic environment has been highlighted by many researchers on its pivotal role played in shaping consumer ethnocentrism. Some studies suggest that the levels of CET are significantly related to local economic development (Rosenblatt 1964; Schuh 1994). They seek to acquire an underlying link between different capitalistic stages and concomitant tendencies towards buying foreign products. As stated by Schuh (1994), throughout the early stages of transition from a public owned economy to a market economy, imported goods are preferred by local consumers due to a high-quality consideration. As an economy grows into the intermediate stage of transition, incentives of patriotism come to life in terms of consumer behaviors. If an economy evolves into the developed stage characterized by a great deal of their own MNCs, CET inclination goes into its shell silently. Klein and Ettenson (1999) also tested a similar assumption and argued that the CET attitudes harbored by American consumers may negatively be affected by the American economy at different stages. The above statements were endorsed by other researchers in two transforming nations, Poland and Russia (Good and Huddleston 1995). Durvasula et al.’ (1997) study also proved that it was a long-term economic stagnation that played down Russia’s CET scores and Russian consumers’ preference for foreign products.

2. **Political Environment**

   Early in 1960s, ideological propaganda was considered as a dominant origin of ethnocentrism (Rosenblatt 1964). In Rosenblatt’s view, politicians often demonize foreign countries in order to increase in-group ethnocentrism. In practice, such effect actually upgrades domestic CET and can be illustrated by observing a subtle relationship between political propaganda and CET. To be more precise, consumers living in authoritarian regimes are more liable to political brainwashing compared to those inhabiting democratic nations.
In addition to political propaganda, “rewritten” histories also can be exploited to meet authorities’ political purposes, incidentally settling the level of CET (Good and Huddleston 1995). In the context of Poland, Good and Huddleston found that consumers living in a country stamped with a painful history, like Poland, score higher on CET than those dwelling in a country presented as conquerors in history like Russia. This point of view holds vice versa. Consumers from a powerful or developed nation are apt to prefer domestic goods and more superior compared to those from weak or developing nations.

**Measuring the Construct of Consumer Ethnocentrism**

As discussed in last section, the construct of CET derives itself from the context of United States. Also it was developed and initially validated there. As a prominent psychometric scale applicable in consumer behavior research, CETSCALE has been examined and subsequently validated outside US in recent years (Netemeyer, Durvasula et al. 1991; Durvasula, Andrews et al. 1997; Steenkamp and Baumgartner 1998). Admittedly, all of them still fell into the similar background of developed nations, in which consumers often overvalue their domestic products and think poorly of foreign goods (Bilkey and Nes 1982; Wall and Heslop 1986; Netemeyer, Durvasula et al. 1991; Balabanis, Diamantopoulos et al. 2001).

Whether or not CETSCALE may be extended to developing nations’ contexts remains a pivotal issue but one rarely explored in academia. This question for discussion becomes increasingly important with the economic growth of the BRIC group (i.e., Brazil, Russia, India, and China). Consumers there now are able to pay more and buy more for imported goods by contrast with a stirring market full of shoddy goods produced domestically (Ettenson 1993; Heslop and Papadopoulos 1993).

In the preceding literature of consumer ethnocentrism, the relationship between CETSCALE and product evaluation is another topic of concern. Balabanis et al. (2001) argue that CET is strongly linked to product judgment on both domestic and foreign goods. Other studies support this link and further confirm that those who score high in CET value domestic products more positively than imported products (Shimp and Sharma 1987; Netemeyer, Durvasula et al. 1991).

In the context of transitioned developing countries, Douglas and Nijssen (2003) warned that dropping items from a popular scale should be prudential, and reminded succeeding researchers not to abuse CETSCALE without testing their appropriateness in different contexts. Klein et al. (2006) empirically verified the dimensionality, reliability and validity of the CETSCALE in two transitional contexts including China. Furthermore, the original ten-item CETSCALE was refined to a shorter version without statistical loss.

**ANIMOSITY TOWARDS HOSTILE NATIONS**

**Origin of the Concept of Consumer Animosity**

Tensions among countries are present throughout the world. These tensions may stem from territory disputes, economic arguments, diplomatic disagreements, or religious conflicts leading to cool relations between countries or even armed conflicts. The potential impacts of such bilateral disputes on consumer behaviour has gained more research attention in recent years (Klein, Ettenson et al. 1998; Klein 2002; Jung, Ang et al. 2004; Nijssen and Douglas 2004).

Klein et al. (1998) were the pioneers who studied the diversifying tensions between two nations pertaining to the manner of consumer purchasing. In particular, the scope of their research focused on consumers’ intention to buy products directly or indirectly associated with a nation which was believed to be hostile. Consequently, Klein et al. (1998) introduced the concept of consumer animosity against an extreme context of the Nanjing Massacre and probed into persisting anger against Japan among (local) Chinese consumers. Their mail survey and structural equation modeling (SEM) revealed that the feeling of animosity had a negative impact on Chinese consumers’ willingness to buy Japanese products. Simultaneously, however, they also found that this kind of unfavorable feeling did not distort consumers’ quality evaluations of Japanese products of interest. In other words, there was no direct connection between a high evaluation of a product from specific country and their emotion of dislike against the same country.
Klein et al. (1998) were able to provide evidence of a direct impact of COO on consumers’ buying decisions, independent of product judgments. This finding challenged conventional arguments (Bilkey and Nes 1982; Liefeld 1993; Peterson and Jolibert 1995; Verlegh and Steenkamp 1999; Papadopoulos and Heslop 2003). More importantly, consumer animosity was empirically validated to have independent effects on consumer intent of purchase aside from consumer ethnocentrism, defined by (Shimp and Sharma 1987) as the beliefs held by ‘moral’ consumers with regard to the appropriateness and morality of purchasing imported goods. Hereby consumer animosity and consumer ethnocentrism were specified as a pair of distinct factors which have distinguishable effects on foreign-made product preferences (Klein and Ettenson 1999; Witkowski 2000; Hinck, Cortes et al. 2004). In contrast with so-called ‘ethnocentric consumers’ who would avoid buying any foreign goods, consumers holding animosity emotion may find it appropriate to buy foreign products in general but refuse to purchase products associated with a specific nation which is deemed as opposed to their home countries.

In more recent years, many follow-up studies pertaining to consumer animosity have been published since Klein et al. (1998). Most of them provided replications in different contexts (Shin 2001; Klein 2002; Nijssen and Douglas 2004). Nevertheless, there exist other researchers who began to extend the applicability of the construct (Hinck, Cortes et al. 2004; Shimp, Dunn et al. 2004) or refine its conceptualization (Jung, Ang et al. 2002; Jung, Ang et al. 2004). For example, the managerial implications of consumer animosity, rather than its operationalization and measurement, have been examined (Amine, Chao et al. 2005). Also, existing approaches for measuring the animosity construct were the subject of critical review in terms of its comprehension and inconsistency with the conceptual characteristics of the factor.

**Theoretical Contributions**

1. **Evolutionary Development**

   According to their unique contributions to the theoretical foundation of the animosity construct, all concerned studies can be classified into two distinct groups. The first group consists of the original studies by Klein et al. (1998), Klein and Ettenson (1999). Each of them establishes their discriminant validity to the conventional construct of consumer ethnocentrism, and whereafter examines the impact that animosity may have on willingness to buy foreign product (Shimp and Sharma 1987).

   Another six studies (Witkowski 2000; Shin 2001; Klein 2002; Russell 2003; Nijssen and Douglas 2004; Kesic, Piri Rajh et al. 2005) are basically replications of Klein et al. (1998) and Klein and Ettenson (1999). These studies attempt to validate the behavioral influence put on by the animosity emotion in different contexts, such as different origins, different target countries and different product categories.

   The second group including seven papers can be categorized as extensions because they either extend its scope of applicability or refine the construct in general. For instance, the original spectrum of animosity has broken through from a confined country-country relation to a region-region setting of tensions (Hinck 2004; Hinck, Cortes et al. 2004; Shimp, Dunn et al. 2004; Cicic, Brkic et al. 2005; Shoham, Davidow et al. 2006). This implies that if hostilities exist between regions in a domestic context, the integrated scale of animosity may be applicable no matter it is termed as “domestic animosity” (Hinck 2004) or “regional animosity” (Shimp, Dunn et al. 2004). In addition, inter-ethnic animosities become another significant topic given instances of extreme nationalism around the world, such as animosities between Jewish versus Arab Israelis (Shoham, Davidow et al. 2006) and Bosnians versus Serbs and Croats (Cicic, Brkic et al. 2005).

2. **Inducement of Animosity**

   Overall the animosity feelings are assumed to be diverse according to relevant literature in being. Klein et al. (1998) argued that the animosity sense mainly stemmed from war in the past or economic conflicts between two nations to a great extent (see Figure 1). This result is seized upon by all succeeding authors with the exception of Jung et al. (2002; 2004) who propose another statement in their typology (see Table 1).

   The specific underlying motives of consumer animosity, economic-related animosity is generally deemed to derive from business activities perceived as unfair, unreliable and coercionary to the home country. In reverse, reasons for war-related animosities are considered to be more country-specific in nature (Petra and Adamantios 2007). As Klein
et al. (1998) argue, a large number of studies of interest are relevant to wartime atrocities or historic occupations. In addition, diplomatic incidents are often specified as the fuse for an animosity event in the context of, for instances, Australia (Ettenson and Klein 2005), French and United States (Witkowski 2000; Russell 2003).

Figure 1. Original measurement model of animosity construct
Source: Klein (1998); Petra & Adamantios (2007)

Based on the dichotomy of economic-related and war-related animosities (Klein, Ettenson et al. 1998), Jung et al. (2002; 2004) develop a neoteric typology intended to classify and simplify various forms of animosity attitudes (see Table 1).

Table 1: Matrix of Animosity Classification

<table>
<thead>
<tr>
<th>National</th>
<th>Personal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stable</strong></td>
<td></td>
</tr>
<tr>
<td>War</td>
<td>Jung et al. (2004); *Klein (2002); *Shin (2001); *Witkowski (2000); *Klein et al. (1998)</td>
</tr>
<tr>
<td>Nijssen and Douglas (2004); Shimp et al. (2004); Shin (2001); Klein et al. (1998; 2002)</td>
<td></td>
</tr>
<tr>
<td><strong>Economy</strong></td>
<td></td>
</tr>
<tr>
<td>Jung et al. (2004); *Klein (2002); *Shin (2001); *Witkowski (2000); *Klein et al. (1998)</td>
<td>Economy</td>
</tr>
<tr>
<td>Ettenson and Klein (2005); Russell (2003); Witkowski (2000)</td>
<td>Jung et al. (2004); *Klein (2002); *Shin (2001); *Witkowski (2000); *Klein et al. (1998)</td>
</tr>
<tr>
<td><strong>Politics/diplomacy</strong></td>
<td></td>
</tr>
<tr>
<td>Cicic et al. (2005); Jung et al. (2004); Hinck et al. (2004); Hinck (2004); Nijssen and Douglas (2004); Klein and Ettenson (1999)</td>
<td>Economic</td>
</tr>
<tr>
<td><strong>Situational</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Economy</strong></td>
<td>Jung et al. (2004); *Klein (2002); *Shin (2001); *Witkowski (2000); *Klein et al. (1998)</td>
</tr>
<tr>
<td>Shoham et al. (2006); Kesic et al. (2005); Cicic et al. (2005)</td>
<td></td>
</tr>
<tr>
<td><strong>War</strong></td>
<td></td>
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</tbody>
</table>

Note: *"* represents this research involves more than one variable.
Source: adapted from Jung, et al. (2002; 2004)

Table 1 reveals the dominance of national-level animosities in the literature, whereas fewer researchers pay attention to personal-level animosities. Perceptibly personal experiences, unpleasant in general, associated with another country or people are very likely to influence their private attitudes towards that country as a whole. Therefore, it is quite rational to differentiate national-level animosities from personal-level ones and especially rational for certain animosity research in China, with regard to Japanese occupation among WWII.
Another academic contribution offered by Jung et al. (2002; 2004) is an additional division of types between stable animosity and situational animosity. As Table 1 shows, stable animosity overlapped with the war-related animosity because they are analogically affiliated with specific historic conflicts in WWII, for example (Klein, Ettenson et al. 1998; Nijssen and Douglas 2004). As a result, most studies of interest confuse war-related animosity with the stable one. Yet situational animosity feeling is catered for in most recent years by Cicic et al. (2005), Kesic et al. (2005) and Shoham et al. (2006). Any incident which may evoke painful memories of past wartime (such as the uninterrupted visits to a controversial war memorial by Japanese senior politicians) is hypothesized a situational factor that stands a good chance of triggering explosive hostility against Japan by Chinese consumers.

Although this sort of classification proposed by Jung et al. (2002; 2004) seems to be a sound typology, one should not overlook a potential evolution over time. The borderline between stable and situational animosities, for example, is likely to blur. Bitter experiences especially during a war, are rationally expected to fade over the years. Thus, stable animosity which derives from unfavorable conflicts historically may wear off gradually and finally vanish, and vice versa. Situational or issue-specific aggressive posture can be upgraded and eventually inherited through one generation to another generation (Jung, Ang et al. 2002; Ettenson and Klein 2005).

Following a brief review on main theoretical contributions made by many researchers to the knowledge system of animosity concept, methodological achievements also need to be discussed, including operationalization of the construct.

Methodological Contributions

A sound arrangement is required for scaling the animosity construct both theoretically and empirically. According to the known literature concerned, methodological problems incorporate two dimensions in general, namely, the underlying measurement models and item generation processes.

1. Measurement Models

The original model of measurement assumed by Klein et al. (1998) comprises two independent constructs and one item (see Figure 1). War-related attitudes are measured by three items (i.e., X1~X3), while economic-related feelings by five items (i.e., X4~X8). On the whole, most recent studies pertaining to animosity are concerned about these two constructs as a whole or respectively (Witkowski 2000; Shin 2001; Klein 2002).

Figure 2. Formative measurement model of Animosity construct
Source: Klein et al. (1998) and Petra & Adamantios (2007)

As shown in Figure 1, the construct of consumer animosity is prescribed as a causal intent and impacts the two constructs of war concerns and economic concerns, and a manifest variable X9 (Petra and Adamantios 2007). Thus, this model is seemingly a reflective and second-order measurement model (Klein, Ettenson et al. 1998; Edwards 2001; Jarvis, MacKenzie et al. 2003). In view of the original intention of animosity, its rationality as a reflective model is suspect. Based on the above statements, a formative model might be figured more consistent with its conceptual definition (Bollen and Lennox 1991; Diamantopoulos and Winklhofer 2001; Petra and Adamantios 2007). If so, two
sub-constructs (i.e., war-related and economic-related concerns) may control the variation of consumer animosity as a whole, while two sub-constructs would respectively be determined by the respective reasons underlying various observations. So far, the original measurement model (Klein, Ettenson et al. 1998) is modified into a formative model (see Figure 2). Simultaneously the single item X9 keeps the same causal direction.

In addition, Klein et al. (1998) also proposed alternative model (see Figure 3) to their original one (see Figure 1). The alternative model explicitly designated two sub-constructs as formative variables which determine the overall level of consumer animosity. Consistent with the revised model (see Figure 2); hence, those sub-constructs evolve into causal factors which directly control the overall negative feeling towards the alleged hostile nations.

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**Figure 3. Alternative measurement model of Animosity construct**

Source: Klein et al. (1998) and Petra & Adamantios (2007)

Given such a vertiginous configuration of measurement model, it is quite difficult to undertake measurement assessment from a statistical perspective (Bollen 1984; Bagozzi and Baumgartner 1994). Based on preceding studies (MacCallum and Browne 1993; Law and Wong 1999; Jarvis, MacKenzie et al. 2003), Petra & Adamantios (2007) point out that:

* [...] high coefficient alphas do not guarantee the conceptual appropriateness of a reflective measurement model; therefore, the reliability estimates of animosity studies [...] need to be interpreted with caution. In addition, misspecification of the measurement model can result in biased estimates of structural relations between constructs (p. 106).*

The above doubts and suspicions need to be dealt with carefully in this study in order to avoid misestimating correlations among key constructs of a research model.

2. Item generation

Choosing a set of integrated items is an avenue of exploring and subsequently measuring the animosity construct. The process of item generation is the first critical issue desired for a clear distinction. While a small-scale survey was conducted concerning item generation in early research (Klein, Ettenson et al. 1998), only the approach of expert screening was exploited to justify their rationality. This flaw of ignoring preliminary but fundamental process is more serious in case of innate misjudgment.

This demerit of neglect is partially overcome by follow-up research (Klein 2002), in which in-depth interviews were conducted to explore American consumers’ attitudes towards Japan, positive or negative. Shimp et al. (2004) do more and firmly consolidate the proceeding research in the context of American regional animosity.

In brief, the foregoing reviews of the animosity measurement model illustrate the need for a set of much more concrete items based on a better-designed empirical work for the sake of future research, in particular, other similar context of consumer attitudes.
BIBLIOGRAPHY


