European Management Journal 34 (2016) 59–68

Contents lists available at ScienceDirect

European Management Journal

journal homepage: www.elsevier.com/locate/emj

Effect of economic animosity on consumer ethnocentrism and product-country images. A binational study on the perception of Germany during the Euro crisis

Alessandro De Nisco [b,*], Giada Mainolfi [b], Vittoria Marino [c], Maria Rosaria Napolitano [a]

[a] Law, Economics and Quantitative Methods (DEMM), University of Sannio, Via Delle Puglie, 82, Benevento, Italy
[b] Faculty of Economics, University of International Studies of Rome, Via Cristoforo Colombo 200, Rome, Italy
[c] Management and Information Technology, University of Salerno, Via Giovanni Paolo II, 132, Fisciano, SA, Italy

ARTICLE INFO

Article history:
Received 15 March 2015
Received in revised form
20 September 2015
Accepted 23 September 2015
Available online 12 November 2015

Keywords:
Economic animosity
Consumer ethnocentrism
Country image
Country of origin effect
Euro crisis

ABSTRACT

During the recent Euro crisis, Germany's push for austerity has prompted resurgence in anti-German sentiment in some European nations. This study contributes to the literature on consumer animosity, ethnocentrism and country of origin effect by proposing a comprehensive model that analyses: a) the relationship between economic animosity towards a foreign nation and consumer ethnocentrism and b) their mutual effect on the perception of the general image of a country perceived as hostile, the evaluation of the products associated with that country (product beliefs) and the foreign product acceptance (product receptivity). The research model has been tested on a sample of Italian and Spanish graduate students with regard to the image of Germany. Results show that economic animosity does not affect the perceived level of either general country image or product beliefs, but it is negatively associated with product receptivity. This study also supports the relationship between economic animosity and consumer ethnocentrism; thus, consumers that feel anger towards a foreign country will favor domestic products, avoiding foreign ones. Based on results, the paper concludes with a discussion of theoretical and managerial implications and provides suggestions for further research.

Tensions among countries occur worldwide: territory arguments, economic pressures or religious conflicts may cause a deterioration of relations among nations. Similarly, international events or economic and financial policy measures that are perceived as offensive or unfair can cause feelings of animosity towards the “offending” country and an increase in nationalism.

Such feelings may be expressed in the marketplace. The effects of nationalism on consumers' beliefs and attitudes (Rawwas, Rajendran, & Wueher, 1996), and more specifically of the animosity directed at a specific country and defined as “antipathy related to previous or ongoing political, military, economic and diplomatic events” (Klein, Ettensoe, & Morris, 1998, p. 90), have been an emerging subject of intense research interest in international marketing during the past two decades. Results from this stream of research show that foreign consumers' anger towards a country they perceive as hostile may affect country image perception and the export performance of products associated with it (Riefler & Diamantopoulos, 2007). Studies have confirmed the impact of animosity on products in general (Leong et al., 2008; Nakos & Hajidimitriou, 2007), on specific categories of products (Ettensoe & Klein, 2005; Klein, 2002), and finally on hybrid products (Funk, Arthurs, Treviño, & Joireman, 2010). For example, in a recent study Tabassi, Esmaeizadeh, and Sambasivan (2012) report that the ongoing conflicts in Iraq and Afghanistan have incited anti-American and anti-European sentiments overseas to the point of provoking a rejection of American or European brands.

Consumer ethnocentrism (CET) is also a part of the attitude that consumers hold towards products made in a foreign country. According to Shimp and Sharma (1987) consumers who hold strong ethnocentric beliefs are more likely to evaluate foreign products negatively than are those who do not hold such beliefs. Consequently, due to patriotic reasons, they avoid buying foreign products even though the quality of the foreign supplier is superior. As noted in previous research, consumer ethnocentrism is positively

* Corresponding author.
E-mail addresses: alessandro.denisco@unint.eu (A. De Nisco), giada.mainolfi@unint.eu (G. Mainolfi), vmarino@unisa.it (V. Marino), napolitano@unisannio.it (M.R. Napolitano).

http://dx.doi.org/10.1016/j.emj.2015.09.003
0263-2373/

related but distinct from consumer animosity. According to Shankarmahesh (2006) consumer ethnocentrism, or "the beliefs held by … consumers about the appropriateness, indeed morality, of purchasing foreign-made products" (Shimp & Sharma, 1987, p. 280), is a good predictor of a preference for domestic products but it cannot adequately explain foreign product purchase decisions. Moreover, Klein and Ettensoe (1999) note that consumer ethnocentrism contributes to a consumer's propensity to avoid buying foreign products in general, while animosity is directed towards a specific country.

Although interest in this area is growing, the subject is still new and several research gaps remain. To date, the focus has been mostly on animosity arising from major international conflicts – such as in China towards Japan (Klein et al., 1998) and in Holland towards Germany (Nijssen & Douglas, 2004), both in relation to World War II – instead of from economic and other political disputes.

The recent global financial crisis and its effects on several European countries, coupled with the strong interest of these countries on cross-national import–export relationships, provide an opportunity to extend this field of investigation. More specifically, in recent times Germany's push for austerity seems to have prompted a resurgence of anti-German and nationalistic sentiments in parts of the European Union. In Greece, for example, posters bearing the image of Angela Merkel, Chancellor of Germany, were often defiled with a Hitler moustache and swastikas, as anger and frustration grew over the Euro crisis. In an interview with the German newspaper *Der Spiegel*, the former Italian Prime Minister Mario Monti expressed his concern over the growing "resentment" of the Italian Parliament towards Europe and, above all, towards Germany. Moreover, the growing anti-German sentiment is rooted in popular discontent with the strict austerity course. Based on a survey conducted in Italy in 2012, while 67 percent of polled Italians had a generally positive attitude towards Germany, 63 percent disapproved of Angela Merkel's Euro crisis management and 74 percent viewed Germany as a threat to the Italian economy. A majority of 80 percent said that Germany's influence in Europe had grown over the past five years and 60 percent of the sample viewed this development negatively.[1]

In light of the current European situation illustrated above, this paper considers tensions arising from the Euro crisis as an opportunity to provide an original contribution to the consumer behavior and international marketing literature by investigating a) the relationship between situational economic animosity and consumer ethnocentrism and b) their impact on the perception of the general image of a foreign country perceived as hostile (*general country image*), on the evaluation of the products associated with it (*product beliefs*) and on the related behavioral intentions (*product receptivity*). Although both economic animosity and consumer ethnocentrism are well developed research subjects, at least three unique aspects differentiate our study from previous ones. First, while predominant research on consumer animosity and ethnocentrism has focused on consumer evaluation of foreign products and willingness to purchase them as dependent variables, this study also considers the effect on the *evaluation of the general country image of a foreign country*. Second, although literature recognizes that animosity and ethnocentrism can be interrelated (Klein et al., 1998), this is the first study that empirically investigates the *role of economic animosity as an antecedent of consumers' ethnocentrism and provides a comprehensive framework aiming to clarify the interaction between the two constructs and their impact on the evaluation of foreign countries and products.* In doing so, the proposed research model also responds to calls by Shankarmahesh (2006, p. 162) stating that "future research should investigate the merit of animosity as an antecedent of CET". Finally, the *potential consequences of the Euro crisis have not yet been addressed in the country image and consumer behavior literature.*

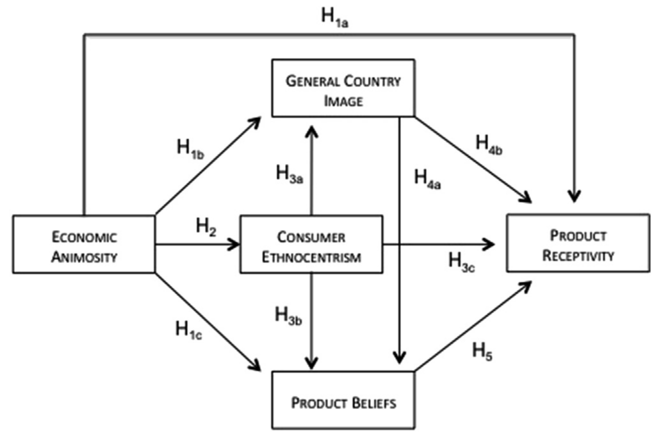

Fig. 1. Conceptual model and hypothesized relationships.

1. Theory and hypotheses

The conceptual foundations of the proposed theoretical model and the related hypotheses (Fig. 1) are drawn from three different research streams: consumer animosity (Ang et al., 2002; Huang, Phau, & Lin, 2010; Klein & Ettensoe, 1999; Klein et al., 1998; Klein, 2002), consumer ethnocentrism (CET) (Fernández-Ferrín, Bande-Vilela, Klein, & Río-Araújo, 2015; Klein, 2002; Shankarmahesh, 2006; Sharma, 2014; Shimp & Sharma, 1987) and *product-country images* (Knight & Calantone, 2000; Laroche, Papadopoulos, Heslop, & Mourali, 2005; Martin & Eroglu, 1993; Papadopoulos, Elliot, & De Nisco, 2013; Verlegh & Steenkamp, 1999). Building on a review of relevant literature related to each of the selected research streams, the most robust constructs were assessed and a choice was made based on their theoretical relevance and expected predictive validity for the object of this study.

Therefore, from a structural standpoint, the conceptual model is divided into five categories of construct: a) *situational economic animosity*, resulting from feelings of economic dominance or aggression among the population of a nation towards a hostile country (Nijssen & Douglas, 2004) and related to temporary economic events (Ang et al., 2002); b) *consumer ethnocentrism (CET)*, operationalized as a "broader concept that encompasses consumer ethnocentrism together with attitudes towards trade protection, restriction of foreign investment, restriction on the immigration of workers, and restriction of foreign firms and intellectual property" (Balabanis, Diamantopoulos, Mueller, & Melewar, 2001, p. 162); c) *general country image*, defined as "a generic construct consisting of generalized images created not only by representative products but also by the degree of economic and political maturity, historical events and relationships, culture and traditions, and the degree of technological virtuosity and industrialization" (Roth & Diamantopoulos, 2009, p. 727) and identified through both a cognitive dimension (related to the level of economic, industrial and technological development) and an affective dimension (related to the emotional features and the beliefs towards the population); d) *product beliefs*, which refer to consumers' evaluative judgments specific to a country's products (Laroche et al., 2005); and e) *product receptivity*, defined as the conscious or unconscious readiness to accept foreign supply systems (Dhar & Kim, 2007).

[1] http://www.affarinternazionali.it/articolo.asp?ID=2646.