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## Abstract

Recently, Klein, Ettenson and Morris showed that the country of origin and animosity toward a (previously or current) 'enemy' nation affect purchase behavior of foreign products independent of each other. To assess the generalizability of this model, an empirical test of this model was done in the context of Korea. The findings show (1) that animosity is negatively associated with willingness to buy while country of origin (i.e. favourable product quality judgements) is positively associated with willingness to buy and (2) that the animosity and country of origin relationships with purchase intention are independent of each other. Thus, it seems that the animosity model generally works in Korea. Managerial implications are also discussed briefly.

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## I. The Animosity Model of Foreign Product Purchase

History of the world is full of dramatic examples of the damaging effects of hostility

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From the international marketer's point of view, understanding of the possibility of animosity between nations and its effects on product purchase is important because the marketer has no choice but to deal with "country-of-origin" construct as part of the product bundle (Klein, Ettenson, and Morris 1998). In this context, Klein, Ettenson and Morris (1998) introduced the construct of animosity between nations and examined for the first time its potential impact on foreign product purchase.

Klein, Ettenson, and Morris (1998) defined animosity as the "remnants of antipathy related to previous, or ongoing military, political, or economic events." Then they proposed that the construct of animosity affects consumer's purchase behavior in the international marketplace. They proposed and validated the hypothesis that a product's origin can affect consumer purchase decisions independent of product judgements. Put differently, consumers may not purchase products from the offending nation not because of poor product quality which is frequently inferred from country-of-origin information, but because the offending (i.e. exporting) nation has engaged in economic, political, or even military activities that the consumers find difficult to forgive.

The sources of animosity can range from benign rivalry between the U.S. and Canada (Klein, Ettenson and Morris 1998) to serious military events. Examples of such animosity are numerous. For instance, Hirschman (1981) observed that Jewish consumers avoid the purchase of German-made products. Similarly, the boycott of French products by Australian and New Zealand consumers due to the recent nuclear tests by France in the South Pacific was also observed (Klein, Ettenson, and Morris 1998). Likewise, it is reported that Korean/Chinese consumers think twice when they purchase Japanese products. It is also possible that Chinese consumers may avoid the purchase of the U.S.-made products because of the recent bombing of Chinese embassy in Yugoslavia by NATO apparently led by the U.S. government although they regard U.S.-made products to be of high quality. That is, although Germany, France, Japan, and the U.S.A. are generally known for the good quality of the products they make, it is possible that many consumers may nonetheless avoid the purchase of products from those countries because of some kind of animosity caused by military, economic or other events. Thus, to the extent that the effects of animosity are independent of product quality effect, the international marketer from nations with controversial military or economic histories should understand the mechanism by which the effects of animosity work in the international marketplace.

China, Japan, and Korea, three major players in Asia, have been in close contact with each other over the centuries. History shows us that friendly relationships were interspersed

should win every sports match if the counterpart happens to be Japan.

## II. Research Objectives and Hypotheses

As noted above, Korea and Japan have been in close contact with each other. Over the centuries, however, a certain degree of animosity toward Japan was generated. Thus, one natural question with regard to the animosity model of foreign product purchase is the generalizability of the model in Korea. That is, does the animosity model work in Korea? If it works, what are some of the moderators that might lessen the effects of animosity toward the exporting nation? What are practical and measurement implications of the findings? To explore these and other issues regarding the effects of animosity on international consumer behavior, this study intends to see (1) if measurement instruments of the animosity model are valid and (2) if the animosity model works in Korea. Based on the findings of this study, it is also hoped that theoretical and practical implications for international marketing can be reaped.

National solidarity is oftentimes emphasized when a nation goes through difficult times. As a specific means with which to overcome economic difficulties, purchasing domestic products is frequently touted by political parties and consumer groups alike as economically and even morally desirable consumer behavior. Recent “Buy Korean” sentiment seems to somehow reflect this line of thought. In this context, Korea may be one good example of nations where the animosity model of foreign product purchase works strongly since Korea has been experiencing economic downturn from 1997.

With the rapid development and proliferation of information technology throughout the world these days, those who feel relatively comfortable with the technology are exposed to a variety of information sources including the Internet. Take the example of generation X or Y in each nation. Since they are known to be relatively comfortable with information technology, it is quite possible that they get a lot of cross-cultural information via the Internet, movies, satellite TV programs, etc. In this sense, there might be some disparity between generation X/Y and elderly segments of the population in each country in terms of the effects of animosity on foreign product purchase.

As discussed elsewhere (Netemeyer, Durvasula and Lichtenstein 1991 & Klein, Ettenson and Morris 1998), consumer ethnocentrism has been found to be negatively related to both evaluations of product quality and the willingness to buy foreign products. This study

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In this context, the current study is the first empirical test of the animosity model of foreign product purchase proposed by Klein, Ettenson, and Morris (1998) in the context of Republic of Korea. Consistent with Klein, Ettenson, and Morris (1998), the following 6 hypotheses are tested. First 3 hypotheses are concerned with animosity construct. H4 deals with the relationship between buying intention and purchase behavior. Finally H5 and H6 have to do with the effects of consumer ethnocentrism.

[H1] The animosity construct consists of war animosity and economic animosity.

[H2] Animosity will have a direct, negative impact on willingness to buy if product judgments and consumer ethnocentrism are held constant.

[H3] Animosity will influence willingness to buy independently of product judgements.

[H4] Willingness to buy will be positively related to ownership of products from the target country.

[H5] Consumer ethnocentrism will be negatively related to product judgements.

[H6] Consumer ethnocentrism will be negatively related to willingness to buy.

### **III. Research Methods**

#### **1. Procedure**

Undergraduate students at a private university in Seoul, Korea were recruited and asked to fill out a survey questionnaire. Seoul Metropolitan Area has more than 10 million population. In this sense, an empirical study in this area may account for much of the purchase behavior of foreign products by Koreans. Of course, as noted in the above, it is possible that the animosity model of foreign product purchase may not work very well for these subjects in that they are generally exposed to more information from Japan via the Internet, video and TV programs, CDs and comic strips. In total, 250 students were asked. Of these, 228 agreed to participate. These respondents completed the survey. On average, the

Respondents were asked to indicate their agreement (on a 1="strongly disagree" to 7="strongly agree" scale) with statements regarding (1) Japanese product quality, (2) willingness to buy Japanese products, (3) consumer ethnocentrism, (4) animosity toward Japan, specifically composed of war animosity and economic animosity, (5) Japanese product purchase/ownership.

Three constructs were operationalized in a culture-free (i.e. etic) manner, while the fourth construct was operationalized in a culture-specific (i.e. emic) fashion to reflect Korea's unique historical situations with Japan. In this sense, the animosity construct is somehow different from that used for Chinese consumers in Klein, Ettenson, and Morris (1998). Specifically, while Klein, Ettenson and Morris (1998) used the Nanjing Massacre to elicit animosity toward Japan, "comfort women" and other war crimes were used to do the same job for Korean consumers. Likewise, "willingness to buy" construct was also modified from Klein, Ettenson, and Morris (1998) in that "China" was replaced with "Korea."

Specifically, Klein, Ettenson, and Morris's (1998) measures of Japanese product quality were adapted from previous studies and included the following aspects: workmanship, technological advancement, quality, reliability, design, and value for the money (Darling and Arnold 1988; Darling and Wood 1990; Wood and Darling 1993). Likewise, the willingness to buy construct was also adapted from Darling and Arnold (1988), Darling and Wood (1990) and Wood and Darling (1993). In the same fashion, ethnocentrism measures were modified from CETSCALE (Netemeyer, Durvasula, and Lichtenstein 1991; Shimp and Sharma 1987). 3 measures of war animosity, 5 measures of economic animosity, and one second-order (i.e. overall) animosity measure were from Klein, Ettenson, and Morris (1998).

Finally, the number of Japanese products purchased was used to reflect Japanese product ownership, which is different from that in Klein, Ettenson, and Morris (1998). Klein, Ettenson, and Morris's (1998) original study was conducted in a Chinese city named Nanjing where product ownership was measured via the number of Japanese products owned in 6 categories of durable goods (television, video cassette recorder, stereo, radio, camera, and refrigerator). However, in the City of Seoul, the product ownership had to be measured through the number of Japanese products consumers purchased themselves. The reasons are as follows:

First, based on rather complicated trade policy issues, Japanese televisions, VCRs and refrigerators were banned in Korea for quite a long time. Last year, the ban on Japanese electronic products was completely lifted. Second, Korean consumers no longer purchase stand-alone radios. Korean consumers usually listen to radios either integrated into audio

ownership measure. Thus, Japanese product ownership had to be measured somehow differently. As is well known, concomitant variation of independent and dependent variables is one necessary condition for inferring causal relationships. As discussed, the use of the “Chinese” measure of product ownership in Korea could not have provided us with enough variation in one dependent variable named Japanese product ownership. In this context, respondents in this study were asked to specifically “write down” the Japanese products they purchased themselves regardless of the type of the products (i.e. durable or non-durable products). Product ownership was then measured via the number of Japanese products whose names respondents clearly recalled (i.e. written down).

The initial survey was drafted in English. Accordingly, a systematic approach was taken to ensure the adequacy of construct measures. For this purpose, translation into Korean and back translation into English was done. As a result, all survey items were deemed appropriate and meaningful for Korean consumers.

### **3. Methods of Analysis**

As Figure 1 shows, the current study employs structural equation modeling approach to construct validation and hypothesis testing (e.g. Bentler 1989; Bollen 1989; Byrne 1994). First, to assess the reliability of the constructs used in this study, Cronbach's alpha was calculated for each multi-item construct using SPSS Windows software package.

After the reliability of each unidimensional construct was secured, “construct validity” of each construct was assessed. That is, for the construct validation of the constructs in this study, confirmatory factor analysis (CFA) of the constructs was conducted based on structural equation modeling (SEM) approach. In other words, the measurement relationships between each “latent” construct (i.e. factor) and the respective survey items were simultaneously tested using SEM approach.

Finally, after construct validity was evidenced, 6 hypothesized relationships were also subjected to structural equation modeling (SEM) analysis. As for the parameter estimation method, elliptical reweighted least squares (ERLS) method was utilized since this method performs equal to or better than maximum likelihood (ML) estimation in the case of normal or/and non-normal data (Sharma, Durvasula, and Dillon 1989; Singh 1993). For the construct validation and hypothesis testing, EQS Windows software package was used (Bentler 1989; Byrne 1994).

incomplete. The final sample consists of 60.7% of female students with a mean age of 25.5 years (and an age range of 20 to 32 years). Average monthly spending of the respondents was around 240,000 won which is approximately 210 U.S. dollars.

## 2. Results of Structural Equations Modeling Analysis

Before conducting statistical analysis, relevant items were reverse-coded to ensure proper analysis and interpretation later on. First of all, the reliability of all multi-item constructs was checked. As Table 1 shows, except for war animosity construct (coefficient  $\alpha=.58$ ), reliability coefficients of all other constructs ranged from .72 to .80. Thus, it can be judged that the constructs used were in general reliable enough to be input to further analyses.

Japanese product judgments had a mean value of 5.30. It seems that the subjects regard the quality of Japanese products to be fairly high. In contrast, judging from the mean value (i.e. 3.71) of willingness to purchase, subjects appear to be neutral in terms of their intention to purchase Japanese products. As for ethnocentrism among Korean consumers, the actual level turned out to be quite low (i.e. mean=2.90). In this sense, the respondents appear to be open in their attitude toward foreign products in general. Turning our attention to the central constructs of the current study, overall animosity level was 4.05, indicating that the respondents do not appear to hold animosity toward Japan. In contrast, war animosity level was fairly high (i.e. mean=5.14) and economic animosity was also above the average point (i.e. mean=4.59).

4 measurement models (i.e. measurement relationships) were subjected to structural equations modeling analysis to assess the construct validity of multi-item scales. Since 3-item war animosity construct was completely identified, fit indexes were not computed. As Table 1 shows, overall evidence (i.e. model fit indexes) obtained from the confirmatory factor analysis of the 4 measurement models supports that Japanese product judgements, intention to purchase Japanese product, ethnocentrism and economic animosity are valid in terms of convergent and discriminant validity. Of course, some concern exists in the cases of Japanese product judgements and ethnocentrism in that part of the relevant fit indexes are below the .9 level that is ordinarily used by researchers.

Structural relationships (i.e. hypothesized relationships) were also subjected to structural equations modeling analysis. Specifically, two analyses were done. One structural model did not have a path from animosity to product judgements, whereas the other structural

was non-significant according to structural model 1 (i.e. the one with a path from animosity to product judgements). The findings also support H4 in that purchase intention was a statistically significant estimator of actual Japanese product ownership. Evidence for H5 was mixed. As Table 1 shows, structural model 2 results revealed that consumer ethnocentrism is a significant ( $p < .05$ ) predictor of product judgements. However, structural model 1 results show that the path from consumer ethnocentrism to willingness to buy was not significant. Thus, H5 was at best partially supported. Finally, H6 was again supported because the path coefficient from ethnocentrism to willingness to buy was significant and negative. Overall, 5 out of 6 hypotheses regarding various aspects of the animosity model of foreign product purchase were supported. Thus, it may be safe to say that the animosity model of foreign product purchase works in Korea.

## Judgments

Willingness To Buy	13.62	9	.014	.96	.98	.99	3.71	.72
Ethnocentrism	40.01	9	<.001	.90	.86	.92	2.90	.80
War Animosity	-	-	-	-	-	-	5.14	.58
Economic Animosity	10.93	5	.053	.95	.95	.97	4.59	.75
Animosity	-	-	-	-	-	-	4.05	-

## <Structural Model>

Model 1	558.47	343	<.001	.82	.91	.92
Model 2	559.06	344	<.001	.82	.91	.92

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df, NFI, NNFI, CFI respectively refer to degree of freedom, normed fit index, non-normed fit index, and comparative fit index.

## V. Discussion

First of all, the mean value of Japanese product ownership was 6.85 among Korean college students although their monthly spending was about 240,000 won (i.e. roughly \$210) on average. This was judged to be due to the fact that they were asked to report whatever they own regardless of product types so long as the products are made in Japan. Consequently, the products ranged from non-durable goods (e.g. stationery goods including pens and automatic pencils) to durable goods (e.g. personal audio products such as Walkmans and mini component systems). In this sense, the number of Japanese products the respondents own does not appear to be abnormal. Although the quality of Japanese products turned out to be fairly good as expected, purchase intention score was quite low (i.e. mean value of 3.71 on a 1-7 scale). One interpretation is that Korean consumers do not seem to intentionally purchase “Japanese” products. Instead, they may “have to” buy Japanese products due to various

international economic agencies for intentionally fostering ethnocentrism among Korean consumers. On the contrary, as constituencies of a nation heavily dependent on international trade for economic growth, Korean consumers seem to be relatively free of consumer ethnocentrism. Both war animosity toward Japan and economic animosity toward Japan were found to be in action, indicating that Korean consumers hold historical animosity toward Japan regardless of their evaluations of Japanese product quality.

As for measurement models, each of the 4 constructs subjected to structural equations modeling analysis achieved a good fit (See Table 1). One natural interpretation is that the constructs used in the animosity model of foreign product purchase are in action as good in Korea as in People's Republic of China (See Klein, Ettenson, and Morris 1998). Once again it was found that war animosity and economic animosity are distinct but related constructs. Thus, it may be possible that Korean consumers feel (economic) animosity toward such "friend" nations as the U.S. although there is little possibility of war animosity. "Successful" international trade talks may sometimes backfire in this sense.

Korean consumers' animosity toward Japan was found to negatively affect their willingness to buy Japanese products. More importantly, this relationship was independent of their judgements about the quality of Japanese products. It is apparent that Korean consumers acknowledge the quality of Japanese goods and at the same time they express a certain degree of animosity toward Japan for past war. It was also found that consumer ethnocentrism negatively affects willingness to buy. International marketers should pay attention both to consumer ethnocentrism and animosity other than the conventional predictor of buying intention, namely, product quality. Consequently, it would be of value for international marketers to not only measure the level of animosity but it should also be of value to come up with effective means with which to overcome or lessen at least the effects of animosity on foreign product purchase. Under the circumstances where lots of animosity toward an exporting nation exists, firms may face very real marketing difficulties. An increasing number of global firms suggest that intense competition will continue to grow in the international arena (Klein, Ettenson, and Morris 1998). Consequently, international marketers of Korean firms will also need a variety of tools to enable them to compete effectively. In this sense, understanding the animosity model of foreign product purchase can be one such weapon.

persuading international consumers into buying products made in an exporting nation toward which these international consumers feel strong enough animosity. Therefore, international marketers (i.e. manufacturers as well as retailers/wholesalers dealing with foreign products) need to come up with effective means with which to overcome/avoid the effects of animosity on foreign product purchase.

Since this study was conducted utilizing a sample of college undergraduate students, one caveat of this study is that it still remains to be seen if the findings of this study extend to a broader spectrum of Korean consumers. In this context, future research may investigate the validity of the animosity model across different settings (e.g. services vs. manufactured goods; industrial vs. consumer products; convenience vs. shopping vs. specialty goods, etc). Another caveat is that this study did not consider the various competitive conditions (e.g. availability and the relative prices/quality of domestic-made products, etc.) of the foreign (i.e. Japanese) products purchased. Future research may also seek to see if which variables moderate the relationship between animosity and willingness to buy. These moderating variables, if found, may be used to lessen or avoid the effects of animosity on foreign product purchase behavior. Finally, it should be pointed out that the slightly different results of this study from those of Klein, Ettenson, and Morris (1998) may be attributable to the use of a different product ownership measure.

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## **Appendix: Survey Items**

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Products made in Japan show a very high degree of technical advancement.

Products made in Japan usually show a very clever use of color and design.

Products made in Japan are usually quite reliable and seem to last the desired length of time.

Products made in Japan are usually a good value for the money.

[Willingness to Buy]

I would feel guilty if I would bought a Japanese product.

I would never buy a Japanese product.

Whenever possible, I avoid buying Japanese products.

Whenever available, I would prefer to buy products made in Japan.

I do not like the idea of owning Japanese products.

If two products were equal in quality, but one was from Japan and one was from Korea, I would pay 10% more for the product from Korea.

[Consumer Ethnocentrism]

Korean products, first, last, and foremost.

Purchasing foreign-made products is un-Korean.

It is not right to purchase foreign products, because it puts Korean out of jobs.

We should purchase products manufactured in Korea instead of letting other countries get rich off of us.

We should buy from foreign countries only those products that we can not obtain within our own country.

Korean consumers who purchase products made in other countries are responsible for putting

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I feel angry toward the Japanese.

I will never forgive Japan for such war crimes as "comfort women."

Japan should pay for what it did to Korea during the occupation.

[Economic Animosity]

Japan is not a reliable trading partner.

Japan wants to gain economic power over Korea.

Japan is taking advantage of Korea.

Japan has too much economic influence in Korea.

The Japanese are doing business unfairly with Korea.