When Does Halo Prevail Against Animosity? Country-Of-Origin Effects Contingent on Regulatory Focus

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This research focuses on foreign products which can simultaneously trigger both the country-of-origin-related halo and animosity effects. Drawing on regulatory focus theory, the current research investigates when the halo effect dominates over the animosity effect in determining consumers' attitude towards foreign products. We propose that for promotion-focused consumers, the country-of-origin-related halo effect is more diagnostic than the country-of-origin-related animosity effect, which reflects the use of heuristic processing, whereas prevention-focused consumers are susceptible to neither the halo effect nor the animosity effect, for they tend to rely on substantive product attribute for evaluation. Preliminary findings provide initial evidence for the hypothesis.

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that these results are just the initial evidence for conflicting nonconscious goal pursuit hypothesis. Thus, further tests should be done to clearly rule out the other two hypotheses.

References

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Prior research has demonstrated that country-of-origin-related associations with a foreign product play a significant role in consumers’ evaluation (Maheswaran and Chen 2006). Two general types of association are indentified as halo and animosity, which influence consumers’ product attitude in opposite directions (Hong and Kang 2006). For some foreign products marketed in certain regions, the halo effect and the animosity effect could co-exist when consumers’ attention are drawn to the country of origin. Examples abound from Chinese consumers’ evaluation of Japanese products to Australian consumers’ attitude towards French products (Klein, Ettenson, and Morris 1998).

An important question going unheeded by prior research is: When does the halo dominate over the animosity in determining consumers’ evaluation when a product’s country of origin could stimulate both the halo effect regarding the association with superior quality and the animosity effect concerned with the persistent or temporary antipathy? This research addresses the aforementioned issue by drawing on regulatory focus theory (Higgins 1997). We propose the dual roles of regulatory focus in influencing consumers’ attitude towards foreign products, whose country of origin could make both halo- and animosity-related associations simultaneously accessible to consumers in certain regions (referred to hereinafter as foreign products). Chinese consumers are investigated as a typical group who are susceptible to both the halo effect and the animosity effect when evaluating Japanese products.

Hypothesis Development
Extant country-of-origin literature suggests that consumers are susceptible to halo effect or animosity effect when they rely on the country-of-origin information rather than the attribute information for evaluation. Consumers use the country-of-origin information as a heuristic, whereas they rely on the substantive attribute information when they adopt systematic processing (Gürhan-Canli and Maheswaran 2000). Furthermore, halo and animosity differ in valence. The halo concerning the country-of-origin-related reputation in advanced techniques is positively valenced, whereas the activated animosity toward the country from which the product originates is negatively valenced.

Regulatory focus theory (Higgins 1997) suggests that people can pursue a goal with either a promotion or prevention focus. Promotion focus is oriented at accomplishment, whereas prevention focus is oriented at security. Friedman and Förster (2001) find that promotion-focused people tend to adopt a heuristic style of processing, whereas prevention-focused people are inclined to base their evaluation on a systematic style of processing. Besides, promotion-focused consumers are more sensitive to the presence and absence of positive outcomes, whereas prevention-focused consumers are more sensitive to the presence and absence of negative outcomes (Higgins 1997). As a consequence, the positive component of the focal object is more diagnostic to consumers with a promotion focus than the negative component, whereas the negative component of the focal object is more diagnostic to consumers with a prevention focus than the positive component (Shine, Park, and Wyer 2007).

Based on those findings of country-of-origin research and regulatory focus research, we posit that regulatory focus has dual effects during the process in which consumers evaluate foreign products. In the first stage, a promotion focus should propel consumers to adopt heuristic processing and rely on the country-of-origin information, whereas a prevention focus should propel consumers to adopt systematic processing and rely on the attribute information. In the second stage, a promotion focus makes the positively-valenced country-of-origin-related halo more diagnostic to consumers than the negatively-valenced country-of-origin-related animosity, whereas neither
the halo nor the animosity influences prevention-focused consumers’ product attitude since their attention are directed to the attribute information instead of the country-of-origin information.

Hence, we hypothesize that for promotion-focused consumers, the country-of-origin-related halo effect on product attitude is greater than the country-of-origin-related animosity effect; for prevention-focused consumers, neither the halo effect nor the animosity effect on product attitude is significant.

Study 1

Ninety-one Chinese students participated in an experiment with a one-factor (regulatory focus: promotion versus prevention) between-subject design. The first part of the study was to prime participants’ regulatory focus with the similar tasks employed in Wan, Hong, and Sternthal (2009). In the ostensibly unrelated second part of the study, participants read a description of a LCD flat television. In the description, the television was highlighted as manufactured by a famous Japanese electronic company. Nine attributes were displayed along with a picture. Then, participants completed the measures of product attitude (Russell and Russell 2006), country-of-origin-related halo (Kaynak and Kara 2002), and country-of-origin-related animosity (Russell and Russell 2006).

The influence of regulatory focus on consumers’ attitude towards the television (α=0.83) was significant (F(1, 89)=4.67, p<0.05). Participants with a promotion focus (M=5.39) evaluated the television more favorably than those with a prevention focus (M=4.92). Furthermore, product attitude was regressed on halo (α=0.93) and animosity (α=0.75) in the two groups of participants. For promotion-focused participants, the halo effect was significantly positive (β=0.33, p<0.05), whereas the animosity effect was negative but not significant (β=0.11, NS). For prevention-focused participants, neither the halo effect (β=0.22, NS) nor the animosity effect (β=0.20, NS) was significant. This result provides initial evidence for the hypothesis.

Study 2

Although Study 1 demonstrated that prevention-focused consumers were not subject to country-of-origin-related halo or animosity effect, this study was inadequate to justify that prevention-focused consumers indeed rely on the attribute information for evaluation. Study 2 will solve this limitation. According to our theorizing, promotion-focused consumers’ product attitude should remain unchanged no matter whether the attribute strength is strong or weak, for they focus on the country-of-origin information. In contrast, prevention-focused consumers’ attitude towards foreign products should vary according to the attribute strength. Therefore, we predict an interaction effect between regulatory focus and attribute strength on consumers’ attitude towards foreign products, which will be tested in Study 2.

Discussion

Based on regulatory focus theory, this research is among the initial efforts to investigate when the country-of-origin-related halo dominates over the country-of-origin-related animosity in determining consumers’ attitude towards foreign products, which has rarely been explicated in the country-of-origin literature. In addition, the current research synthesizes and examines the dual roles of regulatory focus in shaping consumers’ attitude.

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