The Impact of Negative Information on Perceptions of Own Country Products: a New Perspective on Country of Origin and Its Influence on Consumer Behavior

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Past research on the country of origin construct leaves a number of questions as to the role this plays in consumer purchase decisions. This research considers the role of social and group identity in determining domestic product choices when negative country image is salient. We report one experiment that shows that negative country image does not necessarily lead to decreased purchase intentions.

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Our first study sought to replicate the free choice paradigm and show that after consuming the chosen alternative, the desirability of the forgone alternative rebounds. Participants read short descriptions of the eight questionnaire topics (fashion, restaurants, movies, vacations, music, cell phones, beverages and books) and rated how much they would like to complete each questionnaire. Based on these ratings, participants were asked to choose between two of these alternatives. Those in the high dissonance condition chose between two highly desirable alternatives, while those in the low dissonance condition chose between a highly desirable and a less desirable alternative. Half of the participants then re-rated all eight alternatives before completing the questionnaire (postchoice-preconsumption stage), while the other half re-rated them after completing it (postconsumption stage). The results replicated the free choice paradigm, showing that in the high dissonance condition, the desirability of the forgone alternative declined from the prechoice stage to the postchoice-preconsumption stage in comparison to the chosen alternative. Supporting our predictions, however, the desirability of the forgone alternative rebounded after participants completed the chosen questionnaire.

The second study used a similar procedure which involved rating nine different activities, making a choice between two and then re-rating the activities. However, this study sought to demonstrate that the rebound effect was moderated by whether the forgone and chosen alternatives were substitutes. The substitutability of the choice set was manipulated by varying the similarity of the other activities in the rated set. While the alternatives in the choice set always involved viewing photographs of wild animals (e.g., gorillas, penguins), the other activities were either similar (e.g., viewing photographs of kangaroos, bison) or dissimilar (e.g., reading a news article about Asia, playing a math puzzle game). Thus, by comparison, the forgone appeared to be a non-substitute or a substitute for the chosen alternative, respectively. As expected, when the forgone did not appear to substitute for the chosen alternative, the desirability of the forgone alternative decreased in the postchoice-preconsumption stage, but not in the postconsumption stage, replicating the findings of the first study. However, when the forgone alternative was viewed as a substitute for the chosen alternative, the desirability of the forgone and chosen alternatives exhibited the same pattern: they decreased in desirability in the postconsumption stage but not in the postchoice-preconsumption stage.

Our second study also ruled out regret and option attachment (Carmon, Wertenbroch, and Zeelenberg 2003) as alternative explanations. Regret did not differ by condition, nor did it correlate with desirability of the forgone alternative, suggesting that it does not explain the results. Option attachment, which was manipulated by having participants list three reasons why they would enjoy viewing the photographs in the choice set, did not affect the change in the desirability of the forgone alternative across consumption stages, suggesting that it is not an alternative explanation.

These studies reconcile earlier work on cognitive dissonance with later work on goals by demonstrating that consumers’ attitudes towards a forgone alternative vary with the stage in the consumption process. Our results suggest that consumers will be unlikely to purchase a forgone alternative until their chosen alternative has been consumed, at which time their motivation to obtain the forgone alternative rebounds. As the familiar adage suggests, timing is everything.

References

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Extended Abstract
Country of origin (COO) research has examined how consumers evaluate products and make purchasing decisions based on their perceptions of country image. Country of origin refers to “information pertaining to where a product is made” (Zhang, 1996:51). Negative country images cause consumers to evaluate products from that country poorly (Han & Terpstra, 1988). Although useful, the existing evidence of country of origin and country image effects on product evaluations is somehow limited. Researchers have mainly studied foreign consumers’ product evaluations and purchase intentions relative to negative country image. To the best of our knowledge, the literature has overlooked domestic consumers’ perception of their own products relative to their own country’s negative image.

An interesting example occurred in summer 2007, when Mattel announced massive recalls of toys manufactured in China, due to lead contamination (in the paint) and small parts which could be accidentally swallowed by children resulting in creating a negative image to China (Anonymous, 2007). Not only was this an international trade conflict event, but also, it occurred at the same time as
Chinese consumers’ preferences were shifting towards Chinese products over foreign-made products (Dyer, 2007). And so contrary to the evidence provided by previous literature and to conventional wisdom, in China’s case a negative country image resulted in a positive evaluation of products.

In this research, we aim at investigating how consumers’ preferences change when confronted with negative information about their own country’s products.

Social Identity Theory argues that groups become part of the self affecting thoughts, feelings, and behavior (Tjafel & Turner, 1986). Moreover, strong emotions can develop as a result of group memberships (Smith, Seger, and Mackie 2007), for example anger when a source of information from outside the group presents negative information about the group. Intergroup Emotions Theory (Mackie, Devos & Smith, 2000; Mackie & Smith 1998) states that when an individual acquires in-group social and emotional significance, events that intrude on the in-group are appraised for their emotional relevance, just like events that occur in an individual’s personal life (Smith & Henry 1996). Further, Anger has been shown to be elicited when social identity is threatened (Yzerbyt et al. 2003). Building on Social Identity Theory and Intergroup Emotions Theory, we propose that exposure to own country negative information increases the level of anger and the willingness to buy domestic products.

**Study 1**

The objective of study one is to investigate the main effect of negative information on domestic consumers’ willingness to buy products of their own country. Chinese subjects living in China were recruited for this study based on Hofstede’s (1980) intercultural dimensions such as collectivism and individualism. For example, a person is seen as a separate entity in individualist societies, whereas the person’s identity is defined as part of a larger group in collectivist societies.

Method: Undergraduate Chinese students participated in this study. Nagashima (1970) has shown that highly ethnocentric consumers may prefer products from their own country. Specifically, Chinese consumers’ ethnocentrism was positively correlated to favorable attitudes towards domestic products (Wang and Zou 2003). Moreover, country of origin effects may be exacerbated if other countries may engage or have engaged in military, political or economic acts which a consumer finds difficult to tolerate and hence may cause animosity towards the offending country’s products (Klein et al., 1998). Therefore, First participants filled out the ethnocentricity scale developed by Shimp and Sharma (1987) followed by the animosity scale (Klein et al., 1998), followed by a filler task.

Participants then moved to the second portion of the study, which involves reading an article and evaluating it. This serves as our information manipulation. Participants in the negative news read a fictitious article about an American Firm recalling children’s sleepwear from China. Participants in the neutral news read a real article adapted from the Wall Street Journal, “Seeing through Buyers’ Eyes” Jan 29, 2007, WSJ, B4.

Next, participants were given a scenario where they are in need of a laptop. They were also told that the store they visited only had two brands, Chinese (Made in China) and American (Made in USA). Finally, participants were asked to evaluate the article using a seven-point four item scale anchored at, dislike-like, favorable-unfavorable, negative–positive, and bad-good. This serves as a manipulation check.

**Results:** The manipulation check indicated that the negative news elicited more negative evaluations (M=4.86) than did the neutral news (M=6.77, F (1, 238)=62.21, p=0.00).

As mentioned above, ethnocentricity and animosity need to be accounted for; therefore they were used as covariates. A one way analysis of variance indicated that there was a main effect of the news manipulation on choice. Those in the bad news condition chose the Chinese product (M=0.704) more than those in the neutral news condition (M=0.467, F(1, 224, p=0.00). Both the covariates were not significant (p>0.05).

**Discussion**

Several studies have shown that negative country image leads to lower willingness to buy products made in that country. Study 1 showed that this is not always the case. Negative country image of consumers’ own country actually increases their preference for their own products. However, there are many other issues to consider and in ongoing research, Study 2 aims to explore two gaps in Study 1. First, the study does not assess the mediating role of intergroup emotions on domestic product preferences. Second, it does not assess whether consumers’ choices differ if the domestic product were not only pitted against a hostile outgroup product but also against a neutral one.

**References**


The Compromise Effect in Choosing for Others
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Extended Abstract
In daily life, people need, or are forced to, make choices for others, such as buying souvenirs for relatives, helping others, at their invitation, to buy something, or buying a birthday gift for a friend. Such decision making is a common but little-discussed phenomenon. People are often faced with situations in which they have to predict whether others, not themselves, will be satisfied with the choices they have made. Do people make the same choices for others as they do for themselves? When choosing for others rather than oneself, uncertainty arises and makes one more concerned about the judgment of others.

Early social, psychological, and decision-making research found that people have a variety of motives for justifying their decisions to themselves and others. The need to justify decisions to oneself and others reflects a desire to enhance one’s self-esteem (Hall and Lindzey, 1978), cognitive dissonance (Festinger 1957), the anticipation of the possibility of regret (Bell 1983), and people’s perception of themselves as rational beings with reasons for preferring one option over another (Abelson 1964). Therefore, people expecting to be judged by others may make the safest option (averaged) to be favorably evaluated by others, decrease criticism, and minimize potential errors (Simonson 1989).

The compromise effect is a crucial determinant in the decision-making process that is based on the context effect. This effect is based on the notion that “an alternative would tend to gain market share when it becomes a compromise or middle option in the choice set” (Simonson, 1989). Consumer preference is dynamic with new alternatives in choice sets (Bettman, Luce, and Payne, 1998), and is based on the principle of value maximization. Therefore, the difference between choosing for oneself and for others should be analyzed in relation to the compromise effect.

One is more familiar with the needs and conditions of people with whom one is friends or with whom one frequently communicates. When people make choices for those with whom they are intimate, they are confident that their decisions will take into account the preferences of the latter. Hence, making choices for people to whom one is not close and with whom one communicates infrequently will result in greater uncertainty, and decision makers may easily overestimate unknown negative outcomes and tend to choose the middle option as the safe one.

Making choices for others is deeply influenced by interpersonal relationships. Bearden and Etzel (1982) stated that susceptibility to interpersonal influence can be defined as an individual’s willingness to accept information from other people about purchase decisions. Then, that the compromise effect will greater among those who are highly susceptible to interpersonal influence.

Accountability leads people to be more concerned about decision accuracy and helps strengthen the beliefs of decision makers. It increases decision accuracy because the need to justify past decisions leads decision makers to engage in more unbiased evaluation of alternatives (Tetlock 1983) and to focus more on cues (Johnson and Kaplan 1991). In addition, accountability leads people to consider additional relevant evidence and improve their estimates (Kruglanski and Freund 1983).

Anticipation of regret is used to examine the prediction. It refers to the regret that consumers anticipate that they will feel if their decision results in negative outcomes. Cox and Rich (1967) proposed that risk is composed of negative consequence and uncertainty. However, choosing for others induces anticipation of regret, compared to no anticipation of regret, will correspond to an increase in the fear of making a wrong choice (negative outcome) and result in the greater likelihood of choosing the compromise option as the safe option.

Because of the influence of interpersonal relations, it is useful to investigate whether people will be more inclined to choose a compromise option to reduce the effect of the loss or tend to choose what they favor when choosing for others. Building on the findings of Simonson (1989), this paper aims to uncover the underlying mechanisms of the self-other difference in the compromise effect.

Study 1
The goal of Study 1 was to test the hypothesis that the compromise effect is greater when choosing for others than for oneself. Two factors were manipulated in a 2 X 2 (self or others vs. either two or three options in the choice set) between-participants design. A total of 160 undergraduate and graduate students participated in Study 1. In the experiment, participants were randomly assigned to two conditions (self or others), and in these two conditions randomly assigned to a binary (A, B–two alternatives) or trinary (A, B, C–three alternatives) scenario to choose for themselves or others.