



universität
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MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„Country-of-origin changes and willingness to pay:
the role of consumer characteristics“

verfasst von / submitted by

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angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of
Master of Science (MSc)

Wien, 2023 / Vienna 2023

Studienkennzahl lt. Studienblatt /
degree programme code as it appears on
the student record sheet:

UA 066 915

Studienrichtung lt. Studienblatt /
degree programme as it appears on
the student record sheet:

Masterstudium Betriebswirtschaft

Betreut von / Supervisor:

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Mitbetreut von / Co-Supervisor:

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Acknowledgments

The successful completion of this master's thesis would not have been possible without the constant support and advice of my two supervisors, Maria Gabriela Montanari, BA MA PhD and Univ.-Prof. Dr. Adamantios Diamantopoulos, BA MSc D.Litt.

Additionally, I would like to express my gratitude to the entire Department of International Marketing for the helpful input and feedback during the master's thesis conversatory.

Finally, my special thanks goes to my parents for always supporting me throughout my studies. Without your emotional support, patience and encouragement, none of this would have been possible.

It was an exciting, challenging and formative period of my life and I am very grateful for everyone who played their part in this journey.

Thank you all sincerely!

Abstract

In today's globalized world, COOs are frequently changing as companies are entering new markets through acquisitions or are aiming to save costs by shifting production. While a cross-border acquisition changes a company's Brand Origin (BO), a production shift changes its Country of Manufacture (COM). One important aspect for managers to consider, is consumers' behavior toward those COO changes as their price-related responses are determining the company's revenue. Additionally, the fact whether the product is originating from consumers' home country, is either positively or negatively influencing consumers' behavior, depending whether the consumers are more ethnocentric or xenocentric. Therefore both characteristics - consumer ethnocentrism (CET) and consumer xenocentrism (C-XEN) were included in our research model as the independent variables. By drawing on Social Identification Theory (SIT) and System Justification Theory (SJT), this thesis examines whether CET and C-XEN influence consumers' WTP in the context of both kind of COO changes - an acquisition (representing a positive change or gain) and a production shift (representing a negative change or loss). For this purpose, two studies were conducted with Slovakian consumers; the two countries involved in the COO changes were Slovakia (less favorable country in terms of product-country image (PCI) and Austria (more favorable country in terms of PCI). Our results indicate that only in Study 1 (acquisition), CET had a negative influence on consumers' WTP, while C-XEN did not show any impact. However, in Study 2 (production shift), neither CET nor C-XEN affected consumers' WTP. Based on these findings, valuable implications for research and practice were given and recommendations for future research were outlined.

Key words: country-of-origin change, consumer ethnocentrism, consumer xenocentrism, willingness to pay

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Abbreviations

BO	Brand origin
CBA	Cross-border acquisition
CET	Consumer ethnocentrism
CI	Country image
COM	Country of manufacture
COO	Country-of-origin
C-XEN	Consumer xenocentrism
e.g.	for example (Latin: <i>exempli gratia</i>)
et al.	and others (Latin: <i>et alia</i>)
i.e.	that is (Latin: <i>id est</i>)
PCI	Product-country image
PSM	Price Sensitivity Meter
SIT	Social identity theory
SJT	System justification theory
WTP	Willingness to pay

1. Introduction

1.1 Background and research gap

In today's globalized world, the country-of-origin (COO) is frequently changing as companies are looking for new markets to enter and/or cost advantages (Aruan, Crouch and Quester, 2018).

One famous example is the case of the Italian fashion brand Versace, which was introduced to the market in 1978 and has been experiencing worldwide success since then. After having bought Jimmy Choo in 2017, one year later, in September 2018, the American Group Michael Kors Limited acquired Versace through a 2-billion dollar deal. The goal of Michael Kors was to build a larger and stronger American holding business that could compete with the French conglomerates LVMH (i.e., Louis Vuitton, Fendi and Givenchy), and Kering (i.e., Gucci, Balenciaga and Saint Laurent) (Forbes, 2018). By having been acquired by an American brand, Versace's origin inevitably changed from being Italian to American.

Another example of a change in the origin is Primark's (Irish fashion retailer) production shift to Asian countries. Primark has drew a lot of media attention about how and where it sources its products. In 2009, it was revealed that the company makes use of illegal labour practices and poor working conditions (Reuters, 2009). In 2013, the garment factory, in which Primark was sourcing its clothes, collapsed, causing the death of 1.100 workers. One year later, another incident caused medial outrage: a garment factory worker knitted a note in a pair of trousers, pointing out their horrendous labour conditions (BBC, 2014).

While the first example illustrates an acquisition and thus a change in the brand origin (BO), i.e., "the country where the corporate headquarters of the company marketing the product or brand is located" (Johansson, Douglas and Nonaka, 1985, p. 389), the second example shows a production shift and thus a change in the country of manufacture (COM), i.e., the "country in which the product is manufactured or assembled" (Hamzaoui-Essoussi and Merunka, 2007, p. 412).

Regardless of the type of COO change (BO or COM), the origin is considered an important extrinsic cue, which influences consumers' evaluations and decisions (Erdem, Swait and Valenzuela, 2006). The main driver for COO effects is country image (CI) (Roth and Diamantopoulos, 2009; Roth and Romeo, 1992), i.e., "the overall perception consumers form of products from a particular country, based on their prior perception of the country's production and marketing strengths and weaknesses" (Roth and Romeo, 1992, p. 480). Thus, consumers transfer their favorable or unfavorable associations of a certain country to products originating from that country (Maheswaran, 1994). Post-change, they are confronted with a new COO, which will be compared to the original one (pre-change). When the new COO has a more (less) favorable image than the prior one, the change is perceived as a gain (loss) (Montanari, Diamantopoulos and Giralidi, 2021). Extant literature shows that a positive change (gain) in BO (Matarazzo, Lanzilli and Resciniti, 2018; Liu, Öberg, Tarba and Xing, 2018) or COM (Drozdenco and Jensen, 2009) generates positive consumer responses while a negative change (loss) in BO (Heinberg, Ozkaya and Taube, 2016; Han and Terpstra, 1988; Johansson and Nebenzahl, 1986) or COM (Drozdenco and Jensen, 2009; Johansson and Nebenzahl, 1986; Fetscherin and Toncar, 2010) results in negative responses.

However, extant literature still neglects the role of consumers' characteristics while investigating COO changes, despite the fact that research on COO has demonstrated that consumers' predispositions are strong drivers of their in-group and out-group bias (Zeugner-Roth, Zabkar and Diamantopoulos, 2015; Bartsch, Riefler, and Diamantopoulos, 2016; Balabanis, Stathopoulou and Qiao, 2019). Thus, certain characteristics explain consumers' preference for either domestic or foreign products and thereby predict whether they will react positively or negatively to a specific COO (Bartsch et al., 2016). Therefore it is of particular managerial interest to closely examine those consumer characteristics, which are potentially determining consumers' reactions toward a COO change.

Two central constructs when predicting consumers' responses toward domestic and/or foreign products are consumer ethnocentrism (CET) and consumer xenocentrism (C-XEN). Depending on their level of CET or C-XEN, consumers either like or dislike their home country.

Consumer ethnocentrism (CET) is the tendency of preferring domestic products as a result

of in-group bias (Verlegh, 2007). Literature suggests that besides other consumer characteristics such as national identity and consumer cosmopolitanism, CET is an important segmentation variable on the global marketplace (Zeugner-Roth et al., 2015).

On the other hand, consumer xenocentrism (C-XEN) is defined as “a consumer’s internalized belief of the inferiority of domestic products and a corresponding propensity to prefer foreign products for social aggrandizement purposes” (Balabanis and Diamantopoulos, 2016, p. 61), explaining consumers’ foreign product preference resulting from a perceived inferiority of the in-group.

For a long time both constructs were considered contradicting, however only recently proof was found that they are rather related (Prince, Davies, Cleveland and Palihawadana, 2016). Both concepts have different theoretical roots: while CET is based in Social Identity Theory (SIT) (Tajfel, 1978; Tajfel and Turner, 1986), C-XEN is anchored in System Justification Theory (SJT) (Jost and Banaji, 1994).

Summarizing extant research on CET and C-XEN – it can be said that both characteristics are important concepts for predicting consumer behavior. While CET is negatively related with foreign product judgment and willingness to buy foreign products (Klein, Ettenson and Morris, 1998), it is positively related with consumers’ preferences for domestic products (Balabanis and Diamantopoulos, 2004) and the willingness to pay price premiums (Drozdenco and Jensen, 2009). Ethnocentrics’ loyalty toward their home country is so strong that they still favor the domestic options even when foreign alternatives are of better quality (Prince et al., 2016) or originate from countries with a more favorable CI compared to their home country (Balabanis et al., 2019). On the other hand, C-XEN is positively related with attitudes toward global products (Lawrence, 2012), foreign brands (Balabanis et al., 2019), foreign brand and product preferences (Balabanis and Diamantopoulos, 2016; Rojas-Méndez and Chapa, 2019; Scherer, 2020), purchase intentions of foreign products and brands (Gaur, Bathula and Diaz, 2015; Diamantopoulos et al., 2019) and foreign brand loyalty (Balabanis et al., 2019) as well as WTP (Matei, 2022).

Based on these considerations, the question arises whether CET and C-XEN might influence (weaken or strengthen) consumers’ responses toward COO changes. Specifically, this study

will investigate, in the context of COO changes, the moderating influence of CET and C-XEN on consumers' willingness to pay (WTP), i.e. "the maximum amount of money a customer is willing to spend for a product or service" (Homburg, Koschate and Hoyer, 2005, p. 85). In doing so, we conduct two studies with consumers whose home country is involved in the COO change as "consumers may be willing to pay more for products either manufactured in their home country or acquired by a company established in their own country" (Montanari et al., 2021, p. 31).

To the best of our knowledge, no study has yet investigated consumer characteristics' impact on WTP in the context of COO changes. Furthermore, by employing consumers' WTP as the dependent variable, it offers a stricter instrument for measuring consumer behavior in contrast to "softer" outcomes, such as attitudes (Lawrence, 2012; Balabanis et al., 2019), brand preferences (Balabanis and Diamantopoulos, 2016; Rojas-Méndez and Chapa, 2019) or purchase intentions (Gaur et al., 2015; Diamantopoulos, Davydova and Arslanagic-Kalajdzic, 2019; Camacho, et al., 2020; Nguyen and Pham, 2021). Published to date, there are only few studies on CET and C-XEN's influence on WTP (Petrychenko, 2020; Hofbauer, 2021; Matei, 2022).

The contribution of this study is twofold. From a theoretical point of view, this thesis contributes to extant literature on COO changes. Specifically, it expands research on cross-border acquisitions (CBAs) and production shifts by adding CET and C-XEN as two new possible influencing factors. Also, this work adds to the scarce literature on COO changes and consumers' WTP. Considering the high estimated failure rate of acquisitions (Matarazzo et al., 2018), which involves a large risk of losing customers (Bekier and Shelton, 2002), undertaking research in this field is of high relevance.

From a managerial view, this thesis provides some guidance to companies on what to expect from COO changes. Important implications for a company's pricing strategy post acquisition or production change are provided. It is highly relevant for managers to know how consumers react to a COO change and whether their characteristics affect this change in order to adjust their pricing strategies accordingly (e.g., capitalize from the change by implementing a price premium strategy or avoid the loss of customers by offering discount prices).

1.2 Research question and objectives

Against this background, the aim of the present thesis is to answer the following question:

How do consumer characteristics (CET, C-XEN) impact consumers' WTP in the context of a COO change?

Therefore, this study has two objectives, which will be addressed through two studies.

The first objective is examining the effect of both consumer characteristics, namely CET and C-XEN, on consumers' WTP in the case of a cross-border acquisition (Study 1). Therefore, a change in a brand's origin (BO) will occur.

The second objective is investigating both consumer characteristics' impact on consumers' WTP in the case of a production shift (Study 2). In this scenario, a brand will change its Country of Manufacture (COM).

1.3 Structure of the thesis

The master's thesis is structured in 6 chapters. **Chapter 1**, which is hereby concluded, introduced the topic's theoretical background, research gaps as well as the research question.

In Chapter 2, a summary as well as a critical revision of the most important literature on the topic is given. Definitions of the key constructs are introduced for the purpose of this study.

In Chapter 3, the research model as well as the variables are presented. Finally, the research hypotheses are developed based on Social Identification Theory (SIT) and Social Justification Theory (SJT).

In Chapter 4, the methodology is described. The research setting is explained, the reasoning behind the chosen countries and products (stimuli) is discussed and the variables and measurement scales are presented. This chapter is finalized with the results of the two pretests and the data collection process.

In Chapter 5, the study's results are analyzed and presented. The sample is described, followed by construct statistics and the main analysis, which includes the testing of the proposed hypotheses.

Finally, in Chapter 6, the results are summarized and discussed with regard to existing research. Also, theoretical and managerial implications are highlighted and limitations as well as suggestions for future research are outlined.

2. Literature review

In this chapter, a review of the relevant literature is presented in order to support the empirical part of the study.

The following chapter is divided into four parts. The first part is focused on country image (CI) and COO changes. The second session discusses consumer ethnocentrism (CET), whereas the third introduces consumer xenocentrism (C-XEN). The last part includes an overview on willingness to pay (WTP).

2.1 Country image and COO changes

When the concept of COO was initially introduced, it was an unidimensional construct mainly referring to the Country of Manufacture (COM), namely “the country in which the product is manufactured or assembled” (Hamzaoui-Essoussi et al., 2007, p. 412). However, the complex, multi-national value chains as a method for saving costs (Ha-Brookshire and Yoon, 2012) have resulted in a rise of products becoming hybrid or bi-/multinational, meaning they have more than only one COO. Thus, the concept of COO started to include the so-called brand origin (BO), namely “the country where the corporate headquarters of the company marketing the product or brand is located” (Johansson et al., 1985, p. 389).

Regardless of the definition, COO can be understood as a mental shortcut that consumers form about products, their attributes and their quality based on their origin (Mueller, Wang, Liu and Cui, 2016). In which ways COO cues have an influence on consumer behavior can be summarized under the COO effect, “which focuses on how COO affects consumers’ product/brand evaluations and behavior intentions” (Chen, Wang and Huang, 2020, p. 533).

The most common construct used for explaining COO effects is country image (CI), defined as “the overall perception consumers form of products from a particular country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses”

(Roth and Romeo, 1992, p. 480). Therefore, CI plays an important role in consumer contexts: a favorable CI impacts consumer behavior positively as consumers display a higher WTP (Koschate-Fischer, Diamantopoulos and Oldenkotte, 2012) and more positive attitudes toward the products (Tseng and Balabanis, 2011). In contrast, an unfavorable CI leads to a sunk WTP (Koschate-Fischer et al., 2012) and consumers perceive products originating from these countries to have a lower product value (Nebenzahl and Jaffe, 1996).

Changes either in the BO or COM are the result of cross-border acquisitions - CBAs (e.g. brand takeovers) or production shifts (e.g. offshoring/reshoring decisions). Whether these COO changes are then perceived to be beneficial or detrimental (Lee, Chen and Guy, 2014) and whether consumers' attitudes are positive or negative toward the change (Fang and Wang, 2018) is determined by the CI of the countries involved.

Specifically, it was found that when the new country has a more favorable CI than the original one, consumers' repurchase intentions (Matarazzo et al., 2018) as well as their WTP (Drozdenco and Jensen, 2009; Johansson and Nebenzahl, 1986) are increased. On the other hand, when the new country has a less favorable CI, negative effects on brand equity (Han and Terpstra, 1988) and a decrease in consumers' WTP are the consequences (Johansson and Nebenzahl, 1986).

With regards to CBAs, these consist of minimum two companies with different BOs. This strategy helps the acquiring company to enter new markets and to build global acting brands as well as giving "access to resources and raw materials and acquire advanced technologies or managerial know-how" (Fang and Wang, 2018, p. 1727).

A CBA leads to an adjustment of country-brand associations that consumers have formed in their minds over time; post-acquisition, a new association between brand and country has to be established. The CI of the acquirer brand now replaces the one of the original brand (Chung and Lee, 2014). Whether a CBA is considered positive or negative by consumers, is dependent on the CI of the acquirer company (Chung and Lee, 2014).

The importance of CI in the success of acquisitions was also confirmed by Matarazzo et al. (2018), who investigated the impact of the acquirer's CI in the relationship between the acquirer's corporate reputation (CR) and consumers' repurchase intentions. The results

indicate that both factors, CI and CR, have a significant positive impact on consumers' repurchase intentions after the acquisition. Specifically, when the acquirer combines a good reputation with a high CI, consumers' repurchase intentions increase; however a poor CR cannot be compensated by a high CI (Matarazzo et al., 2018).

A favorable BO also has an impact on a company's brand equity: a brand from a less favorable origin can enhance its brand equity by acquiring a brand from a more favorable origin (Lee et al., 2014). Hence, BO can be used to a company's advantage as it can be transferred to the corporate level. In the case of an emerging market company acquiring an advanced company, the positive CI of these advanced economies leads to positive associations for the acquiring company (Liu et al., 2018).

However, there is also evidence that acquisitions, overall, regardless of the acquiring company's CI can have negative effects on consumer behavior: according to Lee, Lee and Wu (2011), consumers are uncertain whether the acquiring firm will maintain the original product attributes, intangible assets, consumer benefits as well as the brand personality. For instance, acquiring local brands in an emerging market as a foreign brand conglomerate decreases consumers' brand loyalty: consumers expect better quality but are not willing to pay a price premium. One motive for consumers' reactance is a perceived loss in their decision-making freedom (Heinberg et al., 2016).

Besides brand loyalty, another factor that induces feelings of loss for the consumer is brand ownership, which is defined as "a psychological state in which people feel possessive of a brand and as if they have control over the brand. That is, consumers consider the brand 'theirs' because they feel that they own the brand by having a close connection with and an emotional investment in it" (Chang, Kwak, Puzakova, Park and Smit, 2015, p. 595). In the case of a CBA, consumers from the home country develop a feeling of loss toward the change, which then leads to negative attitudes toward the acquired brand. That effect is stronger for consumers who show high levels of brand ownership (Chang et al., 2015).

Besides changes in BO initiated through CBAs, a brand can also change its COM due to production shifts (e.g. offshoring). The most common form of offshoring is the so-called "downward offshoring", which describes the process of "a brand's production is typically

relocated downward from its home country, an advanced economy where its headquarters are located, to a developing country, which has a weaker country image but competitive production costs” (Woo, Jin and Papadopoulos, 2020, p. 796). However, downward offshoring leads to a decrease in brand credibility and prestige (Woo et al., 2020).

Drozdenko and Jensen (2009) tried to measure the impact of a positive versus negative COM by presenting consumers different products and manipulating several COMs (China, Germany, USA, India), while measuring consumers’ WTP. They found that consumers were willing to pay price premiums for products made in developed countries (Germany, USA, India) compared to less developed ones (China); these premiums ranged from 37% for shoes to 105% for toothpaste (Drozdenko and Jensen, 2009).

These findings are in line with Johansson and Nebenzahl’s (1986) results, who conducted a study in the car industry. They found that consumer perceptions (in particular perceived brand attractiveness) are determined by a product’s COM – after production was shifted from Japan to an inferior country regarding its development status, the cars’ brand attractiveness subsided. Another consequence of changing the COM to a less favorable country is a negative effect on consumers’ brand perception (Fetscherin and Toncar, 2010).

From a theoretical perspective, an explanation for consumers’ behavior in the context of COO changes showed by the above-mentioned studies can be found in Prospect Theory (Kahneman and Tversky, 1979). This theory postulates that individuals derive utility from gains and losses in relation to a reference point. In a COO context, a change in the origin can either be seen as a loss (when the shift occurs from a more favorable COO to a less favorable COO) or as a gain (when the shift occurs from a less favorable COO to a more favorable COO).

Thus, when the new BO or COM is perceived to have a more favorable CI than the original one, it is considered a positive COO change (i.e., a COO gain). On the other hand, when the new BO or COM is perceived to have a less favorable CI than the original one, it is considered a negative COO change (i.e., a COO loss) (Montanari et al., 2021). The original COO, which can be seen as a reference point, already has certain evaluations regarding its CI favorability in consumers’ minds.

As consumers perceive products from countries with a more favorable CI to have better quality and a higher benefit (Koschate-Fischer et al., 2012), a COO gain (i.e., a change to a more favorable COO) results in increased purchase intentions as well as repurchase intentions (Matarazzo et al., 2018) and an increased WTP (Drozdenko and Jensen, 2009; Johansson and Nebenzahl, 1986) as the new COO acts as a positive and credible signal. In contrast, a COO loss (i.e., a change to a less favorable country) leads to a lower brand equity (Han and Terpstra, 1988) and a sunk WTP (Johansson and Nebenzahl, 1986) as the new COO acts as a negative signal to consumers.

Recent research on COO changes (Montanari et al., 2021) employed the loss aversion principle of prospect theory (Kahneman and Tversky, 1979) - “consumers should react more strongly to COO losses than to equivalent gains”. But against expectations, the study showed that even though consumers do react and increase (decrease) their WTP as a response to positive (negative) COO changes, equivalent gains and losses in terms of COO favorability do not result in asymmetrical WTP changes.

2.2 Consumer ethnocentrism

Consumer ethnocentrism (CET) has a long history of scientific research in international marketing and is related to consumers' attitudes and preferences for domestic products (e.g. Balabanis and Diamantopoulos, 2004). The broader socio-psychological concept of ethnocentrism was first introduced by Sumner as the "view of things in which one's own group is the center of everything, and all others are scaled and rated with reference to it" (Sumner, 1906, p. 13). Hence, ethnocentrism captures the conviction that one's own group is superior and more important than other cultures and groups and that these out-groups get evaluated by the standard of the in-group (Hammond and Axelrod, 2006).

Consequently, consumer ethnocentrism (CET) is a form of in-group favoritism and has its theoretical roots in Social Identity Theory (SIT) (Tajfel, 1982). According to SIT, an individual's self-image consists of two different dimensions: on the one hand there is its social identity defined as "that part of an individual's self-concept which derives from his knowledge of his membership of a social group (or groups) together with the emotional significance attached to that membership" (Tajfel, 1974, p. 69). On the other hand there is an individual's personal identity, defined as "self-construal in terms of idiosyncratic personality attributes that are not shared with other people ("I") or personal dyadic relationships with a specific other person ("me" and "you")" (Burke, 2006, p. 115). However, both kind of identities are attributed different importance by individuals (Burke, 2006).

Moreover, individuals are performing intergroup comparisons between their own in-group and foreign out-groups (Turner, 1999). These "social comparisons between groups are focused on the establishment of distinctiveness between one's own and other groups" (Tajfel, 1972, p. 296) and are simultaneously creating similarity within their own in-group. Finally, that distinctiveness should be evaluated positively (Burke, 2006).

These theoretical considerations on in-group favoritism are the core of ethnocentrism (Brewer and Campbell, 1976; Sumner, 1906). While ethnocentrism is a more general term relating to the overall preference of the own in-group and disregard of the out-group, consumer ethnocentrism (CET) is a subcategory, which refers only to an economic context (Verlegh, 2007).

Building on SIT and transferring ethnocentrism to a consumer context, i.e., domestic and foreign product consumption, Shimp and Sharma (1987) introduced the concept of CET as a “unique economic form of ethnocentrism that captures the beliefs held by consumers about the appropriateness and indeed morality of purchasing foreign-made products” (Shimp and Sharma, 1987, p. 280). For instance, ethnocentric consumers are concerned that purchasing foreign products might harm the domestic economy and increase unemployment (Verlegh, 2007). Therefore, CET explains consumers’ preference toward domestic products while simultaneously rejecting foreign brands (Balabanis et al., 2019).

The level of CET an individual displays, is dependent on the extent of its identification with its home country (Verlegh, 2007). However, ethnocentric consumers’ positive perception of the in-group leads to an overestimation of local products and an underestimation of foreign ones (Wang and Chen, 2004). When ethnocentric consumers are in a purchase situation, their in-group favoritism and out-group rejection transfers to their choice of products, resulting in a preference for domestic products and a rejection of foreign alternatives (Zeugner-Roth et al., 2015).

Research has shown mixed findings of CET’s influence on consumer responses: CET is negatively related with foreign product judgment and willingness to buy foreign products (Klein, Ettenson and Morris, 1998) and positively related with preferences for domestic products (Balabanis and Diamantopoulos, 2004). Besides, CET has a positive effect on the willingness to pay price premiums for domestic products (Drozdenko and Jensen, 2009). Moreover, Klein (2002) noted that CET influences product judgments and willingness to buy: the more ethnocentric a consumer is, the greater is his or her unwillingness to buy foreign products.

Research found that ethnocentric consumers preferred domestic options even when alternatives were originating from countries with a more favorable CI (Balabanis et al., 2019) or foreign brands were of better quality (Prince et al., 2016).

While initially Shimp and Sharma (1987) demonstrated that CET is positively related to the preference for domestic products, they considered it negatively related to foreign product preference. Recent research has shown quite opposing results: while CET is indeed positively related to domestic product purchase and preferences, there is not necessarily a connection

to foreign product rejection. Only because a consumer displays high levels of CET does not imply that he or she simultaneously show a low purchase intention for foreign products (Balabanis and Diamantopoulos, 2004; Verlegh, 2007; Nguyen et al., 2008).

Overall, Nguyen, Nguyen and Barrett (2008) found no differences in CET between different gender, income and education levels - the only demographic variable for which the degree of CET varies was age: CET was more prevalent among older consumers.

The first measure to capture CET was developed by Shimp and Sharma (1987): the CETSCALE, which has been used in various studies and applied in different countries (Saffu and Walker, 2005; Klein, Ettenson and Krishnan, 2006; Strehlau, Ponchio and Leobel, 2012; Sepehr and Kaffashpoor, 2012). The CETSCALE was developed in the context of US consumers and aimed to “measure consumers’ ethnocentric tendencies related to purchasing foreign- versus American-made products” (Shimp and Sharma, 1987, p. 281). The scale consisted of 17 items in total, measuring consumers’ attitudes, purchase intentions as well as ownership of imported products on a Likert scale (Shimp and Sharma, 1987).

The original 17-item CETSCALE scale was reduced by Klein et al. (2006) to a six-item version. This shorter version of the scale was tested and reached consistent results across six countries, which included both developed and developing economies. Furthermore, the latter study showed that CET also exists in countries, which generally have a high preference for foreign products (Klein et al., 2006), which is also in line with Nguyen’s et al. (2008) findings.

The scale, which is used in the current study, is Verlegh’s version. His scale is a shorter version of Shimp and Sharma’s (1987) CETSCALE and consists of five items on a seven-point Likert scale, which all relate to the morality of buying domestic products in order to support the local economy (Verlegh, 2007). Verlegh’s scale has been extensively used and validated in other studies (Dachs-Wiesinger, 2018; Diamantopoulos et al., 2019; Diamantopoulos, Matarazzo, Montanari and Petrychenko, 2021; Hofbauer, 2021).

Finally, it can be said that recently a notion of dual ethnocentrism was found (see El Banna, Papadopoulos, Murphy, Rod and Rojas-Méndez, 2018) which refers to ethnic consumers who have an allegiance toward two countries: the country with which they are ethnically

connected (their “home” country) as well as their country of residence (their “host” country). Differences were demonstrated in consumers’ home- and host-related ethnocentrism. Individuals, who are part of an ethnic group and own a strong ethnic identity, show dual ethnocentric feelings toward both countries. However, “love of home” overrides “ethnocentrism to host” (El Banna et al., 2018, p. 317), meaning that ethnic consumers may feel strongly positive toward their host country and favor its products but not enough to disregard products from their home country.

2.3 Consumer xenocentrism

Xenocentrism, which is a socio-psychological phenomenon, was first introduced and defined by Kent and Burnight in the early 1950s as “a view of things in which a group other than one’s own is at the center of everything, and all other groups, including one’s own, are scaled and rated with reference to it” (Kent and Burnight, 1951, p. 256). Xenocentrics are people, who “prefer a society other than their own and who rate and scale everything in reference to it” (Kent and Burnight, 1951, p. 256). Xenocentrism is thus related to a negative bias toward the in-group and favoritism toward the out-group.

Initially, xenocentrism has been perceived as the counterpart to Sumner’s (1906) ethnocentrism construct (Kent and Burnight, 1951). According to Kent and Burnight (1951, p. 256-57), “xenocentrism is a psychological attitude which implies a biased view (...), one who is ethnocentric sees virtues where none exist; one who is xenocentric sees faults where none exist”.

Finally, the concept of xenocentrism was transferred to a consumer setting, explaining consumers’ preference for products and brands originating from foreign countries while rejecting or disregarding domestic products and brands. A xenocentric consumer therefore is someone “who prefers products from a country (or region) other than their own and who rates and scales products in reference to the foreign country and not their own” (Mueller and Broderick, 2009, p. 6).

As consumer xenocentrism (C-XEN) was considered the counterpart to CET, the concept was also theoretically rooted in SIT (e.g. Mueller and Broderick, 2009; Mueller et al., 2016; Cleveland and Balakrishnan, 2019; Prince and Kwak, 2020). However, SIT can explain solely the characteristic in-group favoritism (Tajfel and Turner, 1986), but not the negative self-stereotyping perception of the individual and the resulting out-group preferences, which are important characteristics of xenocentric individuals (e.g. Balabnis and Diamantopoulos, 2016).

Only recently it has been proven (Prince et al., 2016) that both constructs are typically (but not always) negatively related. Furthermore, C-XEN started to be seen under the lens of System Justification Theory - SJT (Jost and Banaji, 1994) – see Balabanis and

Diamantopoulos (2016). This theory is more suitable for explaining the simultaneous outgroup-favoritism and ingroup-derogation of xenocentrism. Following SJT, xenocentrism refers to “the psychological process by which existing social arrangements are legitimized, even at the expense of personal and group interests” (Jost and Banaji, 1994, p. 2). It explains the simultaneous rejection of the in-group and the favoritism of the out-group. So, one reason why CET and C-XEN should be regarded as separate concepts are their different theoretical underpinnings.

Another evidence that both concepts are rather related than polar opposites, can be found in recent scientific studies, which reveal the co-existence of both: Prince et al. (2016) found that a person can simultaneously express ethnocentrism about one supplier of a product and xenocentrism about another, meaning consumers can feel inferior about one country and superior about another (Prince et al., 2016). The co-existence of both characteristics is also shown by Klein et al. (2006) who demonstrate that CET also exists in countries which display a high preference for foreign products.

For a long time, C-XEN has been a widely neglected field of study, but it has gained scientific attention in the last decade and has been analyzed from various angles since then (Balabanis and Diamantopoulos, 2016; Balabanis et al., 2019; Diamantopoulos et al., 2019; Mueller and Broderick, 2009; Mueller et al., 2016; Prince et al., 2016; Maack, 2021; Boehm, 2021; Petrychenko, 2020; Davydova, 2018; Matei, 2022; Scherer, 2020; Luburic 2020; Hofbauer, 2021; Milivojevic, 2018; Dachs-Wiesinger, 2018).

The reason for individuals to develop xenocentric tendencies can be individual frustration as well as negative feelings regarding political, economic, family and morality institutions in one's home country. These feelings are directed at society. The more complex a society is, the higher is the probability that some individuals will feel isolated and disconnected due to differing interests or values; as a reaction to these negative feeling, it is possible that individuals form emotions of loyalty for another society which then serves as a substitute and gives them a sense of belonging (Kent and Burnight, 1951). Another reason for individuals to become xenocentric is their connotation of foreign countries (including their products) with more prestige and modernity; foreign products are also perceived superior in quality (Mueller et al., 2016).

Even though it has been proven that C-XEN also exists in economically developed nations, there is a stronger tendency for C-XEN in emerging markets (Mueller et al., 2016). Mueller et al. conducted a focus group study in China and found that Chinese consumers are strongly orientated toward foreign products and favor them compared to domestic ones. The fact that consumers prefer foreign over domestic products even holds true when those domestic products are of similar or even better quality than the foreign alternatives (Mueller et al., 2016, p. 74). Besides foreign products' perceived higher quality and functionality, consuming them also serves as a sign and method to establish social status (Mueller et al., 2016, p. 82). Zhou and Hui (2003, p. 65) e.g. explain "almost anything Western (e.g., Western beauty, Western technology, Western style) is considered 'shishang' (fashionable), as it is a symbol associated with people who are recognized as being successful, those claiming to be successful, and those aspiring to success. Consumption of Western things is perceived to separate the 'successful' from the 'unsuccessful'".

Foreign products and brands are therefore not only associated with higher quality, they mainly hold social and symbolic value which surpasses the utilitarian aspect. These symbolic values are in fact the reason why consumers develop a purchase intention (Zhou and Hui, 2003).

Extant literature (see Diamantopoulos et al., 2019) has shown that xenocentric consumers undervalue their home country's image and these unfavorable evaluations lead to a negative bias toward its brands, which translates into decreased purchase intentions. The opposite applies for foreign countries: xenocentric consumers overvalue foreign countries' images and develop positive attitudes toward their brands; they show higher purchase intentions for foreign brands while displaying a decreased willingness to buy domestic brands. Shortly, C-XEN positively impacts consumers' purchase intention for foreign products and this relationship is mediated by brand attitude and product country image (PCI).

When summarizing the research that has been conducted until this point on C-XEN, it can be said that several studies found a positive influence of C-XEN on different kinds of consumer behavior such as attitudes toward global products (Lawrence, 2012), foreign brands (Balabanis et al., 2019), foreign brand and product preferences (Balabanis and Diamantopoulos, 2016; Rojas-Méndez and Chapa, 2019; Scherer, 2020), purchase intentions

of foreign products and brands (Gaur et al., 2015; Dachs-Wiesinger, 2018; Camacho et al., 2020; Diamantopoulos et al., 2019), foreign brand loyalty (Balabanis et al., 2019) and WTP (Matei, 2022).

The fact that some authors regard C-XEN to be an unidimensional construct while others perceive it to be multi-dimensional led to the development of different scales. At this point, there are five different scales (i.e., Balabanis and Diamantopoulos, 2016; Cleveland and Balakrishnan, 2019; Rojas-Méndez and Chapa, 2019; Lawrence, 2012; Prince et al., 2016) to predict consumers' preferences and intention to purchase foreign brands. There is no empirical evidence until date which of the following scales is the "best".

Lawrence was the first to capture the construct of C-XEN by developing a scale for measuring it. He defined C-XEN as "an individual's preference for the products or services of a society other than their own" (Lawrence, 2012, p. 18). The scale he developed is called C-XEN, it is unidimensional and consists of six different items. One drawback of the scale is that it only highlights the foreign product bias without accentuating the rejection of domestic products, which makes it very similar to consumer affinity or other positive foreign constructs. In addition, the scale was only validated in the US, while C-XEN is more prevalent in emerging countries (Kannan, 2020).

Later, Prince et al. (2016) developed a new scale on C-XEN, however, his measure is essentially the CETSCALE - only reversed. In the same year, Balabanis and Diamantopoulos (2016) developed a two-dimensional scale. They refined the whole concept of xenocentrism and operationalized it based on System Justification Theory (Jost and Banaji, 1994). The authors conceptualized C-XEN as a "consumer's internalized belief of the inferiority of domestic products and a corresponding propensity to prefer foreign products for social aggrandizement purposes" (Balabanis and Diamantopoulos, 2016, p. 16). This definition shows, in contrast to the concepts provided by Kent and Burnight (1951) as well as Mueller and Broderick (2009), that the favoritism does not only have to be directed toward one particular out-group such as one specific country; it can be addressed toward multiple out-groups simultaneously. Thus, C-XEN describes a favoritism toward out-groups in general and the negative bias toward one's own culture or in-group.

Thus, according to Balabanis and Diamantopoulos (2016), C-XEN comprises two different

dimensions, which are introduced in the ten items C-XENSCALE: the ingroup-derogation on the one side, and the out-group favoritism on the other side. Specifically, one dimension of C-XEN is “perceived inferiority” which is defined as “a tendency to denigrate, undervalue, and fail to appreciate domestic products and brands” (Balabanis and Diamantopoulos, 2016, p. 61). It refers to the negative self-stereotyping postulated by SJT. Xenocentric consumers perceive domestic products or brands to be inferior in comparison to those originating from superior, high-status out-groups. Deficiencies of the local industry such as technology, infrastructure or human capital strengthen that image of the in-group and finally result in a negative product-country image (PCI) of the home country (Diamantopoulos et al., 2019). Building on these considerations, domestic products are therefore inferior in quality compared to similar foreign products. The other dimension of C-XEN is “social aggrandizement”, which refers to the out-group favoritism and is defined as “the emphasis placed on the symbolic value of foreign products as a way of enhancing perceived social status” (Balabanis and Diamantopoulos, 2016, p. 62). Xenocentric consumers seek to consume products and brands from these as superior perceived countries, as they derive status from it (Diamantopoulos et al., 2019). The C-XENSCALE was developed in Greece and consists of 10 items. Since its introduction, the scale has been validated in various studies (Milivojevic, 2018; Dachs-Wiesinger, 2018; Balabanis et al., 2019; Diamantopoulos et al., 2019; Arora, Arora and Taras, 2019; Chen et al., 2020; Scherer, 2020; Petrychenko, 2020; Luburic, 2020; Mahmoud, Mallen-Ntiador, Andoh, Iddrisu and Kastner, 2021; Maack, 2021; Hofbauer, 2021).

Recently, Rojas-Mendez and Chapa (2019) proposed a different bi-dimensional scale to measure C-XEN, arguing that in developing countries the social and normative dynamics differ from those in industrialized ones (the C-XENSCALE was mostly used and validated in European countries). Their X-Scale was developed in Mexico and subsequently validated in four other developing countries (Colombia, Ecuador, Peru, China). While the X-Scale’s dimension “domestic rejection” (negative attitudes toward domestic products) is very similar to the “perceived inferiority” dimension of Balabanis and Diamantopoulos’ (2016) scale, Rojas-Mendez and Chapa (2019) put a criticism to the C-XENSCALE regarding the usage of “social aggrandizement” as one dimension of the scale. Rojas-Mendez and Chapa perceive social aggrandizement to be rather a motive underlying C-XEN than a part of it. The X-Scale

thus uses the dimension of “foreign admiration” (positive attitudes toward foreign products), which seems stronger manifested in C-XEN (Rojas-Mendez and Chapa, 2019).

Still in 2019, another scale to capture C-XEN was developed by Cleveland and Balakrishnan (2019). Their scale tries to measure C-XEN on a more general level consisting of three different dimensions. While the first two dimensions are related to consumers’ attitudes, the third dimension is associated with actual consumer behavior. Specifically, the first dimension is *Group Identification*, which refers to the inferiority of one’s own country, similar to Kent and Burnight’s (1951) definition of xenocentrism “seeing faults where none exist” (p. 257). The second dimension is *Group Comparison*, which describes the comparisons made between one’s own group and a foreign group. Finally, the third dimension is *Consumption Bias Factor*, which refers to the perceived inferiority of domestic products and brands, therefore manifesting these xenocentric feelings into actual behavior.

2.4 Willingness to pay

Another extrinsic cue of products besides COO is their price (Veale and Quester, 2009). Price is used similarly as COO in consumers' evaluations of product alternatives. Especially in situations under risk (when consumers only have limited knowledge about the product), price is used as a proxy for quality, which makes it an important tool in consumers' purchasing process (Veale and Quester, 2009). Price is defined as "the amount of money we must sacrifice to acquire something we desire" (Monroe, 2003, p. 5). When compared to "softer" consumer responses such as brand attitudes, purchase intentions or product evaluations, price provides a stricter test as consumers might show positive attitudes or even display a purchase intention but are still not willing to buy the product as they perceive it to be too expensive (Koschate-Fischer et al., 2012). To capture consumers' price responses, an often used measure is willingness to pay (WTP), namely "the maximum amount of money a customer is willing to spend for a product or service" (Homburg and Bucerius, 2005, p. 85).

When assessing WTP, one can generally distinguish between two kind of techniques – direct and indirect ones. While direct surveys ask respondents to indicate their WTP, indirect ones assess WTP through the implementation of a ranking, resulting in a preference structure (Breidert, Hahsler and Reutterer, 2006). The two most used and known methods for capturing WTP are the Discrete-Choice Analysis and the Incentive-Aligned Analysis. Examples include The Van Westendorp Price Sensitivity Meter (PSM) as well as Becker DeGroot-Marschak mechanism (BDM) (Kloss and Kunter, 2016).

In this thesis, WTP is measured and assessed through the Price Sensitivity Meter (PSM) by Van Westendorp (1976). This method comprises four questions on price perceptions, i.e., a (i) too cheap, (ii) cheap, (iii) expensive and (iv) too expensive price. Advantages of using PSM measures to elicit consumers' WTP are the comparable low costs (Mueller and Broderick, 2009) and the high reliability of consumers' price reactions (Çolak and Koşan, 2021).

While price-focused outcomes have been implemented in various COO studies (e.g., Koschate-Fischer et al., 2012; Loureiro and Umberger, 2003), using PSM to measure WTP is a rather new approach (Diamantopoulos et al., 2021).

Several studies demonstrated an effect of a product's COO on consumers' WTP: while a more favorable CI increases consumers' WTP, a less favorable CI decreases consumers' WTP (Drozdenko and Jensen, 2009; Hu and Wang, 2010; Pucci, Casprini, Guercini and Zanni, 2017).

However, extant literature on CET and C-XEN in relation with consumers' WTP is still limited. While it was shown that CET has a positive influence on the willingness to pay price premiums (Drozdenko and Jensen, 2009), the literature on C-XEN and WTP is equivocal: while some studies found a positive impact of C-XEN on WTP (Matei, 2022), others did not confirm those findings (Petrychenko, 2020; Hofbauer, 2021).

The conceptual model as well as the hypotheses are introduced next.

3. Conceptual model and hypotheses development

In this chapter, the research model, on which the empirical study will be based on, is presented and explained. Afterwards the research hypotheses are developed based on theory and extant literature.

3.1 Conceptual model

Figure 1 introduces the conceptual framework that this study is built on. It proposes the relationship between CET and C-XEN and consumers' WTP in the context of a COO change (either a loss or a gain).

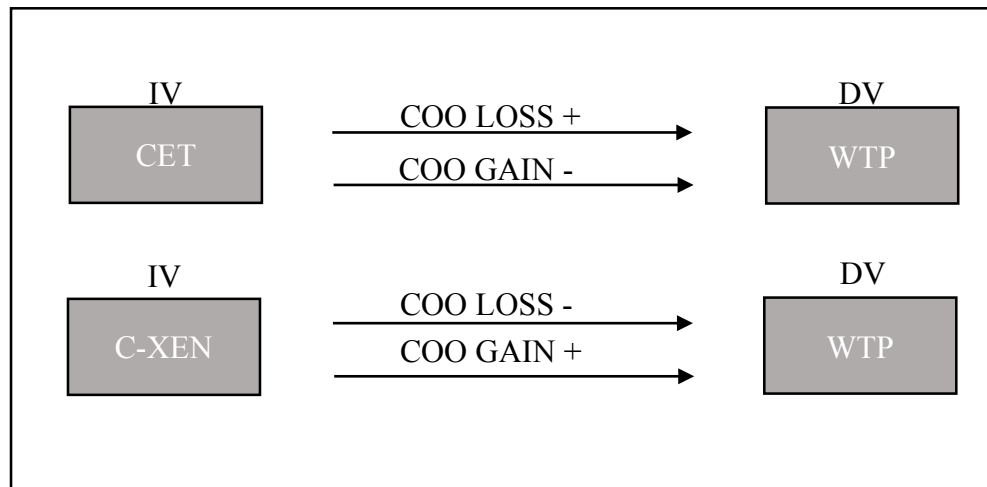


Figure 1: Conceptual model

As seen in Figure 1 – the above-mentioned consumer characteristics are expected to have different impacts on consumers' WTP for the same COO change scenario. While CET has a positive impact on WTP in the loss scenario, it negatively affects WTP in the gain scenario. On the other hand, C-XEN negatively impacts WTP in the loss scenario, but has a positive effect on WTP in the gain scenario.

In order to test the postulated relationships between the variables in the model above, the hypotheses as well as their theoretical underpinnings are introduced next.

3.2 Hypotheses development

3.2.1 CET and WTP

As already outlined in Chapter 2.2 on CET, Social Identity Theory (SIT) was introduced by Tajfel (1982). According to SIT, individuals have two different dimensions of self-image: their personal identity and their social identity. The former is defined as “self-construal in terms of idiosyncratic personality attributes that are not shared with other people (“I”) or personal dyadic relationships with a specific other person (“me” and “you”)” (Burke, 2006, p.115), while the latter is “that part of an individual’s self-concept which derives from his knowledge of his membership of a social group (or groups) together with the emotional significance attached to that membership” (Tajfel, 1974, p. 69). The characteristics of a social group are the presence of more than two people who identify and define themselves in the same way and also their relation to and differences from people who belong to other groups (out-groups). Both kind of identities are differently valued and also accessible (Burke, 2006).

Individuals aim to have a positive social identity and acquire that by doing intergroup comparisons between their own in-group and foreign out-groups (Turner, 1999). These “social comparisons between groups are focused on the establishment of distinctiveness between one’s own and other groups” (Tajfel, 1972, p. 296) as well as creating similarity within their own groups. That established distinctiveness should then be evaluated positively (Burke, 2006).

SIT differentiates clearly between a person’s behavior toward the in-group (e.g. home country) and out-groups (foreign countries). While individuals generally belong to various groups based on their nationality, their gender or religion, these group memberships do not automatically lead to intergroup behavior. The development of such intergroup behavior is dependent on how much the individual identifies with the group (Hogg, 2006).

CET is expected to influence consumers’ WTP in the context of a COO change given consumers’ home country is involved in the change. This study investigates reactions to COO changes of consumers originating from the country with the less favorable CI. Therefore a gain is considered a change from their home country to a foreign host country, while a loss is a change from a foreign host country to their home country. However, as ethnocentric

consumers favor their in-group, and also domestic brands and products (e.g., Balabanis and Diamantopoulos, 2004; Balabanis et al., 2019; Prince et al., 2016), they are expected to react to the proposed COO changes in an opposed way. Ethnocentrics will experience the gain scenario negatively as the originally domestic brand is now becoming a foreign brand due to an acquisition. On the other hand, ethnocentrics are expected to experience the loss scenario positively (a brand, which once produced in a foreign country is now shifting its production to their preferred home country).

Therefore, it is assumed that if the COO change is framed as a gain, CET impacts consumers' WTP negatively and if the COO change is framed as a loss, CET affects consumers' WTP positively. These postulated relationships are in line with Wang, Cui and Xia's (2012) findings, which indicate that CET has a negative effect on consumers' attitudes toward a target brand after a CBA.

Accordingly, we hypothesize that:

H1: CET influences consumers' WTP in the context of COO changes differently.

H1a) When the COO change is framed as a gain, CET has a negative effect on consumers' WTP.

H1b) When the COO change is framed as a loss, CET has a positive effect on consumers' WTP.

3.2.2 C-XEN and WTP

As already mentioned in section 2.3, C-XEN is theoretically rooted in System Justification Theory (SJT) (Jost and Banaji, 1994). “System-justification is the psychological process by which existing social arrangements are legitimized, even at the expense of personal and group interest” (Jost and Banaji, 1994, p. 2). Individuals form and deeply internalize negative stereotypes of themselves and their own society in contrast to superior out-groups. Those, who experience these kind of inferiority feelings perceive them as legitimate and they develop an outgroup-favoritism (Jost and Banaji, 1994).

SJT implies that group members accept the existing status quo (i.e., social arrangements) even though it might be coupled with acknowledging the inferiority of the in-group (Diamantopoulos et al., 2019): People experience their own inferior position and the out-group’s superior position as legitimized. Due to that “status quo rationalization and internalization of the system of inequality” (Balabanis et al., 2019, p. 42), individuals develop feelings of admiration for the out-group. This tendency occurs increasingly for countries, which have a higher perceived status than consumers’ home country (Balabanis and Diamantopoulos, 2016). These accepted differences between one’s own group and foreign out-groups can be of economic, social or technological nature. While internalizing these differences, superior out-groups (higher-status countries) are being perceived as “desirable” (Diamantopoulos et al., 2019). According to SJT, one important source of a person’s self-esteem is derived from the belonging to a group, the status of that group and comparisons with others. Usually, people favor their own group and reject the out-group in order to enhance their status (Mueller et al., 2016), however if individuals lack feelings of belonging as well as identification with their own group, they are searching for other sources to derive status from; as a consequence xenocentrics identify with a foreign group while derogating their own (Mueller et al., 2016).

Moreover, research has found that these inferior beliefs also manifest themselves for economic contexts as xenocentrism impacts consumer behavior: xenocentric consumers perceive their home country (including its products and brands) as inferior in comparison to foreign ones (Balabanis and Diamantopoulos, 2016) and associate consuming products from foreign countries with higher status (Zhou and Hui, 2003; Prince et al., 2016; Rojas-Méndez

and Chapa, 2019; Balabanis and Diamantopoulos, 2016; Diamantopoulos et al., 2019). Additionally, xenocentric consumers' unfavorable evaluations of their home country result in a negative bias toward domestic brands, which then leads to decreased purchase intentions (Diamantopoulos et al., 2019). On the other hand, they overvalue foreign countries' images, develop positive attitudes toward their brands and display higher purchase intentions. A relationship between xenocentric tendencies and a higher purchase intention for foreign products was also reported in other studies (Gaur et al., 2015; Camacho et al., 2020; Nguyen and Pham, 2021).

Following these considerations, C-XEN is also expected to influence consumers' WTP in the context of a COO change when consumers' home country is involved. Again, this study investigates reactions to COO changes for consumers originating from the country with the less favorable CI, as consumers xenocentric tendencies should appear more frequent in these countries (see section 2.3 again). Therefore, a COO gain is considered a change from consumers' inferior (in terms of PCI) home country to a superior foreign country, while a COO loss refers to a change from a superior foreign country to consumers' inferior home country. As xenocentric consumers favor the out-group, and also foreign brands and products (Gaur et al., 2015; Balabanis and Diamantopoulos, 2016; Balabanis et al., 2019; Rojas-Méndez and Chapa, 2019; Diamantopoulos et al., 2019), they should experience the gain scenario positively as the inferior domestic brand is becoming foreign. In contrast, xenocentrics are expected to experience the COO loss negatively as the foreign superior brand is now producing in consumers' home country. Therefore, it is assumed that if the COO change is framed as a loss, xenocentric consumers will show a decrease in their WTP, while if the COO change is framed as a gain, xenocentrics will display an increased WTP.

Based on these considerations, we hypothesize that:

H2: C-XEN influences consumers' WTP in the context of COO changes differently.

H2a) When the COO change is framed as a gain, C-XEN has a positive effect on consumers' WTP.

H2b) When the COO change is framed as a loss, C-XEN has a negative effect on consumers' WTP.

4. Methodology

In the following chapter, the methodology employed to test the proposed hypotheses is explained. First, the research design, the variables and measurement scales are presented. Next, the pretests conducted as well as the data collection procedures are described.

4.1 Research design

To test our hypotheses, two studies were carried out, each investigating one kind of COO change. Respondents were randomly assigned to one of the two studies. The stimuli for both studies was an advertisement of a fictitious outdoor jacket brand, differing only in the communicated change (in BO or COM).

Specifically:

- In Study 1 (acquisition; change in BO), the COO change was framed as a gain: an Austrian brand acquired a Slovakian brand. Thus, the BO changes from Slovakia (less favorable PCI) to Austria (more favorable PCI).
- In Study 2 (production shift; change in COM), the COO change was framed as a loss: an Austrian brand shifted its production from Austria to Slovakia. Thus, the COM is changing from Austria (more favorable PCI) to Slovakia (less favorable PCI).

The two studies are illustrated below:

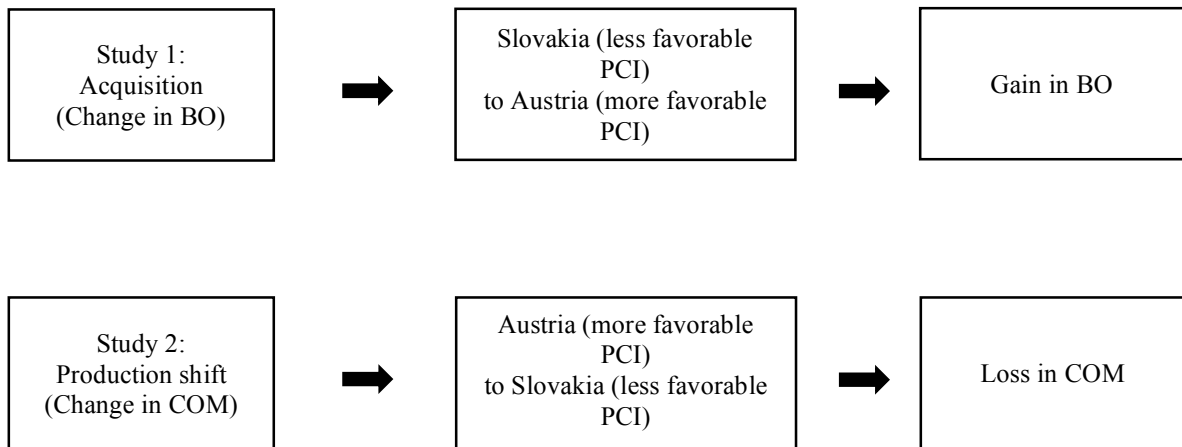


Figure 2: Study 1 and Study 2

It is important to highlight that the other two possible scenarios - a production shift from Slovakia to Austria and an acquisition of an Austrian brand by a Slovakian brand - were not included in the present research. The reason behind that decision is that these two cases are rather uncommon and would therefore go beyond the scope of this thesis.

4.2 Stimuli

In this section, the stimuli employed in the research are described.

4.2.1 Countries

The two studies were conducted with Slovakian consumers. While Slovakia represents the country with the less favorable image, Austria represents the country with the more favorable image. As mentioned above, while Study 1 investigated a change in BO from Slovakia to Austria (gain scenario), Study 2 examined a change in COM from Austria to Slovakia (loss scenario). The difference in the image of both countries was confirmed in the pretests (see section 4.4.1).

From an economic perspective, Slovakia can be considered a country actively involved in international trade: in 2019, the country had an export volume of US \$89.1 billion and an import volume of US \$90.1 (which equals the 36th and 37th place, respectively, compared to 127 other countries) (globalEDGE, 2022). These insights on Slovakia's import and export activities indicate that Slovakian consumers have access to domestic as well as foreign options and are confronted with a wide variety of products' COOs in purchasing situations, which is an important requirement for the present research.

The Human Development Index, which indicates the level of general health-care, economic and educational status as well as the development of a country, also gives interesting insights: with a total number of 66 countries classifying as very high human development countries, Slovakia ranks on 45th place compared to Austria on place 25 (undp, 2022). Therefore it is possible, that Slovakian consumers develop feelings of inferiority compared to Austria, making both countries a reasonable choice for this study's purpose.

Additionally, Austria is a highly developed country (undp, 2022), which actively engages in CBA activities. In 2016, over 280 deals with a value of more than 8 billion EUR were carried out (imaa, 2023).

4.2.2 Product category

The chosen product category is apparel, specifically outdoor jackets, as they are produced both in Austria and Slovakia. Therefore, respondents are likely familiar with the product and any choices cannot be traced back to limited domestic options (Balabanis and Diamantopoulos, 2016).

A fictitious brand name was selected in order to avoid any pre-existing opinions or biases about the brand in consumers' minds (Dimofte, Johansson and Ronkainen, 2008) – for details, see section 4.4.1. Another aspect which was considered is the high consumption visibility as well as the high signaling value of our chosen product category (Mueller et al., 2016) as one reason for xenocentric consumers to buy foreign products is to enhance their status (Diamantopoulos et al., 2019).

4.3 Variables and measurement scales

In this section the variables as well as the scales used for measuring them are described.

4.3.1 Dependent variable

The dependent variable (outcome) is the expected effect in an experiment and its value is determined by the independent variable (Field, 2018). In the present thesis, the dependent variable is consumers' WTP, previously defined as "the maximum amount of money a customer is willing to spend on a product or service" (Homburg et al., 2005, p. 85).

As already explained in Chapter 2.4, Van Westendorp's (1976) Price Sensitivity Meter (PSM) is used for capturing consumers' WTP. The PSM consists of four open-ended questions measuring consumers' perceptions of a product to be either (i) too cheap, (ii), cheap (a bargain), (iii) expensive, or (iv) too expensive (Lipovetsky, Magnan and Zanetti-Polzi, 2011). For details on the measurement, see Table 1 next.

Variable	Measurement scale
Willingness to pay "The maximum amount of money a customer is willing to spend on a product or service" (Homburg et al., 2005, p. 85).	Van Westendorp's Price Sensitivity Meter (PSM) consisting of four open-ended items: • At what price would you consider this product so expensive that you would not consider buying it? (<i>Too expensive</i>) • At what price would you consider the product starting to get expensive – not out of the question, but you'd need to give some thought to buying it? (<i>Expensive</i>) • At what price would you consider the product to be a bargain – a great buy for the money? (<i>Cheap</i>) • At what price would you consider the price of this product so low that you'd question its quality? (<i>Too cheap</i>) Source: Ceylana, Koseb and Aydin (2014)

Table 1: Dependent variable

To estimate consumers' individual WTP, this thesis calculates the average of the too expensive and expensive prices. Research has shown that the price element that consumers consider to be “expensive” is the closest estimation of consumers' reservation price. However, Diamantopoulos et al. (2021) criticized that using the expensive price leads to an underestimation of consumers' actual WTP, as the expensive price cannot be considered the maximum consumers would actually be willing to pay. By including the too expensive price element, which is above consumers' maximum price, it allows for a better approximation of the actual reservation price.

Consequently, consumers' WTP was calculated as follows:

$$WTP_i = (WTP_{expensive_i} + WTP_{too\ expensive_i}) / 2$$

Whereby the indices are the following:

WTP_i = individual willingness to pay

WTP_{expensive_i} = individual expensive price

WTP_{too expensive_i} = individual too expensive price

4.3.2 Independent variables: CET and C-XEN

Independent variables, which are also called predictors, are the cause of an effect (the output variable) and are manipulated by the researcher (Field, 2018). In the present study, CET and C-XEN are the independent variables. CET, which refers to “the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products” (Shimp and Sharma, 1987, p. 287) was captured by Verlegh's 5-item scale. C-XEN, which describes “a consumer's internalized belief of the inferiority of domestic products and a corresponding propensity to prefer foreign products for social aggrandizement purposes” (Balabanis and Diamantopoulos, 2016, p. 61) was measured by using the bi-dimensional C-XENSCALE developed by Balabanis and Diamantopoulos (2016). The items of each scale are shown in Table 2 next.

Variable	Measurement scale
Consumer ethnocentrism “The beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products” (Shimp and Sharma, 1987, p. 287).	Verlegh’s (2007) scale consisting of 5 items on a seven-point Likert scale (1 = “strongly disagree” and 7 = “strongly agree”): • Slovakian people should not buy foreign products, because this harms the local economy and increases unemployment. • A real Slovak should always buy Slovakian products. • I always prefer Slovakian products over foreign products. • We should purchase products manufactured in Slovakia, instead of letting other countries get rich off us. • It is not right to purchase foreign products, because this puts Slovakian people out of jobs. Source: adapted from Verlegh (2007)
Consumer xenocentrism “A consumer’s internalized belief of the inferiority of domestic products and a corresponding propensity to prefer foreign products for social aggrandizement purposes” (Balabanis and Diamantopoulos, 2016, p. 61).	The scale consists of ten items on a seven-point Likert scale, whereby 1= “strongly disagree” and 7= “strongly agree”: Perceived inferiority • There are very few domestic products that are of equal quality to foreign products. • I cannot think of any domestic brands that are as good as the foreign ones I purchase. • I trust more foreign than domestic companies because they are more experienced and have more resources. • In most product categories, foreign brands outperform domestic ones. • I trust foreign products more than the domestic ones.

	Social aggrandizement • Using foreign products enhances my self-esteem. • People that buy domestic products are less regarded by others. • I prefer foreign to domestic brands as most of my acquaintances buy foreign brands. • Buying foreign products makes me trendier. • I buy foreign brands to differentiate myself from others. Source: Balabanis and Diamantopoulos (2016)
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Table 2: Independent variables

4.3.3 Manipulation check variable

In the proposed relationship between CET and C-XEN (independent variables) and consumers' WTP (dependent variable), product-country image (PCI), namely “the overall perception consumers form of products from a particular country, based on their prior perception of the country’s production and marketing strengths and weaknesses” (Roth and Romeo, 1992, p. 480) was included as a manipulation check variable in order to test whether Slovakian consumers indeed perceive Austria as superior compared to their home country.

Roth and Romeo (1992) suggest that a PCI consists of four different dimensions in regard to its production profile, which is composed of its innovative aspect, design, prestige as well as workmanship. Roth and Romeo’s PCI (1992) is shown next in Table 3.

Variable	Measurement scale
Product-country image “The overall perception consumers form of products from a particular country, based on their prior perception of the country’s production and marketing strengths and weaknesses” (Roth and Romeo 1992, p. 480).	The scale consists of four items on a seven-point Likert scale: • How would you rate the innovativeness of products from [Austria/Slovakia]? Innovativeness designates the use of new technology and engineering advances. (1 = “not innovative,” and 7 = “innovative”) • How would you rate the attractiveness of the design of products from [Austria/Slovakia], regarding appearance, style, colors, and variety? (1 = “no attractive design,” and 7 = “attractive design”) • How would you rate the prestige of products from [Austria/Slovakia], including their exclusivity, status, and brand name reputation? (1 = “low prestige,” and 7 = “high prestige”) • How would you rate the workmanship of products from [Austria/Slovakia], which comprises reliability, durability, craftsmanship, and manufacturing quality? (1 = “bad workmanship” and 7= “good workmanship”) Source: Roth and Romeo (1992)

Table 3: Mediator variable

4.3.4 Extraneous variables

Based on the literature review on COO changes, CET and C-XEN (see again Chapter 2), three control variables were selected, as these might influence consumers’ WTP and provoke confounding effects (Zeugner-Roth et al., 2015; Diamantopoulos et al., 2019).

The first control variable is consumers’ price sensitivity. It describes “the extent to which individuals perceive and respond to changes or differences in prices for products or services” (Wakefield and Inman, 2003, p. 201). Price sensitivity was measured with a scale adapted from Wakefield and Inman (2003). Research has shown that price-insensitive consumers are

willing to pay more for products than price-sensitive consumers (Goldsmith and Newell, 1997).

The second control variable is product involvement, which refers to “a person’s perceived relevance of the object based on inherent needs, values and interests” (Zaichkowsky, 1985, p. 342). Product involvement was measured with a scale adapted from Mittal and Lee (1988). Product involvement has been shown to be positively related with consumers’ WTP (Campbell, DiPietro and Remar, 2014).

Finally, product-country typicality, which is defined as “the stereotypical association of a generic product with a particular COO” (Usunier and Cestre, 2007, p. 36), is added as a third control variable. Product-country typicality was measured with a scale adapted from Halkias and Diamantopoulos (2020). Extant research has provided evidence that product-country typicality positively impacts various consumer responses such as consumers’ attitudes (e.g., Loken and Ward, 1987), willingness to buy (e.g., Roth and Romeo, 1992) or product quality perceptions (e.g., Hamzaoui-Essoussi and Merunka, 2006). It was also found that consumers’ perception of brands or products decreases when their COO changes from a high product-country match to an inferior one (Pappu, Quester and Cooksey, 2006).

The control variables as well as their measurements are detailed in Table 4.

Variable	Measurement scale
Price sensitivity “The extent to which individuals perceive and respond to changes or differences in prices for products or services” (Wakefield and Inman, 2003, p. 201).	Three items on a seven-point Likert scale (1 = “strongly disagree” and 7 = “strongly agree”): • I am willing to make an extra effort to find a low price for outdoor jackets. • I will change what I had planned to buy in order to take advantage of a lower price for outdoor jackets. • I am sensitive to differences in the prices for outdoor jackets. Source: Wakefield and Inman (2003)

Product involvement “A person’s perceived relevance of the object based on inherent needs, values and interests” (Zaichkowsky, 1985, p. 342).	Three items on a seven-point Likert scale (1 = “strongly disagree” and 7 = “strongly agree”): • I choose my outdoor jackets very carefully. • Which outdoor jacket I use matters to me a lot. • Choosing an outdoor jacket is an important decision to me. Source: Mittal and Lee (1988)
Product-country typicality “The stereotypical association of a generic product with a particular COO” (Usunier and Cestre, 2007, p. 36).	Four items on a seven-point Likert scale (1 = “strongly disagree” and 7 = “strongly agree”): • Outdoor jackets reflect [Austria/Slovakia]. • I associate outdoor jackets with [Austria/Slovakia]. • Outdoor jackets make me think of [Austria/Slovakia]. • There is a strong link between outdoor jackets and [Austria/Slovakia]. Source: Halkias and Diamantopoulos (2020)

Table 4: Extraneous variables

In addition, demographic variables, namely gender, nationality, age, occupation and income were measured as well (see Table 5). Especially monthly net income is an important aspect when assessing price-related consumer behavior.

Variable	Measurement scale
Gender	Single question with three distinct options. Gender: () Female () Male () Diverse
Age	Single, open-ended question. Age: _____ years old.

Nationality	Single question with two distinct options. Nationality: () Slovakia () Other
Occupation	Single question with 5 distinct options. () Employed () Unemployed () Self-employed () Student () Retired
Monthly net income	Single, open-ended question. Monthly net income in euro (€): _____

Table 5: Additional extraneous variables

4.4 Pretests

Before the main study was conducted, two pretests were carried out. The first pretest's objective was to test the fictitious brand names and also to assess both countries' PCIs. The second pretest was performed in order to test whether respondents understood both COO change scenarios. Details are given next.

4.4.1 Pretest 1

The first pretest was conducted in order to choose a fictitious brand name without any country or product category associations and to examine whether both countries' PCIs differ significantly. PCIs were measured by using Roth and Romeo's (1992) country image scale.

In total, 104 respondents participated in the first pretest. After excluding non-Slovakian respondents from the sample, 99 questionnaires could be used.

In order to test the fictitious brand names, consumers were asked, which country and product category associations they had with each name. In total, four different names were tested: ATEX, Top Trek, Mountain Fox and Arctic Fox (see Appendix A). ATEX had only two associations with Austria among all respondents and the least associations with a certain product category (this name was also overall the one with the least associations). Thus, ATEX was selected for the main studies.

Regarding both countries' PCIs, a paired samples t-test revealed that Slovakia had (as expected) a lower PCI ($M = 4.27$, $SD = 1.30$) compared to Austria ($M = 5.48$, $SD = 1.13$), scoring lower on all four items of the scale ($t(96) = 8.297$, $p < 0.05$).

4.4.2 Pretest 2

A second pretest was carried out in order to test both studies' scenarios (acquisition and production shift). Both scenarios were presented in the context of an advertisement: a picture of an outdoor jacket with the brand's name (ATEX) as well as a short advertising text which communicated the information about the COO change. In the following, respondents were

asked to indicate the brand's BO and COM post-change in order to test whether they had understood the COO change correctly (see Appendix A).

Respondents were randomly assigned to one of the two conditions. Overall, our sample consisted of 61 respondents, however, only 20 understood the change correctly. In order to gain valid and meaningful results in the main study, it was crucial that consumers understood the change, so the following adaptations were made. In the pretest regardless of the kind of COO change, all respondents were asked the same two questions on the brand's BO ("Atex is now a/n [*Austrian/Slovakian*] brand") and COM ("Atex is now producing in [*Austria/Slovakia*]"). It was assumed that the low understandability rate of the pretest can be traced back to the fact that both questions contained the word "now", therefore respondents might have assumed that both COO cues, BO and COM, must have changed. In order to avoid such a low understandability rate for the main study, only one question was included: for the acquisition scenario only the question on the brand's BO and for the production shift scenario only the question on the brand's COM was asked. These questions could also be included as controls in the analysis so not to interfere in the final results.

4.5 Data collection

For the main survey, a quota sample was employed. The sample was nationally representative of the Slovakian population with respect to gender and age. Data was collected by a professional research agency that maintains representative online panels in several countries worldwide. In total, 213 completed questionnaires were collected, 149 of which were fully usable.

Two different COO changes were examined by exposing Slovakian consumers to two different scenarios covering either an acquisition (change in BO from Slovakia to Austria, representing a gain – Study 1) or a production shift (change in COM from Austria to Slovakia, representing a loss – Study 2), with Austria representing the country with a more favorable image and Slovakia representing the country with a less favorable image. The two scenarios were presented to respondents in the course of an advertisement.

The questionnaire was initially developed in English and then translated to Slovak by a Slovakian native speaker. After the translation, it was uploaded on the SoSci platform and the respective links were sent to the research agency, which distributed them among the target group. Respondents were randomly assigned to one of the two scenarios, each displaying an advertisement for an outdoor jacket. The advertisements were only created for the use of this study in order to avoid any associations with existing ones. The picture showed the outdoor jacket in front of a mountain scenery with the brand name “ATEX” and the sentence “Your companion through rain and storm” in Slovakian. The picture was the same for both studies, only the text beneath was varying depending on the scenario. In both cases, a short description of the product was given and the COO change was communicated. After having been exposed to the advertisement, respondents were asked their price perceptions according to Van Westendorp’s PSM (1976). Afterwards, it was tested whether respondents understood the change and whether they perceived the scenario as credible. Next, both countries’ PCIs were assessed using Roth and Romeo’s (1992) country image scale, followed by respondents’ evaluations on the three covariates: price sensitivity (Wakefield and Inman, 2003), product involvement (Mittal and Lee 1988) and product-country typicality (Halkias and Diamantopoulos, 2020). Finally, CET was measured using Verlegh’s version of the

CETSCALE (Verlegh, 2007) and C-XEN was assessed using the C-XENSACLE (Balabanis and Diamantopoulos, 2016). Demographic questions finished the questionnaire.

5. Results

In this chapter, the main results of the two studies are presented. For each study, sample profile, constructs reliability, checks for PCI, control variables and hypotheses testing are shown (for details, see SPSS results in Appendix C).

5.1 Study 1 – Acquisition

In Study 1, CET and C-XEN were examined in the context of an acquisition. A brand from respondents' inferior (in terms of PCI) home country (Slovakia) was acquired by a brand from a superior country (Austria). Thus, the brand's BO was changing from Slovakian to Austrian. As the PCI of the BO post-change is more favorable compared to the original one, the change is considered a gain.

5.1.1 Sample profile

Before performing statistical analyses, the sample of 104 respondents was cleaned as followed: first, non-Slovakian participants were removed (7 respondents). If respondents did not answer the question whether they had understood the COO change they were removed as well (20 respondents). Next, respondents who did not answer the PSM in accordance to price transitivity (i.e., too cheap < cheap < expensive < too expensive) were excluded (one respondent) and finally, outliers were also eliminated from the sample (4 respondents) - outliers were calculated with the following formula:

$$Outlier = MD \pm (3 \times SD)$$

Whereby the indices are the following:

MD = Mean

SD = Standard Deviation

After removing these invalid cases, the final sample of 72 Slovaks consisted of 28 male (38.9%) and 44 female (61.1%) respondents with an age range from 25 to 78 ($M = 52.39$ years, $SD = 16.27$).

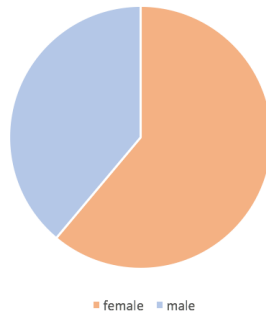


Figure 3: Study 1 - Sample characteristics (gender)

Regarding the respondents' occupation, the majority of them was either employed (45.8%) or retired (36.1%), while 8.3% were self-employed and 9.7% indicated something other than the former. There were no students or unemployed individuals among the participants.

In terms of respondents' monthly net income, the majority (61.1%) indicated it was below 1.000€, whereas 34.7% stated an income between 1.000-1.999€. Only 4.2% had an income between 2.000-2.999€ at their disposal.

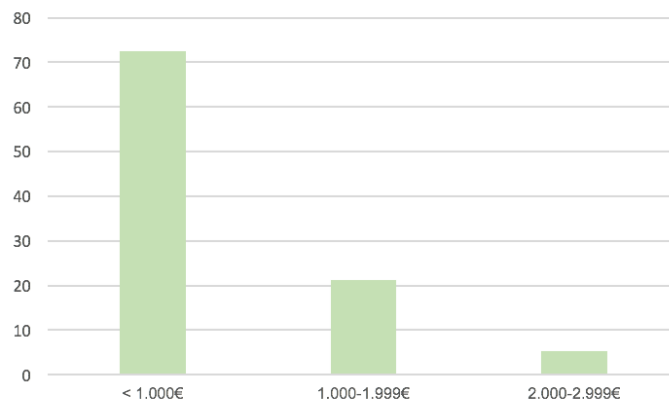


Figure 4: Study 1 - Sample characteristics (monthly net income)

Also, the credibility of the scenario was measured using a 7-point Likert scale. With a mean of 4.22 and SD = 1.29, the scenario believability can be considered at a moderate to good level.

Next, constructs' reliability is described.

5.1.2 Constructs reliability

Cronbach's Alpha (α) - (Cronbach, 1951) was calculated to ensure the reliability of the scales. The acceptable value for Cronbach's Alpha was set at 0.5 (see Hair, Anderson, Tatham and Black, 2009).

Table 6 demonstrates that for all six scales employed in our study, the Cronbach's Alpha coefficient was above the acceptable limit of 0.5 and can therefore be considered reliable.

Construct	Cronbach's alpha
Consumer ethnocentrism (Verlegh, 2007)	$\alpha = 0.92$
Consumer xenocentrism (Balabanis and Diamantopoulos, 2016)	$\alpha = 0.91$
Product-country image (Roth and Romeo, 1992)	$\alpha = 0.93$ (AT) $\alpha = 0.91$ (SK)
Product-country typicality (Halkias and Diamantopoulos, 2020)	$\alpha = 0.87$ (AT) $\alpha = 0.88$ (SK)
Price sensitivity (Wakefield and Inman, 2003)	$\alpha = 0.69$
Product involvement (Mittal and Lee, 1989)	$\alpha = 0.87$

Table 6: Study 1 - Reliability of multi-item constructs

The checks for both countries' PCIs are described next.

5.1.3 Checks for PCI

While Austria represented the country with a higher CI favorability, Slovakia represented the country with a lower CI favorability. This was a necessary condition for C-XEN: the foreign country has to have a more favorable image than the domestic one (Balabanis & Diamantopoulos, 2016) in order for xenocentric feelings to develop. A paired samples t-test ($t(72) = 6.74, p < 0.05$) revealed that Austria's CI ($M_{AT} = 5.69, SD = 1.11$) was significantly more favorable than Slovakia's ($M_{SK} = 4.70, SD = 1.29$), which is also in line with the results of the first pretest. Thus, the choice of COOs was a reasonable decision for this study's purpose.

In the next section, the control variables are outlined.

5.1.4 Control variables

As mentioned in section 4.3.4, three control variables were included in the present study; price sensitivity (Wakefield and Inman, 2003), product involvement (Mittal and Lee, 1988) and product-country typicality (Halkias and Diamantopoulos, 2020).

The results indicate that respondents showed on average a high price sensitivity ($M = 5.26, SD = 1.11$) as well as a high product involvement ($M = 5.44, SD = 1.42$). These results can be traced back to the fact that outdoor jackets are generally a rather expensive product category.

Concerning product-country typicality, the results reveal via a paired samples t-test ($t(72) = 4.72, p < 0.05$) that Austria ($M = 4.99, SD = 1.33$) scored significantly higher than Slovakia ($M = 4.39, SD = 1.25$). Thus, Austria is more associated with outdoor jackets than Slovakia. However, overall both countries have a rather moderate to high product-country typicality score.

These covariates were included in the main analysis as they might influence consumers' WTP. In the next section, the hypotheses are analyzed.

5.1.5 Hypotheses testing

Before performing statistical analyses, it was important to test the presence/absence of ethnocentric or xenocentric tendencies in the sample. Results reveal, against expectations, that Slovakian respondents show rather high levels of CET ($M = 4.69$, $SD = 1.43$), while displaying moderate scores of C-XEN ($M = 3.64$, $SD = 1.22$).

Next, correlations were calculated in order to find out whether any of the variables had a significant relationship with any of the other variables, particularly consumers' WTP (dependent variable). As expected, CET showed a significant and negative relationship with consumers' WTP ($r = -0.34$, $p < 0.01$). Contrary to expectations, C-XEN did not show any correlation with WTP. In the following table, all correlations between variables are shown.

		Price Sensitivity	Product Involvement	CET	C-XEN	Typicality AT	Typicality SK	WTP
Price Sensitivity	Pearson Correlation Sig. (1-tailed)	1						
Product Involvement	Pearson Correlation Sig. (1-tailed)	.453 .000	1					
CET	Pearson Correlation Sig. (1-tailed)	.229 .053	.255 .015	1				
C-XEN	Pearson Correlation Sig. (1-tailed)	.124 .301	.310 .004	-.083 .243	1			
Typicality AT	Pearson Correlation Sig. (1-tailed)	.214 .036	.587 .000	.131 .136	.427 .000	1		
Typicality SK	Pearson Correlation Sig. (1-tailed)	.080 .251	.395 .000	.350 .001	.151 .207	.660 .000	1	
WTP	Pearson Correlation Sig. (1-tailed)	-.229 .027	-.164 .085	-.339 .002	.091 .445	-.028 .406	-.090 .226	1

N=72

Table 7: Study 1 – Correlations

To formally test H1a and H2a, a regression analysis was conducted. The assumptions for a regression analysis were met (for details, see Appendix C). As already outlined (see again Chapter 4.3) WTP was the dependent variable, while CET and C-XEN were the independent variables and price sensitivity, product involvement as well as product-country typicality were included as control variables. Additionally, a new covariate named “correct” was created in order to control for the respondents, who did not understand the COO change correctly.

In model 1, only the covariates were included as predictors for the outcome variable (WTP). The model was not significant ($F(5,66) = 1.62$, $p > 0.05$, $R^2 = 0.11$). After including CET and C-XEN as predictors in model 2, the model showed significance ($F(7,64) = 1.88$; $p < 0.1$) with a R^2 of 0.17.

Looking into detail in model 2, the regression coefficients revealed that only CET had a significant negative effect on consumers’ WTP ($\beta_{\text{CET}} = -0.27$, $p < 0.05$), providing support to H1a but not H2a.

Hence, CET negatively affected consumers’ WTP in a gain situation. In contrast, C-XEN did not show any significant effect on consumers’ WTP, different from the positive effect expected in a gain situation.

5.2 Study 2 – Production shift

In Study 2, CET and C-XEN were examined in the context of a production shift. A brand from a superior (in terms of PCI) foreign country (Austria) was shifting its production to respondents' inferior home country (Slovakia). Thus, the brand's COM was changing from Austria to Slovakia. As the PCI of the COM post-change is less favorable compared to the original one, the change is considered a loss.

5.2.1 Sample profile

Before performing statistical analyses, the sample of 109 respondents was cleaned as followed: first, non-Slovakian participants were removed (6 respondents). If respondents did not answer the question whether they had understood the COO change, they were removed as well (21 respondents). Next, respondents who did not answer the PSM in accordance to price transitivity (i.e., too cheap < cheap < expensive < too expensive) were excluded (2 respondents) and finally, outliers were eliminated from the sample (3 respondents) – again, outliers were calculated with the following formula:

$$\text{Outlier} = MD \pm (3 \times SD)$$

Whereby the indices are the following:

MD = Mean

SD = Standard Deviation

After excluding these invalid cases from the data, the final sample of 77 Slovaks consisted of 37 male (48.1%) and 40 female (51.9%) respondents with an age range from 18 to 81 ($M = 51.42$ years, $SD = 16.16$).

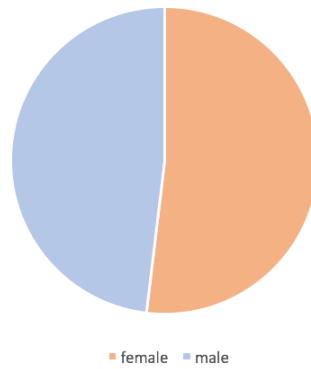


Figure 5: Study 2 - Sample characteristics (gender)

In terms of occupation, the majority of respondents was either employed (44.7%) or retired (43.4%). Only 7.9% were unemployed and 1.3% were students as well as self-employed. Finally, 1.3% indicated something other than the former.

With regards to monthly net income, 72.4% indicated an income below 1.000€, 21.1% between 1.000-1.999€, 5.3% between 2.000-2.999€ and only 1.3% above 3.000€.

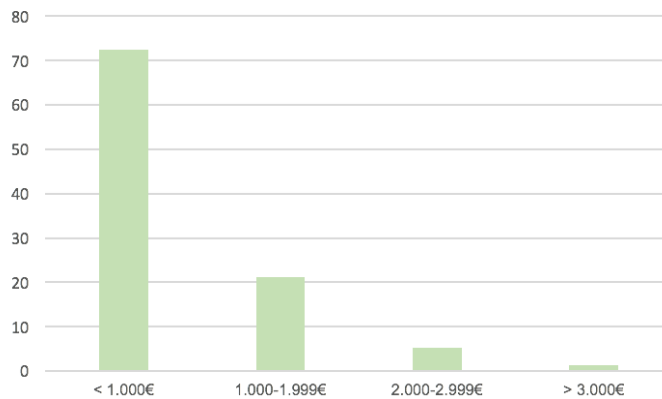


Figure 6: Study 2 - Sample characteristics (monthly net income)

Additionally, the credibility of the scenario was measured using a 7-point Likert scale. The results show a moderate to good credibility ($M = 4.94$, $SD = 1.29$). However, the scenario is perceived more credible than the scenario used in Study 1. Thus, respondents consider a

change in COM to a less favorable country (loss) due to a production shift more realistic than a change in BO to a more favorable country (gain) due to an acquisition.

Next, constructs' reliability is described.

5.2.2 Constructs reliability

Once again, Cronbach's Alpha (α) (Cronbach, 1951) was calculated to ensure the reliability of the scales. In line with Study 1 and with the limit of 0.5 (Hair et al., 2009), all constructs can be considered reliable (see Table 8).

Construct	Cronbach's alpha
Consumer ethnocentrism (Verlegh, 2007)	$\alpha = 0.91$
Consumer xenocentrism (Balabanis and Diamantopoulos, 2016)	$\alpha = 0.93$
Product-country image (Roth and Romeo, 1992)	$\alpha = 0.93$ (AT) $\alpha = 0.89$ (SK)
Product-country typicality (Halkias and Diamantopoulos, 2020)	$\alpha = 0.92$ (AT) $\alpha = 0.89$ (SK)
Price sensitivity (Wakefield and Inman, 2003)	$\alpha = 0.79$
Product involvement (Mittal and Lee, 1989)	$\alpha = 0.76$

Table 8: Study 2 - Reliability of multi-item constructs

The checks for both countries' PCIs are described next.

5.2.3 Checks for PCI

Similarly to Study 1, Austria and Slovakia differed in their CI favorability. A paired samples t-test revealed that Austria's CI ($M_{AT} = 5.73$, $SD = 1.06$) was significantly more favorable than Slovakia's ($M_{SK} = 5.03$, $SD = 1.05$; $t(77) = 5.16$, $p < 0.05$). However, even though both countries' PCIs differed significantly, the difference was not as large as expected due to the results of Pretest 1.

In the next section, the control variables are outlined.

5.2.4 Control variables

Again, price sensitivity (Wakefield and Inman, 2003), product involvement (Mittal and Lee, 1988) and product-country typicality (Halkias and Diamantopoulos, 2020) were included as control variables.

As in Study 1, results indicate that respondents showed on average a high price sensitivity ($M = 5.35$, $SD = 1.09$) as well as a high product involvement ($M = 5.55$, $SD = 1.06$).

With regards to product-country typicality, a paired samples t-test ($t(77) = 4.49$, $p < 0.05$) revealed that Austria scores significantly higher ($M = 5.35$, $SD = 1.28$) than Slovakia ($M = 4.72$, $SD = 1.21$). Hence, as in Study 1, Austria is more associated with outdoor jackets than Slovakia.

Again, the three covariates were included in the main analysis as they might influence consumers' WTP. In the next section, the hypotheses are analyzed.

5.2.5 Hypotheses testing

Similar to Study 1, before performing statistical analyses, the presence/absence of ethnocentric or xenocentric tendencies among the sample was evaluated. Again, results reveal that respondents show rather high levels of CET ($M = 4.58$, $SD = 1.37$) while displaying moderate scores of C-XEN ($M = 3.78$, $SD = 1.41$).

Next, correlations were calculated in order to find out whether any of the variables had a significant relationship with any of the other variables, particularly consumers' WTP (dependent variable). Against expectations, neither CET nor C-XEN showed any correlation with consumers' WTP. In Table 9 all correlations between variables are shown.

		Price Sensitivity	Product Involvement	CET	C-XEN	Typicality AT	Typicality SK	WTP
Price Sensitivity	Pearson Correlation Sig. (1-tailed)	1						
Product Involvement	Pearson Correlation Sig. (1-tailed)	.582 .000	1					
CET	Pearson Correlation Sig. (1-tailed)	.197 .043	.220 .027	1				
C-XEN	Pearson Correlation Sig. (1-tailed)	-.015 .450	.049 .337	-.271 .009	1			
Typicality AT	Pearson Correlation Sig. (1-tailed)	.393 .000	.389 .000	-0.33 .388	.427 .000	1		
Typicality SK	Pearson Correlation Sig. (1-tailed)	.348 .001	.331 .002	.282* .006	.017 .442	.518 .000	1	
WTP	Pearson Correlation Sig. (1-tailed)	-.060 .302	.175 .064	.011 .464	.119 .151	.050 .334	.061 .300	1

N=77

Table 9: Study 2 – Correlations

Then, to formally test H1b and H2b, a regression analysis was performed. Assumptions for a regression analysis were met (see Appendix C). Again, WTP was used as the dependent variable, CET and C-XEN were the independent variables and price sensitivity, product involvement as well as product-country typicality were included as control variables. As in Study 1, a new covariate named “correct” was created in order to control for the respondents, who did not understand the COO change correctly.

In model 1, only the covariates were included as predictors for the outcome variable (WTP). This model was not significant ($F(5, 71) = 1.32, p > 0.05$). In model 2, which also added CET and C-XEN as predictors, no significance was found either ($F(7, 69) = 1.07, p > 0.05$).

Therefore, no support was provided for H1b as CET did not show any significant correlation with WTP. Hence, CET did not positively influence consumers’ WTP in a COO loss. Also, no support for H2b was found as C-XEN did not show any significant effect on consumers’ WTP. This means that C-XEN does not positively affect consumers’ WTP in a COO loss.

6. Conclusion

In the following chapter our results are discussed with regard to their theoretical as well as managerial implications. Finally, limitations and future research directions are presented.

The aim of this thesis was to gain a deeper understanding of the potential effects of consumer characteristics, particularly CET and C-XEN, on consumers' WTP in the context of COO changes. Specifically, two different kind of COO changes were considered: the first one, examined in Study 1, was a change in BO as a consequence of an acquisition. The second one was illustrated in Study 2: a change in COM as a consequence of a production shift.

For the purpose of this study, only two possible COO changes (the most common ones in the market) were chosen. The first COO change comprised an acquisition of a brand from consumers' inferior home country (Slovakia) by a brand from a superior foreign country (Austria). This change is considered a gain as the PCI of the new BO is superior compared to the original one. The second COO change was a production shift of a brand from a superior foreign country (Austria) to the consumers' inferior home country (Slovakia). In this case, a loss is at hand as the PCI of the new COM is inferior compared to the original one.

The research question was how both consumer characteristics, namely CET and C-XEN, impact consumers' WTP in the context of these COO changes. In order to find an informed answer to the research question, two studies investigating either a gain scenario (here change in BO) or a loss scenario (here change in COM) were conducted with a sample of Slovakian consumers. It was expected that ethnocentric and xenocentric consumers would experience the gain and loss differently and that this divergence would consequently impact their WTP.

In the following section, our results are discussed in the context of existing literature and theoretical implications are given.

6.1 Theoretical implications

From a theoretical point of view, this thesis has granted a deeper understanding of the relationship between CET and C-XEN and consumers' WTP in the context of COO changes. Specifically, it was investigated whether ethnocentric and xenocentric consumers responded differently to the same COO change, while consumers' inferior (in terms of PCI) home country was included in the change.

The first hypothesis was focused on CET's impact on consumers' WTP in the context of two different COO changes.

Specifically, H1a examined CET in the context of a positive COO change (Study 1: acquisition). In that case, the brand's BO changed from consumers' inferior (in terms of PCI) home country to the superior foreign country due to an acquisition: a Slovakian brand was acquired by an Austrian brand, which represented a gain in terms of BO.

It was expected that as ethnocentric consumers would favor products originating from their home country (Shimp and Sharma, 1987; Verlegh, 2007; Balabanis et al., 2019; Wang and Chen, 2004; Zeugner-Roth et al., 2015), even if the foreign alternatives originate from countries with a more favorable CI (Balabanis et al., 2019) or are of better quality (Prince et al., 2016). Such expectation was confirmed, as our findings show that CET had a significant negative impact on consumers' WTP. Hence, in the context of a CBA, CET negatively affects consumers' WTP, even though the foreign country has a more favorable BO in terms of PCI.

This finding also matches prior research on CET in the context of CBAs. After a CBA, the acquired target brand becomes a foreign brand and thus, ethnocentric consumers will evaluate the brand lower. Therefore, this thesis extends previous research showing that not only CET negatively impacts consumers' attitudes toward a target brand after a CBA (Shi, Li, Lim, 2017; Wang et al., 2012) but also their price dispositions.

One explanation for that result might also be that in the case of a CBA consumers from the home country experience feelings of loss, induced by ownership. These feelings result then in negative attitudes toward the acquired brand (Chang et al., 2015).

Next, H1b examined CET in the context of a negative COO change (Study 2: production shift). In this study, the brand's COM changed from a superior (in terms of PCI) foreign country to consumers' inferior home country due to a production shift: an Austrian brand shifted its production from Austria to Slovakia, which represented a loss in terms of COM.

In line with the previous hypothesis, it was once again assumed that as ethnocentric consumers prefer domestic products over foreign alternatives (Shimp and Sharma, 1987; Verlegh, 2007; Balabanis et al., 2019; Wang and Chen, 2004; Zeugner-Roth et al., 2015), a positive moderation effect would occur. However, CET did not show any significant impact on consumers' WTP in the context of a loss in COM. Even though the brand was now producing in their favored home country, ethnocentric consumers did not react to the changed COM in terms of price perceptions.

One can conclude that ethnocentric consumers attach more importance to a brand's BO in contrast to its COM. Regarding extant literature on CET in relation with both – BO (possibly determined by a CBA) and COM (possibly determined by a production shift) – the following can be said: CET is negatively related with attitudes toward a CBA event (Shi et al., 2017), which might be caused by the fact that CETs perceive domestic brands as national assets (Fong et al., 2015); a CBA consequently evokes feelings of loss of these assets as well as a loss of the home country's competitiveness (Xu and Shenkar, 2002). Additionally, a CBA causes a threat to consumers' national identity (Shi et al., 2017). Thus, these examples illustrate the strong feelings ethnocentric consumers have toward the BO of brands originating from their home country.

In contrast, production shifts are a different case: CET is not positively related with consumers' COM awareness as well as COM importance (Helgeson, Kurpis, Supphellen and Ekici, 2017). Research provided proof that ethnocentric consumers were neither aware of a product's COM nor did they place any importance to it if they were. This is also in line with our findings as no effect of CET on WTP in the context of a production shift - and therefore a change in COM - was found. It can be assumed that a product's COM does not evoke any price-related responses in ethnocentrics.

The second hypothesis was focused on C-XEN's influence on consumers' WTP in the

context of COO changes.

H2a examined C-XEN in the context of a positive COO change (Study 1: acquisition). Again, the brand's BO changed from consumers' inferior (in terms of PCI) home country to the superior foreign country due to an acquisition, which represented a gain in terms of BO.

Unlike ethnocentric consumers, xenocentric consumers should prefer foreign products (Mueller and Broderick, 2009; Diamantopoulos et al., 2019; Balabanis and Diamantopoulos, 2016; Prince et al., 2016). Consequently, they should react especially positive to the COO change and consider it a gain, which would reflect in an increased WTP. However, against expectations, C-XEN did not show any impact on consumers' WTP in the COO gain.

This result is contradicting prior literature which found a positive impact of C-XEN on consumer behavior for foreign brands. Nevertheless, so far research has mainly focused on softer outcome variables: C-XEN positively impacts attitudes toward global products (Lawrence, 2012), foreign brands (Balabanis et al., 2019), foreign brand and product preferences (Balabanis and Diamantopoulos, 2016; Rojas-Méndez and Chapa, 2019; Scherer, 2020), purchase intentions of foreign products and brands (Gaur et al., 2015; Dachs-Wiesinger, 2018; Camacho et al., 2020; Diamantopoulos et al., 2019) and foreign brand loyalty (Balabanis et al., 2019). However, one reason for our result might be that WTP provides a stricter test of consumer behavior: consumers might show positive attitudes or even indicate a purchase intention for foreign products but are not necessarily willing to spend more money to purchase them, which signals an attitude-behavior gap (Koschate-Fischer et al., 2012).

On the other hand, H2b focused on C-XEN in the context of a negative COO change (Study 2: production shift). Again, the brand's COM changed from a superior (in terms of PCI) foreign country to consumers' inferior home country: an Austrian brand shifted its production from Austria to Slovakia, which represented a loss in terms of COM.

As xenocentric consumers favor products originating from foreign countries (Mueller and Broderick, 2009; Diamantopoulos et al., 2019; Balabanis and Diamantopoulos, 2016; Prince et al., 2016), a negative moderating effect on WTP was expected. However, once again C-

XEN did not show any impact on consumers' WTP.

Overall, one possible explanation why C-XEN did not show any impact on consumers' WTP for both COO changes introduced, might lie in the fact that C-XEN was only distributed at a very low level among our sample in general (Study 1: $M = 3.64$; Study 2: $M = 3.78$). The absence of C-XEN can be traced back to the rather high age distribution of both studies' samples (Study 1: $M = 52.39$; Study 2: $M = 51.42$ years), as C-XEN is generally more prevalent among younger consumers (e.g., Batra, Venkatraman, Alden, Steenkamp and Ramachander, 2000; Mueller et al., 2016). Hence, a younger and therefore more xenocentric sample might had shown different results concerning consumers' WTP.

From a theoretical perspective, the most important contribution of the present study was to add to the literature on CET and C-XEN in combination with a stricter measure of consumer behavior (consumers' WTP) in contrast to former studies which rather employed softer outcome variables such as attitudes (Lawrence, 2012; Balabanis et al., 2019; Balabanis and Diamantopoulos, 2016; Rojas-Méndez and Chapa, 2019; Scherer, 2020), purchase intentions (Gaur et al., 2015; Dachs-Wiesinger, 2018; Camacho et al., 2020; Diamantopoulos et al., 2019) or brand loyalty (Balabanis et al., 2019).

Besides adding to extant CET and C-XEN literature, another contribution of this study was to extend the literature on COO changes. Our research was built on Montanari's et al. (2021) study, which was the first to examine both types of COO changes (BO and/or COM) in relation to consumers' WTP. The new aspect of the current study was to add CET and C-XEN as possible predictors for consumers' WTP in the context of COO changes.

Managerial implications that could be drawn from our results will be presented next.

6.2 Managerial implications

This study provides insights into consumers' behavior toward COO changes. First, it can be said, that the consumers in the sample are rather ethnocentric than xenocentric, which is an important segmentation variable in the creation of a company's target group.

For the case of a CBA, whereby the BO post-CBA is superior to the original, home-country BO, the following advice depending on the target group was found.

If the target group consists mainly of ethnocentric consumers, managers are advised not to implement any price premium strategies even though the new country's BO is superior. As ethnocentric consumers favor the domestic (Shimp and Sharma, 1987), they will not perceive the acquisition positively. Therefore, capitalizing from such a COO change is not possible. The new BO should not be highlighted on the product or be mentioned in the brand's advertising, moreover increased attention should be given to other product attributes such as quality or price, in order to avoid losing any customers.

On the other hand, if the target group consists of mainly xenocentric consumers, a CBA to a more favorable host country involves less risk. However, implementing premium prices due to the improved BO is also not a sensible strategy. Xenocentric consumers might approve of the CBA, but they are not willing to pay premium prices.

For the case of a production shift, whereby the COM post-change is less favorable than the original one, the following advice can be given.

Generally, changing the COM to the less favorable, home country did not show any effect on consumers' WTP, regardless whether consumers were ethnocentric or xenocentric. Ethnocentric consumers did not respond positively to the new, domestic COM and xenocentric consumers did not show a decreased WTP due to the inferior COM.

Therefore, off-shoring production to a less favorable country in order to save costs is a meaningful decision and will not negatively affect the company's sales as consumers do not respond in a price-related way. Thus, managers should not adapt their pricing strategies (such as implementing discounts) after a change in COM, even though the new country is inferior.

However, only because xenocentric consumers did not show any negative response toward the COM change, highlighting the foreign BO and not mentioning the domestic COM might still be a reasonable advice for a company's branding strategy.

6.3 Limitations and future research

Based on this study's limitations, new opportunities for future research are paved.

The first limitation lies in the non-generalizability of our results among other countries or product categories. The current study was focused only on Slovakian consumers and a single product category (i.e., outdoor jackets). Regarding the product category, it is worth noting that respondents' involvement was high (Study 1: $M = 5.44$ and Study 2: $M = 5.55$).

Therefore, future research might examine the proposed research question in the context of low-involvement products. Purchase decisions in a low-involvement context are considered less important due to their smaller risk, therefore consumers evaluate product cues such as COO less and rather buy habitually (Ahmed, Johnson, Yang, Fatt, Teng and Boon, 2004). Also, consumers will probably put more importance on functional aspects (Hamzaoui and Merunka, 2006). In addition, the signaling value of our product category was rather high, which is also proven to cause a stronger COO effect (Batra et al., 2000). Thus, research on a product category, which evokes less involvement and is also of lower signaling value, is suggested.

Related to the previous point, another limitation is the overall low score of C-XEN in both studies (Study 1: $M = 3.64$; Study 2: $M = 3.78$), resulting in a reduced informative value of our results regarding C-XEN's effect on consumers' WTP. Therefore replications of this study in other countries, which score higher on C-XEN, are important.

A third limitation of the present study are the rather similar development levels of both countries involved in the COO change. Previous research examining the impact of different PCIs on consumer behavior mostly compared countries with clearly distinctive development levels such as Germany and India (Drozdzenko and Jensen, 2009), Italy and Thailand (Pucci

et al., 2017) or the US and China (Montanari et al., 2021). As Austria's and Slovakia's PCIs are rather high (the present study only compared a slightly more favorable with a slightly less favorable country), one direction for future research would be a replication of this study with countries whose PCIs differ to a larger extent (e.g., one low-developed/emerging country and one highly developed country).

It is also worth considering that in the present study stimuli of a fictitious brand were employed. While there are obvious advantages of using fictitious brands such as the avoidance of any confounding effects due to brand equity or brand familiarity, consumers might also develop negative reactions toward fictitious brands as they impose some kind of risk (Aruan et al., 2018). Thus, another direction for future research would be the usage of real brands while controlling for brand familiarity.

Another limitation of the present study is the methodology applied as it lacks a direct comparison of consumers' WTP pre- and post-change. Consumers' WTP was only measured once (post-change), therefore no magnitude of the COO effect could be captured. Thus, one suggestion for future studies would be to employ an within-subjects experimental design and measure consumers' WTP twice.

Summarizing, opportunities for future research would be to test the proposed hypotheses among other respondents (i.e., regarding age distribution or nationality) as well as product categories (i.e., low involvement products), examine countries with clearly differing PCIs, use real brands and also, to adjust the methodology as described above in order to conduct direct comparisons of consumers' WTP.

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Appendices

A: Pretests

Pretest 1: Fictitious Brand Name and PCI

Does ATEX remind you of any country?

☐ Yes ☐ No

If yes, which one? _____

Does ATEX remind you of any product category?

☐ Yes ☐ No

If yes, which one? _____

Does Top Trek remind you of any country?

☐ Yes ☐ No

If yes, which one? _____

Does Top Trek remind you of any product category?

☐ Yes ☐ No

If yes, which one? _____

Does Mountain Fox remind you of any country?

☐ Yes ☐ No

If yes, which one? _____

Does Mountain Fox remind you of any product category?

☐ Yes ☐ No

If yes, which one? _____

Does Arctic remind you of any country?

() Yes () No

If yes, which one? _____

Does Arctic remind you of any product category?

() Yes () No

If yes, which one? _____

The following questions are aimed at your opinion about Slovakia and Austria.

How do you perceive the innovativeness of these countries, where innovativeness means the use of new technologies and technological advances?

Not innovative

Very innovative

1 2 3 4 5 6 7

How do you perceive the design of products coming from these countries, in terms of their appearance, style, colors and variety?

Not appealing

Very appealing

1 2 3 4 5 6 7

How do you perceive the level of prestige of the products from the countries listed below, in terms of their exclusivity, status and brand name reputation?

Not prestigious

Very prestigious

1 2 3 4 5 6 7

How do you perceive the level of workmanship, meaning reliability, durability, craftsmanship and manufacturing quality?

Bad

Good

1 2 3 4 5 6 7

Please indicate the following demographic information:

Gender: ☐ Male ☐ Female ☐ Diverse ☐ Prefer not to say

Age: _____ years

Nationality: ☐ Slovakian ☐ Other

Education:

- a) High School
- b) Vocational School
- c) Undergraduate Degree
- d) Masters Degree
- e) Doctorate Degree
- f) Other

Occupation:

- a) Student
- b) Employee
- c) Self-employed/ Freelance
- d) Unemployed
- e) Retiree
- f) Other

Monthly net income:

- a) Less than 1.000€
- b) 1.000€ - 1.999€
- c) 2.000€ - 2.999€
- d) 3.000€ - 3.999€
- e) 4.000€ - 4.999€
- f) More than 5.000€

Thank you very much for participating!

Pretest 2: Stimuli Testing

Study 1: Acquisition



The advertisement features a black outdoor jacket with a high collar and a hood, set against a backdrop of snow-capped mountains under a blue sky. The ATEX logo, which includes a stylized arch and the text 'ATEX EST. 1972', is positioned in the upper right. Below the jacket, the text 'YOUR COMPANION THROUGH RAIN AND STORM' is displayed in a bold, white, serif font.

After the recent acquisition from an Austrian company, the former Slovakian outdoor fashion brand ATEX has just launched its new autumn-winter outdoor collection. The new outdoor jackets are waterproof, windproof as well as lightweighted - suitable both for hiking and trekking. The hood can be adjusted and together with the high collar it keeps the head well packed. It is available in various colors. Unisex.

Atex is now a _____ [choose: Austrian/ Slovakian] brand.

Atex is now producing in _____ [choose: Austria/ Slovakia].

Study 2: Production shift

An advertisement for ATEX outdoor gear. It features a black hooded jacket with a high collar and a front zipper placket, set against a backdrop of a rugged, snow-capped mountain range under a clear sky. The ATEX logo, consisting of a stylized mountain peak above the brand name and 'EST. 1972', is positioned in the upper right. Below the jacket, the text 'YOUR COMPANION THROUGH RAIN AND STORM' is written in a bold, sans-serif font. At the bottom, a paragraph of text describes the brand's production shift to Slovakia and the features of its new outdoor collection.

ATEX
EST. 1972

**YOUR COMPANION
THROUGH RAIN AND
STORM**

After moving its entire production to Slovakia, the Austrian outdoor fashion brand ATEX has just launched its new autumn-winter outdoor collection, which carries the label “made in Slovakia”. The new outdoor jackets are waterproof, windproof as well as light weighted - suitable both for hiking and trekking. The hood can be adjusted and together with the high collar it keeps the head well packed. It is available in various colors. Unisex. Made in Slovakia.

Atex is now a _____ [choose: Austrian/ Slovakian] brand.

Atex is now producing in _____ [choose: Austria/ Slovakia].

B: Main questionnaire

Example: Study 1 - Acquisition

Introduction



The following study focuses on consumer behavior, and it is conducted by the Chair of International Marketing at the University of Vienna. Completion of the questionnaire will take around 6 minutes of your time. Thank you very much for participating in the study, we very much appreciate it. The study is for scientific use only and has no commercial purposes.

- It is important that you read the questions carefully and follow the instructions exactly.
- There are no wrong or correct answers. We are only interested in your personal opinion.
- There is no time limit for this questionnaire. Please take your time.
- This questionnaire is anonymous. All information provided is strictly confidential.

If you have any questions, please feel free to contact me at the following e-mail address: a01547218@univie.ac.at

Stimuli

The advertisement features a black hooded outdoor jacket with a high collar and a front zipper placket. The jacket is shown against a background of a mountain range with snow-capped peaks under a blue sky with light clouds. The ATEX logo, consisting of a stylized mountain peak and the text "ATEX EST. 1972", is positioned in the upper right corner. Below the jacket, the text "YOUR COMPANION THROUGH RAIN AND STORM" is written in a bold, white, sans-serif font.

After the recent acquisition from an Austrian company, the former Slovakian outdoor fashion brand ATEX has just launched its new autumn-winter outdoor collection. The new outdoor jackets are waterproof, windproof as well as lightweighted - suitable both for hiking and trekking. The hood can be adjusted and together with the high collar it keeps the head well packed. It is available in various colors. Unisex.

Now, please consider the following situation: you are in a shop looking for a new outdoor jacket. Indicate below how likely you are to buy the [brand name, product] (0% = would definitely not buy; 100% = would definitely buy).



Now, still considering the buying situation described above, please answer some questions about the product that you just have seen.

At what price would you consider the price of this [product] so low, that you would question its quality?

_____ Euro.

At what price would you consider the [product] to be a bargain – a great buy for the money?

_____ Euro.

At what price would you consider the [product] starting to get expensive – not out of the question but you would give some thought buying it?

_____ Euro.

At what price would you consider this [product] so expensive that you would not consider buying it?

_____ Euro.

Atex is now a _____ [choose: Austrian/ Slovakian] brand.

Now indicate the extent to which you agree or disagree with the following statement.

I perceive this scenario as

Not authentic

Very authentic

1 2 3 4 5 6 7

Please indicate how much you agree or disagree with the following statements. Numbers closer to 7 indicate stronger agreement and numbers closer to 1 indicate stronger disagreement with the statement.

I'm willing to make an extra effort to find a low price for outdoor jackets.

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

I will change what I had planned to buy in order to take advantage of a lower price for outdoor jackets.

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

I am sensitive to price differences for outdoor jackets.

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

I choose the outdoor jackets I buy very carefully.

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

It is very important to me which outdoor jacket I buy.

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

Choosing an outdoor jacket is an important decision for me.

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

The following questions are aimed at your opinion about Slovakia and Austria.

How do you perceive the innovativeness of these countries, where innovativeness means the use of new technologies and technological advances?

Not innovative

Very innovative

1 2 3 4 5 6 7

How do you perceive the design of products coming from these countries, in terms of their appearance, style, colors and variety?

Not appealing

Very appealing

1 2 3 4 5 6 7

How do you perceive the level of prestige of the products from the countries listed below, in terms of their exclusivity, status and brand name reputation?

Not prestigious

Very prestigious

1 2 3 4 5 6 7

How do you perceive the level of workmanship, meaning reliability, durability, craftsmanship and manufacturing quality?

Bad

Good

1 2 3 4 5 6 7

Please indicate how much you agree or disagree with the following statements. Numbers closer to 7 indicate stronger agreement and numbers closer to 1 indicate stronger disagreement with the statement.

Outdoor Jackets reflect [country].

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

I associate Outdoor Jackets with [country].

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

Outdoor Jackets make me think of [country].

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

There is a strong link between Outdoor Jackets and [country].

Strongly disagree

Strongly agree

1 2 3 4 5 6 7

Please indicate how much you agree or disagree with the following statements.

Strongly
disagree

Strongly
agree

I trust foreign companies more than domestic companies because they are more experienced and have more resources.

1 2 3 4 5 6 7

In most product categories, foreign brands outperform domestic ones.

1 2 3 4 5 6 7

I trust foreign products more than domestic ones.

1 2 3 4 5 6 7

Using foreign products boosts my self-confidence.

1 2 3 4 5 6 7

People who buy domestic products are treated worse by other people.

1 2 3 4 5 6 7

Buying foreign products makes me more trendy.

1 2 3 4 5 6 7

There are very few domestic products that are of the same quality as foreign products.	1	2	3	4	5	6	7
I can't think of any domestic brands that are as good as the foreign ones I buy.	1	2	3	4	5	6	7
I prefer foreign brands over domestic brands because most of my family and friends buy foreign brands.	1	2	3	4	5	6	7
I buy foreign brands to differentiate myself from others.	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements.

	Strongly disagree				Strongly agree		
Slovakian people should not buy foreign products, because this this harms the local economy and increases unemployment.	1	2	3	4	5	6	7
A real Slovakian should always buy Slovakian products.	1	2	3	4	5	6	7
I always prefer Slovakian products over foreign products.	1	2	3	4	5	6	7
We should purchase products manufactured in Slovakia, instead of letting other countries get rich off us.	1	2	3	4	5	6	7
It is not right to purchase foreign products, because this puts Slovakian people out of jobs.	1	2	3	4	5	6	7

Finally, please fill in your demographic information:

Gender: () Male () Female () Diverse () Prefer not to say

Age: _____ years

Nationality: ☐ Slovakian ☐ Other

Education:

- a) High School
- b) Vocational School
- c) Undergraduate Degree
- d) Masters Degree
- e) Doctorate Degree
- f) Other

Occupation:

- a) Student
- b) Employee
- c) Self-employed/ Freelance
- d) Unemployed
- e) Retiree
- f) Other

Monthly net income:

- a) Less than 1.000€
- b) 1.000€ - 1.999€
- c) 2.000€ - 2.999€
- d) 3.000€ - 3.999€
- e) 4.000€ - 4.999€
- f) More than 5.000€

Thank you very much for participating!

C: Results

Study 1: Acquisition

Sample profile analyses

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	72	1	2	1,61	,491
Age	72	25	78	52,39	16,268
Occupation	72	2	6	3,56	1,582
Net income	72	1	3	1,43	,577
Valid N (listwise)	72				

Gender

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	28	38,9	38,9	38,9
Female	44	61,1	61,1	100,0
Total	72	100,0	100,0	

Age

Age

N	Valid	72
	Missing	0
Mean		52,39
Median		55,00
Mode		68
Std. Deviation		16,268
Variance		264,635
Maximum		78
Percentiles	25	37,50
	50	55,00
	75	68,00

Occupation

		Occupation			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	33	45,8	45,8	45,8
	Freelancer	6	8,3	8,3	54,2
	Retired	26	36,1	36,1	90,3
	Other	7	9,7	9,7	100,0
	Total	72	100,0	100,0	

Net income

		Net income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1.000€	44	61,1	61,1	61,1
	1000€ - 1999€	25	34,7	34,7	95,8
	2000€ - 2999€	3	4,2	4,2	100,0
	Total	72	100,0	100,0	

Reliability

Scale: CET

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,920	,920	5

Scale: C-XEN

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,911	,911	10

Scale: PCI AT

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,931	,931	4

Scale: PCI SK

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,905	,906	4

Scale: Product-country typicality AT

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,868	,871	4

Scale: Product-country typicality SK

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,875	,874	4

Scale: Price sensitivity

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,692	,692	3

Scale: Product involvement

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,874	,873	3

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
			Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Typi_AT - Typi_SK	,59375	1,06846	,12592	,34267	,84483	4,715	72	,000

Checks for PCI

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 PCI_AT - PCI_SK	,99306	1,25033	,14735	,69924	1,28687	6,739	71	,000

Control variables

Statistics				
	Price_Sens	P_Involve	Typi_AT	Typi_SK
N Valid	72	72	72	72
Missing	0	0	0	0
Mean	5,2593	5,4444	4,9861	4,3924
Median	5,3333	5,8333	5,0000	4,2500
Mode	5,00	7,00	4,00	4,25
Std. Deviation	1,10939	1,41532	1,33142	1,25375
Minimum	1,00	2,00	1,75	1,75
Maximum	7,00	7,00	7,00	7,00

Test of hypotheses

Correlations

		WTP	Price_Sens	P_Involve	Typi_AT	Typi_SK
Pearson Correlation	WTP	1,000	-,229	-,164	-,028	-,090
	Price_Sens	-,229	1,000	,453	,214	,080
	P_Involve	-,164	,453	1,000	,587	,395
	Typi_AT	-,028	,214	,587	1,000	,660
	Typi_SK	-,090	,080	,395	,660	1,000
	correct	-,237	,098	,179	-,029	,060
	CET	-,339	,229	,255	,131	,350
	CXEN	,091	,124	,310	,427	,151
Sig. (1-tailed)	WTP	.	,027	,085	,406	,226
	Price_Sens	,027	.	,000	,036	,251
	P_Involve	,085	,000	.	,000	,000
	Typi_AT	,406	,036	,000	.	,000
	Typi_SK	,226	,251	,000	,000	.
	correct	,023	,206	,066	,406	,309
	CET	,002	,026	,015	,136	,001
	CXEN	,222	,150	,004	,000	,103
N	WTP	72	72	72	72	72
	Price_Sens	72	72	72	72	72
	P_Involve	72	72	72	72	72
	Typi_AT	72	72	72	72	72
	Typi_SK	72	72	72	72	72
	correct	72	72	72	72	72
	CET	72	72	72	72	72
	CXEN	72	72	72	72	72

		correct	CET	CXEN
Pearson Correlation	WTP	-,237	-,339	,091
	Price_Sens	,098	,229	,124
	P_Involve	,179	,255	,310
	Typi_AT	-,029	,131	,427
	Typi_SK	,060	,350	,151
	correct	1,000	,198	-,176
	CET	,198	1,000	-,083
	CXEN	-,176	-,083	1,000
Sig. (1-tailed)	WTP	,023	,002	,222
	Price_Sens	,206	,026	,150
	P_Involve	,066	,015	,004
	Typi_AT	,406	,136	,000
	Typi_SK	,309	,001	,103
	correct	.	,048	,069
	CET	,048	.	,243

	CXEN	,069	,243	.
N	WTP	72	72	72
	Price_Sens	72	72	72
	P_Involve	72	72	72
	Typi_AT	72	72	72
	Typi_SK	72	72	72
	correct	72	72	72
	CET	72	72	72
	CXEN	72	72	72

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	correct, Typiy_AT, Price_Sens, Typi_SK, P_Involve ^b	.	Enter
2	CET, CXEN ^b	.	Enter

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	,330 ^a	,109	,042	48,79501	,109	1,619	5	66	,167	,510
2	,413 ^b	,171	,080	47,81580	,061	2,365	2	64	,102	

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19269,119	5	3853,824	1,619	,167b
	Residual	157142,881	66	2380,953		
	Total	176412,000	71			
2	Regression	30085,572	7	4297,939	1,880	,088c
	Residual	146326,428	64	2286,350		
	Total	176412,000	71			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B
		B	Std. Error	Beta			Lower Bound
1	(Constant)	165,683	33,923		4,884	,000	97,955
	Price_Sens	-8,858	5,898	-,197	-1,502	,138	-20,635

	P_Involve	-2,320	5,691	-,066	-,408	,685	-13,682
	Typi_AT	4,689	6,699	,125	,700	,486	-8,687
	Typi_SK	-4,730	6,212	-,119	-,761	,449	-17,132
	correct	-21,560	13,313	-,195	-1,619	,110	-48,139
2	(Constant)	178,022	35,899		4,959	,000	106,306
	Price_Sens	-6,660	5,873	-,148	-1,134	,261	-18,393
	P_Involve	-1,319	5,666	-,037	-,233	,817	-12,638
	Typi_AT	,622	7,071	,017	,088	,930	-13,505
	Typi_SK	,783	6,602	,020	,119	,906	-12,407
	correct	-16,825	13,373	-,152	-1,258	,213	-43,541
	CET	-9,351	4,520	-,269	-2,069	,043	-18,381
	CXEN	2,533	5,375	,062	,471	,639	-8,205

Coefficients^a

Model		95,0% Confidence Interval for B	Correlations			Collinearity Statistics	
		Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	233,412					
	Price_Sens	2,918	-,229	-,182	-,174	,783	1,277
	P_Involve	9,043	-,164	-,050	-,047	,517	1,935
	Typi_AT	18,065	-,028	,086	,081	,421	2,372
	Typi_SK	7,673	-,090	-,093	-,088	,553	1,809
	correct	5,020	-,237	-,195	-,188	,930	1,075
2	(Constant)	249,738					
	Price_Sens	5,073	-,229	-,140	-,129	,759	1,318
	P_Involve	10,000	-,164	-,029	-,026	,501	1,997
	Typi_AT	14,748	-,028	,011	,010	,363	2,753
	Typi_SK	13,972	-,090	,015	,013	,470	2,128
	correct	9,891	-,237	-,155	-,143	,885	1,130
	CET	-,321	-,339	-,250	-,236	,768	1,302
	CXEN	13,271	,091	,059	,054	,745	1,341

Excluded Variables^a

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	CET	-,275b	-2,136	,036	-,256	,775	1,291	,403
	CXEN	,088b	,655	,514	,081	,752	1,329	,374

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Price_Sens	P_Involve	Typi_AT
1	1	5,194	1,000	,00	,00	,00	,00
	2	,671	2,782	,00	,00	,00	,00
	3	,064	8,984	,04	,19	,01	,06
	4	,035	12,173	,20	,01	,47	,06
	5	,019	16,680	,32	,18	,11	,55
	6	,017	17,467	,44	,61	,41	,33
2	1	7,028	1,000	,00	,00	,00	,00
	2	,696	3,178	,00	,00	,00	,00
	3	,098	8,483	,00	,00	,00	,01
	4	,067	10,232	,02	,10	,00	,07
	5	,048	12,106	,00	,15	,12	,01
	6	,031	15,090	,24	,06	,45	,00
	7	,017	20,629	,71	,67	,23	,03
	8	,016	21,259	,03	,01	,19	,87

Collinearity Diagnostics^a

Model	Dimension	Variance Proportions			
		Typi_SK	correct	CET	CXEN
1	1	,00	,01		
	2	,00	,93		
	3	,25	,01		
	4	,17	,00		
	5	,57	,03		
	6	,01	,02		
2	1	,00	,00	,00	,00
	2	,00	,86	,00	,00
	3	,01	,08	,28	,37
	4	,22	,00	,05	,05
	5	,01	,02	,36	,43
	6	,10	,02	,20	,01
	7	,04	,01	,02	,05
	8	,61	,01	,09	,08

Casewise Diagnostics^a

Case Number	Std. Residual	WTP	Predicted Value	Residual
21	2,103	225,00	124,4547	100,54528
23	2,426	235,00	119,0056	115,99436
24	2,417	225,00	109,4064	115,59361

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	58,7767	150,4357	103,0833	20,58496	72
Residual	-66,55147	115,99436	,00000	45,39753	72
Std. Predicted Value	-2,152	2,300	,000	1,000	72
Std. Residual	-1,392	2,426	,000	,949	72

Study 2: Production shift

Sample profile analyses

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	77	1	2	1,52	,503
Age	77	18	81	51,42	16,159
Occupation	76	1	6	3,51	1,483
Net income	76	1	4	1,36	,647
Valid N (listwise)	75				

Gender

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	37	48,1	48,1	48,1
Female	40	51,9	51,9	100,0
Total	77	100,0	100,0	

Age

Age

N	Valid	77
	Missing	0
Mean		51,42
Median		50,00
Mode		66
Std. Deviation		16,159
Variance		261,114
Minimum		18
Maximum		81
Percentiles	25	37,50
	50	50,00
	75	67,00

Occupation

		Occupation			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	1	1,3	1,3	1,3
	Employed	34	44,2	44,7	46,1
	Freelancer	1	1,3	1,3	47,4
	Unemployed	6	7,8	7,9	55,3
	Retired	33	42,9	43,4	98,7
	Other	1	1,3	1,3	100,0
	Total	76	98,7	100,0	
Missing	unanswered	1	1,3		
Total		77	100,0		

Net income

		Net income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1.000€	55	71,4	72,4	72,4
	1000-1999€	16	20,8	21,1	93,4
	2000-2999€	4	5,2	5,3	98,7
	3000-3999€	1	1,3	1,3	100,0
	Total	76	98,7	100,0	
Missing	unanswered	1	1,3		
Total		77	100,0		

Reliability

Scale: CET

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,906	,908	5

Scale: CXEN

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,932	,932	10

Scale: PCI AT

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,931	,931	4

Scale: PCI SK

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,886	,889	4

Scale: Product-country typicality AT

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,892	,891	4

Scale: Product-country typicality SK

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,892	,891	4

Scale: Price Sensitivity

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,792	,794	3

Scale: Product involvement

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,755	,757	3

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Typi_AT - Typi_SK	,62662	1,22583	,13970	,34839	,90485	4,486	76	,000

Checks for PCI

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PCI_AT - PCI_SK	,69805	1,18817	,13540	,42837	,96773	5,155	76	,000

Control variables

Statistics

		Price_Sens	P_Involve	Typi_AT	Typi_SK
N	Valid	77	77	77	77
	Missing	0	0	0	0
Mean		5,3506	5,5455	5,3506	4,7240
Median		5,3333	5,6667	5,5000	4,7500
Mode		5,00	7,00	6,25	4,75
Std. Deviation		1,08942	1,05950	1,28264	1,21164
Minimum		2,33	3,33	1,25	1,25
Maximum		7,00	7,00	7,00	7,00

Test of hypotheses

		Correlations				
		WTP	Price_Sens	P_Involve	Typi_AT	Typi_SK
Pearson Correlation	WTP	1,000	-,060	,175	,050	,061
	Price_Sens	-,060	1,000	,582	,393	,348
	P_Involve	,175	,582	1,000	,389	,331
	Typi_AT	,050	,393	,389	1,000	,518
	Typi_SK	,061	,348	,331	,518	1,000
	correct	,145	-,104	,030	,197	-,007
	CET	,011	,197	,220	-,033	,282
	CXEN	,119	-,015	,049	,427	,017
Sig. (1- tailed)	WTP	.	,302	,064	,334	,300
	Price_Sens	,302	.	,000	,000	,001
	P_Involve	,064	,000	.	,000	,002
	Typi_AT	,334	,000	,000	.	,000
	Typi_SK	,300	,001	,002	,000	.
	correct	,104	,183	,398	,043	,475
	CET	,464	,043	,027	,388	,006
	CXEN	,151	,450	,337	,000	,442
N	WTP	77	77	77	77	77
	Price_Sens	77	77	77	77	77
	P_Involve	77	77	77	77	77
	Typi_AT	77	77	77	77	77
	Typi_SK	77	77	77	77	77
	correct	77	77	77	77	77
	CET	77	77	77	77	77
	CXEN	77	77	77	77	77

		Correlations		
		correct	CET	CXEN
Pearson Correlation	WTP	,145	,011	,119
	Price_Sens	-,104	,197	-,015
	P_Involve	,030	,220	,049
	Typi_AT	,197	-,033	,427
	Typi_SK	-,007	,282	,017
	correct	1,000	-,270	,161
	CET	-,270	1,000	-,271
	CXEN	,161	-,271	1,000
Sig. (1- tailed)	WTP	,104	,464	,151
	Price_Sens	,183	,043	,450
	P_Involve	,398	,027	,337
	Typi_AT	,043	,388	,000
	Typi_SK	,475	,006	,442
	correct	.	,009	,080
	CET	,009	.	,009
	CXEN	,080	,009	.

N	WTP	77	77	77
	Price_Sens	77	77	77
	P_Involve	77	77	77
	Typi_AT	77	77	77
	Typi_SK	77	77	77
	correct	77	77	77
	CET	77	77	77
	CXEN	77	77	77

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	correct, Typi_SK, P_Involve, Typi_AT, Price_Sens ^b	.	Enter
2	CET, CXEN ^b	.	Enter

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	,291 ^a	,085	,021	45,17310	,085	1,319	5	71	,266	
2	,312 ^b	,098	,006	45,50578	,013	,483	2	69	,619	,232

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	13452,982	5	2690,596	1,319	,266 ^b
Residual	144883,220	71	2040,609		
Total	158336,201	76			
Regression	15452,629	7	2207,518	1,066	,395 ^c
Residual	142883,573	69	2070,776		
Total	158336,201	76			

Coefficients^a

Model		Unstandardized Coefficients		Standard. Coefficients	t	Sig.	95,0% Confidence Interval for B
		B	Std. Error	Beta			Lower Bound
1	(Constant)	63,954	32,310		1,979	,052	-,470
	Price_Sens	-9,600	6,156	-,229	-1,560	,123	-21,874
	P_Involve	12,789	6,194	,297	2,065	,043	,440
	Typi_AT	-1,058	5,141	-,030	-,206	,837	-11,310
	Typi_SK	2,211	5,132	,059	,431	,668	-8,022
	correct	11,368	11,416	,119	,996	,323	-11,395
2	(Constant)	49,514	37,454		1,322	,191	-25,205
	Price_Sens	-8,771	6,266	-,209	-1,400	,166	-21,271
	P_Involve	12,664	6,325	,294	2,002	,049	,046
	Typi_AT	-3,719	5,987	-,105	-,621	,536	-15,663
	Typi_SK	3,047	5,497	,081	,554	,581	-7,920
	correct	11,709	11,811	,122	,991	,325	-11,853
	CET	,989	4,356	,030	,227	,821	-7,701
	CXEN	4,325	4,406	,133	,982	,330	-4,465

Coefficients^a

Model		95,0% Confidence Interval for B	Correlations			Collinearity Statistics	
		Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	128,377					
	Price_Sens	2,674	-,060	-,182	-,177	,597	1,675
	P_Involve	25,139	,175	,238	,234	,624	1,604
	Typi_AT	9,193	,050	-,024	-,023	,617	1,620
	Typi_SK	12,444	,061	,051	,049	,694	1,440
	correct	34,130	,145	,117	,113	,909	1,100
2	(Constant)	124,234					
	Price_Sens	3,728	-,060	-,166	-,160	,585	1,710
	P_Involve	25,283	,175	,234	,229	,607	1,648
	Typi_AT	8,224	,050	-,075	-,071	,462	2,164
	Typi_SK	14,014	,061	,067	,063	,614	1,628
	correct	35,272	,145	,119	,113	,862	1,160
	CET	9,680	,011	,027	,026	,761	1,314
	CXEN	13,115	,119	,117	,112	,710	1,409

Excluded Variables^a

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	CET	,006 ^b	,046	,964	,005	,788	1,269	,587
	CXEN	,128 ^b	,963	,339	,114	,735	1,360	,467

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Price_Sens	P_Involve	Typi_AT
1	1	5,281	1,000	,00	,00	,00	,00
	2	,617	2,927	,00	,00	,00	,00
	3	,042	11,190	,04	,08	,08	,09
	4	,025	14,405	,04	,00	,01	,89
	5	,019	16,512	,85	,33	,05	,01
	6	,015	18,830	,06	,58	,86	,00
2	1	7,081	1,000	,00	,00	,00	,00
	2	,645	3,314	,00	,00	,00	,00
	3	,130	7,383	,00	,00	,00	,00
	4	,054	11,431	,00	,03	,01	,06
	5	,041	13,138	,02	,13	,10	,02
	6	,019	19,209	,20	,00	,00	,68
	7	,015	21,697	,42	,10	,73	,07
	8	,015	22,086	,35	,73	,15	,16

Collinearity Diagnostics^a

Model	Dimension	Variance Proportions			
		Typi_SK	correct	CET	CXEN
1	1	,00	,01		
	2	,00	,89		
	3	,52	,00		
	4	,44	,05		
	5	,04	,03		
	6	,00	,02		
2	1	,00	,00	,00	,00
	2	,00	,81	,00	,00
	3	,01	,08	,11	,45
	4	,11	,03	,54	,20
	5	,39	,00	,07	,01
	6	,37	,00	,22	,04
	7	,05	,00	,01	,09
	8	,06	,07	,05	,21

Casewise Diagnostics^a

Case Number	Std. Residual	WTP	Predicted Value	Residual
1	2,457	225,00	113,1848	111,81515
2	2,838	225,00	95,8706	129,12939
4	2,458	205,00	93,1488	111,85123
6	2,059	175,00	81,3258	93,67422

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	60,3635	118,0407	92,1299	14,25917	77
Residual	-67,54073	129,12939	,00000	43,35951	77
Std. Predicted Value	-2,228	1,817	,000	1,000	77
Std. Residual	-1,484	2,838	,000	,953	77

Abstract German

In der heutigen globalisierten Welt ändern sich COOs häufig, da Unternehmen mittels Akquisitionen neue Märkte erschließen oder durch Produktionsverlagerungen Kosten sparen wollen. Im Falle einer Akquisition ändert sich der Markenursprung (BO) eines Unternehmens und im Falle einer Produktionsverlagerung ändert sich das Herstellungsland (COM). Ein wichtiger Aspekt, den Manager in diesem Kontext berücksichtigen sollten, ist das Verhalten der Konsumenten gegenüber diesen COO-Änderungen, da ihre preisbezogenen Reaktionen die Einnahmen des Unternehmens bestimmen. Darüber hinaus wirkt sich die Tatsache, ob das Produkt aus dem Heimatland des Verbrauchers stammt, entweder positiv oder negativ auf sein Verhalten aus, je nachdem, ob der Verbraucher eher ethnozentrisch oder xenozentrisch ist. Daher wurden beide Merkmale - Ethnozentrismus der Verbraucher (CET) und Xenozentrismus der Verbraucher (C-XEN) - als unabhängige Variablen in unser Forschungsmodell aufgenommen. Unter Rückgriff auf die Social Identification Theory (SIT) und die System Justification Theory (SJT) wird in dieser Arbeit untersucht, ob CET und C-XEN die Willingness to Pay (WTP) der Verbraucher im Kontext einer Akquisition (die hier eine positive Veränderung darstellt) und einer Produktionsverlagerung (die eine negative Veränderung darstellt) beeinflussen. Zu diesem Zweck wurden zwei Studien mit slowakischen Verbrauchern durchgeführt. Die beiden untersuchten Länder, waren die Slowakei (ein Land mit einem niedrigeren Product-Country-Image) und Österreich (ein Land mit einem höheren Product-Country-Image). Unsere Ergebnisse zeigen, dass nur in Studie 1 (Akquisition) CET einen negativen Einfluss auf die WTP der Verbraucher hatte, während C-XEN keinen Einfluss zeigte. In Studie 2 (Produktionsverlagerung) hatten weder CET noch C-XEN einen Einfluss auf die WTP der Verbraucher. Basierend auf diesen Ergebnissen wurden wertvolle Implikationen für Forschung und Praxis gegeben und Empfehlungen für zukünftige Forschung erläutert.