Testing a Model of Consumer Receptivity Toward Foreign Brands and Products

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Abstract

A model was proposed in 1993 by George and Michael Belch assessing consumer's receptivity to foreign products and brands. Based on an extensive literature review of key variables in the model, some the original variables proposed by the authors were retained, others were dropped, and several new variables were incorporated into the model. The revised model was tested in order to develop a better understanding of the correlation between variables affecting ultimate purchase intent of a foreign product by American consumers. To test the updated model, a survey was conducted with 200 U.S. consumers. Significant correlations were discovered among the attitudes and receptivity measures for the countries tested. However, consumer traits varied in their relationships with the attitude and receptivity measures. Finally, country of origin was the only measure found to have a significant impact on purchasing behavior.

Keywords: receptivity, international, products

Track: Consumer behavior

1. Introduction

The past decades have been characterized by ever-growing globalization, defined as a process of change, increasing interconnectedness and interdependence among countries and economies. Better world-wide communication, transportation, and trade links have driven globalization, which has affected economic, political, and cultural aspects of our lives. It is widely accepted that globalization has promoted the growth of global consumer segments (Holt, Quelch and Taylor, 2004), and this in turn has been tied to the emergence of global consumer culture (Alden, Steenkamp and Batra, 1999). And, brands become a way for consumers to participate in this global culture. However, recent political and trade tensions have brought pressure against globalization (The Economist, 2017). Within countries in turmoil, sentiments such as patriotism and nationalism tend to grow, often leading to ethnocentrism. Consumers seem to be of two minds regarding globalization. The Pew Research Center found that many believe globalization is good for their respective countries, though in practice, particularly in advanced economies, consumers are unsure if globalization is good for them personally (Stokes, 2014). The time is ideal to study how consumers respond to the ebb and flow of globalism. There is a need to develop a better understanding as to how consumers engage with foreign products and brands, and which types of consumers are more likely to purchase goods from abroad.

Belch and Belch (1993) developed a model to assess consumer receptivity (CR) toward foreign products and brands. Their model included a number of variables that potentially influenced a consumer's desire to purchase a foreign product. The model has yet to be tested. As more than two decades have passed since the model's inception, an extensive literature review was conducted to determine whether modifications were required. While a large number of variables were retained, several were deleted, and additional variables incorporated into the model. This revised model was tested for validity through a survey of U.S. consumers. Below, a very brief review of the literature is provided, the methodology is outlined, and the findings are reported. Implications and limitations are addressed.

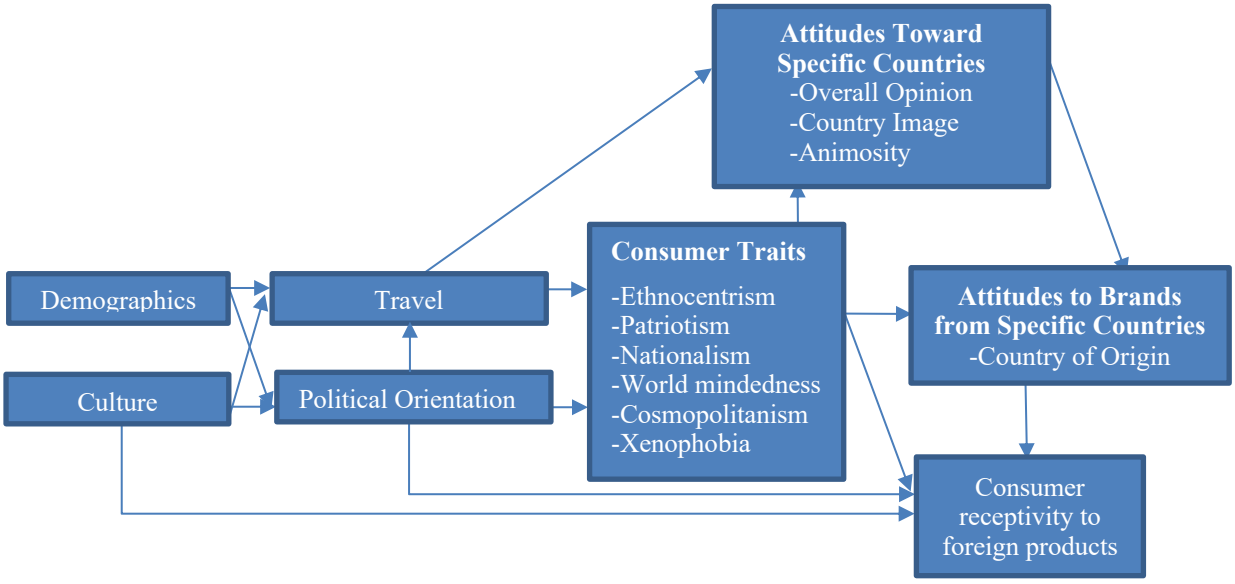
2. Literature review

There has been surprisingly limited research conducted on CR toward foreign products and brands. Only Orbaiz and Papadopoulos (2003) and Carter (2014) sought to better understand CR, both developing their own models to asses this concept. Orbaiz and Papadopoulos (2003) could indeed explain predispositions for purchasing foreign products through their model in most cases. However, limitations to this study included a lack of assessment of the background of the consumer. Additionally, Carter (2014) found though his model that country-of-origin image, ethnocentrism, and animosity all affected the stages of

the purchasing process of a foreign good, to varying degrees. However, the limits to this study include the number of determinants assessed, as well as the population tested, as only college students were included in the study.

Based on an extensive literature review (condensed here), the following variables were retained from the original model, due to their impact on the purchase intent of consumers: demographics, including age (Carpenter & Yoon, 2011), gender (Lakshmi, Niharika and Lahari, 2017), education (Dubois & Laurent, 1993), and income; consumer traits including ethnocentrism (He & Wang, 2015), patriotism (Rybina et al, 2010) and xenophobia (Harun & Shah, 2013); attitudes toward specific countries (Glen & Qui, 2018), including overall opinion and country image; COO as it relates to attitudes to brands from specific countries (Verlegh & Steenkamp, 1999); and CR to foreign products. Several variables were deleted, due to a lack of supporting literature: lifestyle, social mobility and social class (consumer traits) and interest in foreign country, experience with foreign culture and consumer innovative proneness. Finally, a number of new variables were adopted: culture (Dumaz, 2014); travel (Nijssen & Douglas 2008); political orientation (PO) (Knobloch, 2012); consumer traits including nationalism (Shimp & Sharma, 1987), world mindedness (Nijssen & Douglas, 2008), cosmopolitanism (Saran & Kalliney, 2012); and finally animosity, relative to country image (Carter, 2014).

Figure 1. Final Revised Model



Based on this literature review, the model was revised (Figure 1), and research goals identified: *goal 1*, to examine relationships among the antecedent variables in the CR model; *goal 2*, to examine the relationship among the antecedent variables and the various global orientation traits; *goal 3*, to examine the relationships among the antecedent variables and

global orientation traits with measures of receptivity to products from foreign and domestic countries; *goal 4*, to examine the relationships between attitudes toward foreign and domestic countries and purchase intention for products from these countries; and *goal 5*, to examine the ability of the antecedent variables, global orientation traits and attitudes toward various countries to explain variation in purchase intentions for products from these countries.

3. Method

An online survey was developed to measure the various components of the model. Four countries were chosen to test the model: South Korea (S.K.), China, Germany, and the United States (U.S.). These countries were chosen due to their large economic impact, as well as their manufacturing capabilities. Consumer electronics were chosen as the test product, due their broad brand representation across these countries. SK has several well-known consumer electronics companies including LG and Samsung, China has Lenovo, Xiaomi and Huawei, and the US has Apple, Dell and Hewlett Packard (HP). As there are no other Western countries that possess a major consumer electronics industry, it was believed that Germany would be the closest match in this product category, given the reputation for their engineering and technological capabilities, as well as consumer appliances, including Bosch.

3.1 Measures

Demographic questions were asked at the end of the survey, including those regarding age, gender, level of education, and household income. The GLOBE dimension (House, et al., 2004) of uncertainty avoidance was selected to measure culture. To measure travel, survey participants were asked to indicate the number of business and leisure trips taken, both within the US as well as abroad. Survey participants were asked to rate their PO via a scale.

A number of validated scales were used measure consumer traits: Shimp and Sharma's 1987 CETSCALE on consumer ethnocentrism; Kosterman and Feshach (1989)'s nationalism and patriotism scales; Saran and Kalliny (2012)'s cosmopolitanism scale; Nijssen and Douglas (2008)'s world-mindedness scale; Van Der Veer et al. (2011)'s xenophobia scale; Lala, Chakraborty, and Allred (2008)'s country image scale; Hoffman, Mai and Smirnova (2011)'s animosity scale; and finally, Pisharodi and Parameswaran (1992)'s COO scale. Additionally, two questions were asked in regard to brand preference, and two questions were asked to test the likelihood of purchasing consumer electronics brands from each of the four countries.

4. Sample and survey procedure

Pre-testing of the survey was conducted through Amazon's Mechanical Turk (mTurk). A wide range of consumers in terms of age, gender and location throughout the U.S. answered the questions posed. The final survey was then sent to a Qualtrics panel of 200 consumers. Three quotas were used including age (between 18 and 65), PO (40% of participants were to be liberal, 40% conservative, and 20% moderate), and geographic area. Designated market areas were chosen based on larger cities that have historically been considered leaning either liberal, conservative, or moderate.

5. Results

First, relationships among antecedent variables were tested, in line with the first goal of the study. Significant relationships were found between the demographic variables and travel, as well as PO. Income and education had a significant positive correlation with all types of travel. PO had a positive correlation with age, and a negative correlation with income, indicating that respondents tend to be more liberal as their education level increases, and are more conservative as their age increases. Travel and PO were also tested relative to culture. Again, significant relationships were found between these variables. Of note is the positive correlation between the cultural measures and traveling abroad for vacation. This indicates that consumers who consider the U.S. higher on the uncertainty avoidance scale also travel abroad more for leisure. This is an interesting finding as it was assumed that those who want to avoid uncertain situations would be less likely to travel to abroad for pleasure. Traveling and PO were also examined, and negative correlations were found for almost every relationship.

In line with the second goal of the study, antecedent and global orientation traits were assessed, and a significant positive correlation was found between almost every global orientation trait, except between ethnocentrism and cosmopolitanism/worldmindedness. Correlation analyses were also conducted between the global orientation traits and travel, PO, and culture. Surprisingly, with increased travel abroad for business, nationalism and xenophobia rose. Similarly, ethnocentrism and nationalism rose with an increase in traveling abroad for business. Also of interest was that with increased travel in the U.S., come higher levels of cosmopolitanism and world-mindedness. PO was strongly correlated with each of the global orientation traits. Finally, the global orientation traits were correlated with culture, with strong positive correlations found among uncertainty avoidance, and nearly every global orientation trait. Of particular interest is the strong positive relationship among the culture measures with world-mindedness. Significant correlations were found among the consumer characteristics and the global orientation traits, further validating the Belch and Belch model.

Table 1. Attitudes and Receptivity Correlations with Demographics, Culture, Travel, and PO

	Animosity	Country Image	Country of Origin (COO)	Opinion	Purchase Intent
Demographics					
Age	SK (-.35**), G (-.17*), U.S. (-.34**)			C (-.20**), U.S. (.15*)	
Income		SK (.14*), U.S. (.16*)		G (.21**), U.S. (.20**)	
Education					
Culture (UA)					
Practices Measure 1	S.K. (.37**), C (.14*), G (.27**)	C (.15*), G (.15*), U.S. (.31**)	S.K. (.14*), C (.35**), G (.25**), U.S. (.31**)	C (.20**), U.S. (.26**)	C (.32**), G (.22**), U.S. (.33**)
Practices Measure 2	S.K. (.32**), G (.21**)	C (.18**), G (.18**), U.S. (.38**)	C (.33**), G (.23**), U.S. (.33**)	C (.19**), U.S. (.34**)	C (.25**), G (.17*), U.S. (.29**)
Values Measure 1	S.K. (.41**), G (.31**)		C (.33**), U.S. (.22**)	C (.24**), U.S. (.20**)	C (.22**), U.S. (.25**)
Values Measure 2	S.K. (.23**), C (.15*)	S.K. (.24**), C (.25**), G (.25**), U.S. (.33**)	S.K. (.22**), C (.33**), G (.26**), U.S. (.37**)	C (.27**), G (.26**), U.S. (.34**)	S.K. (.14*), C (.26**), G (.15*), U.S. (.41**)
Travel					
Travel Abroad Business	S.K. (.34**), C (.17**), G (.31**), U.S. (.29**)				C (.16*), G (.17*)
Travel Abroad Vacation	S.K. (.30**), C (.21**), G (.22**), U.S. (.28**)		S.K. (.23**), C (.23**), G (.21**)		
Travel U.S. Business	S.K. (.23**), C (.17*), G (.27**), U.S. (.17*)		S.K. (.16*), C (.15*)		
Travel U.S. Vacation		S.K. (.24**), C (.17*), G (.17*), U.S. (.17*)	S.K. (.23**), U.S. (.19**)	S.K. (.17*), G (.14*), U.S. (.17*)	
Political Orientation		C (-.19**), G (-.19**)	S.K. (-.14*), C (-.17*), G (-.20**)		S.K. (-.17*), C (-.14*), G. (-.28**)

**. P < 0.01 level; *. P < 0.05 level.

To examine the third goal of the study, analyses were conducted on a country-by-country basis. Each country had different relationships among the antecedent variables, global orientation traits, and measures of receptivity towards the countries and consumer electronic products from them. However, some overlap was also found. Table 1 depicts where this overlap arises. Of note are the significant positive relationships that culture has with the CR measures, in particular country of origin (COO) and purchase intent. Thus, consumers who believe that the U.S. is high on uncertainty avoidance rate other countries' products more positively and are more likely to purchase consumer electronic products from these countries, which was unexpected. Also surprising was the negative correlation between age and animosity towards S.K., Germany, and the U.S. The travel measures also showed a number of interesting relationships, including the finding that increased travel throughout the world leads to increased animosity.

Table 2 presents the significant overlapping relationships between consumer traits and attitudes and receptivity toward each of the four countries, used to test goal 3. There are some correlations that are consistent across countries. COO has the strongest positive relationships across nearly all the global orientation traits. Of interest are the positive relationships among ethnocentrism and patriotism with country image, COO, and overall opinion of the country.

Consumers who are higher in ethnocentrism and patriotism also hold more positive country images, COO perceptions, and overall opinions toward almost all of the countries. Cosmopolitanism showed significant relationships with every receptivity measure, and world-mindedness followed suit, with the exception of animosity.

Table 2. Attitudes and Receptivity Correlations with Consumer Traits

	Animosity	Country Image	Country of Origin (COO)	Opinion	Purchase Intent
Ethnocentrism	S.K. (.37**), C (.32**), G (.30**), U.S. (-.20**)	S.K. (.14*), U.S. (.16*)	C (.21**), G (.16*), U.S. (.53**)		
Patriotism		S.K. (.28**), C (.16*), G (.37**), U.S. (.45**)	S.K. (.25**), C (.18**), U.S. (.51**)	S.K. (.21**), G (.21**), U.S. (.60**)	
Nationalism	S.K. (.36**), C (.35**), G (.47**)		C (.25**), U.S. (.46**)		C (.20**), U.S. (.43**)
Cosmopolitanism	G (-.19**), U.S. (.25**)	S.K. (.35**), C (.37**), G (.30**), U.S. (.20**)	S.K. (.41**), C (.25**), G (.33**), U.S. (.16*)	S.K. (.30**), C (.36**), G (.37**)	S.K. (.38**), C (.21**), G (.37**), U.S. (.15*)
Worldmindedness		S.K. (.50**), C (.30**), G (.30**), U.S. (.40**)	S.K. (.41**), C (.42**), G (.33**), U.S. (.43**)	S.K. (.39**), C (.45**), G (.35**), U.S. (.31**)	S.K. (.33**), C (.44**), G (.27**), U.S. (.36**)
Xenophobia	S.K. (.37**), C (.32**), G (.45**)				

**. P < 0.01 level; *. P < 0.05 level.

To test goal four, analyses were conducted on a country-by-country basis, with table 3 presenting where the four countries overlap. The only attitudinal measure that did not have a strong relationship with each of the other variables was animosity. All the other attitudinal variables had strong positive correlations with one another across the four countries tested.

Table 3. Correlations Between Attitudes and Receptivity

	Animosity	Country Image	Overall Opinion	Country of Origin (COO)	Purchase Intent
Animosity	---	S.K. (-.18**), G (-.17*), U.S. (-.20**)	S.K. (-.28**), C (-.23**), G (-.32**), U.S. (-.31**)		
Country Image	S.K. (-.18**), G (-.17*), U.S. (-.20**)	---	S.K. (.76**), C (.70**), G (.76**), U.S. (.80**)	S.K. (.72**), C (.69**), G (.77**), U.S. (.77**)	S.K. (.56**), C (.56**), G (.56**), U.S. (.68**)
Overall Opinion	S.K. (-.28**), C (-.23**), G (-.32**), U.S. (-.31**)	S.K. (.76**), C (.70**), G (.76**), U.S. (.80**)	---	S.K. (.60**), C (.58**), G (.64**), U.S. (.70**)	S.K. (.55**), C (.57**), G (.51**), U.S. (.62**)
Country of Origin (COO)		S.K. (.72**), C (.69**), G (.77**), U.S. (.77**)	S.K. (.60**), C (.58**), G (.64**), U.S. (.70**)	---	S.K. (.74**), C (.81**), G (.75**), U.S. (.81**)
Purchase Intent		S.K. (.56**), C (.56**), G (.56**), U.S. (.68**)	S.K. (.55**), C (.57**), G (.51**), U.S. (.62**)	S.K. (.75**), C (.81**), G (.75**), U.S. (.81**)	---

**. P < 0.01 level; *. P < 0.05 level.

Regression analyses were used to address goal 5. For each country, the results of the regression analyses showed that between 56% and 68% of the variation in purchase intentions for consumer electronic products was explained by the independent variables. However, COO was the only variable that was a significant predictor of purchase intent for all four countries, with beta coefficients ranging from .67 to .81. None of the other variables had significant regression coefficients. This is an interesting finding, as it was expected that other variables in the model would help predict purchase intentions for consumer electronic brands from various countries. As this was not the case, it was concluded that knowledge of

COO is the best predictor of consumer purchase intentions for all four countries and conclude that the other variables do not play a significant role in determining receptivity to consumer electronics products.

6. Conclusions and implications

This study examined the relationships among variables raised in the Belch and Belch model. Significant correlations were found among consumer characteristics, antecedent variables, and global orientation traits. Additionally, strong correlations were found amongst the attitudes and receptivity measures for the countries tested. However, consumer traits varied in their relationships with the attitude and receptivity measures. Finally, COO was the only measure to have a significant impact on purchase behavior. COO had a significant beta coefficient for each country tested, indicating that this construct is a major driver of purchase intentions for consumer electronic brands from abroad. It was concluded the revised Belch and Belch (1993) model can indeed be used to test CR toward foreign products.

It must be noted that the significant role of COO in predicating purchase intent in this study could in part be attributed to the broad category of consumer electronic products being tested. Testing a specific consumer electronics product might result in different findings, as consumer's relationships with each may vary. Additionally, consumers may generally have a more positive relationship with technology to begin with, which could transfer over to the survey questions on COO. Testing the model with a product category other than consumer electronics might have produced different results regarding the factors predicting purchase intentions.

This study also suggests that although consumers may come from different backgrounds, and hold different beliefs, they may no longer consider factors related to the country in which a product or brand is made when making a purchase decision. Factors such as performance-based attributes, including product quality and/or reliability, as well as technological factors and value, may have been of greater importance in determining purchase intentions for consumer electronic products than country-specific factors. However, it should be noted that different countries did have varying relationships between attitudes and receptivity measures and consumer traits. Companies no longer need to fear that touting the origin of their brand will have negative repercussions, as this study shows that consumer electronic products from SK, China, Germany, and the U.S are all perceived favorably.

CR to foreign brands is of increasing concern for markers in the age of globalization. This model established a framework for determining how consumer characteristics and traits could shape consumer's attitudes and ultimate purchase intent. Through this research study, the revised Belch and Belch (1993) model has been successfully validated. However, this

research was limited on a number of fronts. The CR survey was administered only to American consumers and the survey included perceptions for only four countries, SK, China, Germany, and the U.S. Given the waxing and waning of globalization, it is of benefit to marketers to measure CR to foreign products and brands.

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