

When country competence backfires: Stereotype-driven emotions and the dark side of envy

Georgios Halkias
University of Vienna
Adamantios Diamantopoulos
University of Vienna
Arnd Florack
University of Vienna

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Abstract

We draw from stereotyping research in social psychology to investigate the mediating role of country-triggered emotions in the relationship between country stereotypes and brand responses. In two empirical studies employing multiple, well-known brands from different product categories and countries, we show that country-triggered admiration and contempt uniformly mediate favorable and unfavorable brand responses respectively. However, the indirect effects through the ambivalent emotion of envy are conditioned on the exact configuration of the stereotype content dimensions such that in the absence of warmth, competence backfires and damages the brand. Findings imply a promotion–prevention function for the two stereotype dimensions, with competence mainly promoting favorable responses, whereas warmth primarily preventing negative affect transfer. Implications of the findings are discussed and future research direction are identified.

Keywords: Country-of-origin, Stereotype Content Model, emotions.

Track: International Marketing & Marketing in Emerging Countries

1. Introduction

Economic globalization and the associated increase in international business activity has created a marketplace in which product choices are no longer confined within the boundaries of a single nation's domestic production. Consumers nowadays are confronted with a multitude of brands that come from different parts of the world and have different countries of origin (Maheswaran & Chen, 2009). In this context, a growing stream of international marketing literature has been focusing on perceptions about the origin of a product or brand impact consumer responses; a phenomenon known as the country-of-origin (COO) effect (Roth & Diamantopoulos, 2011). COO research is conceptually underpinned by the idea that individuals associate different countries and their people with distinct qualities or attributes which, in turn, influence how they perceive products coming from these countries (Maheswaran, 1994). In recent years, the turbulent socio-economic and political environment (e.g., Eurozone crisis, new wave of immigration to EU countries, Brexit, and resurgence of nationalism in America and Europe) has put ethnic and national boundaries in the foreground, emphasizing feelings of in-group favoritism and out-group animosity. As a result, stereotypical perceptions about different countries and national origins, as well as the resulting bias, now seem to be more relevant than ever.

Faced with this new reality, researchers have revisited the COO phenomenon and revived the debate lamenting the absence of a comprehensive and common conceptual base to guide relevant investigations (Diamantopoulos et al., 2017). On the one hand, there is concern regarding the operationalization of the COO construct which has been described as "relatively ambiguous, because it is used in a variety of ways by researchers" (Samiee & Leonidou, 2011, p. 72). Indeed, as Josiassen et al. (2013, p. 261) aptly argue, empirical results are inconclusive "partly because studies measuring different independent origin images have been compared as if they were measuring the same independent variable." On the other hand, literature has almost "myopically" focused on the cognitive aspects of COO influences, with research on the impact of emotions being scant and problematic (Chen et al., 2014; Roth & Diamantopoulos, 2009). Integrating both cognitive and affective components of COO effects in a unified systematic framework is an essential prerequisite toward reconciling empirical findings and unraveling the true influence of COO in consumer decision making.

In an effort to address these weaknesses, empirical COO studies have recently adopted the Stereotype Content Model (SCM; Fiske et al., 2002) from social psychology as a conceptual guide.

The SCM offers a parsimonious framework capturing consumers' cognitions about a particular country that is not tied to any product class or category specificities/idiosyncrasies (Diamantopoulos et al., 2017). As such, it enables the investigation of COO effects at a higher level of abstraction, thus enhancing generalizability (Halkias et al., 2016). However, extant applications of the SCM to COO have not adequately incorporated the role of emotions in consumers' responses to country stereotypes (Halkias et al., 2016; Maher & Carter, 2011) and very little is known about how distinct country-triggered emotions influence consumers (Chen et al., 2014). This is an important gap not least because psychological research highlights the existence of stereotype-driven emotions which, depending on the stereotype content configuration at hand, can lead to either facilitative or harmful behavioral intentions (Cuddy et al., 2007).

Drawing from the SCM (Fiske et al., 2002) as well as the Behaviors from Intergroup Affect and Stereotypes (BIAS) frameworks (Cuddy et al., 2007), the present paper explicitly focuses on how emotions triggered by country stereotype dimensions (i.e., competence and warmth) influence consumers. In two empirical studies, we find that the effects of country stereotypes on consumer responses are mediated by both univalent (admiration and contempt) and ambivalent (envy) emotions. Admiration positively mediates perceived brand affect (Study 1) and purchase intentions (Study 2), while contempt enhances brand distrust (Study 1). Most importantly, Study 1 shows that the indirect effects through envy are conditioned by the interaction of the two stereotype dimensions, such that at low levels of perceived country warmth, country competence backfires by increasing envious feelings which, in turn, decrease brand affect and increase distrust. In contrast to recent work downplaying the relevance of warmth in a COO context (Chen et al., 2014; Halkias et al., 2016), Study 2 further shows that country warmth has a unique indirect influence in decreasing brand switching intentions through suppressing negative feelings of envy. Taken together, our findings challenge "conventional wisdom" according to which COO effects are largely driven by perceptions of country competence as opposed to warmth. We show that the dimension of warmth is particularly effective in preventing negative consumer responses and represents a "hygiene" factor without which seemingly positive perceptions of country competence might lead to detrimental consequences. Overall, our investigation explicates the cognitive and affective underpinnings of COO effects and offers insights for the development of promotion-prevention COO-based marketing strategies.

2. Emotions Triggered by Country Stereotypes as Mechanism of Brand Responses

A stereotype is an oversimplified and generalized set of beliefs about the characteristics of a social group (Baumeister & Finkel, 2010). Stereotyping involves the attribution of group characteristics to specific individuals merely because of their membership in the group (Baumeister & Finkel, 2010). For example, given the stereotype that Japanese are highly disciplined and efficient, every time one encounters an individual coming from Japan (s)he will intuitively assume that this individual also possesses these characteristics. COO effects operate in a similar manner (Halkias et al., 2016). Through the process of socialization and the (in)direct exposure to information about various countries, individuals develop country-level categories that reflect their perceptions about the typical features each country possesses, i.e., country stereotypes (Diamantopoulos et al., 2017). Consistent with the notion of stereotyping, these perceptions apply not only to people but also to every attitude object for which category membership can be established. As such, whenever a brand is identified as coming from a certain country, stereotypical country-level beliefs will intuitively transfer to how individuals see the brand (Halkias et al., 2016). In short, the stereotypes people have for the origin of a brand spill over to the perception of the brand itself.

The most prominent frameworks for understanding the nature of stereotypes is the Stereotype Content Model (SCM; Fiske et al. 2002). The SCM proposes that every social group can be described along two fundamental cognitive dimensions, namely *warmth* and *competence*. These dimensions are based on evolutionary theory and the notion of self-preservation suggesting that when people encounter others they are mainly interested in identifying (a) whether others have positive or negative intent toward them (*warmth*) and (b) how effectively others can pursue their intent (*competence*) (Fiske et al., 2002). From a COO perspective, the warmth dimension reflects beliefs about how friendly or good-natured a particular country is perceived to be, whereas the competence dimension captures beliefs with regard to notions of capability and efficiency (Chattalas & Takada, 2008).

While the SCM has been applied to analyze COO phenomena (e.g., Diamantopoulos et al., 2017; Halkias et al., 2016) only Maher and Carter (2011) have explicitly distinguished between the cognitive dimensions of competence–warmth (based on the SCM) and the subsequent country-related emotions of admiration and contempt (based on the BIAS map). However, by only focusing on these two uniformly positive/negative emotions, their study missed out the more

complex, ambivalent emotions (namely envy and pity) which, in principle, can trigger both facilitative and harmful behavior (Cuddy et al., 2007). According to the BIAS map, competence and warmth jointly trigger distinct emotions of *admiration*, *contempt*, *envy* and *pity* which, in turn, determine action tendencies toward members of the given stereotypical category (Cuddy et al., 2007). In this context, warmth and competence do not simply correspond to positive/negative evaluations (Fiske et al., 2002). Instead they synthesize notions of (dis)like and (dis)respect resulting in affect elicitation that subsequently translates to action tendencies of different valence, namely facilitation and harm (Cuddy et al., 2007). Emotions of admiration and contempt result from uniformly positive (high warmth / high competence) and negative (low warmth / low competence) stereotypes, leading to favorable and unfavorable behavioral tendencies, respectively. In contrast, pity and envy are triggered by mixed stereotype content and, depending on the exact warmth–competence configuration, they might lead to either facilitative or harmful responses toward the target group (Cuddy et al., 2007).

The above discussion sets the conceptual framework of the current investigation as shown in Figure 1. More specifically, we predict that emotions of admiration and contempt will mediate the relationship between country stereotypes and consumer behavior by promoting favorable and preventing unfavorable brand responses. A different scenario is expected for envy and pity. Literature defines envy as an ambivalent, upward contrastive emotion that typically stimulates active negative behavior toward groups that are perceived to be competent but cold (Cuddy et al., 2007, 2008). As a result, a *conditional* indirect mechanism is predicted, such that for low levels of warmth, country competence will attenuate favorable and enhance unfavorable brand responses by increasing feelings of envy.

Pity is also an ambivalent, yet downward assimilative, emotion (Smith, 2000) which is often manifested in rather passive behavioral tendencies or even inertia. With that in mind, and considering the specific context of the present research (employing real, highly familiar brands), any country-induced feelings of pity are not expected to cross over to the brand domain and influence consumers' responses.

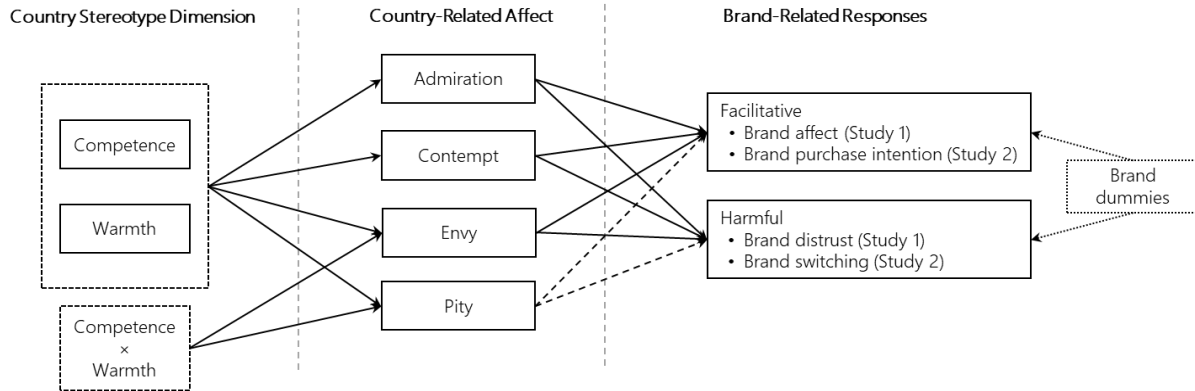


Fig. 1. Conceptual model for the effects of COO stereotypes on brand affect mediated by country-related emotions.

3. Empirical Studies

3.1 Research design

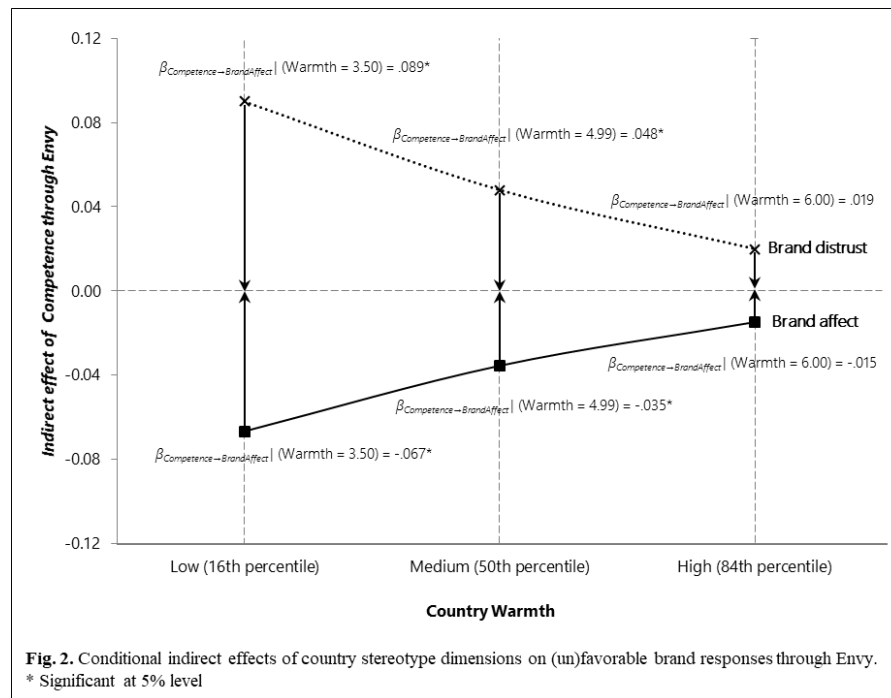
A total of 517 consumers were recruited in two between-subjects, web-based studies conducted by a professional marketing research agency in Germany ($n_1 = 257$) and Romania ($n_2 = 260$) respectively. Both studies employed quota sampling based on each country's population age and gender distribution. Except for the outcome variables, the research design and process was identical in the two studies. Participants were randomly exposed to one out of five real brands, associated with different product categories and countries (i.e., *Burberry* / *Perfumes* / *UK*; *Siemens* / *Washing machines* / *Germany*; *Toblerone* / *Chocolate* / *Switzerland*; *Zara* / *Clothes* / *Spain*; and *Dacia* / *Cars* / *Romania*) and completed an online questionnaire. COO stereotypes were assessed along the dimensions of competence and warmth, using previously established items (Diamantopoulos et al., 2017; Halkias et al., 2016), while the scales for the four country-related emotions were adapted from Cuddy et al. (2007). Consumers' brand-related responses in Study 1 (*perceived brand affect* and *brand distrust*) were adopted from Chaudhuri and Holbrook (2001), while those in Study 2 were taken from Dodds et al. (1991; *purchase intention*) and Ping (1995; *brand switching intention*). All measures were operationalized on a seven-point scale format and had high reliability (Cronbach $\alpha > .83$).

3.2 Analysis and Results

The mediating relationships specified in Figure 1 were tested using a customized conditional indirect effects model, developed with PROCESS macro v3.0 (bootstrapping with 5000 resamples). Admiration, contempt, envy and pity were simultaneously used as mediators in

the relationship between country stereotypes (competence, warmth, and their interaction) and facilitative/harmful brand responses. Brand dummies were used as control variables to account for any confounding effects attributed to idiosyncratic characteristics of the stimuli used in the studies. Results in Study 1 showed that each stereotype dimension has a unique positive indirect effect on brand affect through admiration ($\text{path}_{\text{Competence} \rightarrow \text{Admiration} \rightarrow \text{BrandAffect}} = .183$, 95% BCI: .1050 – .2710 and $\text{path}_{\text{Warmth} \rightarrow \text{Admiration} \rightarrow \text{BrandAffect}} = .090$, 95% BCI: .0289, .1629). Study 2 revealed a similar effect for purchase intention only for the dimension of competence ($\text{path}_{\text{Competence} \rightarrow \text{Admiration} \rightarrow \text{PurchaseIntention}} = .208$, 95% BCI: .1309, .2899). No significant paths through admiration were observed on unfavorable brand responses which, however, were indirectly predicted through stereotype-driven contempt ($\text{path}_{\text{Competence} \rightarrow \text{Contempt} \rightarrow \text{BrandDistrust}} = -.034$, 95% BCI: -.0757, -.0024).

Consistent with expectations, the indirect effects through envy were conditioned by the interaction of competence and warmth. More specifically, Study 1 revealed a negative indirect



effect of competence on brand affect through envy which, however, is eliminated as warmth increases (Modmed index = .021, 95% BCI: .0034, .0443). In addition, a significant moderated-mediation effect (Modmed index = -.028, 95% BCI: -.0536, -.0084) showed that country competence increases

brand distrust by stimulating envious country-related feelings only at moderate-to-low levels of country warmth. Figure 2 illustrates the conditional indirect effects of country competence at the 16th, 50th, and 84th percentiles of perceived country warmth. Finally, against expectations but further corroborating the relevance of warmth in suppressing negative affect transfer, Study 2 revealed an unconditional indirect effect, indicating that country warmth negatively impacts

brand switching intentions by reducing emotions of envy toward the brand's origin (path $Warmth \rightarrow Envy \rightarrow BrandSwitching = -.064$, 95% BCI: $-.1243, -.0184$).

4. Discussion and Implications

The present paper integrates COO research with social psychology theory (SCM and BIAS models) in order to investigate the mediating role of country-related emotions in the relationship between country stereotypes and both favorable and unfavorable brand responses. In two empirical studies employing multiple brand stimuli and conducted in different country contexts, we further support the applicability of the SCM for studying COO influences. Our results indicate that stereotypical judgments of COO competence and warmth impact favorable (unfavorable) brand responses by eliciting emotions of admiration (contempt) toward the brand's origin. This suggests a uniform correspondence in how univalent country-related affect crosses over to the brand domain, with negative and positive emotions predicting unfavorable and favorable consumer responses, respectively. Against the dominant paradigm downplaying the importance of warmth in the COO context (e.g., Halkias et al., 2016; Maher & Carter, 2011), our studies further unveil critical influences of country warmth in regulating the ambivalent emotion of envy. Study 2 reveals an important role for warmth that leads to decreased brand switching intentions by reducing envious feelings. Of equal importance is the finding in Study 1 indicating that, in the absence of warmth perceptions, country competence backfires and damages the brand.

These findings generate managerial implications that go beyond traditional thinking. First, COO-based strategies are not suitable for “*competent*” brand origins only since warmth has a unique positive contribution in fostering favorable country-level emotions. In fact, in the absence of warmth, ostensibly positive perceptions of high competence can induce negative envious feelings that harm the brand. Therefore, managers should not myopically focus on a COO's competence, but rather consider the exact configuration of a country's stereotype content dimensions. Moreover, our findings clearly suggest a promotion–prevention function for the different country stereotype dimensions. Leveraging country competence benefits the brand by mainly promoting favorable behavior, whereas doing so through the dimension of warmth contributes by preventing unfavorable brand responses. This distinction is particularly instrumental in developing communication strategies to handle brand crises (e.g., company

scandals, misconduct, product-harm incidents) and in positioning the brand to consumer segments that differ in terms of prevention–promotion regulatory tendencies (Jain et al., 2007).

Future research should take into account a number of limitations pertinent to this investigation. First, to better approximate actual consumer behavior, researchers should investigate outcome measures such as brand ownership and willingness to pay that were not considered in this study. In addition, relevant research suggests that socio-psychological traits such as ethnocentrism and cosmopolitanism may strongly influence consumers' responses toward different brand origins (e.g., Zeugner-Roth et al., 2015). No such consumer characteristics were incorporated in our model; thus future studies should explore their potential moderating influence in enhancing or attenuating the results reported herein. Finally, in response to recent calls encouraging investigation of COO influences that go beyond consumers' conscious awareness (Diamantopoulos et al., 2017; Herz & Diamantopoulos, 2013), relevant literature would greatly benefit by employing implicit measurement techniques (e.g., IATs or facial coding) to better capture consumers' country stereotypes and associated country-related affect.

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