ETHNOCENTRISM AND ANIMOSITY IN CONSUMER BEHAVIOR IN BOSNIA AND HERZEGOVINA AND IMPLICATIONS FOR COMPANIES

Nenad Brkić[1], Miralem Čorbo[2], Denis Berberović[3]

ABSTRACT

This study attempts to examine ethnocentrism of BiH consumers, animosity tendencies, and consumers' notions of products originating from two neighboring countries – Croatia and Slovenia. The aim is to expose the causal relation between the expression of an individual's animosity, her/his understanding of neighboring countries' image, and her/his degree of ethnocentrism. Klein, Ettenson and Morris (1998) argued that animosity (one of COI – Country of Origin Image aspects) affects consumer behavior, but not the assessment of products originating from this country. This study seeks to examine this argument. The regression analysis confirmed this assumption on a sample of 300 BiH consumers. Additionally one marketing scale and one psychological scale were used: one for measuring consumer ethnocentrism, and the other for measuring country of origin image. This study used the method of mall intercepts – intercepting customers in large shopping malls. Data was processed using ACNOVA, Cronbach alpha and hierarchical regression analysis.

Key words: *Ethnocentrism, animosity, consumer behavior, Bosnia and Herzegovina*

JEL: *M31*

1. INTRODUCTION

Globalization has increased opportunities for companies to deliver their goods and services to consumers across the world. At the same time, consumers are able to choose among numerous suppliers in every product category. International product adaptation makes it difficult to distinguish among goods, while consumers find it difficult and expensive to gather additional information on foreign products' quality. This can lead to the rejection of foreign products by consumers, since they do not know enough about them. Country of origin can become a mechanism that facilitates the process of choosing products originating from different countries.

This study provides an insight into how socio-psychological factors (i.e. ethnocentrism and animosity) are related to the reputation of country of origin, consumers' trust and buying intentions.

Despite the globalization of business activities, marketers across the world are faced with the phenomenon of consumer ethnocentrism and a related view on the country of origin image. The past continues to burden relations between many countries worldwide, while historical antagonisms and distant conflicts are projected in consumers' minds. Depending on the degree of their own ethnocentrism, consumers attach stereotypes to notions of foreign countries, nations and products.

[1] Faculty of Economics, Sarajevo, nenad.brkic@efsa.unsa.ba
[2] Luk d.o.o, miralem.corbo@luk.ba
[3] Faculty of Economics, Sarajevo, denis.berberovic@efsa.unsa.ba

Apart from one study (Cicic, Brkic and Praso 2002), there have been no significant inquiries on consumer animosity and ethnocentrism in Bosnia and Herzegovina (BiH). That study dealt with ethnocentrism and consumer animosity of Sarajevo students, examining students' views on products originating from two neighboring countries – Serbia and Croatia.

Research for this paper was conducted in three large shopping malls in Sarajevo, Banja Luka and Mostar. A total of 300 usable, completely filled-in questionnaires, 100 from each city, were collected. The intention was to explore if consumer animosity and ethnocentrism can also be observed in a post-conflict society such as the present Bosnian-Herzegovinian. Additional intention was to understand the correlation of ethnocentrism and the Country of Origin Image (further as COI). Numeric analysis and linearization methods, including the SPSS software produced results in the form of two-dimensional matrices, which are presented graphically.

2. CONSUMER ANIMOSITY

2.1. General considerations

At no point in human history there was a lack of tensions between states. These tensions may be due to an undefined borderline (e.g. Slovenia and Croatia), arms clattering (e.g. Iran and Iraq), economic misunderstandings (e.g. Russia and Ukraine), diplomatic conflicts (the USA and Germany) or even religious hatred (Islamic and Non-Islamic countries). These conflicts generated animosity, which is a concept derived from anthropology and refers to a strong feeling of dislike or hostility based on current or past conflicts between countries and nations. The concept of animosity was first introduced to marketing by Klein, Ettenson and Morris (1998). They defined it as a dislike (anger and fury) related to the past or current military, political or economic events. Two types of animosity exist: war animosity (mainly due to past or current military conflicts), and economic animosity (mainly due to economic disputes).

Klein et al. developed a model for measuring animosity effects on consumer behavior. The authors suggest that consumers' willingness to buy a product will be influenced both by the product characteristics and by consumers' animosity toward the country of origin. Furthermore, willingness to make the purchase is also affected by consumers' ethnocentrism.

Research shows that animosity can exist within a single country; between regions, cities, districts (Riefler and Diamantopoulos 2007). Due to the US 19th century civil war, there is still a bias between Southerners and Northerners. Research suggests that consumers are willing to pay even the premium price for a product from their own region (Shimp, Dunn and Klein 2004; Shoham, Davidow, Klein and Ruvio 2006). Scholars further examined causes for consumer animosity (Klein and Ettenson 1999) and they tested the general applicability of the animosity concept (Shin 2001). Findings suggest that imported goods are heavily exposed to animosity (Nijissen and Douglas 2004).

The listed papers use structural equation modeling, and treat consumer animosity as the second-order construct, anticipating the war and economic animosity to be the first-order construct (Klein 2002). Making a step forward from traditional studies of the country of origin, which anticipate a direct link between the consumers' rating of a product and buying behavior, the animosity model is based on two assumptions. First, consumer animosity can affect buying

behavior directly and independently of product assessment (Wilkie and Pessemier 1973; Green and Srinivasan 1990). The second assumption claims that consumer animosity depends on the observed country and cannot be generalized to all the foreign countries (Klein 2002).

2.2. Theoretical assumptions of animosity

According to the theory of belonging, individuals need an explanation in order to understand and interpret why something is happening, as well as the causal relationship that leads to the observed event (Weiner 1986). When consumers feel animosity toward a country, they will try to find explanation, and this interpretation will lead to the answer that will influence contemplation (e.g. anger) and behavior, e.g. belligerence (Ang, Jung, Kau, Leong, Pornpitakpan and Tan 2004).

Social identity theory is derived from the cognitive and motivational basis of differentiation between groups (Tajfel and Turner 1986). Differentiation inspires individuals to compare groups/environment and draw social borders in order to show differences between the groups (Hogg and Abrams 1988). Ethnocentric consumers will be motivated to differentiate by preferring domestic products to the foreign ones. Similarly, consumers who have animosity toward a foreign country will discriminate and even boycott products originating from this country.

Realistic conflict theory pertains to the experiences of real threat to group interests that leads to a conflict, bias and discrimination of others (particularly in cases of direct competition for limited resources that everybody needs) (Levine and Campbell 1972). Threat or competition is experienced, rather than real (Jackson 1993). Thus, if a consumer with hostile behavior tendency believes that

another country is a threat to her/his country's interests, (s)he will express hostility and attempt to discontinue any relation with the country the individual experiences as a threat.

Behavioral decision-making theory consists of two interwoven elements of behavioral decision-making: normative and descriptive (Slovic, Fischhoff and Lichtenstein 1977). Normative decision-making refers to prescribed decisions that are in line with current beliefs and values. This includes a list of things a consumer should do in given circumstances. If a consumer has hostile and ethnocentric tendencies, (s)he then believes that purchasing foreign goods is harmful to their homeland and will avoid such a purchase. In the cognitive dissonance theory, cognitive dissonance occurs when an individual is faced with a contradictory choice, between two incompatible attitudes or behaviors, asserts Festinger (1957). He further claims that cognitive dissonance also emerges when there are new ideas for which an individual should be open. This phenomenon could be eliminated either by reducing the importance of opposing beliefs, or by introducing new beliefs in order to change their balance (Brehm and Cohen 1962).

2.3. Link between animosity and ethnocentrism

The phenomenon of ethnocentrism is frequently observed in social collectivities, as an expression of human need of striving for identity, protection and preservation of the group. A group is a key reference for assessing other aspects, and ethnocentrism can therefore be considered a way to preserve the group culture, unity, cooperation, loyalty and survival (Caruana 1996).

Sumner's (1906) definition of ethnocentrism explains consumers' buying behavior. Consu-

mers use behavior to express themselves as members of a social collective (Jin, Chansarkar and Kondap 2006). It results in a feeling of moral obligation toward the preservation of a group's wellbeing. Consumer ethnocentrism implies a normative belief that buying domestic goods is more useful than buying foreign goods (Luque-Martinez and Ibanez-Zapata 2000). Ethnocentrism is considered as part of the attitude that is closely related to social and racial factors (Ouellet 2007).

Ethnocentrism and animosity are two different concepts (Russel and Russel 2006). While animosity is directed towards a particular country, ethnocentrism is a measure of rejecting everything considered foreign (Fernandez, Del Rio and Bande 2003). Researchers into consumer ethnocentrism pay little importance to the identification of the degree of animosity toward particular countries (Riefler and Diamantopoulos 2007). Consumers that generally express a high degree of accepting foreign products are not exempt from the feeling of animosity and hostility to a country (Nijissen and Douglas 2004).

Animosity is a phenomenon that was first observed in anthropology (Leung, Au, Fernandez-Dols and Iwawaki 1992; Kinder and Sanders 1996). Animosity studies usually only consider individual factors, ignoring the social context. But the group a consumer belongs to also imposes its standards (Asch 1951; Park and Lessing 1977; Bearden and Etzel 1982). There is empirical evidence that refusing to buy Japanese products in China is an unwritten rule. Those who do not follow the rule are put under pressure by their surroundings to obey (Jin 2007). When a while ago Chinese citizens were shouting anti-Japanese slogans in the streets, some of them simultaneously were shooting the course of protest with Japanese digital cameras (Furuta

2005). Apparently they differentiated feelings and consumption.

Only recently researchers started to consider economic consequences that may result from emotional tensions, such as hostility and embarrassment, between consumers and particular countries (Shimp, Dunn and Klein 2004). A recent study by Russel and Russel (2006) emphasizes that this condition is limited to some economic and political events, even past wars. However, according to them only the current or just finished tragic events can trigger negative emotional responses. At present, countless conflicts are taking place across the world, and tensions between countries are due to numerous reasons (Wang 2005). Riefler and Diamantopoulos (2007) describe animosity as hostility arising from given historical or current events. Other papers confirmed the existence of animosity between citizens of economically strong countries (Ang et al. 2004; Ouellet 2007).

2.4. Scale for measuring ethnocentrism – CETSCALE

Shimp and Sharma (1987) developed a scale for measuring consumers' ethnocentric tendencies related to purchasing foreign vs. US products and named it CETSCALE (English acronym of Consumer Ethnocentric Tendencies). The authors suggested a few possible applications of the scale in foreign countries, not similar by structure, historical development and national composition compared to the USA. Researchers were initially cautious with translating the scale into local languages and estimates of its psychometric characteristics. Yet, other authors (Netemeyer, Durvasula and Lichtenstein 1991; Kaynak and Kara 2002) recommended the translation of CETSCALE into other languages and their wider use.

2.5. Parameswaran and Pisharodi scale for measuring – COI

Parameswaran and Pisharodi (1994) developped and confirmed a scale for measuring COI, which includes the following six dimensions:

1. cognition and affect toward the observed country and its people (country capability to produce high-quality products and consumers' emotional attachment to the country whose COI is being studied);

2. connotation (experienced similarity and desired level of contact with the observed country);

3. general negative characteristics of products from the observed country;

4. positive view on the image of promotion/distribution of products from the observed country;

5. general positive characteristics of products from the observed country;

6. characteristics of a specific product.

The measure of COI used in this study was developed on the assumption that CI influences consumers' behavior when buying and using products in several ways (Yaprak and Parameswaran 1986). Consumer behavior is related to the country-of-origin (COO) characteristics and its people. Consumer's willingness to buy a product is related to economic, political and cultural characteristics of its COO. Furthermore, COI is also affected by the consumer's perception of similarity between her/his country and COO in terms of politics, culture and the national value system. Papadopoulos, Heslop and Bamossy (1989) summarized these findings by claiming that COO perception is affected by cognitive, affective and conative effects on consumers. Parameswaran and Yaprak (1987) defined general country attributes (GCA) as one of COI dimensions.

COO effects are more frequently related to the perception of the overall supply of products from a given country. Papandopoulos et al. (1989) observe that consumers' notion of people from an unknown country is based on the knowledge of their capability to produce quality products. Parameswaran and Yaprak (1987) identified general product attributes (GPA) as another dimension of COI. They took into account the critique of single-dimensionality by Bilkey and Nes (1982) and set a new hypothesis: that customer behavior and their buying intentions are affected both by GCA and GPA; behavior and intentions are also influenced by specific product attributes (SPA), including product attributes, marketing and company's goodwill. It follows that three COI dimensions were obtained for this research: GCA, GPA and SPA.

3. RESEARCH

Parameswaran and Pisharodi (1994) tried to determine SPA of a car and electric blender; the authors studied COI for Germany and South Korea on a sample of consumers from U.S. Mid West. In case of this research reference products are drugs and beer (*Galenika*'s vs *Pliva*'s drugs; *Jelen* beer vs. *Karlovačko* beer). The reference value of chosen products is in line with recommendations by Anderson and Gerbing (1982).

For this research the method of mall intercepts was used – customers in large shopping malls were intercepted, with the help by local associates. There are a few reasons why this method was chosen. First, this method seems appropriate for studying COO and COI. (e.g. Balabanis, Mueller and Melewar 2002). Second, mall intercepts carry a higher response rate. Finally, this method is suitable for transitional countries. A complete sample structure is given in Table 3.1.

Table 3.1. Sample structure

		Mostar	Banja Luka	Sample
Number of respondents		100	100	100	300
Sex	Female	66%	47%	63%	59%
	Male	34%	53%	37%	41%
Age	17-20	3%	16%	12%	10%
	21-25	41%	41%	39%	40%
	26-30	15%	13%	14%	14%
	31-35	10%	6%	11%	9%
	36-40	5%	6%	8%	6%
	41-45	4%	7%	4%	5%
	46-50	6%	3%	5%	5%
	51-55	9%	3%	5%	6%
	56+	7%	5%	2%	5%
Education	Elementary	2%	1%	0%	1%
	Secondary	70%	68%	72%	70%
	College/highly qualified	16%	21%	20%	19%
	University	12%	10%	8%	10%
Employment status	Retired	2%	5%	1%	3%
	Student	38%	45%	33%	39%
	Employed	51%	35%	54%	47%
	Unemployed	9%	15%	12%	12%
Household Income	Above the Average	5%	10%	5%	7%
	Average	68%	58%	70%	65%
	Below the Average	27%	32%	25%	28%
Marital status	Married	41%	31%	40%	37%
	Single	11%	23%	22%	19%
	Living with Parents	40%	42%	36%	39%
	Divorced	6%	2%	2%	3%
	Widowed	2%	2%	0%	1%
Nationality	Bosnjak	85%	5%	1%	30%
	Croat	3%	91%	2%	32%
	Serb	6%	2%	94%	34%
	Others	6%	2%	3%	4%
Total		100%	100%	100%	100%

Following measuring instruments were used:

1. Scale for measuring ethnocentrism – CETSCALE, complete with all 17 statements
2. Parameswaran and Pisharodi (1994) scale for measuring COI, complete with all three dimensions
3. Demographic questionnaire.

Data was processed by using the SPSS package. Following statistical methods and instruments were used:

- ANCOVA – Analysis of Covariance
- Standard error and reliability (Cronbach-alpha)
- Hierarchical regression analysis.

4. ANALYSIS AND DISCUSSION OF RESEARCH FINDINGS

For each questionnaire statement, the item factor loading was calculated (see Table 4.1) – i.e. an indicator of the correlation of the statement participation in the total value of GCA, GPA, SPA, CETSCALE. Twenty-seven statements that did not cross reliability threshold were rejected. Distribution diagrams of response frequency graphically reveal a good correspondence of response distribution within the range.

Table 4.1. Item factor loadings

Statement	Item-factor loadings
General Impression of Country 1 - Croatia (cognition and affect) GCA 1 – CRO	
Croatia citizens are friendly and likeable.	0.70
Croatia citizens are artistic and creative.	0.81
Croatia citizens are well educated	0.85
Croatia citizens are hard working.	0.76
Croatia citizens are technically educated.	0.87
Croatia citizens achieve high standards.	0.83
Croatia citizens are increasing the standard of living.	0.79
Croatia citizens have technical skills.	0.83
Croatia actively participates in international deals.	0.65
General Impression of Country 2 - Croatia (perceived similarities) GCA 2 – CRO	
Croatia has similar political views as BiH	0.83
Croatia is economically similar to BiH	0.85
Croatia is culturally similar to BiH	0.86
General Impression of Country 1 - Serbia (cognition and affect) GCA 1 – SER	
Serbia citizens are friendly and likeable.	0.77
Serbia citizens are artistic and creative.	0.82
Serbia citizens are well educated	0.90
Serbia citizens are hard working.	0.86
Serbia citizens are technically educated.	0.88

Serbia citizens achieve high standards.	0.87
Serbia citizens are increasing the standard of living.	0.88
Serbia citizens have technical skills.	0.86
Serbia actively participates in international deals.	0.72
General Impression of Country 2 - Serbia (perceived similarities) GCA 2 – SER	
Serbia has similar political views as BiH	0.90
Serbia is economically similar to BiH	0.86
Serbia is culturally similar to BiH	0.90

Regression analysis has been used in order to break the sample down by respondents' nationality. The results of regression analysis of responses by three constituent nations in BiH by COO and CETSCALE dimensions are given in Table 4.2.

Table 4.2. Results of ANOVA (Analysis of Variance)

Scale	Composite Scores (standard error) a) Bosnjaks	Mean Difference b) Croats	Reliability c) Serbs	d) Others	a – b	a - c	a - d	b - c	b - d	c - d	
GCA1 CRO	33,09 (0,86)	35,73 (0,84)	29,35 (0,81)	32,59 (2,46)	-2,63	3,75**	0,51	6,39	3,14**	-3,25	0,92
GCA2 CRO	9,84 (0,36)	8,32 (0,36)	6,95 (0,34)	9,46 (1,04)	1,11	2,90**	0,38	1,79**	-0,73	-2,52	0,80
GCA1 SER	25,71 (0,92)	29,28 (0,91)	36,924 (0,87)	34,44 (2,66)	-3,57*	-11,21**	-8,73*	-7,64**	-5,16	2,49	0,95
GCA2 SER	7,86 (0,41)	8,84 (0,40)	9,27 (0,39)	9,67 (1,19)	-0,98	-1,41*	-1,80	-0,43	-0,82	-0,40	0,86
GPA1 CRO	22,72 (0,61)	23,84 (0,60)	22,20 (0,04)	21,50 (0,57)	-1,12	0,52	1,22	1,64	2,34	0,70	0.84
GPA2 CRO	14,00 (0,36)	11,85 (0,36)	13,22 (0,34)	11,83 (1,04)	2,16**	0,79	2,18	-1,37*	0,02	1,39	0,73
GPA3 CRO	11,67 (0,26)	10,44 (0,26)	12,02 (0,25)	11,50 (0,75)	1,25**	-0,33	0,19	-1,58**	-1,06	0,52	0,61
GPA1 SER	21,24 (0,60)	22,27 (0,59)	27,97 (0,56)	25,21 (1,72)	-1,03	-6,68**	-3,97	-5,65**	-2,94	2,71	0,87
GPA2 SER	13,73 (0,36)	13,67 (0,35)	10,92 (0,33)	11,02 (1,02)	0,06	2,81**	2,71*	2,74**	2,65*	-0,09	0,74
GPA3 SER	9,27 (0,23)	8,50 (0,23)	11,31 (0,22)	10,55 (0,68)	0,77	-2,04**	-1,28	-2,82**	-2,05*	0,76	0,59
SPA1 CRO PL	23,11 (0,44)	27,00 (0,44)	23,83 (0,42)	25,44 (1,28)	-3,90**	-0,72	-2,33	3,18**	1,56	-1,62	0,78
SPA 1 SER GA	22,86 (0,52)	22,75 (0,51)	28,58 (0,49)	25,49 (1,50)	0,11	-5,72**	-2,63	-5,83**	-2,74	3,09	0,88

SPA 2 CRO KA	24,91 (0,60)	30,70 (0,58)	23,43 (0,56)	29,59 (1,71)	-5,80**	1,48	-4,69*	7,28**	1,11	-6,16**	0,87
SPA 2 SER JE	20,09 (0,49)	20,36 (0,48)	27,38 (0,46)	25,92 (1,40)	-0,27	-7,29**	-5,83**	-7,02**	-5,56**	1,46	0,88
CETSCALE	58,61 (1,81)	39,22 (1,78)	39,97 (1,70)	40,19 (5,20)	19,40**	18,64**	18,42**	-0,75	-0,97	-0,22	0,96
Note: * p ≤ 0.5 ** p ≤ .01										

Individuals who declared themselves 'Others' were excluded from the analysis in terms of r. As for the differences between marginal means of three BiH nations, only differences between scores of individual constituent nations in BiH for which $p \leq 0.01$ will be taken into account. In other words, in these cases the claim can be made that the observed difference is statistically significant with 99% reliability.

The CETSCALE score revealed that Bosniaks are more ethnocentric than Bosnian Serbs and Croats (see Figure 4.1).
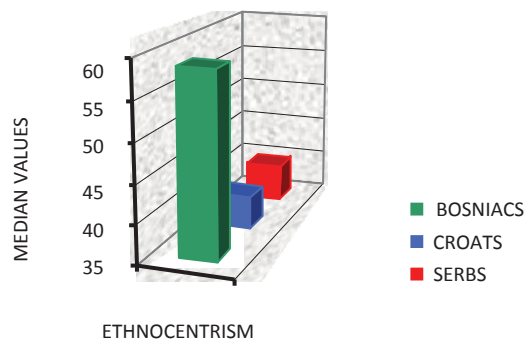
Figure 4.1. CETSCALE score

Multiple regression is a method used for determining interval-dependent variance and based on a linear combination of dichotomous or seemingly independent variables. Multiple regression can determine whether a set of independent variables explains the share of variance in the dependent variable with sufficient statistical significance. Besides, this method is used to determine the relative predictive significance of independent variables (Allison, 1999).

Bosniaks were taken as reference category, and analyses of interaction effects were done for Bosnian Serbs and Croats in correlation with demographic variables. We will again take only the values with 95% and 99% reliability. Three demographic variables – male sex, age and higher education have almost no statistical significance for the entire sample range. However, if nationality is taken as a criterion, the following tendencies can be observed in gathered responses:

- Respondents' Serbian and Croatian nationnality has a statistically significant correlation with the positive rating for Croatia and Serbia, and if we also include age, younger respondents of Serbian nationality experience Croatia more favorably than their older co-nationals. Serbian and Croatian nationality are also related to a lower score on the scale for measuring ethnocentrism.

- Serbian respondents showed an observable dichotomy of responses to positive and negative aspects of Serbian products – they gave mostly maximum values for all statements on Serbia, not taking into account the fact that there are inverse questions.

A few interactions were also set: the correlation between nationality and demographic variables – respondent's sex, higher education and age – was observed. Following was concluded:

- male/Bosnian Serb – negative correlation with the experienced similarity to Serbia GCA2 SER and negative aspects of Croatian products GPA1 CRO, view on *Karlovačko*; positive correlation with negative aspects of Serbian products GPA1 SER,

- male/Bosnian Croat – negative correlation with promotion/ distribution aspects of Croatian products GPA2 CRO; positive correlation with view on *Karlovačko*,

- higher education/Bosnian Serb – no statistical significance,

- higher education/Bosnian Croat – no statistical significance,

- age/Bosnian Serb – younger Serbs experience Croatia more favorably,

- age/Bosnian Croat – older Croats reveal ethnocentric tendencies more strongly.

Experiences from similarity with the country whose COO is studied can explain differences in some COI aspects. The more similar respondents' experience of the country whose COO is studied, the higher COI the country will have (Wang and Lamb 1983; Yevas and Alpay 1986).

Lin and Sternquist (1994) explain differences in COI among consumers in individual countries by specifics in the multinational marketing approach taken by the exporting country. They suggest the correlation between a high level of marketing activity and positive estimate of COI. In the cities of Sarajevo and Mostar (both in BiH Federation), consumers

rate the promotional performance of Croatian companies extremely high (Bosniaks the highest, followed by Serbs and then Croats). In Banja Luka (the Republik of Srpska), consumers are also exposed to strong promotional activities by Serbian companies, although consumers do not rate the performance too positively. On the contrary, Serbs who are most exposed to marketing messages gave the poorest rating to promotional activities by Serbian companies, while ratings by Bosniaks and Croats were far better. Klein, Ettenson and Morris (1998) point out that a high intensity of marketing activities can create a hostile view on COO (economic animosity).

Cognition and affect (score on GCA1 CRO) of Bosnian Serbs in relation to Croatia are lower than the attitude of other two nations toward Croatia. Bosnian Serbs do not consider Croatia particularly similar to BiH. Bosnian Serbs' view on Croatian products is ambivalent: questions measuring negative aspects have a high score; simultaneously, the score is high for questions measuring promotion/distribution and positive aspects (see Figure 4.2).
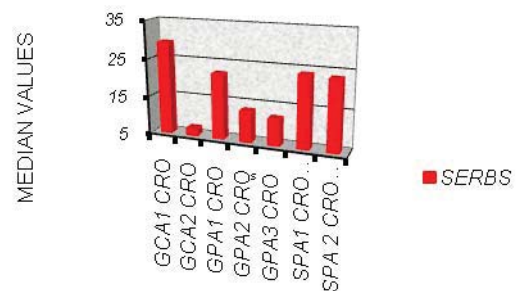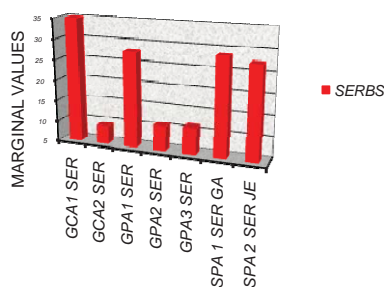

Figure 4.2. Bosnian Serbs attitudes about Croatia, about products from Croatia generally and about two specific Croatian products

Actual Croatian products (drugs and beer) are rated well. The finding confirms the assum-

ption by Klein et al. (1998) that animosity (one of COI aspects) affects consumer behavior but not the rating of products from this country.

Bosnian Serbs experience Serbia extremely favorably (by far the highest score on GCA1 SER, somewhat lower on GCA2 SER). The surprisingly high score in measuring negative aspects of Serbian products among Bosnian Serbs and a lower rating for promotional aspects of Serbian products is a result of giving highest rating for everything related to Serbia, without paying attention to possible inverse questions. Bosnian Serbs experience actual products (Serbian beer and drugs) extremely favorably (see Figure 4.3).

Figure 4.3. Bosnian Serbs attitudes about Serbia, about products from Serbia generally and about two specific Serbian products

Croatia is an extremely positive country in the eyes of Bosnian Croats (GCA1 CRO), while they do not consider it too similar to BiH (see Figure 4.4). Croatian marketers should do more on promoting their products among Bosnian Croats, since the rating for these activities is fairly low. Bosnian Croats rate *Pliva* drugs and *Karlovačko* beer better than Bosniaks and Bosnian Serbs, while Bosnian Serbs rate *Galenika* drugs and *Jelen* beer better than Bosniaks and Bosnian Croats.
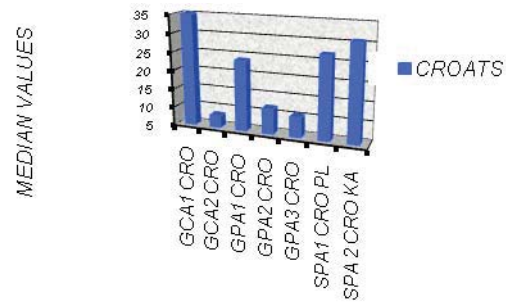

Figure 4.4. Bosnian Croats attitudes about Croatia, about products from Croatia generally and about two specific Croatian products

Bosnian Croats' view on Serbia in dimension GCA1 – cognition and affect is favorable (marginal mean is 29.284, while it amount to 25.711 in Bosniaks). Croatian respondents experience Serbia as very similar to BiH (score is 8.842, Bosnian Serbs have the highest score of 9.269). Both dimensions of general country characteristics – GCA in Bosnian Croats are obviously not dominantly affected by the tragic last decade of the 20th century in the Balkans (see Figure 4.5).
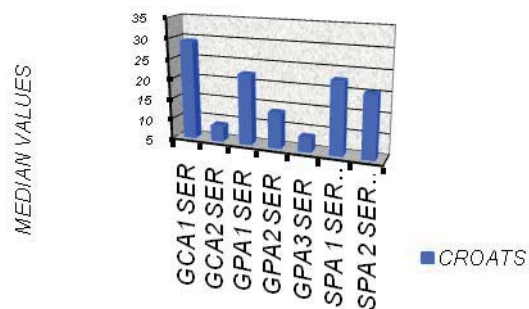

Figure 4.5. Bosnian Croats attitudes about Serbia, about products from Serbia generally and about two specific Serbian products

However, there is a difference between Bosnian Croats' view on Serbia as a country

and their belief in Serbia citizens' ability to offer quality products – ratings for positive aspects of Serbian products are very low, with a high score on negative aspects (Figure 4.5). *Galenika* drugs and *Jelen* beer lost a lot of their former (pre-war) image among Bosnian Croats. Bosniak consumers give Serbia as a country low rating on both scales for measuring GCA. At the same time, they give surprisingly high rating for promotion/distribution aspects of Serbian products (this can be due to strong influence of well-known Serbian brands remembered by middle-aged and older customers). Score on positive aspects of Serbian products among Bosniaks is modest (Figure 4.6). Younger respondents in Sarajevo and Mostar were completely unfamiliar with Serbian brands (a 21-year old wrote on the questionnaire: I have never heard of *Jelen* beer!). *Galenika* drugs have retained a lot of their pre-war image in the eyes of Bosniak consumers, while Apatin-based *Jelen* beer retreated before strong competition and the company's lack of interest in entering BiH Federation.
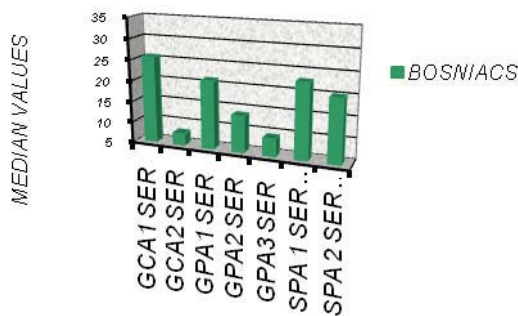

Fi

gure 4.6. Bosniaks attitudes about Serbia, about products from Serbia generally and about two specific Serbian products

It appears that the already mentioned distinction by Klein et al. (1998) between animosity effect on consumer behavior and product rating applies in this case. Bosniaks'

rating for Serbia COI is low, but their rating for actual Serbian products is not correlated with it.

Croatia and Croatian products are well accepted among Bosniaks (Bosniaks consider Croatia by far the most similar to BiH). Croatian companies' promotion among Bosniak consumers has most success, and Croatian products are considered luxury and a good value for money (Figure 4.7).
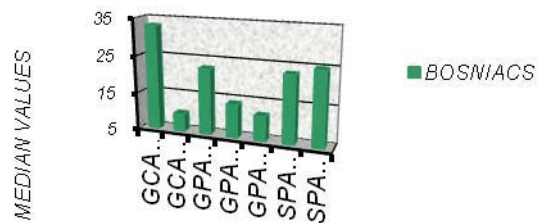

Figure 4.7. Bosniaks attitudes about Croatia, about products from Croatia generally and about two specific Croatian products

Actual Croatian products: beer and drugs have a similar score. It can be observed that in terms of marketing, Croatian companies are more present in BiH market than Serbian ones. Well-designed promotional activities have significantly suppressed negative emotions by Serbs and Bosniaks toward Croatia.

5. CONCLUSION

Verified conclusions can be drawn from this research. First, consumers in BiH are obviously ethnocentric, whereby Bosniaks have the highest score on CETSCALE. At the same time, the proposed model very successfully described the influence of predictors (demography) on individuals' ethnocentric tendencies – Adj. R^2 amounts to 23.3 (Adj. R^2 – Adjusted R-Square – adjustment in case we have a great number of independent variables and R^2 can become artificially high). Second,

consumers draw a difference between country of origin image and the product – despite the low image, a favorable rating of a quality product is possible. Third, fifteen years after the war ended, BiH consumers use mainly economic parameters in the process of assessing neighboring countries.

6. LIMITATIONS

The limitation of this research is related to the non-stratified sample of consumers in large shopping malls. The conclusions described refer only to the research sample. For generalization further inquires would be needed. Until now no test has been performed of nomological validity of CETSCALE on a representative sample of BiH consumers, as was done by Luque-Martinez and Ibanez-Zapata (2000). This is a limiting factor in interpretation.

The following limitation of the paper pertains to the translations of scales from English into the local language – CETSCALE translation used the modified translation of Cicic et al. (2002), while other scales were translated and adjusted by the paper authors, with advice by professional translator for the English language. Scale translation from English into Bosnian was checked and edited by Mrs. Vildana Popovcevic, to whom the authors owe sincere gratitude. The help of bilingual associates is recommended in order to eliminate linguistic and cultural influences (Kucukemiroglu, 1999).

7. MANAGERIAL IMPLICATIONS

The study results imply that COI, to a certain extent, is based on factors that are beyond a company's power of influence (e.g. historical relations between countries), and these factors cannot be changed easily and in a short term. A company from an European country toward which none of the three BiH

nations has hostile feelings (e.g. Finland, Portugal or Belgium) would obviously use the negative view of any of constituent BiH nations on Serbia and Croatia as its competitive advantage in competing with Serbian and Croatian companies in the BiH market. Thus, if companies enter markets that are not friendly due to historical burdens, they should not use COO in their promotion, or aggressively emphasize it on packaging. This has been done by Serbian companies when entering BiH for a long time: they promoted brands without mentioning the country of origin.

Knowledge of COO characteristics can help managers to understand the target market, and position products better and to use positive stereotypes. The element of general country characteristics GCA1 – cognition and affect, can be improved by planned communication of messages on the country and people: educated, skilled, friendly, etc.

Opportunities for doing so are fairs, international festivals and sponsorship of public events. Nebenzahl and Jaffe (1991) claim that many companies used sponsorship of the Olympic Games in Korea of 1988 to improve their country image, and that this effect was measurable.

8. RECOMMENDATIONS FOR FURTHER RESEARCH

Research results suggest many directions for future studies. We can see that historical context of Western Balkans can fully overshadow the fact that in all three countries (Bosnia and Herzegovina, Serbia and Croatia) a very similar language is spoken (no interpreter is needed); all three countries were integral parts of a single state for a long time; nations from all three countries belong to the South Slavs. Hence it would be interesting to conduct parallel studies in the

two neighboring countries of BiH, in order to better quantify relative importance of state relations on COI.

In this type of research, time dimension is very important. We suggest the same research after five years and comparison of results. It is to be expected that in this time period Bosnia and Herzegovina will be on the highroad to a full EU membership. Comparison of results would show how far the process of reconciliation and construction of society based on the rule of law and human freedoms has advanced.

REFERENCES

1. Allison, P., (1999) *Multiple regression*, Thousend Oaks, CA: Pine Forge Press.

2. Anderson, J., and Gerbing, D. W., (1982) „Some Methods for Respecifying Measu-rements Models to Obtain Unidimen-sional Construct Measure-ment", *Journal of Marketing Research*, 19, pages 453-460.

3. Ang, S., Jung.K., Kau, A., Leong, S., Pornpitakpan, C. and Tan, S. (2004) „Animosity towards Economic Giants: What the Little Guys Think", *Journal of Consumer Marketing*, 21 (3), page 190.

4. Asch, S. (1951) „Effects of Group Pressure upon the Modification and Distortion of Judgment", in *Groups, leadership and men*, Harold Guetzkow, eds., Pittsburgh: Carnegie Press, pages 177-190.

5. Balabanis, G., Mueller, R., and Melewar, T.C., (2002) „The human values´ lenses of country of origin images", *International Marketing Review,* Vol. 19 No 6, pages 582-610.

6. Bearden, W. and Etzel, M. (1982) „Reference Group Influence on Product and Brand Purchase Decisions", *Journal of Consumer Research*, Vol 9, pages 183-194.

7. Bilkey, W.J. and Nes, E. (1982) „Country of origin effects on product evaluations", *Journal of International Business Studies,* Vol. 13 No. 1, pages 89-99.

8. Brehm, J. and Cohen. A. (1962) *Explorations in Cognitive Dissonance*, Wiley, New York.

9. Caruana, A. (1996) „The effects of dogmatism and social class variables on consumer ethnocentrism in Malta", *Marketing Intelligence and Planning,* 14:4, pages 39-44.

10. Cicic, M., Brkic, N., Praso, M., (2002) „Consumer Animosity and Ethnocentrism in Bosnia and Herzegovina: Case of Developing Country in Post-War Time", *Akademija MM*, Ljubljana

11. Fernandez, P., Del Rio, M. and Bande, B. (2003) „Etnocentrismo y animosidad del consumidor: antecedentes y consecuen-cias", *Revista Europea de Direccion Economia de la Empresa,* 12:1, pages 177-188.

12. Festinger, L. (1957) *A Theory of Cognitive Dissonance*, Stanford University Press, Stanford.

13. Furuta, H. (2005) *Anti-Japanese triangle of East Asia*, Bungeisyunjy.

14. Green, E. and Srinivasan, V. (1990) „Conjoint Analysis in Marketing: New Developments With Implications for Research and Practice", *Journal of Marketing*, 54, page 3.

15. Hogg, M. and Abrams, D. (1988) *Social Identifications: A Social Psychology of*

Intergroup Relations and Group Processes, Routledge, London.

16. Jackson, J. (1993) „Realistic Group Conflict Theory: A Review and Evaluations of the Theoretical and Empirical Literature", *Psychological Record*, 43, page 395.

17. Jin, Z., Chansarkar, B. and Kondap. N. (2006) „Brand origin in emerging market: perceptions of Indian consumers", *Asia Pacific Journal of Marketing and Logistics*, 18:4, pages 283-302.

18. Jin, C. (2007) „The Formation of Purchase Intention under Social Norm – Interregional Comparasion on Chinese Youths Purchase Intention to the Japanese Brand Products", *Hitotsubashi Review of Commerce and Management*.

19. Kaynak, E., and Kara, A., (2002) „Consumer perceptions of foreign products. An analysis of product-country images and ethnocentrism", *European Journal of Marketing*, Vol 36, No 7/8, pages 928-949.

20. Kinder, D. and Sanders, L. (1996) *Divided by Color: Racial Politics and Democratic Ideals,* University of Chicago Press, Chicago, IL.

21. Klein, J., Ettenson, R., and Morris, M. (1998) „The Animosity Model of Foreign Product Purchase: An empirical Test in the People´s Republic of China", *Journal of Marketing,* Vol 62, January, pages 89-100.

22. Klein, J. and Ettenson R. (1999) „Consumer animosity and consumer ethnocentrism: An analysis of unique antecedent", *Journal of International Consumer Marketing*, 11:4, pages 5-24.

23. Klein, J. (2002) „Us versus them, or us versus everyone? Delineating consumer aversion of foreign goods", *Journal of International Business Studies,* 33:2, pages 345-363.

24. Kucukemiroglu, O. (1999) „Market segmentation by using consumer lifestyle dimensions and ethnocentrism", *European Journal of Marketing*, Vol 33, No 5/6, pages 470-487.

25. Leung, K., Au, Y., Fernandez-Dols, J. and Iwawaki, S. (1992) „Preference for methods of conflict processing in two collectivist cultures", *International Journal of Psychology*, Vol 27, pages 195-209.

26. Levine, R. and Campbell, D. (1972) *Ethnocentrism, Theories of Conflict, Ethnic Attitudes and Group Behaviour*, Wiley, New York.

27. Lin, L., and Sternquist, B. (1994) „Taiwanese consumers perceptions of product information cues", *European Journal of Marketing*, Vol 28, No 1, pages 5-19.

28. Luque-Martinez, T., and Ibanez-Zapata, M. (2000) „Consumer ethnocentrism measurement. An assessment of the reliability and validity of the CETSCALE in Spain", *European Journal of Marketing*, Vol 34, No 11/12, pages 1353-1373.

29. Nebenzahl, I., and Jaffe, E. (1991) „The Effectiveness of Sponsored Events in Promoting a Country´s Image", *International Journal of Advertising*, 10 (3), pages 223-237.

30. Netemeyer, R., Durvasula, S., and Lichtenstein, D. (1991) „A Cross-National Assessment of the Reliability and Validity

of the CETSCALE", *Journal of Marketing Research, 2*8, pages 320-327.

31. Nijissen, E. and Douglas, S. (2004) „Examining the Animosity Model in A Country with A High Level of Foreign Trade", *International Journal of Research in Marketing*, 21, pages 23-38.

32. Nunnally, J., and Bernstein, I. (1978) *Psychometric Theory*, McGraw-Hill, New York, NY.

33. Ouellet, J. (2007) „Consumer Racism and Its Effects on Domestic Cross-Ethnic Product Purchase: An Empirical Test in the United States, Canada and France", *Journal of Marketing*, 71:1, pages 113-128.

34. Papadopoulos, N., Heslop, L., and Bamossy, G. (1989) „International Competitiveness of American and Japanese Products" in *Dimensions of International Business* (No 2), Nicolas Papadopoulos ed., Ottawa, Canada: International Business Study Group, Carleton University.

35. Parameswaran, R., and Yaprak, A. (1987), „A Cross-National Comparison of Consumer Research Measures", *Journal of International Business Studies*, 18, pages 34-49.

36. Parameswaran, R., and Pisharodi, R. M. (1994) „Facets of country of origin image – an empirical assessment", *Journal of Advertising*, Vol 23 No 1, pages 43-56.

37. Park, C. and Lessing, P. (1977) „Students and Housewives: Differences in Susceptivity to Reference Group Influence", *Journal of Consumer Research*, 4, pages 102-110.

38. Riefler, P. and Diamantopoulos, A. (2007) „Consumer animosity: a literature review and a reconsideration of its measurement", *International Marketing Review*, 24:1, pages 87-119.

39. Russel, D. and Russel, C. (2006) „Explicit and implicit catalysts of consumer resistance: The effects of animosity, cultural salience and country-of-origin on subsequent choice", *International Journal of Research in Marketing*, 23:3, pages 393-404.

40. Shimp, T. and Sharma, S. (1987) „Consumer ethnocentrism: construction and validation of the CETSCALE", *Journal of Marketing Research*, Vol 26, august 1987, pages 280-289.

41. Shimp, T., Dunn, T. and Klein, J. (2004) „Remnants of the US civil war and modern consumer behavior", *Psychology & Marketing,* Vol. 24 No. 2, pages 75-84.

42. Shin, M. (2001) „The Animosity Model in Foreign Product Purchase Revisited: Does It Work in Korea?, *Journal of Empirical Generalization in Marketing Science*, Vol. 6, pages 1-14.

43. Shoham, A., Davidow, M., Klein, J. and Ruvio, A. (2006) Animosity on Home Front: The Intifada in Israel and Its Impact on Consumer Behavior", *Journal of International Marketing*, Vol. 14, No. 3, pages 92-114.

44. Slovic, P., Fischhoff, B. and Lichtenstein, S. (1977) Behavioural Decision Theory", *Annual Review of Psychology*, 28, page 1.

45. Sumner, G. (1906) *Folkways: The Sociological Importance of Usages, Manners, Customs, Mores and Morals*, Ginn and Co., Nueva York, NY.

46. Tajfel, H. and Turner, J. (1986) „The Social Identity Theory of Inter-Group Behaviour" in *Psychology of Intergroup Relations*, Nelson-Hall, Chicago.

47. Wang, C., and Lamb, C. (1983) „The impact of selected environmental forces upon consumers' willingness to buy foreign products„ *Journal of the Academy of Marketing Science,* Vol 11, No 2, pages 71-84.

48. Wang, J. (2005) „Consumer nationalism and corporate reputation management in the global era", *Corporate Communications: An International Journal*, 10:3, pages 223-239.

49. Weiner, B. (1986) *An Attributional Theory of Motivation and Emotion*, Springer-Verlag, New York.

50. Wilkie, W. and Pessemier, E. (1973) „Issues in Marketing s Use of Multi-Attribute Models", *Journal of Marketing Research*, 10 (4), page 428.

51. Yaprak, A., and Parameswaran, R. (1986) „Strategy Formulation in Multinational Marketing: A Deductive Paradigm-Integrating Approach" in *Advances in International Marketing*, L. S. Tamer Cavusgil, ed., Greenwich, CT: JAI Press, Inc., pages 21-45.

52. *Yevas*, B., and Alpay, G. (1986) „Does an exporting nation enjoy the same cross-national commercial image?", *International Journal of Advertising*, Vol 2, pages 109-119.