

# Consumer Animosity and Ethnocentrism in Bosnia and Herzegovina: The Case of a Developing Country in a Post-War Time

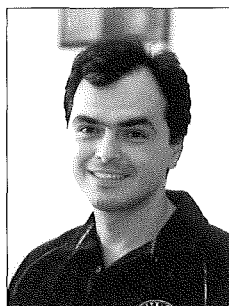
## Muris Čičić

redni profesor  
Katedra za marketing  
Ekonomska fakulteta  
Univerza v Sarajevu, BiH



## Nenad Brkić

docent  
Katedra za marketing  
Ekonomska fakulteta  
Univerza v Sarajevu, BiH



## Maja Prašo-Krupalija

asistentka  
Katedra za marketing  
Ekonomska fakulteta  
Univerza v Sarajevu, BiH



Elektronski naslovi avtorjev:

muris.cicic@efsa.unsa.ba  
nenad.brkic@efsa.unsa.ba  
khinter@bih.net.ba

## Abstract

This study tested consumer animosity and ethnocentrism in Bosnia and Herzegovina with regard to products from Serbia, Croatia and Western European countries. Bosnia and Herzegovina is a developing country that experienced four years of war with its neighbours Serbia and Croatia. The results of this study mainly confirm previous findings for developing countries: high level of ethnocentrism that reduces willingness to buy imports. Surprisingly, we have discovered that a high level of admiration for lifestyle in the economically developed countries does not have any influence on willingness to buy imports. Also, there is a presence of political animosity towards Serbia and economic animosity towards Western European countries. Support evidence for animosity towards Croatia was not found.

**Keywords:** *political animosity, economic animosity, consumer ethnocentrism, Bosnia and Herzegovina, post-war consumer behavior*

## Povzetek

### Animoznost in etnocentrizem porabnikov v Bosni in Hercegovini: primer države v povojnem obdobju

Študija je testirala animoznost (odpor, sovražstvo) in etnocentrizem porabnikov v Bosni in Hercegovini do izdelkov iz Srbije, Hrvaške in zahodnoevropskih držav. Bosna in Hercegovina je država v razvoju, ki je doživela štiriletno vojno s svojima sosedama Srbijo in Hrvaško. Rezultati študije večinoma potrjujejo predhodne ugotovitve za države v razvoju: visoka raven etnocentrizma zmanjšuje pripravljenost za kupovanje uvoženih izdelkov. Presenetljivo, avtorji so odkrili, da visoka stopnja občudovanja življenjskega sloga v ekonomsko razvitih državah nima vpliva na pripravljenost za kupovanje uvoženih izdelkov. Opaziti je tudi prisotnost politične animoznosti do Srbije in ekonomske animoznosti do zahodnoevropskih držav. Dokazov, ki bi potrdili animoznost do Hrvaške, niso našli.

**Ključne besede:** *politična animoznost, ekonomska animoznost, potrošniški etnocentrizem, Bosna in Hercegovina, povojno obnašanje potrošnikov*

## INTRODUCTION

Ten years ago, academic researches on Country-of-origin (COO) effects suggested that COO effect operates differently

than suggested in literature, which is largely based on developed country data. By that date, highly ethnocentric consumers from developed countries were oriented towards buying of domestic products but that was not the case with developing countries. Researchers suggested that consumers in developing countries used COO for determining the brands desirability for status enhancing reasons. A high level of admiration for lifestyles in economically developed countries such as USA or Western European countries caused the consumers to buy products from those countries rather than use domestic ones. Also, in 1998, Klein, Ettenson and Morris discovered that Country-of-origin effects and animosity toward ex or present enemy influences the willingness to buy imports independent of judgements about the quality of those brands.

Bosnia and Herzegovina is a developing country and it is also going through transition. Six years ago, the four-year war came to an end but ruined the economy of the country. A high number of imports known to domestic consumers and existing admiration towards the life style of the consumers from economically developed countries have directed Bosnian citizens to consume mainly foreign products.

Until 1992, Bosnia and Herzegovina was a part of the socialist Yugoslavia together with five other republics: Slovenia, Serbia, Croatia, Macedonia and Montenegro. In the beginning of 1992, people of Bosnia and Herzegovina voted for independence and shortly after, the war started. The neighbouring countries, first Serbia, and later Croatia occupied parts of the Bosnian territory. In the autumn of 1995, the war was concluded with the Dayton Peace Agreement.

**CONSUMER ETHNOCENTRISM AND ANIMOSITY CONCEPT**

The globalisation of markets presents considerable challenges and opportunities for domestic and international marketers. Apart from big opportunities, companies are also exposed to various threats. Unknown consumers world-wide are more demanding since they have a wider range of foreign brands available than ever before. Accordingly, marketers have shown a growing interest in understanding the factors related to consumer evaluation and selection of imported goods.

The reviews and scores of articles that have appeared on the topic of COO effects can be found in Bilkey and Nes (1982), and Baugh and Yaprak (1993). The literature of Country of origin examines the role of brands as halo construct that influences beliefs about product quality features. COO effect known also as "made in" concept has been defined by many researchers as positive or negative influence that the culture of origin has on willingness to buy (Elliot and Cameron 1994). In other words, consumers will be willing to buy products from the country, which has a good quality reputation such as Germany, irrespective of the real quality of that product.

"Brand COO is the halo construct for quality or construct that summarizes the beliefs about product quality, and then influences attitudes or purchase intentions" (Han 1989, Heslop and Papadopoulos 1993). In brief brands, COO serves as an extrinsic clue along with the price and brand name that supplements the use of intrinsic cues such as perceptions of design, performance etc. Also, economic, political and cultural perceptions of the country of origin influence the judgement of the product. Some research on the COO (Parameswaran

and Pisharodi 1994) has shown that the COO image has multiple dimensions of facets such as strength of its economy, nature of its political system and similar ones. These effects of the COO have been found to vary across product classes and consumer types and then become smaller when other cues are available to the consumers (Papadopoulos 1993).

Academic research on COO effects is now over 40 years old. This interest first emerged directly with the work of Robert Schöller in 1965. He began a series of studies that today consist of over 300 publications. The conclusions of the above-mentioned research have several dimensions. The most important one concerns domestic vs. foreign products. Several other studies have reported that the respondents preferred domestic products to imported ones. Darling and Kraft (1977) found this for Finnish consumers, Dickerson (1986), Lillis and Narayana (1974), and Gaedeke (1973) for Americans, and Baumgartner and Jolibert (1977) for the French. Other research indicates that domestic preference is not universal, or it can be counted on to be resistant to market-place changes. Examples are British consumers (Banister and Sounders 1978), Canadians (Heslop and Wall 1985; 1986) and Japanese (Nagashima 1970; 1977). All of them have reported more positive attitudes and preferences for products from countries other than their own under these circumstances. In the beginning of the 80's, in a study that examined the relationship between consumer ethnocentrism and evaluations of foreign source products, Lants and Loeb found that highly ethnocentric consumers have more favourable attitudes towards products from culturally similar countries. The conclusion is that universal domestic preference is a fallacy. The factors affecting it appear to be: the particular strength of nationalism of the peoples involved, level of industrialization, market development and economic vulnerability as perceived by the consumers (Papadopoulos and Heslop 1992).

Scores of the studies have already documented the ways in which consumers use brands Country of origin (COO) as a clue in inferring with its quality and acceptability (Baughn and Yaprak 1993, Bilkey and Nes 1982). However, most analyses of COO effects have only used data from US or UK consumers (Heslop and Papadopoulos 1993).

Much of the initial research in this area sought to understand risk-reducing biases used by Western consumers when evaluating products from less developed and therefore risky countries or regions. Schooler and Sunoo (1969), for example, studied biases among US consumers against countries in Asia or Africa; only recently has the literature begun to examine COO effects in developing countries.

In general, research in marketing still investigates and understands less the behaviour of consumers in developing countries. The literature does provide some insights and various modes to explain how attributes are evaluated and integrated into overall product judgements and purchase decisions (Betman 1979; Einhorn 1970; Green and Srinivasan 1990; Lynch 1985). Furthermore, some product attributes, such as price and brand name, are likely to act as clues or signals of the quality of other attributes (Aaker 1991; Carpenter 1987; Doods, Monroe and Grewal 1991; Jacoby, Olson and Haddock 1971). The country associated with the product also is thought of influencing consumers' quality judgements. A research on the evaluation of foreign products

has found inferences about the producing country, which affect perceptions of a product quality (Bilkey and Nes 1982; Han 1988; Hong and Wyer 1989; Maheswaran 1994; Papadopoulos and Heslop 1993). Although attribute judgements generally are assumed to influence purchase, most researchers on consumers' evaluations of foreign products have not measured purchase intentions or decisions directly. A recent meta-analytic review of the foreign product literature shows that a large majority of studies use quality judgements, attribute ratings, or both as their dependent measures (Liefeld 1993). It is possible, however, that a product origin (signalled by the place of manufacture and/or brand name) will affect consumers buying decisions directly and independently of product judgements. For example, Klein, Ettenson and Morris (1998) found among Chinese consumers an effect for country-specific animosity that reduces brands purchase from Japan, independent of judgements about the quality of those brands. The reason was the massacre of 300,000 people in Chinese city of Nanjing during the II world war. An interesting question is whether animosity has the same influence under less extreme conditions. For example, a study conducted between Dutch consumers (Nijssen, Douglas, Breser and Nobel 1995) supports these findings. Findings showed animosity resulting from German occupation during II World War that affects willingness of Dutch consumers to purchase German products. For instance, Hirschman (1981) observed Jewish consumers' avoidance of purchase of German-made products. Similarly, the boycott of French products by Australian and New Zealand consumers, due to the nuclear tests by France in Southern Pacific was also observed.

A series of international studies conducted by Richard Ettenson and Jill Klein examine U.S and foreign markets regarding overseas consumers' animosity towards current of previous enemies and its effects on their attitudes towards and purchase of imports. These findings suggest that animosity has a significant impact in consumers' buying decisions and can negatively affect the purchase of products in foreign markets regardless of its product quality. ([www.t-bird.edu](http://www.t-bird.edu)). These findings show that it is possible that Chinese consumers may avoid the purchase of the USA-made products because of the bombing (1999) of Chinese embassy in Belgrade, Yugoslavia although they regard USA-made products to be of high quality.

## ETHNOCENTRISM AND ANIMOSITY IN DEVELOPING COUNTRIES

### Ethnocentrism

Country-of-origin research studies have identified the challenges to overcome in order to reduce negative attitudes and emotions between nations: The first challenge is to reduce the negative effects of (a) consumers' ethnocentrism. The second challenge is to reduce the negative effects of (b) animosity.

Ethnocentrism is defined as "the beliefs held by consumers about the appropriateness, indeed morality of purchasing foreign made products" (Shimp and Sharma 1987). Consumer ethnocentrism implies buying imported goods is wrong because it is non-patriotic and detrimental to the domestic economy and employment. For instance, Sharma,

Shimp and Shin (1995) found that ethnocentric tendencies are significantly negatively correlated with attitudes toward foreign products and significantly positively correlated with the attitude towards domestic products. Shimp and Sharma (1987) developed a measurement instrument, the CETSCALE, to access their attitudes.

Consumers ethnocentrism is belief about buying foreign made products, and can be measured with CETSCALE. On the other hand, animosity, a country specific construct, could be measured with series of purportedly developed measures scales, such as willingness to buy, animosity scale itself (war versus economic animosity), and product and country ownership scales, respectively (Klein, Ettenson and Morris 1998).

Results of the studies have showed (Shimp and Sharma 1987; Netemeyer 1991; Klein 1998) that high scores on CETSCALE are correlated with an unwillingness to buy foreign import and also to perceive them as of poor quality. Another stream of literature that is more anthropological, however, suggests that consumers in developing countries also see the COO as determining brands desirability for symbolic, status-enhancing reasons, in addition to suggesting overall quality. Such generalized preferences for non-local (foreign) brands has been reported in developing countries, such as in China (Sklair 1994), Vietnam (Schultz, Pecotich and Le 1994), Nigeria (Arnould 1989), Congo (Friedman 1990), Zimbabwe (Burke 1996), Romania and Turkey (Bar-Haim 1987, Ger, Belk and Lascu 1993), and Ethiopia and Peru (Belk 1988).

Despite the strength of the research findings in the cultural anthropology literature, this status preference for foreign (especially Western) goods among consumers in developing countries appears to have been largely ignored in the standard COO literature. Hence, additional research on its existence, as well as its antecedents and consequences, is clearly needed. Neglect of this effect in the COO literature could be caused by the fact that this effect seems likely to be much stronger in developing than developed countries, which is where most of the COO research originates.

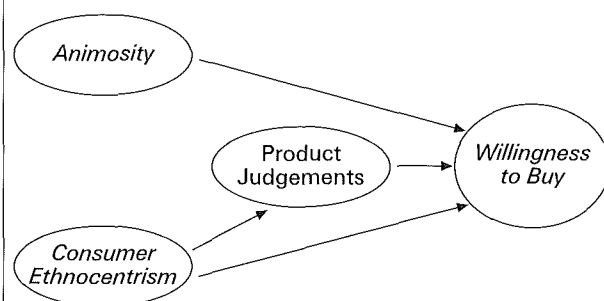
### Animosity

Previous clashes or warfare between nations-states have considerable influence on how the countries involved are able to re-establish international trade after the war is over. The fact is that negative attitudes and emotions between nations most seriously ruin opportunities for future trade. Up till now COO literature has ignored the influence of war driven animosity and its impact on international trade. From strategic point of view this lack of information can be fatal. The country of origin associated with the product is thought to influence consumers' quality judgements. Furthermore, some product attributes, such as price and brand name, are likely to act as cues or signals of the quality of other attributes (Aaker 1991; Johansson 1989; Roth and Romeo 1992). International marketing manager has a little choice but to include two extrinsic attributes – country of manufacture and brand name – as part of product bundle. Consequently, managers leverage and exploit these two variables in an attempt to enhance consumers' perceptions of their offerings and gain a strategic competitive advantage (Aaker 1991; Ettenson and Gaeth 1991; Han and Terpstra 1988). Animosity is defined as "the remnants of antipathy related to previous or ongoing military,

political or economic events". Klein, Ettenson and Morris (1998) have concluded that animosity influences willingness to buy regardless of the product quality judgement. In other words, consumers will boycott products from certain country for non-quality related issues, but rather than antipathy they feel animosity towards a country.

Furthermore, to the extent that the effects of animosity are independent of product judgement and that animosity affects buying above and beyond consumers general beliefs, managers from countries with controversial military, economic, or political histories must understand how such macro level phenomena might affect their international marketing activities. This will enable managers to select and target foreign markets, and to identify ways to modify their marketing strategies in regions where animosity might present an informal but significant barrier to trade.

**Figure 1: The animosity and consumer ethnocentrism model of foreign purchase**



### Distinction between Animosity and Consumer Ethnocentrism

It is well documented in markets all over the world that some consumers have a predilection toward imported goods, whereas other prefers domestic alternatives. Perhaps the most widely used construct to understand this phenomenon is consumers' ethnocentrism, developed by Shimp and Sharma (1987) and measured by their CETSCALE.

Consumers' ethnocentrism is defined as people viewing their own group as superior in comparison to the others, and as offering protection against apparent threats from out-group (Brislin 1993). Studies of consumer ethnocentrism generally have found that scores on the CETSCALE are related inversely to willingness to purchase imports, perceptions of the quality of imported goods, cultural openness, education, and income (Netermeyer, Durvasula and Lichtenstein 1991, Sharma and Shimp 1987). Consumer ethnocentric tendencies play a significant role when products are perceived to be unnecessary and when consumers believe that either their personal or national well being is threatened by imports.

The CETSCALE measures beliefs about buying foreign product is general, whereas animosity is, by its definition, a country-specific orientated construct. Although animosity and consumer ethnocentrism can be related, animosity is conceptually and theoretically country-related. Consumers scoring low on the CETSCALE might find it perfectly acceptable to buy foreign products in general, but might eschew products from specific nations toward which they feel animosity. For example Shimp and Sharma 1987 find that

higher CETSCALE scores among American consumers were predictably related to both a preference for U.S. made goods and aversion toward imports. As Shimp and Sharma suggest, the CETSCALE could become part of firms tracking studies of consumer attitudes both domestically and in overseas markets. However knowing that the target consumers (either domestically or internationally), score low on the CETSCALE may be of limited practical value and even misleading if the firms home country is both apparent to consumers and viewed negatively. In order to overcome this problem, marketing managers should focus their attention to precise information that provides specific insight regarding consumers' aversion toward a particular targeted country.

Moreover, consumer ethnocentrism and animosity may have different implications for perceptions of product quality. In Netemeyer, Durvasula and Lichtenstein (1991) four-nations validation study, the CETSCALE was found to be correlated with judgements of foreign product quality. Consumers who hold strong ethnocentric beliefs are more likely to evaluate foreign products negatively than are those who do not hold such beliefs. Those who believe that it is wrong to buy foreign goods also tend to perceive those goods as lower in quality than domestic goods; ethnocentric consumers prefer domestic goods not only because of economic or moral beliefs, but also because they believe that their own country produces the best products.

In contrast, it is possible that a consumer can harbour animosity toward a specific country without denigrating the quality of goods produced by that country. The consumer might be unwilling to buy these goods, but still believe that they are high in quality.

### RESEARCH ON ETHNOCENTRISM AND ANIMOSITY IN BOSNIA AND HERZEGOVINA

#### Hypotheses

During past years, a lot of researches related to COO effects were referring to the concept of ethnocentrism and animosity. However, the majority of researches are based on the evaluation of products from developed countries, whose name is a symbol of quality (Bannister and Sounders 1978). This type of research has never been conducted in Bosnia and Herzegovina. Therefore, the first hypothesis relates to measuring of ethnocentrism of Bosnian consumers using widely applicable CETSCALE (Shimp and Sharma 1987).

**H1:** Ethnocentrism has negative influence on willingness/readiness of BH consumers to buy imported products.

Considering that Bosnia and Herzegovina is developing country, and country in transition from socialistic economic system to market economy system, its market opens toward new products, which were not available before. A lot of population spent four years of war in Western European countries, and after their return to Bosnia they brought new habits and preferences for foreign products and thus the customs of living which were not present in Bosnia and Herzegovina earlier. Former communists countries populations assess the products from developed countries as better and of better quality and they are more inclined to buy them. For example, Papadopoulos, Heslop and Beracs (1990)

in their research that was conducted in Hungary discovered that Hungarians assess products from developed countries better than domestic products. In our research, there is an assumption that the effect of the country of origin in Bosnia will act differently from what has been said in previous literature, based on the researches conducted in developed countries. The effect of the country of origin in Bosnia and Herzegovina will mainly influence the creation of consumers attitude towards the product because of its foreign origin. This foreign origin may be very positive, especially if the country of origin is developed and progressive such as US and Western European countries. We believe that foreign origin of a product in case of developing country acts positively on consumers assessment of quality and creates an opinion that possessing such a product increases the reputation of a consumer.

**H2a:** Higher degree of admiration of a lifestyle in foreign country has positive influence on willingness to buy foreign products.

**H2b:** Bosnian consumers will assess products from developed countries (Western Europe) as better than domestic or the ones coming from countries of similar level of development such as Croatia or Serbia.

In this research, we also tried to find out how animosity affects the consumers behaviour in Bosnia and Herzegovina. In other words we tried to find out how the residue antagonisms related to a four-year war may affect the purchase of products coming from countries that were involved in the war. The first consumers behaviour patterns were designed in USA (Albaum and Peterson 1984; Lee and Green 1991; Netemeyer, Durvasula and Lichstein 1991) and tested outside US. The first animosity test was conducted in Peoples Republic of China towards Japan (Klein, Ettenson and Morris 1998).

Croatia is a better-developed country than Bosnia and Herzegovina, but is still closer to Bosnia than to EU countries as per level of economic development. Serbia is at the similar level of development as Bosnia. Like Bosnia and Herzegovina, both countries are exporting majority of their products to the market of former Yugoslavia. Bosnia is one of the greatest export markets for all republics of former Yugoslavia, since it does not have much of own production, and the import has a few barriers. This research measures the animosity of Bosnian consumers towards the products from Serbia, Croatia and Western Europe, regardless of the product quality.

**H3a:** Consumers animosity, both political and economic, has negative influence on willingness/readiness to buy imported products and

**H3b:** Consumers animosity will affect the purchase, regardless of attitude toward the product quality.

## Sample

Participants in the sample were third and fourth year students at the Faculty of Economics, University of Sarajevo. Sarajevo is the capital of Bosnia and Herzegovina with a population of 350,000 citizens, 67.2% of which is domicile population and the rest of the population are displaced persons, which means newly settled people. Due to the strong presence of international organizations and institutions, between 5–10%

of population of Sarajevo consist of foreigners living permanently in the city. Thanks to that fact, and the fact that local production is weak and import is on free regime, the greatest number of imported products are available in Sarajevo. Almost all global brands and well-known producers are present in the local retail outlets in Sarajevo.

The survey sample consists of 300 students of age from 18 to 25 (see Table 2 for full review), 40.33% of which is male and 59.67% female.

Although the "students versus consumers" type of discussion may be found in any consumer's behaviour and marketing related publication, there is a general opinion that when the researcher is interested in evaluating the effects of certain occurrence, the consumers are a better choice, but when he or she is interested in applicability of a theory, as in our case of research on ethnocentrism and animosity, the students are a valid sample (Calder, Philips and Taybut 1981).

## Methodology

The questioned persons were asked to provide an answer that reflects an honest attitude of a respondent in relation to offered statements. The answer was expressed on the scale from 1 to 7, where 1 indicates that the respondent absolutely disagrees with the assertion, and 7 indicates that he/she agrees with it. Circling number 4 indicates perplexity. Therefore, the Likert scale from 1 to 7 was used.

The questionnaire had six parts, plus the part with demographic data. The first part referred to the degree of ethnocentrism of Bosnian consumers and, in this part, CETSCALE (Shimp and Sharma 1987) was used. All 17 assertions were included, because this type of research has not been conducted in Bosnia and Herzegovina, and we thought they were all relevant. The second part of the questionnaire referred to the preference to purchase the imported product with questions like "I am not interested in possessing a product from Croatia". The third part was directed to the consumers orientation, which means striving to copy/imitate people from developed vs. socialistic countries, as well as to the degree to which the participants identify their lifestyle with possession of a certain product. In the fourth part, the participants were asked to answer a range of questions that were refined and adjusted for this questionnaire, and that were considering animosity of consumers towards Serbia, Croatia and Western Europe. Economic and political (created by war) animosity was measured. Out of seven assertions, the first three were pertaining to a political animosity (e.g. I feel angry toward Western Europeans). The fifth part referred to a general impression of a country and the participants were asked to give their opinion on citizens of Western Europe, Serbia and Croatia, and to evaluate how these countries are similar to Bosnia and Herzegovina. The sixth part referred to a general impression of products. The participants were asked to assess the quality, technological progress, design, reliability, inventiveness, functionality and price. Due to the length of the questionnaire, individual products were not included. We rather decided to base the study on a general picture of preferences to buy products from a given area. As far as the demographic data, data on sex, age, nationality, religion and average income was collected. (Table 1.)

**Table 1**

Sample size	300
Sex (%)	
Male	40.33
Female	59.67
Age (%)	
Under 20	25.93
21-30	66.66
31-40	5.76
Over 40	1.65
Nationality (%)	
Bosnians	22.22
Bosniacs	71.19
Serbs	1.65
Croats	4.53
Albanians	0.41
Religious Affiliation (%)	
Islamic	65.43
Catholic	5.35
Orthodox	1.65
Jewish	0.41
Atheist	27.16
Monthly income in (%)	
Under 200	18.52
201-300	30.86
301-400	18.93
401-500	11.94
Over 500	19.75

## Results and interpretation

The first hypothesis was related to the assertion that ethnocentrism has a negative influence on buying imported products in Bosnia and Herzegovina. CETSCALE, as well as Likert scale, were used for measuring ethnocentrism. The result at CETSCALE was, on an average, 4.63 and, therefore, we can conclude that Bosnian consumers are highly ethnocentric (4.5 and more points at Likert scale mean that the consumers are highly ethnocentrically oriented, while 4.5 and less at the same scale mean that they are low oriented). Out of total number of participants, 41.56% of them had the result less than 4.5 at CETSCALE, and 58.44% higher than 4.5. Among all 17 assertions, Bosnian consumers mostly disagree with one saying that "Foreigners should not be allowed to put their products on our market", where average result was 2.97, and with assertion saying that "Purchasing foreign-made products is non-Bosnian" – the mean score of 3.71 on a 7-point Likert scale. Although total result of CETSCALE shows that Bosnian consumers are highly ethnocentrically oriented, above-mentioned results indicate that they, however, do not mind possessing foreign products, and that they have nothing against import in general. In the other part of the questionnaire that deals with preference regarding buying imported vs. domestic products, 19 out of 20 assertions are lower than 4.5, which supports the first hypothesis "Ethnocentrism has negative influence on willingness to buy imported products in Bosnia and Herzegovina". Further interpretation of these results, for the assertion saying that "Whenever available, I rather buy products from B&H", which has average result of 4.98, is another proof of high ethnocentrism, as well as average results of Likert scale on the issue regarding preference of buying West-European, Serbian or Croatian products in regard to Bosnian products (mean scores of 3.21; 2.03; 2.70, respectively).

In order to test the second hypothesis, based on the attitudes,

and which refers to the assertion "Positive influence on buying imported products results from the admiration to specific lifestyle", we observed a linkage between the results reached in the fourth part (animosity) and the second part (willingness to buy domestic vs. foreign products) of the questionnaire on the hypothesis H2a. Based on those results, it can be concluded that Bosnian consumers admire lifestyle in developed countries (the mean score of 5.09), but do not pay attention to whether these products make them look better in the eyes of their friends, and they do not copy persons by buying the same products. Although Bosnian consumers admire lifestyles of persons living in developed countries (if we consider results of CETSCALE, which indicate high ethnocentric orientation of Bosnian consumers (i.e., unwillingness to buy imported products), hypothesis H2a is not supported.

While testing H2b hypothesis in part VI of the questionnaire, "General impression about products", participants were asked to evaluate products from Serbia, Croatia and West-European countries. Since Western Europe is the only area significantly more developed than Bosnia and Herzegovina, only the evaluations of its products can be considered. Therefore, participants evaluated those products as high quality products (the mean score of 5.23); with high level of technological progress (the mean score of 5.56); good design (the mean score of 5.62); reliable and durable (the mean score of 5.10) and more innovative than the products made in Bosnia and Herzegovina (the mean score of 4.94). Referring to the above-mentioned results, it can be concluded that hypothesis H2b is supported. As opposed to that, quality, innovativeness, technological progress, design, etc. of the products from Serbia and Croatia were evaluated low and very low (all results are lower than 3.95). We also have to mention that Bosnian consumers consider products from Croatia better than products from Serbia. For example, technological progress of the products made in Croatia is evaluated with the mean score of 3.46, as opposed to technological progress of the products made in Serbia (the mean score of 2.22); design of Croatian products was evaluated with 3.85 as opposed to 2.41 for Serbian.

Hypothesis H3a states that: "Consumers animosity, political or economical, has negative influence on willingness to buy imported products". Animosity research data was obtained from the fourth part of questionnaire (based on Ettenson, Morris and Klein 1998.). The animosity level was measured by Likert scale. Less than 4.5 indicated low animosities and more than 4.5 indicated a high animosity. Bosnian consumers feel higher political animosity towards Serbia (4.57), and low towards Croatia (3.08) and Western European countries (2.91). As far as economic animosity, they feel higher animosity towards Western Europe (4.58) and low towards Serbia (3.76) and Croatia (4.03). The results of economic animosity confirm Ettenson, Morris and Klein's (1998) conclusions that small and economically unstable countries feel threatened by great and economically developed countries. Comparing results obtained from CETSCALE and animosity measures, we can conclude that Bosnian consumers, apart from being highly ethnocentrically oriented, and not showing willingness to buy imported products, have a feeling of animosity towards some countries, such as political animosity towards Serbia and economic animosity towards Western European countries. By measuring the results

obtained from the second part of questionnaire "Willingness to purchase imported vs. domestic product" we can say that Bosnian consumers already expressed their attitude that they are not willing to buy products imported from Western Europe, Croatia and Serbia (all mean score were lower than 4.5<sup>1</sup>). Comparing these results to the results of animosity, we can make a conclusion that animosity negatively influences the willingness to purchase imported products, and that hypothesis H3a is supported.

In order to test hypothesis H3b, stating that animosity influences the willingness to buy imported products regardless of its quality, the results from the sixth part of questionnaire "General impression about products" were analysed, and the respondents were asked to evaluate the quality of products from Western Europe, Serbia and Croatia. We already concluded that Bosnian consumers feel political animosity toward Serbia (the mean score of 4.57) and economic animosity toward West-European countries (the mean score of 4.58). Tables 2 and 3 show the results of evaluation of products from Serbia and West-European countries. Croatia was not taken into consideration because Bosnian consumers do not feel neither political nor economic animosity towards it.

**Table 2: General impression about products from Serbia**

Serbia	Score
Quality	2.34
Technological progress	2.22
Design	2.41
Reliability and durability	2.40
More innovative than B&H products	2.29
More functional than B&H products	2.33
Products from Serbia are necessities	2.72
Products from Serbia are luxuries	2.37

**Table 3: General impression about products Western Europe**

Western European Countries	Score
Quality	5.23
Technological progress	5.56
Design	5.62
Reliability and durability	5.10
More innovative than B&H products	5.67
More functional than B&H products	4.94
Products from Western Europe are necessities	3.70
Products from Western Europe are luxuries	4.02

The grade higher than 4.5 indicates positive attitude toward above-mentioned products. One can conclude that Bosnian consumers feel political animosity towards Serbia, which causes unwillingness to purchase products made in Serbia, and it is not related to quality. The Serbian products are evaluated as of bad quality, not innovative, of bad design, etc. Hypothesis H3b, which states that consumers animosity has negative influence on willingness to purchase, is not supported by our data.

Unlike products from Serbia, which were evaluated negatively, the products from Western Europe were evaluated highly. The mean scores of all characteristics, excluding functionality, were higher than 5.10. In spite of these high grades, the Bosnian consumers are not willing to buy these products due to a feeling of economic animosity towards the Western European countries. We can conclude that hypothesis H3b is supported.

<sup>1</sup> The scales for negative statements have been reversed.

**Table 4: Hypothesis accuracy overview**

Hypothesis	Accuracy
H1 - Ethnocentrism has negative impact on willingness to buy foreign products	T
H2a - A consumers admiration for lifestyle of the people in developed countries will have positive impact on willingness to buy foreign goods	F
H2b - Bosnian consumers will rate products from EC more positively (i.e. Western Europe) than the product from countries similar to them, such as Serbia and Croatia	T
H3a - Animosity economic and political has a direct negative impact on willingness to buy foreign products	T
H3b - Political animosity will influence willingness to buy foreign product independently of quality judgement	T

## CONCLUSIONS AND IMPLICATIONS

Firstly we have to emphasize that this is the first time that this type of a survey has been conducted in Bosnia and Herzegovina. Besides identifying consumer behaviour factors unknown till now such as the influence of ethnocentrism and animosity to purchase of imported goods, our research also reflects Bosnian consumers in a new and not previously researched light. This is the first time we measured the level of ethnocentrism and animosity of consumers, and found out how they react to products from foreign and neighbouring countries.

The aim of the research was to determine the level of ethnocentrism and animosity on a student population in Bosnia and Herzegovina. The results provide a better understanding of consumers by foreign and more importantly, by local marketing managers. Our research confirms previously noted implications related to consumer ethnocentrism, i.e., ethnocentrism in Bosnia and Herzegovina has a negative influence on the willingness to purchase imported products.

Products from developed countries of Western Europe scored high for quality, functionality, etc. Importers of products from these countries should find appropriate marketing strategies that would bring their products closer to local consumers. A strategy that was very successful globally for overcoming ethnocentrism and animosity is the strategy of hybrid products (products produced in a home country under the license from a foreign country). The example is Coca-Cola, which is the best selling non-alcoholic drink in the Bosnia and Herzegovina market. Although Coca-Cola is a foreign company, through local factory in vicinity of Sarajevo it gains a status of a local product and overpasses the barrier of an imported product or a product from Western Countries for which B&H consumers would feel animosity. It is shown that the production of hybrid products can be fruitful and successful in situations where ethnocentrism and animosity have a negative effect on the willingness/readiness to shop.

Respondents in our study do not express strong tendencies to purchase products from countries similar to it, i.e. from those on the similar level of development such as Serbia, in particular. They evaluate products from those countries worse than domestic ones. Reasons should be found in present politics of animosity towards the mentioned countries, especially towards Serbia.

The next set of conclusions is related to the purchase of products from countries whose lifestyle we admire in developing countries. For example, it has been proven that there is a willingness in India to purchase imported products coming from countries whose lifestyle Indians admire (Batra,

Ramaswamy, Alden, Steenkamp, Ramachander 2000). That, however, is not the case in our study. Bosnian consumers do not have a tendency to imitate consumers from developed countries by purchasing the same products as they do.

Probably the most important conclusion is related to the subject of consumer animosity. We have already mentioned that animosity can be caused by political and economic factors, and that it differs from country to country. Both types of animosity are present in Bosnia and Herzegovina, i.e., politics of animosity towards Serbia caused by a four years long war, and economical animosity towards countries of Western Europe. Economic animosity probably comes from feelings of economic endangerment of Bosnia and Herzegovina, because of its size and economic instability relative to developed countries of Western Europe. Another important implication related to animosity is that animosity itself is not connected to the quality of products. Bosnian consumers recognize branded products from Western Europe as good quality items, but express economic animosity effect in that regard. This case confirms theoretical implications stated by Ettenson, Morris and Klein (1998), in their research conducted in China. It means that consumers are able to recognize the high quality products from particular countries, despite negative feelings caused by other reasons.

The results of our research have several implications for managers. Firstly, companies from the countries towards which there is animosity should conduct research related to the level of ethnocentrism and animosity in the country they are exporting to. That research should be a constant part of the strategy, and not an occasional matter. Results would show them the level of animosity of consumers by regions or target market. Results from our research show that respondents in this study feel a high level of economic animosity towards countries of Western Europe, but this may also mean that not all consumers feel the same level of animosity. A research could be conducted to determine which groups feel reluctant and which not. Other important implication is that animosity has a negative effect on the willingness to buy, independent of quality of the product. This evidence may question some statements from existing theories stating that the quality is a key to business success (Bettman 1979; Green and Srinivasan 1990; Wilkie and Pessemier 1973). Managers have to understand that, if the level of animosity towards the country of origin is high, traditional methods of market share increase such as brand promotion, pricing or new design will not always deliver expected results. A strategy that reduces the effect of "made in" will be more appropriate in this kind of situation. Also, international marketing managers could decide to try solving the animosity problem directly through their public relations activities.

Ethnocentrism has similar effect as animosity, the difference being that ethnocentrism is directed toward all countries, and animosity only towards specific ones. Since there is no market that is 100% influenced by ethnocentrism, international marketers should focus on the parts of the markets willing to buy imported products, and conduct research similar to those related to animosity of consumers.

The stated evidence provides new information to managers and researchers on reasons provoked by consumers' feelings, such as ethnocentrism and animosity, and which are outside

the role of quality and other product attributes. It is obvious from the findings of this research that local and foreign managers can achieve better results in Bosnian market if they take into consideration the effects of ethnocentrism and animosity among BH consumers.

However, most of the implications of this research are related to the discovery that local companies have a foundation to compete against foreign companies. The results of our research show that consumers are influenced by ethnocentrism and that they feel economic animosity towards countries of Western Europe, whose companies are the biggest competitors against local companies. This should encourage local producers to invest in the promotion of local products. The present situation in Bosnia and Herzegovina market is appropriate for the encouragement of purchase of local products and implementation of a campaign such as "buy domestic products". Local manufacturers should use advantages of buying local products as appeals of type to promote increase of local employment, strengthening of local (domestic) economy when they advertise their products.

In the end, we would add that this research opens the door for further research related to this subject in Bosnia and Herzegovina. It would be interesting and educational to determine which group of consumers feel reluctant towards certain countries, and which do not, and to determine which groups have a strong feeling of ethnocentrism, and which ones have a low one. Other interesting possibility for research is economic animosity that consumers feel towards countries of Western Europe, what causes this, ways to decrease the feelings of animosity from the importer's point of view, and a possibility of taking advantage of this situation from the point of view of local companies. Proven political animosity towards Serbia also shows that the politics of certain governments towards neighbouring countries can have a negative effect on the business of their companies for many years afterwards.

## References

- Aaker, D. (1991), *Managing Brand Equity*, New York: The Free Press.
- Albaum, Gerald and Robert A. Peterson (1984), "Empirical Research in International Marketing: 1976-1982", *Journal of International Business Studies*, 15, 161-73.
- Arnould, E.J. (1989), "Toward a Broader Theory of Preference Formation and the Diffusion of Innovations: Cases From Zinder Province, Niger Republic", *Journal of Consumer Research*, 16, 239-267.
- Bannister, J.P. and J.A. Saunders (1978), "U.K Consumers Attitudes Towards Imports: The Measurement of National Stereotype Image", *European Journal of Marketing*, 12, (8), 562-570.
- Bar-Haim, G. (1987), "The Meaning of Western Commercial Artefacts for Eastern European Youth", *Journal of Contemporary Ethnography*, 16, 205-226.
- Batra, Rajeev, Ramaswamy Venkatram, Alden Dana L., Steenkamp Jan-Benedict E.M., Ramachander, S., (2000), "Effects of Brand Local and Non-Local Origin on Consumer Attitudes in Developing Countries", *Journal of Consumer Psychology*, 9, (2), 83-98.
- Baumgartner, Gary and Alain Jolibert (1977), "The perception of Foreign Products in France", In H.K. Hunt, ed., *Advances in Consumer Research*, Vol. V.
- Baughn, C.C. and Yaprak A. (1993), "Mapping Country-of-Origin Research: Recent Developments and Emerging Avenues, pp. 39-75, In N. Papadopoulos and L. Heslop (Eds), *Product and Country Images: Impact and Role in the International Marketing*, New York: International Business Press (Hatworth).
- Belk, R. W. (1988), "Third world consumer culture", pp 103-127, In E. Kumcu and A.F. Firad (Eds.), *Research in Marketing: Supplement 4. Marketing and Development: Toward Broader Dimension*, Greenwich, CT: JAI.
- Bettman J. (1979), *An Information Processing Theory of Consumer Choice*, Reading MA: Addison-Wesley.



- Bilkey, W. and E. Nes (1982), "Country of origin effects on product evaluations", *Journal of International Business Studies*, 13, 89-100.
- Burke, T. (1996), *Lifebuoy Men, Luxury Women*, Durham NC, Duke University Press.
- Carpenter, G. (1987), "Modelling Competitive Marketing Strategies: The Impact of Marketing - Mix Relationships and Industry Structure", *Marketing Science*, 6, 288-291.
- Darling, John and Danny Arnold (1988), "The Competitive Position Abroad of Products Practices if the United States, Japan and Selected European Countries", *Journal of Consumer Marketing*, 5, 61-68.
- Darling, John and Van R. Wood (1990), "A Longitudinal Study Comparing Perceptions of U.S and Japanese Consumer Products in a Third Neutral Country: Finland 1975-1985", *Journal of International Business Studies*, 21, (3), 427-50.
- Darling, John R. and Fredric B. Kraft (1977), "A Competitive Profile of Products and Associated Marketing Practices of Selected European and Non European Countries", *European Journal of Marketing*, 11, (7), 519-531.
- Dickerson, Kitty G. (1986), "Consumers Rate U.S. Clothes Higher Than Imports", *Marketing News*, 30.
- Doods, William, Kent Monroe and Dhruv Grewal (1991), "Effects of Price, Brand and Store Information on Buyers Product Evaluations", *Journal of Marketing Research*, 28, 307-19.
- Einhorn, H. (1970), "The Use of Non-linear, Non-compensatory Models in Decision Making", *Psychological Bulletin*, 73, 221-30.
- Elliot, G. and R. Cameron (1994), "Consumers Perception of Product Quality and the Country-of-Origin Effect", *Journal of International Marketing*, 2, (2), 46-62.
- Ettenson, R. (1993), "Brand Name and Country-of-Origin Effects in the Emerging Market Economies of Russia, Poland and Hungary", *International Marketing Review*, 10, (5).
- Ettenson, Richard and Gary Gaeth (1991), "Consumer Perceptions of Hybrid (Bi-National) Products", *Journal of Consumer Marketing*, 8, 13-18.
- Ettenson, R., J. Klein and M. Marlene (1998), "The Animosity Model of Foreign Product Purchase: An Empirical Test in the People's Republic of China", *Journal of Marketing*, 62.
- Friedman, J. (1990), "Being in the World: Globalization and Localization", *Theory, Culture and Society*, 7, 311-328.
- Gaedeke, Ralph (1973), "Consume Attitudes Toward Product Made -In Developing Countries", *Journal of Retailing*, 49, (2), 13-24.
- Green, Paul and V. Srinivasan (1990), "Conjoint Analysis in Marketing: New Development With Implications for Research and Practice", *Journal of Marketing*, 54, 3-19.
- Han, C.M. (1989), "Country Image: Halo or Summary Construct", *Journal of Marketing Research*, 26, 222-229.
- Heslop, L.A. and Papadopoulos N. (1993), "But Who Knows Where or When: Reflections on the Images of Countries and Their Products", pp. 39-75. In N. Papadopoulos and L. Heslop (Eds), *Product and Country images: Impact and Role in the International Marketing*, New York: International Business Press (Hatworth).
- Heslop, L.A. and Wall M. (1986), "Two Views of the World: Differences Between Men and Women on Perceptions of Countries as Producers of Consumer Goods", In T.E. Muller (Eds), *Marketing*, Vol. 7 (Whistler, B.C. Proceedings, Administrative Sciences Associations of Canada-Marketing Division, June), 179-185.
- Hong, Sung-Tai and Robert Wyer Jr. (1989), "Effects of Country-of-Origin and Product - Attribute Information on Product Evaluation: An Information Processing Perspective", *Journal of Consumer Research*, 16, 175-87.
- Jacoby, J., J. Olson and R. Haddock (1971), "Price, Brand Name and Product Characteristics as Determinants of Perceived Quality", *Journal of Applied Psychology*, 55, 570-79.
- Jaffe, D. E. and I. D. Nebenzahl (2001), *National Image and Competitive Advantages*, Copenhagen Business School Press, 2001.
- Johansson, Johny K. (1989), "Determinants and Effects of the Isle of Made in Labels", *International Marketing Review*, 6 (1), 47-58.
- Lantz, G. and Loeb S. (1996), "Country-of-Origin and Ethnocentrism: An Analysis of Canadian and American Preferences Using Social Identity Theory", *Advances in Consumer Research*, 23.
- Lee, Chol and Robert Green (1991), "cross-cultural Examination of the Fishbone Behavioural Intentions Model", *Journal Of International Business Studies*, 22 (2), 289-305.
- Liefeld, John P. (1993), "Experiments on Country of Origin Effects: Review and Meta-Analysis of Effect Size", pp. 39-75, In Papadopoulos, N. and L. Heslop (Eds), *Product and Country Images: Impact and Role in the International Marketing*, New York: International Business Press (Hatworth).
- Lillis, Charles M. and Chem L. Narayana (1974), "Analysis of Made in Product Images - An Exploratory Study", *Journal of International Business Studies*, 19-127.
- Lynch, John G. (1985), "Uniqueness Issues in the Decomposition Modelling of Multi-attribute Overall Evaluations: An Information Integration Perspective", *Journal of Marketing Research*, 22, 1-19.
- Maheswaran, Duraraj (1994), "Country-of Origin as Stereotype: Effects of Consumer Expertise and Attribute Strength on Product Evaluations", *Journal of Consumer Research*, 21, 354-65.
- Nagashima, Akira (1977), "A Comparison of Japanese and U.S Attitudes Towards Foreign Products", *Journal of Marketing*, 41, 95-100.
- Netemeyer, R., S. Durvasula and D. Lichtenstein (1991), "A Cross-National Assessment of the Reliability and Validity of the CETSCALE", *Journal of Marketing Research*, 28.
- Nijssen, E., S. Douglas, P. Bresser and A. Nobel, (1999), "Attitudes toward the purchase of foreign products: Extending the model", [www.stern.nyu.edu](http://www.stern.nyu.edu)
- Papadopoulos, N. (1993), "What Product and Country Images Are and Are Not", pp. 39-75, In: Papadopoulos, N. and L. Heslop (Eds), *Product and Country Images: Impact and Role in the International Marketing*, New York: International Business Press (Hatworth).
- Papadopoulos, N. and L. A. Heslop (1992), *Product-Country Images Impact and Role in International Marketing*, New York: International Business Press (Hatworth).
- Papadopoulos, N., N.A. Heslop and J. Beracs (1990), "National Stereotypes and Product Evaluation in a Socialist Country", *International Marketing Review*, 7.
- Parmeswaran, R. And Pisharodi R. M. (1994), "Facets of Country-Of-Origin Image: An Empirical Assessment", *Journal of Advertising*, 23, 43-56.
- Parmeswaran, R. and A. Yaprak (1987), "A Cross-National Comparison of Consumer Research Measures", *Journal of International Business Studies*, 18, (1).
- Roth, Martin S. and Jean B. Romeo (1992), "Matching Product Category and Country Image Perceptions: A Framework for Managing Country-of-Origin Effects", *Journal of International Business Studies*, 23, (3), 477-97.
- Shimp, A.T. and S. Sharma (1997), "Consumer Ethnocentrism, Construction and Validation of CETSCALE", *Journal of Marketing Research*, 24.
- Sharma, S., T.A. Shimp and J. Shin (1995), "Consumer Ethnocentrism: A Test to Antecedents and Moderators", *Journal of the Academy and Marketing Science*, 23.
- Schooler, R.D and Sunoo D.H. (1969), "Consumer Perceptions of International Products: Region vs. National Labelling", *Social Science Quarterly*, 50, 886-890.
- Shultz, C.J II, A. Pecotich and K. Le (1994), "Changes in Marketing Activity and Consumption in the Socialist Republic of Vietnam." In C.J Schul tz II, R.W. Belk and G. Ger (Eds), *Research in Consumer Behaviour*, Greenwich, CT: JAI, 7, 225-257.
- Sklair, L. (1994), "The Culture-Ideology of Consumerism in Urban China: Some Findings From a Survey in Shanghai", In C.J Schultz II, R.W. Belk and G. Ger (Eds), *Research in Consumer Behaviour*, Greenwich, CT: JAI, 7, 259-292.
- Watson, J. and K. Wright (1999), "Consumer Ethnocentrism and Attitudes Toward Domestic and Foreign Products", *European Journal of Marketing*, 34, (9/10).
- Wood, Van R. and John Darling (1993), "The Marketing Changes of Newly Independent Republics: Product Competitiveness in Global Markets", *Journal of International Marketing*, 1, 77-102.
- [www.t-bird.edu](http://www.t-bird.edu)  
[www.worldbank.org](http://www.worldbank.org)