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# Effects of country-of-origin stereotypes on consumer responses to product-harm crises

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## Abstract

**Purpose:** This study investigates when and how stereotypes of competence and warmth evoked by a foreign company's country-of-origin impact consumer attributions of blame and/or attitudes toward the company's products, when the company is involved in a product-harm crisis.

**Method:** Study 1 (n=883) analyzes the psychological mechanisms through which perceived country-of-origin competence and warmth differently impact attributions of blame and evaluative responses. Study 2 (n=1,064) replicates Study 1's findings, and also investigates how consumer ethnocentrism, animosity toward a country and product category characteristics moderate the hypothesized country-of-origin effects.

**Results:** Country-of-origin competence leads to more favorable attitudes toward the involved company's products. This effect increases when the company sells high-involvement or utilitarian products. Country-of-origin warmth leads to more favorable attitudes toward the involved company's products directly and also indirectly through diminishing attributions of blame. These effects increase when consumers are highly ethnocentric or the animosity toward a foreign country is high.

**Originality:** This paper goes beyond the analysis of a "good" vs. "bad" country-of-origin image dichotomization. It investigates the specific effects of country-of-origin stereotypes of competence and warmth on attributions of blame and/or attitudes toward a company's products. Furthermore, it frames the investigation of the aforementioned country-of-origin effects in a new theoretical and empirical setting, namely product-harm crises. Finally, it defines the moderating effects of individual, consumer-country-related and product characteristics on the hypothesized country-of-origin effects.

## Keywords

Country-of-origin, national stereotypes, competence, warmth, product-harm crisis, survey-based quasi-experimental research

## 1. Introduction

The country-of-origin (COO) concept, the country which a consumer associates a certain product or brand as being its source, has been one of the most frequently studied notions in the international marketing literature over the past decades (Roth and Diamantopoulos, 2009). However, scholars have recently emphasized the need to advance COO knowledge in three directions: *i*) to deepen the understanding of COO dimensions and of their effects on company/product evaluations (Herz and Diamantopoulos, 2013); *ii*) to evaluate the importance of COO effects in new theoretical and empirical consumption settings (Laufer *et al.*, 2009); and *iii*) to improve knowledge on the boundary conditions under which COO effects occur (Chattalas *et al.*, 2008).

The present research addresses these issues. First, drawing from the literature on COO cognitive dimensions and bias in intergroup judgment processes (Fiske *et al.*, 1999; 2002), this study explores how stereotypes of competence and warmth associated with a foreign company's origin influence consumer responses toward a company and/or its products. Second, drawing from the literature on corporate social irresponsibility and blame attribution (Folkes, 1984; Weiner, 1986), this study frames the analysis of COO stereotypes in the critical consumption setting of product-harm crises, namely "discrete, well publicized occurrences wherein products are found to be defective or dangerous" (Dawar and Pillutla, 2000, p. 215). It investigates how COO competence and warmth impact attributions of blame and/or attitudes toward a company's products, when a company is involved in a product-harm incident. Third, this study explores the moderating effects of individual characteristics (e.g., consumer ethnocentrism), consumer-country-related characteristics (e.g., consumer animosity toward a country), and product characteristics (e.g., high-involvement vs. low-involvement products, and utilitarian vs. hedonic products) on the hypothesized COO effects. Hence, the

aim of this study is to assess “when” and “how” COO stereotypes of competence and warmth may influence consumers’ attributions of blame and/or their attitudes toward a company’s products, in the context of a product-harm crisis.

Based on two experimental studies, our findings make novel contributions to theory and have important implications for practice. From a theoretical perspective, our research goes beyond the analysis of an overall “good” vs. “bad” COO image dichotomization, and delves deeper into the cognitive dimensions of COO competence and warmth (Laroche *et al.*, 2005). While existing research has frequently examined COO effects based on country competence characteristics to the detriment of perceived warmth, this study considers both competence and warmth as important factors in shaping consumer responses (Xu *et al.*, 2013). Second, the current study goes beyond the assessment of COO effects in ordinary consumption contexts. It sets the investigation of COO stereotypes in a relatively new theoretical and empirical setting, a potential corporate misconduct. It shows that, similar to the impact of stereotypes on judgments of culpability found in the social psychology literature (Cuddy *et al.*, 2008), COO stereotypes play a pivotal role when consumers make inferences about corporate culpability and/or evaluate a company’s harmful products. Furthermore, it conceptually hypothesizes and empirically tests asymmetric effects of COO competence and warmth on the aforementioned consumer responses. Finally, addressing a gap in previous research (Chattalas *et al.*, 2008), it explores relevant moderators of the hypothesized COO effects.

From a managerial perspective, the study provides brand managers with answers to important questions, such as “Do a company’s COO stereotypes bias blame attributions and/or attitudes toward a company’s products during a product-harm crisis?”, “Do different psychological mechanisms occur for the effects of perceived COO competence and warmth on these consumer responses?”, “Under which conditions are the effects of COO competence

and warmth enhanced or weakened?” Knowledge gained from this study provides brand managers with suggestions on how to leverage brand attributes of COO competence and warmth in ordinary communication contents, to obtain more favorable consumer responses in the occurrence of a product-harm crisis.

## **2. Theoretical framework**

### ***2.1 COO stereotypes of competence and warmth***

COO stereotypes are an oversimplified set of beliefs about the characteristics of nations and their members (Halkias *et al.*, 2016). They are formed through direct experience with the country, or indirectly via culturally shared beliefs, peers’ opinions and media exposure, and are stored as cognitive elements in a consumer’s memory (Maheswaran, 1994). The Stereotype Content Model (SCM – Fiske *et al.*, 2002), when it is applied to country-based categorizations (Maher and Carter, 2011), posits that individual judgments about nations are consequences of the social structural relationships between national groups, which mainly refer to two independent, stereotypical dimensions: competence and warmth (Fiske *et al.*, 1999). COO competence refers to consumer cognitive appraisals about a country’s capability, efficacy and efficiency, which originates from the country’s degree of modernity, innovativeness, technology sophistication, economic development and political power. Countries perceived to have the ability to implement their intentions are seen as competent. COO warmth refers to consumer cognitive appraisals about a country’s friendliness, cooperativeness and trustworthiness, which originates from past and current cultural, political and economic relationship between the foreign country and a consumer’s own country. Countries perceived to have cooperative, approachable and trustworthy intentions are seen as warm.

Individuals perceive countries to have different degrees of competence and warmth (Cuddy *et al.*, 2008), and unintentionally transfer (i.e., automatic decision-making – Herz and Diamantopoulos, 2013) these perceptions to companies and products originating from these countries (i.e., “halo effect” – Nisbett and Wilson, 1977). These perceptions in turn bias consumer responses toward these social entities (Chattalas, 2015).

The application of the SCM to the COO literature represents a significant theoretical advancement in understanding COO effects. Although the two dimensions of competence and warmth are not all-encompassing, scholars widely emphasized their dominance and applicability to a variety of contexts (e.g., gender and race-based groups, Cuddy *et al.*, 2008; brands and organizations, Aaker *et al.*, 2010), and assessed their stability across different countries (Cuddy *et al.*, 2008), thus defining competence and warmth as the “fundamental” and “pancultural” dimensions of inter-group perceptions and judgments (Cuddy *et al.*, 2007). Past research mostly neglected to investigate the different factors underlying consumer overall perceptions of a country. Conversely, the SCM delves deeper into the cognitive dimensions that form consumer perceptions of a country (COO competence and warmth), and explains why biases in inter-country (and related social entities) judgments occur (Fiske *et al.*, 1999; Maher and Carter, 2011).

In line with Fiske *et al.*'s (2002) SCM frame, the current study adopts a cognitive perspective of COO dimensions, and focuses on the conceptualization of differences in consumers' judgments and evaluations about companies and products based on their perceptions of a company's COO competence and warmth. As it will be discussed in the next sections, COO affective dimensions are also partly included in the proposed conceptual model by considering the moderating effect of consumer negative emotions (e.g., animosity) toward a foreign country (Riefler and Diamantopoulos, 2007).

## ***2.2 The effects of COO stereotypes on consumer responses in the context of a product-harm crisis***

Corporate misconducts are defined as corporate actions that violate moral norms of conduct, and which envisage, albeit to varying degrees, effect undesirability of the corporate actions, corporate culpability and affected party non-complicity (Lange and Washburne, 2012). Companies, for example, may harm consumers, unfairly treat employees, disrespect local communities, and/or damage the natural environment. Among these different records of misconducts, the present study focuses on product-harm crises. Incidents such as General Motors' defective ignition switch (The Guardian, 2014), Toyota's defective accelerator pedal (Abc news, 2014), IKEA's Malm dresser tip-over, (BBC News, 2016), and Samsung Galaxy Note7 explosions (The Guardian, 2017) are examples of product-harm crises. Product-harm crises have received increasing attention from scholars and practitioners, due to their dramatic effects on consumer health and company performances. The severity of these negative effects calls for a deeper understanding of consumer responses to product-harm crises (e.g., the development of negative attitudes toward the involved company and its harmful products), and of the variables that may influence these responses.

Consumer responses toward companies involved in product-harm crises are partly based on attributions of blame (Folkes, 1984), the extent to which consumers perceive the company to be responsible and accountable for the product-harm incident (Lange and Washburn, 2012). When individuals perceive that the company is responsible and accountable for the negative event, they blame it for misconduct (Weiner, 1986). Blame attributions in turn have a negative impact on consumer evaluations about the company's products. This "knock-on effect" (Klein and Dawar, 2004) is grounded in psychological theories such as the Cognitive Dissonance Theory (Festinger, 1957), which posits that, when developing judgments of blame, consumers tend to adjust their evaluations of the company's products

accordingly, to reduce internal dissonance. In this regard, Jorgensen (1994) applied Weiner's (1986) model of attributions in the context of serious company disasters, and found that consumers' attributions of the cause of the incident change their attitudes toward the company's products. Similarly, Laufer *et al.* (2009) found that attributions of blame affect consumer responses towards the company's products.

Blame attributions and evaluations in a product-harm crisis are additionally affected by consumer pre-existing beliefs about a company. Much of the evidence regarding biases associated with assessment of blame and evaluation of a social entity points at the role that consumer pre-existing beliefs play within the judicial process (Dawar and Pillutla, 2000; Klein and Dawar, 2004). Stereotypes of competence and warmth associated with a foreign company's origin may represent these beliefs. As part of the activation of company associations which occurs when consumers make attributions of blame about a product-harm crisis, the mere presence of the COO cue in the crisis environment may activate internally stored negative (vs. positive) stereotypical beliefs of competence and warmth about the involved company, which may lead to more (less) severe judgments of culpability and/or less (more) favorable evaluations of the company's harmful products (Xu *et al.*, 2013; Barbarossa *et al.*, 2016). These effects are most conspicuous when other information cues are inaccessible or too complex to assess (e.g., the product-harm crisis is ambiguous), or when consumer familiarity with the brand is low (Laufer *et al.*, 2009).

Furthermore, stereotypes of competence and warmth associated with a foreign company's origin may impact blame attributions and evaluative responses differently. The next sections provide theoretical arguments that support these asymmetric effects.

### *2.2.1 The effect of perceived COO competence on evaluative responses*

Perceived COO competence is high when consumers believe that the company, due to its COO, has the required abilities to satisfy its customers' needs (Fiske *et al.*, 2002). A high level of COO competence is perceived by consumers as a diagnostic cue that companies offer high-quality, safe and reliable products, because of a competent country's high economic and technological standards (Berry *et al.*, 2015). This is similar to what, in a buyer-seller relationship, is called "credibility trust", which reflects the extent to which a company is believed to have the ability to fulfill its promises and satisfy the other party's needs (Doney and Cannon, 1997). When a company is perceived to originate from a highly competent country, there is likely to be a positive "halo effect" (Nisbett and Wilson, 1977) on the company's products, which leads consumers to develop more favorable attitudes toward them (Halkias *et al.*, 2016).

Along these lines, in the context of a product-harm crisis, we expect COO competence to impact consumer attitudes toward the involved company's products directly and positively. Laufer *et al.* (2009) showed that the effect of the information of a company originating from a highly developed country on consumer evaluations is most conspicuous when the perceived risk about a product is high, such as when consumers evaluate a company's harmful products. Consumers take into account the company's COO competence information, to reduce internal cognitive dissonance about their company's expectations. Furthermore, in the context of a food safety scandal, Barbarossa *et al.* (2016) found that under conditions of high (low) COO competence, consumers tend to perceive the company's involvement in the product-harm crisis as an occasional (recurrent) incident, which mitigates (exacerbates) their negative evaluations toward the harmful food products.

Finally, we expect COO competence not to influence attributions of blame. COO competence is not a diagnostic cue for consumers to infer about the favorability of a company's intentions toward out-group members (Fiske *et al.*, 2002). Previous research

showed that a lack of warmth, not of competence, is associated with consumer appraisal of harm and threat, which in turn exacerbates blame attributions (Klein and Dawar, 2004; Lange and Washburne, 2012). In the context of a product-harm crisis:

**H1:** Perceived COO competence has a positive effect on consumer attitudes toward the company's products.

### *2.2.2 The effects of perceived COO warmth on attributions of blame and evaluative responses*

Perceived COO warmth is high when consumers believe that the company, due to its national background, does not intentionally take actions that negatively affect its consumers and other stakeholders (Xu *et al.*, 2013). A high level of COO warmth is perceived by consumers as a diagnostic cue of kindness, honesty, sincerity and trustworthiness (Fiske *et al.*, 1999). This is similar to what, in a buyer-seller relationship, is called “benevolence trust” which reflects the extent to which a firm is perceived as willing to act in the best interest of another party, over and above an egocentric profit motive (Doney and Cannon, 1997).

Along these lines, we expect COO warmth to impact both attributions of blame and attitudes toward the company's products in the context of a product-harm crisis. First, we expect COO warmth to affect blame directly and negatively. When a wrongdoing company originates from a country evoking stereotypes of friendliness, sincerity and trustworthiness, consumers tend to ascribe less exploitative and greedy intentions to the company (Nisbett and Wilson, 1977). High COO warmth leads consumers to perceive that the corporation has neither moral cognizance nor moral responsibility for the harm, and they blame the company for misconduct to a lower extent (Lange and Washburne, 2012). Following the Cognitive Dissonance Theory (Festinger, 1957) and the “knock-on effect” of attributions (Klein and Dawar, 2004), consumers then adjust their attitudes toward the company's products accordingly. Xu *et al.* (2013) and Barbarossa *et al.* (2016) found that COO warmth diminishes

consumers blame toward the company, which results in more positive responses toward the company's products.

We also expect COO warmth to impact attitudes toward the company's products directly. Unlike competence, COO warmth is perceived to be non-diagnostic to a country's product quality and performance. However, in high risk situations, judgments of high (vs. low) warmth signal a good-natured (vs. conflicting) country (Cuddy *et al.*, 2008), and such cognitive appraisals may expand onto consumer perceptions about the company's products (Nisbett and Wilson, 1977) as being harmless (vs. harmful), thus positively (vs. negatively) influencing consumer evaluations about them. In the context of a product-harm crisis:

**H2a:** Perceived COO warmth has a negative effect on attributions of blame.

**H2b:** Perceived COO warmth has a positive effect on attitudes toward the company's products.

**H2c:** Attributions of blame have a negative effect on attitudes toward the company's products.

**H2d:** Attributions of blame partially mediate the effect of perceived COO warmth on attitudes toward the company's products.

Figure 1 summarizes the proposed conceptual model.

**(Figure 1)**

### ***2.3 Boundary conditions for the effects of COO stereotypes on consumer responses to product-harm crises***

The effects of COO stereotypes of competence and warmth on blame attributions and evaluative responses may be moderated by variables pertaining to three domains (Chattalas *et al.*, 2008): *i*) consumer individual characteristics (e.g., ethnocentrism), *ii*) consumer-country-

related characteristics (e.g., animosity toward a foreign country), and *iii*) product characteristics (e.g., low-involvement vs. high-involvement products, and utilitarian vs. hedonic products) (Figure 1).

### *2.3.1 The moderating effects of ethnocentrism*

Consumer ethnocentrism is the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign made products (Shimp and Sharma, 1987). High-ethnocentric consumers are more likely to buy domestic products/brands, because foreign products/brands constitute economic and cultural threats (Cleveland *et al.*, 2009). Moral Foundations Theory (i.e., in-group/loyalty moral foundation – Haidt and Graham, 2007) and Social Identity Theory (Tajfel and Turner, 1986) provide theoretical bases to explain why high-ethnocentric individuals consider national symbols as objects of attachment and pride, whereas those of other countries are held with contempt. This literature suggests that, in the context of a product-harm crisis, high-ethnocentric consumers tend to consider positive stereotypes of competence and warmth associated with a foreign company's origin to a lesser extent. To the highly ethnocentric consumer, home country's members are menaced by the foreign wrongdoing company doubly: first, because of the company's harmful conduct and, second, because of its foreign origin. In the context of a product-harm crisis:

**H3:** The higher the level of ethnocentrism, the weaker the effect of perceived COO competence on attitudes toward the company's products.

**H4:** The higher the level of ethnocentrism, the weaker the effects of perceived COO warmth on attributions of blame (H4a) and attitudes toward the company's products (H4b).

### *2.3.2 The moderating effects of animosity toward a country*

Consumer animosity can be defined as the remnants of antipathy or hostility toward a country, related to previous or ongoing military conflicts, divergence over foreign policy, tensions in international business, economic disagreements and religious conflicts (Riefler and Diamantopoulos, 2007). Animosity represents a negative emotion, and it acts as a protective instinct toward home country companies and products, through increasing defensive behaviors toward the menace of a specific foreign country. Previous research shows that products made by a specific foreign company can be rejected because of their association with a country that provokes feelings of animosity (Hong and Kang, 2006). Studies also found that animosity toward a country reduces trust toward a company associated with that country. This literature suggests that, in the context of a product-harm crisis, consumers scoring high in animosity toward a foreign country tend to consider the positive stereotypes of competence and warmth associated with a company's origin to a lesser extent. In the context of a product-harm crisis:

**H5:** The higher the level of animosity, the weaker the effect of perceived COO competence on attitudes toward the company's products.

**H6:** The higher the level of animosity, the weaker the effects of perceived COO warmth on attributions of blame (H6a) and attitudes toward the company's products (H6b).

### *2.3.3 The moderating effects of product involvement and product type*

Low-involvement products are items that entail minimal effort and consideration on the part of the consumer prior to purchase, since they do not have a substantial effect on the buyer's lifestyle and are not that significant an economic investment. Conversely, high-involvement products are high capital value items that are purchased only after long and careful consideration (e.g., in terms of collecting information or comparing the different purchasing alternatives – Vaughn, 1980).

Research based on the Elaboration Likelihood Model (Petty and Cacioppo, 1986) shows that consumers elaborate the COO information differently when evaluating low- vs. high-involvement products. When evaluating high-involvement products, consumers utilize a central approach, which envisages analytical information processing, and discourages the use of cognitive shortcuts, such as COO stereotypes. Conversely, when evaluating low-involvement products, consumers utilize a peripheral approach, which envisages evaluations based on easily accessible information, such as COO stereotypes (Chattalas *et al.*, 2008).

Along these lines, in the context of a product-harm crisis, COO stereotypes of competence and warmth can be expected to exert stronger effects on blame attributions and attitudes toward the company's products, for low-involvement than for high-involvement products. In the context of a product-harm crisis:

**H7:** The effect of perceived COO competence on attitudes toward the company's products is weaker for high-involvement than for low-involvement products.

**H8:** The effects of perceived COO warmth on attributions of blame (H8a) and attitudes toward the company's products (H8b) are weaker for high-involvement than for low-involvement products.

Finally, utilitarian products are mainly motivated by goal-oriented consumption and functional, practical motivations. Conversely, hedonic products are mainly motivated by pleasure-oriented consumption and delight, symbolic motivations (Vaughn, 1980). Previous research shows that COO stereotypes of competence and warmth may impact consumer expectations for utilitarian vs. hedonic products differently (Chattalas, 2015). When a product is highly technical, functional, and aims at satisfying consumer practical needs (e.g., air-conditioning systems, PCs, printers), consumers are more likely to pay attention to information cues signaling high credibility, technical competence and ability of the company.

A company's COO signaling high competence is therefore a pivotal information cue in this context. Conversely, when a product is delight-oriented and/or has social characteristics (e.g., candies, pizza, kids party entertainment services), consumers are more likely to pay attention to information cues signaling high warmth, cordiality and friendliness of the company. A company's COO signaling high warmth is therefore a pivotal information cue in this context. Along these lines, in the context of a product-harm crisis, we expect COO competence (warmth) to have a higher effect on consumer evaluations of utilitarian (hedonic) products. In the context of a product-harm crisis:

**H9:** The effect of perceived COO competence on attitudes toward the company's products is stronger for utilitarian than for hedonic products.

**H10:** The effects of perceived COO warmth on attributions of blame (H10a) and attitudes toward the company's products (H10b) are stronger for hedonic than for utilitarian products.

### **3. Overview of the studies**

To test our hypotheses, we conducted two survey-based quasi-experimental studies, using Italian adult consumers as subjects. Study 1 tests hypotheses H1–H2d, using a 2 (COO competence: high vs. low) × 2 (COO warmth: high vs. low) between-subjects design. Study 1 is framed in the context of a food safety scandal. Study 2 replicates Study 1 in that it tests hypotheses H1–H2d again. To enhance the external validity of Study 1's findings, these hypotheses are tested using manipulations of COO distinct from Study 1, and framing the hypothesized effects in four different product-harm crisis scenarios (i.e., defective refrigerators, hot tubs, light bulbs, and small scented candles). Furthermore, Study 2 tests hypotheses H3–H10b. It is based on a 2 (COO competence: high vs. low) X 2 (COO warmth:

high vs. low) X 2 (product involvement: high vs. low) X 2 (purchase motivation: utilitarian vs. hedonic) between-subjects experimental design.

In order to preclude any connection to existing brands, and to avoid confounding effects of brand awareness (Herz and Diamantopoulos, 2013), brand familiarity (Laufer *et al.*, 2009), and brand trust (Chattalas *et al.*, 2008), we used fictitious brand names in all studies. To avoid confounding product type effects (Kaynak and Cavusgil, 1983), we avoided selecting product categories that previous literature associated with a specific COO (e.g., French perfumes, German cars). In addition, to enhance the effects of COO stereotypes on consumer responses, we developed scenarios describing ambiguous product-harm crises (Laufer *et al.*, 2009). All scenarios were pre-tested for clarity and comprehension.

## **4. Study 1**

### ***4.1 Method***

#### ***4.1.1 Research design***

Study 1 aims to assess the effects of COO stereotypes of competence and warmth on attributions of blame and/or attitudes toward the company's products in the context of a product-harm crisis. A company's COO was manipulated by creating a 2 (competence: high vs. low) X 2 (warmth: high vs. low) between-subjects experimental design. To select countries fitting this SCM's four quadrant framework, we conducted a pre-test in a sample of 92 consumers. Participants were provided with a list of foreign countries fitting the four SCM's quadrants (which resulted from a focus group with 10 adult consumers), and definitions of COO competence and warmth. They were asked to rate their perceptions of COO competence and warmth for each country in the list, using the corresponding scales (see Table 1 for the measures of COO competence and warmth). Canada (high competence, high

warmth), Spain (low competence, high warmth), Germany (high competence, low warmth), and Albania (low competence, low warmth) were selected (Table 2). Results of a one-way between-subjects ANOVA reveal significant differences between the mean scores of perceived competence ( $F(3, 364)=97.41, p<.01$ ) and warmth ( $F(3, 364)=19.21, p<.01$ ) across the four experimental conditions. Post hoc comparisons using the Bonferroni test indicate that Canada and Germany are perceived as equally competent ( $p>.10$ ) and as more competent than Spain and Albania ( $p<.01$ ). Canada and Spain are perceived as equally warm ( $p>.10$ ) and as warmer than Germany and Albania ( $p<.01$ ).

Hence, we developed a scenario describing “Pralines”, a Canadian (Spanish/ German/ Albanian) company, commercializing chocolate and its involvement in a chocolate adulteration scandal. The narrative of the scenario is reported in Appendix A.

#### *4.1.2 Research instrument, measurement scales and participants*

The main study was a survey-based quasi experimental study with adult consumers. Teams of research assistants approached potential respondents personally as they shopped in malls and supermarkets and provided them with a link to an online survey. Respondents received tickets for an online lottery of multiple small prizes. The respondents were assigned to one of the four experimental conditions (COOs). The self-administered questionnaire took approximately 15 minutes to complete, and consisted of three sections. The first section explained the aim of the study. The second section presented the product-harm crisis scenario and the measurement scales for the model variables. The last section included manipulation checks, controls and marker variable for common method variance assessment, and recorded socio-demographic data. Table 1 reports the measurement scales for the constructs.

A total of 897 consumers agreed to participate in the study (54% response rate) and 883 fully completed the questionnaire. Table 3 reports the socio-demographic composition of

the samples. A chi-square test detected no significant socio-demographic differences at  $p < .05$  across consumers responding to the four scenarios.

**(Table 1)**

**(Table 2)**

**(Table 3)**

## ***4.2 Data analysis and results***

### ***4.2.1 Manipulation checks***

The results of a one-way between-subjects ANOVA reveal significant differences between the mean scores of perceived competence ( $F(3, 879)=182.28, p < .01$ ) and warmth ( $F(3, 879)=166.81, p < .01$ ) across the four experimental conditions (Table 2). Post hoc comparisons using the Bonferroni test indicate that Canada and Germany are perceived as equally competent ( $p > .10$ ), and as more competent than Spain and Albania ( $p < .01$ ). Canada and Spain are perceived as equally warm ( $p > .10$ ), and as warmer than Germany and Albania ( $p < .01$ ). Finally, the product-harm crisis described in the scenario is perceived as equally severe across the four experimental conditions (Canada:  $M=4.93, SD=1.54$ ; Spain:  $M=5.01, SD=1.46$ ; Germany:  $M=5.20, SD=1.51$ ; Albania:  $M=5.25, SD=1.48$ ;  $F(3, 879)=2.45, p = .06$ ). All the manipulations were therefore effective and confirmed the pre-test's findings (Table 2).

### ***4.2.2 Measurement assessment***

Before testing our hypotheses, we ran confirmatory factor analysis for our model measures using LISREL 8.80 (Jöreskog and Sörbom, 2006). We coded the selected countries to form two dichotomous variables (Competence: Canada and Germany = 1, Spain and Albania = 0; Warmth: Canada and Spain = 1, Germany and Albania = 0), and entered them in the model using a pseudo latent factor with a binary indicator approach. The model explains

87.34% of the total variance. Results of global and local fit indices, Cronbach's alphas, composite reliability and average variance extracted are reported in Table 1. Discriminant validity is also confirmed. Correlations between the components range from .04 to .41. These findings show that the measures adopted are valid and reliable (Fornell and Larcker, 1981).

Finally, we applied Podsakoff *et al.*'s (2003) "marker variable" technique to assess common method variance, and found that common method variance does not represent a threat in our data<sup>1</sup>.

#### 4.2.3 Structural assessment

The structural model was tested using LISREL 8.80. Both global fit and local fit indices are adequate ( $\chi^2(24)=182.27$ ): RMSEA=.08 and SRMR=.02; NFI=.97, NNFI=.96, CFI=.97. Figure 2 and Table 4 show the standardized path coefficients of the model. The hypothesized direct and indirect effects are all significant ( $p<.05$ ). To statistically test the not-significance of the direct effect of COO competence on blame attributions, we computed an alternative structural model where we allowed the path COMP→BLAME to vary freely. Results of this alternative model ( $\chi^2(23)= 180.73$ ); RMSEA=.09 and SRMR=.02) confirm the not-significance of this direct effect ( $b=.01, p>.05$ ). Finally, we conducted univariate analyses to test possible interactions of COO competence and warmth on blame attributions and attitudes. Results reveal no significant interaction effects between the two variables neither on blame ( $F(1, 879)=.20, p=.74$ ), nor on attitude ( $F(1, 879)=5.16, p=.07$ ). H1, H2a, H2b, H2c and H2d are all supported.

**(Figure 2)**

**(Table 4)**

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<sup>1</sup>Results are available from the authors upon request.

### ***4.3 Discussion***

COO competence positively influences consumer attitudes toward the involved company's products, confirming H1. High COO competence is a diagnostic cue of the reliability of a company's products in product-harm crisis settings. The more consumers perceive the company's COO as (in)competent, the more they believe the company is (un)able to deliver high-quality products, (reinforcing) diminishing their negative evaluations of the harmful products. These results corroborate extant literature on brand performance features (Laroche *et al.*, 2005) and corporate credibility's effects on consumer responses (Aaker *et al.*, 2010), and further expand the latter by assessing the effect of COO competence in critical consumption settings. Our findings are also in line with extant literature on the effects of COO competence on consumer perceptions of the stability of a company's harmful behavior (Barbarossa *et al.*, 2016). Under conditions of high COO competence, consumers may perceive the product-harm crisis as an occasional event that only marginally and temporary affects the company's ability to deliver superior goods.

Furthermore, COO warmth influences consumer attitudes toward the company's products directly, and also indirectly through blame attributions, supporting H2a-H2d. High COO warmth, despite not being diagnostic of product quality (like COO competence is), still produces a general, favorable predisposition toward the country that transfers to more positive attitudes toward its products (Halkias *et al.*, 2016). Furthermore, COO warmth makes consumers perceive the company as good-intentioned, good-natured and cooperative toward others, which diminishes their attributions of blame toward the company, and finally spills over to more positive predispositions toward the company's products. These results corroborate Klein and Dawar's (2004) findings of corporate associations about the fairness and trustworthiness of a company affecting attributions of blame toward the company in a product-harm crisis. Furthermore, our results reinforce Xu *et al.*'s (2013) arguments that the

often ignored warmth dimension of the origin country plays a crucial role in mitigating judgments of blame in critical consumption settings. Finally, these findings reinforce the centrality of blaming as a response to critical events involving warmth vs. cold countries, and further provide empirical evidence of the “knock-on effect” of blame attributions (Klein and Dawar, 2004).

Study 1 sets the hypothesized COO effects in one specific ambiguous product-harm crisis scenario, it involves four specific foreign countries, and it does not include potential variables which may moderate the hypothesized paths. Study 2 addresses these issues.

## **5. Study 2**

### ***5.1 Method***

#### ***5.1.1 Research design***

Study 2 aims to corroborate Study 1’s findings using distinct manipulated COOs and product categories. Second, it aims to assess the moderating effects of ethnocentrism, animosity toward a country, product involvement and product type. The research design was a 2 (COO competence: high vs. low) X 2 (COO warmth: high vs. low) X 2 (product involvement: high vs. low) X 2 (purchase motivation: utilitarian vs. hedonic) between-subjects experimental design.

With respect to the COOs, the U.S. (high competence, high warmth), Greece (low competence, high warmth), Switzerland (high competence, low warmth), and Romania (low competence, low warmth) were chosen, based on the results of a pre-test in a sample of 87 consumers, following the same procedure as in Study 1 (Table 5). The results of a one-way between-subjects ANOVA reveal significant differences between the mean scores of perceived competence ( $F(3, 344)=92.76, p<.01$ ) and warmth ( $F(3, 344)=24.47, p<.01$ ) across

the four experimental conditions. Post hoc comparisons using the Bonferroni test indicate that the U.S. and Switzerland are perceived as equally competent ( $p > .10$ ), and as more competent than Greece and Romania ( $p < .01$ ). The U.S. and Greece are perceived as equally warm ( $p > .10$ ), and as warmer than Switzerland and Romania ( $p < .01$ ).

With respect to the products, a refrigerator (high-involvement, utilitarian), hot-tub (high-involvement, hedonic), light bulbs (low-involvement, utilitarian) and small scented candles (low-involvement, hedonic) were chosen based on the results of a second pre-test in a sample of 98 consumers (Table 6). We provided respondents with Vaughn's (1980) definitions of product involvement, utilitarian and hedonic products. Then, we asked respondents to rate each product's degree of involvement (7-point semantic scale; 1=low-involvement; 7=high-involvement), utilitarianism (7-point Likert item; 1=very low; 7=very high) and hedonism (7-point Likert item; 1=very low; 7=very high).

Results of a one-way between subjects ANOVA reveal significant effects of the product category on consumer perceptions of the *i*) product involvement ( $F(3, 388)=108.18$ ,  $p < .01$ ), *ii*) utilitarian motives ( $F(3, 344)=169.44$ ,  $p < .01$ ) and *iii*) hedonic motives ( $F(3, 344)=97.14$ ,  $p < .01$ ) associated with purchasing these products. Post hoc comparisons indicate that refrigerators and hot-tubs are equally involving ( $p > .10$ ), and more involving than light bulbs and small scented candles ( $p < .01$ ). Similarly, refrigerators and light bulbs are equally utilitarian ( $p > .10$ ), and more utilitarian than hot-tubs and small scented candles ( $p < .01$ ). Hot-tubs and small scented candles are perceived as equally hedonic ( $p > .10$ ), and as more hedonic than light bulbs and refrigerators ( $p < .01$ ).

Based on these pre-tests, we developed a scenario describing the involvement of a U.S. (Greek/ Swiss/ Romanian) company (owning a fictitious brand) in a case of product-harm crisis (i.e., related to defective refrigerators, hot-tubs, light bulbs, and small scented

candles). The scenarios differed only in terms of company's COO and product type. All the other information was the same. The narrative of the scenario is reported in Appendix B<sup>2</sup>.

**(Table 5)**

**(Table 6)**

### *5.1.2 Research instrument, measurement scales and participants*

The main study was a survey-based quasi-experimental study following the same procedure as in Study 1. Participants were assigned to one of the 16 experimental conditions. Model constructs and manipulation checks were measured as in Study 1 (Table 1).

Additionally, product involvement was a dichotomous variable (0=low-involvement; 1=high-involvement), as was the product type variable (0=utilitarian; 1=hedonic). As consumer familiarity with a product may affect information processing and COO elaboration (Maheswaran, 1994), we also controlled for product familiarity ("I am familiar with this product", "I am knowledgeable about this product", "I am an expert of this product"; 7 point-Likert scale; M=3.03, SD=1.63, Cronbach's alpha=.92). Study 2 also included consumer ethnocentrism and animosity as moderating variables. Table 1 reports the measurement scales for the moderators.

Participants were recruited following the same procedure as in Study 1. A total of 1,086 consumers agreed to participate in the study (48% response rate) and 1,064 fully completed the questionnaire. Tables 7 and 8 report the socio-demographic composition of the samples per country and product category. A chi-square test detected no significant socio-demographic differences at  $p < .05$  between consumers responding to the four *i*) COO conditions and *ii*) product category conditions, with the exception of the percentage

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<sup>2</sup>For the sake of brevity, only one of the sixteen scenarios of Study 2 is reported. The remaining narratives are available from the authors upon request.

composition of male respondents for Switzerland which is slightly lower than the other groups.

(Table 7)

(Table 8)

## ***5.2 Data analysis and results***

### ***5.2.1 Manipulation checks***

Results of a one-way between subjects ANOVA reveal significant effects of COO information on consumer perceptions of competence ( $F(3, 1636)=446.93, p<.01$ ) and warmth ( $F(3, 1636)=118.53, p<.01$ ). Post hoc comparisons using the Bonferroni test indicate the U.S. and Switzerland ( $p>.10$ ) as equally competent, and as more competent ( $p<.01$ ) than Greece and Romania. Furthermore, consumers perceive the U.S. and Greece ( $p>.10$ ) as equally warm, and as warmer than Switzerland and Romania ( $p<.01$ ) (Table 5).

Results of a one-way between subjects ANOVA reveal significant effects of the product category on consumer perceptions of the *i*) product involvement ( $F(3, 1636)=119.35, p<.01$ ), *ii*) utilitarian motives ( $F(3, 1636)=347.89, p<.01$ ) and *iii*) hedonic motives ( $F(3, 1636)=382.02, p<.01$ ) associated with purchasing products. Post hoc comparisons using the Bonferroni test indicate that refrigerators and hot-tubs are equally involving ( $p>.10$ ), and more involving than light bulbs and small scented candles ( $p<.01$ ). Refrigerators and light bulbs are perceived as equally utilitarian ( $p>.10$ ), and as more utilitarian than hot-tubs and small scented candles ( $p<.01$ ). Hot-tubs and small scented candles ( $p>.10$ ) are perceived as equally hedonic, and as more hedonic than light bulbs and refrigerators ( $p<.01$ ) (Table 6).

Finally, consumers perceive the product-harm crisis described in the scenario as equally severe across the four country conditions (U.S.:  $M=4.71, SD=1.53$ ; Switzerland:  $M=4.78, SD=1.66$ ; Greece:  $M=4.70, SD=1.70$ ; Romania:  $M=4.94, SD=1.60$ ;  $F(3, 1636)=2.27$ ,

$p=.08$ ), and the four product conditions (refrigerator:  $M=4.77$ ,  $SD=1.57$ ; hot-tub:  $M=4.62$ ,  $SD=1.62$ ; light-bulb:  $M=4.89$ ,  $SD=1.61$ ; small scented candle:  $M=4.88$ ,  $SD=1.68$ ;  $F(3, 1636)=2.45$ ,  $p=.06$ ). All the manipulations were therefore effective, and confirmed the pre-tests' findings.

### *5.2.2 Measurement assessment*

We ran confirmatory factor analysis, following the same approach as in Study 1. The model explains 80% of the total variance. Global and local fit indices, Cronbach's alphas, CR and the AVE are reported in Table 1, and they are adequate. Discriminant validity is also met. Bivariate correlations between the components ranged from  $-.01$  to  $.85$ . Common method variance bias does not represent a threat in our data. These findings indicate that the adopted measures are valid and reliable.

### *5.2.3 Structural assessment and conditional effects*

In order to test H1–H2d, we estimated the basic mediation model (Figure 1), using LISREL 8.80, as in Study 1. Fit indices are adequate:  $\chi^2(24)= 312.65$ ;  $RMSEA=.08$  and  $SRMR=.03$ ;  $NFI=.96$ ,  $NNFI=.97$ ,  $CFI=.96$ . Figure 2 and Table 4 show the standardized coefficients of the hypothesized paths. The hypothesized direct and indirect effects are all significant. As in Study 1, results of an alternative structural model, where we allowed the path  $COMP \rightarrow BLAME$  to vary freely ( $\chi^2(23)= 308.65$ );  $RMSEA=.09$  and  $SRMR=.03$ ), show that the direct path is not significant ( $b=.03$ ,  $p>.05$ ). Furthermore, results of univariate analyses reveal no significant interaction effects of COO competence and warmth neither on blame ( $F(1, 1,636)=.21$ ,  $p=.65$ ), nor on attitudes ( $F(1, 1,636)=.34$ ,  $p=.56$ ). H1, H2a, H2b, H2c, and H2d are again supported.

In order to assess the conditional effects of COO competence on attitude, we tested four moderations, one for each of the moderators (Figure 1). We used Hayes' (2013) PROCESS model 1. We included COO warmth in the model as a covariate. Similarly, to assess the conditional effects of COO warmth on blame and attitude, we tested four moderated mediation models, using Hayes' (2013) PROCESS model 8. We introduced COO competence in the model as a covariate. As to product involvement and product type, we also controlled for product familiarity by including this variable in the model as a covariate.

Results are reported in Tables 9 and 10. Neither the effect of COO competence on attitude nor the effect of COO warmth on blame is moderated by ethnocentrism. Conversely, ethnocentrism moderates the direct effect of COO warmth on consumer attitude toward the company's products ( $b=.07$ ;  $p=.04$ ). For medium and high levels of ethnocentrism, the direct effect of COO warmth on attitude is stronger. H3 and H4 are not supported.

The effect of COO competence on the attitude toward the company's products is not moderated by animosity. Conversely, animosity interacts with the effects of warmth on blame attributions ( $b=-.24$ ;  $p<.01$ ) and attitude ( $b=.12$ ;  $p<.02$ ). For medium and high levels of animosity, the indirect effect of COO warmth through blame is stronger. Similarly, for high levels of animosity, the direct effect of COO warmth on attitude is stronger. H5 and H6 are not supported.

Product involvement significantly interacts with the effect of COO competence on consumer attitude toward the company's products ( $b=.29$ ;  $p=.02$ ). Contrary to our expectations, for high-involvement products the effect of COO competence is stronger than for low-involvement products. Product involvement marginally significantly interacts with the effect of COO warmth on blame attributions ( $b=-.28$ ;  $p=.05$ ). This effect is again stronger for high-involvement than for low-involvement products. Product involvement does not interact with the direct effect of COO warmth on attitude. Product familiarity significantly contributes

to determine consumer attitude toward the company's products ( $b=.11$ ;  $p=.02$ ), while its effect on blame is not significant ( $b=.01$ ;  $p=.74$ ). H7 and H8 are not supported.

Finally, product type significantly interacts with the effect of COO competence on attitude toward the company's products ( $b=-.27$ ;  $p=.03$ ). This effect is stronger for utilitarian than for hedonic products. Conversely, product type does not interact with any of the hypothesized effects of COO warmth. Product familiarity significantly contributes to determine attitude toward the company's products ( $b=.10$ ;  $p<.01$ ), while its effect on blame attributions is not significant ( $b=.01$ ;  $p=.51$ ). H9 is supported, while H10 is not.

**(Table 9)**

**(Table 10)**

### ***5.3 Discussion***

Despite using manipulations of COO and product categories distinct from Study 1, Study 2 fully confirms Study 1's findings. This consistency suggests that the obtained effects are likely to be caused by the manipulated COO stereotypes of competence and warmth, rather than by country-specific or product-specific effects, thus enhancing the external validity of our findings.

Contrary to expectations, neither ethnocentrism nor animosity interacts with the effect of COO competence on consumer attitude toward the company's products. A possible explanation might be that, when consumers associate a company with a highly competent COO, they recognize the company's ability to deliver superior goods, and therefore they evaluate the company's products more favorably, despite their negative predispositions/emotions toward a (specific) foreign country. This explanation could be even more valid when positive and strong "product type effects" occur (Kaynak and Cavusgil, 1983). This explanation also shows some analogies with Alden *et al.*'s (2013) findings. The

authors investigated the effects of animosity toward global companies and the perceived value of global brands on global brands attitude, and found that perceived value of global brands is a strong counterbalance to animosity toward global companies.

Contrary to expectations, the higher the levels of ethnocentrism and animosity, the stronger the direct effect of COO warmth on consumer attitudes. For high levels of animosity, a stronger indirect effect of COO warmth through blame attributions also occurs. These results, despite contrasting with our hypotheses, are consistent with previous research indicating that when consumers score high in ethnocentrism and animosity, they place higher importance on COO cues, because they perceive higher threats – and thus place more importance on – (specific) foreign COOs (Balabanis *et al.*, 2002; Verlegh, 2007; Chattalas *et al.*, 2008).

Both the direct effect of COO competence and the indirect effect of COO warmth on attitudes toward the company's products are stronger for high-involvement than for low-involvement products. These results are inconsistent with the Elaboration Likelihood Model's propositions (Chattalas *et al.*, 2008). However, a different stream of research provides a suitable explanation for these findings. This research posits that when people are highly involved with a product, they are more likely to search, pay attention to, and value, every possible source of information about the product and the companies commercializing that product. As a result, the greater the product involvement, the greater should be the likelihood of consumers using the COO information in a product evaluation situation. Liefeld's (1993) meta-analysis findings corroborate this thesis, and indicate that the magnitude of COO effects is larger for technically complex, luxury fashion-oriented or expensive products, which can all be considered high-involvement products.

Finally, the effect of COO competence on attitude toward the company's products is stronger for utilitarian than for hedonic products, thus confirming previous literature positing

that perceived COO competence impacts product evaluations that satisfy utilitarian needs to a greater extent than products that satisfy hedonic needs (Chattalas, 2015). However, the expected stronger effect of COO warmth on consumer evaluations of hedonic products is not found. These results suggest that the effects of perceived COO warmth on consumer evaluations of hedonic products differ in ordinary and critical consumption settings. When making attributions of blame and evaluating the company's harmful products, consumers seem to focus on the cooperative (vs. exploitative) intentions of the company (which are inferred through COO warmth associations), regardless of the utilitarian vs. hedonic motives associated with purchasing products.

## **6. Conclusions, implications and further research**

### ***6.1 Summary of the findings***

The results of the present study reveal specific conditional effects of COO stereotypes of competence and warmth on attributions of blame and attitudes toward the company's products during a product-harm crisis. Perceived COO competence influences attitudes toward the company's products directly. This effect is stronger when the company sells high-involvement or utilitarian products. Perceived COO warmth influences attitudes toward the company's products directly and also indirectly through diminishing attributions of blame. These effects are stronger when consumers are highly ethnocentric or the animosity toward a foreign country is high.

### ***6.2 Managerial implications***

The implication for brand managers is that COO stereotypes matter in product-harm crises. Brand managers should develop positive associations with competent and/or warm

COOs in ordinary communication contents, to leverage these positive associations also in the occurrence of a product-harm crisis. In the aftermath of a corporate scandal, companies may opt for specific response strategies (e.g., conciliatory vs. defensive stances). However, before and besides any specific response strategy, brand managers can rely on positive company-COO stereotypical associations, to mitigate consumer negative reactions.

Brand managers should first assess whether or not their target groups associate the company and its products with a specific COO. If yes, they should analyze which stereotypes the COO cue evokes, and estimate the magnitude of these associations. This information is essential to: *i*) understand whether, and to what extent, COO stereotypes may significantly impact attributions of blame and attitudes toward the company's products; *ii*) rely on positive COO stereotypes to diminish negative consumer reactions; and *iii*) eventually develop corrective actions if the company is associated with negative COO stereotypes of incompetence and/or unfriendliness.

If a company is associated with a warm COO, brand managers should emphasize the friendly, sociable, trustworthy and well-intentioned nature of the country and of its citizens, in pre-crisis communication contents. Emphasizing the warm dimension of a company's COO induces consumers to diminish attributions of blame toward the company, and develop more positive attitudes toward the company's products, during a product-harm incident. For instance, Giovanni Rana's 2013 advertising claims go in this direction. The brand, which has a strong implied Italian COO, has emphasized the friendly, warm and cooperative nature of its Italian employees, who prepare Italian meat sauces as if they were at home<sup>3</sup>. Buitoni's 2015 advertising campaigns go in a similar direction<sup>4</sup>. This approach is even more effective when the target consumer is highly ethnocentric or animosity toward a foreign country is high.

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<sup>3</sup>For example, [www.youtube.com/watch?v=e0JCs1EhvE4](http://www.youtube.com/watch?v=e0JCs1EhvE4).

<sup>4</sup>For example, [www.facebook.com/BuitoniUSA/videos/vb.172301906129743/10151750587709425/?type=2&theater](http://www.facebook.com/BuitoniUSA/videos/vb.172301906129743/10151750587709425/?type=2&theater).

If a company is associated with a competent COO, brand managers should emphasize the degree of modernity, innovativeness and technological sophistication of the brand's origin and explain how the company has taken advantage of this context to achieve excellent technical, quality and safety standards. Emphasizing the competent dimension of a company's COO in pre-crisis communication contributes to developing more positive predispositions toward the company's products during a product-harm crisis. These positive effects are enhanced when the company manufactures high-involvement or utilitarian products.

While warmth plays a twofold role impacting both blame and attitude, competence only leads to more favorable attitudes toward the company's products. Hence, when companies are associated with competent but "cold" countries, brand managers should consider increasing the warmth dimension in order to have more positive effects on blame reduction, too. For example, they may consider developing brand alliances with warm brands or organizations (e.g., NGOs), building up associations with countries having warm images, or self-mocking their own "cold" country image. British Airways, for instance, is the flag carrier airline of the United Kingdom that evokes stereotypes of high competence but somewhat lower warmth. In 2013 the company developed two commercials. First, the company launched the commercial "Today, tomorrow", which emphasizes the technological excellence of the British company's services<sup>5</sup>. Second, it launched the commercial "Fuelled by love", which emphasizes the British company's connection with India and its warm, good-natured, kind people<sup>6</sup>. Similarly, Deutsche Lufthansa is a German airline that evokes stereotypes of high competence but somewhat lower warmth. In 2016, the company launched the commercial "Everyone's Fanhansa", where the company makes fun of the "cold" stereotypes related to its COO<sup>7</sup>.

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<sup>5</sup>For example, [www.youtube.com/watch?v=X1M0pbxNUF8](http://www.youtube.com/watch?v=X1M0pbxNUF8).

<sup>6</sup>For example, [www.youtube.com/watch?v=Zfb01yTR9bA](http://www.youtube.com/watch?v=Zfb01yTR9bA).

<sup>7</sup>For example, [www.youtube.com/watch?v=FD9UTBW051w](http://www.youtube.com/watch?v=FD9UTBW051w).

Finally, companies associated with incompetent and “cold” countries should downplay information about the company’s origin and emphasize other brand attributes. They may also develop ties with endorsers (e.g., brands selling complementary products, celebrities and ambassadors), as well as sponsoring well-known events (e.g., fairs and festivals), that their target group associates with competent and warm COOs, in order to take advantage of the allied endorser/sponsored event’s country image.

### ***6.3 Limitations and further research***

The present study has limitations that provide avenues for future research. First, this work was conducted in Italy. Although previous research assessed the stability of competence and warmth across different cultures (Cuddy *et al.*, 2008), the consistency of COO stereotypes across consumers with different national backgrounds is open to investigation.

Second, this study focuses on the effects of COO stereotypes on consumer responses in product-harm settings. In so doing, it does not consider the pivotal role of governments, sectors and firm moral and behavioral norms of conduct, which all may interact with consumer evaluations of corporate misconducts, and causal variables of blame attributions (Weiner, 1986). Additional research is invited to adopt a more holistic approach to explore these issues.

Third, based on the notion of “benevolence trust” (Doney and Cannon, 1997), this study posits that, unlike COO competence, COO warmth is perceived to be non-diagnostic to a country’s product quality and performance. Future research is invited to investigate, and eventually question, this proposition in the context of services companies. For these companies information cues signaling high warmth, cordiality and friendliness of the company could be more diagnostic of quality. Similarly, the current study reveals that the effect of COO competence – but not of COO warmth – on attitudes toward the company’s

products is moderated by product-related characteristics. Conversely, the effects of COO warmth – but not of COO competence – are moderated by consumer characteristics and consumer–country-related characteristics. Future research is invited to delve deeper into these effects in the context of product-harm incidents.

Fourth, this study does not consider the impact of time on the persistence of consumer negative responses in a product-harm crisis. How long does the reputational damage linger? Whether this lingering effect can be a function of a company's COO stereotypes is open to investigation.

Fifth, this study adopts a SCM perspective (Fiske *et al.*, 2002) to explain the differences in consumer responses toward foreign companies involved in product-harm crises. In so doing, it does neither consider the role played by complementary stereotypical frameworks based on social identification processes (e.g., consumer perceived similarity with the wrongdoer's COO or consumer cosmopolitanism – Cleveland *et al.*, 2009), nor the role played by positive country-related emotions (e.g., consumer affinity with a foreign country). The inclusion of these dimensions in the proposed conceptual model is open to investigation.

Finally, relying on the SCM frame, this study focuses on the cognitive dimensions of COO. Later developments of the SCM, such as the BIAS map (Cuddy *et al.*, 2007), also envisage country-related emotions (e.g., admiration, envy, pity and disgust). Similarly, our study focuses on evaluative outcomes. Negative moral emotions toward a wrongdoing company (e.g., contempt, anger and disgust) may also play a pivotal role in driving consumer retaliations. Future research is invited to investigate the effects of COO stereotypes and subsequent country-related emotions on negative moral emotions and retaliations.

In conclusion, the present work contributes to demonstrating that COO stereotypes do matter in the context of a potential corporate misconduct. It specifically shows the direct,

indirect and conditional effects of country-of-origin stereotypes on consumer responses in a product-harm crisis.

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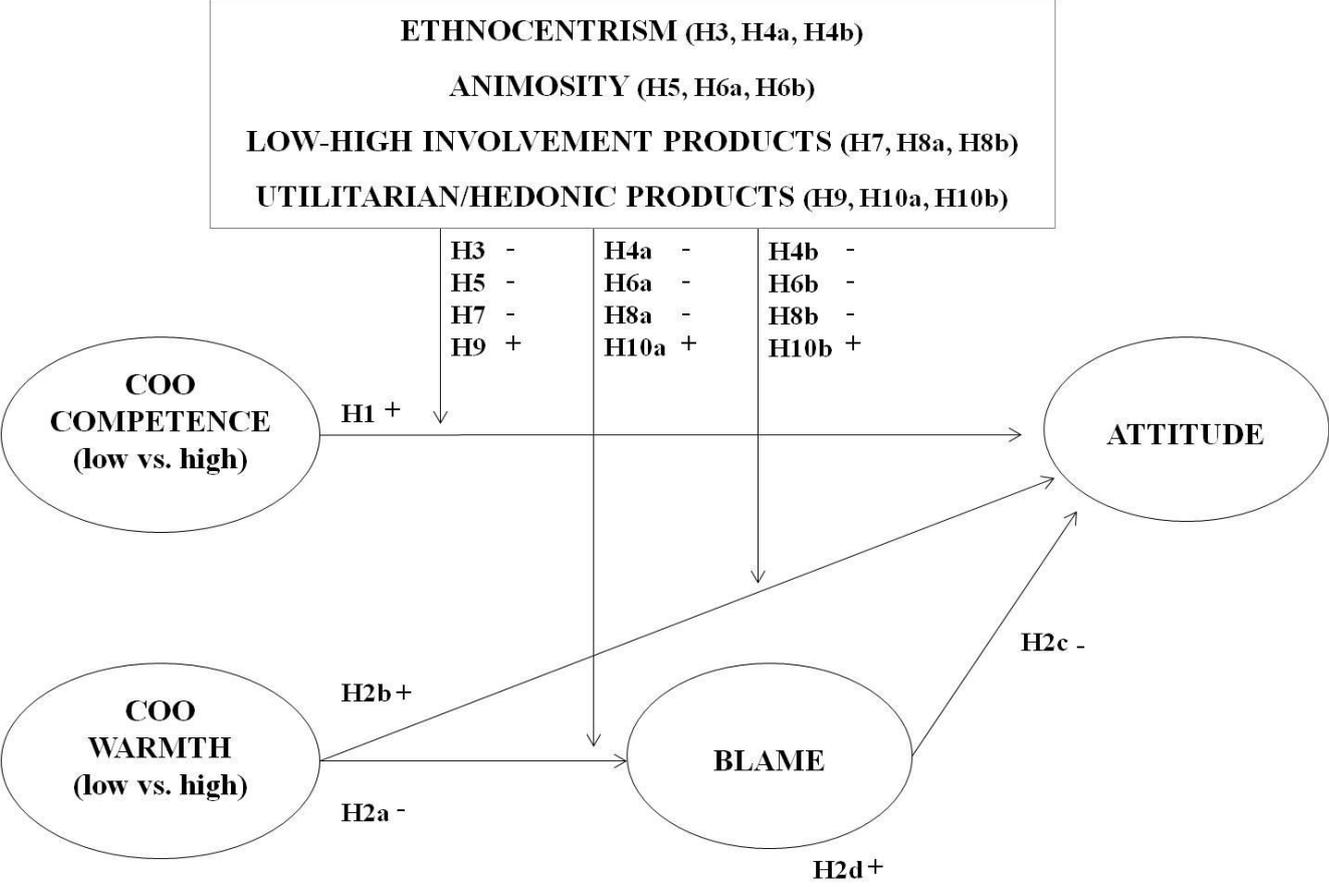
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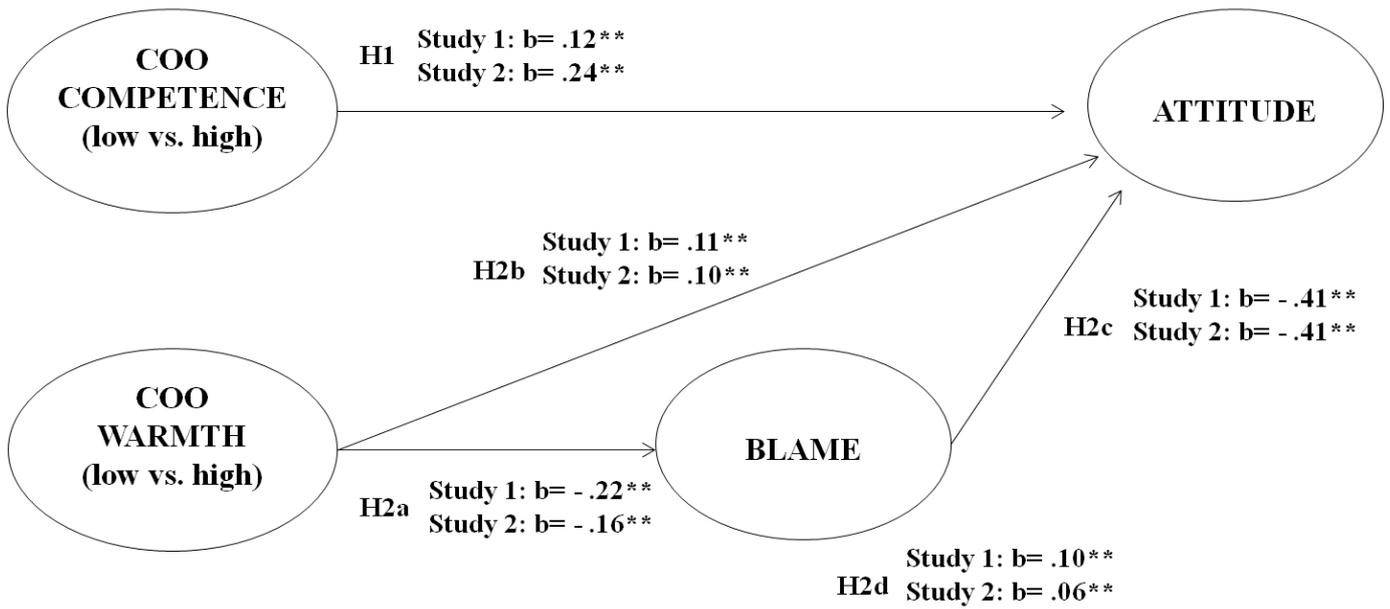
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**Figure 1.** Hypothesized conceptual model



**Figure 2.** Direct and indirect effects of COO competence and warmth on consumer responses



**Notes:**  $b$  = standardized beta coefficient;  $*$  =  $p < .05$

**Table I.** Study 1 and 2 - Measurement model

	Study 1							Study 2							
	$\chi^2(23)=180.72$ ; RMSEA=.08; SRMR=.02 NFI=.97; NNFI=.97; CFI=.97							$\chi^2(91)=742.90$ ; RMSEA=.06;SRMR=.03; NFI=.96, NNFI=.96, and CFI=.96.							
Model variables	Measurement source	M	SD	$\alpha$	$\lambda_{CFA}$	CR	AVE	$\phi^2$ vs. AVE	M	SD	$\alpha$	$\lambda_{CFA}$	CR	AVE	$\phi^2$ vs. AVE
<i>COO Competence (COMP)<sup>a</sup></i>	manipulated, dichotomous variables														
<i>COO Warmth (WARM)<sup>a</sup></i>															
<i>Blame (BLAME)</i>		5.18	1.33	.92		.93	.76	.41<.76	5.12	1.46	.92		.92	.75	.42<.75
The company is responsible for the chocolate adulteration scandal (BLAME1)															
The company should be held accountable for the chocolate adulteration scandal (BLAME2)	Klein and Dawar's (2004) blame toward the company				.89							.88			
The chocolate adulteration scandal is the fault of the company (BLAME3)	7-point Likert scale (1=not at all, 7=very much), as adapted by Barbarossa <i>et al.</i> (2016)				.84							.85			
I blame the company for the chocolate adulteration scandal (BLAME4)					.90							.90			
<i>Attitude toward the company's products (ATT)</i>	Jorgensen (1994)'s attitude toward the company	2.95	1.26	.93		.93	.81	.41<.81	2.74	1.29	.91		.91	.77	.42<.77
Bad...good (ATT1)					.88							.84			
Negative...positive (ATT2)					.88							.88			
Unfavorable...favorable (ATT3)		7-point semantic scale				.93						.91			
<b>Moderating variables<sup>b</sup></b>															
<i>Ethnocentrism (CET)</i>		NA	NA	NA				NA	3.30	1.58	.86		.87	.63	.14<.63
[Countrymen] should not buy foreign products, because this hurts [home country's] businesses and causes unemployment (CET1)	Shimp and Sharma's (1987) 7-point Likert CETSCALE				NA							.79			
It is not right to purchase foreign products, because it puts [countrymen] out of jobs (CET2)	(1=totally disagree, 7=totally agree), as adapted by Cleveland <i>et al.</i> (2009)				NA							.84			
A real [country person] should always buy [home country]-made products (CET3)					NA							.82			
We should purchase products manufactured in [home country] instead of letting other					NA							.70			

countries get rich off of us (CET4)													
<i>Animosity (ANIM)</i>		NA	NA	NA		NA	2.29	1.54	.87		.88	.71	.14<.71
I feel antipathy toward [Country name] (ANIM1)	Klein <i>et al.</i> 's (1998) animosity					NA					.86		
I dislike anything linked to [Country name] (ANIM2)	7-point Likert scale (1=totally disagree, 7=totally agree)					NA					.79		
I feel aversion to anything linked to [Country name] (ANIM3)						NA					.87		

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**Notes:** RMSEA=Root mean square error of approximation; SRMR=Standardized root mean square residual; NFI=Normed fit index; NNFI=Non-normed fit index; CFI=Comparative fit index; M= Construct mean; SD= Construct standard deviation;  $\lambda_{CFA}$ = Factor loadings of confirmatory factor analysis;  $\alpha$ = Cronbach's alpha; CR=Composite reliability; AVE=Average variance extracted; NA= Not assessed.

<sup>a</sup>  $\lambda_{CFA}$ , M, SD,  $\alpha$ , CR, and AVE are not computed for COO competence and warmth as they are manipulated binary factors and single item measures.

<sup>b</sup>In Study 1 statistics for the moderators are not assessed, as these variables are theoretically introduced in the model in Study 2.

<sup>c</sup>Statistics for the manipulation checks, such as factor loadings, CR and AVE, are not assessed, as these variables are not included in the conceptual model.

**Table II.** Study 1 and Study 2 - Pre-tests and manipulation checks for country selection

		WARMTH	
		HIGH	LOW
COMPETENCE	HIGH	<p><b>Study 1 – Canada</b></p> <p><i>Pre-test</i> COMP: M=4.18, SD=.94 WARM: M=3.68, SD=1.14</p> <p><i>Main study</i> COMP: M=3.81, SD=.88 WARM: M=3.90, SD=.94</p>	<p><b>Study 1 – Germany</b></p> <p><i>Pre-test</i> COMP: M=4.22, SD=1.08 WARM: M=3.59, SD=1.10</p> <p><i>Main study</i> COMP: M=3.69, SD=.82 WARM: M=2.59, SD=.82</p>
		<p><b>Study 2 – U.S.</b></p> <p><i>Pre-test</i> COMP: M=4.17, SD=.96 WARM: M=3.75, SD=1.03</p> <p><i>Main study</i> COMP: M=4.13, SD=.72 WARM: M=3.49, SD=.87</p>	<p><b>Study 2 – Switzerland</b></p> <p><i>Pre-test</i> COMP: M=4.29, SD=1.08 WARM: M=2.80, SD=1.10</p> <p><i>Main study</i> COMP: M=4.15, SD=.85 WARM: M=2.73, SD=.98</p>
	LOW	<p><b>Study 1 – Spain</b></p> <p><i>Pre-test</i> COMP: M=2.42, SD=1.03 WARM: M=2.84, SD=1.22</p> <p><i>Main study</i> COMP: M=2.37, SD=.92 WARM: M=3.92, SD=.93</p>	<p><b>Study 1 – Albania</b></p> <p><i>Pre-test</i> COMP: M=2.50, SD=.85 WARM: M=2.72, SD=.87</p> <p><i>Main study</i> COMP: M=2.28, SD=.93 WARM: M=2.47, SD=.94</p>
		<p><b>Study 2 – Greece</b></p> <p><i>Pre-test</i> COMP: M=2.46, SD=1.03 WARM: M=3.63, SD=1.05</p> <p><i>Main study</i> COMP: M=2.71, SD=.83 WARM: M=3.62, SD=.92</p>	<p><b>Study 2 – Romania</b></p> <p><i>Pre-test</i> COMP: M=2.47, SD=.86 WARM: M=2.70, SD=.90</p> <p><i>Main study</i> COMP: M=2.59, SD=.85 WARM: M=2.66, SD=.97</p>

**Notes:** COMP= perceived COO competence; WARM= perceived COO warmth

**Table III.** Study 1 and Study 2 - Socio-demographic characteristics of the samples per COO and product category conditions

		Study 1				Study 2							
		COO condition				COO condition				Product category condition			
		Canada <sup>a</sup> n=222	Spain <sup>b</sup> n=237	Germany <sup>c</sup> n=130	Albania <sup>d</sup> n=294	U.S. <sup>a</sup> n=333	Greece <sup>b</sup> n=391	Switzerland <sup>c</sup> n=369	Romania <sup>d</sup> n=547	Refrigerator <sup>e</sup> n=391	Hot tub <sup>f</sup> n=407	Light bulbs <sup>g</sup> n=383	Small scented candles <sup>h</sup> n=459
Gender	Male	42	43	43	44	54	58	49	52	54	57	52	55
	Female	58	57	57	56	46	42	51	48	46	43	48	45
Age	18-25	49	48	47	47	52	50	49	51	48	50	47	51
	26-55	45	44	45	43	38	40	40	37	44	45	46	38
	>55	6	8	7	10	10	10	11	12	8	5	7	11
Education	Junior High School	6	7	8	6	5	4	9	2	6	7	5	4
	High School	59	58	58	60	57	59	54	58	55	57	56	56
	Higher education	35	36	34	34	38	36	37	42	39	35	39	40

**Notes:** Cells are percentages; <sup>a</sup>= High competence-High warmth condition; <sup>b</sup>= Low competence-High warmth condition; <sup>c</sup>= High competence-Low warmth condition; <sup>d</sup>= Low competence-Low warmth condition; <sup>e</sup>= High-involvement, utilitarian product; <sup>f</sup>= High-involvement, hedonic product; <sup>g</sup>= Low-involvement, utilitarian product; <sup>h</sup>= Low-involvement, hedonic product.

**Table IV.** Study 1 and Study 2 - Manipulation checks of perceived severity of the scenario per country and product category conditions

		Study 1				Study 2							
		COO condition				COO condition				Product category condition			
		Canada	Spain	Germany	Albania	U.S.	Greece	Switzerland	Romania	Refrigerator	Hot tub	Light bulbs	Small scented candles
SEVERITY		M=4.93; SD=1.54	M=5.01; SD=1.46	M=5.20; SD=1.51	M=5.25; SD=1.48	M=4.71; SD=1.53	4.78; SD=1.66	M=4.78; SD=1.66	4.94; SD=1.60	4.77; SD=1.57	M=4.62; SD=1.62	M=4.89; SD=1.61	M=4.88; SD=1.68

**Table V.** Study 1 and 2 - Structural equation model

		Study1	Study 2
<i>Fit indices</i>		$\chi^2(24)=182.27$ ; RMSEA=.08; SRMR=.02; NFI=.97, NNFI=.96, CFI=.97	$\chi^2(24)= 312.65$ ; RMSEA=.08 SRMR=.03; NFI=.96, NNFI=.97, CFI=.96
<i>Direct effects</i>	<i>Hypotheses</i>	<i>b</i>	<i>b</i>
COMP→ATT	H1	.12*	.24*
WARM→BLAME	H2a	-.22*	-.16*
WARM→ ATT	H2b	.11*	.10*
BLAME→ATT	H2c	-.41*	-.41*
<i>Indirect effects</i>			
WARM→BLAME→ATT	H2d	.10*	.06*
<i>Total effects</i>			
WARM→ ATT		.21*	.16*

**Notes:** b= standardized beta coefficient; \* =  $p < .05$

**Table VI.** Study 2 - Pre-test and manipulation checks for product selection

		<b>Motives associated with purchasing products</b>	
		<b>Utilitarian</b>	<b>Hedonic</b>
<b>Involvement</b>	<b>High</b>	<b>Refrigerator</b>	<b>Hot-tub</b>
		<i>Study 2 - Pre-test</i> INV: M=5.51, SD=1.47 UTIL: M=6.26, SD=1.43 HEDO: M=2.39, SD=1.67	<i>Study 2 - Pre-test</i> INV: M=5.31, SD=1.79 UTIL: M=2.66, SD=1.68 HEDO: M=5.34, SD=1.94
		<i>Study 2 - Main study</i> INV: M=4.60, SD=1.67 UTIL: M=5.26, SD=1.63 HEDO: M=2.58, SD=1.61	<i>Study 2 - Main study</i> INV: M=4.73, SD=1.73 UTIL: M=3.19, SD=1.65 HEDO: M=5.39, SD=1.54
	<b>Low</b>	<b>Light bulbs</b>	<b>Small scented candles</b>
<i>Study 2 - Pre-test</i> INV: M=2.50, SD=1.43 UTIL: M=6.21, SD=1.61 HEDO: M=2.00, SD=1.56		<i>Study 2 - Pre-test</i> INV: M=2.65, SD=1.52 UTIL: M=2.37, SD=1.45 HEDO: M=5.45, SD=1.88	
	<i>Study 2 - Main study</i> INV: M=2.85, SD=1.69 UTIL: M=5.65, SD=1.61 HEDO: M=2.85, SD=1.62	<i>Study 2 - Main study</i> INV: M=3.28, SD=1.79 UTIL: M=2.76, SD=1.59 HEDO: M=5.33, SD=1.55	

**Notes:** INV= perceived product involvement; UTIL= perceived degree of product utilitarianism; HEDO= perceived degree of product hedonism.

**Table VII.** Study 2 - Interaction effects between the moderators and the model variables

Moderators	Independent variables	Hypotheses	Outcome variables			
			Blame		Attitude	
			b	p-value	b	p-value
Ethnocentrism x	Competence	H3			.02	.46
	Warmth	H4a, H4b	-.06	.21	.07	.04
Animosity x	Competence	H5			-.01	.93
	Warmth	H6a, H6b	-.24	<.01	.12	.02
Product involvement x (low vs. high)	Competence	H7			.29	.02
	Warmth	H8a, H8b	-.28	.05	-.15	.17
Product type x (utilitarian vs. hedonic)	Competence	H9			-.27	.03
	Warmth	H10a, H10b	-.01	.93	-.09	.36

**Notes:** <sup>a</sup> Moderators are mean centered; b= Magnitude of the effect.

**Table VIII.** Study 2 - Conditional direct and indirect effects of the moderators

Types and levels of the moderators	Direct effects of COMP on ATT		Direct effects of WARM on ATT		Indirect effects of WARM through BLAME	
	b	Conf. interval	b	Conf. interval	b	Conf. interval
<b>ETHNOCENTRISM</b>						
-1.58 <sup>a</sup>	.46	[.30; .64]	-.01	[-.17; .14]	.11	[.04; .19]
0.00	.51	[.40; .64]	.10	[-.02; .20]	.14	[.09; .20]
1.58	.56	[.39; .73]	.20	[.05; .35]	.17	[.09; .24]
<b>ANIMOSITY</b>						
-1.12	.54	[.36; .72]	-.04	[-.19; .12]	.02	[-.04; .10]
0.00	.54	[.42; .65]	.10	[-.01; .21]	.12	[.07; .18]
1.12	.53	[.37; .70]	.23	[.06; .40]	.22	[.14; .30]
<b>PRODUCT INVOLVEMENT</b>						
Low-involvement	.37	[.20; .54]	.18	[.03; .33]	.08	[.01; .15]
High-involvement	.66	[.49; .83]	.03	[-.13; .19]	.18	[.10; .26]
<b>PRODUCT TYPE</b>						
Utilitarian	.65	[.48; .83]	.14	[-.01; .30]	.13	[.05; .21]
Hedonic	.39	[.22; .55]	.04	[-.10; .19]	.14	[.06; .20]

**Notes:** <sup>a</sup> Moderators are mean centered; b= Magnitude of the unstandardized effect; Confidence intervals that do not contain zero represent a significant overall indirect effect.