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# "The Role of European Identity in Consumer Purchase Behavior"

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## **Abstract**

The research to date has proven that people are constantly influenced by a set of identities that are important for their self-view and that define who they are while silently influencing their attitudes and behavior to a various degree. One of these identities is the European identity which has received relatively little attention from researchers despite its importance in consumers' lives. Most of the literature focused on national and global identities, but at the time of this writing, no research has yet been published where national, global, and European identity are investigated in conjunction.

In this context, this Master's thesis investigates the influence of European identity on consumers' purchase preference of domestic, foreign EU, and foreign non-EU products while controlling for national and global identities. As the basis for the empirical investigation, a research survey with a sample of 331 respondents was conducted to test the hypothesized relationships. A set of regression analyses shows that the European identity, after controlling for the effects of national and global identity, is a significant positive determinant of consumers' attitudes toward domestic products and products coming from another EU country. The similar pattern emerged for purchase intention of products coming from another EU country. Additionally, individuals' individualism has been shown to significantly moderate this relationship. Interestingly, the results also suggest that European identity is significantly correlated with global identity but not with national identity.

The results suggest that European identity is an important factor in predicting consumer behavior, similarly to global and national identity, and should be added in the relevant literature discussing location-based identities. Therefore, managers are advised to investigate the prominence of European identity within their target audience as well as their level of individualism. The use of cues that would appeal to consumers' European identity should be considered, since it can potentially increase sales by enhancing attitudes and purchase intention. On the other hand, caution should be exercised since the results also tend to suggest that consumers are willing to pay relatively less for products coming from another EU country compared to domestic and foreign non-EU products.

**Keywords**: European identity, social identity, location-based identity, national identity, global identity, Multiple identities, product preference, purchase intention

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## List of abbreviations

ATT attitudes

COLL collectivism

e.g. for example (Latin: exempli gratia)

et al. and others (Latin: et alii)

etc. and so on (Latin: et cetera)

i.e. that is (Latin: id est)

ID identity

IND individualism

M mean

n.s. not significant

PI purchase intention

PP price premium

SCT Social Categorization Theory

SD standard deviation

SIT Social Identity Theory

TPB Theory of Planned Behavior

## 1. Introduction

Social identities were first investigated by Henri Tajfel in the early 1970s when he introduced his Social Identity Theory (SIT). In his study, Tajfel (1978) defined social identity as a person's self-concept that allows them to feel a connection to social groups and feel emotion towards others, which in turn explains a large portion of individual's behavior such as in-group favoritism and discrimination towards out-groups (Tajfel & Turner, 1979). If such a connection with a group is established, a person's subsequent behavior may be altered in such a way to match the behavior pertinent to members of this group. As Reed et al. (2012) puts it: "If consumers view themselves as 'athletes', they are likely to behave in ways that are consistent with what it means to 'be' an athlete." (Reed et al., 2012, p. 310).

Subsequently, Reed et al. (2012) investigated these social identities further, suggesting that people may have multiple identities at the same time (see also Checkel & Katzenstein, 2011; Settles, 2004). A mother, besides possessing the identity of a mother can also identify herself with being a wife, cook, member of the school board as well as with her nation (Reed et al., 2012). Due to this identification, a person's behavior may be affected and otherwise relatively stable preferences may be shifted (Brewer & Gardner, 1996). However, all identities are not equally strong and can also compete against each other (Harmon-Kizer et al., 2013). Moreover, the relationship between identities and their relative strength may even change in different situations depending on their salience and centrality (Stryker & Serpe, 1994). It is important to understand these rather complicated relationships since they have a significant impact on peoples' everyday lives.

The European Union constitutes a distinct a group or superordinate entity in peoples' minds (Castano, Sacchi & Gries, 2003; Duchesne & Frognier, 1995; Herz et al., 2015) which consumers may identify with similarly as with nations or global citizenship (Reed et al., 2012; Settles, 2004). This means that one can feel connected to his or her nation as well as to a superordinate entity such as the European Union or even with the whole of mankind represented by the global identity (Arnett, 2002). Among European citizens, the European Union is often seen as an alternative to the American way of living and its profound militaristic tendencies (Checkel & Katzenstein, 2011) and according to Usunier (2006), the importance of identities has increased in recent years due to globalization and

the blurring of marketplace borders making them an even more important part of consumers' lives.

In a marketing context, consumers' identities have been found to influence their behavior such that consumers' choice of brands needs to be aligned with their self-view (Harmon-Kizer et al., 2013). However, researchers have neglected the role of European identity which is expected to strongly influence consumers' behavior.

At the time of writing, the EU has existed for more than 24 years and one can expect that people living in the member states have already developed a strong connection to the corresponding European identity in addition to their respective national identity (e.g. Checkel & Katzenstein, 2011; Cinnirella, 1997; Dekker et al., 2003; Duchesne & Frognier, 1995; Hewstone, 1986; Schild, 2001) which in turn may impact their behavior. In light of Brexit, which highlights the fact that political tensions in Europe are rising and that whole nations are split into two camps, it is important to understand how European identity affects consumer behavior and preferences towards products from different areas of the world. Does European identity positively, or negatively influence our attitudes and consumption preferences? This thesis will try to answer this question by providing empirical evidence based on a sample of 331 mainly Austrian residents. The new findings based on the empirical analysis suggest that the European identity does in fact influence consumer attitudes and purchase preferences. In addition to this, individualism and collectivism have been shown to influence the way European identity interacts with consumers' purchase preferences as well as the price premium they are willing to pay. Therefore, these variables should be added to the marketing literature in the context of location-based identities since they are important in the managerial decision-making process. The results seem to be stable beyond a specific product category.

## 1.1. Research objectives

Prior research has extensively used a location-based approach to investigate the effects of consumer identities differentiating mainly between the national and global identity (Westjohn, Singh & Magnusson, 2012; Zhang & Khare, 2009). Moreover, distinctions of consumption preferences are often made only between domestic and global products. No prior study has delved into the investigation of the effects the European identity may have on individuals' consumption preferences.

The objective of this thesis is to investigate the role of the European Union and the corresponding European identity in shaping consumers' behavior and consumption preferences. It will try to explain how the European identity, after controlling for the effects of other location-based identities (i.e. national and global identity), affects customers' perception of products with domestic, European, and foreign non-EU origin across different product categories. The moderation effect of individualism and collectivism are also expected to influence the relationships and therefore will also be examined. This master's thesis will focus on finding answers to the following questions:

#### **Research Questions:**

- How does the European identity affect consumers' attitudes, purchase intention and choice of products with domestic, foreign EU and foreign non-EU origin?
- Are consumers willing to pay price premium for domestic, foreign EU and foreign non-EU products? If yes, does European identity influence this price premium?
- Does the role (or the predictive validity) of the EU identity change depending on consumers' characteristics such as individualism and collectivism?

#### 1.2. Structure of the thesis

This thesis consists of five main parts. In the first chapter, a brief introduction is offered followed by the main research goals of this thesis. The relevant literature is then reviewed in the second chapter consisting of the underlying concepts important for this study. The definition of social identities is provided and different characteristics such as identity salience and centrality will be also discussed.

In the third chapter, hypotheses regarding the European identity as well as individualism and collectivism will be developed based on the literature review from the second chapter. Then, control variables will be introduced and described. In conclusion the conceptual model is presented summarizing all relevant relationships.

The fourth chapter discusses the research design and data collection procedure. Construct measures will also be explained to provide the reader with a comprehensive overview.

The fifth chapter begins with a preliminary analysis of the sample and each construct. The rest of the chapter is then dedicated to the main analysis and concludes with a brief summary of the results.

Lastly, the discussion and conclusion in the sixth chapter summarize the key findings of the empirical study followed by the theoretical and managerial implications with a focus on their application in the international marketing field. Additionally, limitations of the research will be briefly discussed at the end of this chapter, which contain suggestions for future research directions that draw on the insights gained from the analyses.

## 2. Literature review

The basis for this thesis is constituted by the advances in social identity theory (SIT) which was first introduced by Tajfel (1978) and tries to explain how people become affiliated with groups, how these groups influence their behavior (Trepte, 2006), and how making distinctions between out-groups and in-groups enhance an individual's selfesteem and self-image (Abrams & Hogg, 1988). An extension of SIT is the so-called Social Categorization Theory (SCT) which was proposed by Turner (1987). SCT explains how people use group categories to derive social identities (Turner, 1985). This categorization occurs when individuals create labels for different social groups in order to simplify social interactions (Turner, 1987). These labels then serve as starting point that gives an individual a general idea of what to expect from people who belong to this particular category (Trepte, 2006). Categorization of one's own in-group serves then as a reference to how individuals should act and what attitudes and beliefs they should have (Hogg & Terry, 2000; Hornsey, 2008). Tajfel & Turner (1979) have shown that in-group membership leads to favoritism toward this in-group and impartiality toward the outgroups, meaning that the individual's behavior changes based on these memberships. According to Turner (1987), Hornsey (2008) identified three identities that correspond with the three levels of Turner's self-categorization. Human identity serves as the superordinate category followed by social identity and personal identity (Hornsey, 2008; Turner, 1987). Following this proposition, Brown (2015) assigns an individual's nationality to the category of social identities (see also Baumeister, 1986). From the perspective of a globalized society, nations, European Union, and the whole of humanity represent important groups that have been shown to greatly influence people's general tendencies and behaviors (Arnett, 2002; Blank & Schmidt, 2003; Herz et al., 2015; Zhang & Khare, 2009). From these groups, peoples' identities are then derived and included in the self-concept. Subsequently, these self-concepts affect consumers' purchasing behavior (Dolich, 1969; Landon, Jr. 1974).

## 2.1. Definition of social identity

Identities have been researched intensively in the past four decades in multiple fields such as social science, philosophy, psychology, and arts. One of the first modern descriptions of social identity and in-group memberships can be found in Allport's book *The Nature of Prejudice* which was published in 1954. He describes how in-groups are formed and that a membership to an in-group does not necessarily imply antipathy toward other groups. His conclusions were subsequently confirmed and extended by Brewer (1999). Before going further, it is important to understand what is considered as a group in SIT. According to SIT, a social group is defined as a number of people who consider themselves to be part of a group, share some common beliefs and are perceived by others to be members of said group (Tajfel & Turner, 1979). The main idea of SIT is that in order to define their self-concept, people use social in-groups and out-groups to categorize themselves and others by evaluating these groups (Tajfel & Turner, 1979) which helps to simplify orientation in a social environment and distinction between different in and outgroups. Self-concept is defined by Baumeister (1986) as the sum of all identities that an individual has attached to his self-view.

There are several definitions of identities which were developed over a period of four decades. One of the oldest was introduced by Tajfel (1978): "The part of an individual's self-concept which derives from his knowledge of his membership to a social group (or groups) together with the value and emotional significance attached to that membership" (Tajfel, 1978, p. 63)

A more recent definition of social identity was introduced in 2012:

"Identity is defined as any category label to which a consumer self-associates that is amenable to a clear picture of what the person in the category looks like, thinks, feels and does." (Reed et al., 2012, p. 310)

The latter definition is more consistent with this research and will be used as the base for the investigation since it captures the possibility that consumers can possess more than one identity at the same time. The authors state that identity is *any category label* which is an important prerequisite to this research. It supports the fact that among other identities, European, national, and global identity do coexist and interact in consumers' minds. In addition to this, there are many conceptual definitions which have some overlap

with Reed's definition. Kohli (2000) states that identity is based on the feeling of belonging to a political or cultural community. Brown (2015) with reference to Baumeister (1986) presents identity as the attachment people make while trying to answer questions such as: 'How shall I relate to others?', 'What shall I strive to become?', and 'How will I make the basic decisions required to guide my life?' (Brown, 2015, p. 21; see also Baumeister, 1986). He also summarizes different kinds of identities that have previously been investigated by various researchers, which he categorizes as social identities (e.g. gender, nationality), personal identities (e.g. height, intelligence), and role identities (e.g. mother, professor) that are self-assigned and that are attributed by others. An alternative view of an identity is provided by Delanty (2003) who sees them as stories that people create in order to find the meaning of their existence and guide them through their lives.

## 2.2. The importance of identity

Reed et al. (2012) give an example to illustrate the importance of identity. The authors state that consumers who view themselves as athletes are prone to act in favor of this selfassessment. These consumers are more likely to buy running shoes as opposed to regular sneakers or use running equipment such as a sports watch which would, on one hand, help them to track their performance while, on the other hand, signal their membership to the "athletes" group to their peers (Reed et al., 2012). A mother, besides having her identity of a mother, can also identify herself with being a wife, cook, member of school board as well as with her nation and in each of these roles, different identities can become more or less salient affecting her behavior according to the situation at hand (Reed et al., 2012). Identities are important in the marketing context since, if they are made salient in a particular context, they can influence consumer behavior and subsequent choice to a large degree by altering an individuals' self-view, thereby favoring characteristics of the whole group (Brewer & Gardner, 1996). Identities have become more important in recent years due to the globalization and the blurring of marketplace borders (Usunier, 2006). Competition is fierce, and consumers are facing an abundance of choices in almost every purchase situation they find themselves in. Therefore, it is becoming easier for them to switch to competitors and every factor influencing this choice plays an important role, with identity of the consumer being one of those (Brewer & Gardner, 1996). In different situations, it is possible that different identities become more influential than others and

drive the corresponding behavior to some degree (Stryker & Serpe, 1994). This nicely underlines the intricacy associated with identities that needs to be better understood to fully comprehend the extent of this topic. In the next chapter, identity salience and centrality will be discussed to shed more light on the roots of this variability.

## 2.3. Identity characteristics

There are various ways in which identities can have an influence on behavior and some are more influential than others. Identity centrality and identity salience will be described in more detail since they both influence the degree to which identities influence an individual's behavior (e.g. Harmon-Kizer et al., 2013; Reed et al., 2012).

#### 2.3.1. Identity centrality

Rosenberg (1979) describes identity centrality as a component of the self with varying degrees of importance to a person's self-view. More recently, identity centrality has been defined as ,,the importance or psychological attachment that individuals place on their identities,..." (Settles, 2004, p.487). Typically, identities that are part of one's selfconcept are ordered hierarchically from the most to least important and this arrangement is rather stable in the long-term (Stryker & Serpe, 1994). Harmon et al. (2009) state that consumers' self-esteem determines the degree of importance that will be assigned to a particular identity in such a way that self-esteem is maximized, which suggests that identity centrality is an important concept in consumers' decision-making process. For example, Harmon-Kizer et al. (2013) distinguish between two kinds of identity centrality: central and peripheral identities. Central identities, as the name suggests, are in the upper part of imaginary self-hierarchy whereas peripheral identities are located in the lower part with a lesser degree of importance (Harmon-Kizer et al., 2013). Identities can become more central over time by strengthening one's individual attachment to this identity (Harmon-Kizer et al. 2013). Identity centrality is also closely related to salience since the more central an identity is, the more salient it is in individuals' minds (Harmon-Kizer et al., 2013; Settles, 2004). However, it is also possible that a particular identity becomes central by prolonged salience or repeated exposures to that identity compared to other identities contained in the self-concept (Harmon-Kizer et al., 2013).

Harmon-Kizer et al. (2013) demonstrated in their study the importance of centrality on the choice of brands. Their results suggest that the more central an identity is, the more it affects the subsequent brand choice, which is aligned the most with the central identity. This seems to be the result of consumers' need to express who they are to others by purchasing brands that are aligned with how they view themselves and who they want to be associated with (Harmon-Kizer et al., 2013). Additionally, Settles (2004) found that misalignment of identities with actual behavior can lead to lower well-being and work performance. Similarly, it can be expected that the same effect may occur in the case of national, European, and global identities. If one of these identities is more central and/or salient than others, the preference for the corresponding product origin should also be higher in relation to other products.

#### 2.3.2. Identity salience or chronic accessibility

Stryker & Serpe (1994) view salience as trans-situational and as a mean to determine why individuals, in a particular situation, choose different behavioral options when more identities are available to them at the same time. Reed et al. (2012) use the following definition of salience: "Identity salience exists when an identity is readily accessible to a consumer and, similar to activation, exists on a continuum from low accessibility to high accessibility." (Reed et al., 2012, p. 313). Hogg & Terry (2000) see salience as a product of the interaction between category accessibility and the degree to which the category fits the context. The most accessible category with the best fit then becomes salient and serves as reference in that particular context.

Although, identity salience is not necessary to observe the effects of an identity on an individual's behavior, the probability of the occurrence of the effects increases as the salience of an identity increases (Reed et al., 2012) by increasing the sensitivity to specific, identity-related information (Reed, 2004). Reed (2002) regards salience as an important component for observing identity-related outcomes since it acts as a bridge between identity itself and the corresponding attitudes and behaviors. He also states that without salience, the effects of an identity are confined to some degree (Reed, 2002). For instance, Forehand & Deshpandé (2001) observed more positive responses towards advertisement among Asians when their ethnic identity was made more salient before the exposure to the advertisement stimuli.

Some researchers treated identity salience and identity centrality as being identical however, Stryker & Serpe (1994) have found that only in some cases do the two concepts overlap to some degree but in other situations, such as in role identity context, salience and centrality seem to be independent of one another. Harmon-Kizer et al. (2013) also state that identity salience naturally enhances identity centrality by increasing the importance of an identity in a given context. For example, exploitation of identity salience can often be seen in marketing campaigns by using English in countries, where English is not the official language to make the global identity more salient in consumers' minds since English is perceived to be a language associated with globalization (Alden et al., 1999; Reed et al., 2012) and the global consumer culture.

#### 2.4. In-group bias

The following section discusses the categorization of groups and how this categorization helps individuals make inferences about members of different groups.

In-group bias means that individuals belonging to a particular group tend to favor the ingroup over other out-groups, which in turn translates into evaluations, attitudes, and subsequent behavior (Tajfel & Turner, 2004). These in-group memberships are important to individuals since "in-groups provide the frame of reference for self-evaluation at the individual level and for selection of significant others at the interpersonal level. Shared in-group membership is one important basis for determining relevant sources of social comparison." (Brewer & Gardner, 1996, p. 85).

According to Tajfel & Turner (1979), repeated interaction between members of the ingroup is not necessary in order to observe group identification, solidarity among in-group members or discrimination towards out-groups. To trigger favoritism of in-group versus the out-groups, the mere perception that other out-groups exist is sufficient (Tajfel & Turner, 2004). Trepte (2006) gives an example that a football fan can be affiliated with a group of other fans of the same team (group identification) or with the whole nation or location (location-based identification). In other words, it is not necessary that individuals cognitively interact with other Europeans to an observe identification with Europe. Reed et al. (2012) also state that it is not necessary for an individual to consciously perceive that he or she identifies with a particular group. For a successful identification, the

subconscious adoption of a category label representing the type of person is enough (Reed et al., 2012).

If we look at national identities, according to the literature, the mere existence of other nations therefore should trigger in-group bias towards an individual's own nation and products coming from this nation. The same could be said about the superordinate European identity which should be triggered merely due to the existence of other entities such as the US (Smith, 1992). Nevertheless, this argument may not hold in the case of global identity since it would be hard to argue that there is an immediate out-group that could be compared to it. However, research has shown that even the most arbitrary assignment of individuals to one group was sufficient to trigger in-group favoritism and out-group discrimination among participants (Prentice et al., 1994; Tajfel et al., 1971). Therefore, one can speculate that, due to the vastness of the universe it would be hard to imagine that the Earth is the only inhabitable planet there is (Kreifeldt, 1971; Sturrock, 1980) and therefore, potential out-groups should exist, but since extraterrestrial life has not been discovered yet, we must assume this in not the case. Arguably, some percentage of people may be still affected by the in-group favoritism on a global level.

According to Brewer & Gardner (1996), collective identities are especially important for such evaluations of others. These collective identities will be discussed in the next chapter.

## 2.5. Individual and collective identity

Another distinction that should be made in the context of SIT and European identity is between individual and collective identities due to the different characteristics that both types evince. For instance, Brewer & Gardner (1996) distinguish between these two types of identities, which they call personal (or individual) identity and collective identity. An example of individual identity may be the relationship people have with others, such as that which parents have with their children (Brewer & Gardner, 1996). Individual identities are based on relationships with other persons and allow us to distinguish ourselves from all other members of the society whereas collective identities are derived from group memberships to social categories (Brewer & Gardner, 1996). The authors also state that collective identities are formed even though no personal relationships between group members exist meaning that national, European, and global identities can be

formed without the requirement to have personal bonds with other members of these groups (Brewer & Gardner, 1996). One of the main differences is that collective identities tend to be more stable over longer periods of time whereas individual identities are more situational-dependent (Prentice et al., 1994). Multiple collective identities can overlap, mix, or co-exist at the same time (Delanty, 2003). Prentice et al. (1994) also distinguish between collective and individual identities, arguing that a group or collective is not simply a sum of all individual members. To form an in-group attachment in a group of individuals, very little incentives are needed. According to Prentice et al. (1994) even the most arbitrary criteria can trigger a sense of group membership with complete strangers and as they put it: "...providing individuals with even the most minimal of shared identities—ones based on trivial criteria (e.g., preferring one artist over another) or explicitly random criteria (e.g., a coin toss)—was sufficient to generate in-group attachment and out-group discrimination." (Prentice et al., 1994, p. 84).

In other words, individual and collective identities are two separable dimensions. Moreover, collective identities can be further divided into common-bond groups, which are based on within-group relationships, and common-identity groups, which are based not on relationships between the members of the group but rather on the individuals' attachment to the group itself (Prentice et al., 1994). Building on these insights one can say that nations, the European Union, and the whole world can be seen as commonidentity groups which are more stable and fixed than other types of identities (Smith, 1992). Smith (1992) and Delanty (2003) also support the argument that national and European identities are a representation of collective identities. However, further distinction can be made.

#### 2.6. Location-based identities

Following the previous section, location-based identities are part of collective identities. National, European, and global identities belong especially in this group. The properties of location-based identities will be discussed more deeply in this section.

Location-based identities are one of the key components of this thesis. As discussed in the previous sections, people can identify with their nation as well as superordinate entities such as the European Union and global citizenship (Arnett, 2002; Blank & Schmidt, 2003; Diamantopoulos et al., 2017; Zhang & Khare, 2009). The degree to which

individuals identify with these identities depends largely on the specificity and closeness of the entity (Herz et al., 2015). According to Herz et al. (2015), individuals connect more easily with closer entities than with more distant ones. For instance, Cinnirella (1997) observed a stronger national identity compared to European identity among British respondents. It would be reasonable to expect that the Austrian citizens would therefore identify more closely with their nation than with Europe and global citizenship since it is concretely defined and naturally closer to the individuals living in Austria. This would also have an impact on the strength of the effects on purchase preferences in general.

Kohli (2000) states that in the early beginning of Eurobarometer surveys, questions concerning identities were framed as mutually exclusive options not allowing respondents to express more than one identity at the same time. However, more recent findings suggested otherwise, and the format of the questions changed gradually (Kohli, 2000). In a more recent study Settles (2004) suggests that people can have multiple identities with which they identify in different situations. Arnett (2002) argues that due to globalization, young people around the world develop a 'bicultural identity'. In other words, people nowadays identify with their local as well as the global culture and simultaneously possess a global and local identity (Arnett, 2002). He also states that the main driver for the development of a global identity is television and internet, both of which provide exposure to global events, global culture, and both allow communication with people from other parts of the world (Arnett, 2002). Delanty (2003) states that there is no conflict between European and national identity. For example, Germans perceive the European identity as complementary to their national identity (Delanty, 2003). Therefore, it would be reasonable to expect that the European identity can be also seen as separate concept, detached from national and global identity, that would also coexist in consumers' minds next to global and local identity at the same time. This is illustrated by the statement that "individuals are likely to endorse both a local and a global culture, at least to some degree, and to have both mental frames available to them" (Reed et al., 2012, p. 314; see also Arnett, 2002). Many researchers described the global and local consumer culture as opposites along the same continuum, however Steenkamp & de Jong (2010) found in their investigation that rather than being opposing constructs, both can also coexist in consumers' minds.

Next, each identity that is relevant to this thesis will be discussed separately to provide deeper understanding of each concept.

#### 2.6.1. National identity

National identity refers to ,,the importance of national affiliation as well as the subjective significance of an inner bond with the nation" (Blank & Schmidt, 2003, p. 296). However, the literature on nationalism is scattered with imprecise and misleading conceptual definitions without much empirical support (Dekker et al., 2003). Thus, the question arises: what is a nation? Smith (1992) defines a nation as: "a named human population sharing a historical territory, common memories and myths of origin, a mass, standardized public culture, a common economy and territorial mobility, and common legal rights and duties for all members of the collectivity." (Smith, 1992, p.60). From this definition, it can be stated that national identity is a form of collective identity just like regional, supranational (e.g. European identity), and global identity (Kohli, 2000). Collective identities are characterized as more durable and sturdier than individual, more malleable identities (Smith, 1992). Tajfel (1974) stresses the importance of the creation of common bonds between members of a nation. In the past, these bonds were primarily based on race, but this is not the only kind of bonds a nation can be based on. To be more specific, Herb (1999) states that national identity is, among other requirements, highly dependent on a common territory since it provides tangible evidence of the existence of a nation. It is an artificially created entity based on commonalities of language and faith (Herb, 1999). National identity insists, as Herb (1999) puts it, that people lay they lives for the nation if faced with external threats. Nations overlap to large degree with states as we know them.

In attempt to unify the conceptualization of nationalism, Dekker et al. (2003) define nationalism as people's positive or negative attitudes towards their nation. They describe six levels of national affection with increasing intensities, nationalism being the strongest of them. This hierarchy starts with national feeling of attachment to an individual's country, followed by national liking, pride, preference, national superiority and nationalism (Dekker et al., 2003, p. 347). The development of attitudes can be divided into three separate stages. First, individuals evaluate their own experiences regarding the nation. Second, the attitudes of individuals' peers are evaluated and taken into consideration. Third, individuals evaluate their own actions and behavior concerning their own nation (Dekker et al., 2003). As the result of this process, attitudes towards one's own nation are created which then constitute the basis for development of a national identity and subsequent inclusion into individual's self-concept (Dekker et al., 2003). In

order to develop these attitudes, it is crucial that incentives to do so are present. The authors argue that the creation of national beliefs starts in early childhood with a large influence from a child's parents and continues in school where it is fostered further by education on national history. Since people generally strive to acquire positive, rather than negative attitudes, it is likely that they will move towards higher levels of national affection through continuous exposure to affirmative information about their nation (Dekker et al., 2003). Therefore, it is expected that in general individuals identify with their nations.

Although national identity consists of multiple dimensions, it is composed of separable components, such as ethnic, legal, territorial, economic and political, forming a community (Smith, 1992). For the purpose of this study, national identity is consistent with the Austrian nationality which incorporates at least four of the components mentioned previously, namely: legal, territorial, economic, and political.

#### 2.6.2. European identity

The geographical enlargement of the European Union and its gain in importance has sparked the interest of many researchers (Checkel & Katzenstein, 2011). Some of them also have focused on the corresponding European identity.

The hierarchy of positive attitudes developed by Dekker et al. (2003) can also be applied in the context of European identity. European citizens can feel different levels of emotional attachment to Europe starting with a neutral feeling of belonging to the EU followed by EU liking, EU pride, EU preference, EU superiority and European Unionalism (Dekker et al., 2003, p. 348). Based on the strength of the attachment, European identity is then included in the self-concept along with national identity (Dekker et al., 2003). According to Duchesne & Frognier (1995) the European identity builds on the basis of national identities and can be seen as a type of supra-national identity positioned somewhere between the more specific national and more abstract global identity (Jamieson, 2002). However, some components of national identity are lacking such as common language, a shared history, religion, educational system or press and media. According to Checkel & Katzenstein (2011), some researchers venture to contend that every country builds up its own specific way to identify with Europe according to its national history and basic values.

Herz et al. (2015, p. 2) states that "countries within the EU are often treated as a group in consumers' minds" (see also Castano, Sacchi & Gries, 2003, Castano, Yzerbyt & Bourguignon, 2003). They also confirm that based on the results of a recent Eurobarometer study, people do have a European identity as well as a national identity, and that the EU is seen as a distinct brand origin (Herz et al., 2015) and superordinate entity (Stöttinger & Penz, 2011) in consumers' minds. Generally, the European identity is not in conflict with the national and/or global identity (Checkel & Katzenstein, 2011) but rather it is comprised of national and global traits and depending on the situation, these traits may or may not come into conflict with one of them becoming more salient (Kohli, 2000).

Checkel & Katzenstein (2011) go much deeper and differentiate between five ways citizens could identify with Europe since the beginning of this phenomenon. From their perspective, one can identify with superior Europe meaning that one would mainly consider only the best aspects that are associated with Europe such as technological and scientific advancements, gender equality, low level of crime and public security, education, or lifestyle (Checkel & Katzenstein, 2011). The second possible identification is with European inferiority which is the opposite of identification with superiority, mainly associated with fear of failure of Europe as a whole (Checkel & Katzenstein, 2011). The third identification, which was especially wide-spread in the 1950s and 1970s, is the one with European modernity as one of the leading areas in the world (Checkel & Katzenstein, 2011; Delanty, 2003). Fourth and oldest is the identification with European civilization which is seen as being surrounded by others and lastly, the identification with its internal diversity, implicitly assuming preference for holding multiple identities among European citizens (Checkel & Katzenstein, 2011). They also conclude that the prevailing types are civilization surrounded by others, cherishing internal variety, and European inferiority (Checkel & Katzenstein, 2011). At this point, it is clear that European identification has a long and diverse history, but the question arises, how strong the European identity is in shaping consumer preferences compared to national and global identity and which of the two is possibly closer to European identity, if at all.

A Cross-national study conducted by Hewstone (1986) showed that there are differences in the perception of the European Union between member states. The results indicated that British respondents are less enthusiastic about the European Community than Italians (Cinnirella, 1997; Hewstone, 1986) raising a question whether national and European

identities are compatible (Hewstone, 1986). This stimulated a new stream of research focusing on the relationship between European and national identity. Cinnirella (1997) investigated the compatibility of European and national identities in the UK and Italy from the perspective of SIT and SCT. The results of his investigation are twofold. Respondents from both nations did include national and European identity in their self-concepts however, in case of British people, both identities were negatively correlated whereas identities of Italian respondents were positively correlated (Cinnirella, 1997). The cause of negative correlation appears to be the perceived incompatibility of British and European identity due to negative political talk and the impact of mass media that portrayed both identities as incompatible (Cinnirella, 1997). Nevertheless, British respondents reported a stronger national identity compared to the European identity whereas Italians reported a stronger European identity than the national identity (Cinnirella, 1997) effectively supporting the argument that individuals hold multiple identities at the same time (Settles, 2004) regardless of the relative strength of each identity.

Additionally, Schild (2001) observed a decline in European identity and support for European integration chiefly in Germany, but his results did not confirm the idea that European identity should vanish in the future. He also suggested three approaches for future governance of the EU. First is the so-called state-centric approach which implies that states would assume power and control all aspects of the EU and its policy making. Under such circumstances, European identity would not be needed since individual states would be in the center of affairs (Schild, 2001). The second approach would constitute the creation of a federal state where nations would lose most of their autonomy, passing most of their functions over to the superior state. In this case, the European identity would gain importance at the expense of the national identities (Schild, 2001). The third and most probable approach is that the control would be split between the supranational European Union and its member states since every region or state has its own needs. This way, there is no definite line between roles giving the opportunity to cultivate European and national identities simultaneously (Schild, 2001). He concludes that the spread between multiple identities is not widening meaning that European, national and other regional identities coexist in peoples' minds Schild (2001).

The importance of the concept of the European Union is also underlined by the Politicization of Europe which began in the late 1980s and continued until 2007, when

the EU expanded its competences and political reach beyond its borders (Checkel & Katzenstein, 2011). An important role in shaping the European Union is played by the European parliament which is responsible for the common regulations and standardization guidelines (European parliament, 2018; European Committee for Standardization, 2018). These guidelines affect many aspects of consumers' lives from education (European Association for Quality Assurance in Higher Education, 2018), quality standards of food and other products (European parliament, 2018; European Committee for Standardization, 2018) to economic well-being of nations and individuals (European parliament, 2018). One of the results of the European Union, especially noticeable for students, is the introduction of the Erasmus program (Checkel & Katzenstein, 2011) which allows them to study abroad and experience other cultures and working environments. Moreover, the European Commission affects the job market, investment projects within Europe, internet regulations, justice and fundamental right, etc. (European Commission, 2018). European citizens are also protected by a set of basic rights which are recorded in the Charter of Fundamental Rights (EU Charter of Fundamental Rights, 2018). Moreover, the European union has its own currency, flag and a common anthem (Checkel & Katzenstein, 2011; European Union, 2018) further underlining the importance of the concept of the European Union. Needless to say that nowadays, the European Union is an important geo-political force with a major influence on global economics, politics, environment, world affairs, human rights, and trade (Checkel & Katzenstein, 2011). All the aspects mentioned previously contribute to the fact that people can effectively identify with this entity.

An interesting fact is that in an attempt foster collective feelings and attachment of European citizens to Europe, a European identity was officially declared in 1973 by the Declaration of European Identity that was signed in Copenhagen by members of European Community (Delanty, 2003)

#### **2.6.3.** Global identity

As a result of technological advancements, telecommunication, increased international travel, and the Internet, the diffusion of cultures is becoming more prominent leading to transformations of identities and the formation of new ones such as the global identity which can influence peoples' judgements and decisions (Arnett, 2002). According to

Zhang & Khare (2009), having a global identity refers to identification with the whole world. With increasing globalization, the importance of global identity increases (Usunier, 2006) and its influence on global products coming from around the world has already been thoroughly investigated. For example, Zhang & Khare (2009) have found a significant positive influence of global identity on global brands' evaluations.

Global identity is also sometimes referred to as cosmopolitan identity. Grinstein & Wathieu (2012) have found that more and more people think of themselves as cosmopolitans which in turn has an influence on their behavior and the degree to which they adapt to the global lifestyle. According to Karlberg (2008) global identity or global citizenship manifests itself by the feeling of oneness with humanity. He also expects that these feelings will become even more pronounced due to the trends toward heightened global interaction and interdependence. For instance, in a virtual experiment, Erez et al. (2013) have discovered that global identity can be enhanced not only by a direct personal experience like travelling, but also by virtual cooperation in a multicultural team. Moreover, the data taken after the experiment showed no alteration in participants' levels of local identity suggesting that both identities are not mutually exclusive and can coexist (Erez et al., 2013).

## 3. Development of research model and hypotheses

This chapter will describe the underlying model of the study and explain the main relationships within the model. Also, the corresponding hypotheses will be developed. First, it is important to mention that the focus of this research is primarily on European identity and its effect on attitudes, purchase intention price premium and the choice of products originating in different geographical regions. Second, individualism and collectivism will also be investigated to see whether they moderate the effects of European identity. Products with different origins will be used to test the hypotheses. These are products coming from Austria (domestic products), another EU country (foreign EU products), and outside of the EU (foreign non-EU products).

Since consumers can possess multiple identities at the same time (Schild, 2001; Settles, 2004), three identities will be used to predict purchase preferences. As mentioned earlier, the effects of national and global identity have already been thoroughly investigated by other researchers and their effects are well known. Therefore, to see the unique effect of European identity, the relationships will be investigated after controlling for the effects of national and global identity on product preferences.

## 3.1. Hypotheses development

The underlying assumption for this research is that consumers possess multiple identities at the same time which has been supported by other researchers (Schild, 2001; Settles, 2004). Moreover, Josiassen (2011) states that consumers will act in a manner that will reduce or avoid possible tensions between their identities and actual behavior meaning that we should be able to observe the effect of identities on consumers' purchase preferences. Additionally, Settles (2004) has found that misalignment of identities with actual behavior can lead to lower well-being and work performance. Therefore, it is expected that the same effect may occur in the case of national, European, and global identities. If one of these identities is more important to one's self-view, the preference for the corresponding product origin should also be higher in relation to other products. It has also been shown that consumers tend to evaluate identity-consistent information favorably (Zhang & Khare, 2009; see also Reed, 2004; Wheeler et al., 2005). Put simply, the stronger the identity, the higher the preference for the corresponding product origin.

Based on the literature review, the following chapter will introduce hypotheses that will be investigated. First, the effect of national and global identity will be discussed followed by the development of the hypotheses regarding European identity. Next, the moderation effect of individualism and collectivism will be investigated. A brief description of control variables follows, and lastly the chapter is concluded with the development of a conceptual model which portrays all the relationships which will be analyzed.

#### 3.1.1. Effect of national and global identity

The effects of national and global identity have been thoroughly examined in the past. Therefore, their effects on purchase behavior of consumers are well-known. Verlegh (2007) and Balabanis & Diamantopoulos (2004) have found that consumers with strong national identities do in fact prefer domestic products over global products. This has been supported later by Zhang & Khare (2009) who investigated the salience (chronic accessibility) of national identity. Their results have shown that, as consequence of higher salience of national (global) identity, domestic (global) products are preferred. To see the unique effects of European identity, which is the focal of the investigations in this thesis, global and national identities will be controlled for.

#### 3.1.2. Effect of European identity

At the time of this writing, there is little research available that delves into investigating the effect of European identity on consumption preferences directly, but there have been studies, which give us cues in what direction these effects could go. Aaker (2000) has shown in his study that high accessibility of individuals' cultural identity leads to favorable attitudes toward brands that are consistent with this cultural background. Delanty (2003) suggests that Europe may be seen as cultural form. This finding is further supported by Zhang & Khare (2009) who state that consumers evaluate identity-consistent information favorably (see also Reed, 2004; Wheeler et al., 2005). Therefore, if European identity is relatively important to an individual, we should observe positive effect on product preference of products coming from another EU country. Schweiger et al. (1995) also argue that the word Europe has positive associations in consumers' minds. Coupled with the fact that Austria joined the European Union in 1995, one would expect

that Austrian consumers have already developed a relatively strong connection between Austria and the European Union in their minds'.

According to Schild (2001), national, European, and global identities can be seen as concentric circles. This would mean that the national identity would be incorporated into the European identity and the European identity would be incorporated into the global identity in a multi-level system (Schild, 2001). He sees this approach as the most probable from theoretical and practical point of view. The idea that states would independently take over the functions of the EU as well as the creation of a federal state seem highly unrealistic (Schild, 2001). This way, all three identities can co-exist without interference, while the importance of each identity would increase or decrease depending on the situation, environment, and outside conditions (Delanty, 2003; Duchesne & Frognier, 1995; Schild, 2001).

Identities are part of individuals' self-concept (Baumeister, 1986; Reed et al., 2012; Tajfel, 1978; Tajfel & Turner, 1979). Dolich (1969) investigated the link between the self-concept and brand preference finding support for the argument that individual's selfconcept influences the subsequent brand choice. Stronger influence of self-concept has been observed for products that are consumed privately compared to products consumed publicly (Dolich, 1969). The results published by Grubb & Hupp (1968) also support this congruency between consumers' behavior and their self-concept. Further investigations of this phenomenon were carried out by Landon, Jr. (1974) who differentiated between consumers' actual self-image and ideal self-image. He reported slight differences in correlations between the two concepts and purchase intention that are dependent on product category. Nevertheless, he concludes that the general idea that self-concept affects consumers' purchase behavior holds (Landon, Jr., 1974). Individual's attitudes have also been found to be an important factor in predicting purchase behavior (Baldinger & Rubinson, 1996). In the context of brand loyalty and brand switching, Baldinger & Rubinson (1996) reported that consumers holding positive attitudes toward a specific brand were more likely to either stay loyal or switch to this brand over the course of a one-year period. This underlines the link between attitudes, purchase intention, and price premium.

Based on these insights we can argue that the stronger the European identity is, the more favorably will products with EU origin be perceived. The effect is expected to be relatively large compared to domestic and foreign non-EU products. Hence, the following hypotheses are formulated:

H1: There is a positive influence of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of foreign EU products.

Moreover, Duchesne & Frognier (1995) proposed that the EU identity integrates national as well as global elements so one would expect that EU identity would have a positive effect on attitudes and purchase intentions toward domestic products as well. The effect is expected to be weaker compared to H1 since there is no direct connection between the EU and Austria and stronger when compared to H3 since Austria is less abstract than "the rest of the world" or "humanity". Hence, the following hypotheses are formulated:

H2: There is a positive influence of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of domestic products.

Building on the same argument that the EU identity integrates both national and global elements the following set of hypotheses is developed. In this case, since "foreign non-EU" refers to the most abstract geographical area, the weakest effect is expected. Hence, the following hypotheses are formulated:

H3: There is a positive influence of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of foreign non-EU products.

Choice task implies that the respondent chooses only one preferred product. Given this fact, it is expected that European identity will have the strongest influence on the choice of foreign EU products. Therefore, the following hypotheses are constructed:

H4: As the European identity increases, consumers are more likely to choose foreign EU product over a) domestic b) foreign non-EU product.

## 3.1.3. Moderating effect of individualism and collectivism

Tajfel (1978) defines identity as part of an individual's self-concept which stems from his or her membership to social groups. Since Austria, European Union and even the whole world can be seen as distinct groups in consumers' minds (Checkel & Katzenstein, 2011; Guo, 2013; Herz et al., 2015; Jamieson, 2002) the question arises how consumers'

individualism and collectivism will moderate the effects of identities on attitudes, purchase intention, price premium, and the real choice.

Since the introduction of individualism and collectivism by Hofstede in 1980, both concepts have received considerable attention in the past and some researchers consider them to be important factors in understanding consumer behavior (Tifferet & Herstein, 2010; see also Maheswaran & Shavitt, 2000). Recently, new dimensions have been discovered on the cross-cultural level as well as within cultures (Triandis & Gelfand, 1998). Since numerous definitions exists, it is rather important to distinguish which definition will be used in this research. Triandis & Gelfand (1998) have introduced the dimensions of horizontal and vertical individualism and collectivism. They define horizontal as emphasizing equality and vertical as emphasizing hierarchy. They state that the horizontal aspects of the construct have been measured by many of the previous research studies and have been proven to work overtime, further reinforcing the decision to use horizontal individualism and collectivism since both dimension are already well established and thoroughly researched (Triandis & Gelfand, 1998).

Given the somewhat limited scope of this study collectivism and individualism are measured on the individual level within country and not on a cultural level as in the case of the original study from Hofstede (1980). To differentiate between these two levels of both constructs, some researchers have adopted the terms allocentrism and idiocentrism (Dutta-Bergman & Wells, 2002; Pekerti & Thomas, 2003; Triandis, 2001) which correspond to the dimensions of collectivism and individualism on an individual level (Triandis et al., 1988). Due to this restraint, no cultural comparisons can be made across countries, nor any conclusions can be drawn regarding differences between nations. However, Dutta-Bergman & Wells (2002) suggest that even within cultures, people vary to a large degree in their collectivistic and individualistic tendencies. Moreover, Tifferet & Herstein (2010) have stated that connection between both constructs and consumer preferences is a rather under-researched field even though its importance seems to be significant. In some cases, individualism and collectivism were more important in predicting consumer behavior than demographic variables (Tifferet & Herstein, 2010). Therefore, these moderators are worth investigating in the context of identities.

Individualism in general denotes the degree to which people favor their own goals over a group's goals whereas collectivism is the degree to which individuals favor the pursuit of

group interests and place more importance on the group's well-being than their own (Hollensen, 2017; Triandis, 1995). Put simply, individualists are primarily concerned with their own well-being and success, while collectivists feel more connection to groups and are more dependent on others (Chen, Chen & Meindl, 1998; Dutta-Bergman & Wells, 2002; Triandis, 1995). As Wagner puts it: "Collectivists look out for the well-being of the groups to which they belong, even if such actions sometimes require that personal interests be disregarded." (Wagner, 1995, p.153). It is therefore possible to argue that collectivists would be more inclined to support the European Union in pursuing its goals by purchasing domestic products and products coming from the EU in general. Some of these goals are economic growth and competitive market economy (European Union, 2018). On the other hand, individualists would purchase products that serve their own interests the best (Chen, Chen & Meindl, 1998). Additionally, Dutta-Bergman & Wells (2002) have found that the level of individualism and collectivism on the individual-level does significantly influence individuals' lifestyle. Their results have shown that people holding individualistic values are more likely to travel and seek adventure, are opinion leaders, show higher levels of innovativeness, are more likely to try out new products and ideas, have higher computer and internet usage, and prefer national brands compared to generic brands (Dutta-Bergman & Wells, 2002). Tifferet & Herstein (2010) have found a positive relationship between individualism, brand image importance, and importance of the country of origin. Moreover, Triandis (2001) states that the emerging globalization is more compatible with individualistic views.

Research has also shown that collectivists tend to be more ethnocentric than individualists (Triandis, 2001; see also Lee & Ward, 1998) who tend to more easily connect with new groups of people (Triandis et al., 1988) and are more open to other cultures (Dutta-Bergman & Wells, 2002). Therefore, it is possible to argue that collectivists would favor domestic products over foreign non-EU products. Chen, Chen & Meindl (1998) argue in their research that individualists have weaker group identities than collectivists do. Stronger European identity would therefore result in stronger attitudes and product preferences in general.

If we look at how both types of individuals define the self, collectivists use other members of in-groups as a reference point whereas individualists see themselves as more autonomous, without paying much attention to others (Chen, Chen & Meindl, 1998; see also Triandis, 1995). These individualistic tendencies are even more pronounced when

individuals are more educated (Triandis, 2001). This would, in theory, imply that collectivists would be more influenced by their in-group membership than individualists, resulting in positive attitudes towards domestic as well as products coming from another EU country. Unfortunately, there is no strong reason to argue that this would also hold for the foreign non-EU products since the degree to which people identify with the whole of humanity may be negligible in order to detect any positive interaction effect. Collectivistic cultures are also more likely to compete with other out-groups than individualistic cultures (Triandis et al., 1988) further underlining the importance of these moderators in the context of this thesis.

It is clear that both individualism and collectivism can influence the behavior and attitudes of individuals to a considerable degree (Tifferet & Herstein, 2010). However, the direction regarding European identity and attitudes toward products is somewhat ambiguous at this point and it is up to the empirical analysis to provide more insights. Nevertheless, given the available information, at the aggregate level individualism is expected to generally diminish the effect of European identity whereas collectivism is expected to strengthen the effect of European identity. Based on these insights, the following hypotheses have been developed:

H5: As the level of individualism increases, the positive effect of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of domestic products decreases.

H6: As the level of individualism increases, the positive effect of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of foreign EU products decreases.

H7: As the level of individualism increases, the positive effect of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of foreign non-EU products decreases.

H8: As the level of collectivism increases, the positive effect of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of domestic products increases.

H9: As the level of collectivism increases, the positive effect of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of foreign EU products increases.

H10: As the level of collectivism increases, the positive effect of European identity on a) attitudes, b) purchase intention, c) choice, and d) price premium of foreign non-EU products increases.

#### 3.2. Control variables

Control variables are an important component of the analysis at hand. Keeping these variables constant helps to better understand the unique relationships between the other variables being tested. In the following section, the control variables will be described and justified.

Due to the fact that the European identity builds on the basis of national identities (Duchesne & Frognier, 1995) and can be seen as a type of supra-national identity located between more specific national and more abstract global identity (Jamieson, 2002), it is clear that these three constructs can be correlated to some degree. Since this study focuses on the effects of the European identity, national and global identity will be included in the analysis as control variables in order to avoid their confounding effects.

Since identities are highly dependent on an individual's nationality, respondents' nationality will also be controlled for. This is especially important given that large a portion of the respondents may indicate various nationalities, which cannot be entirely avoided.

Finally, product typicality will also be included as a control variable that measures whether respondents perceive some of the product categories as being iconic products that are manufactured in Austria or typically consumed by Austrian consumers. If products are perceived as typical, there is a possibility that responses would be biased in favor of these products. The use of product typicality as a control variable will help us to avoid or minimize this problem.

## 3.3. Conceptual model

The underlying principle of this investigation lies in how our behavior is affected by outside forces. To understand and predict peoples' behavior, various models have been developed in the course of recent decades, one of them being incorporated in the Theory of Planned Behavior (TPB). The TPB model has been widely used due to its effectiveness in behavior (Wong, Hsu & Chen, 2018). The areas of its application range from understanding walking behavior (Sun, Acheampong, Lin & Pun, 2015), car usage in commuting (Olsson, Huck & Friman, 2018), waste separation in China (Zhang, Huang, Yin & Gong, 2015) to consumption of substandard food (Wong, Hsu & Chen, 2018). The basic rationale behind TPB is that an individual's behavior can be, to a certain degree, explained as the result of his or her intentions which are the product of attitudes, norms, and control over the behavior (Ajzen, 1991). A similar approach to TPB was adopted in the development of the conceptual model used in this research.

In social sciences, when a variable is being investigated, the following sequence applies. The variable of interest (in this case European identity) has an effect on the individual's overall disposition (attitude toward domestic products, products coming from another EU country and products coming from outside of the EU) which then reinforces the tendency to act (purchase intention of domestic products, products coming from another EU country and products coming from outside of the EU) which is then manifested in real world behavior (simulated with a choice task where the final choice that consumers would make is captured). Finally, the positive influence of European identity is expected to reflect itself onto the price that consumers are willing to pay a premium for his or her preferred choice. For an overview, see Figure 1. To support the potential findings, price premium has been measured which will then be investigated to see whether the results support our hypotheses regarding attitudes and purchase intention.

It is important to note that as the effect of European identity travels through the sequence, it usually becomes weaker. Therefore, it is expected to see weaker effects of European identity in the later stages of the sequence (i.e. purchase intention, the final choice and price premium). It may be also possible that, due to the noise in the data, the effect will be observed only in the earlier stages of the sequence and not, let's say, in the subsequent real-world behavior. This approach has been chosen since it yields the highest chance of

detecting the impact that EU identity may have on consumers. European identity will therefore be investigated on all four levels separately. For an overview, see Figure 1.

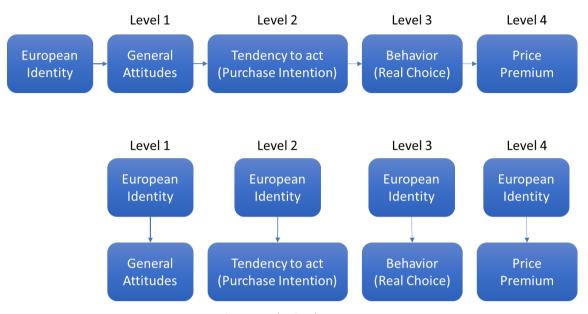


Figure 1: Behavioral sequence

In sum, a conceptual model has been developed which will test the hypothesized relationships previously developed based on the literature review (see Figure 2). Additionally, individualism and collectivism have been identified based on the literature review as potential moderators that may influence the effect of European identity on purchase preference. Therefore, these moderators will be added to the model along with nationality and product typicality as control variables. For an overview of the conceptual model, see Figure 2.

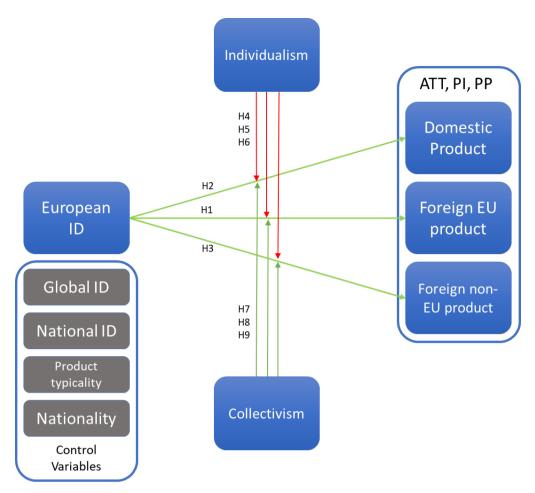


Figure 2: Conceptual model – hypothesized relationships

# 4. Methodology

This chapter provides a description of the empirical investigation conducted to test the hypotheses. Specifically, the questionnaire structure, research material, measures employed, data collection as well as the sample will be discussed in this section. Due to the novelty of the topic, secondary data already gathered by previous research could not be used to fully satisfy the needs of this research. Therefore, the decision was made to gather primary data by the means of online survey to allow for in-depth analysis. To make sure that the results are stable across different product categories, four types of questionnaires have been developed each using a different product as an example. These categories are shampoo, liquid soap, watch, and bicycle. Respondents were randomly assigned to one of these categories which offered variability and made sure that any results are not tied to one specific product category. To make sure that none of these products is strongly associated with Austria, a product typicality scale has also been included. In the following paragraphs, each construct used in the questionnaire will be described followed by an overview of the questionnaire structure and design. The chapter will continue with a brief delineation of the data collection and the whole section will conclude with a preliminary analysis of the constructs.

#### 4.1. Variables and measures

In this chapter, each construct will be discussed more in-depth to provide the reader with a better understanding of the constructs and their respective measurements. To avoid reliability and validity problems, the questionnaire was predominantly designed based on common metrics and well-established scales used successfully by other research studies in the past. If necessary, scales were adapted to better fit the purpose of the study. The questionnaire was first developed in English, then translated into German and checked by a native speaker with experience in research methodology. Minor linguistic changes had to be made to fully reflect the implicit meaning of the questions.

## 4.1.1. Product perceptions

The purpose of this part is to capture respondents' attitudes and perceptions of the product origin. As mentioned earlier, four product categories were used in the questionnaire. Bicycles and watch were selected as durables with relatively high product involvement, higher price, and neutral with regard to utilitarianism/hedonism. Signaling value is moderate. For cheaper, low involvement products, liquid soap and shampoo were chosen. Both having low signaling value and high utilitarianism value. This balanced mix of product categories increases the generalizability of the results beyond one product category.

#### Attitude measures

In order to prevent bias that may be induced by other questions, the respondents were first asked to indicate on a 7-point Likert scale (anchored by I = totally disagree and 7 = totally agree) their attitude toward the three product origins which were the focus of this study. This question was self-developed and straight-forward. Also, the order of the three questions was randomized to prevent response patterns that may have occurred.

- My overall attitude toward Austrian products is:
- My overall attitude toward foreign products coming from another EU country is:
- My overall attitude toward foreign products coming from outside of the EU is:

#### Purchase intention

The questions aiming to measure Purchase Intention have been adopted from Putrevu & Lord (1994). The three blocks consisting of three questions have been grouped by product origin and the blocks have been randomized to prevent response patterns and order bias. The position of individual questions within each block remained fixed.

- It is very likely that I will try an Austrian product (a foreign product coming from the EU, a foreign Product coming from outside of the EU).
- I would purchase an Austrian product (a foreign product coming from the EU, a foreign Product coming from outside of the EU).

• I would recommend an Austrian product (a foreign product coming from the EU, a foreign Product coming from outside of the EU).

#### Choice task

Third, in order to simulate a purchasing situation where consumers are forced to finally pick only one product, a self-developed choice task followed where respondents were asked to pick the most favorite product origin and then order the remaining two options from the second most favorite to the least favorite one. The three options offered were Austrian product, foreign product coming from another EU country and foreign product coming from outside of the EU. The order of options was also randomized. To fully familiarize the reader with the procedure, the full text of the question is included below.

"Imagine that you want to buy a shampoo. You go into the store and see a number of relevant products. Which one would you generally choose? Please indicate your choice by ranking the products (drag & drop) to the 1st, 2nd, and 3rd place, respectively from the most to the least preferred."

#### Price premium

The choice task was followed up by a question which was designed to capture the price premium that consumers would be willing to pay for their preferred product origin which would help to quantify the value that consumers perceive in the corresponding origin. The question from the questionnaire is also included below.

Based on the product preferences you indicated above:

How much (percent %) would the price of your first choice have to increase to make you switch to the second option?

#### 4.1.2. Consumer characteristics

The second part of the questionnaire aims at understanding the respondents and measuring their characteristics, such as their levels of national, European and global identity as well as their level of collectivism and individualism. At the end of this part, product typicality was added to make sure that the products' categories were not perceived as being iconic for Austria which could lead to bias towards such products.

#### Identity measures

Three blocks of questions measured the respondents' level of identification with Austria, Europe, and the whole world. The scales have been adapted from existing scales developed by Doosje et al. (1998) and Mlicki & Ellemers (1996). The three blocks consisting of four questions each have been grouped by identity and the blocks have been randomized to prevent response patterns and order bias. The position of individual questions within each block remained fixed. The respondents were asked to indicate to what extent they agree or disagree on a 7-point Likert scale (anchored by 1 = totally disagree and 7 = totally agree) with the following statements.

- I see myself as an Austrian/European/global citizen.
- I strongly identify with Austria/Europe/I feel connected to the entire world.
- I feel strong ties with *Austria/Europe/the whole world*.
- The Austrian/European/global identity is an important reflection of who I am.

#### Individualism and collectivism

To investigate the moderating effects, the following measures of horizontal individualism and collectivism were adopted from Triandis & Gelfand (1998). The respondents were asked to indicate to what extent they agree or disagree on a 7-point Likert scale (*anchored* by I = totally disagree and <math>7 = totally agree) with the following statements.

#### Horizontal individualism items:

- I'd rather depend on myself than others.
- I rely on myself most of the time; I rarely rely on others.
- I often do "my own thing."
- My personal identity, independent of others, is very important to me.

#### Horizontal collectivism items:

- If a coworker gets a prize, I would feel proud.
- The well-being of my coworkers is important to me.
- To me, pleasure is spending time with others.
- I feel good when I cooperate with others.

## 4.1.3. Product typicality and demographic information

To detect potential bias regarding product categories, a product typicality scale has been included in the questionnaire measuring whether respondents perceive some of the categories as being iconic products manufactured or consumed in Austria. If this was the case, the responses could be biased towards one or another product category and Austrian consumers would probably tend to favor the product from this iconic category over the other products. Association of one product category with Austria could also result in an increase in the salience of the Austrian identity. Therefore, product typicality will be examined at the early stages of the analysis. The scale was adapted from Spielmann (2016) and the measurement was taken on a 7-point Likert scale (anchored by 1 = totally disagree and 7 = totally agree) with the following statements:

- The product category of shampoo reflects Austria.
- I associate the product category of shampoo with the Austria.
- The product category of shampoo makes me think of Austria.
- There is a strong link between the product category of shampoo and Austria.

In the last part of the questionnaire, respondents were asked to indicate basic demographic information such as their gender, nationality, how many years they have been living in Austria, place of residence, highest education achieved, monthly income, and, finally, their age.

## 4.2. Questionnaire structure

The online questionnaire consisted of three sections and eight questions in total. To prevent bias and response patterns, the order of items within questions was randomized (more detailed overview can be seen at the end of this chapter). The majority of responses were measured with a 7-point Likert scale followed by standard demographic questions. At the very beginning, general instructions on how to fill in the questionnaire were given. Respondents were then assured about the anonymity of their responses and informed that the questionnaire should take about 8 minutes to fill in.

The first sections focused on product perceptions in general. Respondents were asked to indicate their overall attitude towards products with different origins (Austrian product, product coming from another EU country, and products coming from outside of the EU) followed by a measurement of their purchase intention toward the products. To imitate a real-world scenario where consumers would have to finally pick one of the products from an array of options usually found in supermarkets, a question was introduced where they had to rank the options according to their preference. Lastly, respondents were asked to specify a percentage of how much more expensive their most preferred option would have to be in order to make them switch to the other, less preferred option. This allows for measuring the price premium of the most preferred product origin. The second section of the questionnaire focused on measuring consumer characteristics, namely individualism/collectivism, Austrian, European, and global identities as well as product typicality. The third section recorded demographic information of the respondent such as age, gender, nationality, place of residence, level of education, and income level.

List of questions and randomization overview:

- Overall attitude toward origin fixed position, randomized order of items within each block (Austrian/global/EU origin)
- Purchase intention fixed position, randomized order of blocks
- Ranking of origin randomized presentation (left-to-right) of choice options
- Price premium fixed position, open-ended question
- Individualism/collectivism randomized items
- Austrian/European/global identity fixed position, randomized order of blocks
- Product typicality fixed position
- Demographics fixed position

## 4.3. Data collection

To investigate the hypotheses presented earlier, an online questionnaire was developed and administered to respondents living in Austria through social networks and to Robert Bosch employees through the intranet email. The data collection utilized non-probability snowball sampling technique where the first layer of respondents were contacted and then asked to further distribute the questionnaire to their acquaintances. With regards to costs and ease of use, this technique is an effective way to reach larger samples compared to other sampling procedures (Babin & Zikmund, 2016). Austria has been chosen as the country of research since it resembles countries usually targeted by marketing researchers especially in terms of GDP (i.e. Germany, United Kingdom, Japan, Denmark, and the Netherlands) and has been investigated previously in the topic of identities. If necessary, this would allow for subsequent comparison and provide a solid base for subsequent studies. The administration period of the survey was from the end of March to the beginning of May (see Figure 3). Respondents were randomly assigned to one of the four versions of the questionnaire (shampoo, liquid soap, watch, and bicycle) and the average duration of completion was under 8 minutes.

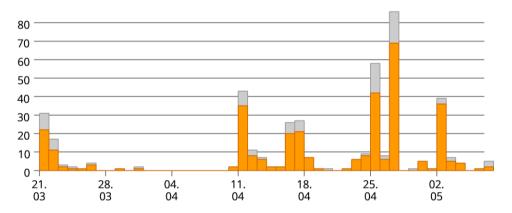


Figure 3: Questionnaire return over time

# 5. Analysis and findings

This section begins by describing the sample followed by a short discussion of the four product categories and corresponding product typicality. Since differences in perception of the individual categories were found, product typicality will be added in the subsequent analyses as a control variable. Then, the effect of European Identity will be investigated on four levels - attitudes, purchase intention, subsequent choice, and price premium by the means of a multiple regression analysis and by a multinomial logistic regression in the case of the choice task.

# 5.1. Measures of validity and reliability

To inspect whether the aforementioned items do in fact capture the concepts they are supposed to measure, a principal axis factoring (PAF) analysis was conducted on the items within each construct. Since correlations between items were expected, direct oblimin rotation has been used. The load threshold was set to 0.4 which, according to Field (2013), should be considered as the minimum load required. With the exception of individualism, which will be discussed separately, all items loaded high enough on one factor and all constructs were identified as unidimensional. Therefore, no items needed to be deleted. In all cases, the Kaiser-Meyer-Olkin (KMO) value exceeded 0.6 which is regarded as "acceptable" (Field, 2013). Bartlett's test of sphericity was statistically significant (p < .001) in all cases and the determinants were all higher than 0.00001. Eigenvalues were obtained for each construct and corresponded with the expectation that one eigenvalue should be greater than one. The assumption of multicollinearity has also been met. The percentage of variance explained by each construct identified can be seen in Table 1. The reliability of each construct was verified using Cronbach's alpha value which can range between 0 and 1. With reference to Field (2013), constructs with values over 0.7 are considered as reliable. All the constructs mentioned above exceeded this threshold.

In the case of individualism and collectivism, the results were less optimistic. The respondents, on average, indicated relatively high levels of individualism (M = 5.43, SD = .93) and collectivism (M = 5.78, SD = .91) at the same time which is surprising, since collectivism and individualism are often considered as being bipolar found on the same

continuum. Nevertheless, Triandis & Gelfand (1998) and Singelis et al. (1995) treat the constructs of vertical and horizontal individualism and collectivism as distinct constructs finding support for their discriminant validity. According to their study, it is in fact possible that individuals score high on both individualism and collectivism at the same time. The results of the PAF analysis conducted on eight items measuring collectivism and individualism using direct oblimin rotation suggest the extraction of two factors with high loadings on each factor. Only one loading (.394) was marginally below the load threshold of .4 suggested by Field (2013). The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO = .652 ('acceptable' according to Field, 2013). Bartlett's test of sphericity  $x^2$  (28) = 556.972, p < 0.001 indicates that the correlations between items were sufficiently large for PAF. Eight components had eigenvalues over Kaiser's criterion of 1 and in combination explained nearly 40% of the variance. Overall, the factor correlation matrix shows that both factors are uncorrelated. Therefore, for the following analyses, horizontal individualism and horizontal collectivism will be used as separate constructs. Given the fact that both constructs have been used successfully by other researchers, the decision has been made to use them for the analysis without any changes or removal of original items.

Construct	No. of Items	Cronbach's α	R Square	KMO
ID_National	4	0,909	73,00%	0,803
ID_EU	4	0,910	73,40%	0,809
ID_Global	4	0,926	76,37%	0,827
PI_Domestic	3	0,897	74,68%	0,746
PI_EU	3	0,908	76,93%	0,753
PI_Foreign	3	0,927	80,97%	0,757
PT	4	0,944	81,44%	0,838
IND	4	0,663	36,94%	0,650
COL	4	0,712	39,61%	0,693

Table 1: Reliability and validity of constructs

## 5.2. Preliminary analysis

A non-probability snowball sampling procedure was used to collect data for the analysis. Initial respondents were contacted through social media and asked to forward the questionnaire to their acquaintances. An effort was made to achieve a nationally representative sample of the Austrian population with respect to gender and age, but this has not been entirely achieved. In addition to this, more data was collected by the distribution of the survey link through intranet email messages in Robert Bosch, Austria. Given the topic of this thesis – national, EU, and global identities and their influence on customer behavior, one may say that only respondents with Austrian nationality should be kept for the analysis. However, the focus is primarily on the EU identity which makes it possible to include other nationalities present in the sample as well and not to eliminate additional data. Validity and comparability of the results therefore should not be affected by this decision.

A total of 421 respondents participated in the survey, however only 332 completed the whole questionnaire, indicating a response rate of around 79%. One case had to be excluded due to very fast response time and obviously false responses (nearly all responses were "1" on a 7-point Likert scale). After that, the whole data set has been checked for missing data, incomplete responses and outliers. In 3 cases, age and time living in Austria were replaced with sample average due to invalid responses (e.g. 999 years old) since, according to Field (2013), the researcher should primarily rely on his or her judgement whenever deciding whether to exclude a case or correct the data which is obviously invalid or unrealistic. Hence, the final data sheet comprised of 331 valid responses. Overall, 56.8% of the respondents were male and 43.2% female. The average age was 32.5 years with a standard deviation of 10.6. The youngest participant was 18 years old, whereas the oldest participant was 71 years old and 62.8% of the respondents are of Austrian nationality. Some of the most frequently occurring nationalities, other than Austrian, are German (7.6%), Slovak (7.6%) and Czech (5.4%). On average, non-Austrians have been living in Austria for 24.5 years. The average time needed for completion of the questionnaire was under 8 minutes.

Given the fact that the questionnaire was distributed using a snowball technique among university peers and Bosch employees in Vienna, the majority of respondents are highly educated. More specifically, 64.7% of respondents have a university degree and 27.2% of respondents finished high school (Matura or Abitur in German). In terms of income, the distribution is rather even between the categories. 30.5% of respondents fall into the 2500+ € category, 30.2% fall into 1500€-2500€, 21.5% fall into 800€ - 1499€, and 17.8% into under 800€. The average income in Austria in 2016 was about 2 360€ per month (Arbeiterkammer, 2018). Overall, one can say that the sample overrepresents well-educated and younger respondents compared to the Austrian average.

As can be seen in Table 2, 56.2% of the respondents were between 18-29 years old, 16.7% between 30-39, another 16.6% between 40-49, and the remaining 10.3% of the respondents were above 50 years old with the oldest individual being 71 years old.

Socio-Demographic Variable	Frequency	Percentage
Gender		
Male	188	56.8%
Female	143	43.2%
Nationality		
Austrian	208	62.8%
Other	123	37.2%
German	25	7.6%
Slovak	25	7.6%
Czech	18	5.4%
()		
Age		
18-19	186	56.2%
30-39	56	16.9%
40-49	55	16.6%
50+	34	10.3%
Education		
Compulsory school	2	0.6%
Diploma	25	7.6%
High school	90	27.2%

University	214	64.7%
Monthly Income		
Under 800 EUR	59	17.8%
800-1499 EUR	71	21.5%
1500-2500 EUR	100	30.2%
Over 2500 EUR	101	30.5%

Table 2: Socio-demographic sample profile (n=331)

#### Product typicality

As the first step towards the results, product typicality has been investigated to see if the respondents perceive a difference between the four product categories. As mentioned in the previous section, if this was the case, it may lead to biased responses. To compare means of the product typicality construct, a one-way ANOVA was conducted. The results showed that there was a significant difference in product typicality across the four product categories,  $F(3,327 = 9.683, p < .01, r^2 = .29$ . If necessary, product typicality will therefore be included as a control variable to adjust for these differences.

# 5.3. Relationship between domestic, European and global identity

To assess the relationships between domestic, European and global identities, Pearson's correlation was used first in order to see in which directions the variables tend to move in relation to each other. European identity and national identity do not correlate strongly, and the relationship is not significant (r = .099, n. sig = .073 > .05). Cinnirella (1997) has found a negative correlation between European and national identity suggesting that both identities are mutually exclusive among British respondents. These findings have not been supported by our analysis. On the other hand, European identity was significantly related to global identity (r = .307, sig. = .000 < .05) suggesting that both variables move in the same direction meaning that if one increases, the other tends to increase as well. Lastly, domestic identity was significantly related to global identity (r = -.157, sig. = .004 < .05). The relationship was negative, which was expected based on literature review.

Therefore, one may argue that, based on these insights, European identity is more closely related to global identity, than to domestic identity.

Descriptive statistics also showed that respondents indicated higher levels of European identity (M = 5.35) compared to national (M = 4.69) and global identity (M = 4.5). This, of course, may be due to the fact that a large portion of the sample are non-Austrian so means have also been investigated for the respondents with Austrian nationality only. The results reveal the means for each corresponding identity. Austrians scored the highest on national identity (M = 5.67) followed by European identity (M = 5.22) and global identity (M = 4.31). Interestingly Austrian citizens seems to have a relatively strong national as well as European identity with only 0.45 difference on the 7-point Likert scale compared to global identity with a 1.36 difference.

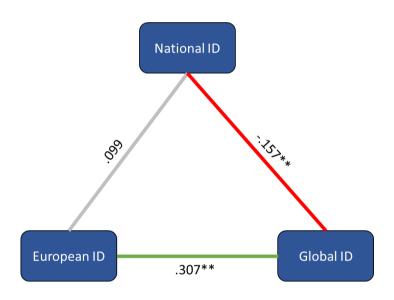


Figure 4: Pearson's correlation coefficients

## 5.4. European identity and domestic products

To test the first set of hypotheses regarding European identity and attitudes toward products with different origins, a hierarchical regression model was used. For all six regressions, the assumptions required to conduct the analysis were met (no extreme Multicollinearity – all values < 0.7, VIF < 5, Tolerances > .20; Durbin Watson test  $\approx 2$  and Homoscedasticity) allowing to proceed with the analysis, but it should be noted that there are some reasons for concern. Homoscedasticity seems "workable" and the scree plots do not represent a complete "funnel" which would indicate clear violation of the assumption but are not evenly distributed either (see Appendix B). Additionally, influential cases have been detected with Mahalanobis distances as large as 113 which is well above the maximal cut-off value of 25 suggested by Field (2013). On the other hand, influential cases have also been checked using Cook's distance which did not indicate any issues with influential cases since the highest value of 0.23 was well below the cut-off value also suggested by Field (2013). Additional analyses have been conducted where these influential cases were excluded, but there was no significant change in the results. Therefore, all cases have been included in the final analysis.

## 5.4.1. Attitudes towards domestic products

In the first model, the overall attitude towards domestic products has been investigated and therefore, has been set as a dependent variable. In the first block, control variables (global identity, national identity, nationality, and product typicality) have been added followed by European identity in the second block. In the third block, individualism and collectivism as well as their interaction with European identity have been added. Overall, the first model, where control variables have been added was statistically significant with  $R^2$  value indicating that 10.6% (sig. = .000 < .05) of the variability was predicted by the model. To see the unique effect of European identity, the corresponding variable has been added in the second model. The statistically significant  $R^2$  value showed an incremental improvement in prediction of 1.3% (sig. = .030 < .05). The results suggest that European identity is a statistically significant predictor of attitudes towards domestic products (standardized  $\beta = .125$ , sig. one-tailed = .015 < .05) supporting hypothesis H2a. In the

third step, the moderating effect of individualism and collectivism have been added to the regression. These additional variables accounted for an additional 1.6% improvement in prediction, however, the significance of the R<sup>2</sup> change has not been supported (sig. = .211 > .05). Nevertheless, it should be pointed out that individualism seems to have a non-significant negative influence on the relationship between European identity and attitudes towards domestic products. On the other hand, hypotheses H5a and H8a have not been supported by the regression analysis.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.106	.000		
ID_Global			.015	.777
ID_National			.325	.000
NAT_Dummy			.004	.959
<b>Product Typicality</b>			.002	.975
2	.119	.030		
ID_Global			-024	.667
ID_National			.280	.000
NAT_Dummy			.043	.571
Product Typicality			004	.936
ID_EU			.125	.030
3	.135	.211		
ID_Global			029	.609
ID_National			.280	.000
NAT_Dummy			.047	.535
Product Typicality			088	.875
ID_EU			.129	.026
INDIVIDUALISM			.061	.243
COLLECTIVISM			017	.760
ID_EUxIND			087	.105
ID_EUxCOL			046	.400

Table 3: Attitudes towards domestic products - hierarchical regression

## **5.4.2.** Purchase intention of domestic products

Purchase intention was investigated in the same manner with the same predictors as attitudes towards domestic products. The whole model was able to predict 9% of the total variance and was statistically significant (sig. = .000 < .05). The first block containing only control variables accounted for 2.7% of the total variance explained but was not statistically significant (sig. = .058 > .05). After adding the European identity to the model, the percentage of variance explained by the model increased to 3.3% (sig. = .049)

< .05). However, the EU identity did not seem to contribute to the overall model (standardized  $\beta$  = .085, sig. one-tailed = .078 > .05). Therefore, hypothesis H2b could not be supported by the results. After including the moderator variables, the whole model was able to explain 9% of the variance (sig. = .000 < .05). The moderating effect of individualism was significant, negatively influencing the relationship between European identity and purchase intention of domestic products (standardized  $\beta$  = -.110, sig. one-tailed = .024). Hypothesis H5b was therefore supported by the results. Hypothesis H8b was not supported since the moderating effect of collectivism was not significant (standardized  $\beta$  = .038, sig. one-tailed = .252 > .05).

Model	R Square	Sig. F Change	Stand. β	p-value
1	.027	.058		
ID_Global			.008	.891
ID_National			.109	.156
NAT_Dummy			.028	.718
<b>Product Typicality</b>			.103	.065
2	.033	.156		
ID_Global			019	.744
ID_National			.078	.326
NAT_Dummy			.054	.492
Product Typicality			.099	.077
ID_EU			.085	.156
3	.090	.001		
ID_Global			042	.466
ID_National			.058	.457
NAT_Dummy			.030	.698
Product Typicality			.090	.099
ID_EU			.066	.268
INDIVIDUALISM			.044	.415
COLLECTIVISM			.211	.000
ID_EUxIND			110	.047
ID_EUxCOL			.038	.504

Table 4: Purchase intention of domestic products - hierarchical regression

# 5.5. European identity and foreign EU products

The following analysis focuses on products with European origin and supports the argument that European identity is a statistically significant predictor of both attitudes and purchase intentions of these products.

## 5.5.1. Attitudes towards foreign EU products

Following the regression design from the previous analysis, attitudes have been investigated in the next hierarchical regression. The overall model composition remained the same and as a whole, the model was able to explain 9.4% of the total variance (sig. = .000 < .05). The first block containing control variables explained 4% of the variance (sig. = .002 < .05) and after the inclusion of European identity, the predictive capability of the model increased to 6.7% (sig. = .000 < .05) explaining an additional 3% of the variance. The results show that European identity is a significant predictor of positive attitudes towards products coming from another EU country (standardized  $\beta = .190$ , sig. one-tailed = .000 < .05) thus, hypothesis H1a has been supported. The subsequent inclusion of moderators did not reveal any significant results and insights and therefore hypotheses H6a and H9a could not be supported.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.051	.002		
ID_Global			.207	.000
ID_National			026	.735
NAT_Dummy			043	.572
Product Typicality			003	.959
2	.081	.001		
ID_Global			.148	.010
ID_National			094	.225
NAT_Dummy			.016	.832
Product Typicality			012	.826
ID_EU			.190	.001
3	.094	.325		
ID_Global			.139	.016
ID_National			097	.214
NAT_Dummy			.006	.936
Product Typicality			017	.749
ID_EU			.182	.002
INDIVIDUALISM			.057	.286
COLLECTIVISM			.078	.163
ID_EUxIND			055	.314
ID_EUxCOL			.006	.914

Table 5: Attitudes towards foreign EU products - hierarchical regression

## 5.5.2. Purchase intention of foreign EU products

Next, purchase intention has been analyzed using the same model as the previous analyses. The results show that European identity has a significant positive effect on purchase intention of foreign EU products (standardized  $\beta$  = .195, sig. one-tailed = .000 < .05). The model explained 8.2% of the variance (sig. = .000 < .05) while the first block accounted for 3.4% (sig. = .004 < .05), the second block, after inclusion of European identity accounted for 7.7% (sig. = .000 < .05) meaning a 3.1% improvement in the total amount of variance with a significant R<sup>2</sup> change (sig. = .001 < .05). Therefore, hypothesis H1b has found support in the analysis while, like in the previous case, the inclusion of the moderating effects of individualism and collectivism did not reveal any significant results and therefore hypotheses H6b and H9b remain unsupported.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.046	.004		
ID_Global			.130	.019
ID_National			156	.040
NAT_Dummy			.015	.844
Product Typicality			039	.480
2	.063	.001		
ID_Global			.069	.231
ID_National			226	.004
NAT_Dummy			.076	.327
Product Typicality			048	.375
ID_EU			.195	.001
3	.082	.030		
ID_Global			.057	.316
ID_National			227	.004
NAT_Dummy			.053	.492
Product Typicality			057	.291
ID_EU			.182	.002
INDIVIDUALISM			.082	.125
COLLECTIVISM			.139	.013
ID_EUxIND			066	.227
ID_EUxCOL			.061	.274

Table 6: Purchase intention of foreign EU products - hierarchical regression

# 5.6. European identity and foreign non-EU products

This part investigates the effects that European identity has on attitudes and purchase intention of products coming from foreign non-EU countries. No statistically significant results have been found.

## 5.6.1. Attitudes towards foreign non-EU products

Subsequently, attitudes towards foreign non-EU products have been added to the analysis with the following results. Overall the three blocks in the model were able to explain 11.9% of the total variance (sig. = .000 < .05). The first block with control variables explained 9.4% of the variance (sig. = .000 < .05). Surprisingly, the inclusion of European identity in the second block did not improve the prediction capability of the model at all. European identity, based on these findings, does not appear to positively influence the attitudes towards foreign non-EU products (standardized  $\beta$  = .009, sig. one-tailed = .441 < .05). The subsequent inclusion of moderators in the analysis also did not reveal any significant results. The standardized betas of the variables of interest were also very small. Therefore, hypotheses H3a, H7a and H10a have not been supported.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.094	.000		
ID_Global			.245	.000
ID_National			148	.046
NAT_Dummy			.008	.910
<b>Product Typicality</b>			061	.255
2	.094	.883		
ID_Global			.242	.000
ID_National			151	.050
NAT_Dummy			.011	.885
Product Typicality			062	.253
ID_EU			.009	.883
3	.119	.061		
ID_Global			.246	.000
ID_National			133	.085
NAT_Dummy			005	.953
Product Typicality			069	.199
ID_EU			005	.926
INDIVIDUALISM			.141	.008
COLLECTIVISM			.061	.272
ID_EUxIND			.039	.469
ID_EUxCOL			.024	.669

Table 7: Attitudes towards foreign non-EU products - hierarchical regression

# 5.6.2. Purchase intention of foreign non-EU products

The final regression analysis model investigated the effects of European identity and the moderating effects of individualism and collectivism on the purchase intention of foreign non-EU products. The model was statistically significant (sig. = .000 < .05) while explaining the largest percentage of variance so far -13.7% but most of this variance, precisely 10%, was explained by the control variables in the first block. The addition of European identity to the model increased the percentage by only 0.2%. The variable did not significantly impact the purchase intention of products coming from outside of the EU (standardized  $\beta$  = .053, sig. one-tailed = .179). Adding the moderating effect of individualism and collectivism did not reveal any statistically significant results neither. Therefore, hypotheses H3b, H7b and H10b could not be supported.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.100	.000		
ID_Global			.155	.004
ID_National			258	.000
NAT_Dummy			.063	.394
<b>Product Typicality</b>			123	.022
2	.102	.358		
ID_Global			.138	.015
ID_National			278	.000
NAT_Dummy			.079	.296
Product Typicality			126	.019
ID_EU			.053	.358
3	.137	.012		
ID_Global			.139	.014
ID_National			262	.001
NAT_Dummy			.057	.448
Product Typicality			135	.011
ID_EU			.035	.550
INDIVIDUALISM			.150	.005
COLLECTIVISM			.107	.052
ID_EUxIND			.030	.571
ID_EUxCOL			.042	.437

Table 8: Purchase intention of foreign non-EU products - hierarchical regression

# 5.7. European identity and actual choice

The inclusion of choice task in the questionnaire allowed for additional investigation of what product individuals would choose if they were faced with the choice of multiple products with differing origins. In this task, in order to simulate a real purchasing situation, consumers were asked to pick the most desirable product with three product origin options. The options offered were Austrian product, foreign product coming from another EU country, and foreign product coming from outside of the EU. The analysis revealed that 62.8% of the respondents picked Austrian product origin as their favorite, 30.2% picked foreign EU product and the remaining 6.9% picked foreign non-EU product. Multinomial logistic regression analysis was then applied to see, whether consumers are more likely to choose one product origin over another under the influence of European identity. The results show that as European identity increases, consumers are nearly 26% more likely to choose product coming from another EU country in relation to domestic product (sig. one-tailed = .019 < .05). Therefore, hypothesis H4a is supported

by the analysis. This finding is also consistent with the hypotheses H1a and H1b that European identity has a positive influence on attitudes and purchase intention of products coming from another EU country. The influence of collectivism was significant. More specifically, the findings suggest that under the influence of collectivism, consumers are nearly 30% less likely to choose product coming from outside of the EU in relation to domestic product (sig. one-tailed = .039 < .05). Due to the nature of the choice task, this, on one hand, indirectly supports the hypothesized relationship that collectivism positively moderates the effect of European identity on domestic product origin but, on the other hand, goes against the hypothesized effect that collectivism positively moderates the relationship between European identity and products coming from outside of the EU. The results do not allow to make any other conclusions regarding the choice between domestic and foreign non-EU products since the results are non-significant. H4b is therefore rejected. This may be due to a small number of respondents that picked foreign non-EU product as their preferred choice. More detailed results can be seen in Table 12.

			95% CI	l for Odds Ratio	)
	B (SE)	p-value	Lower	Odds Ratio	Upper
EU vs. Domestic product					
ID_Domestic	267 (0.101)	.008	.628	.766	.934
ID_Foreign	.052 (0.090)	.560	.884	1.054	1.256
ID_EU	.229 (0.111)	.039	1.011	1.257	1.563
IND	.061 (0.146)	.675	.799	1.063	1.415
COL	231 (0.152)	.129	.589	.794	1.069
NAT_Dummy=.00	.491 (1.256)	.696	.139	1.635	19.159
NAT_Dummy=1.00	379 (1.327)	.775	.051	.685	9.231
ID_EUxIND	024 (0.127)	.849	.761	.976	1.252
ID_EUxCOLL	.109 (0.106)	.303	.907	1.115	1.371
Foreign vs. Domestic Prod	uct				
ID_Domestic	473 (0.171)	.006	.445	.623	.871
ID_Foreign	.149 (0.155)	.337	.856	1.160	1.572
ID_EU	005 (0.163)	.973	.723	.995	1.368
IND	054 (0.235)	.817	.598	.947	1.501
COL	149 (0.251)	.554	.527	.862	1.410
NAT_Dummy=.00	.627 (2.148)	.770	.028	1.871	126.095
NAT_Dummy=1.00	.017 (2.181)	.994	.014	1.017	73.116
ID_EUxIND	.124 (0.204)	.544	.759	1.132	1.687
ID_EUxCOLL	356 (0.203)	.079	.471	.701	1.043

Note: R Square = .529 (Cox & Snell), .595 (Nagelkerke), Model X Square (18) = 249.30, p < .001

Table 9: Choice task - multinomial regression

## 5.8. Price premium

For the analysis of the price premium, a one-way ANOVA was used to ascertain whether there are differences in the willingness to pay a higher premium for a specific product origin compared to others. The Hochberg's GT2 post-hoc test is recommended, when sample sizes are very different (Field, 2013) which is the case. Levene's test Results of the ANOVA showed that there was no statistically significant difference in average price premium that consumers are willing to pay across the three product origins F (2,328) = 0.435, p = .335 > .05. Even though not significant, the results are still interesting. Respondents indicated that they are willing to pay, on average, 32% more for Austrian products, 28.29% more for products coming from outside of the EU and finally, only 23% more for products coming from the EU indicating that the most desirable products are those coming from Austria followed by foreign non-EU products and EU products. This may suggest that the EU is not perceived as favorably as the rest of the world regarding product origin, which goes somewhat in the opposite direction than was originally expected. But once again, this is only a speculation since the analysis did not reveal any significant results.

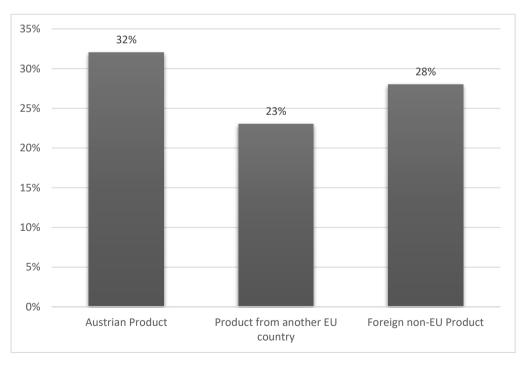


Figure 5: Price premium

To test the hypotheses regarding price premium, a hierarchical regression model was used to see whether European identity has an influence on the price premium that consumers are willing to pay for products with different origin. In this model, the moderation effects of individualism and collectivism have been assessed as well. For all three regressions, the assumptions required to conduct the analysis were met (no extreme Multicollinearity – all values < 0.7, VIF < 5, Tolerances > .20; Durbin Watson test  $\approx 2$  and Homoscedasticity) allowing to proceed with the analysis. Control variables have been kept the same. Namely, national identity, global identity, nationality, and product typicality have been controlled for. The data set was split into three parts according to the respondents' product choice.

The first regression analysis investigated the price premium consumers are willing to pay for domestic products. In the first block, control variables (global identity, national identity, nationality and product typicality) have been added followed by European identity in the second block. In the third block, individualism and collectivism as well as their interaction with European identity have been added. The first model including control variables was not statistically significant with an R<sup>2</sup> value indicating that 4% (sig. = .079 > .05) of the variability was predicted by the model. The unique effect of European identity was assessed in the second block, but its contribution to the model was not significant (standardized  $\beta$  = -.044, sig. one-tailed = .291 > .05) suggesting that European identity does not positively influence the price premium that consumers are willing to pay for domestic products. Therefore, hypothesis H2c had to be rejected. In the third block, the moderating effect of individualism and collectivism were added to the analysis. The results imply that individualism significantly moderates the relationship between European identity and the price premium that consumers are willing to play for domestic products (standardized  $\beta$  = -.175, sig. one-tailed = .007 < .05). Therefore, hypothesis H5c is supported. This third model was able to significantly explain an additional 6.8% of the variance (sig. = .005 < .05). Hypothesis H8c was not supported. For a more detailed overview, see Table 9.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.040	.079		
ID_Global			175	.013
ID_National			.086	.348
NAT_Dummy			130	.156
Product Typicality			.000	.998
2	.042	.581		
ID_Global			157	.041
ID_National			.104	.287
NAT_Dummy			144	.130
Product Typicality			.002	.981
ID_EU			044	.581
3	.110	.005		
ID_Global			190	.013
ID_National			.066	.496
NAT_Dummy			157	.099
Product Typicality			011	.872
ID_EU			030	.708
INDIVIDUALISM			003	.963
COLLECTIVISM			.157	.031
ID_EUxIND			175	.013
ID_EUxCOL			058	.410

Table 10: Price premium and domestic product choice – hierarchical regression

The second analysis investigated the price premium consumers would be willing to pay for foreign EU products. In the first block, control variables were added and explained 5.3% of the variance in the sample, but the results were not statistically significant (sig. = .267 > .05). European identity in the second block did not show a statistically significant effect on consumers' willingness to pay price premium (standardized  $\beta$  = .150, sig. one-tailed = .084 > .05). Therefore, hypothesis H1c had to be rejected. The analysis of moderation effects of individualism and collectivism also do not support hypotheses H6c and H9c. For a more detailed overview, see Table 10.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.053	.267		
ID_Global			.075	.463
ID_National			140	.278
NAT_Dummy			034	.795
Product Typicality			.118	.257
2	.072	.167		
ID_Global			.037	.727
ID_National			186	.163
NAT_Dummy			016	.903
Product Typicality			.103	.324
ID_EU			.150	.167
3	.079	.957		
ID_Global			.030	.781
ID_National			186	.173
NAT_Dummy			015	.913
Product Typicality			.104	.328
ID_EU			.118	.317
INDIVIDUALISM			.001	.989
COLLECTIVISM			.051	.657
ID_EUxIND			.008	.939
ID_EUxCOL			060	.615

Table 11: Price premium and foreign EU product choice – hierarchical regression

The last regression analysis looks at the relationship between European identity and the price premium that consumers would be willing to pay for foreign non-EU products. Once again, the same structure has been used to assess the corresponding hypotheses. The first block containing control variables accounted for 57.7% of the variance explained and was statistically significant (sig. = .003 > .05). The unique effect of European identity was assessed in the second block, but its contribution to the model was not significant (standardized  $\beta$  = -.118, sig. one-tailed = .458 > .05) suggesting that European identity does not positively influence price premium that consumers are willing to pay for foreign non-EU products. Therefore, hypothesis H3c had to be rejected. The inclusion of moderating effects of collectivism and individualism did not reveal any significant effects. Therefore, hypotheses H7c and H10c were rejected. For a more detailed overview, see Table 11.

Model	R Square	Sig. F Change	Stand. β	p-value
1	.577	.003		
ID_Global			207	.207
ID_National			.010	.958
NAT_Dummy			270	.171
Product Typicality			.626	.001
2	.590	.485		
ID_Global			193	.250
ID_National			011	.957
NAT_Dummy			220	.296
Product Typicality			.634	.001
ID_EU			.118	.458
3	.680	.484		
ID_Global			280	.147
ID_National			039	.853
NAT_Dummy			053	.826
Product Typicality			.706	.002
ID_EU			.325	.226
INDIVIDUALISM			058	.788
COLLECTIVISM			.405	.151
ID_EUxIND			.113	.712
ID_EUxCOL			428	.192

Table 12: Price premium and foreign non-EU product choice – hierarchical regression

# **5.9.** Summary of findings

The results of the hypotheses are summarized in Table 13. European identity seems to have the strongest influence in case of products coming from another EU country followed by attitudes towards domestic products. However, it should be noted that this was not tested formally and therefore, it cannot be said that these results are statistically grounded.

H1a: There is a positive influence of European identity on attitudes of foreign EU products.	Sig. $(\beta = .190;$ $p = .000)$
H1b: There is a positive influence of European identity on purchase intention of foreign EU products.	Sig. $(\beta = .195;$ $p = .000)$
H1c: There is a positive influence of European identity on price premium of foreign EU products.	n.s.
H2a: There is a positive influence of European identity on attitudes of domestic products.	Sig. $(\beta = .125;$ p = .015)
H2b: There is a positive influence of European identity on purchase intention of domestic products.	n.s.
H2c: There is a positive influence of European identity on price premium of domestic products.	n.s.
H3a: There is a positive influence of European identity attitudes of foreign non-EU products.	n.s.
H3b: There is a positive influence of European identity on purchase intention of foreign non-EU products.	n.s.
H3c: There is a positive influence of European identity on price premium of foreign non-EU products.	n.s.
H4a: As the European identity increases, consumers are more likely to choose foreign EU product over domestic product.	Sig. (p = .019 < .05)
H4b: As the European identity increases, consumers are more likely to choose foreign EU product over foreign non-EU product.	n.s.

H5a: As the level of individualism increases, the positive effect of European identity on attitudes of domestic products decreases.	n.s.
H5b: As the level of individualism increases, the positive effect of	Sig. $(\beta =110;$
European identity on purchase intention of domestic products decreases.	p = .024)
H5c: As the level of individualism increases, the positive effect of	Sig. $(\beta =175;$
European identity on price premium of domestic products decreases.	p = .007)
H6a: As the level of individualism increases, the positive effect of European identity on attitudes of foreign EU products decreases.	n.s.
H6b: As the level of individualism increases, the positive effect of European identity on purchase intention of foreign EU products decreases.	n.s.
H6c: As the level of individualism increases, the positive effect of European identity on price premium of foreign EU products decreases.	n.s.
H7a: As the level of individualism increases, the positive effect of European identity on attitudes of foreign non-EU products decreases.	n.s.
H7b: As the level of individualism increases, the positive effect of European identity on purchase intention of foreign non-EU products decreases.	n.s.
H7c: As the level of individualism increases, the positive effect of European identity on price premium of foreign non-EU products decreases.	n.s.
H8a: As the level of collectivism increases, the positive effect of European identity on attitudes of domestic products increases.	n.s.
H8b: As the level of collectivism increases, the positive effect of European identity on purchase intention of domestic products increases.	n.s.
H8c: As the level of collectivism increases, the positive effect of European identity on price premium of domestic products increases.	n.s.
H9a: As the level of collectivism increases, the positive effect of European identity on attitudes of foreign EU products increases.	n.s.
H9b: As the level of collectivism increases, the positive effect of European identity on purchase intention of foreign EU products increases.	n.s.

H9c: As the level of collectivism increases, the positive effect of European identity on price premium of foreign EU products increases.	n.s.
H10a: As the level of collectivism increases, the positive effect of European identity on attitudes of foreign non-EU products increases.	n.s.
H10b: As the level of collectivism increases, the positive effect of European identity on purchase intention of foreign non-EU products increases.	n.s.
H10c: As the level of collectivism increases, the positive effect of European identity on price premium of foreign non-EU products increases.	n.s.

Table 13: Summary of findings

### 6. Discussion and conclusion

It has been shown by previous research that it is in fact possible for an individual to have multiple identities at the same time (e.g. Settles, 2004) and the findings of this analysis generally support this viewpoint. Extensive body of research exists with a focus on global and local identity supporting their relevance in the marketing context, however European identity received relatively limited attention so far. Hence, the aim of this thesis was to deepen the understanding and to fill the existing gap in the research of location-based identities and to extend the knowledge by investigating European identity which can be viewed, to some degree, as a mixture of national and global identity including traits of both.

This study has supported the argument that in European countries, the identity also has an impact on consumer's purchase behavior regarding products with different origins. The first two regression analyses showed that European identity enhances the attitudes towards Austrian products in general, but the effect has not been observed in case of purchase intention of Austrian products. This may be due to the fact that the effect first manifests itself on the attitudes and then travels further through the sequence to purchase intention, getting weaker at each step. Analyses number three and four confirmed that European identity positively influences both attitudes as well as purchase intentions of products coming from another EU country. The results suggest that European identity accounts for 3.1% (attitudes towards products coming from another EU country) and 1.7% (purchase intention of products coming from another EU country) of the total variance explained in the dataset. This may seem like a negligible portion, but the results of multinomial regression analysis conducted on the choice task confirm that as European identity increases, people are more likely (about 25%) to choose products coming from another EU country compared to domestic products which goes in line with the findings of Pearson's correlation analysis that European identity is more reminiscent of global identity than national identity. It has been observed a significant correlation between European and global identity whereas no correlation has been detected between European and domestic identity.

Moreover, the analysis of moderation effects of individualism and collectivism shows that under the influence of individualism there is a negative effect of European identity on purchase intention of domestic products. The same results have been observed in the case of consumers' willingness to pay a price premium for domestic products where individualism negatively impacted this relationship. It is also worth mentioning that individualism seems to negatively impact the relationship between European identity and attitudes towards domestic products, even though the results were marginally not significant. As for collectivism, no statistically significant results have been observed throughout the analysis.

## **6.1.** Theoretical implications

In the recent years, many researchers have delved into the topic of location-based identities as well as social identities. However, some of these studies assumed global and national identity to be bipolar constructs even though more recent findings suggest that these identities can coexist in consumers' mind (Reed et al., 2012; Settles, 2004; Tajfel, 1978) and complement each other. The results at hand contradict the bipolar view of identities and support the new complementary perspective.

This thesis was among the first studies to look into all three identities at the same time investigating primarily European identity while controlling for the other two identities to see its unique effects. The goal was to fill the gap that exists in the literature on location-based identities, which to some degree has been achieved. European identity, as well as global and national identities, seems to be an important part of consumers' product evaluation process and therefore should receive more attention from scholars in the future. Most of the findings are consistent with previous research, but the hypothesized positive effect of European identity on foreign non-EU products has not been confirmed even though the literature review suggested otherwise. However, it should be noted that the amount of variance explained by European identity was in most cases rather low. This suggests that there are multiple factors influencing the decision-making process, but given the research design, the results should be stable across different product categories.

For the very first time, individualism has been shown to be an important moderator of the effect of European identity, especially in the context of domestic products. The research at hand has shown that under the influence of individualism, consumers are less likely to purchase domestic products and pay less of a premium for product of a domestic origin as the result of their European identity. This may be due to the individual's tendencies to consider mainly his or her own well-being without focusing much on the groups'

interests. (Chen, Chen & Meindl, 1998; Dutta-Bergman & Wells, 2002; Triandis, 1995) It can be argued that the price-performance ratio is relatively more important to individualists than it is to collectivists. Therefore, consumers' individualism should be added to the marketing literature as an important factor influencing our behavior. In light of these findings, consumer individualism may also be an important factor for ethnocentric consumers who generally prefer domestic over foreign products. Individualism may mitigate these ethnocentric tendencies to some degree which may provide valuable insight for further theoretical development and for understanding the relationship of the constructs.

Another interesting contribution is the finding that European identity correlates significantly with global identity but did not correlate with national identity, while correlation between national and global identities was negative. This may imply that European identity resembles global identity more than national identity even though Duchesne & Frognier (1995) proposed that European identity includes traits of both. It also means that identities are flexible rather than permanent and interact with each other in a dynamic way (Delanty, 2003).

## **6.2.** Managerial implications

Interesting implications may be drawn based on the findings of this thesis. In a way, European identity can be seen as a next step towards global products. European companies emphasizing their global image may consider the inclusion of traits invoking European origin in their advertising to collect the benefits of European product origin by consumers whose European identity is relatively salient and central. It has been shown by the results that the more prominent this identity is, the more likely consumers are to choose products coming from the EU. Since European and global identities correlate positively with each other, it may be possible to reap the benefits of both at the same time without the downsides that may arise when using only one. It has been shown by previous research that perceived brand globalness positively affects purchase likelihood for less ethnocentric consumers mainly due to higher perceived quality of products (Steenkamp et al., 2003). Brands utilizing this strategy may also consider positioning their products as products with European origin which therefore may constitute a way of how to connect

with a less globalized audience which may carry negative attitudes towards globalization or ethnocentric tendencies.

It has been shown that consumers favor brands that are consistent with their identity (Reed, 2004; Wheeler et al., 2005) and that products made in the EU signal a higher quality (Diamantopoulos et al., 2017). Moreover, Miller (2012) reported that younger people tend to identify with Europe more than older generations. Our sample also indicated relatively high levels of European identity among Austrians compared to national and global identity so one would expect this trend to continue in the future. In light of the findings, it would make sense to utilize "Made in EU" label more often since it can serve as complementary strategy to already existing ones. On the other hand, consumers seem to be willing to pay relatively less money for products coming from another EU country suggesting that this may not be the most profitable strategy to follow, but it should also be noted that these results were not significant and therefore, the price premium of European products should be a subject of further analysis in the future.

Another implication relevant for managers of domestic products would be the results that European identity impacts the attitudes towards domestic products positively. More specifically, triggering European identity while consumers are deciding between multiple product origins could help to increase sales of domestic brands. Therefore, marketing executives could investigate the possibility of including cues that invoke Europe feelings through, for example, packaging or advertising campaigns. One option would be to add the European Union flag or even "Made in EU" label in the description of the product. In theory, this should translate into increased purchase intention and subsequent purchase behavior. Such labeling would also help to emphasize the quality and positive environmental regulations that products manufactured in the EU have to comply with (European Committee for Standardization, 2018). Some of these positive effects have been also discussed by Diamantopoulos et al. (2017). Nevertheless, this option should be carefully assessed since some countries have a very good reputation (e.g. Germany in electronics) and the use of such labeling could prevent the benefits of the Country of Origin effects (Diamantopoulos & Zeugner-Roth, 2010; Herz & Diamantopoulos, 2012).

The results also indicate that when targeting more individualistic individuals, caution should be exercised since a negative interaction effect has been observed regarding European identity and individualism. In line with expectations, individualism decreases

the positive effects on European identity on the purchase intention of domestic products. It is also worth mentioning, that the negative influence on the positive relationship between European identity and attitudes towards domestic products was marginally not significant further reinforcing the relevance of this implication.

Also, there are multiple implications for pricing strategies since consumers' willingness to pay a price premium for domestic products has been shown to be negatively moderated by consumers' individualism. Since respondents generally hold all identities at the same time, this finding suggests that revenue streams from individualistic consumers would be generally lower than from a more collectivistic target audience. Since the analysis investigated price premium which is relative to other products that are generally available, one possible solution to reduce the impact of individualism would be the use of a market penetration strategy where lower prices would be charged compensated by higher sales volumes. The use of a market skimming strategy should not be regarded as a preferable strategy if there is a reason to believe that the target audience is relatively individualistic in nature. While these findings apply to our Austrian sample, it is important to mention that Austria scores somewhat moderately on Hofstede's individualism-collectivism scale compared to other European countries (Hofstede, 1980). Therefore, it is expected that these implications would be even more so applicable to countries that score higher on individualism than Austria (e.g. Denmark, Germany or United Kingdom). In any case, consumers' individualism and collectivism seem to be a key factor and therefore, managers of domestic brands are advised to first investigate the level of individualism among consumers before considering the use of cues emphasizing the European origin of their products. Individual's level of collectivism on the other hand may be helpful for local brands to fight global competition. Under the influence of collectivism, consumers are less likely to choose product coming from outside of the EU compared to domestic products. More specifically, managers facing global competition would be advised incorporate traits emphasizing the European origin of the product.

It is also worth mentioning that given the use of multiple product categories in this research, these results and implications should be relevant across categories.

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

This research is one of the first studies to include multiple location-based identities at the same time and offer some interesting insight for future research. It is however, now without its limitations and pitfalls.

Through the use of the snowball data collection technique, the sample included a large percentage of non-Austrians being present in the sample even though the collection was conducted in Austria. This may have resulted in noise and bias in the data and it can be said that the sample is not representative of the Austrian population. The exclusion of non-Austrians from the data set was not feasible since the sample size would be too small threatening the accuracy of the research.

Given the fact that this study is a so-called single-site study, comparison to other countries is very limited. Therefore, the findings may be misleading and biased (Craig & Douglas, 2005). The European union is associated with diversity and varying opinions towards Europe (Checkel & Katzenstein, 2011). It cannot be expected that French or Germans would have the same attitudes as Czechs or Bulgarians. In fact, Hewstone (1986) observed stronger European identity than national identity among Italians whereas the opposite seemed to apply to British citizens. The results are expected to vary between countries and subsequent research may find different relationships and effect strengths. Therefore, the implications found based on present findings are limited to some degree and it is up to future research to find to what degree it is so.

The next limitation is the fact that the models developed for the analysis did not fit the data well, all of the regression analyses did explain on average about 10% of the variance which is rather low. The rest remains unexplained. There has also been a possible violation of some of the assumptions required for the analysis. The homoscedasticity assumption seems "workable". The scree plots do not represent a complete "funnel" which would indicate a clear violation of the assumption, but there are reasons for concerns. Additionally, influential cases have been detected with Mahalanobis distances as large as 113 which is well above the maximal cut-off value of 25 suggested by Field (2013). On the other hand, influential cases have also been checked using Cook's distance which did not indicate any issues with influential cases since the highest value of 0.23 was well below the cut-off value also suggested by Field (2013). Additional analyses have

been conducted where these influential cases were excluded, but there was no significant change in the results. These analyses are not reported in the study. Therefore, it has been decided to keep these cases and carry on with the original analysis as intended. It should therefore be noted that due to potential presence of influential cases, the results may not be generalizable to the whole population (Field, 2013).

Lastly, only about 7% of the respondents have chosen foreign non-EU product in the choice task. Even though the Hochberg's GT2 post-hoc test that accounts for unequal sample sizes has been chosen, the results of the ANOVA analysis have not been significant even though, on average, we can see clear differences in the price premium that consumers are willing to pay for the corresponding product origin.

Future research investigating this topic should strive to develop a better model that would fit the data more. The inclusion of different variables along with European identity should increase the predictive power. In general, however, European identity alone accounted for a relatively small percentage of variance explained. Maybe, it would be worthwhile to explore better methods to measure this variable subsequently yielding better results. It might also be possible that even though European identity does influence our behavior, the effects account for a fraction of the total aggregate of variables. This may be the result of a relatively low identification with Europe among Austrian citizens (Checkel & Katzenstein, 2011). It would be interesting to see if replication studies conducted in other European countries would yield similar results. Future research should strive to identify additional variables that may influence the effects of European identity in order to develop a better model that would explain more variance in the data than the models at hand. It would also be interesting, particularly for marketing purposes, to see if European and global identity overlap and whether they can be used interchangeably. Another direction that future studies could take is to investigate to what degree European identity is similar or dissimilar to global and national identity.

As mentioned earlier, the results suggest that, on average, consumers are willing to pay less for products coming from the EU compared to domestic and global products. This would be an interesting and very important topic which would be worth exploring in the further studies. Our results came out as nonsignificant, but the question arises, whether "Made in EU" really is worth less than other labels?

### 7. References

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# 8. Appendix

## Appendix A – Questionnaire



Univ.-Prof. DDr. Diamantopoulos Chair of International Marketing Department of Business Administration Oskar-Morgenstern-Platz 1, 1090 Vienna

The following survey is conducted by the Chair of International Marketing, University of Vienna, and looks into consumers' characteristics and general product attitudes. The questionnaire is anonymous, serves no commercial intent, and all relevant information is only used for academic purposes.

1

Completion of the questionnaire takes less than 8 minutes and your participation is very valuable to us.

#### Please note:

- Read the questions carefully and follow the instructions.
- There are no right or wrong answers. We are only interested in your personal opinion.
- All information will be used anonymously and you will not be identified at any point.
- . There is no time constraint. Please take your time to fill in the questionnaire.

Thank you for your participation!



Univ.-Prof. DDt. Diamantopoulos Chair of International Marketing Department of Business Administration Oskar-Morgenstern-Platz 1, 1090 Vienna

ng from Foreign shampoo coming from outside
have to increase to make you switch to the second

Self-developed measure of price premium



#### Part 1: Product impression

The following questions explore consumers' overall attitudes and preferences about products of different origin.

Please, read the questions carefully and respond to each one of them according to your own personal beliefs.

1. Please indicate your overall attitude towards the following product origins	Neg	ative			- 1	itive	
My overall attitude toward Austrian products is:	1	2	3	4	5	6	7
My overall attitude toward foreign products coming from another EU country is:	1	2	3	4	5	6	7
My overall attitude toward foreign products coming from outside of the EU is:	1	2	3	4	5	6	7

Self-developed measure of attitudes

<ol><li>Please indicate the extent to which you disagree/agree with the following statement about Shampoo.</li></ol>	2000000	illy igree				totali agree	
It is very likely that I will try a foreign shampoo coming from outside of the EU.	1	2	3	4	5	6	7
I would purchase a foreign shampoo coming from outside of the EU.	1	2	3	4	5	6	7
I would recommend foreign shampoo coming from outside of the EU.	1	2	3	4	5	6	7
It is very likely that I will try an Austrian shampoo.	1	2	3	4	5	6	7
I would purchase an Austrian shampoo.	1	2	3	4	5	6	7
I would recommend an Austrian shampoo.	1	2	3	4	5	6	7
It is very likely that I will try a foreign shampoo coming from another EU country.	1	2	3	4	5	6	7
I would purchase a foreign shampoo coming another EU country.	1	2	3	4	5	6	7
I would recommend foreign shampoo coming from another EU country.	1	2	3	4	5	6	7

Domestic Product Preferences, adapted from Putreyu & Lord (1994), AVE=.889; CR=.959
Foreign Product Preferences, adapted from Putreyu & Lord (1994), AVE=.908; CR=.967
EU Product Preferences – self-developed and adapted accordingly



Univ.-Prof DDz. Diamantopoulos Chair of International Marketing Department of Business Administration Oskar-Morgenstern-Platz 1, 1090 Vienna

#### Part 2: Consumer characteristics

This part does not focus on products, but rather on consumers. Specifically, it looks into how different people think of themselves and how they think of different purchase behaviors.

Please, read the instructions carefully and respond to each question according to your own personal beliefs.

5. To which extent do you agree or disagree with the following statements?	totally disagree						totally agree				
I'd rather depend on myself than others.	1	2	3	4	5	6	7				
I rely on myself most of the time; I rarely rely on others.	1	2	3	4	5	6	7				
I often do "my own thing."	1	2	3	4	5	6	7				
My personal identity, independent of others, is very important to me.	1	2	3	4	5	6	7				
If a coworker gets a prize, I would feel proud.	1	2	3	4	5	6	7				
The well-being of my coworkers is important to me.	1	2	3	4	5	6	7				
To me, pleasure is spending time with others.	1	2	3	4	5	6	7				
I feel good when I cooperate with others.	1	2	3	4	5	6	7				

Triandis, H. C. & Gelfland, M. J. (1998). Converging measurement of horizontal and vertical individualism and collectivism. Journal of Personality and Social Psychology, 74, 118-128.

6. To which extent do you agree or disagree with the following statements? totally disagree							lly se
I see myself as a Austrian.	1	2	3	4	5	6	7
I strongly identify with Austria.	1	2	3	4	5	6	7
I feel strong ties with Austria.	1	2	3	4	5	6	7
The Austrian identity is an important reflection of who I am.	1	2	3	4	5	6	7



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History involves a steady improvement in human welfare.	1	2	3	4	5	6	7	8	9
We are experiencing a decline in the quality of life.	1	2	3	4	5	6	7	8	9
Steady growth in GNP has brought increased human happiness.	1	2	3	4	5	6	7	8	9
Modern business constantly builds a better tomorrow.	1	2	3	4	5	6	7	8	9

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<ol> <li>In the following block, we are interested in your personal opinion about the product category of shampoo.</li> </ol>	totally disagree					total agre	
The product category of shampoo reflects Austria.	1	2	3	4	5	6	7
I associate the product category of shampoo with the Austria.	1	2	3	4	5	6	7
The product category of shampoo makes me think of Austria.	1	2	3	4	5	6	7
There is a strong link between the product category of shampoo and Austria.	1	2	3	4	5	6	7

Adapted from Spielmann, N. (2015), "Is it all or nothing? Testing schema congruity and typicality for products with country origin," Journal of Business Research, http://dx.doi.org/10.1016/j.jbusres.2015.08.028.





I see myself as a European.	1	2	3	4	5	6	7
I strongly identify with Europe.	1	2	3	4	5	6	7
I feel strong ties with Europe.	1	2	3	4	5	6	7
The European identity is an important reflection of who I am.	1	2	3	4	5	6	7
I see myself as a global citizen.	1	2	3	4	5	6	7
I feel connected to the entire world.	1	2	3	4	5	6	7
I feel strong ties with the whole world.	1	2	3	4	5	6	7

National Identity, adapted from Doosie et al. (1998) and Mlicki & Ellemers (1996), AVE=.688; CR=.867 EU identity, adapted from Doosie et al. (1998) and Mlicki & Ellemers (1996), AVE=.709; CR=.829 Global Identity, adapted from Doosie et al. (1998) and Mlicki & Ellemers (1996), AVE=.773; CR=.910

7. To which extent do you agree or disagree with the following statements?	totally disagree				total agre				
Austrian people should not buy foreign products because it harms local economy and increases unemployment.	1	2	3	4	5	6	7		
Buying foreign products is not right because jobs are being lost.	1	2	3	4	5	6	7		
A true Austrian should only buy Austrian products.	1	2	3	4	5	6	7		
Even if I had to pay more, I would buy Austrian products.	1	2	3	4	5	6	7		
We should buy Austrian products, otherwise we make others rich.	1	2	3	4	5	6	7		



To which extent do you agree or disagree with the following statements?	totally disagr					tota.	655
We should buy products made from outside of Austria to help other countries prosper and grow.	1	2	3	4	5	6	7
It is our obligation as Austrian citizens to buy products from other countries to help their people avoid poverty.	1	2	3	4	5	6	7
Buying Austrian products over products made elsewhere hurts the global economy and causes unemployment beyond our boundaries.	1	2	3	4	5	6	7

Consumer Xenocentrism (CXENO) items
Prince, M, Davies, MAP, Cleveland, M et al. (1 more author) (2016) Here, there and everywhere: a study of consumer centrism. International Marketing Review, 33 (5). pp. 715-754. ISSN 0265-1335 <a href="https://doi.org/10.1108/IMR-06-2014-0205">https://doi.org/10.1108/IMR-06-2014-0205</a>

Traditional	1	2	3	4	5	6	7	Modern
Religious	1	2	3	4	5	6	7	Science-oriented
Conventional	1	2	3	4	5	6	7	Alternative

Koch, A., Imhoff, R., Dotsch, R., Unkelbach, C., & Alves, H. (2016). The ABC of stereotypes about groups: Agency/socioeconomic success, conservative-progressive beliefs, and communion. Journal Of Personality And Social Psychology, 110(5), 675-709. doj: 10.1037/pspa0000046

10. To which extent do you agree or disagree with the following statements?	totally disagr		totally agree						
They don't make products like they used to.	1	2	3	4	5	6	7	8	9
Things used to be better in the good old days.	1	2	3	4	5	6	7	8	9
Products are getting shoddier and shoddier.	1	2	3	4	5	6	7	8	9
Technological change will insure a brighter future.	1	2	3	4	5	6	7	8	9



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## Part 3: Demographic information

Gender:	• Male	• Female		
Nationality:	Austrian	Other (indicate):		
How many years have you been living in Austria?	years			
Place of Residence:	• City	• Rural area		
Highest level of education attained:	• compulsory school	Apprenticeship / diploma	Higher school certificate	• University or college degree
Income (€/Month):	• Less than 800€	● 800-1499€	• 1500-2500€	More than 2500€

Thank you very much for your participation in this survey!

# Appendix B – SPSS Output

# Purchase intention of domestic products – hierarchical regression

			Coeffici	ents <sup>a</sup>						
	Unsta	ndardized	Standardized						Collinea	rity
	Coe	fficients	Coefficients			Co	rrelation	IS	Statisti	cs
						Zero-				
Model	В	Std. Error	Beta	t	Sig.	order	Partial	Part	Tolerance	VIF
1 (Constant)	4.754	.351		13.553	.000					
ID_Foreign	.007	.050	.008	.137	.891	009	.008	.008	.969	1.032
ID_Domestic	.084	.059	.109	1.422	.156	.131	.078	.078	.512	1.954
NAT_Dummy	.084	.232	.028	.362	.718	.091	.020	.020	.509	1.965
PT	.110	.060	.103	1.849	.065	.105	.102	.101	.964	1.037
2 (Constant)	4.468	.404		11.060	.000					
ID_Foreign	017	.053	019	327	.744	009	018	-	.869	1.150
								.018		
ID_Domestic	.060	.061	.078	.983	.326	.131	.054	.054	.474	2.110
NAT_Dummy	.164	.238	.054	.689	.492	.091	.038	.038	.480	2.082
PT	.106	.060	.099	1.776	.077	.105	.098	.097	.962	1.040
ID_EU	.087	.061	.085	1.423	.156	.092	.079	.078	.827	1.210
3 (Constant)	4.800	.407		11.796	.000					
ID_Foreign	038	.052	042	730	.466	009	041	-	.859	1.165
								.039		
ID_Domestic	.045	.060	.058	.744	.457	.131	.042	.040	.463	2.160
NAT_Dummy	.091	.234	.030	.388	.698	.091	.022	.021	.474	2.111
PT	.097	.058	.090	1.653	.099	.105	.092	.088	.958	1.043
ID_EU	.067	.060	.066	1.109	.268	.092	.062	.059	.807	1.240
Zscore:	.064	.079	.044	.816	.415	.056	.046	.043	.978	1.023
INDIVIDUALISM										
Zscore:	.309	.082	.211	3.745	.000	.237	.205	.199	.897	1.114
COLLECTIVISM										
ID_EU_x_zIND	144	.072	110	-1.992	.047	117	110	-	.933	1.072
								.106		
ID_EU_x_zCOL	.041	.062	.038	.668	.504	041	.037	.036	.892	1.121

a. Dependent Variable: PI\_Domestic

#### Model Summary<sup>d</sup>

						01 0					
		R	Adjusted R	Std. Error of	R Square	Change Statistics  R Square F Sig. F					
Model	R	Square	Square	the Estimate	Change		df1	df2	Change	Durbin- Watson	
1	.166ª	.027	.016	1.45389	.027	2.302	4	326	.058		
_											
2	.183 <sup>b</sup>	.033	.019	1.45162	.006	2.024	1	325	.156		
3	.300c	.090	.064	1.41749	.056	4.959	4	321	.001	1.895	

- a. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

d. Dependent Variable: PI\_Domestic

#### **ANOVA**<sup>a</sup>

		1				
M	odel	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.462	4	4.866	2.302	.058 <sup>b</sup>
	Residual	689.102	326	2.114		
	Total	708.565	330			
2	Regression	23.728	5	4.746	2.252	.049°
	Residual	684.836	325	2.107		
	Total	708.565	330			
3	Regression	63.585	9	7.065	3.516	.000d
	Residual	644.979	321	2.009		
	Total	708.565	330			

- a. Dependent Variable: PI\_Domestic
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- d. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

# Purchase intention of products coming from another EU country – hierarchical regression

			Coeffici	entsª						
	Unsta	ndardized	Standardized						Collinea	rity
	Coe	fficients	Coefficients			Coi	rrelation	IS	Statisti	cs
						Zero-				
Model	В	Std. Error	Beta	t	Sig.	order	Partial	Part	Tolerance	VIF
1 (Constant)	5.457	.333		16.407	.000					
ID_Foreign	.112	.048	.130	2.359	.019	.150	.130	.128	.969	1.032
ID_Domestic	115	.056	156	-2.063	.040	168	114	-	.512	1.954
NAT Dummy	.043	.220	.015	107	.844	109	.011	.112	500	1 065
NAT_Dummy								.011		1.965
PT	040	.057	039	707	.480	041	039	.038	.964	1.037
2 (Constant)	4.831	.378		12.786	000			.036		
ID_Foreign	.059	.050	.069	1.201		.150	.066	064	869	1.150
ID_Domestic	167	.057		-2.921			160	.001		2.110
ID_Domestic	107	.057	220	-2.921	.004	100	100	.156	.474	2.110
NAT_Dummy	.219	.223	.076	.982	.327	109	.054		.480	2.082
PT	050	.056	048	889	.375	041	049	-	.962	1.040
								.047		
ID_EU	.190	.057	.195	3.325	.001	.180	.181	.177	.827	1.210
3 (Constant)	4.996	.386		12.955	.000					
ID_Foreign	.049	.049	.057	1.003	.316	.150	.056	.053	.859	1.165
ID_Domestic	167	.057	227	-2.926	.004	168	161	-	.463	2.160
								.154		
NAT_Dummy	.153	.222	.053	.688	.492	109	.038	.036	.474	2.111
PT	059	.055	057	-1.059	.291	041	059	-	.958	1.043
	470	0.55	400	0.404		400	474	.056	007	1 0 10
ID_EU	.178	.057	.182	3.101		.180	.171			1.240
Zscore:	.115	.075	.082	1.539	.125	.106	.086	.081	.978	1.023
INDIVIDUALISM _										
Zscore:	.195	.078	.139	2.495	.013	.135	.138	.132	.897	1.114
COLLECTIVISM	000	000	000	4.040	207	050	007		000	4.070
ID_EU_x_zIND	083	.069	066	-1.210	.221	053	067	.064	.933	1.072
ID_EU_x_zCOL	.064	.058	.061	1.095	.274	.005	.061		.892	1.121

a. Dependent Variable: PI\_EU

Model Summary<sup>d</sup>

		R	Adjusted R	Std. Error of	R Square	F			Sig. F	Durbin-
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson
1	.214ª	.046	.034	1.37836	.046	3.898	4	326	.004	
2	.278 <sup>b</sup>	.077	.063	1.35758	.031	11.056	1	325	.001	
3	.328c	.107	.082	1.34344	.030	2.719	4	321	.030	1.963

- a. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

d. Dependent Variable: PI\_EU

**ANOVA**<sup>a</sup>

M	odel	Sum of Squares	df	Mean Square	F	Sig.							
1	Regression	29.619	4	7.405	3.898	.004b							
	Residual	619.358	326	1.900									
	Total	648.978	330										
2	Regression	49.996	5	9.999	5.425	.000°							
	Residual	598.981	325	1.843									
	Total	648.978	330										
3	Regression	69.625	9	7.736	4.286	.000 <sup>d</sup>							
	Residual	579.352	321	1.805									
	Total	648.978	330										

- a. Dependent Variable: PI\_EU
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- d. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

# Purchase intention of products coming from outside of the ${\ensuremath{EU}}$ - hierarchical regression

			Coeffici	entsª						
	Unsta	ndardized	Standardized						Collinea	rity
	Coe	fficients	Coefficients			Co	rrelation	S	Statisti	CS
						Zero-				
Model	В	Std. Error	Beta	t	Sig.	order	Partial	Part	Tolerance	VIF
1 (Constant)	5.191	.409		12.682	.000					
ID_Foreign	.170	.059	.155	2.901	.004	.180	.159	.152	.969	1.032
ID_Domestic	241	.069	258	-3.519	.000	245	191	.185	.512	1.954
NAT_Dummy	.231	.271	.063	.853	.394	127	.047	.045	.509	1.965
PT	161	.070	123	-2.307	.022	134	127	- .121	.964	1.037
2 (Constant)	4.974	.472		10.534	.000					
ID_Foreign	.152	.062	.138	2.451	.015	.180	.135	.129	.869	1.150
ID_Domestic	259	.071	278	-3.636	.000	245	198	.191	.474	2.110
NAT_Dummy	.292	.278	.079	1.047	.296	127	.058		.480	2.082
PT	164	.070	126	-2.351	.019	134	129	.124		1.040
ID_EU	.066	.071	.053	.921	.358	.045	.051		.827	1.210
3 (Constant)	5.095	.480		10.604	.000					
ID_Foreign	.152	.061	.139	2.477	.014	.180	.137	.128	.859	1.165
ID_Domestic	245	.071	262	-3.438	.001	245	188	- .178	.463	2.160
NAT_Dummy	.210	.277	.057	.760	.448	127	.042	.039	.474	2.111
PT	176	.069	135	-2.547	.011	134	141	.132	.958	1.043
ID_EU	.043	.071	.035	.599	.550	.045	.033	.031	.807	1.240
Zscore: INDIVIDUALISM	.266	.093	.150	2.854	.005	.167	.157	.148	.978	1.023
Zscore: COLLECTIVISM	.190	.097	.107	1.954	.052	.080	.108	.101	.897	1.114
ID_EU_x_zIND	.048	.085	.030	.567	.571	.031	.032	.029	.933	1.072
ID_EU_x_zCOL	.057	.073	.043	.778	.437	.025	.043	.040	.892	1.121

a. Dependent Variable: PI\_Foreign

#### Model Summary<sup>d</sup>

						Change Statistics					
		R	Adjusted R	Std. Error of	R Square	F			Sig. F	Durbin-	
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson	
1	.316ª	.100	.089	1.69650	.100	9.035	4	326	.000		
2	.320b	.102	.088	1.69689	.002	.848	1	325	.358		
3	.370°	.137	.113	1.67384	.035	3.253	4	321	.012	1.988	

- a. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

d. Dependent Variable: PI\_Foreign

#### **ANOVA**<sup>a</sup>

М	odel	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	104.020	4	26.005	9.035	.000 <sup>b</sup>
	Residual	938.261	326	2.878		
	Total	1042.281	330			
2	Regression	106.462	5	21.292	7.395	.000°
	Residual	935.819	325	2.879		
	Total	1042.281	330			
3	Regression	142.918	9	15.880	5.668	.000 <sup>d</sup>
	Residual	899.363	321	2.802		
	Total	1042.281	330			

- a. Dependent Variable: PI\_Foreign
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- d. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

# Attitudes towards domestic products - hierarchical regression

### Coefficients

Coefficients										
Unstandardized			Standardized				Collinearity			rity
Coefficients		Coefficients			Correlations		Statistics			
						Zero-				
Model	В	Std. Error	Beta	t	Sig.	order	Partial	Part	Tolerance	VIF
1 (Constant)	5.486	.221		24.813	.000					
ID_Foreign	.009	.032	.015	.283	.777	036	.016	.015	.969	1.032
ID_Domestic	.164	.037	.325	4.435	.000	.325	.239	.232	.512	1.954
NAT_Dummy	.008	.146	.004	.052	.959	.224	.003	.003	.509	1.965
PT	.001	.038	.002	.032	.975	.016	.002	.002	.964	1.037
2 (Constant)	5.211	.254		20.550	.000					
ID_Foreign	014	.033	024	431	.667	036	024	.022	.869	1.150
ID_Domestic	.142	.038	.280	3.699	.000	.325	.201	.193	.474	2.110
NAT_Dummy	.085	.150	.043	.567	.571	.224	.031	.030	.480	2.082
PT	003	.037	004	081	.936	.016	004	.004	.962	1.040
ID_EU	.084	.038	.125	2.182	.030	.140	.120		.827	1.210
3 (Constant)	5.216	.261		19.999						
ID_Foreign	017	.033	029	513		036	029	.027	.859	1.165
ID_Domestic	.142	.039	.280	3.666	.000	.325	.200	.190	.463	2.160
NAT_Dummy	.093	.150	.047	.622	.535	.224	.035	.032	.474	2.111
PT	006	.037	008	157	.875	.016	009	.008	.958	1.043
ID_EU	.086	.039	.129	2.230	.026	.140	.124	.116	.807	1.240
Zscore: INDIVIDUALISM	.059	.051	.061	1.171	.243	.039	.065	.061	.978	1.023
Zscore: COLLECTIVISM	016	.053	017	306	.760	.076	017	.016	.897	1.114
ID_EU_x_zIND	075	.046	087	-1.624	.105	103	090	.084	.933	1.072
ID_EU_x_zCOL	033	.039	046	843	.400	088	047	.044	.892	1.121

a. Dependent Variable: ATT\_Domestic

#### Model Summary<sup>d</sup>

		R	Adjusted R	Std. Error of	R Square F				Sig. F	Durbin-
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson
1	.325ª	.106	.095	.91639	.106	9.649	4	326	.000	
2	.345 <sup>b</sup>	.119	.105	.91116	.013	4.759	1	325	.030	
3	.367°	.135	.110	.90853	.016	1.470	4	321	.211	2.152

- a. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- $\hbox{c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:}\\$
- $INDIVIDUALISM, Zscore: \ COLLECTIVISM, ID\_EU\_x\_zCOL$
- d. Dependent Variable: ATT\_Domestic

#### **ANOVA**<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.413	4	8.103	9.649	.000b
	Residual	273.768	326	.840		
	Total	306.181	330			
2	Regression	36.365	5	7.273	8.760	.000°
	Residual	269.817	325	.830		
	Total	306.181	330			
3	Regression	41.219	9	4.580	5.549	.000 <sup>d</sup>
	Residual	264.962	321	.825		
	Total	306.181	330			

- a. Dependent Variable: ATT\_Domestic
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- d. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

# Attitudes towards products coming from another EU country – hierarchical regression

			Coeffici	entsa						
	Standardized						Collinearity			
Coefficients		Coefficients			Correlations		IS	Statistics		
						Zero-				
Model	В	Std. Error	Beta	t	Sig.	order	Partial	Part	Tolerance	VIF
1 (Constant)	4.792	.281		17.070	.000					
ID_Foreign	.152	.040	.207	3.779	.000	.218	.205	.204	.969	1.032
ID_Domestic	016	.047	026	339	.735	088	019	.018	.512	1.954
NAT_Dummy	105	.186	043	566	.572	092	031	.031	.509	1.965
PT	002	.048	003	051	.959	.010	003	.003	.964	1.037
2 (Constant)	4.275	.319		13.396	.000					
ID_Foreign	.108	.042	.148	2.587	.010	.218	.142	.138	.869	1.150
ID_Domestic	059	.048	094	-1.215	.225	088	067	.065	.474	2.110
NAT_Dummy	.040	.188	.016	.212	.832	092	.012		.480	2.082
PT	010	.047	012	220	.826	.010	012	.012		1.040
ID_EU	.157	.048	.190	3.250	.001	.223	.177	.173	.827	1.210
3 (Constant)	4.373	.329		13.299	.000					
ID_Foreign	.102	.042	.139	2.427	.016	.218	.134	.129	.859	1.165
ID_Domestic	061	.049	097	-1.245	.214	088	069	.066	.463	2.160
NAT_Dummy	.015	.189	.006	.081	.936	092	.004	.004	.474	2.111
PT	015	.047	017	321	.749	.010	018	.017	.958	1.043
ID_EU	.150	.049	.182	3.079	.002	.223	.169	.164	.807	1.240
Zscore:	.068	.064	.057	1.068	.286	.072	.060	.057	.978	1.023
INDIVIDUALISM										
Zscore: COLLECTIVISM	.093	.067	.078	1.397	.163	.110	.078	.074	.897	1.114
ID_EU_x_zIND	059	.058	055	-1.008	.314	058	056	.054	.933	1.072
ID_EU_x_zCOL	.005	.050	.006	.108	.914	046	.006	.006	.892	1.121

a. Dependent Variable: ATT\_EU

# Model Summary<sup>d</sup>

						Change Statistics					
		R	Adjusted R	Std. Error of	R Square	F			Sig. F	Durbin-	
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson	
1	.226ª	.051	.040	1.16346	.051	4.399	4	326	.002		
2	.285b	.081	.067	1.14676	.030	10.563	1	325	.001		
3	.307°	.094	.069	1.14558	.013	1.168	4	321	.325	1.964	

- a. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

d. Dependent Variable: ATT\_EU

#### **ANOVA**<sup>a</sup>

M	odel	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.818	4	5.955	4.399	.002b
	Residual	441.287	326	1.354		
	Total	465.106	330			
2	Regression	37.709	5	7.542	5.735	.000°
	Residual	427.396	325	1.315		
	Total	465.106	330			
3	Regression	43.843	9	4.871	3.712	.000 <sup>d</sup>
	Residual	421.263	321	1.312		
	Total	465.106	330			

- a. Dependent Variable: ATT\_EU
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- d. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

# Attitudes towards products coming from outside of the $\mathrm{EU}$ -hierarchical regression

			Coeffici	entsª						
	Unsta	ndardized	Standardized						Collinea	rity
	Coe	fficients	Coefficients			Coi	rrelation	IS	Statisti	CS
						Zero-				
Model	В	Std. Error	Beta	t	Sig.	order	Partial	Part	Tolerance	VIF
1 (Constant)	3.812	.344		11.078	.000					
ID_Foreign	.225	.049	.245	4.567	.000	.264	.245	.241	.969	1.032
ID_Domestic	116	.058	148	-2.007	.046	183	110	.106	.512	1.954
NAT_Dummy	.026	.227	.008	.113	.910	125	.006	.006	.509	1.965
PT	067	.059	061	-1.141	.255	057	063	.060	.964	1.037
2 (Constant)	3.782	.397		9.517	.000					
ID_Foreign	.222	.052	.242	4.272	.000	.264	.231	.226	.869	1.150
ID_Domestic	118	.060	151	-1.968	.050	183	109	-	.474	2.110
								.104		
NAT_Dummy	.034	.234	.011		.885		.008	.008		2.082
PT	067	.059	062	-1.145	.253	057	063	.060	.962	1.040
ID_EU	.009	.060	.009	.147	.883	.060	.008	.008	.827	1.210
3 (Constant)	3.821	.407		9.393	.000					
ID_Foreign	.226	.052	.246	4.347	.000	.264	.236	.228	.859	1.165
ID_Domestic	104	.060	133	-1.729	.085	183	096	.091	.463	2.160
NAT_Dummy	014	.234	005	059	.953	125	003	-	.474	2.111
								.003		
PT	075	.058	069	-1.287	.199	057	072	.067	.958	1.043
ID_EU	006	.060	005	093	.926	.060	005	.005	.807	1.240
Zscore: INDIVIDUALISM	.210	.079	.141	2.660	.008	.149	.147		.978	1.023
Zscore: COLLECTIVISM	.091	.082	.061	1.100	.272	.056	.061	.058	.897	1.114
ID_EU_x_zIND	.052	.072	.039	.725	.469	.028	.040	.038	.933	1.072
ID_EU_x_zCOL	.026	.061	.024	.428	.669	.008	.024	.022	.892	1.121

a. Dependent Variable: ATT\_Foreign

#### Model Summary<sup>d</sup>

					,					
						Change Statistics				
		R	Adjusted R	Std. Error of	R Square	F			Sig. F	Durbin-
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson
1	.307ª	.094	.083	1.42601	.094	8.461	4	326	.000	
2	.307b	.094	.080	1.42815	.000	.022	1	325	.883	
3	.345°	.119	.094	1.41709	.025	2.274	4	321	.061	1.953

- a. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

d. Dependent Variable: ATT\_Foreign

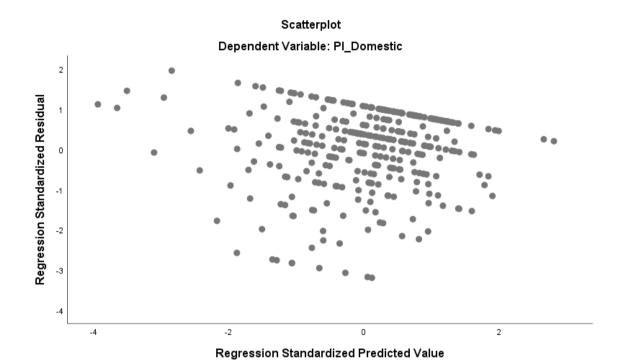
# **ANOVA**<sup>a</sup>

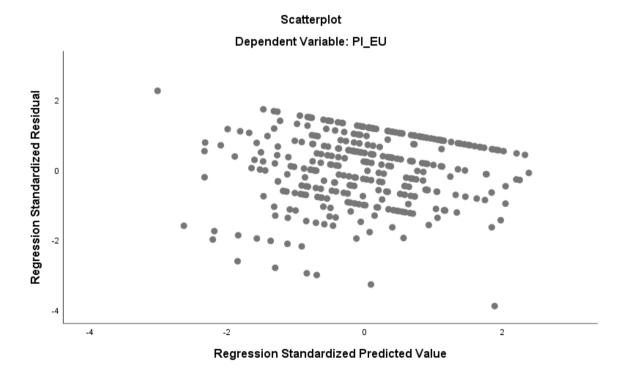
M	odel	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	68.825	4	17.206	8.461	.000b
	Residual	662.921	326	2.034		
	Total	731.746	330			
2	Regression	68.869	5	13.774	6.753	.000°
	Residual	662.877	325	2.040		
	Total	731.746	330			
3	Regression	87.134	9	9.682	4.821	.000 <sup>d</sup>
	Residual	644.612	321	2.008		
	Total	731.746	330			

- a. Dependent Variable: ATT\_Foreign
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- d. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

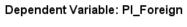
INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

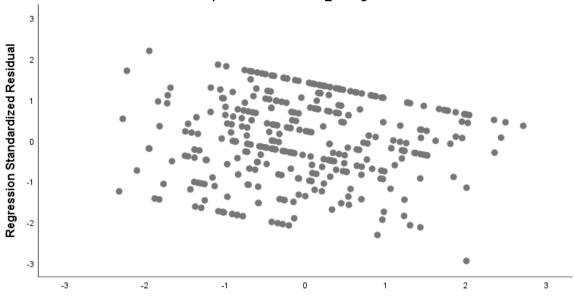
# **Hierarchical regressions - Scatterplots (Homoscedasticity)**







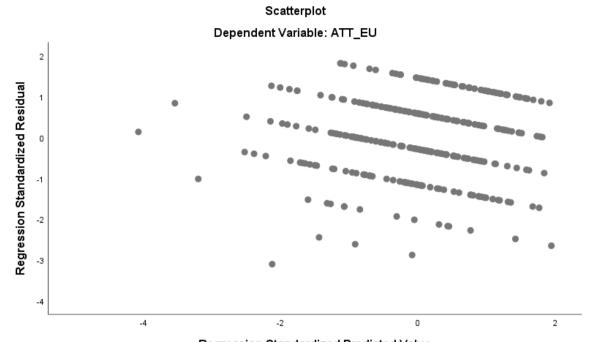




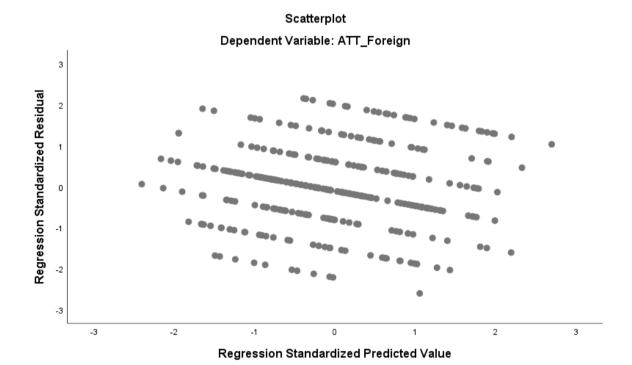
# Regression Standardized Predicted Value

# Scatterplot Dependent Variable: ATT\_Domestic 2 4 -3 -2 -1 0 1 2

Regression Standardized Predicted Value







# **Choice task – multinomial logistic regression**

	Pa	rame	ter Est	imate	es				
								95% Confide	ence Interval
								for Ex	kp(B)
			Std.					Lower	Upper
CH_Task <sup>a</sup>		В	Error	Wald	df	Sig.	Exp(B)	Bound	Bound
EU Product	ID_Domestic	.267	.101	6.941	1	.008	.766	.628	.934
	ID_Foreign	.052	.090	.339	1	.560	1.054	.884	1.256
	ID_EU	.229	.111	4.249	1	.039	1.257	1.011	1.563
	IND	.061	.146	.175	1	.675	1.063	.799	1.415
	COL	.231	.152	2.310	1	.129	.794	.589	1.069
	[NAT_Dummy=.00]	.491	1.256	.153	1	.696	1.635	.139	19.159
	[NAT_Dummy=1.00]	.379	1.327	.082	1	.775	.685	.051	9.231
	Zscore: ID_EU * Zscore: INDIVIDUALISM	.024	.127	.036	1	.849	.976	.761	1.252
	Zscore: ID_EU * Zscore: COLLECTIVISM	.109	.106	1.062	1	.303	1.115	.907	1.371
Global Product	ID_Domestic	.473	.171	7.644	1	.006	.623	.445	.871
	ID_Foreign	.149	.155	.920	1	.337	1.160	.856	1.572
	ID_EU	.005	.163	.001	1	.973	.995	.723	1.368
	IND	.054	.235	.054	1	.817	.947	.598	1.501
	COL	.149	.251	.350	1	.554	.862	.527	1.410
	[NAT_Dummy=.00]	.627	2.148	.085	1	.770	1.871	.028	126.095
	[NAT_Dummy=1.00]	.017	2.181	.000	1	.994	1.017	.014	73.116
	Zscore: ID_EU * Zscore: INDIVIDUALISM	.124	.204	.368	1	.544	1.132	.759	1.687
	Zscore: ID_EU * Zscore: COLLECTIVISM	.356	.203	3.077	1	.079	.701	.471	1.043

a. The reference category is: Austrian Product.

# **Likelihood Ratio Tests**

	Likelihood Ratio										
		Model Fitting Cr	iteria	Tes							
	AIC of	BIC of									
	Reduced	Reduced	-2 Log Likelihood of	Chi-							
Effect	Model	Model	Reduced Model	Square	df	Sig.					
ID_Domestic	522.126	582.960	490.126	12.141	2	.002					
ID_Foreign	511.038	571.872	479.038	1.053	2	.591					
ID_EU	514.871	575.705	482.871	4.885	2	.087					
IND	510.293	571.127	478.293	.308	2	.857					
COL	512.321	573.155	480.321	2.335	2	.311					
NAT_Dummy	511.953	565.183	483.953	5.968	4	.202					
Zscore: ID_EU * Zscore:	510.460	571.294	478.460	.475	2	.789					
INDIVIDUALISM											
Zscore: ID_EU * Zscore:	515.919	576.753	483.919	5.934	2	.051					
COLLECTIVISM											

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

# **Goodness-of-Fit**

	Chi-Square	df	Sig.
Pearson	666.898	644	.258
Deviance	477.985	644	1.000

# **Model Fitting Information**

	N	odel Fitti	ng Criteria	Likelihood Ratio Tests				
Model	AIC	BIC	-2 Log Likelihood	Chi-Square	df	Sig.		
Null	727.281	727.281	727.281					
Final	513.985	582.424	477.985	249.296	18	.000		

# Price Premium of domestic product choice – hierarchical regression

				Coefficients							
		Unstandardiz	zed Coefficients	Standardized Coefficients			Cori	relations		Collinearity S	tatistics
M	lodel	В	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	33.057	6.878		4.806	.000					
	ID_Foreign	-2.339	.933	175	-2.508	.013	174	173	172	.976	1.024
	ID_Domestic	1.053	1.121	.086	.940	.348	.029	.066	.065	.559	1.788
	NAT_Dummy	-6.598	4.629	130	-1.425	.156	056	100	098	.571	1.753
	PT	.003	1.101	.000	.002	.998	.011	.000	.000	.969	1.032
2	(Constant)	34.931	7.679		4.549	.000					
	ID_Foreign	-2.105	1.025	157	-2.053	.041	174	143	141	.810	1.235
	ID_Domestic	1.266	1.187	.104	1.067	.287	.029	.075	.073	.501	1.997
	NAT_Dummy	-7.347	4.831	144	-1.521	.130	056	106	105	.526	1.902
	PT	.026	1.104	.002	.024	.981	.011	.002	.002	.968	1.033
	ID_EU	662	1.198	044	553	.581	072	039	038	.757	1.321
3	(Constant)	38.860	7.703		5.045	.000					
	ID_Foreign	-2.546	1.012	190	-2.517	.013	174	176	169	.788	1.269
	ID_Domestic	.806	1.182	.066	.682	.496	.029	.048	.046	.478	2.091
	NAT_Dummy	-7.982	4.821	157	-1.656	.099	056	117	111	.500	2.000
	РТ	174	1.077	011	161	.872	.011	011	011	.963	1.038
	ID_EU	452	1.208	030	375	.708	072	027	025	.705	1.418
	Zscore: INDIVIDUALISM	068	1.464	003	046	.963	.037	003	003	.952	1.051
	Zscore: COLLECTIVISM	3.573	1.646	.157	2.171	.031	.155	.152	.146	.858	1.165
	ID_EU_x_zIND	-3.347	1.335	175	-2.507	.013	186	175	168	.920	1.087
	ID_EU_x_zCOL	-1.054	1.275	058	826	.410	126	059	055	.900	1.111

a. Dependent Variable: PP%

# Model Summarv<sup>d</sup>

					, a					
						Change Statistics				
		R	Adjusted	Std. Error of	R Square	F			Sig. F	Durbin-
Model	R	Square	R Square	the Estimate	Change	Change	df1	df2	Change	Watson
1	.200ª	.040	.021	21.09074	.040	2.122	4	203	.079	
2	.204b	.042	.018	21.12690	.001	.306	1	202	.581	
3	.332c	.110	.069	20.56409	.068	3.802	4	198	.005	2.104

- a. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic
- b. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU
- c. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU, Zscore: INDIVIDUALISM,
- ID\_EU\_x\_zCOL, ID\_EU\_x\_zIND, Zscore: COLLECTIVISM
- d. Dependent Variable: PP%

#### **ANOVA**<sup>a</sup>

Мо	del	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3775.393	4	943.848	2.122	.079 <sup>b</sup>
	Residual	90298.280	203	444.819		
	Total	94073.673	207			
2	Regression	3911.776	5	782.355	1.753	.124°
	Residual	90161.897	202	446.346		
	Total	94073.673	207			
3	Regression	10343.069	9	1149.230	2.718	.005 <sup>d</sup>
	Residual	83730.604	198	422.882		
	Total	94073.673	207			

a. Dependent Variable: PP%

b. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic

c. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU

d. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU, Zscore:

 $INDIVIDUALISM, ID\_EU\_x\_zCOL, ID\_EU\_x\_zIND, Zscore: \ COLLECTIVISM$ 

# Price Premium of foreign EU product choice – hierarchical regression

	Coefficients <sup>a</sup>											
		Unstandardized Coefficients Standardized Coefficients Correlations								Collinearity Statistics		
N	lodel	В	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	20.616	7.152		2.882	.005						
	ID_Foreign	.821	1.114	.075	.737	.463	.098	.075	.074	.971	1.030	
	ID_Domestic	-1.393	1.278	140	-1.090	.278	168	111	109	.604	1.656	
	NAT_Dummy	-1.247	4.788	034	260	.795	156	027	026	.572	1.749	
	PT	1.467	1.286	.118	1.140	.257	.140	.116	.114	.930	1.075	
2	(Constant)	13.734	8.664		1.585	.116						
	ID_Foreign	.402	1.148	.037	.350	.727	.098	.036	.035	.904	1.106	
	ID_Domestic	-1.848	1.313	186	-1.408	.163	168	144	140	.566	1.765	
	NAT_Dummy	584	4.788	016	122	.903	156	013	012	.566	1.766	
	PT	1.276	1.287	.103	.991	.324	.140	.102	.099	.920	1.087	
	ID_EU	1.928	1.384	.150	1.393	.167	.135	.142	.138	.850	1.176	
3	(Constant)	16.708	9.738		1.716	.090						
	ID_Foreign	.331	1.186	.030	.279	.781	.098	.029	.028	.878	1.139	
	ID_Domestic	-1.850	1.347	186	-1.374	.173	168	143	139	.558	1.793	
	NAT_Dummy	545	4.976	015	110	.913	156	012	011	.544	1.839	
	PT	1.293	1.315	.104	.983	.328	.140	.103	.099	.914	1.095	

_ID_EU	1.515	1.504	.118	1.007	.317	.135	.106	.102	.746	1.340
Zscore: INDIVIDUALISM	.027	2.035	.001	.013	.989	.012	.001	.001	.933	1.072
Zscore: COLLECTIVISM	.870	1.952	.051	.446	.657	.103	.047	.045	.785	1.274
ID_EU_x_zIND	.171	2.227	.008	.077	.939	002	.008	.008	.840	1.19
ID_EU_x_zCOL	673	1.331	060	505	.615	106	053	051	.737	1.35

a. Dependent Variable: PP%

# Model Summary<sup>d</sup>

		R	Adjusted R	Std. Error of	R Square	F			Sig. F	Durbin-
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson
1	.230a	.053	.013	17.65869	.053	1.323	4	95	.267	
2	.268b	.072	.023	17.57199	.019	1.940	1	94	.167	
3	.280°	.079	014	17.89379	.007	.162	4	90	.957	1.654

- a. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

d. Dependent Variable: PP%

#### **ANOVA**<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1649.869	4	412.467	1.323	.267 <sup>b</sup>
	Residual	29623.771	95	311.829		
	Total	31273.640	99			
2	Regression	2248.818	5	449.764	1.457	.211°
	Residual	29024.822	94	308.775		
	Total	31273.640	99			
3	Regression	2456.738	9	272.971	.853	.570 <sup>d</sup>
	Residual	28816.902	90	320.188		
	Total	31273.640	99			

- a. Dependent Variable: PP%
- b. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy
- c. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU
- d. Predictors: (Constant), PT, ID\_Domestic, ID\_Foreign, NAT\_Dummy, ID\_EU, ID\_EU\_x\_zIND, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zCOL

# Price Premium of foreign non-EU product choice – hierarchical regression

			Coefficients <sup>a</sup>								
Unstandardized Coefficients			Standardized Coefficients			Correlations			Collinearity Statistics		
Model	В	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF	
1 (Constant)	22.019	17.090		1.288	.214						
ID_Foreign	-2.840	2.168	207	-1.310	.207	225	295	201	.938	1.066	
ID_Domestic	.150	2.815	.010	.053	.958	213	.013	.008	.649	1.541	
NAT_Dummy	-13.262	9.306	270	-1.425	.171	356	318	218	.654	1.530	
PT	12.940	3.270	.626	3.957	.001	.697	.682	.606	.937	1.068	
2 (Constant)	12.899	21.536		.599	.557						
_ID_Foreign	-2.639	2.216	193	-1.191	.250	225	277	185	.923	1.083	
_ID_Domestic	158	2.887	011	055	.957	213	013	008	.635	1.576	
NAT_Dummy	-10.827	10.034	220	-1.079	.296	356	253	168	.578	1.730	
PT	13.092	3.323	.634	3.940	.001	.697	.691	.612	.933	1.072	
ID_EU	1.563	2.192	.118	.713	.485	.200	.170	.111	.875	1.143	
3 (Constant)	955	30.158		032	.975						
ID_Foreign	-3.836	2.485	280	-1.544	.147	225	394	242	.749	1.335	
ID_Domestic	582	3.082	039	189	.853	213	052	030	.568	1.761	
NAT Dummy	-2.598	11.551	053	225	.826	356	062	035	.445	2.247	
PT	14.592	3.795	.706	3.846	.002	.697	.730	.603	.730	1.370	
ID_EU	4.294	3.375	.325	1.272	.226	.200	.333	.200	.376	2.656	
Zscore: INDIVIDUALISM	-1.035	3.763	058	275	.788	.332	076	043	.558	1.793	
Zscore: COLLECTIVISM	7.655	5.021	.405	1.525	.151	.086	.389	.239	.348	2.870	
ID_EU_x_zIND	1.445	3.823	.113	.378	.712	183	.104	.059	.275	3.635	
ID_EU_x_zCOL	-6.624	4.819	428	-1.375	.192	087	356	216	.255	3.927	

a. Dependent Variable: PP%

# Model Summary<sup>d</sup>

		R	Adjusted R	Std. Error of	R Square	F			Sig. F	Durbin-
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson
1	.760a	.577	.483	17.18624	.577	6.148	4	18	.003	
2	.768b	.590	.469	17.42577	.012	.509	1	17	.485	
3	.825°	.680	.458	17.60038	.090	.916	4	13	.484	1.546

a. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic

b. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU

c. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU, ID\_EU\_x\_zCOL, Zscore:

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zIND

#### d. Dependent Variable: PP%

# **ANOVA**<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7263.830	4	1815.957	6.148	.003b
	Residual	5316.605	18	295.367		
	Total	12580.435	22			
2	Regression	7418.259	5	1483.652	4.886	.006°
	Residual	5162.176	17	303.657		
	Total	12580.435	22			
3	Regression	8553.380	9	950.376	3.068	.033 <sup>d</sup>
	Residual	4027.054	13	309.773		
	Total	12580.435	22			

- a. Dependent Variable: PP%
- b. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic
- c. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU
- $\hbox{d. Predictors: (Constant), PT, ID\_Foreign, NAT\_Dummy, ID\_Domestic, ID\_EU, ID\_EU\_x\_zCOL, Zscore:}\\$

INDIVIDUALISM, Zscore: COLLECTIVISM, ID\_EU\_x\_zIND

# Appendix C – German abstract

Die bisherige Forschung hat gezeigt, dass Menschen ständig von einer Reihe von Identitäten beeinflusst werden, die für ihre Selbstwahrnehmung wichtig sind und definieren, wer sie sind, während sie ihre Einstellung und ihr Verhalten in unterschiedlichem Maße beeinflussen. Eine dieser Identitäten ist die europäische Identität, die von Forschern trotz ihrer Bedeutung für das Leben der Verbraucher relativ wenig untersucht wird. Der größte Teil der Literatur konzentriert sich auf nationale und globale Identitäten, aber zum Zeitpunkt dieser Arbeit wurde noch keine Forschung veröffentlicht, in der der Einfluss der nationalen, globalen und europäischen Identität untersucht wurde.

In diesem Kontext untersucht diese Masterarbeit den Einfluss der europäischen Identität auf die Kaufpräferenz von inländischen und ausländischen EU-Produkten und ausländischen Nicht-EU-Produkten, während nationale und globale Identitäten überprüft werden. Als Grundlage für die empirische Untersuchung wurde eine Untersuchung mit einer Stichprobe von 331 Befragten durchgeführt, um die hypothetischen Beziehungen zu testen. Eine Reihe von Regressionsanalysen zeigt, dass die europäische Identität, nach der Kontrolle der Auswirkungen der nationalen und globalen Identität, ein signifikanter positiver Faktor für die Einstellung der Verbraucher gegenüber einheimischen Produkten und Produkten aus einem anderen EU-Land ist. Ein ähnliches Muster ergab sich für die Kaufabsicht von Produkten aus einem anderen EU-Land. Darüber hinaus hat der Individualismus der Individuen gezeigt, dass er diese Beziehung signifikant mildert. Interessanterweise deuten die Ergebnisse auch darauf hin, dass die europäische Identität signifikant mit der globalen Identität korreliert, aber nicht mit der nationalen Identität korreliert.

Die Ergebnisse deuten darauf hin, dass die europäische Identität ein wichtiger Faktor bei der Vorhersage des Verbraucherverhaltens ist, ähnlich der globalen und nationalen Identität und in der einschlägigen Literatur, die sich mit ortsbezogenen Identitäten befasst, ergänzt werden sollte. Den Managern wird daher empfohlen, die Bedeutung der europäischen Identität ihrer Zielgruppe sowie ihren Individualismus zu untersuchen. Die Verwendung von Hinweisen, die die europäische Identität der Verbraucher anregen, sollte in Betracht gezogen werden, da sie möglicherweise den Absatz durch Verbesserung der Einstellungen und der Kaufabsicht steigern kann. Andererseits sollte Vorsicht walten

gelassen werden, da die Ergebnisse auch darauf hindeuten, dass die Verbraucher bereit sind, für Produkte aus anderen EU-Ländern im Vergleich zu in- und ausländischen Nicht- EU-Produkten verhältnismäßig weniger zu zahlen.

**Schlüsselwörter**: EU Identität, Soziale Identität, ortsspezifische Identitäten, Nationale Identität, Globale Identität, Mehrfache Identitäten, Produktpräferenzen, Kaufbereitschaft