

National stereotype effects on consumer expectations and purchase likelihood: competent versus warm countries of origin

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Keywords

Country of origin, consumer perception, consumer expectations, purchase likelihood, stereotypes, nation-branding.

Abstract

This two-study, experimental design, research proposes and tests if and how national stereotypes based on perceptions of competence versus warmth affect consumer expectations of the utilitarian versus hedonic nature of products as well as their subsequent purchase likelihood.

The results of our first study found that higher perceived warmth results in greater expectations of hedonic product properties, and that higher competence perceptions result in greater expectations of utilitarian properties. It is further shown that perceived competence and warmth mediate the effect of country of origin on utilitarian and hedonic product expectations, respectively. Importantly, the second study demonstrates the downstream impact of national stereotypes on consumer behavior, showing the asymmetric effect of perceived warmth and competence on purchase likelihood of hedonic versus utilitarian products, whereas competent perception favor both utilitarian and hedonic purchase likelihood.

Managerial and policy implications are offered for the marketing, retailing, and promotional strategies of products as well as of nation-brands. A social psychology of post-colonial globalization stereotypes nations as more competent ('developed' or 'emerged') versus warm ('developing' or 'emerging'): what can nations do to deliberately overcome the confines of negative and positive stereotypes in order to best promote their goods and services exports?

1. Introduction

Focusing on national stereotypes held by US consumers, this paper employs a two-study experimental design to test how perceptions of competence and warmth associated with a product's country of origin impact expectations of utilitarian versus hedonic product attributes as well as subsequent effects on purchase likelihood. Ultimately, our research holds practical implications for the retailing strategies of export products as well as the strategic promotion of countries as they develop their own nation-brand.

A product's country of origin (COO) effect is a long-standing area of research in consumer behavior and international marketing (e.g. Verlegh and Steenkamp 1999; Jaffe and Nebenzahl 2006). Country of origin is defined simply as "information pertaining to where a product is made," which is generally operationalized and communicated with the phrase "Made-in," followed by the country name (Amine, Chao and Arnold 2005).

This paper proposes that perceived differences among, and the purchase likelihood of, utilitarian versus hedonic product perceptions (Voss et al. 2003) are driven by distinct dimensions of national stereotypes associated with a country of origin's people (perceived competence and perceived warmth). This study further extends the Chattalas and Takada (2013) research demonstrating that competent versus warm consumer perceptions of nations (two dimensions often used to categorize and judge individuals and groups) mediate the effect of country of origin on utilitarian and hedonic product expectations.

All societal groups, including nations associated with a product's origin, are universally perceived along two primary dimensions, warmth and competence (Fiske et al. 2002).

This *Stereotypes Contents Model* systematically predicts that most group stereotypes are mixed and ambivalent, as defined by high ratings on one dimension coupled with high ratings on the other, rejecting a general-attitude consistence explanation.

According to Fiske et al. (2002), perceived competence is defined as, "the target group's (i.e. COO) perceived ability to be successful in tasks accorded high status and prestige," whereas perceived warmth is conversely defined as, "the target group's (i.e. COO) perceived socio-emotional orientation toward others." Economically powerful groups are stereotypically rated as competent, while those unable to pose a competitive threat, as warm. Only "in-groups" receive high perceived scores on both dimensions.

When consumers think of German products, high-tech, engineering ones will likely come to mind, to the exclusion of high-touch, fashion ones, although there are many successful German fashion houses and designers marketing such hedonic offerings (e.g., Karl Lagerfeld, Escada, Hugo Boss, or Jil Sander). On the other hand, consumers are likely to expect products from Italy to be more pleasurable or sensual than functional, efficient, or high-tech. Bilkey and Nes (1982) suggested that quality perceptions for technical products produced in developed (vs. developing) nations tend to be more favorable, since consumers assume that production of such products requires a well-educated workforce. Nevertheless, Germany and Italy are similar in socioeconomic development and educational standards, so what might explain the different expectations of product characteristics, and purchase likelihood of, typically associated with these nations? Could an explanation be based on national stereotypes and their contents?

Indeed, there is evidence for consumer reliance on stereotypes when evaluating products. For example, Leclerc, Schmitt and Dubé (1994) showed that a French (vs. English) brand name can activate properties associated with "Frenchness," such as the refined taste of the French, which results in consumers' evaluating a perfume to be relatively more hedonic. Although a large body of research has documented the importance of COO effects (e.g. Jaffe and Nebenzahl 2006; Verlegh and Steenkamp 1999), the literature is currently lacking an investigation into how systematic differences in the content of national stereotypes (i.e. differences in perceptions of the warmth and competence of a particular country's people) impact consumer expectations and purchase likelihood. This lack is even more surprising given that knowledge of national stereotype content may help marketers predict and manage consumer expectations and purchase regarding the presence and quality of particular product attributes as well as purchase likelihood (Chattalas, Kramer and Takada 2008).

This paper seeks to address the above shortcomings in the literature. Integrating the literature on COO, national stereotypes, and product characteristics, we show that COO effects on expectations of product characteristics are driven by national stereotypes. Addressing the earlier question regards a German versus Italian COO; this paper's first study finds that consumers perceive Germans to be high in competence, which creates expectations that German products are relatively utilitarian in nature. Importantly, a second experimental study demonstrates the downstream impact of national stereotypes on consumer behavior, showing the asymmetric effect of perceived competence and warmth on purchase likelihood of utilitarian versus hedonic products.

Together, these findings not only advance our theoretical understanding of the differential impact of distinct dimensions of national stereotypes on consumer expectations and purchase likelihood, but are also of important managerial significance. In particular, in their retailing and advertising strategy, marketers may either capitalize on the match between the product characteristic expectations consumers have and the dominant national stereotype, or position their products to create such a match. Further, for the area of nation branding our

findings suggest that marketers may seek to develop more favorable perceptions on the stereotype dimension that mismatches particular local products. For example, Spain, which consumers tend to perceive as relatively warm but not competent, recently advertised its technological competence with the slogan, "España, technology for life." Conversely, Taiwan, which is perceived as relatively competent but not warm, asks to "Touch your heart in Taiwan."

To the best of our knowledge, this research is the first to empirically investigate the differential effects of the competence and warmth dimensions of national stereotypes on both consumer expectations of product characteristics and purchase likelihood via simultaneous experiments. The research objectives are thus to document the importance of warmth and competence perceptions for consumer expectations, examine the processes driving differences in expected product characteristics, and finally test for their impact on the purchase likelihood of hedonic versus utilitarian products.

2. Conceptual Background and Hypotheses

2.1 Country of Origin (COO) and National Stereotypes

When evaluating a product or brand, consumers often rely on its country of origin – that is, the country with which it is associated in their minds (for a review, see Pharr 2005). Several explanations for COO effects have been put forth, including affective (Fournier 1998), cognitive (Bilkey and Nes 1982; Li and Wyer 1994), and normative (Klein et al. 1998; Shimp and Sharma 1987) ones. Importantly in connection with the current research, Hong and Wyer (1989) and Maheswaran (1994) conceptualized COO perceptions as stereotypes that, like personal stereotypes, may set up expectations by classifying objects as belonging to a certain category. Furthermore, consumers may often draw on stereotypes automatically when making judgments (Devine 1989). In the current case, national stereotype-based expectations may include product-related information such as the presence of certain attributes, as well as product quality and price. Thus, consumers may expect that perfumes from France are sensual, shoes from Italy are made from exquisite leather, and cars from South Korea are inexpensive. Yet as discussed next, the particular expectations and the resultant purchase likelihood set up by a product's COO may systematically depend on, and be driven by, consumer perceptions of the COO's warmth and competence.

2.2 National Stereotypes and Perceptions of Competence and Warmth

National stereotypes are based on two primary dimensions related to perceptions of warmth and competence, which have also been shown to be used to judge individuals (e.g. Fiske et al. 1999, 2002; Judd et al. 2005) and firms (Aaker, Vohs and Mogilner 2010). For example, Cohen (1992) showed that Americans perceive Westerners to be more sophisticated in their tastes and preferences, but Asians to be technologically superior. Poppe and Linssen (1999) found that most stereotypes in six Central and Eastern European countries fall along two dimensions, competence and morality, and that most stereotyped groups fell into one of two categories; incompetent but moral, or competent but immoral. Two parallel dimensions had surfaced previously in a study concerning perceptions of countries and people by Heslop and Papadopoulos (1993), which they termed affect and belief.

Finally, the Stereotype Content Model (Fiske et al. 1999, 2002) also suggests that group stereotypes consist of two independent, orthogonal dimensions, called perceived competence and perceived warmth. The dimension of competence describes a group's capability, and includes perceptions of its competence, capability, and efficiency. Conversely, the warmth dimension refers to a group's positive or negative intent, and includes how friendly, good-natured, or warm it is perceived to be. Comparing the two dimensions in their potential to

differentiate groups, research has found that competence tends to have a greater effect on differentiation than does warmth (Fiske et al. 2002). Further, groups tend to score high on one dimension or on the other, but usually not high on both or low on both. That is, mixed stereotypes often exist, whereby a group may be perceived to be warm but disrespected as incompetent or to be respected as competent but lacking warmth (Cuddy 2008; Cuddy, Fiske and Glick 2004; Fiske et al. 1999, 2002).

Although research in psychology and marketing has begun investigating the influence of differences in perceptions of individuals' and firms' competence and warmth (e.g. Aaker et al. 2010; Lee and Fiske 2006; Lin et al. 2005), the current research is the first to simultaneously examine the impact of national stereotype contents on consumer expectations and purchase likelihood for the utilitarian or hedonic nature of products. While there is some support for the role of competence in COO effects (e.g. Heslop et al. 2004), empirical evidence for the impact of perceived warmth is limited (Chattalas, Kramer and Takada 2008). In general, perceived competence is likely to have a greater effect than perceived warmth on consumer attitudes, given that high quality expectations may more directly be the result of high competence than high warmth. Yet, perceptions of warmth may play an important role when marketing hedonic, pleasurable products. Thus, as hypothesized next, the competence and warmth dimensions are likely to influence consumer expectations and the purchase likelihood; in particular, expectations regarding products' utilitarian versus hedonic properties.

2.3 Perceptions of Competence and Warmth and Consumer Expectations

Products are often classified based on their predominant hedonic versus utilitarian properties (Park, Jaworski and MacInnis 1986). Although products can be high on both dimensions, relatively more utilitarian products satisfy practical or functional needs, while relatively more hedonic products satisfy sensory or symbolic needs (Dhar and Wertenbroch 2000; Voss, Spangenberg and Grohmann 2003). Further, perceptions of products' hedonic versus utilitarian properties have been shown to be affected by COO effects (Leclerc et al. 1994). Honing in more narrowly on a potential driver of these effects, we propose that perceptions of warmth and competence will influence whether consumers expect a particular product to be predominantly hedonic or utilitarian in nature. In particular, products rated high in hedonic characteristics are closer to consumers' affective experience than products rated high in utilitarian characteristics (Mano and Oliver 1993). Further, affective responses are more likely to have an effect on product evaluations that are based on hedonic, as compared to utilitarian, criteria (Yeung and Wyer 2004).

Given that the perceived warmth dimension relates to people's social and affective traits, whereas the perceived competence dimension is related to their intellectual and functional traits, we propose that higher perceived warmth leads to greater expectations of hedonic product properties. Conversely, we argue that perceptions of competence are more closely aligned with functionality or practicality, such that higher perceived competence will lead to greater expectations of utilitarian properties of products. On the other hand, there should be no relationship between perceived warmth and expected utilitarian characteristics, or between perceptions of competence and expectations of hedonic properties.

In summary, if national stereotypes set up expectations about product properties, then the particular content of the stereotype should impact the properties consumers expect these products to have. In particular, products marketed by those perceived to be high in warmth should be expected to be relatively more hedonic, while products marketed by those high in perceived competence should be expected to be relatively more utilitarian:

H1a: Higher warmth perceptions will result in relatively greater expectations of hedonic product characteristics.

H1b: Higher competence perceptions will result in relatively greater expectations of utilitarian product characteristics.

Furthermore, if COOs differ in perceptions of their people's warmth versus competence, then products from countries with people who are perceived to be high in warmth should be expected to be relatively more hedonic. Conversely, consumers should expect products from countries with people perceived to be high in competence to be relatively more utilitarian. That is, differential levels of perceived warmth and competence should drive differences in hedonic versus utilitarian expectations for products from different countries of origin:

H2a: Perceived warmth mediates the effect of country of origin on hedonic product expectations.

H2b: Perceived competence mediates the effect of country of origin on utilitarian product expectations.

3. Research Study 1

The objectives of the first study were two-fold. First, investigate if a country's perceived warmth and competence influence hedonic versus utilitarian product expectations (hypotheses 1a and 1b) of a bicycle. Next, test for the mediational roles of perceived warmth and competence in the relationship between the bicycle's country of origin and its expected hedonic and utilitarian characteristics (hypotheses 2a and 2b).

3.1 Method

Participants and Procedure. One hundred and thirty-six undergraduate students (juniors and seniors, average age = 24 years, 52% female; age and gender did not differ across conditions) from a multicultural U.S. university on the East Coast participated in a study on consumer attitudes for class credit. Participants were asked to review an advertisement for a bicycle made either in Germany or in Italy, and then complete a questionnaire. The study thus employed one factor that was manipulated (country of origin) and a second factor that was measured (national stereotype contents of perceived competence and warmth).

The German (Italian) ad copy framed the color picture of an individual riding his bike, and read, "It's a faster commute on your German (Italian) bike! Featuring superior gear selection and brakes." We featured relatively more utilitarian attributes in the ad to prevent a ceiling effect because of the predominant use of bicycles for pleasure among our respondents. Further, focusing on the utilitarian attributes in the ad makes our proposed findings on expectations of hedonic characteristics more conservative. In addition to the text, a picture of the German (Italian) flag helped reinforce the bicycle's country of origin. The tagline at the bottom of the ad read, "Sponsored by the German (Italian) Bicycle Association," and listed either a German (www.gab.de) or an Italian (www.iab.it) Internet address.

After reading the ad, subjects indicated how utilitarian (where 1 = not utilitarian and 7 = utilitarian) and how hedonic (where 1 = not hedonic and 7 = hedonic) they expected the bicycle to be; items were counterbalanced across subjects. Before marking their rating, they were given the following definitions of utilitarian and hedonic products: "Utilitarian products are mainly motivated by goal-oriented consumption," and "Hedonic products are mainly motivated by pleasure-oriented consumption." Next, we assessed perceptions of warmth and competence of Germans (Italians) using items from Fiske et al. (2002). In particular, respondents indicated how warm, friendly, and good-natured (warmth dimension; $\alpha = .84$) and how competent, capable, and efficient (competence dimension, $\alpha = .88$) they perceived Germans (Italians) to be, where 1 =

not much and 7 = a lot. Items assessing perceived warmth and competence were counterbalanced between subjects.

3.2 Results

The bicycle was judged to be marginally more hedonic than utilitarian overall ($M = 4.49$ vs. 4.09 , respectively; $t = -1.93$, $p < .06$). Furthermore, respondents perceived Germans to be significantly more competent than Italians [$M = 5.23$ vs. 4.57 , respectively; $F(1, 134) = 9.96$, $p < .01$]. Conversely, Italians were perceived to be warmer than Germans [$M = 5.36$ vs. 4.42 , respectively; $F(1, 134) = 22.75$, $p < .001$]. Consistent with findings by Fiske et al. (2002), the perceived warmth and competence dimensions were not correlated ($r = -.03$, $p > .10$).

Effect of stereotype content on product expectations. In support of hypothesis 1a, a regression analysis showed that perceived warmth had a significant positive effect on hedonic product expectations ($B = .333$, $t = 3.01$, $p < .01$). However, as we predicted, the effect of perceived warmth on utilitarian product expectations was not significant ($B = -.08$, $t = -.68$, $p > .10$). Furthermore, perceived competence had a significant positive effect on how utilitarian respondents expected the bicycle to be ($B = .383$, $t = 3.60$, $p < .001$), supporting hypothesis 1b. On the other hand, perceived competence did not impact hedonic product expectations ($B = -.055$, $t = -.49$, $p > .10$).

Mediating role of stereotype content. We first tested if perceived warmth mediated the relationship between country of origin and expectations of hedonic characteristics of the bicycle, using a mediation analysis technique suggested by Baron and Kenny (1986). According to Baron and Kenny, mediation is demonstrated when (1) the independent variable has a significant effect on the dependent variable; (2) the independent variable has a significant effect on the hypothesized mediator of the relationship between the dependent and independent variables; and (3) the effect of the independent variable on the dependent variable is reduced to non-significance (or significantly reduced in magnitude) in a regression containing the independent variable and hypothesized mediator, with the mediator remaining significant.

The first of Baron and Kenny's (1986) criteria was satisfied by analyses showing that country of origin was a significant predictor of expected hedonic characteristics of the bicycle ($B = -.559$, $t = -2.02$, $p < .05$). Country of origin also had a significant effect on perceived warmth ($B = -.936$, $t = -4.77$, $p < .001$), satisfying the second criterion. As discussed, perceived warmth had a significant effect on hedonic expectations of the bicycle ($B = .333$, $t = 3.01$, $p < .01$). Lastly, when both country of origin and perceived warmth were included in the regression, perceived warmth remained a significant predictor ($B = .288$, $t = 2.41$, $p < .05$), while country of origin became insignificant ($B = -.289$, $t = -.99$, $p > .10$), satisfying the third of Baron and Kenny's criteria. We confirmed this finding with a Sobel test ($Z = 2.14$, $p < .05$). Taken together, these results provide evidence for complete mediation and hence support hypothesis 2a.

We next examined if perceived competence mediated the relationship between country of origin and how utilitarian respondents expected the bicycle to be. Country of origin was a significant predictor of expected utilitarian characteristics ($B = .559$, $t = 2.02$, $p < .05$) and perceived competence ($B = .662$, $t = 3.16$, $p < .01$). As discussed, perceived competence had a significant effect on expected utilitarianism of the bicycle ($B = .383$, $t = 3.60$, $p < .001$). Lastly, when both country of origin and perceived competence were included in the regression, perceived competence remained a significant predictor ($B = .349$, $t = 3.17$, $p < .01$), while country of origin became insignificant ($B = .328$, $t = 1.18$, $p > .10$), supporting hypothesis 2b. We again confirmed these results with a Sobel test ($Z = 2.22$, $p < .05$).

3.3 Discussion and Further Conceptual Development

The first study confirmed hypotheses 1 and 2, such that a bicycle made in a country whose people were perceived to be relatively higher in warmth (competence) would be expected to be relatively more hedonic (utilitarian). Importantly, regression analyses demonstrated that the country of origin impacted perceived warmth of Italians, which in turn affected how hedonic our respondents expected a bicycle made in Italy to be. Conversely, we found that greater perceived competence of Germans was driving the effect of country-of-origin on how utilitarian a bicycle made in Germany would be. We were thus able to extend the literature on country-of-origin by demonstrating differences in consumer perceptions of national stereotypes as an underlying driver of the effect.

Given that we have found evidence that national stereotypes related to warmth and competence perceptions influence hedonic and utilitarian product expectations, we next turn to the important question of the downstream consequences of this relationship for consumer behavior. Specifically, there is ample evidence that extrinsic cues, such as a product's price (e.g. Huber and McCann 1982), warranty period (Srivastava and Mitra 1998), or country of origin (e.g. Teas and Agarwal 2000), can set up expectations for product characteristics, which are then used for product evaluations. That is, consumers are likely to respond positively if actual product attributes or characteristics match or exceed those expectations. We propose here that national stereotypes may serve as cues that will influence how consumers respond to hedonic or utilitarian products marketed by predominantly warm versus competent nations.

However, although consumers generally should respond more favorably to (e.g. be more likely to purchase) products with characteristics that match their national stereotype-based expectations, the impact of perceived warmth and competence on purchase likelihood might not be symmetric. Specifically, as we discussed, there is evidence that competence, as compared to warmth, more strongly differentiates between groups (Fiske et al. 2002). Further, we expect that for making high quality products, qualities such as capability and competence are likely to be important regardless of their particular hedonic or utilitarian characteristics. Indeed, research has found that competence can serve as a signal for high-quality offerings (e.g. Aaker et al. 2010; Goldsmith, Lafferty and Newell 2000). Conversely, findings in the literature suggest that the impact of warmth on likelihood of purchase might be more limited. For example, Grandey et al. (2005) show that warmth mattered in customer satisfaction ratings only to the extent that the service provider was also perceived as competent.

Nevertheless, warmth might have downstream influences on consumer behavior in those contexts in which warmth is more central (Aaker et al. 2010; Fiske et al. 2002), and we propose that the marketing of hedonic products is one such a context. That is, given that we expect that consumers infer the marketing of hedonic products to require warmth, their purchase likelihood of hedonic products should be greater with increasing perceptions of warmth. However, perceptions of warmth are unlikely to influence purchase likelihood of utilitarian products, given the mismatch between predominant national and product characteristics. It is therefore further hypothesized (and tested in Study 2) that:

H3a: Greater perceived warmth will result in greater purchase likelihood of hedonic, but not of utilitarian, products.

H3b: Greater perceived competence will result in greater purchase likelihood of utilitarian and hedonic products.

4. Research Study 2

The objective of the current study was to test if national stereotypes interacted with product characteristics in their impact on purchase likelihood. To control for any potential confounds associated with different countries used in the previous study, and to examine the influence of differences in warmth and competence perceptions for a particular given country, we kept the country of origin consistent across both hedonic and utilitarian conditions (i.e. South Korea).

4.1 Method

Participants and Procedure. One hundred and twenty-one undergraduate students (juniors and seniors, average age = 21 years, 55% female; age and gender did not differ across conditions) from a multicultural U.S. university on the East Coast participated in a study on consumer behavior for class credit. Subjects evaluated a South Korean pair of jeans that was positioned (i.e. framed) in an advertisement either as hedonic or utilitarian. The study used one factor that was manipulated (positioning of the jeans) and a second factor that was measured (national stereotype).

The study materials were similar to those used in the previous study except where noted below. In particular, the copy for the utilitarian ad condition framed the color picture of a pair of jeans, and read, "Jeans as durable as you! Introducing the new Seoul blue jean by *Daehan* that provides good air ventilation, doesn't fray over time, and is made from the strongest fabric." Conversely, the copy for the hedonic ad condition framed the color picture of a pair of jeans, and read, "Jeans as fashionable as you! Introducing the new Seoul blue jean by *Daehan* that feels soft against your skin, improves your body shape, and is always in style." The bottom of each ad showed a South Korean flag and the tagline "Made in South Korea" to reinforce the jeans' country of origin.

After reading the ad, respondents indicated their purchase likelihood of the jeans, where 1 = would definitely not consider buying it and 7 = would definitely consider buying it. Respondents then rated how warm, friendly, and good-natured (warmth dimension; $\alpha = .86$) and how competent, capable, and efficient (competence dimension; $\alpha = .86$) they perceived South Koreans to be, where 1 = not much and 7 = a lot. Items assessing perceived warmth and competence were again counterbalanced between subjects. Finally, to check that our framing manipulation of the jeans was successful, subjects indicated how utilitarian and hedonic they perceived the jeans to be on the same scales as in the previous study.

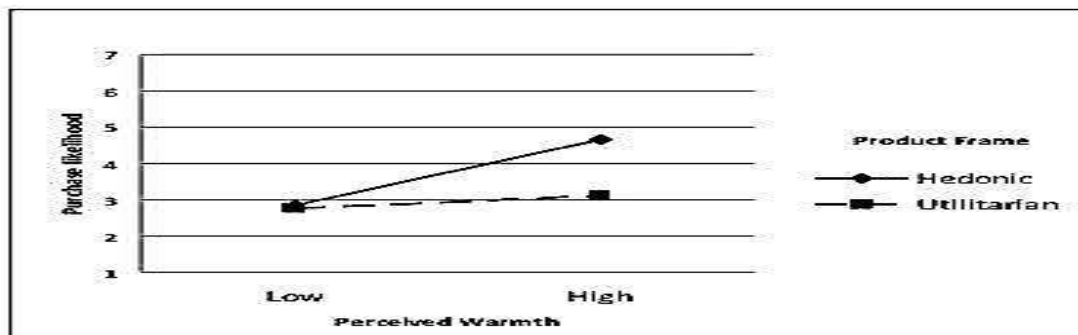
4.2 Results

As expected, respondents perceived the jeans framed as hedonic (vs. utilitarian) to be more hedonic [$M = 4.60$ vs. 2.74 , respectively; $F(1, 119) = 42.72$, $p < .001$], and the jeans framed as utilitarian (vs. hedonic) to be more utilitarian [$M = 5.25$ vs. 4.28 , respectively; $F(1, 119) = 11.52$, $p < .001$]. The perceived warmth and competence dimensions were once again uncorrelated ($r = .13$, $p > .10$).

Perceived warmth and purchase likelihood. Following Aiken and West (1991), we first centered the level of perceived warmth and then conducted multiple regression analyses, predicting participants' purchase likelihood of the jeans from the centered level of perceived warmth, product frame (coded 0 for hedonic, 1 for utilitarian), and their two-way interaction. Analysis showed that the perceived warmth ($B = .792$, $t = 4.41$, $p < .001$) and product frame ($B = -.825$, $t = -3.13$, $p < .01$) had significant effects on purchase likelihood. That is, purchase likelihood increased with greater perceived warmth. Further, respondents were more likely to purchase the jeans when they were positioned as hedonic, as compared to utilitarian, which is not surprising

given the product category. Importantly, in support of our hypothesis and as shown in Figure 1, the level of perceived warmth X product frame interaction on purchase likelihood of the jeans was also significant ($B = -.640, t = -2.72, p < .01$).

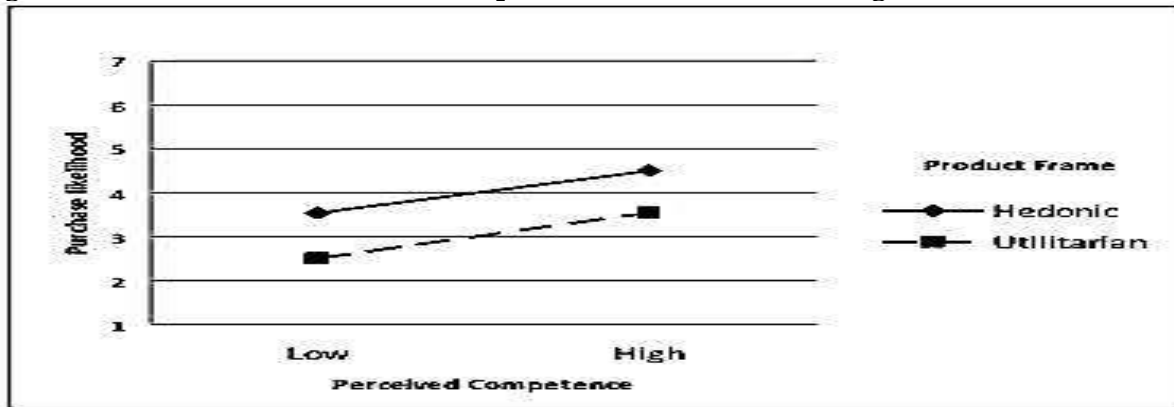
Figure 1: The Effects of Perceived Warmth and Product Framing on Purchase Likelihood



Next, we compared whether there were significant differences in purchase likelihood of the jeans between the hedonic and utilitarian product frame conditions at both low and high levels of perceived warmth using spotlight analysis at plus and minus one standard deviation from the mean of participants' experiential processing scores (Aiken and West 1991; Fitzsimons 2008). The planned contrast for high perceived warmth showed that purchase likelihood of the jeans was greater when they were framed as hedonic, as compared to utilitarian ($B = -1.563, t = -4.15, p < .001$). On the other hand, framing of the jeans did not impact purchase likelihood for respondents who perceived South Koreans to be low in warmth ($B = -.088, t = -.23, p > .10$). Furthermore, greater levels of perceived warmth resulted in a greater purchase likelihood of the jeans framed as hedonic ($B = .792, t = 4.59, p < .001$) but had no effect on purchase likelihood of the utilitarian jeans ($B = .153, t = .97, p > .10$).

Perceived competence and purchase likelihood. We again first centered the levels of perceived competence (Aiken and West 1991) and then conducted multiple regression analyses, predicting participants' purchase likelihood of the jeans from the centered level of perceived competence, product frame (coded 0 for hedonic, 1 for utilitarian), and their two-way interaction. Analysis showed that the perceived competence ($B = .343, t = 2.22, p < .05$) and product frame ($B = -1.005, t = -3.72, p < .001$) had significant effects on purchase likelihood. That is, purchase likelihood overall increased with greater perceived competence, and when the jeans were positioned as hedonic versus utilitarian. However, as shown in Figure 2 and confirming hypothesis 3b, the level of perceived competence X product frame interaction on purchase likelihood of the jeans was not significant ($B = .023, t = .12, p > .10$).

We next compared the differences in purchase likelihood of the jeans between the hedonic and utilitarian product frame conditions at both low and high levels of perceived competence at plus and minus one standard deviation from the mean of participants' experiential processing scores (Aiken and West 1991; Fitzsimons 2008). Results showed that the purchase likelihood of the jeans was greater when they were framed as hedonic, compared to utilitarian, at both high ($B = -.973, t = -2.29, p < .05$) and low ($B = -1.037, t = -3.04, p < .01$) levels of perceived competence. Finally, greater levels of perceived competence resulted in a greater purchase likelihood of the jeans framed as hedonic ($B = .343, t = 2.11, p < .05$) and of the jeans framed as utilitarian ($B = .366, t = 3.30, p < .01$).

Figure 2: The Effects of Perceived Competence and Product Framing on Purchase Likelihood

4.3 Discussion

The current study demonstrated the asymmetric effect on purchase likelihood of framing or positioning the characteristics of a product to the producing nation's perceived warmth versus competence. We found that although greater perceived competence results in greater purchase likelihood regardless of whether the advertisement positioned the jeans to be relatively more hedonic or utilitarian, increases in perceived warmth were associated with greater purchase likelihood of the jeans only when the ad highlighted their hedonic characteristics. Thus, national stereotypes grounded in perceptions of warmth and competence can have clear consequences for consumer behavior, retail strategy, and marketers' bottom line. Specifically, as discussed below, this finding suggests that marketers in countries perceived relatively high in warmth may increase purchase likelihood of their products by positioning them as hedonic in nature.

5. Conclusions

This empirical research demonstrated that national stereotypes, that is, perceptions of the warmth and competence of a nation's people, significantly influence consumer expectations and purchase likelihood. Results of our first study found that higher warmth perceptions resulted in greater expectations of hedonic product properties, and that higher competence perceptions resulted in greater expectations of utilitarian properties of a bicycle. Further, we found support for the mediational roles of perceived warmth in the relationship between country of origin and hedonic product expectations on the one hand, as well as for the mediational role of perceived competence in the relationship between country of origin and utilitarian product expectations on the other. Importantly, a matching of a producing nation's perceived warmth to hedonic product characteristics increases consumers' likelihood of purchase.

5.1 Research Implications

These findings extend current literature in several important ways. First, we demonstrate that differences in consumer expectations about the types of products offered by a nation are driven by differences in national stereotypes associated with its people. That is, we were able to show not just that a product's country of origin matters, but why this is the case. Additionally, although research has shown the importance of perceived competence in consumer decision-making (Aaker et al. 2010), we find that perceptions of warmth can also have significant effects in contexts in which warmth matters to consumers; namely, when making purchasing decisions for hedonic products.

Focusing on the perceived warmth versus competence dimensions of national stereotypes, our results might help also explain why certain product categories are more

strongly associated with particular countries. Coming back to our opening example of why consumers do not tend to associate hedonic products such as perfumes or fashion with Germany, it seems clear that one reason for this discrepancy is that national stereotypes of Germans (competent but not warm) mismatches what consumers may perceive to be necessary for the production of hedonic products. That is, for the manufacture of pleasurable and hedonic products nations need to be perceived as warm and friendly, while functional and practical products require perceptions of competence and skill. Our studies thus advance previous country-of-origin literature by delineating the mediating effect of specific national stereotype contents (warmth and competence) on the expected hedonic versus utilitarian nature of products associated with nations.

5.2 Managerial Implications

Empirical findings hold important implications for marketing managers concerning sourcing, branding, labeling, promotional and retail strategies, as well as for government and industry efforts to effectively brand, reposition, and market nations. Focusing on perceived warmth versus competence dimensions of national stereotypes, our findings help explain why certain product categories are more strongly associated (and more favorably evaluated) with particular countries. That is, for the manufacture of pleasurable and hedonic products nations need citizens that are perceived to be warm and friendly. Importantly, competent perceptions can favor both utilitarian and hedonic purchase likelihood.

In particular, firms from nations that are perceived as relatively high in warmth but low in competence (e.g. Greece, Italy, or Spain) may wish to emphasize hedonic, pleasurable attributes or benefits of their products. Furthermore, firms from these nations could source from countries whose national stereotype matches the desired positioning of their products (e.g. utilitarian Italian brands manufactured in “competent” nations). Companies may also strategically elect to communicate an origin nation entirely different from their own to overcome the mismatch between their perceived warmth and competence and product attributes generally associated with it by, for example, appropriating foreign-sounding brand names that aim to activate more favorable (if factually false) stereotype dimensions. For instance, we expect that difference in perceived competence would explain why consumers would be more likely to purchase a utilitarian, functional brand with a German-sounding name than an Italian-sounding one.

Next, as nations increasingly compete with each other to market their products and attract investors, they should project the appropriate fit between their perceived warmth and competence and the desirable levels of utilitarian and hedonic properties of their competitive offerings. Our findings suggest that nations should project an image as competent or warm, respectively, based on their type of products and target markets. Furthermore, our studies show that nations may benefit by promoting their citizens’ perceived warmth if they wish to project a higher level of heroiness. For example, Greece recently ran the “Explore Your Senses” television advertising campaign that portrayed “Greece” as a nation of warm and friendly people. On the other hand, nations should stress their competence if they want to be associated with a higher level of utilitarian features (i.e. France’s “The New France” business magazine advertising campaign that portrays “France” as a nation of competent and innovative people). However, any such repositioning should be done carefully and slowly so as not to confuse consumers with country images too inconsistent with prior perceptions or expectations (Ries and Trout 2001).

Adding a global business perspective, this paper explores how the universal stereotype dimensions of warmth and competence impact the perception of countries, their peoples,

products and nation-brands, and how these could be deliberately overcome (Chattalas and Takada, 2013; Cuddy et al. 2008).

5.3 Limitations and Directions for Future Research

In conclusion, consumers often rely on cues when making product judgments, and national stereotypes of perceived warmth and competence appear to have a robust influence on consumer expectations and on their purchase likelihood. Thus, the impact of stereotypes that marketers must be aware of, and possibly integrate into their marketing mixes, appears to range from a micro level, such as perceptions of warmth and competence of individuals or firms, to the more macro ones related to national stereotypes.

Although our experiments supported the hypothesized relationships between perceived warmth and competence stereotypes and consumer expectations for the types of products associated with the particular country, student samples were employed in our studies which focused on two product categories (bicycles and jeans) and three COOs (Germany, Italy and South Korea), limiting the generalizability of our findings. Further research is also necessary to delineate boundary conditions of the effect of warmth and competence perceptions consumer expectations, such as ethnocentrism (e.g. Shimp and Sharma 1987). Additionally, it would be interesting to further examine the dynamic nature of the relationship between perceived warmth and competence stereotypes and country-of-origin-based expectations over time. Specifically, the longitudinal transition of perceived warmth and competence stereotype contents from a "halo" to a "summary" construct should be investigated, given Han's (1989) position that consumers constantly summarize product-related information into their national stereotypes.

Another important avenue for future research is related to an investigation of the formation of warmth versus competence national stereotypes in the first place, as well as their relative strength in determining product perceptions. In particular, what social, cultural, or historical events determine stereotypes related to a nation's people, and how do they change over time? Further, what will be the effect on consumer expectations if both perceived warmth and competence are high or low? Relatedly, research is needed to investigate how and why perceived warmth and competence stereotypes change over time.

Future research should address how national stereotypes embedded in marketing, retailing, and/or advertising communication project a social psychology of neo-colonialism and cultural insensitivity, and what can nations do to deliberately overcome the confines of negative and positive stereotypes? What role does exposure to global social media or international travel play in overcoming the perceptual confines of stereotyping? And what about the case of countries whose national image is less well defined or of which we know very little? Analogous to the delineation of 'the other,' a social psychology of post-colonial globalization stereotypes nations as more competent ('developed' or 'emerged') versus warm ('developing' or 'emerging'). Ultimately, how do stereotypes of a nation held by global customers shape the national identity of its peoples (and vice-versa)?

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Acknowledgments

The author acknowledges the contributions of Dr. Thomas Kramer and Dr. Hirokazu Takada to this research. The author thanks Dr. P R Datta, Executive Chair of the Academy of Business and Retail Management, for his kind invitation to present a summary of this research as a keynote to the ICBED International Conference in New York City, USA on March 30, 2015.
