

## **How Does the Antecedents of Product Country Image Affect Willingness to Buy Foreign Products?**

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### **Abstract**

The aim of this study is to test the effect of four antecedents of Product Country Image: i) Materialism, ii) Consumer Ethnocentrism, iv) Value Consciousness and Cosmopolitanism, on Home Product Country Image and Foreign Product Country Image. This relationship has not been tested before in Pakistan. Secondly, the aim was to investigate this impact of Product Country Image on Willingness to Buy. For this purpose the sample size of 616 respondents were selected. All data was collected as primary data through questionnaires sent to college/university students across Lahore, Pakistan. Later, confirmatory factor analysis was done to check the reliability and validity of each constructs employed in this study. After conducting Structural Equation Modeling, we found a significant impact of Materialism; Cosmopolitanism, Value Consciousness and Ethnocentrism on Foreign Product Country Image. Also, Value consciousness and Cosmopolitanism had a significant impact on Home Product Country Image. This provides significance to existing literature and marketing strategies of foreign brands that are operating in Pakistan. Managers can well analyze their target market by the findings of this study. Similarly, foreign product country image was found to have a positive relationship, whereas, Home product country image had a negative impact on Willingness to buy. This implies that Pakistani consumers have a stronger positive effect of foreign brands in their minds as compared to their local brands. They tend to buy those brands which are perceived to be “foreign” brands.

**Keywords:** product country image, materialism, value consciousness, consumer ethnocentrism, cosmopolitanism.

### **1. Introduction and Literature Review**

Globalization has become an important and interesting research area in international markets recently (DeMooij and Hofstede, 2010). Differences in economic, political and cultural aspects have made it difficult for multinational companies to engage themselves in global strategies. Such companies are always seeking help for the integration of such strategies with well-known foreign companies found across the globe. This phenomenon gave birth to Global Consumer Culture Theory in 1999. This theory was developed by Alden et al. (1999). These researchers proposed, operationalization and empirical testing of entirely a new construct, culture, which aimed at focusing on Global Consumer

Culture Positioning (GCCP) of their brands. Similarly, this construct links a brand with a widely understood and recognized set of symbols and shared norms, that are believed to be a part of an emerging global consumer culture (Arnould and Thompson, 2005; Kavartzis and Hatch, 2013).

This study is originated by yet another theory; Country-Of-Origin (COO) Theory, that was developed by Bilkey and Nes in 1982. This theory focuses on the cognitive cue as a Country of Origin. This basically means that an information stimulation that occurs in a mind of a consumer, while relating his believes about a country with respect to its product. For instance, consumer will evaluate a chocolate differently if was from Belgium or Pakistan. Yet another study points out that Country of Origin (COO) can also be manipulative for a consumer without changing attribute of a product which is known as an extrinsic cue (Ahmed and d'Astous, 2008).

Various studies have shown that Country of Origin have been associated with status, authenticity and exoticness of a product (Li and Murray, 1997). However, such studies link a product to Product-Country Imagery (PCI), with sensory, affective and ritual connections. That means; it relates a product to its regional identity which can result in a stronger emotional attachment with certain brands and products (Bilkey and Nes, 1982). Product Country Image contains some common impressions and idiosyncratic beliefs about a country's product. It influences buying decisions of consumers around the world (Chabowski et al. 2013). This matters to only those companies whose preference for a country matters to that extend that they develop some global standardize marketing strategies (Jin et al., 2015).

Many researchers have studied the relationship of domestic brand image and foreign brand image with respect to consumer's purchase decisions. However, antecedents of Product Country Image (PCI) have not been tested before. Similarly, no empirical evidence has been found for testing the relationships between product country image and willingness to buy in existing literature. The main aim of this study is to explore and test this research gap in detail. There are four antecedents of PCI, which are; Consumer Ethnocentrism (CET), Materialism (MAT), Cosmopolitanism (COS), and Value Consciousness (VC). There is a need to study their relevance to globalized consumer market and also relevance to country's development status (Cleveland et al., 2009).

There are noted numbers of knowledgeable gaps in Product country image (PCI) phenomenon. First, there are a few studies aimed at evaluating the PCI antecedents that are to be found in international literature. Second, the findings are nonexistent of antecedent of PCI in Pakistan.

An apparent shift towards branding has been studied lately (Hauben et al., 2002; Trueman et al., 2004). As a result of this, a new concept of place branding emerged. Place branding is concerned with the use of "place of origin" in branding a product or service. Benefits of this ideology has yet to be explored (Papadopoulos and Heslop, 2002). Companies brand their products by using images of the places and people; and this is considered as an effective way to promote brands/products. Jin et al., (2015) have reported the relationship of consumer ethnocentrism (CET), consumer cosmopolitanism (COS) with PCI among younger consumers only. Consumer often sees the "made in" tags before they purchase any product. A consumer who is more familiar with a country tends to be more inclined towards evaluating a region or a country positively with regards to

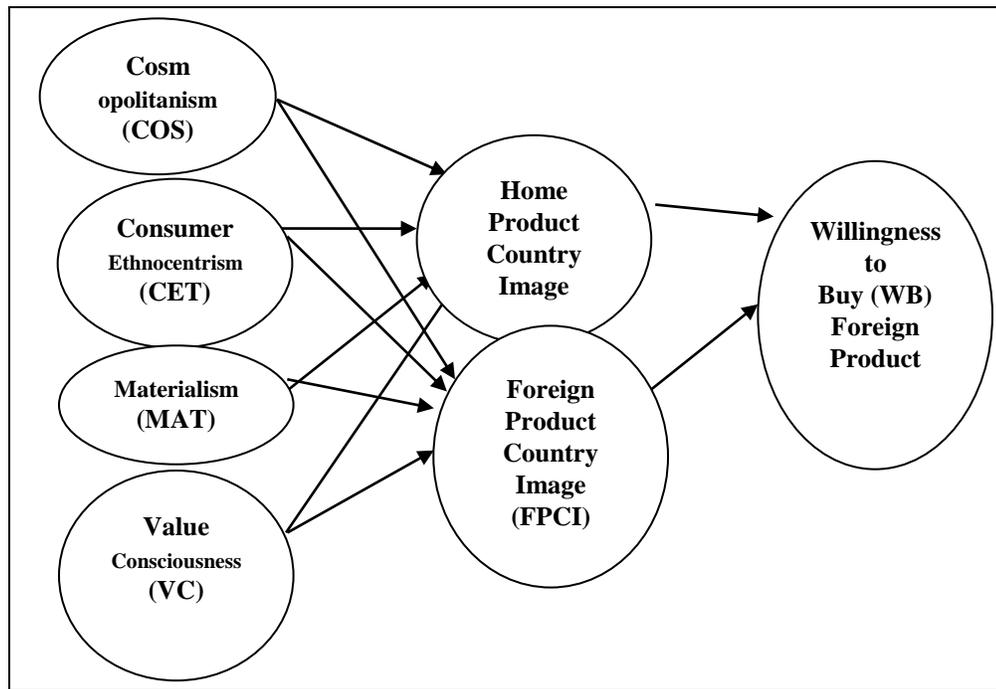
their products (Ahmed and d'Astous, 2008; Orbaiz and Papadopoulos, 2003). Their study investigated how PCI for both home products and foreign products varies between developed and developing countries. However, only a few studies have included one or two antecedents of PCI as part of product country image framework (Allred et al., 1999; Martin and Eroglu, 1993). These researchers feel a need to study the combined effect of all four antecedents of product country image on home product country image and foreign product country image. Very few researchers have explored the relationship of perceptions of customers in one developing and emerging markets with consumer's perceptions in another emerging market about the same product/brand (Sharma, 2011).

The aim of this study is to test the relationship of the combined effect of antecedents of Product Country Image (PCI). Literature has identified the four antecedents whereas no study has yet empirically tested the combined effect of these antecedents on HPCI and FPCI of consumers (Sharma, 2011; Jin et al., 2015).

Due to limited empirical evidence in this area especially in international literature, the purpose of this study is to examine the relations of four antecedents of PCI on Home Product Country Image (HPCI) and then on Foreign Product Country Image (FPCI). Moreover, similar models would be tested on willingness to buy foreign products. Such study has not been conducted in Pakistan before. The findings would contribute to the international literature as well as for understanding behavior of Pakistani consumers. This would be contextual contribution in the existing literature.

## **2. Methodology**

The following theoretical framework has been derived from the existing literature. The relationships between these constructs are proposed to be researched in Pakistani culture. Country economics status has a strong impact on consumer's purchasing power and consumer's decision to buy a particular product (Zhao et al., 2011). Therefore studying the concept of PCI in a developing country, such as Pakistan, is the main focus of this paper. More specifically, the impact of four antecedents of PCI on HPCI and FPCI is proposed to be researched among Pakistani consumers.



**Figure 1: Theoretical Framework and Variables under Consideration**

*2.1 Developing Hypothesis*

Social identity theory and consumer culture theory have separated the national stereotype consumers to evaluate the origin of the country (Motsi, 2016). This actually focuses upon the in group and out group consumers who concentrates on country of origin (Motsi, 2016). Yet another aspect of Global Consumer Culture Theory depicts the importance of culture elements in a society which shapes up behavior of consumers (Alden et al., 1999). These researchers proposed different dimension of consumer’s traits. That involves cosmopolitanism, materialism, value consciousness and ethnocentrism.

National Image and product country image with integrated farming effect was tested by Han and Wang (2015). Consumer’s perception about “made in tags” and their influence on the behavior plays a vital role in the research. The basic aim of this study is to develop hypothesis to test whether these pre-determined relationships does exist in Pakistani market?

Cosmopolitanism (COS) refers to a propensity of consumers to consider themselves as worldly people rather than as citizens that belonged to a specific region (Riefler and Diamantopoulos, 2009). It has also been termed as “a conscious openness of mind to the culture and society differences” (Skrbis et al., 2004). So according to the literature cosmopolitanism is expected to have a positive relationship with Foreign Product Country Image (FPCI) and also with Home Product Country Image (HPCI). Riefler and Diamantopoulos (2009) stressed upon such consumers are willing to explore new cultures and countries. Similarly, they are open minded towards their local products. Such cosmopolitan consumers are believed to be more interested to experience new ideas, try innovative product, and share different cultures across the globe. This gave us our first

hypothesis for this study, that if Pakistani consumers are open minded towards foreign brands or they possess indifferent behavior.

- **H<sub>1</sub>:** There is positive impact of Cosmopolitanism (COS) on Home Product Country Image (HPCI) in Pakistan.
- **H<sub>2</sub>:** There is positive impact of Cosmopolitanism (COS) on Foreign Product Country Image (FPCI) in Pakistan.

Consumer Ethnocentrism is defined as a consumer forming a positive attitude towards home-made products and rejecting foreign products (Shimp and Sharma, 1987). Consumers with high ethnocentrism, especially in developing countries, may feel threatened by large multinationals companies. Such consumers hold the presence of multinationals as responsible in destroying their domestic culture (Alden et al., 2013). Many studies have been found in this area. The Consumer Culture theory revolves around this. According to Motsi (2016) consumer ethnocentrism has an inverse moderating effect of national identity and evaluation of country of origin. Similarly, national image and product country image has been coherently connected with the origin of a country by Han and Wang (2015). Consumers who seems to be loyal towards its domestic brands and products are actually rejected the foreign products. It would be interesting to test that Pakistani consumer's holds such attitude as described in the existing literature:

- **H<sub>3</sub>:** There is positive impact of Consumer ethnocentrism (CET) on Home Product Country Image (HPCI) in Pakistan. (That is, Pakistani consumers would view HPCI positively if they are ethnocentric).
- **H<sub>4</sub>:** There is negative impact of Consumer ethnocentrism (CET) on Foreign Product Country Image (FPCI) in Pakistan. (That is, Pakistani consumers would view FPCI negatively if they are ethnocentric).

Materialism has been defined as the importance a consumer ascribes to worldly possessions (Belk, 1985). Such consumers are more concerned about displaying their image and status through buying and using imported products (Eastman et al., 1997; Wong and Ahuvia, 1998). Presence of highly materialistic consumers in a country is likely to have negative effect for local brands of the country (Burroughs and Rindfleisch, 2002). It would be interesting to test that if this has same situation in Pakistani market. According to Bushra and Bilal (2014) the compulsive buying behavior is very much affected by materialism of consumer. In such a way how will it impact on home product country image?

- **H<sub>5</sub>:** There is negative impact of Materialism (MAT) on Home Product Country Image (HPCI) in Pakistan. (That is, less materialistic Pakistani consumers would prefer HPCI).
- **H<sub>6</sub>:** There is positive impact of Materialism (MAT) on Foreign Product Country Image (FPCI) in Pakistan. (That is, highly materialistic Pakistani consumers would prefer FPCI).

Value Consciousness has been defined as consumer's belief about the utility of a product. The amount the consumers pay for a particular product and the benefits he gets against spending that amount are the basic frame work for the concept of value derived by the consumer (Zeithaml, 1988). Therefore value conscious consumer will prefer cheap and local products from their home land rather expensive foreign products from foreign

countries (Usunier, 1994). Pakistan as a third world country, possesses lower income bracket, will still want to prefer foreign products? By testing relationship between value consciousness and home and foreign product country image will eventually tell us that what Pakistani consumers prefer. Whether they prefer money over foreignness or the opposite. This leads us to yet another hypothesis:

- **H7:** There is positive impact of Value Consciousness (VC) on Home Product Country Image (HPCI) in Pakistan. (That is, if Pakistani consumers are more value conscious then they would prefer HPCI).
- **H8:** There is negative impact of Value Consciousness (VC) on Foreign Product Country Image (FPCI) in Pakistan. (That is, if Pakistani consumers are more value conscious then they would have low preference for FPCI).

Jin et al. (2015) investigated only three antecedents of product country image. Whereas no study has been found yet which have tested the combined effect of these antecedents. Similarly no research has been seen which tested the effect of PCI on the willingness to buy. This hypothesis gives theoretical contribution to existing literature.

Home product country image negatively influences on willingness to buy foreign products (Nwankwo et al., 2014). Patriotic consumer results in the interpretation of their identity to create their own place for such image (Baker, 2007; Hanna and Rowley, 2013). People who have a good experience with the home land tends to have a positive perception for their domestic brands and product (Addis et al., 2007; Brakus et al., 2009). While they would be hesitate to buy foreign product. Similarly, foreign product Image will have a positive impact on willingness of consumer to buy. It would be interesting to see how Pakistani consumers perceive about the foreign products in terms of buying behavior. The relationship taken from existing literature suggests a negative effect of HPCI where as positive effect on FPCI. This means if consumer living in this part of the world feels himself as patriotic, he will not buy the foreign product. The aim of this hypothesis is to test whether this statement holds true in this market:

- **H9:** There is a negative relationship between Home Product Country Image (HPCI) on Willingness to Buy (WB).
- **H10:** There is a positive relationship between Foreign Product Country Image (FPCI) and Willingness to Buy (WB).

2.2 Regression Model Equation

$$HPCI = a_0 + \beta_1 COS + \beta_2 CET + \beta_3 MAT + \beta_4 VC + \epsilon \dots\dots (1)$$

$$FPCI = a_0 + \beta_1 COS + \beta_2 CET + \beta_3 MAT + \beta_4 VC + \epsilon \dots\dots (2)$$

$$WB = a_0 + \beta_1 HPCI + \epsilon \dots\dots (3)$$

$$WB = a_0 + \beta_1 FPCI + \epsilon \dots\dots (4)$$

Whereas WB represents dependent variable *Willingness to Buy foreign product*, HPCI represents *Home Product Country Image*, FPCI represents *Foreign Product Country Image*, COS represents *Cosmopolitanism*, CET represents *Consumer Ethnocentrism*, MAT represents *Materialism*, VC represents *Value Consciousness* and  $\epsilon$  represents error term,  $a_0$  represents constant and  $\beta_s$  represent co-efficient of independent variables.

### **3. Sample Criteria and Respondents Profile**

For sample selection simple random sampling technique was used. For this purpose recognized universities that were listed on Higher Education Commission (HEC) website were sorted and then were divided according to its student enrollment size. All this information is given by the HEC. Later, each university's name was written on a piece of paper and was randomly selected. The sample selected through the universities which were situated in specific region is a common practice in existing literature (Verlegh et al, 2001; Sharma, 2011; Allred et al., 1999). Sample size from each university was taken randomly and equally among the universities to avoid any sampling biasness. The detail procedure to select the sample university randomly is discussed in section 4.2.2.

The initial sample was of 900 universities students. 900 questionnaires were given randomly to the respective universities. The final sample consisted of 616 without missing values. The response rate was 68.4% out of which 51.8% were females whereas 48.2% were males.

The respondents for this study consisted of both genders. The sample selected mainly comprised college-aged students and data was collected from three universities in Lahore i.e. University of Lahore (UOL), University of Central Punjab (UCP) and Beaconhouse National University (BNU). All these universities were based in Lahore as it was easily accessible. Mostly university students were business students and of age ranging between 20 to 25 years, were selected in the sample. Consumers of belonging to this age bracket and income level shows more usage of foreign products. This was the main purpose of selecting a university student as a sample for this study.

### **4. Data Collection**

#### *4.1 Pre Selection of Country and Product Type through Focus Groups*

Before rotating questionnaire, two focus groups were conducted. The purpose for conducting the focus group was to select a particular country and a product type. Every respondent would have some different foreign country or product type in their mind while they would be answering the questions. To avoid such biasness and variations, two focus group were conducted in Lahore School of Economics. The procedure to start the focus groups was to first ask the participants to write the names of the foreign countries on a piece of paper when they hear a word "Foreignness /foreign country". The majority of respondents (80%) in both focus groups related "foreignness" or "foreign country" to USA, Canada and (or) UK.

Similarly, after pre selection of a foreign country, a pre selection of foreign product was needed. Same participants were asked to write different product categories, such cars, food items, clothing, shoes etc. In next phase of this focus group, participants were asked to relate "Foreign country such as USA, UK or Canada with a pre-determined product type. It was interesting to see the results of both focus groups that majority of participants associated these foreign countries with "Clothing" as foreign product. However, few participants responded to cars as product category. Finally after going through this rigorous process, USA, Canada and (or) UK were selected as Foreign countries and "clothing" was selected as a product category for the questionnaire.

Advantage of this pre selection approach of a particular foreign country for the study was to keep the image of the country 'fixed' in the minds of respondents in such a way that it

may not affect the results at all (Laroche et al., 2005). For example, Sharma (2011, p. 272), pre-selected a fictitious brand of car as well as clothing brands and pre-selected four countries USA, UK, China and India.

Moreover, Aurier and Fort (2007) also pre-selected a product category that was cheese and canned meat. Further, Auger et al., (2010) pre-selected AA batteries and athletic shoes; Similarly, Sharma (2011) preselected cars and clothing brands as their foreign products for their study. It is proposed that Sharma's (2011, p.272) research methodology for selecting foreign products was used for this study as well.

#### *4.2 Data collection for Survey Method*

##### *4.2.1 Pilot Study*

For avoiding biased results, pre testing of questionnaire was also done. Later analysis was run to tests the results. The sample size for this pilot study consisted of 80 respondents. These respondents were Lahore School students mainly from BBA Program. This sample size for pilot study has been taken from previous literature (Jin et al., 2006; Jin et al., 2015; Sharma, 2011).

After rotating questionnaire, respondents were asked to give their responses on 7- point Likert scale. After completion of questionnaire, respondents were asked about their difficulty level in understanding words or concepts that were used in the questions. Majority of them were satisfied with words used in the questions. They were able to relate the concepts and were able to answer the appropriately. Each respondent took 40-45 minutes (on average) to complete the questionnaire. Later, the analysis was done, and showed similar relationships of constructs with the existing literature.

##### *4.2.2 Selection of Sample for Survey Method*

For random selection of respondents, proportionate sampling technique was used. The following are the steps to select the sample on random basis.

First step was to randomly select the universities. For that reason, universities that are recognized by Higher Education Commission (HEC) of Pakistan were taken into account. The list of universities at HEC website consisted of three categories based on strength of the students enrolled in each university. These categories were labeled as "Large University", "medium university" and "small university". According to this criterion, the large sized universities have enrollment of students greater than 7000. Whereas universities labeled as medium sized have student enrollment between 3000 to 7000 and small sized have student enrollment of less than 3000 students.

Second step was to identify the universities from each category that were situated in Lahore, Pakistan. The sample selected through the universities which were situated in specific region is a common practice in existing literature (Verlegh et al., 2001; Sharma, 2011; Allred et al., 1999).

In the category of "Large sized university", there were four universities, in medium size, there were five universities and finally in last category, small sized university, there were eight universities. Later, the names of these universities were written on a piece of paper for random selection.

In the last step, from each category one university was picked randomly. In large size university, University of Lahore was selected randomly. In medium sized, University of

Central Punjab was picked randomly. In last category, Beaconhouse National University (BNU) was picked. 300 questionnaire were rotated in each university (mentioned above). 210 complete questionnaire with no missing value was received from University of Lahore (response rate 70%), 201 and 205 responses were received from UCP (response rate 67%), and BNU (response rate 68.3%), respectively. Total sample size for this study was 616 students from these three universities. This questionnaire was self-administered.

### **5. Instrumentation**

For this study, a structured questionnaire has been taken from multiple research papers. *Cosmopolitanism (COS)* and *Consumer Ethnocentrism (CET)* was measured at seven point Likert scale ranging from 1 = strongly disagree to 7= strongly agree. CET four items version have been modified from CETSCALE adopted by Shimp and Sharma (1987). This scale was originally developed by Cleveland et al., (2009), later on it has been modified by Jin et al., 2015. This modified version of questionnaire would be used in this study.

Measurement of *Value consciousness and Materialism* constructs has been adopted by Sharma (2011). These both constructs were measured on Likert scale. This seven-point Likert-type response formats with 1 being strongly disagree to 7 being strongly agree would be used to quantify these two constructs. *Product Country Image (PCI)* was originally developed by Roth and Romeo (1992), *Home Product Country Image (HPCI)* and *Foreign Product Country Image (FPCI)* have been adopted by the study of Jin et al. (2015). These constructs have been measured on 7-point scale items. HPCI and FPCI have been tested for the following items; innovativeness, workmanship, quality and performance. *Willingness to Buy* was measured on a seven point scale adopted and modified by Darling and Arnold (1988); Darling and Wood (1990) and Wood and Darling (1993). This will be measured at 7- point Likert scale ranging from 1 = strongly disagree to 7= strongly agree.

The questionnaires circulated to the respondents contained only questions without the names of the variables. Each questionnaire consisted of 49 questions in total. It was in simple English language. On average respondent took 40-45 minutes to complete the questionnaire.

### **6. Empirical Results**

The data collected for this study consists of 616 respondents. The statistical soft wares used were SPSS and AMOS graphics. The analysis was conducted through Structural Equation Model (SEM).

#### *6.1 Descriptive Statistics*

Descriptive statistics is shown in table 1 below. The dependent variable, Willingness to buy foreign product, has mean of 3.88 with standard deviation of 0.86. Similarly Consumer ethnocentrism and value conscious consumers have 4.44 and 5.18 mean with 1.04 and 0.97 standard deviation respectively. Moreover, Materialism and cosmopolitanism has mean of 4.35 with standard deviation of 1.09 and 5.08 with 0.96 standard deviation respectively. Lastly home product country image and foreign product country image has mean of 4.41 and 5.09 respectively. The standard deviation came out to be 0.9 and 0.95 respectively (see below table 1).

**Table 1: Descriptive Statistics**

	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>WB</b>	616	2	6	3.88	.860
<b>CE</b>	616	1	7	4.44	1.049
<b>VC</b>	616	2	7	5.18	.972
<b>MAT</b>	616	1	7	4.35	1.092
<b>COS</b>	616	2	7	5.08	.964
<b>HPCI</b>	616	2	7	4.41	.791
<b>FPCI</b>	616	2.00	7.00	5.0921	.95633
<b>Valid N</b>	616				

*6.2. Common Method Biasness: Harman’s One-Factor Test*

To eliminate the common method biasness present in the data Harman’s one factor test was done. If a first factor shows the majority variance such as more than 50%, it is said to be having common method biasness (Podsakoff et al., 2003). Fortunately, this study shows only 16.6% of the variance (see below Table 2).

**Table 2: Common Method Variance Test**

<b>Component</b>	<b>Initial Eigenvalues</b>		
	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>
<b>1</b>	6.124	16.552	16.552
<b>2</b>	2.668	7.211	23.763
<b>3</b>	2.497	6.749	30.512
<b>4</b>	2.018	5.454	35.966
<b>5</b>	1.810	4.892	40.857
<b>6</b>	1.769	4.781	45.638
<b>7</b>	1.314	3.551	49.189
<b>8</b>	1.218	3.292	52.481
<b>9</b>	1.162	3.140	55.621
<b>10</b>	1.090	2.947	58.568
<b>11</b>	1.002	2.709	61.276

*6.3 Measurement Model: Confirmatory Factor Analysis (CFA)*

After data collection, it was coded and then analyzed for convergent validity and construct reliability. The initial loadings were quite low (less 0.5 factor loadings) so they were deleted. After an item was deleted the analysis was run again. The final loadings were above the criterion value of 0.5 (see table 3).

**Table 3: Factor Loadings of Each Construct**

<b>Variables</b>	<b>Initial Loadings</b>	<b>Final Loadings</b>
<b>Willingness to Buy</b>	0.9,0.49,0.38,0.2,0.96, 0.45	0.9,0.87
<b>Consumer Ethnocentrism</b>	0.30,0.65,0.89,0.67,0.41,0.79	0.65,0.88,0.65,0.78
<b>Value Consciousness</b>	0.69, 0.56, 0.17, 0.9	0.7, 0.71
<b>Materialism</b>	0.58,0.35,0.68,0.71,0.47,0.68	0.71,0.75,0.68,0.68
<b>Cosmopolitanism</b>	0.73,0.74,0.46,0.79	0.79,0.74,0.73
<b>Home Product Country Image</b>	0.75,0.47,0.49,0.78	0.78,0.75
<b>Foreign Product Country Image</b>	0.62,0.68,0.72,0.16	0.68,0.72,0.63

### 6.3.1 Testing for Construct Reliability and Validity

Construct reliability of Willingness to buy was 0.84 as the value is close to 0.65, we can declare that the construct reliability and also this construct convergent valid as Average Variance Extracted (AVE) value of 0.64 as it is greater than 0.5. We can conclude that the construct Willingness to buy foreign products is reliable construct and also all the items that were tested were converging into one factor (see below-Table 4)

Consumer Ethnocentrism came out to be reliable construct with 0.89 Cronbach alpha, and the value for AVE was 0.54 so this constructs shows convergent validity. Whereas, Value Consciousness had AVE value of 0.49 with Cronbach alpha of 0.80 so we declare that this construct was valid and reliable (respectively) for current study. Moreover, Materialism, Cosmopolitanism, Home product Country image and foreign product country image had Cronbach Alpha of 0.87, 0.82, 0.81 and 0.75 respectively. All these values are greater than 0.65 so we conclude that these constructs are reliable. Values for validity of these constructs were 0.56, 0.53, 0.60 and 0.51 respectively. These values were greater than 0.50, so we conclude that all of these constructs were valid for current study (see below- Table 4).

**Table 4: Construct Reliability and Validity**

<b>Variables</b>	<b>Construct Reliability</b>	<b>Validity (AVE)</b>
<b>Willingness to Buy</b>	0.84	0.64
<b>Consumer Ethnocentrism</b>	0.89	0.54
<b>Value Consciousness</b>	0.80	0.49
<b>Materialism</b>	0.87	0.56
<b>Cosmopolitanism</b>	0.82	0.53
<b>Home Product Country Image</b>	0.81	0.60
<b>Foreign Product Country Image</b>	0.75	0.51

### 6.3.2 CFA Model Fit

Once the factor loadings of each item have been checked, the next step is to test for reliability and validity of each construct. Later model fit indices are analyzed (Kline,

2005; Hu and Bentler, 1999). The model fit results indicated a chi-square per degree of freedom value of 3.04 for model which indicates an excellent fit for the model as the values are between 1 and 3 (Segars and Grover, 1998; Carmines and McIver, 1981), the Normed Fit Index (NFI), Incremental Fit Index (IFI), Tucker-lewis Coefficient (TLI) and Comparative Fit Index (CFI) were 0.75, 0.81, 0.74 and 0.80 respectively, which render the model fit because the values are above or close to 0.8 (Segars and Grover, 1998). The root mean square error of approximation (RMSEA) should be less than or equal to 0.06. Lastly the values for HOELTER's n must be above 200 to indicate a good fit; so it is coming out to be 223. This study shows a good model fit. The Model Fit summary is shown below in Tables 5.

**Table 5: Model Fit Summary (CFA Model Fit)**

	<b>CMIN/DF</b>	<b>NFI</b>	<b>IFI</b>	<b>TLI</b>	<b>CFI</b>	<b>RMSEA</b>	<b>HOELTER (0.01)</b>
<b>Model</b>	3.04	0.75	0.81	0.74	0.80	0.06	223

*6.4. Path Analysis (Structural Equal Modeling) Hypothesis Testing*

For testing of hypothesis, Structural Equation Modeling (SEM) was used. The generated path analysis from SEM indicated that, Materialism (MAT) had a significant positive relationship between Foreign Product Country Image (FPCI) with a p-value of 0.00, Foreign Product Country Image and had an extremely positive significance impact on Willingness to buy (WB) with p-value of 0.01 so H<sub>6</sub> is accepted. We can say that willingness to buy is affected by foreign product image and the materialism of Pakistani consumers (See Table 6)

Value Conscious consumers had an extremely significant positive impact on image of Foreign product (FPCI) with a value p-value of 0.01, Foreign product country image had an extremely significant positive impact on willingness to buy (WB) with p-value of 0.01. So H<sub>8</sub> and H<sub>10</sub> are accepted. We conclude that value conscious people prefer foreign product. Consumer ethnocentrism was highly positive significant impact on Foreign product country image at p-value of 0.02 so we accept the first generated path (H<sub>4</sub> is accepted). It was stated earlier that it will have a negative impact on FPCI as consumer ethnocentric consumers are loyal towards their domestic products. But it is evident from these results that they have stronger preference for foreign products rather their domestic products.

Moreover, Cosmopolitanism had a significant positive effect on FPCI with a p-value of 0.01, FPCI had an immensely significant positive effect on willingness to buy with a p-value of 0.01, so H<sub>2</sub> was also accepted.

Home product country image (HPCI) had an extreme negative impact on willingness to buy foreign product at the p-value of 0.01 so we support this generated path, H<sub>9</sub> is accepted. The negative impact indicates that people who prefer domestic products will have no intentions to buy foreign brands. Cosmopolitanism was extremely positive significant on HPCI at p value of 0.01. This result showed that cosmopolitan consumers have preference for both foreign and home products. So we accept H<sub>1</sub>. Whereas, value consciousness had a significant impact on HPCI at 0.02. This regression line had a positive sign which clearly showed that consumers who were price conscious preferred

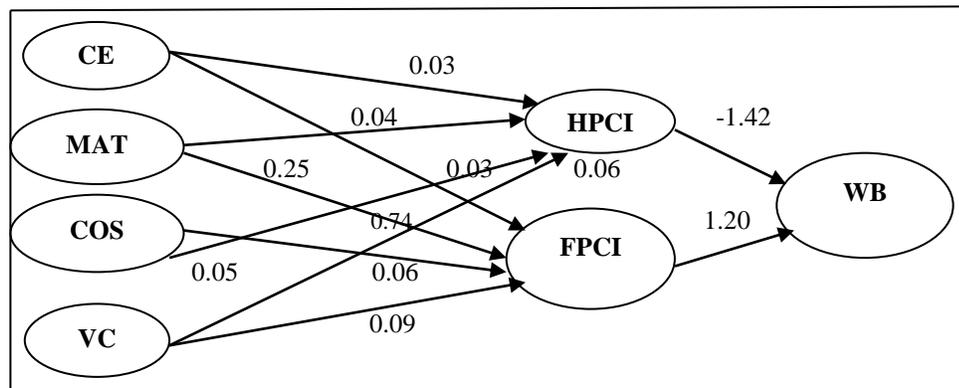
domestic products as it was less expensive than foreign products, so H<sub>7</sub> is also supported (see below table 6).

**Table 6: Results of SEM: Path Analysis**

Path Analysis	Estimate	C.R.	P-value
HPCI <--- MAT	0.04	0.84	0.40
HPCI <--- VC	0.06	2.27	0.02**
HPCI <--- CE	0.03	0.94	0.35
HPCI <--- COS	0.74	5.78	0.01***
FPCI <--- MAT	0.25	4.02	0.01***
FPCI <--- VC	0.09	2.51	0.01***
FPCI <--- CE	0.09	2.18	0.02**
FPCI <--- COS	0.50	4.34	0.01***
WB <--- HPCI	-1.42	-4.24	0.01***
WB <--- FPCI	1.20	2.82	0.01***

\*\*\*Significant at 0.01

\*\*Significant at 0.05



**Figure 2: Amos Graphics Output**

**7. Discussion of Findings**

The aim of this study is to test the relationship of four antecedents of Product Country Image (PCI) on willingness to buy foreign product. The results of this study showed that there is a positive relationship between Materialism and foreign product country image (H<sub>6</sub>); previous researches also linked Materialism with Foreign product country image (Eastman et al., 1997; Wong and Ahuvia, 1998; Burroughs and Rindfleisch, 2002), which evidently supports that Materialism can improve the image of foreign product from the foreign country. The reason behind this could be the fact that those individuals who were high in materialism prefer foreign brands to satisfy their materialistic approach. By using such foreign products they feel more confident about themselves (Belk, 1985). Foreign product country image had significant impact on willingness to buy to such products (H<sub>10</sub>). Such consumers can be labeled as people with scarce in personal resources such as

low self-confidence. These kinds of people requires some external incentive, to run away from their negative consequences of their low confidence (Reeves et al., 2012).

Further, Cosmopolitan consumers have preference for foreign products. The image of such foreign countries on Pakistani consumers plays a vital role in deciding to buy the product or not. It refers to inclination of person to consider him/herself as an open mindedness towards every country such as world citizens rather considering him/herself to belong to a specific country (Riefler and Diamantopoulos, 2009). Similarly, it has also been explained as “a conscious openness to the world and its cultural differences” (Skrbis et al., 2004). Similarly, it had an extreme positive impact on home product country image (HPCI). These results supports existing literature (H<sub>1</sub> & H<sub>2</sub>). Cosmopolitan consumers are believed to be more interested to experience new ideas, try innovative product, and share different cultures across the globe (Skrbis et al., 2004).

Value consciousness had positive significant impact on home product country image (H<sub>7</sub>). This is consistent with existing literature. Such consumers pay less for a particular product and the benefits he/she gets against spending that amount are the basic frame work for the concept of value derived by the consumer (Zeithaml, 1988). Therefore value conscious consumer will prefer cheap and local products from their home land rather expensive foreign products from foreign countries (Usunier, 1994). The results also showed a contrary findings from literature. According to Ahmed and d’Astous (2008); Jin et al. (2015) and Sharma (2011) found that consumer with high value consciousness tends to have low preference for foreign product as they are quite expensive as compared to domestic products. These consumers are willing to pay less and compromise on the quality of the home products due to price constraints (Zhao et al., 2011). The result showed that value consciousness had positive significant impact on foreign product country image (H<sub>8</sub>).

A consumer who possesses a high ethnocentrism tends to buy home products rather foreign products. They are loyal towards their home country so they will have positive HPCI and negative FPCI (Jin et al., 2015). Findings of this study contradict from the literature. Pakistani consumers prefer foreign product over domestics’ product. Such consumers don’t feel threatened by foreign companies in fact they want to buy such products. Results showed positive significant impact of ethnocentrism on FPCI (H<sub>4</sub>) and insignificant result for HPCI (H<sub>3</sub>). This negates the findings of Shimp and Sharma (1987) and Alden et al. (2013) which stated that consumers with high ethnocentrism, especially in developing countries, may feel threatened by large multinationals companies. Such consumers hold the presence of multinationals as responsible in destroying their domestic culture.

## **8. Conclusion and Directions for Future Research**

The findings of the current study have much of the importance in terms of implications for future researches. As globalization is increasing day by day marketers are more focusing on the consumer culture that belongs to different parts of the world. An informational stimulation that occurs in the mind of a consumer while relating his believes about a country with regards to product’s attribute. Moreover, it is suggested that Pakistani consumers prefer foreign products from foreign companies so it is likely that in future many international companies can enter into our market. The image of “foreignness” does exist here; people are more consciousness towards their appearance.

They want to use foreign brands so managers should encourage building an image on their brands as “foreignness” if they are still local companies.

Sample taken for this study depicts a luxurious life style with high level of education. Most of these respondents would be highly influenced by the western culture. This may lead to the occurrence of negative aspects of the consumer cultures such as materialistic approach.

Due to limited theoretical as well as empirical evidence in this research area, led us to examine the relations of four antecedents of PCI on Home Product Country Image (HPCI) and then on Foreign Product Country Image (FPCI). However, different factors and antecedents of PCI can be included to dig further for future research. For willingness to buy, it is suggested that different items could be measured such as willingness to buy domestic product as well.

Another construct, Product experience, could be introduced in current theoretical framework as a moderator. The moderating effect of such construct can change the findings as if a consumer had good/bad experience with foreign product, it can change his/her willingness to buy that product.

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