The Effect of Culture on Antecedents to Domestic or Foreign Purchase Choice

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Abstract:

The study investigates the affective, cognitive, and normative antecedents to consumer choice of foreign or domestic goods. It also incorporates culture as an antecedent to foreign and domestic purchase behavior. Overall, the results suggest that normative mechanism generally affect people choice of domestic goods in a positive manner, while affective and cognitive tend to have a greater impact on foreign purchase behavior decisions. Culture acts as a strong antecedent to the affective, cognitive, and normative mechanisms in this model.

Keywords: Ethnocentricity, Domestic Purchase Behavior, Multi-Country, Culture, Individualism, Uncertainty Avoidance

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Introduction

Global trade continues apace, and multinational corporations are always seeking ways to improve their acceptance in new markets. The popular press is replete with examples of businesses that have failed to gain acceptance in new markets despite consumer surveys predicting success and the apparent superiority of their products. One explanation for this can be found in the effects of culture on consumer buying behavior.

While it is well established that ethnocentrism and other factors have a significant impact on purchasing habits, probing the details of this behavior is still needed. This work will build on the model developed by Vida and Reardon (2007) that assessed how domestic consumption patterns were affected by rational, affective and normative influences. The current research expands this model in two ways. The first is to look at how these three factors affect the purchase of foreign in addition to domestic products. The second is to explore how culture affects the consumer ethnocentrism model.

The aim of this study is to determine how choice behavior for foreign and domestic products differs. This answers a call by Insch and McBride (2004) to broaden the scope of theoretical model testing. It is believed that normative (social and personal norms) and affective elements will have significant effects on choice for domestic goods, but that this effect will be diminished for foreign goods. Instead, evaluations of foreign products will be dominated by cognitive assessments that are related to perceived quality. Both sets of evaluation factors are at play in each case, but will be present to differing degrees.

The second outcome of the study is to examine the degree to which collectivism and uncertainty avoidance affect the decision-making process for domestic and foreign products. Collectivism is believed to have a greater effect on normative and cognitive elements while uncertainty avoidance should moderate all decision-making approaches.

The research is expected to contribute to the literature by exploring the degree to which purchasing behaviors for domestic products parallel those used when foreign products are assessed and chosen. The multi-country study also provides data on a wide range of countries, providing researchers and executives with rich information regarding the likely outcome of consumers' assessment of goods prior to purchase.

Literature Review

One of the major decisions faced by multinational corporations is whether or not to adapt one's product when entering a new market. Practically, the global approach is to alter the item as little as possible to achieve economies of scale and simplify manufacturing. The risk of this approach, of course, is that foreign purchasers will reject the product because it isn't adequately suited to their needs or perceptions of need. Weighing in on the side of cost reduction advocates was Theodore Levitt (1983), who argued that the world was evolving toward a single, universal consumer. He predicted that companies would be able to soon sell the same product in the same way virtually worldwide. However, marketing research and industry practice in the succeeding decades proved his assertions incorrect.

While it is true that global communication, rising incomes and exposure to products offered by multinationals presents the opportunity for a universal market, such convergence has not occurred. Mooij and Hofstede (2002) point out that culture still is a major influence in consumer behavior that rules choices over and above similar demographics. In addition,

country-of-origin still plays a noteworthy role in which products consumers ultimately select (Peterson and Jolibert 1995; Verlegh and Steenkamp 1999).

Numerous studies of international marketing conclude that consumers seriously consider the nation of manufacture or country of association when choosing a product. Not surprisingly, many situations arise where domestic products are preferred over those of foreign manufacture or bearing a foreign brand name (Granzin and Olsen 1998; Nijssen and Douglas 2004; Shimp and Sharma 1987). Consumers are exhibiting more awareness of ethnic, national and cultural identity, sometimes manifesting in "Buy National" campaigns. These feelings are likely to be especially prevalent in times of economic stress or political upheaval in the nation (Ang et al., 2004; Herche 1994; Heslop, Lu and Cray 2008). Nevertheless, the bias against foreign goods still remains unclear.

The academic literature has identified three major influences that affect consumer choice: cognitive, affective and normative (Verlegh and Steenkamp 1999). All are interdependent, but each has the potential to dominate in a consumer choice setting where country-of-origin matters to the consumer. It remains to be demonstrated which ones are likely to take precedence, in which countries and under what choice circumstances (Hansen 2005; Pecotich and Rosenthal 2001).

Conceptual Model and Hypothesis Development

Models of consumer ethnocentrism are well developed and prevalent in the literature (Balabanis and Diamantopoulos 2004; Good and Huddleston 1995; Herche 1994; Javalgi et al. 2004; Klein, Ettenson and Krishnan 2006; Shankarmahesh 2006). Here we adopt a simplified standard model of consumer ethnocentrism wherein cognitive, affective and normative mechanisms directly affect the consumers' decision preference for domestic goods

(Vida and Reardon 2007). In addition to this, other authors have added attitudes toward foreign goods into their ethnocentrism models (Ang et al., 2004; Klein, Ettenson and Morris 1998). Thus, we further expand the model to include this construct. The particular focus in this research is to examine the differential effects of culture on the existent model. Specifically, we look at two popular culture dimensions of uncertainty avoidance (UA) and collectivism (COL) popularized by Hofestede (2001).

Normative Influences on Foreign and Domestic Purchasing Behavior

Ethnocentrism is a major affective element in consumer choice. The key element of ethnocentrism as it affects purchase behavior is that individuals tend to view domestic products as superior to foreign ones. From a normative perspective, where cognitive evaluations of product quality are not present, this belief is largely anchored in ethnocentrism —buying foreign goods may damage my economy (Shimp and Sharma 1987). Product involvement, product necessity and the extent to which foreign goods threaten a consumer's personal or economic welfare are important determinants of an individual's ethnocentric intensity (Herche 1994; Kaynak and Cavusgil 1983).

Consumer purchasing behavior can favor either domestic or foreign goods or brands depending on the relative influence of country-of-origin (COO) effects and ethnocentricity. Indeed, both factors may operate simultaneously (Balabanis and Diamantopoulos 2004). We follow the definition of Granzin and Olsen (1998) wherein domestic purchase behavior is done in support of the local economy.

H1a: Consumer Ethnocentrism will of consumers have a positive effect on Domestic Product Purchase Behavior.

H1b: Consumer Ethnocentrism will have a negative effect on Foreign Product Purchase Behavior.

Empirically, Balabanis and Diamantopoulos (2004) demonstrated that ethnocentricity better explains consumers' positive attitudes toward purchasing domestic products than country-of-origin does for a negative bias against foreign goods. Suh and Kwon (2002) demonstrated that consumer ethnocentrism is an important factor both in determining the level of reluctance to buy a foreign product and in determining the quality assessment of products from a foreign country, yet these effects vary depending on the cultural context.

H1c: Consumer Ethnocentrism will have a greater effect on Domestic Product than Foreign Product Purchase Behavior

Cognitive Effects on Foreign and Domestic Purchasing Behavior

Cognitions about a product—beliefs—are central to the decision-making process and constitute what the consumer expects the product to do (Sheth, Mittal and Newman 1999). Whereas affect is driven mostly by emotion, cognitive effects demand higher level processing and deeper thought. Among the most important beliefs in the choice decision between domestic and foreign goods are quality and price. Virtually all consumers want the most quality they can have for a given price. In the absence of experience and knowledge of the product, such as when one is buying a foreign brand, price can become a surrogate determinant of quality. Similarly, the foreign brand name can project (positive) beliefs about the product and its presumed quality. As involvement with the product increases, cognitive factors take on greater importance. In the current study, one factor discussed later that influences involvement would be uncertainty avoidance.

H2a: The importance of quality to consumers will have a significant impact on Foreign Product Purchase Behavior.

H2b: The importance of quality to consumers will have a significant impact on Domestic Purchase Behavior**.**

Affective Effects on Foreign and Domestic Purchase Behavior

Here we consider underlying emotions and feeling related to the domestic and foreign purchase behavior – most often affective antecedents are captured throught patriotism/national identity. Patriotism and national identity are noted antecedents of ethnocentricity in the model from Sharma, Shimp and Shin (1995). Balabanis et al. (2001) found that patriotism affected ethnocentrism but not internationalism. The test is included here in order to determine how similar cultures with widely divergent economic development—for instance, China and Japan—differ in the effect on national identity.

H3: National identification has a positive effect on ethnocentricity

Affective components are likely to have a significant impact on purchasing behavior, especially in those cultures where collectivism is strong, such as Japan and China. In those instances, group pressure to conform may override cognitive evaluations of the purchase (Johansson 2009, p. 213). When deciding whether to buy foreign or domestic, the attitudes of one's peers and/or the social norms of the country may ultimately determine which product is chosen.

H4a: National Identification has a positive effect on Domestic Purchase Behavior.

H4b: National Identification has a negative effect on Foreign Purchase Behavior.

The Effect of Culture on the Consumer Ethnocentrism Model

Although not widely hypothesized or developed, it is implicitly and empirically recognized that the model of consumer ethnocentrism (CE) is culturally dependent. For example, Suh and Kwon (2002) demonstrated that consumer ethnocentrism is an important factor in determining both foreign quality assessment as well as foreign purchase behavior, yet these effects vary depending on the cultural context. Indeed, Sharma, Shimp and Shin (1995) provide empirical evidence of the construct of individualism as a principal source of consumer ethnocentrism.

Despite the clear distinction between CE and the antecedent nature of patriotism in the Sharma, Shimp and Shin (1995) model, many researchers have either used CE as analogous to patriotism and/or nationalism, or examined other closely related constructs as determinants of CE (e.g., nationalism, national identity, cultural homogeneity and common heritage, etc.). For instance, having examined sources of CE in the two transitional economies of Turkey and the Czech Republic, Balabanis et al., (2001) found a country-specific effect of patriotism and nationalism on consumer ethnocentric tendencies, yet an insignificant effect of internationalism. Since CE antecedents have been operationalized in various ways in previous studies and produced conflicting results, the testing of the hypotheses stated below provides an opportunity for resolving the controversy related to their role in shaping consumers' beliefs about the legitimacy of purchasing foreign made goods. To resolve these conflicting results, a multi-country study in which a range of cultural differences are known was undertaken to determine the extent of the effects of culture on ethnocentrism and its impact on consumer choice of foreign or domestic products.

Uncertainty Avoidance

Hofstede (2001, p. 161) defines Uncertainty Avoidance (UA) as "The extent to which the members of a culture feel threatened by uncertain or unknown situations". The U.S. scores typically low on UA whereas European and Asian countries are found at the top, in the middle and at the bottom of the list (Hofstede, 2001 p. 151).

To avoid uncertainty leading to potential financial losses, consumers are expected to rely on measurable cognitive cues from the product. Quality can be measured and experienced, and will be a positive influence on the consumer when choosing products. Higher UA individuals are expected to demand higher quality, thereby reducing the risk involved in purchase.

H5a: Cultural Uncertainty Avoidance will affect the Cognitive Antecedent (Quality Importance) of the Domestic/Foreign Purchase Decision

Interwoven with ethnocentricity is the belief that domestic goods are made by people like the consumer who understand the consumer's needs better than a foreign company can. To ensure satisfaction after purchase, a consumer with high UA would be more likely to purchase a domestic good. Those with low UA would be relatively less concerned about trying items they have less experience with, such as foreign brands.

Another affective factor would be the reactions of those around the consumer. People with high UA would tend to purchase those items that others have already bought in order to fit in and elicit positive reactions from others. Being different runs the risk being uncertain about how the consumer will be accepted by those around them.

H5b: Cultural Uncertainty Avoidance will affect the Affective Antecedent (Ethnocentricity) of the Domestic/Foreign Purchase Decision

Patriotism can be expressed in many ways, including what purchases one makes. Buying a car made in one's home country would be a logical choice, especially in high UA cultures. The assurance that the purchase supports the domestic economy reduces one's uncertainty about the wisdom of the purchase. Lower concern about maintenance and repair issues follow from buying domestic instead of foreign. Buying domestic also reduces uncertainty about how one will be perceived by others.

H5c: Cultural Uncertainty Avoidance will affect the Normative Antecedent (National ID) of the Domestic/Foreign Purchase Decision

Individualism/Collectivism

According to Hofstede (2001, p. 225), individualism refers to "a society in which the ties between individuals are loose: everyone is expected to look after him/herself and her/his immediate family only." Individualists pursue personal independence, pleasure, and achievement, and value individual expression and personal time (Hofstede 2001). Alternatively, collectivism refers to "a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty" (Hofstede 2001, p. 225). Collectivists have an emotional dependence on the group and value reciprocation of favors, a sense of belonging, and respect for tradition. It has been shown that the individualism/collectivism dimension explains a significant share of cross-national variance in consumer behavior (Hofstede 2001, p. 243; de Mooij and Hofstede 2002).

Sharma et al. (1995) provide empirical evidence of construct of individualism and conservatism as principal sources of CE. Thus, the current literature recognizes the necessity of including cultural variables as antecedents to ethnocentrism.

H6a: Cultural Collectivism will affect the Cognitive Antecedent (Quality Importance) of the Domestic/Foreign Purchase Decision

Members of collectivist societies look to the welfare of society ahead of their own individual needs. In extreme cases, they will sacrifice their own desires for the good of others. Thus one would expect to see a preference for purchases of domestic products in highly collectivist states because such behavior benefits the economy.

H6b: Cultural Collectivism will affect the Normative Antecedent (Ethnocentricity) of the Domestic/Foreign Purchase Decision

H6c: Cultural Collectivism will affect the Affective Antecedent (National ID) of the Domestic/Foreign Purchase Decision

Methodology

Sample

The sample consisted of 5086 respondents. Douglas and Craig (2006) suggest obtaining a diverse set of countries to achieve "purposive selection" to ensure variance on characteristics of interest. With this list in mind we chose 19 nations. We made a conscious effort to include a variety of emerging economies, as their role in international trade is rapidly expanding in importance and their study in previous research has been relatively sparse (Burgess and Steenkamp 2006).

College students were chosen as subjects, based on several factors: a) relative homogeneity of extraneous influences (Burgess and Steenkamp 2006; Strizhakova, Coulter and Price 2008), their relatively high exposure to global commerce (Kjeldgaard and Askegaard 2006) and relatively high exposure to multiple languages/cultures. In addition, many of the countries are transitional (previously communist) and this group is much more likely than their parents to have been exposed to globalization in one form or another. As expected, demographics were very homogenous and representative of traditional college students.

The instrument was carefully translated for both literal and symbolic meaning according to Douglas and Craig's (2006) suggestions. The English version was used only in the US, UK, India and the Philippines. The survey was administered in each country by a local professor as part of a larger collaborative study. We requested that each collector obtain a sample of 200 or more, which happened in all but a few countries. Details of the sample are summarized in Table 1.

INSERT TABLE 1 HERE

Measures

Construct measures for this research were derived from existing literature (Granzin and Olsen 1998; Keillor, et al. 1996; Parameswaran and Pisharodi 1994; Miller et al. 2007, Reardon et al. 2006). All measures used have been proven psychometrically sound in cross-cultural contexts. CETSCALE, for example, has been previously used and validated in various cross-cultural contexts (e.g. Lindquist, Vida, Plank and Fairhurst 2001; Good and Huddleston 1995). For this study, the six-item version of the original scale was utilized to

measure ethnocentrism. Seven-point Likert-type scales (1 = strongly disagree to 7 = strongly agree) were utilized for the individual scales to measure the five constructs.

In the process of translation and cross-cultural adaptation of the research stimuli and questionnaire (scale items), we followed the guidelines for conducting international consumer research by Douglas and Craig (2006).

Reliability of the scales was established using Cronbach's Alpha (see Table 2). All alpha values are "respectable or better", i.e. higher than 0.70 (DeVellis 2003).

INSERT TABLE 2 HERE

The validity of each of the scales was tested with confirmatory factor analysis (CFA) [Joreskog and Sorbom 1993]. Two CFA were computed, one for cultural variables and one of the Ethnocentric model variables. The fit of both was good (RMSEA 0.56, GFI .98 and RMSEA 0.64, GFI .94 respectively). Convergent validity was tested by examining the t-values of the Lambda-X Matrix (Bagozzi 1981). Ranging from 43.3 to 90.19, all t values were well above the 2.00 level specified by Kumar, Stern and Achrol (1992), indicating high convergent validity. Discriminant validity was examined by setting the individual paths of the Phi Matrix to one and testing the resultant model against the original (Gerbing and Anderson 1988). The high D-squared statistics (Joreskog and Sorbom 1993) implied that the confirmatory factor model fit significantly better than the constrained model for each construct.

Measure invariance was tested with Confirmatory Factor Analysis (CFA) using multi-group analysis in LISREL 8. Configural invariance is established by the consistent pattern of significant loadings between countries. In all countries, the loadings are significant and similar magnitude. Thus, configural invariance is established. Full metric invariance was not

established, nor expected, in a model of this magnitude (Steenkamp and Baumgartner 1998).

As suggested by Horn (1991, p.125) and Steenkamp and Baumgartner (1998) metric

invariance is "a condition to be striven for, not one expected to be fully realized." In fact,

Horn, McArdle and Mason (1983) and Steenkamp and Baumgartner (1998, p.81) consider

metric invariance as scientifically unrealistic. Since the object of this research is not to

compare means of measures across countries, scalar invariance assessment was not assessed

(Steenkamp and Baumgartner 1998, p. 80).

RESULTS

The estimation and t-test results are shown in Figure 1 below.

INSERT FIGURE 1 HERE

As indicated in Table 3, the overall fit of the model is acceptable. As could be expected

given the sample size, the Chi-Squared statistic was significant. The other performance

measures suggest that our model describes the data well within acceptable limits, as shown in

Table 3. The RMSEA was well below the 0.08 cutoff values suggested by Browne and

Cudeck (1993). In addition, the GFI and CFI are both above the commonly recommended

0.90 limit (Lichtenstein, Ridgway and Netemeyer 1992).

INSERT TABLE 3 HERE

The hypotheses are tested by examining the individual structural paths of the model

(Table 4).

INSERT TABLE 4 HERE

Linear analysis on a pooled sample was necessary to test the hypotheses. Since culture is both theoretically and practically internally homogeneous, group analysis with cultural variables does not make sense (it would be like using a constant as an antecedent). However, such a group analysis on the ethnocentric model can be enlightening. Thus, a 19 country multigroup SEM model was computed. The results are shown in Table 5 below.

INSERT TABLE 5 HERE

DISCUSSION AND IMPLICATIONS

There are a number of items of interest that were identified in Table 5. One relatively unsurprising result is that Japan acts differently from the rest of the world. They themselves make a strong argument that they are unique, and these results support that contention. Perhaps their degree of national identity and demand for superior quality produced only by Japanese companies is unequalled elsewhere.

Under *NatID* →*BuyDom* we see that affective factors have a positive effect on domestic purchases for all nations. It would appear that all countries exhibit a "buy local" response to one degree or another. The effect on foreign product purchases is not at all clear. There may be some effect from a moderating variable, but no similarities emerge that reveal a pattern.

Qual→BuyDom is an estimate of the degree to which they believe (in general) that their domestic goods are of high quality. Previous research has shown that mature economies view their products as equal in quality to economies such as themselves, followed in order by newly developing nations and finally emerging countries (Balabanis et al. 2001). The same results appeared here, with the U.S., U.K., French, Italians (all mature markets) and the Latvians high believers that they produce quality products. Lithuanians, Serbians, Chinese,

Guatemalans do not believe in the quality of their products. Japanese seem not to believe in anyone's quality but their own.

The most compelling results of the study were that consumers do not perceive decisions about buying domestic goods in the same manner as they do foreign goods. The two groups of goods appear to be considered as separate selection sets, not merely a large pool of merged products. This perception is important to consider for multinationals, as it infers that the MNC is likely competing mostly against others of its ilk, not the domestic product.

The cultural elements of uncertainty avoidance and individualism/collectivism have a significant effect on ethnocentricity. While alluded to in previous works, the current study demonstrates the magnitude of the effects, and suggests that theories and models of consumer behavior need to be investigated in multiple cultures. Further research dissecting the role of economic development in conjunction with these cultural variables is also called for.

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TABLE 1
SAMPLE COUNTRY DESCRIPTION

Country	N	*Language Root*	PPP per Capita	Hofstede's Measures	
				Individualism	Uncertainty Avoidance
EUROPE					
Belgium (BEL)	250	*Germanic*	35,388	75	94
Croatia (CRO)	207	*Slavic*	16,754		
Finland (FIN)	223	*Finno-Ugric*	35,349	63	59
France(FRA)	329	*Romance*	33,509	71	86
Italy(ITA)	409	*Romance*	30,365	76	75
Latvia (LAT)	123	*Baltic*	17,488		
Lithuania(LIT)	196	*Baltic*	17,733		
Portugal (POR)	291	*Romance*	21,779	27	104
Russia (RUS)	335	*Slavic*	14,705	39	95
Serbia (SER)	254	*Slavic*	10,071		
Slovenia (SLO)	291	*Slavic*	27,227		
United Kingdom (UK)	204	*Germanic*	35,634	89	35
AMERICAS					
Guatemala(GUA)	241	*Romance*	5,200	6	101
United States (US)	446	*Germanic*	45,725	91	46
ASIA					
China (PRC)	207	*Sinitic*	5,325	20	30
India (IND)	193	*Indo-Iranian*	2,563	48	40
Japan (JAP)	285	*Japanese*	33,596	46	92
Philippines (PHI)	379	*Indonesian*	3,383	32	44
Turkey (TUR)	222	*Turkic*	12,858	37	85
OTHER	8	Other nationalities consist of exchange students mostly from Ukraine and The Netherlands			
Totals Range	5086	*10 groups*	2.6-45.7K	20-91	30-104

- PPP per capita figures from IMF

TABLE 2
MEASURES

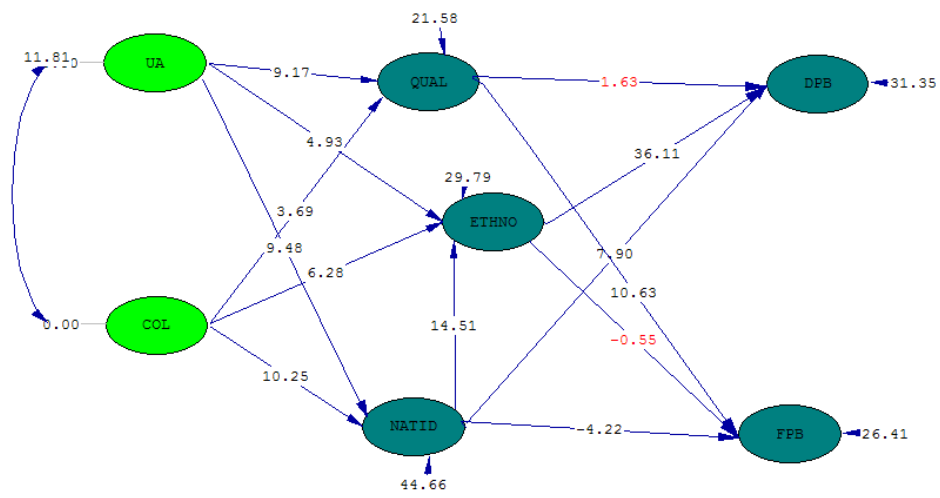| Construct/Items	Pooled Reliability (Alpha)
Uncertainty Avoidance(UA) **(Adapted from Quintal, Lee and Soutar, 2006)** 1. I avoid taking gambles in life 2. I would rather be safe than sorry 3. I avoid taking chances if possible 4. I like situations that are safe	0.790
Individualist/Collectivist (IndCol) **(Miller et al, 2007)** 1. Group welfare is more important than individual rewards. 2. Individuals should pursue their goals only after considering the welfare of the group 3. I focus on achieving societal goals more than individual accomplishments 4. Group rewards should take priority over individual rewards	0.791
National Identification (NatID) **(Adapted from Keillor et al., 1996)** 1. Being a(n) Italian citizen means a lot to me 2. I am proud to be an Italian citizen 3. When a foreign person praises Italy, it feels like a personal compliment 4. I feel strong ties with Italy	0.898
Quality Importance (QUAL) **(Adapted from Gaski and Etzel 1986)** 1. I buy quality products regardless of price 2. I buy things that won't break 3. Superior quality pays for itself 4. Quality is critical to me	0.797
Ethnocentricity (CET) **(Adapted from Shimp and Sharma 1987)** **(6 item from Klein, Ettenson and Krishnan 2006)** 1. Only those products that are unavailable in Italy should be imported 2. Italian products, first, last and foremost 3. A real Italian citizen should always buy Italy-made products 4. Italian citizens should not buy foreign products, because this hurts the Italy's business and causes unemployment 5. It may cost me in the long-run, but I prefer to support Italian products 6. Italian consumers who purchase products made in other countries are responsible for putting their fellow Italian citizens out of work	0.856
Domestic Purchase Behavior (BuyDom) **(Adapted from Granzin and Olsen 1998)** 1. I try to buy mostly domestic brands 2. I take time to look at labels in order to knowingly buy more domestic brands 3. I shop at retail stores that make a special effort to offer domestic brands	0.862
Foreign Purchase Behavior (BuyFor) **(Adapted from Granzin and Olsen 1998)** 1. I like the idea of owning foreign products 2. My quality of life would improve if more imported goods were available 3. I find imported goods more desirable than domestically produced products	0.772

Figure 1

TABLE 3
GOODNESS OF FIT STATISTICS

Degrees of Freedom = 363
Normal Theory Weighted Least Squares Chi-Square = 7147.63 (P = 0.0)

Root Mean Square Error of Approximation (RMSEA) = 0.055
90 Percent Confidence Interval for RMSEA = (0.054 ; 0.056)
P-Value for Test of Close Fit (RMSEA < 0.05) = 0.00

Normed Fit Index (NFI) = 0.95
Non-Normed Fit Index (NNFI) = 0.95
Parsimony Normed Fit Index (PNFI) = 0.85
Comparative Fit Index (CFI) = 0.95
Incremental Fit Index (IFI) = 0.95
Relative Fit Index (RFI) = 0.94
Goodness of Fit Index (GFI) = 0.93
Adjusted Goodness of Fit Index (AGFI) = 0.91

TABLE 4
HYPOTHESES RESULTS

Hypotheses	Linkage	Estimate	t/p-value	Result
H1a:	CET→ BuyDom (+)	0.59	36.11/ p<.001	Supported
H1b:	CET→ BuyFor (-)	-0.01	.055/p=.582	Rejected
H1c:	H1a > H1b	D-Sqr 1060.26	p<.001	Supported
H2a:	QualImp→ BuyDom (+)	0.02	1.63/p=.051	Marginal
H2b	QualImp→ BuyFor (+)	0.17	10.63/ p<.001	Supported
H3:	NatID → CET (+)	0.21	14.51/ p<.001	Supported
H4a:	NatID → BuyDom (+)	0.10	7.90/ p<.001	Supported
H4b	NatID → BuyFor (-)	-0.06	4.22/ p<.001	Supported
H5a:	UA → Quality (+)	.015	9.17/ p<.001	Supported
H5b:	UA → CET (+)	0.08	4.93/ p<.001	Supported
H5c:	UA → NatID (+)	0.14	9.48/ p<.001.	Supported
H6a	IndCol → Quality (+)	0.06	3.69/ p<.001	Supported
H6b	IndCol → CET (+)	0.10	6.28/ p<.001	Supported
H6c	IndCol → NatID (+)	0.15	10.25/ p<.001	Supported

TABLE 5
MGSEM RESULTS

Country	Factor Scores (without decimal)		Estimated Effects (* = Not Significant) (Total effects for NatID)					
	UA	COL	NatID → BuyDom	NatID → BuyFor	Qual → BuyDom	Qual → BuyFor	Ethno → BuyDom	Ethno → BuyFor
BEL	4	42	.27	-.03*	.06*	-.04*	.68	-.20
CRO	50	40	.39	-.07*	.02*	.01*	.37	-.02*
FIN	-26	26	.31	-.28	.02*	.01*	.64	-.28
FRA	-17	20	.18	.06*	.08*	.11*	.58	.15
GUAT	18	-16	.16	.05*	-.03*	.28	.21	-.16
IND	1	58	.33	-.08	.00*	.28	.32	-.01*
ITA	19	-35	.49	-.09	.16	.23	.51	-.11
JAP	42	13	.22	.04	-.01*	-.02*	.46	.10*
LAT	30	-21	.27	-.11	.33	.23	.24	-.11
LIT	-61	-26	.28	.07*	-.10*	.30	.42	-.05*
PHIL	-4	39	.18	-.12	.08*	.24	.29	-.17
PORT	87	-1	.25	-.27	.02*	.17	.36	-.03*
PRC	40	38	.12	-.11	-.04*	.01*	.53	-.04*
RUS	13	-10	.32	.01*	.05*	.27	.42	-.22
SERB	55	11	.35	-.14	-.11*	.05*	.41	-.04*
SLO	53	-39	.30	-.19	.09*	.15	.40	-.11
TURK	85	72	.54	.11	.08*	.50	.31	-.21
UK	-39	-6	.19	-.03*	.26	.20	.38	.01*
US	-30	-5	.11	-.08	.11	.15	.43	-.12