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# “Ours” or “theirs”? Psychological ownership and domestic products preferences

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## ABSTRACT

This paper seeks to understand the role of psychological ownership in shaping perceptions and preferences of domestic versus foreign products. We provide evidence that quality judgments and purchase behavior of domestic products depend on different levels of shared ownership. From a theoretical perspective, we show that domestic psychological ownership is an important construct that explains how preferences for domestic brands are formed. In terms of methodological contribution, the study offers a psychometric measure that will assist researchers interested in international consumer research. Finally, the study is of managerial interest in that our findings provide at least a partial explanation why many foreign brands fail to establish stronger positions in domestic markets, as well as why hybridization and glocalization strategies are successful.

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## 1. Introduction

How product origin influences consumer beliefs about product quality, purchase intentions and behavior has stimulated extensive work in international marketing and is well documented (e.g. Balabanis & Diamantopoulos, 2004; Diamantopoulos, Schlegelmilch, & Palihawadana, 2011; Peterson & Jolibert, 1995; Verlegh & Steenkamp, 1999). The literature focuses on explaining why consumers refrain from buying foreign products and has provided evidence that purchasing behavior is negatively influenced by consumer ethnocentrism, namely the “beliefs held by consumers about the appropriateness and indeed morality of purchasing foreign-made products” (e.g., Shimp & Sharma, 1987, p. 280). Previous research documents that consumer affinity (Oberecker, Riefler, & Diamantopoulos, 2008), and country animosity (Klein, Ettenson, & Morris, 1998) also are important determinants of foreign product preferences. Furthermore, a large number of studies shows that consumers use global brands in order to strengthen their identification with the global world (Bartsch, Diamantopoulos, Paparoidamis, & Chumpitaz, 2016). Consumer cosmopolitanism explains attitudes and behavior towards global brands (Riefler & Diamantopoulos, 2009) and acculturation to global consumer culture influences consumer behavior (Cleveland & Laroche, 2007).

Similarly, with increasing globalization, businesses have concentrated their efforts on the development of international brands, restructured brand portfolios, and eliminated many local brands

(Schuiling & Kapferer, 2004). Still, in some industries, such as food, domestic brands dominate international brands. For example, Euromonitor (2011) data shows that the global packaged food market is exceptionally fragmented, with the top 10 branded players accounting for < 16% of global retail value in 2010 and only two global players holding a global share of > 3% (Nestlé and Kraft). Thus, while we observe increasing globalization in many product categories, such as home appliances or beauty-care, it seems that other sectors are more immune to globalization effects. Some studies attempt to explain the preferences for domestic products and found that domestic bias may be an important determinant of domestic product purchase behavior (Josiassen, 2011). Also, levels of national identification are related to domestic purchases (Verlegh, 2007). Along similar lines, several studies observe that the consumer ethnocentrism is positively related to domestic product purchases (e.g., Balabanis, Diamantopoulos, Mueller, & Melewar, 2001; Sharma, Shimp, & Shin, 1995). However, while this research already points in an interesting direction, a number of researchers have failed to replicate these results and found no or just a partial relationship between ethnocentrism and purchases of domestic products (e.g., Acharya & Elliott, 2003; Bi et al., 2012; Shoham & Brenčič, 2003).

Since findings explaining why consumers opt for domestic products remain mixed, we propose to consider an additional and previously unexplored construct in the international marketing literature, namely psychological ownership for domestic goods. More specifically, we analyze how preferences and consumers' motives in choosing domestic goods are determined by shared psychological ownership. Previous research provides evidence that in general, consumers' value in-group goods more compared to out-group goods (e.g. Gineikiene, Schlegelmilch, & Ruzeviciute, 2016), because the former are associated with high possession-self links (e.g. Dommer & Swaminathan, 2013).

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Moreover, Pierce and Jussila (2010, p. 812) propose that psychological ownership can also exist as a group-level phenomenon and introduce the psychological ownership construct, defined as “the collectively held sense (feeling) that this target of ownership (or a piece of that target) is collectively ‘ours’”. Although the relevance of psychological ownership is widely researched in the psychology and organizational behavior literature, its implications for international marketing has not been addressed. Indeed, Jussila, Tarkiainen, Sarstedt, and Hair (2015) call for additional research to develop a more comprehensive understanding of the role of psychological ownership in marketing and consumer behavior. In this paper, we argue that the notion of psychological ownership provides a meaningful explanation and is relevant for domestic brand preferences. Individuals may perceive themselves as owners of domestic brands, recognizing that other in-group members also share the same ownership. We conceptualize domestic psychological ownership (DomOwn) as *preferential treatment of domestic goods due to the cognitive beliefs and affective sense of shared psychological ownership*. In other words, consumers hold shared beliefs (and emotions) about the “our-ness” of domestic goods and regard domestic products as more as their “own” than foreign products. DomOwn focuses on the preferential treatment of domestic products and has no negative valence towards foreign products. A clear distinction between a negative bias against foreign products versus a positive bias towards domestic products permits us to address whether favoritism and admiration of domestic goods can be independent from the denigration of foreign goods and moral beliefs concerning purchasing goods from abroad.

Against this background, the purpose of this paper is to understand the role of DomOwn in shaping the perception and preferences of domestic versus foreign products. The intended contribution is threefold. From the theoretical perspective, we provide insights showing how shared psychological ownership is related to domestic product preferences. In terms of methodological contribution, we offer a psychometric measure of DomOwn that will assist researchers interested in in-group attitude related research in domestic and international markets. Finally, from a managerial point of view, an examination of DomOwn provides at least a partial explanation why international and foreign brands fail to establish stronger positions in domestic markets, and what additional forces drive consumer behavior. This understanding may assist decision-makers of both domestic and foreign firms in developing respective market defense- and market-entry strategies.

## 2. Conceptual framework and hypotheses

### 2.1. Psychological ownership and possessions

Psychological ownership has profound implications on how people behave (Ye & Gawronski, 2016), yet, in studying consumer behavior, it is a relatively new concept (Folse, Moulard, & Raggio, 2012). Consumers attach meanings to possessions and regard them as symbolic components of self-identity and as a part of the extended self (Belk, 1988; Csikszentmihalyi & Rochberg-Halton, 1981; Dittmar, 1992). Individuals use material possessions as markers of self-definition and socially recognized symbols to communicate their identity to others (Wicklund & Gollwitzer, 1981). Furthermore, ownership creates an association between the item and the self and objects start being regarded as “me” rather than “mine” (Belk, 1988; Morewedge, Shu, Gilbert, & Wilson, 2009). Buying an object is a form of creating the object and helps shaping the extended self (Belk, 1988), because people invest efforts, time, and attention in an object (Csikszentmihalyi & Rochberg-Halton, 1981). In addition, people tend to enhance their self: through a “possession-self link” they project own positive features towards an owned object and boost the perceived value of possession (Aggarwal, 2004; Dommer & Swaminathan, 2013). As a result, ownership enhances the appeal and value of a good (Gawronski, Bodenhausen, & Becker, 2007; Morewedge et al., 2009), an effect which is well documented by the endowment literature (e.g., Kahneman, Knetsch, & Thaler, 1990).

Psychological ownership has many implications for consumer behavior, for example, it promotes attachment and favorable attitudes towards objects (Beggan, 1992; Feuchtl & Kamleitner, 2009); people get emotionally attached to their possessions (Frost & Hartl, 1996) and consider items they own to be more attractive even when they had no role in choosing them (Beggan, 1992). Moreover, the psychological ownership literature shows that psychological ownership of a product is associated with a more favorable product judgment (e.g., Fuchs, Prandelli, & Schreier, 2010; Jussila et al., 2015); product acquisition (Kamleitner, 2011), and behavioral responses (product consideration) (Kamleitner & Feuchtl, 2015).

### 2.2. Definition of domestic psychological ownership

We argue that the notion of psychological ownership is relevant in studying consumer behavior, in particular in explaining preferences for domestic products. Findings of the extant literature demonstrate that symbols of identity do not need to be individually owned; products and possessions can indicate group identity and express belonging to the group (Belk, 1988). Group members use objects possessed by the group to communicate the group's identity to others (Ledgerwood, Liviatan, & Carnevale, 2007). Symbolic properties of groups become associated with the brands those groups are perceived to use (McCracken, 1986). Consequently, possessions can strengthen social ties to one's family, community, and/or cultural groups (Muniz & O'Guinn, 2001). In a similar vein, Pierce and Jussila (2010) propose that psychological ownership can also exist as a group-level phenomenon (i.e., a collectively held single mind-set) and introduce the collective psychological ownership construct. Collective psychological ownership can lead to a sense of ownership for material (e.g., products, workspace) or immaterial (e.g., ideas) objects and exhibit similar responses involving these objects (Pierce & Jussila, 2010). More specifically, psychological ownership is a cognitive/affective state that occurs when individuals collectively identify themselves as group members (as “us”) and strongly feel that the target of ownership is “ours”. Elaborating on this proposition, we assume that individuals perceive themselves as owners of domestic goods, recognizing that other in-group members also share the same ownership. This leads to the emergence of shared ownership beliefs and feelings.

Extant research documents a number of reasons and critical elements that are relevant for the relationship between psychological ownership and domestic products preference to occur. For example, people tend to assimilate with in-group choices more on dimensions that strongly signal their social identities and when signaled identities are more desired or relevant (Chan, Berger, & Van Boven, 2012; Van Dyne & Pierce, 2004). Property is valued more if it has higher symbolic potential (Ledgerwood et al., 2007), and the most meaningful possessions are those that reflect important values and help to strengthen self-identity by symbolizing the self (Ferraro, Escalas, & Bettman, 2011). Consequently, the possession-self link is stronger for goods associated with one's in-group comparing to the goods associated to the out-group (Dommer & Swaminathan, 2013). In a similar vein, we argue that domestic products become means of group identification and domestic products consumption can indicate the degree to which group members rely upon group identity (e.g., having sense of ownership or feeling of belongingness and attachment).

Furthermore, possessions can serve as markers for individual and collective memory and links people to prior experiences, other people, and previous selves (Belk, 1988). To this end, the endowment effect is higher for goods that sellers have owned for a long time and the history of past ownership affects object valuation (Strahilevitz & Loewenstein, 1998). Similarly, property is also valued more when it is related to in-group history (Ledgerwood et al., 2007). Thus, domestic products can possibly provide the linkages to the past (prior generations, historical events etc.) and ownership feelings can be related to prior experiences and history of ownership (e.g., growing up with domestic products). Finally, because objects become part of the self, people become motivated

to protect their possession (Pierce, Kostova, & Dirks, 2001). Belk (1988) observed that consumers feel a sense of personal loss or gain when they feel such ownership. In a domestic product context, this can manifest as a willingness to support domestic products and to contribute to the success of own products.

Based on the findings above, we propose that among other important factors, domestic products are preferred (favored) on the basis of psychological ownership. In other words, consumers hold collective beliefs (emotions) about the “our-ness” of domestic goods and regard domestic products as more as their “own” than foreign products. Consumers encountering domestic products see them as belonging (owned) to their group identity and a sense of commonality emerges. Consumers experience a feeling of ownership when choosing and consuming domestic goods (“our own products”, “belong to us”). Furthermore, knowledge that products belong to the in-group increases the willingness to buy them. In other words, domestic psychological ownership (DomOwn) is expressed as preferences and willingness to possess products that are connected to the self (domestic products).

### 2.3. Intergroup bias, consumer ethnocentrism and domestic psychological ownership

Researchers interested in Social Identity Theory (SIT) and intergroup bias have consistently found evidence that in-group favoritism is not necessarily causally dependent or systematically correlated to out-group denigration (e.g., Bizumic & Duckitt, 2012; Brewer, 1979; Brewer, 1999; Kosterman & Feshbach, 1989; Turner, 1978). Brewer (1999) argues that SIT is more a theory of in-group love rather than out-group hate and both in-groups and out-groups can be evaluated favorably, albeit with the former evaluated more favorably than the latter (Brewer, 1979). Many minimal group studies that have examined minimal conditions for categorization into groups show stronger evidence for rewarding the in-group rather than derogating the out-group (Mummendey & Otten, 1998). The maximum difference in favor of the in-group strategy described in the seminal work of Tajfel, Billig, Bundy, and Flament (1971) is often seen as an example of out-group derogation, although it is an over-interpretation to conclude that discrimination and out-group derogation is a necessary consequence of the categorization into groups (Spears & Otten, 2012). Brewer (1999) argues that in-group and out-group distinction does not necessarily lead to a zero-sum perspective, where attachment to the in-group is achieved through negative affect and distance towards out-groups. Furthermore, studies by Feshbach (1994), Struch and Schwartz (1989) provide evidence that patriotism and in-group pride are conceptually and empirically distinct from aggression against out-groups.

Similarly, previous research in international marketing demonstrates that consumers may combine a strong preference for foreign products with an equally strong preference for local products (Strizhakova, Coulter, & Price, 2008), where cosmopolitan and local orientations are independent dimensions (Cannon & Yaprak, 2002). Economic concerns (consumer ethnocentrism) are distinct from need for self-enhancement motives and consumers' attachment to their country (national identification) and it is unlikely that only economic concerns motivate consumer preferences for domestic products (Verlegh, 2007). Herche (1992) argues that domestic product purchases do not necessarily exhibit exclusively ethnocentric behavior. In other words, the purchase of domestic products is ethnocentric only when it is undertaken to protect domestic jobs and/or national security.

Based on the distinction among in-group and out-group bias, we view domestic psychological ownership as focusing on the preferential treatment of domestic products. DomOwn has no negative valence towards foreign products. In line with the in-group favoritism and out-group denigration distinction, a feeling of “our-ness” is distinctive for the in-group but not necessarily leads to out-group denigration. Consumers may favor domestic goods without thinking in relative terms why domestic products are better than their foreign counterparts. In

contrast, consumer ethnocentrism is driven by consumers' economic concerns (Shimp & Sharma, 1987), but these concerns are not the sole motivator of home country bias (Verlegh, 2007). Opposite to consumer ethnocentrism, DomOwn is driven by shared psychological ownership: domestic products are favored because they are perceived as more “own”. Consumer ethnocentrism concentrates on *negative* beliefs towards foreign products, whereas DomOwn focuses on *positive* motives towards domestic goods. The pertinent psychological literature shows that positive and negative affect are distinct dimensions and have distinct types of responses (e.g., Larsen, McGraw, & Cacioppo, 2001).

In sum, we propose that domestic ownership has a stronger impact on preferences for domestic products comparing to consumer ethnocentrism, because domestic ownership concentrates on positive in-group based feelings towards domestic products. Psychological ownership will lead to higher domestic product preferences as these products are associated with the in-group (self) (e.g., Dommer & Swaminathan, 2013; Ferraro et al., 2011) and are owned for a longer time-period (e.g., Ledgerwood et al., 2007; Strahilevitz & Loewenstein, 1998). Subsequently, domestic psychological ownership will be a stronger predictor of behavior compared to ethnocentrism. Based on these arguments, and since we explicitly consider domestic product preferences, we hypothesize that:

**H1.** Domestic psychological ownership has a stronger impact on quality judgments of domestic products than consumer ethnocentrism.

**H2.** Domestic psychological ownership has a stronger impact on willingness to pay more for domestic products than consumer ethnocentrism.

### 2.4. Domestic psychological ownership and national identification

The domestic psychological ownership construct should be differentiated from the construct of national identification (Verlegh, 2007). Verlegh (2007) measured national identification as affective social and emotional significance that consumers attach to their home country. The measure of national identification describes a *general* positive stance towards one's own nation or country and is driven by the need for self-enhancement (Verlegh, 2007) (in contrast, DomOwn is driven by the perception of shared ownership for domestic products). DomOwn is based on cognition and affect, whereas national identification is solely affect-based. Thus, although DomOwn and national identification are related, DomOwn is specified as attitude towards domestic products. Based on findings from the measurement literature stating that the preciseness of a measurement instrument depends on item specificity (cf DeVellis, 1991; Netemeyer, Bearden, & Sharma, 2003), we argue that domestic ownership will be a stronger predictor of domestic products quality judgments and purchase intentions. Thus, we expect that domestic ownership will show a larger influence and be a more precise measure of preferences for domestic products compared to national identification. Given the arguments developed above, we hypothesize that:

**H3.** Domestic psychological ownership has a stronger impact on quality judgments of domestic products than national identification.

**H4.** Domestic psychological ownership has a stronger impact on willingness to buy domestic products than national identification.

Table 1 summarizes the distinctions between the discussed constructs Domestic Psychological Ownership (DomOwn), Consumer Ethnocentrism (CET Scale) and National Identification.

## 3. Studies

We now describe how we tested our hypotheses in studies conducted in Austria, Lithuania and the United Kingdom. For the quantitative

**Table 1**  
The distinction among domestic psychological ownership and other related scales.

	Domestic psychological ownership	Consumer ethnocentrism (CETSCALE) (Shimp & Sharma, 1987)	National identification (Verlegh, 2007)
Definition	Preferential treatment of domestic goods due to the cognitive beliefs and affective sense of shared psychological ownership.	Beliefs held by [American] consumers about the appropriateness, indeed morality, of purchasing foreign-made products.	Social and emotional significance that consumers attach to their home country. The desire for a positive national identity, created by the need for a positive evaluation of the self.
Group orientation (by definition)	In-group	Out-group	In-group
Dimension	Cognitive and affective	Normative (norms)	Affective
Object	Domestic products	Foreign products	Own country (not products)
Valence	Positive	Negative	Positive
Driven	Perceived shared ownership	Moral and economic motives	Need for self-enhancement

empirical studies, we selected Lithuania and the United Kingdom—countries that are similar to those typically chosen in international marketing in terms of GDP per capita, openness of economies and trade intensity, as well as a wide variety of domestic and foreign products in various product categories. In the Study 1, we test our new measurement instrument in Lithuania, a small European country open to international trade. Next, in Study 2, we demonstrate the robustness of our findings by replicating and testing the stability of our conceptual model in the United Kingdom, a larger European country with a comparatively lower import penetration.

In Study 1, in line with established scale development procedures (e.g., DeVellis, 1991; Netemeyer et al., 2003), we construct the DomOwn scale, validate it through expert judgments and a first representative consumer sample in Lithuania, establish scale convergent validity and delineate the discriminant validity among DomOwn and consumer ethnocentrism. Study 2 uses a new representative consumer sample in a different country, namely the United Kingdom, and extends the nomological network of DomOwn by including and testing additional variables.

### 3.1. Study 1: scale development and validation

#### 3.1.1. Item generation and content validity

Consistent with recommendations in the scale development literature, we generated an appropriate item pool for measuring DomOwn (DeVellis, 1991; Netemeyer et al., 2003). First, we screened relevant literature on in-group preferences and psychological ownership from marketing, consumer behavior, organizational behavior, as well as social and political psychology (e.g., Bizumic & Duckitt, 2012; Brewer, 1999; Kahneman et al., 1990; Pierce et al., 2001; Turner, 1978) and identified other related measures that assess similar constructs. Based on this review, we developed directions for the conceptual domain of DomOwn and a preliminary item list. Second, to obtain a richer set of items, we conducted five in-depth expert interviews in Lithuania (two marketing managers from dairy and bakery industries, two research agency professionals, and one advertising industry professional) and 15 interviews with adult consumers in Austria (8 Austrians, 4 Germans, 1 Dutch, 1 Spanish, and 1 Bosnian; 56% females, aged between 19 and 54, with an average age of 34.5). Third, two focus groups were conducted in Lithuania, consisting of seven and eleven consumers (Lithuanian nationals; 50% females, aged between 19 and 70, with an average age of 35.6). By having a greater variety in nationalities, we were able to obtain deeper insights into the domestic psychological ownership concept and an initial proof that the concept is valid across different countries. Based on data obtained from qualitative research, the items identified in the literature review were further complemented with vocabulary used by experts and consumers. After the elimination of duplicating items, an initial scale with 17 items was derived. We conceptualized DomOwn as a reflective, one-dimensional scale.

To ensure content validity, we followed recommended item judging procedures (DeVellis, 1991; Netemeyer et al., 2003); the relevance and representativeness of measurement items were pretested with five marketing academics. Judges were given the opportunity to recommend additional items that were missing from the item pool. As a result of the expert judges' evaluations, minor modifications in item wording were made and one item was eliminated due to redundancy. The DomOwn scale was originally developed in English and translated into Lithuanian following a simultaneous translation and back-translation process by two professional interpreters (Brislin, 1970). On the basis of received feedback, several minor modifications in item wording were made. This process resulted in a refined item pool consisting of 16 statements.

#### 3.1.2. Measures and data collection

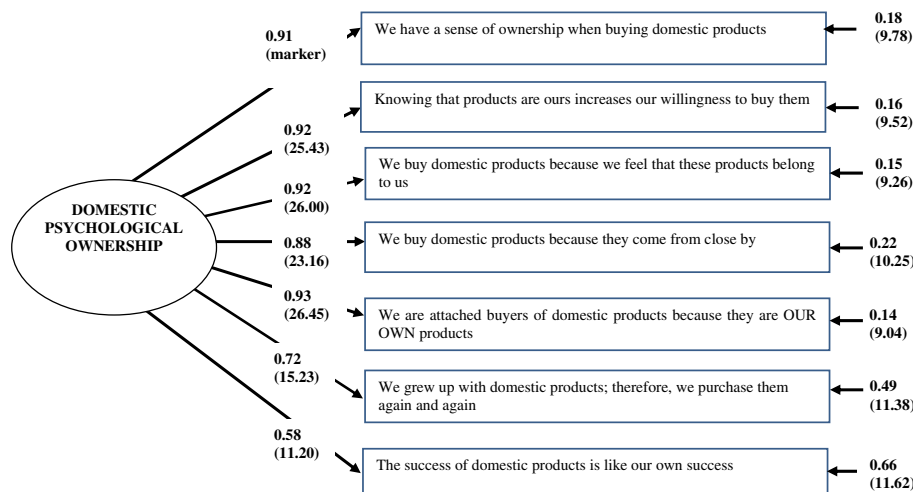
Data were collected using a professional research agency panel from 370 adult consumers in Lithuania. After controlling for careless responses, we excluded 65 questionnaires. Another 14 questionnaires were excluded because of too short completion time. We also eliminated 9 respondents who indicated that their native language was non-Lithuanian. The final sample used for the analysis comprised of 280 consumers. The sample includes 45% female respondents; the average age was 45.91 years (SD = 15.59). 44.6% of respondents came from major cities, 20.7% from other urban areas, and 34.6% from rural areas.

#### 3.1.3. Scale purification and convergent validity

We purified the scale following well established scale development guidelines (e.g., DeVellis, 1991; Netemeyer et al., 2003). First, we examined individual item properties, such as means, and standard deviations, and observed the item ranges' correspondence to the theoretical ranges, item variances, and all inter-item correlations. Second, we purified the scale using confirmatory factor analysis (CFA) and a stepwise procedure with LISREL 9.1 (Gerbing & Anderson, 1988). The purified measurement model comprised of seven items and showed acceptable fit ( $\chi^2 = 32.35$ ,  $df = 14$ ,  $RMSEA = 0.068$ ,  $CFI = 0.994$ ,  $SRMR = 0.016$ ). The Cronbach's alpha of the scale was 0.94; composite reliability of the measurement model was 0.95; while average variance extracted (AVE) value reached 0.72. Fig. 1 summarizes the psychometric properties of the DomOwn scale.

#### 3.1.4. Discriminant validity

Discriminant validity was assessed by examining whether the DomOwn construct is distinct from the consumer ethnocentrism construct. First, we assessed the discriminant validity of the DomOwn scale against the consumer ethnocentrism scale by conducting an exploratory factor analysis. Items loaded as hypothesized and two factors were extracted in the factor analysis. Second, we estimated a measurement model, where consumer ethnocentrism and DomOwn was modeled as a single measurement model. Model fit was poor ( $\chi^2 =$



Note: standardized estimates shown (t-values in brackets).

Fig. 1. Domestic psychological ownership model.

963.97,  $df = 54$ ,  $RMSEA = 0.245$ ,  $CFI = 0.838$ ,  $SRMR = 0.177$ ). When the measurement model was modeled as two distinct DomOwn and consumer ethnocentrism models, model fit improved significantly ( $\chi^2 = 157.90$ ,  $df = 53$ ,  $RMSEA = 0.084$ ,  $CFI = 0.981$ ,  $SRMR = 0.042$ ). Third, we applied the Fornell and Larcker (1981) criterion and tested if AVEs exceeded the squared correlation between each construct with all other constructs. None of the squared correlations exceeded the AVEs. Thus, there is evidence of discriminant validity between DomOwn and consumer ethnocentrism constructs.

Next, we assessed the properties of the DomOwn scale by including it into a larger structural model together with consumer ethnocentrism. As outcome variables, we included product judgment, willingness to pay and actual purchases. *Consumer ethnocentrism* was measured by a four-item scale (example item: *We should purchase products manufactured in our country instead of letting other countries get rich off us*) (based on Klein (2002) and Shimp and Sharma's (1987)). Willingness to pay more was assessed using the Jones, Taylor, and Bansal (2009) scale (example item: *I am willing to pay more for domestic products*). Domestic product judgment was assessed using Broniarczyk and Alba's (1994) three-item scale (example item: *Superior quality*) and foreign product judgment was measured on a four-item scale based on items developed by Klein et al. (1998), Darling and Arnold (1988) (example item: *Foreign-made products are of good quality*). In addition, we used real market share data and most popular product rankings to compile a domestic and foreign product ownership list. Based on this, respondents were requested to indicate products they had bought during the last year. Ownership was captured by 17 domestic and 20 foreign products in 7 categories (cheese, yogurt, beer, dressing, apples, chocolate, and beauty products). *Product ownership* was measured as sums of all brands purchased in the domestic and foreign product categories respectively.

### 3.1.5. Measurement and structural model

We investigate the dimensionality, reliability and validity of the measures via a CFA (Anderson & Gerbing, 1988). The overall fit of the measurement model is good ( $\chi^2 = 446.02$ ,  $df = 273$ ,  $RMSEA = 0.048$ ,  $CFI = 0.983$ ,  $SRMR = 0.045$ ). The composite reliabilities of the measurement models range from 0.76 to 0.95, while AVEs are between 0.52 and 0.77. All AVEs exceed the squared correlation between each construct with all other constructs (Fornell & Larcker, 1981). We estimated a structural equation model with LISREL 9.1 (Jöreskog & Sörbom, 2007), which produced an acceptable fit ( $\chi^2 = 507.10$ ,  $df = 284$ ,  $RMSEA = 0.053$ ,  $CFI = 0.978$ ,  $SRMR = 0.063$ ) (Fig. 2).

DomOwn is positively related to willingness to pay more for domestic products ( $\beta = 0.41$ ,  $p < 0.01$ ), while consumer ethnocentrism reveals no significant impact on willingness to pay more for domestic products. DomOwn is positively related to domestic product quality judgment ( $\beta = 0.55$ ,  $p < 0.01$ ), whereas consumer ethnocentrism has no impact on domestic product judgment. Moreover, DomOwn is positively related to the willingness to pay more for foreign products ( $\beta = 0.14$ ,  $p < 0.05$ ), but this path is weaker than the path to the willingness to pay more for domestic products. Next, DomOwn is also positively and significantly related to the quality judgments of foreign products ( $\beta = 0.27$ ,  $p < 0.01$ ).

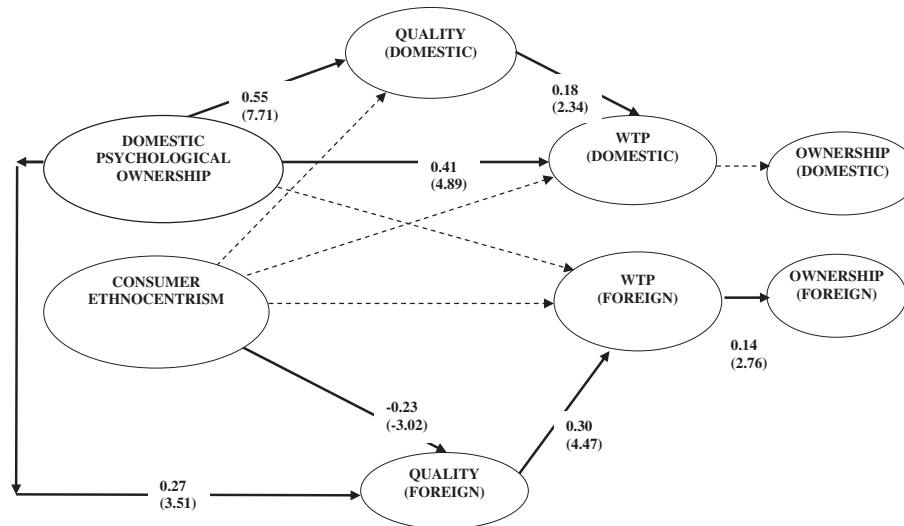
We explored the relative influence of DomOwn and consumer ethnocentrism by conducting a formal test that assessed H1 and H2. First, we estimated a model without path restrictions between DomOwn, consumer ethnocentrism, domestic product judgment and willingness to pay more. Next, we fixed each of the paths from DomOwn, consumer ethnocentrism to domestic product judgment and willingness to pay to 0 (one path at the time was fixed). Consistent with our expectations, a higher deterioration of model fit was observed when the path between DomOwn and domestic product judgment was fixed to 0 and all other paths were estimated freely; whereas the lower deterioration in model fit was observed when the path from ethnocentrism to domestic product judgment was set to 0. Therefore, H1 is supported and domestic psychological domestic ownership is a stronger predictor of domestic and foreign product judgment compared to consumer ethnocentrism. Similar results were obtained for willingness to pay more: a model with no restrictions on paths between DomOwn and willingness to pay more for domestic products outperformed a model with no restrictions between consumer ethnocentrism and willingness to pay. Thus, H2 is confirmed and DomOwn is a stronger predictor of willingness to pay for domestic products compared to consumer ethnocentrism.

### 3.2. Study 2: scale replication and nomological validation

In Study 2, we assess the stability of the DomOwn scale in another country (United Kingdom) on an independent sample. To examine the nomological validity, we embedded the DomOwn scale into a nomological network together with the consumer ethnocentrism and national identification measures, and tested the relationship with key outcome variables such as product quality judgment and purchases.

#### 3.2.1. Measures and data collection

Data were collected using a professional research agency panel of 270 adult consumers in the United Kingdom. After controlling for



Note: standardized estimates shown (t-values in brackets), non-significant paths are dashed; WTP – willingness to pay more.

Fig. 2. Study 1. Domestic psychological ownership and consumer ethnocentrism model.

response bias, 29 questionnaires were eliminated. We also excluded those who indicated that their native language was not English (11 respondents). The final sample used for analysis comprised of 230 consumers. The sample includes 54% female respondents; the average age is 48.89 years ( $SD = 16.50$ ). To obtain more robust evidence on the relationship between DomOwn and purchase behavior, we modeled actual purchases using the direct relationships to the independent variables. We measured DomOwn using the seven-item scale developed in Study 1. In addition to scales used in Study 1, we measured national identification by the four-item scale of Verlegh (2007) (example item: *Being a British citizen means a lot to me*). We used real market share data and most popular product rankings to compile a domestic and foreign product ownership list. Based on this, respondents were requested to indicate products they had bought during the last year. Ownership was captured by 18 domestic and 17 foreign products in 12 categories (clothing, cheese, yogurt and dairy products, beer, apples, soft drinks, chocolates and sweets, cereals, beauty products, furniture).

The susceptibility of the DomOwn measure to social desirability bias was assessed including the moralistic response tendencies (MRT) scale (Paulhus & John, 1998). The results revealed that the DomOwn scale is not significantly correlated with the social desirability scale ( $r = 0.089$ ). Common method variance was assessed by controlling for method biases through the design of the study procedures and statistical controls (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). We counterbalanced the question order to avoid priming effects, provided guidelines for respondents stating that there were no right or wrong answers, and ensured their anonymity. We also used different scaling formats to control for common method bias. In addition, we applied the “marker variable” technique (Lindell & Whitney, 2001) and added a variable which is conceptually unrelated to our predictor and the criterion (variable “I like cats more than dogs”). In the structural model, all coefficients that were significant in a bivariate correlation analysis also remained statistically significant after controlling for the marker variable. This indicates that common method variance is not a serious problem for the model.

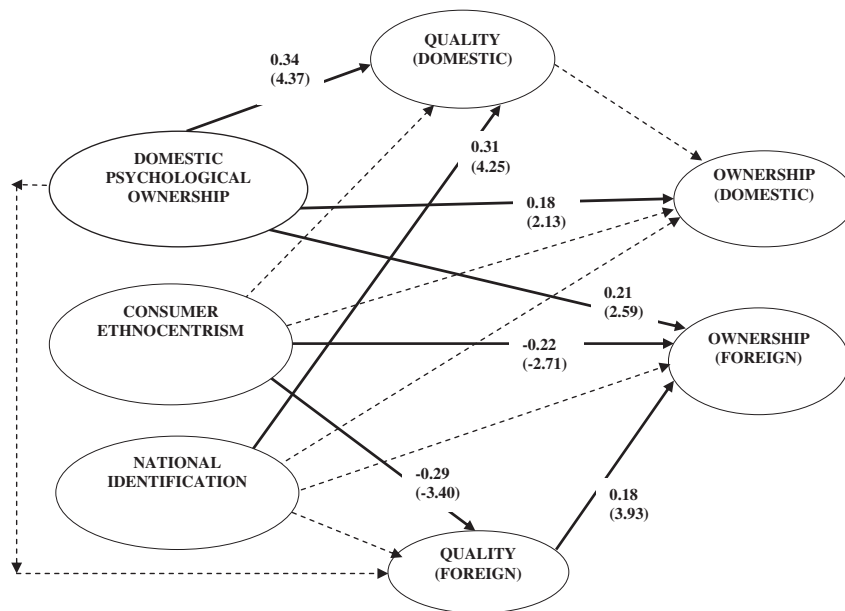
### 3.2.2. Measurement and structural model

We investigated the dimensionality, reliability and validity of the measures via a CFA. A CFA of the replicated DomOwn scale shows a satisfactory model fit ( $\chi^2 = 29.06$ ,  $df = 14$ ,  $RMSEA = 0.068$ ,  $CFI = 0.993$ ,  $SRMR = 0.020$ ) and, thus, supports the stability of the scale. Composite reliability of the DomOwn scale is 0.94; while the AVE value reaches

0.69. Next, we tested the overall measurement model and obtained acceptable fit statistics ( $\chi^2 = 594.98$ ,  $df = 280$ ,  $RMSEA = 0.070$ ,  $CFI = 0.965$ ,  $SRMR = 0.058$ ). Composite reliabilities of the measurement models range from 0.79 to 0.95, while the AVE values are between 0.56 and 0.82. All AVEs exceed the squared correlation between each construct with all other constructs. To test our hypotheses, we estimated a structural equation model with LISREL 9.1, which produced an acceptable fit ( $\chi^2 = 598.25$ ,  $df = 282$ ,  $RMSEA = 0.070$ ,  $CFI = 0.965$ ,  $SRMR = 0.059$ ) (Fig. 3).

DomOwn has a positive impact on actual purchases of domestic brands ( $\beta = 0.18$ ,  $p < 0.01$ ), whereas consumer ethnocentrism reveals a non-significant impact on domestic product purchases. DomOwn is positively related to domestic products' quality judgment ( $\beta = 0.34$ ,  $p < 0.01$ ), whereas consumer ethnocentrism has no impact on domestic product judgment. Moreover, and consistent with our theoretical proposition, DomOwn is also positively related to foreign brand purchases ( $\beta = 0.21$ ,  $p < 0.01$ ) and foreign products' quality judgment ( $\beta = 0.14$ ,  $p < 0.05$ ). However, the path for foreign product quality judgment is weaker compared to the path for domestic product quality judgment. In line with findings from previous studies, consumer ethnocentrism has a negative impact on foreign product judgment ( $\beta = -0.29$ ,  $p < 0.01$ ) and willingness to buy foreign products ( $\beta = -0.22$ ,  $p < 0.01$ ). Finally, when consumer ethnocentrism and DomOwn impact is present, national identification only has an impact on the quality judgment of domestic products ( $\beta = 0.31$ ,  $p < 0.01$ ) and no impact on the intention to buy domestic products.

To explore the relative influence of DomOwn, national identification and consumer ethnocentrism, we followed the same procedure as described in Study 1. An equally high deterioration of model fit is observed when the path between DomOwn and national identification to domestic product judgment was fixed to 0 and all other paths were estimated freely, whereas a lower deterioration in model fit is observed when the path from ethnocentrism to product judgment was set to 0. However, for foreign product judgment, consumer ethnocentrism serves as a greater predictor compared to national identification and domestic psychological ownership, whereas domestic psychological ownership outperforms national identification. Therefore, H3 is partly supported and psychological domestic ownership is a stronger predictor of domestic brand judgment compared to consumer ethnocentrism and an equally strong predictor compared to national identification. Meanwhile, DomOwn acts as an equal predictor of domestic product purchases compared to consumer ethnocentrism; and outperforms national



Note: standardized estimates shown (t-values in brackets), non-significant paths are dashed.

Fig. 3. Study 2. Domestic psychological ownership, consumer ethnocentrism and national identification model.

identification. Thus, H4 is confirmed and DomOwn is a stronger predictor of domestic brand purchases compared to national identification.

### 3.2.3. Nomological validation

We further tested the nomological validity of DomOwn by relating it to other well-established constructs: consumer cosmopolitanism (Riefler, Diamantopoulos, & Siguaw, 2012) and global self-identity (Zhang & Khare, 2009) (see Appendix A). We found significant correlations among DomOwn and cosmopolitanism open-mindedness dimension ( $r = 0.16, p < 0.05$ ); as well as to other scales of localism ( $r = 0.44, p < 0.01$ ) and global identity ( $r = 0.22, p < 0.01$ ). In contrast, consumer ethnocentrism is negatively related to all three cosmopolitanism dimensions (correlation to open-mindedness dimension  $r = -0.15, p < 0.01$ ; diversity appreciation  $r = -0.33, p < 0.01$ ; consumption transcending borders  $r = -0.23, p < 0.01$ ). This provides further evidence that DomOwn merely captures a preference for domestic products but has neither a negative effect on the perception of foreign cultures nor on foreign product orientation.

## 4. Discussion and theoretical implications

### 4.1. General discussion

From a theoretical point of view, our findings lead to a more comprehensive understanding of preferences for domestic products. We have provided empirical evidence that domestic psychological ownership acts as a strong predictor of consumer behavior towards domestic products. In other words, consumers hold shared beliefs (emotions) about the “our-ness” of domestic goods and regard domestic products as more as their “own” than foreign products. Furthermore, DomOwn has a greater explanatory power than consumer ethnocentrism and this effect holds for domestic product judgment, willingness to pay more, as well as for domestic products ownership. DomOwn and national identification serve as equally strong predictors of domestic product judgment; however, the influence of DomOwn on domestic products purchases is stronger compared to national identification.

Our research also indicates that consumers scoring high on the DomOwn scale have a positive domestic product bias without denigrating foreign products. Indeed, DomOwn is positively related to both to

domestic and to foreign product judgment and purchases. This finding is in line with in-group preferences and out-group bias distinctiveness (e.g., Bizumic & Duckitt, 2012; Brewer, 1999; Kosterman & Feshbach, 1989) and higher possession-self links for the in-group goods literature (Dommer & Swaminathan, 2013). Another interpretation of these results may be based on Strahilevitz and Loewenstein (1998) study: valuation of objects increases with the duration of ownership and domestic products in many cases have a longer history of past ownership. The implication of our research indicates that individuals scoring high on out-group bias cannot automatically be assumed to also score high on in-group favoritism. Similar ideas are expressed by Cannon and Yaprak (2002), who demonstrate that cosmopolitan and local orientations are independent dimensions.

Furthermore, most previous research studies concentrated efforts on negative effects of biases towards domestic and foreign products (for notable exceptions see Oberecker et al. (2008) or Riefler et al. (2012)). For example, country animosity decreases purchase intentions for foreign products coming from the offending country (Klein, 2002; Klein et al., 1998); and consumer disidentification negatively affects purchase of domestic-made products (Josiassen, 2011). While the contribution of these important studies is undisputed, we still lack a more explicit understanding of what attracts and drives consumer behavior *positively*, instead of the negative (repulsive) behavior. Our study aims to fill this gap and advances theoretical and practical understanding in showing that domestic psychological ownership serves as an attractive and important determinant increasing the quality judgment of domestic products and the willingness to purchase them. To sum up, in this paper we advance international marketing research by introducing domestic psychological ownership, and demonstrating its value in assessing the multiple motives that underlie the behavior of consumers in the international market.

### 4.2. Managerial implications

Our research findings provide several implications for managers. First, previous research warns that “buy domestic” messages in marketing communications might alienate disidentified or cosmopolitan consumers (Josiassen, 2011; Riefler et al., 2012). To the contrary, Özsomer (2012) finds that the hybridization process effects and

brand globalness may be beneficial brand attributes for both international and local brands. Our findings may partly resolve this discussion and explain why many companies succeed with hybridized communication and a “glocal” business strategy. First, DomOwn has no negative relation to cosmopolitanism and global consumer orientation. This means that in communication strategies, global and cosmopolitan oriented products might successfully emphasize positive aspects of their background without invoking negative reactions. Second, domestically oriented consumers favor their own goods, but at the same time have nothing against foreign or international products. Consequently, integration of local specifics, appeals and messages allows the perception of “glocal” products as more “own”, and, thus, to combine positive features of domestic ownership with such features as cosmopolitanism, progress and modernity. Accordingly, foreign manufacturers might use communication campaigns to increase shared ownership for foreign goods. A good example is the bakery industry, where international companies enter local markets with such brand names as “Grandma’s bread”.

Second, the DomOwn phenomenon has implications for the management of brand portfolios. One of the most frequently discussed concerns of researchers and international managers is how to determine the optimal proportion of foreign and local brands (e.g., Schuiling & Kapferer, 2004). Marketers introducing new or keeping old local brands should consider differences in domestic ownership. Higher domestic psychological ownership levels indicate different brand management, market entrance and presence strategies. When levels of domestic psychological ownership are high, managers should focus more on local branding. For example, knowing consumers’ favorable attitudes towards local beer in Lithuania, the Carlsberg group devoted the lion’s share of marketing expenses to building and strengthening local brand names (not the internationally well-known Carlsberg brand).

Third, many local producers capitalize on their localness and follow minimal-branding strategies, where domestic products are simple trademarks without any significant marketing mix support. Thus, on store shelves, consumers encounter international brand giants standing beside simple local logos. For example, in Lithuania, the dominant yogurt market advertiser in 2012 was Danone with 2.7 million EUR gross annual advertising spending and around 20% market share. However, Žemaitijos pienas and Pieno žvaigždės remained market leaders with an annual advertising budget of 65,000 EUR and only 2000 EUR respectively and a combined market share of around 60% (TNS, 2012). DomOwn may provide an explanation as to why, despite the virtual absence of marketing efforts, consumers still choose domestic products. This has important implications for marketing mix budgeting, as domestic brands may require significantly lower amounts of advertising support. Thus, marketers should assess the differences in marketing spending and at the same time evaluate the strength of the relationship between DomOwn and preferences for domestic versus foreign products.

## 5. Limitations and future research

Regarding future research, several issues merit attention. First, our study provides initial evidence for the domestic psychological ownership presence across two developed countries and should be replicated in other settings. Further investigation is needed, taking into account different levels of country development. For example, Batra, Ramaswamy, Alden, Steenkamp, and Ramachander (2000) found that consumers in developing countries prefer non-local brands as consumers see foreign brands as more prestigious and as enhancing for social identity. Thus, DomOwn effects might be weaker in less developed parts of the world. Moreover, Gürhan-Canli and Maheswaran (2000) suggest that country of origin effects differ depending on cultural

orientation, for example, “buy local” appeals in individualist cultures may be effective only when home products are superior. Therefore, an avenue for future exploration is to test the generalizability of domestic psychological ownership using cultural dimensions, or value structures.

Second, taking into account the evolvement of globalization, hybridization and outlocalization processes, the boundaries between local and foreign brands become less clear. Positive effects of domestic psychological ownership may be present for both domestic and foreign goods. A foreign brand that is relevant for a consumer may be perceived as equally “own” as any other local brand. Consider the globally known Nutella brand: in Germany it is seen as German pride and generations grew up with Nutella. However, the brand originates from the Italian-based Ferrero Group. Still in many internet forums one can find discussions favoring and defending “our own” Nutella: Germans state that only German Nutella is real and tastes best; similarly, Canadians favor Canadian hazelnut chocolate spread, and Italians favor the Italian equivalent. Therefore, future research could examine the boundaries of when a foreign brand starts being regarded as an “own” brand. One possible option for the exploration of this is to evaluate the dynamics of domestic psychological ownership over time. How and under what conditions can a foreign brand be perceived as belonging to an in-group? What roles are played by increasing familiarity, amount of marketing communication, or local social responsibility activities? What hybridization strategies prove to be most successful? All these questions offer pointers for future research directions.

Third, further understanding of success in hybridization and a “glocal” strategy is needed as this approach may not always prove to be successful. The insider positioning of foreign brands may not be authentic and believable, and consumers might be suspicious regarding the local social responsibility activities of international brands (Özsomer, 2012). For example, in 2009, Mattel introduced new ethnic black Barbies with fuller lips, curlier hair and other features that more accurately represent black women. However, the new dolls received much criticism for either being not black enough, or having too straight and too brown hair (cnn.com, 2009). This illustrates that integrating localness into a foreign brand image not only requires care and understanding but sometimes, because of strong associations with the parent brand, may even be impossible. If consumers perceive a foreign brand as hostile or undermining basic local cultural values, the localization strategy might not prove to be helpful (for instance, localizing halal products for US consumers). Thus, future research might explore how domestic psychological ownership is related to consumer disidentification (Josiassen, 2011) or country animosity (Klein et al., 1998).

Fourth, our research reveals that in different countries consumers have different explanations as to why they buy domestic and see domestic products as more “own”. Our interviews indicated for example, that Austrians explain it by emphasizing small and reliable manufacturers of domestic goods, shorter transportation routes, social responsibility and sustainability. In contrast, Germans rely on German quality that can be ensured by large companies, product durability, safety, compliance with law and, again, shorter transportation routes. Meanwhile, Lithuanians emphasize more emotional reasons and choose domestic products because they are more genuine, natural, unspoiled, warm-hearted and unique. Therefore, a deeper understanding of domestic psychological ownership antecedents and moderating conditions may shed additional light on conditions when these positive attitudes arise. Future research can also explore the interplay of domestic psychological ownership and perceived authenticity (Beverland & Farrelly, 2010), consumer innovativeness (Manning, Bearden, & Madden, 1995), or cosmopolitanism (Cannon & Yaprak, 2002; Riefler et al., 2012).

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**Appendix A. Discriminant validity assessment and inter-construct correlations**

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1 Domestic psychological ownership	4,55	1,28	<b>0,70</b>	0,19	0,22	0,22	0,01	0,02	0,02	0,02	0,01	0,01	0,19	0,05
2 Consumer ethnocentrism	3,31	1,39	0,43	<b>0,68</b>	0,13	0,07	0,02	0,00	0,02	0,02	0,11	0,05	0,06	0,00
3 National identification	5,44	1,42	0,47	0,36	<b>0,82</b>	0,18	0,01	0,02	0,01	0,00	0,00	0,00	0,39	0,00
4 Quality (domestic)	3,56	0,62	0,47	0,26	0,42	<b>0,60</b>	0,01	0,00	0,01	0,00	0,00	0,01	0,14	0,01
5 Quality (foreign)	4,27	1,02	0,08	-0,15	0,09	0,09	<b>0,72</b>	0,02	0,09	0,06	0,18	0,10	0,02	0,06
6 Purchases (domestic)	6,05	3,26	0,13	-0,04	0,13	0,05	0,14	na	0,57	0,07	0,06	0,08	0,03	0,03
7 Purchases (foreign)	5,33	3,81	0,15	-0,13	0,07	0,10	0,29	0,75	na	0,09	0,13	0,13	0,04	0,06
8 Cosmopolitanism (openmindedness)	4,95	1,48	0,16	-0,15	0,06	0,03	0,25	0,27	0,31	na	0,40	0,48	0,14	0,21
9 Cosmopolitanism (diversity appreciation)	4,50	1,20	0,08	-0,33	-0,05	-0,02	0,42	0,24	0,36	0,63	na	0,51	0,04	0,16
10 Cosmopolitanism (consumption transcending borders)	4,48	1,41	0,09	-0,23	-0,02	0,08	0,32	0,28	0,36	0,70	0,71	na	0,07	0,15
11 Localism	5,33	1,09	0,44	0,25	0,62	0,37	0,15	0,17	0,21	0,37	0,20	0,27	na	0,01
12 Global orientation	2,94	1,50	0,22	-0,01	0,01	0,11	0,25	0,18	0,24	0,45	0,40	0,39	0,08	na

Notes: Correlations are shown below the diagonal, AVEs on the main diagonal (bold text), and squared multiple correlations above the diagonal. na = not applicable; AVE = average variance extracted; SD = standard deviation.

**Appendix B. Hypothesis testing results. LT sample.**

	R <sup>2</sup> product judgment (domestic brands)	R <sup>2</sup> product judgment (foreign brands)	R <sup>2</sup> WTB (domestic brands)	R <sup>2</sup> WTB (foreign brands)	d.f.	ECVI	AIC
Conceptual model	0.322	0.062	0.297	0.121	284	2.290	9177.068
Product judgment (domestic brands)							
Domestic psychological ownership set to 0	<b>0.114</b>	0.06	0.264	0.124	285	2.489	9232.812
Consumer ethnocentrism set to 0	<b>0.320</b>	0.062	0.297	0.121	285	2.283	9175.259
Product judgment (foreign brands)							
Domestic psychological ownership set to 0	0.321	<b>0.008</b>	0.297	0.109	285	2.327	9187.482
Consumer ethnocentrism set to 0	0.321	<b>0.021</b>	0.297	0.115	285	2.315	9184.217
WTB (domestic brands)							
Domestic psychological ownership set to 0	0.363	0.063	<b>0.247</b>	0.111	285	2.369	9237.972
Consumer ethnocentrism set to 0	0.322	0.062	<b>0.297</b>	0.122	285	2.283	9175.286
WTB (foreign brands)							
Domestic psychological ownership set to 0	0.322	0.064	0.279	<b>0.109</b>	285	2.292	9177.774
Consumer ethnocentrism set to 0	0.322	0.63	0.298	<b>0.119</b>	285	2.285	9175.689

Notes: d.f. = degrees of freedom, ECVI = Expected Cross-Validation Index, AIC = Akaike information criterion, WTB = willingness to buy.

Hypothesis testing results. UK sample.

	R <sup>2</sup> product judgment (domestic brands)	R <sup>2</sup> product judgment (foreign brands)	R <sup>2</sup> Purchases (domestic brands)	R <sup>2</sup> Purchases (foreign brands)	d.f.	ECVI	AIC
Conceptual model	0.338	0.066	0.041	0.098	258	2.981	5442.176
Product judgment (domestic brands)							
Domestic psychological ownership set to 0	<b>0.270</b>	0.62	0.045	0.096	259	3.049	5457.860
Consumer ethnocentrism set to 0	<b>0.336</b>	0.067	0.041	0.098	259	2.975	5440.838
National identity set to 0	<b>0.270</b>	0.063	0.044	0.097	259	3.051	5458.357
Product judgment (foreign brands)							
Domestic psychological ownership set to 0	0.336	<b>0.051</b>	0.041	0.091	259	2.984	5442.866
Consumer ethnocentrism set to 0	0.338	<b>0.005</b>	0.038	0.051	259	3.023	5451.895
National identity set to 0	0.336	<b>0.055</b>	0.041	0.096	259	2.981	5442.352
Purchases (domestic brands)							
Domestic psychological ownership set to 0	0.337	0.065	<b>0.023</b>	0.072	259	2.991	5444.455
Consumer ethnocentrism set to 0	0.338	0.065	<b>0.023</b>	0.064	259	2.988	5443.826
National identity set to 0	0.337	0.066	<b>0.031</b>	0.094	259	2.983	5442.674
Purchases (foreign brands)							
Domestic psychological ownership set to 0	0.338	0.066	0.025	<b>0.067</b>	259	2.998	5446.073
Consumer ethnocentrism set to 0	0.338	0.66	0.022	<b>0.056</b>	259	3.003	5447.256
National identity set to 0	0.338	0.066	0.036	<b>0.095</b>	259	2.974	5440.657

Notes: d.f. = degrees of freedom, ECVI = Expected Cross-Validation Index, AIC = Akaike information criterion, WTB = willingness to buy.

## Appendix C. Study measures

	Study 1 (Lithuania)	Study 2 (United Kingdom)
Domestic ownership	C.R. = 0.95; AVE = 0.72	C.R. = 0.93; AVE = 0.70
We have a sense of ownership when buying domestic products	0.90***	0.92***
Knowing that products are ours increases our willingness to buy them	0.92***	0.86***
We buy domestic products because we feel that these products belong to us	0.92***	0.90***
We buy domestic products because they come from close by	0.88***	0.87***
We are attached to buyers of domestic products because they are OUR OWN products	0.98***	0.91***
We grew up with domestic products; therefore we purchase them again and again	0.72***	0.57***
The success of domestic products is like our own success	0.59***	0.74***
Consumer Ethnocentrism (Klein et al., 1998; Shimp & Sharma, 1987)	C.R. = 0.91; AVE = 0.72	C.R. = 0.89; AVE = 0.68
It is not right to purchase foreign products.	NA	0.71***
A real Lithuanian [British person] should always buy domestic-made products.	0.86***	0.84***
We should purchase products manufactured in our country instead of letting other countries get rich off us.	0.95***	0.85***
Our people should not buy foreign products because this hurts our country business and causes unemployment.	0.81***	0.88***
We should buy from foreign countries only those products that we cannot obtain within our own country	0.78***	0.71***
National identification (Verlegh, 2007)	NA	C.R. = 0.95; AVE = 0.82
Being a citizen of my country means a lot to me.		0.97***
I am proud to be a citizen of my country.		0.96***
When a foreign person praises my country, it feels like a personal compliment.		0.79***
I feel strong ties with my country		0.89***
Perceived quality of domestic products (Broniarczyk & Alba, 1994; Keller & Aaker, 1992)	C.R. = 0.76; AVE = 0.52	C.R. = 0.75; AVE = 0.60
Superior quality	0.88***	0.86***
Better than foreign-made products	0.61***	0.79***
Good	0.64***	0.71***
Perceived quality of foreign products (Klein et al., 1998; Darling & Arnold, 1988)	C.R. = 0.88; AVE = 0.64	C.R. = 0.89; AVE = 0.72
Foreign made products are good quality	0.80***	0.90***
Foreign made products are excellent quality	0.79***	0.90***
Usually foreign-made products are made using state-of-art technologies	0.81***	0.82***
Foreign-made products are reliable and last for a long time	0.81***	0.89***
Foreign made products are good value for the money	NA	0.77***
Willingness to pay more (domestic products) (Jones et al., 2009)	C.R. = 0.89; AVE = 0.72	NA
I am likely to pay a little bit more for using domestic products	0.78***	
If domestic products were to raise the price by 10%, I would likely remain	0.83***	
I am willing to pay more for domestic products	0.93***	
Willingness to Pay More (foreign products) (Jones et al., 2009)	C.R. = 0.91; AVE = 0.77	NA
I am likely to pay a little bit more for using foreign-made products	0.85***	
If foreign-made products were to raise the price by 10%, I would likely remain	0.89***	
I am willing to pay more for foreign-made products	0.89***	

Note: column entries are standardized factor loadings.

NA—not assessed, C.R.—composite reliability, AVE—average variance extracted.

\*\*\* If  $p < 0.001$ .

\*\* If  $p < 0.01$ .

\* If  $p < 0.05$ .

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