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Buyer animosity in business to business markets: Evidence from the French nuclear tests

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Abstract

Academic studies of buyer reaction to unpopular political events in the country of origin of products have focused on consumer markets. This paper aims to extend Klein, Ettenson and Morris' [Klein, J., Ettenson, R., & Morris, M. (1998). The animosity model of foreign product purchase: An empirical test in the People's Republic of China. *Journal of Marketing, 62*(1), 89–101] concept of consumer animosity to industrial markets by comparing industrial and consumer buyer reaction to the nuclear tests conducted by France in the Pacific in the mid-1990s. It investigates whether firms in the B2B sector were affected more than those in B2C markets, whether entry mode was significant, and examines the way in which firms in the two market sectors responded. The results show that buyer animosity was less pronounced in industrial than in consumer markets. They also show that entry mode can influence the experience of animosity.

Keywords: Buyer animosity; Buyer behavior; Nuclear tests; B2B markets; Entry mode

1. Introduction

In June 1995, France announced that it would conduct a series of nuclear tests on Mururoa Atoll in the South Pacific. Governments, opposition parties, trade unions, industry and community groups in Australia and New Zealand condemned the French Government and warned that French interests in the region would be harmed. There were calls to boycott French products. Many French businesses complained they were suffering a loss of custom and disruptions in their relationships with employees, suppliers and customers. Even locally owned businesses with French associations, such as French restaurants, or those that had adopted a French ambience in their image, such as lingerie boutiques, complained that they were being unfairly held accountable for the French Government's policy.

The academic literature dealing with how the market is likely to react to such situations has been enhanced recently by the work of Klein, Ettenson, and Morris (1998) who have developed the notion of 'consumer animosity', based initially on research into Chinese animosity towards Japanese products stemming from mistreatment during the Second World War. Following a review of media reports, Ettenson and Klein (1998) describe a similar response applying to French goods in Australia following France's nuclear tests. The objective of the current study is to examine this response in some detail, especially whether industrial buyers responded in the same way as consumers and whether market entry mode influenced the intensity of response. Specifically, the study contributes to our understanding of buyer animosity by extending it to industrial buyers, identifying the influence of entry mode on how it is manifested, and how firms, faced with animosity, seek to minimize the damage. Further, this research contributes to the animosity literature by examining the issue from the perspective of companies rather than consumers.

2. Literature review

2.1. Buyer animosity in B2B and B2C markets

Buyer animosity towards providers based on their country of origin is a notion that has been almost exclusively studied in

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B2C contexts (Ahmed, D'Astous, & El Adraoui, 1994; Dzever & Quester, 1999). This paper examines whether the theories that inform these studies are also applicable to B2B markets. It has been argued that since the buying behavior of these two types of buyers is different, the empirical findings from consumer research may not be readily applicable to industrial buyers (Yu & Chen, 1993). For example, Quester, Dzever, and Chetty (2000) argue that the concept and dimensions of quality differ between industrial buyers and consumers. Further, industrial buyers tend to focus on costs, performance, and quality issues, whereas end consumers are more likely to focus on brand characteristics such as aesthetics, prestige and symbolism (Ahmed & D'Astous, 1995; Ahmed et al., 1994).

In a study focusing on industrial buyers, Ahmed et al. (1994) found that purchasing managers were more influenced by country of design than country of assembly or brand name, and more by price than by country of design or country of assembly. They suggested that purchasing managers' buying decisions are more rational than those of consumers. Given the different nature of household and organizational purchase processes, it is possible that purchase decisions will be more function-oriented among organizational buyers, and more prestige-oriented among household buyers (Ahmed & D'Astous, 1995; LeClerc, Schmitt, & Dubé, 1994; Webster & Wind, 1972). This suggests that household buyers might be more open to persuasion by popular movements than organizational buyers. This is consistent with Robertson and Wind (1980), who note that organizational buyers are more likely to resist change.

It has also been argued that there are differing levels of trust associated with B2C versus B2B relationships. Friman, Gaerling, Millett, Mattson, and Johnston (2002) argue that whether or not commitment and trust emerge between exchanging partners is a function of the perceived costs and rewards one expects at a later date from the relationship. They also point out that business partners interact repeatedly, encouraging the development of trust. Brenkert (1998) suggests that a common feature of various definitions of trust in business relationships is each party's preparedness not to exploit the other's vulnerability. The deepest form of trust is not limited temporally to one contract, but is part of an on-going relationship. Because businesses invest in their relationships, it is reasonable to propose that B2B customers would be less likely to punish their foreign partners in response to the activities of their governments.

On the other hand, there is also evidence that differences between B2B and B2C markets are assumed too readily and that in practice many similarities and parallels apply. For example, Fern and Brown (1984) argue that the distinction is exaggerated and is unhelpful in the pursuit of broadly applicable marketing theory. While industrial buyers are often seen as 'rational' in nature, emotional and interpersonal issues can influence B2B as much as consumer purchasing. Similarly, Zaltman and Wallendorf (1979) argue that both consumer and industrial buyers are subject to cultural norms governing purchase behavior and the role of others' expectations on purchase behavior. Wind (1978) argues that the concept of market segmentation is equally applicable to consumer and industrial markets. Gordon, Calatone, and di Benedetto (1993) find that brand equity, a concept that is traditionally linked to consumer markets, also applies in industrial markets and offers providers the opportunity to build competitive advantage through the strategic use of brands.

It is beyond the scope of this paper to resolve the issue of whether industrial and consumer marketing should be seen as distinct or part of a single discipline. Nevertheless, from the foregoing discussion we conclude that it is worthwhile considering the literature dealing with buyer animosity in the consumer marketing literature and assess whether it can be used to deepen our understanding of buyer behavior in industrial markets.

There are three main areas of academic literature that address the nature of consumer reaction to foreign products: 'country of origin' (Bilkey & Nes, 1982; Papadopolous & Heslop, 1993), consumer ethnocentrism (Shimp & Sharma, 1987), and consumer animosity (Klein et al., 1998). While these have been discussed separately in literature, we recognize their close relationship as discussed in the following sections.

2.2. Country of origin effects

A well-established concept in consumer marketing literature, the 'country of origin' effect has been described as an extrinsic product cue used to judge the quality of foreign products (Ahmed et al., 1994). Buyers may perceive a country to be proficient in some domains but not others (e.g. Russian caviar versus Russian cars) and, in the absence of specific product knowledge, will use the 'made in' information to judge the quality of a product (Johansson & Ronkainen, 1994; Kaynak & Cavusgil, 1983).

Country of origin effects have been found to be influenced by the degree of similarity in politics and culture between the consumer's country and the country of origin of the product (Bilkey & Nes, 1982; Han, 1990). Country images may be hierarchical with products from high-income countries having the most positive images (Bilkey & Nes, 1982; Schooler, 1971). Further, Häuble and Elrod (1999) established that the strength with which a brand is associated with its home country increases the magnitude of the country of origin effect. Examples of products with a strong brand and home country associations include Mercedes automobiles made in Germany, Sony CD Players made in Japan, and wines produced in France. In a rare study of country of origin effects in B2B markets, Cattin, Jolibert, and Lohnes (1982) found that the country of origin influences the purchasing behavior of industrial buyers as well as consumers.

It has been posited that the country of origin of a product may be more than just a cognitive cue for buyers judging the quality of a product. The country of origin may have symbolic and emotional meaning, in that it links a product to the imagery and affective connotations associated with a particular country (Askegaard & Ger, 1998; Verlegh & Steenkamp, 1999). Favourable imagery associated with a country may induce buyers to purchase that country's products due to perceived quality or other emotional reasons. In the case of a country that engages in disagreeable activities and may be associated with less favorable imagery, the purchase of products from that country could be regarded as an a-moral action (Verlegh & Steenkamp, 1999). Indeed, Smith (1990) coined the term "customer voting" which suggests that a