Twenty-Five Years after the Fall of the Berlin Wall: An Empirical Revisit of West German Consumers’ Attitudes Toward Products and Brands from Former East Germany

Zafar Uddin Ahmed, Wolfgang Hinck, and Reto Felix

ABSTRACT
More than 25 years after the German reunification, data show that products/brands from the eastern regions of Germany ("Neue Länder") still do not have significant shares in the country’s western part ("Alte Länder"). To analyze potential reasons for this phenomenon, our current study replicates a previous study that investigated selected attitudes of Alte Länder consumers toward products/brands from the Neue Länder. It is shown that factors such as consumer ethnocentrism, product judgment, willingness to buy, and economic animosity continue to influence consumer behavior and as such our study offers potential explanation for the failure of Neue Länder products/brands in the western regions of Germany.

KEYWORDS
German reunification; East Germany; West Germany; consumer attitudes; consumer ethnocentrism; product judgment; willingness to buy; animosity; consumer behavior; brands and products; promotion

Introduction
When the Berlin Wall separating East and West Germany fell in November 1989, manufacturers and distributors from both the German Democratic Republic (hereafter: Neue Länder) and the Federal Republic of Germany (hereafter: Alte Länder) quickly began expanding their business operations into each other’s markets. However, whereas companies from the Alte Länder quickly succeeded in the Eastern markets (Haendel, 1991; Lay, 1997; Lindgens, 2009; Schmoll, 1996), Neue Länder companies’ activities in the West remained underdeveloped and unsuccessful, reaching penetration levels that can only be considered insignificant (Schmoll, 1996; Mueller, 1997; The Economist, 2002; Banchelli, 2008; Errichiello & Zschiesche, 2013). Two decades after the fall of the Berlin Wall, out of 700 major brands that existed in the Neue Länder before the reunification, only about 120 (or 17%) have survived, and only a few of them are distributed across the Alte Länder;
of those that are marketed across the West Germany, market share remains insignificant. For example, in a 2009 study by Duncker almost half of all consumers in the East (48.3%) stated that they had consumed Rotkäppchen sparkling wine within the past three months, but only 9.5% of Alte Länder consumers had done the same. Those 9.5% actually constitute the top score for all Neue Länder products/brands sold in the West. Other products/brands did not fare equally and had even lower penetration levels. The next-best ranked East German top products/brands such as Spee laundry detergent (East: 31.6%–West 7.8%), Florena hand lotion (East: 25%–West 5.8%), Radeberger beer (East: 18.5%–West 3.1%), Koestritzer beer (East: 13.7%–West 2.9%), Halloren pralines (East: 10.5%–West 1.7%), Vita cola beverage (East: 14.1%–West 1.1%), and Wernesgrüner beer (East: 13%–West 1%), perform even worse across the Alte Länder.

The success of East products/brands/brands in the Neue Länder is often attributed to a phenomenon commonly called Ostalgie, a recently developed word play between the German terms for East (“ost”) and for nostalgia (“nostalgie”), suggesting that Neue Länder consumers are nostalgic about products/brands they had before the reunification (see, for example, Banchelli, 2008; Lee, 2009; Lindgens, 2009; Winkler, 2011; Bach, 2015). In view from other side, Hinck (2004) and Hinck et al. (2004) showed that the rejection of East products/brands in the West could also be explained by demand-related reasons, rather than supply-oriented factors as initially often suggested by German media and popular literature. The purpose of this study is to empirically revisit Hinck’s (2004) findings that were published in the “Journal of Euromarketing.” To establish the context for the previous study and the reason for a revisit, the subsequent section is largely replicated from Hinck et al. (2004).

The German market and potential reasons for East German products/brands’/brands’ failure

The potential reasons for Eastern German products/brands/brands to fail in the West German market can generally be categorized into two groups: first, those variables that explain preference and choice in situations where domestic products/brands/brands are chosen over other domestic products/brands; second, those reasons that explain the preference for domestic products/brands/brands over foreign products/brands. Although legally, Germany is one single nation where products/brands manufactured in both the Alte Länder and the Neue Länder are considered domestic output, variables from the constructs of domestic-over-foreign choices may well be applied. The major reason for this phenomenon is that according to many Germans, the country never really developed into a truly unified nation (see, for example, Cole, 2009; Paterson, 2009; Reul, 2009; Strasser, 2009).

With regard to domestic-over-domestic choices, the perceived higher quality of Western German products/brands has been named as a reason for them being preferred over Eastern alternatives. Cote (1991b) outlines that Alte Länder consumers
still consider West German products/brands/brands to be of higher quality and therefore hesitate to consume products/brands/brands from the Eastern region. The general validity of this argument has been shown in previous studies, where consumers showed an overall preference for higher quality product/brands (Hoshino, 1991; Gross, DeDee, & Swanson, 1993; Al-Kwif, Ahmed, & Yammout, 2014). Closely related is the concept of better image or social status demonstration, as established by Ahmed, Zbib, Sikander, and Farhat (2010), Hoshino (1991), and Marcoux, Filiatrault, and Cheron (1997). Previous studies have shown that image and social status demonstration, as a dimension of conspicuous consumption, is related to the preference of goods over one another (Ahmed, Anang, Othman, & Sambasivan, 2013). For the phenomenon under consideration, this would apply to the assumption of Cote (1991a) who argued that the purchase of Eastern products/brands/brands would exhibit a lower social status.

Muentenering (1997) proposed that West German consumers are used to their own products/brands/brands and, therefore, may not wish to consume products/brands/brands from the Neue Länder. Schmoll (1996) and Willnecker (1997) postulated that the lack of familiarity with products/brands/brands from East Germany led to their failure in the West German market. Such behaviors and phenomena were generally also found in previous empirical research studies carried out by scholars such as Coupey, Irwin, and Payne (1998), who established that greater familiarity with products/brands/brands prevents consumers from changing their behaviors. Also, familiarity with products/brands leads to lower levels of perceived risk, and the highest preference will be associated with the products/brands/brands that have the least perceived risk (Mitchell, 1992; Thrassou & Vrontis, 2009; Manickam & Sriram, 2013). In related research, Ahmed, Zbib, Sikander, and Noujaim (2012), Carpenter and Nakamoto (1989), and Hong, Wang, and De Los Santos (2008) found that high switching costs may explain market share difficulties, particularly when the initially preferred products/brands/brands have generated a market structure that leads to high costs of changing behavior.

Other reasons brought forth in German popular literature were taste differentials, distribution problems, and lack of marketing skills. Lunze (1996) and Lay (1997) argued that the West German consumers’ different tastes are responsible for the Neue Länder products/brands’ failure in the Alte Länder market. According to these scholars, unless taste shifts were made, the problems could not be overcome. A number of scholars blamed distribution problems for the market failure. Ginten (1997), Lunte (1996), and Zimmermann (1998) argued that West German distribution channels were under tight control of companies from the Alte Länder, and that those companies had little or no interest of having new competitors penetrating their markets. Schmoll (1996) argued that the lack of marketing knowledge among Eastern managers led to the failure of their products/brands/brands and proposed that an emphasis on West German business education and an increased employment of managers from the Alte Länder would help ameliorate the negative scenario. With
regard to domestic-over-foreign choices, additional foreign-specific explanatory variables have been observed in the recent academic literature. Their general applicability is justified based on the assumption that the two German nations have not yet really merged (sociologically, psychologically, culturally, and anthropologically) into one truly unified country having similar values, norms, and beliefs. For example, several scholars have examined the construct of ethnocentrism to examine such behaviors (e.g., Sharma, Shimp, & Shin, 1995; Lantz & Loeb, 1996; Marcoux et al., 1997; Durvasula, Andrews, & Netemeyer, 1997; Brodowski, 1998; Watson & Wright, 2000; Kaynak & Kara, 2001; Klein, 2002; McKenzie & Royne, 2009). From ethnocentrism perspective, consumers are characterized by the attitude that their own ethnic group is superior. Consequently, foreign products/brands may be rejected due to domestic economic fears or because the ethnocentric consumer views buying imports to be inappropriate or immoral (Sharma et al., 1995; Klein, 2002; Zbib, Wooldridge, Ahmed, & Benlian, 2010a, 2010b). For the current study, this would mean that if West German consumers see themselves as superior to Germans from the Neue Länder, then they might also consider Western products/brands to be superior to Eastern Germany’s production and, as a consequence, might refrain from buying their inferior products/brands.

Closely related to ethnocentrism phenomenon is patriotism, that has also been studied by numerous scholars (e.g., Han, 1988; Marcoux, Filiatrault and Cherbon, 1997; Pecotich & Rosenthal, 2001; Tsai, Yoo, & Lee, 2013). Patriotic emotions have consequences for consumers’ intentions to purchase domestic as opposed to foreign products/brands, particularly by their tentative influence on the favorable evaluation of quality of foreign products/brands. Again, from the foreign viewpoint, this could explain West German consumers’ preference for their own products/brands. Theoretically, even the construct of helping behavior (Olsen, Granzin, & Biswas, 1993; Granzin & Olsen, 1998) could serve to understand such a phenomenon. Helping behavior relates to the identification, similarity, and empathy felt for the workforce of one’s own country. If Alte Länder consumers consider the Neue Länder to be foreign territory and wish to help their own workforce in these difficult times for the sake of German economy, then helping behavior could explain the Neue Länder products/brands’ failure.

Hinck (2004) introduced the construct of consumer animosity into the explanatory mix. Consumer animosity is defined as “the remnants of antipathy related to previous or ongoing military, political, or economic events” (Klein, Ettenson, & Morris, 1998; Klein & Ettenson, 1999; Klein, 2002). In support of several scholars of German popular literature who had made claims that could theoretically be related to this construct (e.g., Haendel, 1991; Marsh, 1991; Siebert, 1991; Stern, 1991; Mueller, 1996; Shirreff, 1996a, 1996b; Schroeter & Roeber, 1997; Hau, 1998), Hinck (2004) showed that it indeed could be used to explain the phenomenon in the Neue Länder. While superficially similar to the country of origin effect, the consumer animosity construct diverges significantly from the COO model as its basic premise holds that animosity influences purchasing behavior independent of product judgments. Angry consumers
do not denigrate the perceived quality of products/brands manufactured by nations toward which they exhibit animosity—they just do not buy them. For instance, Klein et al. (1998) collected data on mainland Chinese consumers’ attitudes toward Japan and Japanese products/brands, and established that the purchase of Japanese products/brands was negatively affected by Chinese animosity, independently of favorable judgments regarding the product quality. The scholars concluded that animosity has impacts on purchasing decisions beyond those of consumer ethnocentrism. Their results were validated by Hinck (2004) in the newly unified German market.

**Focus of present study**

The current study replicates Hinck’s (2004) and Hinck et al.’s (2004) studies of the performance of Neue Lander products/brands in the Alte Lander markets after a gap of 12 years in 2016 setting. Based on claims from popular literature, four selected constructs were investigated: (i) Product Judgments, (ii) Willingness to Buy, (iii) Consumer Ethnocentrism, and (iv) Economic Animosity. The previous study was conducted more than 10 years after the fall of the Berlin Wall; whereas the current study has been conducted 12 years later and as such 25 years after the Wall fell. After 10 years, the Neue Lander companies’ activities in the West Germany remained underdeveloped and unsuccessful, reaching penetration levels that can only be considered insignificant (Schmoll, 1996; Mueller, 1997; The Economist, 2002; Banchelli, 2008). Today, nothing has changed: 25 years after the fall of the Berlin Wall, out of 700 major brands that existed in the Neue Lander before the reunification, only about 120 (or 17%) have survived, and only a few of them are marketed across Alte Lander; of those that are marketed across the West Germany, market share remains insignificant. Since the sales numbers have not improved over the past 10 years, this study investigates whether consumer attitudes have changed along the lines of Product Judgments, Willingness to Buy, Consumer Ethnocentrism, and Economic Animosity in 2016.

Prior studies conducted to comprehend the determinants of consumer animosity revealed that war, economic tensions, or political conflicts are the common influencing factors on attitudes toward imported products in the context of transnational market (Klein et al., 1998; Witkowski, 2000; Nijssen & Douglas, 2004; Tian & Pasadeos, 2012). Those studies showed that animosity could negatively affect consumers’ purchase decisions regardless of product quality judgments (Arpan & Sun, 2006; Apil, Kaynak, & Yalcin, 2007). The formation of the animosity model of foreign product purchase is a significant contribution to consumer research in projecting the effects of animosity toward particular foreign products (Brown & Wahlers, 2002; Viosca, Bergiel, & Balsmeier, 2005; Jun, Lee, & Park, 2009). The model developed by Klein et al. (1998) showed that consumers may evade purchasing the foreign products where animosity is derived from economic, unease political situation, war, or other events, even though they recognize the
quality of those foreign products. According to the model, product judgments are positively correlated to willingness to buy foreign products.

Product Judgment refers to the perceived quality of the product. According to Ahmed et al. (2004), Gross et al. (1993), Hoshino (1991), and Mohamad, Ahmed, Honeycutt, and Tyebkhan (2000), consumers will generally develop preferences for those products/brands that have a higher perceived quality, and will reject products/brands with a perceived low quality. In other words, a consumer’s product judgment is his or her evaluation of a product’s overall intrinsic attributes such as quality and durability (Tjiptono, Arli, & Rosari, 2015) and extrinsic indications such as brand and country of origin (Rao & Monroe, 1989; Josiassen, 2011). However, empirical findings on the relationship between animosity and product judgments are inconclusive. On the one side, Klein et al. (1998) showed that animosity is negatively related to consumers’ willingness to buy particular foreign products, and it is independent of their products’ evaluations. On the other side, Shoham, Davidow, Klein, and Ruvio (2006) found that, if studied in terms of product judgments, the effect of animosity does exist because it results in a lower product quality assessment. According to congruity theory of attitude change, developed by Osgood and Tannenbaum (1955), consumers attempt to preserve constancy or balance among their cognitions and beliefs. The attitude or behavior alteration tends to happen and it always occurs “in the direction of increased congruity with the prevailing frame of reference,” when consumers find an incongruity in their cognitive system (Osgood & Tannenbaum, 1955, p. 43). Therefore, individuals who are facing an unfriendly state of reversing cognitions are more likely to change their attitude or behavior toward the object or person who they are different in some respects (Seitz & Razzouk, 2001; Pant, Hsieh, Lee, & Shen, 2014).

The construct Willingness to Buy reflects the outcome of several of the aforementioned potential explanations, such as social status demonstration (Hoshino, 1991; Marcoux et al., 1997), lack of familiarity (Coupey et al., 1998), perceived risk (Mitchell, 1992), and high switching costs (Carpenter and Nakamoto, 1989; Ahmed, Johnson, Ling, Fang, & Hui, 2002). The study of Nijssen and Douglas (2004), which expanded the original study by examining the accessibility of local brands or alternatives, showed that animosity influence consumer behavior under less risky circumstances. It revealed specifically that animosity of Netherlanders toward foreign products (i.e., Germany products) affects willingness to buy imported products directly or indirectly, even when no local alternatives are available. The findings of extended intra-national animosities model developed by Shimp, Dunn, and Klein (2004) showed that regional animosity affects consumers’ preference for their own region’s products and negatively influences consumers’ unwillingness to pay premium prices for these goods. Similarly, Shoham et al. (2006) found that interethnic animosity influence purchase behaviors in domestic settings, where the hostile attitude of Jewish Israelis toward Arab Israelis has directly impact on their willingness to buy products from the latter.

The intra-German animosity could potentially explain the phenomenon, as argued by several popular scholars (Cote, 1991b; Nash, 1995; Lay, 1997).
Consumer ethnocentrism (CET) is consumers’ general belief in favoring local products over foreign ones, while animosity represents the sentiment toward a specific country. Klein et al. (1998), p. 90) define animosity as “remnants of antipathy related to previous or ongoing military, political, or economic events.” There are two common dimensions of animosity: war animosity and economic animosity (Klein et al., 1998; Nijssen & Douglas, 2004). A historical country’s military acts or warlike behaviors into another country normally produce war animosity (Ang et al., 2004; Leong et al., 2008).

People with this kind of animosity—also known as stable animosity—may not need to experience personally to the historic incident (Ang et al., 2004; Leong et al., 2008). Meanwhile, economic animosity refers to the sentiments toward foreign countries, which have economically powerful and excessive influence on many domestic industries. Therefore, individuals with an animosity toward a specific country normally have undesirable attitudes toward the objects, people, ideas, or products from the dominant country and tend to be unwilling to buy its products (Nijssen & Douglas, 2004). Some prior studies revealed similar findings, such as the negative relationship between Iranian consumers’ animosity and their intention to buy US products (Bahae & Pisani, 2009), Chinese consumers’ undesirable evaluation and response toward Japan’s products (Wang, He, & Li, 2013), or anti-American sentiments in the Middle East (Cheah, Phau, Kea, & Huang, 2016), despite the product importance and product necessity.

Consumer ethnocentrism (CET) as a phenomenon and general construct of ethnocentrism occurs when individuals perceive and see their group as the reference and focus for all others and regard their group itself superior to others (Chang & Ritter, 1976). Shimp and Sharma (1987) first related ethnocentrism to consumer behavior and defined CET as “the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products” (Shimp & Sharma, 1987, p. 280). The main idea of CET is that consumers with resilient CET differentiate local products from foreign/imported ones and try to avoid buying it. Ethnocentric consumers have a tendency to believe that buying imported products hurts the local economy and employment level and it is dissipated and unpatriotic to purchase them. From another perspective, consumer ethnocentrism is a reflection of a discrimination against foreign products (Baughn and Yaprack, 1993). It also explains individuals’ first preference for domestic products, besides the growing patriotism and pride for the nation (Heslop & Papadopoulos, 1993). Therefore, CET has negative effect on willingness to buy foreign products (Nijssen & Douglas, 2004; Cleveland, Laroche, & Papadopoulos, 2009).

In contrast, studies conducted in emerging countries reveal that preference for local products appears to be weak (Cordell, 1992), such as Mexicans’ preference to American and Thai electronic products (Jaffe & Martinez, 1995) and Indian and Bangladeshi consumers’ fondness of Western-made products (Jordan, 1996; Kaynak, Kucukemiroglu, & Hyder, 2000). Those findings show developing market consumers’ pronounced bias against products to developed nations (Ioannou & Rusu, 2012; Kaynak & Kara, 2013). The consumers’ product evaluation is positively related to
foreign country’s economic status, which is a more favorable product evaluation for western-made or developed nations’ goods than developing nations’ ones (Bilkey & Nes, 1982; Strutton, Pelton, & Lumpkin, 1994). Thus, these contradicting findings affirm the study of Klein et al. (1998) that the construct of economic animosity directly affects consumer behavior, either positive or negative on the willingness to buy and product evaluation. It is important to remember that this construct applies independently of product judgment. Therefore, if West German consumers feel animosity toward the Neue Länder, as argued by some scholars, then this feeling could explain the failure of East German products/brands in the West German market.

**Data collection**

The questionnaire developed by Klein et al. (1998) contains 27 statements within the four constructs of Product Judgments, Willingness to Buy, Consumer Ethnocentrism, and Animosity. The latter construct included the two sub-constructs of War Animosity and Economic Animosity. Because of the specific situation in Germany, only economic animosity was measured. For the original study by Hinck (2004), the questionnaire was translated into German by Hinck and subsequently retranslated into English by two German individuals with excellent command of English language. Two changes were made as a result of a pretest. One question was deleted from the questionnaire because of difficulties in interpretation, and Klein et al. (1998) 7-point Likert scale was replaced by a 5-point Likert scale to accommodate specific German circumstances and environment.

For the current study, once again data were collected randomly from adult consumers in locations throughout the Alte Länder. Out of 250 questionnaires distributed, a total of 181 were returned (72.4%). Sample characteristics are included in Table 1.

**Research methodology and results**

In order to replicate the previous study, the same two statistical techniques were employed: Principal component analysis and regression analysis. Principal component analysis was performed to confirm that the questionnaire items were related to four constructs of economic animosity, consumer ethnocentrism, product judgement, and willingness to buy. The Bartlett test of sphericity indicated the appropriateness of the use of this statistical technique. The sixteen statements reported in Klein et al. (1998) study were reduced to four constructs with four items representing each construct. The results of the principal component analysis support Klein et al. (1998) measurement model. In particular, they confirm the emergence of economic animosity and consumer ethnocentrism as separate and distinct constructs. Cronbach alpha statistics were greater than 0.6 and, hence, indicated that the constructs are reliable (see Nunnally, 1978).

The next step involved a more careful investigation of the constructs. Descriptive statistics can be found in Table 2. Higher ratings reflect greater willingness to buy, higher levels of consumer ethnocentrism, greater levels of economic
animosity, and more positive product judgements toward the other side, respectively. Table 2 shows the results from both the 2016 and 2004 data collection.

As can be seen from the table when comparing the two datasets, West German consumers now show a less favorable judgment of products/brands from the Neue Länder, a lower level of willingness to buy products/brands from Eastern Germany, higher levels of animosity toward the Neue Länder, and higher levels of consumer ethnocentrism.

To further investigate the relationships, a regression model was estimated where the willingness to buy construct was set as the dependent variable and consumer ethnocentrism, product judgement, and economic animosity as the independent variables. Each construct was measured by a composite index of its underlying indicators, derived from (1) Klein et al. (1998) measurement model and (2) this paper’s principal component analysis. As in the previous study, only the results utilizing the first measures produced a negative relationship between economic animosity and willingness to buy. This relationship, however, was insignificant.

**Conclusion, discussion, and managerial implications**

Our analysis produces several phenomena. First of all (from a scientific viewpoint), with respect to the replication character of this study, economic animosity does

**Table 1. Sample characteristics.**

<table>
<thead>
<tr>
<th>Statements reflecting:</th>
<th>2016 Results</th>
<th>2004 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willingness to buy</td>
<td>4.164</td>
<td>3.991</td>
</tr>
<tr>
<td>Consumer ethnocentrism</td>
<td>2.052</td>
<td>2.437</td>
</tr>
<tr>
<td>Economic animosity</td>
<td>1.976</td>
<td>2.312</td>
</tr>
<tr>
<td>Product judgement</td>
<td>3.267</td>
<td>2.971</td>
</tr>
</tbody>
</table>

**Table 2. Statistical results (means).**

<table>
<thead>
<tr>
<th>Statements reflecting:</th>
<th>2016 Results</th>
<th>2004 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willingness to buy</td>
<td>4.164</td>
<td>3.991</td>
</tr>
<tr>
<td>Consumer ethnocentrism</td>
<td>2.052</td>
<td>2.437</td>
</tr>
<tr>
<td>Economic animosity</td>
<td>1.976</td>
<td>2.312</td>
</tr>
<tr>
<td>Product judgement</td>
<td>3.267</td>
<td>2.971</td>
</tr>
</tbody>
</table>
affect the acceptance or rejection of particular products/brands. Our results once again confirm Klein et al. (1998) report of the existence of economic animosity as an entity separate and independent of consumer ethnocentrism.

Our results also show that over the past 12 years, attitudes among Alte Länder consumers have become less favorable toward the Neue Länder, affecting their willingness to buy, their levels of ethnocentrism, their economic animosity, and their judgment of Neue Länder products/brands. These continuously deteriorating values continue to offer a plausible explanation of why East German products/brands continue to be unsuccessful in the western German markets. Obviously, other reasons remain possible. As stated in Hinck (2004), a lack of willingness of West German retailers to add Eastern products/brands to their assortment could explain the circumstance. If East German products/brands never get the chance to expose themselves to the Western consumers, then it cannot be surprising that they are not being demanded. Also, as initially mentioned, a lack of robust and resilient marketing skills of Neue Länder managers may contribute to the problem. A better business education, focusing on the managerial demands of free enterprise system with its competitive environment, could improve the situation for East German products/brands. Furthermore, it is also possible that Neue Länder companies still lack the financial resources to invest in new distribution channels. Additional financial support could be an immediate measure to overcome this hindrance. Finally, it is possible that East German companies simply do not expect to succeed in the competition with West German brands and, therefore, do not even attempt to penetrate the markets in the Alte Länder.

The findings have also provided some important insights for management practitioners in similar situation, regions, and culture, such as South Asian cultures (Pakistan, India, and Bangladesh), Southeast Asia Islamic countries (Indonesia, Malaysia, and Brunei), and Indo China Buddhism cultures (Vietnam, Thailand, and Cambodia) to build effective brand equity management and reduce the adversarial effect of regional animosity. First, by focusing on two most influencing antecedents (i.e., consumer ethnocentrism and economic animosity), international marketing managers can strategically detect those consumers who are most likely to buy products made by a particular foreign country. Second, the finding that consumer ethnocentrism and economic animosity are related to the willingness to buy provides to managers to implement special efforts in brand equity management and quality management. The identification of important differentiating variables between consumer ethnocentrism and economic animosities provides more opportunities for managers to craft the most effective solution for target high-animosity consumers. Finally, the findings also offer insightful propositions within the context of international advertising strategy on standardization and localization. For international advertisers, it is important to evaluate target market consumers’ attitudes toward the neighboring country. If consumers hold unfavorable sentiments toward foreign products stemming from prior or ongoing unease issues, such as military, economic, and political matters, the standardization strategy may be unfavorable. Thus,
localization strategy could be used by international companies from different industries to reduce consumer animosity in global markets.

While future research should be undertaken to investigate potential supply-related explanatory factors, the present study is of paramount importance because it provides an empirically validated warning that Germany may not be as united in the heads of its citizens as many assume. If those numbers continue to deteriorate over the next decade, then the situation of East German producers in West German markets will have little hope of improving.

The two major limitations of the study are the relatively small sample size and the fact that data collection took place during a time of severe economic turmoil across Germany caused by European Union immigration crisis and UK’s Brexit decision. As such, consumer attitudes concerning the general economic and financial situation in the country may also have affected consumer attitudes toward products/brands from the Neue Länder. It is therefore recommendable to replicate this study again once the economic situation in Germany has improved substantially.

References


