



Szent István University

Doctoral School of Management and Business Administration

**The Impact of Consumer Attitudes on Palestinian Consumers Food  
Choice**

“The Palestinian-Israeli conflict effect on consumers intentions to buy Israeli and  
Palestinian manufactured food products in the Palestinian market.”

**Ph.D. Dissertation**

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## Abbreviations list

AFP	attitudes toward foreign non-Israeli products.
AIP	animosity attitudes toward Israeli products.
AVE	average variance extracted.
BDS	boycott, divestment, and sanctions movement.
BI	brand name image.
CA	consumer animosity.
CA	Cronbach alpha.
CE	consumer ethnocentrism.
COO	country of origin image.
CR	composite reliability.
EDP	ethnocentrism attitudes toward domestic products.
EFA	exploratory factor analysis.
F <sup>2</sup>	effect size.
GPR	government policies and regulation.
HTMT	heterotrait-monotrait ratio.
IDV	individualism index.
INB	consumer intention to buy domestic food brands.
PA	Palestinian Authority.
PCI	product-country image.
PODs	point of differences.
POPs	points of parties.
PS	political stability.
Q <sup>2</sup>	cross-validated redundancy.
R <sup>2</sup>	coefficient of determination.
RMS	theta root means square error correlation.
SN	subjective norms.
SRMR	standardize root means square residual.
TPB	theory of planned behaviour
TRA	theory of reasoned action.
UAI	uncertainty avoidance index.
VIF	variance inflation factor.

## **1. Introduction**

The 21<sup>st</sup> century witnessed a massive acceleration in globalization that combined with the growth of international trade. These phenomena make consumer markets all around the world more saturated with products imported from different foreign countries, including opponent countries' products [Yang et al., 2015, 280]. Conflicts among countries could occur for different reasons as struggles over the territories ownership, economic pressures, or religious conflicts that may cause tension in the relations among them [De Nisco et al., 2016]. In these situations of conflict, it is noticed that political conflicts between nations exert a significant impact on consumers' consumption behaviour [Yang et al., 2015]. This has resulted in a higher interest in investigative consumer attitudes towards products of different national origins [Cazacu, 2016; Akdogan et al., 2011].

However, consumer decisions towards buying imported products have been widely considered in the literature. Different motives and clarifications have been proposed to clarify the primary stimuli behind choosing the final products. Three central stimuli had dominated the literature. Ethnocentrism is the first stimulus that induces consumer purchasing behaviour, which pronounces consumers' emotional state towards domestic products as subjects of pride and identity. Animosity is the second stimulus that affects consumer purchasing behaviour towards foreign or imported products. The third stimulus that found to influence consumer purchasing behaviour is their judgments of the products' place of origin [Hassouneh, 2017b].

This research work we implemented in the Palestinian market. This market had been chosen for its complexity that resulted from the continuous political conflicts between the Palestinians and the Israeli. In addition, the study will focus on the food manufacturing sector, which is one of the vital industrial sectors in the Palestinian market.

### **1.1 The Study Importance**

The manufactured food sector is one of the important industrial sectors in any country. In the Palestinian market, this sector is suffering from the nature of the Palestinian market structure and the political conflict between Palestine and Israel, which negatively affect this industry. This study will investigate the effect of the market instability – caused by political conflict- on consumer attitudes (Animosity and Ethnocentrism), manufacturers branding strategy and consumer intentions.

Unlike past research, this study will investigate consumer animosity and ethnocentrism attitudes in the context of an ongoing conflict, rather than negative past events. As a researcher, I believe that this provides a more in-depth insight into the nature of consumer antipathy toward foreign goods since fresh memories about intercountry conflicts offer a better reflection of negative consumer sentiments and their effect on purchasing behaviours and consumer intentions [Leonidou et al., 2019].

### **1.2 The Study Problem**

As it is well known, the Israeli-Palestinian conflict is considered as the world's most intractable conflict that begun after Israel's establishment in 1948 and continues to the present day [Anthony et al., 2015; Hassouneh et al., 2018]. Despite a large number of previous studies that inspected the effects of consumer ethnocentrism, animosity and product judgments on consumer purchase intention of foreign and domestic products, still, a very few studies have been made to analyze the Palestinian market [Hassouneh, 2017b] and they did not take in their considerations the socio-cultural effects or the role of branding strategies as mediating variables that could affect or change the direction of the relationship.

This research intends to identify the effect of political instability and social pressure on consumer attitudes of animosity and ethnocentrism and on food manufacturers branding strategies, also, to identify the direct and indirect effect of those variables on consumer's intention to buy.

### **1.3 The Study Objectives**

This study aims to identify the main effects of both of political instability and cultural and social factors on Palestinian consumer choice toward domestic manufactured food brands and identifying the effect of local food manufacturers branding strategies on their customer's attitudes towards preferring domestic food brands over Israeli competitor brands and other foreign imported brands. Thus, this study will focus on consumer ethnocentrism and animosity feelings that affected by the prevailing cultural and political situation in the area, and it will take in considerations two branding elements, which are country of origin and brand name, and determine their role in building brand differentiation for domestic food manufacturers and measure their influence on consumer choices of manufactures food brands. Therefore, the study aims to achieve the following objectives:

#### **1. Highlight the effect of political instability on Palestinians food manufacturers.**

The Palestinian was suffering from political conflicts and instability for decades. This stability creates high levels of uncertainty for business working in this market. Therefore, this study aims to highlight the main variables that could be created by the market political instability conditions and which could affect the Palestinian food manufacturers and their target markets

#### **2. Determine the consumers' preferences toward domestic manufactured food products.**

The Palestine market is an open market which allows for a lot of international products to enter the market. Thus, this research work aims to highlight the consumer's preferences toward domestic and foreign products with focusing on Israeli one. Furthermore, this research work will investigate the effect of consumers' demographic characteristics on their preferences.

#### **3. Define the role of political instability in shaping the consumers' animosity attitudes.**

For many years the Palestinian market witnessed a state of political stability caused by the prolonged conflict between the Palestinian's and the Israeli's. This conflict affected the everyday activities of the Palestinian individuals and built an aggregated negative feeling toward the Israeli government and its policies that controlled their movements, freedom, and income. Thus, the Palestinian individuals are expected to have high levels of animosity attitudes toward anything that considered to be Israeli.

#### **4. Determine the role of subjective norms (social pressure) in shaping consumers ethnocentrism attitudes.**

Social pressure is considered an important social variable that could affect consumers' attitudes in different ways. In this research work, social pressure that practised by individuals society members especially their family members, friends, and colleagues are expected to highly affect their ethnocentrism attitudes, alter their consumption behaviour, and motivate the Palestinian individuals to support their country in different ways which will be studied in this research work.

#### **5. Define the effect of consumers' attitudes on consumers intention to buy domestic products.**

Consumers attitudes such as animosity and ethnocentrism attitudes are approved by previous studies to have a direct and indirect effect on consumers intentions to buy, especially in markets that witnessed different kinds and levels of political conflicts. However, according to the

researcher knowledge, there are no previous studies that examine in-depth the effect of those attitudes in the Palestinian market context, which will be done in this research work.

**6. Determine the effect of the Palestinian food manufacturers branding strategies effect on consumers' intentions to buy domestic food products.**

Palestinian food manufacturers are working in a highly uncertain environment caused by political instability. This research is aiming to offer more information about how the brand image and country of origin image are directly affecting the Palestinians consumers intentions to buy, and how they are indirectly affecting consumers intentions by mediating the effect of consumers attitudes on their intentions to buy.

**7. Providing a holistic view to understand consumer behaviour in troubled markets.**

This research work supposed a model that can provide a better understanding for how the stability, subjective norms, consumer attitudes, and branding strategies are related to each other and how do they affect the consumers' intentions to buy in a holistic way that connect and study the different direct and indirect relations between all of the study variables which had not been done before in any other previous study.

## 2. LITERATURE REVIEW

The structure of the literature is as follows. The first section is devoted to describing and highlighting the nature of the most critical aspects of the Palestinian Israeli political conflict and its effect on the Palestinian economy and individual Palestinian citizens. After that, the economic situation in the market is described, and explain how it had been affected by the political conflict in the area, and how the economic instability in the market is affecting the study variables. The second section shows how chosen Palestinian cultural aspects like religion, consumer animosity (CA), consumer ethnocentrism (CE) and subjective norms affecting consumer behaviour toward domestic products and foreign products. The third section explains the nature of the consumers' buying behaviours and purchases intentions toward domestic and foreign products in terms of boycotting and boycotting behaviour. The final section explained the role of branding strategy in effecting consumers' attitudes and, therefore their intentions to buy. The study will focus only on two branding elements of brand name image and country of origin image as they are -according to previous studies- expected to be related to the other variables of the study. After exploring the literature, the theoretical foundation of the study model will be created, and a set of empirical hypotheses will be outlined. And end with some concluding remarks.

### 2.2 The Palestinian market

The Palestinian economy is geographically segmented into the West Bank and Gaza Strip economies. The Gaza Strip is an isolated region due to the military blockade imposed by Israel. Conversely, the West Bank's is more politically and economically stable due to its relatively more open borders which enabled economic growth [PalTrade, 2014].

Since the establishment of the Palestinian Authority in 1994, the Palestinian economy witnessed a rapid growth rate with an increase in the Palestinian GDP to more than 10% per year. However, at the beginning of 2000, the second intifada raised and the situation changed, the GDP decreased in the following two years, but in 2003 after the intifada intensity decreased the growth resumed. The fluctuations in the growth rate of the Palestinian GDP reveals that during political stability periods, the Palestinian economy shows a real growth opportunity, see figure 2.1 [The Palestinian Federation of Industries, 2009].

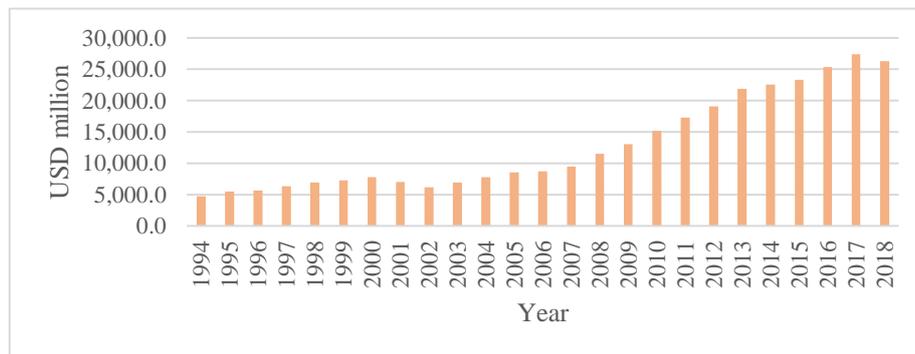


Figure 2.1: Palestinian GDP (1994-2018).

Source: [Palestinian Central Bureau of Statistics, 2018b].

Under the revealed political conditions of the Palestinian market, the Palestinian National Authority has worked barely to accelerate the creation of new businesses, increase investment and trade by creating a comprehensive legal enabling framework. In 1998, the PNA issued the law of industrial free zones and the Investment Promotion Act of 1998, according to these two laws the business will get exceptional incentives, such as income tax, fixed assets, and exemptions for exports, preferential treatment for regional and global markets. In addition, the signed trade agreement with the EU and EFTA countries, the United States, Canada, Russia, Turkey and the Arab free-market agreement will

allow the Palestinian manufacturers to take advantage in reaching these areas [The Palestinian Federation of Industries, 2009].

Regardless of the signed bilateral and multilateral trade agreements, the Palestinian private sector is still focusing on the domestic market despite its small size. The private sector ability to expand and reach international markets is still very limited and constrained by the economic and political conditions of the Palestinian market situation. These constraints such as complex administrative systems, the overlap between ministries, tricky trade logistics for imports and exports, and a complicated regulatory system usually create confusion and suspensions and limit the exporters' ability to reach new markets or block them from accessing the export value chain altogether. This has led to focus on a narrow single market, which makes Palestine appear as a closed economy if Israel is removed from export statistics [PalTrade, 2014].

These challenges create challenging trade environment which has severe consequences as growing poverty levels were around 29% of the Palestinians in West Bank are living under the poverty line in 2017 -see figure 2.2-; also, these challenges led to higher dependence on international aid, which limiting the market ability to achieve better economic growth rates and developing self-reliance [PalTrade, 2014].

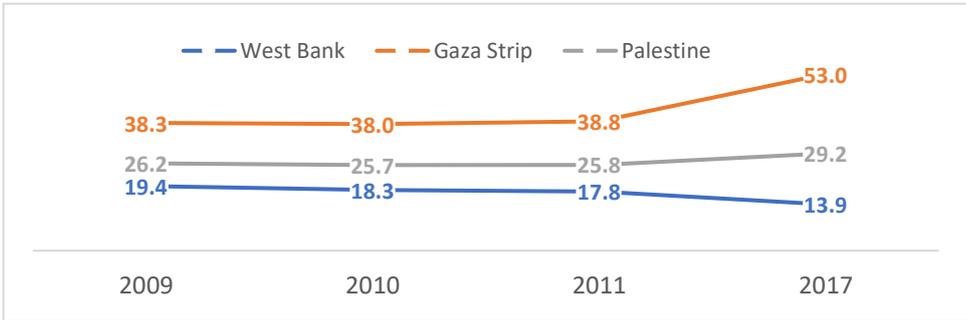


Figure 2.2: Poverty rates. Source: [Palestinian Central Bureau of Statistics, 2018a]

**2.2.1 Palestinian trade of goods**

Palestine suffers for a long time from a large negative trade balance due to high dependence on imports; the trade defect reached around 351 million US\$ in 2018. The negative trade balance is caused by the small Palestinian economy that composed of only simple small manufacturing base, besides that the Palestinian government do not control its borders which increased the cost of exporting and limit the exporters' competitive abilities, and the reality that Palestine largely relies on imports for survival. Additionally, The trade deficit is also affected by the uncertain political and economic environment, which negatively affect the domestically produced goods basket and force it to remain small and limited [PalTrade, 2014].

The Palestinian market depends on importing goods from international markets to fill the gap between supply and demand. The defect in the Palestinian net trade in goods increased gradually from -2,546 million US\$ in 1999 to reach -4,814 million US\$ in 2018. The net trade-in goods are calculated by deducting imports value from exports value, see figure 2.3. However, the food, beverages and tobacco sector (% of value-added in manufacturing) varied substantially in recent years, until it reached around 24 % in 2016, see figure 2.4 [World Bank, 2019].

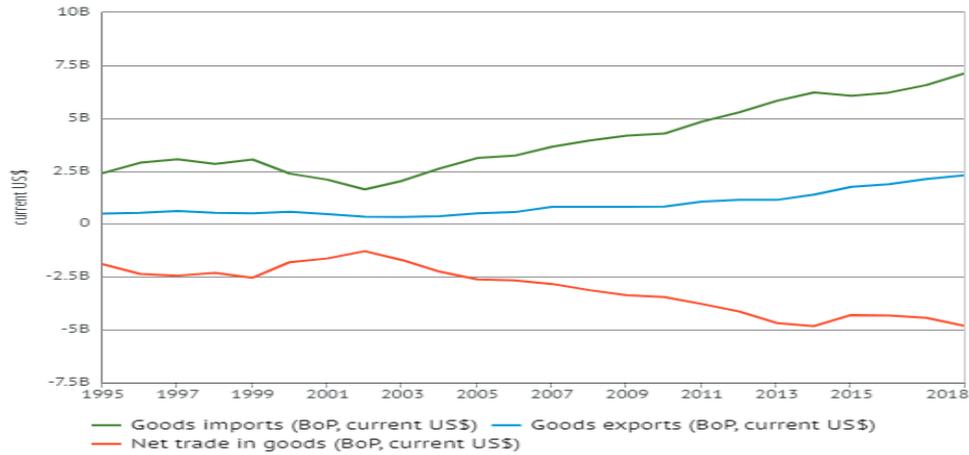


Figure 2.3: Trade in goods. Source:[World Bank, 2019]



Figure 2.4: Food, beverages and tobacco (% of value-added in manufacturing). Source: [World Bank, 2019]

The State of Palestine had only seven strong trade relationships with countries include: Israel, Jordan, Kuwait, Saudi Arabia, Algeria and the UAE. The most substantial trade relationship is the one with Israel, followed by Jordan [PalTrade, 2014]. The intense of these relationships is logically explained by being the closet countries to the Palestinian market with shared borders.

Many of the trade relationships became less intense. For instance, the trade with other regional countries such as Egypt, Saudi Arabia and the United Arab Emirates (UAE) dropped during the period between 2002-2004 and 2008-2010. However, growing trade relationships with other countries, especially the regional one, are essential for Palestine long-term success in increasing the volume of its exports [PalTrade, 2014].

The Palestine food exports also witnessed some fluctuation in the period extended from 2002 until 2018 it tends to increase until it reaches around 27% of merchandise exports while the food imports increased from 21 % in 2002 to around 28 % in 2016 scoring a growing annual rate of 2.19% see figure 2.5.

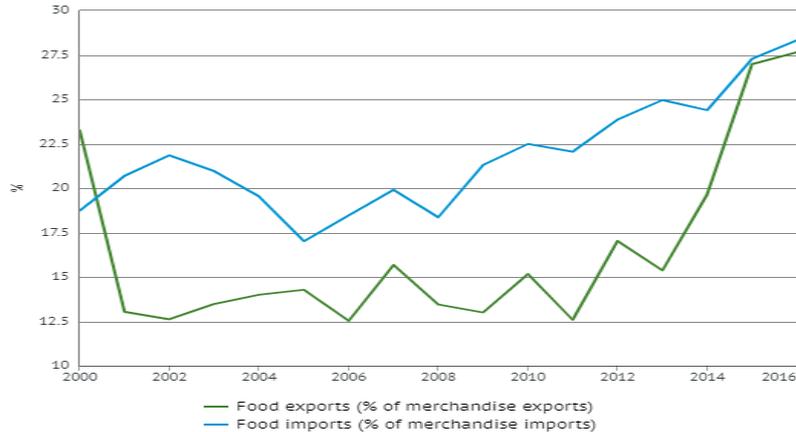


Figure 2.5: Food exports and imports. Source:[World Bank, 2019].

### 2.3 Trade with Israel

Since the first development of the Palestinian authority until now Israel stays an important trade partner for the Palestinians. For too many years Israel was the top destination for main Palestinian export products. However, for the first look, the Palestinian market may seem like an open market with all of its trade relations with the regional countries and other world countries. But with spotting a closer look at the trade figures, we see that the largest portion of trade is actually made only with one country which is Israel, see table 2.1. Therefore, the Palestinian market becomes one of the most closed economies in the world [PalTrade, 2014].

Table 2.1: The West Bank trade with Israel as a percentage of total trade. Source:[Palestinian Central Bureau of Statistics, 2018b].

West Bank - Israel	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Imports %	77.3	71.8	69.9	68.6	69.0	68.9	66.5	54.3	54.7	52.1	54.1
Export %	89.4	87.5	85.4	86.8	82.2	87.5	84.4	84.1	83.3	82.7	83.7

#### 2.3.1 Israel as a primary source of imports

Due to the considerable challenges that the Palestinian economy face year after year, the Palestinian economy connection to the Israeli economy become tighter than ever before and it became almost totally dependent on it for both Israeli-made goods and goods sourced from other countries through Israel since not all imports reported to be from Israel are Israeli goods because they control the Palestinian borders, and any imported products should first enter into Israel and then be transported to the Palestinian market. Figure 2.6 shows the growing volume of imports from Israel since 2007 [PalTrade, 2014;Palestinian Central Bureau of Statistics, 2018b]. In 2014, It was estimated that 58 % of reported Israeli imports are produced in a third country and transported to the State of Palestine via Israel [PalTrade, 2014].

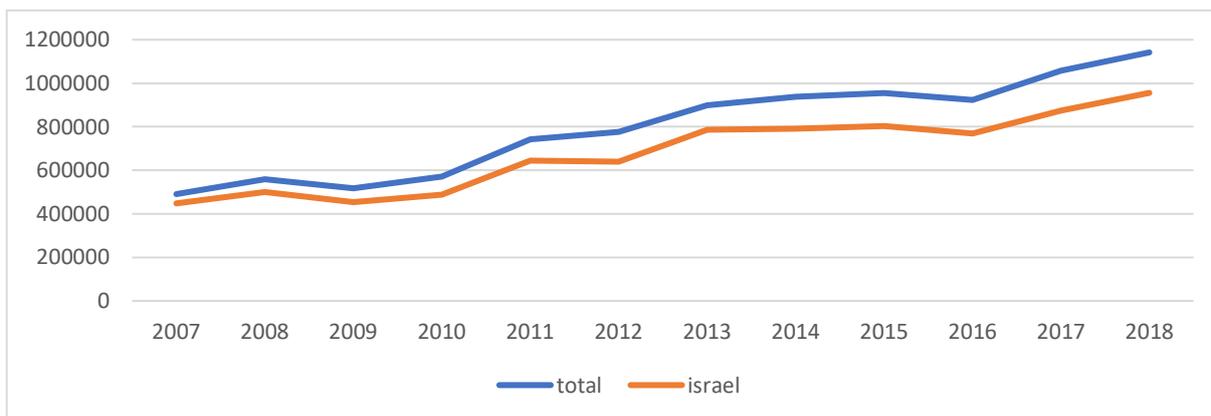


Figure 2.6: West Bank imports. Source:[Palestinian Central Bureau of Statistics, 2018b].

### 2.3.2 Israel as the primary market for Palestinian exporter

Israel is considered as the main destination for the Palestinian exports because of its geographical closeness to the Palestinian market in addition to the current relationships that Palestinian exporters have been able to establish in Israel [PalTrade, 2014]. For 2007, exports to Israel from the West Bank reached 448 million US\$ and represented 91% of the total exports from West Bank to the world, the volume of exports to Israel increased until it reached 955 million US\$ in 2018, but the percentage of imports to Israeli decreased to 84% of total exports, see figure 2.7, [Palestinian Central Bureau of Statistics, 2018b].

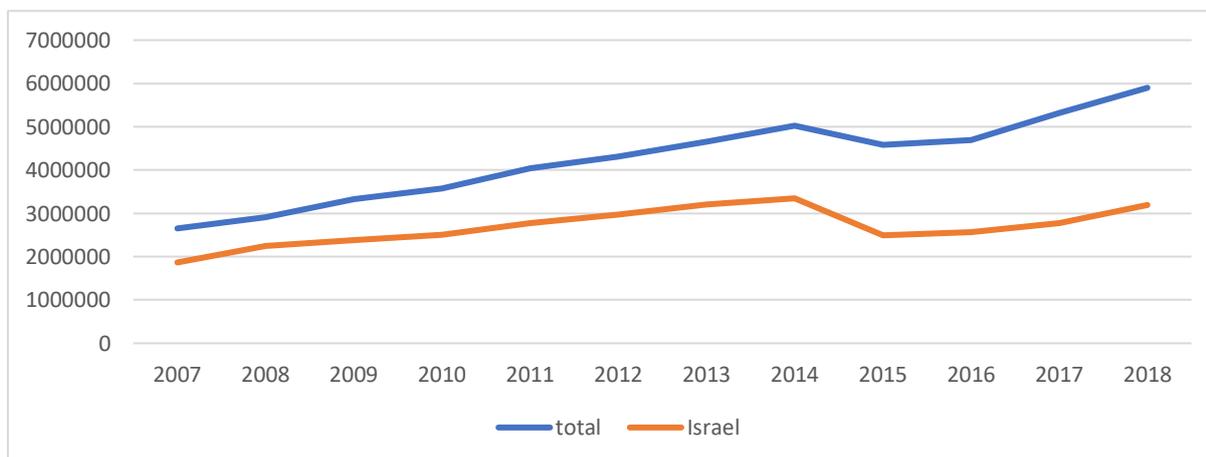


Figure 2.7: West Bank export. Source:[Palestinian Central Bureau of Statistics, 2018b].

## 2.4 The industrial sector in Palestine

The Palestinian market includes 28 different industrial sectors. The number of registered industrial establishments in the West Bank and Gaza increased from 14509 in 2000 to reach a total of 20104 in 2018. Most of these establishments are small and medium family-owned businesses, with a total workforce of 112835 employees in 2018 [Palestinian Central Bureau of Statistics, 2018b]. The contribution of the industrial sector to GDP is estimated to reach 12% in 2019 [The Palestinian Federation of Industries, 2009].

The industrial sector in Palestine includes various products and inter-related sub-sector branches such as food and beverages, construction, stone and marble, pharmaceuticals, chemicals, metal

and engineering, textiles, garments and leather, paper, printing and packaging, handicrafts, plastic and rubber, and furniture [The Palestinian Federation of Industries, 2009].

The various industrial sectors in Palestine are highly connected to the Israeli economy, as we explained earlier. This connectivity can be considered as an advantage and a disadvantage, on one side this connectivity represents a severe threat to industry because its success is subject to the Israeli priorities, not the Palestinian priorities, and most of these priorities in common are highly politicized. On the other hand, different Palestinian industrial sectors still can benefit from Israeli business relationships with other countries around the globe [The Palestinian Federation of Industries, 2009].

## **2.5 The manufactured food industry**

Food manufacturing and agricultural industry sectors are considered of the oldest sectors in Palestine. The cultivated land in Palestine is around 16% of the total area, which give this sector a crucial role in maintaining food security in Palestine and contribute significantly in the Palestinian economic growth [Paltrade, 2016].

The manufactured food industry has been one of the sharpest growing sectors. In 1998 the Palestinian Authority issued the investment encouragement law which reduced restrictions on starting a new business in the Palestinian market; as a result, the sector attracted many investors, and new business enters the industry. However, the manufacturing plants in this sector are still not fully equipped in a modern way. However, a large percentage of them are holding different ISO certificates [Palestinian Investment Promotion Agency, 2016].

Regardless of the importance of the manufactured food sector and its continuous development, it still facing severe challenges, especially in getting the required raw materials for the production process. Nevertheless, the sector has a great advantage and was able to attain successes during difficult uncertain conditions [The Palestinian Federation of Industries, 2009].

The manufactured food industry consists of three major active categories: the conservation of fruits and vegetables, meat and dairy, and the conversion, purification, and distilling of animal and vegetable fats. These three categories include various food products such as confectioneries and sweets, flour mills, dairies and milk products, processed meat, Water and soft drinks and beverages, spaghetti and other grains products, canned and frozen food, oils, and traditional products as tahini, hummus, halaweh, za'atar, freekeh, etc., and animal feed [Paltrade, 2016; The Palestinian Federation of Industries, 2009].

The food sector is growing rapidly, both vertically and horizontally. At the end of 2017, there were about 2250 working firms in this sector, and the number reached 3377 working firms in 2019, recording a growth rate of 50% in the last two years. The labour force also increased in the last two years, from 17583 employees in 2017 to 18297 in 2019 with a growth rate of 4% [The Palestinian Federation of Industries, 2009].

The manufactured food industry has high production capacity, and it is connected to other sectors such as chemicals and plastic and printing and packaging. The industry has the advantage of being able to alter its production lines to manufacture various related products and developing new products kinds [The Palestinian Federation of Industries, 2009].

The growth of the agricultural and manufactured food sectors is still not enough, and the Palestinian market still in need to import some kinds of foodstuff that are not available in the local market or products of high demand and short production. The imported manufactured food products reached around 583.6 million US\$ in 2018, and in the last five years, the imported food

products value increased by 33.2%. Most of these products are imported from Israel were in 2018 the imported food products that came from Israel constitute around 59.8% of total imported manufactured food products, see table 2.2 and 2.3 [Palestinian Central Bureau of Statistics, 2018b].

The Palestinian exports of food products is not a different case than imports; the Palestinian capabilities to exports is still very limited for man political and economic constraints. However, the exports of manufactured food products from Palestine to different countries around the world in 2018 reached 60.6 million US\$. Scoring a growth rate in the last five years of 12.3% with most of the exported products are going to the Israeli market where the share of Israel as an exporting destination reach 58.5%, see table 2.2 and 2.3 [Palestinian Central Bureau of Statistics, 2018b].

Table 2.2: Trade balance of manufactured food products (thousand US\$). Source: [Palestinian Central Bureau of Statistics, 2018b].

Category	2016		2017		2018	
	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
Preparations of meat, of fish, molluscs or other aquatic invertebrates.	7546	14299	9021	12384	8585	16638
Sugars and sugar confectionery.	4339	71208	5431	68757	5763	88327
Cocoa and cocoa preparations.	6320	43302	6446	49619	7107	57709
Preparations of cereals, flour, starch or milk; pastry cooks' products	4109	82737	4751	105636	4776	144821
Preparations of vegetables, fruit, nuts or other parts of plants.	9272	31935	10345	48340	9674	59023
Miscellaneous edible preparations.	11225	42780	12154	45216	14458	52301
Beverages, spirits and vinegar.	8787	156694	7674	161588	10290	164785
<b>Total</b>	<b>51598</b>	<b>442955</b>	<b>55822</b>	<b>491540</b>	<b>60653</b>	<b>583604</b>
<b>Trade balance</b>	<b>-391357</b>		<b>-435718</b>		<b>-522951</b>	

Table 2.3: Trade Balance with Israel for manufactured food products (thousand US\$). Source: [Palestinian Central Bureau of Statistics, 2018b].

Category	2016		2017		2018	
	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
Preparations of meat, of fish, molluscs or other aquatic invertebrates.	1410	5308	1790	5958	2649	7132
Sugars and sugar confectionery.	4280	38290	5407	36264	5727	44260
Cocoa and cocoa preparations.	6178	16621	6322	18108	7082	17478
Preparations of cereals, flour, starch or milk; pastry cooks' products	3092	11322	4279	13532	4144	28733
Preparations of vegetables, fruit, nuts or other parts of plants.	6844	11411	8503	24436	8051	27735
Miscellaneous edible preparations.	10481	12001	11297	13871	13204	15356
Beverages, spirits and vinegar.	8081	109638	6699	113182	943	111005
Total	40366	204591	44297	225351	41800	251699
<b>Trade balance - Israel</b>	<b>-164225</b>		<b>-181054</b>		<b>-209899</b>	
<b>% of Trade balance with Israel.</b>	<b>58.04</b>		<b>58.45</b>		<b>59.86</b>	

### **2.5.1 Industry problems and needs**

The nature of the Palestinian market structure and mechanisms imposed various challenges on the manufactured food industry. The industry suffers from weak product quality inspections procedures and their compatibility to world standards. The Palestinian Ministry of Education policies and decisions of preventing schools' cafeterias from selling some food staff that considered unhealthy for school students threatened some snack producing firms. Furthermore, the industry as a whole is suffering also from the uncertainty and ambiguity caused by inconsistency and overlapping of different ministries procedures. In addition, the sector depends on Israeli suppliers for raw materials which could increase the cost and affect the continuity of supply, especially in periods of raised political conflict. Besides, Palestinian manufacturers are prohibited from importing or using some types of raw materials because of security measures; finally, most of the business operating in this sector are small family business who lack the needed knowledge and skills to appropriately marketing their products even locally or internationally [The Palestinian Federation of Industries, 2009].

## **2.6 Palestinian market stability**

Several factors are affecting any market stability levels. In the Palestinian market context which is the focus of this study, two main factors will be studied; these factors are political and economic stability which is directly affected by the nature and intensity of the Israeli-Palestinian conflict.

### **2.6.1 Political stability**

#### **2.6.1.1 The Arab/Muslim-Israeli political conflict**

The nature of the Israeli-Palestinian conflict makes it classified as an extended intractable conflict where each one of the opposing parts views themselves as righteous and blames their opponents as being the source of the conflict. In general, Israeli-Palestinian conflict characterized as being intense and deadlocked, hard to be solved, have a historical, social, and/or cultural background, and related to life issues like death and justice [Chaitin et al., 2017;Khatib et al., 2018;Oren and Bar-Tal, 2007].

The struggle between Arab countries and Israel is a current enduring animosity situation in which nations and countries from different races and religions are involved. This struggle can be stratified into three levels: the first level is country/territory level such as the conflict between Israel and Palestine, Syria, and Lebanon, the second level is Arab national level that represented by the conflict between Arab countries in the middle east region and Israel. The third and broadest level is the religious (Islamic) level between Muslim nations and Israel, where non-recognition of Israel state outspreads to countries as Bangladesh, Brunei, Indonesia, post-revolution Iran, Malaysia, Pakistan and other Muslim-majority countries that share the same Islamic identity with Muslim Palestinians [Halimi, 2017].

#### **2.6.1.2 The varying conflict intensity**

Since the establishment of Israel in 1948 [Tessler, 2009] on 78% of the land of historical Palestine [Halimi et al., 2017;Mall Dibiasi, 2015], the conflict between Israel and Arabs, Muslims and Palestinians started to rise to the surface. As a result, through the last decades, several wars had been taken place between Israel and different Arab countries. However, in 1967, the tension between the two struggling nations reached its peak after the Israeli take a further step and occupied more lands from the Palestinians and the neighbouring Arab countries. In that period, Israel extended its borders by occupying West Bank and Gaza Strip, the Sinai Peninsula in Egypt, and Golan Heights in Syria. After this period of tension and wars, a peace period started from the

1970s to the late 1990s; at this period, different peace agreements were signed between Israel and different Arab countries like Egypt, Jordan, and even with the Palestinians. Moreover, Jordan and Egypt established full diplomatic relations and economic trade agreements with Israel especially after they decide to withdraw from the Sinai Peninsula in Egypt, Gaza Strip and parts of the West Bank in Palestine [Halimi, 2017;Tessler, 2009].

After the region witnessed a peace period in the 1990s, the tension came back again in 2000 decade. It aroused because of the visit of the Israeli prime minister at that time Ariel Sharon's to Al-Aqsa mosque which triggered Al-Aqsa Intifada (uprising). This intifada ended the peace era and stopped all of the diplomatic attempts to solve the regional conflict through dialogue between the Palestinians and Israel [Halimi et al., 2017]. Also, at the same period, Israel launched deadly wars against Hezbollah party in Lebanon in 2006 [Wolf, 2016], and Hamas in Gaza in 2008-2009 [Amer, 2017] and in 2014 where thousands of civilians were killed and hundreds of thousands left without any shelters as their homes destroyed [Gawerc, 2017;Halimi et al., 2017]. Besides, other unresolved issues as keep founding and expanding Jewish settlements in the West Bank, building the security barrier or apartheid wall all around the West Bank that separates the Jewish settlements from the Palestinian areas, the displacement of Palestinian refugees numbering around five million, and the formalized racial discrimination against the native Palestinian people who became citizens of the State of Israel keep the conflict in place [Halimi, 2017].

When Israel extended its occupation in 1967 and occupied more areas of the West Bank, Gaza Strip, and East Jerusalem, it forced new forms of control on the Palestinian population that was either native or had gathered in the refugee camps as a result of the 1948 war [Tessler, 2009;Mall Dibiasi, 2015]. Also, the extended occupation resulted in re-opening the borders within what had been Mandatory Palestine to limited movement, exchange, and Palestinian labour flows to the Israeli market [Mall Dibiasi, 2015].

In the 1990s, and just after the starting of the first Intifada [Tessler, 2009], Israel implements the first closures of the occupied regions that further exaggerated as the intifada continued and resulted in a complex system of movement restrictions especially after applying the terms of Oslo agreements. At the end of 1999, Oslo agreement fragmented Palestine into 227 separated small areas -less than two square kilometres under the full or partial control of the Palestinian Authority (PA), each one of the 227 areas is connected by roads that controlled by the Israeli part and having many military checkpoints between all of the areas. This movement control system negatively affected the unity of the Palestinian population by deepening territorial fragmentation [Mall Dibiasi, 2015] and tore at the community social, political and economic cohesion. Besides, Israel's closure policy negatively influenced the Palestinian economy as it resulted in the increased unemployment rate, higher poverty, and child-labour rates between 1992 and mid-2000 [World Bank, 2004;United Nations, 2016].

The Palestinians express their disagreement against the unfair Israeli policies and procedures in different violent and non-violent ways. However, it is still that researchers who study, evaluate, and describe the nature of the Israeli-Palestinian conflict ignored or give less importance to the occurrences of Palestinians non-violent protest activities. Perhaps the most surprising non-violent protesting movements is the activism surrounding the construction of the Separation Wall - it is a six to eight-meter high concrete wall surrounding the Palestinian territories and separate it from the Israeli territories- where Palestinian villagers from different individual villages such as Bil'in began to stage weekly peaceful protests that characterized to be non-violent, grass-roots driven, and non-factional. The plan to build the separation wall was initially approved under Ehud Barak in November 2000. The Wall insulates Palestinian communities from each other, separates villagers from their agricultural lands, and prevents them from taking care of their trees, especially olive trees, and affects the Palestinians ability to access water sources [Mall Dibiasi, 2015].

Another form of non-violent protest is the Boycott, Divestment, and Sanctions (BDS) movement, the BDS movement initiated by the Palestinian Civil Society in 2005 as a global non-governmental campaign intended to exerting economic and diplomatic pressure on the Israeli government to apply international law and meet their obligations towards the Palestinians as ending Israel’s occupation of lands occupied in 1967, giving the Arab citizens of Israel equal rights as other Israeli citizens, and giving the Palestinian refugees’ the rights to return to their home [Baumgart-Ochse, 2017].

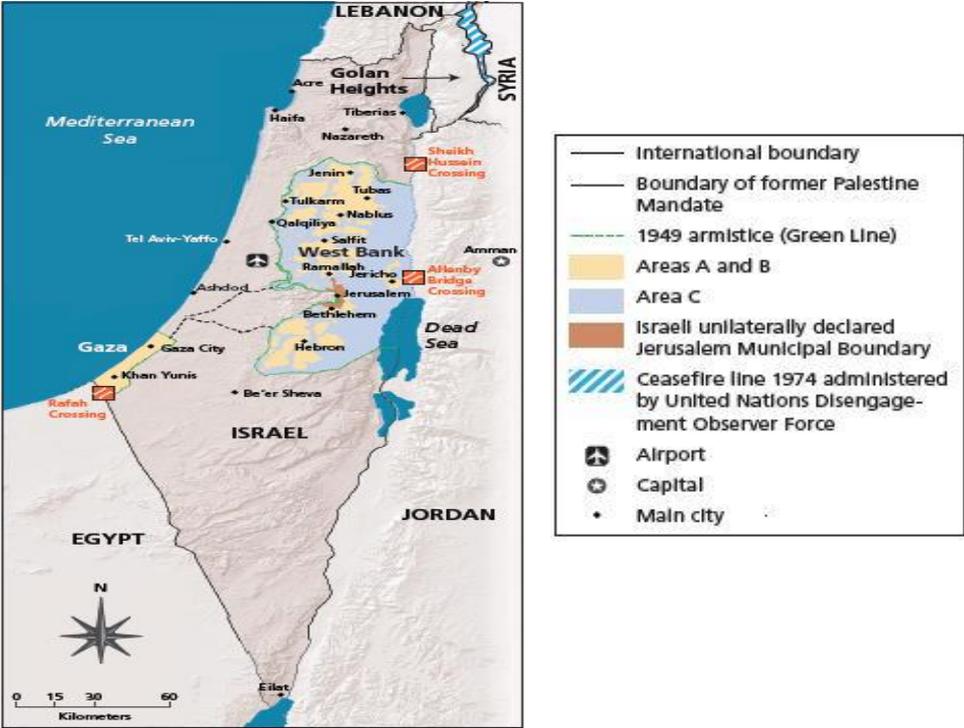


Figure 2.8: Israel, the West Bank, and Gaza map. Source: [Anthony et al., 2015]

**2.6.2 Economic stability**

History approved that occupation always had negative economic consequences on the occupied country. This is also applied in the Palestinian case, where the occupation imposes high economic costs on the Palestinians as a government and as individuals and negatively restricts their economy. Before the occupation, the Palestinian economy was a flourishing and generated significant production and income that sustained the growth rates of its population, and it was considered a lower-middle-income economy at that time. Unfortunately, after occupation, it has become a land on the edge of economic and humanitarian collapse [United Nations, 2016].

Since the First Intifada in 1987–1993, and as an effect of the Israeli occupation and its imposed movement restrictions, the Palestinian economy has experienced a lot of economic losses for more than 30 years until now with almost no chance of recovery in the nearest future [Gal, 2018]. Furthermore, the Palestinian economy is having some unusual characteristics such as the use of four foreign currencies (the New Israeli Shekel (NIS), the Jordanian Dinar (JD), the European EURO, and the USA Dollar (USD)) instead of having its own Palestinian currency [Gal, 2018].

Since the start of the Israeli occupation, the Palestinian economy is still highly connected and depending on the Israeli economy [Gal, 2018;Hassouneh et al., 2018] especially in the trade relationships since Palestinians import the highest portion of their imports from or through Israel and export most of their exports to or through Israel. In 2014-2016, 70% of total Palestinian imports were from Israel, followed, at a distance, by the European Union (10%). In the same year, the percentage of overall Palestinian exports directed to the Israeli market was 90%. Only 10% of Palestinian exports were directed to Arab countries and the rest of the world. Moreover, the Palestinians are importing as three times higher than what they are exporting to Israel, which in turn creates an imbalanced trade in goods in favour of Israel (see figure 2.9). However, The overall Palestinian trade deficit trade in goods with Israeli and non-Israeli markets increased from around \$3.5 billion in the late 2000s to around \$4.5 billion in 2014–2016 (see Figure 2.3) [Gal, 2018].

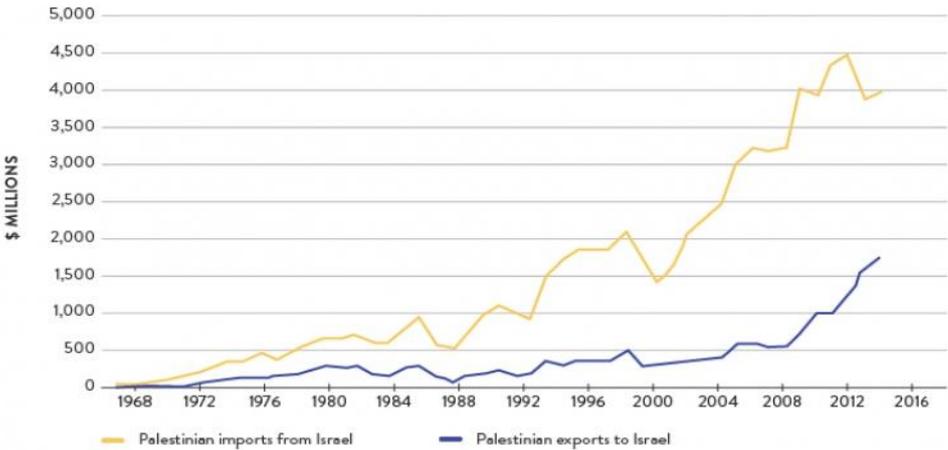


Figure 2.9: Israeli–Palestinian Trade in Goods, 1968–2016, Source: [Gal, 2018].

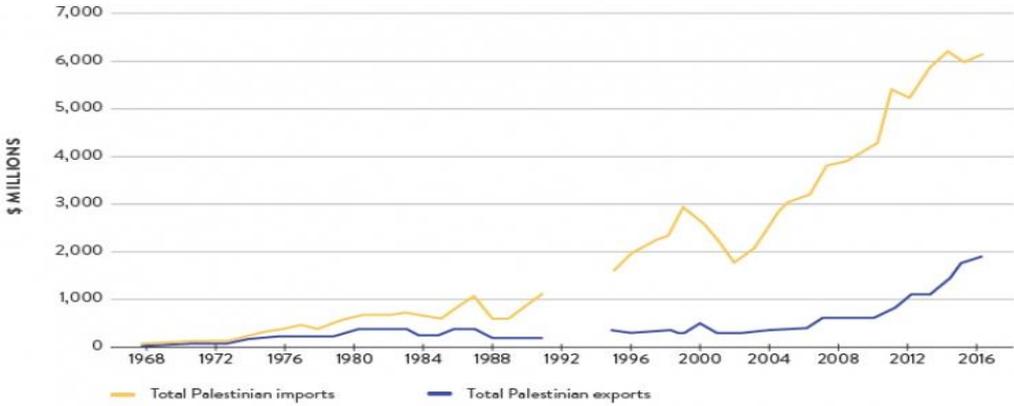


Figure 2.10: Total Palestinian External Trade in Goods, 1968–2016. Source: [Gal, 2018].

**2.6.2.1 Israeli security measures and the Palestinian economy**

Israeli limitations on the movement of the Palestinians products and labour, roadblocks and road closures created a unique aspect for the Palestinian economy [Hassouneh et al., 2018;Ali mahomed-Wilson and Potiker, 2017], especially after Israel’s military strategy of targeting and destroying the key Palestinian logistical gateway of the seaport in Gaza and Palestine’s only international airport in 2000-2001. All of this Israeli behaviour against the Palestinian economy can be described as the logistics of occupation, which regulates and prevent the free flow of Palestine’s products and lead to the de-development of the Palestinian economy [Ali mahomed-Wilson and Potiker, 2017].

The continuous violent conflict between the Palestinian and the Israeli had a severe consequence that negatively affects the Palestinian economy and limiting its ability to effectively practising national and international trade activities without any imposed political restrictions. One of the most critical paybacks of the conflict is the Palestinian individuals, and product movements control imposed by the Israeli side as security measures that differ in their duration, frequency of implementation, and scope. These measures could take different shapes as checkpoints, roadblocks, gates and other fixed or temporary obstacles that have different influences on the daily economic activities in general and trade in particular as increasing the distance and the time of transporting goods, which imposed additional costs and lead to higher prices [Ihle and Rubin, 2013].

### **2.6.2.2 Israeli-Palestinian trade regulations**

Governments establish different forms of public policies to achieve various objectives as intervening in the market to protect it against market failures or to protect the consumers in that market. However, unfortunately, in some cases, these policies fail to attain its objectives and yield indirect unintended consequences [Ihle and Rubin, 2013].

In the situation of the Israeli–Palestinian struggle, numerous intended and unintended food policies play a part. Intended food policies such as direct government interventions in food markets via production, processing, consumption, or the international trade in agriculture yield. The Israeli government subsidizes the agricultural production main input factors such as labour, irrigation, capital, and public research and development. In addition, the consumption of fresh agriculture crops in Israel are exempt from the value-added tax. However, over time, the Israeli government’s support for agriculture produce is declining, and most of the support is going to the livestock sector and relatively few are allocated to fruit and vegetable production. On the other hand, the Palestinian government is almost not intervening in the food sector at all [Ihle and Rubin, 2013].

Concerning trade, on April 29, 1994, the Paris Protocol on Economic Relations was signed by the Palestinians and Israeli government. This protocol defines the nature of the economic relationship between the two countries [Kanafanii, 1996;Samhuri, 2016]. The protocol describes the region as a “customs union” which has two main consequences. First, the products will flow between the two countries as a duty-free since there will be no economic borders between them. However, before the protocol, there was already no importing tax on the Palestinian produce consumed in Israel. Also, this agreement is applied only for agricultural yield, as the Israeli regulations do not permit any Palestinian meat products to be entered into the Israeli market for health and food safety considerations. Second, there is a unified policy regarding the two countries' trade with the rest of the world. In practice, the Israeli tax administration collects and distributed tax revenues for both Israel and the Palestinian Authority [Ihle and Rubin, 2013].

### **2.6.2.3 Economic Relations between the PLO and Israel**

The trade relations in the protocol was summarized in the following five points [Kanafanii, 1996;Samhuri, 2016]:

1. The Palestinian companies and government can directly or indirectly import and export products to other countries through Israeli seaports and airports, and the Palestinian products will be treated in the same way as Israeli goods.
2. The protocol defines two lists of products that the Palestinian side has the right to independently regulate the rates of customs, purchase tax, levies, excises, surcharges and other charges on imports. The first list (list A) contains a specified quota of specified commodities that will be determined according to Palestinian market needs, and the other list (list B) has no restriction on quantities.

3. All other Palestinian imports of goods not included in the two lists will be subjected, as a minimum, to the same rates of customs, taxes, fees, and other charges which apply to Israeli imports. This imposes that the Palestinian side cannot put customs and charges that are less than what Israel imposes on its products.
4. Free flow of goods and commodities between Israel and Palestine without tariff, fees, or taxes with an exception for chickens, eggs, potatoes, cucumbers, tomatoes, and watermelons. The Protocol determined an annual quota of these commodities that will be increased annually until the limitation eliminated in 1998.
5. Clearance of all customs revenues and fees imposed on imports will be conducted between Israel and Palestine based on the place of the final destination. This means that import revenues on goods consumed in Palestine will go to the Palestinian side, regardless of whether they were imported through Israeli seaports and airports or Israeli agents, as long as it is made clear in the importation documents that the final destination of the imported goods is the Palestinian market.

Additionally, as a result of the Israeli security measures, the imported Palestinian agricultural products that will be transported through the commercial terminals in the West Bank Barrier have to be dropped from Palestinian trucks for security check and reloaded onto Israeli trucks in what is described as a back-to-back system. In contrast, the Israeli food and agricultural products are often shipped to the West Bank using only Israeli trucks which reduce the transportation costs. Moreover, products imported to Israel should be recorded by a representative of the Israeli Civil Administration for data collection, and samples are checked for compliance with Israeli health regulations [Ihle and Rubin, 2013].

Therefore, despite the Paris Protocol was initially formed to put the basis for the Palestinian economic policy framework. Nevertheless, until now, it still restricting the Palestinian policymakers and has ensured Palestinian economic dependence on Israel [United Nations, 2016].

## **2.7 Palestinian cultural constructs**

Besides the effect of the level of political stability and the regulations that govern the trade in the market, culture still significantly affecting consumer intentions and behaviours. It was estimated that in a one day, an individual takes around two hundred food choice decisions, which relatively making the process of choosing which food brand to buy a complicated decision, especially that consumer's decisions regarding food choices are affected by their habits, motivations, preferences and most importantly their cultures [Manan, 2016].

Culture refers to the norms, values, and beliefs of a particular group or community in a particular area or geographic location, and shared by its members [Gogolin et al., 2017]. Each culture has its discrete norms and behavioural patterns that differentiate one group of people from another. These variations between groups attributed to the exclusive nature of the value systems they sustain. Fundamentally, culture is profoundly influencing the individual's values and lifestyle and therefore influencing their attitudes and consumption behaviours toward products and specific brands [Abdollah et al., 2016; Manan, 2016; Conner et al., 2017]. Values are distinctive psychological variables and feelings toward what is important and what is not important, which reflect the human desire for a specific end-state of existence and explains their behaviours and way of living. However, cultural values shaped personal values but both are distinct constructs, and these values and underlying motives of individuals shaping their attitudes and influence their behaviours [Manan, 2016].

### **2.7.1 Values, Attitudes, and Behaviours**

There are three central cultural values frameworks: (1) Hofstede's value dimensions, (2) Schwartz's theory of basic human values, and (3) Inglehart's WVS theory of value change. However, in addition to these frameworks, several other studies have highlighted similarities between these three approaches. However, cultural values can be defined as "an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to an opposite or converse mode of conduct or end-state of existence." Values can be found in different forms as cultural, societal, and institutional, organizational, and individual values, where all educational, economic, political, or religious institutions express a particular type of values. These values are translated into customs, laws, norms, and practices that then transmitted directly and indirectly to the society members. Hence, cultures can be recognized by their shared values, attitudes and behaviours that could influence an individual's everyday life [Gogolin et al., 2017, 3561 ].

Inherently, values are proposed to be a static stimulus for individuals' behaviours than attitudes [Gogolin et al., 2017;Manan, 2016]. As such, the constancy of values has become an important criterion for their adoption as the basis of several market-related activities. Furthermore, values are significantly better motivators of behaviours than demographic profiles where several studies showed the occurrence of essential relationships between individual values and their attitudes as well as between individual's attitudes and their behaviours [Manan, 2016]. According to these relationships, consumers could respond positively to products or brands associated with their cultural values and identity. But still, connecting the individual's behaviours to their cultures is not an easy task as culture as a concept is comprehensive and complicated since it contains many elements that could differently affect consumers' intentions and decisions [Abdollah et al., 2016].

Religion is one of the most critical parts of any culture, where the community represented by its members embody their morals through religious beliefs and practices that translated into behaviour standards that determine what is considered as acceptable or unacceptable behaviour in that community [Abdollah et al., 2016].

### **2.7.2 Religion and religiousness**

Individual religious believers and the level of their commitment to these believes play a significant role in the current modern marketplace. Religion and religious believes, affecting social behaviour as a whole and the consumers as individuals [Al-Hyari et al., 2012] by shaping their beliefs, attitudes, and behaviours. An individual's religiousness as a concept represents the degree to which an individual confirms and applies his religious values, beliefs and practices in his daily live practices [Arli et al., 2017]. However, religiosity is considered an essential cultural dimension that has a significant direct effect on the consumers buying behaviour and affects their consumption attitudes and behaviours. For example, in Christianity, the consumption of pork is allowed, while in both Islam and Judaism, it is prohibited. In effect, religion affects what consumers believe, what they like or dislike, which in turn form their attitudes towards different objects [Al-Hyari et al., 2012].

Religiousness can be categorized into two levels that intrinsic religiousness and extrinsic religiousness. In comparison to individuals with high levels of extrinsic religiosity, individuals with a high level of intrinsic religiosity are revealing more religious commitment and involvement for more inherent and spiritual objectives. Likewise, by applying different basis, religiousness can be defined as the belief in God and follow his principles and orders, or as a degree of being religious and committed to specific religious principles and reflect these principles in attitudes and behaviour [Arli et al., 2017].

Extrinsically religious consumers usually tend to follow in the steps of intrinsically religious individuals; therefore, they can be seen as ethical in their behaviours as intrinsically religious consumers in spite that their motivations and ethical values are different, and they still recognize that they need to be a group member with the latter. Thus, extrinsically religious consumers may tend to imitate the behaviour of intrinsically religious consumers by assuming that they behave in an ethical manner [Karaosmanoglu et al., 2018].

Irrespective of different degrees of religious commitment, religious values are a central value in the individual's cognitive structure that profoundly affects consumers' lifestyle and buying decisions. Thus, it is claimed that religiousness or religiosity can impact individuals' behaviours toward buying products or boycotting other products in an attempt to satisfy the way others look at them or even to reflect their self-identity [Al-Hyari et al., 2012].

Moreover, according to psychological research, highly religious consumers tend to be stricter, biased, and rigid in comparison to less religious consumers and display higher levels of religious animosity, which can influence their purchase behaviour. An example of religious animosity is the display of hostility owing to the publication of cartoons of Prophet Mohammad in a Danish newspaper in 2005 which followed by a wide boycotting of Danish dairy brands. Besides, religiosity can also affect consumer's ethics by motivating them to refuse any form of unethical behaviour as they fear of punishment and give added weightage to absolute moral laws and reject situational influences [Agarwala et al., 2019]. Thereafter, consumers usually form negative attitudes toward brands if their policies go against their religious beliefs [Agarwala et al., 2019; Al-Hyari et al., 2012].

Different customer movements are derived by religious value since it defines and clarifies the life values that reflected in the values and attitudes of societies and individuals. Religion does not directly impose obligations but usually moralistically sets specific values, beliefs, and practice requirements [Al-Hyari et al., 2012].

## **2.8 Consumers attitudes**

Consumer behaviour is influenced progressively by religion as an important cultural element [Al-Hyari et al., 2012]. However, there still other factors that influence consumer purchasing behaviour, such as conspicuous consumption [Narang, 2016], consumers' nationalism, xenophobia, animosity, and ethnocentrism, particularly in a collectivist culture [Cheah et al., 2016].

### **2.8.1 Consumers animosity attitudes**

Markets globalisation still presents substantial challenges and opportunities for marketers from all around the world as consumers in international and domestic markets are more exposed to a broader range of foreign and local brands to select from than ever before [Cheah et al., 2016; Nakos and Hajidimitriou, 2007]. However, in the modern world market, globalisation is combined with other cultural, economic and political challenges and conflicts that sometimes cause a vast number of hostility and armed conflict cases where animosity toward who considered an enemy nation or government is generated [Klein et al., 1998; Narang, 2016], and it will affect the consumers' intention to buy products produced by firms from that country. Thus, marketers are more demanded to understand the different factors that could affect the consumer selection decision of imported and domestic goods [Klein et al., 1998].

According to Al-Hyari et al. [2012] and Nakos and Hajidimitriou [2007], the study of Klein et al. [1998] was the first research that studies the effect of countries conflict on consumer buying behaviour, and introduced the idea of consumer animosity and define it as “remnants of antipathy

related to previous or ongoing military, political or economic events that will affect consumer purchase behaviour in the international marketplace” Klein et al. [1998: 90]. After that, the concept captured the attention of researchers since it reflects the consumer's negative emotion or dislike toward an offending country and the relative negative attitudes toward buying its products irrespective of their judgment of the product quality [Abdul-Talib and Mohd Adnan, 2017; Halimi, 2017; Fong et al., 2015]. Thereafter, Halimi [2017: 247] defined animosity as “the strong, deep-rooted emotional antagonism towards a specific entity, arising from previous or ongoing military, political, or economic hostility and actions between nations and peoples”.

Animosity can be classified into situational animosity and stable animosity. In the case of situational animosity, consumer's feelings and attitudes are triggered by a specific ongoing incident. On the other hand, stable animosity accumulates over time as a result of historical events and develops into a long-lasting hostility [Fong et al., 2015; Yang et al., 2015] that is not necessarily being personally experienced [Yang et al., 2015]. Another classification of animosity divided it into two other levels; the first level is a macro-level or what is called national animosity which reflects a person's feelings of anger as their country is suffering due to the actions of another nation that causes economic loss or affecting country's national superiority and sovereignty. The second level is a micro-level that called personal animosity and reflected the person anger feelings towards a specific country or nation as a result of a past negative personal experience he has had with that nation or country as the case of the Palestinian-Israeli conflict case, were consumer facing personal animosity as the case for the Palestinians who lost their jobs, lost their homes and suffering from humiliation as a result of the Israeli actions or spent most of their life in the Israeli prisons [Halimi et al., 2017; Halimi, 2017; Al-Hyari et al., 2012].

Animosity is often related to the emotions of consumers towards the offending country [Cheah et al., 2016; Wang et al., 2013]. However, it was found that the relationship between consumers animosity and their buying decision is also related to their dignity/self-esteem values, as consumers feel like compromising on their dignity and shamed if they decide to buy the offending country product, which would negatively affect their intention to purchase its products, especially if there were available substitute products from different origins. Therefore, consumers will probably start to search for new products and brands regardless if they local or imported from other countries than the offending one and switch to alternatives as they try to preserve their self-respect and dignity [Halimi et al., 2017]. Moreover, consumers' from other nations who are feeling sympathetic toward the offended nation or country may also have negative willingness to buy from the offending country products regardless the product quality or price [Nakos and Hajidimitriou, 2007] even that neither their countries or they are as individuals are influenced by the action of the offending country, and they boycott their products just to fulfil their altruism needs [Halimi et al., 2017].

### **2.8.1.1 Animosity attitudes in the international community**

The international community animosity to Israel due to the enduring struggle between the Israeli and the Arab/Muslims, specifically the Palestinian, is growing in several parts of the world [Abdul-Talib and Mohd Adnan, 2017] and it can be divided into three levels: state-level, organizational level, and individual level. *State-level*, at this level, the animosity situation extended to non-Arab/Muslim countries, as African countries that stop any kind of relations with Israel as a result of the Arab-Israeli wars in 1967 and 1973. In 1990 most of these countries reestablished their relations with Israel due to its effort to start peace with the neighbouring Arab countries. However, in 2009, some of these countries as Bolivia and Venezuela cut their relationship with Israel again after the Israeli war on Gaza Strip. *Organization level*, at this level, several organizations and corporates joined the boycott movement against Israel, such as the British National Union of Journalists in 2007, the Norwegian Pension Fund, and the Swedish Port Workers Union. The

boycott also includes academic and religious organizations as the American Studies Association, the Teachers Union of Ireland, the Federation of French-Speaking Belgian Students. The United Church of Canada, the Presbyterian Church, and the United Church of Christ. Finally, at the *individual level*, individuals from different places all around the world expressed their concern for the Palestinians. Some of them are politicians such as Lee Rhiannon from the Australian Greens Party and former South African government minister Ronnie Kasrils. Others are famous persons and celebrities as Professor Stephen Hawking, authors such as Naomi Klein from Canada and Arundhati Roy from India, the British actress Miriam Margolyes, and Caetano Veloso, the Brazilian singer [Halimi et al., 2017].

This disparity and continuous fluctuation in political and trade relations between Arab/Muslim nations and Israel raise several questions. According to the literature, consumer animosity would increase as the hostile behaviours of offending country increases, and hence their willingness to buy from the offending country products will decrease [Halimi, 2017]. Based on this, the question is still that why some Arab/Muslim consumers even the Palestinian themselves are still buying Israeli products regardless of its highly hostile actions and policies against the Palestinians while others are rejecting to buy these products?

### **2.8.2 Consumer ethnocentrism attitudes**

In 1906, the ethnocentrism concept was originally commenced by a sociologist named William Sumner -a Polish Jew working in Austria-Hungary- [Bizumic, 2018;Park and Yoon, 2017;Han and Guo, 2018;Shimp and Sharma, 1987]. He saw ethnocentrism as a misconception that influences people to believe that their ethnic group is superior and more important than other ethnic groups and that all other ethnic groups are not as good as their own [Bizumic, 2018;Park and Yoon, 2017;Siamagka and Balabanis, 2015;Michailova et al., 2017;Souiden et al., 2018;Shimp and Sharma, 1987]. Sumner defined ethnocentrism as when individuals see their membership group as the reference point for all other groups [Che Aniza Che et al., 2018;Das and Saha, 2017;Bizumic, 2018]. Also, Shimp and Sharma, who were the first to connect the ethnocentrism to consumer behaviour and present their definition for consumer ethnocentrism as “the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products” [Shimp and Sharma, 1987, 280].

The focal features of ethnocentrism comprise pride in local culture and perception of the imperfection of all other cultures [Siamagka and Balabanis, 2015]. Though ethnocentrism in developed countries was found to be more applicable because of the tendency of the individuals to assess domestic product as of higher quality [Das and Saha, 2017;Lobo et al., 2012;Michailova et al., 2017;Park and Yoon, 2017] and the reverse is applicable in developing countries [Lobo et al., 2012]. Moreover, it is found that the nature of the society to be collectivist or individualist is also related to the level of consumer ethnocentrism [Souiden et al., 2018], where collectivist societies, in general, showed a higher level of consumer ethnocentrism in comparison to individualistic societies [Bada and Onuoha, 2018]

However, customers who are more open to other cultures and have the attitudes of ethnocentrism, patriotism, and conservatism, are more likely to have unfavourable perceptions about imported products [Sharma and Wu, 2015] even when they recognize their superiority [Lee et al., 2017]. Thus, consumers with high levels of ethnocentrism will perceive imported products as a threat to local economies [Shimp and Sharma, 1987], governments, organizations, and individuals and seek to preclude the growth of foreign firms to neutralize this threat [Siamagka and Balabanis, 2015]. Hence, ethnocentric consumers believe that its inappropriate to buy and consume imported products, because of the negative effects of their behaviour on their country’s as damaging their economy [Che Aniza Che et al., 2018;Das and Saha, 2017;Siamagka and Balabanis, 2015;Park and Yoon, 2017;Memery et al., 2015;Souiden et al., 2018], intensifies unemployment [Park and

Yoon, 2017;Lee et al., 2017;Das and Saha, 2017;Memery et al., 2015;Guo et al., 2018a], and considered as immoral, irresponsible [Guo et al., 2018a], and betraying their local economy [Lee et al., 2017;Guo et al., 2018a;Cazacu, 2016], thereafter, they will buy the domestic product regardless their quality and price [Siamagka and Balabanis, 2015] especially if they recognize and observe the influence of their buying behaviour on local suppliers, retailers and the wider community [Memery et al., 2015]. This consequently translates into positive buying intentions toward domestic products, and they will buy foreign products only when they cannot find a domestic alternative to buy [Das and Saha, 2017].

On the contrary, lack of ethnocentrism representing an openness or acceptance of buying and consuming foreign-made products [Park and Yoon, 2017;Das and Saha, 2017;Siamagka and Balabanis, 2015] and judge products according to their quality regardless of where it is made [Das and Saha, 2017].

Moreover, ethnocentrism can be seen as a normative based belief that buying domestic products will be beneficial for the country, the economy and citizens [Carpenter et al., 2013], and have a negative attitude towards international markets, products, and companies [Carpenter et al., 2013]. Consumer ethnocentrism also gives consumers feelings of belongingness [Park and Yoon, 2017] that can define which purchase behaviour is suitable or unsuitable [Das and Saha, 2017;Park and Yoon, 2017;Siamagka and Balabanis, 2015]. With this perception and attitude, consumers show a systematic preference for domestic products, accompanied by a refusal of buying foreign products [Siamagka and Balabanis, 2015;Guo et al., 2018a;Brodowsky et al., 2018]. It is also worthy to notice the different effects of animosity and ethnocentrism, where consumer ethnocentrism affects the consumer's tendency to avoid buying imported products in general. In contrast, animosity is directed towards a specific country [De Nisco et al., 2016].

Ethnocentrism can be formed as a result of disconnected realities such as history lessons, personal encounters, mass media, the love for own country [Lee et al., 2017] or as a result to different political and economic events that form consumers attitudes toward domestic and imported products [Park and Yoon, 2017;De Nisco et al., 2016]. That for, the level of ethnocentrism will affect the way consumers think about domestic products and their believes and attitudes toward these products [Vabø and Hansen, 2016;Souiden et al., 2018] and can be used to expect consumers' behaviour towards product purchase intention [Che Aniza Che et al., 2018;Vabø and Hansen, 2016].

### **2.8.2.1 Ethnocentrism and personal identity**

Consumer ethnocentrism representing a type of attitude that is directly different from global consumer culture [Bizumic, 2018]. Nevertheless, because of global trade policies, consumers are overwhelmed with more overseas products than ever before. Previous researches that study the effect of products country-of-origin in developed countries have discovered that consumers prefer domestic products, especially when there is a shortage in the information about the product and when the relationship between country-of-origin and the image of imported products is particularly strong when consumer ethnocentrism is involved [Lobo et al., 2012].

Consumer ethnocentrism is a personality trait and therefore complies with the definition of personality as inner, individual characteristics that govern and reflect how consumers respond to different stimuli in their environment [Vabø and Hansen, 2016]. Hence, there is a strong relation between ethnocentrism and national identity. Ethnocentric people's tended to view the world as "us versus them," this view stems from their reflexively stable personality, which makes them more inflexible in their buying behaviour toward foreign product offerings [Lee et al., 2017]. Hence, ethnocentrism can be seen as a pervasive personality trait that is part of one's ideological

system or what is called the “authoritarian personality” according to the Freudian psychoanalytic theory that shaped as a result of different childhood experiences [Siamagka and Balabanis, 2015].

However, ethnocentric tendencies are more durable and stable than attitudes [Balabanis and Siamagka, 2017] but still may not be static, especially in emerging countries. Instead, it may change because of changes in consumer values over time due to growing of individualism and declining of collectivism values as a result of rapid economic development and globalization, which will affect consumer behaviour towards buying domestic or foreign brands especially for younger generations [Han and Guo, 2018]. Moreover, consumer’s ethnocentrism degree found to be affected by demographic factors [Hassouneh, 2017a;Cazacu, 2016] as education [Hassouneh, 2017a;Bada and Onuoha, 2018], income [Bada and Onuoha, 2018], and ethnicity which negatively related to ethnocentrism, while young, female, and socially lower-class individuals found to be more ethnocentric consumers than others [Che Aniza Che et al., 2018]. However, the majority of the studies concluded that as people get older, they became more ethnocentric due to increased cosmopolitan lifestyle, and they are generally more traditional and nationalistic. Additionally, as people get more educated, their ethnocentrism reduced, while females found to be more ethnocentric than males [Das and Saha, 2017].

### **2.9 Subjective norms (social pressure)**

In 1975, subjective norms or social pressure were primarily introduced by the theory of reasoned action by Fishbein and Ajzen. Subjective norms represent the perceived social pressure that the community has over the intentions of its members to conform with the expectations of doing or not doing a specific behaviour [Wang et al., 2013]. Furthermore, based on the expectancy-value model of attitude, it is assumed that “subjective norm is determined by the total set of accessible normative beliefs concerning the expectations of important referents” [Hamzah and Mustafa, 2019, 215].

According to Hofstede’s cultural dimension, individuals in collectivist countries as the case for the Palestinian society [Jaber, 2015;Sagy et al., 2001], subjective norms and social pressure plays a vital role in predicting the consumer’s buying intention [Wang et al., 2013] as they tend to place the group or the society interest over their interest [Sagy et al., 2001]. Moreover, Palestinian individuals as any other collectivist society paying much attention to how other members of society are viewing them and how do they evaluate their behaviours [Abdul-Talib and Mohd Adnan, 2017]. Thus, social norms play a significant role in shaping their purchasing intentions [Wang et al., 2013]. This means that consumers’ willingness to boycott a foreign product will be affected by the perceived social pressure which the society will practice over its individuals. For example, in the Israeli Palestinian conflict case, if the local community perceives boycotting the Israeli products is a form of protesting against the Israeli behaviours towards the Palestinians. The individual members of that community may be not willing to purchase the Israeli products -even if they want to- just to conform to the community expectations [Abdul-Talib and Mohd Adnan, 2017].

Social norms are sustained through a social coercion and rewards system [Wang et al., 2013;Zolotoy et al., 2019]. Therefore, even individuals who do not believe in social values will also be influenced by their social norms [Zolotoy et al., 2019]. On the other hand, some other related social factors could still affect the consumers buying decision such as when consumers try to reflect, express and develop their own identity and self-image through showing or telling others about the products that they buy and consume or the products that they do not wish to buy [Al-Hyari et al., 2012;Wang et al., 2013]. This kind of behaviour is called ‘conspicuous consumption’ which is derived by the individual’s social needs of gaining status or social prestige from the acquisition and consumption of goods [Narang, 2016;Shukla, 2008], as when a consumer decides to boycott the Danish products to give a personal image of himself. Therefore, marketers often

seek to position their products to express a specific social identity. Furthermore, an individual's behaviour may be affected by another two contending social needs of uniqueness and similarity, which form the source of the desire for exclusivity and conformity [Al-Hyari et al., 2012]. Besides, reference groups also found to have a significant effect on consumer purchasing decisions for a particular product, especially those who consumed in front of others [Childers and Rao, 1992].

## **2.10 Consumer buying intentions**

People are faced with plentiful food choices every day. However, the need for food is vital and necessary in nature, but it is still complicated due to the multi factors and dimensions that affect the food buying decision [Che Aniza Che et al., 2018; Vabø and Hansen, 2016]. Such factors can be summarized and divided into three main groups. First, the product or food-related factors, which rely on the food properties and components, sensory attributes as smell and taste, functional factors and nutrient content. Second, environmentally related factors as economic and socio-cultural issues. Finally, consumer-related factors include personality and psychological factors. Besides, Consumers have different drivers to purchase local foods as moral, health, quality, price, shopping benefits, local support and ethical sustainability [Vabø and Hansen, 2016]. In addition to the previous factors, there still many other factors that influence consumer purchasing intention in different contexts, especially in the context of the country of origin and consumer attitudes [Che Aniza Che et al., 2018].

According to the theory of planned behaviour, consumer's intentions to complete their buying behaviour determine their performance in completing that behaviour, and for purchase behaviour to be performed, opportunities and resources, like accessibility to the product, must be existing. Furthermore, without such circumstances, it would be problematic to complete a purchase, regardless of how favourable the intentions may be [Ajzen, 1991].

Various marketing researches study the purchase intention as one of the outcome variables that clarified consumer behaviour in decision making [Che Aniza Che et al., 2018; Lobo et al., 2012; Brodowsky et al., 2018]. Nevertheless, intentions still cannot act as attitudes [Che Aniza Che et al., 2018], but it describes a consumer's prediction about what product to buy [Bada and Onuoha, 2018]. Intention can be seen as a motivation to exert effort to complete behaviour and performed when the product is similar to the consumer self-image [Che Aniza Che et al., 2018, 5]. In this context, forming attitudes may precede any intentions to buy or not to buy, just as when consumer's ethnocentric attitude impacts consumer's intentions to buy either a foreign or home-made product [Bada and Onuoha, 2018].

Businesses can fail to market their products internationally if they cannot understand how customers in global markets respond to country-related manufacturing decisions and messages, especially that not all of the consumers' responses to such decisions in a similar way. Accordingly, managers should configure how consumer characteristics and attitudes as ethnocentrism and animosity could influence their customer's purchases intentions and behaviours as boycotting domestic products or boycotting foreign ones [Brodowsky et al., 2018].

### **2.10.1 Consumer boycotts behaviour**

Consumers from all around the world became more conscious, and they learned to respond in different ways, not only for the firms' actions but also to the actions and policies of those firms countries governments [Abdul-Talib and Mohd Adnan, 2017]. When customers perceive any firm or government action as offensive to themselves or others, they will intend to take some form of reaction to show their disagreement or dissatisfaction toward this action [Hamzah and Mustafa, 2019; Abdul-Talib and Mohd Adnan, 2017]. One of the most popular nonviolence methods that consumer practices to punish firms and governments is boycotting their products [Cheah et al.,

2016;Dekhil et al., 2017], it is only one method of 198 of other nonviolence methods that characterized to be non-harmful in any way to the life of others [Chaitin et al., 2017].

Individuals who join a boycott movement accept as true that they can express their ethical and political beliefs through their consumption behaviour. Therefore, consumers realize that they can enhance their lives and the lives of others by using their purchasing power. Though individuals have different objectives to join a boycott, they still share the same main objective of changing the harmful practices or policies that have caused feelings of dissatisfaction [Abdul-Talib and Mohd Adnan, 2017].

According to Friedman [1991: 97], consumer boycott can be defined as an "an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace". Other studies also define it as "a concerted, but not mandatory, refusal by a group of actors (the agents) to conduct marketing transactions with one or more other actors (the target) for the purpose of communicating displeasure with certain target policies and attempting to coerce the target to modify those policies" [Abdul-Talib and Mohd Adnan, 2017, 350]. Also, Dekhil et al. [2017: 313] define boycott as "A boycott is a voluntary refusal, by one or several parties, to have relations with a particular target in order to express disapproval or to impose certain conditions to settle some political, economic or social issues, led by motivations of an instrumental, psychological, moral, economic, or cultural order". This study will depend on Dekhil et al. [2017] definition due to its ability to cover the relationship between buying behaviour and other study variables.

Generally speaking, a boycott can be described as a collective attitude or behaviour of refusal to do transactions or building any kind of relations with another party due to feelings of dissatisfaction. However, usually, consumers practice boycott behaviour to put the opposite party under pressure to change its behaviours that cause these feelings. [Abdul-Talib and Mohd Adnan, 2017]. Consumers can use a boycott as a tool to force firms to change their strategies and marketing mix or even to make a structural change in their marketing and commercial system, to restrain market exploitations or increase their sensitivity to their political, economic and social environments [Hamzah and Mustafa, 2019].

In the last decades, there have been many examples of boycotts movements driven by political and social drives [Dekhil et al., 2017]. For example, the corporate giant Nike had been targeted in the 1990s by an international boycott campaign due to using sweatshops in its production operation in South Korea, the People's Republic of China and Taiwan [Clerides et al., 2015;Hamzah and Mustafa, 2019]. Another example is the BDS movement that started by the Palestinian civil society toward Israel [Chaitin et al., 2017;Baumgart-Ochse, 2017]. Other Examples of using boycott in dealing with international struggles include the repeated boycotts that Chinese consumers practices against the Japanese products as a protest on the Japanese invasion in 1930 [Fong et al., 2015], the Arab countries boycott in 1948 of Israel and stop any relations with it after the formation of Israel state [Tessler, 2009], the international boycott movement of South Africa's apartheid system in the 1950s, and the boycott against French products after its nuclear testing in the 1990s [Hamzah and Mustafa, 2019;Heilmann, 2016]. The Muslim countries boycott of Danish goods after the prophet Muhammad Comic Crisis in 2005/2006 [Agarwala et al., 2019;Dekhil et al., 2017]. Turkey's boycott of Israel over the Gaza conflict in 2014 [Hamzah and Mustafa, 2019;Heilmann, 2016]. The boycott of several US cities in 2010 against the municipal of Arizona, due to its implementation of strict new immigration regulations [Clerides et al., 2015], And most recently, the Russians trade boycotts of European agricultural products due to the sanctions that put over Russian interference in Ukraine[Heilmann, 2016].

It is worthy to notice that all of the previous examples are not driven by economic rationale, as inferior product quality or high prices, but rather by political events that create a motive for a specific group of consumers to express their attitudes and feelings through boycotting behaviour especially when other means of pressure appear to be impossible [Heilmann, 2016; Cheah et al., 2016; Khan et al., 2019]. Successful boycott movements approved to harm the organization's perceived image and reputation [Hoffmann, 2013].

Consumer boycotting behaviour can take different forms and follow different strategies in terms of variation of place considerations, as a boycott of a local firm's branch as McDonald's or boycotting all McDonald's outlets, time considerations as boycotting for the limited period versus those that would seem never to end, objectives as to coerce specific company like Starbucks to stop supporting the Israeli armed forces against to force Starbucks to get out of business, and targets as boycotting all Israeli firms versus boycotting firms that only support the Zionist occupation of Palestine [Hamzah and Mustafa, 2019]. Besides, boycott actions can be classified according to their purposes to instrumental and expressive. An instrumental boycott usually occurs when consumers intend to force a firm or a country government to modify or change a disputed policy or actions. On the other hand, an expressive boycott is a form of protest that consumers practice to express their disagreement with the actions of a firm or a country government. Moreover, if the boycott movement is directly targeting the offending party, it is then called a non-surrogate or direct boycott [Abdul-Talib and Mohd Adnan, 2017; Dekhil et al., 2017].

To stop the non-surrogate boycott, companies should identify the motives that drive the consumers to boycott them and solve the reasons for conflict to transfer the consumers from the state of dissatisfaction to a state of satisfaction. While in a surrogate or indirect boycott, the situation will be much harder for companies to solve as the reasons that motivate the consumers to initiate the boycott are not directly related to the company itself instead, they are related to the country's government policies. In this case, the boycott is including three parties: the dissatisfaction initial creator (the company or the government), the group of consumers who are dissatisfied and decide to boycott, and the third party which is usually the companies that the consumers are targeting in their boycott movement [Balabanis, 2013; Friedman, 1991].

The consumer has usually practised indirect or surrogate boycott when they do not have direct contact with the source of dissatisfaction as the case between the Arabs and the Israeli government or the Muslims and Danish government. Therefore, the Arab and the Muslim consumers boycott a third party that represented by the Israeli and the Danish companies' because they believe that the owners or the investors of these companies can contact with their government and force it to change its offending behaviour and policies [Abdul-Talib and Mohd Adnan, 2017].

It is also important to consider that not all types of boycotts are useful since boycotts can fail to achieve its objectives in many dimensions. At first, the possible economic loss for a boycotted country or company may not be significant if the boycotted country can export to other markets or even redirect their sales to the domestic market. Secondly, boycotts are considered as a costly tool, because the boycotting nation will lose the amount of profits which it will gain from trade. Besides, to succeed, consumer-trade boycotts need to organize a collective shared action that can be difficult to organize and obtain. Therefore, usually, consumer-organized boycotts are short-lived [Heilmann, 2016].

In some cases as the case of boycotting Israeli and American products by some Arab countries and especially Palestine, it is still found that these products can reach these markets and be sold directly or indirectly to consumers [Halimi, 2017]. The motive for not joining a boycott movement and keep buying a hostile country product, although he thinks that the boycott is necessary, may be driven by the consumer desire to keep consuming his favored products. Therefore, to avoid the

feeling of being selfish or non-patriotism, he starts questioning the effectiveness of consumer boycotts and underestimate its ability to affect the boycotted country. In this way, he can justify why he is not boycotting and still claim that he feels solidarity with the community [Hoffmann, 2013].

## **2.11 Branding strategy**

In the face of the many challenges emerging in the marketing environment, brands offer value in terms of the perceived credibility and trustworthiness of the firm [Luxton et al., 2015]. The concept of the brand is already well-known for marketers and managers, but also it is still confusing [Mindrut et al., 2015]. Bridget [2018: 9] defines product branding as “the creative and purposeful process of assigning an identifiable name, image, and personality that encompasses a company’s values and promotes differentiation of a product in a marketplace”. Hence, brands can be defined as how a firm wants its target market to think and feel about their products [Mindrut et al., 2015]. However, while branding and marketing are highly connected, there still a big difference between them. A brand usually defines the company/product, while marketing determines how the brand is perceived by creating brand awareness and influence consumers buying behaviour in an inspired and targeted way. Moreover, a brand has an endless relationship with consumers, whereas marketing interacts with the consumers only for fixed periods [Bridget, 2018].

Over time, the brand management concept has changed dramatically. In the beginning, managers and researchers understand it as how the firms could gain advantage from marketing, but they ignored the needs of their stakeholders. But recently, they paid substantial attention to their stakeholders’ needs and perceptions and recognised the importance of considering both perspectives to generate customer-based brand equity. Therefore, brand management can be defined as “the analysis and planning for bridging the differences between a brand’s identity and the stakeholders’ perception of it” [Beck, 2016, 3].

Brand architecture management is one of the vital parts of any firm’s marketing strategy, where brand elements number and nature as brand names, logos, symbols, etc. are defined. These branding elements are usually used to create a brand image across the firm’s products. Moreover, brand architecture management determines which brand elements should be applied to new and existing products. It also plays a central role in building brand awareness among stakeholders by communicating the product point of differences (PODs) and points of parties (POPs), facilitates the transfer of brand equity from and to the parent brand, provides clarity for consumers, as well as synergy and leverage for the relevant brands [Brexendorf and Keller, 2017].

### **2.11.1 Building a brand image**

Psychologists define an image as "synthesis of ideas, feelings, expectations that arise as a result of received stimuli". Therefore, consumers will build different images for the brand according to their awareness of the perceived constituents of reality and their actual experience with the products. In this regard, outside factors as marketing strategies can profoundly affect consumer perception of brand image and shape it in the desired form. Thus, a company image can be defined as a "positive image of the company in the perception of its surroundings, created as a result of active marketing activities". Furthermore, the brand image is ‘the arrangement of different images and various thoughts that exist in consumers realisation and awareness which express information about the brand and determine the consumer attitude toward it [Zatwarnicka-Madura et al., 2016, 237].

It is common for businesses to use branding strategies to communicate their image and their value to their stakeholders in order to formulate and affect their perception [Mindrut et al., 2015]. Thus, the next section will discuss two main elements of branding that is highly related to any strategic

branding decision, which is a brand name and country of origin since these elements are the leading brand elements used by marketers to build their brand's identity and image.

#### **2.11.1.1 Brand name image**

Brand elements play a vital role in communicating the product image and identity. When consumers make their buying decisions they are relying on different signals, information's and clues which provided to them through the product and the brand itself [Lude and Prügl, 2018] since brand, especially brand name, can communicate the product benefits, image, or identity [Samu and Krishnan, 2010], and they evaluate different alternatives in the market according to these clues. Branding signals and clues can be categorized into intrinsic information cues as product appearance, sound, smell, taste, ...etc. which directly affect the products' appearance and performance, and extrinsic information cues as a brand name, price, and country of origin, which indirectly affect the products' appearance and performance. However, according to cue utilisation theory, when intrinsic cues are inaccessible because, for example, the consumer does not have a prior purchase experience with the product, consumers are forced to rely heavily on extrinsic cues for their evaluations and decisions. Though extrinsic cues can provide a cognitive shortcut when intrinsic cues are challenging to obtain, the motivation to understand intrinsic cues is lacking, or the consumer seeks to expedite the decision process [Lude and Prügl, 2018].

Mabkhot et al. [2017: 3] define a brand image as “the perceptions and beliefs held by consumers, as reflected in the associations held in the consumer’s memory”. According to this definition, consumers have a meaning associated with the brand, which is retained in their minds as a brand image. Therefore, a brand image is conformed of a group of associations in the memory of consumers that build their brand perception. Hence, consumers can better recognize their needs and satisfaction with a buying decision relying on the perceived brand image, especially in the early stages of the buying decision. Furthermore, a brand image can help customers collect information, distinguish brands, create positive feelings, and create a cause to buy. Brand image is also depending on customer’s perceptions of multi-brand elements; therefore, firms should aim to create a sharp image for their brands and enhance it over time by applying marketing programs which can generate positive associations and link it to the brand in the consumer's memory [Mabkhot et al., 2017].

Brand names may guide consumer choice by causing a different effect on their behaviours. Relining on the characteristics of the brand name, these effects can be explained according to two paths. The first path proposes that brand name characteristics that make the brand distinctive will affect consumer memory and choice and can make enhance the brand equity of the brand itself and its mother company. The second path recognizes familiarity as a significant driving force that can make it easier for consumers to recall the brand name and guide their choice [Samu and Krishnan, 2010]. However, some brand name characteristics as being distinctiveness, quickly recalled, and easily pronounced can help the consumers to recall the brand name when needed easily. Marketers also supposed that brand names should be meaningful or suggestive and use names that convey relevant information about product features and benefits [Klink, 2003, 3].

#### **2.11.1.2 Country of origin (COO) image**

One of the essential brand image associations is the source of food products or the products country of origin [Lefebvre et al., 2019]. Customers perception of a product country of origin is usually affecting customers product evaluation and their willingness to buy [Abdul-Talib and Mohd Adnan, 2017;Aichner, 2016], especially when customers perceive a product to have a positive COO since they rely on the product COO as a signal of quality [Aichner et al., 2016]. Therefore, marketers can market their brands according to the country where the brand is manufactured or the brand country of origin. Uyar [2018: 1123]define the country of origin as “the country which

a brand belongs to as perceived by its customers, the homeland of a company, or the country to which a brand belongs”. while the country where a product is manufactured is called production origin [Uyar, 2018]. Though COO can profoundly affect consumer’s attitudes, intentions and behaviour [Allman et al., 2016;Fong et al., 2015]and give important clues about the performance of that brand. Thus, COO can highly affect any brand image perceptions, and even sometimes, it can change purchase intentions[Allman et al., 2016]. Some studies approved the importance of country of origin as a marketing element on consumers’ behaviour and even suggested that it should be added to the marketing mix [Al-Hyari et al., 2012].

Moreover, consumer evaluations of a brand’s COO differ based on extrinsic and intrinsic COO cues such as economic, sociocultural, political, and legal aspects. Thus, the COO image can be divided into micro and macro COO images. A macro COO image includes what consumers possess about a specific country as all descriptive, inferential, and informational beliefs, such as the economic and political situations and the level of technological development applied in that country. On the other hand, a micro COO image is composed of associations related to products produced in that country. The definition states that a micro COO image is “the sum of one’s beliefs about the products of a given country”. The micro COO image is composed of two elements that are product category image and general micro-level COO image or product-country image (PCI) that associated with all products manufactured in a specific country [Allman et al., 2016, 46].

Products country of origin can affect consumer’s behaviour in three different mechanisms. The first is the cognitive mechanism, where COO represents a signal for product quality. The second is the affective mechanism, where the COO echoes the product symbolic and emotional value. Finally, the normative mechanism, where COO embodies the social and personal norms [Fong et al., 2015]. However, the consumer’s evaluation of product quality is not only depending on product performance. Consumer's perception regarding products COO is also playing a role in the evaluation process even that it is varying from country to another, for example, the product that comes from developed countries are perceived to have higher quality if compared to products of less developed countries. On the other hand, some customers may still support and buy domestic products instead of imported products regardless of their quality just because they think that buying imported goods will harm their home country's economy, and they feel that would be betraying their countries in a sense [Uyar, 2018].

### 3. MATERIALS AND METHODS

#### 3.1 Introduction

Consumer behaviour can be explained and influenced by different factors as economic, demographic, and socio-cultural factors. These factors, in addition to others, proved by previous studies for their ability to explain differences in consumer motives and behaviours, product ownership and usage, and success of a product or brand. However, cultural values can be the most prevailing stimuli of consumer behaviour [de Mooij, 2017]. Thus, many previous studies point at the necessity of adapting branding strategies to the culture of the consumer in different countries [de Mooij and Hofstede, 2010;Thelma and Susana, 2011;Rajabi et al., 2017;Busnaina and Woodall, 2015;Hollender et al., 2017], especially that national cultures composed of several complex values that affecting behaviours of individuals and firms as a group rather than as individual factors [Hsu et al., 2013].

In order to understand cultural differences, several models have been developed in the past decades as Hofstede model [de Mooij and Hofstede, 2010], Inglehart's World Values model, and Schwartz's Cultural Value model and some other models. The models have differences that relate to the content of the dimension explained and how they were measured [de Mooij, 2017]. Although, these models agreed on almost the same underlying value differences, they still different regarding the number of countries studied, the level of analysis (individual or culture level), the dimension structure (one-poled or two-poled categorizations), the number of dimensions, the subjects of the study, and conceptual and methodological differences. Nevertheless, none of the previous cultural models was developed for the direct purpose of studying or explaining consumer buying behaviour. Therefore, when using them to interpret consumer behaviour in any country, the aspects of culture that are relevant to consumer behaviour has to be carefully selected and interpreted [de Mooij and Hofstede, 2010].

However, through the previous decades, various models were built to study and interpret people's behaviours. Most of these studies created models that can find a solid background regarding the main factors, dimensions, or motivations that could trigger any individual behaviour toward an object [Bray, 2008]. This study will depend on the theoretical backgrounds of the theory of planned behaviour concepts, Hofstede's dimensional model of national culture, Schwartz's Cultural Value Orientations and Inglehart's World Values models to create the study model and hypotheses.

##### 3.1.1 Theory of planned behaviour

Over the years, the Theory of Planned Behaviour (TPB), which had been developed by Ajzen in 1991, used to isolate the causes of individual's behaviours [Ting et al., 2016;Yuha et al., 2018]. In1980, Ajzen and Fishben developed their theory of reasoned action (TRA) [Astrachan et al.], and they said that the individual's attitude is based on their perceived consequences in addition to their belief that others attitudes could affect their behaviour. In 1985, Ajzen extended the (TRA) by adding an individual's perceived behavioural control to the original TRA model and developed the theory of planned behaviour (TPB) in order to increase its explanatory power (see image 3.1). Perceived behavioural control refers to a person's beliefs about access to resources and the opportunities needed to engage in a given behaviour. In 1991, Ajzen supposed that individual's behaviour is controlled by three types of considerations: beliefs about the likely behaviour consequences that he called behavioural beliefs, and beliefs about other people expectations which he called normative beliefs, and finally beliefs about the presence of factors that may facilitate or hinder the occurrence of the behaviour and he call it control beliefs.

In the aggregate, behavioural beliefs produce attitudes toward behaviour, normative beliefs result in subjective norms, and control beliefs generate perceived behaviour control. The combination of all these elements leads to the formation of a behavioural intention [Adrian Nicolae, 2016; Ajzen, 1991].

In the TPB model, behavioural intention is the direct antecedent of behaviour, and people will translate this behavioural intention which represents the motivation of an individual’s conscious plan to exert effort to perform the behaviour into actual behaviour if they find the right opportunity and circumstances [Adrian Nicolae, 2016]. Therefore, behavioural intention is described by three main dimensions, behaviour predictors, or motivations, that are attitude, subjective norm and perceived behavioural control. While attitude is an individual’s positive or negative evaluation of self-performance of Palestinian’s food consumption behaviour toward domestic and foreign brands, subjective norms are individuals’ expectations concerning how others could judge their behaviour even positively by supporting it or negatively by discouraging it. Perceived behavioural control symbolises the perceived easiness of getting and consume domestic or foreign food brands based on past experience or expected barriers [Ting et al., 2016; Yuha et al., 2018; Adrian Nicolae, 2016]. Therefore, the TPB model has been applied in studying various fields, such as food consumption [Adrian Nicolae, 2016; Ting et al., 2016]. Since the current study is a pioneering effort on the subject matter and concerns only Palestinian consumers and decision-makers, intention, rather than actual behaviour, is made as to the outcome variable in the model of the study.

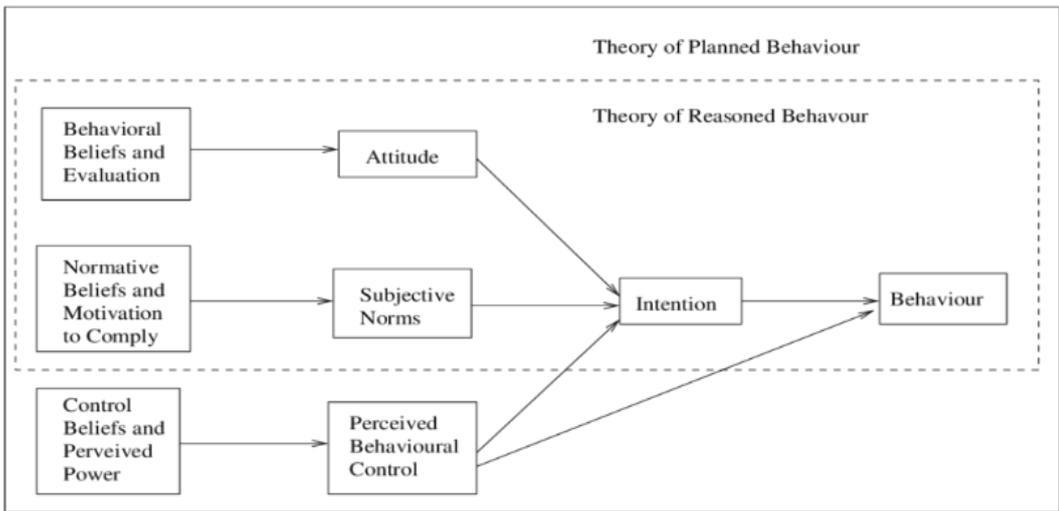


Figure 3.1: Theory of planned behaviour model. Source: [Bray, 2008].

**3.1.2 Hofstede dimensional model of national culture**

Hofstede's dimensional model of national culture is one of the most applied models in fields of global branding and consumer behaviour due to its simplicity and the large number of countries measured. The model has been used to describe differences in the concepts of self, personality and identity, which in turn explain the variations in branding strategy and consumer buying behaviour [de Mooij and Hofstede, 2010].

According to Hofstede's model, cultures are classified regarding five dimensions: individualism/collectivism, power distance, uncertainty avoidance, masculinity/femininity, and long-/short-term orientation. The model use scales from 0 to 100 for each dimension and apply it for different 76 countries around the world, and each country will have a rank on each scale relative to other countries [de Mooij and Hofstede, 2010; Hsu et al., 2013]. In this study model, we will build part of the model depending on two dimensions from the Hofstede model, which are individualism/collectivism and uncertainty avoidance.

Individualism/collectivism dimension can be defined as people caring about themselves and their direct family members only, contrasted with people who seek to belong to a group that can take care of them in exchange for their loyalty. In individualistic cultures, people are described as an I-conscious where one's identity is in the person, and people appreciate self-actualisation. Also, Individualistic cultures are universalistic, and people are assuming that their values and culture are superior and can be valid for all other countries. On the contrary, in collectivistic cultures, people are described as we-conscious where individual member identity is grounded on the social system or the community that they belong to, and avoiding loss of face is important [de Mooij and Hofstede, 2010]. However, individualistic countries will have a high score on the individualism index (IDV) while low (IDV) scores will indicate collectivist countries [Hsu et al., 2013].

Uncertainty avoidance dimension expresses the level to which people will try to avoid uncertainty and ambiguity situations because of their feelings of comfortableness or being threatened. In cultures of strong uncertainty avoidance, the need for rules and formality increased to structure individual's life, this drive people to search for truth and raise their believes in experts, thus, become less open to change and innovation in comparison to people of low uncertainty avoidance cultures [de Mooij and Hofstede, 2010]. Individuals in countries with higher scores on the uncertainty avoidance index (UAI) feel more concerned and worried when facing uncertain circumstances than those in countries with lower scores on UAI [Hsu et al., 2013].

In individualistic countries, individuals' personalities developed to represent them as an independent entity with a configuration of distinguishing set of internal attributes, qualities or processes which determine and cause their behaviours. These behaviours should be consistently expressing people's attributes and processes across different situations; otherwise, they will be seen as hypocritical or unreasonable behaviours. On the other side, in the collectivistic cultures, the individual cannot be divided from other individuals in the same community and the adjacent social framework, the self is viewed as an interdependent entity that is part of an encompassing social relationship. Thus individual behaviour is expected to be situational in nature and varies from one situation to another and from time to time as a result of the effect of social norm and social pressures on behaviour such as expectations of others [de Mooij and Hofstede, 2010].

### **3.1.3 Schwartz's cultural value orientations**

The second model that was designed to define cultural values is Schwartz model which found seven different value types, that can be classified into three cultural value dimensions: embeddedness/intellectual and affective autonomy, hierarchy/egalitarianism, and mastery/harmony [de Mooij, 2017;Hsu et al., 2013].

The first dimension of autonomy vs embeddedness highlights the relations between the individual and the group. In autonomy cultures, individuals have an independent and unique personality. They are motivated and encouraged to show and express their own internal attributes, such as feelings, ideas, and preferences. However, autonomy can be categorized into two different types of intellectual autonomy and affective autonomy. In contrast, in embeddedness cultures, people are embedded in collectivism where they strive to preserve the status quo and to limit actions that may negatively affect the group unity [Hsu et al., 2013].

The second dimension of egalitarianism vs hierarchy highlights individuals' responsibilities attached to their roles and social resource allocation. In egalitarianism cultures, people are found to be more moral equals and committing to collaborate with others and considering the welfare of other individuals. In contrast, hierarchy cultures are characterized by unequal distribution of roles, power, and resources. Individuals play different unequal roles in hierarchical systems that give them different powers and responsibilities levels according to the position in the system [Hsu et al., 2013].

The third dimension of Harmony vs mastery highlights how individuals manage to fit in the natural and social world. In harmony cultures, individuals comprehend and appreciate the world as it is and try to protect it and save its resources. On the other hand, in mastery cultures, individuals attempt to achieve their desired goals by redirecting and changing their surrounding environment [Hsu et al., 2013].

**3.1.4 Inglehart’s world values**

Inglehart, Baker, and Norris identify two value dimensions of cross-cultural variation. The first dimension is the traditional vs secular-rational dimension; this dimension concerns orientations towards authority. In traditional societies, individuals appreciate religion, nation, and family. On the contrary, individuals in secular-rational societies do not consider those things as something of value for them. The other dimension is the survival vs self-expression dimension, which emphasizes the relationship between self and group. In survival societies, economic and physical security is highly appreciated, and individuals feel unhappy and insecure when facing uncertain situations or things they are not familiar with. In contrast, in self-expression societies, subjective wellbeing and quality of life are highly appreciated, and individuals take survival for granted, and they are more open to new situations where they accept and adapt to the differences and changes that could happen in their lives [Hsu et al., 2013].

The theoretical study model is built according to different consumer behaviour theories and socio-cultural models, and it was suggested by the study researcher, as shown in figure 3.2. The study theoretical model will be validated by defining and describing the study variables and relationships between them by depending on secondary data which will be collected from literature reviews and approve the model relationship after the primary data collecting and analyzing phase of the study.

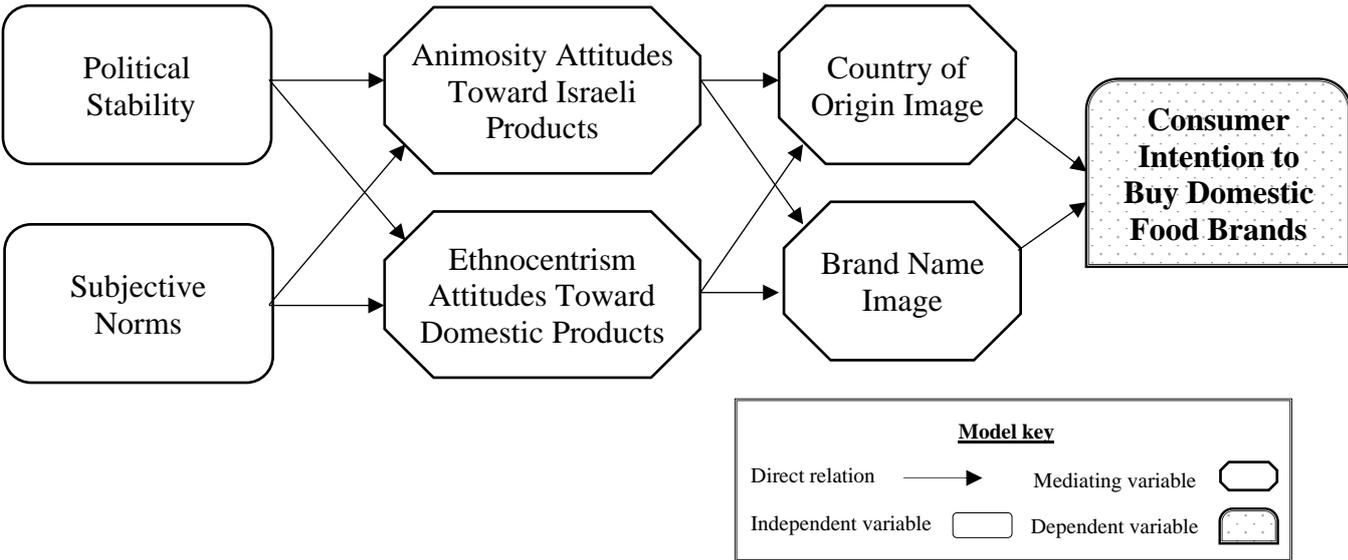


Figure 3.2: The study conceptual model. Source: Own creation.

**3.1.5 Variables definition**

- **Political instability (PS):** this variable described the political situation in the Palestinian market and represented by the level of political stability or instability that could result from the continuous conflict and struggle between the Palestinian government and the Israeli government.

- **Subjective norms (SN):** Subjective norms represent the perceived social pressure that the community have over the intentions of its individual members to conform with the expectations of doing or not doing a specific behaviour [Wang et al., 2013].
- **Animosity attitudes toward Israeli products (AIP):** consumer animosity defined as “remnants of antipathy related to previous or ongoing military, political or economic events that will affect consumer purchase behaviour in the international marketplace” by Klein et al. [1998: 90]. This study will focus on Palestinian consumer animosity toward the Israeli products that resulted from the political conflict between the two countries.
- **Ethnocentrism attitudes toward domestic products (EDP):** Consumer ethnocentrism defined by Shimp and Sharma (1987:280) is “the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products”. The focal features of ethnocentrism comprise pride in local culture and perception of the imperfection of all other cultures.
- **Brand name image (BI):** Mabkhot et al. [2017: 3] define a brand image as “the perceptions and beliefs held by consumers, as reflected in the associations held in the consumer’s memory”.
- **Country of origin image (COO):** Uyar [2018: 1123] define the country of origin as “the country which a brand belongs to as perceived by its customers, the homeland of a company, or the country to which a brand belongs”. This variable represented by the consumers perceived image, beliefs, and associations related to products produced by Palestinian, Israeli, or foreign food companies.
- **Consumer intention to buy domestic food brands (INB):** according to TPB model, behavioural intention is the direct antecedent of behaviour, and people will translate this behavioural intention which represents the motivation of an individual’s conscious plan to exert effort to perform the behaviour into actual behaviour if they find the right opportunity and circumstances [Adrian Nicolae, 2016]. INB will be the primary study endogenous variable where the study model will be formulated to explain the effect of all previous variables on it.

### 3.2 Study hypotheses

The nature of the Israeli-Palestinian conflict makes it classified as one of the most historical extended intractable conflicts that still not solved until this moment. This conflict has devastating results on the Palestinians as a whole. The conflict has negative consequences on the Palestinian lives and almost destroyed their economy and make it totally dependent on the Israeli economy [Ihle and Rubin, 2013;Chaitin et al., 2017;Gal, 2018;Khatib et al., 2018]. According to previous researches, political and economic conflicts usually result in negative attitudes and feelings of animosity toward the hostile country– which is considered in this case as Israel for the Palestinian consumers- and its products. This animosity feelings usually affects the consumers' intention to buy in different ways as motivating consumers to participate in boycotting movements towards hostile country products [Abdul-Talib and Mohd Adnan, 2017;Akdogan et al., 2011;Cheah et al., 2016;Clerides et al., 2015;Heilmann, 2016;Klein et al., 1998;Lee et al., 2017;Narang, 2016;Park and Yoon, 2017;Souiden et al., 2018;Wang et al., 2013]. This research study will suppose that the Palestinian consumers have the feeling of being treated unfairly by the Israeli government and therefore, they have animosity feelings and negative attitude that could affect their buying intentions.

Besides the effect of political stability, cultural aspects and values are significantly affecting consumer intentions and buying behaviour [Gogolin et al., 2017;Abdollah et al., 2016;Conner et al., 2017;Manan, 2016]. One of the most cultural aspects that approved to affect consumer buying behaviour is religion [Al-Hyari et al., 2012;Arli et al., 2017;Karaosmanoglu et al., 2018;Zolotoy et al., 2019] and consumer ethnocentrism level that drive consumers to prefer buying domestic

products over imported foreign products as they feel that in this way they are supporting their country and doing their social role in the community [Akdogan et al., 2011;Bada and Onuoha, 2018;Balabanis and Siamagka, 2017;Che Aniza Che et al., 2018;Guo et al., 2018a;Han and Guo, 2018;Lobo et al., 2012;Nadiri and Tümer, 2010;Sharma and Wu, 2015;Siamagka and Balabanis, 2015;Souiden et al., 2018]. Also, previous studies examined the effect of social norms on consumer behaviour and highlighted the positive effect of social pressure on their decision [Wang et al., 2013;Hamzah and Mustafa, 2019;Abdul-Talib and Mohd Adnan, 2017;Childers and Rao, 1992]. Therefore, to measure the effect of political stability and subjective norms on consumer attitudes and their intentions, the researcher developed the following hypotheses, based on the complexity of the study theme and the selected research methods:

- H 1:** Political stability (PS) has a positive effect on consumer animosity attitudes (AIP).
- H 2:** Subjective norms (SN) has a positive effect on consumer ethnocentrism attitudes (EDP).
- H 3:** Political stability (PS) has a positive effect on the consumer's intention to buy (INB).
- H 4:** Consumer animosity attitudes (AIP) mediate the relationship between political stability (PS) and consumers intention to buy (INB).
- H 5:** Consumer ethnocentrism attitudes (EDP) mediate the relationship between political stability (PS) and consumers intention to buy (INB).
- H 6:** Subjective norms (SN) have a positive effect on the consumer's intention to buy (INB).
- H 7:** Consumer animosity attitudes (AIP) mediate the relationship between subjective norms (SN) and consumers intention to buy (INB).
- H 8:** Consumer ethnocentrism attitudes (EDP) mediate the relationship between subjective norms (SN) and consumers intention to buy (INB).

According to the theory of planned behaviour, behavioural intention is affected by consumer attitudes, subjective norms, and perceived behavioural control. While attitude is an individual's positive or negative evaluation of an object, subjective norms are the perceived social pressure that the community exert over its members to conform and change their behaviours and encourage them to place the society interest over their own individual interest [Ajzen, 1991;Hamzah and Mustafa, 2019;Wang et al., 2013]. Several researchers study the relationship between consumer attitudes toward countries where products are produced and their buying behaviour [Piron, 2000;Watson and Wright, 2000;Knight and Calantone, 2000;Ajzen, 2015] and most of the studies found that consumer attitudes are highly correlated to consumer behaviour in different ways. Therefore, for companies to face the challenges that political and cultural variables impose in the marketplace, they need to understand the effect of these changes on their customers and to adapt their marketing strategies to cope with these changes. This study will focus on two related branding elements, which are product country of origin image and brand name image. Different research's as [Bridget, 2018;Beck, 2016;Zatwarnicka-Madura et al., 2016;Mindrut et al., 2015;Mabkhot et al., 2017;Agrawal and Kamakura, 1999] explore the effect of branding on consumer behaviour [Uyar, 2018;Allman et al., 2016]. Most of the previous studies handled the branding elements individually as an independent variable, while in our study we will study how brand name image and COO image is affected by political stability, subjective norms, in addition to how they are affected by consumer attitudes to determine the collective effect of brand name image and COO image as a direct independent variables and as a mediating variable that could affect consumers intention to buy domestic products. Therefore, the following additional hypotheses are suggested:

- H 9:** Brand image (BI) has a positive effect on the consumer's intention to buy (INB).

- H 10:** Country of origin image (COO) has a positive effect on the consumer's intention to buy (INB).
- H 11:** Consumer animosity attitudes (AIP) have a positive effect on consumer's intention to buy (INB).
- H 12:** Brand image (BI) mediates the relationship between consumer's animosity attitudes (AIP) and consumers intention to buy (INB).
- H 13:** Country of origin image (COO) mediates the relationship between consumer's animosity attitudes (AIP) and consumers intention to buy (INB).
- H 14:** Consumer ethnocentrism attitudes (EDP) has a positive effect on their intention to buy (INB).
- H 15:** Brand image (BI) mediates the relationship between consumer's ethnocentrism attitudes (EDP) and consumers intention to buy (INB).
- H 16:** Country of origin image (COO) mediate the relationship between consumer's ethnocentrism attitudes (EDP) and consumer's intention to buy (INB).

## **Summary**

Nowadays, conflicts and struggles between nations and countries are more common and noticeable than ever before. Through time, these conflicts create different feelings and attitudes in individuals who in return, try to reflect these feelings and attitudes through their behaviours. Previous studies noticed that the most apparent attitudes in these cases are consumer ethnocentrism and consumer animosity attitude that could positively or negatively affect the consumer and direct their buying behaviour toward supporting the domestic economy and express the nationalism by buying domestic products and not buying other foreign alternatives. Another direction of behaviour could be caused by strong animosity attitudes that motivated the consumers to boycott a specific brand or a group of products that originated in a specific country just because they feel that they offended by that company or country.

Therefore, this research work will explore the effect of different factors like political and economic conflicts that cause high levels of market instability and uncertainty, in addition to some selected socio-cultural aspects as the religion which was the main reason behind most of the last historical wars and social pressure that could be practised by the family, friends, and other society members on individuals to conform the society wishes. Additionally, this study will also be experimenting the role of branding strategies in affection the relationship between consumer's attitudes and intentions to buy by enhancing the brand name image of the country of origin image for its products. To achieve the research and my study objectives, the Palestinian-Israeli conflict will be taken as the driving source for consumer's attitudes, and the study will be conducted in the Palestinian market.

### **3.3 Study importance and justifications**

The food manufacturing sector is important in the Palestinian economy and includes 2,506 local producers and manufacturers who provide job opportunities for more than 16,500 employees. Besides, the Palestinian consumer's behaviour toward buying food and beverage products represents a major part of their buying behaviour where the average expenditure for food products is about 350 EUR/family which constitute around 40% of their total expenditures.

The importance of this study emanates from the fact that it addresses an important sector in the Palestinian economy, composed of small and intermediate businesses. This sector plays a crucial role in the socio-economic development through providing employment opportunities and encountering poverty, especially in the absence of essential legislation that assures the creation of enabling work environment, coupled with the existence of incentives and prevalence of a business culture biased to big enterprises. At the same time, domestic food manufacturers facing fierce competition from foreign imported brands that came from different origins as Turkey, Jordan, Egypt, Saudi Arabia, Israel and some countries of the EU. However, regardless of the number of countries that export their products to Palestine, Israeli companies who can easily enter the Palestinian market and have full access to it with almost no tariffs or fees still representing a special and direct competitor and a serious threat to domestic food producers.

In addition, after reviewing previous studies that handled the Palestinian market situation, it was found that local food manufacturing sector lacks researches that guide local decision-makers in the process of taking best decisions for positioning their products to face competitors locally and internationally and overcome the local consumer's preferences of foreign product over domestic ones, which give high importance for this study through focusing on branding as a source of differentiation.

### **3.4 Research problem**

This study aims to identify the main effects of both of political instability and socio-cultural factors on Palestinian consumer intention to buy domestic manufactured food brands and identifying the effect of local food manufacturers branding strategies on customer's attitudes towards preferring domestic food brands over Israeli and other foreign imported brands. Thus, this study will focus on consumer ethnocentrism and animosity attitudes that affected by the prevailing cultural and political situation in the area, and it will take in considerations two branding elements, which are country of origin and brand name, and determine their role in building brand differentiation for domestic food manufacturers and measure their influence on consumer intentions to buy.

The aims of this study are threefold. First, it examines the impact of political instability that resulted from the political conflict in the market and the effect of subjective norms on consumer ethnocentrism and animosity attitudes toward domestic manufactured food products. Second, it evaluates the impact of ethnocentrism and animosity attitudes on the purchase intentions toward domestic manufactured food products. Finally, it examines how branding strategies (brand name image and country of origin image) and consumers' intentions to buy manufactured food products are affected directly and indirectly by consumers' attitudes.

### **3.5 Population and study sample**

According to the Palestinian Central Bureau of Statistics [2018b], the Palestinians number who live in West Bank is 2,881,957 distributed through 11 governates with an average family size of 4.8. And the Palestinians number who live in Gaza Strip is 1,899,291 with an average family size of 5.6. The Palestinians are considered as well-educated populations with low illiterate rates, see figure 3.3.

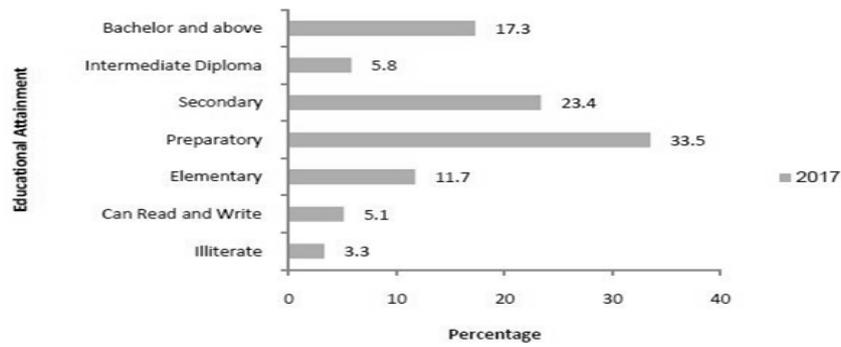


Figure 3.3: Distribution of Palestinian population aged (15 Years and Over) in Palestine by educational attainment, 2017. Source: [Palestinian Central Bureau of Statistics, 2018b].

The males constitute around 51% and females 49% of the west bank population. The average monthly household expenditure and consumption of food products are estimated at around 480 US\$ with an estimated average monthly per capita expenditure and consumption of 73US\$ which constitute the most considerable portion of individual monthly expenditures [Palestinian Central Bureau of Statistics, 2018b].

The study will take Palestinian consumers as a population and apply the study to measure their buying choice and behaviour toward manufacturing food brands. Furthermore, it will take a convenience sample from the total population. Nevertheless, due to geographic and political limitations, the study will be conducted only in the West Bank region.

### 3.6 Research variables

- Dependent variable:
  1. Palestinian consumer intention to buy domestic manufactured food brands.
- Independent variables
  1. Political instability.
  2. Subjective norms.
- Mediating variables
  1. Consumer animosity attitudes toward Israeli manufactured food products.
  2. Consumer ethnocentrism attitudes toward domestic manufactured food brands.
  3. Branding strategy:
    - a. Brand name image.
    - b. Country of origin image.

### 3.7 Research methodology

Through the previous few decades, previous studies covered the relationships between consumer intention ethnocentrism, animosity, religion, and country of origin for different types of products, see table 3.1. In this study, we explored several previous studies that handled some of these research variables like the study of Shimp and Sharma [1987] which was the first study that validates a scale called (CETSCALE) and uses it to measure the effect of consumer ethnocentrism on consumer behaviour. Depending on the findings of the Sharma study, Klein et al. [1998] measured the effect of cross-national hostility (animosity) on Chinese willingness to buy Japanese-made products and developed their animosity model. They collect their data by randomly targeting Chinese consumers with a seven Likert scale questionnaire. To test the measurement properties of their model, they used latent variable structural equation modelling. Depending on Klein's (1998) study, Abdul-Talib and Mohd Adnan [2017]) developed their questionnaire to study the effect of animosity and subjective norms on Malaysian consumer willingness to boycott Israeli products

and used Multiple Regression Analysis. And they found a positive relationship between the variables. Besides, the study of De Nisco et al. [2016], studied the effect of animosity and ethnocentrism on Italian and Spanish consumers on their intentions to buy German products. In order to test their proposed model, a survey was conducted with the use structured of a 7-point Likert scale questionnaire that developed by depending on (CETSCALE) and other studies and distributed on a convenience sample. In their study, they use confirmatory factor analysis to validate their results.

Table 3.1: Variables covered by previous studies. Source: own research.

Study	Dependent variables	Independent variables
[Abdul-Talib and Mohd Adnan, 2017]	<ul style="list-style-type: none"> <li>- Willingness to boycott</li> <li>- The surrogate products.</li> </ul>	<ul style="list-style-type: none"> <li>- Animosity.</li> <li>- Emotions of avoiding the purchase of the surrogate products.</li> <li>- Subjective norms.</li> <li>- Product judgments.</li> </ul>
[Antonetti et al., 2019]	<ul style="list-style-type: none"> <li>- Feelings of contempt for and disgust toward a target country.</li> <li>- Consumers' intentions to engage in negative word of mouth against products associated with the source of animosity.</li> <li>- Perceived product quality.</li> <li>- Consumers intentions to avoid products associated with the source of animosity.</li> </ul>	<ul style="list-style-type: none"> <li>- Animosity beliefs.</li> <li>- Extreme emotions toward a target country.</li> </ul>
[Bada and Onuoha, 2018]	<ul style="list-style-type: none"> <li>- Consumer ethnocentrism.</li> </ul>	<ul style="list-style-type: none"> <li>- Customer loyalty.</li> <li>- Consumer animosity.</li> <li>- Purchase intention.</li> </ul>
[Cheah et al., 2016]	<ul style="list-style-type: none"> <li>- Animosity.</li> <li>- Product judgments.</li> </ul>	<ul style="list-style-type: none"> <li>- War animosity and economic animosity</li> <li>- Consumer ethnocentrism</li> <li>- Willingness to buy Japanese product</li> <li>- Willingness to buy hybrid products.</li> </ul>
[De Nisco et al., 2016]	<ul style="list-style-type: none"> <li>- Intentions to buy.</li> <li>- Consumer ethnocentrism.</li> <li>- Perceived country image.</li> <li>- Product beliefs and receptivity</li> </ul>	<ul style="list-style-type: none"> <li>- Economic animosity.</li> <li>- Image of a foreign country</li> </ul>
[Klein et al., 1998]	<ul style="list-style-type: none"> <li>- Willingness to buy.</li> <li>- Product judgments</li> </ul>	<ul style="list-style-type: none"> <li>- Animosity.</li> <li>- Ethnocentrism</li> </ul>

[Che Aniza Che et al., 2018]	- Buying intention	- Ethnocentrism. - Patriotism. - Attitude. - Subjective norms. - Perceived behavioural control.
[Siamagka and Balabanis, 2015]	- Consumer ethnocentrism. - Preference for domestic brands - Buy foreign products	- Ethical idealism. - Interpersonal influence. - Consumer cosmopolitanism. - Consumer ethnocentrism.
[Al-Hyari et al., 2012]	- Consumer behaviour - Animosity.	- Religiosity - Globalization. - Collectivism. - Country-of-origin
[Dekhil et al., 2017]	- The decision to boycott. - Attitude towards the brand. - Participate in a boycott.	- Religiosity. - Participate in a boycott. - Brand loyalty.
[Balabanis and Siamagka, 2017]	- Ethnocentrism	- Product categories. - Purchase of global than local brands.
[Piron, 2000]	- Luxury vs necessity product. - Publicly vs privately consumed products.	- Country of origin
[Lobo et al., 2012]	- Purchase attitudes toward domestic and imported fruit. - Purchase intentions.	- Lifestyle. - Ethnocentrism. - Purchase attitudes
[Narang, 2016]	- Purchase intentions. - Animosity.	- Ethnocentrism - Animosity
[Souiden et al., 2018]	- Purchase intentions. - Perceived product quality.	- Ethnocentrism. - Animosity.
[Watson and Wright, 2000]	- The similarity of country culture	- Ethnocentrism

Furthermore, the study of Al-Hyari et al. [2012] developed a conceptual model that explores the link between religious beliefs and consumers' boycotts towards particular products. They study the effect of animosity, religion, and country of origin on Saudi Arabia consumers boycotting behaviour toward Danish products, and they used qualitative techniques and case study to achieve their study aim. Also, the study of Dekhil et al. [2017] seeks to analyze the effects of religiosity on the decision to participate in a boycott and the effect of a boycott on attitudes towards the boycotted brand. They studied the Tunisian individual's behaviour during a call for a boycott of Coca-Cola products. They build their 5-scale Likert questionnaire depending on different previous researches, and for Hypothesis tests, they conducted a structural equation modeling analysis.

Moreover, the study of Che Aniza Che et al. [2018] examined the effect of ethnocentrism, subjective norms, and patriotism on Malaysian consumers buying intentions toward domestic products by utilizing the Theory of Planned Behaviour. They employed a convenience nonprobability sampling, a six-point Likert scale and analyzed their data by using multiple regression analysis. Similarly, another study conducted by Souiden et al. [2018] investigates the relationships among the ethnocentrism of the Chinese consumers, their animosity toward Taiwan and their perception of Taiwanese brand quality and willingness to buy. For data collection, they used the mall-intercept method. Their five-point scale questionnaire depends on the work of Klein (1998) and other studies, and they analyze their data by applying structural equation modelling analysis.

In the same way, the study of Lobo et al. [2012] investigates the effect of lifestyle and ethnocentrism on Chinese consumers' attitudes and intentions towards the purchase of domestic and imported fresh fruit. A stratified sampling plan was followed, and data was collected through structured intercept interviews with consumers at major supermarkets, all the variables were measured by five-item Likert type scales or by a single item which rated the consumer desires. Hypothesis tests were conducted using structural equation modelling analysis.

As we see, most of the previous studies are almost following the same methodology for investigating the relationships between the study variable. However, no one of them studied the relationships between ethnocentrism, animosity, country of origin, religion, subjective norms, and branding strategy on consumers' intention to buy in the Palestinian market as this study do. Also, most of the studies are using questionnaires and interviews as main instruments to collect primary data and using different statistical analysis techniques to prove their hypotheses as multi-regression, correlations, factor analysis, and structural equation modelling analysis in addition to other statistical techniques.

In this research study, a mixed research design is proposed to collect and analyze data; the design is anchored in both qualitative and quantitative methods. The empirical research is intended to be implemented in two sequential phases: (1) exploratory qualitative phase, and (2) quantitative phase (with emphasis on phase 2). The two phases are outlined below:

#### 1) Exploratory Qualitative Phase

Data will be collected from secondary sources by exploring different databases like Scopus, EBSCO, Taylor and Francis, and other databases to collect secondary data and build the literature review and identify the main political and cultural factors and their relation to consumer behaviour.

At the same time of building the literature review, in-depth interviews with decision-makers from both government and manufactured food sector will be conducted for the same reason. The collected data will be used to define the research variables better and design the questionnaire.

#### 2) Quantitative Phase

The quantitative phase of the study will be based on surveys that will target Palestinian consumers and collect primary data that will be analyzed by using structural equation modelling analysis that combines different statistical approaches as factor analysis and multiple regression.

Moreover, the questionnaire will be designed by depending on the findings of the qualitative part, and it will be guided by the (CETSCALE) of Shimp and Sharma [1987] and the questionnaires of Klein et al. [1998] Souiden et al. [2018], and Antonetti et al. [2019]. The designed questionnaire will be pre-tested in two ways. Firstly, to avoid potential misinterpretation by respondents, a chosen group of professors and practitioners from the areas of brand management and consumer

behaviour specialist will be asked to assess the adequacy of the questions from the conceptual standpoint, and how they were posed. Secondly, a small sample of respondents will be asked to evaluate the questionnaire's ease of comprehension. Towards analysis the data booth of SPSS-23 and SMART-PLS-3 software will be used.

SPSS will be used to conduct data cleaning and preliminary analysis of data and conducting EFA analysis. Smart-PLS will be used to perform the structural equation modelling through CFA and the development of path analyses for testing the hypotheses.

### **3.8 Study model**

The theoretical study model -see figure 3.2- is built according to different consumer behaviour theories and socio-cultural models, as discussed in the literature review part, and the researcher himself suggested it to explain the theoretical background of the study. The theoretical study model will be validated by defining and describing the study variables and relationships between them by depending on secondary data which will be collected from literature reviews. For analysis purposes, an analytical study model was also built by the researcher, see figure 4.1; this model represents all of the supposed relationships between the study variables and will be used to approve the significance and the nature of the relationships between the study variables and testing the study hypotheses during the primary data analysis. According to the final results of the data analysis of the analytical study model, a significant study model or the best fit model will be built.

### **3.9 Statistical methods**

Different statistical methods, approaches and tools will be used and applied for the purpose of testing the study hypotheses and the proposed study model. These methods are explained in detail in the next sections.

#### **3.9.1 Independency test**

Data will be tested for exploring the occurrence of significant relationships between demographic variables (gender, education, income, resident, age) and consumer preference of manufactured food products country of origin, preferably local products attributes, and marketing activities that could affect their intention to buy.

In similar researches such as the research of Guiné [2016], Chung-Herrera Beth [2010] and Ahmed Zafar [2010], the Chi-Square ( $\chi^2$ ) test of independence is commonly used to determine whether or not two categorical variables are related, and Cramer's V test was applied for estimating the strength of the effect. The null hypothesis of the Chi-Square test states that no relationship exists on the categorical variables in the population; or that the two variables are independent. If the p-value (labelled Asymp. Sig.) is less than .05, we can presume that the variables are dependent on each other and that there is a statistical relationship between the categorical variables [Sekaran and Bougie, 2016]. In this study, the alpha level associated with a 95% confidence level.

The Chi-Square statistic is sensitive to the distribution within the cells, and the SPSS program gives an alert if the expected number of cases fewer than 5 since it can lead to errors in conclusions. If this assumption is violated, the Likelihood ratio will be used to determine the significance of the relationship at p-value (labelled Asymp. Sig.) less than .05. If there is no relationship between the variables, Cramer's V will equal 0. This parameter has a maximum value of 1, which indicates a strong association, regardless of the dimension or the sample size. This makes it possible to use

Cramer's V to compare the strength of association between any two cross-classification tables [Jacob, 1988]. The Cramer's V formula is the next.

$$\sqrt{\frac{\chi^2/n}{(k-1)}} = \sqrt{\frac{\chi^2}{n(k-1)}}$$

### 3.9.2 Exploratory factor analysis

To investigate the construct dimensions, Exploratory Factor Analysis (EFA) which is often carried out in the early stages of research to consolidate variables and to produce hypotheses about underlying processes will be performed to check if the actual data was consistent with the proposed factor structures. Principal Components extraction method with Varimax rotation will be applied.

The KMO test will also be used to determine if the responses given with the sample are adequate or not (sampling adequacy). KMO should be more than 0.5; for satisfactory factor analysis to proceed [Kaiser, 1974]. Additionally, Bartlett's Test of Sphericity is conducted to figure out the strength of the relationship among variables since it tests the hypothesis that the correlation matrix is an identity matrix, which would indicate that variables are unrelated and therefore is considered as unsuitable for structure detection.

Communalities within the EFA show how much of the variance in the variables have been accounted for by the extracted factors. For this study the sample size is larger than 500; therefore, the communality value of 0.4 or higher is considered acceptable for items to be considered for further analysis and any items with extraction value less than 0.4 will be excluded from further steps of the factor analysis [Field, 2013, 1974].

Exploratory factor analysis resulted with factor loadings which are the correlations of a variable with a factor that explains the weighted combination of the variables' loadings on each factor, within the range of 0 to 1. They score the weight of the impact of each variable on the endogenous variables. In the social sciences, the factor loading threshold is 0.30; the higher the factor loadings, the better the results [Field, 2013].

### 3.9.3 Structural equation analysis

Structural equation modelling has become one of the most important methods for empirical research. It has been applied extensively in psychology, management, and marketing. Currently, there are two general approaches to SEM: covariance-based structural equation modelling (CB-SEM) as implemented in, for example, LISREL, AMOS and EQS, and the variance-based structural equation modelling, known as Partial Least Squares (PLS-SEM) [Jamil, 2012].

CB-SEM focuses on estimating a set of model parameters so that the theoretical covariance matrix implied by the system of structural equations is as close as possible to the empirical covariance matrix observed within the fitted model. When fitted using maximum likelihood, this estimation requires a set of assumptions to be fulfilled, such as a multivariate normal distribution of the observed indicators and a sufficient sample size. If these assumptions are violated, PLS-SEM would be a suitable option for researchers. Unlike CB-SEM, a PLS-SEM analysis does not require any distributional assumptions to be fulfilled and can provide robust and accurate fits [Jamil, 2012; F. Hair Jr et al., 2014].

In marketing research, variance-based structural equation modelling is widely used such as Samuel et al. [2019] who examine the effect of transformational leadership on innovation and marketing performance in SME service firms; Hazuki et al. [2018] who examines how marketing activities could affect customers brand trust and purchase intention; and Rezaei [2015] who have examined consumer decision-making styles and marketing practice among online and shopping mall consumers. All of these papers, in addition to many other marketing papers, applied variance-based structural equation modelling by using SMART-PLS in analyzing their results.

PLS-SEM applies nonparametric bootstrapping, which involves repeated random sampling with replacement from the original sample to create a bootstrap sample, to obtain standard errors for hypothesis testing. The process assumes that the sample distribution is a reasonable representation of the intended population distribution [Wong, 2013].

### **3.9.3.1 The Basic Concepts of PLS-SEM**

Two sets of linear equations formally define PLS-SEM: the inner model (or structural model) and the outer model (or measurement model). The inner model specifies the relationships between latent variables, whereas the outer model specifies the relationships between a latent variable and its manifest variables (indicator variables) [F. Hair Jr et al., 2014]. A latent variable that never appears as a dependent variable is called an exogenous variable. Otherwise, it is called an endogenous variable. The combination of inner and outer models leads to a complete partial least squares model [Hair et al., 2011].

Smart-PLS software will stop the estimation if the stop criterion of the algorithm reached, or when reach the maximum number of iterations (300 iterations), whichever comes first. Since we aim to obtain a stable estimation, we want the algorithm to converge before reaching the maximum number of iterations [Wong, 2013]. In this study, the algorithm converged only after two iterations, which indicate that the sample size is adequate, with no existence of outliers or too many identical values in indicators, so our estimation is good.

### **3.9.3.2 Measurement model analysis**

The analysis process will start with assessing the measurement model to make sure that the constructs that establish the basis for the assessment of the structural model relationships are accurately measured and represented. The construct measures' will be evaluated regarding internal consistency reliability by using composite reliability (CR) and Cronbach's alpha (CA) and will be assessed for discriminant validity and convergent validity. For the assessment of discriminant validity, two measures have been put forward—the Fornell–Larcker criterion and cross-loadings. For convergent validity, the average variance extracted (AVE) will be examined [F. Hair Jr et al., 2014].

Once the reliability and validity of the measurement models are established, several steps need to be taken to evaluate the hypothesized relationships within the structural model. The following measures will be used in the assessment: Coefficient of determination ( $R^2$ ), cross-validated redundancy ( $Q^2$ ), path coefficients( $\beta$ ), and the effect size ( $f^2$ ).

#### **Cross loadings**

Cross loadings will be extracted by correlating the component scores of each latent variable with each of the indicator variables. If each indicator's loading is higher for its designated latent construct than for any component scores of the other constructs, and each of the constructs loads highest with its assigned items [Hair et al., 2011].

## **Indicators reliability**

Indicator reliability measures how much of the indicators' variance is explained by the corresponding latent variable. For this aim, indicators were checked for uni-dimensionality that each measurement indicator should relate to its latent variables better than with any other latent variable. Uni-dimensionality is assessed with using EFA to determine whether the measurement indicators converge to the corresponding latent variable. The loading score above .600 is preferred, and above .400 is considered low but acceptable. If the score loading is below .400, it should be excluded especially if its removal will positively affect the values of CR and AVE [Wong, 2013; Hair et al., 2011].

## **Internal consistency reliability**

The traditional criterion for assessing internal consistency reliability is Cronbach's alpha (CA) and composite reliability (CR). CA assumes that all indicators are equally reliable; therefore, it tends to severely underestimate the internal consistency reliability of latent variables in PLS-SEM. In contrast, CR takes into account that indicators have different loadings [Henseler et al., 2016]. No matter which reliability coefficient is used, an internal consistency reliability value above 0.70 in the early stages of research, and values above 0.80 in more advanced stages, is considered satisfactory, whereas a value below 0.6 indicates a weak contribution to the construct [Hair et al., 2011].

## **Convergent validity**

Convergent validity refers to the degree to which individual items load into their designated construct. A commonly applied criterion for convergent validity is the average variance extracted (AVE) proposed by Fornell & Larcker (1981). An AVE value of at least 0.5 indicates sufficient convergent validity, meaning that a latent variable can explain at least half of the variance of its indicators on average [Hair et al., 2011].

Convergent validity is the extent to which the construct converges in order to explain the variance of its items. The metric used for evaluating a construct's convergent validity is the average variance extracted (AVE) for all items on each construct. In order to calculate the AVE, one has to square the loading of each indicator on a construct and compute the mean value. The minimum acceptable AVE is 0.50 or higher. An AVE of 0.50 or higher indicates that the construct explains 50% or more of the variance of the items that make up the construct [Hair et al., 2019].

## **Discriminant validity**

Discriminant validity concerns the degree to which the measures of different constructs differ from one another. In PLS-SEM, two measures of discriminant validity are commonly used. For the first measure, cross-loadings (discussed earlier); and the second measure is the Fornell-Larcker criterion [Hair et al., 2011]. In addition to these two tests, HTMT test will also be applied as proposed by Henseler et al. [2015].

### **1) Fornell-Larcker criterion**

Fornell-Larcker criterion test requires a latent variable to share more variance with its assigned indicators than with any other latent variable. Accordingly, the AVE of each latent variable should be greater than the latent variable's highest squared correlation with any other latent variable [Hair et al., 2011].

## 2) The Heterotrait-monotrait ratio of correlations (HTMT)

The HTMT ratio is the geometric mean of the heterotrait-heteromethod correlations (i.e., the correlations of indicators across constructs measuring different phenomena) divided by the average of the monotrait-heteromethod correlations (i.e., the correlations of indicators within the same construct). In a well-fitting model, heterotrait correlations should be smaller than monotrait correlations, meaning that the HTMT ratio should be below 1.0. Because the HTMT is an estimate of the correlation between constructs, its interpretation is straightforward: if the indicators of two constructs exhibit an HTMT value that is smaller than one, the true correlation between the two constructs is most likely different from one, and they should differ. There are two ways of using the HTMT to assess discriminant validity: (1) as a criterion or (2) as a statistical test [Henseler et al., 2015].

### 1) HTMT as a criterion (HTMT<sub>.85</sub>)

Using the HTMT as a criterion involves comparing it to a predefined threshold of .850. If the HTMT value is lower than .850, it can be assumed that discriminant validity is achieved [Henseler et al., 2015].

### 2) HTMT as a statistical test (HTMT<sub>inference</sub>)

Second, the HTMT<sub>inference</sub> can act as the basis of a statistical discriminant validity test. The bootstrapping procedure allows for constructing confidence intervals for the HTMT. If the confidence interval containing the value of one, this indicates a lack of discriminant validity. In opposition, if the value one falls out of the interval's range, this suggests that the two constructs are empirically distinct and discriminant validity achieved [Henseler et al., 2015].

## Collinearity issues

Multicollinearity exists when two or more independent variables are highly intercorrelated. A common rule of thumb is that problematic multicollinearity may exist when the variance inflation factor (VIF) coefficient is higher than 4.0. VIF is the inverse of the tolerance coefficient, for which multicollinearity is flagged when tolerance is less than 0.250 [Hair et al., 2011]

### 3.9.3.3 The goodness of fit for the structural model

After the measurement model has been successfully validated, the structural model can be analyzed. The model will be assessed using three criteria: 1) path coefficients ( $\beta$ ); 2) path significant (p-value); and 3) variance explain ( $R^2$ ).

The next step is the evaluation of the regression coefficients between the validated latent variables. The regression coefficient ( $\beta$ ) will be checked for algebraic signs, magnitudes, and significances. The strength of the relationship between two any latent variables will be determined by the regression coefficient magnitude that should be higher than .100 to imply a significant impact within the model. Similarly, regression coefficients ( $P$ ) values should be less than .05 ( $p < .05$ ) to be significant. In order to determine the significance, resampling techniques bootstrapping will be used. The cut-off criteria used were a t-value greater or equal to 1.960 for an alpha level of 0.05 [Garson, 2016].

## $R^2$ measures

The first essential criterion for the assessment of the structural model is the coefficient of multiple determinations ( $R^2$ ) for each one of the five endogenous constructs (INB, COO, BI, AIP, and

EDP).  $R^2$  measures the explained variance of a latent variable relative to its total variance, and it represents the exogenous variable's combined effect on the endogenous variable [Garson, 2016;F. Hair Jr et al., 2014]. In marketing research,  $R^2$  of .75 is substantial, .50 is moderate, and .25 is weak [Wong, 2013;Hair et al., 2011].

### **Effect size ( $f^2$ )**

The change in the value of  $f^2$ , when an exogenous construct is omitted from the model, can be used to evaluate whether the omitted construct has a substantive impact on the endogenous constructs. For assessing  $f^2$  values: 0.02, 0.15, and 0.35, respectively, represent small, medium, and large effects of the exogenous latent variable [Taylor and Geldenhuys, 2019].

### **Path coefficient significance**

The nonparametric bootstrapping sample facilitates the estimated coefficients in PLS-SEM to be tested for their significance. The procedure creates a large, pre-specified number of bootstrap samples (i.g., 5,000) by randomly drawing cases with replacement from the original sample. Each bootstrap sample should have the same number of cases as the original sample. The repeated bootstrap parameter estimates are then used to create an empirical sampling distribution for each model parameter, and the empirical sampling distribution's standard deviation is used as a proxy for the empirical standard error for the parameter. The obtained path model coefficients form a bootstrap distribution, which can be deemed as an approximation of the sampling distribution. The PLS-SEM results of all the bootstrap samples provide the standard error for each path model coefficient. With this information, a t-test can be performed to measure the significance of path model relationships [Hair et al., 2011].

### **T-Statistics of Outer Loadings (Measurement Model)**

Measurement (outer) loadings correspond to the paths from a latent variable to its representative indicators, and they represent the absolute contribution of the indicator to the definition of its latent variable. Path loadings vary from 0 to 1. These loadings should be significant ( $P < .05$ ) (using bootstrapping). The larger, the stronger that path in the measurement model and the more reliable the measurement model [Garson, 2016].

### **Model's capability to predict ( $Q^2$ )**

The model predictive relevance is another aspect that explored. The model predictive relevance proposes that the model must be able to satisfactorily predict each endogenous latent construct's indicators [Hair et al., 2011].  $Q^2$  comes in two types, the cross-validated redundancy, and communality. We followed the Hair et al. [2011] and Akter et al. [2011] recommendation for using the cross-validated redundancy since it uses the PLS-SEM estimates of both the structural model and the measurement models for data prediction.

The Stone-Geisser's ( $Q^2$ ) values greater than zero means that the structured model is predictive of the given endogenous variable under examination. A  $Q^2$  with a zero or negative value implies the model is irrelevant to the prediction of the given endogenous factor [Garson, 2016].

Following [Jacob, 1988], 0.02 represents a "small" effect size, 0.15 represents a "medium" effect size, and 0.35 represents a "high" effect size

### **The standardized root means square residual (SRMR)**

SRMR is a measure of approximate fit of the model. It measures the difference between the observed correlation matrix and the model-implied correlation matrix. Thus, the SRMR shows the average magnitude of such differences, with lower SRMR being a better fit. By convention, a model has a good fit when SRMR is less than 0.08 [Henseler et al., 2016;Garson, 2016], and in other cases, a value less than 0.10 also is acceptable [Taylor and Geldenhuys, 2019].

### **Rms<sub>theta</sub>**

Another promising approximate model fit criterion is the root mean square error correlation (RMS<sub>theta</sub>) which can be used to differentiate between well-specified models and poorly-specified models [Henseler et al., 2016]. The RMS<sub>theta</sub> assesses the degree to which the measurement model residuals correlate. The measure should be close to zero to indicate a good model fit because it would imply that the correlations between the outer model residuals are minimal (close to zero). RMS<sub>theta</sub> values below 0.120 indicate a well-fitting model, whereas higher values indicate a lack of fit [Perera et al., 2017;Henseler et al., 2016].

### **3.9.4 Hypotheses test**

To analyze the significance of the structural model relationships, the path coefficients and their corresponding significance levels are calculated. The strength and significance of the path coefficients are evaluated regarding the relationships (structural paths) hypothesized between the constructs. To do this, it is necessary to verify significance through the t-values and the strength of the relationships. Using a two-tailed t-test with a significance level of 5%, the path coefficient will be significant if the T-statistics is larger than 1.96 [Wong, 2013]. In terms of relevance, path coefficients are usually between -1 to +1, with coefficients closer to +1 representing strong positive relationships, and those closer to -1 indicating strong negative relationship [Sarstedt et al., 2017].

## 4. RESULTS

This research work aims to highlight the effect of the political instability situation in the Palestinian market and to figure out how this instability in addition to the level of practised social pressure could affect the domestic food manufacturers branding strategies and the consumer's intentions to buy. Table 4.1 shows the main research objectives, and their related hypotheses and what kind of data analysis were followed to achieve each objective.

Table 4.1: Analysis outline. Source: Own research.

Research objectives	Hypotheses	Analysis method
1. Highlight the effect of political stability on Palestinians food manufacturers	No Hypotheses	Qualitative analysis: in-depth-interviews with governmental officials, food manufacturers and distributors
2. Determine the consumers' preferences toward domestic manufactured food products.	No Hypotheses	Frequency, one-way ANOVA, and cross-tabulation analysis
3. Determine the role of political instability in shaping the consumers' animosity attitudes.	H1	Exploratory factor analysis (SPSS 23) and variance-based structural equation modelling -known as Partial Least Squares (PLS-SEM)- (Smart-pls 3)
4. Determine the role of subjective norms (social pressure) in shaping consumers ethnocentrism attitudes.	H2	
5. Determine the effect of consumers' attitudes on consumers intention to buy domestic products.	H11 + H12 +H13 + H14 + H15 + H16	
6. Determine the effect of the Palestinian food manufacturers branding strategies effect on consumers intentions to buy domestic food products.	H9 + H10	
7. Providing a holistic view to better understand consumer behaviour in troubled markets.	All hypotheses	

## **4.1 Qualitative analysis**

For achieving the research purpose and answering the research questions, data were designed to be collected in three different stages. The first stage depends on collecting secondary data from previous researches that handled similar topics, and the resulted literature review builds the basis for the designed questionnaire. However, due to the shortage in the previous studies that applied in the Palestinian market, there still some misunderstanding in the relation between the Palestinian political situation and the governmental regulation and practices and their effect on the studied consumers' behaviours. Therefore, the second stage was developed to fill this gap and enhance the researcher's understanding of the nature of the relationship between political stability and foreign trade regulations and consumers' perceptions, feelings and buying behaviour toward domestic, foreign, and Israeli manufactured food products. In order to do this, the researcher will perform in-depth interviews with some governmental officials, domestic Palestinian food manufacturers, and leading retailers. In the third stage, the results of the conducted interviews will be used in building the parts of the study questionnaire related to the political instability effect on consumers' perceptions and intentions to buy.

### **4.1.1 In-depth interviews**

Interviews are useful because they give voice to people's lives and their perceptions of experiences vital to them and allow the researcher to understand the way they see the world. The interactive, flexible, but focused nature of interviews still makes them one of the most trustworthy and useful sources of data about consumers [Arsel, 2017].

Interviews are divided into a standardized interview where the interviewee will ask the same set of questions in each interview and those that are semi-standardized interviews where each interview takes its form but follows a specific research question around a series of themes [Arsel, 2017]. The later form of interviews will be followed in this study since the nature of the studied relations is not fully understood, and the primary purpose of the interviews is to gather as much as possible information from the interviewees according to their knowledge and expertise in the Palestinian market.

In order to make sure that the interviews are planned and organized in an appropriate matter, a four-step iterative guide for interview design that's suggested by Arsel [2017] was followed, as explained in the next part of the study.

#### **4.1.1.1 Four-step iterative guide for interview design**

Step 1: Settle with an Epistemological Tradition

A series of different questions were prepared according to the knowledge that had been gathered from the previous studies and the literature review part, which had been built in the first stage of the data collection process. The differences between interviewee types (governmental officials, retailers, manufacturers) were taken into consideration while designing the interview questions, and a specific set of questions were prepared for each group of them.

Step 2: Prepare an Interview Protocol

An interview protocol is an outline for the interview. The interview will be divided into three parts. The first part will start with a brief introduction to the research topic and introduce the researcher himself. This part will also be designed to build rapport and encourage the interviewee to give his thoughts and answer the questions with the minimum levels of personal biases.

The second part will start by asking questions and making discussions with the interviewee. In each interview, a set of open-ended questions that can be modified according to the respondent answers but still within the main study theme. Tables 4.2, 4.3 and 4.4 shows the main question topics for each group of interviewees.

The last part of the interview will be designed to make sure that the interviewer had been correctly understood the interviewee responses and answers by giving a brief summary for the whole interview and asking the interviewee to speak freely about any other related topics or variables that he thinks will affect the research problem.

Table 4.2: Interview main topics -Governmental officials-. Source: Own research.

<b>Question</b>
1. To what level do you think that the Palestinian market is unstable?
2. What are the main factors that play a role in creating this level of instability?
3. To what level of significance do these factors affect the market instability?
4. The Palestinian economy is highly depending and tied to the Israeli economy. Do you agree with this statement? What kind of liabilities or constraints will this impose on the local manufacturers?
5. Do you think that the local government is protecting local manufacturers? In what ways?
6. Do you think that the assigned trade agreements with other countries are beneficial for local manufacturers? In what way?
7. Do you think that the assigned trade agreements with other countries are beneficial for local consumers? In what way?
8. Do you think that the assigned trade agreements with Israel are beneficial for local manufacturers? In what way?
9. Do you think that the assigned trade agreements with Israel are beneficial for local consumers? In what way?
10. Is there anything I have not asked regarding your experiences that you would like to tell me?

Table 4.3: Interview main topics -retailers-. Source: Own research.

<b>Question</b>
1. What kind of brands do you sell in your stores? (classified according to their country of origin).
2. Which one of the mentioned brands is mostly wanted or preferred by consumers? Why?
3. Do you think the consumer's choices of different brands (domestic, Israeli, foreign) is affected by political conflict intensity? If yes, can you please explain.
4. Are there some time periods when consumers increase their buying of local products? Why do they increase their buying according to your opinion?
5. Are there some time periods when consumers decrease their buying of Israeli products? Why do they decrease their buying according to your opinion?
6. Is it easier for you to deal with the Israeli products distributors or with local products distributors? Why?
7. Is there anything I have not asked regarding your experiences that you would like to tell me?

Table 4.4: Interview main topics -food manufacturer-. Source: Own research.

<b>Question</b>
1. To what level do you think that the Palestinian market is considered as a stable market?
2. How this level of market stability or instability affects you as a food manufacturer?
3. Do you think that government trade regulations are beneficial for your business? In what way?
4. Did you notice any change in consumers' buying behaviour toward your brands during political struggle periods? What kinds of changes were noticed?
5. Do you consider foreign brands as a direct competitor for you? To what level can you deal with this competition?
6. Do you consider the Israeli brands as a direct competitor for you? To what level can you deal with this competition?
7. What kind of strengths do you think that the foreign and Israeli competitors have over you?
8. As being perceived as a domestic manufacturer, do you think this is a strength or weakness for your business in facing competition from other foreign and Israeli products? Explain why?
9. What are the main marketing challenges do you face in the Palestinian market?
10. What kind of capabilities do you need to face these challenges?
11. Is there anything I have not asked regarding your experiences that you'd like to tell me?

### Step 3: Conduct the Interview

Each interview will start by building rapport and trust with the interviewees. To do this, the interview will start with introducing the researcher to the participants and explaining the research topic and purpose and explaining the interview procedure and what is expected from each participant.

At the beginning of the interview, the participant's permission will be taken to tape the interview. Then, the discussion with the participants will start by asking general questions and then go deeper into the topics of the questions by asking probes questions and circling back to earlier topics to gain depth and fill gaps until we accomplish the interview purpose.

Lastly, to allow the participant to raise issues that the researcher might not have considered, each interview will end with a question of "Is there anything I have not asked regarding your experiences that you would like to tell me?"

### Step 4: Iterate

After each interview, a re-evaluation process will be conducted before starting the next interview. To evaluation will focus in making sure that all questions work as expected, did the interviewer face a disinterested interviewee who did not care about questions or did not know what we are trying to get at, and evaluating the wording of the question. Besides, the responses will be evaluated to determine if there is anything unusual, unexpected, or contradictory. According to the results of the evaluation, corrective action may take place.

We identified a set of food manufacturers and distributors that could potentially have been included in the study through preliminary interviews with professionals collaborating with the Federation of Palestinian Chambers of Commerce and the manufactured food industry. The fieldwork was carried out over four months, starts in August 2019 in Palestine, specifically in the West Bank. It was impossible to include the Gaza Strip due to its complicated political situation.

The steps taken are:

- At the outset of each case, a rapport and mutual trust were established with the selected interviewee. This interviewee was briefed about the research project through a written project summary and a telephone call.
- We undertook a semi-structured interview with each respondent (each lasting on average for 60 min).
- All interviews were tape-recorded and transcribed verbatim. A second listening was conducted to ensure correspondence between the recorded and transcribed data.
- The interviews followed a similar procedure. The interviewees were first asked to describe and present some information about their businesses, target market, and products.
- When were the main issues of the interview touched on, the main interviews questions were asked and followed by short questions such as “could you describe this? How? Why?” were given as prompts to go deeper into the issue.
- Finally, in the data analysis phase, cross-case pattern searching was used.

#### **4.1.2 Findings and Discussion**

The present exploratory part of the study is meant to shed light on the main research problem, and it aims to provide a better understanding of the effect of the political situation in the Palestinian market on food manufacturing business and their consumer's behaviour.

After conducting the interviews with government officials and economic experts and summarising the interviewee's answers. The empirical evidence collected suggests that the Palestinian market is still suffering from the prevailing situation of high instability in the political environment caused by the continuous struggle between the Palestinian and the Israeli parties. The following statements made by interviewees in the course of the interviews were directed towards understanding the level of market political stability in the Palestinian market:

Interviewee1: “I think that in general, the Palestinian market is unstable. Furthermore, the stability of the Palestinian market depends on the Political situation, and economic situation, which is related to each other, and are fluctuating from time to time. We are not an independent state, and we depend on donors and Israeli economic and political decisions.”

Interviewee2: “The market stability can be seen in two folds; In terms of local mechanisms that control the market; it is considered highly stable, but in terms of political, conditions it is highly unstable, while in terms of government regulations it is moderately stable.”

Market stability is also supposed to be affected by many factors as Palestinian-Israeli conflict, public uprising (Intifada), internal political conflict, economic recession, and government financial problems. All of these factors, besides other factors, are affecting the market stability in different ways as the interviewees mentioned:

Interviewee 1: “The main factor affecting the political situation is the Palestinian Israeli conflict followed by the ethical crises in the society. Other factors as Palestinian dependency on international donations, corruption, low productivity of the Palestinian employees, and the weakness of the industrial sectors, in general, are also affecting the level of market stability.”

Interviewee 2: “Different factors affected the Palestinian market stability, the most significant factor in the Palestinian Israeli conflict followed by government financial problems which most of them are caused by the political conflict with the Israeli part. In addition, the internal political conflict and economic recession also play a role in increasing the market instability situation.”

The second part of the interview was aimed to determine the capability and the ability of the local Palestinian authorities to support local manufacturers under this situation of instability. The following statements made by interviewees in the course of the interviews were directed towards understanding the level of government ability to protect the local manufacturers:

Interviewee 1: “Despite the trials done by the Palestinians to be independent of the Israelis, the Palestinian economy is still highly depending and tied to the Israeli economy. This by fact affects the Palestinian manufacturers because their abilities to compete is less than the Israelis, for example, the cost will be higher as the ports are controlled by the Israelis who will not allow Palestinians to have a competitive advantage, as some times they delay Palestinian products, or charge them more taxes, by giving unreasonable excuses.”

“The ministry of economy sometimes tries to find ways to protect local manufacturers, through boycotting the settlement products, or some Israeli products, or by controlling the imported products and ask for some tests especially the food products, but most of the time they failed because of the economic agreements with the Israelis, and these tries sometimes lack the continuity and they are reactions and not planned in a sustainable way.”

“Regarding the Palestinian Israeli trade agreements, I think it is biased toward the Israelis economy, as the imports are easier for the Israelis than the Palestinian, and the Palestinian manufacturers stay under the mercy of Israeli ports and regulations.”

Interviewee 2: “The Palestinian economy is tied to the Israeli economy. This imposes some liabilities on local manufacturers as movement constraints, delaying of the import and export goods, non-tariff barrier obstacles; priority of shipment, the negative use of specifications, the extra charges and fees, product damage for improper handling and storage especially for delicate material or products.”

“The Palestinian government has some trials to protect local manufacture. Still, there are political issues that are beyond the capability of the local authorities.”

“The actual Palestinian export is less than 200 million \$ while our imports from Israel alone comes to 5 billion \$. This means that our trade agreements are either; not effective or we are not capable; my opinion is both of them.”

According to the interview results, we can conclude that the Palestinian market is witnessing a situation of political instability that caused by various factors, but still, the political conflict with Israel has the most significant impact on market stability. The political conflict limited the government ability to set effective regulations to support and protect local manufactures despite

the different trade regulations that signed between the Palestinian and the Israeli since most of these agreements are biased toward the Israeli side. In addition, the Israeli part is the only controller of the ports and airports that the Palestinian manufacturers use for importing and exporting, therefore, the Israeli use this advantage to limit the competitive abilities of the Palestinian manufacturers.

The second group of interviewees are domestic food manufacturers, the interview with them aim to highlight how their businesses are affected by the market instability situation and to what level do they think that the local government can protect and support them. The following statements made by interviewees in the course of the interviews were directed towards understanding the level of government ability to protect the local manufacturers:

Interviewee 3: “I believe that the local government regulations do not protect us as required to be. The applied regulations allow for any foreign competitor to easily enter the market without providing any support for us especially that most of the local producers are small to medium size business that has limited abilities to compete with large foreign business especially the Israeli one.”

Interviewee 4: “the government regulations do not protect local manufacturers in any way, the market is open for any foreign business to enter and the Israeli products are sold in the Palestinian market free of charge without applying any tariffs or fees on them which limit our ability to compete with them.”

Interviewee 5: “we asked the government many times to put regulations that protect and support us as local manufacturers. But nothing changes. The Israeli products are still freely sold in the Palestinian market, and I think that the Palestinian government ability to prevent this is very limited because of the assigned agreements with the Israeli part.

The same group of interviewees also sked to determine their competitiveness ability in facing the threat of foreign and Israeli products and what do they need to face such threats. The following statements made by interviewees:

Interviewer 3: “during the last few years, the consumers’ buying power increased. Therefore they tend to buy foreign and Israeli products because of their higher quality in comparison with local products”.

Interviewee 4: “our ability to compete with foreign and Israeli products is limited since they offer a higher quality product and their prices are not much higher than our prices. But still in some cases when the political conflict with the Israeli increased, consumers tend to boycott the Israeli products and buy the domestic products instead.”

Interviewee 5: “during the last five years we upgrade our product quality, but this is still not enough to face the competition from foreign companies, especially the Israeli one. The competitor’s quality is still higher than ours, and the prices are also still providing higher value for the consumers. The Israeli government supports its business in different ways while our government don’t have the ability to support us because of the prevailing political situation, which limits our ability to face the competition.”

The last section of the interview with the local food manufacturers focused in determine if they consider being a local business as a strength or a weakness and how do they deal with it. The following statements made by interviewees:

Interviewee 3: “as local producers, we market our products with a focus on its image as a local product since the Palestinian consumers tend to support the domestic product, especially when the political struggle raise. But we could not say that having a local product image is a major strength for us because most of the consumers believe that the foreign products are always much better than the local one even if it is not true.”

Interviewee 4: “having the image of being a domestic producer is considered as a strength and a weakness for us at the same time. It is a strength when consumers decide to boycott the foreign and the Israeli products as a reaction for the political conflict. Furthermore, it is a weakness since the Palestinian consumers trust the foreign producers, especially the Israeli more then they trust the domestic producers.

Interviewee 5: “being a domestic producer is a reality that we cannot change. Palestinian consumers prefer to buy foreign products, but this does not mean that they do not prefer to buy domestic ones. If we are going to be able in the future to enhance the quality of our products to match the Israeli and the foreign products qualities, I am very sure that the consumers will tend to buy our products and support their country. So, in general speaking, I can say that being a domestic producer is a strength, but we still need to utilize it in the right way.

According to the results of the interview with domestic food manufacturers, we can conclude that they tend to believe that the government is not giving them enough support and protection to face the threat of foreign competition which complies with the results of the interview with the government officials. And according to the interviewee, domestic businesses are facing fierce competition with foreign brands, especially the Israeli one. The Israeli products are of higher quality, and despite its higher prices, consumers still prefer to buy them because they believe they are better than the domestic products. Furthermore, the domestic food producers whom we interviewed market themselves as a domestic product and give this image to their target market. This image of “domestic product” is considered as a strength when political conflict raises since consumers tend to boycott the Israeli products. But it still needs to be more strengthen the brand image and building more trust in domestic products by enhancing its quality which considered as the main weakness of domestic products in facing foreign producers.

The last group of interviewees are domestic retailers; the interview aimed to better understand the nature of consumers buying behaviour toward domestic and Israeli products. The following statements made by interviewees in the course of the interviews.

Interviewee 6: “we have different kinds of customers; the first kind are those who directly ask for the domestic products and refuse to buy the Israeli one. On the other hand, other customers are totally the opposite, they ask for Israeli or foreign products and they refuse to buy the domestic one. But in general, the majority of consumers don’t care so much about the products country of origin and they more concern about its quality and price. However, in the times of intense conflicts with Israel, the sales volume of domestic products increases, and the sales volume of the Israeli products decreases.

Interviewee 7: “our customers buy both domestic and Israeli products. They usually chose the products according to the promotions and discounts on those products regardless of their country of origin. But we noticed that at times of increased political tension, consumers tend to boycott the Israeli products and tend to buy domestic ones.”

Interviewee 8: “we cannot say that our customers prefer a brand over another. They usually search for products of good quality and appropriate prices. Our customers buy both Israeli and domestic products, but at time of political tension, they tend to buy more domestic products.”

According to the retailer’s interviewee, the Palestinian consumers do not mind to buy either Israeli products or domestic products, and that their buying decision is more affected by the offers and discounts on those products. The consumers' decision also affected by the level of political tension in the market. At times of high-tension consumers tend to buy domestic products and boycott Israeli ones. But when the tension intensity decrease, they go back to their regular buying habits and consumption patterns.

### **4.1.3 Conclusions**

The Palestinian market is still considered as an unstable market due to the political conflict between the Palestinians and the Israeli. This political conflict imposed several challenges on both of the Palestinian government and the food manufacturers; the Palestinian government do not have enough freedom to put or implement trade regulations that could protect the local manufacturers from global competition. Therefore, the local manufacturers are suffering from being in a weak position against foreign brands that can freely enter the market, especially the Israeli products.

The domestic food manufacturers are trying their best to compete with the Israeli products since they believe that the local government regulations cannot protect them as required. Hence, they try to enhance the quality of their products regularly and present their brands in the market as domestic brands to encourage their customers to buy their brands instead of the Israeli brand, especially that they discover during their experience in the market that the Palestinian consumers tend to support and buy domestic products during the periods of political tensions and boycott the Israeli ones.

These findings are supporting the study model, which suggests that the political stability levels and the government regulations are affecting the Palestinian food manufacturer's branding strategies and, at the same time affecting the consumer's intention to buy. Their relationships will be analyzed more in-depth in the quantitative part of the study to discover the nature and the direction of those relationships.

## **4.2 Quantitative analysis**

This section of the study will discuss the results of the quantitative analysis of the collected data from the study questionnaire. The data analysis is divided into four parts; the first part will show the sample demographic distributions and nature through conducting frequencies test. In the second part of the analysis, data about the product attribute that affect the consumer decision toward buying manufactured food products and customers' preferences will also be analyzed by conducting frequencies tests. Also, a cross-tabulation analysis and one-way ANOVA will be conducted to discover the effect of the respondent’s demographic variables on their preferences by depending on chi-square. The third part of this section will conduct a component factor analysis to determine the main study variables components. The last part of the study will use SMART-PLS 3 to test the resulted variables reliability and validity and test the study suggested model relationships and correlations among independent, moderating, mediating and dependent variables of the study and test the primary study hypotheses. At the end of the analysis part, a modified model will be built according to the significant correlations only.

### 4.2.1 Demographic characteristics of the sample

The study used the convenience sampling technique and targeted Palestinian consumers. At the end of the data collection process, a valid 528 questionnaires were collected. The majority of the study sample were females, with a percentage of 64.8%. Most of the sample members were young people under the age of 39 years' old, which composed 69.3% of the sample size. In addition, the sample members found to be well educated where respondents who hold an undergraduate or a postgraduate degree formed 86% of the sample size. Most of the participants resided in the main Palestinian villages 49.2%, followed by residents of main cities 44.1% and a minority resided in refugee camps 6.6%. The highest portion of the sample size was Muslims 94.1%, while Christians were only 5.9% of the sample size.

Moreover, respondents who hold another nationality as American, Jordanian, Brazilian, Swedish, or Greek nationalities are counted for 10.6% of the sample size. Finally, the income distribution of the sample members showed that 56.8% of the sample size has an income below 1000\$, 33.4% of the sample have income between 1001\$ and 2000\$, and the rest 9.8% of the sample has a higher income than that. Table 4.5 shows the respondent numbers and percentages of each category explained above.

Table 4.5: Sample characteristics. Source: Own research.

Demographic characteristics	Category	Frequency	Percent	Valid N
<b>Gender</b>	Male	186	35.6	528
	Female	342	64.8	
<b>Nationality</b>	Palestinian	472	89.4	
	+ Other	56	10.6	
<b>Age</b>	18-28	229	43.4	
	29-39	137	25.9	
	40-50	111	21.0	
	50<	51	9.7	
<b>Resident</b>	City	233	44.2	
	village	260	49.2	
	Camp	35	6.6	
<b>Religion</b>	Muslim	497	94.1	
	Christian	31	5.9	
<b>Education</b>	High school or less	75	14	
	Undergraduate	305	57.8	
	Postgraduate	149	28.2	
<b>Income</b>	<1000	300	56.8	
	1001-2000	176	33.4	
	2001-3000	35	6.6	
	3000<	17	3.2	

### 4.2.2 Frequency analysis: consumer's preferences

The second section of the questionnaire designed to discover the respondent's preferences toward the country of origin of manufactured food products on a scale of 1= highly unfavourable country of origin and 5= highly favourable country of origin. The results showed that the respondents are

favouring to buy domestic products with a mean= 3.93, followed by products made in Turkey with a mean= 3.85, EU with a mean= 3.61. On the other hand, the unfavourable countries were Jordan with a mean= 2.92, Egypt with a mean= 2.80, and the most unfavourable products were those produced in Israel with a mean= 2.32. These results support the study assumption that the Palestinian consumers prefer to buy domestic products over imported ones, especially the Israeli products.

Respondents were also had been asked to rate the main factors that could affect their buying decision for manufactured foods on a scale of 1= highly not important factor to 5= highly important factor. The results showed that the respondents marked products taste and flavour as being the most important factor for them with a mean= 4.60 followed by product freshness with a mean= 4.48, package design with a mean= 4.21, price with a mean= 3.98, product country of origin with a mean= 3.52 and brand name with a mean= 3.47. The data analysis shows that all six previous factors are important for consumers' when making their buying decision. Still, they hold different weights for each one of them regarding their varied importance for them.

After the previous two questions in the questionnaire, the respondents were asked why they prefer to buy domestic products regarding several factors, and they were asked to rate their responses on a scale of 1= not important factor, 2= medium important, and 3= important factor. The results showed that the respondents prefer domestic products because of their freshness with a mean= 2.59, good taste with a mean= 2.59, good quality with a mean= 2.57 and availability in the market with a mean of 2.58. At the same time, the respondents showed less importance for the social image that they may get from buying domestic products with a mean= 1.88.

The last question in this section of the questionnaire was designed to find up what marketing activities the respondents consider as essential for them to and could affect their intention to buy domestic manufactured food products. The respondents were asked to rate their responses on a scale of 1= not important factor, 2= medium important, and 3= important factor. The results showed that the brand reputation and the domestic producer's ability to introduce new products are the two most important factors that could affect their decision with means of 2.59 and 2.60, followed by the offered price discounts with a mean of 2.45 and creative advertising campaigns with means of and 2.12 and offering free samples for buyers with means of 2.05. While offering free gifts is considered a less important factor by the respondents with a mean of 1.94.

In the next analysis, of nationality and religion will be excluded from the statistical analysis since the sample size of both variables is very small in relative to the study sample size.

### **4.2.3 Independence test**

In these sections, the relationships between demographic variables of gender, age, education level and place of residence with other variables as products country of origin, products factors that affect buying decision, and marketing activities will be analyzed. The two demographic variables of religion and nationality were excluded from the analysis due to insufficient sample size.

#### **4.2.3.1 Demographic variables vs preferable country of origin**

In the questionnaire, the respondents were asked to show their preferences for food products according to their country of origins. A one-way ANOVA test was used to test the significant differences in consumers preferences of a specific country of origin based on their demographic variables.

The first demographic variable is gender; it was found that there are no significant differences in consumers preferences for products produced in Palestine, Turkey, Jordan, Egypt, and EU based

on their gender. While the differences in preferences were proved to be significant for food products produced in Israel  $F(1,526) = 5.028$ ,  $p = .025$ . where gender included two groups: male ( $M=2.52$ ,  $SD=1.511$ ,  $n=186$ ), female ( $M=2.22$ ,  $SD=1.433$ ,  $n=324$ ).

The assumption of homogeneity of variance was tested and found tenable using Levene's test  $F(1, 526) = 2.837$ ,  $p = .093$ . It means that there is no significant difference between the variance of the two group's preferences.

The second demographic variable is the place of residence. It was found that there are no significant differences in consumers preferences for products produced in Palestine, Turkey, Jordan, and Egypt based on respondents' place of residence. While the differences in preferences were proved to be significant for food products produced in Israel  $F(2,525) = 4.117$ ,  $p = .017$ , and EU  $F(2, 525) = 4.998$ ,  $p = .007$ . For products manufactured in Israel, place of resident included three groups: city ( $M=2.52$ ,  $SD=1.465$ ,  $n=233$ ), village ( $M=2.14$ ,  $SD=1.440$ ,  $n=260$ ), camp ( $M=2.40$ ,  $SD=1.631$ ,  $n=35$ ); and for products manufactured in EU place of resident included three groups: city ( $M=3.77$ ,  $SD=1.240$ ,  $n=233$ ), village ( $M=3.43$ ,  $SD=1.297$ ,  $n=260$ ), camp ( $M=3.83$ ,  $SD=1.294$ ,  $n=35$ ).

The assumption of homogeneity of variance was tested and found tenable using Levene's test for Israel  $F(2, 525) = 1.568$ ,  $p = .209$  and for EU  $F(2, 525) = 0.887$ ,  $p = .413$ . It means that there is no significant difference between the variance of the three group's preferences.

Post hoc comparisons using the Tukey HSD test, table 4.6, indicated that the mean score for city residents was significantly different from the residents of villages for Israel ( $p = .013$ ). Also, the test indicated that the mean score for city residents was significantly different from the residents of villages for EU ( $p = .009$ ); while camp residents group have no significant differences with other groups.

Taken together, these results suggest that city residents have a higher preference toward food products manufactured in Israeli and EU in comparison to village residents.

Table 4.6: Multiple comparisons for resident vs COO. Source: Own research.

Dependent Variable	(I) Resident	(J) Resident	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Israel	City	Village	.377*	.132	.013	.07	.69
		Camp	.115	.265	.902	-.51	.74
	Village	City	-.377*	.132	.013	-.69	-.07
		Camp	-.262	.264	.582	-.88	.36
	Camp	City	-.115	.265	.902	-.74	.51
		Village	.262	.264	.582	-.36	.88
EU	City	Village	.342*	.115	.009	.07	.61
		Camp	-.056	.231	.968	-.60	.49
	Village	City	-.342*	.115	.009	-.61	-.07
		Camp	-.398	.229	.193	-.94	.14
	Camp	City	.056	.231	.968	-.49	.60
		Village	.398	.229	.193	-.14	.94

The third demographic variable is education level; it was found that there are no significant differences on consumers preferences for products that produced in Palestine, Turkey, Jordan, Israel and Egypt based on respondents' education level. While the differences in preferences were proved to be significant for food products produced EU  $F(2,525) = 4.587$ ,  $p = .011$ . For products manufactured in EU, education level included three groups: high school or less city ( $M=3.22$ ,  $SD=1.436$ ,  $n=74$ ), undergraduate ( $M=3.63$ ,  $SD=1.279$ ,  $n=305$ ), and postgraduate ( $M=3.76$ ,  $SD=1.178$ ,  $n=149$ ).

The assumption of homogeneity of variance was using Levene's test is violated  $F(2, 525) = 4.001$ ,  $p = .19$ , therefore, we will depend on Welch test of significance  $F(2, 182.86) = 3.941$ ,  $p = .021$ .

Post hoc comparisons using the Games Howel test, table 4.7, indicated that the mean score for the postgraduate group was significantly different from high school or less group ( $p = .016$ ) while the undergraduate group has no significant differences with other groups.

Taken together, these results suggest that respondents who are holding a postgraduate degree have a higher preference toward food products manufactured in the EU in comparison to respondents who are holding a high school degree or less.

Table 4.7: Multiple comparisons for education level vs COO. Source: Own research.

Dependent Variable	(I) Education	(J) Education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
EU	High school or less	Undergraduate	-.413	.182	.065	-.85	.02
		Postgraduate	-.542*	.193	.016	-1.00	-.08
	Undergraduate	High school or less	.413	.182	.065	-.02	.85
		Postgraduate	-.129	.121	.537	-.41	.16
	Postgraduate	High school or less	.542*	.193	.016	.08	1.00
		Undergraduate	.129	.121	.537	-.16	.41

\*. The mean difference is significant at the 0.05 level.

The fourth demographic variable is age; it was found that there are no significant differences in consumers preferences for products produced in Palestine, Turkey, Jordan, and Egypt based on respondents' age. While the differences in preferences were proved to be significant for food products produced in Israel  $F(3,524) = 4.993$ ,  $p = .001$ , and EU  $F(3,524) = 3.581$ ,  $p = .014$ .

For products manufactured in Israel, age included five groups: 18-28 years old ( $M=2.57$ ,  $SD=1.508$ ,  $n=229$ ), 29-39 years old ( $M=2.29$ ,  $SD=1.506$ ,  $n=137$ ), 40-50 years old ( $M=2.05$ ,  $SD=1.367$ ,  $n=111$ ), and the last group is respondent whom ages is higher than 50 years ( $M=1.88$ ,  $SD=1.259$ ,  $n=51$ ).

For products manufactured in EU, age included five groups: 18-28 years old ( $M=3.81$ ,  $SD=1.199$ ,  $n=229$ ), 29-39 years old ( $M=3.49$ ,  $SD=1.420$ ,  $n=137$ ), 40-50 years old ( $M=3.48$ ,  $SD=1.190$ ,  $n=111$ ), and the last group is respondent whom ages is higher than 50 years ( $M=3.31$ ,  $SD=1.349$ ,  $n=51$ ). The assumption of homogeneity of variance was using Levene's test is violated for both of Israel  $F(3, 524) = 6.475$ ,  $p < .001$  and EU  $F(3, 524) = 4.133$ ,  $p = .007$ , therefore, we will depend

on Welch test of significance for both of Israel  $F(3, 189.411) = 5.433, p = .001$  and EU  $F(3, 178.796) = 3.642, p = .014$ .

For products manufactured in Israel, Post hoc comparisons using the Games Howel test, table 4.8, indicated that the mean score for 18-28 years old group was significantly different from the two groups of 40-50 years old group ( $p = .010$ ) and respondents with ages higher than 50 years old ( $p = .006$ ); while no significant differences with the group of 29-39 years old.

For products manufactured in EU, Post hoc comparisons using the Games Howel test, table 4.8, indicated no significant differences between the mean score for the different age groups, this may be related to that the data is not sufficient to make statements about pair-wise differences.

Taken together, these results suggest that younger respondents (18-28 years old) have a higher preference toward food products manufactured in Israel in comparison to the group of respondents with ages between 40-50 years old and group higher than 50 years old.

Table 4.8: Multiple comparisons for age vs COO. Source: Own research.

Dependent Variable	(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Israel	18-28	29-39	.276	.163	.328	-.14	.70
		40-50	.514*	.164	<b>.010</b>	.09	.94
		50>	.685*	.203	<b>.006</b>	.15	1.22
	29-39	18-28	-.276	.163	.328	-.70	.14
		40-50	.238	.183	.563	-.23	.71
		50>	.410	.218	.244	-.16	.98
	40-50	18-28	-.514*	.164	<b>.010</b>	-.94	-.09
		29-39	-.238	.183	.563	-.71	.23
		50>	.172	.219	.861	-.40	.74
	50>	18-28	-.685*	.203	<b>.006</b>	-1.22	-.15
		29-39	-.410	.218	.244	-.98	.16
		40-50	-.172	.219	.861	-.74	.40
EU	18-28	29-39	.319	.145	.126	-.06	.69
		40-50	.330	.138	.081	-.03	.69
		50>	.494	.205	.084	-.05	1.03
	29-39	18-28	-.319	.145	.126	-.69	.06
		40-50	.012	.166	1.000	-.42	.44
		50>	.175	.224	.863	-.41	.76
	40-50	18-28	-.330	.138	.081	-.69	.03
		29-39	-.012	.166	1.000	-.44	.42
		50>	.164	.220	.879	-.41	.74
	50>	18-28	-.494	.205	.084	-1.03	.05
		29-39	-.175	.224	.863	-.76	.41
		40-50	-.164	.220	.879	-.74	.41

#### 4.2.3.2 Demographic variables vs preferable local products attributes

According to results shown in table 4.9, the results indicate that there is no evidence for any statistically significant relationships at  $p$ -value<.05 between respondents' gender, place of residence, income, and age and locally manufactured product attributes of quality, price, taste, availability, freshness, and social image. Conversely, the participant's education level was found to have a significant relationship with product quality and taste.

Table 4.9: Chi-square for demographics vs preferable local products attributes.

Source: Own research.

	Pearson Chi-square			Cramer's V	
	Value	df	Asymp. Sig. (2 sided)	Value	Approx. Sig.
<b>Gender</b>					
Gender * Good quality.	.242	2	.886		
Gender * Good price.	1.901	2	.387		
Gender * Good taste	2.229	2	.328		
Gender * Availability in the market.	.545	2	.762		
Gender * Freshness	.084	2	.959		
Gender * Social image	.536	2	.765		
<b>Resident</b>					
Resident * Good quality.	5.336	4	.255		
Resident * Good price.	4.864	4	.302		
Resident * Good taste	4.910	4	.297		
Resident * Availability in the market.	5.076	4	.280		
Resident * Freshness	5.833	4	.212		
Resident * Social image	3.073	4	.546		
<b>Age</b>					
Age * Good quality.	8.342	6	.214		
Age * Good price.	9.170	6	.164		
Age * Good taste	1.083	6	.982		
Age * Availability in the market.	3.933	6	.686		
Age * Freshness	7.079	6	.314		
Age * Social image	1.641	6	.950		
<b>Education</b>					
Education * Good quality.	12.766	4	.012	.155	.012
Education * Good price.	5.959	4	.202		
Education * Good taste	12.318	4	.015	.153	.015
Education * Availability in the market.	3.578	4	.466		
Education * Freshness	.047	4	1.00		
Education * Social image	3.602	4	.463		
<b>Income</b>					
Income * Good quality.	9.764	6	.135		
Income * Good price.	11.479	6	.075		
Income * Good taste	2.2203	6	.900		
Income * Availability in the market.	7.246	6	.299		
Income * Freshness	4.531	6	.605		
Income * Social image	4.922	6	.554		

The first significant relationship was found between the respondents' preference for product good quality and respondents' education level  $\chi^2 (4, N = 528) = 12.76 p < .05, V = .155$ , the Cramer's V indicates that the effect on consumer preferences of product quality is medium for education.

The crosstab results, table 4.10, show that the product quality is important for 73% of respondents with high school or less education level, 70.5% of respondents with undergraduate education level and 59.7% of respondents with postgraduate education level.

Table 4.10: Crosstab for product quality vs education. Source: Own research.

			Good quality			Total
			Not Important	Medium Important	Important	
Education	High school or less	Count	12	8	54	74
		% within Education	16.2%	10.8%	73.0%	100.0%
	Undergraduate	Count	28	62	215	305
		% within Education	9.2%	20.3%	70.5%	100.0%
	Postgraduate	Count	17	43	89	149
		% within Education	11.4%	28.9%	59.7%	100.0%
Total		Count	57	113	358	528
		% within Education	10.8%	21.4%	67.8%	100.0%

The second significant relationship was found between the respondents' preference for product taste and their education level  $\chi^2 (4, N = 528) = 12.31 p < .05, V = .015$ ; the Cramer's V indicates that the education level effect on consumer preferences of good product taste is medium.

The crosstab results, table 4.11, show that the product taste is important for 98.9% of respondents with high school or less education level, 74.1% of respondents with undergraduate education level and 61.7% of respondents with postgraduate education level.

Table 4.11: Crosstab for product taste vs education. Source: Own research.

			Good taste			Total
			Not Important	Medium Important	Important	
Education	High school or less	Count	13	10	51	74
		% within Education	17.6%	13.5%	68.9%	100.0%
	Undergraduate	Count	27	52	226	305
		% within Education	8.9%	17.0%	74.1%	100.0%
	Postgraduate	Count	18	39	92	149
		% within Education	12.1%	26.2%	61.7%	100.0%
Total		Count	58	101	369	528
		% within Education	11.0%	19.1%	69.9%	100.0%

### 4.2.3.3 Demographic variables vs marketing activities

Determining the effect of marketing activities on consumer intention to buy is one of the primary objectives of this study. Therefore, the researcher search for significant relationships between respondents demographics and the marketing activities that food manufacturers usually practice to affect consumers decision According to Pearson Chi-square test results shown in table 4.12, the results indicates that there is no evidence for any statistically significant relationships at  $p$ -value<.05 between respondents education level, residence place, and income and local manufactured product marketing practices of brand reputation, prices discounts, offering free samples, offering gifts, and creating a creative advertising campaign. In opposition, the participants' gender was found to have a significant relationship with brand reputation and offering free gifts. Participants' age was found to have a significant relationship with offering free gifts.

Table 4.12: Pearson Chi-square for demographics vs marketing activities. Source: Own research.

	Pearson Chi-square			Cramer's V	
	Value	df	Asymp. Sig. (2 sided)	Value	Approx. Sig.
<b>Gender</b>					
Gender * Brand reputation	6.001	2	.050	.107	.050
Gender * Price discounts	3.299	2	.192		
Gender * Offered free samples	7.814	2	.020	.122	.020
Gender * Offered gifts	3.800	2	.150		
Gender * Creative advertising campaign	2.941	2	.230		
<b>Resident</b>					
Resident * Brand reputation	6.295	4	.178		
Resident * Price discounts	5.061	4	.281		
Resident * Offered free samples	3.496	4	.478		
Resident * Offered gifts	7.069	4	.132		
Resident * Creative advertising campaign	5.279	4	.260		
<b>Age</b>					
Age * Brand reputation	20.834	6	.002	.199	.002
Age * Price discounts	10.585	6	.102		
Age * Offered free samples	2.793	6	.834		
Age * Offered gifts	4.221	6	.647		
Age * Creative advertising campaign	4.516	6	.607		
<b>Education</b>					
Education * Brand reputation	1.303	4	.861		
Education * Price discounts	5.053	4	.282		
Education * Offered free samples	5.840	4	.211		
Education * Offered gifts	.480	4	.975		
Education * Creative advertising campaign	5.744	4	.219		
<b>Income</b>					
Income * Brand reputation	7.669	6	.263		
Income * Price discounts	6.577	6	.362		
Income * Offered free samples	3.393	6	.758		
Income * Offered gifts	3.162	6	.788		
Income * Creative advertising campaign	9.831	6	.132		

The data analysis shows a significant relationship between respondents' gender and offering free samples  $\chi^2 (2, N = 528) = 7.814 p < .05, V = .122$ ; respondents gender has a weak effect on how much do their decision is affected by the free samples offered by local manufacturers. However, the crosstab results, table 4.13, show that offering free samples is important for 37.1% of male respondents and 45.3% of female respondents.

Table 4.13: Crosstab for offering free samples vs gender. Source: Own research.

			Offered free samples			Total
			Not important	Medium Important	Important	
Gender	Male	Count	67	50	69	186
		% within Gender	36.0%	26.9%	37.1%	100.0%
Gender	Female	Count	129	58	155	342
		% within Gender	37.7%	17.0%	45.3%	100.0%
Total		Count	196	108	224	528
		% within Gender	37.1%	20.5%	42.4%	100.0%

A significant relationship as well found between respondents age  $\chi^2 (2, N = 528) = 20.83 p < .05, V = .199$  and gender  $\chi^2 (2, N = 528) = 6.001 p = .05, V = .107$  and considering brand reputation as an important marketing practice, according to Cramer's V, the effect within the relationship is weak.

Having a good brand reputation is found to be important to 63.8% of respondents of the age group of 18-28, 83.9% for the respondents' age group of 29-39, 77.5% for the respondents' age group of 40-50, and 70.6% for respondent with ages higher than 50 years old, see table 4.14.

Table 4.14: Crosstab for brand reputation vs age. Source: Own research.

			Brand reputation			Total
			Not important	Medium Important	Important	
Age	18-28	Count	45	38	146	229
		% within Age	19.7%	16.6%	63.8%	100.0%
	29-39	Count	11	11	115	137
		% within Age	8.0%	8.0%	83.9%	100.0%
Age	40-50	Count	17	8	86	111
		% within Age	15.3%	7.2%	77.5%	100.0%
Age	50<	Count	8	7	36	51
		% within Age	15.7%	13.7%	70.6%	100.0%
Total		Count	81	64	383	528
		% within Age	15.3%	12.1%	72.5%	100.0%

Having a good brand reputation is also found to be important to 66.1% of male respondents and 76% of female respondents, see table 4.15.

Table 4.15: Crosstab for offering free samples vs gender. Source: Own research.

			Brand reputation.			Total
			Not important	Medium Important	Important	
Gender	Male	Count	36	27	123	186
		% within Gender	19.4%	14.5%	66.1%	100.0%
	Female	Count	45	37	260	342
		% within Gender	13.2%	10.8%	76.0%	100.0%
Total		Count	81	64	383	528
		% within Gender	15.3%	12.1%	72.5%	100.0%

### Section summary

The compilation of the previous data analysis according to the Chi-square test, revealed that the respondent's demographic variables could affect their preferences and decisions in different ways. Some of the consumer preferences were found to be impacted by consumers' demographics much more than others at different levels of impact. However, the chi-square can only tell us whether two variables are related to one another. It does not necessarily imply that one variable has any causal effect on the other. In order to establish causality, a more detailed analysis would be required. However, still, in general, we can conclude at this level of the study that the studied demographic variables are essential for the study and could affect consumer's intention to buy at different levels of impact and could build further conclusions after testing the whole study model in the next section; and the final impact of demographics on the primary supposed relationships of the study model will be more visible.

#### 4.2.4 Exploratory Factor analysis

To identify the smallest number of meaningful latent variables or factors that closely reproduce the original correlations and covariance amongst a larger set of measured variables. In order to ascertain the constructs or factors and latent variables and to explore the correlation of each factor in the proposed conceptual model, a series of exploratory factor analysis (EFA) were performed on the data of the study.

##### 4.2.4.1 Kaiser Meyer Olkin (KMO) and Bartlett's Test

In this study KMO = .906 which considered as acceptable and that the sample is adequate. Also, Bartlett's Test of Sphericity found to be significant ( $p < .001$ ), which indicates that factor analysis may be useful. These results imply that the data is good to proceed with the factor analysis.

Table 4.16: KMO and Bartlett's Test. Source: Own research.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.906
	Approx. Chi-Square	10530.167
Bartlett's Test of Sphericity	df	741
	Sig.	.000

#### 4.2.4.2 Communalities

Table 4.17 shows that the study items got extracted communalities ranged between .428 and .722; thus, all of the items will be entered into the factor analysis since their values are higher than .400.

Table 4.17: Communalities. Source: Own research.

Items	Initial	Extraction
1. I believe that the Palestinian market is politically unstable.	1.000	.618
2. I believe that the Israeli government policies toward the Palestinians are causing political instability in the Palestinian market.	1.000	.626
3. I believe that the different signed agreements between the Israeli government and the Palestinian authorities are causing political instability in the Palestinian market.	1.000	.560
4. I believe that conflicts between the Palestinian political parties are causing political instability in the Palestinian market.	1.000	.527
5. I think the level of the Palestinian market instability will stay the same in the future.	1.000	.428
6. People close to me do not support of purchasing Israeli products.	1.000	.660
7. My friends and colleagues believe that I should not buy Israeli products.	1.000	.646
8. My family members will be unhappy if I buy Israeli products.	1.000	.635
9. People around me do not encourage me to buy Israeli products.	1.000	.632
10. If I buy Israeli products, people around me would think that I am supporting the Israeli government cruelty towards the Palestinians.	1.000	.518
11. I feel angry towards Israel.	1.000	.700
12. I dislike Israel.	1.000	.650
13. Israel do not care about what other nations think of their actions.	1.000	.573
14. The Israelis are doing business unfairly with Palestine.	1.000	.636
15. I do not like the Israeli mentality.	1.000	.547
16. Palestine should not have any diplomatic relationship with Israel.	1.000	.555
17. I do not like that Israeli political policy caused a downturn in the Palestinian economy.	1.000	.512
18. It is not right to purchase foreign products, because it raises unemployment rates in the Palestinian market.	1.000	.668
19. Purchasing imported products is unacceptable behaviour for me.	1.000	.676
20. Palestinian products will be always my first and last choice.	1.000	.679
21. I would buy foreign products only if I cannot find a substitute Palestinian product.	1.000	.551
22. I should purchase Palestinian products to support my country economy.	1.000	.644
23. I will feel guilty if I buy foreign products while there is a substitute domestic product.	1.000	.589
24. I prefer to buy domestic products.	1.000	.720
25. Currently, I purchase domestic products.	1.000	.679
26. In the future, I will continue buying domestic products.	1.000	.722
27. I have a favourable attitude toward domestic brands.	1.000	.660
28. My overall evaluation of domestic product' brand is good.	1.000	.651
29. I will choose to buy domestic products even it is a little bit of lower quality than imported products.	1.000	.698
30. I believe domestic brands often lead ahead of other brands in launching new products.	1.000	.616
31. I am willing to pay some extra money for buying domestic products.	1.000	.676
32. I believe that domestic products quality is fair according to its prices.	1.000	.669
33. I believe that the prices of domestic products are lower than foreign one.	1.000	.583
34. I trust domestic producers.	1.000	.701
35. I believe that domestic products are reliable.	1.000	.634
36. I believe that domestic products are safe for me and for my family health.	1.000	.645
37. I believe that domestic products are of good quality.	1.000	.641
38. I believe domestic brands often enhance its quality to meet consumer's needs	1.000	.532
39. I will never buy a product without a brand name.	1.000	.784

Extraction Method: Principal Component Analysis.

#### 4.2.4.3 Identifying factors and latent variables

In this study, thirty-nine questions related to variables affecting the consumer intention to buy toward domestic products were factor analyzed using principal component analysis with Varimax rotation. The analysis yielded eight factors explaining a total of 62.67% of the variance for the entire set of variables as shown in Table 4.18, which indicates how much of the variability in the data has been modelled by the extracted factors.

Table 4.18: Total Variance Explained. Source: Own research.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.722	27.493	27.493	10.722	27.493	27.493	4.060	10.409	10.409
2	4.256	10.912	38.405	4.256	10.912	38.405	4.039	10.357	20.766
3	2.373	6.084	44.489	2.373	6.084	44.489	3.942	10.107	30.874
4	1.813	4.648	49.137	1.813	4.648	49.137	3.292	8.442	39.316
5	1.699	4.355	53.493	1.699	4.355	53.493	3.286	8.425	47.740
6	1.335	3.422	56.915	1.335	3.422	56.915	2.581	6.619	54.359
7	1.205	3.090	60.004	1.205	3.090	60.004	2.082	5.339	59.698
8	1.040	2.667	62.672	1.040	2.667	62.672	1.160	2.973	62.672

Extraction Method: Principal Component Analysis.

The first eight factors of eigenvalues greater than one should be extracted. Where the first factor explained 10.409 % of the variance, the second factor explained 10.357% of the variance; the third factor explained 10.107% of the variance, the fourth factor explained 8.442 % of the variance, the fifth factor explained 8.425% of the variance, the sixth factor explained 6.619% of the variance, the seventh factor explained 5.339% of the variance, the eighth factor explained 2.973% of the variance.

According to the rotated component matrix, the first seven factors were included in the analysis while the last variable was excluded since it includes only one item so it was excluded from the analysis and all of the other factors were renamed according to their components, as shown in the table 4.19.

Table 4.19: Latent factors components. Source: Own research.

Item code	Item #	Content of statement	Factor loadings
<b>1<sup>st</sup> factor: Intention to buy (INB)</b>			
INB 1	Q24	I prefer to buy domestic products.	.761
INB 2	Q25	Currently, I purchase domestic products.	.702
INB 3	Q26	In the future, I will continue buying domestic products.	.674
INB 4	Q27	I have a favorable attitude toward domestic brands.	.641
INB 5	Q28	My overall evaluation of the domestic product's brand is good.	.610
<b>2<sup>nd</sup> factor: Country of origin image (COO)</b>			
COO 1	Q32	I believe that domestic product quality is fair according to its prices.	.782
COO 2	Q34	I trust domestic producers.	.712
COO 3	Q33	I believe that the prices of domestic products are lower than the foreign ones.	.712
COO 4	Q35	I believe that domestic products are reliable.	.682
COO 5	Q36	I believe that domestic products are safe for me and my family's health.	.671
COO 6	Q37	I believe that domestic products are of good quality.	.568
COO 7	Q38	I believe domestic brands often enhance their quality to meet consumer's needs	.526
<b>3<sup>rd</sup> factor: Animosity (AIP)</b>			
AIP 1	Q11	I feel angry toward Israel.	.785
AIP 2	Q12	I dislike Israel.	.737
AIP 3	Q14	The Israelis are doing business unfairly with Palestine.	.715
AIP 4	Q13	Israel does not care about what other nations think of their actions.	.703
AIP 5	Q15	I do not like the Israeli mentality.	.672
AIP 6	Q16	Palestine should not have any diplomatic relations with Israel.	.657
AIP 7	Q17	I do not like that Israeli political policy caused a downturn in the Palestinian economy.	.640
<b>4<sup>th</sup> factor: Ethnocentrism (EDP)</b>			
EDP 1	Q18	It is not right to purchase foreign products, because it raises unemployment rates in the Palestinian market.	.766
EDP 2	Q19	Purchasing imported products is unacceptable behaviour for me.	.731
EDP 3	Q20	Palestinian products will always be my first and last choice.	.664
EDP 4	Q21	I would buy foreign products only if I cannot find a substitute Palestinian product.	.612
EDP 5	Q22	I should purchase Palestinian products to support my country's economy.	.568
EDP 6	Q23	I will feel guilty if I buy foreign products while there is a substitute domestic product.	.512

<b>5<sup>th</sup> factor: Subjective norms (SN)</b>			
SN 1	Q6	People close to me do not support purchasing Israeli products.	.767
SN 2	Q7	My friends and colleagues believe that I should not buy Israeli products.	.762
SN 3	Q9	People around me do not encourage me to buy Israeli products.	.744
SN 4	Q8	My family members will be unhappy if I buy Israeli products.	.738
SN 5	Q10	If I buy Israeli products, people around me would think that I am supporting the Israeli government cruelty towards the Palestinians.	.666
<b>6<sup>th</sup> factor: Political stability (PS)</b>			
PS 1	Q3	I believe that the different signed agreements between the Israeli government and the Palestinian authorities are causing political instability in the Palestinian market.	.715
PS 2	Q1	I believe that the Palestinian market is politically unstable.	.712
PS 3	Q2	I believe that the Israeli government policies toward the Palestinians are causing political instability in the Palestinian market.	.699
PS 4	Q4	I believe that conflicts between the Palestinian political parties are causing political instability in the Palestinian market.	.696
PS 5	Q5	I think the level of the Palestinian market instability will stay the same in the near future.	.614
<b>7<sup>th</sup> factor: Brand image (BI)</b>			
BI 1	Q29	I will choose to buy domestic products even it is a little bit of lower quality than imported products.	.661
BI 2	Q30	I believe domestic brands often lead ahead of other brands in launching new products.	.605
BI 3	Q31	I am willing to pay some extra money to buy domestic products.	.574

#### 4.2.4.4 Scale Reliability

The scale was tested for reliability by using the Cronbach Alpha coefficient. For the test purposes, the scale was tested for reliability by taking the whole scale by including all the 49 items in the test. After that, the reliability test is taken for the nine computed variables by taking the related items for each one on the computed variables. All values surpassed the recommended value of .70 [Field, 2013]. The results of reliability tests shown in table 4.20.

Table 4.20: Reliability test- Cronbach Alpha coefficients. Source: Own research.

Variable	Number of items	Cronbach Alpha coefficient	Variable	Number of items	Cronbach Alpha coefficient
<b>All items</b>	38	<b>.923</b>	<b>SN</b>	5	.834
<b>INB</b>	5	.887	<b>EDP</b>	6	.849
<b>AIP</b>	7	.851	<b>PS</b>	5	.754
<b>COO</b>	7	.865	<b>BI</b>	3	.775

The results of the factor analysis will be used as inputs in the SMART-PLS 3 program to conduct a structural equation model analysis. The seven variables and their components will be entered for further analysis to test the study hypotheses and model. The results of the factor analysis will also be reassured by using SMART PLS 3 by conducting a path analysis and make sure that all of the components are suitable for further analysis before testing the significance of the relationships between the latent variables.

### 4.3 Structural Equation Modelling (SEM) vs Partial Least Squares (PLS-SEM)

In this section of the analysis, structural equation modelling will be conducted to analyze the study model. Both measurement model and structural model reliability and validity will be tested in addition to analyzing the study hypothesis to reach the best fit model.

#### 4.3.1 Measurement model analysis

The measurement model will be evaluated regarding internal consistency reliability, discriminant validity and convergent validity.

##### 4.3.1.1 Cross loadings

As screening the results in tables 4.21, and 4.22, we can conclude that indicators have higher values on their relevant latent variable as compared with other constructs. So, the condition for cross-loading is achieved, and it can be inferred that the construct indicators are not interchangeable. This verifies that the indicators in each construct represent the assigned latent variable and confirm the discriminant validity of the model.

Table 4.21a: Indicators item cross-loadings. Source: Own research.

	<b>AIP</b>	<b>BI</b>	<b>COO</b>	<b>EDP</b>	<b>INB</b>	<b>PS</b>	<b>SN</b>
AIP1	<b>0.771</b>	0.064	0.079	0.194	0.248	0.327	0.168
AIP2	<b>0.730</b>	0.036	0.065	0.196	0.231	0.334	0.159
AIP3	<b>0.794</b>	0.151	0.190	0.314	0.321	0.337	0.317
AIP4	<b>0.741</b>	0.073	0.070	0.151	0.220	0.370	0.232
AIP5	<b>0.702</b>	0.203	0.112	0.227	0.223	0.261	0.284
AIP6	<b>0.697</b>	0.216	0.121	0.241	0.250	0.286	0.250
AIP7	<b>0.687</b>	0.109	0.181	0.188	0.260	0.308	0.215
BI1	0.137	<b>0.875</b>	0.463	0.567	0.515	0.051	0.306
BI2	0.023	<b>0.729</b>	0.525	0.380	0.442	-0.020	0.214
BI3	0.234	<b>0.879</b>	0.481	0.568	0.600	0.095	0.339
COO1	0.115	0.362	<b>0.730</b>	0.349	0.416	0.043	0.145
COO2	0.093	0.312	<b>0.569</b>	0.283	0.279	0.013	0.134
COO3	0.119	0.494	<b>0.853</b>	0.445	0.547	0.052	0.252
COO4	0.122	0.455	<b>0.798</b>	0.428	0.503	0.068	0.256
COO5	0.141	0.502	<b>0.826</b>	0.425	0.531	0.051	0.290
COO6	0.170	0.411	<b>0.771</b>	0.393	0.571	0.140	0.284
COO7	0.098	0.480	<b>0.667</b>	0.390	0.488	0.047	0.271

Table 4.22b: Indicators item cross-loadings. Source: Own research.

	<b>AIP</b>	<b>BI</b>	<b>COO</b>	<b>EDP</b>	<b>INB</b>	<b>PS</b>	<b>SN</b>
EDP1	0.208	0.418	0.322	<b>0.745</b>	0.392	0.104	0.310
EDP2	0.145	0.479	0.355	<b>0.765</b>	0.404	0.090	0.347
EDP3	0.269	0.494	0.406	<b>0.815</b>	0.566	0.099	0.366
EDP4	0.197	0.430	0.401	<b>0.746</b>	0.488	0.055	0.369
EDP5	0.313	0.337	0.433	<b>0.712</b>	0.560	0.149	0.302
EDP6	0.222	0.611	0.433	<b>0.752</b>	0.542	0.113	0.381
INB1	0.326	0.436	0.440	0.553	<b>0.814</b>	0.183	0.280
INB2	0.307	0.521	0.526	0.535	<b>0.836</b>	0.174	0.341
INB3	0.336	0.591	0.585	0.584	<b>0.871</b>	0.175	0.326
INB4	0.235	0.527	0.502	0.550	<b>0.822</b>	0.096	0.271
INB5	0.229	0.529	0.626	0.507	<b>0.806</b>	0.144	0.328
PS1	0.291	0.074	0.010	0.099	0.118	<b>0.710</b>	0.133
PS2	0.323	-0.031	0.038	0.103	0.139	<b>0.764</b>	0.008
PS3	0.416	0.078	0.137	0.132	0.166	<b>0.819</b>	0.180
PS4	0.252	0.078	0.084	0.085	0.163	<b>0.690</b>	0.121
PS5	0.206	-0.009	-0.028	0.031	0.046	<b>0.550</b>	0.148
SN1	0.265	0.301	0.281	0.359	0.310	0.067	<b>0.808</b>
SN2	0.265	0.212	0.190	0.313	0.247	0.133	<b>0.771</b>
SN3	0.250	0.246	0.271	0.388	0.298	0.116	<b>0.790</b>
SN4	0.243	0.330	0.273	0.403	0.321	0.152	<b>0.811</b>
SN5	0.236	0.264	0.216	0.313	0.267	0.169	<b>0.701</b>

#### 4.3.1.2 Indicators reliability

The measurement model was built according to the results of the EFA by using the SPSS program. After entering the extracted variables that resulted from the EFA and their components, the factors loadings were calculated again by using the SMART-PLS program. Indicators with loadings below .700 were deleted from the analysis if their removal affects the values of convergent validity AVE and composite reliability CR; the majority of indicator loadings were higher than .700 except for AIB7 (.687), COO2 (.569), COO7 (.667), PS4 (.690), and PS5 (.550) but all of these indicators were retained in the measurement model since they do not noticeably affect AVE or CR values in spite that their loadings are lower than .700.

All of the retained factors have a factor loading ranged between .550 (PS5) and .879 (BI3), and most of the factors have a loading higher than .750 as shown in tables 4.23 and table 4.24, and unidimensionality achieved.

#### 4.3.1.3 Internal consistency reliability

In this study, internal consistency was measured by using both Cronbach's alpha and composite reliability. All of the variables were found to have a satisfactory reliability coefficient above .80 for CR ranged between .835 for PS and .917 for INB. Also, all the variables were found to have satisfactory reliability according to CA values that ranged between .757 for PS and .887 for INB, as shown in tables 4.23 and 4.24.

These results suggest that the construct measures of AIP, BI, COO, EDP, PS, INP, and SN exhibit sufficient levels of internal consistency reliability.

Table 4.23: Latent variables. Source: Own research.

AIP		BI		COO	
AVE= 0.537 CR = 0.890 CA= 0.856		AVE= 0.690 CR = 0.869 CA= 0.774		AVE= 0.563 CR= 0.899 CA= 0.868	
Indicator	Loading	Indicator	Loading	Indicator	Loading
AIP1	0.771	BI1	0.875	COO1	0.730
AIP2	0.730	BI2	0.729	COO2	0.569
AIP3	0.794	BI3	0.879	COO3	0.853
AIP4	0.741			COO4	0.800
AIP5	0.702			COO5	0.829
AIP6	0.697			COO6	0.775
AIP7	0.687			COO7	0.665

Table 4.24: Latent variables. Source: Own research.

EDP		PS		INB		SN	
AVE= 0.572 CR = 0.889 CA= 0.850		AVE= 0.507 CR = .835 CA= .757		AVE= 0.689 CR = 0.917 CA= 0.887		AVE= 0.604 CR = 0.884 CA= 0.835	
Indicator	Loading	Indicator	Loading	Indicator	Loading	Indicator	Loading
EDP1	0.745	PS1	0.710	INB1	0.814	SN1	0.808
EDP2	0.765	PS2	0.764	INB2	0.836	SN2	0.771
EDP3	0.815	PS3	0.819	INB3	0.871	SN3	0.790
EDP4	0.746	PS4	0.690	INB4	0.822	SN4	0.811
EDP5	0.712	PS5	0.550	INB5	0.806	SN5	0.701
EDP6	0.752						

#### 4.3.1.4 Convergent validity

The sum of the study variables scores a sufficient convergent validity  $AVE > .50$ , as shown in tables 4.23 and 4.24; The AVE values varied from .507 for PS to .690 for BI. This discloses that all of the variables in the measurement model can explain at least 50% of the variance of its indicators on average. So, convergent validity is confirmed.

### 4.3.1.5 Discriminant validity

Fornell-Larcker criterion and HTMT test will be used to measure discriminant validity.

#### Fornell-Larcker criterion

The result of cross-loading and Fornell-Larcker criterion tests, table 4.25, indicate that discriminant validity is well established since each latent variable AVE value found to be greater than the variable highest squared correlation with any other latent variable.

Table 4.25: Fornel Larcker criterion discriminant validity. Source: Own research.

	AIP	BI	COO	EDP	INB	PS	SN
AIP	<b>0.733</b>						
BI	0.171	<b>0.831</b>					
COO	0.165	0.581	<b>0.750</b>				
EDP	0.300	0.618	0.522	<b>0.756</b>			
INB	0.345	0.631	0.649	0.658	<b>0.830</b>		
PS	0.433	0.058	0.083	0.135	0.186	<b>0.712</b>	
SN	0.323	0.351	0.319	0.460	0.373	0.162	<b>0.777</b>

#### The Heterotrait-monotrait ratio of correlations (HTMT)

There are two ways of using the HTMT to assess discriminant validity: (1) as a criterion or (2) as a statistical test.

- 1) HTMT as a criterion (HTMT<sub>.85</sub>)

As shown for the results in table 4.26, all of HTMT<sub>.85</sub> values ranged between .752 (INB --> BI) as the highest value to .098 (SN-->AFB) as the lowest value.

Table 4.26: HTMT<sub>.85</sub>. Source: Own research.

	AIP	BI	COO	EDP	INB	PS
AIP						
BI	0.225					
COO	0.184	0.715				
EDP	0.343	0.741	0.599			
INB	0.392	<b>0.752</b>	0.723	0.749		
PS	0.520	0.112	0.116	0.161	0.216	
SN	0.376	0.426	0.364	0.540	0.431	0.222

2) HTMT as a statistical test ( $HTMT_{inference}$ )

$HTMT_{inference}$  measured by employing bootstrapping, and the highest upper confidence interval limit is .821 which is lower than 1, which means that the value one falls outside the interval's range, this suggests that the two constructs are empirically distinct. Thereby, we conclude that discriminant validity has been established between the different given pairs of reflective constructs.

According to the results of cross-loadings, Fornell-Larcker criterion, and Heterotrait-monotrait ratio of correlations (HTMT) we conclude that discriminant validity was achieved.

**4.3.1.6 Collinearity issues**

All the indicators' VIF values in the measurement model and in the structural model are lower than 4 for the measurement model and the structural model. So, there are no collinearity problems in the measurement model nor the structural model.

**4.3.2 The goodness of fit for the structural model**

After the measurement model has been successfully validated, the structural model can be analyzed. The model will be assessed using three criteria: 1) path coefficients ( $\beta$ ); 2) path significant (p-value); and 3) variance explained ( $R^2$ ).

**4.3.2.1  $R^2$  measures**

The results of  $R^2$  in table 4.27 reveal that the latent variables (PS and the sum of demographic variables) weakly explain 25.3% of the variance in AIP. Besides, the five latent variables (AIP, AFP, ADP, PS, and SN ) weakly explain 38.2% of the variance in BI and weakly explains 27.2% of the variance in COO; and the three latent variables (SN, REL, and the sum of demographic variables) weakly explains 21.5% of the variance in EDP; Also, the seven latent variables (AIP, AFP, SN, COO, EDP, PS, and BI) moderately explain 61.2% of the variance in the main study independent variable of INP.

Table 4.27: Coefficient of multiple determinations ( $R^2$ ). Source: Own research.

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ((O/STDEV)</b>	<b>P Values</b>	<b>Predictive accuracy of latent variable</b>
AIP	0.253	0.260	0.040	6.260	0.000	Weak
BI	0.382	0.387	0.035	10.916	0.000	Weak
COO	0.272	0.278	0.037	7.347	0.000	Weak
EDP	0.215	0.221	0.035	6.127	0.000	Weak
INB	0.612	0.619	0.027	22.346	0.000	Moderate

#### 4.3.2.2 Effect size ( $f^2$ )

According to the  $f^2$  values shown in table 4.28, the effect of BI -> INB, EDP -> INB, and SN -> AIP is small, the effect of COO -> INB and PS -> AIP is medium, and the effect of EDP -> BI and EDP -> COO is large.

Table 4.28: Effect size ( $f^2$ ). Source: Own research.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Effect size
BI -> INB	0.070	0.073	0.034	2.020	0.043	Small
COO -> INB	0.180	0.186	0.044	4.110	0.000	Medium
EDP -> BI	0.571	0.584	0.090	6.317	0.000	Large
EDP -> COO	0.337	0.346	0.068	4.970	0.000	Large
EDP -> INB	0.113	0.117	0.041	2.743	0.006	Small
PS -> AIP	0.199	0.209	0.054	3.662	0.000	Medium
SN -> AIP	0.088	0.091	0.027	3.298	0.001	Small
SN -> EDP	0.251	0.259	0.057	4.432	0.000	Medium

#### 4.3.2.3 T-Statistics of Outer Loadings (Measurement Model)

All of the T-Statistics for outer loadings are larger than 1.96 and ranged from  $t=76.516$  (BI3 → BI) to  $t=9.996$  (PS5 → PS) so we can conclude that the outer model loadings are highly significant.

#### 4.3.2.4 Model's capability to predict ( $Q^2$ )

According to the values of  $Q^2$  shown in table 4.29, we can conclude that the model has a medium degree of predictive relevance concerning the main endogenous factor INP, medium degree of predictive relevance concerning BI, EDP, and AIP; and a small degree of predictive relevance concerning COO. With all the  $Q^2$  values higher than zero ( $Q^2 > 0$ ) for all endogenous variables, we can conclude that the model acceptably predicts each endogenous latent construct's indicators, and the model has an acceptable predictive ability toward the main latent variables.

Table 4.29: Model predictive relevance ( $Q^2$ ). Source: Own research.

Dependent variables	$Q^2_{\text{predict}}$	Predictive relevance
INB	0.241	Medium
BI	0.112	Medium
COO	0.093	Small
EDP	0.205	Medium
AIP	0.241	Medium

### 4.3.2.5 The standardized root means square residual (SRMR) and $R_{ms\theta}$

SRMR was calculated for both of the saturated models, which are the model that assesses the correlation between all constructs, and for the estimated model which is a model that is based on a total effect scheme and takes the model structure into account. The results indicate that both of the saturated model (SRMR= .062) and the estimated model (SRMR =.073) are achieving a good fit as their SRMR scores are less than 0.08. For the study model,  $RMS_{\theta} = .112$ , which also indicates a well-specified model.

### Conclusion

The assessment of the measurement model indicates that CR was higher than 0.8, and AVE indicated the average communality for each latent variable with coefficients greater than 0.5. The Fornell-Larcker criterion and the cross-loadings were checked for discriminant validity. The square root of the AVE for each construct was higher than the construct's highest correlation with any other construct. Cross-loadings for all indicators had higher values on their relative latent variables as compared with other latent variables. This verified that the indicators in each construct represented the assigned latent variable and confirmed the discriminant validity of the model. Therefore, the measurement model was accepted, and the analysis of the structural model was performed. The  $R^2$  values indicated a high proportion of variance was explained in the model and therefore exhibited potential for practical and theoretical significance. The predictive ability of the model and model fit were both acceptable.

### 4.3.3 Discussion of the hypothesis's tests

The study analytical model is considered complex and having a lot of direct and indirect (mediating) relationships see figure 4.1, for this reason, and to make the model assessment more understandable, the assessment will be divided into three stages, the first stage will assess the total (direct + indirect) effect of political stability and subjective norms (SN) on consumers attitudes of animosity (AIP), attitudes of ethnocentrism (EDP), and consumers intentions (INB). The second stage will intend to assess the total effect of consumer's attitudes on their intention (INB). The third stage of assessment will focus on the total effect of PS, SN, AIP and EDP on booth elements of branding strategies for local food manufactured products which are brand name image (BI) and country of origin image (COO); and explain the effect of COO and BI on consumers intentions (INB).

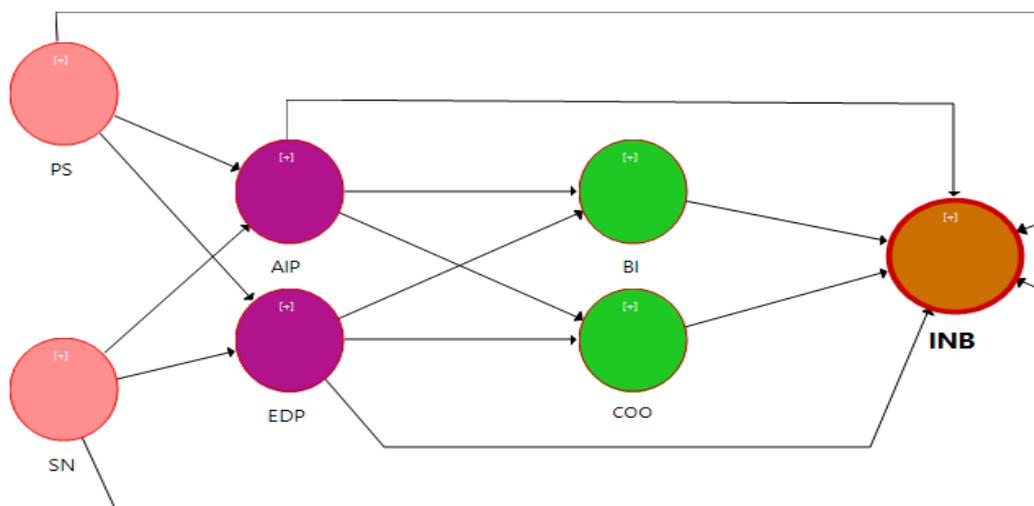


Figure 4.1: Analytical model. Source: Own research.

#### 4.3.3.1 Stage one: the effect of PS and SN on consumer attitudes (AIP, EDP) and intentions (INB)

##### PS and SN → AIP and EDP

When analyzing the path coefficient estimates of the structural model, we start with the first endogenous variable AIP. According to the structural model, AIP is affected by PS and SN, see figure 4.1. PS has the highest significant ( $t=9.021$ ,  $p<.001$ ) positive effect ( $\beta=.391$ ) on AIP; SN also has a significant ( $t=7.168$ ,  $p<.001$ ) positive effect ( $\beta=.260$ ); the model explains 25.3% of AIP variance ( $r^2=.253$ ) which considers weak but acceptable explanation. PS ( $f^2=.199$ ) has a medium contribution in explaining AIP while SN ( $f^2=.088$ ) has a small contribution.

According to the results regarding AIP, we can conclude that the Palestinian consumer's animosity attitudes toward Israel will be higher when there are high levels of political tension between the Palestinian and the Israeli parties and when consumers face a higher level of social pressures by people around them regardless of their demographic characteristics. Thus, the study hypothesis H1 is accepted.

The second endogenous variable to be analyzed is EDP. According to the structural model, EDP is affected by SN and PS. The model analysis implies that SN has a significant ( $t=11.336$ ,  $p<.001$ ) positive effect ( $\beta=.450$ ) on EDP while the PS did not indicate any significant effect on EDP; and the model explains 21.5% of EDP variance ( $r^2=.215$ ) which considers weak but acceptable explanation.

According to the results regarding EDP, we conclude that the Palestinian consumer's ethnocentrism attitudes will be higher when there are high levels of social pressure imposed on them by their family members and people around them regardless of the political stability situation. Thus, hypothesis H2 is accepted.

##### PS and SN → INB

The results shown in table 4.30 imply that PS is significantly ( $t=3.312$ ,  $p=0.001$ ) positively ( $\beta=.137$ ) affecting INB. However, the results indicate that the effect of PS on INB was insignificantly ( $t=1.467$ ,  $p=.142$ ) direct, but actually, it was significantly ( $t=2.900$ ,  $p=.004$ ) an indirect effect. Thus, when market instability got higher, consumers would tend to have stronger intentions to buy domestic manufactured food product since this relationship is mediated by consumers animosity attitudes (PS → AIP → INB) ( $t=3.042$ ,  $p=.002$ ,  $\beta=.057$ ), where at times of higher political stability their animosity attitudes become more robust, and they tend to lower their buying of Israeli products and tend to support the domestic product and got stronger intention to buy it. Conversely, the mediating effects of EDP found to be insignificant in the relationship between PS and INB. These results lead us to accept H3 and H4 and reject H5.

Consumers intention to buy (INB) also significantly ( $t=7.907$ ,  $p<0.001$ ) positively ( $\beta=.309$ ) affected by subjective norms (SN). In spite that SN has a significant total effect on INB, it still doesn't infer a significant ( $t=0.089$ ,  $p=.929$ ) direct effect on INT; instead, the higher magnitude of its effect was indirect ( $t=10.639$ ,  $p<.001$ ,  $\beta=.312$ ). As the bootstrapping results impose, four mediation paths are found to be significant which are: SN → EDP → INB ( $t=5.055$ ,  $p<.001$ ,  $\beta=.132$ ), SN → AIP → INB ( $t=2.979$ ,  $p=.003$ ,  $\beta=.038$ ), SN → EDP → COO → INB ( $t=6.133$ ,  $p<.001$ ,  $\beta=.079$ ), and SN → EDP → BI → INB ( $t=3.709$ ,  $p<.001$ ,  $\beta=.064$ ).

Therefore, we can figure out that SN actually does not have a direct effect on consumers intention to buy domestic manufactured food products, but it got a significant effect when other factors mediate it. When social pressure increases on consumers from people around them, this will

positively affect their ethnocentrism and animosity attitudes which lead them to support domestic products and increase their intention to buy domestic manufactured food brands. Also, SN will lead to higher ethnocentrism attitudes which will positively affect their perceived image toward the country of origin and brand name image of domestic food products, which in turn will totally positively affect their intention to buy. According to these results, we accept each of the study hypotheses H6, H7 and H8.

The relationship between SN and INB is moderated differently by COO ( $\beta=.079$ ), and BI ( $\beta=0.064$ ) as mediating factors that combined with the mediation effect of ethnocentrism attitudes, the magnitude of the mediating effect is small but it still statistically significant. Thus, when there are high social pressure levels exerted on consumers, they expected to have a more referable country of origin and brand name perceived image which will positively affect their intention to buy.

#### **4.3.3.2 Stage 2: branding strategies (BI, COO) and consumer intention (INB)**

According to t-statistics shown in table 4.30, BI has a significant ( $t=4.159$ ,  $p<.001$ ) positive ( $\beta=.227$ ) effect on INB, and the COO also has a significant ( $t=9.282$ ,  $p<.001$ ) positive ( $\beta=.337$ ) effect on INB. Thus, both the branding strategies of domestic food producers of brand image and country of origin image prove to affect the consumer's intention to buy domestic food products. The consumer's intention to buy domestic food products will be stronger when consumers affected by the implied strategies and hold a strong perceived image toward domestic brands. Thus, H9 and H10 are accepted.

The structural model analysis implies that BI is directly affected by ethnocentrism and animosity attitudes, and indirectly affected by political stability and subjective norms with the mediating effect of EDP and AIP. The model explained 38.2% of BI variance ( $r=.382$ ). EDP has significant ( $t=18.389$ ,  $p<.001$ ) positive effect ( $\beta=.623$ ) on BI; while AIP effect found to be insignificant ( $t=.329$ ,  $p=.742$ ) on BI. SN also proves to have a significant ( $t=0.326$ ,  $p<0.001$ ) indirect positive effect ( $\beta=0.280$ ) on BI that's mediated by EDP (SN  $\rightarrow$  EDP  $\rightarrow$  BI). Conversely, the mediating effect of AIP (SN  $\rightarrow$  AIP  $\rightarrow$  BI) found to be insignificant ( $t=9.118$ ,  $p=0.745$ ); also, the indirect effect of PS on BI if found to be insignificant ( $t=1.090$ ,  $p=0.276$ ) and the mediating effect of EDP (PS  $\rightarrow$  EDP  $\rightarrow$  BI) ( $t=1.531$ ,  $p=0.126$ ) and AIP (PS  $\rightarrow$  AIP  $\rightarrow$  BI) ( $t=0.322$ ,  $p=0.748$ ) were also found to be insignificant.

In the structural model, EDP ( $f^2=.571$ ) has a large contribution in explaining BI; while the contribution of AIP was insignificant ( $f^2<.020$ ) in explaining BI.

According to this result, consumers' ethnocentrism, attitudes in addition to social pressure are considered the main factors that could affect the perceived image of domestic brands name, and when the society highly exert its influence on consumers, they tend to have stronger ethnocentrism attitudes, and as a result, they will tend to have more preferable brand image toward domestic products.

Regarding COO, the structural model shows that it is affected by the same factors as BI; the model explained 27.2% of its variance ( $r^2=.272$ ). EDP has a significant ( $t= 13.736$ ,  $p< .001$ ) positive effect ( $\beta=.519$ ) on COO, while the effect of AIP is found to be insignificant ( $t= 0.215$ ,  $p= .830$ ). The indirect effect of SN on COO also found to be significant ( $t= 8.915$ ,  $p< .001$ ) positive effect ( $\beta=.236$ ); this effect is significantly ( $t= 8.366$ ,  $p< .001$ ) mediated by EDP ( $\beta=.234$ ) (SN  $\rightarrow$  EDP  $\rightarrow$  COO), and insignificantly ( $t=0.210$ ,  $p= .833$ ) mediated by AIP (SN  $\rightarrow$  AIP  $\rightarrow$  COO).

Also, it is noticed that the indirect effect of PS on COO was insignificant ( $t=0.1344$ ,  $p=.179$ ), and the mediating effect of EDP (PS  $\rightarrow$  EDP  $\rightarrow$  COO) ( $t=1.522$ ,  $p=0.128$ ) and AIP (PS  $\rightarrow$  AIP  $\rightarrow$  COO) ( $t=0.212$ ,  $p=0.832$ ) were also found to be insignificant.

However, in the structural model, EDP ( $f^2=.337$ ) has a large contribution in explaining COO, while the contribution of AIP was insignificant ( $f^2<.020$ ) in explaining COO.

According to these results, the customer's perceived country of origin image is profoundly affected by the consumer's ethnocentrism attitude as the results indicate that when consumers have strong ethnocentrism attitudes, they will tend to have a preferable country of origin toward domestic food products. Besides, the social pressure that consumers face from people around them also affecting their perceived image of the domestic products country of origin. However, the social pressure indirectly affects COO, where the indirect relation is mediated by EDP, this is a logical, rational relationship between SN and COO since social pressure usually enforce the ethnocentrism attitudes that in turn affect their perceived image for domestic products country of origin.

#### **4.3.3.3 Consumers' attitudes effect on consumers intentions.**

Consumer intention to buy found to be significantly ( $t= 2.570$ ,  $p= .010$ ) positively ( $\beta= .145$ ) affected by AIP and significantly ( $t= 15.941$ ,  $p< .001$ ) positively ( $\beta= .610$ ) affected by EDP. beside the direct effect of EDP on INT, it also has a significant ( $t= 9.139$ ,  $p< .001$ ) indirect positive ( $\beta= .316$ ) effect through the two mediation variables of (EDP  $\rightarrow$  BI  $\rightarrow$  INB) ( $t=4.055$ ,  $p<.001$ ,  $\beta= .141$ ) and (EDP  $\rightarrow$  COO  $\rightarrow$  INB) ( $t=7.690$ ,  $p<.001$ ,  $\beta=.175$ ). Nevertheless, the mediation effect of BI ( $t= 0.324$ ,  $p= .746$ ) and COO ( $t= 0.214$ ,  $p= .830$ ) between AIP and INB is found insignificant.

According to these results, we can say that when consumers are holding strong ethnocentrism attitudes and animosity attitudes, they will attend to have a stronger intention to buy domestic products as a way to express their attitudes. The relationship between EDP and INB is also mediated by both branding elements of local brand image and country of origin image while the same mediation effect was not significant in the relationship between AIP and INB. Thus, when consumers hold strong ethnocentrism attitudes, they will hold a preferable perceived image toward the local brands and thus, in turn, will increase their intention to buy domestic manufactured food brands. According to these findings, we can accept H11, H14, H15, and H16, and reject H12 and H13.

In the structural model, COO ( $f^2=.180$ ) has a moderate contribution in explaining INB, followed by EDP ( $f^2=.113$ ), and BI ( $f^2=.070$ ) with small contribution; all other factors contribution was insignificant ( $f^2<.020$ ) in explaining INB.

As shown in the structural model, see figure 4.1, six factors are affecting the INP and explained 61.2% of its variance ( $r^2=.612$ ). Bootstrapping results demonstrate that the effects of PS, SN, AIP, EDP, BI, and COO are having a significant direct or/and indirect effect on INB.

Table 4.30: Path coefficients (total effect) of the structural model and significance testing results.  
Source: Own research.

Relationship path	$\beta$ -value	T value	Significant P<.05	effect size $f^2$
PS -> AIP	0.391	9.021	<b>0.000</b>	0.199
SN -> AIP	0.260	7.168	<b>0.000</b>	0.088
SN -> EDP	0.450	11.336	<b>0.000</b>	0.251
PS -> EDP	0.062	1.571	0.116	0.005
EDP -> BI	0.623	18.389	<b>0.000</b>	0.571
AIP -> BI	-0.016	0.329	0.742	-----
EDP -> COO	0.519	13.736	<b>0.000</b>	0.337
AIP -> COO	0.009	0.215	0.830	-----
PS -> INB	0.137	3.312	<b>0.001</b>	0.004
SN -> INB	0.309	7.907	<b>0.000</b>	0.000
BI -> INB	0.227	4.159	<b>0.000</b>	0.070
COO -> INB	0.337	9.282	<b>0.000</b>	0.180
AIP -> INB	0.145	2.570	<b>0.010</b>	0.040
EDP -> INB	0.610	15.941	<b>0.000</b>	0.113

Table 4.31: Mediation effect (Indirect). Source: Own research.

Relationship path	$\beta$ -value (Path coefficient)	T value	Significant P<.05
<b>SN -&gt; BI</b>	0.276	9.507	<b>0.000</b>
<i>SN -&gt; EDP -&gt; BI</i>	0.280	9.118	<b>0.000</b>
<i>SN -&gt; AIP -&gt; BI</i>	-0.004	0.326	0.745
<b>SN -&gt; COO</b>	0.236	8.915	<b>0.000</b>
<i>SN -&gt; EDP -&gt; COO</i>	0.234	8.366	<b>0.000</b>
<i>SN -&gt; AIP -&gt; COO</i>	0.002	0.210	0.833
<b>PS -&gt; BI</b>	0.032	1.090	0.276
<i>PS -&gt; EDP -&gt; BI</i>	0.038	1.531	0.126
<i>PS -&gt; AIP -&gt; BI</i>	-0.006	0.322	0.748
<b>PS -&gt; COO</b>	0.036	1.344	0.179
<i>PS -&gt; EDP -&gt; COO</i>	0.032	1.522	0.128
<i>PS -&gt; AIP -&gt; COO</i>	0.004	0.212	0.832
<b>PS -&gt; INB</b>	0.094	2.900	<b>0.004</b>
<i>PS -&gt; AIP -&gt; INB</i>	0.057	3.042	<b>0.002</b>
<i>PS -&gt; EDP -&gt; INB</i>	0.018	1.456	0.146
<b>SN -&gt; INB</b>	0.312	10.639	<b>0.000</b>
<i>SN -&gt; AIP -&gt; INB</i>	0.038	2.979	<b>0.003</b>
<i>SN -&gt; EDP -&gt; INB</i>	0.132	5.055	<b>0.000</b>
<i>SN -&gt; EDP -&gt; COO -&gt; INB</i>	0.079	6.133	<b>0.000</b>
<i>SN -&gt; EDP -&gt; BI -&gt; INB</i>	0.064	3.709	<b>0.000</b>
<b>EDP -&gt; INB</b>	0.316	9.139	<b>0.000</b>
<i>EDP -&gt; BI -&gt; INB</i>	0.141	4.055	<b>0.000</b>
<i>EDP -&gt; COO -&gt; INB</i>	0.175	7.690	<b>0.000</b>
<b>AIP -&gt; INB</b>	-0.000	0.022	0.983
<i>AIP -&gt; BI -&gt; INB</i>	-0.004	0.324	0.746
<i>AIP -&gt; COO -&gt; INB</i>	0.003	0.214	0.830

In summary, thirteen research hypotheses were accepted, and only three hypotheses were rejected as shown in table 4.32.

Table 4.32: Summary of hypotheses testing. Source: Own research.

<b>No.</b>	<b>Hypotheses</b>	<b>Accepted/ Rejected</b>
<b>1</b>	Political stability (PS) has a positive effect on consumer animosity attitudes (AIP).	<b>Accepted</b>
<b>2</b>	Subjective norms (SN) has a positive effect on consumer ethnocentrism attitudes (EDP).	<b>Accepted</b>
<b>3</b>	Political stability (PS) has a positive effect on the consumer's intention to buy (INB).	<b>Accepted</b>
<b>4</b>	Consumer animosity attitudes (AIP) mediate the relationship between political stability (PS) and consumers intention to buy (INB).	<b>Accepted</b>
<b>5</b>	Consumer ethnocentrism attitudes (EDP) mediate the relationship between political stability (PS) and consumers intention to buy (INB).	<b>Rejected</b>
<b>6</b>	Subjective norms (SN) have a positive effect on the consumer's intention to buy (INB).	<b>Accepted</b>
<b>7</b>	Consumer animosity attitudes (AIP) mediate the relationship between subjective norms (SN) and consumers intention to buy (INB).	<b>Accepted</b>
<b>8</b>	Consumer ethnocentrism attitudes (EDP) mediate the relationship between subjective norms (SN) and consumers intention to buy (INB).	<b>Accepted</b>
<b>9</b>	Brand image (BI) has a positive effect on the consumer's intention to buy (INB).	<b>Accepted</b>
<b>10</b>	Country of origin image (COO) has a positive effect on the consumer's intention to buy (INB).	<b>Accepted</b>
<b>11</b>	Consumer animosity attitudes (AIP) have a positive effect on the consumer's intention to buy (INB).	<b>Accepted</b>
<b>12</b>	Brand image (BI) mediates the relationship between consumer's animosity attitudes (AIP) and consumers intention to buy (INB).	<b>Rejected</b>
<b>13</b>	Country of origin image (COO) mediates the relationship between consumer's animosity attitudes (AIP) and consumers intention to buy (INB).	<b>Rejected</b>
<b>14</b>	Consumer ethnocentrism attitudes (EDP) has a positive effect on their intention to buy (INB).	<b>Accepted</b>
<b>15</b>	Brand image (BI) mediates the relationship between consumer's ethnocentrism attitudes (EDP) and consumers intention to buy (INB).	<b>Accepted</b>
<b>16</b>	Country of origin image (COO) mediates the relationship between consumer's ethnocentrism attitudes (EDP) and consumer's intention to buy (INB).	<b>Accepted</b>

After the main supposed hypotheses were tested, and the initial study model redefined by excluding the insignificant relations and showing only the significant one that could in total affect the consumer intention to buy domestic products directly or indirectly which is considered the focal dependent variable of this study and according to the analysis results of the supported hypotheses, a final study model (significant model) had been built -figure 4.2-.

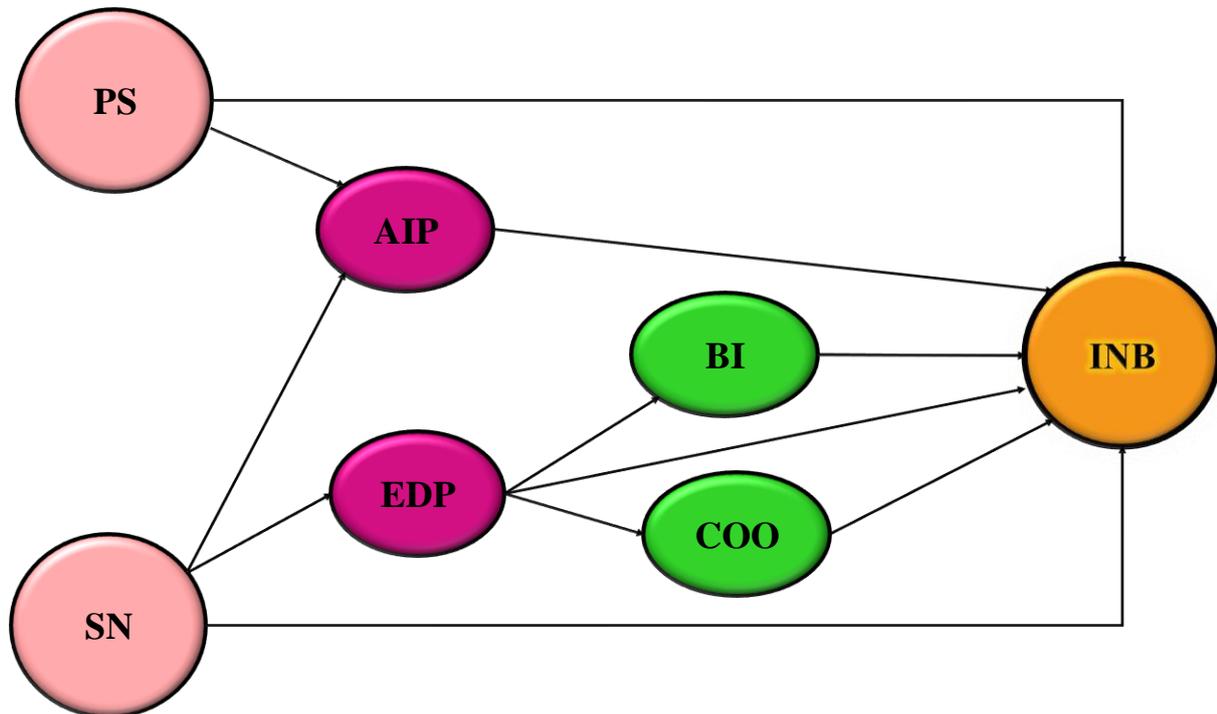


Figure 4.2: Final best-fit model. Source: Own research.

#### 4.4 Theoretical contributions

The Palestinian market is an open market and various foreign brands from different countries such as Turkey, Egypt, Jordan, Israel, and some European countries are available for local purchase. However, the Palestinian market is also unique because of the politics of the enduring struggle with the Israelis. Palestine has been in conflict with Israel for more than 70 years. At least three generations have been raised to believe that Palestinian culture is superior to others—particularly Israeli culture. As a result of living in an environment shadowed with strife, Palestinians also have a well-developed feeling of antagonism for those imposing strictures on their lives. For the purposes of this research, those attitudes have been labelled as ethnocentrism or ethnocentric attitudes and as animosity attitudes.

This study has investigated consumer intent to purchase, and established a model to assist in the marketing of manufactured food to consumers in a troubling market. Beginning by investigating the determinants that influence a consumer's intention to buy, the research led to a conceptual model that can be used to impact the sales of domestic manufactured food goods. The final best-fit model obtained in this study suggests that: (i) Palestinian consumers' ethnocentrism and animosity attitudes are affected by political stability levels and also affected by the level of exerted social pressure; (ii) consumers' ethnocentric attitudes directly affect domestic products' brand image (BI) and country of origin image (COO); (iii) the perceived image of domestic products (BI, COO) is indirectly affected by social pressure and the relationship is mediated by consumers' ethnocentrism; (iv) all of the political instability, social pressure, ethnocentrism, animosity, brand image, and country of origin image constructs had significant direct or indirect (mediation) influences on consumers intention to buy domestic products.

Although there is a plethora of research on the influence of various demographics and attitudes on the consumer buying decision, little is known about the impact of continued social instability on consumer purchases of domestic vs foreign products. This study appears to be the first of its kind considering data direct from Palestinians and measuring the effects of social and political pressure on consumer purchase decisions.

The results of this research can make a significant contribution to academics, manufacturing representatives, and policymakers. By increasing our understanding of how consumers react to BI and COO in environments of political instability, these results can inform marketing plans and enable more successful campaigns to influence consumer purchases.

#### **4.5 New scientific results**

This study has added to current literature and provided a new frame of knowledge to the growing research in the field of manufactured food purchase behaviour. Providing valuable insights into determinants of consumerism in troubled markets in general, the research addresses specifics of consumer behaviour in the Palestinian market as it relates to domestic vs foreign-manufactured food purchases. The significant new results are summarized as follows:

##### **1. Consumer preferences**

One of the objectives of this study was to analyze consumer preference for domestic vs foreign-manufactured food products. As the Palestinian market is open to foreign goods, domestic food manufacturers face stiff competition, especially since consumers tend to perceive imported products to be of higher quality. Unlike previous research, the influence of product COO on consumer intent to buy was tested while considering the demographic variables of age, gender, education, income, and residence.

As in other study findings, the results show that ethnocentrism and animosity attitudes have both a direct and indirect impact on Palestinian consumers desire to purchase domestic over foreign products of equal quality, and the least preferred imported products are those from Israel. Also, I found that consumers' tended to believe that domestic products are of fair quality and are fresher and more flavorful.

The addition of demographics to this study provided more detailed information. It appears that most of the demographic variables had no significant influence on consumer preference for domestic and foreign products. However, this research results show that both gender and place of residence significantly impacted consumer preference for Israeli products specifically. The differences were more obvious when there was a large disparity between the number of males and females in the sample. Also, differences were significant when considering city or village residence. That could be due to the fact that Palestinians are a fairly homogeneous community or that village residents feel the impact of Israeli activities more than city residents.

##### **2. Marketing activities**

The relationship between demographics and domestic food manufacturers' marketing strategies was also analyzed in this study. One clear result is that consumers are influenced to buy specific brands of domestic products depending on the reputation or positive BI and by the frequency that a manufacturer puts new products on the market. Not surprisingly, the majority of consumers like to be introduced to new products with free samples. Although all age groups consider free samples important, those in mid-career who likely have growing families appear to consider that more than either younger or older adults. Specifically, as shown in the crosstab results, offering free samples is important to 37.1% of male respondents and 45.3% of female respondents overall. Broken down

by age, free samples are important to 63.8% of 18-28 year olds, 83.9% of respondents aged 29-39, 77.5% for 40-50 year olds, and 70.6% for those older than 50.

### **3. The effect of political instability and subjective norms on consumer attitudes**

The data collected for this study comes from consumers who face daily challenges resulting from ongoing political conflict. This gives the results high value as a study of current literature indicates that this is the first time research has been done on the direct effects of political instability on shaping consumer animosity attitudes and the role of subjective norms (social pressure) on ethnocentrism in the marketplace.

After analyzing the data, I found that political instability directly affects consumers' animosity attitudes while it has no effect on consumers' ethnocentric attitudes. The nature of the conflict between the Palestinians and the Israelis impacts consumers' daily lives and causes feelings of insecurity which increase the attitude of animosity.

Subjective norms also appeared to directly impact both animosity and ethnocentric attitudes since the Palestinian community is considered a collectivist community and the opinion of others, especially family members and close friends, profoundly affect an individual's attitudes and behaviours. As these relationships have not been directly tested before in the Palestinian market context, we can consider these findings to be new and original results.

### **4. The effect of consumer attitude on consumer intentions**

Another aim of the study was to define the effect of consumers' attitudes on marketplace purchases. This research work studied the effect of ethnocentric and animosity attitudes on consumers' intention to buy domestic Palestinian products.

The findings of this research work support the occurrence of the direct effect of both ethnocentrism and animosity on consumers' intention to buy domestic products. This study is unique as it looks at the effect of both of ethnocentric attitudes and animosity attitudes in a politically unstable environment; additionally, this study is the first of its type that deals with ethnocentrism and animosity as mediating variables and proved the occurrence of a mediating effect in the study context.

### **5. Branding strategies effect on consumer intentions**

In this study, new information is also addressed in the analysis of the effect of Palestinian food manufacturers' branding strategies on consumers' intentions to buy domestic food products. It appears that this is the first study dealing with BI and COO as a mediating variable impacting consumers' ethnocentric and animosity attitudes and consumers' intention to buy. This research result shows that while consumer ethnocentrism fosters decisions to buy domestic products, BI and COO mediate that impact. Conversely, I found that BI and COO appear to have no influence on animosity attitudes and intention to buy. This new information will be of significant importance for domestic food manufacturers when building their branding strategy, especially since there is a dearth of such information about the Palestinian market.

### **6. Providing a new holistic model for understanding consumer intentions in troubled markets.**

Perhaps the most important goal of this study is to promote a better understanding of consumer behaviour in a troubled market. For achieving this goal, multiple variables were considered by using a holistic model that analyzed the direct and indirect relationships between all of the variables; according to the results, I give a comprehensive view of how market instability,

subjective norms, consumers' attitudes, and branding strategies could affect consumers' intentions to buy in troubled markets such as the previously unexamined Palestinian market.

The study model shows direct and indirect relationships between the study variables. The first relationship indicates that the level of political stability directly affects consumers' intention to buy domestic products, while, indirectly, the mediating effect of animosity attitude affects intentions to buy. The second significant relationship was between subjective norms and consumers' intention to buy domestic products. Consumers' intentions are directly affected by subjective norms, while the mediating variables of consumers' animosity attitudes, ethnocentrism, brand image, and country of origin image provide an indirect effect.

## **5. CONCLUSIONS AND RECOMMENDATIONS**

This study achieved its primary aim of exploring and examining the various determinants which influence consumers' intention to buy domestic (Palestinian) manufactured food products. In achieving the study goals, the study focused on four primary determinants of political stability, subjective norms, consumer attitudes (animosity and ethnocentrism), and branding strategies (brand image and country of origin image). The relationships among the four variables were investigated, and their effect on consumers' intention to buy was measured. The data analysis results revealed several conclusions, and based on those conclusions, a number of recommendations can be made.

### **5.1 Conclusions**

#### **5.1.1 Consumer behaviour toward domestic products**

The consumers residing in Palestine are interested in both Palestinian as well as Israeli products. Generally, they still prefer domestic over Israeli products, particularly when there is heightened political conflict between the two sides. That is mediated, however, by consumer evaluation criteria such as product taste and flavour, freshness, price, package design, and the brand name reputation as well as its country of origin.

Data analysis revealed that Palestinian consumers prefer to buy domestic products because of availability and because they consider them to be fresher and tastier. Consumer preference also leans toward brands with a good reputation and proven ability to introduce new products regularly.

#### **5.1.2 Branding strategy and consumer intention to buy**

The primary aim of this study is to give recommendations for domestic food manufacturers regarding their branding strategies; the two branding elements of brand name image and country of origin positively affect the consumer's intention to buy. That is, when consumers perceive a brand to have a positive brand image and good reputation as well as being produced in a preferable country, they will tend to buy it, and this is the case regarding domestic products where consumers consider domestic products to be safe and of decent quality.

Consumer attitudes and the market situation are both affected by the brand image and country of origin image. This study found that friends and family can impose social pressure that leads a consumer to conform to group opinion and adopt a positive image toward domestic products or a negative image toward Israeli products. Again, this relationship is mediated by a consumer's ethnocentric attitudes, encouraging them to a positive evaluation of domestic products and the desire to support their country's economy. On the other hand, when consumers hold a positive attitude toward foreign, non-Israeli, food products and believe that those products are of higher quality and provide them better value, that tends to decrease their opinion of similar domestic products. This does not, however, apply to Israeli products; even when consumers consider them to be of higher quality, they still consider the local brands to be their preferred choice and believe them to be better. This behaviour can be explained by their ethnocentric and animosity attitudes.

#### **5.1.3 Political stability, subjective norms, and consumer's intentions to buy**

Political stability is one of the main study independent variables that affect a consumer's attitudes and intention to buy. The level of political stability directly affects the INB, which shows that, at periods of intense conflict between Palestine and Israel, Palestinian consumers tend to boycott

Israeli products and buy more domestic products and vice versa. Consumers animosity attitudes toward Israel mediate this relationship; that is, at times of increased political conflict, consumer's animosity attitudes are enforced, and this, in turn, will affect their behaviours and intentions.

Subjective norms or social pressure also strongly affects consumers' attitudes and intentions to buy. Particularly when family or close friends exert social pressure, a consumer's ethnocentrism and animosity attitudes increase. Adding in the perceived image of Palestinian brands, consumer intent to purchase domestic products also increases. Thus, the Palestinian consumer is more likely to purchase domestically produced manufactured food products rather than Israeli or any other foreign products when social pressure is heightened.

## **5.2 Business implications**

With this study, it has been observed that there exist various corporate challenges with the relationship between the variables and the intention of the consumers to buy goods produced in Palestine. As this study deals basically with the food products, this study automatically becomes important to anyone who wants to establish a food-related business in Palestine. This research work defines the various factors responsible for the purchase of food products in the country, hence this provides future directions to the businessmen in the food industry here. It would also be helpful in designing marketing strategies to target potential consumers' and attain maximum profits.

## **5.3 Study limitations**

The nationalism and enmity factors are two very sensitive topics, and the related information is also very delicate in the market of Palestine. But, we cannot avoid the fact that Israel has control over the major area of the country and thus there is a probability that the users taking the surveys were afraid or suspicious about filling the questionnaire. Majority of the men in the country refused to take the survey, and this makes women as most of the study respondents. Due to this only, the response rate was also affected. The actual response rate was even less than 50%. Therefore, the sample size is considered to be non-representative.

## **5.4 Recommendations**

If we consider the current scenario, then the market of Palestine is being severely affected by political uncertainty. In order to overcome this, the local manufacturers are talking to the government policy fabricators, so that new methods could be found to save the markets from being fully captured by foreign brands. The main focus is on Israeli products. The entire procedure is challenging and would take more time due to the regulatory and political situation of the government of the country.

Amongst the people of Palestine, there are high levels of nationalism and enmity, which makes them strongly opt for the locally produced goods and prevent buying goods produced in Israel. The local food manufacturers of Palestine can make use of this for their benefit and can focus on the fact that their brand is local and national and would help the country to grow economically. This could be a great marketing strategy and economy generator.

However, just by focusing on the enmity and nationalism factor, the manufacturers in Palestine could not increase their sales, as the consumers are smart, and they pay attention to the quality too. Thus, it is essential for the food manufacturers to produce such products which are high in quality and offer an improved flavour and taste which the consumer desires. Also, by constantly bringing new products into the food industry, the consumers can be retained for a longer time. Producers should know that these are tactics by which the foreign brands capture the market, so they must keep this in mind to become a successful manufacturer in the country.

Finally, based on these research results, it is strongly recommended that Palestinian food manufacturers implement more creative marketing strategies to build consumer trust in domestic products by using differentiation strategies based on the product brand name image and the product country of origin image. Facing stiff competition from Israeli and other foreign brands, it would be wise to use indirect comparative advertisements and blind tests to demonstrate the superior quality of domestic prod

## 6. Summary

In the last few decades, the Palestinian market witnessed many political changes that dramatically affect its main economic indicators and imposed different challenges on local business working there. The political conflict between the Palestinian's and the Israeli's considered as the main cause of high ambiguity and uncertainty of the Palestinian market environment since Israel imposed several constraints on the Palestinians as individuals and business. These constraints include controlling the movements of individuals and goods, controlling borders and therefore controlling importing and exporting, using the Israeli currency in the Palestinian market trades, putting quotas for some specific goods that the Palestinians can import or export, putting constraints on the nature of raw materials that the Palestinian's can produce or import, besides many other constraints that negatively affect the attractiveness of the Palestinian market.

For Palestinians, Israel is considered a hostile country that occupies their lands for more than 70 years and controlled their lives and daily activities for a long time. After long years of conflict, the Palestinians build different attitudes, and they start to behave according to these attitudes. This study focuses primarily on two central attitudes of ethnocentrism attitudes and animosity attitudes.

Ethnocentrism attitudes were endorsed by the Palestinian consumers' desire to protect their country and play a role in supporting its economy. Consumers' with high ethnocentrism attitudes try their best to buy domestic products instead of foreign products because they believe that by doing so they will be supporting local business and reducing unemployment rates, and they consider this behaviour as being a part of their social responsibility toward their community and country. On the other hand, consumers' animosity attitudes drive Palestinian consumers to boycott Israeli products since they consider it also as a hostile country. The boycotting behaviour usually explained as a pressure tool that consumers' use to affect the Israeli economy and governmental unfair policies and procedures.

Through the literature, several studies investigated the effect of ethnocentrism and animosity on consumers' intention to buy around the world. Most of the studies focused in one of the attitudes and few of the studies focused on the effect of both of them as this research work. In most of the previous studies, the effect of ethnocentrism and animosity attitudes on consumers' intention to buy found to be significant.

Consumers' attitudes and intentions to buy also affected by the level of the social pressure that exerted by the society around them. Consumers' thoughts and behaviours are approved to be affected by their family members and close friends' opinions. For example, if the consumer lives in a society with high animosity attitudes, he will find himself indirectly forced to follow the boycott behaviour; and the same case is applied for ethnocentrism attitudes, and he will also indirectly force to support and buy domestic products even if he does not hold strong attitudes.

Consumers' attitudes are also affecting the perceived image of domestic and international products and highly affect their branding strategies. Therefore, manufacturers need to carefully choose their brand names and the country or the place of the origins of their products and make sure that they perceived positively by their target markets due to their important effect on consumer intentions and buying behaviour.

After reviewing the previous literature, this research work designed to study the effect of the political stability and subjective norms on consumers' intentions to buy manufactured food products through the mediation of consumers' ethnocentrism and animosity attitudes and manufacturers branding strategies in the Palestinian market context.

The Palestinian market was chosen due to the continuing long political conflict that affects its business environment and the lack of previous studies that investigated the effect of political instability on Palestinian business and consumers. This research work also focused on the food manufacturing sector for its importance for the Palestinian economy and for the Palestinian consumers' who are daily buying food products.

This research work has seven main objectives of highlight the effect of political stability on Palestinians food manufacturers, determine the consumers' preferences toward domestic manufactured food products, determine the role of political instability in shaping the consumers' animosity attitudes, determine the role of subjective norms (social pressure) in shaping consumers ethnocentrism attitudes, determine the effect of consumers attitudes on consumers intention to buy domestic products, determine the effect of the Palestinian food manufacturers branding strategies effect on consumers intentions to buy domestic food products, and providing a holistic view to better understand the consumer behaviour in troubled markets.

To achieve these objectives, a study model was built, and primary data were collected by following both qualitative and quantitative approaches. At the first, in-depth interviews with government officials, local food manufacturers and local distributors were conducted to highlight the main research problem and better understand the main variables of the study.

In the quantitative part, a questionnaire was developed and distributed on Palestinian consumers to understand their attitudes structure and their behaviours. After testing the collected questionnaire, only 528 questionnaires were valid and used for the analysis part. The data were analysed by using SPSS and SMART-PLS programs, and the different statistical test was applied with focusing on structural equation modelling analysis.

The results of this research work revealed the following main findings:

1. Palestinian consumers usually buy both of the domestic products and Israeli products, but they still prefer the domestic products over the Israeli one especially when the political conflict intensity increases and the consumer intention to buy domestic products increases when they perceive them to have a positive brand image and good reputation.
2. Consumer perceived image is affected by consumer attitudes and political instability level.
3. At the time of increased political conflict, consumer's animosity attitudes are enforced, and this, in turn, will affect their behaviours and intentions.
4. The level of the practised social pressure over the consumers would enforce their ethnocentrism and animosity attitudes and affect their buying intentions.

This study had been made under a prolonged political conflict that is still continuing until nowadays which give it a higher value for the study since the data is collected from consumers who are facing the daily challenges that made by this political conflict. This research work adds to the literature review regarding consumer behaviour and enriches the main knowledge structure by investigating the main determinants and linkages, that influence consumer's intentions to buy in troubled markets. This research work has the following main new findings that had not been studied before by any other research:

1. Palestinian consumers prefer to buy domestic products more than the foreign imported products, and the least preferred imported product for them is the Israeli products. Consumers found to prefer domestic products because they consider them to be more freshener, have a good taste, and a fair quality.
2. In the Palestinian market context, political instability is directly affecting the consumers' animosity attitudes, while it has no effect on consumers ethnocentrism attitudes.

3. This study is the first of its type that deals with ethnocentrism and animosity as a mediating variable and approved the occurrence of mediating effect in the study context.
4. This study deal with brand image and country of origin image as a mediating variable between consumers' ethnocentrism and animosity attitudes and consumers intention to buy. The results showed that both of the brand image and country of origin image mediate the relationship between consumer ethnocentrism attitudes and their intentions to buy. However, this effect does not appear between animosity attitudes and consumer intentions to buy.
5. Providing a holistic model for studying the effect of multi variables as, political stability, subjective norms, ethnocentrism attitudes, animosity attitudes, country of origin, and brand image on consumers' intention to buy,

The results of this study can be used by interested government officials to enhance their strategies and policies toward the manufactured food sector; also, business in manufactured food sector can use the findings of this study to build more competitive branding strategies and provide them a better understanding of the main variables that could affect their consumers' behaviour. Besides, other industrial sectors can also use these findings to better understand the effect of the political instability on their business and consumers.

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## Appendix 4: One-way ANOVA tables

### 1. Demographic variables vs country of origin

#### ➤ ANOVA: Gender vs COO

		Sum of Squares	df	Mean Square	F	Sig.
<b>Palestine (domestic products)</b>	Between Groups	1.120	1	1.120	.825	.364
	Within Groups	714.146	526	1.358		
	Total	715.265	527			
<b>Israel</b>	Between Groups	10.825	1	10.825	5.028	.025
	Within Groups	1132.440	526	2.153		
	Total	1143.265	527			
<b>Turkey</b>	Between Groups	.386	1	.386	.290	.590
	Within Groups	699.493	526	1.330		
	Total	699.879	527			
<b>Jordan</b>	Between Groups	2.841	1	2.841	2.252	.134
	Within Groups	663.493	526	1.261		
	Total	666.333	527			
<b>Egypt</b>	Between Groups	.277	1	.277	.198	.656
	Within Groups	733.451	526	1.394		
	Total	733.727	527			
<b>EU</b>	Between Groups	.036	1	.036	.022	.883
	Within Groups	865.811	526	1.646		
	Total	865.847	527			

#### ➤ Test of Homogeneity of Variances: Gender vs Israel

	Levene Statistic	df1	df2	Sig.
<b>Israel</b>	2.837	1	526	.093

➤ **ANOVA: Place of resident vs COO**

		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Palestine (domestic products)	Between Groups	7.218	2	3.609	2.676	.070
	Within Groups	708.047	525	1.349		
	Total	715.265	527			
Israel.	Between Groups	17.652	2	8.826	4.117	<b>.017</b>
	Within Groups	1125.613	525	2.144		
	Total	1143.265	527			
Turkey.	Between Groups	3.652	2	1.826	1.377	.253
	Within Groups	696.227	525	1.326		
	Total	699.879	527			
Jordan.	Between Groups	.676	2	.338	.267	.766
	Within Groups	665.657	525	1.268		
	Total	666.333	527			
Egypt.	Between Groups	3.790	2	1.895	1.363	.257
	Within Groups	729.937	525	1.390		
	Total	733.727	527			
EU	Between Groups	16.177	2	8.089	4.998	<b>.007</b>
	Within Groups	849.669	525	1.618		
	Total	865.847	527			

➤ **Test of Homogeneity of Variance: Place of resident vs Israel and EU**

	<b>Levene Statistic</b>	<b>df1</b>	<b>df2</b>	<b>Sig.</b>
<b>Israel.</b>	1.568	2	525	.209
<b>EU</b>	.887	2	525	.413

➤ ANOVA: Education vs COO

		Sum of Squares	df	Mean Square	F	Sig.
<b>Palestine (domestic products)</b>	Between Groups	2.791	2	1.395	1.028	.358
	Within Groups	712.474	525	1.357		
	Total	715.265	527			
<b>Israel.</b>	Between Groups	2.056	2	1.028	.473	.623
	Within Groups	1141.209	525	2.174		
	Total	1143.265	527			
<b>Turkey.</b>	Between Groups	.850	2	.425	.319	.727
	Within Groups	699.028	525	1.331		
	Total	699.879	527			
<b>Jordan.</b>	Between Groups	.808	2	.404	.319	.727
	Within Groups	665.526	525	1.268		
	Total	666.333	527			
<b>Egypt.</b>	Between Groups	1.019	2	.510	.365	.694
	Within Groups	732.708	525	1.396		
	Total	733.727	527			
<b>EU</b>	Between Groups	14.870	2	7.435	4.587	<b>.011</b>
	Within Groups	850.977	525	1.621		
	Total	865.847	527			

➤ Test of Homogeneity of Variances: Education vs EU.

	Levene Statistic	df1	df2	Sig.
EU	4.001	2	525	.019

➤ Robust Tests of Equality of Means: Education vs EU.

		Statistic <sup>a</sup>	df1	df2	Sig.
<b>EU</b>	Welch	3.941	2	182.859	.021
	Brown-Forsythe	4.302	2	232.812	.015

a. Asymptotically F distributed.

➤ ANOVA: Age vs COO

		Sum of Squares	df	Mean Square	F	Sig.
<b>Palestine (domestic products)</b>	Between Groups	4.980	3	1.660	1.225	.300
	Within Groups	710.285	524	1.356		
	Total	715.265	527			
<b>Israel.</b>	Between Groups	31.773	3	10.591	4.993	<b>.002</b>
	Within Groups	1111.492	524	2.121		
	Total	1143.265	527			
<b>Turkey.</b>	Between Groups	7.053	3	2.351	1.778	.150
	Within Groups	692.825	524	1.322		
	Total	699.879	527			
<b>Jordan.</b>	Between Groups	9.831	3	3.277	2.616	<b>.050</b>
	Within Groups	656.502	524	1.253		
	Total	666.333	527			
<b>Egypt.</b>	Between Groups	2.559	3	.853	.611	.608
	Within Groups	731.168	524	1.395		
	Total	733.727	527			
<b>EU</b>	Between Groups	17.393	3	5.798	3.581	<b>.014</b>
	Within Groups	848.454	524	1.619		
	Total	865.847	527			

➤ Test of homogeneity of variances: Age vs Israel and EU.

	Levene Statistic	df1	df2	Sig.
Israel	6.475	3	524	.000
EU	4.133	3	524	.007

➤ Robust tests of equality of means: Age vs Israel and EU.

		Statistic <sup>a</sup>	df1	df2	Sig.
Israel.	Welch	5.433	3	189.411	.001
	Brown-Forsythe	5.408	3	388.439	.001
EU	Welch	3.642	3	178.796	.014
	Brown-Forsythe	3.432	3	303.287	.017

a. Asymptotically F distributed.

## **Appendix 5: Questionnaire**

**Dear Participant,**

My name is Mohammed Abdalrahman, a PhD student at Szent Istvan University-Hungary. For my PhD dissertation, I am examining the effect of political and socio-cultural aspects on Palestinian consumers buying behaviour and the moderating effect of branding strategies on this relationship. Because you are within the research sample, I am inviting you to participate in this research study by completing the attached surveys.

This research study can help us discover the effects of two branding element (brand name, and country of origin) on Palestinian consumers buying behaviour. Your honest and open participation is vital to our ability to accurately discover the spectrum of effects.

There are 61 questions in the questionnaire. All of them are multiple-choice questions. It was anticipated that this survey should take no more than 25 minutes to complete. Some of the questions are personal; all questions may be skipped if you feel uncomfortable answering.

Return of the questionnaire will be considered consent. Participation in this survey is completely voluntary. All questionnaires are received anonymously and will be treated as such .

If you have any comments, questions, or concerns with regards to the survey, the questions, or the purpose of the study, please contact me at: [mohd.salem82@gmail.com](mailto:mohd.salem82@gmail.com).

**Researcher**

**Mohammed Abdalrahman**

## Demographic variables

### 1. I am a:

- Male  Female

### 2. Please if you have another nationality besides the Palestinian one mention it here: \_\_.

### 3. Place of resident:

- City  Village  Refugee camp

### 4. Age:

- 18-28  
 29-39  
 40-50  
 51-61  
 More than 61

### 5. Religion:

- Muslim  
 Christian

### 6. Education level:

- Elementary school  
 Secondary school  
 High School  
 Diploma  
 Bachelor  
 Master  
 Ph.D.  
 Other

### 7. Monthly income:

1. less than 1000 \$
2. 1001-2000 \$
3. 2001-3000 \$
4. More than 3000 \$

**5. Please give the following factors a rate following their importance for you when buying food products:**

<b>Factors</b>	<b>1 Highly Not Important</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 Highly Important</b>
Brand name					
Product country of origin					
Taste and flavour					
Package design					
Product freshness					
Price					

**6. I prefer to buy food products that came from:**

(please rank the following option according to your preference, give **1** to the least preferred option and **6** to the most preferred option)

- \_\_\_\_\_ Palestine (domestic products)
- \_\_\_\_\_ Israel.
- \_\_\_\_\_ Turkey.
- \_\_\_\_\_ Jordan.
- \_\_\_\_\_ Egypt.
- \_\_\_\_\_ EU region.

**7. I prefer to buy domestic food products because of their:**

<b>Factors</b>	<b>1 Highly Not Important</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 Very Important</b>
Good quality					
Good price					
Good taste					
Availability in the market					
Freshness					
Social image					

**8. My decision to buy domestic food products is affected by the producers:**

<b>Factors</b>	<b>1 Highly Not Important</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 Highly Important</b>
Brand reputation					
Price discounts					
Offered free samples					
Offered gifts					
Creative advertising campaign					
Introducing new products that I would like to try					

**9. Please choose the option that mostly shows your opinion or attitudes toward the following issues:**

<b>Political stability</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1) I believe that the Palestinian market is politically unstable.					
2) I believe that the Israeli government policies toward the Palestinians are causing political instability in the Palestinian market.					
3) I believe that conflicts between the Palestinian political parties are causing political instability in the Palestinian market.					
4) I believe that the different signed agreements between the Israeli government and the Palestinian authorities are causing political instability in the Palestinian market.					
5) I believe that the Palestinian Authorities are working toward enhancing the level of market political stability.					
6) I think the level of the Palestinian market instability will stay the same in the future.					

<b>Trade regulations</b>					
1) I believe that the Palestinian trade regulations are protecting domestic products.					
2) I believe that the signed trade agreements between the Palestinian Authorities and other countries (except Israel) are beneficial for the Palestinian economy.					
3) I believe that the signed trade agreements between the Palestinian Authorities and Israeli government are beneficial for the Palestinian economy.					
4) I think that the current applied Palestinian trade regulation are allowing domestic producers to gain a competitive advantage over foreign producers.					
<b>Subjective norms</b>					
1) If I buy Israeli products, people around me would think that I am supporting the Israeli government cruelty towards the Palestinians.					
2) My friends and colleagues believe that I should not buy Israeli products.					
3) My family members will be unhappy if I buy Israeli products.					
4) People close to me do not support of purchasing Israeli products.					
5) People around me do not encourage me to buy Israeli products.					
<b>Attitudes toward imported food products</b>					
1) I prefer to buy imported products over domestic products.					
2) I believe imported products have a higher quality than domestic products.					
3) I believe imported products have a higher price than domestic products.					
4) When coming to health concerns, imported products are more trustful for me than domestic products.					
5) I believe that imported products are more suitable for my needs than domestic products.					

6) I believe that the quality standards for the imported products are higher than the domestic products.					
<b>Animosity attitudes toward Israel</b>					
1) I dislike Israel.					
2) I feel angry toward Israel.					
3) Israel does not care about what other nations think of their actions.					
4) Palestine should not have any diplomatic relations with Israel.					
5) I do not like the Israeli mentality.					
6) The Israelis are doing business unfairly with Palestine.					
7) I do not like that Israeli political policy caused a downturn in the Palestinian economy.					
<b>Ethnocentrism attitudes</b>					
1) Palestinian products will always be my first and last choice.					
2) Purchasing imported products is unacceptable behaviour for me.					
3) It is not right to purchase foreign products, because it raises unemployment rates in the Palestinian market.					
4) I should purchase Palestinian products to support my country economy.					
5) I would buy foreign products only if I cannot find a substitute Palestinian product.					
<b>Willingness to buy domestic products</b>					
1) I consider buying domestic products.					
2) Currently, I purchase domestic products.					
3) In the future, I will continue buying domestic products.					
4) I am willing to pay some extra money for buying domestic products.					

5) I will choose to buy domestic products even it is a little bit of lower quality than imported products.					
6) I will feel guilty if I buy foreign products while there is a substitute domestic product.					
<b>Brand name</b>					
1) I will never buy a product without a brand name.					
2) I have a favourable attitude toward domestic brands.					
3) My overall evaluation of domestic product' brand is good.					
4) I believe domestic brands often lead ahead of other brands in launching new products.					
5) I believe domestic brands often enhance their quality to meet consumer's needs					
<b>Country of origin</b>					
1) I believe that domestic products are of good quality.					
2) I believe that domestic products are safe for me and for my family health.					
3) I trust domestic producers.					
4) I believe that domestic products are reliable.					
5) I believe that domestic products quality is fair according to its prices.					
6) I believe that the prices of domestic products are lower than foreign one.					

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