



# **Factors Explaining Consumers Bias behaviours toward Domestic and Foreign Products in the Egyptian Markets**

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## DEDICATION

*I dedicate this work to the soul of my father, who sacrificed everything for my well-being, and to my beloved mother -May God bless her with good health and long life-.*

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## PUBLICATIONS

### Journal Publications

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## ABSTRACT

**JUSTIFICACIÓN:** Although globalization is relatively effective in mitigating consumers' biased behaviours against foreign products and service providers or the so-called "*Home-Country Bias*", the current political and economic conflicts have revived consumers' ethnocentric biases to support their national economy and its members in many countries around the world. As such, recent studies have brought attention to consumers' biased preferences towards national/domestic service providers over foreign ones in many service contexts. Also, international service literature has begun to pay significant attention to home-country bias studies in travel and tourism services such as hotels and airline travel services (e.g., Cassia and Magno, 2022; Stamolampros et al., 2020). Despite these recent studies, there has been little investigation into the drivers of home-country bias in international service literature in general and airline travel services in particular.

**Purpose:** In response to the recent calls to investigate the drivers of home-country bias in international travel and tourism services (e.g., Kock et al., 2019; Cassia and Magno, 2022; Xiaolong et al., 2023), the main aim of this study is to investigate the drivers of home-country bias in airline travel services and to examine its influence on travellers' behaviours towards national and foreign airlines. Specifically, drawing on social identity theory, the study aims to investigate how travellers' national identity and ethnocentric tendencies, as the most prevalent drivers of home-country bias, differently affect travellers' behaviours towards national versus foreign airlines, including their evaluations of the provided services, willingness to purchase, and actual purchasing behaviours. Moreover, given the crucial role of price in travellers' behaviours, it will investigate how price fairness can strengthen or diminish the effects of these two drivers on travellers' actual purchasing behaviours.

**Methodology:** A mixed approach was adopted to achieve the study objectives. Along with the qualitative study, which was executed using interviews, the empirical study was conducted using cross-sectional descriptive research design to investigate the hypothesized relationships in the developed conceptual framework. Data were gathered using questionnaires from international airline passengers (411 valid surveys) and were analyzed using structural equation modelling (SEM) using AMOS v.27 software.

**Results:** The results reveal that both travellers' national identity and ethnocentrism have significant positive and negative effects on travellers' behaviours towards national and foreign airline service providers, including their evaluations of airline services, willingness to purchase, and actual purchasing behaviours. The results also confirmed the significant effect of travellers' airline service evaluation as a key determinant of travellers' willingness to purchase, which in turn affects their actual purchase behaviours of both national and foreign airline services. Furthermore, the moderation analysis reveals that travellers' perceptions of price fairness can significantly moderate the significant effects of travellers' national identity and ethnocentrism on travellers' actual purchase behaviours.

**Implications:** Given that the impacts of home-country bias are not widely explored in service industries, these results provide valuable contributions to the existing airline travel literature. It also has important implications for airline service marketers that can guide them in planning and implementing their marketing strategies, such as market segmentation, branding strategies, advertising, and promotional activities. Home-country bias can represent an advantage for national service providers and pose threats to foreign ones. Thus, while airline marketers can standardize their brand image across their domestic and foreign markets, the findings suggest that brand association strategies should be customized to become more local or global based on the direction of ethnocentric bias. In their home markets, national airlines can capitalize on travellers' positive bias towards domestic brands by associating their brand image with their national identity to capitalize on individuals' feelings of pride and love for national brands, and vice versa in their foreign markets. The study also suggested some strategies that can help foreign airlines counteract the negative effects of home-country bias, such as employing local employees to deliver their services, social responsibility strategies, creating brand associations with the local culture, and using partnership strategies with local partners such as code-share agreements and strategic airline alliances.



## RESUMEN

**Justificación:** La globalización contribuye a mitigar los comportamientos sesgados de los consumidores contra los productos y proveedores de servicios extranjeros o el llamado "sesgo del país de origen". Si bien, los conflictos políticos y económicos actuales han reavivado el favoritismo etnocéntrico de los consumidores para apoyar su economía nacional y a sus miembros en muchos países alrededor del mundo. Como tal, estudios recientes destacan el favoritismo sesgado que se genera hacia los proveedores de servicios nacionales/domésticos en contra de los proveedores extranjeros en muchos contextos de servicios. Además, la literatura sobre servicios internacionales ha comenzado a prestar atención a los estudios sobre el sesgo del país de origen en los servicios de viajes y turismo, como hoteles y servicios de viajes aéreos (p.ej., Cassia y Magno, 2022; Stamolampros et al., 2020). A pesar de estos estudios recientes, existe poca investigación especializada en el estudio de los factores que impulsan el sesgo del país de origen sobre servicios internacionales en general y en los servicios de viajes aéreos en particular.

**OBJETIVO:** En respuesta a los gaps identificados en torno al papel determinante del sesgo del país de origen en los servicios de viajes y turismo internacionales (p.ej., Kock et al., 2019; Cassia y Magno, 2022; Xiaolong et al., 2023), el objetivo principal de este estudio se centra en identificar los factores que impulsan el sesgo del país de origen en los servicios de viajes de las aerolíneas y examinar su influencia en el comportamiento de los viajeros hacia las aerolíneas nacionales y extranjeras. Precisamente, basándose en la Teoría de la Identidad Social, el estudio pretende investigar cómo la identidad nacional y el etnocentrismo de los viajeros (considerados como, los impulsores más frecuentes del sesgo hacia el país de origen), afectan de manera diferente los comportamientos de los viajeros hacia las aerolíneas nacionales y extranjeras, incluidas sus evaluaciones del servicio proporcionado por las aerolíneas, la disposición a comprar y el comportamiento de compra real. Además, dado el papel crucial del precio en el comportamiento de los viajeros, se investigará cómo la equidad de precios puede reforzar o disminuir los efectos de la identidad nacional y el etnocentrismo sobre los comportamientos de compra reales de los viajeros.

**METODOLOGÍA:** Para alcanzar los objetivos de investigación propuestos, se adoptó un enfoque mixto. SE llevó a cabo un estudio cualitativo, que se ejecutó mediante entrevistas, tras el que se llevó a cabo un estudio empírico con un diseño de investigación descriptivo transversal para investigar las relaciones hipotéticas en el marco conceptual desarrollado. Los datos se recopilaron mediante cuestionarios

de pasajeros de aerolíneas internacionales (recopilando 411 casos válidas) y los resultados se estimaron utilizando modelos de ecuaciones estructurales (SEM) con el software AMOS v.27.

**RESULTADOS:** Los resultados revelan que tanto la identidad nacional como el etnocentrismo de los viajeros tienen efectos positivos/negativos significativos en el comportamiento de los viajeros hacia los proveedores de servicios de aerolíneas nacionales y extranjeras, incluidas las evaluaciones de los servicios de las aerolíneas, la disposición a comprar y los comportamientos de compra reales. Los resultados también confirmaron el efecto significativo de la evaluación de los servicios aéreos de los viajeros como un determinante clave de la disposición de los viajeros a comprar, lo que a su vez afecta a los comportamientos de compra real de servicios aéreos nacionales y extranjeros. Además, se demostró que la percepción de equidad de precios modera los efectos de la identidad nacional y el etnocentrismo de los viajeros en los comportamientos de compra reales.

**IMPLICACIONES:** Dado que la literatura previa especializada en el contexto de turismo y los viajes no ha estudiado en profundidad el impacto del sesgo del país de origen, los resultados alcanzados en este trabajo aportan contribuciones valiosas para la literatura. Estos resultados también aportan implicaciones de interés para los especialistas en marketing de servicios de aerolíneas, que pueden contribuir a la planificación e implementación de sus estrategias de marketing, como son la segmentación del mercado y/olas estrategias de marca, publicidad y actividades promocionales. El sesgo hacia el país de origen puede representar una ventaja para los proveedores de servicios nacionales y plantear amenazas para los extranjeros. Por lo tanto, si bien los especialistas en marketing de las aerolíneas pueden estandarizar su imagen de marca en sus mercados nacionales y extranjeros, los hallazgos sugieren que las estrategias de asociación de marcas deben adaptarse para volverse más locales o globales según la dirección del sesgo etnocéntrico. En los mercados nacionales, las aerolíneas nacionales pueden aprovechar el sesgo positivo de los viajeros hacia las marcas nacionales asociando su imagen de marca con su identidad nacional para capitalizar los sentimientos de orgullo y amor de los individuos por las marcas nacionales, y viceversa en sus mercados extranjeros. El estudio también sugiere algunas estrategias que pueden ayudar a las aerolíneas extranjeras a contrarrestar los efectos negativos del sesgo del país de origen, como incorporar empleados locales para brindar sus servicios, estrategias de responsabilidad social, crear asociaciones de marca con la cultura local y utilizar estrategias de asociación con socios locales, así como acuerdos de código compartido y alianzas estratégicas de aerolíneas.

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## CHAPTER 1

### **Introduction**

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- Study Background and Problem Discussion
- Why the Airline Industry
- Study Objectives and Questions
- Significance of the Study
- Research Design
- Thesis Structure

## INTRODUCTION

This introductory chapter presents a brief overview of the research background, which reveals the significance of this research project. The chapter begins with an overview that summarizes the existing work on the home country bias phenomenon and highlights the research gap that this study aims to address. Then, the research context, objectives, questions, and contributions are discussed. The chapter ends with a framework that outlines the structure of the thesis and the subsequent chapters.

### **1.1 Study Background and Problem Discussion**

Previous research indicates significant differences in consumers' preferences and purchasing behaviours towards domestic and foreign products and service providers (e.g., Verlegh, 2007; Zeugner-Roth, Žabkar, and Diamantopoulos, 2015). A significant portion of customers have biased preferences for foreign-made brands/products and associate these foreign products with superior quality and prestige despite its higher price or inferior quality in some cases, particularly in emerging markets (e.g. Diamantopoulos, Davydova, and Arslanagic-Kalajdzic, 2019; Mueller and Broderick, 2010). In contrast, the literature has documented that a large segment of consumers evaluate domestic products and service providers more favourably than foreign ones, even when these products/services are identical in all attributes or even if the perceived quality of foreign products appears to be higher (e.g. Gineikiene, Schlegelmilch, and Auruskeviciene, 2017; Jia et al., 2023). They believe that domestic brands have their own unique strengths, including authenticity, originality, pride of representing local culture, and the ability to develop close relationships with their customers (e.g. Bandhumasuta, 2017;

Boseila, Mahrous, and Abouaish, 2023; He and Wang, 2015; Porral and Levy-Mangin, 2015). Therefore, although multinational corporations have dominated the international markets in many industries due to globalization, many authors have anticipated the emergence of new protection methods to protect domestic brands and companies from foreign threats of international competition (Verlegh, 2007). One of the most enduring forms of such protectionism is the "Home-Country Bias" or "Domestic Purchase Bias," which refers to consumers' biased preferences for products and service providers belonging to their home country over foreign alternatives for reasons unrelated to their perceived quality or value considerations (Shankarmahesh, 2006).

Domestic purchase bias is a global exclusively phenomenon in both developed and emerging countries. Also, a large number of studies in previous literature have documented such type of bias for domestic products and service providers against foreign ones, such as Balabanis, Stathopoulou, and Qiao (2019), Gineikiene et al. (2017), and Verlegh (2007). For instance, to illustrate the significance of home country bias in American consumers' purchasing decisions and consumption habits, Verlegh (2007) argued that the intense competition between American and foreign companies, coupled with the loss of many citizens' jobs, has led many segments of consumers to pay more attention to the country of origin when making their purchasing decisions. Consequently, many companies have capitalized on these concerns by highlighting in their marketing and promotional efforts that their products are made in the USA. Similarly, Kock et al. (2019) argued that Britain's exit from the European Union was supported by a wish to refocus on national interests instead of European interests. Accordingly, in line with the recent regional political, economic, and military conflicts, the analysis of consumers' biased behaviours towards domestic brands and service providers over foreign ones has received significant attention from academics and practitioners due to its

significant role in predicting consumers' behaviours, particularly in service industries such as mobile service providers (e.g. Lee et al., 2010), banking services (e.g. García-Gallego and Mera, 2017), and more recently international travel and tourism services such as hotels, tourism destinations, and airline services (e.g. Cassia and Magno, 2022; Bremser and Abraham, 2024; Stamolampros, Dousios, and Korfiatis, 2020; Xiaolong et al., 2023).

Theoretically, the home country bias phenomenon is commonly explained by two main streams of research that attempted to explain domestic consumption bias behaviours. The first stream of research is known as country-of-origin studies (COO), while the second one focuses on consumer ethnocentrism and related concepts, particularly national identity (Dimitrovic, Vida, and Reardon, 2009). These two streams of research aim to explain the various mechanisms behind consumers' biased preferences for products and services from their own country, shedding light on the conditions and extent to which consumers are willing to favour products and services from a certain origin. Researchers in the field of COO claim that consumers evaluate products and service providers depending on the country where they are produced or with which they are associated, which serves as a cognitive shortcut for evaluating products and services from a certain origin (e.g. Balabanis et al., 2019; Bruning and Saqib, 2013). They also argue that consumers usually hold different perceptions and attitudes toward products and service providers belonging to different countries; these perceptions affect their purchasing behaviours based on the stereotypical national image of the country (e.g. Diamantopoulos et al., 2021). Although this research stream has attracted extensive empirical studies over the past decades (e.g., Ahmed et al., 2010; Stamolampros et al., 2020; Zhu, 2014), many researchers argued that the product's COO alone cannot reflect the different mechanisms of consumers' home country bias (e.g. Dimitrovic et al., 2009).

In contrast to COO literature, the consumer ethnocentrism stream of research seems to offer a comprehensive theoretical basis for empirical work. Shimp and Sharma (1987) conceptualized consumer ethnocentrism to explain this phenomenon as individuals' tendencies to view domestically produced products and services as superior to products and services from other foreign countries and the beliefs that it is immoral and unpatriotic behaviours to buy foreign-manufactured products and services due to the negative effects of such behaviours on the domestic economy and employment. Although consumer ethnocentrism was the most common explanation for domestic purchase bias in previous studies (Shankarmahesh, 2006), this viewpoint has been criticized by many authors. They argue that economic concerns, which is the focal point of the consumer ethnocentrism concept, is not the only driving force behind consumers' biased preferences for domestic products and service providers over foreign ones. Instead, these authors claim that consumers may choose domestic products and services due to their national or cultural identity (e.g. He and Wang, 2015; Le, Nguyen, and Van Nguyen, 2013). Previous literature has conceptualized both constructs from the lens of Social Identity Theory (Tajfel and Turner, 1986), where affiliations between in-group members generate positive attitudes towards the group members and negative attitudes towards out-group members (Lever, Elliot, and Joppe, 2023). Thus, domestic consumption bias is not only focused extremely on product origin attributes but involves psychological differences between in-group versus out-group affiliations (e.g. Bartsch, Riefler, and Diamantopoulos, 2016).

In light of the synthesis above, while the important repercussions of home country bias have been extensively discussed in the consumer goods literature over the past decades, little investigation has been conducted into the possible effects of this phenomenon in the service marketing literature in general and in international travel service in particular (e.g., Bruning and Saqib, 2013; Berentzen et al., 2008;

Ferguson, Dadzie, and Johnston, 2008). Nevertheless, in light of recent economic and political circumstances, many studies have begun to consider the role of home-country bias in international service industries, particularly in international travel and tourism services (e.g., Boukamba, Oi, and Sano, 2021; Kock et al., 2019; Stepchenkova, 2023). For instance, Kock et al. (2019) empirically confirmed that ethnocentric tourists view visiting a domestic destination rather than a foreign one as an effective way to support domestic destinations and secure domestic jobs. Furthermore, Cassia and Magno (2022) investigated the effects of ethnocentrism on customers' perceptions of international hospitality brands (Starbucks); they found that ethnocentrism can have significant positive and negative impacts, respectively, on customers' perceptions of brand image in local markets (USA) and vice versa in international foreign markets (Italy). Despite some studies, particularly Stamolampros et al. (2020), providing some field evidence that home-country bias can play a significant role in airline travellers' behaviours towards national and foreign airline service providers by claiming that airline travellers give biased ratings to domestic airlines than foreign carriers, none of these studies has empirically explored the drivers of this marketing phenomenon and its impact on airline travellers' actual purchasing behaviours.

Although international travel involves interactions with other nations and cultures (Backer, 2012), airline travellers, as consumers, are not immune against inter-group biases, which are considered a critical determinant of individuals' purchasing behaviours (Boukamba et al., 2021). Thus, there is an urgent need to explore the repercussions of the home-country bias phenomenon in international airline travel services and to investigate how it affects travellers' actual purchasing behaviours towards national versus foreign airline service providers (Stamolampros et al., 2020). Consequently, the main aim of this study is to investigate the drivers and

consequences of consumers' biased behaviours in the airline travel industry as one of the main catalysts of the national economy.

## **1.2 Why the Airline Travel Services?**

Airline travel services are an essential driver of the national economy and the entire tourism and hospitality sector (Kim and Sohn, 2022). In addition to its direct economic benefits, it plays a significant role as a catalyst for the country's socio-economic development by increasing productivity, stimulating tourism activities, and supporting international trade and mobility (Boubker and Naoui, 2022). Over the last few decades, the industry has undergone significant transformations, particularly the liberalization of airline markets and the emergence of low-cost carriers. The main drivers of these changes are attributed to the "*open skies agreements*" and the deregulation of the airline industry, firstly between the U.S. and Canadian markets in 1987, followed by the European markets in 1994 (Bruning, 1997). These transformations created a new international market and removed many of the regulations which were protecting national airlines or so-called "*state-owned airlines*" or "*flag-carrying airlines*" and created highly competitive markets and forced airlines to provide high-quality services to retain their customers and enhance their loyalty (Silva et al., 2020).

Furthermore, the industry is highly affected by the negative external events such as political and economic threats and global pandemics (Wang, Wong, and Zhang, 2021). As a result, the recent political and economic threats to national economies have stimulated travellers' nationalistic and ethnocentric beliefs towards domestic or national service providers in international airline service markets around the world (e.g. Suham-Abid and Vila-Lopez, 2020). For example, using a Tripadvisor dataset of 380,000 traveller reviews, Stamolampros et al. (2020) and de Jong et al. (2022) presented strong evidence that airline travellers are strongly influenced by their home-country bias that goes beyond quality and value considerations by



arguing that airline travellers have biased favouritism for airlines belonging to their home countries against foreign ones. Despite this field evidence, the extent to which this ethnocentric bias significantly influences travellers' airline choices and actual purchase behaviour has yet to be empirically investigated.

In addition, one of the main reasons behind why the airline travel industry was chosen as the study context for the current study is the pressing need to examine the role of psychological factors in travellers' decision-making. Although there is a wealth of studies that have been conducted on travellers' airline choice and actual purchase behaviour (e.g., Chen and Chang, 2008; Han and Hwang, 2017; Kurtulmuşoğlu, Can, and Tolon, 2016), the vast majority of these studies have overemphasized on the traditional determinants of travellers' airline choice decisions that focus only on value (price) and service quality considerations such as ticket prices, in-flight service, flight schedules, comfortable seats, baggage transport, and in-flight entertainment. In contrast, psychological variables such as travellers' national identity and ethnocentric tendencies have not received the same attention despite existing field evidence of their significant impact on travellers' behaviours (Truong, Pan, and Buaphiban, 2020). In light of recent field evidence on the presence of home country bias in airline travel services and calls to explore the role of psychological variables in traveller behaviours (e.g. Bruning and Saqib, 2013; de Jong et al., 2022), There is an urgent need to investigate the determinants of traveller behaviours from a holistic perspective in which psychological factors are treated as a major determinant of travellers' airline choice decisions alongside value considerations.

Furthermore, COO signal and national identity symbols are widely used in airline service marketing as part of the branding strategy of many service providers, especially state-owned airlines (Aichner, 2014). Also, national airlines are usually considered an important iconic symbol for their countries (Cheng et al., 2014). For this reason, the promotion of airline services in the international markets is usually

associated with the airline's identity, which usually stems from the airline's COO (Behringer, 2023). Airlines can effectively differentiate themselves by aligning their brand identity with their COO and capitalizing on customers' favorable attitudes towards their countries (Aichner, 2014; Behringer, 2023). Thus, when travellers have no previous travel experiences with a particular airline or intrinsic cues such as service quality and reliability, they are more likely to evaluate this airline based on their extrinsic factors, including the airline's COO (Stamolampros et al., 2020). Despite the widespread of COO-based branding strategies in airline travel services (see *Chapter Two Section 2.4.4 COO Strategies and Their Adoption by Airline Service Providers*) and the important role that airline origin can play as an extrinsic cue in travellers' behaviours and decisions (Bruning and Saqib, 2013), the current airline travel literature has not adequately addressed the role of airline's origin and how it can effect travellers' behaviours towards airline service providers belonging to different origin (national airlines versus foreign airlines).

### **1.3 Study Objectives and Questions**

The main aim of the current study is to investigate the drivers of home-country bias in airline travel services and to examine its influence on travellers' behaviours towards national and foreign airline service providers from social identity theory perspective. To this end, the study developed and tested a conceptual model that evaluates the influences of the two main psychological drivers of home-country bias—namely, travellers' national identity (pro-in-group construct) and travellers' ethnocentrism (pro-in-group and anti-out-group construct), and how these two construct differently affect travellers' behaviours towards national and foreign airlines (COO), including travellers' evaluations of airline services, travellers' willingness to purchase airline services, and travellers' actual purchase of airline travel services provided by national versus foreign airlines. Furthermore, given the crucial role of price as one of the most important predictors of travellers' decisions

and behaviours in the airline travel industry, the study investigated the moderating role of price fairness between the drivers of home-country bias and travellers' actual purchase decisions to explore how price fairness can strengthen or weaken the effects of home-country bias. Thus, this conceptual model will help us to answer the following research questions:

- Does airline origin influence travellers' behaviours towards airline service providers? OR do airline travellers show different evaluations, intentions, and decisions towards national versus foreign airlines?
- Does travellers' national identity differently affect travellers' behaviours toward national airlines versus foreign airlines?
  - Does travellers' national identity differently affect their evaluations of airline services provided by national versus foreign airlines?
  - Does travellers' national identity differently affect their willingness to purchase airline services provided by national versus foreign airlines?
  - Does travellers' national identity differently affect their actual purchase of airline services provided by national versus foreign airlines?
- Do travellers' ethnocentric tendencies differently affect travellers' behaviours toward national airlines versus foreign airlines?
  - Do travellers' ethnocentric tendencies differently affect their evaluations of airline services provided by national versus foreign airlines?
  - Do travellers' ethnocentric tendencies differently affect their willingness to purchase airline services provided by national versus foreign airlines?
  - Do travellers' ethnocentric tendencies differently affect their actual purchase of airline services provided by national versus foreign airlines?
- Do travellers' perceptions of price fairness moderate the effect of travellers' national identity on their actual purchase of airline travel services provided by national and foreign airlines?
- Do travellers' perceptions of price fairness moderate the effect of travellers' ethnocentric tendencies on their actual purchase of airline travel services provided by national and foreign airlines?

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## **1.4 Significance of the Study**

Given the current political and economic conflicts and their impact on international service markets, including airline travel services, and the growing interest in exploring the role of psychological variables in travellers' behaviours, this study provides a timely contribution to the current airline literature. It presents an integrated framework that enhances our understanding of how the psychological drivers of home-country bias can influence travellers' behaviours towards national and foreign airlines in different ways, thereby making a significant addition to the existing body of knowledge. Airline service literature widely uses a rational economic model, which assumes that airline travellers are rational and price-sensitive decision-makers (Kurtulmuşoğlu et al., 2016). As per this model, price is the primary reason why airline travellers prefer a particular service provider over other alternatives. Based on this assumption, several airlines have adopted these models and attempted to compete solely on price (Civil Aviation Authority, 2006). Contrary, several recent studies claim that airline travellers are not always entirely driven by price and make their airline choice decisions based on various criteria (Truong et al., 2020). Nevertheless, most of the existing literature only focuses on the economic decision-making aspects of airline travel, ignoring the significant role of psychological variables in travellers' decisions (Stamolampros et al., 2020). This study aims to fill this gap in the literature by highlighting the relevance of psychological variables in airline travellers' decision-making process.

Home-country bias can overrule travellers' normal decision-making process, which is supposedly based on quality and value considerations (Kock et al., 2019). Therefore, from a managerial perspective, with increasing field evidence about home country bias in international aviation markets, airline service marketers need to know how home country bias can influence travellers' behaviours. Specifically, how would international travellers view national versus foreign providers? How does such ethnocentric bias affect travellers' evaluations of airline services

provided by airlines belonging to different origins? To what extent does such bias affect travellers' actual purchasing decisions? What are the strategies that can enhance or mitigate the impact of this phenomenon? Thus, the results of this study will provide important implications that hold clear, practical value for airline service marketers that can guide them in planning and implementing their marketing strategies in several areas, including branding orientation, market segmentation, advertising, and promotional campaigns.

### **1.5 Research Design**

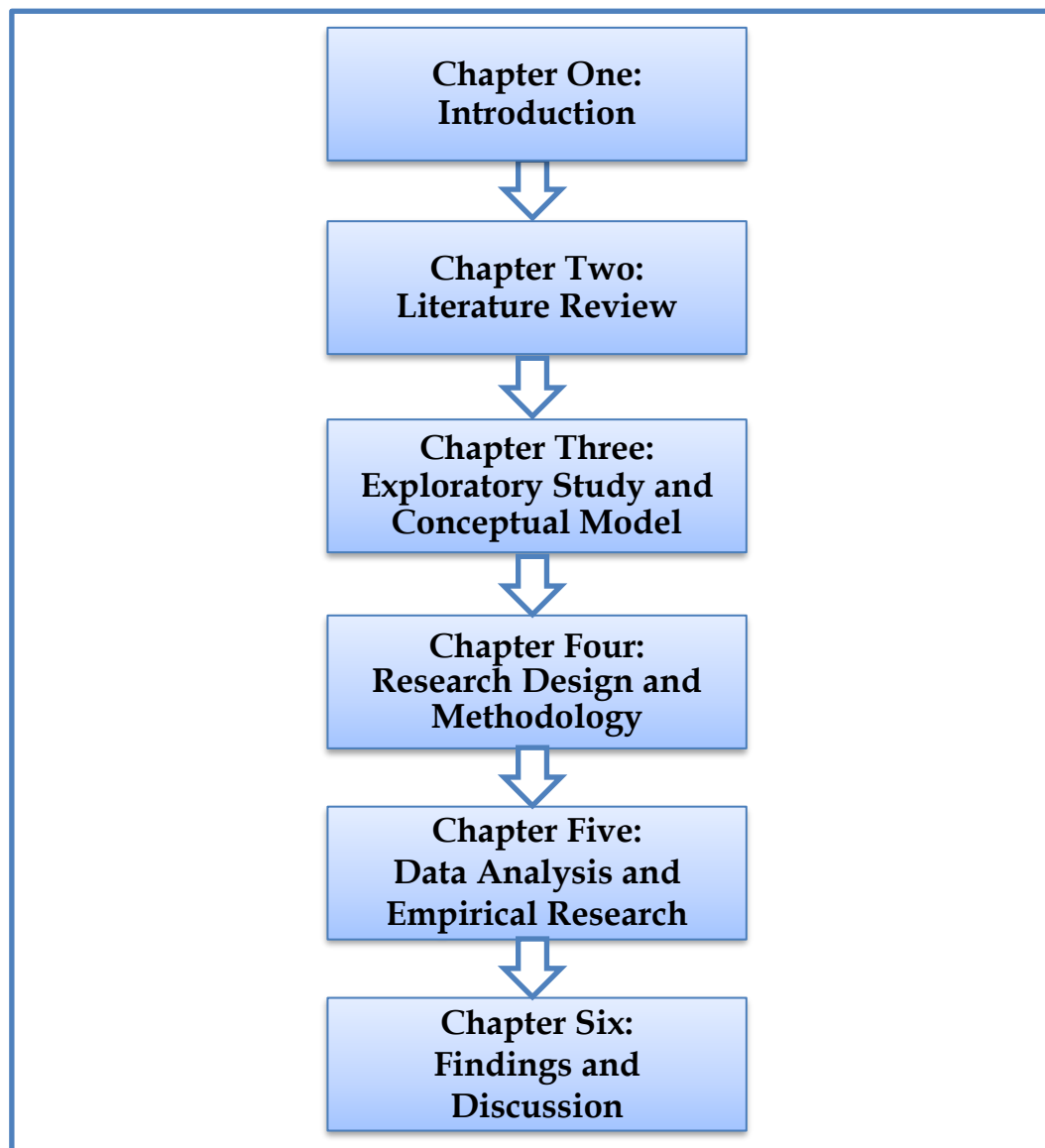
In line with the study objectives, the current study relied on a mixed-method approach using a two-stage research design. In the first phase, we employed an exploratory study to gain in-depth insights and understanding of the research phenomenon under investigation. This phase involved a comprehensive review of the existing literature on the drivers of home-country bias from the social identity theory's perspective in marketing and consumer behaviours literature, followed by an intensive literature review of home-country bias in the service context, including international airline travel service. After reviewing the existing literature, a total of seventeen interviews were executed with participants from different educational and cultural backgrounds and who had recent experiences with airline service providers at least within the past six months. This phase led to the development of the study's framework and hypotheses after identifying the research gaps and limitations of the existing literature.

In the second phase, we employed a conclusive descriptive research design to test the hypothesized relationships between the drivers of home-country bias (including national identity and consumer ethnocentrism) and travellers' behaviours toward national and foreign airlines (including airline service evaluations, willingness to purchase, and actual purchase of airline travel services provided by national and foreign airlines). The descriptive study relied on a single cross-sectional research where the required data were gathered at the same period using a survey

questionnaire. The questionnaire was designed and collected from a sample of international airline travellers in the airline service market in Egypt. This method was the most widely used research method in previous home-country bias literature (e.g. He and Wang, 2015; Le et al., 2013; Verlegh, 2007; Zeugner-Roth et al., 2015). The collected data was entered using SPSS software and were analyzed using exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation modelling (SEM) using AMOS software to test the proposed relationships, as presented in Chapter 6.

## **1.6 Thesis Structure**

The thesis is divided into six chapters, as illustrated in Figure 1.1. Following this introductory chapter, Chapter Two offers a comprehensive review of the existing literature that seeks to elucidate the mechanisms underlying consumption bias behaviours through five main sections. It introduces the conceptual and theoretical background of national identity, consumer ethnocentrism, and COO constructs and how these constructs affect consumers' perceptions, evaluations, and choices between domestic versus foreign products/services. The first section presents the theoretical foundation of consumer bias behaviours including social identity theory and in-group bias. The second section examines the literature related to consumer ethnocentrism construct, including its definitions, antecedents, consequences, and measurement scales. The third section reviews the existing literature pertaining to national identity construct, including its definitions, dimensions, differences between national identity and consumer ethnocentrism as the major two predictors of home-country bias, and the role of national identity in nationalistic consumption behaviours. The fourth section sheds light on the COO construct and its effect on consumers' evaluation and purchasing behaviours. The fifth section focuses on behavioural outcomes related to home-country bias, such as airline service evaluations, purchase intentions, and actual purchasing behaviours. It also provides a brief overview of price fairness and its impact on travellers' behaviours.



**Figure 1.1 Thesis Structure**

Chapter Three outlines the conceptual model of the study and the hypotheses development, which developed based on the exploratory study and findings of the literature review of previous studies; the chapter also discusses the results of the qualitative study using interviews. Chapter Four presents detailed explanations of the adopted methodology, including the research approach, the research design, the development of the research questionnaire, the sampling and data collection process, and the data analysis techniques.

Chapter Five presents the statistical analysis undertaken to test the hypothesized relationships in the conceptual model. The statistical analysis was sequentially carried out through three main phases. The first phase discusses the data preparation process before proceeding with statistical analysis. The second phase presents the preliminary data analysis, which involves respondents' socio-demographic characteristics, descriptive analysis of study variables, assessment of multicollinearity, evaluation of common method variance, test of normal distribution of data, reliability assessment, and exploratory factor analysis. Finally, the third phase involves the two-stage process of SEM analysis to test the hypothesized relationships; including assessing the measurement model, evaluating the structural model and hypotheses testing, and analysing the moderation effect of price fairness. Finally, Chapter Six discusses the study's most important findings. It begins by interpreting and discussing the results of the data analysis obtained in Chapter Five in relation to the existing literature. It then discusses the theoretical contributions and managerial implications that can be derived from these results. Lastly, the chapter outlines the study's limitations along with suggestions for future research directions.

## **1.7 Conclusion**

This introductory chapter presented the theoretical background of consumer bias behaviours, which is the main subject of the current study. It summarized the two key research streams that aim to elucidate consumption bias behaviours in previous literature, including the COO studies and the psychological drivers, specifically national identity and consumer ethnocentrism constructs. Then, it highlighted the study gap, context, questions, objectives, significance, and research method. Finally, the chapter outlined the structure of the thesis. Accordingly, the next chapter will provide a comprehensive review of past literature on home-country bias literature.



## CHAPTER 2

# LITERATURE REVIEW

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- Theoretical Foundation of Consumer Bias Behaviours
  - Social Identity Theory and In-group Bias
- Consumer Ethnocentrism
  - Definition of Consumer Ethnocentrism
  - Consumer Ethnocentrism and Its Measurement Issues
  - Antecedents and consequences of Consumer Ethnocentrism
  - Consumer Ethnocentrism and Services Context
- National Identity
  - Definition of National Identity
  - Dimensions and Measurement scale of National Identity
  - Differences between National Identity and Consumer Ethnocentrism
  - National Identity and Nationalistic Consumption
- Country of Origin
  - Definition of Country of Origin
  - Country of Origin Effects
  - Country of Origin Effects in the Services Context
  - COO Strategies and Their Adoption by Airline Service Providers
- Consumer Behaviours Towards Domestic/Foreign Service Providers
  - Consumers-Service Evaluation
  - Consumers' Willingness to Purchase and Actual Purchase
- Perceived Price Fairness
- Conclusion

## **LITERATURE REVIEW**

This chapter discusses the theoretical background of constructs that form the basis of the current study and how these constructs influence consumers' evaluations and purchasing behaviours towards domestic versus foreign products/services. This comprehensive review will be presented through five main sections. Firstly, the chapter sheds light on the theoretical base of the home country bias phenomenon from the perspective of social identity theory, which is the most widely accepted theory behind this marketing phenomenon. The subsequent section will then review the existing literature on consumer ethnocentrism and its relevance to services industries. The third section will then introduce the current literature on national identity construct, highlighting the distinctions between national identity and consumer ethnocentrism and the role of national identity in nationalistic consumer behaviours. The fourth section will concentrate on COO concept and its influence on consumers' evaluations and purchasing behaviours, as well as the marketing strategies utilized by companies to promote their COOs. The fifth section will be devoted to the behavioural outcomes associated with home-country bias, including consumers' evaluations of domestic/foreign service providers, willingness to purchase, and their actual purchasing behaviours. Lastly, the concluding section will offer a brief overview of the price fairness concept and its role in consumers' behaviours.

### **2.1 Theoretical Foundation of Consumer Bias Behaviours**

Domestic purchase bias was theoretically explained by two main streams of research in previous literature that attempted to explain domestic consumption bias behaviours. The first research stream is derived from the Social Identity Theory

(Tajfel and Turner, 1986), including national identity and consumer ethnocentrism constructs, while the second stream of research focuses on country-of-origin (COO) studies (Dmitrovic et al., 2009). Both streams of research attempt to shed light on the various mechanisms that underlying consumer bias behaviour. The initial research stream, pioneered by Shimp and Sharma (1987), aimed to elucidate consumers' biased preferences for domestic products and services over foreign ones. Shimp and Sharma (1987) conceptualized consumer ethnocentrism construct to explain this phenomenon as a psychological concept that affects customers' purchasing decisions regarding domestic versus foreign products/services, and is represented by customers' overall attitudes that focuses on the morality of purchasing foreign products/services because of its negative impacts on national economy (Hong et al., 2023). While consumer ethnocentrism has been the predominant explanation for domestic purchase bias in earlier studies (Balabanis and Diamantopoulos, 2004), it has been criticized by many authors. They argue that economic concerns, which represent the focal point of ethnocentrism concept, are not the sole reason behind consumers' preference for domestic products and service providers over foreign ones. Instead, they suggest that consumers may choose domestic products and services driven by their national identity (He and Wang, 2015).

This research stream has dealt with both national identity and consumer ethnocentrism construct from the social identity theory perspective, which proposes that individuals strive to maintain a positive social identity which arises from the favourable comparisons between individuals' own group and other foreign groups (Balabanis et al., 2019; Carvalho, Luna, and Goldsmith, 2019). Thus, consumers usually differentiate between domestic products and service providers (in-group) and foreign ones (out-group) and consider purchasing foreign products/

services as unpatriotic and immoral behaviours that destroy the national economy (Verlegh, 2007). As such, they display systematic favouritism for domestic products and service providers for reasons other than their perceived quality and value, accompanied by a rejection of all foreign alternatives (Verma and Naveen, 2021). While consumer ethnocentrism and national identity remain the two main drivers of home-country bias, a comprehensive review of existing literature by Bartsch et al. (2016) has revealed several psychological factors that may also contribute to explain this phenomenon, such as consumer animosity, cultural orientation (collectivism/ individualism), and economic nationalism.

In contrast, scholars in COO studies have claimed that product origin can serve as a cognitive shortcut to evaluate a certain product or service. In other words, they argued that consumers evaluate products and services depending on the country where they are produced or with which they are associated (Balabanis et al., 2019; Bruning and Saqib, 2013). Consumers usually hold different perceptions and attitudes towards products and services from different countries (origins), and these perceptions influence their purchasing behaviours based on the country's stereotyped national images. This research area has attracted extensive empirical studies over the past few decades (e.g., Ahmed et al., 2010; Stamolampros et al., 2020; Zhu, 2014). However, many researchers have contended that product's COO alone cannot fully explain consumers' home country bias (Dmitrovic et al., 2009). As a result, COO has evolved to serve as a moderating variable alongside other factors in explaining how consumers' behaviours differ towards domestic versus foreign products (Bruning and Saqib, 2013). Therefore, the next part will discuss the social identity theory, which represents the prevailing theory in current literature explaining this marketing phenomenon.

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**2.1.1 Social Identity Theory and In-group Bias**

Social identity theory (Tajfel and Turner, 1986) is mainly regarded as a theory that seeks to predict individuals' intergroup behaviours based on their social identification (Zeugner-Roth et al., 2015). It seeks to explain the psychological foundation of inter-group relations and out-group discrimination. The theory is based on the premise that individuals' affiliation and connection with a particular social group defines who they are and how they should behave (He and Wang, 2015; Palmer et al., 2013). According to the theory, the social environment where individuals live and communicate with others is vital to understanding the subjective evaluation process that is an integral part of a person's self-identity. The theory postulates that an individual's self-image consists of two components: personal identity and social identity. While personal identity is based on an individual's unique attributes (e.g., values, interests, goals, abilities, traits, etc.), social identity is derived from the membership in or the sense of belonging to a specific social group (Tajfel and Turner, 1986). They defined social identity as a part of individuals' self-concept that arises from their belonging to a specific social group and the emotional importance they attach to this membership (Zeugner-Roth et al., 2015).

Thus, individuals strive to enhance their self-concept (i.e. achieve favourable self-esteem) either by improving their personal identity or/and social identity (Palmer et al., 2013). Accordingly, both identities can determine individuals' behaviours (Abdelmaaboud, 2021). Previous studies have primarily focused on social identity as the fundamental concept in social identity theory. The literature also agreed that social identity involves both cognitive and affective aspects. The cognitive aspect is related to a cognitive awareness of an individual's membership in a social group or self-categorization, while the affective aspect is associated with the sense of pride and affective commitment towards a particular group (e.g. Palmer et al., 2013; Zeugner-Roth et al., 2015).

Proponents of this theory argue that individuals tend to simplify the social world by classifying others into different social groups based on specific criteria (such as gender, nationality, province, ethnicity, religion, and neighborhood) and identifying themselves (or are identified by others) as members of a specific group that is viewed positively by others relative to other social groups (Kuppens et al., 2013). They also strive to maintain a positive social identity, which arises from the favourable comparisons between individuals' own group and other foreign groups as such; they tend to favour their in-group members, a phenomenon commonly known as in-group favouritism (Kock et al., 2019). Thus, the social groups to which people belong constitute an important source of national pride and self-esteem, which refers to individuals' positive evaluations of themselves or the social groups to which they identify (He and Wang, 2015). This social classification (also called social categorization) allows individuals to cognitively categorize and organize the social environment and offers them an instrument for defining and allocating themselves and others in this social environment (Tajfel and Turner, 1986).

### **2.2 Consumer Ethnocentrism:**

This section will review previous studies on consumer ethnocentrism and its measurement issues. Furthermore, it will discuss the influence of consumer ethnocentrism on consumer behaviours in service industries.

#### **2.2.1 Definition of Consumer Ethnocentrism**

The concept of ethnocentrism was established by Sumner (1906), and extended into consumer behaviours and marketing studies in the 1980s by Shimp and Sharma to describe consumers' biased preferences for domestic products for reasons other than their perceived quality and value. They defined consumer ethnocentrism as "*the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products*" (Shimp and Sharma, 1987, p. 280). The theoretical base of consumer ethnocentrism is derived from Social

Identity Theory (Tajfel and Turner, 1986), which proposes that individuals strive to maintain a positive social identity which arises from the favourable comparisons they make between their own groups and other foreign groups (Balabanis et al., 2019). According to this viewpoint, ethnocentric consumers usually differentiate between domestic products/services (in-group) and foreign products/services (out-group) and are more likely to make biased judgments in favour of products/services that belong to their own groups. They also consider buying foreign products/services as immoral behaviours that destroy the national economy, negatively impact domestic employment by causing job losses, and sometimes even seem as unpatriotic behaviours (Verma and Naveen, 2021). As such, ethnocentric consumers often display systematic favouritism for domestic products/services for reasons other than their perceived quality and value, accompanied by a rejection of all foreign alternatives (Verlegh, 2007).

Previous literature debates that consumer ethnocentrism is basically based on economic motives and consumers' fears of harming the national economy of their own country by buying foreign products/services; however, recently the researchers explained that consumer ethnocentrism consists of three main characteristics: (1) it reflects love and concern for one's own country and the fear of the economic damages of imports; (2) blocking the intention or willingness to buy foreign products over domestic products; (3) a personal level of prejudice or bias against imports products (Zeugner-Roth et al., 2015). Therefore, ethnocentrism is usually associated with in-group glorification and out-group denigration (Stepchenkova, 2023). Furthermore, some studies indicate that consumer ethnocentrism represents a form of altruism, given that it serves as a tool to support the workers and the national economy. Other researchers argued that consumer ethnocentrism is a form of pro-social behaviour because consumers may

need to make sacrifices in quality and price to favour domestic products (Siamagka and Balabanis, 2015).

### **2.2.2 Dimensions of Consumer Ethnocentrism and Its Measurement Issues**

Although research into consumer ethnocentrism started in 1987, its dimensions and measures remain one of the most important issues in the existing literature that requires further investigation, especially in relation to the context of the services (Kock et al., 2019). The existing literature offers two well-known scales to capture consumer ethnocentrism construct, including the Consumer Ethnocentrism Scale (CETSCALE) (Shimp and Sharma, 1987) and the Generalized Ethnocentrism scale (GENE) (Neuliep and McCroskey, 1997). The CETSCALE is arguably the most common measure to capture consumer ethnocentrism in previous marketing and consumer behaviours studies; it was developed to capture consumer ethnocentrism as a uni-dimensional construct from a socioeconomic perspective (Shimp and Sharma, 1987). Nevertheless, the scale has received many criticisms regarding its concentration on economic threats of foreign products/services, which affects the scale's ability to capture all psychological dimensions of consumer ethnocentrism construct (Sharma, 2015). Furthermore, previous literature showed many doubts about the validity and stability of the scale across different cultures, and several studies revealed that the scale dimensions differ from one context to another (see Table 2.1) even though the scale is supposedly a uni-dimensional (Siamagka and Balabanis, 2015). Moreover, many of CETSCALE's measurement items are irrelevant to service industries (Boukamba et al., 2021; Kock et al., 2019) since they reflect consumers' overall beliefs towards foreign physical goods.



**Table 2.1 Consumer Ethnocentrism Scales and Dimensions in Previous Literature**

<b>Authors</b>	<b>Previous Measures and Dimensions of Ethnocentrism</b>
<b>Shimp and Sharma (1987)</b>	<ul style="list-style-type: none"> <li>- CETSCALE is the original and most common scale developed by Shimp and Sharma to measure CE as uni-dimensional construct.</li> <li>- The empirical study was carried out considering the automobile industry in the USA and did not consider services industries.</li> </ul>
<b>Neuliep and McCroskey (1997)</b>	<ul style="list-style-type: none"> <li>- GenE scale, is a less common scale which developed to measure CE regardless the cultural context. The scale also treated CE as uni-dimensional construct.</li> <li>- The empirical study was conducted in the USA without determining a specific research context.</li> </ul>
<b>Acharya and Elliott (2003)</b>	<ul style="list-style-type: none"> <li>- Adopted the CETSCALE scale and presented CE as a two-dimensional construct including rational ethnocentrism and emotional ethnocentrism.</li> <li>- The empirical study was carried out considering cars, clothes, and fruits in Australia.</li> </ul>
<b>Upadhyay and Singh (2006)</b>	<ul style="list-style-type: none"> <li>- Adopted the CETSCALE scale and presented CE as a four-dimensional construct, including socio-economic conservatism, protectionism, nationalism, and ultra-nationalism.</li> <li>- The empirical study was carried out on physical goods in India.</li> </ul>
<b>Sharma (2015)</b>	<ul style="list-style-type: none"> <li>- Developed a new scale to measure CE as a three-dimensional construct, including affective reaction, cognitive bias, and behavioural preference.</li> <li>- The empirical study was carried out on retail shoppers in four countries (USA, UK, China, and India).</li> </ul>
<b>Siamagka and Balabanis (2015)</b>	<ul style="list-style-type: none"> <li>- Developed a scale to measure CE as a five-dimensional construct, including pro-sociality, cognition, insecurity, reflexiveness, and habituation.</li> <li>- The empirical study was carried out on different product categories, including automobiles, electronics, and clothes, in the UK and USA.</li> </ul>
<b>Kock et al (2019)</b>	<ul style="list-style-type: none"> <li>- Extended CE construct to tourism context and presented CE as a uni-dimensional construct.</li> <li>- The empirical study was carried out in tourism services in the USA.</li> </ul>
<b>Boukamba et al. (2021)</b>	<ul style="list-style-type: none"> <li>- Tested the applicability of Neuliep and McCroskey's scale in tourism and presented CE as a two-dimensional construct including cultural bias and personal prejudice.</li> <li>- The empirical study was carried out in tourism services in South Africa.</li> </ul>

Source: Own elaboration.

In contrast to the socioeconomic approach, Neuliep and McCroskey (1997) presented the "GenE scale" to measure consumer ethnocentrism construct from intercultural communication perspective based on individuals' perceptions of superiority of their own cultures and lifestyles compared to other cultures (Stepchenkova, 2023). However, this scale has not been widely used in previous marketing and business studies. Hence, an analytical review of previous studies reveals that the above scales have received many criticisms related to their relevance to service industries and their ability to capture all cognitive and affective aspects of consumer ethnocentrism (e.g. Hong et al., 2023; Sharma, 2015; Siamagka and Balabanis, 2015). While the CETSCALE emphasized the socioeconomic threats arising from the negative impacts of imported products/services, GENE scale only focused on the cultural lens of ethnocentrism and entirely neglected the socioeconomic threats. Furthermore, both scales have completely overlooked the affective aspects that are highly relevant to domestic product bias. Moreover, most of the measurement items of these scales are irrelevant to service industries (Boukamba et al., 2021; Kock et al., 2019).

Recently, tourism marketing researchers have presented considerable effort to adapt the existing measures of consumer ethnocentrism to the tourism services context. Particularly, Kock et al. (2019) proposed the TE scale that treats tourist ethnocentrism based on the socioeconomic perspective proposed by Shimp and Sharma (1987) as an individual's moral obligation to support the local tourism economy. Nevertheless, in fact, the moral obligation to support domestic tourism, which represents the essence of Kock et al.'s definition of tourist ethnocentrism, is very similar to the immorality of purchasing foreign products, which is the central element of consumer ethnocentrism concept according to Shimp and Sharma's perspective. Furthermore, their proposed TE scale presented tourist ethnocentrism as a uni-dimensional construct and relied on the same socioeconomic attributes of

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CETSCALE. In addition, Boukamba et al. (2021) reformulated tourist ethnocentrism concept based on the cultural perspective of Neuliep and McCroskey (1997). They argued that tourism is basically a sociocultural phenomenon that involves the movement of human beings across geographical and cultural boundaries for cultural exchange and expansion of cultural knowledge. As such, they proposed the Generalized Approach to Tourist Ethnocentrism (GATE) which presented tourist ethnocentrism as a two-dimensional construct including cultural bias and personal prejudice, which reflects individuals' biased perceptions against out-group members and their culture.

Nevertheless, despite these adapted scales have contributed to the existing tourism literature, we debate that these measures may not be the best choice to capture the ethnocentric tendencies of airline travellers for several reasons related to the differences between airline travellers and tourists as two groups of consumers and the inability of these adapted measures to address all the shortcomings related to consumer ethnocentrism scale in services industries. For instance, while tourists can be understood from a culture perspective as cognitive social actors seeking novelty and adventure (Roy and Gretzel, 2022), airline travellers, on the other hand, are value-oriented customers looking for the best service provider for their flights based on a set of criteria such as price, service quality, safety, luggage transportation etc. (Pappachan, 2023). Thus, although the adapted GATE scale (Boukamba et al., 2021) based on the cultural perspective may be appropriate to capture tourists' ethnocentrism, it is not suitable for airline travellers as value-oriented customers. Similarly, although the socioeconomic perspective adopted by Kock et al. (2019) appears to be relevant to airline travel service, their adapted TE scale relied on the same socioeconomic attributes of CETSCALE and failed to overcome the major criticism of CETSCALE in the services context. Hence, relying on these scales to capture traveller ethnocentrism will provide a partial picture of the hierarchy of traveller ethnocentrism construct.

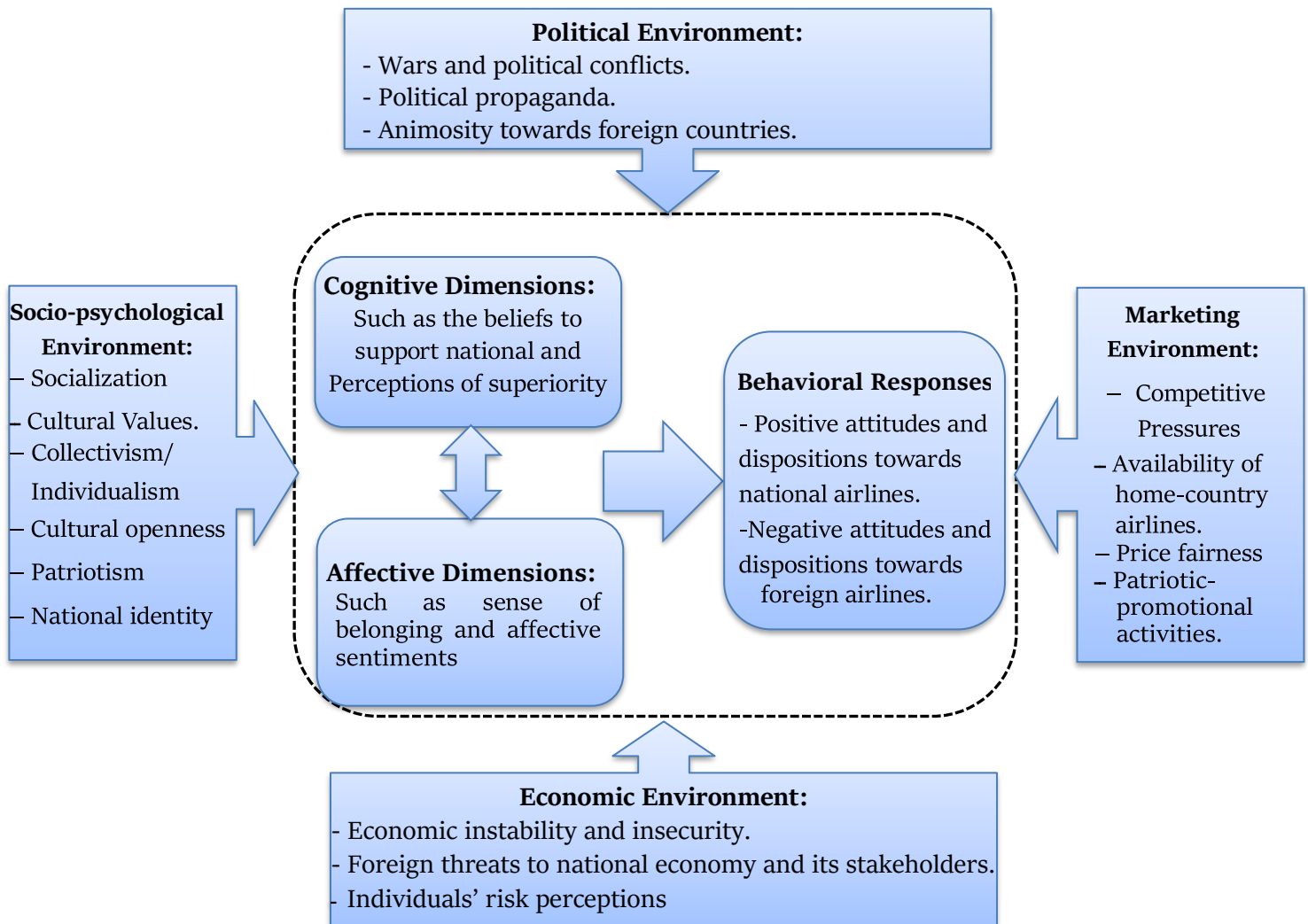
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**2.2.2.1 Proposed Approach to Measure Travellers' Ethnocentrism**

To overcome the measurement issues related to ethnocentrism, a recent research stream in international service marketing proposes an integrated view of consumer ethnocentrism that integrates socioeconomic threats of foreign products/services to the national economy along with the socio-psychological aspects related to domestic products/services preferences such as perceived superiority and affective reactions (e.g. Siamagka and Balabanis, 2015; Sharma, 2015). This viewpoint offers a broader conceptualization of ethnocentrism based on the Cognitive-Affective Attitude Theory (Ajzen and Fishbein, 1980) as a psychological-attitudinal construct that is expressed by assessing the cognitive and affective aspects associated with a specific entity with a certain degree of favouritism or derogation (e.g. Cassia and Magno, 2022; Hong et al., 2023; Xiaolong et al., 2023). This conceptualization is also consistent with the original conceptualization of ethnocentrism proposed by Shimp and Sharma (1987) as a "trait-like property of individuals' personalities" that can affect consumers' dispositions towards domestic versus foreign products/services. Nevertheless, it's worth noting that the cognitive dimensions adopted in these studies differ from one study to another based on the research context (Cassia and Magno, 2022).

We argue that this conceptualization of the consumer ethnocentrism construct is more suitable to capture travellers' ethnocentrism construct compared with the socioeconomic approach of the CETSCALE scale/TE scale (Shimp and Sharma, 1987; Kock et al., 2019) or the cultural approach of the GenE scale/GATE scale (Neuliep and McCroskey, 1997; Boukamba et al., 2021). According to this conceptualization, we debate that travellers' national bias, which manifests in their systematic favouritism for national airlines (de Jong et al., 2022), and their biased evaluations of service quality and online ratings (Stamolampros et al., 2020) are

not only driven by their socioeconomic motives to support their national economy, but it also can be driven by their biased perceptions of superiority/authenticity of national service providers, and their affective sentiments towards their home-country and its members. Figure 2.1 explains the psychological mechanism of consumers' ethnocentrism construct according to this perspective.



**Figure 2.1 The psychological mechanism of consumers' ethnocentrism**

Source: Own elaboration based on a comprehensive review of existing literature.

Accordingly, to determine the underlying dimensions that fit with travellers' ethnocentrism construct, we conducted a comprehensive review of previous consumer ethnocentrism scales and their extensions to determine the potential dimensions that can be incorporated into the proposed travellers' ethnocentrism construct, and then we conducted a qualitative study using interviews to investigate the applicability of these proposed dimensions to airline-travel context, and to explore the presence of further dimensions related to airline travel services (See scale development Chapter 4). The results of the qualitative study provided support for four dimensions, including:

- **Economic and social protection:** Pro-sociality represents the focal mechanism of consumer ethnocentrism as a socioeconomic construct, in which the country's interests take priority over individuals' self-interest (Siamagka and Balabanis, 2015). Customers usually associate foreign products/services consumption with threats to the national economy and domestic workers due to their perceived duty and moral obligation towards their nation or in-group, so they are highly sensitive to such threats to defend their group identity and cohesion (Vida and Reardon, 2008). In addition, previous tourism literature presented support for this dimension (Kock et al., 2019; Lever et al., 2023). For instance, Kock et al. (2019) argued that ethnocentric tourists consider spending their vacation at domestic destinations as socially expected behaviour to support domestic destinations and secure domestic jobs. As such, we argue that the current economic and political threats will motivate travellers' moral duty to support national airlines to protect their national economy and secure domestic airline workers.
- **Perceptions of superiority:** biased cognitive perceptions about the superiority and authenticity of in-groups and inferiority of out-groups are deeply rooted in previous consumer behaviour literature that defines ethnocentrism as an

individual's beliefs that one's nation and its members are superior to others (Sharma, 2015; Vida and Reardon, 2008). Although many studies have provided empirical evidence of the existence of such biased cognitive perceptions as an integral part of ethnocentrism (Sharma, 2015; Siamagka and Balabanis, 2015), the existing scales have not captured such cognitive perceptions of domestic products/services. Ethnocentric consumers permanently evaluate products depending on their origin, and they usually have biased beliefs regarding the superiority of products/services belonging to their home country (He and Wang, 2015; Vida and Reardon, 2008). In the travel and tourism context, Stamolampros et al. (2020) argued that international travellers hold biased perceptions regarding the superiority of national airline services that go beyond the value considerations and such cognitive bias is moderated by their cultural orientation. In line with this argument, we claim that travellers' biased perceptions about the superiority of national airline services are an essential part of travellers' ethnocentrism construct.

- **Perceptions of ownership:** origin or ownership of service providers plays a significant role in shaping customers' perceptions, attitudes, and behaviors; it also has deep implications on how customers act and respond to service providers belonging to different countries/origins (Gineikiene et al., 2017). Previous consumer behavior literature has provided ample support for such forms of perceptions, particularly when the service provider represents an iconic/national symbol for their countries (Roy and Gretzel, 2022). For example, Asatryan and Oh (2008) argued that ownership creates an association between the object and the self; as such individuals tend to enhance their self-esteem through a possession-self link which will be stronger for products associated with individuals' own group compared to products associated to foreign groups. Moreover, Gineikiene et al. (2017) argued that consumers' perception that the ownership of a specific product belongs to their group can increase their

willingness to purchase and positively influence their quality perceptions. Thus, we claim that travellers' ethnocentric bias can be driven by their psychological perceptions of ownership since the ownership of service providers belongs to their home-country.

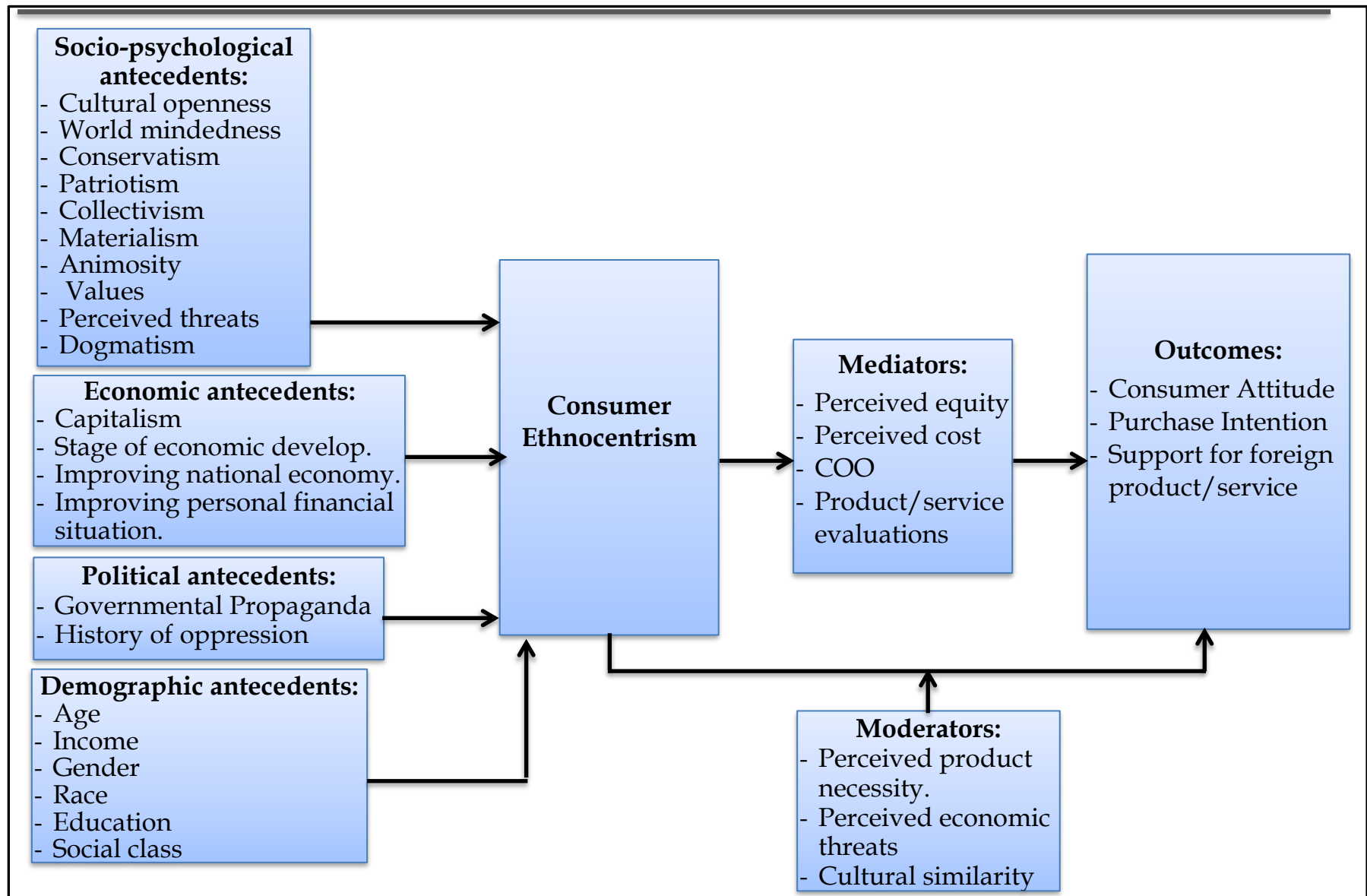
- **Perceptions of ownership:** The origin or ownership of service providers plays a significant role in shaping customers' perceptions, attitudes, and behaviours; it also has deep implications on how customers act and respond to service providers belonging to different countries/origins (Gineikiene et al., 2017). Previous consumer behaviour literature has provided ample support for such forms of perceptions, particularly when the service provider represents an iconic/national symbol for their countries (Roy and Gretzel, 2022). For example, Asatryan and Oh (2008) argued that ownership creates an association between the object and the self; as such, individuals tend to enhance their self-esteem through a possession-self link, which will be stronger for products associated with individuals' own group compared to products associated to foreign groups. Moreover, Gineikiene et al. (2017) argued that consumers' perception that the ownership of a specific product belongs to their group can increase their willingness to purchase and positively influence their quality perceptions. Thus, we claim that travellers' ethnocentric bias can be driven by their psychological perceptions of ownership since the ownership of service providers belongs to their home country.
- **Sense of belonging and affective sentiments:** Although the socioeconomic perspective of the CETSCALE and TE scales have ignored the effective reactions related to domestic products/services preferences, many authors debated that ethnocentrism has distinct affective aspects related to the ability of products/services to arouse customers' affective sentiments towards their home country that act as guidelines for customers' behaviours (Hong et al., 2023; Sharma, 2015). Such affective reactions may explain why ethnocentric



consumers show a high affinity for domestic products/services regardless of their perceived quality (Le et al., 2013). Although such affective aspects may not be sufficiently apparent in physical goods, they are highly noticeable in airline travel services due to the unique characteristics of airline services and its symbolic value for the country (Stamolampros et al., 2020).

### **2.2.3 Antecedents and Consequences of Consumer Ethnocentrism**

The construct of consumer ethnocentrism does not develop in isolation, but it should be seen as a result of a variety of social, economic, and environmental influences (Sharma et al., 1995). A huge number of researchers have paid considerable attention to analyzing the antecedents and consequences of consumer ethnocentrism. Shankarmahesh (2006) is considered one of the pioneering studies in this research area. They categorized all the antecedents of consumer ethnocentrism mentioned in previous literature under four categories: socio-psychological, economic, political, and demographic, as shown in Figure 2.2. The following section will further discuss these antecedents and consequences.



**Figure 2.2 Antecedents and Consequences of Consumer Ethnocentrism**

Source: Adapted from Shankarmahesh (2006).

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**2.2.3.1 Antecedents of Consumer Ethnocentrism****2.2.3.1.1 Socio-psychological Antecedents**

Shankarmahesh (2006) summarized all the socio-psychological antecedents in the past literature into ten different constructs, as depicted in Figure 2.2. The following section will emphasize the most prominent socio-psychological antecedents and their correlation with consumer ethnocentrism construct.

- **Cultural Openness:** Sharma et al. (1995) described cultural openness as consumers' willingness to engage and interact with individuals from other different cultures and societies and explore some of their cultures. According to Shimp and Sharma (1987), being open to different cultures correlates negatively with consumer ethnocentrism. In other words, having more exposure to other cultures reduces consumers' likelihood of having biased attitudes against imported brands/products (Sharma et al., 1995). There have been several studies, such as Dmitrovic et al. (2009) and Zeugner-Roth et al. (2015) that have verified the inverse correlation between cultural openness and consumer ethnocentrism. These studies argue that individuals who are more open to different cultures are more willing to accept and purchase foreign products/brands.
- **World-mindedness:** It is a global perspective enables consumers to perceive all humans in the world as part of a single entity. This mindset involves considering humanity as the reference point of comparison rather than their own nationalities (Dmitrovic et al., 2009). However, world-mindedness differs from cultural openness because the latter refers to individuals' willingness to engage with other cultures and societies, while the former refers to a broader perspective on humanity's problems. As such, similar to cultural openness, the negative relationship between world-mindedness and consumer ethnocentrism has been widely established in the existing literature (see Shankarmahesh, 2006).

- **Patriotism:** Past literature considered patriotism as an important determinant in developing individuals' commitments towards their mother nations. They defined patriotism as individuals' love, national loyalty, and devotion to their home country (Balabanis et al., 2001). As such, the significant positive impact of patriotism on consumer ethnocentrism is widely established in the existing consumer behavior literature (see Shankarmahesh, 2006). For instance, Balabanis et al. (2001) argue that patriotism is not only positively related to consumer ethnocentrism but also serves as a defense mechanism for in-group cohesion. They assert that a strong sense of consumer patriotism results in favourable evaluations of domestic products/services over foreign alternatives. These findings were also supported by Sharma et al. (1995).
- **Collectivism/ Individualism:** Yoo and Donthu (2005) defined collectivism as individuals' social orientation to give a higher priority to achieving the goals of their own groups over their individual goals. They argued that individuals in collectivistic societies tend to protect group harmony by sacrificing their individual goals to maintain the survival of the community, whereas, in individualistic societies, individuals tend to act as if society is just a tool to achieve their own personal goals. Accordingly, previous studies have indicated that individuals with a collectivistic orientation feel a strong obligation to support their community by purchasing domestic products/brands. They also tend to have negative emotions and purchasing intentions towards imported products/brands (Kumar, Fairhurst, and Kim, 2011). Therefore, consumers in collectivistic societies are more likely to be ethnocentric and may prioritize their nation's welfare over their own (Javalgi et al., 2005; Yoo and Donthu, 2005).
- **Animosity:** Political and economic conflicts among countries and nations can have significant repercussions on consumers' behaviours (Sharma, 2011). Previous literature has defined consumer animosity as the level of antipathy that

consumers hold against a foreign country due to past or ongoing political, economic, or military conflicts (Klein, 2002). Many studies demonstrate the significant negative impact of consumer animosity on consumers' preferences and willingness to purchase imported products from foreign countries that have a history of economic or political conflict with their home country (e.g. Klein, 2002; Shoham and Gavish, 2016). As a result, consumer animosity and consumer ethnocentrism are positively correlated (Shankarmahesh, 2006).

- **Materialism:** Previous literature has defined consumer materialism as a consumer value or orientation that regards possessions as symbols of success (Sharma, 2011). As such, materialistic consumers believe that people's well-being is connected to their purchases and possessions (Cleveland et al., 2009). Materialism, as a consumption orientation, significantly influences consumer behaviours, including perceptions, preferences, and purchasing decisions (Shankarmahesh, 2006). For example, materialistic consumers are often concerned with showing their status and possessions within their relevant social groups by purchasing and consuming imported luxury brands (e.g. Sharma, 2011). Furthermore, Cleveland et al. (2009) Materiality-oriented consumers are highly motivated to enhance their social status by purchasing national brands.
- **Values:** Human values are the main guiding principles of individuals' behaviours and directly influence their attitudes and behaviours. According to Shankarmahesh (2006), although an infinite number of human values can be investigated, values such as self-respect, self-fulfillment, and being well-respected have been empirically shown to be positively related to consumers' ethnocentrism.
- **Conservatism:** Conservatism was defined as individuals' tendency to uphold long-standing traditions and social institutions and to implement the desired changes gradually and occasionally (Sharma et al., 1995). According to this

definition, highly conservative consumers are hesitant to make extreme changes to the existing order. They exhibit certain common traits, including religious fundamentalism, adherence to traditions and customs, and insistence on strict rules and regulations (Shankarmahesh, 2006). As such, previous literature has established a positive association between conservatism as an individual orientation and consumer ethnocentrism (e.g. Sharma et al., 1995; Balabanis et al., 2001).

- **Perceived threat:** One of the essential facets of consumer ethnocentrism is the perceived threats of foreign products and services to domestic industries and workers. As such, ethnocentric consumers believe that individuals who purchase foreign products/services bear moral responsibility for the potential harm to the national economy and domestic workers who lose their jobs due to imported products/services (Sharma et al., 1995). While many studies have considered perceived threats as a main determinant of consumer ethnocentrism (see Shankarmahesh, 2006), however, Sharma et al. (1995) debate that perceived threats play a significant moderating role between consumer ethnocentrism and consumers' attitudes towards foreign products.
- **Dogmatism:** Dogmatism refers to a personality trait that perceives reality through an absolute black-and-white view (Caruana, 1996). According to the existing literature, consumers who are less dogmatic tend to hold more positive attitudes and show greater intentions to purchase foreign products/brands than highly dogmatic consumers (Shankarmahesh, 2006). Additionally, Shimp and Sharma (1987) also affirmed a significant positive association between dogmatism as an individual orientation and consumer ethnocentrism.

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**2.2.3.1.2 Economic Antecedents**

Although the majority of consumer ethnocentrism's predictor variables are generated from psychological perspectives, many studies have justified the idea that the economic environment is another important antecedent (Balabanis and Diamantopoulos, 2004). According to Shankarmahesh (2006), the dominant economic system (i.e. capitalism, socialism and mixed economies) and the stages of economic development are the main economic determinants of consumer ethnocentrism in previous literature. For example, Weiss (2003) proved that the degree of capitalism negatively impacts the nationalistic feelings and ethnocentric beliefs of consumers in four post-communist countries (Poland, Hungary, Slovakia, and the Czech Republic). In contrast, consumers in controlled or socialist economies are more conservative and ethnocentric (Shankarmahesh, 2006). Furthermore, Reardon et al. (2005) conducted a comparative study in the USA, Kazakhstan, and Slovenia. They found that the relationship between consumers' ethnocentric tendencies and foreign product preferences is stronger in less developed and transition economies. The findings of these studies may contradict the existing literature on the COO context, such as Wang and Chen (2004), which found that consumers in developing economies may be very satisfied with products from developed countries due to their perceived high quality. As a result, many researchers claim that the positive relationship between consumer ethnocentrism and the preferences for domestic brands in developing and transition economies depends on certain variables, such as the availability of good domestic alternatives and the perceived equality of domestic products (e.g. Hamin and Elliott, 2006).

**2.2.3.1.3 Political Antecedents**

According to Shankarmahesh (2006), political propaganda and historical oppression are significant political factors that can strengthen or diminish the level of consumer ethnocentrism. Political propaganda refers to communication efforts

by governmental authorities or non-profit organizations to promote positive attitudes toward domestic products and services in comparison to their foreign equivalents. Wanninayake (2014) argued that "Buy Local Campaigns" promoted by various governments are a common practice. For example, buy-American campaigns have been utilized in the USA for the past four decades. Recently, several other countries, such as China and Canada, frequently organize national promotional campaigns to support domestic industries (He and Wang, 2015; Kock et al., 2019). Thus, political propaganda is considered to be a significant factor in fostering consumers' ethnocentric beliefs (2006). For example, Hamin and Elliott (2006) debated that buy-local campaigns in developed countries, such as Indonesia, positively influence consumers' preferences and purchase behaviour of domestic brands. In addition to political propaganda, Shankarmahesh (2006) suggested that the history of oppression, which refers to the unfair use of power by authorities, is one of the prominent political variables that can determine the level of consumer ethnocentrism in a society. As noted by Rosenblatt (1964), a prolonged history of oppression can enhance group coherence and foster strong emotional responses to reject out-group values and products. For example, the occupation period, which many African and Middle Eastern nations experienced by many European countries in the nineteenth century, has left many of these nations negatively predisposed against the West (Le et al., 2013).

#### **2.2.3.1.4 Demographic Antecedents**

The level of consumers' ethnocentric beliefs can vary according to their demographic characteristics (Shankarmahesh, 2006). Demographic variables can also moderate the relationships between consumer ethnocentrism and its consequences (Wanninayake, 2014). Many studies have observed a positive correlation between consumers' age and their ethnocentric beliefs (Javalgi et al., 2005; Kumar et al., 2011). Older people are commonly more conservative and



nationalistic and thus have negative perceptions toward foreign imported products. In contrast, youth are exposed to many foreign influences through their education, media, movies, and social media. Thus, they have fewer ethnocentric tendencies and less negative perceptions toward foreign brands and service providers (Kumar et al., 2011). Previous studies also indicate that compared to men, women have higher ethnocentric and conservative tendencies and hold more favourable attitudes towards domestic brands/products (Javalgi et al., 2005; Kumar et al., 2011). Furthermore, there is a negative correlation between education/income and ethnocentrism. Individuals with higher levels of education or income generally have greater preferences for foreign brands and service providers over domestic ones, making them less ethnocentric consumers (Balabanis et al., 2001; Kumar et al., 2011). Finally, individuals' ethnic group and social class can significantly affect their ethnocentric tendencies, particularly in the context of the dominant majority culture and minority subcultures. Research studies suggest that ethnic minorities often show higher preferences for foreign products and services compared to the majority ethnic group (see Shankarmahesh, 2006).

### **2.2.3.2 Consequences of Consumer Ethnocentrism**

Ethnocentric tendencies do not exist for their own sake, but it motivates consumers to act and make their decisions in line with them (Zeugner-Roth et al., 2015). Therefore, the significant impacts of consumer ethnocentrism on consumers' behaviours, including their purchasing decisions, perceptions of quality, behavioural intentions, and support for domestic brands, are well-established in previous literature (e.g. Balabanis et al., 2019; Vida and Reardon, 2008; Verlegh, 2007; Zeugner-Roth et al., 2015). For example, Zeugner-Roth et al. (2015) argued that ethnocentric customers are more likely to overestimate the perceived quality of domestic service providers and underestimate the perceived quality of services delivered by foreign services providers. Similarly, consumer ethnocentrism has

been considered an important factor in determining a product's perceived value. Ethnocentric customers are more likely to overestimate the perceived value provided by domestic products and services while underestimating the perceived value provided by foreign products and services (Le et al., 2013).

Furthermore, previous studies provided empirical support for the positive relationship between consumer ethnocentrism and their preferences (e.g. He and Wang, 2015; Lee et al., 2010) and willingness to purchase domestic/foreign products and services (Zeugner-Roth et al., 2015). When evaluating domestic products and services to foreign ones, ethnocentric consumers often show strong biased preferences for domestic products/services over foreign ones, even when these products are identical in their attributes (e.g. Balabanis et al., 2019; He and Wang, 2015). Finally, previous literature clearly shows that consumer ethnocentrism can positively or negatively affect consumer loyalty toward domestic or foreign products and services (Balabanis et al., 2019). For example, Makanyeza (2015) confirmed that consumer ethnocentrism negatively influences consumer loyalty toward imported products, while Boukamba et al. (2021) debated that ethnocentrism positively affects tourist's loyalty to domestic destinations, including the intention to revisit, recommend to others, and spread positive word of mouth about domestic destinations.

Although these consequences are applicable to both developed and developing countries, several contextual variables can enhance or diminish the significant effects of consumer ethnocentrism on consumers' behaviours, such as perceived economic threat, the brand equity of domestic/foreign products, perceived product necessity, cultural similarity, and perceived product quality (Shankarmahesh, 2006; He and Wang, 2015). For example, Bruning and Saqib (2013) debated that despite consumer bias against foreign products and service providers is well documented

in previous literature, the direction of this bias is not symmetric and depends on the cultural similarity with the foreign services providers. They confirmed that consumers tend to prefer domestic service providers and service providers belonging to countries that are perceived to be culturally similar to their home countries over those from different or dissimilar countries. Moreover, He and Wang (2015) claimed that brand equity (e.g. supers service quality, value for money, and brand awareness) could moderate the positive and/or negative effects of consumer ethnocentrism on consumers' purchase of domestic and/or foreign brands.

#### **2.2.4 Consumer Ethnocentrism and Services Context**

In their comprehensive review of consumer ethnocentrism literature, Kock et al. (2019) conclude that the vast majority of previous consumer ethnocentrism studies have been conducted in the physical goods context. However, with the internationalization of various services that were monopolized by national governments, consumers have been exposed to a growing number of foreign services providers. This shift has extended into industries once protected by monopolies, such as aviation, telecommunications, and public transport services (Lee et al., 2010). Despite the strong field evidence on the significant role of ethnocentric bias in international service markets, the academic and empirical investigation about the effect of consumer ethnocentrism construct on consumers' behaviours towards foreign service providers, including their perceptions, evaluations, and purchasing decisions is still limited (Stamolampros et al., 2020). Thus, the existing literature offers little insight into the role of consumer ethnocentrism in the international services marketing context (Kock et al., 2019; Shankarmahesh, 2006), as most of the existing literature has focused on consumer ethnocentrism in relation to tangible products.

Nevertheless, with the remarkable growth of international service industries, many studies have extended consumer ethnocentrism model to various services industries such as banking and financial services, higher education, international travel, and tourism (e.g. Bruning and Saqib, 2013; Kock et al., 2019; García-Gallego and Mera, 2016). These studies provided several insights about the relevance of consumer ethnocentrism construct to service industries and highlighted the research areas that need further investigation. De Ruyter et al. (1998) are widely acknowledged as the first significant attempt to apply consumer ethnocentrism construct to the services context. Their results confirmed the generalizability of the consumer ethnocentrism model for the services setting. Furthermore, Ferguson et al. (2008) explored the effect of COO and consumer ethnocentrism on service evaluation in the emerging market. The result confirmed that highly ethnocentric consumers would be more likely to prefer their home country's service provider, even though the foreign services providers offer superior quality.

However, the current political and economic conflicts have revealed the critical role of consumer ethnocentrism in the international markets arena (Verma and Naveen, 2021). As a result, a recent research stream deals with consumer ethnocentrism in international service markets, particularly international travel and tourism services (e.g. Kock et al., 2019; Lever et al., 2023; Stamolampros et al., 2020; Xiaolong et al., 2022). Kock et al. (2019) conducted the first empirical investigation of ethnocentrism in tourism services. They defined tourist ethnocentrism as “*an individual's prescriptive beliefs and a felt moral obligation to support the domestic tourism economy*” (Kock et al., 2019, pp. 427–428). According to their view, visiting a domestic destination rather than a foreign one is a way for ethnocentric tourists to support domestic destinations and secure domestic jobs. Their findings are consistent with Lever et al. (2023) who claimed that tourist ethnocentrism significantly affects tourists' intentions to recommend

domestic destinations and residents' support for tourism development. In contrast, Boukamba et al. (2021) argued that tourist ethnocentrism negatively affects tourists' intention to visit, recommend, and spread positive word-of-mouth about foreign destinations.

In the airline travel services, although the concept of ethnocentrism has not been widely investigated in airline services, there is some evidence that ethnocentrism can influence airline travellers' behaviors (Suham-Abid and Vila-Lopez, 2020; de Jong et al., 2022). Using a Trip-advisor dataset of 380,000 traveller reviews, Stamolampros et al. (2020) presented strong evidence that ethnocentrism can influence travellers' online ratings of domestic and foreign airlines for reasons unrelated to quality or value considerations. Similarly, Bruning and Saqib (2013) claimed that ethnocentrism can influence travellers' airline choice decisions. However, these studies did not empirically measure ethnocentrism but relied on external cues such as airline origin and nationality.

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## **2.3 Consumers' National Identity**

Previous studies on national identity indicates that consumers' biased preferences for domestic products and services is not solely driven by economic concerns (ethnocentrism) but also by their attachment to their national identity. They contend that while globalization has enhanced international communication between many countries and resulted in greater cultural homogeneity in several aspects, nationalism remains one of the main factors that influence consumers' behaviours and purchasing decisions in the global markets (Carvalho et al., 2019; Chi Cui and Adams, 2002). As such, the competitive pressures between foreign and domestic companies can evoke consumers' affective responses and their sense of identity, which in turn can influence their preferences for domestic products and services (Verlegh, 2007). Therefore, companies align their brand identity with their national identity in order to stimulate consumers' emotional feelings towards local brands; For example, He and Wang (2015) claimed that Chinese domestic companies often utilize their national identity in their marketing and promotional activities by using a patriotic slogan such as "I am Chinese made" to counter foreign competition of global foreign brands. The next section will delve deeper into the theoretical underpinnings of the national identity construct.

### **2.3.1 Definition of National Identity**

National identity, or so-called national identification in some studies, is a kind of collective identification that binds people together according to common customs, values, culture, and historical heritage (He and Wang, 2015). National identity refers to *"the extent to which people identify with and have a positive feeling of affiliation with their own nation, as well as the importance they attach to this feeling"* (Zeugner-Roth et al., 2015, p. 28). It highlights the significance of national affiliation and the personal connection between individuals and their home nations (Blank and Schmidt, 2003). Similarly, Chi Cui and Adams (2002) described

national identity as the irrational psychological bond that binds individuals within the same country, usually termed "a sense of belonging". As such, the distinctive element of national identity is "*differentiation from other nations and continuity over time*" (Ariely, 2012, p. 462). Tomlinson (2003) explained that national identity is a product of a country's cultural system that is shaped by the country's social and organizational institutions, especially the education system and the media. National identity varies on a positive-negative scale, extending from positive to negative identification with the nation (Blank and Schmidt, 2003). However, individuals generally possess a positive national identity because they usually hold a positive view of themselves and their nations (Le et al., 2013). Nevertheless, the vast majority of previous studies have focused on the positive form of national identity, and very few studies, such as Josiassen (2011), have investigated the negative form of national identity (consumers' dis-identification with their home countries) on consumer behaviours.

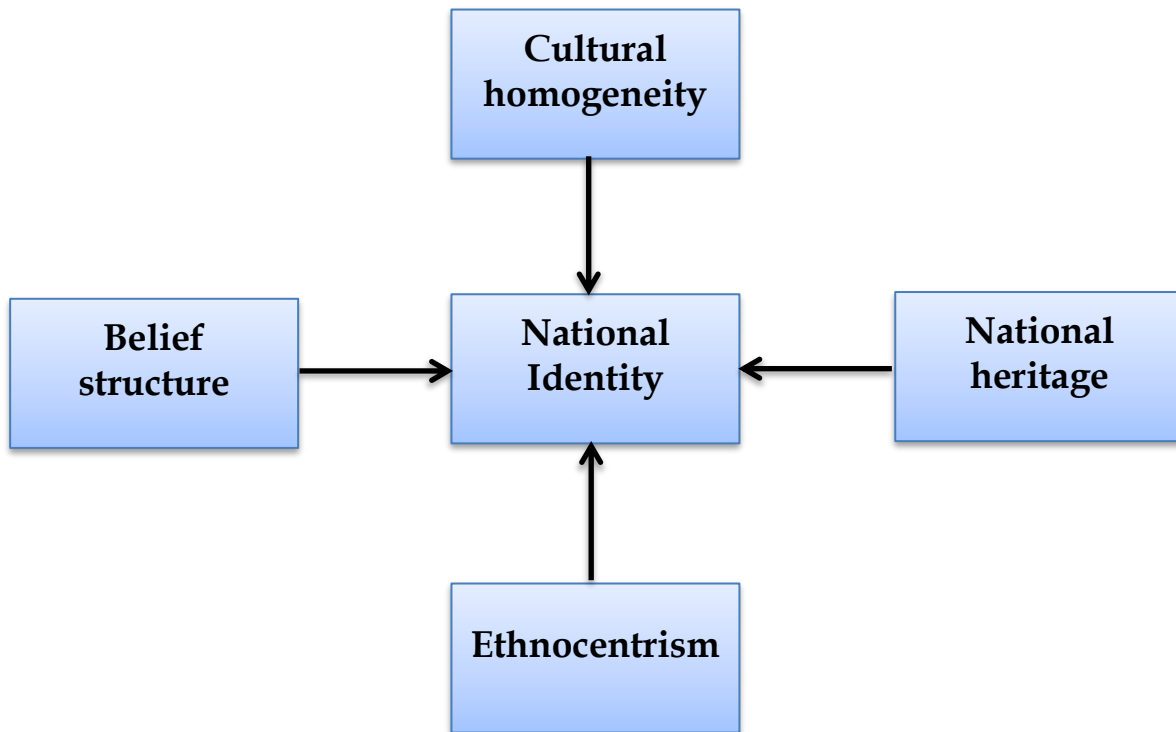
Cultural focus is one of the main prominent features of national identity, as it is often constructed based on the fundamental cultural elements that tie subcultures together within specific national boundaries (Carvalho et al., 2019). Consequently, many studies have defined national identity as a set of meanings that is held by a given culture that can be used to differentiate them from others. Additionally, national identity is also a dynamic concept, as it may change or modify through history; these changes may take place due to the process of globalization and immigrants in different nations, which influences the way that people define themselves in the social environment (Ariely, 2012). Being deeply rooted in social identity theory, the concept of national identity provides individuals with sufficient knowledge about who they are and how they should act in this complex and changing world (Carvalho et al., 2019). As such, previous literature shows that

incorporating in-group identities within the self-concept can lead individuals to favour the in-group and its members, achievements, and products (e.g. Carvalho et al., 2019; Fischer and Zeugner-Roth, 2017).

### **2.3.2 Dimensions and Measurement scale of National Identity**

Over the past decades, the concept of national identity has been studied in several contexts, including social sciences, politics, consumer behaviours, and marketing (Carvalho et al., 2019). Although some studies have treated national identity as a one-dimensional concept (e.g. Ali, Kim, and Ryu, 2016; Zeugner-Roth et al., 2015), many studies have addressed national identity as a multidimensional construct (e.g. He and Wang, 2015; Le et al., 2013; Lever et al., 2023; Pöllmann, 2008; Wang et al., 2023). Nevertheless, there was no agreement among these studies on specific dimensions of the national identity construct. For example, Roccas et al. (2006) presented national identity as a two-dimensional construct including attachment to in-group and in-group glorification. Similarly, Wang et al. (2023) captured tourists' national identity as a two-dimensional concept, including a sense of identity and national pride, which is consistent with Pöllmann's (2008) study. Among these studies, Keillor et al. (1996) is one of the most widely recognized studies in this field. They developed a comprehensive scale (NATID scale) that captures national identity as a multidimensional construct that includes four dimensions, including national pride/heritage, beliefs system, cultural homogeneity, and ethnocentrism, as shown in Figure 2.3.





**Figure 2.3 Dimensions of National Identity**

Source: Adapted from Keillor and Hult (1999)

National heritage represents the significance of historical events and figures that embody a culture's unique history (Keillor et al., 1996). For example, despite similarities in belief systems among various Middle Eastern nations, the distinct national heritage of each nation can result in different national identities (Le et al., 2013). In contrast, cultural homogeneity characterizes the uniqueness of a culture within the context of national heritage, and thus, the concept of cultural homogeneity is closely connected to national heritage. The number of subcultures within a given country is hypothesized to have a negative impact on the strength of national identity. For example, the United States encompasses a wide range of subcultures (e.g. Hispanic, Latin American, European, Asian, African, etc.), which may weaken the strength of America's national identity. In contrast, the absence of ethnic subcultures among the Japanese contributes to the reinforcement of their national identity (Keillor and Tomas, 1999).

Belief structure, which represents the third dimension of national identity concept, refers to the degree to which individuals' faith, values, and religious beliefs contribute to supporting individual cultural participation and solidarity. Belief structure can promote cultural involvement and offer a mechanism for conflict resolution (Le et al., 2013). Finally, the fourth dimension measures ethnocentrism, which reflects the importance of maintaining culturally concentrated consumption patterns. According to Keillor et al. (1999), the significant favouritism for products and services produced within the country, rather than foreign-made alternatives, suggests that most citizens strongly identify with their nation. However, a closer examination of these four dimensions shows that while national heritage, belief structure and cultural homogeneity encompass the broader religious and cultural aspects of human life, the conceptual domain of ethnocentrism is more specific (Le et al., 2013). In fact, ethnocentrism only focuses on economic and social threats of foreign competition to society, which is considered only one aspect of the general social exchange. Therefore, the vast majority of previous national identity studies that adopted the NATID scale focused on the first three dimensions of national identity and treated ethnocentrism as another independent predictor (He and Wang, 2015).

### **2.3.3 Differences between National Identity and Consumer Ethnocentrism**

National identity and consumer ethnocentrism have different focuses and different impacts on consumer behaviours toward domestic and foreign products (He and Wang, 2015). Table 2.2 provides a brief comparison between these two constructs and the different impacts of both constructs on consumer preferences between domestic versus foreign products and services. In terms of the different mechanisms each construct, national identity depends on individuals' collective identification with their nation or culture, while consumer ethnocentrism is rooted in a nationalist perspective. Particularly, the national identity reflects positive

feelings and patriotic emotions toward individuals' nation with a socio-psychological focus, while consumer ethnocentrism represents individuals' negative tendencies towards other out-groups (other countries) with an economic focus. Thus, instead of concentrating on one's own culture and feelings, consumer ethnocentrism reveals consumers' tendencies to reject those from out-groups depending on their beliefs that it is inappropriate to purchase products and services from foreign countries (Shimp and Sharma, 1987; Gineikiene et al., 2017; Verlegh, 2007).

The orientation of each concept, according to social identity theory, in-group discrimination due to national identity arises from individuals' strong feelings of attachment to the in-group (pro-ingroup construct) without direct comparisons to out-groups (other countries). Therefore, national identity is basically different from consumer ethnocentrism, which assumes that in-group bias results from the individuals' feeling of superiority toward the in-group coupled with the beliefs of inferiority to all other groups (anti-outgroup construct) which do not belong to it (Zeugner-Roth et al., 2015). Also, in terms of their expected influences on consumer behaviour, although both national identity and consumer ethnocentrism influence consumer preferences toward domestic and foreign products and services, however, national identity is largely dependent on consumer's internal feelings, while consumer ethnocentrism is basically based on external social norms which determine what consumers should do regarding their consumption practices in order to avoid the negative effects of foreign products and services on the domestic employment and the economic welfare of their countries (Sharma et al., 1995).

Table 2.2 Differences between National Identity and Consumer Ethnocentrism

	National Identity	Consumer Ethnocentrism
<b>Definition</b>	<i>"The extent to which people identify with and have a positive feeling of affiliation with their own nation, as well as the importance they attach to this feeling" (Zeugner-Roth et al., 2015, p. 28).</i>	<i>"The beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products" (Shimp and Sharma, 1987, p. 280).</i>
<b>Orientation</b>	- Is widely considered a pro-ingroup rather than anti-outgroup construct.	- Is widely considered a pro-ingroup as well as anti-outgroup construct.
<b>Mechanism</b>	<ul style="list-style-type: none"> <li>- Suggests that in-group bias results from the motive to enhance and maintain a positive social identity rather than to discriminate against foreign groups.</li> <li>- A socio-psychological focus.</li> <li>- Positive feeling toward one's cultural heritage</li> </ul>	<ul style="list-style-type: none"> <li>- Suggests that in-group bias arises from a sense of superiority towards the in-group and inferiority of all other foreign groups.</li> <li>- An economic focus and the desire to protect one's economy.</li> <li>- Negative sentiment towards other foreign groups.</li> </ul>
<b>Attitudes toward domestic/foreign products</b>	<ul style="list-style-type: none"> <li>- Positive attitudes and preferences for domestic brands due to their symbolic cultural meanings.</li> <li>- It is not necessary to have negative attitudes or to reject foreign brands.</li> </ul>	<ul style="list-style-type: none"> <li>- Positive attitudes and preferences for domestic brands due to their normative responsibility (morality).</li> <li>- Negative attitudes and rejection of foreign brands due to their negative influences on the national economy.</li> </ul>

Source: Own elaboration based on He and Wang (2015), and Zeugner-Roth et al. (2015).

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**2.3.4 National Identity and Nationalistic Consumption**

People align themselves with various social groups, such as religion, nationality, and ethnicity. According to social identity theory, being a part of a specific social group can become more important due to situational factors and social interactions (Tajfel and Turner, 1986). When individuals associate with a certain group, they are more willing to participate in behaviours that uphold the values and objectives of that group to advance its well-being (Kuppens et al., 2013). Among the multiple social identities, national identity holds significant importance (Bang, Yoo, and Choi, 2017). Previous literature has shown that many contextual or stimulus cues related to a home country, such as natural disasters and national victories, can play a major role in activating and improving national identity. Furthermore, media content can serve as a contextual cue that can activate, reinforce, and activate individuals' national identity. For example, Carvalho and Luna (2014) argued that exposure to national media content, such as news reports about a natural disaster (e.g. hurricanes, earthquakes, or bad weather conditions) in Brazil, for example, immediately activated Brazilians' national identity.

Once national identity is activated, it guides individuals' behaviour in a manner that supports their national goals, interests, and welfare (Bang et al., 2017; Sharma et al., 1995; Yoo and Lee, 2016). People with strong national identities tend to overrate the quality of domestic products and services. Consequently, they often favour domestically produced goods and services over superior foreign alternatives in order to enhance their nation's prosperity and safeguard its existence (Sharma et al., 1995). Similarly, prior research has indicated that when national identity is activated, consumers tend to have a more favourable perception of advertisements featuring patriotic elements (Carvalho and Luna, 2014). Furthermore, as noted earlier, Chinese companies frequently employ national identity to foster positive

emotional connections between consumers and domestic brands through promotional campaigns which depend on the sense of national pride in their national identity and Chinese culture, such as "I am a new China made" promotional campaign (He and Wang, 2015). Furthermore, once a particular brand holds the symbolic meaning of one's national identity or cultural element (local icon brand), it can strengthen one's self-identity, as consumers tend to prefer the brand that is associated with their national/cultural identity (Zeugner-Roth et al., 2015). Even when individuals immigrate to another foreign country and perhaps lose their nationality, they still preserve their cultural and national identity by continuing to consume products and services that hold symbolic values to their original culture (He and Wang, 2015).

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**2.4 Country of Origin**

Companies use their COO to convey superior quality and reliability (Berentzen et al., 2008). Therefore, previous studies have shown that consumers' evaluations and choices of different products and service offerings are significantly influenced by their perceptions of the COO (e.g. Josiassen and Harzing, 2008; Jun and Choi, 2007). Since Schooler (1965) first demonstrated the impact of COO on product evaluations, marketing scholars have extensively explored this concept across various product categories and country contexts (e.g., Aichner, 2014; Sharma, 2011; Jimenez and San Martin, 2010; Septianto, Chiew, and Thai, 2020). However, it is important to note that only a few studies have delved into the effects of COO in the international services marketing literature (Zhu, 2014). This paucity of research highlights the need to devote more attention to this area of research. Accordingly, this section presents an overview of the conceptual and theoretical framework of COO studies and how they influence consumers' evaluations and choices between domestic and foreign services providers. It begins with the definitions of COO and its influence on consumer behaviours toward domestic and foreign products and services. Next, it discusses the practical strategies used by companies to convey their COOs. Finally, it delves into the investigation of COO in service industries, with a specific focus on airline travel services.

**2.4.1 Definition of Country of Origin**

Consumers usually hold positive or negative perceptions towards different countries based on stereotypical beliefs. These stereotypes, whether positive or negative, can significantly affect their attitudes and purchasing behaviours towards products and services belonging to these countries (Jun and Choi, 2007). Researchers generally refer to this phenomenon as COO effects or COO images (Zhu, 2014). In service industries, it is also commonly known as the country-of-

brand (COB) or country-of-service delivery (COSD) (Aichner, 2014). This effect was first explored and conceptualized in a study by Schooler (1965), who concluded that there was a measurable relationship between consumers' evaluations of products and their origins. Berentzen et al. (2008) stated that COO effect is primarily shaped by socio-economic elements such as political and economic development, technical competence, etc. COO refers to the phenomenon of evaluating products and services based on the country where the product is produced or to which the service provider belongs (Stamolampros et al., 2020). Nevertheless, with the proliferation of global production and multinational corporations, the term COO has become a more complex construct involving various factors such as country of assembly (COA) and country of design (COD), as most products and services are often manufactured across multiple countries (Zhu, 2014). Accordingly, within marketing literature, COO is widely defined as the country with which consumers associate a particular product or brand as its origin, regardless of where the product is actually produced (Jaffe and Nebenzahl, 2006). For example, many consumers perceive GE as an American brand, even though most GE products are manufactured outside the USA.

In general, when consumers are exposed to a variety of products from different sources, they are exposed to a wide range of intrinsic and extrinsic cues (e.g. price, quality signals, brand name, and brand COO). These cues can guide them to conclusions about these products and determine which brand offers the most value to them (Herz and Diamantopoulos, 2013). According to the cue utilization theory, when a product's intrinsic cues are difficult to acquire, or when consumers tend to accelerate the purchasing decision, they rely on extrinsic cues such as the COO label or the brand name to evaluate products/services and make their purchasing decisions (e.g. Behringer, 2023; Zhu, 2014). As a result, COO as an extrinsic cue



serves as a -cognitive shortcut- for consumers' evaluations of product/service, as many product attributes, such as quality, are influenced by consumers' stereotypes or perceptions of the product's COO. For example, Josiassen and Harzing (2008) concluded that consumers could depend on a product's COO as an informational cue, particularly when evaluating a new product/service that they do not have previous experiences with. Accordingly, brand marketers must be aware of the stereotypes associated with their country in order to effectively and strategically utilize them. For instance, Germany is often associated with a highly functional and professional image, and as a result, German car brands such as AUDI often emphasize their German roots with slogans like "Leadership in technology" (Herz and Diamantopoulos, 2013).

#### **2.4.2 Country of Origin Effects**

The COO effect refers to the impact that a brand's origin or a product's origin has on consumers' attitudes, perceptions, evaluations, and purchasing decisions (Septianto et al., 2020). Similar to brand names, COO cues have various associations that can significantly impact consumers' purchasing decisions, both directly and indirectly (e.g. Dmitrovic et al., 2009; Zhu, 2014). Extensive research has yielded statistical and empirical evidence of the COO's influence on consumers' perceptions, preferences, and their willingness to buy foreign and domestic products and services. For example, Jun and Choi (2007) found that COO as an extrinsic cue affects consumers' quality perceptions, product image, and purchasing intention. As a result, Aichner (2014) emphasize that numerous companies used their positive associations with their COO to gain an advantage in marketing their products and services internationally. However, if the COO stereotypes are negative, they can represent intangible barriers in the form of negative consumer bias against products and services from these countries.

Likewise, Gürhan-Canli and Maheswaran (2000) discovered that more favourable perceptions and COO images resulted in a stronger COO effect on consumers' evaluation. This effect underscores the strategic importance for companies to formulate positive perceptions of their origins. Furthermore, Yasin, Nasser, and Mohamad (2007) determined that COO significantly impacts consumers' purchase decisions by influencing a brand's image.

Moreover, many researchers point out that the COO plays a significant role in the pricing strategies adopted by companies (e.g. Koschate-Fischer, Diamantopoulos, and Oldenkotte, 2012). They argue that consumers are more likely to pay a premium price for products and services originating in countries with positive stereotypes due to their brand awareness and perceived quality (Diamantopoulos et al., 2021). According to Aichner (2014), customers are willing to pay more for products and services originating in countries with a strong reputation for quality than those from other countries. These products are often associated with developed countries that possess a more advanced and professional image, whether based on rational or emotional considerations. Similarly, Koschate-Fischer et al. (2012) found that consumers are more willing to spend more money on branded products and services from COOs with a positive country image. Recent research by Diamantopoulos et al. (2021) supports this notion, suggesting that companies from European and North American countries often find it easier to implement premium pricing strategies.

Nevertheless, researchers have debated the contextual nature of COO effects, which can vary significantly in different marketplaces. For instance, existing literature has shown that developed countries such as the USA and the UK may receive relatively positive product evaluations based on their favourable COO images, whereas less-developed countries like China and Brazil may face relatively

negative product assessments due to their negative COO images (Herz and Diamantopoulos, 2013). Therefore, consumers in developed countries often show strong preferences for products and services made in their own countries (Zhu, 2014). As a result, promotional campaigns such as "Made in the USA" and "Buy Canadian" have proven to be highly effective in motivating American and Canadian consumers to choose domestic products over foreign ones (Verlegh, 2007). On the other hand, some studies suggest that consumers in developing countries tend to favour products manufactured in developed countries. For instance, Wang and Chen (2004) noted that consumers in developing countries consider products made in developed countries as a benchmark for quality and performance.

Furthermore, the effect of COO can vary depending on the product category. For instance, durable products such as electronics and automobiles were considered highly sensitive to COO compared to other product categories (Josiassen and Harzing, 2008; Jun and Choi, 2007). Moreover, prior research has demonstrated that COO effects depend on consumers' familiarity with the products or services and the countries to which the products or service providers belong (Jimenez and San Martin, 2010). It has been established in the literature that when consumers have low familiarity with certain products or services, they often rely on the COO as a cue to make inferences and assess the quality of the products. Conversely, when consumers possess extensive familiarity with the products, they will be able to evaluate the products' quality more thoroughly based on their real experiences, thereby reducing the influence of the COO (Josiassen and Harzing, 2008).

In addition to consumers' familiarity, feelings of animosity toward specific countries, whether situational or permanent, can diminish or reduce the effect of COO (Aruan and Crouch, 2016). Previous research has demonstrated that

consumer animosity has a negative influence on COO effects (Klein, 2002). For example, the historical conflict between China and Japan has led Chinese consumers to boycott Japanese products despite Japan's favourable COO image. Similarly, in numerous Arab nations, large portions of consumers choose to boycott American products and services because of the support given by American institutions and companies to the Israeli war against the Palestinian people. In such instances, consumer animosity may be directed not only toward a specific country but also toward its companies and the products and services they offer (Aruan and Crouch, 2016)

### **2.4.3 Country of Origin Effects in the Services Context**

COO has been one of the most investigated constructs in international marketing over the last few decades; however, to date, only relatively few studies have explored its effects in international services marketing literature (e.g. Bruning and Saqib, 2013; Behringer, 2023; Zhu, 2014). With the beginning of the new millennium, the services economy has become an important component in the economic development of both developed and developing countries. As a result, in line with the growing significance of service industries in global trade, marketing researchers have begun to shed light on the role of the COO in the service context (Aruan and Crouch, 2016). However, as we mentioned, these studies are still limited; for example, Ferguson et al. (2008) conducted a comprehensive review of the previous COO studies during the period from the 1980s to the 2000s. They found that only 19 research papers in the top 25 services marketing journals explored the influences of COO in services industries. Among those, only six studies have examined the COO effects on international services such as medical care and travel services. This paucity of research indicates that further investigation is needed to understand how COO influences consumers' evaluations and decisions

regarding domestic and foreign services providers (e.g. García-Gallego and Mera, 2016; Stamolampros et al., 2020;).

Due to the unique characteristics of service industries, such as intangibility and perishability, customers lack a variety of pre-purchase cues and information required for the evaluation process (Hamin and Elliott, 2006). Therefore, service companies strive to improve the credibility of their service offerings by using highly effective and credible information, such as COO cues, in their branding strategy or service descriptions (Maurya and Gupta, 2015). When the COO cue is actively promoted, the nation becomes linked to the brand, ideally resulting in the perception of a single brand (Behringer, 2023).

The findings of this limited literature on COO in the services context suggest that COO effects are relevant for various types of services (e.g. Ahmed et al., 2010; Cheng et al., 2014; García-Gallego and Mera, 2016). For example, García-Gallego and Mera (2016) claimed that consumers use COO attributes as indicators in their evaluation process and purchase decisions. They argued that COO cues play a substantial role in influencing consumers' preferences towards national versus international banks more than any other attributes, such as the treatment by employees and the availability of electronic banking services. Moreover, some studies have explored the variations in COO effects between products and services (e.g., Berentzen et al., 2008; Hamin and Elliott, 2006). For example, Hamin and Elliott (2006) concluded that the influence of COO in services evaluation is more substantial than for tangible products because of the perceived higher risk associated with the evaluation of service characteristics, such as intangibility and inseparability from consumption, which makes it difficult to evaluate service quality, particularly prior to purchase (Berentzen et al., 2008). Similarly, Michaelis et al. (2008) examined the influence of the COO on service providers and found

that the COO cue exerts a stronger impact on consumers' behaviours. They argued that consumers often have fewer alternatives (choices) when it comes to services compared to physical products, which results in a higher perceived risk, and to mitigate this risk, they seek additional external cues, such as the reputation of the service providers and their COOs (Michaelis et al., 2008).

In the context of airline travel services, limited attention has been paid to this research context in some studies, in particular Ahmed et al. (2010), Bruning and Saqib (2013), and Stamoulampros et al. (2020). For example, Bruning (1997) investigated the influence of national loyalty and carrier's COO on consumers' airline selection in Canada. The results concluded that the carrier's COO ranked next to ticket prices as a key factor in airline choice decisions. The results also empirically demonstrate that Canadian travellers expressed a strong preference for domestic than foreign airlines, and these preferences for domestic airlines differed among passenger segments; for example, females showed more favourable attitudes towards domestic airlines than males. Similarly, Cheng et al. (2014) investigated the effect of COO on consumers' quality evaluation of foreign airlines from developing versus developed countries. They concluded that without other service cues, COO image was a major factor affecting consumers' quality perceptions of airline service quality. Also, the results showed that consumers expressed unfavourable attitudes towards airline services provided by carriers from developing countries. Recently, Stamolampros et al. (2020) argued that COO can play a significant role in explaining passengers' biased ratings of airline service providers.

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**2.4.4 COO Strategies and Their Adoption by Airline Service Providers**

Many companies communicate their COOs to their customers in order to benefit from domestic customers' sense of national loyalty or to capitalize on the favourable stereotypes that international foreign customers may have about products and services from that country (Behringer, 2023). Depending on the target market and the product category, a strong COO can give companies a competitive advantage and strengthen their ability to penetrate new markets (Beverland and Lindgreen, 2002). In his comprehensive review of the COO literature, Aichner (2014) summarized the most widely used explicit and implicit strategies that companies use to communicate the COO of their products/services (see **Table 2.3**). As the table shows, they identified eight strategies that companies can utilize to effectively communicate their COOs to their target markets. An examination of current branding strategies employed by airline companies suggests that a significant number of national airline service providers align their branding with these strategies. Many of these airlines are commonly known as "national flag airlines".

It is a common practice for companies to include the COO in their company name (Aichner, 2014). This strategy is often observed in the airline industry, with examples such as Austrian Airlines and Air France, both of which are recognized as the national carriers of their respective nations. Additionally, British Airways utilizes the word "*British*" to emphasize its origin in Great Britain and clearly establish its heritage (Behringer, 2023). Furthermore, some airlines do not explicitly mention the name of their home country. Instead, they use the national language. For example, Lufthansa, the German national carrier, retains its German name for international operations, clearly highlighting its origin through its use of the German language (Aichner, 2014). In addition, national flags and colours are commonly represented in symbols and logos (Aichner, 2014). A brand's name and

logo are the first impressions that consumers form when seeing a brand, making them crucial for conveying a specific set of country-related values, behaviours, and trustworthiness to consumers (Jimenez and San Martin, 2010). This strategy is widely adopted in most national airlines, such as (Austrian Airlines, Air France, American Airlines, and Iberia Airlines) which depict the airlines' corporate design using symbols and colours derived from the national flag of their countries.

By applying these strategies, the airline's COO is effectively communicated, serving as the first cue that resonates with consumers' minds to constitute the airline's brand image. Therefore, Diamantopoulos et al. (2021) suggest that premium brands, in particular, can benefit from these strategies, as they indicate lower price sensitivity among consumers. However, it is important to note that this also elevates consumers' expectations in terms of quality and service (Septianto et al., 2020).



Table 2.3 Country-of-origin Strategies

Strategy	Type	Description
<b>Made in Label</b>	Explicit	The "Made in... label" is the most common and simplest way to communicate a product's COO.
<b>Quality and Origin Labels</b>	Explicit	This strategy, which is prevalent in the European Union's food industry, relies on utilizing various schemes that facilitate the protection and promotion of agricultural products' COOs. These schemes are often identified by labels such as Protected Designation of Origin (PDO), Traditional Specialty Guaranteed (TSG), and Protected Geographical Indication (PGI), which play a crucial role in communicating the COO of food products.
<b>Embedded the COO in the Company's Name</b>	Explicit	Many companies include the name of a country, region, or city in their brand name, which may indicate their COO. This strategy is very common in service industries including banking and airlines. Example of such strategy include: Air France (France), Iberia (Spain), Alitalia (Italy), and Bank of America (USA).
<b>Embedded COO Stereotypes in the Company Name</b>	Implicit	Some companies may incorporate particular stereotypes or elements (such as country-specific animals or adjectives) related to the COO in their company name. It does not matter whether or not this word or adjective has a literal meaning as long as it is seen as long as it is seen as representative of the COO in the target markets. An example of this strategy is Husky Energy, a Canadian oil and gas company that incorporates the term 'Husky' into its company name and tries to enhance the COO effect by using the image of a husky in its brand logo.

<b>Use of COO Language</b>	Implicit	Utilizing language presents another potential strategy to communicate the COO to the target markets. This can involve incorporating COO language into the company or brand name, as well as integrating it into slogans or advertisements across various media platforms. An example of this strategy is the German car manufacturer Audi, which extensively uses German slogans in its advertising in both domestic and international markets, such as "Vorsprung durch Technik", which means technology pioneer.
<b>Use of Famous People from COO</b>	Implicit	Communicating the COO of a product can also be achieved by placing well-known individuals from the COO in ads based on their group membership. An example of this strategy is the Italian company Ferrero, which usually relies on Italian actors with typical Italian names in its advertising in both domestic and foreign markets.
<b>Use of COO's National Flags and Symbols</b>	Explicit	Another strategy to communicate COO is to use national flags, symbols, and other cultural elements. This strategy is widely used by national airline companies as well as in the packaging of physical products such as pasta and pizza (Italy).
<b>Use of Famous Buildings from the COO</b>	Implicit	Well-known buildings can help consumers easily identify a product's COO. For instance, the Statue of Liberty in the United States, the Eiffel Tower in France, and the Great Pyramid of Giza in Egypt are all examples of landmarks that can be used to convey a product's COO.

Source: Own elaboration based on Aichner (2014)

## **2.5 Consumer Behaviours Towards Domestic and Foreign Service Providers**

This section discusses the theoretical background of the behavioural outcomes associated with home-country bias that this study aims to investigate in the context of airline travel services, including consumers' evaluation of domestic versus foreign services providers, their willingness to purchase domestic versus foreign services and their actual purchase of domestic versus foreign services.

### **2.5.1 Consumers-Service Evaluation**

One of the substantial questions in consumer behaviour literature is how consumers evaluate products/services (Le et al., 2013). Product/service evaluation refers to consumers' overall judgment of a certain product/service based on consumers' perceptions of both intrinsic and extrinsic cues (e.g. Brunetti, Confente, and Kaufmann, 2019; Oduro, Nisco, and Petruzzellis, 2023). There are many extrinsic and intrinsic cues that affect consumers' perceptions and can help to create a comprehensive evaluation in consumers' minds (Sharma, 2011). The current literature presents two primary approaches to understanding product/service evaluation. The first approach views product evaluation as a function of product attributes such as price, brand, and COO. The second approach stems from research that delves into how consumers make choices between different products/services, known as product choice (Le et al., 2013). Furthermore, marketing scholars have utilized various measures to capture consumer product/service evaluations from the consumer–brand equity models (Oduro et al., 2023). Some studies have operationalized service evaluation as an overall unidimensional construct (e.g. Demoulin and Djelassi, 2013; Zeugner-Roth et al., 2015), while many other studies have considered it as a multidimensional construct (e.g. Sharma, Chen, and Luk, 2012; Kim, Chun, and Ko, 2017; Giovanis, Athanasopoulou, and Tsoukatos, 2016).

Nevertheless, there is a lack of consensus among these studies regarding the specific dimensions that constitute the consumer-service evaluation construct (Oduro et al., 2023). For instance, Giovanis et al. (2016) have defined three primary dimensions for capturing consumer-service evaluation: service quality, perceived value, and customer satisfaction. While So et al. (2013) examined hotel service evaluations using three variables: service quality, perceived value, and brand trust. However, in home-country bias and COO studies, consumer service evaluations are often measured using two dimensions, including service quality and perceived value (e.g. Kim et al., 2017; Le et al., 2013). In line with the existing literature on home-country bias, the current study will capture service evaluation using two components: perceived quality and perceived value.

#### **2.5.1.1 Perceived Service Quality**

In highly competitive aviation markets, the success of airlines depends on their ability to understand customer needs and provide high-quality services to fulfill them (Pappachan, 2023). Therefore, service quality has been identified as a crucial source of competitive advantage in previous literature (Chonsalasin et al., 2022). As a result, airlines with low price competitiveness usually focus on offering superior service quality to retain their travellers and avoid switching behaviours (Han and Hwang, 2017). Previous literature widely defined service quality as customers' judgment about the overall superiority of service based on the degree of discrepancy between customers' perceptions and expectations (Zeithaml, 1988). As such, the extent to which passengers' expectations and actual service are similar or different will significantly affect passengers' perceived quality (Chonsalasin et al., 2022). The impact of airline service quality on travellers' behaviours has been extensively examined. It is also widely acknowledged that delivering superior service quality enhances a company's ability to enhance customers' satisfaction, loyalty, and retention (e.g. Pappachan, 2023; Singh, 2021). Moreover, marketing

literature has identified service quality as a key driver of customers' willingness to pay (Steenkamp et al., 2010).

Past literature has viewed airline service quality as a multifaceted construct. Pappachan (2023) treated airline service quality as a three-pronged concept that includes these attributes associated with pre-flight operations, in-flight services, and post-flight services. Similarly, some studies have treated airline service quality as a chain of services that can be divided into core services (transporting passengers from one destination to another) and ancillary services (e.g. inflight services and luggage handling) (Brochado et al., 2019). Therefore, previous studies have used different methods to identify the dimensions and attributes of airline service quality (Chonsalasin et al., 2022). Moreover, several studies have relied on a list of attributes to measure airline service quality, such as cabin services, seat comfort, and punctuality (e.g. Brochado et al., 2019; Park, Robertson, and Wu, 2006). Since airline service attributes are not equally important to all travellers, Lim and Tkaczynski (2017) conducted a meta-analysis of previous airline service literature and identified the most important attributes that these studies relied on in airline staff, seat comfort and meal services, employee responsiveness, convenient flight schedule, in-flight entertainment services, and baggage delivery.

### **2.5.1.2 Perceived Value**

Previous literature has argued that perceived value is a more accurate predictor of traveller loyalty and behavioural intentions than service quality and customer satisfaction (Pappachan, 2023). As one of the most accepted definitions of perceived value, Zeithaml defined perceived value as "*consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given*" (Zeithaml, 1988, p. 14). Hence, perceived value reflects consumers' perception of the total benefits that they receive (i.e. functional and emotional

benefits) compared to the total cost they incur, including financial and non-financial sacrifices (i.e. money, time, and efforts) (e.g. Pappachan, 2023). Although service quality is often associated with the functional utilities (Singh, 2021), perceived value in return needs to be considered using a broader conceptualization that includes functional, social, emotional, and epistemic values (Le et al., 2013). However, the unidimensional conceptualization of perceived value is more prevalent in previous literature compared to the one-dimensional approach that captured overall customer value perceptions, especially in travel and tourism literature (Pappachan, 2023).

Marketing literature has considered national identity and consumer ethnocentrism as an important determinant of perceived value provided by domestic versus foreign products/services. For example, Le et al. (2013) debated that ethnocentric customers are more likely to overestimate the perceived value provided by domestic products/services and underestimate the perceived value provided by foreign products/services. Also, the consequences of perceived value have received significant attention in airline travel literature, especially after the huge demand from travellers for low-cost airlines (Singh, 2021). Previous travel literature has recognized perceived value as major determinant of travellers' behaviours, including travellers' satisfaction, behavioural intentions, and loyalty (e.g. Chonsalasin et al., 2022; Singh, 2021; Park et al., 2006). Furthermore, marketing literature has considered perceived value a vital driver of customers' willingness to pay. For instance, Tsuchiya, Fu, and Huang (2022) debated that perceived value positively relates to customers' willingness to pay for specific brands over alternative brands.

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**2.5.2 Consumers' Willingness to Purchase and Actual Purchase**

The concepts of willingness/intention to purchase and actual purchase behaviours are deeply rooted in the Theory of Planned Behavior (Ajzen, 1991; Ajzen, 2002), which stems from the theory of reasoned action (Ajzen and Fishbein, 1980). The Theory of Planned Behaviour is a widely accepted framework for understanding consumers' attitudes and purchasing behaviours. It has been extensively adopted in previous consumer behaviour literature, including tourism and airline travel services (Truong et al., 2020). The theory suggests that individuals do not make decisions impulsively. Instead, they undergo an evaluation process in which they take into account important factors that contribute to shaping their final decision (Ajzen, 1991). More specifically, the theory suggests that individuals' attitudes towards the behaviour, the influence of social pressure from their community, and their perceived control over the behaviour are crucial factors in shaping their intentions to engage in a particular behaviour, which, in turn, impact individuals' actual behaviour (Ajzen, 1991). Ajzen and Fishbein (1980) argued that intention is the strongest predictor of an individual's behaviour, which captures their intention to perform a specific behaviour. In line with the theory, purchase intention is defined as the possibility that consumers in a certain buying situation choose a certain product or brand (Truong et al., 2020). Thus, while positive attitudes indicate a predisposition to purchase, purchase intention represents the self-reported likelihood of making a purchase (Le et al., 2013).

Previous literature commonly conceptualized consumers' willingness to purchase as an overall construct that is measured using a single item or a short list of 3 to 5 items that typically shows high reliability and validity (Chandon, Morwitz, and Reinartz, 2005). Over the past few decades, consumers' willingness to purchase has been investigated as a potential consequence in a wide range of COO, consumer

ethnocentrism, and national identity studies. Despite the vast majority of previous home country bias studies have used social identity theory as the theoretical basis of their research models (e.g. He and Wang, 2015; Le et al., 2013; Zeugner-Roth et al., 2015). However, these studies have relied on consumers' willingness to purchase as the dependent variable, assuming that consumer ethnocentrism and national identity are primarily attitudinal constructs (e.g. Hong et al., 2023; Sharma, 2015; Xiaolong et al., 2023). They represented consumers' willingness to purchase as individuals' conscious plans to purchase a particular product/brand (Le et al., 2013). Furthermore, many of these studies have used consumers' willingness to purchase as a substitute measure of consumers' actual buying behaviours based on the assumption that intention to purchase is a good indicator of actual purchase behaviour (Chandon et al., 2005). Moreover, some studies have suggested that consumers' intention/willingness to purchase may act as an intervening variable between consumers' attitudes and their actual purchase behaviours (He and Wang, 2015).

Furthermore, the relationship between consumers' willingness to purchase and their actual purchase or ownership of a particular product/service has been extensively researched (e.g. Ajzen, 2002; Truong et al., 2020; Shoham and Gavish, 2016). Furthermore, this relationship has also received substantial interest in international marketing literature. For example, Truong et al. (2020) found that passengers' willingness to purchase low-cost airline travel services positively influences their actual purchase behaviours. This finding was confirmed by many other studies (e.g. Shoham and Gavish, 2016). Although, previous literature has shown that consumers' willingness to purchase is a reliable predictor of consumers' actual purchase behaviours, it is important to note that consumers' preferences or purchase intentions may differ from their actual purchase behaviours, as some



studies have debated that consumers' purchasing intentions may not always align with their actual purchases (He and Wang, 2015). This difference may be caused by various factors such as situational changes (e.g., income, peer pressure, special promotions, and unavailability of the product) during the actual purchase and systematic biases in reports of behavioural intentions (Kahneman and Snell, 1992). It is worth noting that the difference between purchase intention and actual purchase of a brand can be more notable, especially in less economically developed countries where good local alternatives are not available, and thus, consumers face the dilemma of choosing between high-quality global brands and less advanced or poor local brands (e.g. Sharma, 2011; Wang and Chen, 2004).

## **2.6 Perceived Price Fairness**

For most consumer goods or services, the price typically represents a small portion of an average consumer's income; however, this is not necessarily true for airline travel services (Lai, 2023). This may explain why airline customers ranked price as the most influential factor when selecting the airline service provider for their trips (Bruning, 1997). Previous literature considered price as one of the critical factors that determine customer buying behaviours (e.g. Chung, 2010). According to Kotler and Armstrong (2012), price represents the value that customers give in exchange for the benefits of a product or service. Consequently, consumers view price as a "give" factor that they have to sacrifice to "get" the desired product or service, and they have an acceptable price range that includes what they are willing to pay (Xia, Monroe, and Cox, 2004). The acceptable price falls between the lower and upper price thresholds of the consumer (Winit et al., 2014). Accordingly, understanding consumers' perceptions of price fairness can assist service providers in developing their pricing strategies that build customer trust and foster their loyalty (Chung, 2010). Furthermore, consumers' perception of price fairness plays a vital role in shaping their attitudes towards service providers (Zeithaml, 1988)

and influences their purchasing decisions, satisfaction, and intentions to make a future purchase (Kotler and Armstrong, 2012).

The research stream on price fairness is grounded in psychological and behavioural dimensions of price, which differentiates it from pricing literature that typically focuses on sellers' profit maximization, such as pricing methods, strategies, and modelling (Xia et al., 2004). While the former research stream adopts the consumers' behaviour perspective, the latter is based on quantitative and/or managerial perspectives (Chung, 2010). The current literature on price fairness commonly refers to perceived price fairness as consumers' evaluations and related emotions regarding whether the differences between a seller's price and the competitors' prices are acceptable, reasonable, and justifiable (Xia et al., 2004). This definition suggests that fairness is subjective and relative and requires comparing the actual price to a reference price, such as the price previously paid, competitors' prices, or prices paid by other consumers (Chung, 2010). Similarly, in the international service context, El Haddad, Hallak, and Assaker (2015) defined perceived price fairness as a consumer's evaluation of a service's average price in comparison to its competitors. According to this viewpoint, customers evaluate sellers' prices in comparison to competitors, determining whether they are being charged more, less, or an equal amount. As a result, the perception of price fairness arises when customers believe they have overpaid relative to the quality of a product or service (Kotler and Armstrong, 2012).

Although there is general agreement on the definition of price fairness as a subjective evaluation process, there is little consensus on the dimensions of this concept in the existing behavioural pricing literature (Chung, 2010). Some researchers have operationalized price fairness as a unidimensional concept (e.g. Hasan, 2022; Opata et al., 2020; Truong et al., 2020), while others have viewed it

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as a multidimensional construct (e.g. Ferguson, Ellen, and Bearden, 2014; Xia et al., 2004; Zietsman, Mostert, and Svensson, 2019). The second stream follows the justice and fairness literature and claims that price fairness generally consists of two dimensions: distributive price fairness and procedural price fairness (Chung, 2010; Lai, 2023). Distributive price fairness stems from comparing the offered price with prices offered by various competitors, and it is achieved when consumers believe that the offered price is the same or better than the competitors' prices (Zietsman et al., 2019). Procedural price fairness, on the other hand, focuses on the price-setting process and implies that this process is transparent to consumers (Oliver, 2010; Ferguson et al., 2014). Consequently, procedural price fairness and distributive price fairness are distinct assessments that contribute to an overall evaluation of a price's fairness.

The current literature indicates that consumers' perception of price fairness is one of the most important factors in their decisions to remain with their current service provider (Han and Hyun, 2015). Researchers argue that individuals often have a self-serving bias and tend to be egocentric or selfish (Lai, 2023). Price fairness from consumers' perspective includes positive inequity and equity. As such, receiving a higher ratio of rewards to investment than others is more likely to be considered fair for consumers (Lai, 2023). Satisfied customers may become disappointed if they discover that other consumers bought a similar product/service at a lower price or with higher value, and vice versa; unsatisfied customers might feel less unsatisfied or satisfied if they adjust or lower their comparison standards (Oliver, 2010). Therefore, previous studies have shown that customers' perceptions of price fairness and satisfaction strongly improve when they are given positive-inequitably (Ferguson et al., 2014). Furthermore, perceived price fairness was found to have a significant effect on customers' satisfaction and retention, as well as their future behavioural intentions (e.g. Hasan, 2022; Opata et al., 2020).

**2.6 Conclusion**

This chapter aimed to provide a comprehensive review of the existing literature on the study constructs, including consumer ethnocentrism, national identity, and COO, to achieve three main goals. First, to offer an overview of the previous studies conducted on this research topic. Second, to facilitate the objective assessment of how these constructs have been conceptualized and operationalized in the existing literature. Finally, to present an expanded view of how these constructs can affect consumers' behaviours towards domestic versus foreign products and services. The literature review clearly shows that while the home-country bias phenomenon is widely discussed in the context of physical products, the investigation of this marketing phenomenon in the service context is still very limited. The next chapter will discuss the exploratory study, the study's conceptual framework, and the hypotheses development.

## CHAPTER 3

# Exploratory Study and Conceptual Framework

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- Exploratory Study: In-depth Interviews
  - Interviews Design
  - Interviews Findings
- Conceptual Model and Hypotheses Development
  - Travellers' National Identity
  - Travellers' Ethnocentrism
  - The Moderating Role of Price Fairness

## **Exploratory Study and Conceptual Framework**

Following the thorough examination of existing literature aiming to clarify the cognitive, normative, and affective mechanisms behind the home-country bias phenomenon, including consumer ethnocentrism, national identity, and COO studies, this chapter presents the exploratory study and the theoretical framework of the current research, which will be established based on the outcomes of the exploratory study and the findings of previous research. Accordingly, the chapter will be divided into two major sections. The first section outlines the interview design, development of the interview guide, and interview results. The second section addresses the research framework and the development of the study hypotheses.

### **3.1 Exploratory Study: In-depth Interviews**

The qualitative approach has been widely employed not only as a complementary technique to quantitative methods but also as an independent technique for acquiring data and achieving research objectives. Interviews have been extensively employed as an essential qualitative technique in a wide range of disciplines, including international services marketing, especially studies exploring consumer psychology and attitudes (Siamagka and Balabanis, 2015). Accordingly, this exploratory study aims to gain in-depth insights into the role of home-country bias in the airline services industry by exploring how travellers' ethnocentric beliefs, national identity, and airline COO can impact their evaluations of airline services and their purchasing behaviours. Furthermore, it aims to identify any further factors that may influence the strength of this phenomenon in the airline services industry, which have not been extensively covered in previous literature. The

findings generated from the in-depth interviews are expected to allow the researcher to obtain a profound comprehension of the various mechanisms behind consumers' preferences for national service providers over foreign ones and to determine the relevance of consumer ethnocentrism, national identity, and COO effects to Egyptian consumers' purchase behaviours.

### **3.1.1 Interviews Design**

The study adopted semi-structured interviews that have been widely employed in a wide range of previous travel and tourism studies. The sampling population was determined as the Egyptian citizens who use airline services during their international flights. According to Guest, Bunce, and Johnson (2006), the archives of previous studies dedicated to behavioural aspects, especially studies based on in-depth interviews, recommended 12 participants as a minimum sample size to ensure that reliable and valid data will be obtained from the respondents. A total of seventeen interviews were conducted with participants with different educational and cultural backgrounds and who had recent experiences with airline service providers at least within the past six months. Interview participants were selected based on a combination of convenience and snowball sampling that allowed the researchers to choose the most suitable participants for study purposes (Wilson, 2006). All the respondents who participated in the interviews were aged 24 and above. We also made it a point to consider the diversity of the participants in terms of their gender, income levels, educational backgrounds, and cultural identities. We believe that such an approach will allow us to gather a comprehensive range of opinions that accurately reflect the diverse nature of the population.

The study used semi-structured interviews, which combined both structured and unstructured techniques. A predetermined set of questions was utilized to direct the interview process. However, additional questions could be asked based on the

comments made during each interview (Bryman, 2006). The semi-structured interview is the most relevant method for our study. It allows the researcher to strike a balance between structure and flexibility, which is essential for gaining a deeper understanding of the drivers of consumers' biased behaviours. For interview questions, the researcher has developed an interview guide that discusses the primary drivers of home-country bias that have been identified through the literature review, as shown in Table 3.1. The questions were designed following the guidelines recommended by Creswell (2014). The researcher paid close attention to the length of the questions, making them short and easy to understand for the respondents to avoid misinterpretations. Additionally, different techniques were applied to encourage the respondents to express their opinions freely and avoid feeling constrained. Moreover, the logical sequence of the interview questions was also given special attention to ensure coherence. The interviews' objectives were to explore the cognitive and affective drivers of consumer bias behaviours in the airline travel services. Each interview lasted, on average, about half an hour, and participants' responses were written in a shorthand form.



**Table 3.1 Interviews Guide**

Suppose you are planning to purchase a flight ticket for your upcoming international flight, and you have received a range of offers from both national and foreign airline service providers. In your choice between national vs. foreign airlines, can you please discuss the following questions:

- 1- What criteria do you depend on to choose your airline service provider for your flights?
- 2- Do you pay special attention to the airline's nationality (origin) when you choose your airline service provider? How is it important for you?
- 3- What is your evaluation of the national airline's service providers compared to foreign airlines?
- 4- Which airline service provider (national vs. foreign) do you prefer? Why?
- 5- In your opinion, why do many people exhibit a systematic preference for national carriers?
- 6- What is your explanation for the biased preferences of many travellers towards national airline companies?
- 7- What are the attributes /characteristics that distinguish this biased preference for national airline companies?
- 8- Do you think travellers who travel with foreign airlines harm the national economy and national airline companies?
- 9- Do you think it is a moral duty to travel using national airline service providers? Why?
- 10- Do you think your national identity influences your airline choice decision?
- 11- What is your explanation for the promotional campaign that many citizens have initiated to support national carriers like "*support\_Egyptair*"?

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**3.1.2 Interviews Findings****3.1.2.1 Airline's origin and the existence of home-country bias in travellers' behaviours.**

Previous studies on consumers' choice between domestic and foreign products and services can be clustered into the simplistic approach and the cautious approach (Ding, 2017). The former approach combines studies treating consumers as a single, homogeneous market, while the latter approach acknowledges the diversity and complexity of international markets, treating consumers as diverse and heterogeneous markets. Researchers who adopted the simplistic approach argued that consumers in developing countries tend to prefer foreign products and services because they associate them with modernity, novelty, and prestige (e.g. Aichner, 2014; Diamantopoulos et al., 2021). Those who criticize this argument argue that this view oversimplifies the situation, as populations in these countries have diverse cultural patterns, lifestyles, psychographics, and purchasing power. Thus, we cannot consider consumers in developing markets as one homogeneous group with a systematic preference for foreign products and services over domestic ones. For example, Dickson et al. (2004) identified that some segments of Chinese consumers showed a strong preference for foreign brands, while others segments preferred domestic brands. This finding was further confirmed by Ding (2013), who revealed that consumers in some emerging countries prefer domestic products over foreign products in many product categories.

In line with this background, the result of interviews is consistent with the cautious approach, as it revealed that respondents' preferences of airline service providers can be divided according to their responses into three groups: 53% (9 out 17 respondents) have a strong preference for national carriers, while 29% (5 out 17 respondents) prefer foreign airlines especially carriers belong to Culturally similar countries (Arab Gulf carriers) or high developed countries, and 18% (3 out 17

respondents) have no particular preferences between national and foreign airlines and they depends on other factors. For those who prefer national airlines, the most common reasons are superior service quality, supporting the national economy, and national pride. Furthermore, they presented some evidence from their past experiences to suggest that national airline services are customer-oriented and reliable, especially since the high competition between national and foreign airlines results in the high quality and high efficiency of national airline services. In contrast, reasonable prices and superior service quality were the main factors for those who preferred foreign airlines. Others argued that the high prices of national airlines, in many cases, may be driving customers to choose foreign airlines instead.

Furthermore, most respondents mentioned that the prices, airline's origin, airline reputation, in-flight services, time and number of stops (Transit), and loyalty programs are the main criteria that determine their choice and evaluation of airline service providers. In addition to the airline's origin, as a key selection basis for airline carrier choice, most interview participants have shown higher evaluations of national airline service providers than airlines from other foreign countries. The above findings underline the importance of airlines' COO in travellers' airline choice decisions; at the same time, they present an indicator for the existence of consumers' home country bias in the airline service industry. Another clear observation from the interviews is that a number of respondents tend to prefer airline services from countries that can be viewed as culturally similar to their home countries (such as the United Arab Emirates and Saudi Arabia) over those from culturally or religiously dissimilar countries. This observation is consistent with some studies in previous literature, which recognized that consumers tend to prefer products and services that originate from culturally similar countries than from countries that are culturally dissimilar to their home country (Balabanis and Diamantopoulos, 2004; Bruning and Saqib, 2013).

In addition, the interviews revealed certain indicators of COO influences on airline service evaluations. The research noted that participants were more likely to provide positive reviews for a particular airline if they had a positive perception of the country to which that airline belongs. On the other hand, if a participant had a negative perception of a particular country, they were more likely to give negative evaluations of the airline service providers belonging to that country. In addition, regarding how participants perceive airlines belonging to their home country (Egypt), the researcher observed that none of them held entirely positive or negative perceptions of their home country as COO. Furthermore, most participants tended to express favourable views about national airlines despite certain drawbacks associated with these companies' performance, such as high service prices compared to some international airlines and some issues related to service quality attributes and the perceived value of the provided services.

### **3.1.2.2 The Cognitive, Affective and Normative Mechanisms Behind Travellers' Preferences**

Despite the interview results revealed some indicators of COO effects on travellers' choices and evaluations, the differences in travellers' preferences between different airlines mean that airline travellers are not homogenous consumers, and COO is not the only driver of their purchasing behaviours. While some participants rely on rational considerations related to airline service attributes, others are driven by the airline origin, and others are influenced by psychological factors such as their biased perceptions of the superiority of national service providers, their national pride and patriotic commitment to their home country, and their ethnocentric beliefs to protect national companies. As such, we can summarize the three mechanisms (cognitive, affective and normative) that drive travellers' behaviours as follows:

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**3.1.2.2.1 Airline Service Attributes as a Cognitive Mechanism for Travellers' Behaviours**

Despite the significant role of psychological variables in passenger behaviours, rational considerations related to airline service attributes remain the primary drivers for a large number of travellers compared to behavioural and psychological factors. Many participants attributed their preferences for airline service providers, whether national or foreign airlines, to rational considerations related to the airline's service attributes, such as ticket prices, on-board services, seat comfort, meal services, flight schedule, and baggage delivery, regardless of the ethical motives to support the national economy and domestic industries. They emphasized that the reasonable prices and the better quality of services are some of the main reasons that explain their preferences, whether for national or foreign airlines. Moreover, some participants attributed their preference for national airlines to their ability to understand customer needs and desires because they are more familiar with the culture and customs of society than foreign companies.

Although there is field evidence of the existence of home country bias phenomenon in airline travel services (e.g. Stamolampros et al., 2020; Suham-Abid and Vila-Lopez, 2020), the results of the interviews reveal that airline passengers cannot be considered as a single group of consumers who are highly biased against foreign services and always prefer domestic ones. Instead, there are certain groups of travellers who are capable of making rational choices based on the cognitive advantages of the service rather than their nationalistic or ethnocentric beliefs. These indicators are consistent with the findings of Vida and Reardon (2008), who argued that the cognitive mechanism of various service cues related to consumers' perceptions of product quality could explain consumers' preferences for domestic and foreign services. Furthermore, the interview results presented some evidence

that these cognitive attributes can reduce the influence of airline origin on service evaluation. This observation is consistent with some studies in the literature that argued that in the presence of other external service cues, such as price, reputation, and brand, the impact of the COO may become less important when considering other informational cues (e.g. Ferguson et al., 2008). Thus, airline origin alone cannot explain passengers' choice between national and corporate airlines.

### **3.1.2.2.2 Ethnocentrism as a Normative Mechanism for travellers' Behaviours**

Based on the interviews, it is evident that the majority of participants have strong ethnocentric beliefs. All respondents claim that buying foreign services has a harmful impact on the Egyptian national economy, leading to unemployment and negatively affecting domestic and national brands and service providers. They also argue that there is a moral duty to advocate for national service providers over foreign ones, particularly when the domestic service providers offer high-quality services that are superior to those offered by foreign providers. These normative beliefs are typical traits that characterize highly ethnocentric consumers, as suggested by Shimp and Sharma (1987). Also, such initial observations about the high ethnocentric tendencies in Egyptian markets are consistent with past studies, which argue that collectivist societies tend to be more ethnocentric than individualistic societies (Shankarmahesh, 2006). Furthermore, these ethnocentric tendencies may have been influenced by current economic, political, and military conflicts and foreign threats to the national economy.

Nevertheless, many interview participants pointed out that many variables can influence their motivations and willingness to support national and domestic service providers. These factors include the availability of domestic alternatives (such as airline flights to their destinations provided by national service providers), price levels and fairness compared to foreign competitors, perceived service quality and

value provided by national service providers, the perceived competence of national service providers, and individuals' trust in the national service provider. Therefore, based on these observations, the issue is not whether there is home-country bias in developing economies but rather the presence of efficient industries and service providers that offer good alternatives. Additionally, these observations align with some few studies conducted in developing countries and indicate that the intensity of the home-country bias phenomenon in developing countries may differ from that in developed countries depending on the context and circumstances. For instance, a study in China, one of the largest developing countries, revealed that Chinese consumers exhibit a moderate level of consumer ethnocentrism, but they do not consider domestic products and services superior to foreign ones (Ding, 2013). Therefore, regardless of the level of ethnocentrism among consumers in developing countries, its impact on actual purchasing behaviours may depend on other variables related to product and service attributes.

### **3.1.2.2.3 National Identity as an Affective Mechanism for Travellers' Behaviours**

Along with the normative beliefs related to the morality of purchasing foreign airline services, a significant portion of the respondents claimed that their national and cultural identity can contribute positively to their preferences for national airline service providers over foreign airlines. Compared to foreign airlines, national carriers have their strengths, such as authenticity, originality, representing local culture, and thus, the ability to develop close relationships with their customers. Traditionally, they have also enjoyed greater popularity among consumers in their home countries. The researcher observed that many interview participants perceive domestic airline companies, especially national airlines, as a "local icon/symbol" or a significant part of the country's history and heritage, and therefore, they hold favourable attitudes and behaviours towards these brands.

Many participants linked their preference for national airline services over foreign ones with national pride and loyalty to their home country. Thus, rather than focusing on economic motives to protect the national economy, local values, traditions, religious beliefs, and patriotic sentiments toward the nation represent a major source of inspiration for these consumers' preference for national airline services.

Such affective aspects and cultural affinity to the national service providers, which are highly noticeable in airline travel services compared to physical products, can clarify and reveal the importance of personal contact with airline customers and motivate airline service providers to pay significant attention to the verbal and nonverbal cues presented in their marketing and promotional activities (Min, Kim, and Agrusa, 2023). These characteristics demonstrate the crucial role of national identity and cultural similarity between airline employees and airline travellers, emotional aspects, and national attachment/commitment to airline service delivery, and their significant influence on travellers' behaviours towards national versus foreign airlines (Bruning and Saqib, 2013). Consequently, in contexts such as airline service providers, where consumers perceive the brand or service provider as a local icon for local cultures, national identity is a particularly important factor influencing consumers' preferences, as opposed to the normative mechanism of ethnocentrism, which is commonly seen in physical product contexts.



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### **3.2 Conceptual Framework and Hypotheses Development**

The conceptual framework is a structured representation of the variables used to address a specific research problem based on the defined aims and objectives (Wanninayake, 2014). As shown in Figure 3.1, our conceptual framework is based on the perspective of social identity theory (Tajfel and Turner, 1986), which clearly differentiates between individuals' behaviours towards their in-groups (home country), which represent the national airline service providers in this study, and out-groups (foreign countries), which represent the foreign airline service providers. Moreover, this framework also aligns with basic research in marketing and consumer behaviours, which adopts the theory of planned behaviours and treats consumer ethnocentrism and national identity constructs as psychological constructs that shape consumers' attitudes, which in turn affect their behavioural intentions and purchasing behaviours (e.g. Sharma, 2015; Hong et al., 2023). The model investigates the relationship between the drivers of home-country bias and travellers' behaviours towards national and foreign airlines simultaneously, and as such, airline's brand origin is treated as a general moderator to distinguish between travellers' behaviours between national versus foreign airlines.

Unlike most previous studies, which mainly examined the relationship between the drivers of home-country bias and consumers' buying intentions, the current study focuses on travellers' actual purchase behaviours. As the figure shows, the conceptual framework investigates the influences of the two main drivers of home-country bias—namely, travellers' national identity as (a pro-in-group construct) and travellers' ethnocentrism as (a pro-in-group and anti-out-group construct), and how these two construct differently affect travellers' behaviours towards national and foreign airlines (country-of-origin), including travellers' airline service evaluations, travellers' willingness to purchase, and actual purchase of airline travel services provided by national and foreign airlines. Furthermore, given the crucial

role of price as one of the most important predictors of travellers' decisions and behaviours, the study investigated the moderating role of price fairness between the drivers of home-country bias and travellers' actual purchasing decisions to explore how price fairness can strengthen or weaken the effects of home-country bias. Next, the relationships between the drivers of home-country bias, travellers' airline service evaluations, willingness to purchase airline travel services, actual purchase behaviour, and price fairness are discussed.

### **3.2.1 Travellers' National Identity as a Predictor of Travellers Behaviours**

Previous studies on in-group and out-group bias have investigated the association between consumers' national identity and their ability to predict their willingness to purchase domestic and foreign products, both as a direct relationship and through various mediating variables such as product judgment, perceived quality, and perceived value (e.g. Le et al., 2013; Verlegh, 2007; Zeugner-Roth et al., 2015). According to social identity theory, individuals usually identify with certain social groups based on various factors such as religion, nationality, ethnicity, etc. They are also more likely to engage in behaviours and actions that support the values and goals of those groups, which ultimately promote their well-being (Kuppens et al., 2013). Thus, in-group bias due to consumers' national identity basically arises from the desire to maintain and enhance individuals' positive social identity and self-esteem. Thus, even a slight identification with the home country may result in favour of domestic products (e.g. Bang et al., 2017; Fischer and Zeugner-Roth, 2017; Verlegh, 2007). Therefore, earlier studies in consumer behaviours revealed that a consumer's national identity is an important determinant of consumer ethnocentrism.

The relationship between consumers' national identity and their evaluations of domestic and foreign products has been widely studied in consumer behaviours and marketing literature (e.g. Le et al., 2013; Verlegh, 2007; Zeugner-Roth et al.,

2015). Product brand evaluation refers to consumers' rational judgments towards a particular product. When evaluating a product, consumers consider both intrinsic cues (such as design, taste, and style) and extrinsic cues (such as brand name, price, and COO) (Sharma, 2011). In general, perceived quality and perceived value are the most common proxies for measuring product or service evaluation in the current literature. Generally, the relationship between national identity and product evaluation can be attributed to consumers' personal values (Le et al., 2013). National identity refers to the degree to which a consumer adheres to a country's "*typical value system*". As a result, a person's national identity shapes his/her cultural and social values, which in turn influence how they evaluate a specific product or service (Thuy and Hau, 2010). Domestic products and services hold a significant emotional and symbolic value for local consumers (Le et al., 2013). They often associate these products and service providers with a sense of national pride and identity, leading to a strong emotional attachment towards them (Verlegh, 2007). Consequently, national identity can serve as an effective foundation for evaluating domestic and foreign products (Shoham and Gavish, 2016).

Accordingly, many studies in the existing literature have demonstrated the positive effect of consumer national identity on consumer evaluations of domestic products and service providers (e.g. Le et al., 2013; Verlegh, 2007; Zeugner-Roth et al., 2015). For example, Verlegh (2007) found that consumers with high national identity have a biased evaluation of domestic products. Similarly, Le et al. (2013) confirmed that consumers' national identity positively correlates with consumers' evaluation of domestic products. In contrast, only a few studies have explored how consumers' national identity influences their evaluation of foreign products and services. Zeugner-Roth et al. (2015) argued that in situations involving competition or a perceived threat to the national economy, consumers' sense of national identity

could have a negative impact on their assessment of foreign products or services, whereas, in the absence of such factors, consumers are more likely to view foreign products with indifference or even admiration. Since national identity represents in-group feelings of superiority compared to out-groups, it may underestimate out-groups and their products. Lastly, Shoham and Gavish (2016) empirically confirmed that national identity has a negative impact on consumers' evaluation of foreign products. In the airline travel services, Bruning and Saqib (2013) claimed that Canadian airline travellers are more likely to give higher evaluations to their own country's airlines than foreign airlines. In line with these studies, we argue that travellers' national identity will significantly affect airline service evaluation, which refers to travellers' judgments of airline service attributes. Accordingly, the following hypotheses are developed:

**H1: Travellers' national identity has a significant effect on their evaluations of airline service providers.**

H1a: Travellers' national identity has a significant positive effect on their evaluations of national airline services.

H1b: Travellers' national identity has a significant negative effect on their evaluations of foreign airline services.

National identity influences not only consumers' evaluation of domestic and foreign products but also their preferences and purchasing decisions. Consumers' identification with a specific culture or country plays a crucial role in shaping their preferences for products or brands that are symbolically associated with this culture or country (Calvo Porral and Levy-Mangin, 2015). A well-established and strong sense of national identity provides a sense of meaning and symbolic value to products belonging to individuals' same culture (Le et al., 2013). Even when individuals immigrate to a different country, they may lose their nationality but maintain their cultural and national identity by buying products and services that

hold symbolic values to their home culture. For example, many overseas Chinese consumers maintain their national and cultural identity by using their home language, eating Chinese food, celebrating traditional Chinese holidays, wearing traditional Chinese costumes, and decorating their homes in Chinese style (He and Wang, 2015). According to the existing literature, when a product or brand represents an individual's national or cultural identity, it can strengthen one's self-identity. This means that consumers who feel a strong attachment to their cultural heritage and national symbols are more willingness to purchase domestic brands over imported ones (e.g. Aaker et al., 2001; Boseila et al., 2023; Calvo Porral and Levy-Mangin, 2015; He and Wang, 2015). For example, He and Wang (2015) found that consumers' national identity is positively associated with a preference for domestic brands and negatively associated with a preference for foreign brands. Based on these studies, the following hypotheses are developed:

**H2: Travellers' national identity has a significant effect on their willingness to purchase airline travel services.**

H2a: Travellers' national identity has a significant positive effect on their willingness to purchase national airline services.

H2b: Travellers' national identity has a significant negative effect on their willingness to purchase foreign airline services.

Previous studies on national identity have confirmed that consumers with a high level of national identity are more likely to show a higher willingness to buy products/services belonging to their own country and show a strong preference for domestic brands over foreign brands, especially when the domestic product is considered a "*local icon*" or represent symbolic values for customer (e.g., Cleveland et al., 2009; Dmitrovic et al., 2009; Lee et al., 2010; Sharma et al., 1995; Vida et al., 2008; Verlegh, 2007). Thus, existing literature has confirmed that consumers' sense of national identity is a major determinant of consumers'

purchasing behaviours (e.g. Jia et al., 2023; Shoham and Gavish, 2016; Zeugner-Roth et al., 2015). However, the vast majority of previous studies use consumers' willingness to purchase or purchasing intention as a proxy measure for measuring purchasing behaviours based on the assumption that purchasing intention is a good indicator of consumers' purchasing behaviours (Chandon et al., 2005).

Nevertheless, consumer preference and purchase intention may differ from actual purchase, as existing evidence shows a significant difference between purchase intention and actual purchase (He and Wang, 2015). This difference may be caused by various factors such as situational changes (e.g., income, peer pressure, special promotions, and unavailability of the product) during the actual purchase and systematic biases in reports of behavioural intentions (Kahneman and Snell, 1992). It is worth noting that the difference between purchase intention and actual purchase of a brand can be more notable, especially in less economically developed countries where good local alternatives are not available, and thus, consumers face the dilemma of choosing between high-quality global brands and less advanced or poor local brands (e.g. Sharma, 2011; Wang and Chen, 2004). However, some studies have argued that consumer national identity not only influences consumers' attitudes and purchasing intentions but also influences their actual purchasing decisions. According to He and Wang (2015), consumers' national identity has a positive correlation with domestic brand purchases and a negative correlation with foreign brand purchases. Based on these studies, the following hypotheses are developed:

**H3: Travellers' national identity has a significant effect on their actual purchase of airline travel services.**

H3a: Travellers' national identity has a significant positive effect on their actual purchase of national airline services.

H3b: Travellers' national identity has a significant negative effect on their actual purchase of foreign airline services.

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**3.2.2 Travellers' Ethnocentrism as a Predictor of Travellers' Behaviours**

Although both national identity and consumer ethnocentrism motivate consumers to favour domestic brands over foreign brands, they have different focuses and psychological mechanisms (He and Wang, 2015). While national identity stems from individuals' internal feelings, consumer ethnocentrism largely depends on the external social norms that guide consumption practices to prevent the negative effects of imports on the national economy (Verlegh, 2007). Therefore, ethnocentric consumers usually differentiate between domestic products/services versus foreign products/services and consider buying foreign products/services as unpatriotic and immoral behaviours that destroy the national economy (Verma and Naveen, 2021). The significant impacts of consumer ethnocentrism on consumers' behaviours, including their purchasing decisions, perceptions of quality, behavioural intentions, and support for domestic brands, are well-established in previous consumer behaviour studies (e.g. Balabanis et al., 2019; Zeugner-Roth et al., 2015). These studies documented that ethnocentric consumers are more likely to overestimate the quality of products belonging to their own culture and underestimate the perceived quality of products belonging to other cultures (e.g., Gineikiene et al., 2017). For example, Dmitrovic et al. (2009) empirically proved that highly ethnocentric consumers positively evaluated the perceived quality of domestically produced products and negatively evaluated foreign products. Equally, Le et al. (2013) confirmed that consumers who exhibit high levels of ethnocentrism believe that domestic products have a higher value compared to foreign products.

Despite the strong field evidence on the significant role of ethnocentrism in service industries, the current literature provides little insight into the role of consumer ethnocentrism in the international service industries in general and its expected role in the airline travel services in particular (e.g. Boukamba et al., 2021; Bruning and

Saqib, 2013; Bremser and Abraham, 2024; Stamolampros et al., 2020; Kock et al., 2019). Only few studies have addressed the role of consumer ethnocentrism construct in the international airline services marketing context; using a TripAdvisor dataset of 380,000 traveller reviews, Stamolampros et al. (2020) presented strong evidence that ethnocentrism can influence travellers' online ratings of domestic and foreign airlines for reasons unrelated to quality or value considerations. Recently, Suham-Abid and Vila-Lopez (2020) presented some evidence that ethnocentrism can influence travellers' perceptions of airline service quality. Based on these studies, the following hypotheses are developed:

**H4: Travellers' ethnocentrism has a significant effect on their evaluations of airline service services.**

H4a: Travellers' ethnocentrism has a significant positive effect on their evaluations of national airline services.

H4b: Travellers' ethnocentrism has a significant negative effect on their evaluations of foreign airline services.

Consumers' ethnocentric tendencies affect not only their attitudes and evaluations of domestic and foreign products but also their preferences and purchasing decisions. The significant effect of ethnocentrism on consumers' preference for domestic brands is well-established in both developed and emerging countries (e.g. Cleveland et al., 2009; Lee et al., 2010; Vida et al., 2008). Even if foreign brands offer superior quality and value, ethnocentric consumers will choose brands belonging to their own country or from their own ethnic group. For example, in a study conducted in some underdeveloped African countries, Lee et al. (2010) demonstrated that consumers with stronger ethnocentric beliefs showed a greater preference for national brands over foreign brands. Similarly, He and Wang (2015) found that consumer ethnocentrism is positively associated with a preference for domestic brands and negatively associated with a preference for foreign brands. In



the airline travel services context, Bruning and Saqib (2013) claimed that ethnocentric bias could influence travellers' airline choice decisions and argued that airline passengers often show biased favouritism toward national airlines or airlines from culturally similar countries compared to foreign airlines. Based on these studies, the following hypotheses are developed:

**H5: Travellers' ethnocentrism has a significant effect on their willingness to purchase airline travel services.**

H5a: Travellers' ethnocentrism has a significant positive effect on their willingness to purchase national airline services.

H5b: Travellers' ethnocentrism has a significant negative effect on their willingness to purchase foreign airline services.

The existing literature confirms that ethnocentric consumers often exhibit systematic favouritism for domestic products/services for reasons other than their perceived quality and value, accompanied by a rejection of all foreign alternatives (Verlegh, 2007). As such, previous consumer ethnocentrism studies have confirmed that consumers with a high level of ethnocentric beliefs are more likely to show a higher willingness to buy products/services belonging to their own country (e.g., Verma and Naveen, 2021; Sharma et al., 1995; Balabanis et al., 2019; He and Wang, 2015). For example, Zeugner-Roth et al. (2015) found that ethnocentrism positively affects consumers' willingness to purchase domestic products while it negatively affects their willingness to purchase foreign products. Yildiz, Heitz-Spahn, and Belaud (2018) investigated the influence of consumers' ethnocentrism and commitment to their local community on their purchasing behaviours. Their findings indicated that both concepts significantly impact consumers' purchasing behaviours; however, consumers who exhibit a strong commitment to their local community tend to purchase more local products compared to those with a high level of ethnocentrism. Nevertheless, most of these

studies use consumers' willingness as a good indicator to measure their purchasing behaviours (Wang and Chen, 2004). Based on these studies, the following hypotheses are developed:

**H6: Travellers' ethnocentrism has a significant effect on their actual purchase of airline travel services.**

H6a: Travellers' ethnocentrism has a significant positive effect on their actual purchase of national airline services.

H6b: Travellers' ethnocentrism has a significant negative effect on their actual purchase of foreign airline services.

Finally, the existing international marketing literature has widely confirmed that consumer evaluation of service providers is an important determinant of consumers' preferences and purchasing decisions for both domestic and foreign service providers (e.g. Alamro and Rowley, 2011; Bapat and Thanigan, 2016; Boubker and Douayri, 2020; Chang and Liu, 2009; Koech, Buyle, and Macário, 2023; Tsai, Lo, and Cheung, 2013). Empirical evidence supports the claim that a brand with a higher evaluation (e.g. superior service quality and high perceived value) can significantly increase preferences and purchase intentions (e.g. Calvo Porral and Levy-Mangin, 2015; Kotler and Keller, 2012). Furthermore, So et al. (2013) empirically confirmed that hotel brand evaluation is an important antecedent of guest behaviours, including guest loyalty. In the airline services context, studies have shown that travellers' evaluation of airlines' brand evaluation (e.g. perceived quality, brand awareness, and brand association) can significantly influence travellers' airline brand preferences, and both variables also can influence travellers' airline brand purchases (e.g. Chen and Chang, 2008; Wang, 2014; Truong et al., 2020). In line with these studies, the following hypotheses are developed:

**H7:** Travelers' evaluation of airline services has a significant impact on their willingness to purchase airline travel services provided by national and foreign airlines.

**H8:** Travelers' willingness to purchase airline travel services has a significant impact on their actual purchase of airline services provided by national and foreign airlines.

### **3.2.3 The Moderating Role of Price Fairness**

Consumers' perception of price fairness plays a vital role in building their attitudes towards the service providers (e.g. Zeithaml, 1988). Furthermore, it plays a significant role in consumers' buying decisions, satisfaction, and repurchase intentions (Kotler and Armstrong, 2012; Xia et al., 2004). Although the impact of home-country bias drivers such as national identity and consumer ethnocentrism on consumer behaviours and purchasing decisions have been widely discussed in previous literature (e.g., Verlegh, 2007; Zeugner-Roth et al., 2015; Kim et al., 2013; Kock et al., 2019; Verma and Naveen, 2021), there is still limited knowledge about how consumers' perceptions of price fairness can influence the relationship between home-country bias drivers and consumers' purchasing behaviours.

In one of the prominent studies that investigated the moderating variables that can moderate the relationship between the drivers of home-country bias and their consequences, He and Wang (2015) claimed that brand equity (e.g. supers service quality, value for money, and brand awareness) can moderate the positive/negative effects of consumer ethnocentrism/national identity on consumers' purchase of domestic and foreign brands. Foreign brands can benefit from economies of scale that allow them to effectively compete with national/domestic products in terms of price. Additionally, they also have a greater ability to charge a price premium due to consumers' higher perceptions of quality (Schuiling and Kapferer, 2004). Therefore, Winit et al. (2014) claimed that perceived price can moderate the

relationship between product origin (foreign versus domestic) and consumer's purchase intention. Since airline ticket price is the most influential factor in airline travellers' behaviours (Park et al., 2006), we expect that consumers' perceptions of price fairness can moderate the effect of national identity and consumer ethnocentrism on travellers' airline brand purchasing. In line with these studies, the following hypotheses are developed:

**H9: Travellers' perception of price fairness moderates the effect of travellers' national identity on their actual purchase of airline services.**

H9a: The positive effect of national identity on travellers' purchase of national airline services is stronger when national airlines have higher price fairness compared to foreign airlines.

H9b: The negative effect of national identity on travellers' purchase of foreign airline services declines when the foreign airlines have higher price fairness compared to national airlines.

**H10: Travellers' perception of price fairness moderates the effect of travellers' ethnocentrism on their purchase of airline services.**

H10a: The positive effect of travellers' ethnocentrism on their purchase of national airline services is stronger when national airlines have higher price fairness compared to foreign airlines.

H10b: The negative effect of travellers' ethnocentrism on their purchase of foreign airline services declines when foreign airlines have higher price fairness compared to foreign airlines.

Based on the above discussion, Figure 3.1 depicts the proposed research model. As the figure shows, traveller ethnocentrism and national identity were presented as two determinants of travellers' behaviours towards national and foreign airline service providers, including their evaluation of airline travel services, their willingness to purchase national and foreign airline travel services, and their actual

purchase behaviours. Furthermore, travellers' evaluation of airline travel services affects their willingness to purchase, which in turn affects their actual purchase behaviours. Finally, the model examines how price fairness moderates the relationship between national identity, traveller ethnocentrism, and travellers' actual purchase behaviour of airline travel services.

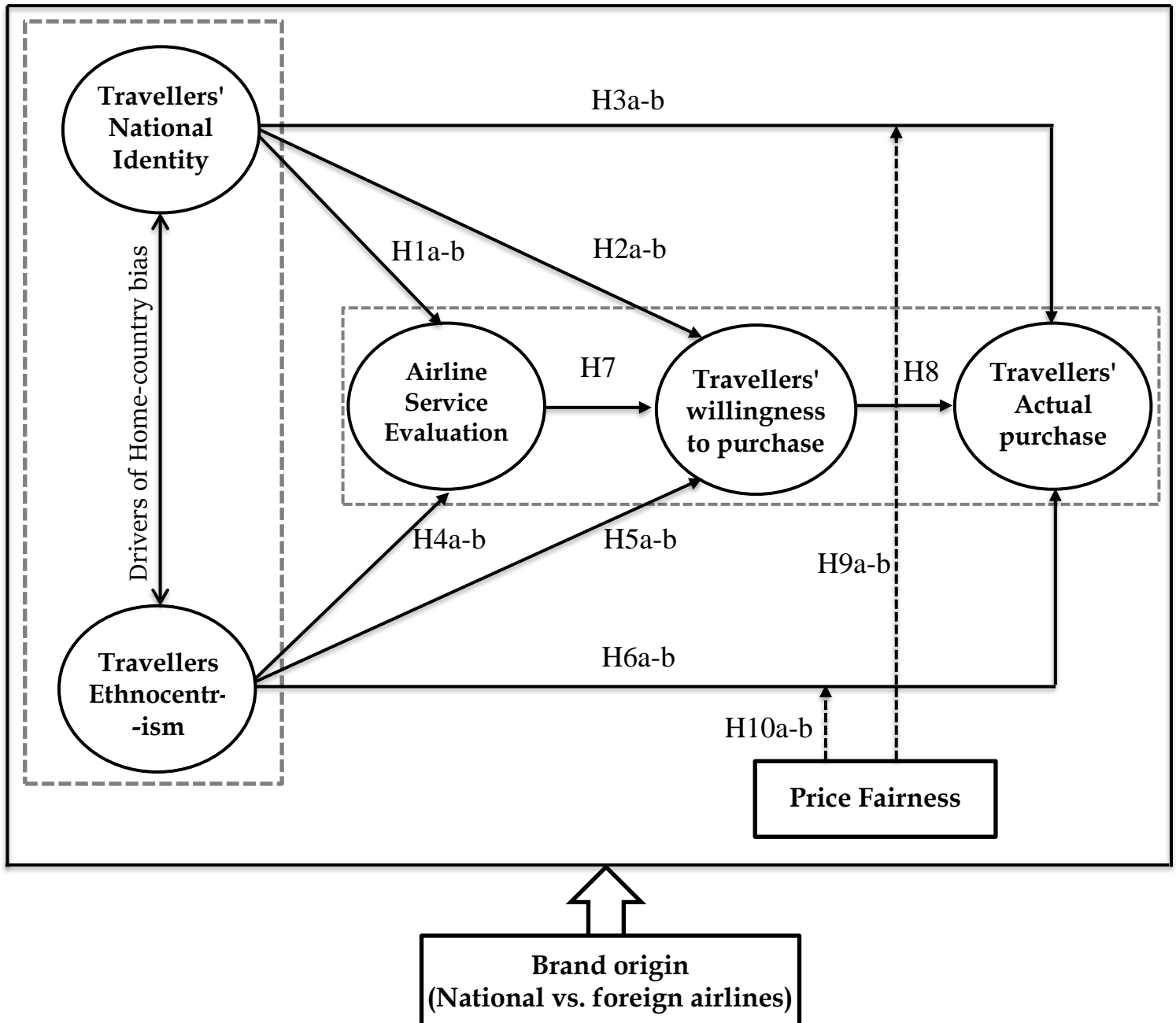


Figure 3.1 Conceptual Framework

### **3.3 Conclusion**

This chapter aims to present the study's comprehensive framework and to develop the study hypotheses through two main stages. In the first stage, an exploratory study was carried out using semi-structured interviews to achieve an in-depth understanding of the research context. In the second stage, the conceptual framework and the developed research hypotheses were presented. The conceptual model was developed based on the exploratory study's results and the findings of previous studies. It investigates the roles of travellers' national identity and consumers' ethnocentrism as key drivers of home country bias in travellers' evaluations of airline service providers, travellers' willingness to purchase, and their actual purchase of airline travel services delivered by national and foreign airlines. It also investigates the role of travellers' perceptions of price fairness in the relationship between the drivers of home-country bias and travellers' actual purchase behaviours. The model also treats airline's brand origin as a general moderator to distinguish between travellers' behaviours between national versus foreign airlines. The next chapter will clarify the research methodology, including the research design development, measurement of study constructs, and data collection.

## CHAPTER 4

# STUDY METHODOLOGY

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- Research Approach
- Research Design
- Developing Research Instrument:
  - Measurement of study constructs
  - Questionnaire structure and translation
  - Content Validity and Pre-testing
  - Procedures to Reduce Common Method Variance
- Research Setting
- Sampling and Data Collection Process
- Data Analysis Procedures
  - Structural Equation Modelling (SEM)
  - Moderation Analysis of Perceived Price Fairness

## **STUDY METHODOLOGY**

The prior chapter introduced the conceptual framework of the study and the proposed research hypotheses regarding the drivers of home-country bias and their consequences. This chapter explains the research methodology used to conduct the empirical study. The first section explains the research approach and design adopted in the current study, while the second section describes the development of research instruments, including the operationalization and measurement scales of study constructs, questionnaire structure and translation, content validity and questionnaire's pilot test, and the procedures that were taken to reduce common method bias. The third section presents a detailed discussion of the study population, sampling, and data collection procedures. Lastly, the data analysis procedures are explained in section four.

### **4.1 Research Approach**

The research approach refers to the plans and procedures that encompass the entire research process, from the broad assumptions of the study to the detailed methods of data collection, data analysis, and results interpretation (Creswell, 2014). Generally, previous literature discussed three main approaches for conducting business and marketing studies: deductive, inductive, and abductive (e.g. Bell, Bryman, and Harley, 2022; Saunders, Thornhill, and Lewis, 2019). Table 4.1 summarizes these approaches. The deductive approach in research involves moving from "general to particular", as it begins with a specific theory based on which the research hypotheses are developed, and then these research hypotheses are tested using empirical data to confirm the theory (Bell et al., 2022). On the other hand, the inductive approach in research involves moving from "particular to



general", as it starts with specific observations about the phenomenon of interest and then working to develop a theory or explanation for those observations (Creswell, 2014). The last approach is the abductive approach, which involves moving between theory and empirical data, combining both deductive and inductive approaches. It begins with observing a surprising fact, which triggers the uncovering and testing of theories (Saunders et al., 2019). Each research approach has its own strengths and weaknesses, and the choice of the appropriate approach will depend on the specific research question being addressed.

**Table 4.1 Deductive, Inductive and Abductive Approaches**

	Deductive approach	Inductive approach	Abductive approach
<b>Logic</b>	Existing theory ↓ Test the theory	Collect data to explore the phenomenon ↓ Generate or build theory	Collect data to explore the phenomenon ↓ Generate a new theory or modify an existing one.
<b>Generalizability</b>	From the general to the specific	From the specific to the general	Generalizing from the interactions between the specific and the general.
<b>Methodology</b>	Often quantitative	Often qualitative	Mixed
<b>Data collection</b>	Used to evaluate propositions or hypotheses related to an existing theory.	Used to explore research phenomena, identify patterns, or create conceptual frameworks.	Used to explore research phenomena, identify patterns, create conceptual frameworks, and test this through subsequent data collection.
<b>Theory</b>	Theory verification	Theory generation and building	Theory generation or modification

**Source:** Self- elaboration based on Saunders et al. (2019).

The literature review showed that the current body of knowledge provides a solid theoretical base for understanding the drivers of home-country bias phenomena, such as social identity theory, which represents the theoretical framework of the current study. Hence, the theoretical framework that can be applied to the current research situation already exists; this framework was explained in detail in Chapter Three. Furthermore, the purpose of the current study is to apply existing theories to a novel situation, international airline travel services. Thus, the deductive approach is the most appropriate choice for the current study. Accordingly, based on the existing theories, the current study follows the deductive approach to explore the relationship between the drivers of home-country bias and travellers' behaviours towards national and foreign airlines. Thus, the developed hypotheses will be tested using a quantitative method to generate results and generalize findings (Saunders et al., 2019).

## **4.2 Research Design**

Research design is defined as a framework or blueprint for carrying out the research project (Malhotra, 2010). In other words, research design refers to the overall plan or strategy for conducting research, which outlines the detailed procedures and techniques that will be used to gather and analyze the required data (Saunders et al., 2019). Research designs are influenced by the research philosophy and research approach, and should always be guided by research objectives and questions. A well-designed research project increases the chances of achieving effective and efficient research outcomes (Malhotra, 2010). Research designs are widely divided into two categories: exploratory and conclusive research (e.g. Bell et al., 2022; Cooper, 2011; Hair et al., 2010).

Exploratory research is a valuable tool for gaining a better understanding of a research phenomenon or topic under study and discovering its precise nature. Thus, the main aim of exploratory research is to gain insights and comprehension about a

specific topic using open questions to discover what is happening (Saunders et al., 2019). On the other hand, conclusive research is used to test specific research hypotheses and examine structural relationships between specific variables. It is worth noting that both research designs have their own strengths and weaknesses; As such, the decision on which type to rely on depends on the research question and objectives (Hair et al., 2010). Exploratory research is an unstructured and flexible form of research where the information needed is not defined precisely; it also depends on small and non-representative samples, and the data analysis is largely qualitative. Furthermore, the results obtained from the exploratory research are tentative and require further verification (Bell et al., 2022). There are several ways to conduct exploratory research, including reviewing the previous literature, conducting interviews with experts on the research topic, and using in-depth individual interviews or focus group interviews (Hair et al., 2010; Saunders et al., 2019). Lastly, exploratory research can be carried out independently or, in most cases, followed by conclusive research (Malhotra, 2010).

In contrast, conclusive research is more structured than exploratory research, involves well-defined and more specific information, requires a large and representative sample, data analysis depends on quantitative methods, and the results are conclusive and can be relied upon in the decision-making process (Malhotra, 2010). Conclusive research designs can be categorized into two main types - descriptive and causal research. A descriptive research design is a pre-planned and structured research design that is used to describe and analyze a specific research phenomenon. It is characterized by the formulation of specific research questions and hypotheses, where the required information is clearly defined (e.g. Bell et al., 2022; Malhotra, 2010). Furthermore, the primary aim of this type of research is to describe and analyze various aspects of a particular population, such as consumers' attitudes, intentions, preferences, and purchasing

behaviours, using scientific methods, techniques, and procedures (Hair et al., 2010). Thus, descriptive research is an appropriate research design when the research aims are to examine relationships among specified variables and test specific hypotheses (Malhotra, 2010). Previous literature categorized descriptive research designs into cross-sectional and longitudinal based on the time horizon of the study (e.g., Cooper, 2011; Malhotra, 2010; Saunders et al., 2019).

A cross-sectional design is a "snapshot" or a research method used to collect data from a specific sample of the population at one specific point in time. It is the most widely used research design in marketing literature (Saunders et al., 2019). Cross-sectional research design may be either single cross-sectional designs (collecting information from one sample only once) or multiple cross-sectional designs (collecting information from two or more samples of respondents once) (Malhotra, 2010). On the other side, longitudinal research design involves collecting data on the same variables from a fixed sample of the population repeatedly over an extended period of time (Bell et al., 2022). Thus, in longitudinal designs, the same phenomenon is studied using the same sample and measures over a specified period, which provides researchers with a series of images that allow them to observe changes in the variables under investigation and identify trends or patterns that may emerge, thus obtaining an in-depth view of the situation (Saunders et al., 2019). However, the main disadvantage of longitudinal designs is that they rely primarily on panel samples, which may not be representative of the population and are subject to response bias (Abdelmaaboud, 2021).

The second type of conclusive research is a causal research design, which is used to establish cause-and-effect relationships among variables (e.g. Cooper, 2011; Malhotra, 2010). Causal research is useful in determining the independent variables (causes) and dependent variables (effects) of a phenomenon (Hair et al.,

2010). Casual research designs are primarily based on scientific experiments where one or more independent variables can be manipulated under relatively controlled conditions (Malhotra, 2010). Although causal research design is often considered the most rigorous research design, it tends to be very complex, highly expensive, and time-consuming (Hair et al., 2010; Saunders et al., 2019).

In line with the study objectives, the current study relied on a mixed-method approach using a two-stage research design. In the first phase, we employed an exploratory research design to gain in-depth insights and understanding of the research phenomenon under investigation. This phase involved a comprehensive review of the existing literature on the drivers of home-country bias from the social identity theory's perspective in marketing and consumer behaviours literature, followed by an intensive literature review of home-country bias in the service context, including international airline travel service. After reviewing the existing literature, a total of seventeen interviews were executed with participants from different educational and cultural backgrounds, as illustrated in Chapter Three (*Section 3.1*). This stage resulted in the development of the study's framework and hypotheses, which were identified after determining the research gaps and limitations in the existing body of knowledge. In the second phase, we employed a conclusive descriptive research design to investigate the structural relationships between the drivers of home-country bias (including national identity and consumer ethnocentrism) and travellers' behaviours toward national and foreign airlines (including airline brand evaluation, willingness to purchase, and airline purchase). The descriptive study relied on a cross-sectional design where the required data were gathered from the target population using a survey questionnaire. This research design is commonly used in previous home-country bias literature (e.g. He and Wang, 2015; Verlegh, 2007; Le et al., 2013; Zeugner-Roth et al., 2015).

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### **4.3 Developing Research Instruments**

A self-administered questionnaire was developed to gather the required data for the empirical study. This method of data collection has been widely used in previous studies on home-country bias. It is also an efficient and cost-effective instrument for collecting data, which can help minimize common method bias during the data collection process (e.g. Cooper, 2011; Hair et al., 2010). The next section will discuss the process of developing survey instruments, including the measurement scales included in the survey to measure the study constructs, the structure and translation of the questionnaire, and pilot testing.

#### **4.3.1 Measurement of Study Constructs**

We used reliable measurement scales from high-impact journals in the literature to measure the constructs in our research model. These scales were selected based on specific criteria, including having the same conceptualization, being applied in the airline travel service industry, and having high reliability and validity. Thus, it is worth noting that all the measurement scales used in the empirical study were obtained from well-established studies, except for travellers' ethnocentrism scale, which was developed in a sub-study of the current research project to address the existing criticisms in the literature related to the unsuitability of the existing scales of consumer ethnocentrism for application in the context of services. Overall, the new proposed scale of travellers' ethnocentrism was developed following rigorous research procedures suggested by Churchill (1979) through two main stages. In the first stage, a qualitative study was implemented to identify the construct's dimensions, items relating to each dimension, and check its content validity. Then, a pilot test was implemented to evaluate the initial reliability and validity of the developed scale. In the second stage, an empirical study was conducted to assess the psychometric properties of the developed scale and evaluate its dimensionality, reliability, validity, and discriminant validity (For the detailed procedures, see Appendix, publication). The developed scale measures travellers' ethnocentrism as

a multi-dimensional construct, using 16 items on a five-point Likert scale. The scale's reliability, validity, and predictability were verified in an empirical study published in *Tourism Management Perspectives*, which is a reputable academic journal. Table 4.2 shows the measurement items used to measure travellers' ethnocentrism construct.

**Table 4.2 Items of Travellers' Ethnocentrism Scale**

Coding	Scale Items	Source
TET1	Flying with national airlines is a moral duty to keep local workers in the airline industry.	Newly developed based on existing literature, e.g. Shimp and Sharma (1987), Boukamba et al. (2021), and Siamagka and Balabanis (2015).
TET2	Using foreign airlines hurts our national airline companies and causes unemployment.	
TET3	We should consider the local workers when we make our airline choice decisions.	
TET4	Even if it costs me more, I prefer to fly with our national airline service providers.	
TET5	We must put more restrictions on foreign service providers to protect our national companies.	
TET6	I trust our airlines more than foreign airline service providers.	
TET7	When it comes to airline services, our national airlines offer the best service quality, reliability, and safety.	
TET8	National airline service providers offer the best flying experience.	
TET9	I have a sense of ownership towards our national airline service providers.	
TET10	The success of our national airline service providers is like my own success.	
TET11	I am psychologically attached to our national airline service providers.	
TET12	I feel more familiar with national airline service providers compared to foreign airlines.	
TET13	I feel a sense of belonging to our national airline service providers.	
TET14	I feel emotionally attached to our national airline service providers.	
TET15	Travelling with our national airlines would help me express my identity.	
TET16	I feel great pride when I travel with our national airline service providers.	

To measure travellers' national identity, we relied on the widely used "NATID" scale developed by Keillor et al. (1996). This scale has been commonly used in previous literature such as Cleveland, Laroche, and Hallab (2013), Le et al. (2013), and He and Wang (2015). The scale is designed to measure the national identity construct as a three-dimensional construct, including national heritage/pride, culture homogeneity, and belief system, using a 12-item through five-point Likert scale. This measurement scale has been utilized in various studies, including airline travel context (e.g. Ali et al., 2016; He and Wang, 2015). Furthermore, consumer-service evaluation is widely measured using consumers' overall evaluations of service quality and value for money (e.g. Kim et al., 2017). Five items were used to measure travellers' evaluations of service quality provided by the airline service provider adopted from Wong and Sohal (2006) and Hapsari, Clemes, and Dean (2017) using a 5-point Likert scale. This scale is widely adopted by many studies in airline travel services, such as Truong et al. (2020) and Li and Liu (2019). Equally, passengers' evaluation of overall perceived value was measured using four items adopted from Brodie, Whittome, and Brush (2009) and Hapsari et al. (2017) through a 5-point Likert scale. This scale is commonly used in the existing airline travel literature, such as Rajaguru (2016) and Pappachan (2023).

Equally, airline willingness to purchase was measured using four-items adopted from Truong et al. (2020), Lin (2022), and Wang (2014), Chen and Chang (2008), using five-point Likert. This measurement scale is widely used in previous airline travel studies. Similarly, airline brand purchase was measured using four-items adopted from Truong et al. (2020), Singh and Verma (2017), and Yildiz et al. (2018), using five-point Likert. This scale is adopted in some studies in previous airline travel studies, such as Truong et al. (2020). Lastly, price fairness was measured using four-items adopted from Hasan (2022), Opata et al. (2020), and



Truong et al. (2020), using a five-point Likert scale. This scale is widely used in previous marketing as well as airline travel service literature (e.g. Lai, 2023). Table 4.3 outlines the measurement items used to measure the above constructs including travellers' national identity, airline service evaluation, airline willingness to purchase, airline actual purchase, and price fairness.

**Table 4.3 Measurement Scales of Study Constructs**

Coding	Scale Items	Source
Travellers' National Identity		
TNI1	I feel proud to be an Egyptian citizen.	Keillor et al. (1996), Le et al. (2013), He and Wang (2015), and Cleveland et al. (2013).
TNI2	Egypt has a strong historical heritage.	
TNI3	Egyptians are proud of their nationality and national identity.	
TNI4	It is very important for me to remain close to the Egyptian culture.	
TNI5	Religion is essential to preserve the cohesiveness of Egyptian society.	
TNI6	A true Egyptians would never reject their religious beliefs.	
TNI7	Religious philosophy is an important part of being Egyptian.	
TNI8	One of the Egyptians' strengths is their interest in events of historical importance.	
TNI9	Egyptians feel that they come from a common cultural/ historical background.	
TNI10	Egyptians possess certain cultural attributes that other people do not possess.	
TNI11	People frequently engage in cultural activities that identify them as Egyptians.	
TNI12	Egyptian culture influences my words and actions.	
Consumer-Service Evaluations		
ASQ1	The services and facilities provided by this airline meet my needs and expectations.	Wong and Sohal (2006),
ASQ2	This airline delivers excellent or superior service quality (e.g. In-flight services, comfortable in-flight seats, and entertainment).	

ASQ3	The services provided by this airline are reliable (e.g. flight schedules, on-time departure and arrival, and baggage handling).	Hapsari et al. (2017), Brodie et al. (2009), and Pappachan (2023).
ASQ4	This airline provides a high standard of service (e.g. reservation and ticketing system, safety and security system, and check-in service).	
ASQ5	Overall, I am very satisfied with the service quality provided by this airline.	
APV6	Considering the ticket price I paid for this airline, the airline offers excellent services.	
APV7	Compared to what I have given up (e.g. money, time and effort), the airline offer fair service with good value for money.	
APV8	The service is good and valuable for the price paid.	
APV9	Overall, this airline offers good value for money.	
Travellers' Willingness to Purchase		
TWP1	This airline is my first choice when I think to buy an airline ticket.	Truong et al. (2020), Lin (2022), and Wang (2014).
TWP2	In comparison to other service providers, I prefer to fly with this airline.	
TWP3	I would go for this airline when I look for an airline ticket.	
TWP4	I am willing to purchase this airline's products in the future.	
Travellers' Actual Airline Purchase		
TPU1	I am a regular customer of this airline company.	Truong et al. (2020), Singh and Verma (2017), and Yildiz, Heitz-Spahn, and Belaud (2018)
TPU2	I always purchase my airline tickets from this airline.	
TPU3	I purchase airline tickets from this airline on regular basis.	
TPU4	I would continue to buy a ticket from this airline in the future.	
Perceived Price Fairness		
PPF1	The ticket price of this airline is competitive and reasonable for me.	Hasan (2022), Opata et al. (2020), and Truong et al. (2020),
PPF2	The price of this airline meets my expectations.	
PPF3	I am satisfied with the price of this airline.	
PPF4	The price charged by this airline is relatively fair compared to other airlines.	

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**4.3.2 Questionnaire Structure and Translation**

The survey questions were organized into three sections in a logical order to avoid any confusion among the respondents. In the beginning, the purpose of the study was briefly explained, and participants were kindly asked to answer all questions included in the survey accurately and honestly. They were also informed that their answers would only be used for academic purposes. Then, in the first section, respondents were asked to evaluate their airline service providers, including travellers' brand evaluations, airline willingness to purchase, airline actual purchases, and price fairness, using a five-point Likert scale, where 1 = totally disagree, 5 = totally agree. The second section contained the measurement scales of the drivers of home-country bias, including travellers' ethnocentrism and national identity, using a five-point Likert scale ranging from, where 1 = totally disagree, 5 = totally agree. Lastly, the third section captured respondents' socio-demographic variables, such as gender, age, marital status, educational background, occupation, and monthly income, using categorical scales. Also, the airline's origin as a moderator variable in the current study was measured by asking respondents whether they used a national or foreign airline.

Given that this study was conducted in the Egyptian airline travel services context, where the majority of the population's mother tongue is Arabic, the questionnaire was translated into Arabic to ensure that participants who may not be proficient in English can effectively participate in the study, following translation-back-translation procedures (Brislin, 1983). The questionnaire was initially established in English, and then an Arabic version was developed, which was later translated into English by two Arabic and English linguists. Based on their feedback, the Arabic version was revised to ensure the accuracy and quality of the translation. This procedure was duplicated until the linguists were content with the final versions.

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**4.3.3 Content Validity and Survey Pretest**

Content validity is a critical step to ensure the quality of the survey instrument and improve the quality of the collected data. Furthermore, pretesting is important to assess the initial reliability of the survey and is particularly important for self-administered surveys where no interviewers are present to address any confusion or inquiries that participants may have about any part of the survey (Hair et al., 2010). Content validity, also known as face validity in some studies, refers to the degree to which the scale items actually measure what it claims to measure (Malhotra, 2010). In other words, face validity assesses whether the scale items adequately and efficiently encompass the whole domain of the concept being measured. In order to check the content validity, the questionnaire was reviewed by a panel of academics and industry experts, including two academic professors, a lecturer, two PhD researchers, and two airline service marketers who are familiar with and specialize in services marketing to ensure the content and face validity. As a result, some questionnaire items were omitted, and others were reformulated according to experts' comments.

After taking into account the suggestions from academics and service marketing experts, the final form of the survey questionnaire was pre-tested using a convenience sample of 42 airline passengers who had flown in the past six months to verify the initial reliability of the adopted measures. According to Cooper (2011), a sample size of 25 to 100 is appropriate for a pilot test. Thus, this sample size is adequate to test the initial reliability of the survey questionnaire. Table 4.4 shows the distribution of those respondents based on their socio-demographics.

**Table 4.4 The Socio-demographic Variables**

<b>Variable</b>	<b>Categories</b>	<b>(N= 42)</b>	<b>%</b>
<b>Gender</b>	Male	25	60 %
	Female	17	40 %
<b>Age</b>	From 18 to less than 25	11	26 %
	From 25 to less than 35	13	31 %
	From 35 to less than 50	10	24 %
	From 50 to more.	8	19 %
<b>Marital status</b>	Single	15	36 %
	Married	22	52 %
	Other	5	12 %
<b>Education</b>	Secondary school and below	12	29 %
	High school	8	19 %
	University degree	17	40 %
	Postgraduate degree	5	12 %
<b>Occupation</b>	Government officer	7	17 %
	Professional and services	15	36 %
	Private Employee	13	31 %
	Other.	7	16 %
<b>Monthly income</b>	10.000 or less LE.	18	43 %
	From 10.001 to 20.000 LE.	15	36 %
	From 20.001 to 40.000 LE.	6	14 %
	More than 40.000 LE.	3	7 %
<b>Airline's origin</b>	Egyptian origin airlines	24	57 %
	Foreign origin airlines	18	43 %
<b>Travel purpose</b>	Business	20	48 %
	Visiting friends/relatives	8	19 %
	Tourism	8	19 %
	Other	6	14 %

The study's measures' consistency was verified through Cronbach's alpha, a statistical method that determines the extent to which scale items are consistent with each other (Malhotra, 2010). The values of Cronbach's alpha range between 0 and 1, and values that exceed 0.70 indicate a satisfactory level of reliability (Hair et al., 2010). Table 4.5 presents the outcome of the reliability test conducted on the study variables. As the table shows, the results indicated that all the constructs of

the study had Cronbach alpha values greater than 0.70, ranging from 0.742 to 0.885, which means that all the measurement scales adopted in the study have a high level of internal consistency. Furthermore, as shown in the item-total correlation column, all values are higher than 0.30, meaning that all items are highly correlated with their overall scales, except for four items that were slightly below the recommended value (TNI6, TNI8, TNI12, and TEH6). Also, none of these items in the column of "*Cronbach's alpha if item deleted*" would significantly improve the scale's reliability. As such, since the improvement that would occur in the overall scale if these items were eliminated from their associated scales would be relatively slight, the decision was to retain these items and move forward with gathering the required data from the target sample, particularly considering that Cronbach's alpha test is highly sensitive to the sample size.

**Table 4.5 Reliability Analysis (Pre-Test)**

Construct	Items	Item-total correlation	Cronbach's alpha if item deleted	Cronbach's Alpha
TNI	TNI1	0.481	0.711	0.742
	TNI2	0.581	0.697	
	TNI3	0.586	0.697	
	TNI4	0.302	0.734	
	TNI5	0.373	0.725	
	TNI6	0.250	0.749	
	TNI7	0.254	0.739	
	TNI8	0.278	0.750	
	TNI9	0.470	0.716	
	TNI10	0.529	0.706	
	TNI11	0.414	0.720	
	TNI12	0.289	0.744	
	TEH1	0.620	0.846	
	TEH2	0.581	0.849	
	TEH3	0.583	0.848	
	TEH4	0.558	0.850	

<b>TET</b>	TEH5	0.575	0.849	<b>0.860</b>
	TEH6	0.298	0.861	
	TEH7	0.433	0.856	
	TEH8	0.424	0.856	
	TEH9	0.449	0.855	
	TEH10	0.493	0.853	
	TEH11	0.425	0.856	
	TEH12	0.521	0.852	
	TEH13	0.415	0.856	
	TEH14	0.457	0.855	
	TEH15	0.410	0.857	
	TEH16	0.482	0.853	
<b>ASQ</b>	ASQ1	0.782	0.846	<b>0.885</b>
	ASQ2	0.703	0.865	
	ASQ3	0.684	0.870	
	ASQ4	0.687	0.868	
	ASQ5	0.761	0.852	
<b>APV</b>	APV1	0.638	0.770	<b>0.817</b>
	APV2	0.656	0.762	
	APV3	0.550	0.811	
	APV4	0.713	0.735	
<b>TWP</b>	TWP1	0.740	0.811	<b>0.862</b>
	TWP2	0.724	0.818	
	TWP3	0.687	0.836	
	TWP4	0.702	0.830	
<b>TAP</b>	TAP1	0.753	0.827	<b>0.874</b>
	TAP2	0.707	0.846	
	TAP3	0.726	0.839	
	TAP4	0.732	0.838	
<b>PPF</b>	PPF1	0.739	0.831	<b>0.870</b>
	PPF2	0.699	0.847	
	PPF3	0.724	0.838	
	PPF4	0.747	0.829	

#### 4.3.4 Procedures to Reduce Common Method Variance

Using a single instrument for measuring all variables at once can lead to a shared variance among the measurement items, which can significantly affect the results of statistical analysis (Kinawy, 2023). This effect is commonly referred to as *Common Method Bias* (Jordan and Troth, 2020). Common method bias, also known as common method variance, refers to the variance arising from the measurement method used to collect data rather than the constructs the measures represent (Podsakoff et al., 2003). Academically, business researchers have paid significant attention to the potential effects of common method bias (e.g. Chang, Van-Witteloostuijn, and Eden, 2020; Malhotra 2010; Podsakoff et al., 2012). In particular, marketing researchers have recognized the negative effects of common method bias due to its ability to create a false internal consistency or correlation among variables generated by common sources (Chang et al., 2020). Common method bias can be a serious issue because it is one of the major sources of measurement error, which may provide incorrect explanations for the observed relationships between different constructs, which can threaten the validity of a study's findings (Podsakoff et al., 2012).

Since common method biases can seriously affect research results, it is crucial to identify the sources of common method biases and recognize when they can affect research findings (Abdelmaaboud, 2021). In their critical literature review of common method bias in behavioural research, Podsakoff et al. (2003) identified various sources of common method bias, for instance, when predictor and criterion variables are obtained from the same respondent or when they are measured using the same medium, or when items are written in a way that reflects socially desirable attitudes or behaviours. Additionally, using common scale formats and the context in which the measures are obtained could lead to common method bias



(such as item ambiguity and similarities in item wording and structure, which can produce similar responses).

As with most previous marketing and consumer behaviour studies, the current study used a single data source, as the measurement items measuring both the independent and dependent constructs were obtained from the same respondents. In addition, most of the study constructs were captured using the same style of scale (i.e., five-point Likert scale). Thus, this study is more likely to be influenced by common method variance. Therefore, it is important to implement the necessary procedures to mitigate this form of bias and minimize its impact on the research results. According to Mackenzie and Podsakoff (2012) and Podsakoff et al. (2003), there are two primary ways to reduce common method bias. The first method, procedural remedies, aims to reduce the potential impacts of common method bias before starting the data collection process by carefully designing the study's procedures. On the other hand, the second method involves using statistical techniques to control the effects of common method bias during the statistical analysis process.

In the current study, both the procedural remedies and the statistical techniques to control methods were used to minimize and control the effect of common method bias. This section illustrates the procedural remedies that were undertaken to reduce the potential effects of common method bias, whereas the statistical techniques to control the effects of common method bias will be conducted in the next chapter (*Chapter 5, Section 5.2.4*). Table 4.6 summarizes the potential sources of common method bias in the current study and the procedural treatments implemented to reduce the negative effects of these sources based on the recommended remedies suggested by Podsakoff et al. (2003), and Mackenzie and Podsakoff (2012).

**Table 4.6 Procedural Remedies to Reduce Common Method Bias**

Potential sources of bias	Mechanism	Procedural remedies
<b>Social desirability</b>	Social desirability bias is a common form of bias that occurs when survey respondents feel compelled to provide socially desirable answers instead of their actual thoughts/feelings about the topic being explored. Such bias can lead to spurious relationships among study constructs.	We utilized self-administered questionnaires to minimize face-to-face interactions with participants. Additionally, we carefully formulated scale items with non-leading language and depended on a diverse sample that included different demographic groups.
<b>Items complexity or ambiguity</b>	Items' complexity or ambiguity, which arises from various sources, such as vague concepts and double questions, may reduce respondents' ability to provide accurate responses, thereby increasing response bias (e.g., acquiescent, extreme, or midpoint responses).	Vague concepts and double questions were avoided. Additionally, scale items were refined to reduce complexity and increase comprehensibility during the content validity review and pilot study.
<b>Self-disclosure</b>	Self-disclosure can increase respondents' anxiety and fear of being evaluated, leading them to modify their responses to be more favourable, acquiescent, and aligned with what respondents believe the surveyor expects to hear rather than their genuine answers.	Participants were not asked to provide any data that might lead to self-disclosure. In addition, the survey's cover page clearly stated the anonymity and confidentiality of responses.
<b>Low self-efficacy to provide the required responses</b>	Low efficacy may also increase respondents' probability of choosing a midpoint response style because of the lack of confidence.	Survey participants are informed on the cover page that there are no wrong or incorrect responses to the questions, and they are asked to be honest and frank in their answers.

*Source:* partly based on Abdelmaaboud (2021) and Podsakoff et al. (2003).

**4.4 Research Setting**

Air travel service is one of the fastest-growing types of transportation that reduces travel and brings tourist destinations closer together (Lai, 2023). Therefore, it has become a major contributor to the entire tourism and hospitality industry. In addition to its direct economic benefits, it plays a significant role as a catalyst for the country's socio-economic development by increasing productivity, stimulating tourism activities, and supporting international trade and mobility (Boubker and Naoui, 2022). Over the past few decades, the industry has witnessed considerable transformations attributed to the deregulation of the airline market due to the open skies agreements and the emergence of the low-cost-carriers, which adopted cost reduction strategies by offering no-frill airline service with reasonable prices (Forgas et al., 2010). These transformations transformed airline service markets from sellers to buyers' markets and created tough competition between national airlines and low-cost carriers (Han and Hwang, 2017). Furthermore, it forced full-airline service providers to adopt customer-oriented strategies that offer higher customer value by reducing airline travel costs and delivering high-quality service to retain their customers and boost their loyalty (e.g. Kim, 2013).

Furthermore, the airline industry is highly vulnerable to external crises such as terrorist attacks, infectious diseases, disasters, and pandemics, as the current crises have clearly shown (Wang et al., 2021; Kim and Sohn, 2022). Therefore, currently, the industry is going through a difficult situation due to the repercussions of the COVID-19 pandemic and the consequences of the Russian-Ukrainian war (e.g. Chang et al., 2022; Fontanet-Pérez, Vázquez, and Carou, 2022). In March 2020, the World Health Organization declared COVID-19 a global pandemic, and after two years of lockdown and strict travel restrictions, it became clear that the aviation industry is one of the industries hardest hit by the health pandemic (Kim

and Sohn, 2022). The pandemic caused a global loss to the entire travel and tourism industry, estimated at \$935 billion during the first year of the pandemic (Garaus and Hudáková, 2022). For the airline industry in particular, according to the International Air Transport Association (IATA) and the Air Travel Action Group (ATAG), international travellers' statistics reached 2.2 billion in 2021 compared with 4.5 billion before the crisis in 2019. Additionally, the global economic impact of the industry decreased from \$3.5 trillion in 2019 under normal circumstances to \$1.7 trillion in 2021 during the pandemic; also, the number of jobs supported by airline travel reduced from 88 million to 42 million in 2020 (IATA, 2022). With such a significant drop in demand, many airlines were forced to stop their business activities due to bankruptcy and other obstacles resulting from the failure to cope with the pandemic (Garaus and Hudáková, 2022).

By mid-2021, the industry has begun to recover and return to pre-pandemic rates due to governmental financial support, vaccination, and health and safety policies adopted by airlines (Fontanet-Pérez et al., 2022). However, once the industry began to recover from the negative repercussions of the pandemic, the Russian invasion of Ukraine in February 2022 caused another shock to the industry (Kim and Sohn, 2022). The economic blockade imposed on the Russian economy exacerbated the energy crisis and raised fuel prices by more than 50% in 2022, according to the World Bank (2023), which caused terrible inflationary waves for the global economy (Fontanet-Pérez et al., 2022). The excessive increase in fuel prices constitutes a major shock to airline companies since fuel costs account for up to 40-50% of airlines' total costs (Atems, Bachmeier, and Williams, 2019). Accordingly, airline ticket prices have sharply increased for domestic and international flights (International Air Transport Association, 2022). On the other side, the latest reports of global economic prospects expect that global growth will

decline to 2.9% by 2024, which will be reflected in individuals' income levels, purchasing power, and spending behaviours (World Bank, 2023). These political and economic threats to national economies and the airline industry, in particular, have stimulated customers' nationalistic and ethnocentric beliefs to support the national economy and its stakeholders worldwide (Verma and Naveen, 2021; Stamolampros et al., 2020). For instance, using a Tripadvisor dataset of 380,000 traveller reviews, Stamolampros et al. (2020) presented strong evidence that travellers' online ratings of national and foreign airlines are strongly influenced by their home-country bias that goes beyond quality and value considerations.

At the national level, airline service providers in Egypt have faced considerable challenges over recent years. The Egyptian national economy is negatively affected by the current political-economic conflicts, as the national currency has devalued by more than one-third with the onset of the crisis, and inflation rates rose sharply over 30%, which severely affected individuals' purchasing power, according to official statistics issued by World Bank (2022). These threats to the national economy have led to the emergence of home-country bias among society members, many boycott campaigns against foreign products and service providers, and numerous support campaigns for domestic products and domestic service providers, including airlines such as the "support-EgyptAir" campaign. This form of advocacy to domestic service providers, including airline companies, can be justified as a form of ethnocentric bias (Stamolampros et al., 2020). Accordingly, these threats to the national economy, particularly airline companies, make this context an appropriate field for studying home-country bias and its consequences on travellers' behaviours.

Academically, the existing airline travel literature has intensively investigated the determinants of travellers' behaviours, including airline evaluation, preferences,

and purchase (e.g. Han and Hwang, 2017; Pappachan, 2021). Nevertheless, most of these studies have concentrated on the economic and financial models that focus only on economic considerations, such as price sensitivity and elasticity of demand (Thirumuruganathan et al., 2023). In contrast, psychological factors have not received the same attention in the existing literature. However, a recent research stream has begun to shed light on the critical role of psychological variables such as airlines' symbolic value, airline image/reputation, and national loyalty as significant determinants of travellers' behaviours and their decision-making process (Bruning and Saqib, 2013; Stamolampros et al., 2020).

In line with this research stream, the role of home-country bias in travel and tourism context has increased as a result of the recent political and economic conflicts and its associated threats to national economies, and recent publications have presented much evidence on the existence of home-country bias in travel and tourism context particularly in airlines travel services (e.g. Cassia and Magno, 2022; Lever et al., 2023; Suham-Abid and Vila-Lopez, 2020; Xiaolong et al., 2023). Building on the results of these studies, we argue that the empirical investigation of the psychological drivers of home-country bias in the airline travel service will represent a significant contribution to the existing airline travel literature and will provide a better understanding of the determinants of travellers' behaviours by studying travellers' behaviours from a holistic perspective in which psychological factors are treated as a major determinant of travellers' behaviours alongside price and value considerations.

#### **4.5 Sampling and Data Collection Process**

Designing appropriate sampling is a crucial step in both qualitative and quantitative research projects (Bryman, 2006). The target population of this study was defined as airline travellers who use airline services provided by national and foreign airlines. Given that domestic flights in Egypt's airline market are still

limited to national/domestic service providers, the current study focused on international flights where the competition between national and foreign airline companies exists, and thus, the possibility of home-country bias exists in traveller behaviours. Because a pre-determined sampling frame for the study population is unavailable, this study cannot use probability sampling techniques. Instead, non-probability samples were used as they require less time and cost to collect the required data compared to probability samples. A convenience sampling was utilized in this study to gather the required data from airline travellers. Convenience sampling is a non-probability sampling technique which involves selecting survey participants based on their availability, such as their presence in a particular area at the time of the survey (Truong et al., 2020). However, its advantages, including cost and time considerations, as well as the lack of knowledge about the population's demographics, made it the best sampling technique for this study.

The sample size was determined with 400 respondents based on the size of the population, number of variables, and statistical analysis requirements (Hair et al., 2010). A self-administered questionnaire was used to gather the required data for the current study. Data collection process was conducted during January and February 2024 in Egypt. The questionnaire was distributed using a team of three members, including the researcher and two assistants who were well-trained in the data collection process. More than 450 printed questionnaires were distributed to the participants who decided to participate in the survey to collect the target sample size, and 429 questionnaires were collected back. The initial examination of these responses revealed that 13 surveys had a lot of missing data that were excluded from the statistical analysis, as well as another 4 cases with identical answers to all survey questions were also excluded from the collected surveys. Thus, only 412 questionnaires remained as valid surveys for statistical analysis.

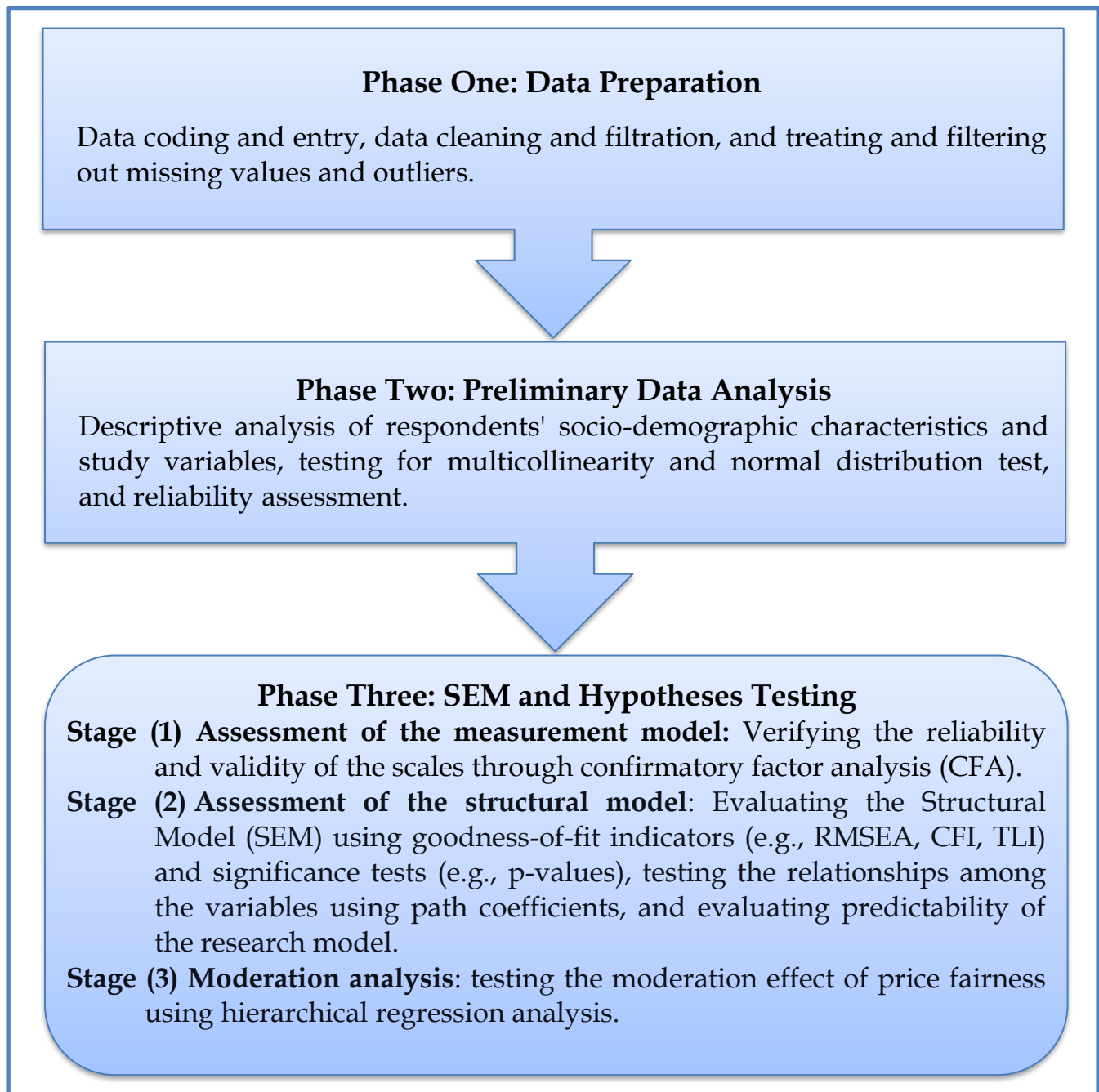
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## **4.6 Data Analysis Procedures**

Figure 4.1 summarizes the statistical analysis techniques implemented to evaluate the study's conceptual model and test the research hypotheses. According to the figure, these techniques can be divided into three main phases. The statistical analyses conducted in the first two phases were performed using SPSS v.26 software, while the third phase was conducted using AMOS v.27 software. The details of each phase will be explained in the following subsections.

- **Phase One: Data Preparation and Checking:** The first stage of data analysis involves data preparation and checking, which includes data coding, non-response bias testing, data cleaning and filtering.
- **Phase Two: Preliminary Data Analysis:** The socio-demographic statistics of the respondents were presented. Then, the descriptive statistics of the study constructs, including mean, standard deviation, and variation coefficient, were illustrated. Subsequently, the multicollinearity test, common method variance, and normality distribution were conducted. Lastly, we concluded this stage by assessing the reliability of the measurement scales using Cronbach's Alpha.
- **Phase Three: Hypothesis Testing:** Structural equation modelling (SEM) was utilized to assess the conceptual model and verify the hypothesized relationships through two main stages, which will be further discussed in the next section. After that, hierarchical regression was conducted to test the moderation effect of price fairness.





**Figure 4.1 Data Analysis Procedures**

#### 4.6.1 Structural Equation Modelling (SEM)

Structural Equation Modelling (SEM) generally refers to a broad statistical modelling technique employed to investigate and establish causal relationships between latent or unobserved constructs (Hair et al., 2010). According to Tabachnick and Fidell (2014), SEM is defined as “*a collection of statistic techniques that allow a set of relationships between one or more independent variables and one or more dependent variables to be examined*” (Tabachnick and Fidell, 2014, p. 655). SEM utilizes various statistical techniques such as confirmatory factor analysis, path analysis, analysis of covariance structure, and simultaneous equation modelling (Hair et al., 2010). Because of its comprehension, it is commonly utilized in the social and behavioural sciences, particularly for testing theory. The current study adopted SEM to examine the model and verify the proposed research hypotheses for several reasons.

Firstly, SEM is a valuable tool for testing complex models with a large number of constructs; when the phenomena of interest are multidimensional and complex, SEM is the only statistical technique that allows simultaneous tests of all the hypothesized relationships (Hair et al., 2010). Thus, the application of SEM enables researchers to investigate the structural relationships between exogenous and endogenous variables, which is consistent with the aims of the existing study. Also, one of the primary reasons for utilizing SEM is its ability to analyze various levels of measurement through the same model (Hair et al., 2019). Furthermore, the SEM is a non-parametric statistical analysis that allows the analysis of non-normal data distributions. Secondly, SEM can be considered as a combination of factors analysis and path analysis. Thus, it is more advanced and rigorous compared to the normal factor analysis, discriminant analysis, or multiple regressions. Third, SEM offers a means to control measurement errors, such as

common method bias (Malhotra et al., 2010). Finally, it offers methods to assess how well the observed data aligns with the proposed theoretical model and the hypothesized research hypotheses (Hair et al., 2010). Given the complex and multidimensional nature of the research model under investigation, SEM is the most suitable statistical technique to be utilized in this study.

Several software programs can be used to perform SEM analysis, including Analysis of Moment Structures (AMOS), Partial Least Squares (Smart-PLS), and Linear Structural Relation (LISREL). Among this software, the current study will utilize AMOS software (AMOS 27.0) to conduct SEM analysis due to its user-friendly interface compared to the computerized coding approach used in LISREL (Hair et al., 2014). According to Hair et al. (2010), SEM involves two main stages: Measurement Model Analysis and Structural Model Analysis. During Measurement Model Analysis, the relationships between latent variables and observed variables are assessed, and the fit of the measurement model is evaluated (Malhotra et al., 2010). Once the reliability, validity, and model fit indices of the measurement model are established, the second phase of SEM, Structural Model Analysis, is conducted. In this stage, path analysis is used to verify the structural relationships between the study's variables (Hair et al., 2014).

#### **4.6.1.1 Measurement Model (CFA)**

The measurement model focuses on the relationship between latent variables (factors) and observed variables (measurement items or indicators) (Hair et al., 2019). There are two main types of measurement models based on the nature of the construct: formative and reflective. Formative measurement models consider the measurement indicators (items) to be the causes of the construct, while reflective models consider the measurement indicators (items) to be caused by the latent construct (Hanafiah, 2020). In line with the nature of the study's constructs and the

existing literature on home-country bias, the measurement model in the current study is considered a reflective measurement model because the latent constructs exist independently, and the causal relationships flow from the construct to its measurement items.

The main aim of this stage is to test whether the study constructs are adequately represented by its measurement items and to verify the validity of all measurement scales included in the research model using Confirmatory Factor Analysis (CFA) (Malhotra et al., 2010). A set of goodness-of-fit indices will be used in CFA to evaluate the model fit of the measurement model, including Chi-Square/Degrees of Freedom ( $\chi^2/df$ ), Comparative Fit Index (CFI), Normed Fit Index (NFI), Root Mean Square Residual (RMR) and Root Mean Square Error of Approximation (RMSEA). Table 4.7 shows a summary of these indices and their thresholds. Table 4.7 below shows the goodness fit indices and their respective cut-off values used in the SEM analysis (Hair et al., 2010). Furthermore, according to Hair et al. (2010), scale reliability, convergent and discriminant validity should be evaluated during this stage. Measurement scale reliability will be assessed using Cronbach's Alpha ( $\alpha$ ) and Composite Reliability. Convergent validity will be tested using the Average Variance Extracted (AVE), while discriminant validity will be tested using Fornell and Larcker's (1981) criterion.

**Table 4.7 Model-fit-Indices with their Thresholds**

Indices	Name	Cut off Value
$\chi^2$	Chi-square	Significant $P < 0.05$
$\chi^2/df$	Normed Chi-Square	$\leq 3$ good; $\leq 5$ sometimes acceptable
GFI	Goodness of Fit Index	$\geq 0.9$ good; $\geq 0.8$ sometimes acceptable
AGFI	Adjusted Goodness of Fit Index	$\geq 0.9$ good; $\geq 0.8$ sometimes acceptable
CFI	Comparative Fit Index	$\geq 0.9$ good; $\geq 0.8$ sometimes acceptable
NFI	Normed Fit Index	$\geq 0.9$ good; $\geq 0.8$ sometimes acceptable
IFI	Incremental Fit Index	$\geq 0.9$ good; $\geq 0.8$ sometimes acceptable
TLI	Tucker-Lewis Index	$\geq 0.9$ good; $\geq 0.8$ sometimes acceptable
RMR	Root Mean Square Residual	$\leq 0.06$ good; $\leq 0.08$ sometimes acceptable
RMSEA	Root Mean Square Error of Approximation	$\leq 0.06$ good; $\leq 0.08$ sometimes acceptable

Source: based on Hair et al. (2010)

#### 4.6.1.2 Structural Model

Once the measurement model's reliability and validity were established through CFA, the next step in SEM analysis involved examining the structural model. The structural model is a conceptual representation of the structural interrelationships among a set of constructs connected by the proposed relationships in the theoretical model (Hair et al., 2014). The purpose of the structural model is to test the hypothesized relationships in the research model; as such, the proposed relationships between the study's constructs are formulated and graphically represented. The process of evaluating the fit of the structural model is similar to that of the measurement model, with the main distinction being the covariance matrix (Hair et al., 2010). In the measurement model, it is supposed that all constructs in the model are interrelated, whereas the structural model only reflects specific correlations among specific constructs according to the suggested hypotheses.

After validating the structural model, the next step involves assessing the size and significance of path coefficients to assess the proposed relationships among the constructs in the research model, which provides statistical support for verifying the study hypotheses. The standardized path coefficients, which are equivalent to the beta coefficients in regression analysis, are standardized values that represent the structural relationships among the variables included in the structural model and range naturally between -1 and +1. Path coefficient values that approach the absolute value of 1 reveal a higher predictive power of exogenous constructs on endogenous constructs, while values closer to 0 indicate a weaker predicting power of exogenous constructs in predicting endogenous constructs (Hair et al., 2019).

#### **4.6.2 Moderation Analysis of Perceived Price Fairness**

Moderator variables can affect the strength and direction of the relationships between independent and dependent variables, either by enhancing or diminishing the impact of independent variables. Fairchild and McQuillin (2010) stated that in social science literature, moderation effects are commonly referred to as "statistical interactions". In addition, various statistical techniques, including multi-group analysis and regression analysis, are widely employed to test the moderation effect. Previous studies have often utilized hierarchical multiple regression analysis as one of the most prevalent statistical techniques (Hair et al., 2010). In hierarchical regression analysis, each variable is adjusted to the mean of all associated measurement items; also, continuous variables should be centered to avoid multicollinearity issues. According to the hierarchical regression analysis steps outlined by Pallant (2020), the process for examining the moderation model, which includes only predictors, outcomes, and moderators, is as follows. The analysis begins by entering the dependent variable of interest, along with the demographic variables, to control the variance explained by this set of independent variables.

Next, the independent variable is added to the model, followed by the moderating variable. Finally, the interaction terms resulting from multiplying the moderating and independent variables are included in the model.

#### **4.8 Conclusions**

This chapter presents the research method employed in the current study. It addresses the main fundamental questions related to the study's research method. First, the chapter discussed the research approach and design utilized in the current study to achieve its objectives. The study adopted a two-stage research design, where the first stage relied on exploratory research to gain a comprehensive understanding of the research phenomenon and to develop the study's conceptual framework, while in the second stage, a cross-sectional descriptive research design was adopted to investigate the hypothesized relationships between the drivers of home-country bias and travellers' behaviours. Second, the chapter delineates how the study constructs were operationalized, including the measurement scales employed to capture the constructs included in the research model. Third, the chapter outlined the multi-stage process used to develop the research instrument "questionnaire" as the primary data collection tool for the current study. Fourth, the chapter discussed the research context and sampling method, including the study population, sample type, and sample size. Finally, the chapter detailed the data analysis procedures used to assess the study's conceptual model and the study hypotheses. Accordingly, the following chapter will present the statistical analysis of the empirical data.

## CHAPTER 5

# DATA ANALYSIS AND RESULTS

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- Data Preparation
  - Data Coding
  - Data Cleaning and Filtration (Missing Data & Detection of Outliers)
- Preliminary Data Analysis
  - Respondents' Socio-demographic Characteristics
  - Descriptive Analysis of the Study's Variables
  - Multicollinearity Testing
  - Common Method Variance (CMV)
  - Normal Distribution of Data
  - Reliability Analysis of Measurement Scales
  - Exploratory Factor analysis
- Structure Equation Modeling and Hypotheses Testing
  - Assessment of measurement model
  - Assessment of structural model and hypotheses testing
- Moderation effect of Price Fairness
- Conclusion



## **DATA ANALYSIS AND RESULTS**

The prior chapter discussed the research method used to conduct the empirical study in order to achieve the study's objectives. This chapter presents the statistical analysis undertaken to test the hypothesized relationships in the conceptual model. The statistical analysis was sequentially carried out through four sections. The first section discusses the data preparation process before proceeding with statistical analysis. Section two presents the preliminary data analysis, which involves respondents' socio-demographic characteristics, descriptive analysis of study variables, multicollinearity test, assessment of common method variance, test of normal distribution of collected data, reliability test, and exploratory factor analysis. The third section involves the three-stage process of SEM analysis to test the hypothesized relationships; including assessing the measurement model, evaluating the structural model and hypotheses testing. Finally, the moderation effect of price fairness was conducted using hierarchical regression analysis.

### **5.1 Data Preparation**

This part outlines the steps that were performed to check and prepare the empirical data for statistical analysis.

#### **5.1.1 Coding of Data**

The first step to begin with the statistical analysis is the coding of empirical data. The abbreviations used to define the study constructs and their measurement items were listed in the tables that present the measurement scales of the study constructs (see Tables 5.2 and 5.3), which can be summarized as follows:

- Travellers' national identity was represented by TNI, and the measurement items that reflect this concept were denoted by the abbreviations TNI1 to TNI12.

- Travellers' ethnocentrism was represented by TET, and the measurement items that reflect this concept were denoted by the abbreviations TET1 to TET16.
- Airline service evaluation (ASE) was measured using two proxies, including travellers' evaluation of overall airline service quality and perceived value. Airline service quality was represented by ASQ, and the measurement items that reflect this concept were denoted by the abbreviations ASQ1 to ASQ5. While airline perceived value was represented by APV, and the measurement items that reflect this concept were denoted by the abbreviations APV1 to AOV4.
- Travellers' willingness to purchase national or foreign airline services was represented by TWP, and the measurement items that reflect this concept were denoted by the abbreviations TWP1 to TWP4.
- Travellers' actual purchase of national/foreign airline services was represented by TAP, and the measurement items that reflect this concept were denoted by the abbreviations TAP1 to TAP4.
- Perceived price fairness was represented by PPF, and the measurement items that reflect this concept were denoted by the abbreviations PPF1 to PPF4.

### **5.1.2 Data Cleaning and Filtration**

Data cleaning and filtration are crucial steps in the statistical analysis process because the quality of the statistical analysis's outputs depends largely on the accuracy of the data and its cleaning and filtration (Hair et al., 2010). Therefore, neglecting the cleaning and filtration process of the empirical data may lead to poor-quality outputs. As such, the next section discusses the procedures of data cleaning and filtration, including data screening, detecting and treating missing values, and assessment of outliers.

#### **5.1.2.1 Data Screening and Treatment of Missing Data**

Before starting the data entry process, each survey was meticulously reviewed as they were manually input into the SPSS software. The initial screening of the 429

collected surveys revealed 13 cases with incomplete answers or missing data ranging from 10% to 30% of the total questions. According to Hair et al. (Hair et al., 2019), surveys with 15% or less incomplete data are candidates for deletion, while cases with 50% or more incomplete data should be removed. Thus, these 13 cases were excluded during the initial examination and were not entered into the SPSS data file. Furthermore, the initial examination of the data indicated 4 surveys with identical answers to all survey questions. These identical answers or so-called *straight-lining responses* happen when respondents provide the same response pattern to a large set of questions using the same scale, which may reduce the quality of the data and, therefore, should be excluded to improve the quality of the data (Hair et al., 2019; Kim et al., 2019). Therefore, these 4 cases were also excluded from the collected surveys and were not enrolled into the SPSS datasheet. Lastly, the remaining 412 surveys were precisely enrolled into the SPSS, and then the treatment of missing values was performed.

After the initial screening, missing data analysis was conducted. *Item non-response bias* refers to a situation where survey respondents fail to provide the necessary data for a particular measurement item, resulting in missing data with a particular pattern for specific items. This type of bias can significantly impact the accuracy of research results (Hulland et al., 2018; Hair et al., 2019). Table 5.1 shows the analysis of the missing values classified by measurement items. It is worth noting that there were no items or survey cases with missing data greater than 5%, which could be considered non-ignorable and require special remedies (Hair et al., 2019). More particularly, the largest proportion of missing values by measurement items was 2% (7 to 9 missing values) for the measurement items (TNI4 and TWP4), indicating that non-response bias in respondents' responses is not a significant issue. Furthermore, 6% was the highest proportion of missing values per single survey, which was for cases with three missing values (surveys numbers 17, 42, 215, 256,

330, and 372). Accordingly, missing data in respondents' responses fall within the acceptable threshold and are not considered a critical issue; therefore, these missing values were replaced by the respondent's mean score for the variable to which those missing items belong, as suggested by Haair et al. (2010). There were also some missing data on respondents' profiles (including age, income, marital status, and occupation), which were left unaddressed.

**Table 5.1 Missing Data Analysis in Respondents' Responses**

Item	Freq.	Percent %	Item	Freq.	Percent %	Item	Freq.	Percent
TNI1	–	–	TEH9	–	–	TWP4	8	0.02
TNI2	1	0.002	TEH10	2	0.005	TAP1	–	–
TNI3	2	0.005	TEH11	–	–	TAP2	1	0.002
TNI4	7	0.02	TEH12	3	0.007	TAP3	–	–
TNI5	–	–	TEH13	–	–	TAP4	5	0.01
TNI6	1	0.002	TEH14	4	0.01	PPF1	–	–
TNI7	–	–	TEH15	–	–	PPF2	2	0.005
TNI8	2	0.005	TEH16	2	0.005	PPF3	–	–
TNI9	–	–	ASQ1	–	–	PPF4	4	0.01
TNI10	2	0.005	ASQ2	3	0.007	Gender	–	–
TNI11	3	0.007	ASQ3	–	–	Age	2	0.005
TNI12	–	–	ASQ4	–	–	M.S.	5	0.01
TEH1	–	–	ASQ5	–	–	Edu.	–	–
TEH2	4	0.01	APV1	1	0.003	Occ.	4	0.01
TEH3	–	–	APV2	–	–	Income	9	0.02
TEH4	–	–	APV3	5	0.01	Origin	–	–
TEH5	6	0.015	APV4	–	–	Purpose	3	0.007
TEH6	–	–	TWP1	–	–			
TEH7	1	0.002	TWP2	2	0.005			
TEH8	4	0.01	TWP3	–	–			

Note: M.S. = Marital status; Edu. = Education; Occ. = Occupation.

### 5.1.2.2 Assessment of Outliers

The existence of outliers in the dataset can distort the results of statistical analysis (Hair et al., 2019). Outliers are extreme values that fall significantly outside the expected range of values, whether on a single variable (univariate outlier) or multiple variables (multivariate outlier) (Tabachnick and Fidell, 2014). Univariate outliers can be identified through statistical and/or graphical methods. Statistical methods such as the Z-scores can be applied to determine univariate outliers, where cases with Z-scores surpassing  $\pm 3.29$  ( $p \leq 0.001$ ) on one or more variables can be detected as potential outliers. Besides the z-scores method, univariate outliers can also be determined using graphical methods, including box plots and scatter plots, which are the most commonly used graphical methods (Hair et al., 2019; Tabachnick and Fidell, 2014). In the current study, we assessed outliers at two levels. First, outliers were assessed at the item level, which was analyzed using the z-scores method. Second, the analysis was extended to the latent variable, which was checked using the Z-scores and box plots graphical methods.

The results of the Z-scores test for the measurement items revealed that all cases included in the dataset had Z-scores within the acceptable range for all items (see **Appendix B. Table B.1** for the detection of outliers using the Z-Scores test for measurement items). More specifically, the results revealed that most measurement items have a Z-score less than  $\pm 3$  except for six items, which have a Z-score exceeding  $\pm 3$ , but they were still within the acceptable range of  $\pm 3.29$ . These cases include one case with a Z-score of -3.17085 belonging to item TNI12 (survey ID 356), three cases with Z-scores of -3.13997, -3.15828, and 3.06969 belonging to items PPF2, PPF3, and PPF4 (survey ID 181 and 323), one case with a Z-score of -3.102335 belongs to item TET2 (survey ID 330), and one case with a Z-score of -3.06635 belongs to item TWP4 (survey ID 181). The data-entering process for

these six cases was thoroughly checked to ensure they were correctly enrolled into the datasheet. Since no errors were determined, they were retained as they still fell within the acceptable range of  $\pm 3.29$ .

In addition, we performed outlier detection on the latent variable level by employing the Z-scores test and boxplot graphs. The result of the Z-score test indicates that all latent variables are within the acceptable range of  $\pm 3.29$  ( $p < 0.001$ ), as shown in Table 5.2. More specifically, the results revealed that the Z-score values of all latent variables were less than  $\pm 3$  except for two cases (survey ID 344 and 327) belonging to the TNI scale, which was slightly exceeding  $\pm 3$  ( $-3.12797$ ), but it was still within the acceptable range of  $\pm 3.29$ . Given that the Z-score values for all latent variables fell within the acceptable range of  $\pm 3.29$ , the decision was to proceed with the box plots method.

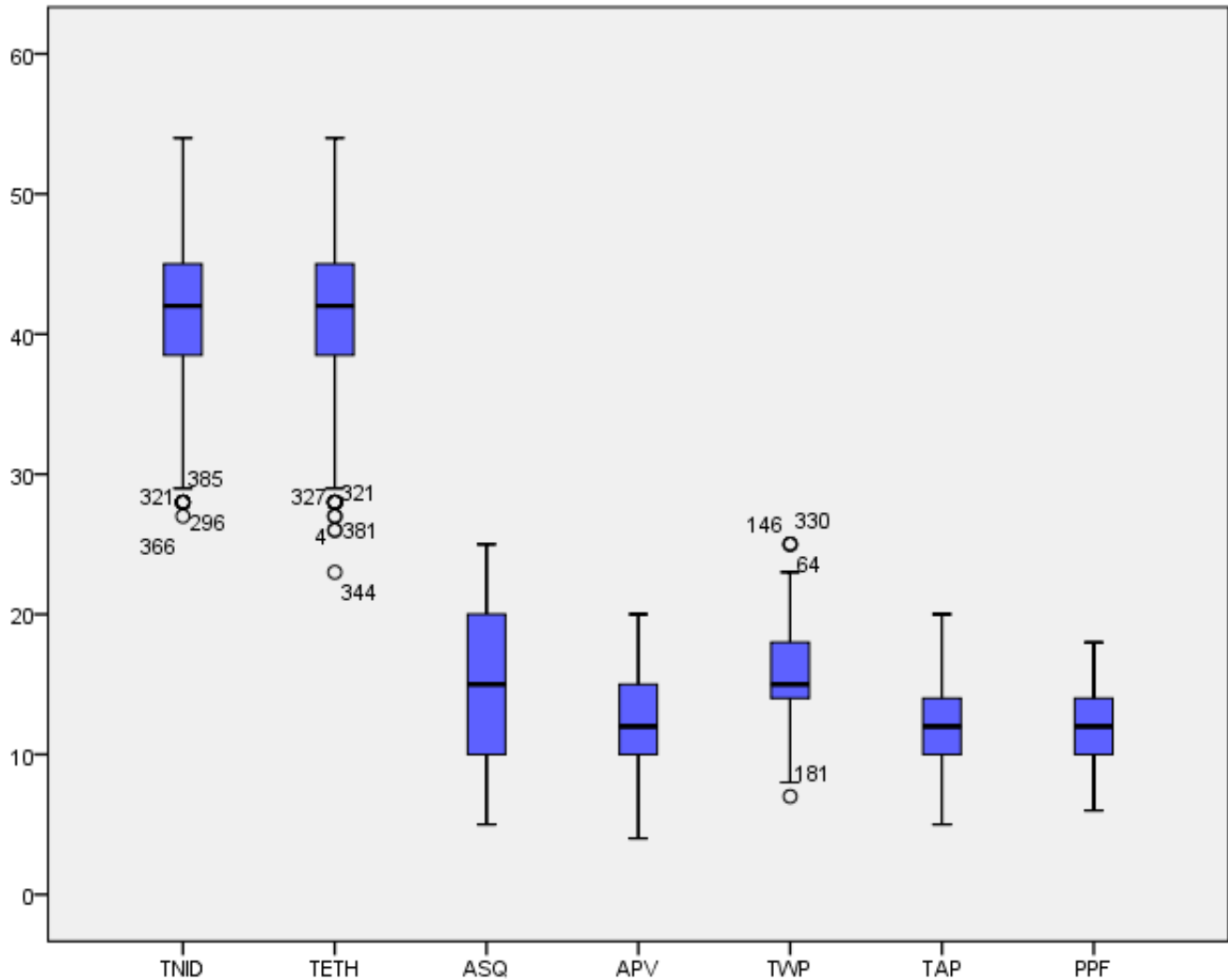
**Table 5.2 Detection of Outliers Using Z-Scores Test (Latent Variables)**

Latent Variables	Minimum Value	Maximum Value
Z-score (TNI)	-3.12797	2.43738
Z-score (TET)	-2.70100	2.59184
Z-score (ASQ)	-1.95307	1.89594
Z-score (APV)	-2.63984	2.55764
Z-score (TWP)	-2.35020	2.49677
Z-score (TAP)	-2.54127	2.54870
Z-score (PPF)	-2.75838	2.82174

*Source: SPSS output*

Lastly, we utilized Box-Plots to identify outlier values for latent variables. According to the Box-Plots method, outliers are cases that fall outside the median box (Tabachnick and Fidell, 2014). The Box-Plots graph of latent variables showed

that thirteen cases were outliers: four cases belonging to variable TNI (366, 321, 385, and 296), five cases belonging to variable TET (327, 4, 321, 381, and 344), and four cases belonging to variable TWP (181, 64, 146, and 330) as illustrated in Figure 5.1.



**Figure 5.1 Detection of Outliers Using Boxplots for Latent Variables**

Indeed, the existing literature offers several strategies for handling outliers (Hair et al., 2019; Tabachnick and Fidell, 2014). As recommended by Hair et al. (2019), outlier cases should be kept unless they are extreme on an adequate number of variables, which would make them unrepresentative of the population. In line with

this recommendation and the boxplots results, it is noteworthy that all cases that were identified as outliers were associated with only one variable (univariate outliers) except one case that was determined as multivariate outliers (case 321) for variables (TNI and TET). Thus, this case was excluded from the dataset, while the other cases, which were related to only one variable, were retained, especially since they fell within the acceptable range of  $\pm 3.29$ . Accordingly, after completing the data cleaning and filtration procedures, only 411 questionnaires remained for the next step of the data analysis process.

## **5.2 Preliminary Data Analysis**

This section offers an overview of the preliminary analysis that was carried out before proceeding with the SEM analysis using AMOS v.27 to verify the hypothesized relationships in the research model. Firstly, it presents the socio-demographic characteristics of respondents. Secondly, it presents a descriptive analysis of the study's variables. Finally, it introduces the multicollinearity assessment, common method variance (CMV), normal distribution of the data, and reliability test of the measurement scales.

### **5.2.1 Respondents Socio-demographic Characteristics**

This section presents sample profiles, including their socio-demographic characteristics, travel purposes, and airline's origin. Table 5.3 shows the distribution of the respondents based on their socio-demographic characteristics for valid surveys ( $N = 411$ ), excluding missing data on socio-demographic variables such as age and income (see *Section 5.1.3.1 Missing Data Treatment*). The respondents' socio-demographic profiles were largely consistent with the official airline travel statistics. The majority of the respondents were male (58%) and fell into two prominent age groups: 25-35 and 35-50. 46% had a basic education, while 40% had university degrees. Most of the respondents were working in professional or



service jobs (36%), while 47% of the respondents had a monthly income equal to or less than 10,000 L.E.

**Table 5.3 Sample Profiles**

<b>Variable</b>	<b>Categories</b>	<b>N</b>	<b>%</b>
<b>Gender</b>	Male	239	58 %
	Female	172	42 %
<b>Age</b>	From 18 to less than 25	74	18 %
	From 25 to less than 35	143	35 %
	From 35 to less than 50	132	32 %
	From 50 to more.	60	15 %
<b>Marital status</b>	Single	167	41 %
	Married	211	52 %
	Other	28	7 %
<b>Education</b>	High school or less	189	46 %
	University degree	164	40 %
	Postgraduate degree	58	14 %
<b>Occupation</b>	Government officer	36	9 %
	Professional and services	147	36 %
	Private Employee	139	34 %
	Other	85	21 %
<b>Monthly income</b>	10.000 or less LE.	190	47 %
	From 10.001 to 20.000 LE.	130	32 %
	From 20.001 to 40.000 LE.	64	16 %
	More than 40.000 LE.	18	5 %
<b>Airline's origin</b>	Egyptian origin airlines	209	51 %
	Foreign origin airlines	202	49 %
<b>Travel purpose</b>	Business	152	38 %
	Tourism	136	33 %
	Education	62	15 %
	Visiting friends/relatives	33	8 %
	Other	25	6 %

### **5.2.2 Descriptive Analysis of Study Variables**

The study variables and their measurement items were analyzed descriptively. This analysis involved determining the maximum and minimum values, mean value, standard deviation, and coefficient of variation for each variable (see **Appendix C. Table C.1** for the descriptive statistics of study variables). The mean value analysis of the study constructs reveals that respondents have favorable perceptions of the constructs under investigation, as the mean value for each variable was above 3 and ranged from 3.00 to 3.54. For example, the survey respondents tend to have positive perceptions of TNI construct, as indicated by the mean values of the scale items that constitute TNI construct being 3.54, with a standard deviation of 0.671 and a coefficient of variation of 18.96%. The measurement items comprising this construct also range based on their mean value, from TNI8, which has the lowest mean value of 3.18, to TNI1, which has the highest mean value of 3.82, whereas the coefficient of variation for the items ranged from 16.26% to 23.58%.

### **5.2.3 Testing for Multicollinearity**

A multicollinearity check is crucial for research models with multiple predictors. Multicollinearity is the degree to which a specific variable can be explained by the other variables in the measurement model (Hair et al., 2010). It exists when two or more predictors have strong or extreme correlations (Bhukya and Singh, 2015). According to Field (2018), three issues arise from the high level of multicollinearity, which poses a significant threat to the model under investigation. Firstly, the high levels of multicollinearity among the variables lead to unreliable estimates. Secondly, it negatively affects the predictive capability of the measurement model, including the variance in the outcome. Thirdly, it confounds the estimates of the coefficients, making it problematic to evaluate the importance of a specific predictor.

According to Hair et al. (2019) the easiest method for testing multicollinearity is by examining the correlation matrix of the independent variables (predictor variables). Correlation coefficients among variables usually range from -1 to 1. The existence of high correlations between two predictor variables (generally 0.90 or higher) indicates the presence of multicollinearity (Hair et al., 2019). Table 5.4 displays the correlation matrix between the study variables for the current study. As the table shows, the strongest correlation coefficient between the predictor variables is 0.766. This correlation was detected between the predictor variables ASQ and APV as predictor variables of TWP. Also, the correlation coefficient between TNI and TET as the main predictors of the model was 0.656, which can be considered a moderate correlation. Given that all correlation values are less than 0.9, we can conclude that there is no issue with multicollinearity in the study.

**Table 5.4 Correlation Matrix of the Study Variables**

Variable	TNI	THE	ASQ	APV	TWP	TAP	PPF
<b>TNI</b>	1						
<b>THE</b>	0.656**	1					
<b>ASQ</b>	0.039	0.035	1				
<b>APV</b>	0.044	0.045	0.766**	1			
<b>TWP</b>	0.017	0.013	0.479**	0.488**	1		
<b>TAP</b>	0.029	0.007	0.391**	0.400**	0.605**	1	
<b>PPF</b>	0.257**	0.143*	0.182**	0.182**	0.323**	0.434**	1
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

In addition to the correlation coefficients, *Tolerance Value and Variance Inflation*

*Factor (VIF)* are recognized methods to evaluate multicollinearity between study variables (Field, 2018; Hair et al., 2019). The tolerance value refers to the extent to which the variability of a specific independent variable cannot be explained by the other independent variables in the model, and it is commonly calculated using the formula  $(1 - R^2)$  for each variable (Bhukya and Singh, 2015). Accordingly, higher tolerance values indicate less overlap with other variables, while lower tolerance values indicate a higher degree of multicollinearity. Thus, low values (below 0.10) suggest that there is a strong correlation with other variables, which may indicate a high possibility of multicollinearity (e.g. Abdelmaaboud, 2021; Wong et al., 2013). In contrast, VIF value indicates whether a predictor variable has a strong linear relationship with other predictors in the model, and it is computed as the inverse of the tolerance value (Field, 2018). Overall, VIF values greater than 10 indicate a high level of multicollinearity. However, in business and marketing studies, many researchers suggested that VIF values less than 5 (or less than 3 in some studies) are considered accepted VIF levels, indicating that no multicollinearity problem exists (Hair et al., 2019; Bhukya and Singh, 2015).

Table 5.5 provides an overview of the result of multicollinearity test for study variables. It is worth noting that tolerance values for all variables were above 0.10 and ranged from 0.391 to 0.829. Additionally, VIF values were less than 3 and ranged from 1.207 to 2.559. Accordingly, these findings provide further evidence that multicollinearity is not a significant concern for the measurement scales included in this study.

**Table 5.5 Multicollinearity Assessment**

Variable	Collinearity Statistics	
	Tolerance	VIF
TNI	0.539	1.855
THE	0.568	1.759
ASQ	0.400	2.499
APV	0.391	2.559
TWP	0.677	1.476
PPF	0.829	1.207
a. Dependent Variable: TAP		

*Source: SPSS output*

#### **5.2.4 Common Method Variance**

As stated in Chapter 4, *Section 4.3.4*, the present study is more susceptible to common method bias because it relies on a single source of data, and most of the study's constructs were captured using the same scale pattern. In the preceding chapter, we presented the steps taken during the survey design phase to reduce the impact of common method bias (see *Section 4.3.4*). In this phase, we present the statistical techniques that were conducted to estimate the severity or intensity of common method bias in the study data.

Harman's single-factor test is considered the widely used statistical technique for identifying common method bias. It is a statistical technique that helps to determine whether multiple measures are measuring the same underlying construct. The test depends on the idea that if all measurement items are related to the same underlying factor, their inter-correlations should be high, and thus, the factors extracted from their correlation matrix should generate a single-factor

solution. Common method bias is likely to be an issue if there is one factor accounts for more than 50% of the total variance (Change et al., 2020; Podsakoff et al., 2003). Accordingly, all the measurement items of the study variables were subjected to EFA, the number of extracted factors was determined to a single-factor solution, and no rotation methods were employed. The result of EFA revealed eleven factors with an eigenvalue greater than 1, which represent about 74.83 % of the total variance. The first factor alone explains 23.71% of the total variance. Since multiple factors were determined, and none of them accounted for more than 50 % of the overall variances, it can be inferred that common method bias does not represent a substantial issue in the dataset.

In addition to Harman's single-factor test, Kock and Lynn (2012) proposed a recent method to assess common method bias based on a full multicollinearity test, which enables the simultaneous examination of both vertical collinearity (predictor–predictor collinearity) and lateral collinearity (predictor-criterion collinearity). This method has gained wide acceptance among recent studies in the business and marketing discipline as a useful method to detect common method bias (Buil, Catalán, and Martínez, 2020). The procedure of this method is to evaluate the VIF values of all latent variables included in the research model, and VIF values should be less than 3 to consider that common method bias is not a substantial concern among the constructs being investigated (Kock and Lynn, 2012). For the current study, the VIF values were calculated previously in the above section. Thus, a full collinearity evaluation for the study variables was presented in the previous section. As the results showed, all VIF values were less than 3 and ranged from 1.207 to 2.559, as shown in Table 5.5, which provides further proof that the common method variance is not a substantial issue for this study.

### 5.2.5 Normal Distribution of Data

Normal distribution of data is a basic assumption in nearly every multivariate analysis (Tabachnick and Fidell, 2014). The normal distribution is a statistical term that describes a probability distribution of data in which data are symmetrically distributed around the mean, forming a bell-shaped curve (Hair et al., 2019). It can be assessed using statistical or graphical techniques (Tabachnick and Fidell, 2014). The most common ways to check the normal distribution of data are using *Skewness* and *Kurtosis* tests and the visual check of histogram graphs (Hair et al., 2019). *Kurtosis* values reflect the degree of the data's flatness or peakedness compared to the normal distribution, while *Skewness* values describe the distribution's symmetry or balance (Pallant, 2020). When the distribution of data is normal, both *Skewness* and *Kurtosis* values are equal to zero (Hair et al., 2019). When *Skewness* values are positive, it means that scores are concentrated on the left side of the distribution. Conversely, when *Skewness* values are negative, it indicates that scores are clustered on the right side. On the contrary, if *Kurtosis* values are positive, this suggests a distribution with a peak and many values concentrated in the tails, while negative *Kurtosis* values reveal a flat-shape distribution with few scores in the tails (Pallant, 2020).

In this study, the SPSS software was used to estimate the *Skewness* and *Kurtosis* values for all the study variables and their measurement items. Table 5.6 presents an overview of the *Skewness* and *Kurtosis* values for study variables. Also, a detailed normality test of the measurement items is included in the appendices (see **Appendix E. Table E.1** for the normality test at items level). As shown in the table, the *Skewness* and *Kurtosis* values of most variables are different from zero, indicating several departures from normality. Furthermore, most of study variables have negative *Skewness* values ranging from -0.745 to 0.04, and most of them

have negative Kurtosis values ranging from -1.101 to -0.253, except for TNI and TET, which have a positive Kurtosis values of 0.625 and 0.546 respectively (see Table 5.6). However, Tabachnick and Fidell (2014) stated that in large samples, the significance level of *Skewness* and *Kurtosis* is not as important as its actual size and the visual appearance of the distribution. Additionally, this deviation from normality can be observed when examining the histogram graphs of the study variables under study (see **Appendix F** for the histogram graphs of study variables).

To confirm, we performed two widely utilized tests for normality (Kolmogorov–Smirnov and Shapiro–Wilk tests) for further validation. These two tests compare score in the study's sample to a normally distributed set of scores with the same mean and standard deviation, and significant results ( $p < 0.05$ ) indicate that the distribution of the sample data differs significantly from the normal distribution (Field, 2018). The result of these two tests is displayed in Table 5.6, where all results of both normality tests were significant ( $p = 0.000$ ), which shows a substantial deviation from normal distribution. Thus, non-parametric tests will be utilized to make statistical inferences using structural equation modelling.



Table 5.6 Normality Tests

	N	Skewness		Kurtosis		Kolmogorov-Smirnov		Shapiro-Wilk	
	Statistic	Statistic	Std. Error	Statistic	Std. Error	Statistic	Sig.	Statistic	Sig.
<b>TNI</b>	411	-0.745	0.120	0.625	0.240	0.111	0.000	0.960	0.000
<b>TET</b>	411	-0.317	0.120	0.546	0.240	0.102	0.000	0.976	0.000
<b>ASQ</b>	411	0.005	0.120	-1.101	0.240	0.112	0.000	0.958	0.000
<b>APV</b>	411	0.040	0.120	-0.737	0.240	0.106	0.000	0.963	0.000
<b>TWP</b>	411	0.010	0.120	-0.386	0.240	0.118	0.000	0.980	0.000
<b>TAP</b>	411	-0.005	0.120	-0.708	0.240	0.107	0.000	0.973	0.000
<b>PPF</b>	411	-0.059	0.120	-0.253	0.240	0.150	0.000	0.971	0.000

### 5.2.6 Reliability Analysis of Measurement Scales

To evaluate the internal reliability of the measurement scales, the reliability test was performed using SPSS. As previously discussed in Chapter 4 (*Section 4.3.3*), Cronbach's alpha is the most widely used measure to assess scale reliability (Hair et al., 2019; Field, 2018). Table 5.7 illustrates the results of the reliability analysis for study variables. The results indicated that the Cronbach alpha coefficients for study variables were above 0.7 and ranged from 0.845 to 0.965, demonstrating a high internal consistency level of all measurement scales adopted in the current study. In addition, the item-total correlation column indicates that all measurement items were much higher than 0.50, indicating that all items are highly correlated with their overall measurement scales, except for four- items (TNI6, TNI8, TNI11, and TET15), which were slightly higher than the accepted cut-off value of 0.30. Furthermore, the elimination of any item from the measurement scales "Cronbach's alpha if item deleted" did not significantly improve the reliability of these scales, except for three-items: TNI8, TNI11, and APV3. Since the improvement that would occur in the overall scale if these items were eliminated from their associated scales would be relatively slight, the decision was to retain these measurement items and proceed with the next analysis.

**Table 5.7 Results of Reliability Analysis**

Construct	Items	Item-total correlation	Cronbach's alpha if item deleted	Cronbach's Alpha
TNI	TNI1	0.679	0.872	0.886
	TNI2	0.705	0.870	
	TNI3	0.680	0.872	
	TNI4	0.516	0.881	
	TNI5	0.622	0.875	
	TNI6	0.478	0.883	
	TNI7	0.524	0.881	
	TNI8	0.395	0.889	
	TNI9	0.707	0.871	
	TNI10	0.685	0.872	
	TNI11	0.442	0.887	

	TNI12	0.667	0.873	
<b>TET</b>	TEH1	0.740	0.906	<b>0.916</b>
	TEH2	0.698	0.908	
	TEH3	0.678	0.909	
	TEH4	0.684	0.908	
	TEH5	0.704	0.908	
	TEH6	0.520	0.913	
	TEH7	0.539	0.913	
	TEH8	0.561	0.912	
	TEH9	0.597	0.911	
	TEH10	0.620	0.910	
	TEH11	0.587	0.911	
	TEH12	0.627	0.910	
	TEH13	0.545	0.913	
	TEH14	0.515	0.913	
	TEH15	0.495	0.914	
	TEH16	0.578	0.912	
<b>ASQ</b>	ASQ1	0.917	0.954	<b>0.965</b>
	ASQ2	0.893	0.958	
	ASQ3	0.888	0.959	
	ASQ4	0.895	0.958	
	ASQ5	0.909	0.955	
<b>APV</b>	APV1	0.869	0.905	<b>0.934</b>
	APV2	0.860	0.909	
	APV3	0.776	0.935	
	APV4	0.878	0.902	
<b>TWP</b>	TWP1	0.812	0.887	<b>0.901</b>
	TWP2	0.796	0.892	
	TWP3	0.766	0.895	
	TWP4	0.845	0.896	
<b>TAP</b>	TAP1	0.803	0.890	<b>0.915</b>
	TAP2	0.796	0.893	
	TAP3	0.808	0.888	
	TAP4	0.814	0.886	
<b>PPF</b>	PPF1	0.701	0.794	<b>0.845</b>
	PPF2	0.636	0.822	
	PPF3	0.693	0.797	
	PPF4	0.694	0.798	

### 5.2.7 Exploratory Factor analysis

EFA using principal component analysis was applied for the study constructs, including travellers' ethnocentrism, national identity, and brand evaluation, to ensure their validity and assess their dimensionality. Scale dimensions were assessed using a set of statistical criteria: (1) the number of factors extracted was determined based on some parameters, including eigenvalue greater than one, cumulative variance, and scree-plot; (2) all items loadings must be greater than 0.5 as recommended value, (3) at least each factor must have three significant loadings, and (4) item-to-total correlations must be equal or greater than 0.50, and (5) inter-item correlations were checked to avoid the multicollinearity between measurement scales (Hair et al., 2010).

For travellers' national identity construct, EFA was conducted on the 12 items of the TNI scale to explore the dimensions of TNI construct and assess its psychometric properties. The result of Bartlett's test was significant ( $\chi^2 = 3636.350$ ,  $p = .000$ ), and the Kaiser–Meyer–Olkin test was 0.821, which confirmed the adequacy of data for applying EFA (Pallant, 2020). As illustrated in Table 5.8, the final EFA results of the TNI scale suggested a three-factor solution with 12 items explaining 70.85 % of the total variance. Items' factor loadings ranged from 0.573 to 0.948, above the recommended value of 0.5. Also, the communalities of the retained items ranged from 0.501 to 0.985, which reflects that the items were strongly correlated. Except for three items (TNI4, TNI8, and TNI11), which has a relatively low factor loading (0.363, 0.359, and 0.474 respectively), and low communalities values (0.243, 0.194, and 0.270), and high cross-factor loading close to 0.4. although the elimination of these items would improve the reliability and validity of the scale, the decision to eliminate or keep this item is postponed to CFA analysis, especially since Cronbach's alpha values of the scale dimensions were above the accepted value of 0.7 (Pallant, 2020).

Table 5.8 EFA for National Identity Construct

Constructs and Items	Eigen value	Variance explained	Alpha	Factor loadings			Communalities
				1	2	3	
<b>F1. National pride/heritage</b>	5.49	45.77	0.86				
TNI1				0.573			0.501
TNI2				0.850			0.861
TNI3				0.897			0.902
TNI4				0.363			0.243
<b>F2. Values and Beliefs Structure</b>	1.82	60.94	0.78				
TNI5					0.833		0.772
TNI6					0.707		0.544
TNI7					0.765		0.639
TNI8					0.359		0.194
<b>F3. Self-identification with national culture</b>	1.20	70.85	0.89				
TNI9						0.948	0.985
TNI10						0.854	0.829
TNI11						0.474	0.270
TNI12						0.884	0.860

Note: Kaiser–Meyer–Olkin test = 0.821; Bartlett’s test of sphericity ( $\chi^2 = 3636.350$ ,  $p = 0.000$ ).

The same analysis was conducted on the 16 items of the ETH scale to explore the dimensions of travellers' ethnocentrism construct and assess its psychometric properties. The result of Bartlett's test was significant ( $\chi^2 = 4175.369$ ,  $p = .000$ ), and the Kaiser–Meyer–Olkin test was 0.874, which confirmed the adequacy of data for applying EFA (Pallant, 2020). As illustrated in Table 5.9, the final EFA results of the TET scale suggested a four-factor solution with 16 items explaining 72.16 % of the total variance. Items' factor loadings ranged from 0.705 to 0.873, above the recommended value of 0.5. Also, the communalities of the retained items ranged from 0.611 to 0.840, which reflects that the items were strongly correlated. Moreover, the results of Cronbach's alpha for the four factors ranged from 0.804 to 0.928, above the cut-point of 0.7 (Pallant, 2020).

Table 5.9 EFA for Travellers' Ethnocentrism Construct

Constructs and Items	Eigen value	Variance explained	Alpha	Factor loadings				Communalities
				1	2	3	4	
<b>F1. Economic &amp; social protection</b>	7.09	44.31	0.928					
TET1				0.854				0.840
TET2				0.817				0.763
TET3				0.822				0.768
TET4				0.731				0.670
TET5				0.873				0.837
<b>F2. Perceptions of ownership</b>	2.07	57.27	0.866					
TET9					0.744			0.687
TET10					0.815			0.782
TET11					0.791			0.713
TET12					0.739			0.707
<b>F3. Belonging and Patriotism</b>	1.32	65.55	0.804					
TET13						0.705		0.611
TET14						0.717		0.678
TET15						0.755		0.641
TET16						0.743		0.691
<b>F4. Perceived Superiority</b>	1.05	72.16	0.810					
TET6							0.770	0.689
TET7							0.736	0.672
TET8							0.830	0.797

Note: Kaiser–Meyer–Olkin test = 0.874; Bartlett's test of sphericity ( $\chi^2 = 4175.369$ ,  $P = 0.000$ ).

### **5.3 Structure Equation Modeling and Hypotheses Testing**

Squares Structural Equation Modeling (SEM) involves two main stages: Measurement Model Analysis and Structural Model Analysis. During Measurement Model Analysis, the relationships between latent variables and observed variables are assessed, and the fit of the measurement model is evaluated (Hair et al., 2010). Once the reliability, validity, and model fit indices of the measurement model are established, the second phase of SEM, Structural Model Analysis, is conducted. In this stage, path analysis is used to verify the structural relationships between the study's variables (Hair et al., 2014). As mentioned in Chapter 4, this study will utilize AMOS software (AMOS v.27) to conduct SEM analysis due to its user-friendly interface compared to the computerized-coding approach used in LISREL.

#### **5.3.1 Measurement Model Assessment**

Thus, this step aims to apply Confirmatory Factor Analysis (CFA) to test whether the study construct is adequately represented by its measurement items and to verify the reliability and validity of all measurement scales included in the research model. As indicated in Chapter 4, a set of fit indices will be employed to evaluate the model fit of the measurement model, which includes Chi-Square/Degrees of Freedom ( $\chi^2/df$ ), Comparative Fit Index (CFI), Normed Fit Index (NFI), Root Mean Square Residual (RMR), and Root Mean Square Error of Approximation (RMSEA). In addition, it is essential to ensure that all factor loadings of observed variables exceed 0.60 in order to achieve sufficient model fit (Hair et al., 2010). The CFA was applied using the maximum likelihood method to examine the 49 items across a 12-factor model, including three dimensions of travellers' national identity construct, four dimensions of travellers' ethnocentrism construct, two dimensions of service-evaluation construct, traveller's willingness to purchase,

travellers' actual purchase, and perceived price fairness. The initial results, as outlined in Table 5.10, indicate that the overall measurement model has relatively poor model fit indices ( $\chi^2 = 2287.923$ ,  $\chi^2/df = 2.156$ , GFI = 0.821, AGFI = 0.793, CFI = 0.923, NFL = 0.866, RMR = 0.023, and RMSEA = 0.053).

**Table 5.10 Goodness-of-fit Indices for the Measurement Model**

Indices	Recommended Cut off Value	Initial Measurement Model	Final Measurement Model
Chi-square ( $\chi^2$ )	$P \leq 0.05$	2287.923	1062.260
Degrees of Freedom (DF)	–	1061	905
Normed Chi-Square ( $\chi^2/DF$ )	$\leq 3$	2.156	1.174
Goodness of Fit Index (GFI)	$\geq 0.9$	0.821	0.901
Adjusted Goodness of Fit Index (AGFI)	$\geq 0.9$	0.793	0.882
Comparative Fit Index (CFI)	$\geq 0.9$	0.923	0.988
Normed Fit Index (NFI)	$\geq 0.9$	0.866	0.925
Incremental Fit Index (IFI)	$\geq 0.9$	0.923	0.988
Tucker-Lewis Index (TLI)	$\geq 0.9$	0.914	0.986
Root Mean Square Residual (RMR)	$\leq 0.06$	0.023	0.017
Root Mean Square Error Approximation (RMSEA)	$\leq 0.06$	0.053	0.021

### 5.3.1.1 Measurement Model Improvement

It is quite common to obtain an unfitting initial model due to the large sample size and complexity of CFA analysis. The unacceptable values of items' factor loadings, as well as weak goodness-of-fit indices, require model re-specification using modification indices. As a result of the model re-specification process, three items belonging to the TNI scale (TNI4, TNI8, and TNI11) with poor factor loading (below 0.5) and high measurement error (more than 0.5) were dropped from the



initial measurement model to enhance the scale reliability and validity. This decision aligns with the findings of the EFA, as these items also displayed low statistics during the exploratory factor analysis and the initial reliability check phase. In return, no measurement problems were observed for other scales of airline service quality, perceived value, travellers' willingness to purchase, actual purchase, and perceived priced fairness, which may be attributed to the well-established scales of these constructs, as such all items of these variables were kept without modifications.

The goodness-of-fit indices of the re-specified model, as shown in Table 5.10, show that the majority of goodness-of-fit indices were within the standardized threshold proposed by Hair et al. (2010) ( $\chi^2 = 1062.260$ ,  $\chi^2/df = 1.174$ , GFI = 0.901, AGFI = 0.882, CFI = 0.988, NFI = 0.925, RMR = 0.017, and RMSEA = 0.021), demonstrating well-fitting model. Except for (AGFI = .88), which was slightly below the optimal value ( $\geq 0.9$ ) but is still satisfactory according to the suggested value of ( $\geq 0.8$ ) recommended by Hair et al. (2014), which indicates an acceptable model fit as presented in Table 5.10. In addition, Table 5.11 shows the results of CFA of the measurement model for the overall sample as well as at the sub-sample level, including the national airline group and foreign airline group. As the table shows, all the measurement indicators have standardized loadings on their associated constructs that surpass the recommended value of 0.7, which confirms the reliability of all indicators, except one item that was slightly below the optimal values but it was still satisfactory based on the suggested value  $\leq 0.6$  recommended by Hair et al. (2010). Therefore, we decide to keep this item for subsequent analysis due to its theoretical and contextual relevance. Furthermore, the t-values (critical ratio of regression weight) for all measurement items were statistically significant and exceeded the threshold range of  $\pm 1.96$  ( $p < 0.001$ ).

Table 5.11 CFA results for the measurement model

Construct	Items	Overall sample			National airline sample			Foreign airline sample		
		Loading	Variance	T-value	Loading	Variance	T-value	Loading	Variance	T-value
<b>National Identity:</b> <b>F1: National pride</b>	TNI1	0.727	0.190	-	0.720	0.196	-	0.730	0.185	-
	TNI2	0.892	0.096	17.244	0.847	0.140	11.284	0.942	0.050	13.181
	TNI3	0.888	0.091	17.197	0.867	0.110	11.449	0.911	0.070	12.955
	TNI4*	0.466	0.278	9.186	0.470	0.296	6.498	0.445	0.300	6.225
<b>F2: Values and Beliefs Structure</b>	TNI5	0.835	0.127	-	0.861	0.112	-	0.821	0.134	-
	TNI6	0.755	0.174	16.169	0.752	0.180	11.929	0.760	0.167	11.189
	TNI7	0.833	0.128	17.84	0.832	0.129	13.415	0.816	0.140	12.025
	TNI8*	0.370	0.481	7.234	0.386	0.479	5.467	0.352	0.481	4.796
<b>F3: Self-identification with national culture</b>	TNI9	0.877	0.087	-	0.783	0.158	-	0.962	0.050	-
	TNI10	0.879	0.095	24.022	0.868	0.114	13.059	0.908	0.060	28.441
	TNI11*	0.412	0.374	8.514	0.461	0.380	6.499	0.356	0.366	5.352
	TNI12	0.904	0.077	25.067	0.855	0.123	12.900	0.951	0.040	37.182
<b>T. Ethnocentrism:</b> <b>F1. Economic &amp; social protection</b>	TET1	0.911	0.121	-	0.909	0.181	-	0.918	0.118	-
	TET2	0.809	0.204	19.692	0.788	0.215	15.077	0.827	0.193	16.764
	TET3	0.821	0.226	23.051	0.817	0.219	16.151	0.818	0.238	16.377
	TET4	0.754	0.257	22.45	0.742	0.255	13.561	0.759	0.265	14.150
	TET5	0.898	0.134	28.135	0.890	0.175	19.399	0.907	0.130	20.843
<b>F2. Perceived superiority</b>	TET6	0.729	0.180	-	0.745	0.164	-	0.711	0.200	-
	TET7	0.738	0.213	15.033	0.747	0.198	10.205	0.726	0.231	9.235
	TET8	0.871	0.127	13.735	0.880	0.114	11.162	0.866	0.137	10.259
<b>F3. Sense of</b>	TET9	0.754	0.210	-	0.759	0.204	-	0.747	0.217	-
	TET10	0.819	0.182	15.736	0.817	0.176	12.292	0.820	0.188	11.809
	TET11	0.798	0.176	16.448	0.801	0.164	11.909	0.791	0.190	11.322

<b>ownership</b>	TET12	0.755	0.217	17.018	0.747	0.210	11.177	0.765	0.224	11.060
<b>F4. Sense of belonging</b>	TET13	0.676	0.205	-	0.682	0.204	-	0.670	0.196	-
	TET14	0.701	0.227	11.955	0.678	0.233	7.774	0.712	0.230	8.658
	TET15	0.719	0.224	11.666	0.728	0.213	8.179	0.707	0.243	8.465
	TET16	0.735	0.227	11.542	0.732	0.218	8.325	0.735	0.233	8.893
<b>Brand evaluation: F1. Service quality</b>	ASQ1	0.916	0.241	-	0.857	0.175	-	0.866	0.170	-
	ASQ2	0.875	0.237	27.207	0.740	0.235	12.041	0.775	0.234	12.935
	ASQ3	0.933	0.137	32.678	0.933	0.142	16.076	0.902	0.128	16.953
	ASQ4	0.875	0.241	27.22	0.875	0.239	12.931	0.804	0.237	13.725
	ASQ5	0.914	0.184	31.673	0.836	0.175	15.385	0.841	0.180	15.736
<b>F2. Perceived value</b>	APV1	0.806	0.115	-	0.776	0.206	-	0.724	0.245	-
	APV2	0.912	0.238	22.323	0.874	0.129	13.238	0.876	0.114	11.696
	APV3	0.746	0.122	19.41	0.705	0.230	11.773	0.703	0.231	11.083
	APV4	0.918	0.229	22.141	0.872	0.121	13.219	0.873	0.120	11.673
<b>Travellers' willingness to purchase</b>	TWP1	0.800	0.222	-	0.837	0.178	-	0.841	0.187	-
	TWP2	0.852	0.143	13.587	0.823	0.151	9.614	0.805	0.205	11.559
	TWP3	0.760	0.255	17.522	0.799	0.210	12.254	0.833	0.187	15.772
	TWP4	0.849	0.128	13.707	0.758	0.173	9.262	0.856	0.134	12.571
<b>Travellers' actual purchase</b>	TAP1	0.756	0.249	-	0.755	0.205	-	0.751	0.294	-
	TAP2	0.821	0.178	12.77	0.714	0.244	9.004	0.895	0.116	10.224
	TAP3	0.778	0.215	18.03	0.739	0.213	12.731	0.791	0.225	13.762
	TAP4	0.838	0.161	12.991	0.786	0.168	10.194	0.880	0.143	10.308
<b>Perceived price fairness</b>	PPF1	0.843	0.141	-	0.849	0.140	-	0.801	0.155	-
	PPF2	0.601	0.266	11.73	0.698	0.216	10.464	0.598	0.286	6.450
	PPF3	0.804	0.155	16.027	0.826	0.150	12.895	0.781	0.148	9.851
	PPF4	0.665	0.227	13.322	0.742	0.186	11.332	0.654	0.247	7.243

Source: AMOS output/ \* = Deleted items

### 5.3.1.2 Reliability, Convergent and Discriminant Validity

Once the measurement model is improved using goodness-of-fit indices, the next step is to evaluate the reliability, convergent validity, and discriminant validity of the measurement model. Reliability and validity are critical indicators that must be verified to evaluate the quality of the measurement model (Hair et al., 2010). The logic behind the scale's reliability is that measurement indicators of a specific scale should be highly inter-correlated and measure the same construct (Hair et al., 2019). Cronbach's Alpha ( $\alpha$ ) and Composite Reliability (CR) are the most common criteria to evaluate the scale's reliability, with a minimum recommended value of 0.70 (Hair et al., 2019). Cronbach's Alpha is a principal measure of the scale's internal consistency, and it assesses how well the scale's items measure a single-dimensional latent construct. Similarly, CR is used to evaluate how well the construct is measured by its indicators. Thus, CR is more accurate than Cronbach's Alpha because Cronbach's Alpha coefficient assumes that measurement items have equal weight, while CR assumes that scale's items contribute differently based on the strength of items' loadings (Fornell and Larcker, 1981; Hair et al., 2019).

In the current study, the initial assessment of the internal consistency of study constructs was conducted using Cronbach's alpha, as presented in *Section 6.2.6*. In addition, CR values were computed manually for each construct in the measurement model using the formula  $CR = (\sum_{i=1}^n L_i)^2 / (\sum_{i=1}^n L_i)^2 + (\sum_{i=1}^n e_i)$ . Where  $L_i$  represents the standardized factor loading of  $i$  item and  $e_i$  is the error variance term of  $i$  (Hair et al. 2014: p, 619). The results are shown in Table 5.12. As the table shows, the CR values for all study's constructs exceeded the cut-off value of 0.70 and ranged from 0.881 to 0.964, which proves that the measurement items of each construct are well consistent. Thus, these results confirm that the measurement scales used in this study have good internal consistency reliability.

Table 5.12 Results of Reliability and Convergent Validity

Constructs	Internal consistency reliability						Convergent validity		
	$\alpha$			CR			AVE		
	All	N	F	All	N	F	All	N	F
<b>Overall National Identity Scale:</b>	0.878	0.874	0.883	0.946	0.933	0.942	0.705	0.669	0.753
<b>D1. National heritage/pride</b>	0.881	0.887	0.875	0.943	0.932	0.940	0.694	0.654	0.748
<b>D2. Values and Beliefs Structure</b>	0.959	0.956	0.965	0.941	0.931	0.923	0.646	0.663	0.635
<b>D3. Self-identification</b>	0.847	0.854	0.841	0.964	0.937	0.960	0.774	0.690	0.878
<b>Overall Travellers Ethnocentrism Scale:</b>	0.908	0.898	0.915	0.918	0.920	0.908	0.601	0.603	0.596
<b>D1. Economic &amp; social protection</b>	0.928	0.929	0.926	0.949	0.940	0.945	0.698	0.676	0.702
<b>D2. Perceived superiority</b>	0.809	0.812	0.806	0.918	0.918	0.894	0.601	0.623	0.581
<b>D3. Sense of ownership</b>	0.866	0.869	0.863	0.924	0.920	0.914	0.597	0.596	0.601
<b>D4. Sense of belonging</b>	0.804	0.810	0.798	0.886	0.901	0.881	0.502	0.500	0.501
<b>Airline Service quality</b>	0.965	0.928	0.924	0.951	0.944	0.943	0.796	0.708	0.697
<b>Airline Perceived value</b>	0.925	0.890	0.879	0.941	0.932	0.924	0.706	0.649	0.630
<b>Travellers' willingness to purchase</b>	0.858	0.827	0.884	0.934	0.931	0.937	0.661	0.640	0.689
<b>Travellers' actual purchase</b>	0.915	0.905	0.924	0.926	0.908	0.931	0.629	0.556	0.692
<b>Perceived price fairness</b>	0.847	0.889	0.788	0.914	0.928	0.901	0.535	0.598	0.503

Note:  $\alpha$  = Cronbach's alpha, CR = Composite Reliability; AVE = Average Variance Extracted.

Note: All = the whole sample, N = national airline sample, F = foreign airline sample.

On the other hand, convergent and discriminant validity are widely used to measure the validity of the measurement scale. Convergent validity refers to the degree to which a measure of a construct is positively consistent with other alternative measures of the same construct (Hair et al., 2010). It is usually assessed by observing the average variance extracted (AVE), which reflects the average variance shared between the construct and its measurement items (Fornell and Larcker, 1981). Thus, convergent validity is confirmed when AVE values are equal to or greater than 0.5, which reveals that the construct explains at least 50% of the variance of its measurement items (Hair et al., 2019). For the current study, Table 5.11 above displays the AVE values for the study constructs, which were computed manually for each construct in the measurement model using the formula:  $AVE = (\sum \text{Standardized factor loading}^2)/n$  where  $n$  is the number of indicators of the construct (Hair et al., 2014: p, 619). As the table shows, all the AVE values for the study constructs exceeded the threshold of 0.50, ranging from 0.50 to 0.878, which demonstrates that each construct in the measurement model has established convergent validity.

In contrast, discriminant validity is a method of determining the extent to which a particular construct is distinctive or unique from other constructs in the measurement model. In other words, discriminant validity indicates that the measure of each construct is distinct and captures certain phenomena that the measures of other constructs do not capture. Thus, establishing discriminant validity is essential to ensure that the results obtained from a research study are reliable and valid (Hair et al., 2019). Basically, the discriminant validity of study constructs is commonly measured using Fornell and Larcker's (1981) criterion. As per Fornell and Larcker's method, discriminant validity is verified when the square root of the AVE for each construct exceeds its correlations with all other constructs in the measurement model.

Accordingly, the Fornell-Larcker criterion was utilized to evaluate the discriminant validity of the study's constructs. The results of this method are shown in Table 5.13 for the overall sample (For the national and foreign airlines groups, please refer to Appendix G. Table G.1 and G.2 for the discriminant validity test using the Fornell-Larcker Criterion). As the table shows, all the square roots of AVE values were greater than the correlations between each pair of constructs, which demonstrates that discriminant validity has been achieved.

**Table 5.13 Discriminant Validity Test (Fornell-Larcker Criterion)**

	TNI	TET	ASQ	APV	TWP	TAP	PPF
TNI	<b>0.839</b>						
TET	0.656	<b>0.775</b>					
ASQ	0.039	0.035	<b>0.887</b>				
APV	0.044	0.045	0.766	<b>0.842</b>			
TWP	0.017	0.013	0.479	0.488	<b>0.812</b>		
TAP	0.029	0.007	0.391	0.400	0.605	<b>0.793</b>	
PPF	0.257	0.143	0.182	0.182	0.323	0.434	<b>0.731</b>

**Note:** The square root of AVE values (in bold) represents the diagonal elements, and the correlations between constructs are located below the diagonal.

### **5.3.2 Assessment of Structural Model**

After confirming the validity and reliability of the measurement model through CFA, the subsequent step in SEM analysis involves the examination of the structural model. The main purpose of the structural model is to verify the hypothesized relationships in the research model; as such, the proposed relationships between the study's constructs are formulated and graphically represented, as illustrated in Figure 5.2. As the figure shows, the three dimensions of TNI, including (national heritage/pride, values and beliefs structure, and self-identification with national culture) were used as first-order factors to reflect the traveller's national identity as a second-order construct. Similarly, the four dimensions of TET, including (economic and social protection, perceptions of perceived superiority, sense of psychological ownership, and sense of belonging) and the two dimensions of ASE, including (travellers' evaluations of airline service quality and its perceived value) were used as first-order factors to reflect travellers' ethnocentrism and airline service evaluation as second-order constructs (Hair et al., 2010). The structural model was first evaluated using the goodness-of-fit indices to determine its fit to the data, and then the study hypotheses were tested. Thus, the subsequent section will address these two steps.

#### **5.3.2.1 Structural Model Fit Indices**

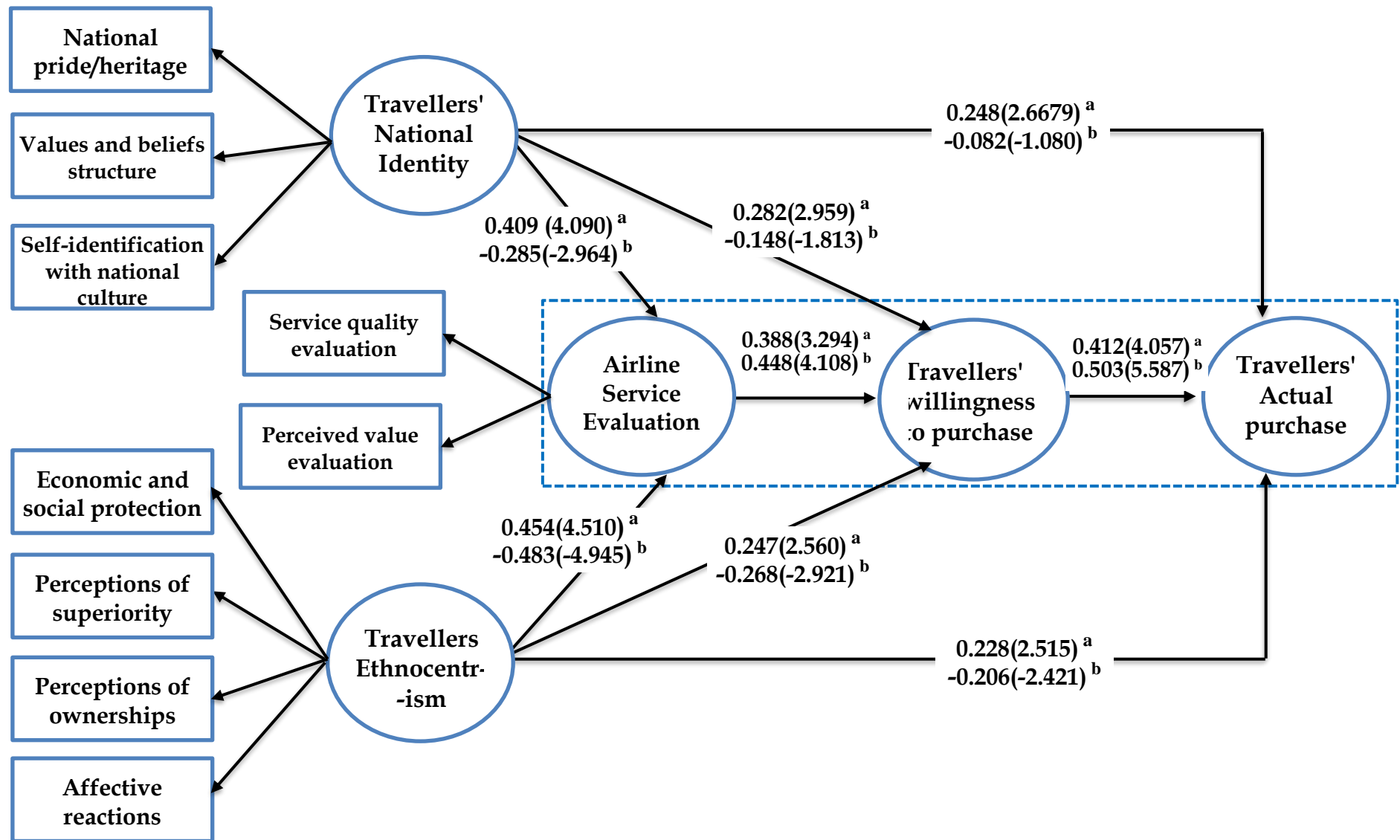
Similar to the measurement model assessment, the structural model's goodness-of-fit was evaluated using the CFA procedure to determine how well the structural model fit the data using goodness-of-fit statistics. Various fit indices were employed to assess the fit between the structural model and the observed data (Hair et al., 2010). These comprised Chi-square, incremental fit indices GFI, AGFI, CFI, NFI, and TLI, and RMSEA as an absolute fit index. Table 5.14 provides the various model fit indices used to assess the structural model, including their cut-off



points and the established values for the structural model. As the table show, all goodness-of-fit indices of the structural model were within the acceptable cut-off criteria ( $\chi^2 = 1408.406$ ,  $\chi^2/df = 1.774$ , GFI = 0.865, AGFI = 0.848, CFI = 0.950, NFL = 0.903, RMR = 0.055, and RMSEA = 0.043). Thus, since both measurement and structural models are well fit to the data, we can rely on the estimates of structural coefficients to test the proposed structural relationships in the research model.

**Table 5.14 Goodness-of-fit Indices of Structural Model**

Indices	Recommended Cut off Value	Structural Model
Chi-square ( $\chi^2$ )	$P \leq 0.05$	1408.406
Degrees of Freedom (DF)	–	794
Normed Chi-Square ( $\chi^2/DF$ )	$\leq 3$	1.774
Goodness of Fit Index (GFI)	$\geq 0.9$	0.865
Adjusted Goodness of Fit Index (AGFI)	$\geq 0.9$	0.848
Comparative Fit Index (CFI)	$\geq 0.9$	0.950
Normed Fit Index (NFI)	$\geq 0.9$	0.903
Incremental Fit Index (IFI)	$\geq 0.9$	0.951
Tucker-Lewis Index (TLI)	$\geq 0.9$	0.946
Root Men Square Residual (RMR)	$\leq 0.06$	0.055
Root Mean Square Error Approximation (RMSEA)	$\leq 0.06$	0.043



Notes: (a) Results for national airlines, (b) Results for foreign airlines

Figure 5.2 Structural Models - Path Coefficients and T-Values

### 5.3.2.2 Structural Model Regression Weights and Hypotheses Testing

After validating the structural model, the next step in SEM analysis is to analyze the significance of path coefficients to examine the structural relationships among study's constructs. The evaluations of the structural relationships and their significance delivered statistical evidence for verifying the study hypotheses. The path coefficients, which are equivalent to the betas coefficients in regression analysis, are standardized values that represent the structural relationships among the variables included in the structural model. These coefficients normally range between -1 and +1. Path coefficient values that approach the absolute value of 1 reveal a higher predictive power of exogenous constructs on endogenous constructs, while values closer to 0 indicate a weaker predicting power of exogenous constructs in predicting endogenous constructs (Hair et al., 2019).

The SEM analysis was performed for both national and foreign airline samples using the maximum likelihood method to obtain path coefficient values and their significance levels in order to verify the study hypotheses. The structural model for both national and foreign airline samples is illustrated in Figure 5.2, while Table 5.15 presents the results of SEM analysis, including the path coefficients, t-values, significance levels, and hypothesis testing decisions for both groups. Overall, the results indicate that all hypothesized relationships in the first model, the national airline group, were statistically significant, while in the second model, the foreign airline group, two relationships ( $TNI \rightarrow TWP$  and  $TNI \rightarrow TAP$ ) were found to be non-significant.

Table 5.15 Structural Model results - Path coefficients and Significance Testing

Hypotheses	National airline group				Hypotheses	Foreign airline group			
	Path coefficients ( $\beta$ )	T-value	P-value	Results		Path coefficients ( $\beta$ )	T-value	P-value	Results
<b>H1a: TNI <math>\rightarrow</math> ASE</b>	0.409	4.090	0.000	Supported	<b>H1b: TNI <math>\rightarrow</math> ASE</b>	-0.285	-2.964	0.003	Supported
<b>H2a: TNI <math>\rightarrow</math> TWP</b>	0.282	2.959	0.003	Supported	<b>H2b: TNI <math>\rightarrow</math> TWP</b>	-0.148	-1.813	0.070	N.S
<b>H3a: TNI <math>\rightarrow</math> TAP</b>	0.248	2.667	0.008	Supported	<b>H3b: TNI <math>\rightarrow</math> TAP</b>	-0.082	-1.080	0.280	N.S
<b>H4a: TET <math>\rightarrow</math> ASE</b>	0.454	4.510	0.000	Supported	<b>H4b: TET <math>\rightarrow</math> ASE</b>	-0.483	-4.945	0.000	Supported
<b>H5a: TET <math>\rightarrow</math> TWP</b>	0.247	2.560	0.010	Supported	<b>H5b: TET <math>\rightarrow</math> TWP</b>	-0.268	-2.921	0.003	Supported
<b>H6a: TET <math>\rightarrow</math> TAP</b>	0.228	2.515	0.012	Supported	<b>H6b: TET <math>\rightarrow</math> TAP</b>	-0.206	-2.421	0.015	Supported
<b>H7: ASE <math>\rightarrow</math> TWP</b>	0.388	3.294	0.000	Supported	<b>H7: ASE <math>\rightarrow</math> TWP</b>	0.448	4.108	0.000	Supported
<b>H8: TWP <math>\rightarrow</math> TAP</b>	0.412	4.057	0.000	Supported	<b>H8: TWP <math>\rightarrow</math> TAP</b>	0.503	5.587	0.000	Supported

Notes; N.S = not statistically supported.

On the basis of the SEM results, as shown in Table 5.15, travellers' ethnocentrism positively influences their evaluations of service quality-value, willingness to purchase, and actual purchase of national airline services and vice versa for their behaviours towards foreign airlines. On the other side, national identity positively influences travellers' evaluations of service quality-value, willingness to purchase, and actual purchase of national airline services, while it only negatively affects their evaluations of service quality-value provided by foreign airlines. The SEM results also confirmed the significant effect of travellers' evaluations of service quality-value as a major determinant of travellers' willingness to purchase and actual purchases of airline travel services provided by both national and foreign airlines. We will further discuss these results in the next section.

**H1a/b: Travellers' national identity has a significant positive/negative effect on their evaluations of airline service provided by national/foreign airlines.**

**H1a** supposes that TNI positively affects their evaluations of ASE provided by national airlines, while it negatively affects their evaluations of ASE provided by foreign airlines (**H1b**). The SEM results revealed a significant positive effect of TNI on ASE for national airlines group ( $\beta = 0.409$ ,  $T = 4.090$ ,  $P = 0.000$ ), while it has a negative impact on ASE towards foreign airlines ( $\beta = -0.285$ ,  $T = -2.964$ ,  $P = 0.003$ ). Thus, these results provide empirical support for **H1a** and **H1b**.

**H2a/b: Travellers' national identity has a significant positive/negative effect on their willingness to purchase national/foreign airline services.**

**H2a** supposes that TNI positively affects TWP national airlines and negatively affects TWP foreign airlines (**H2b**). The SEM results revealed a significant positive effect of TNI on TWP national airline group ( $\beta = 0.282$ ,  $T = 2.959$ ,  $P = 0.003$ ), while its negative impact on TWP foreign airline was non-significant ( $\beta = -0.148$ ,  $T = -1.813$ ,  $P = 0.070$ ). Thus, these results provide empirical support for **H2a** and reject **H2b**.

**H3a/b: Travellers' national identity positively/negatively affects their purchase of airline services provided by national/foreign airlines.**

**H3a** supposes that TNI positively affect TAP of national airline and negatively affects TAP of foreign airlines (**H3b**). The SEM results revealed a significant positive effect of TNI on TAP towards national airline group ( $\beta = 0.248$ ,  $T = 2.667$ ,  $P = 0.008$ ), while it negative impact on TAP towards foreign airline was non-significant ( $\beta = - 0.082$ ,  $T = -1.080$ ,  $P = 0.280$ ). Thus, these results provide empirical support for **H4a** and reject **H4b**.

**H4a/b: Travellers' ethnocentrism has a significant positive/negative effect on their evaluations of airline service provided by national/foreign airlines.**

**H4a** supposes that TET positively affects ASE of national airlines, while it negatively affects ASE of foreign airlines (**H4b**). The SEM results revealed a significant positive effect of TET on ASE of national airline group ( $\beta = 0.454$ ,  $T = 4.510$ ,  $P = 0.000$ ), while it has a negative impact on ASE towards foreign airline ( $\beta = - 0.483$ ,  $T = -4.945$ ,  $P = 0.000$ ). Thus, these results provide empirical support for **H4a** and **H4b**.

**H5a/b: Travellers' ethnocentrism has a significant positive/negative effect on their willingness to purchase national/foreign airline services.**

**H5a** supposes that TET positively affects TWP national airlines and negatively affects TWP foreign airlines (**H5b**). The SEM results revealed a significant positive effect of TET on TWP national airline group ( $\beta = 0.247$ ,  $T = 2.560$ ,  $P = 0.010$ ), while it has a negative impact on TWP foreign airline ( $\beta = - 0.268$ ,  $T = - 2.921$ ,  $P = 0.003$ ). Thus, these results provide empirical support for **H5a** and **H5b**.

**H6a/b: Travellers' ethnocentrism has a significant positive/negative effect on their purchase of airline services provided by national/foreign airlines.**

**H6a** supposes that TET positively affects TAP of national airline services and negatively affects TAP of foreign airline services (**H6b**). The SEM results revealed a significant positive effect of TET on TAP of national airline services ( $\beta = 0.228$ ,  $T = 2.515$ ,  $P = 0.012$ ), while it has a negative impact on TAP of foreign airline services ( $\beta = -0.206$ ,  $T = -2.421$ ,  $P = 0.015$ ). Thus, these results provide empirical support for **H6a** and **H6b**.

**H7: Travellers' evaluations of airline services significantly affect their willingness to purchase national and foreign airline services.**

**H7** supposes that ASE positively affects travellers' TWP national and foreign airlines services. The SEM results provided a statistical support for this hypothesis for both airlines travellers groups ( $\beta = 0.388$ ,  $T = 3.294$ ,  $P = 0.000$ , and  $\beta = 0.448$ ,  $T = 4.108$ ,  $P = 0.000$ , respectively). Thus, these results provide empirical support for **H7**.

**H8: Travellers' willingness to purchase significantly affects their actual purchase of national and foreign airline services.**

**H8** supposes that TWP significantly affect TAP of airline travel services provided by both national and foreign airlines. The SEM results also provided a statistical support for this hypothesis for both airlines travellers groups ( $\beta = 0.412$ ,  $T = 4.057$ ,  $P = 0.000$ , and  $\beta = 0.503$ ,  $T = 5.587$ ,  $P = 0.000$ , respectively). Thus, these results provide empirical support for **H8**.

### 5.3.2.3 Coefficient of Determinations ( $R^2$ )

One of the important findings in SEM analysis is evaluating the structural model's predictive ability using the  $R^2$  values of the endogenous constructs. The  $R^2$  is one of the most common statistical measures of in-sample prediction that estimates the variance in the endogenous constructs that the assigned exogenous constructs can explain. In other words,  $R^2$  values measure how well the independent variables explain the variation in the dependent variable. It ranges from 0 to 1, with higher values indicating a better explanatory power of the exogenous constructs (Hair et al., 2019). Overall, the  $R^2$  value of a given exogenous construct is a function of the number of exogenous constructs (predictor constructs), and as such, the higher the number of predictor constructs for a specific variable, the greater the  $R^2$  value for that construct (Hair et al., 2019). There is no consensus among previous literature regarding the appropriate value of  $R^2$  values. For example, many authors suggested that  $R^2$  values equal to or greater than 0.10 can be described as substantial or adequate (see Abdelmaaboud, 2021). In contrast, Hair et al. (2019) proposed that  $R^2$  values between 0.25 and 0.50 are weak, values between 0.50 and 0.75 are moderate, and values above 0.75 are substantial. Recently, Hair et al. (2019) suggested that  $R^2$  value depends on the specific context of the study, which differs from one discipline to another. As such, they advised researchers to consider the findings of previous literature and research models developed within similar complexity as a reference point while evaluating the  $R^2$  values of their own research.

Tables 5.16 outline the  $R^2$  values for all the endogenous constructs in the structural model for both national and foreign airline groups. As shown in Table 5.16, the  $R^2$  value for TAP in both groups was (0.452 and 0.427, respectively), which indicates that TNI, TET, ASE, and TWP explain 42.7% to 45.2% of the variance of TAP



construct. Equally, the  $R^2$  value of TWP was (0.468 for national airlines and 0.449 for foreign airlines), which indicates that 44.9% to 46.8% of the variance in TWP is explained by the combined effect of TNI, TET, and ASE constructs. Finally, the  $R^2$  value of ASE was (0.373 for national airlines and 0.315 for foreign airlines) which indicates that TNI and TET accounted for 31.5% to 37.3% of the variance in ASE. As such, the  $R^2$  values of all the endogenous constructs indicate that the structural model has sufficient explanatory power. Although ASE's  $R^2$  value for foreign airlines is relatively low (0.315), it is consistent with previous studies in similar contexts, such as He and Wang (2015).

**Table 5.16  $R^2$  values for Endogenous Constructs**

Constructs	R-square values	
	National airline group	Foreign airline group
ASE	0.373	0.315
TWP	0.468	0.449
TAP	0.452	0.427

#### **5.4 Moderation Analysis of Perceived Price Fairness**

Moderator variables can affect the strength and direction of the relationships between independent and dependent variables, either by enhancing or diminishing the impact of independent variables. Fairchild and McQuillin (2010) stated that in social science literature, moderation effects are commonly referred to as "statistical interactions". In addition, various statistical techniques, including multi-group analysis and regression analysis, are widely employed to test the moderation effect. Previous studies have often utilized hierarchical multiple regression analysis as one of the most prevalent statistical techniques. In hierarchical regression analysis, each variable is adjusted to the mean of all associated measurement items; also, continuous variables should be centered to avoid multicollinearity issues (Muller et al., 2005). As mentioned in the prior chapter, the steps of hierarchical regression analysis, as recommended by Pallant (2020), begin by entering the dependent variable of interest, along with the demographic variables, to control the variance explained by this set of independent variables. Next, the independent variable is added to the model, followed by the moderating variable. Finally, the interaction terms resulting from multiplying the moderating and independent variables are included in the model.

Thus, this section will involve conducting a hierarchical regression analysis to investigate whether the perceived price fairness moderates the influence of (1) the impact of travellers' national identity on their actual purchase of national and foreign airline services (H9a/b) and (2) the impact of travellers' ethnocentrism on their actual purchase of national and foreign airline services (H10a/b). To verify the moderation effect, we will focus on the coefficient of the interaction terms and determine whether this effect is statistically significant, along with examining  $R^2$  values and the simple slope analysis, as recommended by Hair et al. (2019).

### 5.4.1 Moderation Effect of Perceived Price Fairness between Travellers' National Identity and their Actual Purchase (H9a/b)

**H9a** supposes that the positive effect of travellers' national identity on their actual purchase of national airline services is stronger when national airlines have higher price fairness compared to foreign airlines.

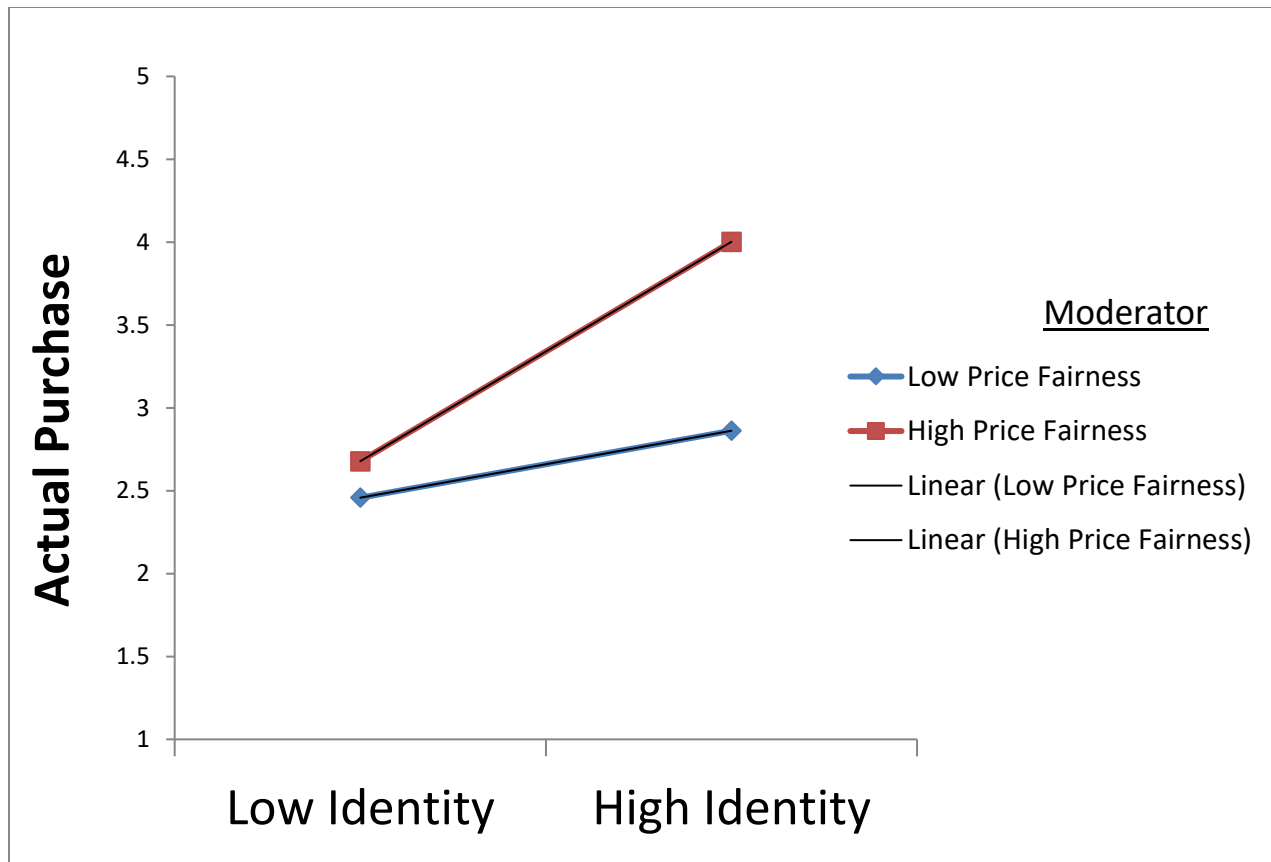
To test hypothesis H9a, travellers' actual purchase of national airline services was entered into the model as the dependent variable, along with the demographic variables (gender, age, marital status, education, occupation, and monthly income) as control variables. After that, travellers' national identity was entered into the model as the independent variable, followed by perceived price fairness. Lastly, the interaction term TNI\*PPF was entered into the model. Table 5.17 below shows the results of hierarchical regression analysis with respect to travellers' national identity, price fairness and actual purchases of national airline services. According to the table, the path coefficient of the interaction effect of TNI\*PPF on TAP is positive and statistically significant ( $\beta = 0.234$ ,  $T = 3.965$ ,  $P \leq 0.001$ ). Furthermore, the statistical analysis further indicates that prior to the inclusion of the moderating effect of TNI\*PPF, the  $R^2$  value for TAP was 46.4%. However, with the inclusion of the interaction term, it increased to 50.8%, showing a significant 4.4% increase in the variance explained in the dependent variable. This demonstrates that the perception of price fairness among travelers could positively influence the relationship between travelers' national identity and their actual purchase of national airline travel services.

Table 5.17 Results of Moderation analysis of Price Fairness (H9a)

Independent Variables	Dependent Variables: TAP of national airline services							
	Step1		Step2		Step3		Step4	
	B	T	B	T	B	T	B	T
Gender	-0.141*	-2.056	-0.127*	-1.972	-0.070	-1.190	-0.057	-1.006
Age	-0.099	-1.316	-0.112	-1.593	-0.068	-1.068	-0.071	-1.160
Marital status	0.024	0.335	0.034	0.498	0.062	1.024	0.065	1.113
Education	-0.042	-0.621	-0.085	-1.322	-0.075	-1.298	-0.028	-0.489
Occupation	-0.075	-1.009	-0.029	-0.407	-0.059	-0.932	-0.067	-1.098
Income	0.424***	6.063	0.329***	4.831	0.267***	4.320	0.211***	3.448
TNI_Mean			0.332***	5.058	0.363***	6.147	0.432***	7.283
PPF_Mean					0.380***	6.659	0.350***	6.325
TNI*PPF							0.234***	3.965
R <sup>2</sup>	0.231		0.329		0.464		0.508	
Adjusted R <sup>2</sup>	0.206		0.302		0.440		0.483	
F-value	8.936***		12.372***		19.020***		20.066***	

Note: \* $p \leq 0.05$  \*\* $p \leq 0.01$  \*\*\* $p \leq 0.001$

In addition, the simple slope analysis (Figure 5.3) clearly demonstrates that the impact of travellers' national identity on their actual purchase of national airline travel services is enhanced as travellers' perceptions of price fairness increase. When price fairness is high, the influence of national identity on the actual purchase of national airline travel services is relatively stronger (the curve's slope is relatively steeper). Conversely, when price fairness is low, this influence is relatively weaker (the curve's slope is more moderate), indicating that the absence of price fairness may diminish the strength of this relationship. Therefore, this result provides empirical support for **H9a**.



**Figure 5.3 Hypothesis 9a Simple Slope Analysis – Moderating Effect of Price Fairness on the Relationship between National Identity and National Airline Purchase**

In contrast, **H9b** supposes that the negative effect of travellers' national identity on their actual purchase of foreign airline services declines when the foreign airline has higher price fairness compared to national airlines. The same steps used to test H9a were then repeated with travellers' actual purchase of foreign airline service as the dependent variable instead of national airlines. Table 5.18 shows the results of the moderation analysis. According to the table, the path coefficient of the interaction effect of  $TNI*PPF$  on  $TAP$  was not statistically significant ( $\beta = 0.017$ ,  $T = 0.260$ , not significant). Also, no significant increase has been witnessed in the  $R^2$  value after the inclusion of the interaction term in the model. Furthermore, the simple slope analysis (Figure 5.4) shows no significant differences in the case of low price fairness versus high price fairness. Consequently, **H9b is not-supported**.

Table 5.18 Results of Moderation analysis of Price Fairness (H9b)

Independent Variables	Dependent Variables: TAP of foreign airline services							
	Step1		Step2		Step3		Step4	
	B	t	B	T	B	T	B	t
Gender	0.055	0.605	0.026	0.299	0.024	0.306	0.025	0.314
Age	-0.086	-1.160	-0.040	-0.573	-0.003	-0.043	-0.004	-0.067
Marital status	0.014	0.145	0.082	0.921	0.071	0.877	0.072	0.886
Education	-0.046	-0.654	-0.100	-1.502	-0.099	-1.611	-0.099	-1.613
Occupation	0.024	0.345	-0.012	-0.180	-0.010	-0.170	-0.010	-0.158
Income	0.409***	6.091	0.476***	7.446	0.431***	7.262	.433***	7.213
TNI_Mean			-0.156*	-2.476	-0.111	-1.902	-0.107	-1.789
PPF_Mean					.350***	5.990	0.344***	5.468
TNI*PPF							0.017	0.260
R <sup>2</sup>	0.231		0.262		0.380		0.380	
Adjusted R <sup>2</sup>	0.206		0.235		0.350		0.351	
F-value	5.608***		9.660***		14.489***		12.823***	

Note: \* $p \leq 0.05$  \*\* $p \leq 0.01$  \*\*\* $p \leq 0.001$

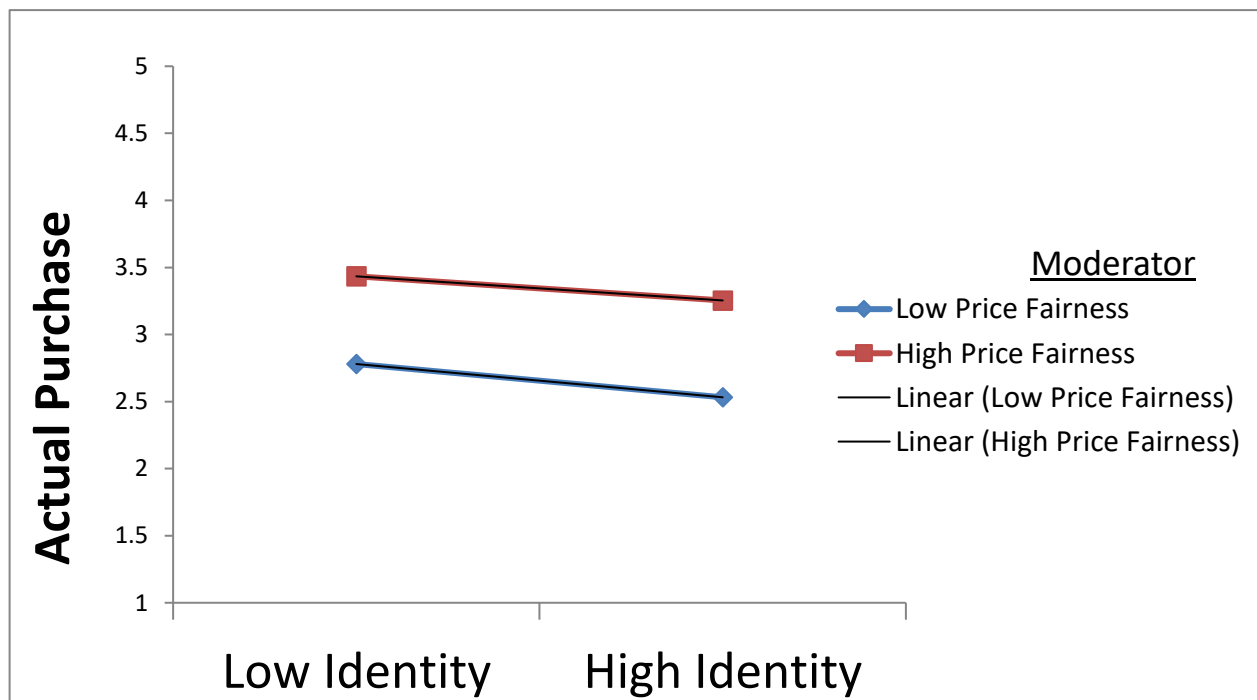


Figure 5.4 Hypothesis 9b Simple Slope Analysis – Moderating Effect of Price Fairness on the Relationship between National Identity and Foreign Airline Purchase

### 5.4.2 Moderation Effect of Perceived Price Fairness between Travellers Ethnocentrism and their Actual Purchase (H10a/b)

In order to test hypotheses H10a and H10b, we followed the same steps used to test H9a and H9b, but this time using travellers' ethnocentrism as independent variable. Initially, we entered travellers' actual purchase of national/foreign airline services as the dependent variable and included control variables (gender, age, marital status, education, occupation, and monthly income) as a block. Subsequently, we added travellers' ethnocentrism and perceived price fairness as separate blocks. Lastly, we entered the interaction term TET\*PPF, which is the result of multiplying travellers' ethnocentrism and perceived price fairness.

**H10a** supposes that the positive effect of travellers' ethnocentrism on their purchase of national airline services is stronger when national airlines have higher price fairness compared to foreign airlines.

Table 5.19 below shows the results of hierarchical regression analysis with respect to travellers' ethnocentrism, price fairness and actual purchases of national airline services. The statistical analysis of H10a reveals that, without the inclusion of the interaction effect of TET\*PPF on TAP to the model, the  $R^2$  value for TAP was 46.7%, while with the inclusion of the interaction term, the  $R^2$  increased to 50.5%. This showed a significant increase of 3.8% in variance explained in the dependent variable. Furthermore, by analyzing the path coefficients of the interaction effect, the results showed a significant positive effect ( $\beta = 0.218$ ,  $T = 3.637$ ,  $P \leq 0.001$ ). This indicates that the travellers' perceptions of price fairness could positively enhance the significant positive effect of travellers' ethnocentrism on their actual purchase of national airline travel services.

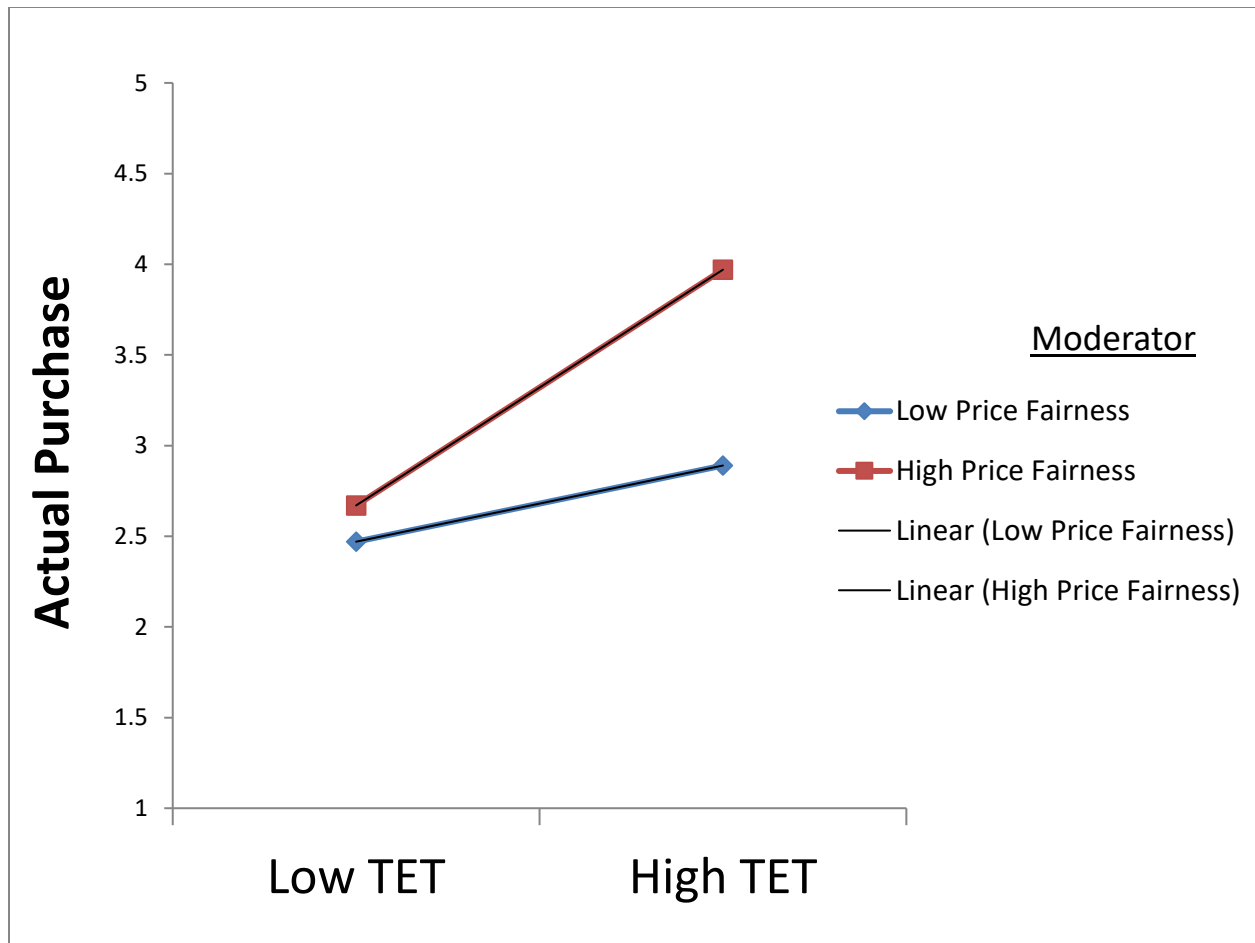
**Table 5.19 Results of Moderation analysis of Price Fairness (H10a)**

Independent Variables	Dependent Variables: TAP of national airline services							
	Step1		Step2		Step3		Step4	
	B	T	B	T	B	T	$\beta$	T
Gender	-0.141*	-2.056	-0.135**	-2.096	-0.078	-1.333	-0.067	-1.188
Age	-0.099	-1.316	-0.101	-1.438	-0.055	-0.876	-0.050	-0.811
Marital status	0.024	0.335	-0.003	-0.043	0.022	0.367	0.027	0.455
Education	-0.042	-0.621	-0.079	-1.238	-0.069	-1.197	-0.056	-1.013
Occupation	-0.075	-1.009	-0.035	-0.496	-0.066	-1.045	-0.068	-1.107
Income	0.424***	6.063	0.366***	5.509	0.307***	5.102	0.266	4.505
TET_Mean			0.328***	5.133	0.359***	6.260	0.430***	7.314
PPF_Mean					0.381***	6.705	0.325***	5.693
TET*PPF							0.218***	3.637
R <sup>2</sup>	0.231		0.331		0.467		0.505	
Adjusted R <sup>2</sup>	0.206		0.305		0.443		0.479	
F-value	8.936***		12.514***		19.289***		19.806***	

Note: \* $p \leq 0.05$  \*\* $p \leq 0.01$  \*\*\* $p \leq 0.001$

Moreover, the simple slope analysis (Figure 5.5) revealed that the effect of travellers' ethnocentrism on their actual purchase of national airline travel services significantly strengthened as price fairness improved. When price fairness is high, the impact of travellers' ethnocentrism on the actual purchase of national airline services is notably stronger (the curve's slope is steeper) compared to situations where price fairness is low (the slope of the curve is relatively moderate). Thus, this result provides empirical support for **H10a**.





**Figure 5.5 Hypothesis 10a Simple Slope Analysis – Moderating Effect of Price Fairness on the Relationship between Ethnocentrism and National Airline Purchase**

In contrast, **H10b** supposes that the negative effect of travellers' ethnocentrism on their purchase of foreign airline services declines when foreign airlines have higher price fairness compared to national airlines. The steps used to test H10a were then repeated with travellers' actual purchase of foreign airline service as the dependent variable instead of national airlines. Table 5.20 shows the results of the moderation analysis. According to the table, the result shows a positive interaction effect ( $\beta = 0.202$ ,  $T = 3.681$ ,  $P \leq 0.001$ ) between travellers' ethnocentrism and price fairness on travellers' purchase of foreign airline services. As such, this positive interaction effect reveals that the negative effect of ethnocentrism on their actual purchase of

foreign airline services (negative bias against foreign airline services) is reversed when price fairness is taken into consideration so that travellers' purchase of foreign airline services is enhanced. Also, the value of  $R^2$  of TAP witnessed a significant increase from 46.6% to 50.2% after including the interaction effect of TET\*PPF on TAP in the structural model.

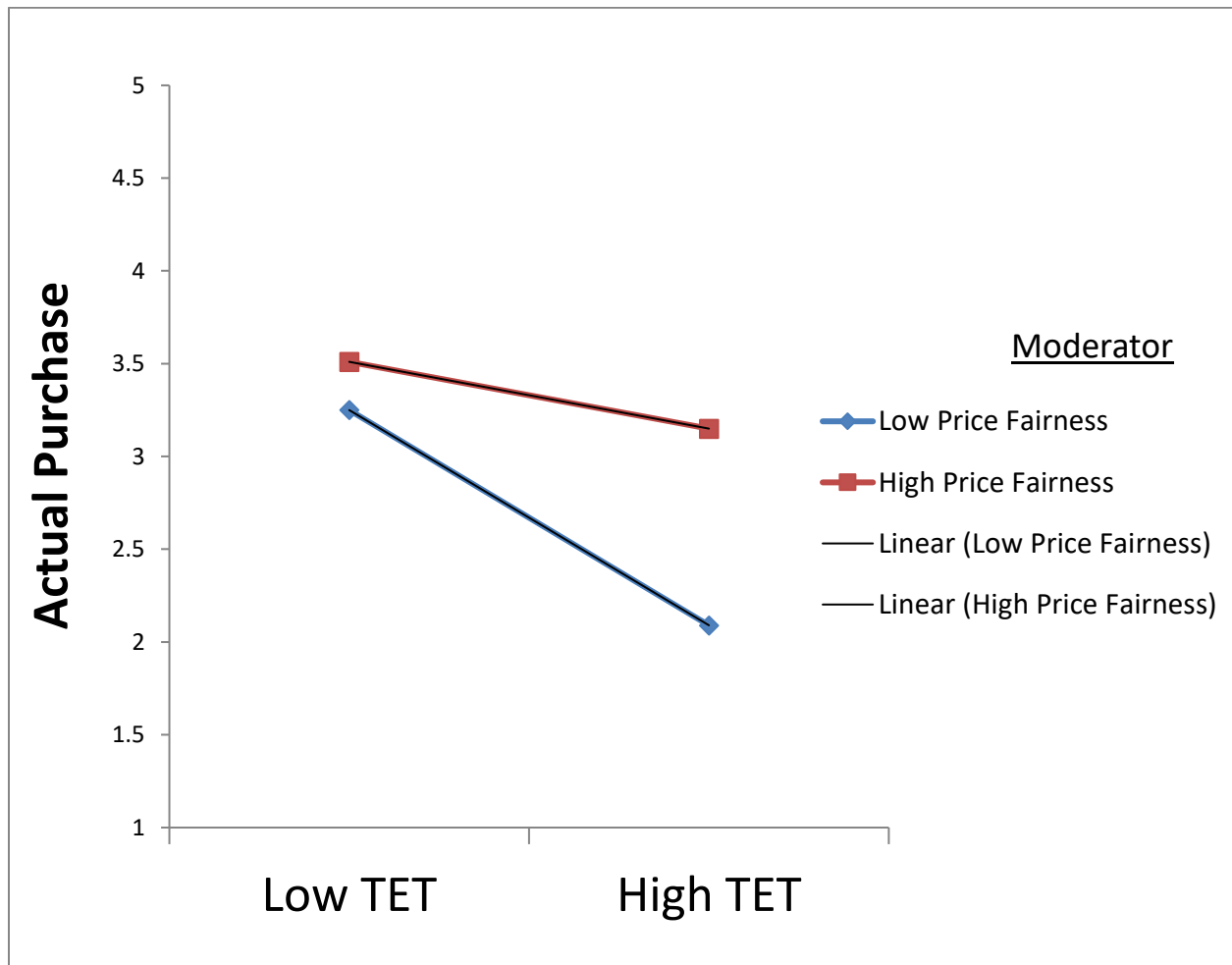
**Table 5.20 Results of Moderation analysis of Price Fairness (H10b)**

Independent Variables	Dependent Variables: TAP of foreign airline services							
	Step1		Step2		Step3		Step4	
	B	t	B	T	$\beta$	T	$\beta$	T
Gender	0.055	0.605	0.018	0.212	0.016	0.213	0.022	0.306
Age	-0.086	-1.160	-0.087	-1.300	-0.042	-0.694	-0.037	-0.642
Marital status	0.014	0.145	0.025	0.297	0.019	0.253	0.008	0.108
Education	-0.046	-0.654	-0.046	-0.722	-0.042	-0.747	-0.048	-0.866
Occupation	0.024	0.345	0.028	0.453	0.032	0.578	0.039	0.711
Income	0.409***	6.091	0.349***	5.658	0.257***	4.567	0.229***	4.168
TET_Mean			-.396***	-6.520	-0.372***	-6.864	-0.387***	-7.362
PPF_Mean					0.392***	7.127	0.335***	6.035
TET*PPF							0.202***	3.681
$R^2$	0.171		0.323		0.466		0.502	
Adjusted $R^2$	0.145		0.298		0.441		0.476	
F-value	6.563***		12.921***		20.617***		21.049***	

Note: \* $p \leq 0.05$  \*\* $p \leq 0.01$  \*\*\* $p \leq 0.001$

Furthermore, the simple slope analysis (Figure 5.6) clearly shows that the negative effect of travellers' ethnocentrism on their purchase of foreign airline services weakens when customers consider the prices of foreign airlines to be fair enough. This influence can be observed in the red regression line, which is less steep when price fairness is high, compared to the situation of low price fairness, which has a

much steeper slope (Blue regression line). Thus, this result provides empirical support for **H10b**.



**Figure 5.6 Hypothesis 10b Simple Slope Analysis – Moderating Effect of Price Fairness on the Relationship between Ethnocentrism and Foreign Airline Purchase**

## 5.5 Conclusions

The chapter discussed the statistical analysis conducted to examine the research hypotheses proposed in the research model. This statistical analysis was sequentially implemented through four main stages:

- **The first phase** involves the procedures and steps that were carried out to organize the data for the statistical analysis process, including data coding, data cleaning and filtration, missing data treatment, and detection of outliers.
- **The second phase** showed the preliminary data analysis procedures. These procedures involved analyzing respondents' socio-demographic characteristics, descriptive analysis of study's variables, assessing of common method variance, testing for multi-collinearity, testing for normality of data distribution, reliability assessment, and exploratory factor analysis
- **The third phase** involves the main stages of SEM analysis, including the assessment of the measurement model, the assessment of the structural model, and the testing of hypotheses.
- **The fourth phase** involves the moderation analysis using hierarchical regression analysis to test the moderation effect of perceived price fairness between national identity/ethnocentrism and travellers' actual purchase of national/foreign airline travel services.

Overall, the SEM results suggest that travellers' ethnocentrism positively influences their perceptions of service quality-value, willingness to purchase, and actual purchase of national airline services and vice versa for their behaviours towards foreign airlines. In contrast, travellers' national identity positively influences travellers' perceptions of service quality-value, willingness to purchase, and actual purchase of national airline services, while it only negatively affects their perceptions of service quality-value provided by foreign airlines. Furthermore, the results show that perceived price fairness can moderate the significant effects of both travellers' national identity and ethnocentrism on their airline service purchases. Accordingly, the next chapter will discuss these findings

in relation to the existing relevant literature, the theoretical contributions of the study, and the suggested managerial implications.

## CHAPTER 6

# FINDINGS AND DISCUSSIONS

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- Discussion and Interpretations of the Results
- Theoretical Contributions and Practical Implications
- Study Limitations and Directions for Future Research

## **FINDINGS AND DISCUSSIONS**

This chapter discusses the most important findings that have been statistically supported based on the results of the data analysis process illustrated in Chapter 5. This discussion will be divided into three main topics. The first section discusses and interprets the results of SEM analysis that have been presented in the previous chapter in relation to the relevant existing literature. The second section discusses the theoretical contributions and the managerial implications that can be derived from these results. In the final section, we will outline the study's limitations and present some suggestions for future research.

### **6.1 Discussion and Interpretations of the Study Results**

Since the pioneering research of Shimp and Sharma (1987), a huge number of studies have focused on investigating the drivers of home-country bias phenomenon, particularly consumer ethnocentrism as a consumer trait that explains consumer bias for domestic products/services over foreign alternatives. Although the influence of consumer ethnocentrism on consumers' behaviours is product- and country-specific (Balabanis and Diamantopoulos, 2004), there has been a lack of empirical research that examines the drivers of such bias in the international services industries in general and in the airline travel and international tourism industry in particular. In line with recent calls to investigate the drivers of home-country bias in the international travel and tourism context (e.g., Kock et al., 2019; Cassia and Magno, 2022; Suham-Abid and Vila-Lopez, 2020) and drawing on social identity theory perspective, the main aim of the current study was to investigate the drivers of home-country bias in airline travel services and to examine its influence on travellers' behaviours towards national and foreign airline service providers.

To achieve the study's objectives, the study developed and tested a conceptual framework that evaluates the influences of the two main drivers of home-country bias—namely, travellers' national identity as (pro-in-group construct) and travellers' ethnocentrism as (pro-in-group and anti-out-group construct), and how these two construct differently affect travellers' behaviours towards national and foreign airlines (country-of-origin), including travellers' airline service evaluations, travellers' willingness to purchase, and actual purchase of airline travel services provided by national and foreign airlines. Furthermore, given the crucial role of price as one of the most important predictors of travellers' decisions and behaviours in the airline travel industry, the study investigated the moderating role of price fairness between the drivers of home-country bias and travellers' actual purchasing decisions to explore how price fairness can strengthen or weaken the effects of home-country bias.

Drawing from a large sample of airline travellers, the empirical results reveal several substantial findings that offer valuable insights into the existing airline travel literature. The SEM results indicate that both travellers' national identity and ethnocentrism exert distinct and significant influences on travellers' behaviours towards national and foreign airline service providers. This encompasses their assessments of airline service quality and value, their willingness to purchase, and their actual purchase behaviours of airline services offered by national and foreign airlines. Furthermore, the results also confirmed the substantial impact of travellers' evaluations of airline service quality and perceived value as crucial factors affecting their willingness to purchase and their actual purchases of airline travel services provided by both national and foreign airline service providers. Finally, the hierarchical multiple regression analysis demonstrates that perceived price fairness can significantly moderate the significant effects of travellers'



national identity and ethnocentrism on travellers' actual purchases of airline services provided by national versus foreign airlines. Although the consequences of home-country bias are not widely discussed in services industries, particularly in travel and tourism services (Kock et al., 2019; Xiaolong et al., 2022), these findings are in line with the majority of previous studies in consumer behaviour and marketing discipline (e.g. He and Wang, 2015; Le et al., 2013; Zeugner-Roth et al., 2015). The following section will further discuss these findings.

### **6.1.1 National Identity and Travellers' Behaviours**

Research hypotheses H1, H2, and H3 aim to investigate how travellers' national identity affects travellers' behaviours towards national and foreign airline service providers, including travellers' evaluations of airline service quality and value (H1a/b), their willingness to purchase (H2a/b), and actual airline purchases of airline travel services (H3a/b). According to the SEM results, travellers' identification with their home country—including their national heritage, values and beliefs structure, and cultural homogeneity—positively impacts their evaluation of airline services provided by airlines belonging to their home country (H1a), while it negatively affects their evaluation of airline services provided by foreign airline service providers (H1b). It is worth noting that the positive influence of travellers' national identity on travellers' evaluations of national airline services was relatively stronger ( $\beta = 0.409$ ,  $p \leq 0.001$ ) compared with its negative effect on their evaluations of foreign airline services ( $\beta = -0.285$ ,  $p \leq 0.01$ ). These findings align with earlier research in marketing and consumer behaviours literature, indicating that individuals with a strong sense of national identity tend to have favourable perceptions towards domestic products/brands and negative perceptions towards foreign products/brands as a form of identity-protection behaviours and to maintain a positive social identity within their community (e.g.,

Le et al., 2013; Zeugner-Roth et al., 2015). Although the construct of national identity has not been widely investigated in airline travel services, these findings are consistent with those of Stamolampros et al. (2020), who suggested that individuals' strong identification with their home country tends to lead to more favourable assessments of national service providers.

Furthermore, national identity not only affects travellers' evaluation of airline services but also positively affects their willingness to purchase and actual purchase of national airline services (H2a and H3a). However, its hypothesized adverse effect on travellers' willingness to purchase and actual purchase of foreign airline services was not significant (H2b and H3b). Although this observation may be noteworthy, it can be justified by the existing social psychology literature, which argues that national identity is a pro-in-group construct rather than an anti-out-group construct (e.g., Zeugner-Roth et al., 2015). The lack of significant negative relationships between national identity and travellers' willingness to purchase and their actual purchase of foreign airline services implies that individuals' negative perceptions towards foreign service providers do not necessarily translate into a negative bias against foreign airline service providers. In other words, travellers' home-country bias due to national identity does not necessarily make them reluctant to purchase foreign airline services, particularly when other factors, such as price, perceived value, and brand equity, are considered.

### **6.1.2 Ethnocentrism and Travellers' Behaviours**

Research hypotheses H4, H5, and H6 aim to investigate how travellers' ethnocentrism affects travellers' behaviours towards national and foreign airline service providers, including travellers' evaluations of airline service quality and value (H4a/b), their willingness to purchase (H5a/b), and actual airline purchases

of airline travel services (H6a/b). According to the SEM results, travellers' ethnocentric tendencies—including economic and social protection, perceived superiority of national service providers, perceptions of ownership, and affective reactions—positively impacts their evaluation of airline services provided by airlines belonging to their home country (H4a), while it negatively affects their evaluation of airline services provided by foreign airline service providers (H4b). Furthermore, it is worth noting that the SEM results indicated that travellers' ethnocentrism had a stronger negative effect on travellers' evaluations of foreign airline services ( $\beta = -0.483, p \leq 0.001$ ) than the negative effect of national identity ( $\beta = -0.285, p \leq 0.01$ ). Although the consequences of ethnocentrism have not been widely discussed in service industries, particularly in airline travel services, these findings are consistent with some emerging studies in the international travel and tourism context (e.g. Kock et al., 2019; Suham-Abid and Vila-Lopez, 2020; Xiaolong et al., 2022; Stamolampros et al., 2020) along with the general literature on marketing and consumer behaviours which confirmed that ethnocentric customers tend to overestimate the perceived quality and value of domestic brands and underestimate the perceived quality and value of foreign brands (e.g. Zeugner-Roth et al., 2015; He and Wang, 2015).

Furthermore, the SEM results indicate that travellers' ethnocentrism significantly affects their purchasing intentions and actual purchase behaviours. More specifically, travellers' ethnocentrism has a positive impact on their willingness to purchase and actual purchases of national airline services (H5a and H6a). Additionally, in contrast to national identity, travellers' ethnocentric tendencies as an anti-out-group construct can negatively impact their willingness to purchase and their actual purchases of foreign airline services (H5b and H6b). Nevertheless, it is worth noting that the significant effect of travellers' ethnocentrism on their

willingness to purchase and actual purchase of national and foreign airline services was relatively weak ( $\beta = 0.247, p \leq 0.01$ ;  $\beta = 0.228, p \leq 0.05$  for national airline;  $\beta = -0.268, p \leq 0.01$ ;  $\beta = -0.206, p \leq 0.05$  for foreign airlines group respectively) compared with its significant effects on their evaluations of airline services ( $\beta = 0.454, p \leq 0.001$  for national airline group; and  $\beta = -0.483, p \leq 0.001$  for foreign airlines group respectively). Although the impact of consumer ethnocentrism on consumers' actual purchasing behaviours has not been widely explored in the existing literature, these results align partially with consumer behaviours and marketing studies that have identified consumer ethnocentrism as a key determinant of consumers' preferences and purchasing intentions (e.g., He and Wang, 2015; Lee et al., 2010; Dmitrovic et al., 2009).

Ethnocentric tendencies often lead to a higher tendency to reject foreign service providers based on normative beliefs about foreign threats and their perceived negative impact on the national economy and interests rather than individuals' true evaluations and perceptions of service quality and value (2008). Therefore, customers' preference for domestic or national service providers, in this case, is not necessarily due to intrinsic factors related to the brand equity, perceived value, or service quality of domestic/national service providers (He and Wang, 2015; Suham-Abid and Vila-Lopez, 2020). Thus, the significant weak positive/negative effect of travellers' ethnocentrism on their willingness to purchase airline services offered by national/foreign airlines implies that these intentions may not always translate into actual behaviours without taking into account the other factors related to the service attributes (price, pre-during and post-flight services, number of stops, loyalty programmes, etc.).

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**6.1.3 Airline Service Evaluations, Willingness to Purchase, and Actual Purchase**

The research hypotheses H7 and H8 aim to investigate the structural relationships between airline service evaluations, travellers' willingness to purchase and their actual purchase behaviours towards national and foreign airlines. According to the SEM results, travellers' evaluations of airline services, including- their evaluations of overall service quality and its perceived value- significantly influence travellers' willingness to purchase airline services provided by national or foreign airlines (H7), which in turn affects their actual purchase behaviours (H8). These findings are fully expected and consistent with numerous previous studies in marketing and airline travel literature, which have established that travellers' evaluations of airline services providers (e.g. perceived quality, perceived value, brand awareness, and brand association) significantly impact their preferences and purchasing intentions, which in return can influence their actual purchasing decisions towards both domestic and foreign service providers (e.g. Chen and Zhang, 2008; Wang, 2014; Mayr and Zins, 2012; Pappachan, 2021; Park et al., 2006; Singh, 2021).

Nevertheless, these findings are crucial when interpreting their relative impact on travellers' behaviours compared to the effect of psychological drivers, including travellers' national identity and ethnocentrism. Although the SEM results indicate that travellers' national identity, ethnocentrism, and evaluation of airline services differently affect their willingness to purchase national and foreign airline travel services, the results revealed that airline service evaluation has a greater influence on travellers' willingness to purchase ( $\beta = 0.388$ ,  $p \leq 0.001$ ;  $\beta = 0.448$ ,  $p \leq 0.001$  for national and foreign airlines respectively) compared to the impact of the psychological drivers (national identity and ethnocentrism) for both national or for foreign airlines. Thus, these findings indicate that airline service evaluation, including overall service quality and perceived value, remain the main drivers of

travellers' behaviours compared to attitudinal and psychological factors. However, these results align with the common perception of airline travellers as rational decision-makers, and thus, service quality and perceived value considerations tend to be much stronger drivers of travellers' preferences and purchasing decisions compared to attitudinal and psychological factors (Kurtulmuşoğlu et al., 2016).

#### **6.1.4 The Moderating Role of Perceived Price Fairness**

The research hypotheses **H9** and **H10** aim to investigate the moderating role of perceived price fairness in relation to travellers' national identity and ethnocentrism on travellers' actual purchasing decisions of airline services provided by national versus foreign airlines. The findings indicate that price fairness has a substantial, positive influence on travellers' actual purchasing decisions. However, these results were fully expected and consistent with the existing literature, which provides abundant evidence that price fairness significantly affects airline travellers' behaviours, including their brand preferences/choices, intentions to purchase, and actual purchase (e.g. Kotler and Armstrong, 2012). Furthermore, the findings offer a new contribution to the existing airline literature regarding the moderating role of perceived price fairness. The empirical results show that travellers' perceptions of price fairness of national airlines can enhance the significant positive effect of travellers' national identity and travellers' ethnocentrism on their actual purchase of national airline services (H9a and H10a). Conversely, travellers' perceptions of price fairness of foreign airlines can mitigate the negative effect of travellers' ethnocentrism on their actual purchase of foreign airline services (H10b).

In other words, when travellers believe that national airline offers fairer prices compared to foreign airlines, the positive effects of travellers' national identity and ethnocentrism on their actual purchase of national airline services are enhanced. Conversely, when travellers perceive foreign airlines to have higher price fairness

than national airlines, the negative effect of travellers' ethnocentrism on their actual purchase of foreign airline services decreases, thus they become more likely to purchase foreign airline services. Although previous literature has extensively discussed the drivers of home-country bias and their impact on consumer behaviours and purchasing decisions (e.g. Verlegh, 2007; Zeugner-Roth et al., 2015; Kim et al., 2013, 2021; Kock et al., 2019; Verma and Naveen, 2021), the existing literature offers limited knowledge on how consumers' perceptions of price fairness can affect these relationships. Thus, these findings represent a valuable contribution to the existing airline literature by shedding light on the moderating role of price fairness between the psychological drivers of home-country bias and travellers' actual purchasing behaviours.

## **6.2 Study Contributions and Implications**

This section highlights the study's contributions and practical implications, which can be organized into two main sections: theoretical contributions, which include the significant contributions that this study offers to the existing body of knowledge in international service marketing literature, and practical implications, which present the implications that the study produces for the professional field of airline travel services. The following sections provide an in-depth discussion of these two main types of contributions.

### **6.2.1 Theoretical Contributions**

From a theoretical viewpoint, the study offers valuable insights into the emerging literature in international travel and tourism discipline on home-country bias studies (e.g., Boukamba et al., 2021; Cassia and Magno, 2022; Hong et al., 2023; Kock et al., 2019; Stamolampros et al., 2020; Suham-Abid and Vila-Lopez, 2020). It also provides significant contributions to the traditional consumer behaviours and marketing literature on national identity and consumer ethnocentrism studies from the social identity perspective (e.g., Sharma, 2015; Siamagka and Balabanis,

2015; Verlegh, 2007; Zeugner-Roth et al., 2015), which can be summarized as the following.

**First**, the study identified the theoretical gap in the existing airline travel literature, which is the overemphasis on traditional determinants of travellers' behaviours that only focus on price and value considerations. In contrast, psychological variables, particularly national identity and travellers' ethnocentrism, have become increasingly prominent; however, there is little investigation of these constructs and their impact on travellers' behaviours towards national and foreign airlines. In light of the current circumstances and the recent calls to investigate the role of psychological variables in travellers' behaviours, the present study provides a timely contribution to the existing airline travel literature by investigating the drivers of home-country bias phenomenon in airline travel services to enrich our understanding of how travellers' national identity and ethnocentrism influence travellers' behaviours towards national and foreign airlines. Accordingly, the study contributes to the growing literature on intergroup biases among airline travellers (e.g. Bruning and Saqib, 2013; de Jong et al., 2022; Stamolampros et al., 2020), by underlining the importance of studying travellers' behaviours from a holistic perspective in which psychological factors are treated as a major determinant of travellers' behaviours alongside value considerations.

**Second**, the study provides an integrated conceptual model that examines the predictive power of the two main theoretical explanations of the home-country bias phenomenon as identified by Bartsch et al., (2016) —namely, travellers' national identity (as a pro-in-group construct) and travellers' ethnocentrism (as a pro-in-group and anti-out-group construct). These two main drives, along with the airline-service evaluation construct as a cognitive construct, address three mechanisms of consumer behaviours (cognitive, affective and normative). The model investigates how these constructs differently affect travellers' behaviours towards national and



foreign airlines (country-of-origin) simultaneously, including travellers' willingness to purchase and actual purchase decisions. Furthermore, it investigates the moderating role of price fairness as one of the most important predictors of travellers' decisions and behaviours to explore how price fairness can strengthen or weaken the effects of the drivers of home-country bias.

**Third**, unlike the vast majority of previous home-country bias studies that mainly focused on consumer attitudes, purchase intentions, and willingness to purchase as expected consequences of home-country bias, the current study focuses on travellers' actual purchase decisions as potential consequences of the drivers of home-country bias to investigate to what extent home-country bias can significantly affect consumers' actual purchasing behaviours.

**Fourth**, the study contributed to the current airline travel literature by developing a comprehensive scale for travellers' ethnocentrism as a multidimensional construct, which reflects the construct's comprehensive structure compared to the unidimensional scale that only focuses on socioeconomic motives. In addition to economic and social protection, which represents the focal element of the ethnocentrism concept, the developed scale recognizes the perceived superiority of national service providers, perceptions of psychological ownership, and affective reactions towards national service providers as a vital dimension of travellers' ethnocentrism. These perceptions of superiority and authenticity of national service providers, form of psychological possession, and affective reactions towards national service providers have substantial implications on how individuals act towards service providers belonging to different countries/origins, particularly when the service provider represents an iconic/national symbol for their countries (Gineikiene et al., 2017). Also, these dimensions were supported theoretically by many studies in the existing literature, such as (Vida and Reardon, 2008; Sharma, 2015; Hong et al., 2023). The developed scale would represent a significant

instrument to the existing travel and tourism literature devoted to investigating travellers' behaviours and intergroup biases, which would help researchers to accurately capture the cognitive-affective dimensions that constitute travellers' ethnocentrism construct.

**Fifth**, the findings contributed to current travel and tourism literature by providing empirical evidence of the significant effect of travellers' national identity and ethnocentrism on travellers' perceptions of airline service evaluation, including their overall evaluation of service quality and perceived value, travellers' willingness to purchase and their actual purchase of airline services provided by both national and foreign airlines. Although the academic and empirical investigation of the home-country bias phenomenon in the travel and tourism context is still scarce (Stamolampros et al., 2020), these findings are widely consistent with consumer behaviours literature, and their application to the international airline travel industry constitutes an important contribution to travel and tourism literature.

**Sixth**, the study detailed the various mechanisms underlying the impact of national identity and consumer ethnocentrism and compared their effects on travellers' behaviours toward national and foreign service providers. The study explained that national identity is rooted in affective mechanisms arising from individuals' identification with their national culture and their sense of belonging to their home culture. Conversely, travellers' ethnocentrism is driven by individuals' normative responses, including nationalistic responsibility, the morality of purchasing foreign services, and patriotic feelings to protect the national economies, particularly when they are facing foreign threats. Understanding such different mechanisms is theoretically important for marketers to understand consumers' different responses to national versus foreign brands. Therefore, in this study, we measured consumers'

purchasing behaviour towards both national and foreign service providers, which allows us to make a direct comparison between travellers' behaviours towards national versus foreign airline brands. For example, previous literature on home-country bias usually uses consumers' willingness to purchase domestic brands as a dependent variable and assumes that consumers will reject foreign brands at the same time, but such assumptions have been criticized in the extant literature (e.g. He and Wong, 2015; Suh and Kwon, 2003). In line with these criticisms, our findings confirmed that national identity has a significant negative impact on travellers' evaluation of foreign airline services; however, it has no significant negative impact on their willingness to purchase or actual purchase of foreign airline services.

**Seventh**, the study introduces a significant new contribution to the existing marketing and international airline service literature by providing empirical evidence on the substantial moderation effect of price fairness on the relationship between drivers of home-country bias and travellers' actual purchasing behaviours. The role of price fairness holds special importance, particularly in developing countries like Egypt, where consumers with lower income rates often encounter the dilemma of choosing between highly conspicuous foreign brands and low-image domestic brands (He and Wang, 2015). Although previous literature has provided ample evidence that the influence of national identity and consumer ethnocentrism on consumers' behaviours towards domestic and foreign products/services depends on various contextual factors such as brand equity and culture similarity (e.g. Bruning and Saqib, 2013; Stamolampros et al., 2020), no prior research has explored the role of price fairness in these relationships, despite its relevance to the current economic conditions. As verified by the study findings, travellers' perceptions of price fairness cannot only enhance the positive effect of national identity and ethnocentrism on travellers' actual purchase of national airline services

but also mitigate the negative effect of these constructs on travellers' actual purchase of foreign airline services.

### **6.2.2 Practical Implications**

Although many researchers have predicted that globalization will reduce ethnocentric bias in international markets, interestingly, current political and economic trends reveal that the increasing level of globalization may increase, rather than decrease, these predispositions (Kock et al., 2019). These ethnocentric biases are able to overrule travellers' normal decision-making process which is supposedly based on quality and value considerations. Therefore, understanding travellers' ethnocentric bias will be helpful in guiding airline marketing strategies (e.g. Stamolampros et al., 2020). As such, from a managerial standpoint, the current study provides some important recommendations that hold clear practical value for airline service marketers, stemming from the significant influence of travellers' national identity and ethnocentrism on service-related outcomes. These implications can be summarized as follows:

**Firstly**, given the considerable positive/negative impact of travellers' national identity and ethnocentrism on travellers' behaviours toward national/foreign airlines, the existing ethnocentric predispositions can create an advantage for national airlines and pose threats to foreign airlines. While airline managers can standardize their brand image across their domestic and foreign markets, these findings suggest that brand association strategies should be adopted to become more “local or global”, depending on the direction of ethnocentric bias (Kock et al., 2019). In their home markets, national airlines can capitalize on travellers' positive bias towards national airlines by actively promoting a local or native image for their brand, and vice versa in their foreign markets. They can also associate their brand image with the country's national identity in order to take

advantage of individuals' feelings of pride and love for domestic brands using nationalistic and ethnocentric marketing activities such as patriotic advertising and ethnocentric promotional campaigns that can significantly influence travellers' preferences and loyalty. A recent example of such ethnocentric marketing practices is the promotional campaign “#Support\_Egyptair” implemented by the Egyptian national carrier, which aimed to stimulate travellers' national and ethnocentric beliefs and national pride to support national airlines against external threats.

**Secondly**, the findings confirmed that travellers' national identity and ethnocentrism can be an advantage for national airline companies and an obstacle for foreign airlines. Nationalistic and ethnocentric promotional activities can significantly boost travellers' perceptions of airline service quality, perceived value, and airline purchases for national airline service providers and vice versa for foreign airlines. Thus, although tangible travel barriers have been largely removed due to the liberalization of airline markets, home-country bias remains one of the most important intangible constraints that are difficult to overcome through traditional marketing strategies (Bruning and Saqib, 2013). Existing literature has suggested some strategies that can help international service providers mitigate home-country bias, such as employing local employees to deliver their services, relying on social responsibility strategies, and creating brand associations with their foreign customers through sponsorship of the national mega-events, national football teams, and positive initiatives (e.g. Cassia and Magno, 2022). These marketing activities may eventually reduce the level of home country bias against foreign service providers and alleviate customers' resistance to foreign airline services.

In fact, many of these strategies are applied by many airlines for multiple purposes; therefore, based on our qualitative study with industry experts, we suggest some additional strategies that may be particularly useful for airlines. Airlines operating

in markets with high levels of ethnocentric bias are advised to rely on partnering strategies with local/national partners, such as code-share agreements and strategic airline alliances, which can help reduce the level of competition with national/local airlines and capitalize on the positive image that partner airlines may have in their home markets. It also has many advantages for airline operations and travellers' itineraries (de Jong et al., 2022). These strategies have largely helped many airlines, such as Aegean Airlines and Turkish Airlines, to overcome ethnocentric bias in the Middle East markets and withstand fierce competition from Gulf airlines (e.g. Qatar Airways and Emirates Airline). Nevertheless, a major challenge for partnership strategies is the issue of service inconsistency, which may cause dissatisfaction among travellers (Lu and Yang, 2022).

**Thirdly**, the significant positive/negative effect of travellers' national identity and ethnocentrism on travellers' evaluation of airline services, including their perceptions of service quality and value, reveals that standardization strategy may not be the appropriate strategy for delivering airline services, and thus, these perceptions should be reflected in how airlines customize their offerings. Airlines will need to invest more in their service attributes to provide acceptable service quality and value when targeting foreign travellers compared to serving domestic travellers. Although a significant improvement in service attributes would require huge investments, it will increase airlines' revenues by increasing the level of travellers' acceptance of their services in foreign markets. In addition to improving service attributes, employee training is critical to minimizing travellers' biased perceptions of service quality and value (Suham-Abid and Vila-Lopez, 2020). Therefore, airlines are advised to invest in training their front-line employees at every point of contact with travellers on how to adapt the provided services when dealing with travellers with high levels of ethnocentric bias.

**Fourthly**, given the intercultural nature of airline services, airlines need to view their services from a holistic viewpoint, not as collections of facilities and amenities but also as interactions between culturally diverse individuals who are strongly influenced by their psychological factors. Therefore, because of cultural differences, airlines operating internationally are advised to pay attention to the psychological signals of their visual identity (e.g. symbols, logos, signs, and uniforms) conveyed in their marketing and promotional activities in their culturally diverse markets to ensure that they communicate with their target markets using the correct visual identity, and to avoid cultural misunderstandings as a major source of ethnocentric bias (e.g. Bruning and Saqib, 2013).

**Fifthly**, policymakers can take advantage of the cognitive, normative, and affective drivers of home country bias in determining the appropriate content and appeals for their promotional campaigns. For example, national campaigns, which are commonly supported by governments to encourage customers to buy and support domestic brands (He and Wang, 2015), should not just be based on cognitive and normative attributes, such as the merits of domestic/national products/services and the economic and social benefits of buying national products/services, but should also evoke customers' patriotic sentiments and sense of belonging towards national service providers.

**Sixthly**, travellers are becoming increasingly concerned with the fairness of ticket prices, and these concerns are reflected in their evaluations of the perceived value offered by different airlines and their purchasing decisions. According to the findings, travellers' perceptions of fair pricing can not only strengthen the positive impact of national identity and ethnocentrism on travellers' actual purchase of national airline services, but it can also diminish the negative impact of ethnocentrism on their actual purchase of foreign airline services. Thus, airlines

must understand that trade-offs are required between service quality and ticket prices before they develop their marketing and pricing strategies. Also, price increases should follow a rational price strategy that increases travellers' acceptance and perceptions that the price increase is fair or not excessive. Therefore, it is crucial for airlines to adopt appropriate marketing strategies that enhance value perceptions through their core and ancillary services and contribute more significantly to enhancing travellers' willingness to pay for price increases. Also, the improvements in service attributes should be limited to service attributes that offer higher value to travellers (Lim and Tkaczynski, 2017).

**Seventhly**, the results reveal that airline service evaluations, including overall service quality and perceived value, have greater influences on travellers' behaviours (i.e. willingness to purchase and purchasing decisions) than psychological drivers (i.e. travellers' national identity and ethnocentrism) for both national and foreign airlines. Thus, airline marketers must realize that enhancing traveller preferences and purchases can be achieved primarily by focusing on improving their service quality and enhancing their perceived value rather than the extreme concentration on psychological factors.

### **6.2 Study Limitations and Directions for Future Research**

It is important to note that, like any cross-sectional study, this study's findings must be considered in light of some limitations. Although these limitations may affect how far the study results can be generalized, either to the Egyptian population or to others, they should not undervalue the valuable insights and significant findings offered in this study. Furthermore, they point to several areas that need further investigation, which could be potential avenues for future research.

- First, one of the simplest limitations is that the empirical study was implemented using a cross-sectional design. This design provides a snapshot of the situation at a



specific point in time but does not offer insights about how the situation might have changed over time or how passengers' views may have evolved. While this method allows us to identify the structural relationships among the study's variables, it limits our ability to make causal inferences. In return, the home-country bias phenomenon is highly vulnerable to external variables such as political and economic threats, and promotional campaigns (Verma and Naveen, 2021). Therefore, for future studies, a longitudinal research design is recommended to improve the generalization of findings and to identify changes in individuals' ethnocentric tendencies.

- Second, there are also some limitations in applying the study's results to other populations. One of such limitations is that the findings may be culturally specific. The study's findings are based on a sample of data collected from customers in Egypt, a society known for its collectivistic culture (Darwish and Huber, 2003). Previous research has shown that cultural orientation, whether collectivistic or individualistic, can significantly influence consumers' attitudes and behaviours towards both domestic and foreign service providers (e.g. Kumar et al., 2011). Therefore, it is recommended that future studies apply this framework to individualistic societies and compare the results across different cultures to enhance the generalizability of the findings.
- Third, another potential limitation is that the study used a non-probability sampling method because a pre-specified sampling frame was not available. Therefore, it is important to treat the results with caution when considering their generalizability. Accordingly, future studies could reconsider this research framework using a more representative sample to further validate and increase the generalizability of results.

- Fourth, given the significant role of price in airline travel services, this study has investigated only the moderating effect of price fairness. Future research could explore the influence of other moderating effects, such as airline brand equity, perceived corporate ability, availability of domestic brands, cultural similarity, cultural openness, and novelty seeking as important moderators.
- Fifth, the study was limited to full-service airlines operating in the Egyptian market and did not include low-cost airlines. Thus, future studies are recommended to consider low-cost airlines.

## CAPÍTULO 6

### **Discusión de los Resultados, Contribuciones Teóricas e Implicaciones Prácticas**

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- Discusión de los resultados.
- Contribuciones teóricas e implicaciones prácticas
- Limitaciones del estudio y direcciones para investigaciones futuras

## DISCUSIÓN DE LOS RESULTADOS

Este capítulo analiza los hallazgos más importantes que han sido respaldados estadísticamente con base en los resultados del proceso de análisis de datos mostrado en el Capítulo 5. La discusión de los resultados se dividirá en tres secciones principales. En la primera sección se analiza e interpreta los resultados del análisis SEM presentada en el capítulo anterior en relación con la revisión de la literatura previamente llevada a cabo. En la segunda sección se analizan las contribuciones teóricas y las implicaciones prácticas que pueden derivarse de estos resultados. En la sección final, se describen las limitaciones del estudio y se presentan algunas sugerencias para futuras investigaciones.

### **6.1 Discusión e interpretación de los resultados alcanzados**

Desde la investigación pionera de Shimp y Sharma (1987), una gran cantidad de estudios se han centrado en investigar los factores que impulsan el fenómeno del sesgo hacia el país de origen, en particular el etnocentrismo del consumidor como un rasgo del consumidor que explica su sesgo hacia los productos/servicios nacionales sobre las alternativas extranjeras. Aunque la influencia del etnocentrismo en el comportamiento de los consumidores es específica del producto y del país (Balabanis y Diamantopoulos, 2004), se ha identificado que una falta de investigación empírica que examine los factores que impulsan ese sesgo en las industrias de servicios internacionales en general, y en el sector privado de los viajes aéreos y la industria del turismo internacional, en particular. En línea con las futuras líneas de investigación planteadas por la literatura para investigar los factores que impulsan el sesgo del país de origen en el contexto de los viajes y el turismo internacional (p. ej ., Kock et al., 2019; Cassia y Magno,

2022; Suham-Abid y Vila-Lopez, 2020) y partiendo de la la perspectiva de la Teoría de la Identidad Social, el objetivo principal de este estudio ha sido indentificar los factores que impulsan el sesgo del país de origen en los servicios de viajes aéreos y examinar su influencia en el comportamiento de los viajeros hacia los proveedores de servicios aéreos nacionales y extranjeros.

Para lograr los objetivos del estudio, en el estudio se propuso y testó empíricamente un marco conceptual que evalúa las influencias de los dos principales impulsores del sesgo del país de origen (la identidad nacional de los viajeros como -constructo pro-grupo- y el etnocentrismo de los viajeros como -constructo pro dentro del grupo y anti fuera del grupo-), y cómo estos impulsores afectan de manera diferente los comportamientos de los viajeros hacia las aerolíneas nacionales y extranjeras (clasificadas según el país de origen de la compañía), considerando las evaluaciones de los servicios aéreos de los viajeros, la disposición de los viajeros a comprar, y la compra efectiva de servicios de viajes aéreos, tanto para líneas aéreas nacionales como extranjeras. Además, dado el papel crucial del precio como uno de los predictores más importantes de las decisiones y comportamientos de los viajeros en la industria de viajes aéreos, el estudio analizó el rol moderador de la equidad de precios entre los factores que influyen en el sesgo del país de origen y las decisiones de compra reales de los viajeros, identificando como. Cómo la equidad de precios puede fortalecer o debilitar los efectos del sesgo del país de origen.

A partir de una muestra de viajeros de líneas aéreas, los resultados empíricos alcanzados han revelado varios hallazgos sustanciales que ofrecen información valiosa para la literatura existente especializada en viajes y los servicios de líneas aéreas. Los resultados del SEM indican que tanto la identidad nacional como el etnocentrismo de los viajeros influyen de forma significativa en el comportamiento de los viajeros hacia los proveedores de servicios aéreos nacionales y extranjeros.

Estos efectos influyen sobre las evaluaciones de la calidad y valor de los servicios aéreos, la disposición a comprar y el comportamiento real de compra de servicios aéreos ofrecidos por aerolíneas nacionales y extranjeras. Además, los resultados también confirmaron el impacto significativo que las evaluaciones de los viajeros ejercen sobre la calidad del servicio de las aerolíneas y el valor percibido, que a su vez son factores cruciales para la disposición a comprar y la compra real de servicios de viajes aéreos proporcionados por proveedores nacionales y extranjeros. Finalmente, el análisis de regresión múltiple jerárquico llevado a cabo demostró que la equidad de precios percibida modera significativamente los efectos de la identidad nacional y el etnocentrismo de los viajeros en la compra real de servicios aéreos proporcionados por aerolíneas nacionales versus extranjeras por parte de los viajeros. Aunque las consecuencias del sesgo del país de origen en las industrias de servicios, particularmente en viajes y turismo, no se han analizado ampliamente en la literatura previa (Kock et al., 2019; Xiaolong et al., 2022), los hallazgos alcanzados en esta investigación están en línea con la mayoría de estudios previos en comportamiento del consumidor y disciplina de marketing (p. ej., He y Wang, 2015; Le et al., 2013; Zeugner-Roth et al., 2015). En la siguiente sección se pasa a analizar más a fondo estos hallazgos.

### **6.1.1 Identidad nacional y comportamiento de los viajeros**

Las hipótesis de investigación H1, H2 y H3 tienen como objetivo investigar cómo la identidad nacional de los viajeros afecta sus comportamientos hacia los proveedores de servicios aéreos nacionales y extranjeros, considerando las variables de de calidad y valor percibido del servicio aéreo (H1a/b), la disposición a comprar (H2a/b), y la compra real de servicios de viajes aéreos por parte de las aerolíneas (H3a/b). Según los resultados obtenidos tras la estimación del modelo SEM, la identificación de los viajeros con su país de origen (incluido su patrimonio nacional, su estructura de valores y creencias y su homogeneidad cultural) impacta

positivamente en la evaluación de los servicios aéreos prestados por aerolíneas pertenecientes a su país de origen (H1a), mientras que el impacto es negativocuando los proveedores de servicios aéreos son extranjeros (H1b). Resulta de interés señalar que la influencia positiva de la identidad nacional de los viajeros en las evaluaciones de los servicios de las aerolíneas nacionales fue relativamente más fuerte ( $\beta = 0,409$ ,  $p \leq 0,001$ ) en comparación con su efecto negativo en sus evaluaciones de los servicios de las aerolíneas extranjeras ( $\beta = -0,285$ ,  $p \leq 0,01$ ). Estos hallazgos se alinean con investigaciones anteriores llevadas a cabo en el contexto del marketing y el comportamiento del consumidor más general, que indican que las personas con un fuerte sentido de identidad nacional tienden a tener percepciones favorables hacia los productos/marcas nacionales y percepciones negativas hacia los productos/marcas extranjeras, percepciones que actúan como un mecanismo de protección de su identidad y de una identidad social positiva dentro de su comunidad (p. ej., Le et al., 2013; Zeugner-Roth et al., 2015). Aunque el concepto de identidad nacional no ha sido ampliamente investigado en el contexto de los servicios de viajes aéreos, estos hallazgos son consistentes con los de Stamolampros et al. (2020), quienes sugirieron que la fuerte identificación de los individuos con su país de origen tiende a conducir a evaluaciones más favorables de los proveedores de servicios nacionales.

Además, la identidad nacional no sólo afecta la evaluación de los viajeros de los servicios aéreos, sino que también afecta positivamente su disposición a comprar y la compra real de servicios aéreos nacionales (H2a y H3a). Sin embargo, el supuesto efecto adverso del uso de compañías aéreas extranjeras sobre la disposición de los viajeros a comprar y la compra real de servicios no fue significativo (H2b y H3b). Este hallazgo es contrario a los planteamientos teóricos establecidos en el modelo de investigación, si bien, , puede justificarse a partir de la psicología social, que sostiene que la identidad nacional es una construcción

“pro-dentro” del grupo más que una construcción “anti-exogrupo” (p. ej., Zeugner-Roth et al., 2015). La falta de relaciones negativas significativas entre la identidad nacional y la disposición de los viajeros a comprar y su compra real de servicios de líneas aéreas extranjeras implica que las percepciones negativas de los individuos hacia los proveedores de servicios extranjeros no se traducen necesariamente en un sesgo negativo contra los proveedores de servicios de líneas aéreas extranjeros. En otras palabras, el sesgo de los viajeros hacia su país de origen debido a su identidad nacional no necesariamente los hace reacios a comprar servicios de aerolíneas extranjeras, particularmente cuando se consideran otros factores, como el precio, la calidad y el valor percibido del servicio.

### **6.1.2 Etnocentrismo y comportamiento de los viajeros**

Las hipótesis de investigación H4, H5 y H6 tienen como objetivo investigar cómo el etnocentrismo de los viajeros afecta sus comportamientos hacia los proveedores de servicios de aerolíneas nacionales y extranjeras, incluidas las evaluaciones de los viajeros sobre la calidad y el valor del servicio de las aerolíneas (H4a/b), su disposición a comprar (H5a/b), y las compras reales de servicios de viajes aéreos (H6a/b). Según los resultados del modelo SEM estimado, las tendencias etnocéntricas de los viajeros (incluida la protección económica y social, la superioridad percibida de los proveedores de servicios nacionales, las percepciones de propiedad y las reacciones afectivas) impactan positivamente su evaluación de los servicios aéreos prestados por aerolíneas pertenecientes a su país de origen (H4a), al mismo tiempo que afecta negativamente en la evaluación de los servicios aéreos prestados por proveedores de servicios aéreos extranjeros (H4b). Además, se ha de destacar que los resultados del SEM indicaron que el etnocentrismo de los viajeros tuvo un efecto negativo más fuerte en las evaluaciones de los viajeros sobre los servicios de aerolíneas extranjeras ( $\beta = -0,483$ ,  $p \leq 0,001$ ) que el efecto negativo de la identidad nacional ( $\beta = -0,285$ ,  $p \leq 0,01$ ). Aunque las consecuencias



del etnocentrismo no se han discutido ampliamente en el contexto de estudio de las industrias de servicios, particularmente en los servicios de viajes aéreos, estos hallazgos son consistentes con algunos estudios emergentes en el contexto de los viajes y el turismo internacional (p. ej., Kock et al., 2019; Suham-Abid y Vila-López, 2020; Xiaolong et al., 2022; Stamolampros et al., 2020), junto con otros hallazgos alcanzados por la literatura más general del ámbito del marketing y el comportamiento del consumidor, que confirma que los clientes etnocéntricos tienden a sobreestimar la calidad y el valor percibido de las marcas nacionales y a subestimar la calidad percibida y valor percibido de las marcas extranjeras (p. ej., Zeugner-Roth et al., 2015; He y Wang, 2015).

Además, los resultados del modelo SEM estimado indican que el etnocentrismo de los viajeros afecta significativamente a las intenciones de compra y al comportamiento de compra real. Más específicamente, el etnocentrismo de los viajeros tiene un impacto positivo en la disposición a comprar y en la comprareal de servicios aéreos nacionales (H5a y H6a). Además, a diferencia de la identidad nacional, las tendencias etnocéntricas de los viajeros como constructo “anti-exogrupo” pueden afectar negativamente su disposición a comprar y sus compras reales de servicios de aerolíneas extranjeras (H5b y H6b). Sin embargo, se ha de señalar que el efecto significativo del etnocentrismo de los viajeros sobre su disposición a comprar y la compra real de servicios aéreos nacionales y extranjeros fue relativamente débil ( $\beta = 0,247$ ,  $p \leq 0,01$ ;  $\beta = 0,228$ ,  $p \leq 0,05$  para las aerolíneas nacionales; y  $\beta = -0,268$ ,  $p \leq 0,01$ ;  $\beta = -0,206$ ,  $p \leq 0,05$  para las aerolíneas extranjeras respectivamente) en comparación con los efectos significativos en la evaluación de los servicios de las aerolíneas ( $\beta = 0,454$ ,  $p \leq 0,001$  para el grupo de aerolíneas nacionales; y  $\beta = -0,483$ ,  $p \leq 0,001$  para las aerolíneas extranjeras respectivamente). Aunque el impacto del etnocentrismo del consumidor en el comportamiento de compra real de los consumidores no ha sido ampliamente

estudiado en la literatura previa, estos resultados se alinean parcialmente con los resultados alcanzados en estudios llevados a cabo en base con el área de marketing y comportamiento del consumidor más general, en los que se ha identificado que el etnocentrismo del consumidor resulta ser un determinante clave de las preferencias e intenciones de compra de los consumidores (p. ej., He y Wang, 2015; Lee et al., 2010).

Las tendencias etnocéntricas a menudo conducen a una mayor tendencia a rechazar a los proveedores de servicios extranjeros basándose en creencias normativas sobre las amenazas extranjeras y su impacto negativo percibido en la economía y los intereses nacionales, en lugar de las verdaderas evaluaciones y percepciones de los individuos sobre la calidad y el valor del servicio (2008). Por lo tanto, la preferencia de los clientes por los proveedores de servicios nacionales, en este caso, no se debe necesariamente a factores intrínsecos relacionados con el valor de marca, el valor percibido o la calidad del servicio de los proveedores de servicios nacionales/extranjeros (He y Wang, 2015; Suham-Abid y Vila-López, 2020). Por lo tanto, el importante y débil efecto positivo/negativo del etnocentrismo de los viajeros sobre su disposición a comprar servicios aéreos ofrecidos por líneas aéreas nacionales o extranjeras implica que estas intenciones no siempre se traducen en comportamientos reales sin tener en cuenta otros factores relacionados con los atributos del servicio (como son el precio, los servicios previos y posteriores al vuelo, el número de escalas, los programas de fidelización, etc.).

### **6.1.3 Evaluaciones de servicios de aerolíneas, disposición a comprar y compra real**

Las hipótesis de investigación H7 y H8 tienen como objetivo investigar las relaciones estructurales entre las evaluaciones de los servicios de las aerolíneas, la disposición de los viajeros a comprar y su comportamiento de compra real hacia las aerolíneas nacionales y extranjeras. Según los resultados del modelo SEM

estimado, las evaluaciones de los viajeros sobre los servicios aéreos, incluidas sus evaluaciones de la calidad general del servicio y el valor percibido, influyen significativamente en la disposición de los viajeros a comprar servicios aéreos proporcionados por aerolíneas nacionales o extranjeras (H7), lo que a su vez afecta su comportamiento de compra real (H8). Estos hallazgos son totalmente esperados y consistentes con numerosos estudios previos en marketing y literatura sobre viajes aéreos, que han establecido que las evaluaciones de los viajeros de los proveedores de servicios aéreos (p. ej., calidad percibida, valor percibido, conocimiento de la marca y asociación de la marca) impactan significativamente en sus preferencias e intención de compra, que además, pueden influir en las decisiones de compra real hacia los proveedores de servicios tanto nacionales como extranjeros (p. ej., Chen y Zhang, 2008; Wang, 2014; Mayr y Zins, 2012; Pappachan, 2021; Park et al., 2006; Singh, 2021).

Sin embargo, estos hallazgos son cruciales para interpretar su impacto en el comportamiento de los viajeros en comparación con el efecto de los factores psicológicos, incluida la identidad nacional y el etnocentrismo de los viajeros. Aunque los resultados del modelo SEM estimado indican que la identidad nacional de los viajeros, el etnocentrismo y la evaluación de los servicios aéreos afectan de manera diferente a su disposición a comprar servicios de viajes aéreos nacionales y extranjeros, los resultados revelaron que la evaluación de los servicios aéreos tiene una mayor influencia en la disposición de los viajeros a comprar ( $\beta = 0,388$ ,  $p \leq 0,001$ ;  $\beta = 0,448$ ,  $p \leq 0,001$  para aerolíneas nacionales y extranjeras respectivamente) en comparación con el impacto de los factores psicológicos (identidad nacional y etnocentrismo) tanto para aerolíneas nacionales como para extranjeras. Por lo tanto, estos hallazgos indican que la evaluación del servicio de las aerolíneas, incluida la calidad del servicio y el valor percibido, siguen siendo los principales impulsores del comportamiento de los viajeros en comparación con los factores

psicológicos y de actitud. Sin embargo, estos resultados se alinean con la percepción común de los viajeros de las aerolíneas como tomadores de decisiones racionales y, por lo tanto, las consideraciones sobre la calidad del servicio y el valor percibido tienden a ser impulsores mucho más fuertes de las preferencias y decisiones de compra de los viajeros en comparación con los factores psicológicos y de actitud (Kurtulmuşoğlu et al., 2016).

#### **6.1.4 El papel moderador de la equidad de precios percibida**

Las hipótesis de investigación H9 y H10 tienen como objetivo investigar el papel moderador de la percepción de equidad de precios en relación con la identidad nacional de los viajeros y el etnocentrismo en las decisiones reales de compra de servicios aéreos proporcionados por aerolíneas nacionales versus extranjeras. Los resultados indican que la equidad de precios tiene una influencia sustancial y positiva en las decisiones de compra reales de los viajeros. Estos resultados eran totalmente esperados y consistentes con la literatura existente, que proporciona evidencia de que la equidad de precios afecta significativamente al comportamiento de los viajeros de las aerolíneas, incluidas sus preferencias/elecciones de marca, intenciones de compra y compra real (p. ej., Kotler y Armstrong, 2012). Además, estos hallazgos ofrecen una nueva contribución a la literatura existente sobre el papel moderador de la percepción de equidad en los precios en el contexto de las aerolíneas. Los resultados empíricos muestran que las percepciones de los viajeros sobre la equidad de precios de las aerolíneas nacionales pueden mejorar el efecto positivo significativo de la identidad nacional y el etnocentrismo de los viajeros en su compra real de servicios de aerolíneas nacionales (H9a y H10a). Por el contrario, las percepciones de los viajeros sobre la equidad de precios de las aerolíneas extranjeras pueden mitigar el efecto negativo del etnocentrismo de los viajeros en su compra real de servicios de aerolíneas extranjeras (H10b).

En otras palabras, cuando los viajeros creen que la aerolínea nacional ofrece precios más justos en comparación con las aerolíneas extranjeras, se potencian los efectos positivos de la identidad nacional de los viajeros y el etnocentrismo en su compra real de servicios de aerolíneas nacionales. Por el contrario, cuando los viajeros perciben que las aerolíneas extranjeras tienen una mayor equidad de precios que las aerolíneas nacionales, el efecto negativo del etnocentrismo de los viajeros en su compra real de servicios de aerolíneas extranjeras disminuye, por lo que es más probable que compren servicios de aerolíneas extranjeras. Aunque la literatura previa ha discutido ampliamente los impulsores del sesgo del país de origen y su impacto en el comportamiento de los consumidores y las decisiones de compra (p. ej., Verlegh, 2007; Zeugner-Roth et al., 2015; Kim et al., 2013, 2021; Kock et al., 2019; Verma y Naveen, 2021), la literatura existente ofrece un conocimiento limitado acerca de la percepción de los consumidores de cómo la equidad de precios pueden afectar en estas relaciones. Por lo tanto, estos hallazgos representan una valiosa contribución a la literatura existente especializada en el contexto de las aerolíneas, al arrojar luz sobre el rol moderador de la equidad de precios del efecto de factores psicológicos de sesgo del país de origen en el comportamiento de compra real de los viajeros.

## **6.2 Contribuciones e implicaciones del estudio**

Esta sección destaca las contribuciones y las implicaciones prácticas del estudio, que se pueden organizar en dos secciones principales: contribuciones teóricas, que incluye las contribuciones más significativas al cuerpo de conocimiento existente en la literatura internacional sobre marketing de servicios alcanzadas en este estudio, e implicaciones prácticas, que presentan las implicaciones alcanzadas en esta investigación para el ámbito profesional de los servicios de viajes aéreos. Las siguientes secciones proporcionan una discusión en profundidad de estos dos tipos principales de contribuciones.

**6.2.1 Contribuciones Teóricas**

Desde un punto de vista teórico, el estudio ofrece información valiosa, que complementa, la literatura emergente en la disciplina de viajes y turismo internacionales sobre estudios de sesgo en el país de origen (p. ej., Boukamba et al., 2021; Cassia y Magno, 2022; Hong et al., 2023; Kock et al., 2019; Stamolampros et al., 2020). También proporciona contribuciones significativas en el estudio del comportamiento del consumidor propio del ámbito de marketing sobre la identidad nacional y los estudios de etnocentrismo del consumidor desde la perspectiva de la identidad social (p. ej., Sharma, 2015; Siamagka y Balabanis, 2015; Verlegh, 2007; Zeugner-Roth et al., 2015). Estas contribuciones se pueden resumir en los siguientes puntos:

- En primer lugar, el estudio identificó un gap en la literatura existente sobre viajes en avión, que hasta la fecha, ha puesto un énfasis excesivo en el estudio de determinantes tradicionales del comportamiento de los viajeros centrado sólo en el precio y el valor. Por el contrario, las variables psicológicas, en particular la identidad nacional y el etnocentrismo de los viajeros, se han vuelto cada vez más prominentes. Sin embargo, hay poca investigación sobre estos conceptos y su impacto en el comportamiento de los viajeros hacia las aerolíneas nacionales y extranjeras. Considerando las futuras líneas de investigación recientes indicadas por la literatura, centradas en investigar el papel de las variables psicológicas en el comportamiento de los viajeros, el presente estudio proporciona una contribución a la literatura al investigar los factores que impulsan el fenómeno del sesgo hacia el país de origen en los servicios de viajes en avión, con la que se trata de enriquecer la comprensión de cómo la identidad nacional y el etnocentrismo de los viajeros influyen en el comportamiento hacia las aerolíneas nacionales y extranjeras. En consecuencia, este trabajo contribuye a la creciente literatura sobre los sesgos intergrupales entre los viajeros de aerolíneas (p. ej.,

- Bruning y Saqib, 2013; de Jong et al., 2022; Stamolampros et al., 2020), al subrayar la importancia de estudiar el comportamiento de los viajeros desde una perspectiva más holística en la que los factores psicológicos se tratan como un determinante importante del comportamiento de los viajeros junto con otras valoraciones de la oferta del servicios (como son la calidad y el valor percibido).
- En segundo lugar, el estudio proporciona un modelo conceptual que examina el poder predictivo de dos de las explicaciones teóricas principales del fenómeno del sesgo del país de origen identificado por Bartsch et al. (2016), éstas son, la identidad nacional de los viajeros (como -constructo pro-grupo) y el etnocentrismo de los viajeros (como una construcción pro-dentro del grupo y anti-exogrupo). Estos dos impulsores principales, junto con el constructo de evaluación del servicio de la aerolínea como constructo cognitivo, abordan tres mecanismos de comportamiento del consumidor (cognitivo, afectivo y normativo). El modelo investiga cómo estos constructos afectan de manera diferente el comportamiento de los viajeros hacia las aerolíneas nacionales y extranjeras (según su país de origen) simultáneamente, incluida la disposición de los viajeros a comprar y las decisiones de compra reales. Además, se incluye el rol moderador de la equidad de precios como uno de los predictores más importantes de las decisiones y comportamiento de los viajeros, considerando cómo la equidad de precios puede fortalecer o debilitar los efectos de los factores que influyen en el sesgo del país de origen.
  - En tercer lugar, a diferencia de la gran mayoría de estudios anteriores sobre el sesgo en el país de origen, que se centraban principalmente en las actitudes de los consumidores, las intenciones de compra y la disposición a comprar como consecuencias esperadas del sesgo en el país de origen, este trabajo se centra en las decisiones de compra reales de los viajeros como consecuencia potencial del sesgo en el país de origen, y cómo los impulsores del sesgo del país de origen

puede afectar significativamente en el comportamiento de compra real de los consumidores.

- En cuarto lugar, el estudio contribuyó a la literatura actual sobre viajes en avión al desarrollar una escala integral para medir el etnocentrismo de los viajeros como una construcción multidimensional, que refleja la estructura integral de dicho constructo. Ello es una aportación dado que las escalas previas aportadas por la literatura adoptan una estructura la construcción en comparación con la escala unidimensional que solo se centra en motivos socioeconómicos. Además de la protección económica y social, que representa el elemento central del concepto de etnocentrismo, la escala desarrollada reconoce incluye la superioridad percibida de los proveedores de servicios nacionales, las percepciones de propiedad psicológica y las reacciones afectivas hacia los proveedores de servicios nacionales como una dimensiones claves ón vital del etnocentrismo de los viajeros. Estas percepciones de superioridad y autenticidad de los proveedores de servicios nacionales, la forma de posesión psicológica y las reacciones afectivas hacia los proveedores de servicios nacionales tienen implicaciones sustanciales en cómo actúan los individuos hacia los proveedores de servicios que pertenecen a diferentes países/orígenes, particularmente cuando el proveedor de servicios representa un icono o símbolo /nacional. Símbolo en sus para sus países (Gineikiene et al., 2017). Además, estas dimensiones fueron respaldadas teóricamente por muchos estudios en la literatura existentes, como (p.ej., Vida y Reardon, 2008; Sharma, 2015; Hong et al., 2023). La escala validadesarrollada representaría un instrumento importante para la literatura especializada en el estudio del existente sobre viajes y turismo dedicada a investigar los comportamientos de los viajeros y los sesgos intergrupales, lo que ayudaría a los investigadores a capturar con precisión las dimensiones cognitivo-afectivas que constituyen el constructo etnocentrista de los viajeros.



- En quinto lugar, los hallazgos contribuyeron a la literatura actual sobre viajes y turismo al proporcionar evidencia empírica del efecto significativo de la identidad nacional y el etnocentrismo de los viajeros en las percepciones de los viajeros sobre la evaluación de los servicios de las aerolíneas, incluida su evaluación general de la calidad del servicio y el valor percibido, la disposición de los viajeros a comprar y la compra efectiva de servicios aéreos prestados por líneas aéreas nacionales y extranjeras. Aunque la investigación académica y empírica del fenómeno del sesgo del país de origen en el contexto de los viajes y el turismo aún es escasa (Stamolampros et al., 2020), estos hallazgos son consistentes con la literatura sobre comportamientos del consumidor y su aplicación a la industria de viajes aéreos internacionales, y constituye una contribución importante a la literatura de viajes y turismo.
- En sexto lugar, el estudio detalló los diversos mecanismos subyacentes al impacto de la identidad nacional y el etnocentrismo del consumidor y comparó sus efectos en el comportamiento de los viajeros hacia los proveedores de servicios nacionales y extranjeros. El estudio ha mostrado que la identidad nacional tiene sus raíces en mecanismos afectivos que surgen de la identificación de los individuos con su cultura nacional y su sentido de pertenencia a su cultura de origen. Por el contrario, el etnocentrismo de los viajeros está impulsado por las respuestas normativas de los individuos, incluida la responsabilidad nacionalista, la moralidad de comprar servicios extranjeros y los sentimientos patrióticos para proteger las economías nacionales, particularmente cuando enfrentan amenazas extranjeras. Comprender mecanismos tan diferentes es teóricamente importante para que los especialistas en marketing comprendan las diferentes respuestas de los consumidores ante las marcas nacionales y extranjeras. Por lo tanto, en este estudio, medimos el comportamiento de compra de los consumidores hacia proveedores de servicios tanto nacionales como

extranjeros, lo que permite hacer una comparación directa entre el comportamiento de los viajeros hacia las marcas de aerolíneas nacionales y extranjeras. Por ejemplo, la literatura anterior, en relación con el sesgo del país de origen, suele utilizar la disposición de los consumidores a comprar marcas nacionales como variable dependiente y supone que los consumidores rechazarán las marcas extranjeras al mismo tiempo, pero tales suposiciones han sido criticadas en la literatura existente (p. ej., He y Wong, 2015; Suh y Kwon, 2003). En línea con estas críticas, los hallazgos de este trabajo confirmaron que la identidad nacional tiene un impacto negativo significativo en la evaluación de los viajeros de los servicios de aerolíneas extranjeras; y que, sin embargo, no tiene ningún impacto negativo significativo en su disposición a comprar o comprar efectivamente servicios de líneas aéreas extranjeras.

- En séptimo lugar, el estudio introduce una nueva contribución para la literatura existente en marketing y servicios de aerolíneas internacionales al proporcionar evidencia empírica del rol moderador de la equidad de precios en la relación establecida entre los impulsores del sesgo del país de origen y los comportamientos de compra reales de los viajeros. El papel de la equidad de precios reviste especial importancia, particularmente en países en desarrollo como Egipto, donde los consumidores con menores ingresos a menudo se enfrentan al dilema de elegir entre marcas extranjeras muy llamativas y marcas nacionales con una imagen menos llamativa (He y Wang, 2015). Aunque la literatura previa ha proporcionado amplia evidencia de que la influencia de la identidad nacional y el etnocentrismo del consumidor en el comportamiento de los consumidores hacia productos/servicios nacionales y extranjeros depende de varios factores contextuales, como el valor de la marca y la similitud cultural (p. ej., Bruning y Saqib, 2013; Stamolampros et al., 2020), ninguna investigación previa ha explorado el papel de la equidad de precios en estas relaciones, a pesar

de su relevancia para las condiciones económicas actuales. Siguiendo los resultados alcanzados en este estudio, las percepciones de los viajeros sobre la equidad de precios no sólo mejoran el efecto positivo de la identidad nacional y el etnocentrismo en la compra real de servicios de aerolíneas nacionales por parte de los viajeros, sino que también mitigan el efecto negativo de estos conceptos en la compra real de servicios aéreos extranjeros por parte de los viajeros servicios.

### **6.2.2 Implicaciones prácticas**

Aunque muchos investigadores han predicho que la globalización reducirá el sesgo etnocéntrico en los mercados internacionales, curiosamente las tendencias políticas y económicas actuales revelan que estas predisposiciones pueden no cumplirse (Kock et al., 2019). Estos prejuicios etnocéntricos pueden anular el proceso normal de toma de decisiones de los viajeros, que supuestamente se basa en consideraciones de calidad y valor percibido. Por lo tanto, comprender el sesgo etnocéntrico de los viajeros será útil para orientar las estrategias de marketing de las aerolíneas (p. ej., Stamolampros et al., 2020). Como tal, desde un punto de vista gerencial, el presente estudio proporciona algunas recomendaciones importantes que tienen un claro valor práctico para los especialistas en marketing de servicios aéreos, derivados de la influencia significativa de la identidad nacional y del etnocentrismo de los viajeros en los resultados relacionados con el servicio. Estas implicaciones se pueden recoger en los siguientes puntos:

- En primer lugar, dado el considerable impacto positivo/negativo de la identidad nacional y el etnocentrismo de los viajeros en el comportamiento de los viajeros hacia las aerolíneas nacionales/extranjeras, las predisposiciones etnocéntricas existentes pueden crear una ventaja para las aerolíneas nacionales y representar amenazas para las aerolíneas extranjeras. Si bien, los gerentes de aerolíneas pueden estandarizar su imagen de marca en sus mercados nacionales y extranjeros, estos hallazgos sugieren que se deberían adoptar estrategias de

- asociación de marca para volverse más “locales” o “globales”, dependiendo de la dirección del sesgo etnocéntrico (Kock et al., 2019). En los mercados domésticos, las aerolíneas nacionales pueden aprovechar el sesgo positivo de los viajeros hacia las aerolíneas nacionales promoviendo activamente una imagen local o nativa de su marca, y viceversa en los mercados extranjeros. También pueden asociar su imagen de marca con la identidad nacional del país para aprovechar los sentimientos de orgullo y amor de los individuos por las marcas nacionales utilizando actividades de marketing nacionalistas y etnocéntricas, como publicidad patriótica y campañas promocionales etnocéntricas, que pueden influir significativamente en las preferencias de los viajeros. Un ejemplo reciente de tales prácticas de marketing etnocéntricas es la campaña promocional “#Support\_Egyptair” implementada por la aerolínea nacional egipcia, cuyo objetivo era estimular las creencias nacionales y etnocéntricas de los viajeros y el orgullo nacional para apoyar a las aerolíneas nacionales contra amenazas externas.
- En segundo lugar, los resultados confirmaron que la identidad nacional y el etnocentrismo de los viajeros pueden ser una ventaja para las compañías aéreas nacionales y un obstáculo para las aerolíneas extranjeras. Las actividades promocionales nacionalistas y etnocéntricas pueden mejorar significativamente las percepciones de los viajeros sobre la calidad del servicio de las aerolíneas, el valor percibido y las compras de aerolíneas por parte de los proveedores de servicios de aerolíneas nacionales, y viceversa, para las aerolíneas extranjeras. Por lo tanto, aunque las barreras tangibles a los viajes se han eliminado en gran medida debido a la liberalización de los mercados de las aerolíneas, el sesgo hacia el país de origen sigue siendo una de las limitaciones intangibles más importantes que son difíciles de superar mediante estrategias de marketing tradicionales (Bruning y Saqib, 2013). La literatura existente ha sugerido algunas estrategias que pueden ayudar a los proveedores de servicios internacionales a mitigar el sesgo del país de origen, como es emplear a recursos humanos locales para brindar sus servicios,

confiar en estrategias de responsabilidad social y crear asociaciones de marca con sus clientes extranjeros a través del patrocinio de eventos nacionales (como podrían ser selecciones nacionales de fútbol, otros deportes o eventos culturales, u otro tipo de iniciativas positivas) (p. ej., Cassia y Magno, 2022). Estas actividades de marketing pueden eventualmente reducir el nivel de parcialidad del país de origen contra los proveedores de servicios extranjeros y aliviar la resistencia de los clientes a los servicios de líneas aéreas extranjeras.

De hecho, muchas de estas estrategias son aplicadas por muchas aerolíneas con múltiples propósitos. Con base en los resultados alcanzados del estudio cualitativo llevado a cabo con expertos de la industria, se sugiere algunas estrategias adicionales que puedan ser particularmente útiles para las aerolíneas. Se recomienda a las aerolíneas que operan en mercados con altos niveles de sesgo etnocéntrico que confíen en estrategias de asociación con socios locales/nacionales, como acuerdos de código compartido y alianzas estratégicas de aerolíneas, que pueden ayudar a reducir el nivel de competencia con las aerolíneas nacionales/locales y capitalizar la imagen positiva que las compañías aéreas asociadas puedan tener en sus mercados nacionales, ello además aportaría otras ventajas para las operaciones aéreas y los itinerarios de los viajeros (de Jong et al., 2022). Estas estrategias han ayudado en gran medida a muchas aerolíneas, como Aegean Airlines y Turkish Airlines, a superar el sesgo etnocéntrico en los mercados de Medio Oriente y resistir la feroz competencia de las aerolíneas del Golfo (p. ej., Qatar Airways y Emirates Airline). Sin embargo, un desafío importante para las estrategias de asociación es la cuestión de posibles inconsistencias del servicio proporcionado, que puede causar insatisfacción entre los viajeros (Lu y Yang, 2022).

- En tercer lugar, el significativo efecto positivo/negativo de la identidad nacional y el etnocentrismo de los viajeros en la evaluación que hacen de los servicios

aéreos, incluida la percepción de la calidad y del valor del servicio, revela que la estrategia de estandarización puede no ser una estrategia adecuada para prestar servicios aéreos y, por tanto, estas percepciones deberían reflejarse en la forma en que las aerolíneas adaptan sus ofertas. Las aerolíneas necesitarán invertir más en sus atributos de servicio para brindar calidad y valor de servicio aceptables cuando se dirijan a viajeros extranjeros en comparación con los viajeros nacionales. Aunque una mejora significativa en los atributos del servicio requeriría enormes inversiones, se espera que éstas aumenten los ingresos de las aerolíneas al aumentar el nivel de aceptación de sus servicios por parte de los viajeros en los mercados extranjeros. Además de mejorar los atributos del servicio, la formación de los empleados es fundamental para minimizar las percepciones sesgadas de los viajeros sobre la calidad y el valor del servicio (Suham-Abid y Vila-Lopez, 2020). Por lo tanto, se recomienda a las aerolíneas que inviertan en capacitar a sus empleados de primera línea en cada punto de contacto con los viajeros sobre cómo adaptar los servicios prestados cuando tratan con viajeros con altos niveles de sesgo etnocéntrico.

- En cuarto lugar, dada la naturaleza intercultural de los servicios de las aerolíneas, éstas deben considerar sus servicios desde un punto de vista holístico, no como un conjunto de instalaciones y comodidades sino también, como un conjunto de interacciones entre individuos culturalmente diversos que están fuertemente influenciados por sus factores psicológicos. Por lo tanto, debido a las diferencias culturales, se recomienda a las aerolíneas que operan internacionalmente que presten atención a las señales psicológicas de su identidad visual (por ejemplo, símbolos, logotipos, letreros y uniformes) transmitidas en sus actividades de marketing y promoción en sus mercados culturalmente diversos para garantizar que comunicarse con sus mercados objetivo utilizando la identidad visual correcta

y evitar malentendidos culturales como una fuente importante de sesgo etnocéntrico (p. ej., Bruning y Saqib, 2013).

- En quinto lugar, los responsables del desarrollo del sector y políticas pueden aprovechar los impulsores cognitivos, normativos y afectivos del sesgo del país de origen para determinar el contenido y los atractivos apropiados para sus campañas promocionales. Por ejemplo, las campañas nacionales, que suelen contar con el apoyo de los gobiernos para alentar a los clientes a comprar y apoyar las marcas nacionales (He y Wang, 2015), no deberían basarse únicamente en atributos cognitivos y normativos, como los méritos y servicios de los productos nacionales, y los beneficios económicos y sociales de comprar productos/servicios nacionales, si no que también se debe evocar a los sentimientos patrióticos y al sentido de pertenencia de los clientes hacia los proveedores de servicios nacionales.
- En sexto lugar, los viajeros están cada vez más preocupados por la equidad de los precios de los billetes, y estas preocupaciones se reflejan en sus evaluaciones del valor percibido ofrecido por las diferentes aerolíneas y en sus decisiones de compra. Según los hallazgos de este trabajo, la percepción de los viajeros sobre la equidad de precios no sólo pueden fortalecer el impacto positivo de la identidad nacional y el etnocentrismo en la compra real de servicios de aerolíneas nacionales por parte de los viajeros, sino que también pueden disminuir el impacto negativo del etnocentrismo en su compra real de servicios aéreos extranjeros. Por lo tanto, las aerolíneas deben comprender que se requiere de una compensación o equidad entre la calidad del servicio y los precios de los billetes antes de desarrollar sus estrategias de marketing y fijación de precios. Además, antes aumentos de precios, se debe seguir una estrategia de precios racional que mejore la aceptación y la percepción por parte de los viajeros de que dicho aumento del precio es justo o no es excesivo. Por lo tanto, es crucial que las aerolíneas adopten

estrategias de marketing apropiadas que mejoren la percepción del valor a través de sus servicios básicos y auxiliares, y que contribuyan de manera más significativa a mejorar la disposición de los viajeros a pagar por aumento de precios. Además, las mejoras en los atributos del servicio deberían orientarse hacia la incorporación de aquellos de mayor valor para los viajeros (Lim y Tkaczynski, 2017).

- En séptimo lugar, los resultados revelan que las evaluaciones de los servicios de las líneas aéreas, incluida la calidad general del servicio y el valor percibido, tienen una mayor influencia en el comportamiento de los viajeros (es decir, la disposición a comprar y las decisiones de compra), que los factores psicológicos (es decir, la identidad nacional y el etnocentrismo de los viajeros), tanto para las compañías nacionales como para las extranjeras. Por lo tanto, los especialistas en marketing de aerolíneas deben considerar que mejorar las preferencias y las compras en la compañía por parte de los viajeros, puede lograrse principalmente centrándose en la mejora de la calidad del servicio y realzando el valor percibido de los servicios ofrecidos por la compañía, en lugar de concentrarse extremadamente en factores psicológicos.

### **6.3 Limitaciones y futuras líneas de investigación propuestas**

Es importante señalar que, como cualquier estudio transversal, los hallazgos de esta investigación deben considerarse asumiendo determinadas limitaciones. Dichas limitaciones afectan a la capacidad de generalización de los resultados alcanzados, que en todo caso ha de hacerse con cautela. Si bien, estas limitaciones, no deben llegar a subestimar las ideas y hallazgos alcanzados y que ofrece este estudio. Además, a partir de las limitaciones de este trabajo, se identifican varias áreas para las que se demanda el desarrollo de una mayor investigación, y que constituyen la base a partir de las que se proponen futuras líneas de investigación:



- En primer lugar, una de las limitaciones, es que según se ha comentado previamente, el estudio empírico se desarrolló con un diseño transversal. Este diseño proporciona información de la situación en un momento específico, pero no ofrece información sobre cómo la situación podría haber cambiado con el paso del tiempo, o cómo las opiniones de los pasajeros pueden evolucionar. Si bien este método permite identificar las relaciones estructurales entre las variables del estudio, limita la capacidad de hacer inferencias causales. Además, resulta interesante considerar que el fenómeno del sesgo hacia el país de origen es muy vulnerable a variables externas como las amenazas políticas y económicas y las campañas promocionales (Verma y Naveen, 2021). Por lo tanto, para estudios futuros, se recomienda un diseño de investigación longitudinal para mejorar la generalización de los hallazgos e identificar cambios en las tendencias etnocéntricas de los individuos.
- En segundo lugar, existen limitaciones a la hora de generalizar los resultados alcanzados en el estudio a otras poblaciones. Una de esas limitaciones es que los hallazgos pueden ser específicos a nivel cultural para la población estudiada. Los hallazgos del estudio se basan en una muestra de datos recopilados de clientes en Egipto, una sociedad conocida por su cultura colectivista (Darwish y Huber, 2003). Investigaciones anteriores han demostrado que la orientación cultural, ya sea colectivista o individualista, puede influir significativamente en las actitudes y comportamientos de los consumidores hacia los proveedores de servicios tanto nacionales como extranjeros (p. ej., Kumar et al., 2011). Por lo tanto, se recomienda que estudios futuros apliquen este marco a sociedades individualistas y comparen los resultados entre diferentes culturas para mejorar la generalización de los hallazgos.
- En cuarto lugar, otra limitación es que el estudio utilizó un método de muestreo no probabilístico. Ello se debió a que existía un marco de muestreo preespecificado.

Por lo tanto, es importante tratar los resultados con cautela al considerar su generalización. En consecuencia, estudios futuros podrían reconsiderar este marco de investigación utilizando una muestra más representativa para validar de nuevo y aumentar la generalización de los resultados.

- En quinto lugar, dado el importante papel que desempeña el precio en los servicios de viajes aéreos, este estudio solo ha investigado el efecto moderador de la equidad de precios. Investigaciones futuras podrían explorar la influencia de otros efectos moderadores, como el valor de marca de las aerolíneas, la capacidad corporativa percibida, la disponibilidad de marcas nacionales, la similitud cultural, la apertura cultural y la búsqueda de novedades como variables moderadoras.
- Por último, el estudio se limitó a las aerolíneas de servicio completo que operan en el mercado egipcio y no incluyó a las aerolíneas de bajo coste. Por ello, se recomienda que futuros estudios consideren compañías de bajo coste.

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## **APPENDICES:**

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**Appendix A. Survey Questionnaire**

**Appendix B. Translated Survey Questionnaire**

**Appendix C. Detection of Outliers**

**Appendix D. Descriptive Statistics**

**Appendix E. Normality Test**

**Appendix F. Frequency Histograms Graphs**

**Appendix G. Discriminant Validity**

**Appendix H. Publications**

## **Appendix A. Survey Questionnaire**

### **Questionnaire**

**Dear travellers,**

This survey aims to investigate the effect of the home-country bias phenomenon on travellers' evaluations and purchasing decisions between national and foreign airlines. Therefore, I would like to invite you to participate in this survey by filling out this questionnaire, which I am conducting as a part of my PhD degree. The survey is purely academic, and the data you provide will be confidential and used only for scientific purposes. Completing this survey will not take more than 10 minutes of your time. Also, answering all questions in this survey will help us to better understand your opinion. Finally, thank you very much for your time and cooperation, and if you have any questions, please do not hesitate to contact us.

**Yours sincerely,**

**Hany Ragab**

**E-mail:** [Hani\\_ragab@foc.cu.edu.eg](mailto:Hani_ragab@foc.cu.edu.eg)

**Section A: Please tick the appropriate box below**

- The purpose of your flight:
 

☐ Business  
☐ Tourism

☐ Visiting Friends/relatives  
☐ Other.....
- How many times have you traveled by airline in the last 12 months?
 

☐ It is my first time.  
☐ More than three times

☐ Two – three times.
- The type of your current travel flight:
 

☐ Domestic flight

☐ International flight
- What is the origin of your airline service provider for your current flight?
 

☐ Egyptian airline company; Please mention it, if possible .....  
☐ Foreign airline company; Please mention it, if possible .....

**(The following questions will be related to the airline that you mentioned in the above question).**

- 1) Please indicate your level of agreement with the following statements describing your evaluation of the airline service provider that you mentioned above on a 5 point scale from 1 to 5 (where 1= totally disagree and 5= totally agree).

Statements	Totally disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Totally Agree (5)
1. The services and facilities provided by this airline meet my needs and expectations.					
2. This airline delivers excellent or superior service quality (e.g. In-flight services, comfortable in-flight seats, and entertainment).					
3. The services provided by this airline are reliable (e.g. flight schedules, on-time departure and arrival, and baggage handling).					
4. This airline provides a high standard of service (e.g. reservation and ticketing system, safety and security system, and check-in service).					
5. Overall, I am very satisfied with the service quality provided by this airline.					
6. Considering the ticket price I paid for this airline, the airline offers excellent services.					
7. Compared to what I have given up (e.g. money, time and effort), the airlines offer fair service with good value for money.					
8. The service is good and valuable for the price paid.					
9. Overall, this airline offers good value for money.					



- 2) Please indicate your level of agreement with the following statements describing your evaluations of price fairness offered by the airline, as well as your willingness to purchase and actual purchase of airline services provided by the airlines that you mentioned above on 5-point scale (where 1= totally disagree and 5= totally agree).

Statements	Totally disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Totally Agree (5)
1. The ticket price of this airline is competitive and reasonable for me.					
2. The price of this airline meets my expectations.					
3. I am satisfied with the price of this airline.					
4. The price charged by this airline is relatively fair compared to other airlines.					
5. This airline is my first choice when I think to buy an airline ticket.					
6. In comparison to other service providers, I prefer to fly with this airline.					
7. I would go for this airline when I look for an airline ticket.					
8. I am willing to purchase this airline's products in the future.					
9. I am a regular customer of this airline company.					
10. I always purchase my airline tickets from this airline.					
11. I purchase airline tickets from this airline on regular basis.					
12. I would continue to buy a ticket from this airline in the future.					

- 3) Please indicate your level of agreement with the following statements describing your national identity as Egyptian citizen on 5 point scale (where 1= totally disagree and 5= totally agree).

Statements	Totally disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Totally Agree (5)
1. I feel proud to be an Egyptian citizen.					
2. Egypt has a strong historical heritage.					
3. Egyptians are proud of their nationality and national identity.					
4. It is very important for me to remain close to the Egyptian culture.					
5. Religion is essential to preserve the cohesiveness of Egyptian society.					

6. A true Egyptians would never reject their religious beliefs.					
7. Religious philosophy is an important part of being Egyptian.					
8. One of the Egyptians' strengths is their interest in events of historical importance.					
9. Egyptians feel that they come from a common cultural/ historical background.					
10. Egyptians possess certain cultural attributes that other people do not possess.					
11. People frequently engage in cultural activities that identify them as Egyptians.					
12. Egyptian culture influences my words and actions.					

- 4) Please indicate your level of agreement with the following statements which describes your ethnocentric tendencies toward national airline firms on a 5 point scale from 1 to 5 (where 1= totally disagree and 5= totally agree).

Statements	Totally disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Totally Agree (5)
1. Flying with national airlines is a moral duty to keep local workers in the airline industry.					
2. Using foreign airlines hurts our national airline companies and causes unemployment.					
3. We should consider the local workers when we make our airline choice decisions.					
4. Even if it costs me more, I prefer to fly with our national airline service providers.					
5. We must put more restrictions on foreign service providers to protect our national companies.					
6. I trust our airlines more than foreign airline service providers.					
7. When it comes to airline services, our national airlines offer the best service quality, reliability, and safety.					
8. National airline service providers offer the best flying experience.					
9. I have a sense of ownership towards our national airline service providers.					
10. The success of our national airline service providers is like my own success.					
11. I am psychologically attached to our national airline service providers.					
12. I feel more familiar with national airline service providers compared to foreign airlines.					
13. I feel a sense of belonging to our national airline					

service providers.					
14. I feel emotionally attached to our national airline service providers.					
15. Travelling with our national airlines would help me express my identity.					
16. I feel great pride when I travel with our national airline service providers.					

**Section B: Please tick the appropriate box below**

▪ **You are:**

☐ Male

☐ Female

▪ **Your age:**

☐ From 18 to Less than 25

☐ From 25 to less than 35

☐ From 35 to less than 50

☐ 50 or more

▪ **Your marital status:**

☐ Single

☐ Married

☐ Other.....

▪ **Your last educational level:**

☐ Secondary school and below

☐ High school

☐ University degree (Bachelor)

☐ Postgraduate degree (Master or PhD)

▪ **Your occupation:**

☐ Government officer

☐ Private Employee

☐ Professional and services

☐ Other .....

▪ **Your monthly income:**

☐ 10.000 or less EGP.

☐ From 10.001 to 20.000 EGP.

☐ From 20.001 to 40.000 EGP.

☐ More than 40.000 EPG.

**End of Survey!**

**Thanks for your cooperation ☺**

## Appendix B. Translated Survey Questionnaire

### قائمة إستقصاء

عزيزي المسافرين،

يهدف هذا الإستبيان إلى دراسة تأثير ظاهرة التحيز للبلد الأم أو التحيز لمقدم الخدمة المحلي على تقييمات المسافرين لمقدمي الخدمة وقرارات شراء خدمات السفر الجوي من شركات الطيران الوطنية والأجنبية. لذلك، أود أن أدعوكم للمشاركة في هذا الاستطلاع من خلال ملء هذا الاستبيان، والذي أقوم بإجرائه كجزء من دراستي للحصول على درجة الدكتوراه في إدارة الأعمال. يعد الغرض من هذا الإستبيان أكاديمي بحث، والبيانات التي تقدمها ستكون في سرية تامة وتستخدم للأغراض العلمية فقط. كما أن الأجوبة على هذا الاستبيان لن يستغرق أكثر من 10 دقائق من وقتك. كما أن الإجابة على جميع الأسئلة في هذا الاستبيان ستساعدنا على فهم أرائك بشكل جيد. أخيراً، شكراً جزيلاً على وقتكم وتعاونكم مع الباحث، وإذا كانت لديكم أية أسئلة تخص موضوع البحث يرجى عدم التردد في التواصل معنا عبر البريد المرفق .

وتفضلوا بقبول فائق الاحترام،

الباحث/ هاني رجب

E-mail: [Hani\\_ragab@foc.cu.edu.eg](mailto:Hani_ragab@foc.cu.edu.eg)

القسم أ: يرجى اختيار الإجابة المناسبة للأسئلة التالية:

الغرض من رحلتك:

- ☐ السياحة ☐ العمل  
☐ زيارة الأهل أو الأصدقاء ☐ أخرى .....

■ كم مرة سافرت بالطائرة خلال الـ 12 شهرًا الماضية؟

- ☐ المرة الأولى. ☐ مرتين - ثلاث مرات.  
☐ أكثر من ثلاث مرات.

■ نوع رحلة سفرك الحالية:

- ☐ رحلة محلية / داخلية. ☐ رحلة دولية - خارجية.

■ ما هي جنسية (البلد الذي ينتمي إليه) شركة الطيران الخاص برحلتك الحالية؟

- ☐ شركة طيران مصرية، من فضلك أذكرها .....  
☐ شركة طيران أجنبية، من فضلك أذكرها .....

(الأسئلة التالية ستكون متعلقة بتقييمك لشركة الطيران التي ذكرتها في السؤال أعلاه).

1) يرجى تحديد مدي موافقتك على العبارات التالية التي تصف تقييمك لشركة الطيران الذي ذكرته أعلاه على مقياس مكون من 5 نقاط (حيث 1 = غير موافق تمامًا و 5 = موافق تمامًا).

العبارات	غير موافق تمامًا (1)	غير موافق (2)	محايد (3)	موافق (4)	موافق تمامًا (5)
1. الخدمات والتسهيلات التي تقدمها شركة الطيران تلبي احتياجاتي وتوقعاتي.					
2. تقدم شركة الطيران جودة خدمة ممتازة أو فائقة (مثل الخدمات على متن الطائرة، مقاعد مريحة، ووسائل الترفيه).					
3. تقدم شركة الطيران خدمات ذات مستوي موثوقة عالية (مثل جداول الرحلات، مواعيد المغادرة والوصول، ونقل الأمتعة).					
4. تقدم شركة الطيران مستوى عالٍ من الخدمة (مثل نظام حجز التذاكر، إجراءات السلامة والأمان، وخدمة تسجيل الوصول وإنهاء إجراءات السفر).					
5. بشكل عام، أنا راضي تمامًا عن جودة الخدمة التي تقدمها شركة الطيران.					
6. بالنظر إلى سعر التذكرة الذي دفعته، فإن هذه الشركة تقدم خدمات ممتازة.					
7. بالمقارنة مع ما قدمته من (مال، وقت، وجهد)، تقدم الشركة خدمة عادلة ذات قيمة جيدة مقابل المال.					
8. الخدمة التي تقدمها الشركة جيدة وتتناسب مع السعر المدفوع .					
9. بشكل عام، تقدم الشركة قيمة جيدة مقابل المال.					

1) يرجى تحديد مدي موافقتك على العبارات التالية التي تصف مدي إستعدادك للشراء ، الشراء الفعلي، وعادلة السعر الذي تقدمه شركة الطيران التي ذكرتها أعلاه على مقياس مكون من 5 نقاط (حيث 1 = غير موافق تمامًا و 5 = موافق تمامًا).

العبارات	غير موافق تمامًا (1)	غير موافق (2)	محايد (3)	موافق (4)	موافق تمامًا (5)
1. سعر التذكرة الذي تقدمه هذه الشركة تنافسي ومعقول بالنسبة لي.					
2. أسعار هذه الشركة يتناسب مع توقعاتي.					
3. أنا راضي عن السعر الذي تقدمه هذه الشركة.					
4. السعر الذي تقدمه هذه الشركة عادل نسبيًا مقارنة بأسعار الشركات الأخرى.					
5. تعد شركة الطيران هذه هي إختياري المفضل عندما أفكر في شراء تذكرة طيران.					
6. بالمقارنة مع شركات الطيران الأخرى، فأنا أفضل السفر عبر شركة الطيران هذه.					
7. سأختار شركة الطيران هذه عندما أبحث عن تذكرة طيران.					
8. أنا على استعداد لشراء خدمات شركة الطيران هذه في المستقبل.					
9. أنا عميل دائم لشركة الطيران هذه.					
10. أقوم دائمًا بشراء تذاكر الطيران الخاصة بي من شركة الطيران هذه.					
11. أقوم بشراء تذاكر الطيران بشكل منتظم من هذه الشركة.					
12. سوف أستمر في شراء تذكرة من شركة الطيران هذه في المستقبل.					

2) يرجى تحديد مدي موافقتك على العبارات التالية التي تصف مدي مستوي هويتك الوطنية كمواطن مصري على مقياس مكون من 5 نقاط (حيث 1 = غير موافق تمامًا و 5 = موافق تمامًا).

العبارات	غير موافق تمامًا (1)	غير موافق (2)	محايد (3)	موافق (4)	موافق تمامًا (5)
1. أشعر بالفخر لكوني مواطنًا مصريًا.					
2. تمتلك مصر تراث تاريخي وثقافي كبير.					
3. يفتخر المصريون بجنسيتهم وهويتهم الوطنية.					
4. من المهم جدًا بالنسبة لي أن أبقى محتفظًا بثقافتي المصرية.					
5. يعد الدين ضروري للحفاظ على تماسك المجتمع المصري.					
6. المصري الحقيقي لن يرفض أبدًا إظهار معتقده الدينية.					
7. تعد الفلسفة الدينية جزء مهم من كونك مصريًا.					
8. من نقاط قوة المصريين هو اهتمامهم بالأحداث ذات الأهمية					

					التاريخية
					9. يشعر المصريون أنهم ينحدرون من خلفية ثقافية/ تاريخية مشتركة.
					10. يمتلك المصريون سمات ثقافية معينة لا يمتلكها الآخرون.
					11. يشارك المصريين في أنشطة ثقافية التي تدل على هويتهم كمصريين.
					12. الثقافة المصرية تؤثر على أقواله وأفعالي.

(3) يرجى تحديد مدى موافقتك على العبارات التالية التي تصف مستوى تحيزك العرقي تجاه مقدمي الخدمات المصريين مقابل مقدمي الخدمات الأجانب على مقياس مكون من 5 نقاط (حيث 1 = غير موافق تمامًا و 5 = موافق تمامًا).

غير موافق تمامًا (1)	غير موافق (2)	محايد (3)	موافق (4)	موافق تمامًا (5)	العبارات
					1. السفر عبر شركات الطيران الوطنية واجب أخلاقي للحفاظ على العمال المصريين في شركات الطيران المصرية .
					2. استخدام شركات الطيران الأجنبية يضر بشركات الطيران الوطنية لدينا ويزيد من البطالة.
					3. يجب أن نأخذ في الاعتبار العمالة المصرية عندما نتخذ قرار اختيار شركة الطيران الخاص برحلتنا.
					4. حتى لو كلفني الأمر أكثر، أفضل السفر مع شركات الطيران الوطنية .
					5. يجب أن نضع المزيد من القيود على مقدمي الخدمات الأجانب لحماية شركاتنا الوطنية.
					6. أنا أثق في شركات الطيران الوطنية أكثر من مقدمي الخدمات الأجانب.
					7. عندما يتعلق الأمر بخدمات النقل الجوي، فأنا على ثقة من أن شركات الطيران الوطنية لدينا تقدم أفضل جودة الخدمة والموثوقية والسلامة.
					8. تقدم شركات الطيران الوطنية/المصرية أفضل تجربة سفر.
					9. أشعر بكوني أحد الملاك تجاه شركات الطيران الوطنية .
					10. نجاح شركات الطيران الوطنية هو بمثابة نجاحي الشخصي.
					11. أنا أرتبط بعلاقة نفسية/عاطفية تجاه شركات الطيران الوطنية.
					12. أشعر بالمزيد من الألفة/التقارب مع شركات الطيران الوطنية مقارنة بالشركات الأجنبية.
					13. أشعر بالانتماء تجاه شركات الطيران الوطنية .
					14. أشعر بأنني مرتبط عاطفياً تجاه شركات الطيران الوطنية .
					15. السفر عبر شركات الطيران الوطنية يساعدني في إظهار هويتي الوطنية.
					16. أشعر بفخر كبير عندما أسافر عبر شركات الطيران الوطنية .

القسم ب: يرجى اختيار الإجابة المناسبة للأسئلة التالية:

النوع :

☐ ذكر ☐ أنثى

السن :

☐ من 18 إلى أقل من 25 سنة. ☐ من 25 إلى أقل من 35 سنة.

☐ من 35 إلى أقل من 50 سنة. ☐ أكبر من 50 سنة.

الحالة الاجتماعية :

☐ أعزب ☐ متزوج ☐ أخرى.....

مستوى التعليم:

☐ تعليم أساسي أو أقل ☐ تعليم ثانوي

☐ مؤهل جامعي ☐ دراسات عليا (ماجستير/ دكتوراة)

المهنة :

☐ موظف حكومي ☐ موظف بالقطاع الخاص

☐ مهني / حرفي ☐ أخرى.....

متوسط الدخل الشهري:

☐ 10.000 أو أقل EGP ☐ من 10.001 إلى 20.000 EGP

☐ من 20.001 إلى 40.000 EGP ☐ أكثر من 40.000 EGP

نهاية الإستبيان

شكراً على تعاونكم 😊



## Appendix C. Detection of Outliers

**Table B.1 Detection of Outliers Using Z-Scores Test for Measurement Items**

<b>Measurement Items</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Z-score (TET1)</b>	411	-2.86582	1.74417
<b>Z-score (TET2)</b>	411	-3.102335	1.96246
<b>Z-score (TET3)</b>	411	-2.80007	1.87335
<b>Z-score (TET4)</b>	411	-2.97715	2.04794
<b>Z-score (TET5)</b>	411	-2.77308	1.90276
<b>Z-score (TET6)</b>	411	-1.95580	2.37313
<b>Z-score (TET7)</b>	411	-2.17606	2.55600
<b>Z-score (TET8)</b>	411	-1.88203	2.15370
<b>Z-score (TET9)</b>	411	-2.12487	2.08053
<b>Z-score (TET10)</b>	411	-1.82223	2.11954
<b>Z-score (TET11)</b>	411	-2.03990	2.22315
<b>Z-score (TET12)</b>	411	-2.02860	2.00570
<b>Z-score (TET13)</b>	411	-2.69193	2.24728
<b>Z-score (TET14)</b>	411	-2.25415	2.12971
<b>Z-score (TET15)</b>	411	-2.26303	2.10366
<b>Z-score (TET16)</b>	411	-2.28452	1.84570
<b>Z-score (TNI1)</b>	411	-2.62998	1.69371
<b>Z-score (TNI2)</b>	411	-2.42395	1.90128
<b>Z-score (TNI3)</b>	411	-2.42617	1.98602
<b>Z-score (TNI4)</b>	411	-2.76048	2.17266
<b>Z-score (TNI5)</b>	411	-2.31174	1.87384
<b>Z-score (TNI6)</b>	411	-2.18190	2.45652
<b>Z-score (TNI7)</b>	411	-2.08368	2.62177

<b>Z-score (TNI8)</b>	411	-2.92271	2.46399
<b>Z-score (TNI9)</b>	411	-2.00631	2.61758
<b>Z-score (TNI10)</b>	411	-2.18167	2.36343
<b>Z-score (TNI11)</b>	411	-2.13951	1.68017
<b>Z-score (TNI12)</b>	412	-3.17085	2.67319
<b>Z-score (ASQ1)</b>	411	-1.84280	1.75098
<b>Z-score (ASQ2)</b>	411	-1.85640	1.80737
<b>Z-score (ASQ3)</b>	411	-1.84050	1.80063
<b>Z-score (ASQ4)</b>	411	-1.82812	1.80162
<b>Z-score (ASQ5)</b>	411	-1.85660	1.72081
<b>Z-score (APV1)</b>	411	-2.43964	2.36943
<b>Z-score (APV2)</b>	411	-2.30412	2.22695
<b>Z-score (APV3)</b>	411	-2.30412	2.56710
<b>Z-score (APV4)</b>	411	-2.30412	2.22695
<b>Z-score (TWP1)</b>	411	-2.69406	2.00269
<b>Z-score (TWP2)</b>	411	-2.73550	2.39825
<b>Z-score (TWP3)</b>	411	-2.47217	2.18333
<b>Z-score (TWP4)</b>	411	-2.86896	1.39918
<b>Z-score (TAP1)</b>	411	-2.57184	2.13128
<b>Z-score (TAP2)</b>	411	-2.56088	2.35745
<b>Z-score (TAP3)</b>	411	-2.54583	2.30393
<b>Z-score (TAP4)</b>	411	-2.60590	2.31269
<b>Z-score (PPF1)</b>	411	-1.46294	2.97993
<b>Z-score (PPF2)</b>	411	-3.13997	3.10956
<b>Z-score (PPF3)</b>	411	-2.95966	3.06969
<b>Z-score (PPF4)</b>	411	-3.15828	1.64933

Source: SPSS output

## Appendix D. Descriptive Statistics

**Table C.1 The Descriptive Statistics of the Study Variables**

Variables	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
<b>TNI:</b>	<b>411</b>	-	-	<b>3.54</b>	<b>0.671</b>	<b>18.96</b>
TNI1	411	2	5	3.82	.691	18.11
TNI2	411	2	5	3.68	.692	18.80
TNI3	411	2	5	3.64	.664	18.26
TNI4	411	2	5	3.69	.600	16.26
TNI5	411	2	5	3.40	.649	19.11
TNI6	411	2	5	3.33	.638	19.21
TNI7	411	2	5	3.30	.649	19.69
TNI8	411	1	5	3.18	.745	23.58
TNI9	411	2	4	3.48	.614	17.64
TNI10	411	2	5	3.43	.657	19.24
TNI11	411	1	5	3.20	.672	21.10
TNI12	411	2	4	3.41	.657	19.36
<b>TET:</b>	<b>411</b>	-	-	<b>3.48</b>	<b>0.756</b>	<b>21.73</b>
TEH1	411	1	5	3.49	.868	24.92
TEH2	411	1	5	3.45	.790	23.18
TEH3	411	1	5	3.40	.856	25.29
TEH4	411	1	5	3.37	.796	23.73
TEH5	411	1	5	3.37	.855	25.51
TEH6	411	2	5	3.38	.634	19.16
TEH7	411	2	5	3.34	.706	21.25
TEH8	411	2	5	3.40	.743	22.05
TEH9	411	2	5	3.52	.713	20.45
TEH10	411	2	5	3.39	.761	22.64
TEH11	411	2	5	3.44	.704	20.63
TEH12	411	2	5	3.51	.744	21.36
TEH13	411	2	5	3.64	.607	16.67
TEH14	411	2	5	3.54	.684	19.35
TEH15	411	2	5	3.55	.687	20.51
TEH16	411	2	5	3.66	.726	19.95
<b>ASQ:</b>	<b>411</b>	-	-	<b>3.04</b>	<b>1.05</b>	<b>34.53</b>
ASQ1	411	1	5	3.05	1.113	36.72

ASQ2	411	1	5	3.03	1.093	36.27
ASQ3	411	1	5	3.03	1.098	36.30
ASQ4	411	1	5	3.02	1.103	36.40
ASQ5	411	1	5	3.04	1.145	37.66
<b>APV:</b>	<b>411</b>	<b>-</b>	<b>-</b>	<b>3.04</b>	<b>0.845</b>	<b>27.79</b>
APV1	411	1	5	3.05	.838	27.54
APV2	411	1	5	3.03	.883	29.17
APV3	411	1	5	3.04	.769	25.32
APV4	411	1	5	3.03	.883	29.17
<b>TWP:</b>	<b>411</b>	<b>-</b>	<b>-</b>	<b>3.15</b>	<b>0.801</b>	<b>25.42</b>
TWP1	411	1	5	3.29	.850	25.83
TWP2	411	1	5	3.13	.780	24.92
TWP3	411	1	5	3.12	.855	27.43
TWP4	411	1	5	3.24	.728	22.53
<b>TAP:</b>	<b>411</b>	<b>-</b>	<b>-</b>	<b>3.12</b>	<b>0.827</b>	<b>26.52</b>
TAP1	411	1	5	3.19	.851	26.67
TAP2	411	1	5	3.09	.815	26.37
TAP3	411	1	5	3.10	.825	26.61
TAP4	411	1	5	3.12	.813	26.05
<b>PPF:</b>	<b>411</b>	<b>-</b>	<b>-</b>	<b>3.00</b>	<b>0.663</b>	<b>22.08</b>
PPF1	411	2	5	3.00	.686	22.86
PPF2	411	1	5	3.03	.643	21.25
PPF3	411	1	5	2.98	.675	22.65
PPF4	411	1	4	2.98	.630	21.14

## Appendix E. Normality Test.

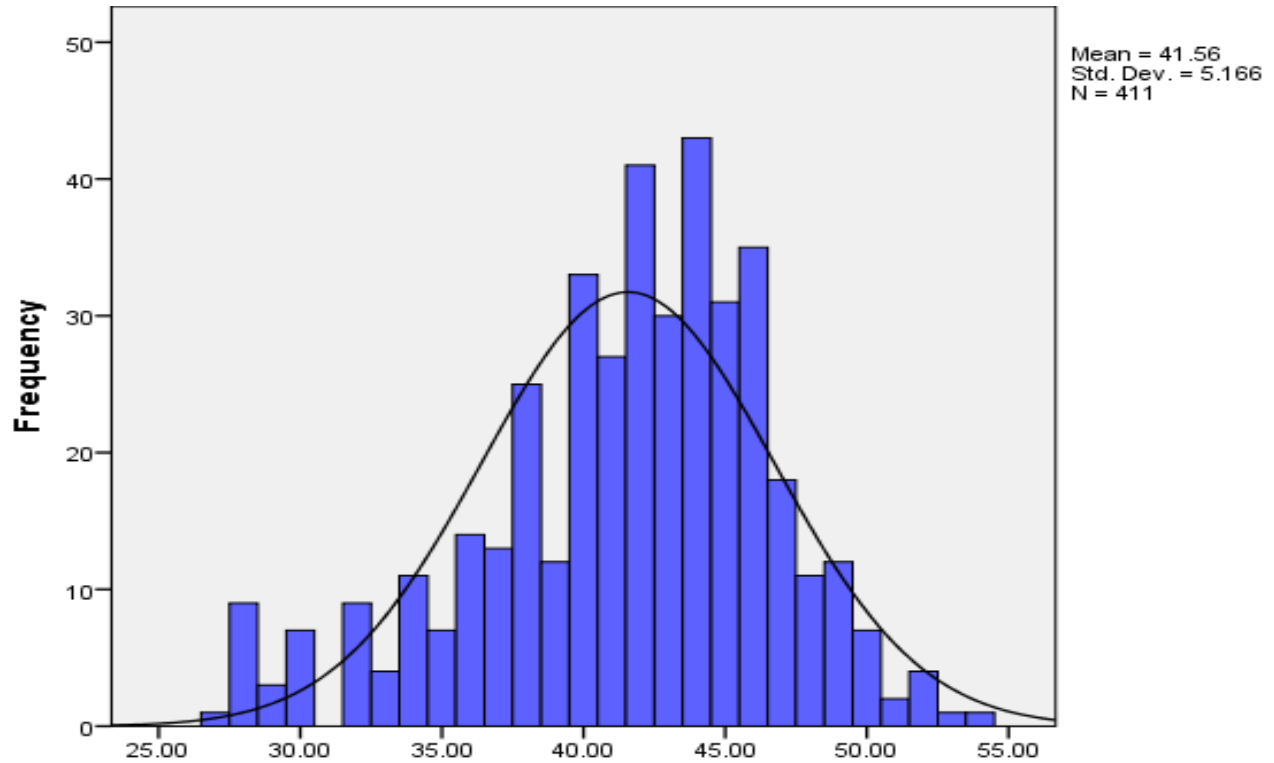
**Table E.1 Tests of Normality**

	Skewness			Kurtosis		Kolmogorov-Smirnov		Shapiro-Wilk	
	N	Statistic	Std. Error	Statistic	Std. Error	Statistic	Sig.	Statistic	Sig.
TEH1	411	-.420	.120	.150	.240	.251	.000	.874	.000
TEH2	411	-.178	.120	.132	.240	.239	.000	.862	.000
TEH3	411	-.321	.120	.065	.240	.232	.000	.877	.000
TEH4	411	-.122	.120	.012	.240	.246	.000	.866	.000
TEH5	411	-.232	.120	-.157	.240	.228	.000	.880	.000
TEH6	411	.057	.120	-.202	.240	.312	.000	.791	.000
TEH7	411	.160	.120	-.142	.240	.296	.000	.829	.000
TEH8	411	.135	.120	-.259	.240	.276	.000	.844	.000
TEH9	411	-.198	.120	-.229	.240	.284	.000	.830	.000
TEH10	411	.153	.120	-.294	.240	.273	.000	.850	.000
TEH11	411	.125	.120	-.194	.240	.284	.000	.828	.000
TEH12	411	.006	.120	-.306	.240	.249	.000	.846	.000
TEH13	411	-.267	.120	-.073	.240	.342	.000	.769	.000
TEH14	411	-.040	.120	-.207	.240	.278	.000	.820	.000
TEH15	411	.301	.120	-.317	.240	.289	.000	.811	.000
TEH16	411	.085	.120	-.408	.240	.257	.000	.836	.000
TNI1	411	-.235	.120	-.002	.240	.310	.000	.820	.000
TNI2	411	-.096	.120	-.179	.240	.295	.000	.824	.000
TNI3	411	-.274	.120	.001	.240	.317	.000	.812	.000
TNI4	411	-.064	.120	-.252	.240	.363	.000	.759	.000
TNI5	411	-.155	.120	-.314	.240	.283	.000	.796	.000
TNI6	411	.210	.120	-.009	.240	.329	.000	.791	.000
TNI7	411	.148	.120	-.055	.240	.321	.000	.800	.000
TNI8	411	-.056	.120	-.806	.240	.217	.000	.884	.000
TNI9	411	-.825	.120	-.036	.240	.341	.000	.726	.000
TNI10	411	-.447	.120	-.098	.240	.297	.000	.790	.000
TNI11	411	-.001	.120	-.387	.240	.311	.000	.819	.000
TNI12	411	-.722	.120	-.336	.240	.318	.000	.748	.000
ASQ1	411	-.027	.120	-.913	.240	.195	.000	.906	.000
ASQ2	411	-.008	.120	-.835	.240	.183	.000	.910	.000
ASQ3	411	.001	.120	-.878	.240	.188	.000	.907	.000
ASQ4	411	-.007	.120	-.979	.240	.206	.000	.897	.000

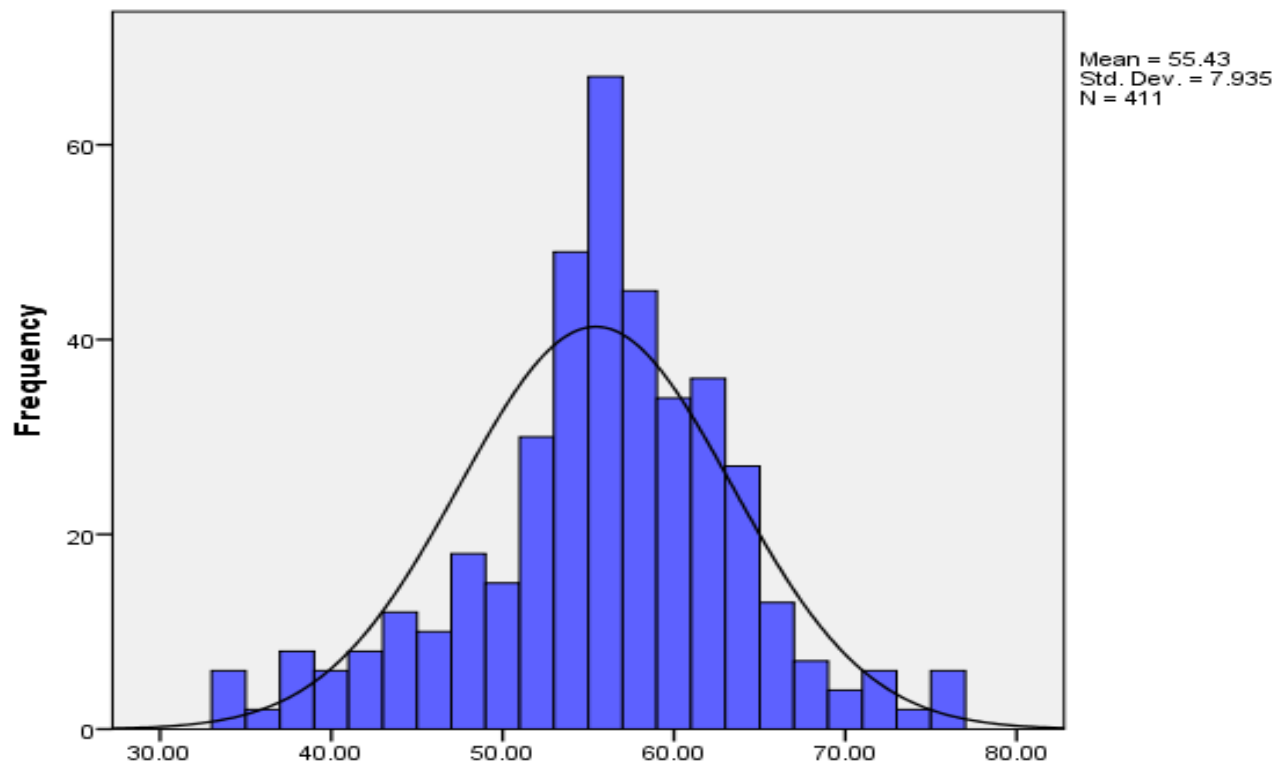
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ASQ5	411	.012	.120	-.986	.240	.197	.000	.903	.000
APV1	411	.022	.120	-.757	.240	.205	.000	.864	.000
APV2	411	.040	.120	-.902	.240	.201	.000	.866	.000
APV3	411	.048	.120	-.032	.240	.265	.000	.858	.000
APV4	411	.019	.120	-.850	.240	.199	.000	.870	.000
TWP1	411	.015	.120	-.412	.240	.231	.000	.881	.000
TWP2	411	-.109	.120	-.113	.240	.253	.000	.861	.000
TWP3	411	.269	.120	-.050	.240	.270	.000	.875	.000
TWP4	411	-.138	.120	-.454	.240	.256	.000	.837	.000
TAP1	411	-.057	.120	-.719	.240	.217	.000	.869	.000
TAP2	411	.039	.120	-.397	.240	.236	.000	.870	.000
TAP3	411	-.030	.120	-.556	.240	.220	.000	.870	.000
TAP4	411	.079	.120	-.343	.240	.244	.000	.871	.000
PPF1	411	.062	.120	-.650	.240	.276	.000	.806	.000
PPF2	411	-.065	.120	.343	.240	.314	.000	.796	.000
PPF3	411	.090	.120	-.248	.240	.293	.000	.809	.000
PPF4	411	-.101	.120	-.051	.240	.319	.000	.784	.000

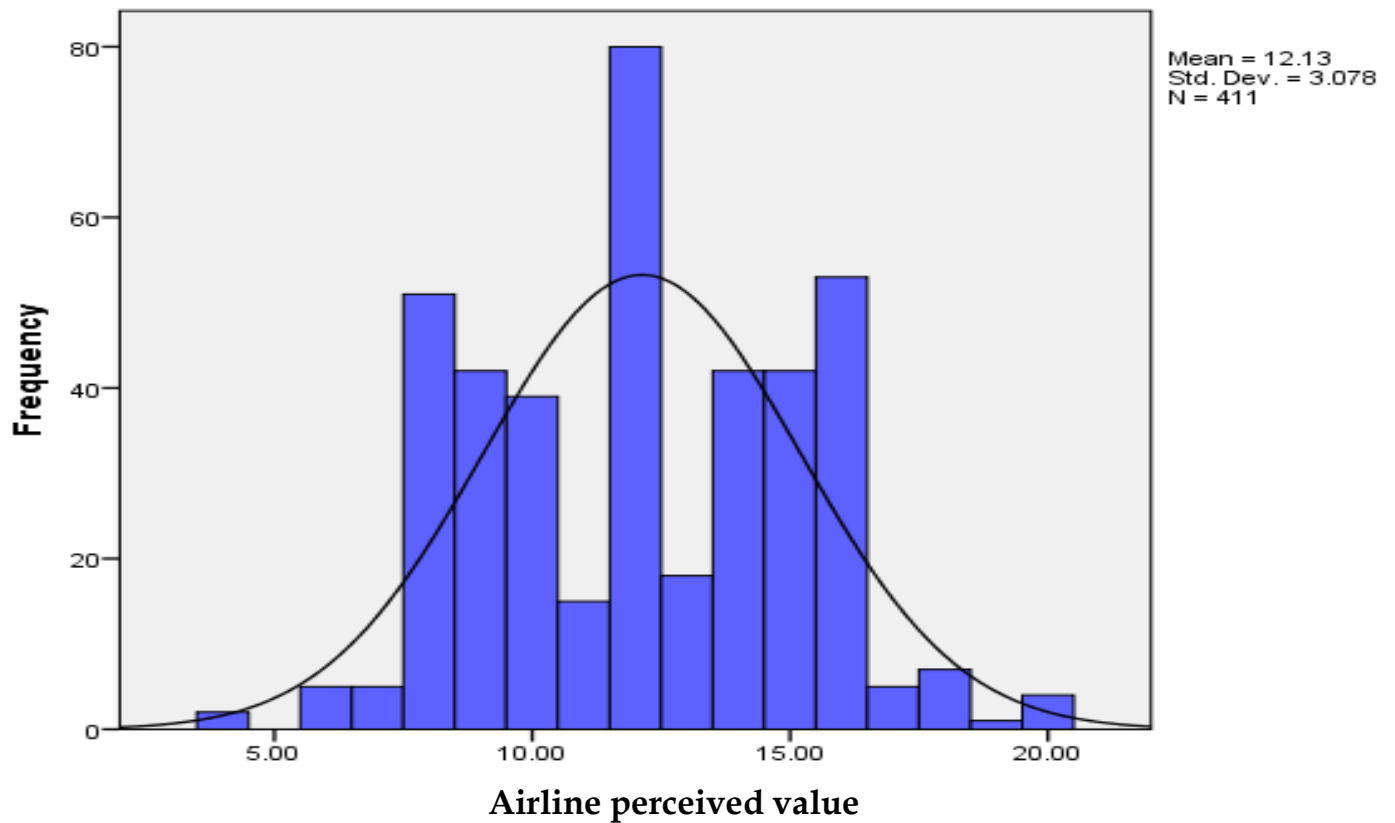
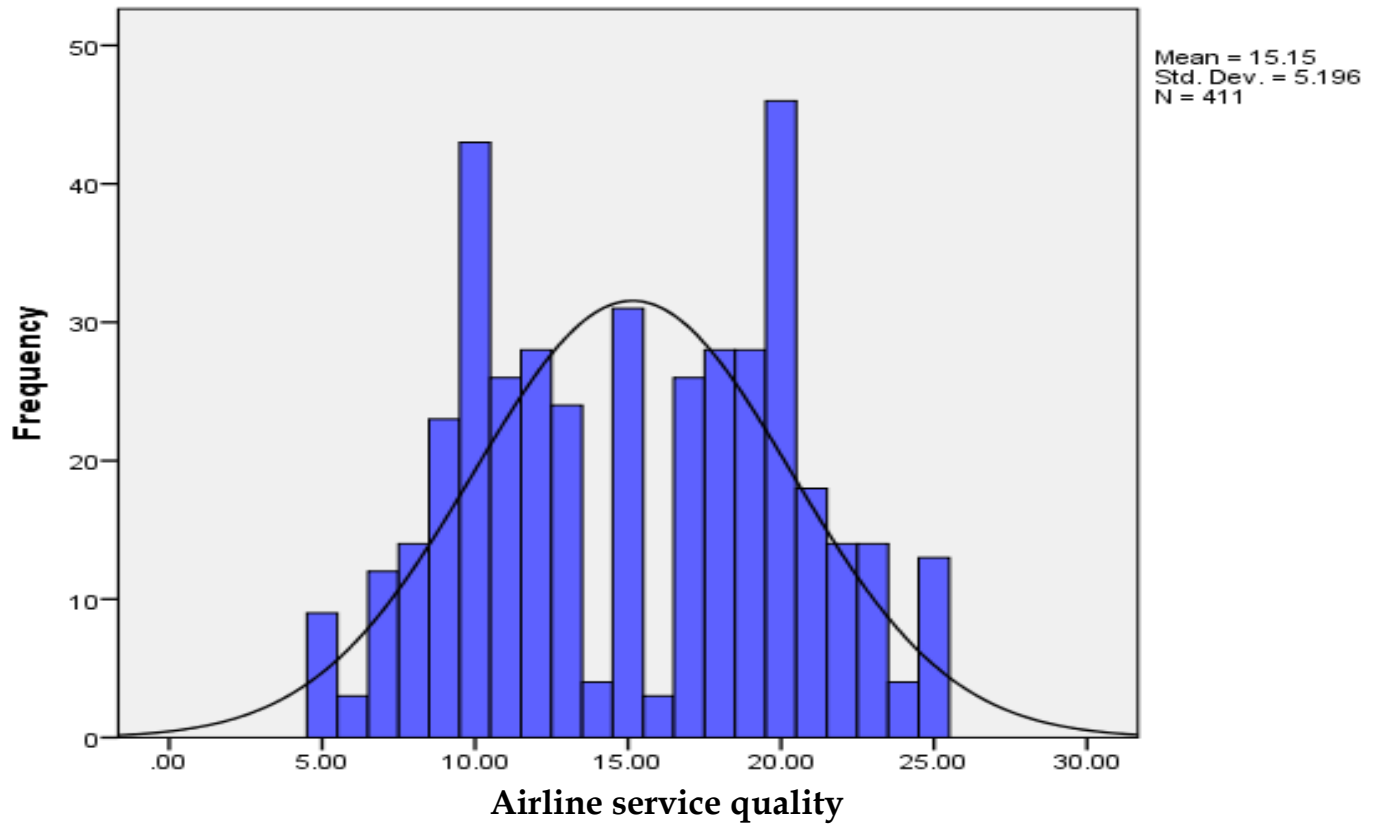
## Appendix F. Frequency Histograms Graphs



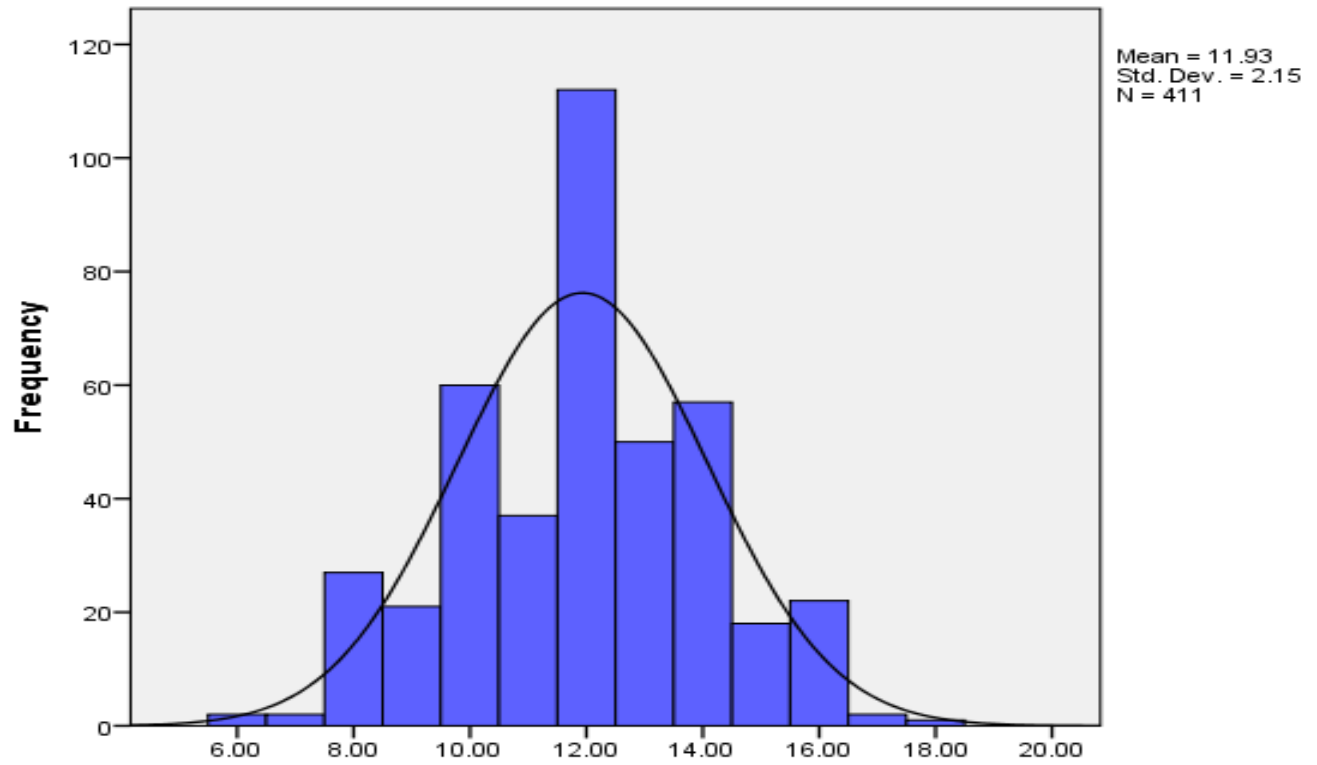
Travellers' national identity



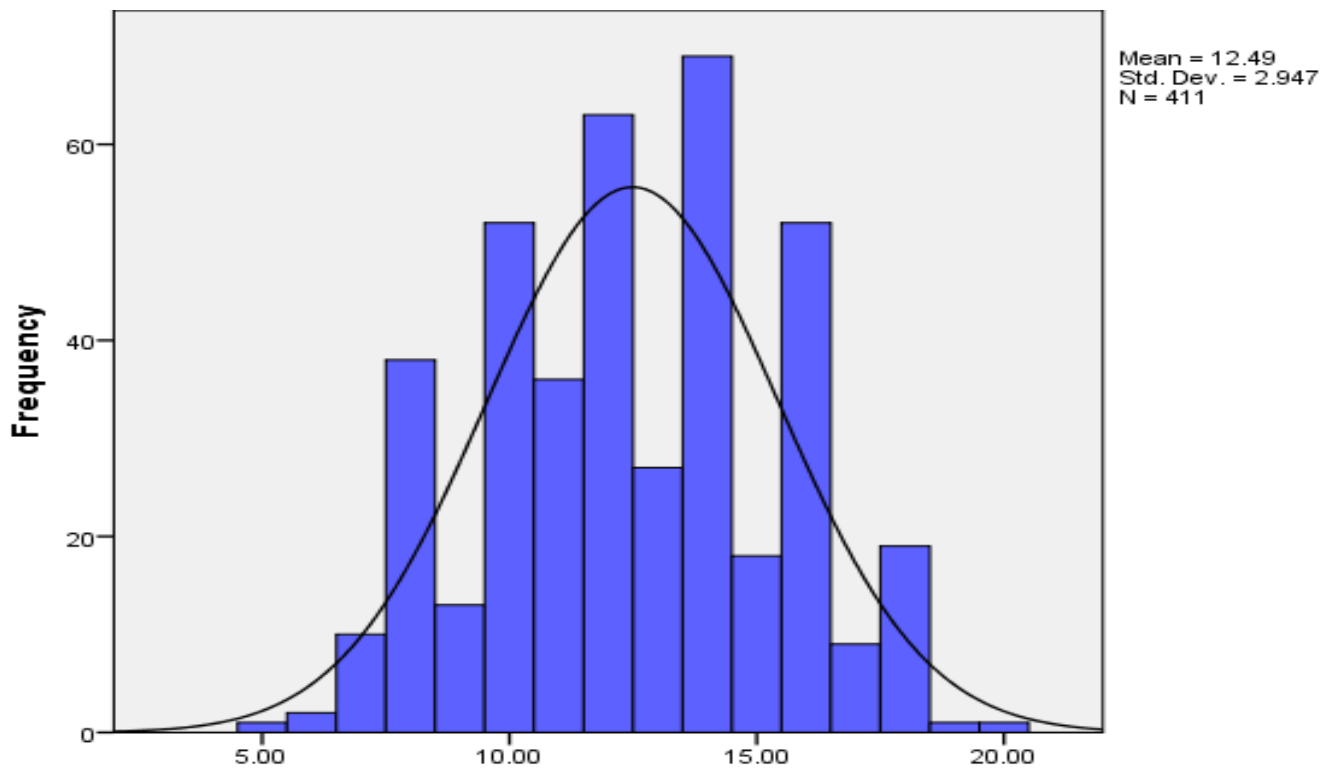
Travellers' ethnocentrism



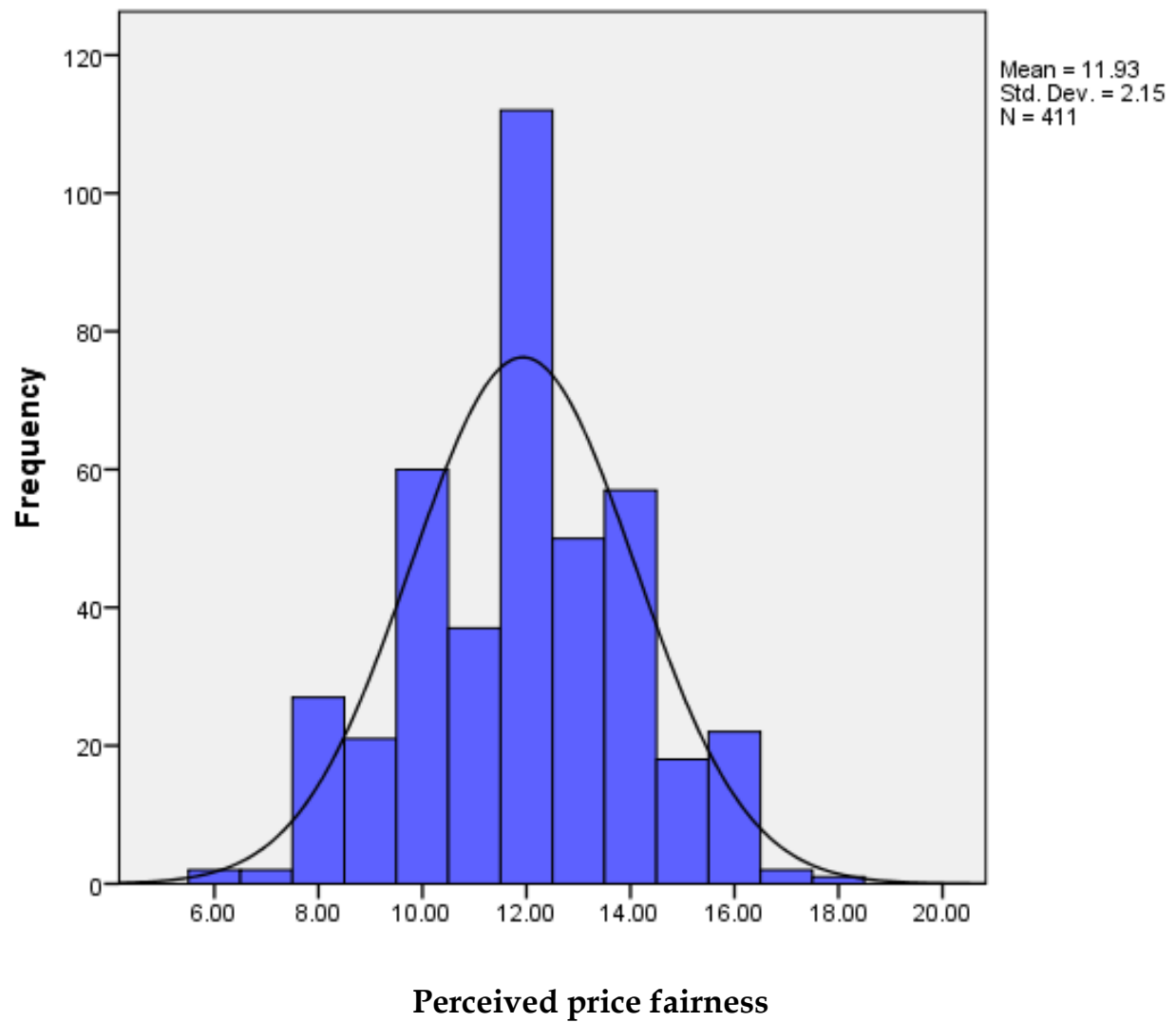




Travellers' willingness to purchase



Travellers' actual purchase



## Appendix G. Discriminant Validity

**Table G.1 Discriminant Validity Test Using Fornell-Larcker Criterion (National airline Sample)**

	TNI	TET	ASQ	APV	TWP	TAP	PPF
TNI	<b>0.836</b>						
TET	0.671	<b>0.776</b>					
ASQ	0.512	0.528	<b>0.836</b>				
APV	0.470	0.566	0.605	<b>0.806</b>			
TWP	0.524	0.557	0.606	0.548	<b>0.801</b>		
TAP	0.541	0.559	0.693	0.610	0.662	<b>0.741</b>	
PPF	-0.234	-0.07	0.164	0.158	0.166	0.268	<b>0.768</b>

**Note:** The diagonal elements are the square root of AVE values (in bold), and below the diagonal are the correlations between constructs.

**Table G.2 Discriminant Validity Test Using Fornell-Larcker Criterion (Foreign airline Sample)**

	TNI	TET	ASQ	APV	TWP	TAP	PPF
TNI	<b>0.867</b>						
TET	0.646	<b>0.772</b>					
ASQ	-0.459	-0.501	<b>0.834</b>				
APV	-0.442	-0.539	0.565	<b>0.793</b>			
TWP	-0.504	-0.541	0.524	0.518	<b>0.828</b>		
TAP	-0.489	-0.551	0.438	0.396	0.598	<b>0.831</b>	
PPF	-0.296	-0.237	0.223	0.186	0.502	0.626	<b>0.709</b>

**Note:** The diagonal elements are the square root of AVE values (in bold), and below the diagonal are the correlations between constructs.

## Appendix H. Journal Publications

Ragab, H., Polo-Peña, A. I., & Mahrous, A. A. (2024). Airline travellers' ethnocentric tendencies and their impact on travellers' behaviours: Extending consumer ethnocentrism to airline services. *Tourism Management Perspectives*, 49, 101200. available at: <https://doi.org/10.1016/j.tmp.2023.101200>

Tourism Management Perspectives 49 (2023) 101200



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Tourism Management Perspectives

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### Airline travellers' ethnocentric tendencies and their impact on travellers' behaviours: Extending consumer ethnocentrism to airline services

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#### ABSTRACT

Although recent political and economic conflicts have highlighted the significant role of ethnocentrism, empirical investigation into the consequences of this concept in the travel and tourism industry, especially airline services, remains under investigation. Therefore, this study aims to develop an integrated scale to capture airline travellers' ethnocentric tendencies that fit with the characteristics of airline services and go beyond the socio-economic perspective of the existing measures of ethnocentrism, as well as to investigate their impact on travellers' behaviours. Data were gathered using questionnaires and were analyzed using EFA, CFA, and SEM. The results showed that the developed multidimensional scale has adequate reliability, validity, and predictability. It also confirmed the significant influence of travellers' ethnocentric tendencies on their perceptions of service quality, perceived value, and loyalty. Nevertheless, these effects were more prominent in travellers' behaviours towards national airlines compared to foreign airlines. The study concludes with implications for airline services marketers.

#### 1. Introduction

The airline industry plays a significant role as a catalyst for the entire tourism industry and the country's socioeconomic development (Boubker & Naoui, 2022). Nevertheless, it is highly affected by negative external events such as political and economic crises and global pandemics (Wang, Wong, & Zhang, 2021). Therefore, the industry is currently struggling due to the recent political and economic conflicts, in particular, the negative repercussions of the COVID-19 pandemic and the Russian-Ukraine war (Chang, Ku, & Le Nguyen, 2022). Although many researchers have argued that globalization can be an effective tool to mitigate ethnocentric bias against out-group and in-group favouritism, field evidence associated with the current political and economic conflicts has revealed that globalization may increase rather than decrease these predispositions in international markets (Kock, Josiassen, Assaf, Karpen, & Farrelly, 2019). As such, recent studies have proved the emergence of such ethnocentric bias in international service markets, especially travel and tourism markets (Stamolampros, Dousios, & Korfiatis, 2020). Due to its relevance to the current political and societal trends, the concept of Consumer Ethnocentrism (CE), which represents customers' attitudes towards the morality of purchasing foreign

products/services due to their adverse effects on the national economy, has recently received significant attention in travel and tourism literature (e.g. Cassia & Magno, 2022; Hong, Park, Jaroenwanit, Siriyota, & Sothonvit, 2023; Todorović, Belij Radin, Vesić, & Pavlović, 2023).

As such, a recent stream of research attempts to explore the consequences of CE in the travel and tourism context. For instance, Lever, Elliot, and Joppe (2023) claimed that tourist ethnocentrism significantly affects tourists' intentions to recommend domestic destinations and residents' support for tourism development. In contrast, Boukamba, Oi, and Sano (2021) argue that ethnocentrism negatively affects tourists' behaviours towards foreign destinations. Although the ethnocentric bias phenomenon has not been widely investigated in the airline service literature, Stamolampros et al. (2020) point to abundant field evidence that international travellers have ethnocentric preferences for national airlines that go beyond objective considerations. Moreover, Suham-Abid and Vila-Lopez (2020) claim that international travellers have strongly biased perceptions about the superiority of their home country's airlines over foreign airlines, even in the highly liberalized European aviation markets. Although the current political and economic climate has promoted CE as a topic of great interest in the international travel and tourism markets, empirical investigation of this construct in the context

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