

Marketing Science Institute Working Paper Series 2024

Report No. 24-105

The Role of International Conflict in Foreign Bias Toward Healthcare Service

Hyeyoon Jung, Peter Magnusson, Colleen M. Harmeling and Valerie A. Taylor

"The Role of International Conflict in Foreign Bias Toward Healthcare Service" © 2024

Hyeyoon Jung, Peter Magnusson, Colleen M. Harmeling and Valerie A. Taylor

MSI Working Papers are Distributed for the benefit of MSI corporate and academic members and the general public. Reports are not to be reproduced or published in any form or by any means, electronic or mechanical, without written permission.

THE ROLE OF INTERNATIONAL CONFLICT IN FOREIGN BIAS TOWARD

HEALTHCARE SERVICE PROVIDERS

Hyeyoon Jung
Assistant Professor of Marketing
Gary W. Rollins College of Business
University of Tennessee at Chattanooga
Chattanooga, Tennessee 37403 USA
Email: hyeyoon-jung@utc.edu

Peter Magnusson
Department Chair and Professor of Marketing
Robert C. Vackar College of Business and Entrepreneurship
University of Texas Rio Grande Valley
1201 W University Dr.
Edinburg, Texas 78539 USA
Email: peter.magnusson@utrgv.edu

Colleen M. Harmeling
Dr. Persis E. Rockwood Associate Professor of Marketing
Rockwood School of Marketing
Florida State University
Tallahassee, FL, USA
Email: charmeling@business.fsu.edu

Valerie A. Taylor
Lorberbaum Professor of Marketing
Gary W. Rollins College of Business
University of Tennessee at Chattanooga
Chattanooga, Tennessee 37403 USA
Email: valerie-taylor@utc.edu

Health care services are essential. For consumers, this vital care often requires deeply personal encounters with service providers, whom they may not know well in advance (Danaher and Gallan 2016). To convince patients to share their personal, health care concerns, some level of trust in the physician–patient relationship must exist, as can be established through a sense of similarity, whether based on common interests, backgrounds, or demographics. For example, many women prefer to visit female gynecologists, finding a sense of comfort in being able to talk frankly about health issues that only affect women (Riaz et al. 2021). Yet such similarities are not always possible. In the United States in particular, the prevalent and intense shortages of local health care service providers have created substantial demand for members of foreign health care workforces, as critical human resources (Shaffer et al. 2022). In 2021, the United States employed approximately 2.8 million immigrants as health care workers, equivalent to more than 17% of immigrants' share of the overall civilian workforce, and within this group, about 1.6 million providers functioned in critical roles, including doctors, registered nurses, dentists, pharmacists, and dental hygienists (Batalova 2023).

Consumers, however, often exhibit signs of foreign bias toward service providers from different cultures, which leads to negative outcomes, such as diminished perceived comfort, satisfaction, and service quality (Ang, Liou, and Wei 2018; Rizal, Jeng, and Chang 2016; Sharma, Tam, and Kim 2009). Studies of such bias tend to treat all foreign-born service providers as homogeneous, with the assumption that all foreign versus domestic bias is essentially the same. They often describe this foreign bias in terms of uncertainty or outgroup perceptions. We question this assumption though and posit that not all foreign service providers are viewed equally. Rather, a unique type of bias may exist when the foreign health care service provider's home country has been associated with conflicts with the consumer's home country.

As predicted by collective trauma theory (Hirschberger 2018), international conflicts can lead to trauma. This trauma can create a heightened state of hypervigilance in people subject to that conflict, prompting them to identify and evaluate potential threats constantly in their surroundings (Tcholakian et al. 2019). When specific circumstances, such as interactions with service employees who came from conflict-involved countries, make salient this remembered trauma, people might respond with heightened intensity and reactions. For example, following the 9/11 attacks, the escalation of international tensions between the United States and various Middle Eastern countries resulted in heightened discrimination against U.S. citizens who were perceived as Muslim (Alfonseca 2021). We introduce the notion of "foreign conflict bias" to describe the emotional and cognitive biases that arise from prior experiences of international conflicts or diplomatic tensions between countries.

We also derive a conceptual model of the effects of this foreign conflict bias relative to more general foreign bias, which we test with three experiments conducted in health care settings. Specifically, to assess the impact of foreign conflict bias, we manipulate the health care provider's country of origin to represent one that has been engaged in either severe or minor conflicts with the study participants' home country. Study 1 tests whether this foreign conflict bias influences consumers' risk perceptions and their tendency to switch to alternative service providers. Study 2 provides further evidence on these questions and investigates the underlying process, using a test of process through moderation in which the mediator of risk appraisal is directly manipulated (Spencer, Zanna, and Fang 2005). Finally, in Study 3 we investigate potential strategies for mitigating the negative impacts of foreign conflict bias.

The resulting basket of empirical evidence establishes multiple theoretical and managerial contributions. First, we demonstrate that international conflicts often induce

collective trauma among members of the involved nations, and that trauma can make them hypervigilant to their surroundings. The detrimental effects of foreign conflict bias are evident even in preliminary stages, such as when consumers merely began searching for a service provider (Study 1). Thus, consumers' increased alertness can be triggered by just minimal contact with service providers from conflict-involved countries, resulting in greater perceived risks and a tendency to switch service providers. This finding indicates that the impact of foreign conflict bias extends beyond deeply personal, face-to-face interactions; it even affects information gathering. That is, international conflicts have expansive, integral effects on consumer behaviors and decision-making processes.

Second, building on animosity literature that examines emotional reactions (e.g., hate, fear) to goods or brands (Harmeling, Magnusson, and Singh 2015), we provide a deeper theoretical understanding of emotional responses by integrating such findings with research on collective trauma. Consumers often display animosity, defined as "remnants of antipathy related to previous or ongoing military, political, or economic events" (Klein, Ettenson, and Morris 1998, p. 90), toward goods or brands from conflict-involved countries; we further note that a similar form of animosity toward service providers can affect service outcomes. For example, Study 2 reveals that international conflicts predispose consumers to react negatively to service providers, and these reactions are similar to their responses to service failures. We further propose and offer some initial evidence that these reactions are rooted in consumers' tendency to preemptively anticipate negative outcomes, which influences their perceptions before any actual service failure takes place. The initial negative expectations consumers develop mean that actual failures align with their predictions and appear less surprising resulting in diminished effects.

Third, this study provides managerial and public policy insights for mitigating potential biases that can prevent consumers from getting the health care they need. It highlights for managers that consumers' negative reactions to certain employees may not be due to any behaviors or actions by employees. They can arise due to external factors, like international conflicts and inherent biases, that are virtually impossible for either the individual service provider or the service firm to prevent. However, with Study 3, we show that an assimilation strategy that emphasizes shared aspects or societal goals, aligned with each consumer's nation, can mitigate the negative impacts of foreign conflict bias. With this valuable guidance, service providers might more effectively counteract these biases, help protect their workers, and provide more effective health care to consumers, which also implies the betterment of society.

EXTANT RESEARCH ON CONSUMERS' FOREIGN BIASES

Extant research provides evidence of the negative bias that arises toward foreign service providers (See Table 1). Its impact extends beyond emotional and cognitive reactions, manifesting in various behavioral responses. For example, foreign bias can lead consumers to feel less comfortable and perceive a lower service quality (Sharma et al. 2012). Additionally, consumers tend to develop negative perceptions of foreign service providers, characterized by low warmth and competence, which in turn, diminish their overall satisfaction (Ang et al. 2018). This trend of negativity is observable across numerous industries, including restaurants, healthcare, banking, retail, and weight loss centers (Ang et al. 2018; Etgar and Fuchs 2011; Gaur et al., 2017; Sharma et al. 2012). This demonstrates a consistent pattern of bias in consumer attitudes toward foreign service providers, particularly in contexts where interactions with foreign service providers are unexpected.

Foreign bias has generally been conceptualized as an ethnic or cultural distance between the consumer and the service provider. Consequently, most studies compare consumer responses to domestic versus foreign service providers. Ethnic differences are predominantly employed to simulate foreignness, for instance, by displaying photos of different ethnicities. Such interactions are often assessed using perceived cultural distance metrics (Ang et al. 2018; Sharma et al. 2012; Sharma and Wu 2015; Sharma, Wu, and Su 2016).

Extant research also provides evidence of factors that can intensify or mitigate the effects of foreign bias. For instance, service providers with greater cultural intelligence are better able to mitigate foreign bias in a retail context (Kong et al. 2022). Similarly, in restaurant contexts, service providers with high intercultural sensitivities or intercultural competence can mitigate foreign bias (Sizoo et al. 2005; Sharma and Wu 2015). Thus, individual differences between service providers can minimize consumer bias.

In summary, extant research across diverse service contexts provides robust evidence that foreign biases can have significant effects on service encounters. This research, however, generally examines foreign versus domestic assuming that all foreign bias is the same, for all foreign-born providers. Yet, empirical evidence across this body of work suggests broad variation in these negative reactions ranging from mild (e.g., discomfort, decreased perceived service quality, and lower satisfaction; Ang et al. 2018; Sharma and Wu 2015) to severe (e.g., anger, verbal confrontation, and deliberate avoidance of interaction; Johnson et al. 2013; Taketani and Terasaki 2022). Importantly, more intense negative reactions were primarily observed in consumers from countries that have historical or ongoing disputes with the country of the foreign service providers. Although these conflicts can shape consumers' cognitive structures, intuitions, or mindsets, in ways that influence their reactions to providers from

countries with distinct relationship histories, they are largely overlooked. Finally, although extant research provides evidence of individual differences in service providers' abilities to mitigate foreign bias, strategic actions specifically designed to counteract its adverse impact that could be deployed by all foreign service providers regardless of individual characteristics have not yet been investigated. Thus, there is limited evidence into potential marketing strategies that service providers and firms could employ to mitigate the adverse effects of such bias.

To address these gaps, we explicitly investigate the unique biases that might arise against service providers from countries involved in international conflicts with the consumers' home country. In turn, we consider some strategies that service providers might employ to minimize such biases. In the conceptual model in Figure 1, we delineate our expectations regarding the effects of foreign conflict bias on service encounters, as we detail with specific hypotheses.

CONCEPTUAL MODEL: EFFECT OF FOREIGN CONFLICT BIAS ON SERVICE ENCOUNTERS

Collective trauma theory provides a meaningful basis for understanding why individual actors might exhibit more negative reactions toward certain others, according to past or ongoing international conflicts. Collective trauma is defined as "psychological reactions to a traumatic event that affects an entire society" (Hirschberger 2018, p. 1), including historical, political, or economic events that represent collective crises, shared by a group of people or an entire nation. They generally result in emotional and psychological stress for members of that society, manifesting as heightened senses of vulnerability, collective fear, and identity crises, as well as inclinations to respond with great vigilance to new threats (Canetti et al. 2018; Tcholakian et al. 2019).

International conflicts can also influence subsequent generations, and this impact has been examined in various international contexts, including Chinese people's animosity toward Japan due to the Nanjing Massacre, Dutch resentment toward Germany stemming from World War II, and Greek hostility toward Turkey rooted in their historical conflicts (Klein, Ettenson, and Morris 1998; Nakos and Hajidimitriou 2007; Nijssen and Douglas 2004). Such impact can even intensify over time, especially when the involved nations do not achieve historical closure and ongoing tensions persist between the countries (Hirschberger 2018). This progression significantly influences how members of the nation perceive and behave toward others connected to the traumatic events; that is, collective trauma has intricate, complex, and enduring impacts in and on society. The United States' relationship with Russia provides a notable example. The two countries might have collaborated as Allies in World War II, but their post-War relationship quickly deteriorated into the Cold War. Despite a seeming rapprochement following the breakup of the Soviet Union, their relationship features deep tensions. Concerns following allegations of Russian interference in the US elections and Russia's invasion of Ukraine have brought consumers' negative emotions to the forefront (Barnes 2021; Kary 2022). Further, the relationship between Korea and Japan exemplifies the negative impacts of collective trauma, passed down from generation to generation, which began in the modern era with Japan's colonization and aggression against Korea. Koreans remain deeply suspicious of and cautious toward their former occupier and are vigilant against the possibility of Japan reverting to its aggressive imperial past. Such fear and wariness seemingly grew stronger when Japan more recently offered what many Korean citizens perceived as a half-hearted apology for wartime offenses, including sex slavery imposed on their ancestors (Hirschberger 2018).

Such international conflicts thus have lasting impacts, including heightened sensitivities among members of the cultures and nations involved. These sensitivities can quickly escalate into widespread and shared attitudes and behaviors, especially if members of one group perceive the actions of the other group as offensive. Thus, many U.S. consumers boycott vodka and other Russian goods in response to its invasion of Ukraine, demonstrating a collective response to international conflict (Valinsky 2022). Similarly, Korean consumers recently boycotted Japanese goods after Japan imposed restrictions on the export of semiconductor materials and display panels, which are critical components of South Korea's technology industry (Reed 2019). *Effects of Collective Trauma on Service Encounters*

As we have suggested, due to their collective trauma, people may enter a state of hypervigilance when the foreign conflict is salient in their environment. Among various stimuli, we propose that interacting with service providers from a country that has been in conflict with one's own nation can act as a significant trigger of perceptual responses. Such responses to a traumatic and stressful event reflect subjective interpretations or cognitive appraisals of the event itself (Roseman 1984; Yin, Bond, and Zhang 2014). In effect, "emotion is always a response to meaning" (Lazarus 1991, p. 824), and a perceived threat or wrongdoing serves as an antecedent of negative internal responses (Averill 1983). In service contexts, when consumers perceive threats or wrongdoing that they link cognitively to a specific country, their negative beliefs about that country act as a primary cognitive appraisal criterion and influence their internal responses, including those directed toward a service provider from that country. In effect, when the service provider is associated with a country that has been engaged in international conflict with the consumer's country, a foreign conflict bias may arise, that is even stronger than a general foreign bias. Accordingly, we propose that an international conflict between a consumer's home country

and another nation should exacerbate that consumer's risk appraisals associated with service providers from the other country. Further, consumer risk appraisals influence behavior, increasing the desire to seek alternatives to avoid interactions with service providers from the conflict-involved nation and/or sharing negative opinions about experiences with these providers with others. Formally,

H₁: When a foreign service provider is (not) associated with a country that has an international conflict with the consumer's home country, the consumer perceives higher (lower) risk, which leads them to engage in negative behavioral responses.

Assimilation Strategies for Mitigating the Negative Effects of International Conflicts

If foreign conflict bias shapes risk appraisals and consumer behaviors, foreign service providers need to find ways to minimize the negative outcomes. We argue that if service providers can achieve a common ingroup identity, consumers will have lower risk appraisals and be less likely to exhibit behavioral reactions, such as switching to a different service. In turn, to lower consumers' risk perceptions, foreign service providers could work to bridge the gap between themselves and consumers by focusing on assimilative aspects. As Gaertner et al. (1993) suggest, building a sense of shared attributes diminishes perceived group boundaries and improves intergroup relations. For example, if Democrats and Republicans perceive that they belong to the same, more inclusive entity, such as the United States, members of both groups express more positive sentiments toward one another (Van Lange, Kruglanski, and Higgins 2011). One simple way to achieve common ingroup identity is through subtle assimilation strategies such as using inclusive terms, such as "we," "us," or "our," which encourages more harmonious intergroup relations (Van Lange, Kruglanski, and Higgins 2011). Another method would introduce a common goal or fate, which are perceived as common to all members,

encouraging individuals to view themselves as part of a single group rather than as two distinct ones (Brewer 1999; Gaertner et al. 1993).

Accordingly, intercultural service providers might mitigate perceived risks linked to international conflicts by employing an assimilation strategy in which they emphasize shared societal goals that are widely accepted and resonate with the consumer's national identity. If these shared goals become salient—such as when they get communicated through biographies, web pages, or social media platforms—the service provider can redirect the focus of the interactions, away from national backgrounds and toward other forms of commonalities. This approach might attract more potential consumers to the business, as well as help existing consumers perceive fewer potential risks. Consequently, it should encourage ongoing engagement with the business and lasting client relationships that reduce the likelihood of switching to other service providers and reduce negative word of mouth. Formally, we hypothesize:

H₂: Relative to service providers who are associated with countries with low international conflict with consumers' countries, assimilation strategies reduce the effect of service providers' association with high international conflict on perceived risk, thereby mitigating negative consumer behavior.

We test these predicted relationships, as summarized in the conceptual model in Figure 1, with three experiments in health care settings. We examine the impact of foreign conflict bias in the health care industry specifically for several reasons. First, health care services are challenging to evaluate objectively. Second, a significant number of foreign-born health care providers currently work in the U.S. health care sector. Third, trust in health care providers is paramount, due to the complex and subjective nature of this service offering (Berry and

Bendapudi 2007). Fourth, this industry sector is economically relevant; in 2022, national health care expenditures in the United States reached a staggering \$4.5 trillion, accounting for 17.3% of its gross domestic product GDP (CMS.gov 2023). Therefore, in Study 1 we examine the impact of international conflicts in shaping health care consumers' risk appraisal and their behaviors (H₁). Study 2 reinforces the validity of the psychological process we test in Study 1, using a test of process through moderation design (Spencer, Zanna, and Fong 2005). Finally, Study 3 explores strategies to alleviate the detrimental effects of international conflicts for both health care providers and patients (H₂). Moreover, Studies 1 and 3 focus on the pre-service encounter phase of the consumption journey, where we measure consumers' intentions to switch appointments with different providers as the dependent variable. In Study 2, we focus on the actual service encounter and thus examine a complementary dependent variable, negative word of mouth as it becomes relevant after services have occurred. In Table 2, we summarize all three of our empirical studies.

STUDY 1: NEGATIVE IMPACTS OF INTERNATIONAL CONFLICT

If international conflicts between a consumer's home country and the country of origin of a service provider lead the consumer to develop negative cognitive responses, it ultimately could influence their behavioral responses. Specifically, if significant conflict has existed between their own country and the provider's country, consumers may be more likely to perceive higher risk, even before any interaction occurs. This perceptual shift, rooted in collective trauma related to the provider's nation, then could result in the decision to switch to a different service provider.

The study participants are American, so we turn to existing research to identify countries that Americans generally perceive as linked to low versus high levels of collective trauma.

According to a 2023 Gallup poll, Americans have the most favorable attitudes toward the United Kingdom, Japan, Canada, and France, but they exhibit the most negative perspectives toward Russia, Iran, and China, largely due to historical conflicts or sustained tensions with the United States (Brenan 2023). In a pretest of U.S. consumers' perceptions of conflict with several countries, 55 undergraduate students from a large state university (45.5% female, $M_{age} = 20.02$ years) completed a three-item scale adapted from Harmeling, Magnusson, and Singh (2015), which includes items such as "There are frequent military disputes between [the respective countries] and the United States." The pretest confirmed that Russia represented a country with significant international conflicts, whereas the United Kingdom was associated with minimal international conflict ($M_{UK} = 1.93$, $M_{Russia} = 3.31$, t(53) = -3.79, p < .001). Therefore, we used Russia and the United Kingdom as the target countries for Study 1. Notably, both countries are European and predominantly Caucasian, which should reduce potential confounds related similarity based on race or racial bias. The United Kingdom generally has been one of the United States' closest allies; Russia has been a consistent foe for many decades.

Study 1: Participants and Procedure

This experiment featured a scenario in which 80 U.S. participants, recruited from an online research platform (66.3% female, $M_{age} = 40.21$ years), had to imagine themselves as patients arranging an appointment with a dentist (Appendix A). They were assigned to one of two conditions: In the low international conflict condition, the dentist was from the United Kingdom, whereas in the high international conflict condition, the dentist was from Russia. In this scenario, the participants did not have a specific referral, and a receptionist facilitated the scheduling of their appointment with an available dentist. The participants reviewed the dentist's biography on a medical review site, which disclosed the nationality information. Other than the

dentist's nationality, all other elements of the scenario (e.g., dental degree obtained in the United States, same photo of a Caucasian dentist) remained the same, to minimize any potential impacts on participants' perceptions and decisions.

After reading their assigned scenario, participants completed measures of their decision to switch to a different dentist and perceived risk associated with their assigned dentist (see Appendix B for scale items). All items used 7-point Likert scales, ranging from 1 ("strongly disagree") to 7 ("strongly agree"). We measured switching behavior with three items (α = .93), such as "I would actively search for a different dentist." Perceived risk also used three items (α = .91), adapted from Johnson, Sivadas, and Garbarino (2008), such as "There will likely be unexpected problems with this dentist." In addition, we included several control variables (e.g., age, gender) to provide a robust framework and isolate the primary variables of interest. *Study 1: Results*

We find significant main effects of the service provider's nationality (i.e., associated with high vs. international conflict) on perceived risk ($M_{\text{UK}} = 2.22$, $M_{\text{Russia}} = 2.94$, F(1,76) = 6.07, p = .016). Participants who received appointments with the Russia dentists tended to perceive more risk than those whose appointments were with the British dentist. We also conducted a mediation analysis, with the nationality of the service provider as the independent variable, perceived risk as the mediator, and switching intentions as the dependent variable, along with age and gender as

control variables. The results, using Model 4 in PROCESS with 5,000 bootstrap samples (Hayes

2017), reveal the expected mediation: Perceived risk mediates the effect of the nationality of the

service provider on the decision to switch dentists (B = .67, 95% confidence interval [CI]

= .1237, 1.3421), in support of H₁.

Study 1: Discussion

As our findings reveal, rather than a uniform phenomenon that affects all foreign service providers equally, foreign bias differs across nations. Service providers associated with a country with a history of collective trauma are perceived as riskier, which leads consumers to consider seeking alternative service providers. Study 1 thus provides evidence that international conflicts between countries influence consumers' risk appraisals and decision-making, even before they interact with foreign service providers. In Study 2 we further examine the psychological process underlying foreign conflict bias by directly manipulating risk appraisals. This approach, known as moderation-of-process designs, provides more robust evidence for mediation (Spencer, Zanna, and Fong 2005). Thus, we manipulate instances of service failures, defined as "a mistake, problem, or error that occurs in the delivery of a service (Hedrick, Beverland, and Minahan 2007, p. 64)," because consumer risk appraisals are likely to manifest as an anticipation of service failures in a service context. If our theorizing is correct, consumers should react to a service provider from a country in conflict with their own country as if a service failure has occurred, even in the absence of any such failure.

STUDY 2: PROCESS THROUGH MODERATION USING EFFECT OF SERVICE FAILURES

Extant research often suggests that foreign bias is due to outgroup differences, as might be signified by race (Ang, Liou, and Wei 2018; Sharma, Wu, and Su 2016), whereas similarity drives beneficial inferences by consumers (Hewstone, Rubin, and Willis 2002). To provide a rigorous test of effects, we thus account for differences in race. We predict that international conflict evokes negative consumer inferences even if their racial background matches that of the service provider, in contrast with a scenario in which the two parties' races vary. In so doing, we

seek evidence to confirm that foreign conflict bias, due to international conflicts, drives the effects, not perceptions of race. Further, Study 1 focused on the pre-service encounter portion of the consumption journey. In Study 2, we focus on the actual service encounter and also test a complementary dependent variable, negative word of mouth that becomes relevant after services have occurred. Thus, Study 2 offers a robust test of the nature of the risk appraisals that underlie foreign conflict bias (H₁).

To achieve this, we vary the origins of the service providers in Study 2. Russia continues to represent the high conflict country, whereas Japan is the country of origin for the low conflict foreign service provider. Despite the violent conflicts between the United States and Japan during World War II (Klein 2002), it appears that both nations have achieved historical closure on these issues. Over time, there has been a dramatic shift in the collective perception of Americans toward Japan, evidenced by the fact that most U.S. residents, regardless of their ethnic and cultural differences, express favorable perceptions (Reinhart 2021). Furthermore, the United States and Japan have become close political allies (Brenan 2023). As a validation pretest, we asked 98 U.S. participants from an online research platform to indicate their views; they confirmed they were more likely to perceive Russia negatively, compared with Japan $(M_{Japan} = 2.82, M_{Russia} = 5.41, t(96) = -8.41, p < .001)$.

Study 2: Participants and Procedure

With a 2×2 between-subjects design, this study focuses on international conflict (low [Japan] vs. high [Russia]) and service failure (absent vs. present). In the no service failure condition, participants read a scenario describing an interaction with a dentist who conducts an examination and informs them about the need for subsequent procedures. In the service failure condition, the dentist fails to express proper empathy for the participants' pain and does not

explain the next steps for their treatment adequately. In addition to the descriptive scenario, we included a photo of an Asian dentist for the low international conflict (Japan) condition and a photo of a Caucasian dentist for the high international conflict (Russia) condition. We conducted a pretest to verify that these photos did not evoke different perceptions of expertise, kindness, trustworthiness, friendliness, or overall impression on 7-point Likert scales. The 77 U.S. participants, recruited from an online research platform, indicated no significant differences (expertise: $M_{Japan} = 5.38$, $M_{Russia} = 5.29$, t(75) = -.24, p = .81; kindness: $M_{Japan} = 5.08$, $M_{Russia} = 5.26$, t(75) = .51, p = .61; trustworthiness: $M_{Japan} = 5.41$, $M_{Russia} = 5.42$, t(75) = .03, p = .98; friendliness: $M_{Japan} = 5.33$, $M_{Russia} = 5.74$, t(75) = 1.17, p = .25; overall impression: $M_{Japan} = 5.49$, $M_{Russia} = 5.74$, t(75) = .76, p = .45).

In the main experiment, the 196 U.S. participants from an online research platform (38.8% female, $M_{age} = 33.80$ years) were randomly assigned to one of the four conditions. After reading the assigned scenario, they responded to three items, gauging negative word of mouth (NWOM; $\alpha = .86$), adapted from Bambauer-Sachse and Young (2023), such as "When I talk to my friends, I would like to make negative comments about this dentist."

Study 2: Results

To examine the moderating effects of service failures on the relationship between the service provider's nationality and consumers' intention to spread NWOM, we include the service provider's nationality and service failures (and their interaction) as independent variables, NWOM as the dependent variable, and age and gender as controls. The analysis of covariance output provided the results of the main effects of the service provider's nationality (F (1,190) = .32, p = .57) and the service failure (F(1,190) = 9.25, p = .003) on people's intentions to spread NWOM. As illustrated in Figure 2, we also find a significant interaction effect between the

service provider's nationality and service failure on this intention (F (1,190) = 4.24, p = .04), in further support of H₁. When the appointment is with a dentist from Japan (low international conflict), the negative impact of the service failure on the intention to spread NWOM is significant ($M_{Absent} = 4.61$, $M_{Present} = 5.54$, F(1,94) = 11.84, p < .001), but when the dentist is from Russia (high international conflict), this effect becomes insignificant ($M_{Absent} = 5.04$, $M_{Present} = 5.27$, F(1,94) = .67, p = .414).

Study 2: Discussion

Study 2 provides more evidence regarding how risk appraisals underlie foreign conflict bias, as well as consistent support for H₁. We establish that consumers already exhibit a stronger inclination to share NWOM for service providers from countries involved in conflicts, even in the absence of service failures. Consumers react to these providers as if a service failure already has occurred. This distinct reaction appears to reflect the alignment of service failures with consumers' preexisting negative biases toward providers from conflict-involved countries.

STUDY 3: STRATEGIES TO REDUCE NEGATIVE EFFECTS OF INTERNATIONAL CONFLICT AND BIAS

Finally, we seek to identify some strategies that foreign service employees might employ to mitigate the negative impacts of their nationality, especially if their country evokes perceptions of severe international conflict among consumers of a different country. We theorize that by citing societal goals that align with and are esteemed in the consumer's home country, foreign service providers can facilitate a sense of assimilation between consumers and themselves, which should alleviate consumers' negative assumptions about the providers.

Study 3: Participants and Procedure

In this 2 (international conflict: low [Japan] vs. high [Russia]) \times 2 (strategy: control vs. assimilation strategy) between-subjects design, the scenario descriptions cited a dentist's community work and good intentions toward the patient's home country, as follows: "He has a love for community service. For years, he has been an active mentor with Big Brothers Big Sisters of America and is deeply passionate about making a positive impact in the lives of young individuals." The 190 U.S. participants from an online research platform (37.4% female, M_{age} = 35.05 years) were randomly assigned to one of the four conditions. After reading their assigned scenario, these participants responded to the measures of switching behavior (α = .86) and perceived risk (α = .88) that we used in Study 1.

Study 3: Results

We conducted a moderated mediation regression analysis, using Model 7 of the PROCESS macro (Hayes 2017) with 5,000 bootstrap samples, to test the effectiveness of an assimilation strategy for altering the impact of international conflict on the decision to switch service providers through perceived risk, while controlling for age and gender. The output provided the results of the main effects of the service provider's nationality (B = .31, SE = .28, t = 1.13, p = .26) and the assimilation strategy (B = -.08, SE = .15, t = -.56, p = .58) on perceived risk. In addition, the interaction between the assimilation strategy and the service provider's nationality has a significant effect on perceived risk (B = -.39, SE = .20, t = -1.93, p = .05); that is, this strategy has a significant role in lowering participants' perceptions of risk. Furthermore, the index of the moderated mediation test reveals a 90% CI does not include zero (B = -.60, 90% CI = -1.1775, -.0887). In combination, these results support H₂ and suggest that an assimilation strategy offers a successful option for mitigating switching behavior, by reducing perceptions of risk.

By presenting consumers with information about the personal values of foreign employees, such that their beliefs appear to resonate with values held in high regard in the consumers' own nation, Study 3 identifies an effective assimilation strategy for lessening the adverse effects of foreign conflict bias linked to international conflict. It thus offers insights for managers, including a clear strategy for diminishing foreign biases in consumer interactions.

DISCUSSION

By investigating the detrimental effects of foreign conflict biases in service settings, as can arise from international conflicts, we reveal that these negative impacts are comparable to the consequences of service failures and can manifest even before any service is provided. Thus, we offer a relevant strategy for foreign service providers to implement in their efforts to address and mitigate such bias. These findings underscore the need for a refined theoretical framework that can detail how biases differ according to the country of origin of foreign service employees and the nature of that country's relationship with the consumer's home nation. In turn, this research enhances current understanding of service theory related to foreign bias while also offering crucial insights for managerial practice and laying a groundwork for further academic investigations.

Theoretical Implications

Noting the tendency of extant research to assume that foreign bias operates uniformly, such that it gets invoked by any foreign service providers, regardless of their origin, we attempt to challenge this oversimplification and overly broad categorization of biased reactions to foreign entities. Instead, we acknowledge that international conflicts can profoundly influence consumer reactions to foreign service providers, and we propose the need to address the dynamics of

foreign conflict bias, especially in relation to global tensions and conflicts. In Study 1, we establish that consumers tend to perceive higher risk and are more inclined to switch away from service providers whose origins are in countries that have been or are currently engaged in international conflict with the consumers' home country. International conflicts appear to trigger collective trauma, leading to heightened vigilance; such subconscious trauma seemingly can be triggered simply by interacting with others associated with these conflicts. This finding highlights the need to move beyond a general examination of foreign bias and undertake more detailed, nuanced explorations of how international relations shape consumer perceptions and decisions. We provide further evidence for this insight with a test of process through moderation in Study 2, such that we examine the proposed psychological process by manipulating it, in line with our prediction that risk appraisals stemming from service providers' origins in countries in conflict with the consumers' nation manifest as expectations of service failures. These results affirm that the detrimental effects of service failures are less pronounced for providers from countries experiencing severe conflicts, relative to those from countries with minor conflicts. The trauma-induced biases stemming from international conflicts preemptively affect consumer expectations, so actual service failures are expected, which lessens their impact. This finding underscores that the adverse effects of foreign conflict biases are as significant as actual deficiencies in service quality, highlighting their profound impact on consumer decision-making.

Our research also offers contributions for health care services and animosity literature. Health care services are vital to consumer well-being, and the presence of foreign health care providers into the U.S. market is significant, driven by overwhelming demand that already exceeds limits imposed on visa allocations (Weixel 2023). Thus, U.S. consumer interactions with foreign health care providers are not just frequent but nearly inevitable. Yet despite this growing

trend, we find scarce research into the biases that consumers likely experience in cross-cultural health care interactions or the unique challenges that foreign service providers encounter.

Understanding and addressing these aspects is crucial for the globalized health care sector.

Finally, consumer animosity research usually centers on consumers' perceptions or purchases of goods from countries engaged in international conflict with their own nation and reveals that consumers often link their emotions and behaviors to feelings of animosity toward the country of origin (Harmeling, Magnusson, and Singh 2015; Westjohn et al. 2019). However, this phenomenon has not been explored in relation to service providers who come from controversial countries of origin. With this research, we provide initial evidence that collective trauma due to international conflicts influences not just product consumption but also attitudes and interactions with human representatives of other nations.

Managerial Implications

In the global economy, foreign frontline employees are highly likely to be exposed to negative consumer bias; as we show, consumers' negative cognitions and behaviors can be triggered merely by existing negative perceptions toward the perceived home country of a service employee, regardless of how that employee acts or performs during the interaction. Acknowledging the impact of foreign conflict bias is crucial for businesses in effectively handling consumer complaints. Imagine a scenario in which a small dental office receives negative reviews due to the foreign conflict bias, but wrongly attributes these complaints to service quality issues. In response, the office decides to implement general business recommendations for improved service, such as speeding up responses, deploying advanced technology, or rewarding consumers for reviews (Savelli 2020), yet finds these measures ineffective. In that case, adopting an explicitly assimilation strategy may bring about the desired

change, as a means to address biases triggered by international conflicts and trauma.

Misdiagnosing the root cause of the issues can lead to unnecessary costs and potentially harm the overall business operations.

In a related sense, managerial evaluations of employee performance should take the potential biasing effect of consumers' foreign conflict into account. In particular, foreign employees should not be judged solely by consumers' feedback, if it seems likely that consumers are experiencing trauma and/or foreign bias. Managers thus need training, to be able to discern accurate sources of consumers' negative attitudes and correctly evaluate their employees' actual performance. Furthermore, managers should take proactive steps in safeguarding foreign employees and assisting them in mitigating any adverse effect on their well-being. According to Study 3, an assimilation strategy effectively mitigates the adverse effects of trauma-induced biases, which implies that such biases are not only manageable but can also be addressed proactively, prior to any consumer interaction. Service managers should adopt strategic assimilation tactics, to encourage and help frontline service providers make their shared humanity and aspirations, in line with the consumer's views, more salient. At the firm level, such efforts should span a diverse array of platforms, such as (physician) rating websites, official corporate sites, Google reviews, and social media channels. Through these platforms, the service firm can implement meaningful assimilation strategies and encourage less biased consumer engagement. Comprehensive efforts by firms, managers, and employees thus should help mitigate the negative effects of trauma-induced biases and still allow foreign workers to maintain beneficial employment conditions, for themselves and their employers.

Limitations and Further Research

The evidence we provide, regarding how international conflicts can influence consumer cognition and behavior, reveals various opportunities for additional research related to consumer interactions with foreign service providers. In particular, our study context is specific to dentistry, a health care service encounter that requires substantial contact between the consumer and the service provider. The findings might apply in other high-contact settings (e.g., legal services, hairdressers), but continued research is needed to test this prediction, as well as extend the findings to low-contact service encounters (e.g., call center service), in which the impacts of international conflict could differ. We also call for efforts to extend these research considerations beyond U.S. consumers. Consumer animosity is not limited to the United States and even might be greater in other countries that have experienced significant persecution. For example, Chinese consumers' animosity toward Japan stems from World War II; Australian animosity toward France follows in the wake of its nuclear tests in the South Pacific (Westjohn et al. 2019). Extending this research to different countries and cultures should reveal additional insights.

In this sense, we also acknowledge that the effects of international conflicts we examine pertain to relatively stable animosity conditions, which accumulate over time and form through perceived historical injustices. Other conflicts instead might evoke situational or event-driven transient animosity. Although U.S. animosity toward Russia might be based on historical tensions stemming from the Cold War, it escalated following Russia's invasion of Ukraine for example. Furthermore, we assume exclusively negative effects of foreign conflict biases, but there might be instances in which interactions with foreign service providers result in positive effects, because consumers appreciate and respond positively to interacting foreign service employees, such as when they are traveling abroad (Yuksel 2004). We might predict positive effects of interacting with foreign employees if consumers expect such interactions or if they

assign high value to some specialized forms of foreign service (e.g., interacting with a Swiss
watch service repair specialist).

Appendix A. Study Scenarios

Study 1 Scenario

Recently, you moved to a new city for your job. A few days ago, you started experiencing

intense tooth pain and needed a dentist. You contacted a local dental clinic inside your new

insurance network, which has several dentists on staff. Since you didn't have a designated

referral, the receptionist arranged an appointment for you with the next available dentist for this

week.

Since you didn't have any information about the dentist, you searched for it and found the

dentist's biography.

[Below are the contents of the dentist's biography. For the survey, a photo of the dentist and the

contents were inserted, with the background of a doctor rating website.]

Biography: Dr. [George Doyle / Mikhail Morozov] is from [the United Kingdom / Russia]. He

earned his dental degree at a school of dentistry in the United States.

Languages: [English / English, Russian]

Study 2 Scenario

[The participants were first presented with the same scenario as in Study 1, except that the

dentist's nationality was changed from the UK to Japan, before proceeding to the scenario

outlined below.]

Control

Upon arriving at the dental clinic, you provide your name to the receptionist and wait in the

waiting area. After you wait for a while, the receptionist calls your name and asks you to go to

the examination room.

Dr. [*Taisuke Hamano / Mikhail Morozov*] examines you and informs that you will need to schedule another appointment for the treatment.

Service Failure

Upon arriving at the dental clinic, you provide your name to the receptionist and wait in the waiting area. After you wait for a while, the receptionist calls your name and asks you to go to the examination room.

You explain your symptoms to Dr. [Taisuke Hamano / Mikhail Morozov], yet he seems indifferent to your pain. During the examination, he proceeds without explaining what he's doing or why.

You ask him for post-treatment care instructions. However, Dr. [*Taisuke Hamano / Mikhail Morozov*] forgets to provide them but only guides you to schedule another appointment.

Study 3 Biography

[The participants were first presented with the same scenario as in Study 2, followed by the scenario described below.]

Control

Biography: Dr. [Taisuke Hamano / Mikhail Morozov] is from [Japan / Russia]. He earned his dental degree at a school of dentistry in the United States.

Languages: [English, Japanese / English, Russian]

Assimilation Strategy

Biography: Dr. [Taisuke Hamano / Mikhail Morozov] is from [Japan / Russia]. He earned his

dental degree at a school of dentistry in the United States.

He has a love for community service. For years, he has been an active mentor with Big Brothers

Big Sisters of America and is deeply passionate about making a positive impact in the lives of

young individuals.

Languages: [English, Japanese / English, Russian]

Perceived Risk adapted from Johnson, Sivadas, and Garbarino (2008)

I am concerned that the interaction with this dentist might not be worth the money.

There will likely be unexpected problems with this dentist.

There will likely be some conflicts between me and this dentist.

Switching Behavior

I would consider rescheduling my appointment with a different dentist.

I would actively search for a different dentist.

I would reconsider this dentist.

Negative Word of Mouth adapted from Bambauer-Sachse and Young (2023)

When I talk to my friends...

- ..., I would tell them to visit a different dentist.
- ..., I would like to make negative comments about this dentist.
- ..., I would not recommend this dentist.

Notes: All items measured on seven-point scales.

REFERENCES

- Alfonseca, Kiara (2021), "20 Years after 9/11, Islamophobia Continues to Haunt Muslims,"

 Retrieved from https://abcnews.go.com/US/20-years-911-islamophobia-continues-haunt-muslims/story?id=79732049
- Ang, Tyson, Ru-Shiun Liou, and Shuqin Wei (2018), "Perceived Cultural Distance in Intercultural Service Encounters: Does Customer Participation Matter?" *Journal of Services Marketing*, 32(5), 547-558.
- Averill, James R (1983), "Studies on Anger and Aggression: Implications for Theories of Emotion," *American Psychologist*, 38 (11), 1145.
- Bambauer-Sachse, Silke and Ashley Young (2023), "Consumers' Intentions to Spread Negative Word of Mouth About Dynamic Pricing for Services: Role of Confusion and Unfairness Perceptions," *Journal of Service Research*, 10946705231190871.
- Barnes, Julian (2021), "Russian Interference in 2020 Included Influencing Trump Associates,

 Report Says," Retrieved from https://www.nytimes.com/2021/03/16/us/politics/election-interference-russia-2020-assessment.html
- Batalova, Jeanne (2023), "Immigrant Health-Care Workers in the United States," Retrieved from https://www.migrationpolicy.org/article/immigrant-health-care-workers-united-states#:~:text=Number%20and%20Share%20Nationally%20and%20by%20State,-Immigrant%20professionals%20have&text=For%20instance%2C%20the%20foreign%20born,aides%20(see%20Table%201)
- Berry, Leonard L and Neeli Bendapudi (2007), "Health Care: A Fertile Field for Service Research," *Journal of Service Research*, 10(2), 111-122.

- Brenan, Megan (2023), "Canada, Britain Favored Most in U.S.; Russia, N. Korea Least,"

 Retrieved from https://news.gallup.com/poll/472421/canada-britain-favored-russia-korea-least.aspx#:~:text=WASHINGTON%2C%20D.C.%20%2D%2D%2DM20Americans%20cont inue,the%20least%20favorably%20reviewed%20country.
- Brewer, Marilynn B (1999), "The Psychology of Prejudice: Ingroup Love and Outgroup Hate?" *Journal of Social Issues*, 55 (3), 429-44.
- Canetti, Daphna, Gilad Hirschberger, Carmit Rapaport, Julia Elad-Strenger, Tsachi Ein-Dor, Shifra Rosenzveig, Tom Pyszczynski, and Stevan E Hobfoll (2018), "Collective Trauma from the Lab to the Real World: The Effects of the Holocaust on Contemporary Israeli Political Cognitions," *Political Psychology*, 39 (1), 3-21.
- Chuapetcharasopon, Pylin (2014), "Emotional Labour in the Global Context: The Roles of Intercultural and Intracultural Service Encounters, Intergroup Anxiety, and Cultural Intelligence on Surface Acting ": Doctoral dissertation, University of Waterloo.
- CMS.gov (2023), "NHE Fact Sheet," Retrieved from https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet
- Danaher, Tracey S and Andrew S Gallan (2016), "Service Research in Health Care: Positively Impacting Lives," *Journal of Service Research*, 19(4), 433-437.
- Etgar, Michael and Galia Fuchs (2011), "Does Ethnic/Cultural Dissimilarity Affect Perceptions of Service Quality?," *Services Marketing Quarterly*, 32 (2), 113-28.
- Gaertner, Samuel L, John F Dovidio, Phyllis A Anastasio, Betty A Bachman, and Mary C Rust (1993), "The Common Ingroup Identity Model: Recategorization and the Reduction of Intergroup Bias," *European Review of Social Psychology*, 4 (1), 1-26.

- Gaur, Sanjaya Singh, Piyush Sharma, Halimin Herjanto, and Russel PJ Kingshott (2017),

 "Impact of Frontline Service Employees' Acculturation Behaviors on Customer

 Satisfaction and Commitment in Intercultural Service Encounters," *Journal of Service Theory and Practice*, 27 (6), 1105-21
- Ghantous, Nabil and Amro A Maher (2019), "When Does Uncertainty Avoidance Promote Customer-to-Customer Intercultural Service Encounters?," *International Marketing Review*, 36(3), 445-463.
- Harmeling, Colleen M, Peter Magnusson, and Nitish Singh (2015), "Beyond Anger: A Deeper Look at Consumer Animosity," *Journal of International Business Studies*, 46 (6), 676-93.
- Hayes, Andrew F (2017), Introduction to Mediation, Moderation, and Conditional Process

 Analysis: A Regression-Based Approach. New York: Guilford Press.
- Hedrick, Natalie, Michael Beverland, and Stella Minahan (2007), "An Exploration of Relational Customers' Response to Service Failure," *Journal of Services Marketing*, 21 (1), 64-72.
- Hewstone, Miles, Mark Rubin, and Hazel Willis (2002), "Intergroup Bias," *Annual Review of Psychology*, 53(1), 575-604.
- Hirschberger, Gilad (2018), "Collective Trauma and the Social Construction of Meaning," Frontiers in Psychology, 9, 1441.
- Johnson, Guillaume D, Yuvay J. Meyers, and Jerome D. Williams (2013), "Immigrants Versus Nationals: When an Intercultural Service Encounter Failure Turns to Verbal Confrontation," *Journal of Public Policy & Marketing*, 32 (1 suppl), 38-47.
- Johnson, Mark S., Eugene Sivadas, and Ellen Garbarino (2008), "Customer Satisfaction,

 Perceived Risk and Affective Commitment: An Investigation of Directions of Influence," *Journal of Services Marketing*, 22 (5), 353-62.

- Kary, Tiffany (2022), "Vodka Drinkers Are Changing Brands in Wake of Ukraine Invasion,"

 Retrieved from https://www.bloomberg.com/news/articles/2022-03-02/vodka-drinkers-are-changing-brands-in-wake-of-ukraine-invasion?embedded-checkout=true
- Khan, Marryam, Heejung Ro, Amy M Gregory, and Tadayuki Hara (2016), "Gender Dynamics from an Arab Perspective: Intercultural Service Encounters," *Cornell Hospitality Quarterly*, 57 (1), 51-65.
- Klein, Jill Gabrielle (2002), "Us Versus Them, or Us Versus Everyone? Delineating Consumer Aversion to Foreign Goods," *Journal of International Business Studies*, 33 (2), 345-63.
- Klein, Jill Gabrielle, Richard Ettenson, and Marlene D Morris (1998), "The Animosity Model of Foreign Product Purchase: An Empirical Test in the People's Republic of China," *Journal of Marketing*, 62 (1), 89-100.
- Kong, Lan Lan, Zhi Qiang Ma, Sung Ho Ji, and Jin Li (2020), "The Mediating Effect of Empathy on the Relationship between Cultural Intelligence and Intercultural Adaptation in Intercultural Service Encounters," *The Journal of Asian Finance, Economics and Business*, 7(2), 169-180.
- Lazarus, Richard S. (1991), Emotion and Adaptation. New York: Oxford University Press.
- Lorenz, Melanie P, Jase R Ramsey, Ayesha Tariq, and Daniel L Morrell (2017), "Service Excellence in the Light of Cultural Diversity: The Impact of Metacognitive Cultural Intelligence," *Journal of Service Theory and Practice*, 27 (2), 475-95.
- McCollough, Michael A, Leonard L Berry, and Manjit S Yadav (2000), "An Empirical Investigation of Customer Satisfaction after Service Failure and Recovery," *Journal of Service Research*, 3(2), 121-137.

- Nakos, George E and Yannis A Hajidimitriou (2007), "The Impact of National Animosity on Consumer Purchases: The Modifying Factor of Personal Characteristics," *Journal of International Consumer Marketing*, 19 (3), 53-72.
- Nijssen, Edwin J and Susan P Douglas (2004), "Examining the Animosity Model in a Country with a High Level of Foreign Trade," *International Journal of Research in Marketing*, 21 (1), 23-38.
- Oliver, Richard L and John E Swan (1989), "Equity and Disconfirmation Perceptions as Influences on Merchant and Product Satisfaction," *Journal of Consumer Research*, 16(3), 372-383.
- Paparoidamis, Nicholas G, Huong Thi Thanh Tran, and Constantinos N Leonidou (2019),

 "Building Customer Loyalty in Intercultural Service Encounters: The Role of Service

 Employees' Cultural Intelligence," *Journal of International Marketing*, 27 (2), 56-75.
- Reed, Betsy (2019), "South Korean Boycott of Japanese Goods Hits Beer and Carmakers,"

 Retrieved from https://www.theguardian.com/world/2019/sep/04/south-korea-boycott-japanese-goods-beer-car-sales
- Reinhart, RJ (2021), "On Eve of Summit, Americans Still View Japan Positively," Retrieved from https://news.gallup.com/opinion/gallup/347090/eve-summit-americans-view-japan-positively.aspx
- Riaz, Bismah, Nawabzada Zeerak Farhat Sherwani, Syed Hashim Ali Inam, Muhammad Yasir Rafiq, Saman Tanveer, Anum Arif, Mohammad Abdullah, and Hamza Jamil (2021), "Physician Gender Preference Amongst Females Attending Obstetrics/Gynecology Clinics," *Cureus*, 13 (5).

- Rizal, Hamid, Don Jyh-Fu Jeng, and Hsin Hsin Chang (2016), "The Role of Ethnicity in Domestic Intercultural Service Encounters," *Service Business*, 10 (2), 263-82.
- Roseman, Ira J. (1984), "Cognitive Determinants of Emotion: A Structural Theory," *Review of Personality & Social Psychology*, Vol. 5. Beverly Hills, CA: SAGE Publications.
- Savelli, Nicolina (2020), "10 Tips for Avoiding Customer Complaints This Year," Retrieved from https://fonolo.com/blog/2015/12/10-tips-for-preventing-customer-complaints-for-the-coming-year
- Shaffer, Franklin A., Mukul Bakhshi, Kaley Cook, and Thomas D. Álvarez (2022),

 "International Nurse Recruitment Beyond the Covid-19 Pandemic: Considerations for the

 Nursing Workforce Leader," *Nurse Leader*, 20 (2), 161-67.
- Sharma, Piyush, Jackie LM Tam, and Namwoon Kim (2009), "Demystifying Intercultural Service Encounters: Toward a Comprehensive Conceptual Framework," *Journal of Service Research*, 12 (2), 227-42.
- ---- (2012), "Intercultural Service Encounters (ICSE): An Extended Framework and Empirical Validation," *Journal of Services Marketing*, 26(7), 521-534.
- ---- (2015), "Service Role and Outcome as Moderators in Intercultural Service Encounters," *Journal of Service Management*, 26 (1), 137-55.
- Sharma, Piyush and Zhan Wu (2015), "Consumer Ethnocentrism Vs. Intercultural Competence as Moderators in Intercultural Service Encounters," *Journal of Services Marketing*, 29(2), 93-102.
- Sharma, Piyush, Zhan Wu, and Yong Su (2016), "Role of Personal Cultural Orientations in Intercultural Service Encounters," *Journal of Services Marketing*, 30(2), 223-237.

- Sizoo, Steve, Richard Plank, Wilfried Iskat, and Hendrick Serrie (2005), "The Effect of Intercultural Sensitivity on Employee Performance in Cross-Cultural Service Encounters," *Journal of Services Marketing*, 19 (4), 245-55.
- Spencer, Steven J, Mark P Zanna, and Geoffrey T Fong (2005), "Establishing a Causal Chain: Why Experiments Are Often More Effective Than Mediational Analyses in Examining Psychological Processes," *Journal of Personality and Social Psychology*, 89(6), 845.
- Stauss, Bernd and Paul Mang (1999), ""Culture Shocks" in Inter-Cultural Service Encounters?," *Journal of Services Marketing*, 13(4/5), 329-346.
- Taketani, Keigo and Shinichiro Terasaki (2022), "When and Why Does Good Service Recovery Improve Consumer Affinity?: An Empirical Study on Intercultural Service Encounters,"

 International Journal of Marketing & Distribution, 5 (2), 37-55.
- Tam, Jackie LM, Piyush Sharma, and Namwoon Kim (2016), "Attribution of Success and Failure in Intercultural Service Encounters: The Moderating Role of Personal Cultural Orientations," *Journal of Services Marketing*, 30 (6), 643-58.
- Tam, Jackie, Piyush Sharma, and Namwoon Kim (2014), "Examining the Role of Attribution and Intercultural Competence in Intercultural Service Encounters," *Journal of Services Marketing*, 28(2), 159-170.
- Tariq, Ayesha, Melanie P Lorenz, and W Frank Thompson (2023), "Too Real? The Conflicting Roles of Adaptation and Authenticity in Intercultural Service Encounters," *Journal of Services Marketing*.
- Tcholakian, Lara A, Svetlana N Khapova, Erik Van De Loo, and Roger Lehman (2019),

 "Collective Traumas and the Development of Leader Values: A Currently Omitted, but

 Increasingly Urgent, Research Area," *Frontiers in Psychology*, 1009.

- Tombs, Alastair and Sally Rao Hill (2014), "The Effect of Service Employees' Accent on Customer Reactions," *European Journal of Marketing*, 48 (11/12), 2051-70.
- Valinsky, Jordan (2022), "States Want to Boycott Russian Vodka. Here's Why That Won't Work," Retrieved from https://www.cnn.com/2022/02/27/business/russian-vodka-boycotts/index.html
- Van Lange, Paul AM, Arie W Kruglanski, and E Tory Higgins (2011), *Handbook of Theories of Social Psychology*. Sage Publications.
- Vollhardt, Johanna Ray and Michal Bilewicz (2013), "After the Genocide: Psychological Perspectives on Victim, Bystander, and Perpetrator Groups," *Journal of Social Issues*, 69(1), 1-15.
- Wang, Chen-Ya, Li Miao, and Anna S Mattila (2015), "Customer Responses to Intercultural Communication Accommodation Strategies in Hospitality Service Encounters," *International Journal of Hospitality Management*, 51, 96-104.
- Warden, Clyde A, Tsung-Chi Liu, Chi-Tsun Huang, and Chi-Hsun Lee (2003), "Service Failures Away from Home: Benefits in Intercultural Service Encounters," *International Journal of Service Industry Management*, 14 (4), 436-56.
- Weixel, Nathaniel (2023), "Health Groups Sound the Alarm over Foreign Nurse Visa Freeze,"

 Retrieved from https://thehill.com/policy/healthcare/3970813-health-groups-sound-the-alarm-over-foreign-nurse-visa-freeze/
- Westjohn, Stanford A, Peter Magnusson, Yi Peng, and Hyeyoon Jung (2019), "Acting on Anger:

 Cultural Value Moderators of the Effects of Consumer Animosity," *Journal of International Business Studies*, 52, 1591-1615.

- Yin, Dezhi, Samuel D Bond, and Han Zhang (2014), "Anxious or Angry? Effects of Discrete Emotions on the Perceived Helpfulness of Online Reviews," *MIS Quarterly*, 38 (2), 539-60.
- Yuksel, Atila (2004), "Shopping Experience Evaluation: A Case of Domestic and International Visitors," *Tourism Management*, 25 (6), 751-59.
- Yurur, Senay, Erdogan Koc, Cagatan Taskin, and Hakan Boz (2021), "Factors Influencing Intercultural Sensitivity of Hospitality Employees," *International Journal of Hospitality & Tourism Administration*, 22(1), 26-44.

Table 1. Review of Marketing Research Investigating the Impacts of Foreign Bias

Study	Industry	Consumer expects foreign provider (y/n)	Gearch Investigating Origin Customer-Employee	Mechanisms	Moderators	Dependent Variables	Key Findings
Ang, Liou, and Wei 2018	Service	No	Caucasian – Asian (and vice versa)	Social judgement	Customer participation	Service quality, satisfaction	To examine foreign bias, researchers manipulated Cultural Distance (CD). They discovered that CD influences consumers' perceptions, resulting in negative views of foreign service providers' warmth and competence. This in turn negatively influences their judgments of service quality and satisfaction.
Chuapetchara sopon 2014	Health care	Yes	Thailand - Foreigner	Uncertainty, intergroup anxiety		Surface acting	The study investigated the impact of foreign bias by asking nurse participants to recall their interactions with either foreign or domestic patients. It was found that the effect of surface acting on emotional exhaustion is more pronounced when interacting with foreign patients.
Etgar and Fuchs 2011	Health care	No	Israeli Jewish - Israeli Arab (and vice versa)			Perceived service quality	The study examined the impact of foreign bias by focusing on ethnic differences. It revealed that dissimilarity in ethnicity adversely affects the perception of service quality.
Gaur et al. 2017	Banking	Yes	Foreigners living in New Zealand - New Zealand			Satisfaction, commitment	This study explores the impact of service providers' behaviors on the responses of foreign consumers. It reveals that service providers' behavior regarding assimilation and integration positively influences consumer satisfaction and commitment.
Ghantous and Maher 2019	N/A	Yes	Indian living in Qatar - Qatar		National identification	Cosmopolitanis m, revisit intention	This study investigates foreign bias among expatriates living abroad, focusing on their inclination to visit service places patronized by local consumers. The findings reveal that the personal trait of uncertainty avoidance significantly influences this behavior, with national identification also playing a moderating role.
Johnson, Meyers, and Williams 2013	Retail	No	Black South African - Zimbabwean; African American - Korean		Dissimilarity	Anger, verbal confrontation	This study investigates foreign bias against foreign service providers, rooted in stereotypes about immigrants. It finds that consumers feel angrier during service failures with shopkeepers they perceive as highly dissimilar.
Khan et al. 2016	Hotel	Yes	Arab - USA			Satisfaction, feedback willingness	This study explores gender dynamics among Arab consumers when interacting with foreign service providers abroad. Results indicate that Arab customers are generally more satisfied and more inclined to give feedback when engaging with foreign employees of the same gender.
Kong et al. 2020	Retail	Yes	Foreigner - Korea	Empathy		Adaptive sales behavior	This paper explores which qualities in service providers lead to positive interactions with foreign consumers. The findings highlight that providers possessing cultural intelligence can positively influence adaptive sales behavior through empathy. This study investigates foreign service encounters from the
Lorenz et al. 2017	Restaurant	Yes	Australia - USA; China - USA		Cultural intelligence	Service encounter adaptation	perspective of service providers. It reveals that providers often adjust their behavior when they perceive CD with foreign consumers. This adaptive behavior is more pronounced in providers who possess higher cultural intelligence.
Study	Industry	Consumer expects foreign provider	Origin Customer-Employee	Mechanisms	Moderators	Dependent Variables	Key Findings

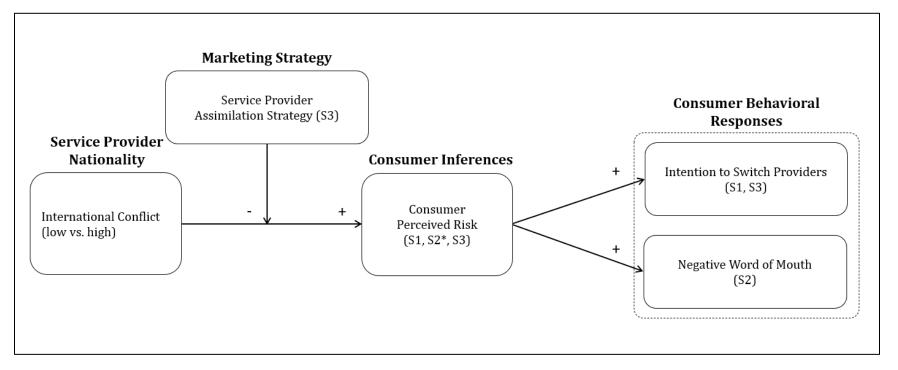
Study	Industry	Consumer expects foreign provider	Origin Customer-Employee	Mechanisms	Moderators	Dependent Variables	Key Findings
Stauss and Mang 1999	Travel	Yes	German-American, American-Japanese, German-Japanese			Recalling critical incidents	This research offers insights into how consumers respond to service failures by foreign providers. It suggests that consumers would adjust their initial expectations, by lowering their standard for adequate service, thereby expanding their tolerance zone.
Sizoo et al. 2005	Restaurant	Yes	Foreigner - USA			Attentiveness, revenue, interpersonal skills, satisfaction	This research investigates how service providers' personal characteristics can reduce the impact of consumers' foreign bias. It identifies that employees with high intercultural sensitivity are more positively evaluated by foreign consumers than those with low intercultural sensitivity.
Sharma, Wu, and Su 2016	Restaurant	No	China - Caucasian; Australia - South Asian		Independence, risk aversion, ambiguity intolerance	Interaction comfort, service quality, satisfaction	This study explores how individual traits can intensify or lessen the effects of foreign bias. Specifically, the negative impact is heightened in more independent consumers but diminishes in those showing risk aversion and ambiguity intolerance.
Sharma and Wu 2015	Restaurant	No	Australian - South- Asian		Intercultural competence	Interaction comfort, service quality	This research investigates the detrimental impact of foreign bias by examining the cultural distance that consumers perceive, originating from ethnic differences. The study discovers that this perceived distance leads consumers to feel less comfortable and perceive lower service quality. However, the negative effects are mitigated when the service providers exhibit high intercultural competence.
Sharma et al. 2015	Restaurant	No	China - China, South Asian, or Caucasian (and vice versa)		Service outcome	Satisfaction, interaction comfort	Consumers often experience lower interaction comfort and satisfaction when interacting with foreign service providers from a different ethnic background, as a result of foreign bias. This negative effect is more pronounced during service failures than in successful interactions.
Sharma, Tam, and Kim 2012	Restaurant	No	Hongkong - Foreigner (and vice versa)		Service role, intercultural competence	Interaction comfort	The study reveals that the detrimental effects of foreign bias on interaction comfort are more pronounced among consumers than among service providers. Furthermore, its negative impact is reduced when intercultural competence is high.
Rizal, Jeng, and Chang 2016	Retail	No	Malay or Chinese - Different ethnicity			Satisfaction	This study explores the negative impact of foreign bias by asking participants to recall their interactions with foreign service providers. Drawing on social identity theory, this study suggests that consumer satisfaction reduces when interacting with providers of a different ethnicity.
Paparoidamis et al. 2019	Hotel	Yes	Foreign visitors in Vietnam - Vietnam		Cultural intelligence	Loyalty	The study explores the factors driving positive consumer responses when their nationality differs from that of the service providers. It finds that higher perceived service quality leads to increased consumer loyalty, and this positive effect is further amplified when service providers possess high physical cultural intelligence.

Taketani and Terasaki 2022	Restaurant	Yes	Japan - Germany; Japan - Korea	Consumer affinity	Animosity	Revisit intention	This study investigates the positive impact of service recovery strategies in intercultural service encounters. It further finds that when consumers possess high animosity towards the service providers' home country, the effectiveness of the recovery strategy diminishes.
Tam et al. 2014	Restaurant	No	China - Westerner	Cultural attribution	Intercultural competence	Satisfaction	This paper explores the positive effects of foreign bias. It finds that when consumers perceive greater cultural distance from foreign service providers, they tend to attribute service failures to differences in culture and language, and are thus less likely to reduce their satisfaction.
Tam et al. 2016	Restaurant	No	Chinese or Western - South Asian		Cultural orientation	Attribution to service employee, service firm, customer (self)	This paper investigates consumer responses to service failures in intercultural service encounters. It found that consumers often attribute these failures to foreign service providers or the firm, rather than blaming themselves or cultural differences. Personal cultural orientations act as moderating variables.
Tariq et al. 2023	Restaurant	Yes	USA - India	Perceived authenticity	Generational differences, cultural intelligence	Satisfaction, loyalty	This research examines the positive impact of foreign bias in service contexts where authenticity is valued. It focuses on US consumers' satisfaction when visiting Indian restaurants and finds that consumers show the highest levels of satisfaction and loyalty when only a moderate level of adaptation is required.
Tombs and Hill 2014	Hotel	Yes	Australia - India		Affective states, competency	Credibility, emotions	The research explored the negative effects of foreign bias by varying the accents of service providers. It revealed that a foreign accent tends to elicit negative consumer reactions, especially in cases where the provider is seen as incompetent.
Wang et al. 2015	Hotel	Yes	China - USA			Emotions, perceptions of symbolic value	This study examines strategies to mitigate the negative impacts of foreign bias. It finds that communication accommodation, particularly through congruence in language and/or ethnicity, has a positive effect on consumer emotions.
Warden et al. 2003	Restaurant	Yes	Taiwan - Foreigner			Satisfaction	The study explores the positive effects of foreign bias, revealing that consumers traveling abroad tend to report higher satisfaction ratings when recovery strategies are employed during intercultural service encounters.
Yuksel 2004	Retail	Yes	Foreigner - Turkey			Perceived service quality	This study examines the beneficial effects of foreign bias in travel settings. The findings indicate that foreign tourists are more likely to offer positive evaluations of services compared to local visitors.
Yurur et al. 2021	Hotel	Yes	Foreigner - Turkey			Intercultural sensitivity	This study explores the drivers of intercultural sensitivity, a valued trait for service providers in the hospitality industry when dealing with foreign consumers. The research reveals that exposure to different cultures plays a significant role in enhancing intercultural sensitivity.

 Table 2 Overview of Empirical Studies

Studies	Designs	Hypotheses	Objectives	International Conflict Manipulation	Dependent Variables	Findings
Study 1	Nationality: UK, Russia	H ₁ : Relative to service providers who are associated with countries with low international conflict with consumers' countries, assimilation strategies reduce the effect of service providers' association with high international conflict on perceived risk, thereby mitigating negative consumer behavior.	Even before any human interaction, can the nationality of service providers shape negative cognitions, leading to changes in behavioral responses? Can the negative impact of international conflict arise solely from the acknowledgment of a service provider's nationality?	Scenario describes how participants review the dentist's biography before the appointment. Foreign characteristics are illustrated solely by the dentist's nationality. Participants see the same photo of a dentist, regardless of nationality, and learn that the dentist earned a U.S. degree.	Cognitive perceived risk in response to service providers from U.K. vs. Russia. Intention to reschedule the appointment with a different dentist.	If there are severe conflicts between a consumer's country and the service provider's nation, consumers tend to perceive a higher risk associated with the foreign service provider, even before any interaction takes place. These perceptions mediate the effect of intercultural service encounters on intentions to switch service providers.
Study 2	2 (nationality: Japan, Russia) × 2 (service failure: absent, present) between- subjects	H_1	$ullet$ Provide further evidence for H_1 with a test of process through moderation. Explore whether negative cognitive risk appraisals manifest as service failures and thus influence consumer behavior.	Participants first review the dentist's biography before their appointment and then proceed to visit the dentist.	Intention to spread negative word of mouth (NWOM)	When consumers interact with service providers from countries with a high level of international conflict, their intention to spread NWOM does not significantly vary, whether a service failure occurs or not, because the intention to spread NWOM is already elevated, regardless of the presence or absence of service failures. In situations with a low level of international conflict, consumers are more inclined to share NWOM when they encounter a service failure, compared with no service failure.
Study 3	2 (nationality: Japan, Russia) × 2 (strategy: control, mitigation strategy) between- subjects	H ₂ : When a foreign service provider is associated with a country that has an international conflict with the consumer's country, assimilation strategies reduce negative consumer behavior; these effects are attenuated for foreign service providers whose country does not have an international conflict with the consumer's country.	• Explore the strategies foreign service providers can use to mitigate the detrimental effects of international conflict on cognitive and behavioral responses.	• Scenario from Study 1, with two differences: Participants saw a photo of either an Asian or White dentist, depending on the assigned condition, and received additional information about extra-role characteristics (i.e., community involvement).	Cognitive perceived risk in response to service providers from Japan vs. Russia. Intention to reschedule the appointment with a different dentist.	Consumers are less likely to perceive risks associated with foreign service providers when provided with information related to assimilative extra-role aspects of the provider. Implementing an assimilation strategy reduces negative perceptions, thus making customers less likely to switch to a different provider.

Figure 1 Effect of Foreign Conflict Bias on Consumer Response to Service Encounters



Notes: S1 = Study 1, service provider nationality: low conflict = UK vs. high conflict = Russia, S2 = Study 2, a 2 (service provider nationality: low conflict = Japan vs. high conflict = Russia) x 2 (service failures: yes vs. no), S3 = Study 3, a 2 (service provider nationality: low conflict = Japan vs. high conflict = Russia) x 2 (assimilation strategy).

^{*}In Study 2, perceived risk is measured using a moderation-of-process design.

Figure 2 Study 2 Results: Evidence of Consumer Risk Inferences Through Moderation

