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Israeli Products in the Eyes of Palestinians

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Abstract

The effects of consumer ethnocentrism, animosity and product judgments on Palestinian consumer intention to purchase Israeli products was analyzed. To do so, a questionnaire was built, tested and distributed to a sample of 1550 Palestinian consumers in three main cities, Hebron, Ramallah and Nablus. Factor as well as multiple regression techniques were then applied. Results indicate that both ethnocentrism and animosity are positively related to consumer reluctance to buy Israeli goods. Findings also suggest that product judgment negatively impacts the reluctance of Palestinian consumers to purchase Israeli products. Furthermore, results show that education is the only personal characteristics variable that affects Palestinian purchase intention.

Keywords:

Animosity, ethnocentrism, boycott, Israeli-Palestinian conflict.

المنتجات الإسرائيلية بعين فلسطينية

يهدف هذا البحث إلى تسليط الضوء على أثر الصراع الفلسطيني الإسرائيلي على استهلاك المستهلك الفلسطيني للمنتج الإسرائيلي. من أجل ذلك، تم بناء استبانة واختبارها وتوزيعها على عينة مكونة من 1550 مستهلك فلسطيني في ثلاث مدن رئيسية، الخليل، رام الله و نابلس. لقد تم تحليل البيانات باستخدام تقنيات التحليل العائلي والإحدار الخطي المتعدد. أظهرت النتائج أن زيادة درجة النزعة العرقية والعدوانية التي يحملها المستهلك الفلسطيني اتجاه إسرائيل، بشقيها النفسي والإقتصادي، تزيد من إحجام المستهلك الفلسطيني عن شراء المنتج الإسرائيلي. كذلك أشارت النتائج أن هنالك علاقة طردية بين الحكم على جودة المنتج الإسرائيلي و درجة الإقبال على شرائه. علاوة على ذلك، تبين أن المستوى التعليمي هو المتغير الوحيد الذي يؤثر

كلمات مفتاحية:

العدوانية، النزعة العرقية، المقاطعة، الصراع الفلسطيني الإسرائيلي.

1. Introduction

Consumer purchasing decisions towards foreign products have been widely studied in the literature. A number of reasons and theoretical explanations have been proposed to explain consumer selection of the final products (Nakos and Hajidimitriou, 2007). Three main reasons dominate the literature. The first reason influencing consumer purchasing behavior is ethnocentrism, which describes consumers' feelings and beliefs towards local products as subjects of pride and identity (Shimp and Sharma, 1987). Animosity is the second explanation of consumer purchasing behavior towards non-local products (Klein et al., 1998). Consumers' judgments of foreign products, which is affected by the place of origin of such products, also plays an important role in influencing consumer purchasing behavior (LeClerc and Schmitt, 1994).

While a great number of studies have examined the effects of consumer ethnocentrism, animosity and product judgments on consumer purchase intention of foreign products, no studies have been made to analyze the Palestinian-Israeli markets. Investigating Palestinian and Israeli markets is important due to the unique relationship among these two countries. As is well known, the Israeli-Palestinian conflict is considered as the world's most intractable conflict that began after Israel's establishment in 1948 and continues to the present day ([Munayer](#) and [Loden](#), 2014). Apart from the dispute over land and Israeli arbitrary policies toward Palestinians, there are agreements that regulate the Palestinian-Israeli economic relations, which have substantially impacted the Palestinian economy and make it heavily dependent on the Israeli counterpart.

Palestinians have used violent and non-violent forms since the beginning of the 1930s to achieve their goals against Zionism (Awad, 1984). In 1987, the first Palestinian uprising (first intifada) launched, led to frequent closures of the Palestinians Territories.¹ The first intifada was accompanied with popular campaigns to reduce the Palestinian economic dependence on the Israeli economy through boycotting Israeli products that have a Palestinian alternative. After the

establishment of the Palestinian National Authority (PNA) and the signing of the Paris Protocol in 1994, which formalized the de facto customs union in operation under occupation, the boycott of Israeli goods has lessened on the Palestinian streets. Calls for the boycott were renewed by the beginning of the second intifada in 2000 and reached its peak during the Gaza Strip war in 2014 (Ramahi, 2015). The objective of this paper is to shed light on this issue by analyzing the effects of consumer ethnocentrism, animosity and product judgments on Palestinian consumer intention to purchase Israeli products. It also breaks new ground by investigating the impact of Israeli violence as well as Palestinians' personal characteristics, such as gender and education, on the reluctance to purchase Israeli goods by Palestinians.

This paper is organized as follows. In the second section, a brief overview of the Israeli-Palestinian conflict is presented. A literature review of previous research is carried out in the third section. The fourth and fifth sections are devoted to discuss the methods used and results obtained, respectively. The article ends with the concluding remarks section.

2. The Israeli-Palestinian conflict

The Israeli-Palestinian conflict is considered as one of the most important as well as the oldest of modern conflicts to date, and begun after Israel's establishment in 1948 in Palestine, as a home for the Israelis (Smith, 2010). As a result of the 1948 war, known in Arabic as the Nakba, Israel occupied 76.7% of the total area of Palestine; [more than 700,000 Palestinians fled from their homes](#) to neighboring Arab countries (McDowall and Palley, 1987). In 1967, Israel began another war, known as the Six-Day war or Naksah, and occupied the remaining Palestinians' land, namely the West Bank and Gaza Strip. As a response to the continuation and escalation of Israeli violations toward Palestinians, the first intifada began in 1987. At the beginning of the 1990s, international efforts to resolve the Israeli-Palestinian conflict had started, leading to the [Oslo Accords](#) of 1993. According to the Accords, the PNA was established in the [West Bank](#) and [Gaza Strip](#). PNA, since the beginning of its establishment, has made significant progress in building institutions of a state and created a frame work of economic laws to encourage and support foreign and local investments in the occupied Palestinian territory. However, progress has been frustrated and foreign and domestic investments have

¹ The closure system is a situation in which Israeli government applies a series of obstacles such as permanent and partially manned checkpoints, concrete roadblocks and barriers, earth mounds and an elaborate set of restrictions that controls and restricts Palestinian freedom of movement.

been consistently undermined due to the insecurity, uncertainties and unstable environment of the territories (UNCTAD, 2012; Paltrade, 2010). In late 2000, the second intifada began as a consequence of the Israeli occupation policies. The uprising ended in early 2005 leaving behind thousands of deaths and injuries. In the last decade, the Israeli-Palestinian conflict has entered new phases of escalation. Specifically, Israel has waged three wars on Gaza Strip: in 2008, 2012 and 2014.²

More than twenty years have passed since the signing of the Oslo Accords without progress. In particular, Palestinians and Israelis have failed to reach a final peace agreement. Among the sensitive and outstanding issues are: mutual recognition, borders, [Palestinian right of return](#), [Israeli settlements](#), security and control of [Jerusalem](#), (see, Center for a new American security, 2015; or Wikipedia, 2016a). The suffering of the Palestinian people under Israeli occupation force them to use violent and non-violent tools as a means to resist occupation and defend peoples' rights to live in security and freedom. Boycott is one of the most important non-violent tools used to resist Israeli occupation. The most relevant Palestinian and international boycott campaigns against Israel are addressed below:

The official boycotts of the Jewish community was initiated by the [Arab League](#) member states in December 1945, about three years before the establishment of Israel, and have persisted since then. Although the effects of the boycott that Israel faced by Arab countries was strong, Israel managed to weaken it over time. Specifically, in 1979 Egypt and Israel signed a peace treaty that ended Egyptian participation in the boycott of Israel. In 1994, following the Oslo Peace Accords between the Palestinian Authority and Israel, significant changes occurred in Israeli-Arab relations. In particular, Jordan and the Gulf Cooperation Council (GCC) countries, ended their participation in the Arab boycott toward Israel (United Nation, 2013; Wikipedia, 2016b). While Arab countries have started to abandon the boycott, international calling for [Boycott, Divestment and Sanctions](#) (BDS) of Israel have increased. The BDS campaign was formally launched in 2005 by [non-governmental organizations](#) and unions attempting to increase economic and political pressure on Israel to achieve political results. Over time, the global movement to boycott Israel by the BDS has

increased in momentum (Brackman, 2013; Habeeb, 2016).

In 2010, as a result of the escalation of illegal settlement building in the occupied West Bank, the Palestinian government made a distinction among goods manufactured in Israel and goods produced in settlements and prevented the arrival and sale of settlement products to the Palestinian market. Boycotting the illegal settlement products was not limited to the Palestinian people, but rather achieved wide international solidarity. More specifically, many countries including European and Latin America countries decided to restrict entrance of Israeli settlement goods to their markets. As a result, a number of Israeli companies and factories operating in the settlements closed their doors after suffering great economic losses and moved their businesses to inside Israel to be able to export their products to boycotting countries (Aljazeera, 2010 and 2013; Wafa Info, 2016). Palestinian-Israeli economic relationships has always been governed by the Paris Protocol, signed in 1994. Essentially, the protocol increased the dependency of the Palestinian economy on the Israeli counterpart through a one-sided [customs union](#), with Israel to control all borders. Specifically, the lack of independent Palestinian ports and harbors, the unified tariff between Palestine and Israel as well as the unrestricted flow of Israeli goods into the Palestinian economy cause a lot of damage both to the Palestinian exporter and importer and thus increasing the Palestinian economic dependence on the Israeli market (Ahmad, 2014; Paltrade, 2016). This economic dependency limited the effects of Palestinian boycott campaigns to Israel. In particular, there are important items such as water, gas, oil and electricity that are impossible to boycott (see, for example, Khalidi, 2016; or Wikipedia, 2016c). However, Palestinians always tend to use boycott as a non-violent method to resist Israeli occupation, especially when Israel's animosity towards Palestinians is increased. In other words, Palestinian enthusiasm for boycotting Israeli goods change based upon the power of Israeli assault. Palestinians' boycott of Israeli products reached its peak during the Gaza war in 2014, where many supermarkets had de-shelved Israeli products and replaced them with domestic alternatives.

3. Literature review

As previously mentioned, a number of empirical studies have been carried out to explain the causes of

² For further details about the wars in Gaza Strip see, Chediac (2014).

consumers' different perceptions of foreign products. Three main causes of consumers' different perceptions of foreign products dominate the literature. A first cause that may affect consumer intention to buy foreign products is ethnocentrism (see, for example, Shimp and Sharma, 1987; Shimp et al., 2004; Nakos and Hajidimitriou, 2007; Huang et al., 2010; Lumb and Kuperman, 2012; Weber et al., 2015), which represents beliefs that buying foreign products is wrong because it can hurt domestic economy and jobs. Animosity is a second cause that may affect consumer evaluation of foreign products (see, Klein et al., 1998; Klein, 2002; Kalliny and Lemaster, 2005; Rose et al., 2009; or Rose et al., 2016). According to Nakos and Hajidimitriou (2007), animosity refers to a consumer's negative feelings towards the products of a particular country. A third variable that may affect consumers' buying decisions is the product judgments of foreign products (Shimp and Sharma, 1987; Balabanis and Diamantopoulos, 2004). Product judgments illustrate the positive beliefs of a consumer towards the quality of foreign products. Other variables that may influence consumers' purchasing intentions, have been proposed as well. Among them, product prices and brand loyalty (Verplanken and Sato, 2011).

While there exists a rich empirical literature that has examined the effects of product judgments, consumer ethnocentrism and animosity on the purchase intention of foreign products in both the United States (US) and the European Union (EU) (see, for example, Klein, 2002; Hinck, 2004; Ettenson and Klein, 2005; Nakos and Hajidimitriou, 2007; Funk et al., 2010), Middle Eastern countries have received less research attention. A few notable exceptions are reviewed in this paper. The analysis by Shoham et al. (2006) investigates Jewish Israelis' buying behaviour of products and services produced or marketed by Palestinian citizens of Israel during the second intifada. They find that consumers' willingness to buy and product quality judgments can be negatively impacted by consumer animosity. Rose et al. (2009) analyze the influence of animosity on product judgments and willingness to purchase products from the UK and Italy by Jewish Israelis and Palestinian citizens of Israel. Their findings suggest that both animosity and ethnocentrism are negatively related to consumer willingness to buy a nation's products. Results also suggest that Palestinian citizens of Israel maintain more animosity toward the UK than Jewish Israelis. The work of [Darrat](#) (2011) investigates the impact of Iraqi consumers' animosity on their

purchasing decisions. His findings suggest a direct link between brand perceptions/brand equity and consumers' purchasing intentions. Recently, [Ben Mrad et al. \(2014\)](#) studied the impact of country of origin and consumer ethnocentrism on consumer purchase intention of American products in two countries from the Middle-East, Tunisia and Lebanon. Their results suggest that consumer animosity plays an important role on consumers' buying decisions.

In spite of previous literature to study consumers' buying behavior of foreign products, no previous research has investigated the Palestinian consumer attitudes toward purchasing Israeli products, which represents a contribution of this study to the literature. Analyzing Palestinian and Israeli markets is also considered important due to the unique relationships among these two countries. More specifically, unlike the existing literature which studies the consumer purchasing behavior based on historical conflicts among countries, this study is concerned in investigating the impact of consumer ethnocentrism, animosity and product judgments to purchase products from Israel by Palestinians, whose daily lives are affected by the occupation of Israel.

4. Methods

As already mentioned, this paper aims to explore the attitudes of Palestinian consumers towards Israeli products. To achieve this objective, a questionnaire was built and distributed in three main Palestinian cities, Hebron, Ramallah and Nablus, during September and October 2015. A period of relative calm in the Israeli-Palestinian conflict. The three regions for the collection of data were selected based upon the political and economic importance of these cities. Hebron and Nablus are the largest and second largest cities in the West Bank, respectively, and they are considered as Palestine's economic and industrial centers. Ramallah was selected as it serves as the de facto administrative capital of the PNA. Students of Palestine Polytechnic University (PPU) collected data from 1550 consumers, of which 1467 of useful data were included in the data analysis of the study. To maximize sample representativeness, data was collected in different locations at different times of the day. Specifically, data was collected at distinct malls and city centers.

The questionnaire used to collect data from participants, was adapted from previous studies (see, Shimp and Sharma, 1987; Klein et al., 1998; Klein and

Ettenson, 1999; Nijssen and Douglas, 2004; Nakos and Hajidimitriou, 2007; Huang et al., 2010). It was also designed in Arabic and consists of two sections. The first section included 22 items that measure the main variables (reluctance to buy, consumer ethnocentrism, product judgment, consumer animosity and economic animosity) used in the study to explain the behavior of Palestinian consumers toward Israeli products. Each item was measured using five-point Likert scales ranging from “strongly agree” to “strongly disagree”. The second section of the questionnaire contained questions concerning whether the participant was violated by Israeli occupation forces or not as well as socio-demographic information including gender, age and education. Questions were modified to fit the Palestinian context. Specifically, to assess consumer ethnocentrism, the CETSCALE developed by Shimp and

Sharma (1987) was utilized. Reluctance to buy Israeli products was measured by asking three questions. In order to measure product judgments made by Palestinian consumers toward Israeli products, five items were used. Both consumer animosity and economic animosity toward Israel were assessed using four and five items, respectively. The items used are presented in table 1. To achieve the paper's objective, two different approaches were applied. First, factor analysis with Varimax rotation was performed, on the first section of the questionnaire, to determine the underlying dimensions of the Palestinian consumer attitudes toward Israeli products. Second, two multiple regression analyses were estimated. The specification of the two regression models are as follows:

$$RTB_i = \beta_0^1 + \beta_1^1 Eth_i + \beta_2^1 Jud_i + \beta_3^1 Ani_i + \beta_4^1 Eco_ani_i + u_i^1 \tag{1}$$

$$RTB_i = \beta_0^2 + \beta_1^2 Eth_i + \beta_2^2 Jud_i + \beta_3^2 Ani_i + \beta_4^2 Eco_ani_i + \beta_5^2 Vio_i + \beta_6^2 Edu_i + \beta_7^2 Gen_i + u_i^2 \tag{2}$$

The first regression model (1) is initially estimated using the variables derived from factor analysis. The second model does not only contain the variables included in the first regression, but also tests the effect of Israeli occupation forces violence on the Palestinian consumer intention to buy Israel made products. It also includes the gender and education effects. The variables used in the regression models are defined as follows:

RTB_i is the reluctance to buy Israeli products. Eth_i is the consumer ethnocentrism which represents the tendency of Palestinian consumers to purchase Palestinian products instead of Israeli products. Jud_i is the product Judgments which represents the beliefs of Palestinian consumers towards the quality of Israeli product. Ani_i is the consumer animosity that illustrates the Palestinian antipathy towards Israel. Eco_ani_i is the economic animosity that represents the Palestinian feelings towards Israeli hegemony over the Palestinian economy. Vio_i represents Israeli soldiers' violence, such as striking, hitting and injuring, on Palestinians. The variable takes value 1 if a Palestinian was violated by Israeli occupation forces and 0 otherwise. Edu_i and

Gen_i represent the years of education completed by a Palestinian consumer and his gender, respectively. Variable u represents the stochastic disturbance term and i is the i th observation.

5. Results

In the collected sample, 35.2% of the participants are females and 64.8% are males (942 consumers). The average age of the respondents is 27.5 years. Results are consistent within the Palestinian context. Males typically outnumber females in the market and the median age of Palestinians as of 2014 is 19.6 years (Palestinian Central Bureau of Statistics, 2014). The average number of years of education is 13.8 years. Regarding Israeli violence on Palestinians, 39.1% of the respondents were violated and 60.9% were not. At the first step, principal components factor analysis with varimax rotation was applied to determine the main variables used in the study to analyze Palestinian consumer perceptions toward Israeli made products. Kaiser-Meyer-Olkin and Bartlett tests were applied in order to determine the suitability of the data sample for factor analysis. Results indicated that there is a high degree of correlation between the variables (KMO = 0.896 and Bartlett test = 0.000). As illustrated in Table

1, five factors with eigenvalues greater than one are generated.

Table 1: Factor structure and reliability results

Items	Communities	Factor Economic animosity	1. Factor 2. Reluctance to buy	Factor 3. Product judgments	Factor 4. Consumer animosity	Factor 5. Consumer ethnocentrism
Israel is not a reliable trading partner	0.510	0.504				
Israel wants to gain economic power over Palestine.	0.632	0.729				
Israel is taking advantage of Palestine.	0.661	0.719				
Israel has too much economic influence in Palestine	0.547	0.719				
The Israelis are doing business unfairly with Palestine.	0.558	0.679				
I would feel guilty if I bought an Israeli product.	0.654		0.761			
Whenever possible, I avoid buying Israeli products.	0.652		0.775			
I do not like the idea of owning Israeli products.	0.620		0.744			
Products made in Israel are carefully produced and have fine workmanship	0.559			0.734		
Products made in Israel show a very high degree of technological advancement.	0.657			0.807		
Products made in Israel usually show a very clever use of color and design.	0.567			0.737		
Products made in Israel are usually quite reliable and seem to last the desired length of time	0.591			0.752		
Products made in Israel are usually a good value for the money.	0.590			0.748		
Products made in Israel are carefully produced and have fine workmanship	0.559				0.734	
Products made in Israel show a very high degree of technological advancement.	0.657				0.807	
Products made in Israel usually show a very clever use of color and design.	0.567				0.737	
Products made in Israel are usually quite reliable and seem to last the desired length of time	0.591				0.752	
Palestinian products, first, last, and foremost.	0.459					0.545
Purchasing Israel-made products is un-Palestinian.	0.429					0.570
We should purchase products manufactured in Palestine instead of letting Israel get rich off us.	0.548					0.608
Palestinian consumers who purchase products made in Israel are responsible for putting their fellow Palestinians out of work.	0.491					0.692
It is not right to purchase Israeli products, because it puts Palestinians out of jobs.	0.410					0.608
Eigenvalue		6.097	3.128	1.783	1.139	1.017
Cronbach's alpha		0.891	0.817	0.793	0.672	0.733

These five factors explain 59.84% of the total variance. The first factor refers to economic animosity, the second factor to reluctance to buy and the third which consists of five items is labelled as product judgments. Four items are identified under factor 4, which is labelled consumer animosity with loadings ranging from 0.734 to 0.807. The fifth factor represents consumer ethnocentrism. Cronbach's alpha was also applied in order to identify the internal consistency

amongst the multiple measurements of each factor. Findings suggest that all five factors are reliable with Cronbach's alpha ranging from 0.672 to 0.891. The five factors derived from the first step (factor analysis) as well as violence, gender and education variables were then used to run multiple regression analyses. The correlation matrix for the eight variables considered in this study are shown in Table 2.

Table 2: Correlation matrix

	Reluctance to buy	Consumer ethnocentrism	Product judgment	Consumer animosity	Economic animosity	Violence	Educational years	Gender
Reluctance to buy	1.000							
Consumer ethnocentrism	0.513***	1.000						
Product judgment	-0.185***	-0.229***	1.000					
Consumer animosity	0.294***	0.426***	-0.065**	1.000				
Economic animosity	0.303***	0.447***	-0.014	0.626***	1.000			
Violence	-0.012	-0.068***	0.041	-0.060**	-0.009	1.000		
Educational years	-0.031	0.050*	-0.020	-0.021	-0.070***	-0.014	1.000	
Gender	0.083***	0.074***	-0.063**	0.122***	0.113***	0.211***	-0.100***	1.000

***, ** and * denote statistical significance at the 1, 5 and 10 per cent significance level, respectively (two-tailed).

The correlations between the reluctance to buy and the independent variables show the expected sign except the violence variable which is not significant. The highest correlation coefficient is found for consumer ethnocentrism. Details on the relationship between the reluctance to buy and the independent variables are provided by the regression models. Results of multiple regression models are presented in Table 3.

The first regression only takes into account those variables derived from the factor analysis. In particular, the impact of the consumer ethnocentrism, product judgment, consumer animosity and economic animosity on the reluctance to buy Israeli made products was estimated. Results suggest a significant positive relationship between consumer ethnocentrism and reluctance to buy Israeli products. The more ethnocentrism a Palestinian is, the more difficulty he or she will have in accepting to purchase Israeli products (0.451). As expected, the relationship between product judgment and reluctance to buy Israeli products is negative. These results are in line with previous literature that has shown that consumers with a positive view of a country's products are less reluctant to buy those products (Suh and Kwon, 2002; Nakos and Hajidimitriou, 2007; Akdogan et al., 2012). The economic animosity suggests that reluctance to buy Israeli made products increase with the increase in economic animosity that Palestinian consumers express. At a 10% significance level, the positive influence of consumer animosity on reluctance to buy

Israeli products can also be considered significant. Findings are expected and are compatible with previous literature (Klein et al., 1998; Klein, 2002; Shoham et al., 2006; Rose et al., 2009).

Table 3: Regression results

Independent variable: RTB	Regression model 1		Regression model 2	
	Parameter estimate	Standard error	Parameter estimate	Standard error
Eth	0.451***	(0.024)	0.453***	(0.025)
Jud	-0.137***	(0.023)	-0.133***	(0.023)
Ani	0.053*	(0.030)	0.051*	(0.030)
Eco_ani	0.169***	(0.028)	0.167***	(0.029)
Vio			0.027	(0.031)
Edu			-0.077**	(0.039)
Gen			0.062	(0.039)
Adjusted R Square	0.276		0.280	
P-value	0.000		0.000	

***, ** and * denote statistical significance at the 1, 5 and 10 per cent significance level, respectively.

Eth = Consumer ethnocentrism, Jud = Product judgment, Ani = Consumer animosity, Eco_ani = Economic animosity, Vio = Violence, Edu = Educational years, Gen = Gender.

The second regression does not only cover the variables included in the first regression, but also analyses the effect of gender, education, and Israeli violence on Palestinian consumers' reluctance to

purchase Israeli products.³ Findings suggest that violated and non-violated consumers do not have significantly different views on how they perceive Israeli products. This result is not surprising since Palestinians are not only subjected to strikes, hits and injuries, but also to intimidation and humiliation, as they are always living under a cloak of fear and threat by Israeli occupation forces. Findings also suggest that consumer intention to buy Israeli products is affected by the years of consumer education. In other words, educated consumers are less likely to avoid purchasing Israeli products. Findings are consistent with Klein and Ettenson (1999) results. Finally, no relationship was found between gender and reluctance to buy. The adjusted R squares of the first and second regressions are 2.76 and 2.80, respectively.

6. Conclusion

The Palestinian-Israeli conflict is considered to be one of the central conflicts in the world. The objective of this paper is to formally investigate the attitudes of Palestinian consumers whose daily lives are affected by the occupation of Israel towards buying Israeli made products. To do so, factor and multiple regression methods were performed to analyze the data collected from 1467 Palestinian consumers from different cities. Results indicate that both consumer ethnocentrism and feelings of animosity result in reluctance to buy Israeli made products. These result can benefit local companies because ethnocentric and animosity consumers will be more likely to purchase Palestinian products and less likely to purchase Israeli manufactured goods. Findings also suggest that product judgment negatively impacts the reluctance of Palestinian consumers to purchase Israeli products. While consumer intention to buy Israeli products is affected by the years of consumer education; gender and violated vs non-violated consumers are not variables that affect Palestinian hesitation to purchase Israeli goods. These results could have very important

implications concerning the Palestinian market. Policy makers should work on raising awareness about the negative impact of consuming Israeli products on the local market. Palestinian companies should also work on the improvement of national products quality and thus increase Palestinian consumer satisfaction towards the local products.

This research is limited by the use of convenience sampling, a period of relative calm in the Israeli-Palestinian conflict and by the intentional constraints of three geographical areas. It would be interesting to examine the attitudes of Palestinian consumers towards Israeli products during tension periods and in different regions. Also, the interaction between consumer animosity and economic animosity and other socio-demographic variables could be examined. An interesting question for further research is also to investigate whether Palestinian consumer distinguish between products made inside Israel's internationally recognized borders and those made at settlements in the occupied territories. Another issue of interest is to examine the relationship between the boycott campaigns of Israeli made products and Palestinian consumer attitudes towards locally manufactured products.

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³ Other exogenous variables, such as the place of residence, age and consumer income levels, were considered, but not found to be statistically significant. Variance Inflation Factor (VIF) was used to identify multicollinearity. No multicollinearity problems were found in both models. Finally, the error terms derived from the two different model specifications (equations 1 and 2) were tested and found to be normally distributed. Results are available upon request.

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