

INFLUENCE OF ETHNOCENTRISM ON CONSUMERS' INTENTION TO BUY DOMESTICALLY PRODUCED GOODS: AN EMPIRICAL STUDY IN NORTH CYPRUS

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Abstract. Globalisation has resulted in businesses extending their market coverage to include international markets, which has provided customers with an ever-expanding choice of domestic and foreign purchase options. It has thus become critical for marketers to ascertain the perceptions and attitudes of consumers regarding their acceptance of foreign products. The most commonly used instrument for this purpose is the 'Consumer Ethnocentric Tendencies Scale' ('CETSCALE') (Shimp and Sharma 1987), which has been validated in several developed economies, but which has not been applied and validated in many developing economies. The present study addresses this gap by applying 'CETSCALE' among 484 consumers in the developing market of North Cyprus. The study confirms the scale's validity and reliability in the setting of North Cyprus. Consumers' ethnocentrism is shown to be positively related to intention to purchase domestically produced goods. The study also analyses the relationships between certain demographic characteristics and consumers' ethnocentrism. The results, managerial implications, and limitations of the study are discussed in detail.

Keywords: consumer ethnocentrism, CETSCALE, marketing, North Cyprus, domestic goods, intention to buy.

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1. Introduction

Globalisation has resulted in increased competition as businesses extend their coverage to include a range of domestic and international markets. As a consequence, customers have an ever-expanding choice of purchase options, including an increasing proportion of foreign products and brands.

The perceptions and attitudes of consumers regarding their readiness to accept foreign products is thus becoming an increasingly critical issue for marketers (Klein *et al.* 2006). It is apparent that there is a need for a better understanding of the factors that determine consumers' choices of domestic and foreign products in different market settings (Netemeyer *et al.* 1991; Orth and Firtasova 2003). In particular, the concept

of *ethnocentrism* is a sociological concept that refers to a tendency to regard the beliefs, standards and code of behavior of one's own as superior to those found in other societies. Ethnocentrism which has historically received a good deal of attention by sociologists and psychologists is now becoming important in the marketing literature (Jacoby 1978; Shimp 1984). Globalisation has made the role of so-called 'consumer ethnocentrism' a significant factor in marketing (Caruana 2005).

Shimp and Sharma (1987) were the first to develop an effective instrument for measuring the ethnocentric tendencies of consumers in deciding whether to purchase foreign or domestic products. This multi-item scale, which was named 'Consumer Ethnocentric Tendencies Scale' ('CETSCALE'), has been utilised to analyse why some consumers prefer domestically produced goods to imported goods, even when the latter are cheaper and their quality is evidently better (Balabanis *et al.* 2001). According to Luque-Martinez *et al.* (2000), the 'CETSCALE' instrument, which uses country of origin as one of its explanatory variables, would appear to be a useful tool for analysis of consumer attitudes, behaviour, and future purchase intentions with respect to foreign and domestic goods.

Although an increasing number of marketing researchers are now focusing on the marketplace behaviour of consumers in cross-cultural settings, relatively few studies have investigated the perceptions and judgments of consumers in developing countries and newly emerging economies (Al-Sulaiti and Baker 1998; Kaynak and Kara 2002; Maiksteniene and Auruskeviciene 2008). This is perhaps surprising, given that multinational companies around the world are continually expanding their operations (and facing significant challenges) in a range of developing countries in Latin America, Africa, the Middle East, and the Asia–Pacific region (Roth and Romeo 1992; Varadarajan *et al.* 1994). Moreover, as Kaynak and Kara (2002) have noted, the significant population growth and increasing purchasing power of consumers in such developing/emerging countries offer enticing market opportunities to Western companies whose domestic markets, in many cases, have already reached maturity. It is also of interest that the studies that have addressed consumer issues in developing countries have focused almost exclusively on hi-tech or fashion products (such as automobiles, home appliances, computers, apparel, etc.) and/or services (such as air transportation) (Chryssochoidis *et al.* 2007). Few studies, if any, have examined consumer attitudes in developing countries with regard to common household consumer products (such as cleaning agents for example, cleaning agents are substances, usually liquids, that are used to remove dirt, including dust, stains, bad smells and clutter on surfaces. Purposes of cleaning agents include health, beauty, absence of offensive odor, avoidance of shame, and to avoid the spreading of dirt and contaminants to oneself and others. Some cleaning agents can kill bacteria and clean at the same time.

Against this background, the present study is designed to contribute to the literature in this area of research by:

- Testing the reliability and validity of 'CETSCALE' by examining consumers' ethnocentrism in a developing/emerging market setting that has not been previously investigated in this regard (North Cyprus);
- Examining consumers' ethnocentric tendencies on a product category that has not

been previously investigated in this regard (domestically produced household cleaning agents) and

- Investigating how demographic variables (such as age, gender, education, and income) influence ethnocentric tendencies in the chosen research setting.

The findings of this empirical study will provide valuable guidance to the marketing efforts of both domestic firms and multinational corporations who are conducting business (or planning to do so) in a developing small island economy.

2. Literature review

2.1. Country-of-origin and consumer ethnocentrism

Several studies have examined the effects of the country-of-origin (COO) of a product on consumer behaviour (Han and Terpstra 1988; Stoltman *et al.* 1991; Baughn and Yaprak 1993; Balabanis and Diamantopoulos 2004; Chryssochoidis *et al.* 2007). The majority of these studies have concluded that COO is a multidimensional construct (Chryssochoidis *et al.* 2007) that does affect buyers' evaluations of products (Orth and Firbasová 2002); however, the detailed results have been mixed and sometimes contradictory—possibly because the studies have assessed different combinations of products, consumers, and countries (Kaynak and Kara 2002).

Several studies have concluded that the effect of COO is a direct consequence of *consumer ethnocentrism* (Lee and Ganesh 1999; Lantz and Loeb 1996; Stoltman *et al.* 1991; Wang and Chen 2004). The term 'consumer ethnocentrism' has been derived from the general concept of 'ethnocentrism', which was first introduced in 1906 by the sociologist William Sumner (Shimp and Sharma 1987). Ethnocentrism refers to a tendency to regard the beliefs, standards, and code of behaviour of one's own ethnic group as superior to those found in other groups. According to Caruana (2005: 79).

Ethnocentrism often serves the socially useful function of encouraging cohesion and solidarity among group members but it can also contribute to attitudes of superiority, intolerance and even contempt for those with different customs and ways of life.

The term 'consumer ethnocentrism' was coined by Shimp and Sharma (1987: 280), who defined it as:

... the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products.

According to Shimp and Sharma (1987), ethnocentric consumers object to imported goods because they consider that they are harmful to the national economy and cause unemployment. Ethnocentric consumers can therefore consider the purchase of imported goods to be an unpatriotic act (Luque-Martinez *et al.* 2000; Forbes 1985; Daser and Meric 1987; Han 1988). Unsurprisingly, ethnocentric individuals have been found to have strong positive attitudes towards their own country (Durvasula *et al.* 1997).

As well as espousing a moral obligation to buy domestically produced goods in prefe-

rence to imports, ethnocentric consumers tend to overestimate the specific attributes and overall quality of domestically produced goods and to underestimate those of imports (Huddleston *et al.* 2001). However, Balabanis and Diamantopoulos (2004) found that ethnocentric consumers were able to define their positive attitudes towards domestically produced goods better than they could define their negative attitudes towards products imported from specific countries.

Finally, several studies have shown that consumers in developed countries are more likely to identify their own domestic products as being of higher quality than imported products (Herche 1992; Damanpour 1993; Elliott and Cameron 1994); however, the reverse appears to be true for consumers in developing countries (Batra *et al.* 2000; Wang *et al.* 2000).

2.2. Ethnocentrism and marketing

The relevance of ethnocentricity becomes a critical issue when one considers the increasing trend toward free trade and the high pace at which national economies are turning global. For many years, consumers' feelings toward foreign products are a subject of interest both in the field of the consumer behavior and in the international marketing. Thus, marketers need to understand consumers' ethnocentric tendencies in order to develop effective marketing and communication strategies within and outside national boundaries. Several studies have examined the factors that are pertinent to the purchase of foreign products in domestic markets (Shimp and Sharma 1987; Netemeyer *et al.* 1991; Klein *et al.* 1998; Klein 2002; Samiee *et al.* 2005). In general, these studies have found that consumer ethnocentrism is a significant influence on the willingness of consumers to buy foreign products (Wang and Chen 2004); indeed, it has been contended that ethnocentrism exerts a stronger influence than marketing strategies on such buying decisions (Herche 1994).

Because the majority of studies have found that the COO of a product does affect product evaluation (Ozsomer and Cavusgil 1991; Baker and Currie 1993; Thakor and Katsanis 1997), it has even been suggested that COO should be considered an additional element of the traditional 'marketing mix' (Baker and Currie 1993). Marketing activities of businesses aims to achieve exchange that will create mutual satisfaction for both sellers and buyers. Consumer ethnocentrism can affect consumers' purchases (Shoham and Brenčič 2003). By measuring consumers' ethnocentric tendencies, managers can create a database that will be fruitfully incorporated into businesses' marketing strategy development. Since, consumer ethnocentrism is accepted as a concept closely related with consumers' purchasing behaviour (Watson and Wright 2000), it is vital element for the implementation of any marketing strategy (Chrysochoidis *et al.* 2007). Thus, understanding the roles consumer ethnocentrism and COO have on influencing consumers, presents valuable structure for decisions related with segmentation, targeting and designing of communications (Kaynak and Kara 2002). Consumers' ethnocentrism found to be significantly influence their preferences as well as formation of positive and negative purchasing intention (Baughn and Yaprak 1993).

Evanschitzky *et al.* (2008) with their study indicate that consumer purchase behavior towards foreign vs domestic products can be explained by a combination of demographic variables and country-of-origin effects. Balabanis and Diamantopoulos (2004) find out that consumers' level of ethnocentrism influence their preferences and marketers can well use this while marketing their products. Watson and Wright (2000) show in their study in New Zealand, that ethnocentric consumers are more likely to buy products from culturally similar countries. These similar countries are their first choice when a domestic alternative is not available. Grundey and Bakowska (2008) find out that local brand awareness and preferences still increasing among Polish consumers. While Wong *et al.* (2008) in their recent study find out that country of origin did not influence young Chinese consumers' purchase intention. They believe that this is because of the acceleration of economic globalization makes consumers to believe that the world is converging and becoming one country.

The potential influence of ethnocentrism on consumer behaviour is obviously of particular importance in international marketing (Altıntaş and Tokol 2007). Foreign companies who are planning to enter a particular market require a clear understanding of the barriers that their products are likely to face in that market. However, the concept of ethnocentrism is also of importance to domestic marketers, who need to appreciate any potential advantage they might have in marketing their products in the face of foreign competition.

2.3. Measuring consumer ethnocentrism

Early attempts to develop a scale for measuring consumer ethnocentrism, which included the so-called 'E-scale' (Adorno *et al.* 1950) and other adaptations of measures that had originally been developed for measuring 'generic' sociological ethnocentrism (Chang and Ritter 1976; Warr *et al.* 1967), turned out to be inappropriate for measuring the specific construct of consumer ethnocentrism (Shimp and Sharma 1987; Luque-Martinez *et al.* 2000). More recently, Shimp and Sharma (1987) developed the 'Consumer Ethnocentric Tendencies Scale' ('CETSCALE'). Although other scales have subsequently been suggested and tested, 'CETSCALE' has become the most commonly used instrument for measuring consumer ethnocentrism (Chrysochoidis *et al.* 2007).

The scale is comprised of 17 items that are designed to measure consumers' evaluations and behavioural tendencies when comparing domestically produced goods with imported products (Hult and Keillor 1994). Netemeyer *et al.* (1991) reported strong support for the psychometric properties (unidimensionality and internal consistency) and nomological validity of the scale when they tested it in samples of consumers across four developed economies (USA, France, Japan, and Germany). However, according to Kaynak and Kara (2002), the validity of 'CETSCALE' has not yet been fully established in all relevant settings; in particular, few validation studies have involved developing economies in Eastern Europe, Central Asia, and the Middle East. Consequently, one of the aims of the present study is to examine the applicability of 'CETSCALE' among consumers in North Cyprus, where no such study has ever been undertaken.

3. Research hypotheses and conceptual model

According to Shimp (1984), consumer demographics determine consumer ethnocentrism. In this regard, previous studies have investigated the influence on consumer ethnocentric tendencies of such demographic characteristics as age, gender, education level, and income (Sharma *et al.* 1994; Keillor *et al.* 2001).

3.1. Relationship between age and consumer ethnocentrism

Older people are generally more conservative, more patriotic, and more likely to have experienced conflicts with foreign countries (Sharma *et al.* 1994), and it has therefore been contended that older consumers tend to be more consumer ethnocentric than younger consumers (Bawa 2004). However, the findings of previous studies regarding the relationship between the age of consumers and their ethnocentric tendencies have been variable.

Sharma *et al.* (1994) contended that there is no positive correlation between age and ethnocentric tendencies, whereas Balabanis *et al.* (2001) found that age did have an effect in a Turkish sample of consumers (but not in a Czech sample). Imbert *et al.* (2003) also found an association between age and ethnocentricity in reporting stronger ethnocentric tendencies among older Russian consumers.

Thus, although the evidence is mixed, there does seem to be more support for the contention that older people have more ethnocentric tendencies than younger people. The following hypothesis is therefore proposed:

Hypothesis H1: The ethnocentric tendencies of consumers differ according to their age.

3.2. Relationship between gender and consumer ethnocentrism

It has been suggested that, in general, females tend to be more conservative, more conformist, more patriotic, less individualistic, and more concerned about preserving social harmony and promoting positive feelings among group members (Han 1988; Sharma *et al.* 1994). On this basis, Sharma *et al.* (1994) suggested that females would be more likely to exhibit greater ethnocentric tendencies than males. Balabanis *et al.* (2001) reported that gender had an effect on ethnocentricity in a Turkish sample of consumers, but not in a Czech sample. As a result of these studies, Bawa (2004) contended that the dominant view is that females are more consumer ethnocentric than males. The following hypothesis is therefore proposed:

Hypothesis H2: The ethnocentric tendencies of consumers differ according to their gender.

3.3. Relationship between education and consumer ethnocentrism

According to Ray (1990), people with a higher level of education tend to be less conservative. Sharma *et al.* (1994) found that consumers with higher levels of education exhibited significantly fewer ethnocentric tendencies than consumers with lower levels

of education. However, Keillor *et al.* (2001) did not find any differences in ethnocentric tendencies among consumers who had different levels of education. Nevertheless, according to Bawa (2004), there is something of a consensus that a higher level of education is associated with a lower level of consumer ethnocentrism. The following hypothesis is therefore proposed:

Hypothesis H3: The ethnocentric tendencies of consumers differ according to their level of education.

3.4. Relationship between income and consumer ethnocentrism

According to Shoham and Brenčič (2003), more affluent consumers tend to be less ethnocentric in their consumption than less affluent consumers. Several studies have reported that consumers with higher levels of income exhibit significantly fewer ethnocentric tendencies than consumers with lower levels of income in various countries (Sharma *et al.* 1994; Keillor *et al.* 2001). The following hypothesis is therefore proposed:

Hypothesis H4: The ethnocentric tendencies of consumers differ according to their level of income.

3.5. Relationship between consumer ethnocentrism and purchase of domestically produced goods

In addition to the proposed relationships between various antecedents and consumer ethnocentrism, it is suggested that there is a relationship between consumer ethnocentrism and purchase of domestically produced goods. Klein *et al.* (1998) reported that ethnocentric consumers prefer domestically produced goods because they believe that products from their own country are the best. Herche (1992) found that consumer ethnocentrism can predict consumers' preferences to buy domestically produced goods as opposed to foreign products; indeed, he reported that ethnocentric tendencies are better predictors of import purchase behaviour than demographic and marketing mix variables. Durvasula *et al.* (1997) demonstrated that higher levels of consumer ethnocentricity are associated with more positive beliefs about the virtues of domestically produced goods and stronger attitudes about the importance of buying such products. Shoham and Brenčič (2003) reported that consumer ethnocentrism had a significant impact on consumers' intentions to purchase domestically produced goods.

Taken together, the above findings suggest that a positive link exists between consumer ethnocentrism and intention to purchase domestically produced goods. The following hypothesis is therefore proposed:

Hypothesis H5: Consumer ethnocentrism is positively related to consumers' intentions to purchase domestically produced goods.

3.6. Conceptual model

Figure 1 illustrates the conceptual model for this study. This model shows the proposed hypotheses as arrows linking the antecedents and the consequences of consumer ethnocentrism.

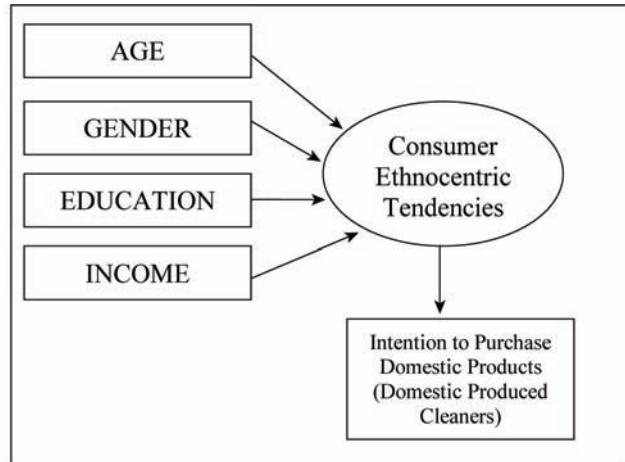


Fig. 1. The Conceptual Model of the study

4. Methodology

4.1. Research setting and sample

An empirical study was conducted in 2008 to test the above hypotheses regarding ethnocentric tendencies among a sample of consumers in North Cyprus. These consumers were surveyed by questionnaire to evaluate their attitudes to domestically produced cleaning agents.

Non-probabilistic convenience sampling was used to select the respondents. Following a pilot study conducted with a sample of 45 respondents, the final questionnaire (see below) was applied in person by trained interviewers to 550 consumers in various cities in North Cyprus. Of these, 484 completed questionnaires were found to be useful for the survey, which represents a response rate of 88%.

4.2. Questionnaire

The final questionnaire consisted of three parts:

- The first part sought to measure the respondents' consumer ethnocentrism using the 17-item 'CETSCALE' (Shimp and Sharma 1987), which had been translated into Turkish using a back translation technique (Aulakh and Kotabe 1993). 'CETSCALE' includes a seven-point Likert-type scale for responses (1 = 'strongly disagree'; 7 = 'strongly agree').
- The second part consisted of a 16-item scale to identify how consumers evaluated domestically produced cleaning agents. A seven-point Likert-type scale was used for this purpose (1 = 'strongly disagree'; 7 = 'strongly agree'). The scale was developed specifically for the present study following analysis of various studies in the literature and the Marketing Scales Handbook (Bruner and Hensel 1992).
- The third part asked questions about the demographic characteristics of the respondents.

5. Analyses and findings

5.1. Factor analysis

SPSS 13.0 software for MS Windows was employed for all analyses in this study. The reliability and validity of 'CETSCALE' in this setting was tested using principal component factor analysis with varimax rotation. The results of the statistical tests (KMO = 0.956; Bartlett test of sphericity = 2773.805, significance = 0.000) indicated that factor analysis was an appropriate methodology.

Mean scores, standard deviations, and Cronbach's alphas for the items of 'CETSCALE' are shown in Table 1. The 17 items of the scale had an eigenvalue greater than 1 (= 9.75). The items explained 57.15% of total variance (which was an acceptable figure). All of the factor loadings were found to be greater than 0.50 (varying from 0.604 to 0.884) – which demonstrated that 'CETSCALE' was uni-dimensional in this study. The overall reliability of the scale was satisfactory in this setting (Cronbach's alpha coefficient = 0.953) (Nunnally 1978).

5.2. Testing of hypotheses

The scale used to measure consumers' intention to purchase domestically produced cleaning agents exhibited a high level of reliability (Cronbach's alpha coefficient = 0.923). The overall mean score for the 16 items on the 7-point Likert-type scale was 4.46 (SD = 1.60), which indicates that the respondents had generally positive intentions to purchase cleaning agents produced in North Cyprus.

Table 2 presents the results of the tests of Hypotheses H1–H4. To ascertain whether consumers' ethnocentric tendencies differed according to age (Hypothesis H1), a one-

Table 1. Means, standard deviations, and Cronbach's alphas for 17-item CETSCALE applied to North Cyprus consumers

| Items | Mean | SD | Cronbach alpha* |
|-------|------|-------|-----------------|
| I1 | 4.59 | 1.955 | 0.947 |
| I2 | 4.65 | 1.760 | 0.948 |
| I3 | 4.82 | 1.702 | 0.948 |
| I4 | 4.80 | 1.653 | 0.948 |
| I5 | 4.55 | 1.707 | 0.949 |
| I6 | 4.24 | 1.631 | 0.951 |
| I7 | 3.74 | 1.626 | 0.952 |
| I8 | 4.28 | 1.713 | 0.949 |
| I9 | 4.52 | 1.620 | 0.949 |
| I10 | 4.65 | 1.487 | 0.950 |
| I11 | 4.06 | 1.557 | 0.950 |
| I12 | 3.96 | 1.604 | 0.950 |
| I13 | 3.80 | 1.507 | 0.951 |
| I14 | 4.21 | 1.545 | 0.952 |
| I15 | 4.02 | 1.548 | 0.950 |
| I16 | 4.28 | 1.642 | 0.950 |
| I17 | 3.74 | 1.623 | 0.951 |

* Overall alpha = 0.953

way ANOVA test was carried out. The test results demonstrated significant differences in consumer ethnocentrism according to the age of the consumers, thereby confirming Hypothesis H1. Tukey statistical tests were conducted to analyse the relationship in greater detail. These tests showed that respondents aged 51 years and above had the highest level of consumer ethnocentrism. Respondents aged 30 years and less demonstrated slightly greater consumer ethnocentrism than those whose ages were between 31 years and 50 years.

Table 2. Testing of Hypotheses H1–H4

| | | |
|---|----------------|---------------------|
| H1: Consumers' ethnocentric tendencies differ according to age | | |
| One-way ANOVA | F-value: 2648 | Significance: 0.032 |
| H2: Consumers' ethnocentric tendencies differ according to gender. | | |
| Independent t-test | t-value: -1290 | Significance: 0.198 |
| H3: Consumers' ethnocentric tendencies differ according to level of education | | |
| One-way ANOVA | F-value: 5955 | Significance: 0.003 |
| H4: Consumers' ethnocentric tendencies differ according to level of income. | | |
| One-way ANOVA | F-value: 4412 | Significance: 0.000 |

Hypothesis H2, which proposed that consumers' ethnocentric tendencies differ according to gender, was tested using a t-test. No significant differences were observed in consumer ethnocentricity on the basis of gender. Hypothesis H2 was thus not confirmed. This result is in accordance with the findings of Balabanis *et al.* (2001) in their study of Czech respondents (but not with regard to their Turkish sample).

Hypothesis H3, which proposed that consumers' ethnocentric tendencies differ according to their level of education, was tested using one-way ANOVA. Significant differences in consumer ethnocentrism were observed according to level of education. Hypothesis H3 was therefore confirmed. Tukey statistical tests were conducted to analyse the relationship in greater detail. Respondents who had postgraduate degrees (master's degrees and doctorates) had the greatest ethnocentric tendencies. However, respondents with university degrees had fewer ethnocentric tendencies than those with high school (and lower) levels of education. This finding is not in accordance with those of most of the extant literature. It is likely to be a distinctive finding in the North Cyprus setting, where a majority of staff members in the higher-education sector (that is, people with master's degrees and doctorates) are Turkish academics, most of whom have strong nationalistic attitudes. This explanation is supported by the findings of Balabanis *et al.* (2001), who reported a positive link between consumer ethnocentrism and patriotism in a Turkish sample.

Hypothesis H4, which proposed that consumers' ethnocentric tendencies differ according to their level of income, was analysed using one-way ANOVA. The results showed

significant differences in consumers' ethnocentric tendencies according to their level of income, thereby confirming Hypothesis H4. Tukey statistical tests were conducted to analyse the relationship in greater detail. Respondents whose monthly income level was 3000 Turkish Lira (1875 USD) or above had fewer ethnocentric tendencies than those whose monthly income was less than 3000 Turkish Lira (1875 USD).

Hypothesis H5 had proposed that consumer ethnocentrism is positively related to consumers' intentions to purchase domestically produced products. Table 3 shows the results of regression and correlation analyses conducted to test this hypothesis.

The results showed a significant positive relationship between consumer ethnocentrism and intention to purchase domestically produced goods. Demographic variables were included as control variables because Staines *et al.* (1986) have argued that such variables have a generic potential to inflate relationships between other variables. However, in the present study, the regression analysis revealed that demographic variables did not have any significant effect on consumers' intentions to purchase domestically produced products. In contrast, consumer ethnocentrism did have a significant positive relationship with such intention.

The variables were checked for possible multicollinearity using variance inflation factor (VIF). The VIF scores reported in Table 3 showed values well below 10, which indicates that there was no cause for concern about multicollinearity.

Table 3. Influence of demographic variables and consumer ethnocentrism on intention to purchase domestically produce goods

| Demographic variables | | β | t-statistic | p-value | VIF |
|------------------------|-------|---------|-------------|---------|-------|
| Age | | 0.034 | 0.598 | 0.550 | 1.088 |
| Gender | | -0.021 | -0.348 | 0.728 | 1.219 |
| Education | | 0.003 | 0.047 | 0.962 | 1.112 |
| Income | | -0.017 | -0.284 | 0.777 | 1.198 |
| | | | | | |
| Consumer ethnocentrism | | 0.366 | 7.245 | 0.000 | 1.016 |
| | | | | | |
| N | 484 | | | | |
| R | 0.366 | | | | |
| R2 change | 0.134 | | | | |
| Equation F-value | 0.000 | | | | |

Correlation analysis ($r = 0.323$, $\text{sig.} = 0.000$) indicated a positive (statistically significant) relationship between the two variables; however, this relationship was weak (Hair *et al.* 2000). Hypothesis H5 (which had proposed a positive relationship between consumer ethnocentrism and intention to purchase domestic products) was therefore confirmed.

6. Conclusions and managerial implications

The factor analysis carried out in this empirical study shows that ‘CETSCALE’ (Shimp and Sharma 1987) is a valid and reliable measuring instrument for assessing ethnocentric tendencies among North Cyprus consumers. The study thus contributes to research regarding the generalisability of this scale to developing economies. The study thus extends the existing body of research on this subject, which has been mostly conducted in industrialised economies.

The results of the study show that consumer ethnocentrism is positively related to the intentions of North Cyprus consumers to purchase domestically produced cleaning agents. Assuming that these products can be posited a proxy for other domestically produced goods of this general type, the findings of this study have implications for marketers who wish to introduce foreign goods into this market. It also has implications for those who wish to defend domestically produced goods against foreign competition. It is apparent that consumer ethnocentricity is a significant factor that should be taken into account in formulating promotional campaigns for household consumer products in North Cyprus.

Moreover, it is apparent that the ethnocentric tendency of these consumers differs according to age, with respondents aged 51 years and above having the highest levels of consumer ethnocentrism. Marketers should take note of this demographic in framing promotional campaigns that feature ethnocentric themes.

Unlike several studies in the extant literature, ethnocentric tendencies were not found to differ according to gender among consumers in North Cyprus. It is thus apparent that marketers can feel confident in targeting both female and male consumers in framing their prospective promotional campaigns with themes that emphasise ethnocentric tendencies.

The findings of this study also demonstrate that the ethnocentric tendencies of North Cyprus consumers differ according to their level of education. Respondents who had postgraduate degrees (master’s degrees and doctorates) had the greatest ethnocentric tendencies. As noted above, this is likely to be a distinctive finding in the North Cyprus setting because most of the academic staff at the six universities in North Cyprus come from Turkey. Because these people appear to have stronger ethnocentric tendencies, marketing messages should be tailored accordingly.

Finally, this empirical study has found that the ethnocentric tendencies of North Cypriot consumers differ according to their level of income. This finding is in accordance with the dominant view in the literature, which holds that consumers with higher levels of income exhibit fewer ethnocentric tendencies than consumers with lower levels of income.

In summary, based on these findings, older North Cyprus consumers who have lower income levels and/or higher educational attainments are more likely to show ethnocentric tendencies that influence their attitudes to the purchase of domestically produced goods. However, these tendencies do not vary according to gender in this market setting.

The North Cypriot sample in this study proved to be ethnocentric as they had the tendencies to buy domestically produced products. Marketers should consider these facts in formulizing their marketing activities such as market development, segmentation, targeting and product positioning. Products should be positioned parallel to the idea that they are made domestically. Therefore, promotion tools such as advertising should carry clear messages that could bring forward the idea that the product is domestically manufactured or have been through value-added-activities in the country. For those products which are imported, promotion campaigns should not mention anything on country of origin and concentrate more on product attributes.

This study has several potential uses for marketing managers of both foreign and domestic businesses. The whole of the island of Cyprus is European Union (EU) territory. Thus, this study can be valuable to the international marketers by providing empirical information about ethnocentrism levels of North Cyprus consumers, and contributes to development of several ideas about how to improve the effectiveness of their marketing practices in the North Cyprus market, which is considered as an emerging market following Cyprus's entry into EU.

Globalization involves the removal of levies and other barriers that have existed for decades. It means new players entering into formerly protected markets and changes in local consumer preferences. These changes inevitably fuel perceptions of vulnerability especially among managers of small businesses. North Cyprus is a market where local businesses face difficulties exporting their products to markets beyond Turkey. Almost all of businesses in North Cyprus are SMEs. Thus, these small businesses try to survive in such a small market through targeting their marketing efforts to local consumers only.

This study provides significant contributions to domestic small businesses by informing them regarding consumers' ethnocentrism and thereby by helping them in forming a meaningful basis for market segmentation. This study's findings not only will contribute for domestic cleaner producers' segmentation of market, but also will contribute marketers with the designing of marketing mix activities; particularly in identifying communication keys and message graduation to obtain a good connection according to the level of consumer ethnocentrism and in terms of the market wining strategy used by the domestic producers, as well as to extend physical attributes of product and placement strategies.

The generalisation of the conclusions drawn from this study is limited by the non-probabilistic convenience sampling method that was utilised. Another limitation is the narrow product focus, which considered only one product type (cleaning agents) as a proxy for all domestically produced goods. Further studies of this important issue in developing economies are obviously desirable.

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Appendix

– Adopted CETSCALE

1. North Cyprus people should always buy domestic products instead of imports.
2. Only those products that are unavailable in the North Cyprus should be imported.
3. Buy domestic products. Keep North Cypriots working.
4. North Cyprus products, first, last, and foremost.
5. Purchasing foreign-made products is un-North Cypriot.
6. It is not right to purchase foreign made products.
7. A real North Cypriot should always buy North Cyprus-made products.
8. We should purchase products manufactured in North Cyprus instead of letting other countries get rich off us.
9. It is always best to purchase North Cyprus products.
10. There should be very little trading or purchasing of goods from other countries unless out of necessity.
11. North Cypriots should not buy foreign products, because this hurts North Cyprus business and causes unemployment.
12. Curbs should be put on all imports.
13. It may cost me in the long run but I prefer to support North Cyprus products.
14. Foreigners should not be allowed to put their products on our market.
15. Foreign products should be taxed heavily to reduce their entry into the North Cyprus.
16. We should buy from foreign countries only those products that we cannot obtain within our own country.
17. North Cyprus consumers who purchase products made in other countries are responsible for putting their fellow North Cypriots out of work.

– Scale to Measure Intention To Buy The domestically produced cleaning agents

1. The workmanship is quite good in domestically produced cleaning agents.
2. The domestically produced cleaning agents are technically developed.
3. The domestically produced cleaning agents have new characteristics.
4. The domestically produced cleaning agents have physically appealing characteristics.
5. The domestically produced cleaning agents are reliable products.
6. The domestically produced cleaning agents have high quality.
7. The domestically produced cleaning agents made consumers to receive the return on money that they pay for it.
8. I have easy access to reach the domestically produced cleaning agents.
9. The domestically produced cleaning agents have well known brands.
10. I have enough information about the domestically produced cleaning agents.
11. The domestically produced cleaning agents provide a reasonable level of satisfaction.
12. Generally, I believe that the domestically produced cleaning agents are good.
13. I have intention to buy the domestically produced cleaning agents.
14. The domestically produced cleaning agents are not expensive.

15. The domestically produced cleaning agents are good enough to compete with imported products.

16. It is much easier to express my complaints to the domestically produced cleaning agents' producers than imported products.

ETNOCENTRIZMO POVEIKIS PIRKĖJŲ NORUI PIRKTI ŠALYJE PAGAMINTAS PREKES: EMPIRINIS TYRIMAS ŠIAURĖS KIPRE

H. Nadiri, M. Tümer

Santrauka

Globalizacija versle pasireiškė tuo, kad išplėtė rinkų apimtis, įtraukdama ir tarptautines rinkas, o tai suteikė galimybę pirkėjams pasirinkti didesnę vidaus ir užsienio prekių asortimentą. Todėl pardavėjams labai svarbu išsiaiškinti vartotojų suvokimą ir požiūrį į užsienio produkciją. Šiam tikslui dažniausiai naudojama priemonė – vartotojo etnocentrinės tendencijos skalė (CETSCALE) (Shimp, Sharma 1987), kuri buvo patvirtinta keliose išsivysčiusios ekonomikos šalyse, tačiau ši priemonė nėra naudojama ir patvirtinta besivystančiose šalyse. Pateikiamas tyrimas atkreipia dėmesį į šią taikymo CETSCALE tarp 484 vartotojų besivystančiose Šiaurės Kipro rinkose spragą. Tyrimas parodo skalės tinkamumą ir patikimumą tyrimams atlikti Šiaurės Kipre. Buvo nustatyta, kad tarp pirkėjo etnocentrizmo ir noro pirkti šalyje pagamintas prekes yra teigiamas ryšys. Straipsnyje analizuojamas ryšys tarp tam tikrų demografinių charakteristikų ir pirkėjų etnocentrizmo. Detaliai aptarti gauti tyrimo rezultatai, jų reikšmė valdymui ir tyrimo ribotumas.

Reikšminiai žodžiai: pirkėjo etnocentrizmas, CETSCALE, rinkodara, Šiaurės Kipras, vidaus prekės, noras pirkti.

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