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LITERATURE REVIEW –CONSUMER ETHNOCENTRISM

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ABSTRACT

Purpose- To study 'Consumer ethnocentrism' (CET) with reference to its antecedents and consequences

Method- Comprehensive review of literature on CET. Summary table is provided.

Findings- Demographic antecedents, Socio-psychological antecedents, Political antecedents, economic antecedents are identified from literature.

Practical Implication- Findings and summary can be used by international companies to target different international markets and formulate effective strategies. Researchers may also refer this review so as to set the direction of their research.

Keywords: Consumer Ethnocentrism, Literature Review, Socio-psychological antecedents, Political antecedents, economic antecedents

INTRODUCTION

Today's world is flat. Everything (idea, information, products, and services) can be exchanged from any part of the world. With the advent of more relaxation in FDIs in different sectors, Indian market is also opening to many foreign products and services which were not available here before. Indian economy is promising market for international companies today. And therefore foreign companies are trying their products and services here. However to understand consumer behavior one should also investigate the Consumer Ethnocentric level of the consumers. Through such research marketers may come to know if consumers are willing to accept foreign products/ services or no.

This paper is an attempt to summarize the available literature about the consumer ethnocentrism. Antecedents of CE and its consequences are summarized for comprehensive understanding of the construct.

ANTECEDENTS OF CONSUMER ETHNOCENTRISM

Demographic Variables and Consumer Ethnocentrism

The vast literature available shows that demographic variables like age, gender, income level etc. have significant effect on consumer ethnocentrism. However there are some contradictory findings of researches done.

Gender

Studies (Sharma et al., 1995; Bruning, 1997; Candan et al 2008; Mangnale et al 2011) found that females are more ethnocentric than males. The underlying logic is that women are more conservative,

conformist (Eagly, 1978; Han, 1988) and collectivistic concerned about maintaining social harmony and positive feelings among group members (Triandis et al., 1985). However a study conducted in Pakistan (Ismail et al 2012) argued that females are less ethnocentric compared to males. This finding was supported through findings of studies (Aziz et al, 2014; Ramsaran-Fowdar, 2010) which reported that males are more ethnocentric than females. Studies (Jain and Jain, 2013; Lopez and Zunjur, 2016) found that there is no significant relationship between gender and ethnocentrism. It can be seen that even if most of the studies support that females are more ethnocentric than males, there are some contradictory findings about relationship of gender and ethnocentrism.

Age

Substantial amount of literature shows that there exists a significant relationship between age and ethnocentrism. Candan et al (2008) found that youngsters are not ethnocentric. Studies (Jain and Jain, 2013; Aziz et al, 2014) showed age and ethnocentric tendency are positively related. This finding was supported by Lopez and Zunjur, (2016) with the finding that elderly people are more ethnocentric than young people. Some other studies also supported the same finding (Richardson, Jr., Feb 2012). A study (Shankarmahesh, 2006) reviewed that there is mixed empirical evidences on the relationship of age and consumer ethnocentrism, however more empirical support for the argument that younger people are less ethnocentric than older people. But Mangnale et al, 2011; Smaiziene et al, (2014) found that is no significant relationship between age and ethnocentrism. In general, elderly persons tend to be more patriotic and possess greater national pride (Klein and Ettenson, 1999). The younger people, on the other hand, tend to be more cosmopolitan and modern in their outlook, and do not possess that much high feeling of national pride and attachment to their own country's products as the older people do (Sharma et al., 1995; Shankarmahesh, 2006).

Education level

A recurring theme of finding of past studies is that -as education level increases ethnocentric tendency decreases. Studies (Watson et al, 2000; Balabanis et al, 2001; Lee et al, 2003; Javalgi et al, 2005) found that education and ethnocentrism are negatively related. K. Shah and H. Ibrahim, (2012) reconfirmed this relationship. However Aziz et al, (2014) argued with their finding that education level and ethnocentrism are significantly positively related. Some past study Ramsaran- Fowdar (2010) found that there is no significant relationship between CE and Education Level.

Income level

Many empirical have supported that income and ethnocentrism are negatively and significantly related. A literature review (Alsughayir, 2013) finds that older people are more ethnocentric than younger. The similar finding is reported (Candan et al, 2008; Richardson, Jr. Feb 2012, Aziz et al 2014) which says consumer ethnocentric tendency of higher income respondents is less. Shankarmahesh (2004) interprets that increased income levels provide more opportunities for travel and purchase of foreign products thus resulting in more cosmopolitan views and which in turn demolishes ethnocentrism of such consumers. As income level rises social class also improves. So the conclusions drawn with respect to income and ethnocentrism by these studies can also be extended to social class. Therefore one can hypothesise that as consumer moves up in social class his/ her ethnocentric tendency tends to fall down.

However some contradictory results are also reported. Some studies such as Tan and Farley (1987) found a positive relationship between income and Ethnocentrism. Surprisingly Mangnale et al (2011) and Ramsaran-Fowdar, (2010) found that there is no significant relationship between income level and ethnocentrism.

SOCIO-PSYCHOLOGICAL ANTECEDENTS

Conservatism

Sharma et al., (1995) defined Conservative persons as those who “show a tendency to cherish traditions and social institutions that have survived the test of time and to introduce changes only occasionally, reluctantly and gradually”

Conservatism and CE are positively related. (Sharma et al, 1995; Balabanis et al 2002)

Cultural openness

Sharma et al, 1995 defined Cultural openness as

“Cultural openness is determined by willingness to interact with people from other cultures and experience some of their artifacts.”

Past studies showed that CE and Cultural openness are negatively related. However Berkowitz, (1962) suggests that such researches were heavily relied on conventional logic that “Cultural Openness will broaden one’s mind.” Skinner, (1959) found that border dwellers, travellers and diplomats (all who have most contact with new cultures) tend to be extremely ethnocentric.

Animosity

Klein et al. (1998, p. 90) defined animosity as

“the remnants of antipathy related to previous or ongoing military, political or economic events that will affect consumers’ purchase behavior in the international marketplace.”

Authors suggested that Animosity and CE can be interrelated, but they did not support any relationship between the two. Authors further suggest that consumers may extend animosity from a particular country to all foreign countries and that eventually may lead to strong ethnocentrism. Thus authors insist that future studies should investigate the role of animosity as an antecedent of CE.

Cengiz and Kirkbir, (2007) revealed that there is high correlation between consumer ethnocentrism and animosity. Authors also point out that there is high correlation between consumer ethnocentrism and animosity and between CE and allocentrism. This means that when out group animosity and in group identity increase tendency of being ethnocentric also increase. Authors further notify that consumers’ product evaluations moderates the effect of consumer animosity on the other hand CE does not get moderated by consumers’ product quality evaluations.

Dogmatism

Rokeach (1954) defines dogmatism as a "relatively closed cognitive organization of beliefs and attitudes about absolute authority, which, in turn provides a framework for patterns of intolerance and qualified tolerance toward others".

Cosmopolitanism

Merton (1957) defines cosmopolitanism as “the tendency of people to orient themselves beyond their local community”. He further explains that cosmopolitans’ view themselves as citizen of the world rather than nation.

Yaprak, (2002); Vida and Reardon, (2008); Parts and Vida, (2013) reported that cosmopolitanism and CE are negatively related.

ECONOMIC ANTECEDENTS

Capitalism

Rosenblatt (1964) in his research noted that capitalism and Consumer Ethnocentrism are negatively related.

Economic development of the region

Alsughayir (2013) through his review of literature pointed that consumers from economically developed country are less ethnocentric. Festervand T. A. and Sokoya, S. K. (1994), suggested that consumers from economically less developed countries exhibit varying levels of ethnocentrism.

Surprising results were found by Jin et al (2015), that younger consumers from developing countries are more ethnocentric than their counterparts from developed countries.

POLITICAL ANTECEDENTS

Political Stance

Candan et al (2008) by conducting a survey opined that nationalist and conservatives are more ethnocentric than liberal, social democrats and socialist.

Political Propaganda

Shankarmahesh (2006) noted that Political Propaganda is one of the antecedents of consumer ethnocentrism. In his literature review he suggests that leaders can increase the Group ethnocentrism by raising the threats of out-groups. He further gives direction for future studies to look if consumers from autocratic countries can be influenced more easily in comparison with consumers from democratic countries to increase their ethnocentrism.

CONSEQUENCES OF CONSUMER ETHNOCENTRISM

Consumer Ethnocentrism and Foreign Product Evaluation

Existing literature reports that consumer ethnocentrism and foreign product evaluation are significantly related. Higher the CE level lower will be the preferences for foreign products. A finding was reported by K. Shah and H. Ibrahim, (2012) that highly ethnocentric consumers evaluate foreign products negatively. Shah and Ibrahim (2012) reconfirmed past findings. Findings of Ramadania et al (2015) are also in line with these past studies and which showed that CE has strong negative effect on attitudes towards foreign products. Further this study investigated that cultural similarity has no significant role in weakening influence of CE on foreign product evaluation.

A Study (Zhongqi Jin et al, 2015) found that younger consumers from developed countries who are high in ethnocentric tendency do not see products from other developed countries in negative light. But this is not true with high ethnocentric young consumers from developing countries, study ads. This finding is in line with that of. Shah and H. Ibrahim, (2012)

Consumer Ethnocentrism and Purchase Intention

Results of a study (Renko et al, 2012) showed that there is statistically significant correlation between CE and purchase intention toward domestic products. Parts and Vida, (2013) found that high ethnocentric consumers, perceive domestic products of good quality and they tend to buy them. Batra et al (2003), Wang et al (2004) investigated that consumers from developing countries are likely to identify foreign products as of higher quality compared to local products/ brands. Consumer ethnocentrism and consumer animosity are negatively related to foreign product re-purchase intent, (Pai R and Sundar 2014). However, Pai R and Sundar (2014) also found that customer loyalty regulates this relationship of CE and Repurchase intent. Similar findings were also recorded by Akdogan and Ozgener (2012)

Review of past studies is summarized in Table 1.

Antecedent and Definition	Author(s)	Country	Method	Product Category	Relationship with Consumer Ethnocentrism
Demographic Antecedents					
Gender	Sharma et al, (1995)	Korea	Survey	NA	Females are more ethnocentric
	Bruning, (1997)	Canada	Experiment	Air Travel	Females are more ethnocentric

	Candan et al (2008)	Turkey	Survey	NA	Females are more ethnocentric
	Mangnale et al (2011)	Ethiopia (Africa)	Survey	Products and Services	Females are more ethnocentric
	Ismail, et al (2012)	Pakistan	Mall intercept	NA	Female are less ethnocentric than males
	Aziz et al, (2014)	Pakistan	Mall intercept	NA	Male consumers are more ethnocentric.
	Ramsaran-Fowdar, (2010)	Mauritius	Interview	NA	Male consumers are more ethnocentric
	Jain and Jain, (2013)	India	Survey	NA	No relationship.
Age	Jain and Jain, (2013)	India	Survey	NA	Positively related.
	Candan et al (2008)	Turkey	Survey	NA	Youngsters are not ethnocentric
	Aziz et al, (2014)	Pakistan	Mall intercept	NA	Positively related.
	Lopez and Zunjur, (2016)	India	Survey	Electronic Products	Elderly people are more ethnocentric than young people
	Mangnale et al, (2011)	Ethiopia	Survey	Products and Services	No Relationship
	Smaiziene et al, (2014)	Lithuan	Survey Online and offline	Dietary Supplements	No Relationship
Education Level	Watson et al, (2000)	New Zealand	Mail Survey	NA	Negative relationship
	Javalgi et al, (2005)	France	Survey	Computers and Cars	Negative relationship
	Aziz et al, (2014)	Pakistan	Mall intercept	NA	Positive Relationship
	Ramsaran-Fowdar (2010)	Mauritius	Interview	NA	No relationship
Income Level	Candan et al, (2008)	Turkey	Survey	NA	Negative relationship
	Shah and Ibrahim (2012)	Malaysia	Survey	NA	Negative relationship
	Aziz et al 2014	Pakistan	Mall intercept	NA	Negative relationship
	Caruana (1996)	Malta	Survey	NA	No relationship
Socio-psychological Antecedents					
Conservatism -a tendency to	Sharma et al., (1995)	Korea	Survey	Medicine, beef,	Positive relationship

cherish traditions and social institutions that have survived the test of time and to introduce changes only occasionally, reluctantly and gradually (Sharma et al., (1995)				kitchenware, PCs, golf clubs, liquor, bananas, insurance, large refrigerators and jewelry	
	Balabanis et al 2002	Czech Republic and Turkey	Survey	NA	Positive relationship
Cultural openness- Cultural openness is determined by willingness to interact with people from other cultures and experience some of their artefacts(Sharma et al, 1995)	Sharma (1987)	US	Survey	Autos, apparel and consumer goods vulnerable to foreign competition	L.A. less ethnocentric than cultures Denver, Detroit and Carolinas
Animosity- “the remnants of antipathy related to previous or ongoing military, political or economic events that will affect consumers’ purchase behavior in the international marketplace.” Klein et al. (1998, p. 90)	Klein et al. (1998)	China	Survey	Imported Products from Japan	Suggested that Animosity and CE can be interrelated
	Akdogan and Ozgener (2012)	Turkey	Survey	US products	CE and CA (consumer Animosity are strongly and positively correlated to each other.

Dogmatism- Rokeach (1954) defines dogmatism as a "relatively closed cognitive organization of beliefs and attitudes about absolute authority, which, in turn provides a framework for patterns of intolerance and qualified tolerance toward others".	Ganideh (2012)	Jordan	Survey	NA	Proportional Relationship
Cosmopolitanism - Merton (1957) defines cosmopolitanism as "the tendency of people to orient themselves beyond their local community."	Parts and Vida, (2013)	Estonia and Slovenia	Survey	Alcohol Products, Clothes, Furniture	Negative relationship
	Rybina et al (2010)	Kazakhstan	Survey	NA	Negative relationship
	Erdoğan and Burucuoğlu (2016)	Turkey	Survey	Chinese Products	Negative Relationship
Economic Antecedents					
Capitalism	Rosenblatt (1964)	NA	Research Article	NA	Negative Relationship
Economic development of the region	Alsughayir (2013)	NA	Literature review	NA	Consumers from economically developed region are less ethnocentric
	Festervand T. A. and Sokoya, S. K. (1994)	Nigeria	Exploratory Study	NA	Consumers from developing country exhibited varying levels of Ethnocentrism
	Jin et al (2015)	France, The UK, The USA, China,	Survey	NA	Younger Consumers from developing

		India, South Africa, Brazil, Malaysia, Mauritius, Turkey, Egypt			countries are more ethnocentric than their counterparts from developed countries.
Political Antecedents					
Political Stance	Candan et al (2008)	Turkey	Survey	NA	Nationalist and conservatives are more ethnocentric than liberal, social democrats and socialist.
Political Propaganda	Shankarmahesh (2006)	NA	Literature Review	NA	Positive Relationship

Source- Original Work

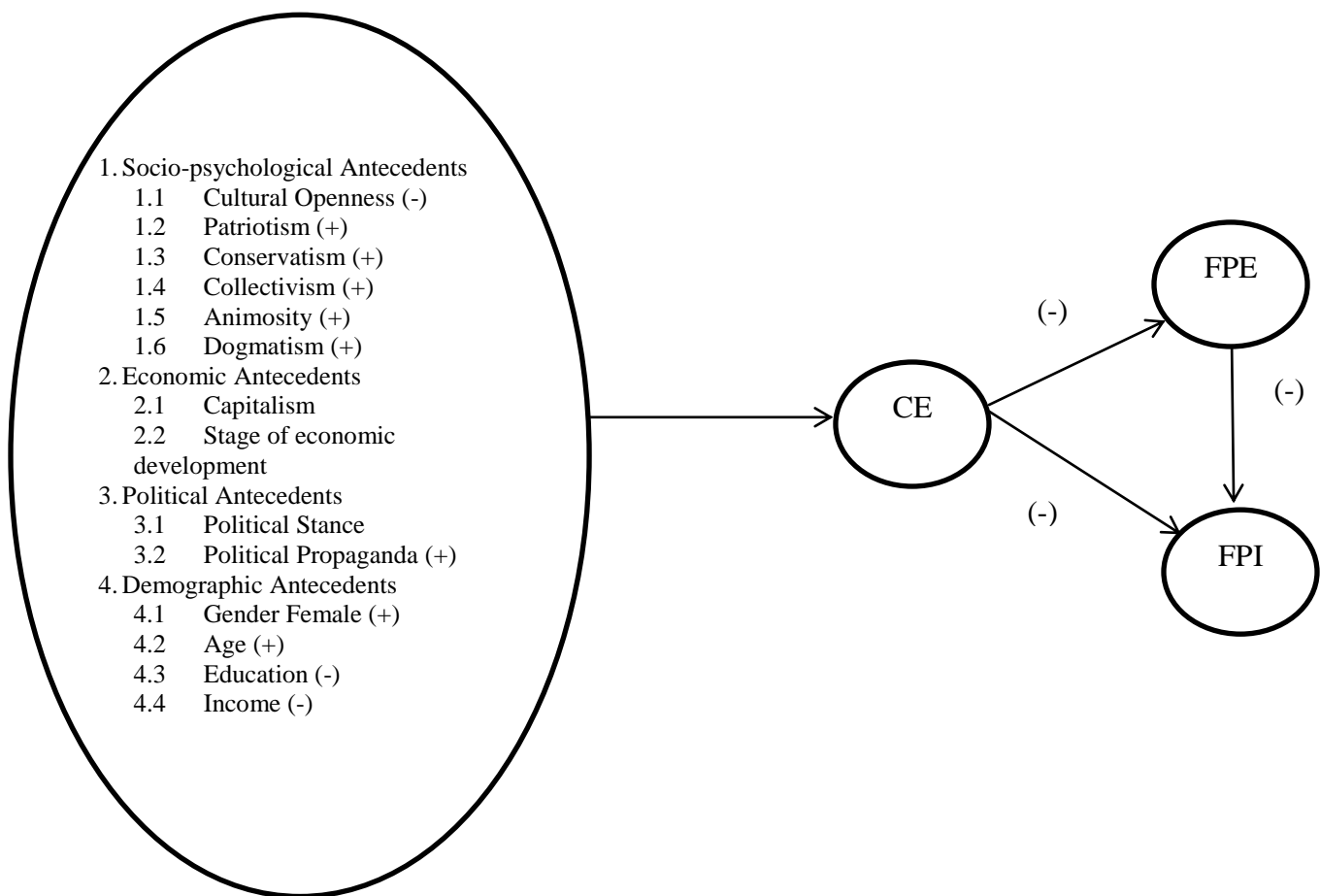
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Figure 1 Model Antecedents and consequences of consumer Ethnocentrism



Source- Original Work

CE- Consumer Ethnocentrism
 FPE- Foreign Product Evaluation
 FPI- Foreign Product Purchase Intention