

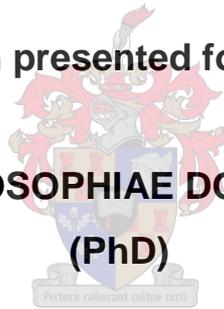
**CONSUMER ETHNOCENTRISM AND
ATTITUDES TOWARDS DOMESTIC
AND FOREIGN PRODUCTS:
A SOUTH AFRICAN STUDY**

By

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Dissertation presented for the degree

**PHILOSOPHIAE DOCTOR
(PhD)**



at Stellenbosch University

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December 2011

DECLARATION

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Signature

Date 11/11/11

DANKBETUIGINGS

Die voltooiing van hierdie studie sou onmoontlik gewees het sonder die bydraes en ondersteuning van 'n aantal individue. In besonder wil ek my opregte dank aan die volgende uitspreek:

Prof Nic Terblanche wat as promotor vir hierdie studie opgetree het. Baie dankie vir die bekwame leiding, geduld, aanmoediging en toeganklikheid.

Prof Christo Boshoff die mede-promotor van hierdie studie. Baie dankie vir al die waardevolle insette, veral in terme van die beplanning en uitvoering van die empiriese gedeelte van die studie.

Dit was 'n voorreg om sulke toegewyde en bekwame studieleiers te hê.

Me Rene Nanny vir al die ure wat sy spandeer het om die taalkundige versorging van die teks te behartig.

My vriende en kollegas wat my deurlopend ondersteun en aangemoedig het.

Me Annchen Terblanche vir haar konstante aanmoediging en opregte belangstelling in die studie.

My ouers wat my altyd ondersteun, aanmoedig en belangstel in my studies.

My vrou, Susan, en kinders Armand en Rouxné wat altyd teruggestaan het en my ruimte gegee het om aan die PhD te werk.

My Skepper aan wie al die lof en dank toekom vir die nodige krag, insig, deursettingsvermoë en onverdiende genade.

Soli Deo Gloria

ABSTRACT

The continued growth of international trade has resulted in levels of global product availability that is not only unprecedented, but would have been regarded as impossible not too long ago. Products of almost every conceivable national origin are now readily available in numerous countries throughout the world. Because the “country of origin” label of a product is a factor that could influence the buying behaviour of consumers, prescient international marketers know that they need to investigate consumer attitudes toward both domestic and imported products and the findings of these investigations should be used to formulate more effective marketing strategies.

Previous research into the “country of origin” phenomenon has focused on consumer ethnocentrism as a possible reason why consumers would buy a domestic rather than an imported product. The basic premise of the concept of consumer ethnocentrism is that the attitudes and purchase intentions of consumers can be influenced by what could be called nationalistic emotions. In short, consumer ethnocentrism implies that consumers might regard the purchase of foreign products as “wrong”, as it might harm the domestic economy and result in job losses in industries that compete with imports. As a result, consumer ethnocentrism has been actively researched in developed countries in particular, but there seems to be a dearth of knowledge about consumer ethnocentrism in developing countries. This study’s primary objective is therefore to investigate consumer ethnocentrism in a developing country, in this case South Africa.

The study is based on a review of the literature, covering aspects such as marketing, consumer behaviour, globalisation and especially the phenomena of country of origin and consumer ethnocentrism. The literature review was followed by an empirical, survey-based study investigating consumer ethnocentrism in South Africa. A novel contribution of this study is that consumer ethnocentrism was investigated among different racial groups in the same country. This was done to assess whether there are significant similarities and/or differences between different racial groups in terms of consumer ethnocentrism and any of the attitudinal variables relevant to international marketing.

A conceptual model (containing sixteen variables) was developed as a guideline from the literature review to investigate consumer ethnocentrism and how it could influence the attitudes of South African consumers (of different races) towards the import of foreign products (Chinese clothing in this case) and ultimately the willingness of these consumers to buy imported clothing. A questionnaire was subsequently developed to collect data from a sample of black and a sample of white South African respondents. An exploratory factor analysis of the data was done and the results indicated that for the samples of both black and white respondents, the original number of variables (excluding demographic variables) that drive consumer ethnocentrism could be reduced to ten. These variables were exactly the same for both sub-samples studied. The proposed theoretical model was also empirically tested by means of the structural equation modelling technique. The result of these tests was the creation of structural models for both sub-samples, illustrating all the variables and indicators of the measurement model and the structural relationships among the different variables.

From the results it is clear that even though there were differences in terms of the impact of a number of antecedents on consumer ethnocentrism, the two sub-samples responded in a relatively similar way. The results also indicated that the antecedents, cultural openness, patriotism, individualism, age, income, attitude towards human rights and history of oppression, were regarded as antecedents for consumer ethnocentrism by both sub-samples. The differences confirmed were that the sample of white respondents also regarded nationalism and gender as predictors of consumer ethnocentrism. The results also revealed that black respondents seemed to be more ethnocentric than their white counterparts.

From the results it seems that, due to the differences between the two sub-samples of this study, marketing strategies related to consumer ethnocentrism should not be identical for white and black South African consumers. Based on the results, a number of marketing strategies that could be implemented by both local and international marketers for the South African market are proposed.

OPSOMMING

Die volgehoue groei in internasionale handel het daartoe gelei dat 'n verskeidenheid produkte van verskillende nasionale oorspronge deesdae in baie lande regoor die wêreld beskikbaar is. Weens die feit dat die sogenaamde “land van oorsprong” van 'n produk verbruikers se aankoopgedrag kan beïnvloed, het vooruitdenkende internasionale bemarkers begrip vir die feit dat hulle verbruikers se houdings teenoor beide plaaslike en ingevoerde produkte moet ondersoek, en hierdie resultate moet gebruik in die formulering van meer suksesvolle bemarkingstrategieë.

Vorige navorsing oor “land van oorsprong” studies het die konsep van verbruikers-etnosentrisme geïdentifiseer as 'n moontlike rede waarom verbruikers eerder 'n plaaslike as 'n ingevoerde produk sou aankoop. Die uitgangspunt is dat hul nasionalistiese emosies die houding en aankoopintensie van verbruikers kan beïnvloed. In kort impliseer verbruikers-etnosentrisme dat verbruikers sal voel die aankoop van buitelandse produkte is verkeerd, aangesien dit die plaaslike ekonomie kan skaad en werkverliese tot gevolg mag hê in industrieë wat deur invoere geraak word.

Oor die jare is die konsep van verbruikers-etnosentrisme aktief nagevors in veral ontwikkelde lande, maar dit blyk dat daar 'n groot leemte bestaan ten opsigte van kennis oor verbruikers-etnosentrisme in ontwikkelende lande. Om hierdie probleem aan te spreek is die primêre doelstelling van hierdie studie om verbruikers-etnosentrisme in 'n ontwikkelende land (Suid-Afrika) te ondersoek.

Die studie begin met 'n literatuuroorsig wat aspekte insluit soos bemarking, verbruikersgedrag, globalisasie, die land van oorsprong fenomeen en verbruikers-etnosentrisme- verskynsel. Die literatuuroorsig is gevolg deur 'n empiriese studie om verbruikers-etnosentrisme in Suid-Afrika te ondersoek. 'n Unieke bydrae van hierdie studie is dat verbruikers-etnosentrisme ondersoek is tussen verskillende rasse-groepe. Dit is hoofsaaklik gedoen om vas te stel of daar wesentlike verskille sou wees tussen verskillende rasse-groepe ten opsigte van verbruikers-etnosentrisme en ander veranderlikes wat verband hou met internasionale bemarking.

Uit die literatuur is 'n konseptuele model (met sestien veranderlikes) ontwikkel as 'n riglyn om die volgende te ondersoek: verbruikers etnosentrisme, hoe dit die houding van Suid-Afrikaanse verbruikers (van verskillende rasse) teenoor buitelandse produkte (Chinese klere) beïnvloed en uiteindelik die bereidwilligheid van hierdie verbruikers om ingevoerde produkte te koop. 'n Vraelys is ontwikkel om data van 'n steekproef swart en 'n steekproef wit Suid-Afrikaanse respondente in te samel. 'n Verkennende faktoranalise is op die data uitgevoer en die resultate het aangedui dat die oorspronklike hoeveelheid veranderlikes (uitsluitend demografiese veranderlikes) gereduseer kon word na 'n totaal van tien vir beide steekproewe wit en swart respondente. Hierdie veranderlikes was presies dieselfde vir beide subgroepe wat gebruik is. Die voorgestelde model is ook verder empiries getoets met behulp van die *structural equation modelling*-tegniek. Die resultaat van hierdie toets was die skepping van strukturele modelle vir beide steekproewe. Hierdie modelle illustreer al die veranderlikes asook die aanduiders van die metingsmodel en die strukturele verhoudings tussen die onderskeie veranderlikes.

Die resultate toon duidelik dat ten spyte van die feit dat daar verskille met betrekking tot die impak van 'n aantal veranderlikes op verbruikers-etnosentrisme was, die twee subgroepe relatief konsekwent gereageer het. Die resultate dui daarop dat die veranderlikes, *cultural openness, patriotism, individualism, age, income, attitude towards human rights and history of oppression* deur beide groepe as voorspellers van verbruikers-etnosentrisme geag is. Die verskille wat bevestig is, is dat die steekproef van wit respondente ook nasionalisme en geslag as voorspellers van verbruikers-etnosentrisme gereken het. Die resultate het verder bevestig dat die swart respondente skynbaar meer etnosentrië as hul wit eweknieë is.

Weens die verskille wat tussen die twee steekproewe aangeteken is, blyk dit dat bemarkingstrategieë wat verband hou met verbruikers-etnosentrisme nie presies dieselfde moet wees vir swart en wit Suid-Afrikaanse verbruikers nie. Gegrand op die resultate is 'n aantal bemarkingstrategieë vir die Suid-Afrikaanse mark geformuleer en voorgestel wat deur plaaslike en internasionale bemarkers geïmplimenter kan word.

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND

“The little phrase ‘Made in ...’ can have a tremendous influence on the acceptance and success of products.”

Since Ernest Dichter made this comment, published in the Harvard Business Review (1962:116), the country of origin phenomenon and its effects have been the subject of numerous and extensive studies (Quester, Marr & Yeoh, 1996:113). Kaynak and Kara (2002:928) believe that part of the reason for continued interest in the country of origin phenomenon can be attributed to increased competition among firms vying for a share in global markets beyond their own borders. In most cases these mostly new entrants are not only offering more variety and a larger assortment products, but also highly competitive prices. Kaynak and Kara (2002:928) argue that this scenario, coupled with the increased living standards, more sophisticated tastes of consumers world-wide, improved global communications and the increased use of the Internet, has resulted in the fact that consumers wherever they may be, are exposed to and are selecting from a wider range of foreign products and brands than ever before.

One of the first studies to investigate the possible influence of the country of origin phenomenon on consumer behaviour was conducted by Schooler in the 1960s. Schooler (1965:396-397) concluded that the country of origin of a specific product can have an important effect on the opinions and thus the buying behaviour of consumers.

Since this seminal study by Schooler, the impact of the country of origin phenomenon has been studied in a variety of research settings. According to Leonidou, Hadjimarcou, Kalela and Stamenova (1999:128) some of the key issues addressed in previous country of origin studies focused on investigating the stereotyped perceptions regarding countries of manufacture exhibited by consumers in developed countries (mainly in North America and Western Europe) and that previous studies concur that consumers evaluated products made in foreign countries differently.

According to Hamin and Elliott (2006:80), a common finding of many studies seemed to be that consumers from developed countries apply a higher or more positive rating to products from their own country or similarly developed countries, than to products from foreign and/or less developed countries. As far as consumers from less developed countries are concerned, Hamin and Elliott (2006:80) believe that evidence from research conducted in countries such as Mexico, the Philippines, Jordan and Nigeria, suggests that consumers in these countries seem to rate products from more developed countries more highly than domestic products. Hamin and Elliott (2006:80) also note that, alongside the generalised preference for products originating from more developed countries, there is also evidence to suggest that some consumers will always prefer to buy products manufactured in their home country.

Altıntaş and Tokol (2007:308) argue that one of the factors which may influence a consumer's decision to buy a domestically-produced rather than a foreign-made product is the concept of *consumer ethnocentrism*.

According to Bawa (2004:44), the concept of consumer ethnocentrism arose from the more general concept of ethnocentrism introduced by Sumner (1906), who introduced the term as feelings of superiority for one's group and all things related to it. Bawa (2004:44) also suggests that the best definition of consumer ethnocentrism is found in the words of the originators of the concept, Shimp and Sharma (1987:280), who described it as follows: "We use the term 'consumer ethnocentrism' to represent the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products. From the perspective of ethnocentric consumers, purchasing imported products is wrong because, in the minds of these ethnocentric consumers, it hurts the domestic economy, causes job losses and is plainly unpatriotic: products from other countries (i.e. out-groups) are objects of contempt to highly ethnocentric consumers. To non-ethnocentric consumers, however, products from foreign countries are objects to be evaluated on their own merits without consideration for where they are manufactured (or are perhaps to be evaluated more favourably because they are manufactured outside the United States)."

1.2 THE RESEARCH PROBLEM

According to Netemeyer, Durvasula and Lichtenstein (1991:320), one outcome of globalisation has been increased competition between domestic and multinational firms in both foreign and domestic markets. Due to the greater availability of foreign brands, consumers in many countries face an ever-increasing variety of buying options. It is therefore important for marketers to understand the attitudes of consumers, especially how they choose between domestic products and products of foreign origin. Kucukemiroglu (1999:471) argues that, combined with increased nationalism and an emphasis on cultural and ethnic identity, the concept of consumer ethnocentrism must be regarded as a potent force in the global business environment in future. Consumer ethnocentrism refers to the tendency of consumers to exhibit a positive or favourable predisposition towards products originating from their own country, while avoiding products imported from other countries. The consequences of consumer ethnocentrism include factors such as an overestimation of the quality and value of domestic products or an underestimation of the benefits of imports, a moral obligation to buy domestic products, as well as a strong preference for domestically-produced products (Kaynak & Kara 2001:462).

Luque-Martinez, Ibáñez-Zapata and Del Barrio-Garcia (2000:1353) propose that research on consumer ethnocentrism may be a vital step towards forming a better understanding of the way in which individual and organisational consumers draw comparisons between domestic and foreign products, as well as the reasons that lead these consumers to develop patriotic prejudices against imports. It is believed that an understanding of whether the level of ethnocentrism differentiates customer attitudes towards products originating from overseas, could be extremely useful to the development of effective marketing strategies for imported products (Kucukemiroglu, 1999:471).

In the 1980s, Shimp and Sharma (1987:281) argued that although scales to measure ethnocentrism did exist, they had little relevance to the study of consumer behaviour and marketing phenomena. An instrument called the "Consumer Ethnocentrism Scale" (CETSCALE) was subsequently developed by Shimp and Sharma to measure the ethnocentric tendencies of consumers towards buying foreign products as

opposed to products manufactured in the United States (Shimp & Sharma, 1987:281).

Although the CETSCALE has been validated with, among others, samples of American, French, Spanish and Japanese consumers, to date no research could be found in the public domain to confirm whether the CETSCALE has been validated with or used as a relevant measure of ethnocentric tendencies among South African consumers. The empirical intention of this study is therefore to examine the product/country perceptions and evaluations of consumers in South Africa as a mature developing economy, with special focus on the ethnocentric tendencies of consumers. As South Africa is such an ethnically diverse country, it was considered advisable to determine whether different racial groups would react differently to the concept of consumer ethnocentrism. The study is based on the racial groups classification used by the South African democratic government for the South African population, and racial groups were used as an indicator of cultural groupings. Mid-year estimates (2010) of the South African population (49,9m) indicate that the Black African race make up the majority of the country's population, (79.4%), followed by White people (9.1%). This study therefore focuses on these two groups and used a sample of white respondents and a sample of black respondents (Table 1: Mid-year population estimates for South Africa by population group and sex, 2010).

It is believed that the investigation of the consumer behaviour of different racial groups in South Africa responds to appeals by researchers such as Rossiter and Chan (1998) and Burton (2000) that ethnicity should be considered in future consumer behaviour studies. The race classification was used in this study because of the call by previous researchers as indicated earlier as well as the history of South Africa. It can be expected, because of the political history that different racial groups could respond differently to particular marketing strategies. It was therefore deemed necessary to study the two major (in terms of numbers) race groups in terms of their consumer ethnocentrism.

South Africa was selected as the domestic product base for this study. The country is often described as "the engine for growth in Africa" and it is widely believed that its economic growth has a significant impact on growth in other African countries (Arora & Vamvakidis, 2005).

China was selected as the country of origin for this study, primarily because of the strong and growing trade relations between China and South Africa. In 2009, bilateral trade between South Africa and China reached a historic high of US\$16 billion, more than ten times than in 1998, when diplomatic ties were first forged (China pledges more imports to optimise trade with South Africa, 2010). China can therefore be described as a major trading partner of South Africa.

Clothing was selected as the subject of this study, as it is also a domestic commodity produced in South Africa. In terms of the trade in clothing, significant volumes of clothing are exported from China to South Africa every year.

1.3 OBJECTIVES OF THE STUDY

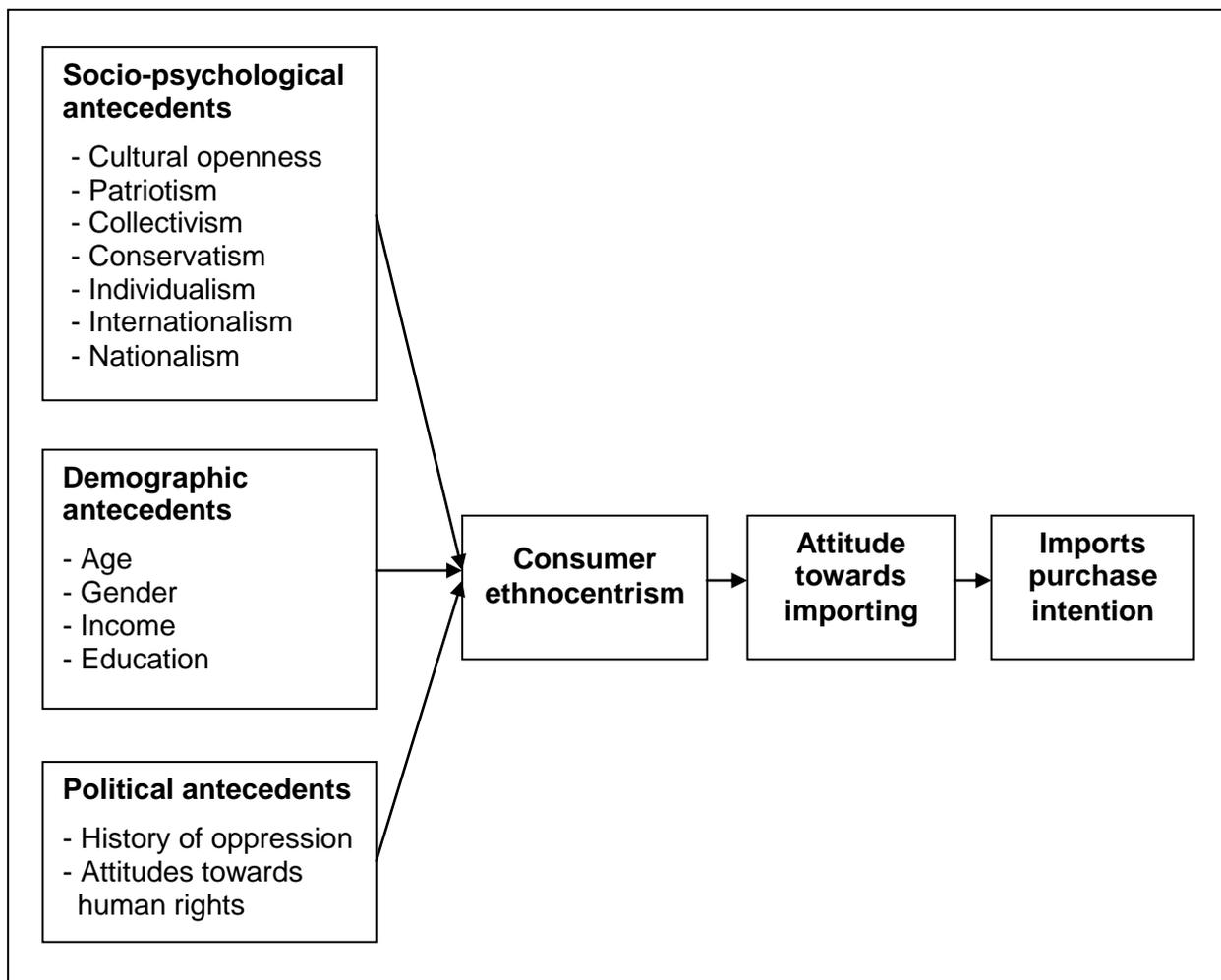
In the planning of this study, attention was paid to important considerations emanating from past research on the country of origin phenomenon, with specific reference to consumer ethnocentrism. Information from current literature has enabled the construction of a framework from which a number of objectives were formulated. As stated above, the primary purpose of this study is to investigate consumer ethnocentrism in a developing country (South Africa). More specific objectives are to:

- measure and compare levels of consumer ethnocentrism in a developing country (South Africa) among different racial groups;
- identify a number of antecedents of consumer ethnocentric tendencies in South Africa;
- quantify the impact of these antecedents on consumer ethnocentric tendencies in South Africa;
- investigate the possible impact of consumer ethnocentric tendencies on consumer attitudes of different racial groups toward importing products to South Africa, and subsequently on purchasing intentions; and
- identify areas of future research.

1.4 CONCEPTUAL MODEL AND HYPOTHESES

A conceptual model to guide the empirical study (Figure 1.1) was developed to investigate consumer ethnocentrism and how it could influence the attitudes of South African consumers towards the import of foreign products (Chinese clothing) and ultimately the willingness of these consumers to buy imported products (Chinese clothing).

Figure 1.1
Conceptual model proposed for this study



The conceptual model was developed after a thorough literature study, and served as a guideline to investigate consumer ethnocentrism and how it could influence the attitudes of South African consumers towards importing foreign products (Chinese clothing) and ultimately the willingness of these consumers to buy imported products

(Chinese clothing). From this model, and based on the literature study, fifteen hypotheses (Table 1.1) were initially developed to be tested in South Africa.

It is once again important to note that a novel contribution of this study is that the hypotheses were tested on two different South African samples in terms of race, namely on a sample of “white” respondents and a sample of “black” respondents.

Table 1.1
Original hypotheses proposed for this study

H _{1a}	There is a negative relationship between cultural openness and consumer ethnocentrism for white South African consumers.
H _{1b}	There is a negative relationship between cultural openness and consumer ethnocentrism for black South African consumers.
H _{2a}	There is a positive relationship between patriotism and consumer ethnocentrism for white South African consumers.
H _{2b}	There is a positive relationship between patriotism and consumer ethnocentrism for black South African consumers.
H _{3a}	There is a positive relationship between conservatism and consumer ethnocentrism for white South African consumers.
H _{3b}	There is a positive relationship between conservatism and consumer ethnocentrism for black South African consumers.
H _{4a}	There is a positive relationship between collectivism and consumer ethnocentrism for white South African consumers.
H _{4b}	There is a positive relationship between collectivism and consumer ethnocentrism for black South African consumers.
H _{5a}	There is a negative relationship between individualism and consumer ethnocentrism for white South African consumers.
H _{5b}	There is a negative relationship between individualism and consumer ethnocentrism for black South African consumers.
H _{6a}	There is a positive relationship between nationalism and consumer ethnocentrism for white South African consumers.
H _{6b}	There is a positive relationship between nationalism and consumer ethnocentrism for black South African consumers.
H _{7a}	There is a negative relationship between internationalism and consumer ethnocentrism for white South African consumers.
H _{7b}	There is a negative relationship between internationalism and consumer ethnocentrism for black South African consumers.
H _{8a}	There is a positive relationship between age and consumer ethnocentrism for white South African consumers.
H _{8b}	There is a positive relationship between age and consumer ethnocentrism for black South African consumers.
H _{9a}	White South African women exhibit greater ethnocentric tendencies than white South African men.
H _{9b}	Black South African women exhibit greater ethnocentric tendencies than black South African men.
H _{10a}	There is a negative relationship between level of education and consumer ethnocentrism for white South African consumers.
H _{10b}	There is a negative relationship between level of education and consumer ethnocentrism for black South African consumers.
H _{11a}	There is a negative relationship between income level and consumer ethnocentrism for white South African consumers.
H _{11b}	There is a negative relationship between income level and consumer ethnocentrism for black South African consumers.
H _{12a}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for white South African consumers.

H _{12b}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for black South African consumers.
H _{13a}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods for white South African consumers.
H _{13b}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods for black South African consumers.
H _{14a}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for white South African consumers.
H _{14b}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for black South African consumers.
H _{15a}	There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for white South African consumers
H _{15b}	There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for black South African consumers.

1.5 METHOD OF INVESTIGATION

The method of investigation followed in this study can be divided into two main sections, namely a literature overview (or secondary study) and an empirical study (or primary study).

1.5.1 The literature overview

A comprehensive overview of the literature was undertaken, mainly to investigate marketing, consumer behaviour, country of origin and consumer ethnocentrism phenomena. The secondary data collected in this way were mainly used in compiling the background chapters to this study, while the data also assisted in the development of a conceptual model to be tested in South Africa. The analysis of the secondary sources focused on journal publications, conference papers, Web-based information, books and working papers.

1.5.2 The empirical study

The conceptual model that was developed as a result of the literature study was empirically tested in the South African environment. A new measuring instrument (questionnaire) was developed, pre-tested, adjusted and then used to collect primary data for the study. In the following sections, a brief overview of the methodology used is given.

1.5.2.1 *The sample of the study*

A national sample of South African citizens was used for this study. The population can be typified as South Africans of both genders, older than 18 years and with an

average gross income of at least R5 000 a month. The main reason for selecting these basic parameters was that the researcher wanted respondents to be of a relatively high “economic status”, in other words respondents who must have been in a situation where they could either choose to buy a certain product or not (i.e. adequate discretionary spending power) and not have been forced by economic considerations such as relative poverty to buy a less expensive product, imported or domestic, simply because of its lower price.

Two separate samples – one of white respondents and one of black respondents – were used for this study to determine whether different racial groups would react differently to the concept of consumer ethnocentrism.

A prominent South African provider of consumer data was provided with the specifications for the samples and the names of respondents used were randomly selected from the database of this firm.

1.5.2.2 Data collection

A structured questionnaire was developed and used to collect primary data for this study. For most of the variables identified, a seven-point, multiple-item Likert scale was used, with options ranging from 1, representing “strongly disagree”, to 7, representing “strongly agree.” Ordinal and nominal scales were used to collect some demographic data, which included respondents’ age, gender, education levels and total gross personal income.

For the final version of the questionnaire the questions were scrambled to control for order bias, which refers to the tendency of respondents to select an alternative merely because it occupies a certain position in a list (Malhotra, 2002:320).

Questions used in the final questionnaire were also translated from English to Afrikaans and the questionnaire used contained questions in both these languages. The reasoning behind this was that it was expected to lead to a better response rate. On completion, the initial questionnaire was subjected to a pilot study (25 respondents) mainly to identify and eliminate possible interpretation problems (response error) and to test the reliability of the scales used. After the pilot study was completed, the questionnaire was edited to incorporate the feedback from

respondents. Amendments included the correction of a few spelling and grammatical errors, while the wording of a few questions was changed to increase respondent understanding. The internal consistency of the measurement scales used in the study was also measured by means of Cronbach's Alpha index, while the questionnaire was also investigated for face validity. Based on the feedback from these investigations a few alterations were made and the questionnaire was ready to be used for data collection.

As a Web-based approach was used to distribute the questionnaire, it had to be converted to an electronic format and this was done by an expert in electronic surveys at Stellenbosch University. A final pilot test was conducted to investigate the user-friendliness of the Web-based process and to ascertain whether data from completed questionnaires were correctly transferred from respondents to the Web-server of Stellenbosch University. An e-mail was sent to a sample of twenty-five South African consumers, with an invitation to participate in the survey and a hyperlink to the website of Stellenbosch University, where the electronic version of the questionnaire was hosted. Respondents were requested to complete the electronic questionnaire, to submit it and to contact the researcher if any problems were encountered or if any alterations were suggested. A number of minor changes were made to the electronic questionnaire, based on the feedback received. The questionnaire was then deemed to be ready for the formal data-collection process.

An e-mail containing a covering letter sketching the background to the study and an invitation to complete the questionnaire was sent to each respondent in the pre-selected sample. Respondents were requested to click on a link that was connected to the Website of Stellenbosch University where the questionnaire was hosted.

All the data collected from the completed questionnaires were stored on a server at Stellenbosch University, from where it were retrieved and exported to an Excel program for further statistical analysis.

1.5.2.3 Data analysis

The first step in the analysis phase of this study was to perform an invariance test. This was done to determine whether the parameters of the observed model would be invariant (similar) for the samples of both black and white respondents. Based on the

result (the two models were configurally not invariant) the decision was taken to treat the white and black respondents as separate sub-samples. The next step was to assess the validity and reliability of the measuring instrument used. Once this step was completed an exploratory factor analysis was conducted to identify unique factors evident in the data of the study. During the next step, the proposed theoretical model was tested empirically by means of the structural equation modelling technique – the results were separately reported for both sub-samples. The result of this data analysis process was the creation of a final model for a sample of white respondents as well as a sample of black respondents, which indicated the similarities and differences in terms of the relevance of the different antecedents for consumer ethnocentrism.

1.6 CONTRIBUTION OF THE STUDY

This study is to be seen as a pioneering study in the South African business environment and it contributes to the field of country of origin studies in a novel way, firstly by measuring the consumer ethnocentrism of (two) different racial groups in a mature developing country (South Africa) and secondly by investigating the potential impact of ethnocentricity on the buying intentions of these two different racial groups of South African consumers, specifically regarding items of clothing imported from China.

The results of this investigation and subsequent recommendations are hoped to be useful in the development of suitable marketing strategies, especially communication strategies, not only for products exported to South Africa – in this case from the People's Republic of China – but also for products produced in South Africa.

1.7 STRUCTURE OF THE STUDY

The study is presented as follows:

Chapter One is the introductory chapter and provides background to the problem of the study, the main objectives, and method of investigation. Chapters Two, Three and Four deal with an overview of the literature about various aspects relating to consumer ethnocentrism.

Chapter Two deals in more detail with the concepts of marketing and consumer behaviour. In the first part of the chapter, the marketing concept is defined and a brief history of the evolution of marketing is provided. The next part of the chapter focuses on the discipline of consumer behaviour.

Chapter Three focuses on globalisation and global marketing. The concept of globalisation is defined and the driving and restraining forces affecting globalisation are discussed. This is followed by a section on global marketing that provides, amongst others, background on global marketing as well as its strategic importance.

Chapter 4 provides an overview of the country of origin phenomenon. The chapter starts with a definition of country of origin and in the following section the evolution of country of origin research is addressed, while the final part of the chapter focuses on country of origin research in international marketing.

Chapter 5 addresses the concept of consumer ethnocentrism. It firstly focuses on the development of consumer ethnocentrism, followed by a section discussing the importance of consumer ethnocentrism. This is followed by a section on the measuring of consumer ethnocentrism. Next, the major antecedents (as identified in previous studies) are discussed, while the final section addresses particular consequences and moderating factors of consumer ethnocentrism.

In Chapter 6 the design and methodology of the empirical study are discussed. The chapter begins with background on the marketing research process and examines aspects such as defining the marketing problem and objectives, the development of the research design and finally data collection and analysis.

Chapter 7 presents the empirical results of the study and begins with an explanation of the test of invariance that was conducted, followed by sections explaining the assessment of the validity and reliability of the measuring instrument used. From the exploratory factor analysis conducted, ten factors emerged for both sub-samples used in the study. The next section provides more information on each of these factors, with reasons for removing two latent variables as a result of the exploratory factor analysis. In the following section, the empirical results of the structural equation modelling that was conducted are addressed; the chapter concludes with a summary

of the confirmed relationships and results of hypotheses tested for both groups of white and black respondents.

The summary, conclusions and recommendations of the study are presented in Chapter 8, which concludes with sections on the limitations of the study and identifies possible areas for future research.

CHAPTER 2

THE MARKETING CONCEPT AND CONSUMER BEHAVIOUR

2.1 INTRODUCTION

The sales and profits of any firm are in the first instance determined by the buying decisions of its customers, but it is their motives and actions that determine the viability of a firm over time (Assael, 1995:3). Kotler, Keller, Brady, Goodman and Hansen (2009:223) argue that successful marketing requires a firm to be closely connected with its customers, while Arnould, Price and Zinkhan (2004:16) contend that learning about consumers is the way to successful marketing. Insight into consumer behaviour is critical to the marketer in predicting future buying behaviour and in developing strategies and actions to take consumer needs, aspirations, perceptions, values and attitudes into account (Du Plessis & Rousseau, 2007:4). In this chapter these important aspects of marketing and consumer behaviour will be examined with reference to relevant aspects of consumer behaviour as discussed in the literature consulted for this study.

2.2 THE MARKETING CONCEPT

Peter and Donnelly (2004:2) argue that the concept of marketing simply means that firms should strive to be profitable by serving the needs of customer groups. Kotler and Keller (2009:45) state that marketing is often assumed to be “the art of selling products”, and that many people are surprised to learn that selling is only the tip of the marketing iceberg. According to pioneer management theorist Peter Drucker, marketing should make selling superfluous by knowing and understanding consumer needs so well that the product or service can be made to sell itself (Kotler & Armstrong, 1993:3).

2.2.1 Definition and scope of marketing

Two popular and widely accepted definitions of marketing are those of the Chartered Institute of Marketing of the United Kingdom and of the American Marketing

Association (Brassington & Pettitt, 2003:4). The definition offered by the Chartered Institute of Marketing states that “marketing is the management process responsible for identifying, anticipating, and satisfying customer requirements profitably”. The definition offered by the American Marketing Association is that “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large” (Lamb, Hair, McDaniel, Boshoff, Terblanche, Elliott & Klopper, 2010:5).

According to Evans and Berman (1994:12), marketing can involve goods, services, firms, people, places and ideas, while it also includes the anticipation, the management and the satisfaction of demand. Lamb, Hair, McDaniel, Boshoff and Terblanche (2008:5) argue that the primary goal of marketing should be to provide customer satisfaction, while Kotler (2003:12) sees the core concept of marketing as being entrenched in exchange, which is defined as the process of obtaining a desired product from someone by offering something in return.

2.2.2 The evolution of marketing

The evolution of marketing can be viewed as a succession of different stages (Evans & Berman, 1994:12). The following section provides a brief overview of the evolution of marketing.

2.2.2.1 *The barter era*

Marketing as an exchange process arose in ancient times, when societies first started producing crops or articles in excess of their own requirements, which they could then barter for other items which they needed (Brassington & Pettitt, 2003:10). This was the so-called Barter Era, during which time various entities and usages arose to facilitate the exchange process, such as trading posts, travelling merchants, general stores and even cities. This era eventually also saw the development of a standardised monetary system (Evans & Berman, 1994:13), in which the exchange of money replaced the exchange of goods or services.

2.2.2.2 *The production era*

In the late nineteenth and early twentieth century, consumer goods were so scarce and competition so poorly developed that the needs of consumers obviated any need

for marketing – producers could easily sell whatever they produced. This is known as the Production Era, because of its emphasis on production (Brassington & Pettitt, 2003:10).

According to Brassington and Pettitt (2003:12), this emphasis on production eventually leads to the manufacture of products in such quantities that they become affordable by being readily available. It then follows that markets become highly price-sensitive, i.e. consumers are interested mainly in price as a differentiating factor between competing products, and they consequently tend to buy the cheapest products. Consumers are knowledgeable about relative prices, and if firms want to decrease prices to remain competitive, production costs must at the same time be tightly controlled (Brassington & Pettitt, 2003:12).

Kotler (2003:17) argues that such a production orientation makes sense in developing countries, where consumers are more interested in the availability and affordability of a product, rather than in its distinguishing features.

2.2.2.3 Sales era

As markets and technology developed, competition became more intense and companies were finding it more difficult to sell their products. This situation led to a stronger emphasis on selling, which lasted into the 1950s and 1960s, during which time firms employed larger sales forces and adopted a more aggressive approach to advertising (Brassington & Pettitt, 2003:10). The assumption on which a sales orientation is based is that, left to their own devices, consumers and businesses would ordinarily not buy sufficient quantities of a firm's products (Kotler, 2003:18). This results in a heavy emphasis on personal selling and other sales techniques, because of the view that products "are sold and not bought". A firm would therefore focus its efforts on creating strong sales departments and on the selling process, rather than on the needs of the buyer (Brassington & Pettitt, 2003:13).

2.2.2.4 The marketing concept

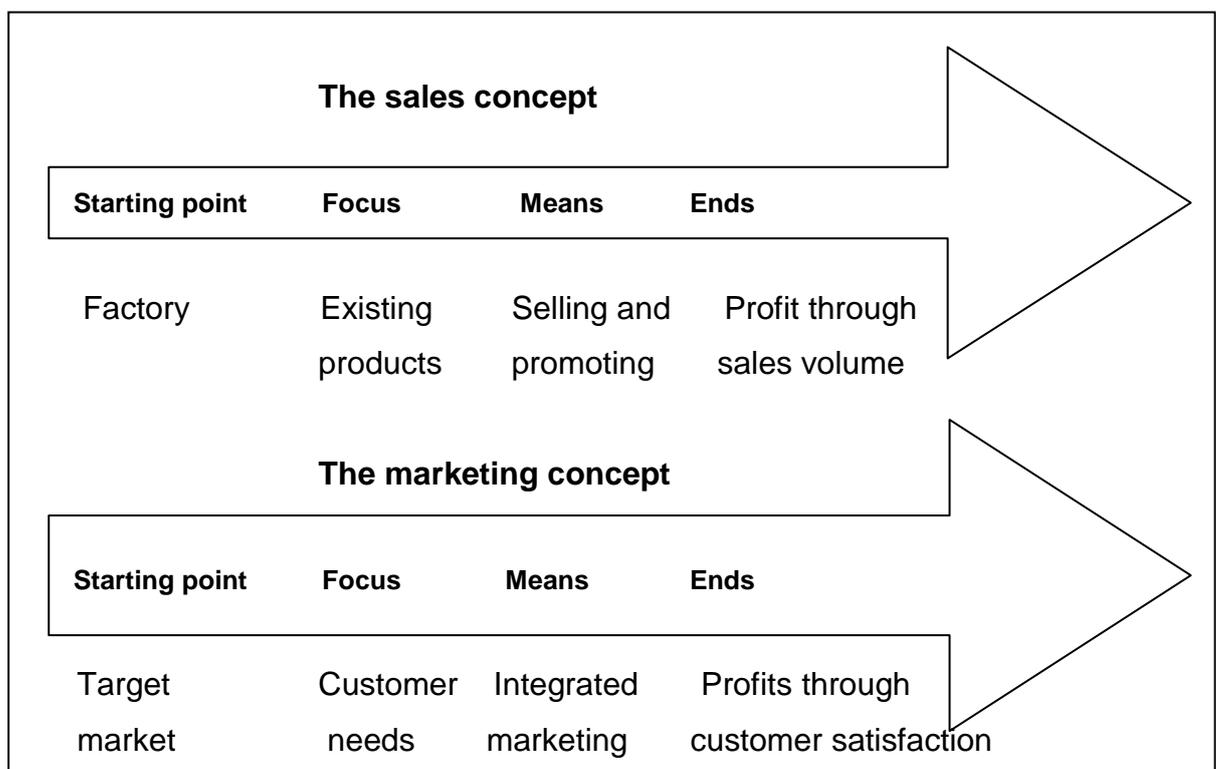
According to Van der Walt, Strydom, Marx and Jooste (1996:18), there was a marked change in approach to the market after World War 2. Factories producing war materials were then adapted to the production of consumer goods for general

consumption. Customers also started developing more sophisticated needs and were financially in a better position to satisfy these needs, while there was a large variety of competing products from which they could choose. This situation led management to recognise the importance of the marketing function, realising that production had to be preceded and guided by market information about what consumers wanted, how much they were willing to pay and how they could best be reached (Van der Walt *et al.*,1996:18).

Schiffman and Kanuk (2004:10) identify the key elements of a successful marketing concept as first determining the needs and wants of specific target markets before delivering the desired products to these target markets to meet these needs, and doing this better than the competition. The marketing concept is based on the premise that a marketer should try to produce what can be sold, instead of trying to sell what has been produced. The contrast between the sales and the marketing concepts is depicted in Figure 2.1.

Figure 2.1

The contrast between a sales and a marketing concept



Source: Adapted from Kotler (2003:20)

The selling concept uses an inside-out approach, starting with the factory, focusing on existing products and calling for aggressive selling and promoting to produce profits by means of sales volumes. The marketing concept on the other hand, uses an outside-in approach, which starts with a well-defined target market, focuses on the needs of consumers, coordinates all activities that target consumers and produces profits through customer satisfaction (Kotler, 2003:20).

In order to implement the marketing concept, a number of strategic tools are used, including market segmentation, targeting and positioning as well as the marketing mix (Schiffman & Kanuk, 2004:11).

Market segmentation is the process of dividing a market into meaningful, relatively similar and identifiable segments or groups of consumers (Lamb, Hair, McDaniel, Boshoff & Terblanche, 2004:153). According to Peter and Olson (1990:402), the logic of segmentation is based on the idea that a single product will usually not appeal to all consumers. Blackwell, Miniard and Engel (2001:40) note that the need for segmentation results from the differences between people, such as their various motivations, needs, decision-making processes and buying behaviours. Segmentation allows producers to avoid direct competition in the marketplace by differentiating their offerings in terms of price, styling, packaging, promotional appeal, method of distribution and service offered (Schiffman & Kanuk, 2004:50). The practice of segmentation also makes designing a marketing strategy more effective, as it allows managers to direct resources at specific and identifiable groups of people rather than at diverse assemblies of individuals (Foxall & Goldsmith, 1994:9).

Once a market has been subdivided into smaller segments, allowing a firm to form a better idea of the market to which it is selling, it becomes possible for marketers to select one or more segments on which to focus (Foxall & Goldsmith, 1994:9). Marketers would then usually decide which segments present the best opportunities to the firm; once selected, these segments are then known as target markets. For each of the selected target markets an appropriate market offering can then be developed (Kotler, 2003:9).

A crucial factor that could affect the length of a product's life as well as its resilience in a market over time, concerns the positioning of the product (Brassington & Pettitt,

2003:328). Positioning refers to the development of a distinct image for a product or service in the minds of consumers. This image has to differentiate the offering from competing offerings and should communicate the idea to the target audience that the particular product or service being offered will fulfil their needs better than competing offerings (Schiffman & Kanuk, 2007:7). Assael (1995:427) argues that market segmentation and product positioning strategies should be developed collectively. Marketers should therefore identify market segments by their common needs and should position their products in order to meet those needs (Assael, 1995:427). Once the firm understands the nature of consumers and their needs and wants, it needs to act on this information to develop and implement marketing activities that can deliver something of value to the consumer (Brassington & Pettitt, 2003:25). The set of marketing tools that marketers use to pursue the marketing objectives of the firm for a specific target market is known as the marketing mix (Kotler, 2003:15). The concept of the marketing mix was first introduced by Neil Borden in the 1950s (Grönroos, 1997:322). Borden (1964:9) argues that the marketing mix of a manufacturing firm is made up of twelve elements, namely: product planning, pricing branding, channels of distribution, personal selling, advertising, promotion, packaging, display, servicing, physical handling, fact finding, and analysis.

The concept of the marketing mix and the so-called four Ps of marketing – Product, Place, Promotion and Price – were introduced by McCarthy (1960), and were promptly treated as the unchallenged basic model of marketing (Grönroos, 1997:322). Through the marketing mix an offer is created for the consumer, and it is imperative that the elements of the marketing mix are consistent with each other to ensure successful marketing (Brassington & Pettitt, 2003:25).

The product element of the marketing mix involves aspects such as what goods, services, firms, people, places and or ideas are to be marketed, the number of items to be sold, the quality level, the degree of company innovativeness, features (such as options and warranties) and packaging (Evans & Berman, 1994:37).

Place (distribution) entails making the product available to the consumer at an appropriate place at an appropriate time (Brassington & Pettitt, 2003:471). The place element includes aspects such as determining whether to sell offerings through

intermediaries or directly to consumers, at how many outlets to sell and the selection of suppliers (Evans & Berman, 1994:37).

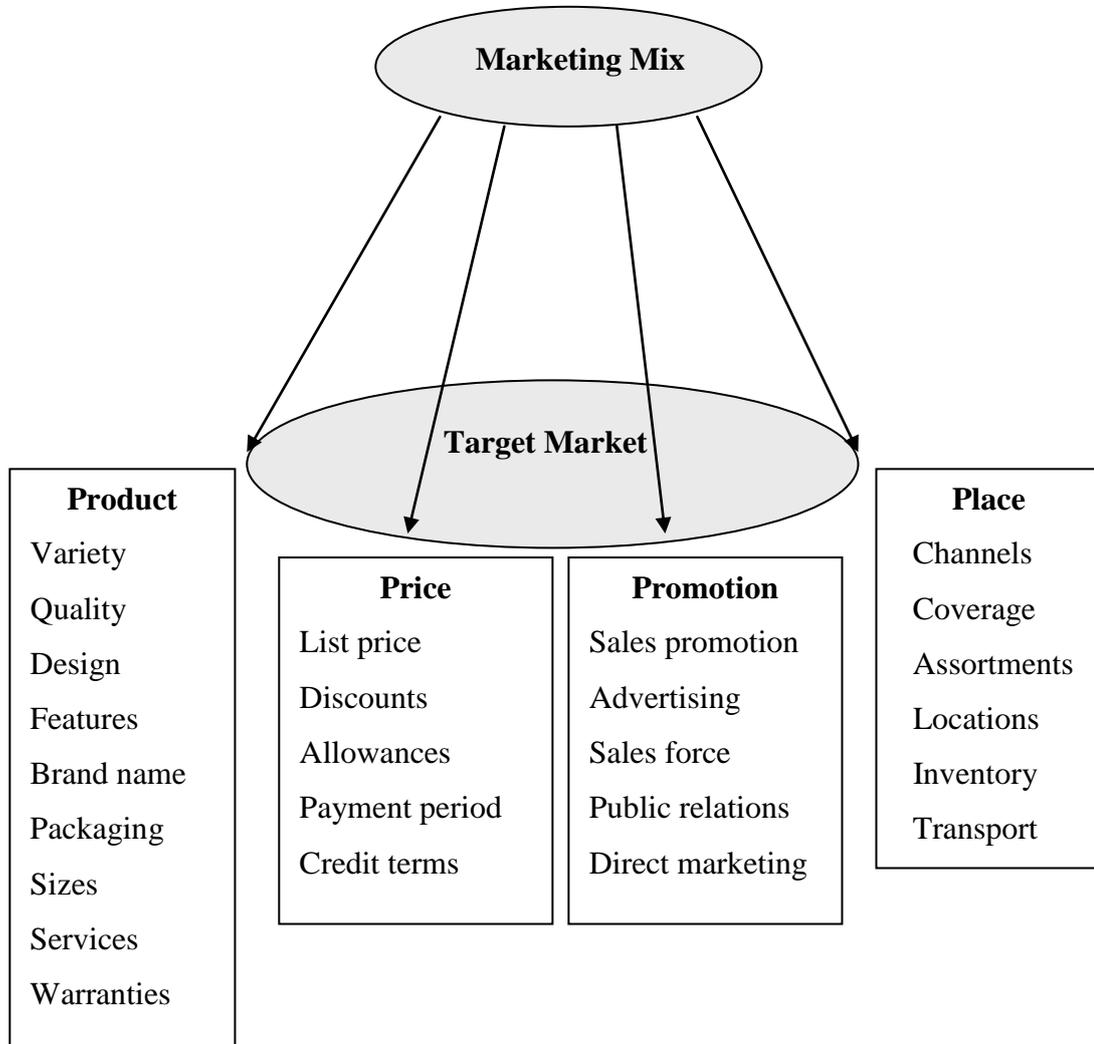
Promotion is the element that is used by the firm to communicate with various target audiences (Brassington & Pettitt, 2003:569). This element includes selecting a combination of promotional tools (advertising, public relations, personal selling and sales promotion), the right image to project, the choice of media to be used (e.g. television, radio, magazines) and the format of messages (Evans & Berman, 1994:37).

Price is the final element of the marketing mix, which, according to Brassington and Pettitt (2003:26), is not necessarily a straightforward calculation of costs and profit margins. Pricing decisions include determining the overall level of prices (high, medium, low), the relationship between price and quality, the emphasis to be placed on price, how the firm should react to the prices of competitors, when discounts should be offered and how prices will be calculated (Evans & Berman, 1994:37). Brassington and Pettitt (2003:27) argue that customers may well use price as an indicator of the quality and desirability of a particular product and that in this way price can either reinforce or destroy the work of the other three elements of the marketing mix.

A summary of the marketing mix and major areas of responsibility within each element of the marketing mix is provided in Figure 2.2.

Figure 2.2

The components of the marketing mix



Source: Adapted from Kotler and Keller (2009:63)

According to Kotler and Keller (2009:63) marketers initially make marketing-mix decisions to trade channels and final consumers. Once they understand these groups, they can make or customise an offering or solution, inform consumers, set a price that will offer real value, and select locations where the offering will be accessible. The traditional four Ps-approach to marketing (as illustrated in Figure 2.2) has performed well for many years, but it eventually became apparent that this approach was not always adequate, especially in the services industry. As a result, an extended marketing mix, the so-called seven Ps, was proposed by Booms and

Bitner (1981), adding the elements People, Processes and Physical evidence to the original four (Brassington & Pettitt, 2003:27). Kotler (2003:450) points out that as most services are provided by people, the selection, training and motivation of employees can have an immense impact on customer satisfaction. According to Kotler (2003:450), these employees should ideally display competence, a caring attitude, responsiveness, initiative, goodwill and the ability to solve problems. Kotler (2003:450) also argues that service firms may attempt to demonstrate their service quality by means of physical evidence and presentation, such as cleanliness and speedy service by hotels, or finding different ways of delivering their service, for instance selling food by means of fast-food outlets, buffet meals or candle-lit dinners.

2.2.2.5 The customer orientation

Recently many companies have started moving beyond the marketing concept to the customer concept (Kotler, 2003:26). In this more customer-oriented approach, firms continuously seek to satisfy the high expectations of consumers (Kerin, Hartley, Berkowitz & Rudelius, 2006:20). Firms focusing more on the marketing concept usually fix their attention on specific consumer segments, but a growing number of firms have started developing a range of separate offers, services and messages to individual consumers. These companies aim to achieve profit growth through capturing a larger share of each consumer's expenditures by creating high customer loyalty and by focusing on consumer lifetime value (Kotler, 2003:26). An important outcome of this focus on the consumer has recently been the increased attention given to customer relationship management, which has been defined as "the process of identifying prospective buyers, understanding them intimately, and developing favourable long-term perceptions of the firm and its offerings so that buyers will choose them in the marketplace" (Kerin *et al.*, 2006:20). According to Kerin *et al.* (2006:20) the customer relationship management process requires the involvement and commitment of managers and employees throughout the firm, as well as the increased use of information, better communication and the Internet to enhance relations with their customers.

2.2.2.6 The societal marketing orientation

Kotler (2003:26) argues that the marketing concept has been questioned as an appropriate philosophy in an age of environmental deterioration, resource shortages, increased population growth, global poverty and neglected social services. Kotler (2003:26) also posed the question whether companies that sense and satisfy consumer wants are always acting in the best long-term interests of consumers and society. Responding to these concerns, the societal marketing concept proposes that firms must clearly establish the needs, wants and interests of target markets, and then deliver the desired satisfactions more effectively and efficiently than competitors. The offering to the customer should, however, also be delivered in a way that will preserve and enhance the well-being of consumers as well as the society in which they live (Kotler, 2003:26-27). The societal marketing orientation therefore acknowledges that a firm does not only exist to satisfy the needs and wants of consumers, but also to conserve or enhance the best long-term interests of individuals and of society as a whole (Lamb *et al.*, 2008).

In summing up this section on the marketing concept, the following quotation by Kotler and Keller (2009:43) substantiates the importance of marketing:

“Marketing is everywhere. Formally or informally, people and firms engage in a vast number of activities that we could call marketing. Good marketing has become an increasingly vital ingredient for business success. And marketing profoundly affects our day-to-day lives. It is embedded in everything we do – from the clothes we wear, to the Web sites we click on, to the ads we see.”

2.3 THE DISCIPLINE OF CONSUMER BEHAVIOUR

The widespread adoption of the marketing concept by American businesses since the late 1950s provided the momentum for the study of the discipline of consumer behaviour. In order to identify unsatisfied consumer needs, companies engaged in extensive marketing research and in the process it became abundantly clear that consumers are highly complex individuals, subject to a variety of psychological and social needs. Research results also revealed considerable differences between the needs and priorities of different consumer segments. Firms consequently realised that designing new products and marketing strategies that would fulfil different

consumer needs, meant engaging in comprehensive investigations of consumers and their consumption behaviour (Schiffman & Kanuk, 2004:11). It can therefore be argued that by adopting the marketing concept, marketing managers recognised that the determinants of consumer behaviour have a direct influence on the formulation of marketing strategies (Assael, 1995:11). Hawkins, Mothersbaugh and Best (2007:9) argue that all marketing strategies and tactics are based on explicit or implicit beliefs about consumer behaviour and that knowledge of consumer behaviour can provide a vital competitive advantage to a firm.

2.3.1 Definition and scope of consumer behaviour

The concept of consumer behaviour is defined by Schiffman and Kanuk (2007:3) as “the behaviour that consumers display in searching for, purchasing, using, elevating, and disposing of products and services that they expect will satisfy their needs”.

Consumer behaviour focuses on the way in which individuals make decisions related to the spending of their available resources (time, money and effort) on consumption-related items (Schiffman & Kanuk, 2004:8). This include what consumers buy, when they buy it, why they buy it, where they buy it, how often they buy it and how often they use it, how they evaluate it after the purchase, the possible impact of such evaluations on future purchases and how consumers dispose of products (Schiffman & Kanuk, 2007:3-4).

According to Schiffmann and Kanuk (1997:7) it is important to note that the term consumer behaviour is often applied to two different kinds of consuming entities. The first entity is the personal consumer, who purchases goods and services for his or her own use (e.g. shampoo or shaving cream), for household use (e.g. a video cassette recorder) or as a gift (e.g. a book). In each of these contexts the goods are purchased for the final use of individuals who are referred to as end users or ultimate consumers (Schiffmann & Kanuk, 1997:7).

The second entity is the organisational consumer, which includes commercial and non-profit bodies, government agencies (local, provincial and national) and institutions (e.g. schools, hospitals and prisons). Organisational consumers buy the products, equipment and services needed to operate their firms. Manufacturing firms must buy raw materials and other components to manufacture and sell their products;

service companies must buy the necessary equipment to be able to render the services that they sell; and institutions must buy the necessary materials needed to maintain themselves and their populations (Schiffmann & Kanuk, 1997:7).

Schiffman and Kanuk (2007:4) argue that in order to succeed in any business, especially in the current dynamic and rapidly evolving marketplace, it is of utmost importance for marketers to know everything they can about consumers, for example what they want, what they think, how they work and how they spend their leisure time. Marketers also need to understand those personal and group factors that influence consumer decision-making. They do not just need to identify target audiences, but also know how and where to reach them. Du Plessis and Rousseau (2007:6-7) state that a study of the behaviour of personal and organisational buyers can assist firms in improving their marketing strategies by understanding some significant factors. These are firstly the psychology of how consumers think, feel, reason and decide between different alternatives; secondly how individual consumers are influenced by environmental aspects such as culture, family and the media; thirdly how business-to-business buyers are influenced by objectives in a firm, types of risks, the specific buying situation, the degree of centralised or decentralised control as well as the reward systems; fourthly how the consumer decision-making process differs between products and services; and finally how loyal consumers can be retained by the firm.

2.3.2 Consumer behaviour and decision-making

Schiffman and Kanuk (2007:15) note that the discipline of consumer behaviour was a relatively new field of study in the mid- to late 1960s, and as it had no history or body of research of its own, marketing theorists borrowed a great deal from concepts developed in related disciplines such as psychology, sociology, social psychology, anthropology and economics to create the theoretical foundation for this new marketing discipline. Many of the early theories about the concept of consumer behaviour were based on economic theory, while later research indicated that consumers are just as likely to make impulsive purchases and to be influenced not only by friends and family, advertisers and role models, but also by mood, situation and emotion. All these factors combine to form a comprehensive model of consumer behaviour that reflects both the cognitive as well as the emotional aspects of

consumer decision-making (Schiffman & Kanuk, 2007:15). Blackwell *et al.*, (2001:8) argue that successful firms understand that consumer behaviour should be the primary focus of every aspect of a firm's marketing programme.

2.3.2.1 The Consumer Decision Process Model (CDP)

One of the models that explain how consumers make purchasing decisions is the Consumer Decision Process Model originally developed by Engel, Kollat and Blackwell at Ohio State University. This model presents marketers and managers with a road map of the minds of consumers that can be used to develop product mix, communication and sales strategies. In essence, the model captures the activities that occur when decisions are made and indicates how different internal and external forces interact to influence the way in which consumers think, evaluate and act (Blackwell *et al.*, 2001:71).

According to the model (refer to Figure 2.3), consumers typically pass through seven major stages when making decisions. The first of these stages is need recognition, i.e. when an individual senses a difference between what is perceived as the actual state of affairs (a consumer's current situation) and an ideal state of affairs (the situation the consumer wants to be in). When this difference reaches or exceeds a certain level, a need is recognised (Blackwell *et al.*, 2001:99-100).

The second stage is information search. Once need recognition has taken place, consumers start searching for information and solutions to satisfy their unmet needs. The search may be internal, whereby knowledge is retrieved from memory or even inherited tendencies, or it may be external, whereby information is collected from peers, family and the marketplace (Blackwell *et al.*, 2001:74-75).

The third stage is pre-purchase evaluation. During this stage, consumers compare what they know about different products and brands with what they consider to be most important and start to narrow down the various available alternatives before finally deciding which one to buy (Blackwell *et al.*, 2001:76).

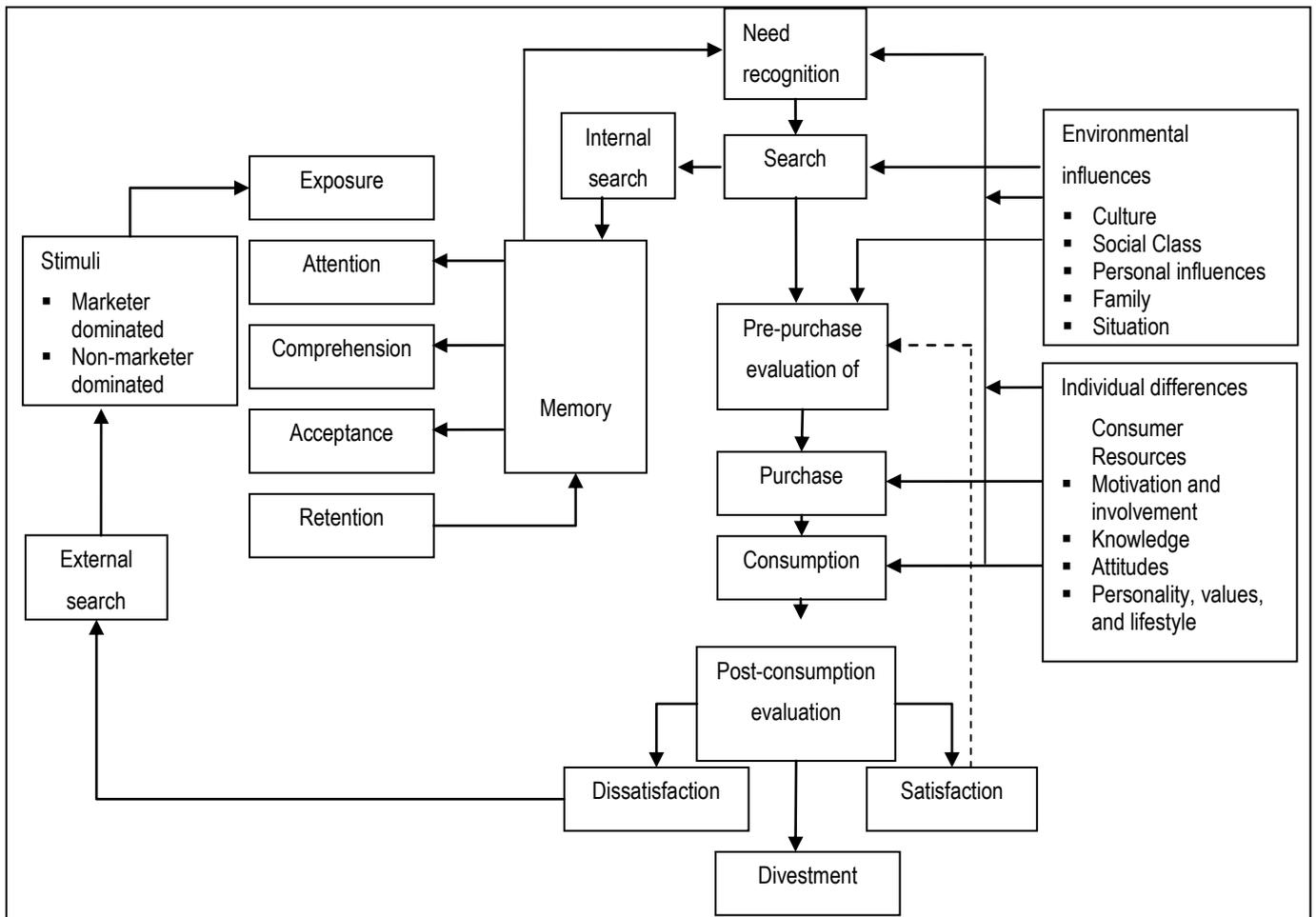
The fourth stage is the purchase itself. The consumer will now select and obtain the most desirable option from the set of alternatives that has been considered (Du Plessis & Rousseau, 2007:268).

The next stage is the consumption stage where the consumer takes possession of the product and consumes it. This is followed by the post-consumption evaluation of alternatives where the consumer evaluates the performance of a product once it has been consumed and either experiences a sense of satisfaction or dissatisfaction with the purchase. Satisfaction will occur when the consumer's expectations are matched by the perceived performance, while dissatisfaction will occur when experiences and performances do not meet expectations (Blackwell *et al.*, 2001:80).

The final stage is divestment, which refers to the disposal of products that have been purchased. Consumers have various options of divestment such as disposal, recycling or remarketing (Blackwell *et al.*, 2001:82).

By understanding these stages in the consumer decision-making process, marketers can determine why people do, or do not buy products, and what to do to encourage people to buy more from a specific supplier (Blackwell *et al.*, 2001:71). The CDP is depicted in Figure 2.3.

Figure 2.3
The consumer decision process model



Source: Blackwell *et al.* (2001:83)

2.3.2.2 Variables that shape the decision-making process

The process of consumer decision-making is influenced and shaped by a number of factors and determinants that can be divided into three categories, namely: individual differences, environmental influences, and psychological processes (Blackwell *et al.*, 2001:84).

2.3.2.2.1 Individual differences

Blackwell *et al.*, (2001:84) proposed that there are five major categories of individual differences that affect consumer behaviour. These categories are:

- **Demographics, psychographics, values and personality**

Demographic characteristics such as age, income, family size and employment status are widely-used objective descriptors of individual consumers and households (Assael, 1995:331). Psychographics are characteristics of individuals that describe people in terms of their psychological and behavioural composition, for example the psychological factors that underlie the ways in which people behave. Values can be defined as enduring beliefs about desirable outcomes that transcend specific situations and shape an individual's behaviour (Arnould *et al.*, 2004:73). Finally, personality can be defined as those inner psychological characteristics that both determine and reflect how an individual will respond to his/her environment (Schiffman & Kanuk, 2007:116). Schiffman and Kanuk (2007:116) argue that these inner characteristics, the specific qualities, attributes, traits, factors and mannerisms that distinguish one individual from another, are likely to influence an individual's product choices, the reaction to promotional messages and when, where and how an individual consumes particular products or services.

- **Consumer resources**

Consumers devote time, money and attention to buying products. Generally there are distinct limits to the availability of each of these resources, which therefore requires careful consumer allocation (Blackwell *et al.*, 2001:84).

- **Motivation**

Motivation is derived from the Latin word *movere*, meaning to move. Motivation can be described as a driving force within individuals that drives them into action (Du Plessis & Rousseau, 2007:167). Hawkins *et al.*, (2007:364) argue that a motive is a construct that represents an unobservable inner force that stimulates and compels a behavioural response and provides specific direction to that response.

- **Knowledge**

Consumer knowledge can be defined as the subset of the total amount of information stored in a consumer's memory that is relevant to product purchase and consumption (Blackwell *et al.*, 2001:259). It encompasses information about a vast array of items

such as the availability and characteristics of products and services, where and when to make purchases and how to consume products (Blackwell *et al.*, 2001:84).

- **Attitudes**

Consumer behaviour is strongly influenced by attitudes towards a given brand or product (Blackwell *et al.*, 2001:85). This concept will be addressed in more detail in a later section of this chapter.

2.3.2.2.2 *Environmental influences*

In addition to individual variables, the decision-making behaviour of consumers is influenced by environmental factors such as culture, social class, family, personal influence and the situation.

- **Culture, ethnicity and race**

Culture is defined as: “An integrated system of learned behaviour patterns that are distinguishing characteristics of the members of any given society. It includes everything that a group thinks, says, does, and makes – its customs, language, material artifacts, and shared systems of attitudes and feelings” (Czinkota & Ronkainen, 2010:94). Culture has a profound effect on why and how individuals buy and consume products and services (Blackwell *et al.*, 2001:314,320). Schiffman and Kanuk (1997:406) point out that an understanding of different cultures in a society can assist marketers to predict consumer acceptance of their products.

An important element in determining culture and predicting consumer behaviour and preferences is the element of ethnicity (Blackwell *et al.*, 2001:332). “Ethnicity” is derived from the Greek word *ethnikos* that refers to the condition of belonging to a particular ethnic group (Rossiter & Chan, 1998:127). Rossiter and Chan (1998:127) concurred that the term “ethnic group” can best be described by a 1979 judgment of the British House of Lords: “A group is identifiable in terms of its ethnic origins if it is a segment of the population distinguished from others by a sufficient combination of shared customs, beliefs, traditions and characteristics derived from a common or presumed common past, even if not drawn from what in biological terms is a common racial stock. It is that combination which gives them a historically determined social identity in their own eyes and in the eyes of those outside the group. They have a

distinct social identity based not simply on group cohesion and solidarity but also on their belief as to their historical antecedents.”

As societies become more multi-cultural, the element of ethnicity becomes an increasingly important consumer characteristic, but despite the increased attention being paid to an ever wider range of consumption and consumer behaviours in modern marketing theory, ethnicity as a consumer characteristic has been relatively under-researched (Burton, 2000:16). Rossiter and Chan (1998:127) argue that ethnicity is such a clear and relevant causal construct and so important in business and consumer behaviour that it cannot be ignored as an area of scientific study.

According to Terblanche-Smit (2008:94), ethnicity and race can be regarded as related concepts. Ethnicity is embedded in the idea of social groups, evident by shared nationality, tribal affiliation, ancestors, religious faith, language or cultural and traditional origins, while race is built on the idea of a biological classification of Homo sapiens (Terblanche-Smit, 2008:94). Rushton (2000:9) state that three major races can be identified namely Orientals (East Asians and Mongoloids), Whites (Europeans and Caucasoids) and Blacks (Africans and Negroids). For clarity purposes, the term race will be used in this study.

- **Social class**

Social class can be defined as “relatively permanent and homogeneous divisions in a society into which individuals or families sharing similar values, lifestyles, interests, wealth, status, education, economic positions and behaviour can be categorised” (Blackwell *et al.*, 2001:346). The most important determinants of social class for marketers are usually considered to be occupation, personal performance, interactions, possessions, value orientations and class consciousness (Blackwell *et al.*, 2001:353). According to Blackwell *et al.* (2001:85), socioeconomic status differences may result in differing forms of consumer behaviour, for example the types of alcoholic beverages consumed and the make and style of motor vehicle driven.

- **Family**

Since the emergence of the discipline of consumer behaviour, the family has been a focal point of research (Blackwell *et al.*, 2001:85). The family, whether two parent, single parent, nuclear or extended, with or without dependent children, remains a key influence on the purchasing behaviour of individuals (Brassington & Pettitt, 2003:125).

- **Personal influence**

Personal influence occurs when the behaviour of consumers is influenced by those with whom they closely associate. Consumers often respond to perceived pressure to conform to the norms and expectations of others, seeking and taking their advice on purchasing choices, scrutinising what others are doing as a source of information for consumption choices, and comparing their own decisions to those of others (Blackwell *et al.*, 2001:85).

- **Situation**

Consumer behaviour changes as situations change. Changes are sometimes inconsistent and unpredictable, but can at other times be predicted by research (Blackwell *et al.*, 2001:85).

2.3.2.2.3 Psychological processes influencing consumer behaviour

Blackwell *et al.* (2001:85) argue that people wishing to understand and influence consumer behaviour must have a practical comprehension of three basic psychological processes. The first of these processes is information processing, which refers to the ways in which information is retrieved, transformed, reduced, elaborated, stored and recovered by consumers (Blackwell *et al.*, 2001:86). The second process is learning, which can be defined as a process by which individuals acquire purchasing and consumption knowledge as well as experience that they will apply to future-related behaviour (Schiffman & Kanuk, 2007:199). The final basic psychological process is attitude and change of behaviour (Blackwell *et al.*, 2001:86).

In the following section, a more detailed discussion on the concept of consumer attitudes and their role in consumer behaviour is presented.

2.4 CONSUMER ATTITUDES

2.4.1 An overview of consumer attitudes

The concept of attitude occupies a fundamental position in both social psychology and consumer behaviour studies (Foxall & Goldsmith, 1994:93). Marketers are concerned with knowing customer attitudes towards their products and services and other elements of the marketing mix, as this knowledge can assist them to predict consumer behaviour (Sheth & Mittal, 2004:199). According to Foxall and Goldsmith (1994:93) it is believed that attitudes are the crucial link between what consumers think about products and what they buy in the marketplace.

In terms of the international marketplace, Darling and Puetz (2002:64) argue that consumer behaviour is strongly influenced by consumer attitudes towards products, as well as by the marketing practices associated with those products. Darling and Puetz (2002:64) also argue that an important influence on the development of consumer attitudes towards products is the country of origin of these products. As the manufacture of products and the search for suppliers become increasingly global activities, an understanding of the attitudes and behaviour of buyers in terms of global products is an aspect that is achieving increased importance (Ahmed, d'Astous & El Adraoui, 1994:323 and Nijssen & Douglas, 2004:23). Darling and Kraft (1977:519) argue that in order to compete successfully in the dynamic international marketplace it is imperative for marketing managers to have a profound understanding of, and empathy for, the different attitudes, perceptions, and needs of consumers in the various foreign markets their firms have entered. According to Ofir and Lehman (1986:105) it is assumed that consumers develop either positive or negative attitudes towards products from foreign countries. It is now being widely recommended that these attitudes be measured and used in developing marketing and advertising strategies. It was also suggested by Nagashima (1970:68) that consumer attitudes towards products from a particular country can be a major factor in determining competitive international marketing strategies. Roth and Diamantopoulos (2009:3) argue that attitude theory has the ability to explain favourable or unfavourable evaluations of countries of origin by consumers.

2.4.2 The nature of consumer attitudes

The study of the importance of the attitude concept can be traced back to the 1920s when behavioural scientists started probing for factors mediating between stimulus perception and explicit behaviour (Smith & Swinyard, 1983:257). According to Smith and Swinyard (1983:257) definitions of the attitude concept have varied markedly through the years, but point out that many of these definitions stress the relationship between attitude and explicit or overt behaviour.

Schiffman and Kanuk (2004:253), for example, define an attitude in a consumer behaviour context as “a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object”.

Du Plessis and Rousseau (2007:194) state that this definition indicates that an attitude is a learned experience, implying that an individual is not born with attitudes, but that attitudes are formed by means of learning. Schiffman and Kanuk (2007:238) assume this to mean that attitudes relevant to buying behaviour are formed as a result of direct experience with the product, word-of-mouth information, or exposure to mass-media advertising, the Internet and different types of direct marketing. Schiffman and Kanuk (2007:238) also stress the fact that as learned predispositions, attitudes possess a motivational quality, meaning that they can either drive a consumer towards a particular behaviour or repel the consumer from a particular behaviour. Another characteristic of attitudes is that they are relatively consistent with the behaviour they reflect (Schiffman & Kanuk, 2007:238). If consumers in a specific market segment consistently declare their liking for a product, a company can reasonably expect that consumers in that segment will continue buying that product, at least for the immediate future.

It is, however, important to note that attitudes can change over time, and marketers should be extremely alert to this possibility (Du Plessis & Rousseau, 2007:195).

2.4.3 The development of attitudes

In order to understand the role of attitudes in consumer behaviour, it is important to comprehend both how attitudes develop and the functions they perform (Assael, 1995:274). As mentioned previously, attitudes are formed as a result of learning.

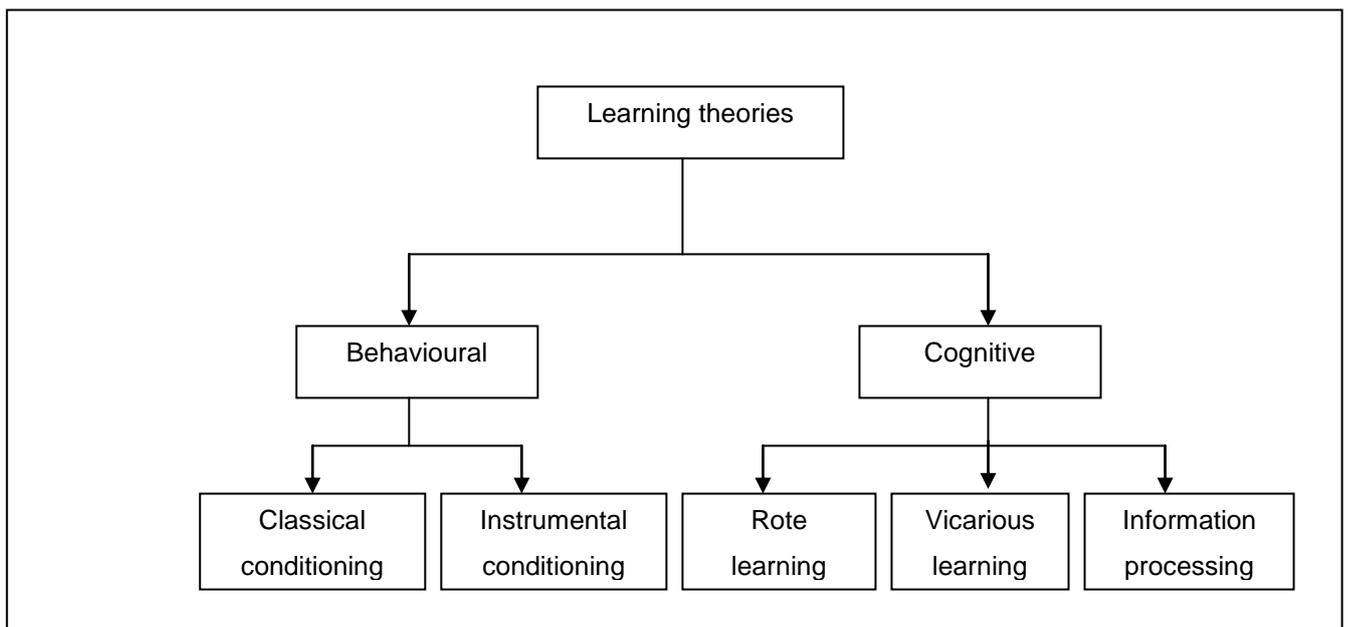
2.4.3.1 Consumer learning

Foxall and Goldsmith (1994:71) maintain that consumers memorise information in the form of associations. A core construct such as a brand name may, for instance, be linked with a number of other constructs such as the attributes of the brand (price, colour, size, benefits), as well as how the consumer feels about the brand (the quality, how it compares with similar brands and the emotions it induces). These associations are essential to marketers as they serve as the information base consumers employ when making purchase and use decisions. Most of the information stored by consumers in terms of goods and services (what they know, think or feel about brands) is seen to originate from the process of learning (Foxall & Goldsmith, 1994:71).

2.4.3.1.1 Learning theories

Assael (1995:111) argues that there are two schools of thought about consumer learning (as illustrated in Figure 2.4), i.e. the behaviourist school and the cognitive school.

Figure 2.4
Broad types of learning theories



Source: Adapted from Foxall and Goldsmith (1994:72)

2.4.3.1.1.1 The behaviourist school of learning

The behaviourist school is concerned with the observation of changes in an individual's responses as a result of exposure to certain stimuli. Behaviourist psychologists have developed two types of learning theories, namely classical conditioning and instrumental conditioning (Assael, 1995:111). Classical conditioning can be applied to marketing to associate a product with a positive stimulus. Companies, for example, use celebrities who are associated with social or financial success as spokespeople to establish a positive link with their products (Assael, 1995:112). Du Plessis and Rousseau (2007:188), however, argue that although marketers recognise the importance of the principles of classical conditioning, it is not widely believed that the association of products with positive symbols and images are strong enough to result in automatic responses. Du Plessis and Rousseau (2007:188) hold the view that marketers employing classical conditioning merely attempt to create a mood that is positively associated with a brand to persuade consumers to buy a given product. The learning theory of instrumental conditioning also requires the development of a link between a stimulus and a response. In this case, however, the individual determines the response that will provide the most satisfaction (Assael, 1995:116). According to instrumental learning theorists, learning occurs by means of a trial-and-error process with consumer habits being formed as a result of rewards received for certain responses or behaviours. A positive experience is "instrumental" in teaching an individual to repeat a specific behaviour (Schiffman & Kanuk, 2007:210,212).

2.4.3.1.1.2 The cognitive school of learning

Not all learning occurs as the result of repeated trials: a significant amount of learning occurs as the result of consumer thinking and problem solving. Learning based on mental activity is termed cognitive learning (Schiffman & Kanuk, 2007:215). From a consumer point of view, cognitive learning is a process of perceiving stimuli, associating stimuli with needs, evaluating alternative brands and assessing whether products meet certain expectations (Assael, 1995:120). Unlike behavioural learning theory, cognitive theory stresses the fact that learning entails the mental processing of information, and instead of emphasising the importance of repetition or the association of a reward with a specific response, cognitive theorists emphasise the

role of motivation and mental processes in generating a desired response (Schiffman & Kanuk, 2007:215). According to Foxall and Goldsmith (1994:72), there are three types of cognitive learning that are important to marketers, namely rote learning, vicarious learning and information processing.

2.4.4 Structural models of consumer attitudes

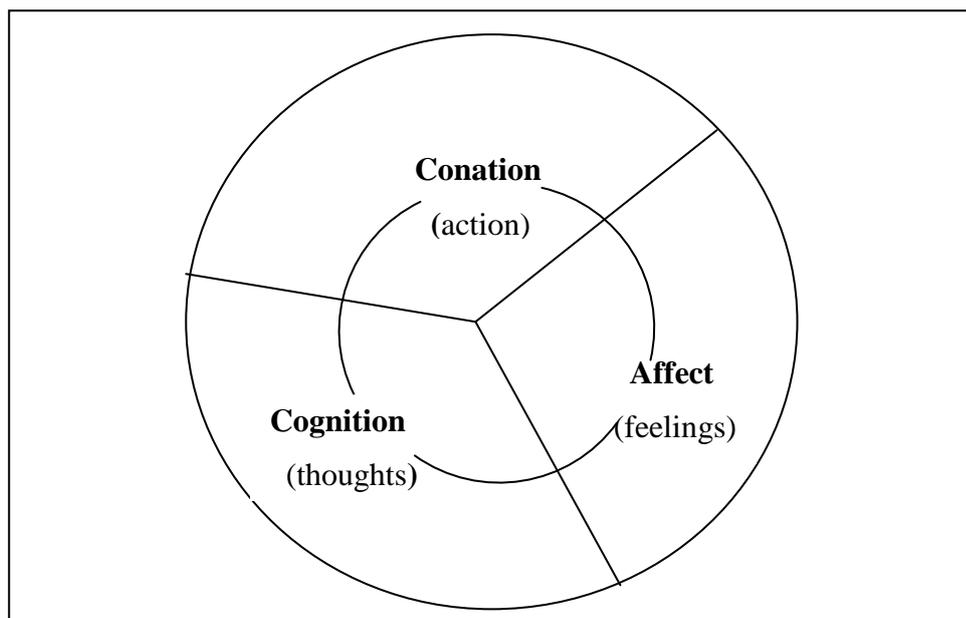
Over the years, behavioural scientists have attempted to construct conceptual models of attitudes in their quest for a better understanding and description of this complex concept (Du Plessis & Rousseau, 2007:195). In the following section a brief examination of some of the more important attitude models is provided. Each of these models provides a different perspective on the number of component parts of an attitude, as well as to how these parts are arranged or interrelated (Schiffman & Kanuk, 2007:241).

2.4.4.1 *The Tri-component attitude model*

According to the tri-component attitude model (see Figure 2.5), an individual's attitude consists of three major components, namely a cognitive component, an affective component and a conative component (Schiffman & Kanuk, 2007:241).

Figure 2.5

The tri-component attitude model



Source: Adapted from Schiffman and Kanuk (2007:241)

2.4.4.1.1 *The cognitive component*

This part of the tri-component attitude model consists of the cognitions of an individual. These are defined as the knowledge and perceptions acquired by a combination of direct experience of the attitude object as well as related information from various other information sources. This knowledge and resulting perceptions, commonly take the form of beliefs, meaning that an individual believes that the attitude object possesses a number of attributes and that specific behaviour will result in specific outcomes (Schiffman & Kanuk, 2007:242). According to Sheth and Mittal (2004:203) there are three types of beliefs, namely descriptive, evaluative and normative. Descriptive beliefs connect a person or object to a quality or outcome; for example, “this computer has a large memory”. Evaluative beliefs connect an object to personal likes or dislikes, preferences and perceptions; for example, “this computer is very user-friendly”. Normative beliefs appeal to moral and ethical judgments in relation to an individual’s acts; for example, “cigarette companies should not advertise in a way that would appeal to young people”.

2.4.4.1.2 *The affective component*

The affective component of an attitude refers to an individual’s emotions or feelings about a particular product or brand (Schiffman & Kanuk, 2007:242). An emotional or affective evaluation of a product may be a vague, general feeling developed without cognitive information or beliefs about a product, or may be the result of several evaluations of the product’s performance on each of a number of attributes (Hawkins *et al.*, 2007:399). According to Hawkins *et al.* (2007:399), marketers are increasingly turning their attention to the affective or “feeling” component of attitudes to gain a better understanding of them than one based exclusively on the cognitive or “thinking” component of attitudes.

2.4.4.1.3 *The conative component*

The conative component of the tri-component attitude model is concerned with the likelihood or tendency of an individual to take a specific action or behave in a particular way towards the attitude object (Schiffman & Kanuk, 2007:243). Schiffman and Kanuk (2007:244) also pointed out that in the disciplines of marketing and consumer research, the conative component is frequently treated as an expression of

a consumer's purchase intention and that buyer intention scales can be used to evaluate the likelihood of a consumer purchasing a product or behaving in a particular way.

According to Brassington and Pettitt (2003:115), the conative component is the most difficult attitude component to predict or control, as there are so many factors that can prevent a consumer from behaving in a particular way even if all the positive cognitive and affective attitudes of the consumer are present.

2.4.4.2 Multi-attribute attitude models

Multi-attribute models of attitude suggest that the overall attitude of a consumer is based on the component's beliefs about a specific attitude object, weighed by the evaluation of these beliefs (Sheth & Mittal, 2004:216). Even though many variations of this type of attitude model exist, three models, as selected by Schiffman and Kanuk (2007:44), will briefly be discussed. These models are the attitude-towards-object model, the attitude-towards-behaviour model and the theory-of-reasoned-action model.

2.4.4.2.1 The attitude-towards-object model

This model is especially suitable for measuring consumer attitudes towards a product (or service) category or specific brands. According to this model, the attitude of a consumer towards a product or brand of a product can be seen as a function of the presence (or absence) and the evaluation of certain product-specific beliefs and/or attributes (Schiffman & Kanuk, 2007:244). According to Schiffman and Kanuk (2007:244) consumers generally have favourable attitudes towards brands that they believe possess an adequate level of attributes that they evaluate as positive, while they have unfavourable attitudes towards brands that they regard as not possessing an adequate level of desired attributes or that possess too many negative or undesired attributes. What consumers will therefore buy can be described as a function of how much they know, what they consider to be important features to them, as well as their awareness that a particular brand possesses (or lacks) these valued attributes (Schiffman & Kanuk, 2000:206).

Blackwell *et al.* (2001:290) proposed that an example of how to measure consumer attitude towards the object could be to ask a question such as:

How much do you like or dislike IBM personal computers?								
Like very much	1	2	3	4	5	6	7	Dislike very much

2.4.4.2.2 *The attitude-towards-behaviour model*

This model was developed to capture an individual's attitude towards behaving or acting in relation to an object, rather than the attitude towards the object itself. According to Schiffman and Kanuk (2007:245) the appeal of this model is that it seems to correspond more closely to actual consumer behaviour than the attitude-towards-object model.

Blackwell *et al.* (2001:290) proposed that an example of how to measure consumer attitude towards the behaviour would be to ask a question such as:

Purchasing an IBM personal computer would be:								
Very good	1	2	3	4	5	6	7	Very bad
Very rewarding	1	2	3	4	5	6	7	Very punishing
Very wise	1	2	3	4	5	6	7	Very foolish

2.4.4.2.3 *The theory-of-reasoned-action model*

Foxall and Goldsmith (1994:99) argued that this model (developed by Fishbein and Ajzen in 1975) can be regarded as one of the most systematic and widely used approaches to attitude conceptualisation and marketing. The theory-of-reasoned-action model proposes that in order to predict consumer behaviour more accurately, it is more important to determine an individual's attitude to that specific behaviour, rather than to determine the individual's attitude to the object of behaviour (Assael, 1995:285).

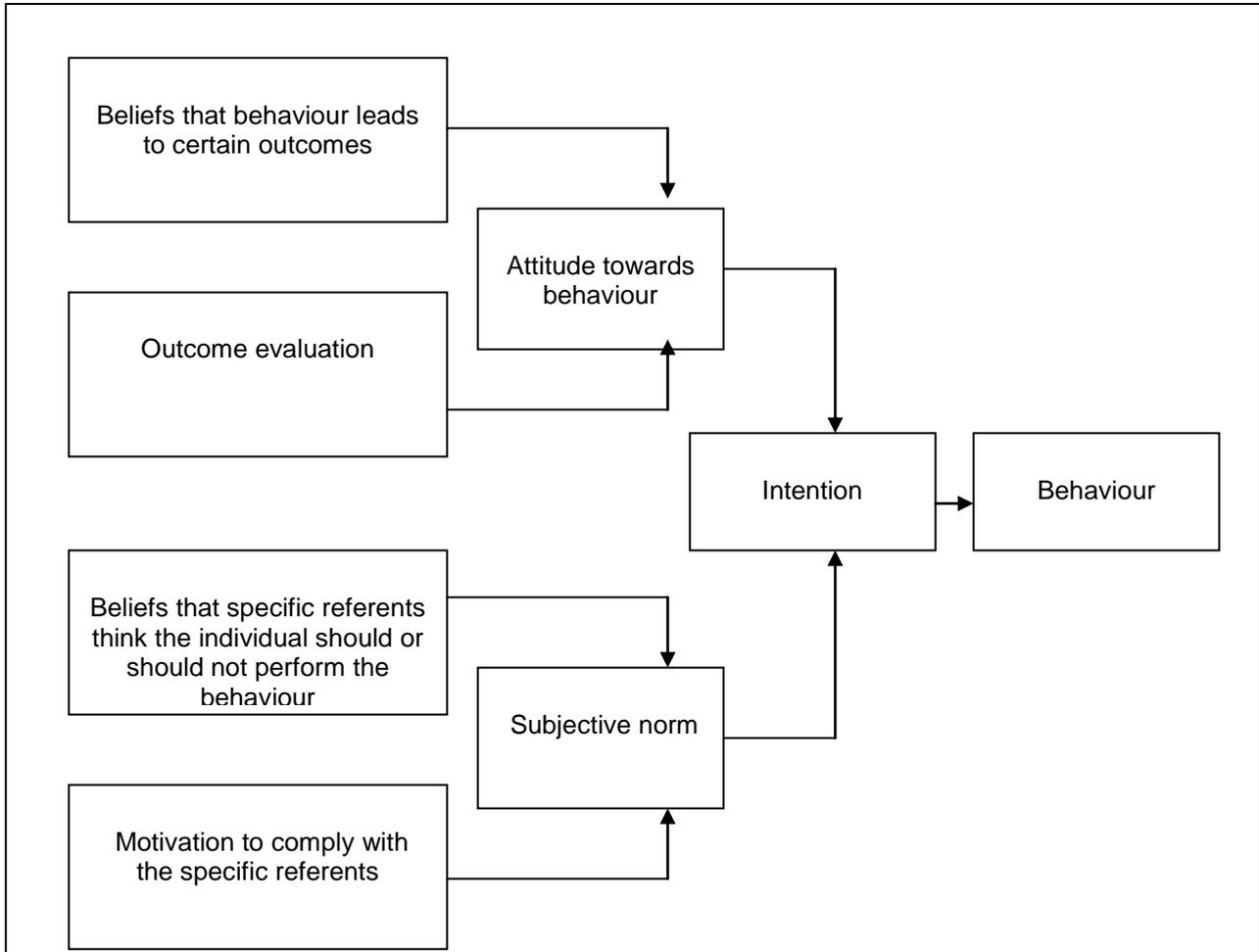
According to Peter and Olson (1990:152), the theory-of-reasoned-action model proposes that any reasonably complex, voluntary behaviour (such as the purchase of

a pair of shoes) will be determined by an individual's intention to perform that behaviour. The model assumes that consumers consciously consider the consequences of alternative behaviours under consideration, and select the one behaviour that will lead to the most attractive consequences. The outcome of this choice process is an intention to engage in that selected behaviour. According to Zhang (1996:51), studies in the country of origin literature have identified different processes that explain how the country of origin of a product can influence the evaluations of products. Zhang (1996:51) argues that one of these processes, namely that the beliefs about the attributes of a product, could precede and influence the formation of consumer attitudes towards a product, falls within the framework of the Fishbein model (Fishbein & Ajzen, 1975). This view holds that consumers' evaluation of products is based on various descriptive, inferential or informational cues. These cues can be intrinsic (such as design, specifications or colour) or extrinsic (such as price, guarantees or brand reputation). According to Zhang (1996:51) the country of origin of a product can serve as a controllable extrinsic cue because the location and sourcing decisions are made by the firm.

Schiffman and Kanuk (2007:246) maintain that the theory-of-reasoned-action model, like the basic tri-component attitude model, incorporates a cognitive component, an affective component and a conative component. These components are, however, arranged in a different pattern to that found in the tri-component attribute model as illustrated in Figure 2.6.

Figure 2.6

The theory-of-reasoned-action model



Source: Adapted from Schiffman and Kanuk 2007:247.

2.4.5 Attitude change

Even though research indicates that attitudes are relatively consistent in nature and therefore not likely to change on a regular basis, this does not imply that consumer attitudes do not change at all (Du Plessis & Rousseau, 2007:204).

2.4.5.1 Attitude-change strategies

According to Du Plessis and Rousseau (2007:204), previous researchers have suggested that one of the best strategies to attempt to change consumer attitudes is to focus on the underlying attitude components, namely cognition, affect and conation (behaviour). Hawkins *et al.* (2007:404) argue that marketers often attempt to

influence consumer behaviour by changing one or more of these attitude components.

2.4.5.1.1 Changing the cognitive component

A frequently used and effectual approach to changing consumer attitudes is to focus on the cognitive attitude component. According to Hawkins *et al.* (2007:406) four basic marketing strategies can be used to change the cognitive structure of a consumer's attitude. These strategies are firstly to change beliefs, secondly to change attribute importance, thirdly to add certain beliefs and fourthly to influence consumers' beliefs about the ideal product.

2.4.5.1.2 Changing the affective component

Marketers make use of three basic approaches to increase affect directly, namely classical conditioning, affect towards the advertisement and mere exposure (Hawkins *et al.*, 2007:406).

2.4.5.1.3 Changing the behavioural component

Behaviour, especially buying or use behaviour, may precede consumers' development of cognition and affect and can lead directly to affect and cognitions or simultaneously to both. Consumers often try new brands or types of low-cost items in the absence of previous knowledge or affect, and such purchases are made as much for gathering information as for satisfying some underlying need such as hunger. The process of changing consumer behaviour before changing affect or cognition is based primarily on operant (instrumental) conditioning, where desirable behaviour is rewarded with a positive outcome that serves to reinforce the behaviour. The key marketing task is to induce people to buy or consume a given product, while ensuring that the purchase or consumption will indeed be a rewarding experience for the consumer. Techniques frequently used by marketers to induce trial behaviour include the use of coupons, free samples, point-of-sale displays and price reductions (Hawkins *et al.*, 2007:409).

2.4.5.2 The elaboration likelihood model (ELM)

Attitude change is determined by individual factors (including gender, the need for cognition, consumer knowledge and ethnicity), situational factors (including programme context, level of viewer distraction and the purchasing occasion) as well as by marketing activities (Hawkins *et al.*, 2007:409). According to Hawkins *et al.* (2007:409), marketers continue to devote significant attention to the concept of consumer involvement, which has both an individual (intrinsic interest) as well as a situational (current need to make a purchase decision) component.

One of the most influential contemporary theories of attitudes is that of the ELM (Arnould *et al.*, 2004:639). The ELM is a theory about the formation and changing of attitudes under varying conditions of involvement. It integrates individual, situational and marketing factors to attitudes (Hawkins *et al.*, 2007:409). According to Hawkins *et al.* (2007:410), the ELM proposes involvement as a key determinant of how information is processed and attitudes changed.

Schiffman and Kanuk (2007:263) argue that, compared to various specific strategies of attitude change, the ELM proposes the more global view, i.e. that consumer attitudes are changed by two distinctly different “routes to persuasion,” namely a central route and a peripheral route. The central route is particularly relevant to attitude change when the motivation of the consumer or the consumer’s ability to assess the specific attitude object is high. Attitude change occurs because of the consumer actively seeks out information that is relevant to the attitude object itself (high involvement) (Schiffman & Kanuk, 2007:263). Fishbein and Middlestadt (1995:182) argue that central processing involves that consumers comprehend and learn arguments in a persuasive manner, that they generate cognitive responses while listening to a given message and that this (and other) information is combined or integrated into an attitudinal judgment. According to Hawkins *et al.* (2007:410) the multi-attribute attitude model represents a high-involvement view of attitude change.

On the contrary, when the motivation or assessment skills of the consumer are low (low involvement), learning and attitude change tend to occur through the peripheral route, where the consumer is not focusing on information that is relevant to the specific attitude object itself. In such cases, attitude change is often a result of

secondary encouragements (such as coupons, free samples, celebrity endorsement or attractive packaging) (Schiffman & Kanuk, 2007:263). According to Fishbein and Middlestadt (1995:182), peripheral processing focuses on the rewards or penalties that consumers associate with a given message, as well as with the attractiveness or credibility of the message source. Hawkins *et al.* (2007:410) point out that classical conditioning, the attitude towards the advertisement and mere exposure represent low-involvement views of attitude change. It is important to note that Moon (2004:667) points out that Petty and Cacioppo (1981), the developers of the ELM, argued that consumers with low knowledge levels are more easily swayed by country of origin information when they evaluate products. Accordingly, as Petty and Cacioppo argue in their ELM, country-of-origin information acts as a peripheral route or clue (Moon, 2004:667).

The ELM poses that vastly different communication strategies should be used to communicate effectively with high- and low-involvement consumers. In general, detailed factual information (central cues) has been proved to be effective in high-involvement, central route situations. Low-involvement peripheral route situations on the other hand, generally require limited information and rely instead on simple affective and cognitive cues such as pictures, music and characteristics of people in the advertisement (peripheral cues) (Hawkins *et al.*, 2007:410).

2.5 SUMMARY AND IMPLICATIONS FOR THIS STUDY

This chapter gave an overview of the disciplines of marketing and consumer behaviour. It commenced with a section that addressed the marketing concept, followed by a section that provided a concise overview of the evolution of marketing. In the subsequent section the discipline of consumer behaviour, as well as the consumer decision-making process were addressed.

The final section of the chapter focused on the concept of consumer attitudes. It was pointed out in this section that the concept of attitude occupies a central position in both social psychology and consumer behaviour studies, and that as the manufacture of products and the search for suppliers become increasingly global activities, the understanding of the attitudes and behaviour of buyers in terms of global products is an aspect that is enjoying increased importance. Ofir and Lehman (1986:105), for

example, claimed that the assumption is made that consumers develop either positive or negative attitudes towards products from foreign countries, and that it is a customary recommendation to measure those attitudes and incorporate them in the development of marketing and advertising strategies.

Roth and Diamantopoulos (2009:728) stated that as attitudes not only consist of cognitive aspects, but also include affective (i.e. specific feelings or emotions) and conative (i.e. intended behaviour) aspects, attitude theory can be used as a powerful tool for a number of important reasons. The first is that it can explain how countries of origin are perceived by consumers, e.g. what the beliefs (including stereotypes and schemas) and emotions of consumers about a given country are. Secondly, attitude theory can explain how this information affects consumers' reactions towards a given country (consumer country conations), and thirdly it explains how country of origin image differs from and interacts with other constructs typically mentioned in country of origin research, such as, consumer ethnocentrism, consumer animosity and consumer cosmopolitanism.

It is believed that an investigation into consumer attitude theory in South Africa can shed a positive light on the above aspects pointed out by Roth and Diamantopoulos (2009:728). It is also believed that by investigating different racial groups in South Africa, appeals by researchers such as Rossiter and Chan (1998) and Burton (2000), for including the element of ethnicity in future consumer behaviour studies could be addressed. Results of such an investigation provide extremely valuable information to local and international marketing managers and could prove to be especially valuable in terms of the development of more effective marketing strategies for South African consumer markets.

According to Svensson (2002:574) the idea of the globalisation of marketing activities has gained wide acceptance. As globalisation and global marketing are important concepts for marketers to take note of, the following chapter will address these two concepts.

CHAPTER 3

GLOBALISATION AND GLOBAL MARKETING

3.1 INTRODUCTION

“There is no longer any such thing as a purely national economy. The rest of the world is just too big to ignore, either as a market or as a competitor. If business schools do nothing other than to train their students to think internationally, they would have accomplished an important task.”

John Young, former CEO, Hewlett-Packard, cited in: Ball and McCulloch 1999:3

Global products and services and their brands infuse the daily world of people. People stay at hotels like the Hilton, Marriott, Novotel or Sheraton, visit Disney entertainment parks in different countries, eat at fast-food chains like Burger King, KFC, McDonald's or Pizza Hut and drink Coca-Cola, Pepsi Cola, Perrier or Seven Up. People smoke cigarettes with brand names such as Camel, Lucky Strike, Marlboro or Pall Mall, drive branded cars such as BMW, Fiat, Renault or Toyota and fill these cars up with brands of fuel such as BP, Shell or Texaco (Van Raaij, 1997:260). Clothing, footwear and homeware products are purchased at Bally, Benetton, Marks & Spencer, furniture is bought from Habitat or Ikea, personal care items used include Chanel, Nivea or Ralph Lauren, while newspapers and magazines such as The Economist, the International Herald Tribune, Reader's Digest, Cosmopolitan, Marie Claire and Playboy are read (Van Raaij, 1997:260).

Tony Blair (2001), former UK Prime Minister, described globalisation as follows:

“Globalisation is a fact ... not just in finance, but in communication, in technology, increasingly in culture, in recreation. In the world of the Internet, information technology and TV, there will be globalisation. And in trade, the problem is not there's too much of it; on the contrary there's too little of it ... the issue is not how to stop globalisation, the issue is how we use the power of community to combine it with justice ... the alternative to globalisation is isolation.” (Cited in Dicken, 2007:3).

The conclusion to be drawn from the above seems that the globalisation of markets is a phenomenon that cannot be ignored (Van Raaij, 1997:260), while Hammond and Grosse (2003:285) concurred that globalisation is often described as one of the most significant trends of the 2000s, with far-reaching consequences for mankind. The aim of this chapter is to provide an overview of the concepts of globalisation and global marketing. The first section of the chapter focuses on defining the concept of globalisation, after which the historical development of global trade is discussed. This is followed by a section on forces that affect globalisation, while global marketing is discussed in the final section of the chapter.

3.2 DEFINING THE CONCEPT OF GLOBALISATION

Globalisation is a wide-ranging term and is used in many different contexts in the literature (Hartungi, 2006:729). Dicken (2007:3) argues that globalisation is one of the most commonly used, but also one of the most misused and confused words in existence today.

According to Yelkur and Herbig (1996:38), the concept of globalisation was pioneered by Theodore Levitt in the early 1980s. In his seminal article “The globalization of markets,” Levitt (1983:92) stated that:

“A powerful force drives the world toward a converging commonality, and that force is technology. It has proletarianised communication, transport, and travel. It has made isolated places and impoverished peoples eager for modernity’s allurements. Almost everyone everywhere wants all the things they have heard about, seen, or experienced via new technologies. The result is a new commercial reality – the emergence of global markets for standardised consumer products on a previously unimagined scale of magnitude. Corporations geared for this new reality benefit from enormous economies of scale in production, distribution, marketing and management. The globalisation of markets is at hand. With that, the multinational corporation operates in a number of countries, and adjusts its products and practices in each – at high relative costs. The global corporation operates with resolute consistency – at low relative cost – as if the entire world (or major regions of it) were a single entity; it sells the same things in the same way everywhere.”

After considering various definitions from many points of view (such as financial, economic, demographic and general), Hartungi (2006:729) came to the conclusion that in most of the definitions reviewed, the process of globalisation contains the following elements: borders between countries, governments, the economy and communities. Hartungi (2006:729) proposes the following simplified definition of globalisation: “A process of increasing connectivity, where ideas, capital, goods, services and people are transferred across country borders.”

McAuley (2004:257) also analysed various definitions of globalisation and concluded that there is no universally agreed definition for the construct. McAuley (2004:258) proposed the following definition for globalisation: “A multidimensional process of interrelationships between economy, politics and culture, underpinned by often rapidly changing technology.”

According to Reddy and Vyas (2004:166), globalisation means: “Rapid movement of economic factors such as capital, labour, technology, and products and services, and integration of economics around the world through trade and financial flows. It also refers to the movement of people (labour) and knowledge (technology) across international borders”.

Thomas L. Friedman (2000:9) defines the concept of globalisation as: “The inexorable integration of markets, nation-states and technologies to a degree never witnessed before – in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is enabling the world to reach into individuals, corporations and nation-states farther, faster, deeper and cheaper than ever before.”

Ger (1999:66) summarised the concept of globalisation as: “An ever-increasing number of worldwide chains of economic, social, cultural, and political activity as well as the intensification of levels of interaction between societies.”

In conclusion, Czinkota and Ronkainen (2004:398) argue that globalisation reflects a business orientation based on the idea that the world is becoming more homogeneous and that distinctions between national markets are not only fading out, but for some products, disappearing. As a result, companies need to globalise their

international strategies by formulating them across markets to benefit from underlying market, cost, environmental and competitive factors.

3.3 THE HISTORICAL DEVELOPMENT OF GLOBAL TRADE

The origins of globalisation can be traced back to ancient civilisations such as the Greeks and Romans and their early explorations of the Mediterranean. Evidence was found that multinational enterprises operated in ancient Assyrian, Phoenician, Greek and Roman empires. Since that time, countries have been trading in products they were good at producing, exchanging them for products which they were less able to produce (McAuley, 2004:254).

In 1600, the British East India Company, at the time a recently established trading firm, established overseas branches throughout Asia; at the same time a number of Dutch companies joined forces to form the Dutch East India Company and also opened branches in Asia (Ball & McCulloch, 1999:9). As time went by, the European powers Spain, Portugal, Britain, France and the Netherlands developed colonies in different countries across the globe, in this way further stimulating the international flow of goods (McAuley, 2004:254). In the 1700s, American colonial traders also began operating: the first successful American venture into foreign production was a factory erected in Scotland by Singer Sewing Machine in 1868. By 1880, Singer had become a worldwide firm, operating several foreign manufacturing plants. This trend was soon followed by other firms and by 1914 at least 37 American companies had established production facilities in two or more foreign locations. Among these firms were National Cash Register and Burroughs operating manufacturing plants in Europe, Parke-Davis with a plant near London, Ford Motor Company with assembly plants or distribution outlets in 14 countries and General Electric that, by 1919, had plants in Europe, Latin America and Asia. Other well-known American firms that were operating in Europe by that time included American Tobacco, Coca-Cola, Eastman Kodak, Gillette and Quaker Oats (Ball and McCulloch. 1999:9).

Even though American firms were by far the largest investors abroad, European companies were also moving into foreign countries. In 1865, Friedrich Bayer bought an interest in a New York plant, two years after establishing a plant in Germany. To

counter high import duties in certain overseas markets, Bayer established plants in Russia, France and Belgium.

In the 19th century, the industrialisation process that started in Britain led to the formation of essential relationships between a core group of more advanced countries, and a geographically peripheral group of countries, which provided raw materials and foodstuffs to the industrialised core (McAuley, 2004:254). The late 19th century also witnessed huge increases in international trade, capital and technology flows, as well as mass migrations from Asia and Europe to the Americas (Coatsworth, 2004:39).

The first half of the 20th century saw a major worldwide economic depression between the First and Second World Wars, with a severely negative impact on most of the industrialised world (Ghuri & Cateora, 2006:31). After the Second World War, the US started developing a strategy to introduce the economic policy of capitalism as widely as possible throughout the world. The Marshall Plan, designed to assist in the rebuilding of Europe after the Second World War, and financial and industrial development assistance to rebuild Japan, as well as other funds channelled through the Agency for International Development and similar bodies created to encourage economic growth in the underdeveloped world, helped create a strong world economy (Ghuri & Cateora, 2006:31).

In addition to American economic assistance, greater international cooperation among trading nations was made possible by the creation of the General Agreement on Tariffs and Trade (GATT). GATT provided an effective forum for member countries to negotiate a reduction of tariffs and other barriers to trade (Cateora & Graham, 2007:30). GATT was succeeded in January 1995 by the World Trade Organisation (WTO), which continues to provide a forum for trade-related negotiations among its members (Keegan & Green, 2005:82).

According to Ghuri and Cateora (2006:31), the worldwide economic recovery and growth after the Second World War resulted in competitors that challenged the supremacy of the American industry on a wide front: Japan, Germany, most of the industrialised world and many developing countries competed for demand in their own countries, while also pursuing global markets. Newly industrialising countries

such as South Korea, Taiwan, Singapore and Hong Kong experienced rapid industrialisation with industries such as steel, shipbuilding, consumer electronics, shoes, textiles and clothing and also became aggressive global competitors (Ghauri & Cateora, 2006:31).

Japanese companies, in particular, enjoyed impressive success in the American market, especially in the markets for automobiles and consumer electronics. Initially, these inroads made by Japanese companies were seen as the result of trade barriers, some tariff-based some less formal to their domestic markets, which afforded them a ready supply of cash and preferential treatment. This allowed members of Japanese industrial groupings to use low-price strategies to great effect in foreign markets. It was also known that the Japanese government promoted particular export industries by providing low-interest loans and lenient tax treatments to them (Johansson, 2006:7).

The recipe for the success of foreign entrants into established markets, however, gradually evolved into more business-based factors, such as more highly trained engineers and skilled labourers and the focus of companies on the quality of their products. The growth of competing suppliers in related industries coupled with increasingly demanding consumers resulted in an increasing rate of new product innovation, while the emergence of rival producers and more intense competition forced firms to pay more attention to customer satisfaction (Johansson, 2006:7). According to Johansson (2006:8), the global phase started gaining impetus in the late 1990s, with the worldwide globalisation and integration of financial markets.

By 2003, world trade had reached \$US9 220 billion in total. Of this, 63 percent was contributed by the highly industrialised nations of Western Europe, North America and Japan in particular, collectively nick-named the “Triad” (Mühlbacher, Leih & Dahringer, 2006:9).

As a result of increasing international trade, consumers around the world, especially those in the most economically developed markets (but also a growing number of consumers in newly industrialising countries), have become accustomed to being able to buy merchandise produced in many other countries. As consumers all over the world want to buy the best products at the best possible prices, most businesses

that want to be successful today must be able to market to, and satisfy, customers in a global marketplace (Mühlbacher *et al.*, 2006:10).

3.4 FORCES AFFECTING GLOBALISATION

According to Keegan and Green (2005:21), the significant growth of the global economy, especially since the 1960s resulted from the dynamic interaction between various driving forces on the one hand, and restraining forces on the other. In the following sections a number of these driving and restraining forces will be discussed.

3.4.1 Driving forces affecting globalisation

According to Ball and McCulloch (1999:10), there are five major kinds of drivers, all derived from changing circumstances that propel international firms toward the globalisation of their operations. These drivers are politics, technology, the market, costs and competition. They will be discussed in more detail in the following sections.

3.4.1.1 Political drivers

There is a trend towards unifying and socialising the global community. Preferential trade arrangements such as the North American Free Trade Agreement (NAFTA) and the European Union, which group a number of nations into a single market, have presented firms with considerable marketing opportunities (Ball & McCulloch, 1999:10). The expanding membership of the European Union is lowering boundaries to trade within that region, while the creation of a single-currency zone and the introduction of the euro are expected to dramatically expand European trade in the 21st century (Keegan & Green, 2005:21-22).

Other aspects of this trend contributing to the globalisation of business operations are the progressive reduction of barriers to trade and foreign investment by many governments, the privatisation of large sections of industries formerly owned by the state in communist countries, and by opening these economies to global competition (Ball & McCulloch, 1999:10).

Johannson (2006:20) adds a word of caution by noting that despite the continued progress towards open markets and free trade, it is important to keep in mind that

governmental barriers can be erected again, while political upheavals can ruin global marketing plans.

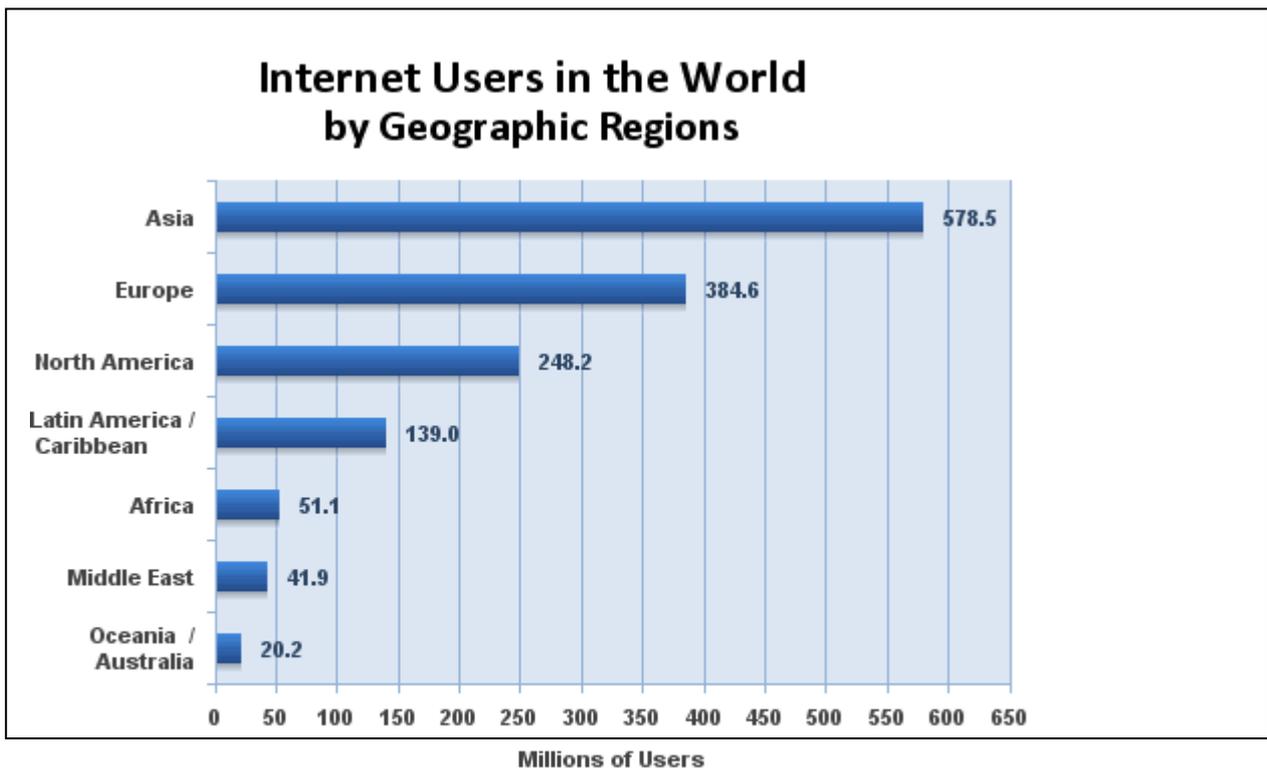
3.4.1.2 Technology drivers

Technological developments, especially those enhancing manufacturing, have contributed to the altered nature of international business. Robotics, computer-aided design and manufacturing, as well as flexible manufacturing plans have led to a reduction in the production costs of many products (Fatehi, Veliyath & Derakhshan, 2008:81), while advances in computers and communications technology are permitting an increased flow of ideas and information across international borders (Ball & McCulloch, 1999:10). Satellite dishes and globe-spanning television networks such as CNN and MTV create opportunities for global marketing, as people around the world are enabled to compare their own lifestyles and standards of living to those people living in other countries (Keegan & Green, 2005:22). A powerful technology driver of globalisation is the revolution brought about by the Internet (Johansson, 2006:20). The origins of the Internet can be traced back to an initiative by an American agency, the Defense Advanced Research Projects Agency (DARPA), which created a computer network that could maintain communication during times of war. ARPANET, a network linking computer research centres at colleges and universities was unveiled in 1969, while e-mail within a computer network was made possible by the creation of a file-transfer program in 1972. At that time it was still not possible to send e-mails created on one computer network to a computer on another network. This problem was solved in 1973 when Serf and Kahn created a cross-network protocol that led to the birth of the Internet (Keegan & Green, 2005:563). In 1990, a British computer scientist, Tim Berners-Lee was responsible for key inventions like the uniform resource locator (URL), an Internet site address on the World Wide Web, a hypertext mark-up language (HTML), a format language controlling the appearance of Web pages, and a hypertext transfer protocol (http), which allows hypertext files to be transferred across the Internet. These innovations allowed Web sites to be linked, while visually rich content could be posted and accessed. On this basis it can be argued that Berners-Lee is the true father of the World Wide Web (WWW) (Keegan & Green, 2008:571).

Within five years after the introduction of the World Wide Web, the number of Internet users had grown from 600 000 to 40 million - at one point the figure was believed to be doubling every 53 days (Friedman, 2006:61). In following years, search engines such as Yahoo! and Google were created, while encryption and security features were being built into the Web. The growth of the Internet is still escalating at a rapid rate and in 2005 it was estimated that it had almost one billion users (Keegan & Green, 2008:571), while the estimated number of Internet users by June 2008 was 1 463 632 361 (InternetWorldStats, 2008).

Figure 3.1 illustrates the number of Internet users by geographic regions and clearly shows that by 2008 the majority of Internet users were concentrated in Asia, Europe and North America.

Figure 3.1



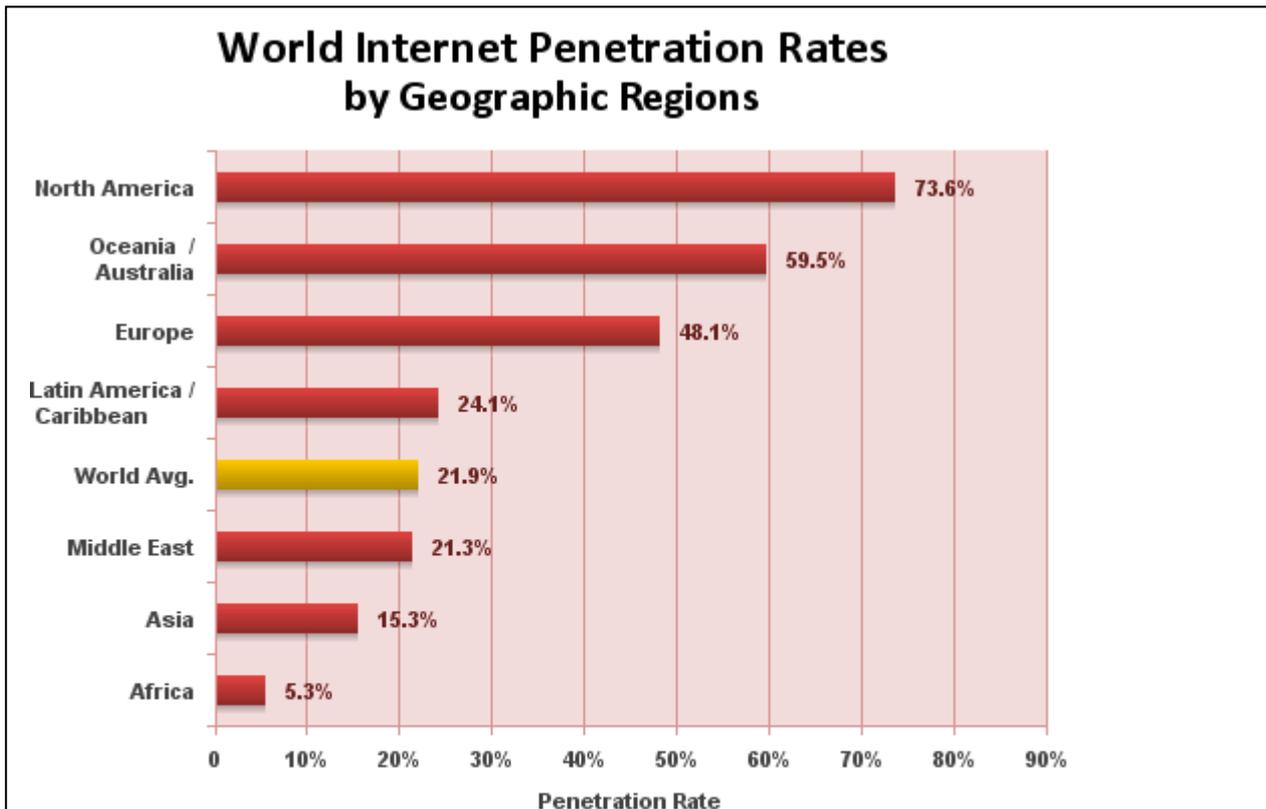
Source: Internet World Stats - www.internetworldstats.com/stats.htm

Estimated Internet users is 1,463,632,361 for Q2 2008

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Figure 3.2 provides information on worldwide Internet penetration rates by geographic region. From this graph, it is clear that North America had the highest penetration rate of 73.6%, followed by Oceania/Australia with a penetration rate of 59.5%. Asia and Africa had the relatively low penetration rates of 15.3% and 5.3% respectively in 2008.

Figure 3.2



Source: Internet World Stats - www.internetworldstats.com/stats.htm
Penetration Rates are based on a world population of 6,676,120,288 for mid-year 2008 and 1,463,632,361 estimated Internet users.
Copyright © 2008, Miniwatts Marketing Group

According to Fatehi, Veliyath and Derakhshan (2008:83), the Internet has had an enormous impact on the development and expansion of international business activities, while Czinkota and Ronkainen (2004: 607) argue that the Internet is democratising global business for both consumer services and business-to-business relations. On the one hand, the Internet has made it easier for new global brands, like amazon.com, to emerge; on the other, the Internet enables businesses to establish a presence in foreign markets without having to invest in physical distribution networks

in each country - it allows customers, especially those in emerging markets, to access global brands at more competitive prices (Czinkota & Ronkainen, 2004: 607).

3.4.1.3 Market drivers

Most companies must grow to remain financially healthy. As many product markets in industrialised countries become saturated and diversification into new areas of business as a growth alternative risky, the most viable option for growth may be for firms to enter foreign markets. International business may not simply be a means of achieving growth, but can also be a means to survival. In Europe, stagnant growth, local competitive pressure and the need for cost reduction have made non-domestic business a necessity for many firms. Carrefour SA, the French retail chain and inventor of the hypermarket concept, had already commenced internationalisation in the 1970s when the firm opened its first hypermarkets in Brazil. The firm now has operations in most countries of the EU and the US, but is also expanding in Latin America and Southeast Asia. On the other hand, companies from the US have been successful in diversifying their operations into emerging markets in Asia and Latin America (Mühlbacher *et al.*, 2006:9). According to Keegan and Green (2005:22) there is growing evidence that consumer needs and wants around the world are converging at a rapid pace, creating an opportunity for global marketing. When similar consumer needs in different countries for a certain product or service category are experienced, these needs can become a compelling factor for many firms to expand. For many industries, free trade and unrestricted travel have contributed to the formulation of homogeneous groups of consumers around the world (Johansson, 2006:17).

Johansson (2006:17) also refers to the influence of global customers as drivers of globalisation. Global customers are those that demand similar products or services across several countries; this demand has for instance led to the development of global hotel chains, advertising agencies and communications firms (Johansson, 2006:17).

3.4.1.4 Cost drivers

According to Czinkota and Ronkainen (2004: 399), two of the most powerful drivers of globalisation are the avoidance of cost inefficiencies and duplication of effort. In

industries such as the automobile industry that require large-scale manufacturing capacity, single markets are rarely adequate for generating economies of scale (Johansson, 2006:19). "Economies of scale" is a principle that suggests that as the production volume increases, unit costs will decrease (Brassington & Pettitt, 2003:872). Economies of scale can be more easily generated if a manufacturing plant produces products for more than one (foreign) market (Johansson, 2006:19) and it permits a nation's industries to become low-cost producers (Ball & McCulloch, 1999:92).

Keegan and Green (2005:23) argue that the pressure for globalisation becomes intense when new products require substantial investments as well as lengthy periods of development time, a scenario that is especially applicable to the pharmaceutical industry. According to the Pharmaceutical Research and Manufacturers Association of America, considerable amounts of time and money are needed to develop new, safe and effective medicines. Economists estimate that it takes between twelve and fifteen years to develop a new drug, while the costs for developing a new drug have escalated from about \$138 million in 1975, \$318 million in 1987, to over \$800 million in 2000 (Pharmaceutical Research and Manufacturers Association of America, 2005). According to Czinkota and Ronkainen (2004: 400) the annual research and development budgets of the leading pharmaceutical companies may amount to \$5 billion. The costs of introducing a new drug to the market must be recovered, and as no single market is likely to be large enough to support investments of this magnitude, leading pharmaceutical companies such as Pfizer, Merck, GlaxoSmithKline, Novartis, Bristol-Myers Squibb, Sanofi-Aventis have had little choice but to engage in global marketing efforts (Keegan & Green, 2005:23).

Johansson (2006:19) argues that the most important cost savings from global marketing are those that usually arise from having to avoid unnecessary duplication across different countries. This duplication could include the redesign of a product for a different market; multiple contradictory or supplementary promotional campaigns for different markets, localised slogans and brand names that reduce positive spill-over effects; and different packaging designs for different markets, even when it only requires using an additional language. However, according to Johansson (2006:19), these wasteful practices can often be eliminated without losing goodwill. Johansson (2006:19) did also point out that when marketing strategies are globalised for the sole

purpose of generating savings, local marketing efforts usually suffer. He suggests that global marketing strategies should not be based on costs alone.

3.4.1.5 Competitive drivers

Many industries are today dominated by global competitors (Czinkota & Ronkainen, 2004:402). Competition also continues to increase in intensity with new firms, especially from newly industrialised and developing countries, entering world markets in industries such as automobiles and electronics (Ball & McCulloch, 1999:12). To remain competitive, established firms may have to be pioneers or be able to match or pre-empt the moves of these new competitors (Czinkota & Ronkainen, 2004:402).

Another competitive tactic in globalisation is employed by some firms to defend their domestic markets from attacks by competitors by entering the home markets of those competitors to distract them (Ball & McCulloch, 1999:12).

3.4.2 Restraining forces affecting globalisation

Despite the impact of driving forces there are several restraining forces which may hamper the efforts of a firm to engage in global marketing (Keegan & Green, 2005:27). Some of the most important of these restraining forces are discussed below.

3.4.2.1 Management myopia and firm culture

Keegan and Green (2005:27) argue that in many cases management simply ignores opportunities to pursue global marketing opportunities. Short-sightedness can also have catastrophic market consequences if headquarters of global firms operate in a dictatorial manner, without paying attention to the advice of experienced representatives in local markets. The executives and managers of successful global companies usually know how to integrate global vision and perspectives with local market initiative and input (Keegan & Green, 2005:27).

3.4.2.2 National controls

Countries protect the commercial interests of their local firms by maintaining control over market access and entry (Keegan & Green, 2005:28). Governments use trade

barriers such as tariffs, quotas, boycotts, monetary barriers, non-tariff barriers and market barriers, and can impose these barriers against imports and the entry of foreign firms (Cateora & Graham, 2007:39). According to Keegan and Green (2005:28) tariff barriers have through the years been largely removed from high-income countries, thanks to agreements such as the World Trade Organisation, General Agreement on Tariffs and Trade and the North American Free Trade Agreement. On the other hand, non-tariff barriers, such as “buy local” campaigns, food safety rules and other bureaucratic obstacles, still complicate the process for companies wishing to gain access to some individual and regional markets (Keegan & Green, 2005:28).

3.4.2.3 *Opposition to globalisation*

Many people around the world perceive globalisation as a threat. The term “globophobia” is sometimes used to describe an attitude of antagonism towards trade agreements, global brands or firm policies that appear to result in destitution for some individuals or countries while, on the other hand, providing benefits to others. Globophobia manifests itself in a variety of ways, which include protests or violence directed at policymakers or well-known firms (Keegan & Green, 2005:28). Since the late 1990s, several incidents of people protesting against multinational firms have been reported in many places around the world (Johansson, 2006:9). The basic complaint of protesters was the combination of unintended consequences of globalisation, such as environmental concerns, worker exploitation and domestic job losses, cultural extinction, higher oil prices and the diminished sovereignty of nations (Cateora & Graham, 2007:51). In December 1999 anti-globalisation protestors from many countries managed to derail the WTO Millennium round of trade negotiations in Seattle. Anti-globalisation forces gained impetus throughout the year 2000, and continued to question the economic and social benefits of globalisation.

After the terrorist attacks on the World Trade Centre in New York on 11 September 2001, the anti-globalisation movement lost momentum. Part of the reason for this was that this gratuitous attack was viewed as a radical anti-globalisation action, casting an extremist shade over the movement (Johansson, 2006:9). Protests and violence did, however, occur again at meetings of world leaders regarding economic

issues, such as the G-8 meetings in Evian, France in 2003, and in individual countries affected by the International Monetary Fund.

Given the apparent previous successes associated with actions from these protesting groups, it is believed that more of the same efforts could be expected in future (Cateora & Graham, 2007:51).

Even though these restraining forces might decelerate the efforts of a firm to engage in global marketing, Keegan and Green (2005:21) argue that the increasing importance of global marketing stems from the fact that driving forces have more momentum than restraining forces. Johansson (2006:10) also argues that the economic logic of globalisation has thus far been strong enough to dominate the anti-globalisation forces.

3.5 GLOBAL MARKETING AND GLOBALISATION

Lee and Carter (2009:4) argue that, in the light of increasing globalisation of the world economy, global marketing has become a necessity for the survival of all firms, rather than a luxury that has traditionally been reserved for multinational corporations. In the following section the concept of global marketing will be discussed in more detail.

3.5.1 Background on global marketing

McAuley (2004:260-261) noted that even though marketing has played an important role in the impact of globalisation, it should only be seen as a contributing factor that helps to create global needs and wants amongst consumers and should be practised within a world where globalisation is an increasing trend.

Svensson (2002:574) argue that the idea of the globalisation of marketing activities is a well-known phenomenon. Keegan and Green (2008:4) defined the practice of global marketing as: "An organization that engages in global marketing, focuses its resources and competencies on global market opportunities and threats, and conducts important business activities outside the home-country market" (Keegan & Green, 2008:4). Johansson (2006:11) used the following definition for global marketing: "Global marketing refers to the marketing activities coordinated and integrated across multiple country markets."

As world markets have globalised, the effect of global marketing strategies on the performance of firms has frequently been discussed in literature, and many researchers (e.g. Levitt, 1983; Hamel & Prahalad, 1985; Porter, 1986; Jain, 1989; Birkinshaw, Morrison & Hulland, 1995; and Zou & Cavisgil, 1996) argue that global marketing strategy plays a significant role in determining the performance of a firm in the global market (Zou & Cavusgil, 2002:40-41). Even though global marketing strategy plays a significant role in determining a firm's performance in the global market, Zou and Cavusgil (2002:52) argue that there exists little agreement in the literature as to what a global marketing strategy should comprise of.

Zou and Cavusgil (2002:41-42) mention that previous research suggested three major perspectives of global marketing strategy. The first perspective is the standardisation perspective that views a firm as practising a global marketing strategy if it standardises its marketing programmes across different countries, particularly in terms of product offerings, the promotion mix, prices and channel structures. The second perspective focuses on the configuration and coordination of a firm's value-chain activities. The global marketing strategy is considered the means to take advantage of synergies that exist across different country markets, as well as comparative advantages associated with various host countries. The third perspective is an integration perspective that is concerned with how the competitive battles of a firm are planned and executed across different markets in different countries. According to this third perspective, a key to global marketing success is to participate in all major world markets to gain competitive leverage and effective integration of the firm's competitive campaigns across these markets.

To address the lack of consensus about what constitutes a global marketing strategy, Zou and Cavusgil (2002:52) proposed a broad conceptualisation of global marketing strategy, the Global Marketing Strategy (GMS). This strategy incorporates all three previously mentioned perspectives of global marketing with the aim of enhancing the overall performance of a firm on a worldwide basis. GMS is defined as: "The degree to which a firm globalizes its marketing behaviors in various countries through standardization of the marketing-mix variables, concentration and coordination of marketing activities, and integration of competitive moves across markets." (Zou & Cavusgil, 2002:42-43,52).

According to Zou and Cavusgil (2002:43), the broadened view of global marketing strategy presented by the GMS suggests that a firm that competes on a global basis can respond to external and internal challenges by implementing numerous strategic levers, including standardisation of marketing programmes, concentration and coordination of marketing activities, as well as the integration of moves from competitors.

3.5.2 Strategic importance of global marketing

According to figures released by the World Trade Organisation, the value of world trade in 2004 totaled \$US11 trillion (Keegan & Green, 2008:63). As far as population size is concerned, the global marketplace consists of a population of more than six billion people and is expected to reach the nine billion mark by the year 2050 (Cateora & Graham, 2007:72).

Keegan and Green (2008:15) argue that the largest single market in the world in terms of national income is the US, representing approximately 25 percent of the total global market for all products and services. According to Keegan and Green (2008:15) it is imperative for American companies wanting to achieve maximum growth potential to enter the global market as more than 70 percent of the world market potential is outside the borders of their home country. Other countries face challenges similar to that of the US in respect of growth potential. Even though the dollar value of the domestic market for Japanese markets is second largest in the world, the markets outside the borders of Japan account for almost 90 percent of the global potential for Japanese companies. For Germany, the largest single country market in Europe, approximately 94 percent of the global market potential for German companies is outside the borders of Germany (Keegan & Green, 2008:15).

Increasing affluence and commercial dynamism have seen nations across Asia and Central and Eastern Europe emerging as high-growth economies. The result of increasing affluence and demand is that consumers actively seek choice, leading to increased competition in the marketplace as companies compete for consumers' disposable income. Population growth and increased affluence have also helped to create a global youth culture. Teenagers account for approximately 30 percent of the global population and in many countries more than half the population is pre-adult.

Teenagers thus form one of the world's biggest single markets (Doole & Lowe, 2004:4). The global marketplace is also becoming increasingly interdependent in economic, cultural and technical terms, due to the consistent diffusion of technological innovation (Doole & Lowe, 2004:5). According to Doole and Lowe (2004:5) the combination of these forces has put pressure on companies to develop an international marketing orientation and employ managers that are able to analyse, plan and implement strategies across the globe.

3.5.3 Management orientations

The form and substance of a firm's response to global market opportunities depend to a large extent on the assumptions and beliefs of management about the nature of the world (Keegan & Green, 2008:17). In an adaptation of Perlmutter's views on the evolution of the multinational corporation, published in the Columbia Journal of World Business in 1969, Keegan and Green (2008:17) argue that the world view of a firm's personnel can be described as either ethnocentric, polycentric, regiocentric or geocentric.

3.5.3.1 *An ethnocentric orientation*

A person is believed to have an ethnocentric orientation if it is assumed that his/her country is superior to the rest of the world (Keegan & Green, 2008:19). Personnel with an ethnocentric orientation see only similarities in different markets and assume that products and practices that succeed in the home country will also be successful in other countries. Ethnocentric firms that conduct business outside their home country cannot be described as international companies, as they adhere to the notion that products that are successful in their home country are superior abroad as well. A standardised or extension approach to marketing is used, based on the premise that products can be sold in any country without any adaptation (Keegan & Green, 2008:19). The ethnocentric firm also conducts little or no systematic marketing research outside the home country and no major modifications are made to products, even if customer needs or wants differ from those of customers in the home country (Keegan & Green, 2008:19). Keegan and Green (2008:20) argue that in the 1960s most firms could operate rather successfully using an ethnocentric orientation, but

that ethnocentrism is today one of the major internal weaknesses that must be overcome if a firm wants to be an effective global competitor.

3.5.3.2 A polycentric orientation

The polycentric orientation is the opposite of the ethnocentric orientation and it describes the belief or assumption of management that each country in which a firm operates is unique. Each subsidiary of a polycentric firm is allowed to develop its own unique business and marketing strategies in order to succeed. The term “multinational firm” is often used to describe such a structure, in which a localised or an adaptive approach is used in response to different conditions in different markets (Keegan & Green, 2008:21).

3.5.3.3 A regiocentric orientation

A firm where management has a regiocentric orientation develops an integrated strategy for every specific region of the world. Examples would be an American firm focusing on the countries included in the NAFTA, namely the US, Canada and Mexico, or if a European firm focuses its attention on Europe; such firms would be using a regiocentric orientation (Keegan & Green, 2008:21).

3.5.3.4 A geocentric orientation

According to Keegan and Green (2008:22) a firm that has a geocentric orientation views the entire world as a potential market and strives to develop integrated global strategies. Such a firm is sometimes known as a transnational or global firm. The geocentric orientation represents a synthesis of ethnocentrism and polycentrism. It represents a world view that perceives similarities and differences in markets and countries and seeks to create a global strategy that is fully responsive to the needs and wants of local consumers (Keegan & Green, 2008:23).

In summing up it can be stated that an ethnocentric firm is centralised in its marketing management, a polycentric firm is decentralised while the regiocentric and geocentric firms are integrated on a regional and global scale (Keegan & Green, 2008:23).

3.6 SUMMARY AND IMPLICATIONS FOR THIS STUDY

This chapter gave an overview of the term globalisation. It started with a section that dealt with defining the concept of globalisation, followed by a section on the historical development of global trade. Next was a section that addressed various driving and restraining forces that affect globalisation and the final section of the chapter dealt with the concept of global marketing.

Wang and Chen (2004:391) argue that globalisation presents significant challenges and opportunities to international marketers. With the growth in international trade, an increasingly diverse range of products of different national origins is now available in many countries throughout the world (Nijssen & Douglas, 2004:23). As a consequence, the attitudes of consumers towards products originating from foreign countries have been of interest to international business and consumer behaviour researchers for a long time (Wang & Chen, 2004:391).

According to Mohamad, Ahmed, Honeycutt, and Tyebkhan (2000:69) the effect of the country of origin of a product affects the perceptions of product quality and has a significant influence, beyond advertising and marketing techniques, on the acceptance and success of a product. The goal of international marketers is to take advantage from positive – and to neutralise negative – country of origin bias.

Kaynak and Kara (2002:929) argue that, despite the profusion of studies that have been conducted on the subject of country of origin, it has been found that investigations into the product perceptions and judgements of consumers in developing countries and newly-emerging economies are relatively scarce. It is also argued that this scarcity exists even though multinational companies have expanded their operations in many developing countries in Latin America, Africa, the Middle East and Asia-Pacific region and have faced significant challenges in doing so.

As far as South Africa is concerned, there is a dearth of publicly available research on the role of the country of origin of products on consumer behaviour. As the country of origin of a product can play an important role in consumer evaluation of products and choice behaviour, it is believed that an investigation into the influence of country

of origin in a South African context could provide marketing managers with valuable information for strategy formulation.

The following chapter will examine the country of origin phenomenon in more detail.

CHAPTER 4

AN OVERVIEW OF THE COUNTRY OF ORIGIN PHENOMENON

4.1 INTRODUCTION

Much of contemporary marketing research is based on the premise that consumers perceive products as conveying an array of information cues to potential buyers (Insh & McBride, 2004:257). These information cues can be intrinsic (inherent in the physical composition of the product such as taste, design, fit and performance) or extrinsic (non-physical product characteristics such as price, brand name, packaging and warranty) (Bilkey & Nes, 1982; Thorelli, Lim & Ye, 1989; Liefeld, 1993 and Ahmed, d'Astous & El-Adraoui, 1994). Elliott and Cameron (1994) argue that since it may be difficult to interpret intrinsic cues prior to the purchase, consumers will often resort to using extrinsic cues as the basis on which to make inferences about products. Country of origin (COO) is regarded as an important extrinsic informational cue and according to Teas and Agarwal the literature suggests that it may moderate quality perceptions generated by other extrinsic cues (2000:278).

Prior to the 1950s, empirical investigations relating to the use of consumer cues in product evaluation and choice processes, focused almost exclusively on the extrinsic cues of price and brand, while in the 1960s research was broadened by also including extrinsic cues. As international trade was increasing at that time, the importance of COO emerged as a potential pre-buy cue (Liefeld, 1993:117).

Since Ernest Dichter (1962:116) commented that the phrase "Made in ..." can have a tremendous influence on the acceptance and success of products, the COO phenomenon has been the subject of extensive studies (Quester, Marr & Yeoh, 1996:113). According to Phau and Suntornnond (2006: 34), COO effects on consumer behaviour are considered to be one of the most widely researched topics in the field of international marketing. It is the view of Kaynak and Kara (2002:928) that part of the reason for this continuous interest in the subject area can be attributed to increased global competition among foreign firms operating in different

parts of the world. In most cases these firms are not only offering more variety and a larger assortment of products, but also offer these products at very competitive prices. Kaynak and Kara (2002:928) hold that this scenario, coupled with the increased standards of living and improved lifestyles of consumers around the globe, as well as improved global communication and increased use of Internet-based communication, leads to the situation that consumers in worldwide markets are exposed to and are selecting from a wider range of foreign products/brands than ever before.

The COO phenomenon is addressed in this chapter. It commences with a definition of COO, followed by a section focusing on the evolution of COO research. The remaining section of this chapter reviews COO research in international marketing, focusing on aspects such as the development of COO research and on other themes in COO research.

4.2 COUNTRY OF ORIGIN DEFINED

In a review of the literature, Al-Sulaitai and Baker (1998:150), show that the concept of country of origin has been defined in various ways in the literature. Johansson, Douglas and Nonaka (1985:389) define it as “the country where the corporate headquarters of the firm responsible for marketing the product or brand is located.” White (1979:84); White and Cundiff (1978:80); Cattin, Jolibert and Lohnes (1982:132) and Gürhan-Carli and Maheswaran (2000a:309) believe that the COO of a product can be defined as “the country of manufacture.” Other researchers such as Nagashima (1970:68), (1977:95); Lillis and Narayana (1974:119); Gaedeke (1973:13); Bannister and Saunders (1978:562); Chasin and Jaffe (1979:74), Darling and Craft (1977:519); Bilkey and Nes (1982:89) and Morello (1983:1) use the term “made in ...” to define the COO of a specific product.

Papadopoulos (1993:4) made a significant and widely-cited contribution to the field of COO literature by criticising the concept as being narrow and misleading, as it assumes a single place of origin for a product (Dinnie, 2004:175-176). Papadopoulos (1993:4) argues that products are not necessarily made in “countries”, but that they are made in “places” or geographic regions, which can be anything from a city to a state, province, country, region, a continent or the world (in the case of global

products). He states that unless viewed in strictly legal terms, “made in” can mean anything from “manufactured”, “assembled in”, “designed in” to “invented in” or even “made by a producer whose domicile is in.” Dinnie (2004:176) quotes Papadopoulos (1993:8), who proposes that the more inclusive, more accurate term “product-country image” be used instead of “country of origin” or “made in”, to account for the multi-dimensional character of images of products or brands on the one side, and of the multiple potential places involved in a global production system on the other.

Prior literature reflects the thinking that COO and its effects must be regarded as a complex phenomenon and that various moderators can influence its magnitude (Phau & Suntornnond, 2006:34). Al-Sulaiti and Baker (1998: 150) conclude that the modern and continuous evolving marketplace makes it extremely difficult to formulate an all-encompassing definition of the COO concept.

Usunier (2006:62) believes that COO is increasingly being considered as the particular country that consumers typically associate with a product or brand, irrespective of where it is actually manufactured.

4.3 THE EVOLUTION OF COUNTRY-OF-ORIGIN RESEARCH

Dinnie (2004:166) identified three main periods in the chronological development of COO research. The first period, covering the years 1965 to 1982, was characterised by a progression from simple investigations and single-cue studies - where COO was the only product cue investigated – to more complex investigations. The second period covered the years 1983 to 1992 and witnessed an increasing interest in investigating the link between a country’s image and the products manufactured in that country. In an influential review of previous literature during this period, Bilkey and Nes (1982:89) point out that the initial objective of COO research was to demonstrate that the COO cue did affect product evaluations. Even though COO was found to have a significant influence on product evaluations in the earliest studies, an important limitation was, however, that many of these studies examined the effect of COO as a single cue, meaning that it was the only available information cue on which respondents had to base their evaluations (Bilkey & Nes, 1982:93). As a consequence of the suggestions made by Bilkey and Nes (1982), many researchers

started incorporating multiple cues in their studies, as well as tangible products and reliable and valid scales into their research (Huddleston, Good & Stoel, 2001:237).

The final period as demarcated by Dinnie (2004:175) covered the years 1993 to 2004 and was characterised by a proliferation of studies attempting to reconceptualise the COO construct. Peterson and Jolibert (1995:884), for example, argue that despite the extensive amount of research that had been conducted by that time on the COO effect, a fundamental question that remained at that time was how generalisable the COO effect really was. The authors therefore conducted research to quantify the COO effect by means of a comprehensive meta-analysis involving fifty-two articles or papers containing sixty-nine independent studies and one thousand five hundred and twenty effect sizes (Peterson & Jolibert, 1995:883). A total of fifteen study characteristics, namely: research design employed; respondent type; number of cues; sample size; stimulus context; country of stimulus; source of respondents; number of countries; respondent nationality; level of stimulus product; type of stimulus product; kind of stimulus product; mode of data collection; year of study and study context were analysed in the study. Peterson and Jolibert (1995:895) conclude that COO effects were only generalisable to some extent and that, although, the COO cue accounted for a substantial variance in product quality/reliability perceptions and purchase intentions, the conditions under which it operated had by that time not been fully delineated. The authors suggest that additional empirical research, building on their investigation, has to be conducted to address the antecedents and consequences of the COO effect more comprehensively and under a variety of circumstances (Peterson & Jolibert, 1995:895).

4.4 COUNTRY OF ORIGIN RESEARCH IN INTERNATIONAL MARKETING

Over the years, various studies in the COO literature have identified different processes that explain how the phenomenon influences product evaluations (Zhang, 1996:51). The following section focuses on the origins of COO research and addresses a number of broad themes in it.

4.4.1 The origins of COO research

The first COO study to be conducted in the field is regarded to be that of Schooler (1965). The study using four groups of student respondents was conducted in the Central American countries of Guatemala, El Salvador and Costa Rica and included Mexico (for control purposes). The results indicated that there were significant differences in the evaluations of products that were identical in all respects except for the name of the country on the label: products made in less-developed countries were not evaluated as quality products. Schooler (1965:396-397) saw this as proof that the COO of a specific product can have an effect on the opinions of consumers.

Schooler's seminal study was followed by an investigation by Reiersen (1966) that investigated the attitudes of American consumers towards foreign products. A total of 155 American students were requested to indicate their opinions of products originating from the US, Germany, Japan, France, Italy, Canada, Sweden, United Kingdom, Denmark and Belgium. The results of the study showed that American products were consistently ranked in the first place, while Japanese products were ranked last, indicating that stereotyping of foreign products was evident among the American students (Reiersen, 1966:35,40).

Usunier (2006:61) argues that attempting to determine why and how COO can influence consumer evaluations was only a secondary objective of the first studies of Schooler (1965) and Reiersen (1966). According to Usunier (2006:61) the founding experiment of COO research was conducted by Schooler and Wildt (1968) who attempted to provide empirical proof of the influence of the COO cue on consumer evaluations. A sample of 236 student respondents was randomly divided into six groups of about equal size. Each group examined two identical pieces of glassware, one of which was labelled "Made in Japan" while the other was labelled "Made in US." The labels were authentic but the two products were identical pieces of a domestic manufacturer. Respondents examined the products and evaluated them on a comparative, equal interval, ordinal scale questionnaire (Schooler & Wildt, 1968:79). Results indicated that many American consumers were biased against the Japanese-labelled products due to its national origin (Schooler & Wildt, 1968:80). Usunier (2006:62) argue that the findings by Schooler and Wildt were influential as

the founding narrative for the significance of COO research they provided an appropriate basis for plausibility and relevance.

In the following years, COO research evolved through studies that involved different manipulations. The influence of COO was tested on different product classes, brands, purchase risks, prices, individual product attributes as well as the influence of the social and economic development of countries where products were produced (Phau & Prendergast, 2000:159). The following section will discuss a number of COO studies under broad thematic headings.

4.4.2 Broad themes of COO research

4.4.2.1 *Stereotyping and COO beliefs*

Balabanis, Mueller and Melewar (2002:584) argue that the COO construct is built on the observation that people attach stereotypical perceptions to other people and countries, while Ahmed and d'Astous (2004:189) note that stereotyping is a psychological process commonly used to explain the reaction of consumers to information pertaining to the COO of a product. Samiee (1994:583) referred to the country stereotyping effect, describing it as follows: "Country Stereotyping Effect denotes any influence or bias resulting from Country of Origin and/or Country of Manufacture. The origin of Country Stereotyping Effect for a consumer may be varied, some based on experience with product(s) from the country in question, others from personal experience (such as study and travel), knowledge regarding the country, political beliefs, ethnocentric tendencies, fear of the unknown, etc." According to Ahmed and d'Astous (2004:189), consumers use country stereotypes as anchors to construct evaluations of products from foreign countries. It is perhaps important to note that Häubl (1996:76) observed that country stereotypes have an impact not only on the buying behaviour of individual (end) consumers, but also on organisations (industrial buyers).

Bannister and Saunders (1978:562), argue that in addition to perceptions about the significant elements of products, more generalised stereotyped images created by variables such as representative products, economic and political maturity of the source country, historical events and relationships, traditions, the level of industrialisation and the degree of technology virtuosity, also serve to establish

consumer attitudes. It is important to note the view of Lawrence, Marr and Prendergast (1992:37) that a specific stereotypical image may be of a country's products, specific brands or whatever the consumer would deem to be appropriate.

Dinnie (2004:171) argues that, especially from 1983 onwards, COO research has been given increasing attention by researchers in the examination of the link between the image of a specific country and the image of products made in that country. Morello (1983:1,11), for example, conducted comparative research to investigate the relationship between the image of a country and the image of products made in that country. Countries investigated were Belgium, France, Holland, Italy, Spain, the US and the USSR. The results indicated that there were high levels of correlation between attitudes towards countries and attitudes towards their products, thereby suggesting that a COO effect did exist and that this effect might influence consumer's buying behaviour (Morello, 1983:27). Morello (1983: 29) argues that this attitude towards the "made in" issue is important for predicting consumer behaviour and could assist companies when formulating marketing and communication strategies. Morello (1983:30), for example, suggests that if a country had a favourable image, the products made in such a country should stress their origin (e.g. Dutch flowers, Irish linen, Italian fashion, Scotch whisky and Swiss watches). On the other hand, Morello (1983:32) suggests that if the image of the country is unfavourable and prejudice is strong, the COO of the product might need to be disguised, product features improved, promotion increased and brand names changed.

Erickson, Johansson and Chao (1984:694) conducted an empirical investigation to assess the effects of COO as an image variable in the formulation of beliefs about, and attitudes to, automobile brands. According to Erickson *et al.* (1984:694), an image variable can be defined as some aspect of a product that is distinct from its physical characteristics, but is nevertheless identified with the product. Examples include brand name, symbols, advertising, endorsement by a well-known person and COO for markets in which imported products have a significant presence. The empirical results indicated that COO appeared to have direct effects on the consumers' beliefs, but not on their attitudes (Erickson *et al.*, 1984:694).

Han (1990) investigated the role of COO image in consumer choice behaviour across the US, Korea and Japan. The findings of the study suggest that country image may

have had a greater impact on consumer attitudes towards products from a developed country than from a developing country (Han, 1990:35-36). According to Han (1990:36) this infers marketers from the developed countries should pay more attention to COO image than was previously believed.

Other studies related to country images and stereotyping also suggested a hierarchy of effects among countries. Results indicated that a relationship between COO effects and the level of economic development appears to exist, and that products from developing countries were rated as inferior to products from industrialised countries (Schooler, 1971; Gaedeke, 1973; Chasin & Jaffe, 1979; Crawford & Lamb, 1981; Wang & Lamb, 1983; White & Cundiff, 1978; Chasin & Jaffe, 1979; Kaynak & Cavusgil, 1983; Hong & Wyer, 1989; Papadopoulos, Heslop & Beracs, 1989; Cordell, 1991 & Leonidou, Hadjimarcou, Kaleka & Stamenova, 1999).

A review of studies by Manrai, Manrai, Lascu and Ryans, (1997) suggests that product evaluations tend to be highest for products sourced in highly developed countries, followed by newly industrialising countries and lowest for Eastern European/socialist countries and developing countries (Phau & Predergast, 2000:162).

Research has also shown that consumers in some countries generally evaluate products from their own country more favourably than products from other countries. This scenario has, for instance, been confirmed for American consumers (Reierson, 1966; Nagashima 1970; Gaedeke, 1973; Narayana, 1981; Okechuku, 1994); French consumers (Baumgartner & Jolibert, 1978); Japanese consumers (Narayana, 1981); UK consumers (Bannister & Saunders, 1978); Finnish consumers (Darling & Craft, 1977) and Australian consumers (Elliott & Cameron, 1994).

According to Bhaskaran and Sukumaran (2007:71), inter-country differences can also be identified in national stereotyping. Studies have found that consumers in developed countries considered domestically produced products to be superior to products from developing countries (Reierson, 1966; Gaedeke, 1973; Darling & Craft, 1977; Bannister & Saunders, 1978; Knight & Calantone, 2000).

Studies conducted in less developed countries generally indicate that the COO of a product is an important cue in product evaluations (Lin & Sternquist, 1994; Leonidou

et al., 1999; Okechuku & Onyemah, 1999; Kaynak Kucukemiroglu & Hyder, 2000; Mohamad *et al.*, 2000; Khan & Bhamber, 2007). From the perspective of consumers from less developed countries, Hamin and Elliott (2006:80) note that evidence from research conducted in countries such as Mexico, the Philippines, Jordan and Nigeria suggests that consumers from these countries also seem to evaluate imported products from more developed countries more favourably than domestically produced products.

It is, however, possible for attitudes to change over time. Several studies indicate that over the years there has been an improvement in the image of Japan while a relative deterioration in the image of the US has been detected (Dornoff, Tankersley & White, 1974; Nagashima, 1977). Papadopoulos *et al.* (1989:43) came to the conclusion that the Japanese have succeeded in creating a universally positive image for themselves and their products among, not only Western, but also Eastern consumers. This image may be seen as representing a significant amount of goodwill towards products from Japan and it should be taken into account by producers competing against Japanese manufacturers (Papadopoulos *et al.*, 1989:44).

4.4.2.2 COO beliefs across product types

It has been noted by Bilkey and Nes (1982:90) and Häubl (1996:76) that various studies over the years have confirmed that COO effects have been perceived for specific types of products (Schooler, 1965, 1971; Reiersen 1966; Schooler & Wildt, 1968; Gaedeke, 1973; White & Cundiff, 1978; Wall & Heslop, 1986; Hong & Wyer, 1989, Cordell, 1991; Roth & Romeo, 1992). This notion is understandable, as some nations are famous for their expertise in producing certain types of products, creating instinctive associations such as French wine and perfume, English tea and china, German machinery, Chinese silk and Italian fashion (Tse & Gorn, 1993:58; Samiee, 1994:590 and Bhaskaran & Sukumaran, 2007:71).

Some researchers have, however, reported that COO effects can vary across product dimensions (Leonidou *et al.*, 1999:129), while Eroglu and Machleit (1988:38) found that the importance of COO as a quality indicator seemed to be higher for more technically complex products than for simpler ones.

Etzel and Walker (1974:42) designed a study to determine whether national product stereotypes were congruent with attitudes of American consumers towards specific types of products from the same country. The results showed that in all but one situation (German products versus German automobiles) consumers perceived significant differences between foreign national product stereotypes and images of specific products from the particular country, suggesting that consumers did not perceive all foreign products from a particular country as being the same or very similar (Etzel & Walker, 1974: 43-44). Dornoff *et al.*, (1974:27) found that American consumers ranked products from the US highest in the food and fashion categories, while Japan outranked the US in terms of electrical equipment and Germany was rated superior in terms of mechanical products. Niffenegger, White and Marmet (1980:496) found that British retail managers rated the United Kingdom first for electrical appliances, textiles, foods and pharmaceutical products, second in automobiles and last in cosmetics. France was rated first for automobiles and cosmetics and last for electrical appliances and pharmaceutical products. An investigation of Bangladeshi consumers' perceptions found that consumers rated electronic products from Japan, food products from the US, and fashion merchandise from the US, England and Germany as most desirable (Kaynak *et al.*, 2000:1238).

Roth and Romeo (1992:478) argue that even though research indicated that by the early nineties the country image had been established as a multidimensional construct, little research had been conducted to attempt to link country image dimensions to product categories. A study by Han and Terpstra (1988:243) investigating product-country relationships suggested that country image was specific to product dimensions and that the distinctive image of a country on a given product dimension (such as prestige or workmanship) seemed to be reasonably generalisable across product categories.

Roth and Romeo (1992:477) consequently suggested a framework that matches the importance of product category dimensions with the perceived image of the COO, along the same dimensions. The findings of the study suggest that a product-country match may be an indicator of willingness to buy foreign products. If a country is perceived as having a positive image, and this image is important to a product category, consumers will be more willing to buy the product from that country. Results of the study showed that respondents from the US, Ireland and Mexico were willing to

buy an automobile or a watch from Japan, Germany and the US, since these countries were rated highly on dimensions that were also deemed to be important to these product categories. On the contrary, respondents were less likely to buy Mexican and Hungarian automobiles and watches as these countries had poor evaluations on dimensions that were deemed to be important to automobiles and watches (Roth & Romeo, 1992:493). The study suggested that willingness to buy a product from a particular country would be high when the country image was also an important characteristic for the product category. Roth and Romeo (1992:493) argue that perceptions vary, depending on how well a country's perceived production and marketing strengths are related to the product category.

4.4.2.3 Country of origin beliefs and other product attributes

The findings of earlier studies employing COO as a single cue were questioned by Johansson, Douglas and Nonaka (1985:388); the authors claimed that the use of COO as a single cue could bias results in favour of finding a COO effect.

To address this concern, Johansson *et al.* 1985 (390-391), conducted a multi-cue study to examine the impact of thirteen selected attributes (price, handling, horsepower, acceleration, fuel consumption, mileage, safety, driving comfort, reliability, passenger comfort, durability, workmanship, styling and colour selection), together with COO on product evaluations of automobiles. The findings of the study indicated that when a multi-cue approach was used, COO appeared to have some impact on the various attribute ratings of automobiles, but it did not appear to be conclusive, nor did it appear to reflect a consistently positive or negative stereotyping of automobiles based on COO. COO effects were therefore found to be less significant than had generally been believed (Johansson *et al.*, 1985:393,395).

Further multiple-cue studies comparing the importance of the COO cue compared with other extrinsic cues such as product warranty, retail store image, fibre content, price, warranty, reliability, workmanship and driving comfort, revealed results consistent to those of Johansson *et al.* (1985) and also that the magnitude of the effect of COO was relatively low and not as extensive as was previously believed (Thorelli, Lim & Ye, 1989; Hong & Wyer, 1989; Ettenson, Wagner & Gaeth, 1988;

Lee, Kim & Miller, 1992; Akaah & Yaprak, 1993, Heslop & Papadopoulos, 1993; Lim & Darley, 1997; Elliott & Cameron, 1994 and Piron, 2000).

4.4.2.4 Dimensionalising the COO concept

In 1993 Chao noted that, with the exception of Han and Terpstra (1988) who studied uni-national and bi-national products, the literature had by that time made no distinction between the country of manufacture or assembly and the firm's home office (1993:294). It was therefore proposed that COO had to be extended to take into account the fact that the country variable itself was no longer just a single dimensional concept, and that it should no longer be treated as synonymous with the "made in" or "assembled in" concept. Chao (1993:294) furthermore proposed that the partitioning of COO into "made in," "designed in," or even "parts supplied by," had to be incorporated into future research designs to capture the richness of the product/country image concept.

To address the multi-dimensional nature of the product/country concept, Chao (1993:296) designed a study to examine how significant impacts, if any, of different elements in a product's (television set) country of designation might be used to the advantage of a firm planning global production strategies. The results indicated that the design quality perception was rated highest by American consumers for Japan, followed by the US and Taiwan (Chao, 1993:299). Other results of the study were the following:

- For the design quality dependent variable, the design quality perception for a television set made in Taiwan but designed in Japan, was rated highest, followed by the US and Taiwan.
- For the product quality dependent variable, three significant main effects were detected: Price as main effect indicated that product quality perception was higher at the higher price and lower at the lower price. COO as main effect showed that quality was rated highest for Japan, followed by Taiwan and the US; the country-of-assembly main effect showed that the product quality rating for a television set assembled in Taiwan was evaluated highest, followed by Thailand and Mexico (Chao, 1993:298-299).

According to Chao (1993:300), the finding that there were no significant country-of-design and country-of-assembly effects, suggests that there is no advantage in using a country with perceived superior design capability to increase product quality perception, if the country where assembly takes place is perceived to produce products of poor quality. The results of the study also indicated that the price-quality relationship seemed to be country-specific, with Japan enjoying a clear advantage as a design country for electronic products, as no price differential was needed to impart a higher quality image. For a television set designed in Taiwan or the US, however, Chao (1993:301) suggested that a higher price would be necessary to improve the quality ratings of the product.

Ahmed, d'Astous and El-Adraoui (1994) investigated how the product perception of Canadian purchasing managers was affected by their knowledge of country of design and country of assembly, when other information concerning attributes such as brand name, price and warranty was also available. The study also considered whether COO effects varied across categories of products of different technological complexity (Ahmed *et al.*, 1994:326). The study found, firstly, that developed countries were generally rated better than newly industrialising countries as locations for design and assembly of industrial products, while newly industrialising countries were consistently better evaluated as locations for the assembly of industrial products, compared to countries of design of these products. Secondly, the study found that for both purchase value and perceived quality, country of design explained a relatively larger proportion of common variance than country of assembly, while the greater the technological complexity of the product, the larger the statistical effect of country of design (Ahmed *et al.*, 1994:328-329). Thirdly, it was found that although brand name had a statistically significant impact on the perceived quality and purchase value for products such as computer systems and fax machines, the explanatory power of brand name was much smaller than that of the COO cues. In the case of products such as ballpoint pens, the results indicated that when purchasing managers considered the purchase value of the pens, they were more influenced by price than by country of design, country of assembly or brand name (Ahmed *et al.*, 1994:329). In conclusion, Ahmed *et al.* (1994:331) note that COO seemed to be an important extrinsic cue used by purchasing managers, especially when judging the quality of a product that is technologically complex, and that country

of design seemed to have more impact on purchasing managers' perceptions than country of assembly. They therefore suggested that an industrial marketer selling a technologically complex product designed in a prestigious country should promote this fact to customers to influence their decision-making process (Ahmed *et al.*, 1994:331).

Ahmed and d'Astous (1995:35) state that in the middle of the nineties the relative salience of COO cues for household and organisation buyers was still an unresolved issue in the study of COO effects. A study was undertaken by Ahmed and d'Astous (1995) to determine how perceptions of household and organisational buyers were affected by knowledge of country of design and country of assembly, when other information concerning attributes - such as brand name, price and warranty - were also available (Ahmed & d'Astous, 1995:35,39). The findings of the study were that country of design was an important extrinsic cue used by buyers, especially when the quality of a technologically complex product was evaluated. In the case of organisational buyers, it was found that country of design was a more important cue than country of assembly and brand name. For household buyers, country of design and country of assembly had about equal importance, while brand name was seen as more important than COO and warranty was regarded as more important than COO and brand name. A further finding was that newly industrialising countries were rated quite poorly as countries of assembly, and even more poorly as countries of design (Ahmed & d'Astous, 1995:47,49). Similar results were found in a later study by Ahmed, d'Astous & Eljabri (2002:387). The implications of these results, correspond with results of the 1994 study by Ahmed *et al.*, namely that a marketer selling a technologically complex product designed in a prestigious country would be well advised to promote this information to customers (especially organisational buyers) to influence their decision-making. It was also suggested that European firms with production facilities in less prestigious countries should consider implementing appropriate pricing policies for organisational buyers as well as warranty strategies for household buyers in order to counter potential negative bias (Ahmed & d'Astous, 1995:49).

In another research project in which Ahmed was involved (d'Astous & Ahmed, 1999:108), an exploratory study was conducted to investigate the importance of country images in the formation of consumer product perceptions. Perceptions of the

relative importance of COO among Canadian salesmen were tested by requesting them to rank five factors (country of design, country of assembly, brand reputation, price and warranty) in terms of importance when purchasing a video cassette recorder. The ranking order was requested as being valuable to the salesmen as well to their customers (d'Astous & Ahmed, 1999:112). The results showed that country of design and country of assembly were regarded by salesmen as the least important factors, while brand reputation was regarded as the most important factor when considering the purchase of a video cassette recorder. The salesmen also indicated that they felt that country of design and country of assembly were regarded by consumers as the least important factors, while price, brand reputation and then warranty were regarded as most important factors from a customer's point of view (d'Astous & Ahmed, 1999:114).

Chao (2001) used a congruency theory framework to examine the extent to which the COO for components, assembly and design had an influence on consumers' attitude formation and intentions to buy. The study revealed that respondents' attitudes were more positive when a product was assembled in the US if American parts were used, than if parts from Mexico were used. It was also found that buying intentions of respondents were more positive when a product was assembled in the US, using parts from the US, than if Mexican parts were used (Chao, 2001:67).

Insch and McBride (2004:256) tested a decomposed COO model using country of design, country of assembly and country of parts as factors on a non-student sample of Mexican and American consumers. The study found that the origins of design, assembly and parts had different effects on product evaluations, with the country of parts having the most significant COO effect (Insch & McBride, 2004:256). It was suggested that COO needed to be examined in future studies on a product-by-product basis, as an overall generalisable theory concerning all products in all countries might not be feasible (Insch & McBride, 2004:264).

In order to expand on earlier research, Hamzaoui and Merunka (2006:145) investigated how the image of country of design and the country of manufacture of products influenced consumers' perceptions of the quality of bi-national products (designed in one country and manufactured in another country). Hamzaoui and Merunka (2006:154) argue that, on the premise that this issue is particularly relevant

within developing countries; data were collected from respondents in Tunisia. The overall results of the study suggested that the global image of the country of design had a lower impact on perceived quality of products analyses than the global image of the country of manufacture. It was also found that country-of-manufacture and country-of-design information had different effects on consumers, depending on the product category considered (Hamzaoui & Merunka, 2006:151,154); this finding was similar to that of Ahmed and d'Astous (1995). For automobiles the results indicated that the global image of the country of manufacture and the country of design strongly influenced respondents' perceptions of product quality. For television sets, the country-of-manufacture effects were much greater than the country-of-design effects (Hamzaoui & Merunka, 2006:150). The conclusion was that, in terms of perceived quality, consumers became more sensitive to country of design for sophisticated products (such as automobiles) that also act as symbols of status or wealth, than for more "private goods" (such as television sets) that are not associated with self-image or status (Hamzaoui & Merunka, 2006:151). According to Hamzaoui and Merunka (2006:154-155), marketers can use this knowledge when deciding where to design and manufacture their products, and could also promote their products more effectively by emphasising the global country image and/or the fit between the country image and the specific product category.

In another study done in the Tunisian market, Essoussi and Merunka (2007:409) investigated the simultaneous effects of country of design and country of manufacture on consumers' perceptions of bi-national products, but also added brand image to the study. The results corresponded with those of Hamzaoui and Merunka (2006) and it was found that for complex products the influence of country of design and country of manufacture on perceived product quality was important, whereas for products with low complexity the country of design was regarded as less important, while the influence of country of manufacture on perceived product quality was still regarded as important (Essoussi & Merunka, 2007:409).

4.4.2.5 COO beliefs and brands

Kotler and Gertner (2002:249) argue that, due to the fact that product features can easily be copied, brands, in contrast, could be considered a major tool for marketers to create product differentiation.

According to Samiee (1994:592), brand name is an extrinsic cue that consumers can use to infer a COO, while Bhaskaran and Sukumaran (2007: 73) argue that brand names can cultivate COO beliefs, because certain brand names are associated with specific countries. Samiee (1994:592), for example, refers to brand names such as IBM from the US, Sony from Japan and Mercedes Benz from Germany, that inherently contain COO information and argues that brands such as these and their COO cannot be decoupled from one another. Various authors have found that the effects of branding on product evaluations could play a more prominent role than the COO cue (Gaedeke,1973; Ahmed & d'Astous, 1993; Ahmed & d'Astous, 1995; Leclerc, Schmitt & Dubé, 1994; Thakor & Pacheco, 1997; Liu & Johnson, 2005), while it has to be noted that, in contrast, Nes and Bilkey (1993) and Tse and Gorn (1993) found that COO can be an equally salient and an even more enduring factor in consumer product evaluation than a well-known brand name. An interesting finding from a study conducted in Austria by Chao, Wührer and Werani (2005:188), found that the effect of COO on product quality evaluation through brand interaction was not significant. This finding suggested that a favoured brand name (in this case German) cannot be used effectively to evade a poorly perceived country stereotype if the product is associated with a negative country image (in this case China).

According to Dinnie (2004:188), an interesting avenue for COO research was explored by Niss (1996), where a study was conducted to investigate COO marketing over the life-cycle of a product. A significant finding of the study was that there was varying use of COO references in export marketing activities over the lifecycle of a product. COO references seemed to be more frequently used in the introduction stage of the product lifecycle than in the growth or maturity phases. Niss (1996:17) argues that the main reason for using COO references in the beginning of the product lifecycle is that it enables the exporter to penetrate a market more quickly, providing the product with an immediate identity than might otherwise be achieved by using a brand name strategy. Niss (1996:17) also found that as products become more established, the tendency was to move away gradually from COO marketing to brand-name marketing, focusing on the creation of strong brand and distinctive product images.

In a later investigation based on a multiple case study of six New Zealand agricultural marketing boards, all using COO in global brand programmes, it was argued that the

use of COO is contextual and that it evolves over time. The New Zealand Dairy Board, for example, tends to use COO in new markets, but as these become established they slowly move away from a COO strategy to focus instead on the quality of their brands (Beverland & Lindgreen, 2002:147,158-159).

An important contribution to the COO literature was made by Thakor and Kohli (1996), who viewed the concept of brand origin as being distinct from existing concepts such as COO. The concept of brand origin was defined by Thakor and Kohli (1996:27) as “the place, region or country which the brand is perceived to belong to by its target consumers”. They also noted that this perception may differ from one about the location where products carrying a specific brand name are manufactured, or are perceived by consumers to be manufactured. Thakor and Kohli (1996:32) also argued that one of the key differences between COO and brand origin is that the focus is different. The primary concern of COO literature is to determine the effects of consumers’ perceptions of countries on their ratings of product quality and their choice processes. This emphasis on country as the major exogenous variable leads to analyses being conducted at product rather than at brand level. Branding is considered to be a cue like packaging, price or store image and is manipulated independently of COO information. Brand origin, on the other hand, refers to the integration of origin cues into the brand image and communicated in a variety of ways (Thakor and Kohli, 1996:32).

Another major distinction between brand origin and COO is found in consumer perceptions. Thakor and Kohli (1996:32), suggest that brand origin does not change if the manufacturing location should change, just as an American spending time in Turkey while retaining ties with the US, does not become a Turkish national. The perceived origin of a brand therefore need not be the same as the country indicated on the “made-in” label. According to Thakor and Kohli (1996:32), this difference is especially relevant in the light of the growing trend towards offshore manufacturing by multinational organisations. One such example is of Taiwanese manufacturers assembling computers for a US brand name such as Compaq, but using components manufactured in Taiwan, South Korea and elsewhere. The concept of brand origin offers a straightforward way to deal with situations like this, as opposed to making distinctions such as “country of component” and “country of assembly.”

A final distinction between brand origin and COO noted by Thakor and Kohli (1996:32), is that brand origin can be seen as a more inclusive concept, referring to signifiers of origin beyond those that merely indicate a country. The terms Nordic or Mediterranean, for instance, may have certain connotations for consumers concerning a product, without any particular country being mentioned at all.

Thakor and Lavack (2003:394) conducted two experiments to investigate consumer perceptions of brand origin. The results of these experiments indicated that consumers' perceptions of brand origin as well as of brand quality were influenced by the country of corporate ownership. Country of manufacture did not affect perceptions of brand quality in cases where country of corporate ownership information was also provided (Thakor & Lavack, 2003:402-403). According to Thakor and Lavack (2003:403), their findings suggest an information hierarchy in which consumers are strongly influenced by knowledge of the country where the brand is owned (brand-origin association) and less strongly influenced by knowledge of the country where the product is assembled or where its parts are manufactured.

In addition to the shift in COO effects from product level to brand level in consumers' product evaluations, Lim and O'Cass (2001:123,130) proposed that specific COO information was becoming less relevant, because consumers were finding it increasingly difficult to discern country information (manufacture, assembly, design, head office), prompting consumers to assimilate origin information into a cultural dimension. Lim and O'Cass (2001:123) argue that in place of COO, the concept of a culture-of-brand origin (which is more readily available to consumers due to exposure to marketing activities) should be assumed. According to Lim and O'Cass (2001:123) a study illustrating this possibility was conducted by Leclerc *et al.* (1994), evaluating the effects of foreign branding on product perceptions and attitudes. The results of the evaluation showed that the brand name of a hedonic product, written or pronounced in a foreign language that implied its cultural origins, was a more effective cue than information on the COO of the product (Leclerc *et al.*, 1994:269).

Lim and O'Cass (2001:123) conducted a study among Singaporean consumers to examine the concepts of COO and culture-of-brand origin, and their effect on consumers. The study indicated that consumers perceived culture-of-brand origin significantly more accurately than COO for the brands investigated (Lim & O'Cass,

2001:130). The findings also provide support for the proposition that the culture of the brand, rather than the country of the product, was used by consumers to extract extrinsic cues about products they encountered. Lim and O’Cass (2001:130) argue that if the value of a brand lies in its acceptance by consumers as a simple measure of product quality, the informational cues communicated by the brand should be clear and simple. They also held that, as quoted by Al-Sulaiti and Baker (1998:150) “the growth of multinational companies and the evaluation of hybrid products, with components from many source countries, have in many cases blurred the accuracy or validity of ‘made in’ ... labels”. The concept of culture-of-brand origin should thus become an important aspect of how consumers perceive and evaluate brands.

Jo, Nakamoto and Nelson (2003:637) state that even though brand management has attracted considerable attention in marketing literature, not much research had been done on whether the image of a brand provided any competitive advantages for global manufacturing. A study conducted to examine the protective effects of the image of a brand against lesser countries of origin in a global manufacturing context, found that a strong brand image (highly familiar and of high quality) allowed consumers to pay less attention to COO information for their quality assessment, resulting in weak COO effects (Jo *et al.*, 2003:637). A weak brand (lesser known and of mediocre quality) led to stronger COO effects on quality evaluation, resulting in significant perceived quality discounting for lower-quality countries of origin (Jo *et al.*, 2003:640). The authors concluded that a strong brand image is important; perhaps even a precondition, for successful global manufacturing as it allows firms to manufacture in a wide range of countries resulting in more competitive cost benefits (Jo *et al.*, 2003:640).

Wang, Siu and Hiu (2004:241) argue that when consumers buy clothing, they often spend time evaluating various alternatives such as brand, style, design, colour, price and COO. To investigate the relationship between consumer decision-making when it comes to choosing between imported and domestically branded clothing, a study was conducted in China using a purified consumer style inventory scale (developed by Sproles & Kendall, 1986). The empirical findings of the study revealed that Chinese consumers preferred to buy imported-brand clothing, tended to be brand loyal, brand conscious and fashion conscious and willing to pay higher prices for brand, quality and image. In contrast, consumers that preferred domestic-brand clothing tended to

be the least brand loyal, more price-conscious and were least concerned about the quality of clothing and whether it was fashionable or not (Wang *et al.*, 2004:246-248). Consumers buying both imported and domestically-branded clothing products appeared to be confused by “overchoice”; they were least fashion-conscious, spent less time on shopping and were the least price-conscious group among the three investigated (Wang *et al.*, 2004:246-247). According to Wang *et al.* (2004:248), an understanding of Chinese consumers’ decision-making styles is important to understand and segment this market. Multinational retailers can for example target those consumers who prefer to buy imported branded clothing through fashion magazines, mass media for young people and window displays with promotional themes that emphasise fashion trends.

4.4.2.6 *The influence of consumer knowledge on consumer perceptions*

Schaefer (1997:56) notes that while it had been acknowledged by the mid-1990s that COO had an impact on consumers’ product evaluations, there was an ongoing debate concerning the magnitude of this effect, especially in the presence of other product information cues and factors. According to Schaefer (1997:56), one of these factors, consumer knowledge, had received little investigation by the mid-1990s.

A study conducted by Han (1989) indicated that the image of a country can be used by consumers in product evaluations as a “halo” or summary construct. When consumers are not familiar with a country’s products, country image may be used as a halo from which the product attributes of a brand are deduced by consumers, and which will indirectly affect their attitude towards the brand through product attribute assessment (Han 1989:222). On the other hand, as consumers become familiar with a country’s products, country image may become a construct that summarises consumers’ beliefs about product attributes and therefore directly affects their attitude toward the brand (Han, 1989:222,228).

Schaefer (1997:56) conducted a study to investigate several dimensions of consumer knowledge and its impact on consumers’ perceptions of COO effects, and how these dimensions affected the use of the COO cue in evaluating an alcoholic beverage (lager beer). From the findings it appears that brand familiarity and objective product knowledge together had a significant effect on the use of the COO cue in product

evaluations, while neither of these two factors had a general effect on its own. Results also revealed that, unlike previous findings reported by Cordell (1992:263), brand familiarity did not reduce the importance of or reliance on COO in product evaluations while more knowledgeable consumers seemed to be more sensitive to the COO of a product than less knowledgeable consumers (Schaefer, 1997:68). Schaefer (1997:68) cautions that it could be that consumers rely on an extrinsic cue such as COO when evaluating a comparatively low-involvement product such as beer, but not when evaluating a complex high-involvement product such as a motor vehicle. The suggestion was made that further research was needed to determine whether the findings of the study could be generalised to other products and product categories (Schaefer, 1997:68).

The research of Schaefer (1997) was extended in a study by Phau and Suntornnond (2006:34), investigating how different dimensions of consumer knowledge may affect the COO effects among Australian consumers. The empirical findings of the study, with beer as a product category, indicated that while COO effects had an influence on Australian consumers, it also suggested that these consumers did not rely on COO when an unknown brand was evaluated. On the other hand, it was found that consumers who had prior brand experience relied more on COO cues. These findings were similar to those of the Schaefer (1997) study (Phau & Suntornnond, 2006:37).

In terms of the levels of objective knowledge, Phau and Suntornnond (2006:38) speculated that consumers with higher levels of product-country knowledge would rely more on COO than consumers with lower levels of product-country knowledge when products with an unfamiliar brand name were being evaluated. Unlike the study by Schaefer (1997:65), that found that when evaluating unfamiliar brands, respondents with higher levels of objective product-country knowledge relied more frequently on the COO cue than respondents with lower levels of product-country knowledge, the results of the Phau and Suntornnond (2006:39) study suggest that only respondents with medium levels of objective knowledge tended to rely on the COO cue when evaluating unfamiliar brands, whereas the group with the highest levels of objective knowledge did not rely on COO at all.

Phau and Suntornnond (2006:40) argued that despite the inconclusive results, objective product-country-knowledge might, to some extent, distort COO influences on consumers. The authors reasoned that marketers can make better decisions about how the brand and COO should be managed by segmenting consumers on different levels of product-country knowledge. When marketers, for example, target consumers with moderate levels of product-country knowledge, they should use a favourable product-country image to position a new product, whereas for consumers with high or low levels of product-country knowledge, marketers can pay less attention to product-country images (Phau & Suntornnond, 2006:40).

Kwok, Uncles and Huang (2006:163) investigated the understanding of COO effects in China, by examining the nature and extent of the COO effect among urban Chinese consumers as well as the impact of COO on actual purchase behaviour of grocery products. The results implied that Chinese consumers generally preferred to buy local Chinese grocery brands. They also found that this stated preference for local brands was not necessarily reflected in the actual buying behaviour of Chinese consumers, which suggests that the COO effect in China was affected by other factors. One of these could be the level of consumer knowledge about the actual origin of brands: the results of the study showed that respondents had an inconsistent knowledge of the true origin of local brands (Kwok *et al.*, 2006:169). Kwok *et al.* (2006:170) suggest that, given the preference of Chinese consumers for local brands, it might be in the interest of managers of local brands to promote the Chinese aspects of their brands and to position these brands as being local.

Samiee, Shimp and Sharma (2005:379) conceptualised, measured and tested a concept referred to as “brand origin recognition accuracy” arguing that, in contradiction to the implicit assumption in the COO literature, consumers have limited knowledge of the origins of brands and that the origin of a brand is probably not as important as the literature suggests. The results of the investigation showed that American consumers displayed modest knowledge of the national origins of brands and that the ability of these consumers to recognise the foreign origins of brands was predicted by variables such as socioeconomic status, past international travel, foreign language skills and gender (Samiee *et al.*, 2005:379). A further finding of the Samiee *et al.* (2005:379) study was that recognition of brand origin was largely based on

consumers' associations of brand names with languages that suggested country origins.

According to Samiee *et al.* (2005:391) the findings of their investigations suggest that the role of COO in brand choice is nominal at most. Samiee *et al.* (2005:391) argued that the "brand origin recognition accuracy" concept offers managers an opportunity to explore the influence of COO on buying behaviour accurately and realistically. In the process, appropriate international marketing strategies can be developed where more reliance is placed on the non-geographic attributes of brands than those related to their origins.

Pecotich and Ward (2007:272) remark that the interplay between COO, branding and quality and their effect on consumer behaviour has not been fully clarified in literature. They undertook an experimental study to evaluate the decision-making processes of both expert and novice consumers of personal computers with respect to international brand names, COO and intrinsic quality differences, using a controlled multi-cue consumer judgement situation. According to Pecotich and Ward (2007:291), the investigations demonstrate the importance of brand and the COO for both novice and expert consumers. Han (1989:222) found that novices used COO as a halo and based their product evaluations of quality and price on the country hierarchy, while brand name was used to counteract a poor country image.

Consumer experts, however, also used a country hierarchy but placed more importance on brand name. To the experts, the nature of the country-by-brand interaction suggested that consumers used brand name only when it was consistent with a country/product image, thus indicating that COO was used as a summary construct (Han, 1989:223). Pecotich and Ward (2007:291) found that, although expert and novice consumers detected differences in physical quality, it appeared to play only a minor role in the decision-making process of both groups. Pecotich and Ward (2007:292) concluded that the use of COO and brands may be more complex than previously theorised, and they suggested more refined research in this field.

4.4.2.7 The influence of demographic variables on COO effects

Leonidou *et al.* (1999:128) argue that it has been observed that, apart from the different national origins of respondents, consumer demographics may also influence

the exact nature of COO effects. According to Good and Huddleston (1995:37) it is important to note that when examining the effects of demographics on consumers' perceptions of imports, results seem to be inconclusive for some variables and fairly consistent for others.

Age seems to be a variable that has, over the years, been significantly and positively related to attitudes towards products (Good & Huddleston, 1995:37). Several studies have shown that younger consumers seem to evaluate foreign products more favourably than older consumers (Schooler, 1971; Dornoff, Tankersley & White, 1974; Good & Huddleston, 1995; Bailey & Pineres, 1997 and Wang *et al.*, 2004). Education also seems to be a variable yielding fairly consistent results. Several studies have indicated that people with higher levels of education seemed to rate foreign products more highly than persons with lower levels (Schooler, 1971; Anderson & Cunningham, 1972; Dornoff *et al.*, 1974; Han & Terpstra, 1988; Good & Huddleston, 1995; Bailey & Pineres, 1997 and Wang *et al.*, 2004).

In terms of gender, studies have produced mixed results. Baughn and Yaprak (1993:97) argue that male and female consumers may respond differently to origin cues as a function of the particular source country, the products and attributes investigated in the study. Others have established that female consumers gave higher ratings to products of foreign origin (Schooler, 1971; Dornoff *et al.*, 1974 and Lawrence, Marr & Prendergast, 1992), while it has also been found that female consumers rated domestic products more favourably than men (Good & Huddleston, 1995). The final important demographic variable that seems to have an influence on the COO phenomenon is income. Results of several studies (Good & Huddleston, 1995; Bailey & Pineres, 1997 and Wang *et al.*, 2004) have indicated that people earning relatively higher incomes tended to have a more favourable acceptance of foreign products in general than people who had lower incomes.

4.4.2.8 The influence of culture on COO effects

Culture is a complex and multifaceted construct (Zhang, 1996:52). Hofstede (1983:78) identified four principal dimensions of national culture:

- power distance,
- individualism/collectivism,
- masculinity/femininity, and
- uncertainty avoidance.

According to Pharr (2005:37) it seems that the only dimension that has thus far been systematically and empirically related to the COO construct is individualism/collectivism. Individualism refers to the degree to which people in a country would prefer to act as individuals rather than as members of a group, while in collectivist countries a close-knit social structure exists and people expect their group to care for them in exchange for resolute loyalty (Steenkamp, ter Hofstede & Wedel, 1999:59).

Research has indicated that collectivist cultures have the tendency to evaluate products from the home country consistently more favourably, whereas individualist cultures seem to evaluate products from the home country more favourably only when it was perceived as superior to competing products (Gürhan-Carli & Maheswaran, 2000a:315).

4.4.2.9 *The multi-dimensionality of country image*

In a review and meta-analysis of COO research, Verlegh and Steenkamp (1999:523) found that over the years COO research has mainly investigated the use of COO as a cognitive cue or an informational stimulus about or relating to a product, used by consumers to infer beliefs in terms of product attributes such as quality. Verlegh and Steenkamp (1999:523), however, argue that some studies have found that COO is not merely another cognitive cue, but that it also relates to emotions, identity, pride and autobiographical memories. A number of authors (Papadopoulos, Heslop & Bamossy, 1990; Parameswaran & Pisharodi, 1994 and Laroche, Papadopoulos, Heslop & Murali, 2005, have suggested that the COO image should have three components. These are firstly a cognitive component, which includes beliefs of consumers about a particular country, secondly an affective component, which describes the emotional value of the particular country to the consumer, and thirdly a conative component, which reflects consumers' behavioural intentions in terms of the particular sourcing country (Roth & Diamantopoulos, 2009:733-734). Country-image

can therefore be regarded as a multi-dimensional phenomenon (Khan & Bamber, 2007:25).

4.5 CONCLUSION AND IMPLICATIONS FOR THE STUDY

There seems to be clear evidence from a large number of studies that a product's COO has an effect on different aspects of consumer evaluation and choice behaviour (Pharr, 2005:34; Ahmed & d'Astous, 2008:78). Bhaskaran and Sukumaran (2007:75), however, argue that findings of past COO studies can be contradictory. According to some studies, COO is a significant variable that influences product evaluations and purchase intentions, while others have concluded that there are several other factors that can influence customer beliefs and intentions much more strongly. Several studies have also reported on the effects of the market context after investigating consumers' beliefs and buying intentions arising from the overall social, political and economic image of the source country; the characteristics and sometimes hybrid nature of product offerings, brand image; the differences across different market segments within the same country and across different countries; cultural differences among consumers; and the effects of promotion and other communication strategies. Some studies have indicated that not all consumers make use of the COO cue in their evaluations and choice behaviour, and when they do, they may not do so to the same extent or in the same manner (Bhaskaran & Sukumaran, 2007:75). According to Bhaskaran and Sukumaran (2007:75) COO beliefs are highly contextual and evolve over time, while Pharr (2005:36) concluded that COO evaluations can be seen as part of a larger COO "image construct", and also that COO is a complex phenomenon encompassing symbolic and emotional components as well as cognitions.

Acharya and Elliott (2003:89) argue that, beyond the evidence of a generalised COO effect, another important aspect to consider is the systematic bias of consumers in favour of domestically produced products at the expense of comparable products from foreign countries. According to Acharya and Elliott (2003:89), such preferences could be expressions of a more pervasive and generalised concept, termed "consumer ethnocentrism". The concept of consumer ethnocentrism and its relevance to international marketers and to this study will therefore be addressed in the following chapter.

CHAPTER 5

AN OVERVIEW OF CONSUMER ETHNOCENTRISM

5.1 INTRODUCTION

Consumers have diverse perceptions about particular products, which affect their attitudes, purchase intentions and behaviour; these perceptions are known to be usually based on stereotyped national images of the country where the products are produced or are perceived to be produced (Vida & Reardon, 2008:35).

As pointed out in the previous chapter, several studies have indicated that consumers were consistently biased towards products originating from certain countries. In terms of their level of economic development it was, for example, suggested that there seems to be a relationship between country-of-origin (COO) effects and the level of economic development: products from developing countries are rated as inferior to products from industrialised countries (Schooler, 1971; Gaedeke, 1973; Chasin & Jaffe, 1979; Crawford & Lamb, 1981; Wang & Lamb, 1983; White & Cundiff, 1978; Chasin & Jaffe, 1979; Kaynak & Cavusgil, 1983; Hong & Wyer, 1989; Papadopoulos *et al.*, 1989; Cordell, 1991 and Leonidou *et al.*, 1999).

It was further pointed out in Chapter Four that COO research has shown that consumers in some countries (especially developed countries) generally assess products from their own country more favourably than products from other countries, while consumers from less-developed countries seem to evaluate imported products from more developed countries more favourably than domestically produced products.

One of the factors which may have an influence on a consumer's decision to purchase a domestically-produced product rather than a foreign-made product is the concept of consumer ethnocentrism (Altıntaş & Tokol, 2007:308).

5.2 THE DEVELOPMENT OF CONSUMER ETHNOCENTRISM

The term “consumer ethnocentrism” was adapted from the general concept of ethnocentrism which was introduced early in the 19th century by Sumner (1906), and was originally regarded as a sociological concept that distinguished between so-called in-groups (groups that individuals identified with) and out-groups (groups that the individual regarded as adversative to the in-group) (Shimp & Sharma, 1987:280). According to De Ruyter, Van Birgelen and Wetzels (1998:187), the term ethnocentrism was defined by Sumner (1906) as “the view of things in which one’s own group is the centre of everything, and all others are scaled and rated with reference to it ... each group nourishes its own pride and vanity, boasts itself superior, exalts its own divinities and looks with contempt on outsiders”.

Kwak, Jaju and Larsen (2006:368) point out that an ethnocentric individual strongly supports the traditions, symbols, icons, and products of his or her own culture and that such a person simultaneously dislikes the traditions, symbols, icons and products of other cultures. Ethnocentric individuals develop perceptions of other cultures over time and these perceptions form a basis for comparing products of other countries with those from their own country. Ethnocentrism is therefore regarded as learned behaviour, forming part of an individual’s socialisation (Kwak *et al.*, 2006:368).

Supphellen and Rittenburg (2001:910) argue that in order to elaborate on the consequences of ethnocentrism it might be important to resort to social identity theory. The concept of social identity was first introduced by Tajfel (1972) as “the individual’s knowledge that he belongs to certain social groups, together with some emotional and value significance to him of this group membership” (Hogg & Terry, 2000:122). Supphellen and Rittenburg (2001:910) came to the conclusion that social identity theory describes relationships between in-groups and out-groups. People achieve a positive identity because of an alignment with positively valued in-groups, while differentiation results from negatively valued out-groups. Lantz and Loeb (1996:374) argue that the central precept of social identity theory is that people feel a desire and propensity to construct a positive identity for themselves. This identity may be manifested by their identification with various groups that could include family, friends, the community, race, religion or nation. According to Brown (2000:747),

members of a group are prone to believe that their own group (and its products) are better to other groups (and their products).

Lantz and Loeb (1996:374) came to the conclusion that the concept of ethnocentrism could be defined in terms of the in-group/out-group orientation where the in-group is preferred and seen in opposition to other groups.

Javalgi, Khare, Gross and Scherer (2005:327) argue that the concept of ethnocentrism can be extended to the field of marketing when factors that influence and forge consumer behaviour are taken into consideration. It was in the late 1980s that the concept of ethnocentrism was extended to the consumer behaviour domain by Shimp and Sharma (1987), who introduced the term “consumer ethnocentrism” (Acharya & Elliott, 2003:89-90). Shimp and Sharma (1987:280) described the term “consumer ethnocentrism” as follows: “We use the term ‘consumer ethnocentrism’ to represent the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products. From the perspective of ethnocentric consumers, purchasing imported products is wrong because, in the minds of these ethnocentric consumers, it hurts the domestic economy, causes job losses and is plainly unpatriotic: products from other countries (i.e. out-groups) are objects of contempt to highly ethnocentric consumers. To non-ethnocentric consumers, however, products from foreign countries are objects to be evaluated on their own merits without consideration for where they are manufactured (or are perhaps to be evaluated more favourably because they are manufactured outside the United States).”

In functional terms, Shimp and Sharma (1987:280) asserted that consumer ethnocentrism provides individuals with a sense of identity, feelings of “belongingness” and an understanding of which kind of purchase behaviour is deemed to be acceptable or not to the in-group. According to Sharma, Shimp and Shin (1995:27) it is important to note that consumer ethnocentrism was conceptualised by Shimp and Sharma (1987) as a trait-like property of the personalities of individuals. An individual’s consumer ethnocentric tendencies may under certain circumstances be expected to influence attitudes and behaviour in favour of foreign products, and against competitive domestic products. In this view,

ethnocentric tendencies represent an antecedent to attitudes, but are not regarded as being the same as attitudes (Sharma *et al.*, 1995:27).

Shankarmahesh (2006:148) makes the important observation that the construct of consumer ethnocentrism is often confused with “COO bias”, but that these two topics are distinct and independent of each other. An example to explain the difference was provided by Herche (1992) who argued that an American consumer could have a positive COO attitude towards French wine for its product-class attributes, but could decide not to buy the product for nationalistic reasons. Consumer ethnocentrism can therefore be regarded as a “general tendency” to avoid buying foreign products as opposed to a specific COO image (Shankarmahesh, 2006:148). It was further argued that the COO represents the cognitive and affective aspects of the consumer decision-making process, while consumer ethnocentrism refers to the affective and normative aspects of buyer behaviour. This normative dimension is regarded as a unique aspect of consumer ethnocentrism (Shankarmahesh, 2006:148).

5.3 THE IMPORTANCE OF CONSUMER ETHNOCENTRISM

According to Chattalas, Kramer and Takada (2008:58) consumer ethnocentrism is one of the most researched variables moderating the COO effect. Luque-Martinez, Ibáñez-Zapata and del Barrio-Garcia (2000:1353) argue that research on the consumer ethnocentrism construct may be a vital step towards a better comprehension of how individual and organisational consumers compare domestic and foreign products, as well as the reasons why patriotic prejudices are developed about foreign products. According to Kucukemiroglu (1999:471) it is widely speculated that, along with increased nationalism as well as a heavy emphasis on cultural and ethnic identity, the construct of consumer ethnocentrism will be a powerful force in the future global business environment.

5.4 MEASURING CONSUMER ETHNOCENTRISM

Netemeyer, Durvasula and Lichtenstein (1991:321) argue that measuring the level of consumer ethnocentrism across countries can be of particular interest to multinational marketers, as it may pose a barrier to possible success in foreign markets. Knowledge of the level of consumer ethnocentrism may also be useful for

the development of product-positioning strategies in foreign markets and could help explain bias towards domestic products.

Shimp and Sharma (1987:281) argue that even though ethnocentrism scales were available (e.g. Chang & Ritter, 1976 and Warr, Faust & Harrison, 1967) the scales had little relevance to the study of consumer behaviour and marketing phenomena. An instrument called the CETSCALE (The Consumer-Ethnocentric Tendency Scale) was subsequently developed by Shimp and Sharma to measure the ethnocentric tendencies of consumers towards purchasing foreign products as opposed to buying products manufactured in the US (Shimp & Sharma, 1987:281). The development and introduction of the CETSCALE answered a plea made by Jacoby (1978) for domain-specific concepts in the fields of marketing and consumer behaviour (Saffu & Walker, 2005:558).

The seventeen-item CETSCALE (using a seven-point Likert-type scale – see Addendum 1) was developed from an original pool of 180 items obtained from more than 800 consumers in the US. Consumers were asked in a preliminary study to express their opinions in response to the following question: “Describe your views of whether it is right and appropriate for American consumers to purchase products that are manufactured in foreign countries” (Shimp & Sharma, 1987:281,284).

After the implementation of several purification techniques, a total of seventeen items, all of them satisfying the 0.5 factor loading reliability criterion, remained (Luque-Martinez *et al.*, 2000:1357). The 17-item, Likert-type questionnaire was then tested on representative samples of consumers from Detroit, Denver, Los Angeles and North and South Carolina. A confirmatory factor analysis indicated that the CETSCALE demonstrated some evidence of construct validity, as well as a one-dimensional structure (Witkowski, 1998:259).

According to Shimp and Sharma (1987:254) the results of their investigations also indicated that consumers’ general attitudes toward foreign products had a strong negative correlation with ethnocentric tendencies: the stronger the ethnocentric bias of a consumer, the more likely he or she would buy a domestic motor vehicle and/or the stronger the intention to buy a domestic vehicle would be. In terms of social identity theory, Lantz and Loeb (1996:374) argue that consumers have a national

identity and that this identity may be strong in some consumers and weak in others. The CETSCALE that focuses on the purchase of products can be used to measure the economic manifestation of the national identity of consumers (Lantz & Loeb, 1996:374).

Shimp and Sharma (1987:288), however, argue that by the late 1980s, the concept of consumer ethnocentrism and its measurement by means of the newly developed CETSCALE were limited to contemporary American society. A suggestion was made that translating the scale into other languages and testing it in other countries was an important step that needed to be taken next. Shimp and Sharma (1987:288) also proposed that additional research was needed to see whether the CETSCALE differentiated between the beliefs, attitudes and purchase behaviours of other demographic and socio-economic groups.

Over the years the reliability and validity of the CETSCALE have been tested in various countries, and the scale was found to possess a high degree of validity and reliability (Orth & Firbasová, 2003:140). Examples of these studies include studies conducted with samples from Japan and West Germany (Netemeyer *et al.*, 1991); Poland (Good & Huddleston, 1995; Supphellen & Rittenburg, 2001; Huddleston *et al.*, 2001); Malta (Caruana & Magri, 1996); Korea (Sharma *et al.*, 1995); Russia (Good & Huddleston, 1995; Saffu & Walker, 2005); Turkey (Kucukemiroglu, 1999; Kaynak & Kara, 2002); Spain (Luque-Martinez *et al.*, 2000); Kyrgyz Republic, Azerbaijan (Kaynak & Kara, 2001); Australia (Acharya & Elliott, 2003); Czech Republic (Orth & Firbasová, 2003); Israel (Shoham & Brenčič, 2003); People's Republic of China (Wang & Chen, 2004); France (Netemeyer *et al.*, 1991, Javalgi *et al.*, 2005); Canada (Saffu & Walker, 2005) and Turkey (Kavak & Gumusluoglu, 2007).

Over time, shorter versions of the CETSCALE, based on the original 17-item scale, were developed. Shimp and Sharma (1987:283) introduced a 10-item version of the CETSCALE (see Addendum 1). This version was also used by authors such as Nielsen and Spence (1997); Steenkamp and Baumgartner (1998); Lindquist, Vida, Plank and Fairhurst (2001); Douglas and Nijssen (2003); Bawa (2004:45) and Evanschitzky, Wagenheim, Woisetschläger and Blut (2008). According to Bruner II and Hensel (1996:66) both these versions of the CETSCALE are considered to be uni-dimensional. Klein, Ettenson and Krishnan (2006:307) argue that the concept of

consumer ethnocentrism is a relatively uncomplicated construct that could be measured with fewer than ten items. As a consequence, a valid and reliable 6-item version of the CETSCALE was developed and tested in the transition economies of Russia and China.

According to Hamin and Elliott (2006:82), the total possible score that can be recorded with the 17-item CETSCALE ranges between 17 and 119, based on the use of a seven-point Likert-type scale. The mean scale value of the CETSCALE is used as the indicator of the intensity of consumer ethnocentrism, with higher mean scale values indicating higher levels of consumer ethnocentrism (Hamin & Elliott, 2006:82).

Since its inception, the CETSCALE has also been translated and used to assess consumer ethnocentrism in a number of countries in and outside the US (Douglas & Nijssen, 2003:625). Table 5.1 shows the results of the CETSCALE mean values by country as reported in a number of international studies.

One interesting conclusion is that consumer ethnocentrism is not necessarily a phenomenon of the developed world. Results from studies conducted on consumers in countries with emerging economies (such as Russia, Indonesia, Hungary, Mexico and Malta) have revealed mean scale values comparable to the mean scale values of consumers from developed countries, suggesting that consumers from developing countries will not necessarily buy foreign products instead of domestic products.

Table 5.1
Examples of CETSCALE mean values by country

Author (s)	Date	Country	Respondents	Mean value
Shimp and Sharma	1987	US	Students	51.92
Durvasula, Andrews and Netemeyer	1997	US	Students	50.24
		Russia	Students	32.02
Good and Huddleston	1995	Poland	General population	69.19
		Russia	General population	51.68
Sharma <i>et al.</i>	1995	Korea	General population	85.07
Caruana and Magri	1996	Malta	General population	56.80
Steenkamp and Baumgartner	1998	Belgium	General population	28.70
		Great Britain	General population	30.29
		Greece	General population	37.84

Author (s)	Date	Country	Respondents	Mean value
Brodowsky	1998	US	General population	61.68
Acharya	1998	Australia	Students	56.40
Witkowski	1998	Hungary	General population	50.70
		Mexico	General population	76.50
Watson and Wright	2000	New Zealand	General population	62.21
Vida and Fairhurst	1999	Czech Republic	Students	45.71
		Estonia	Students	53.59
		Hungary	Students	43.30
		Poland	Students	50.61
Hult, Keillor, and Lafferty	1999	US	Students	61.50
		Japan	General population	40.10
		Sweden	General population and students	38.40
Yu and Albaum	2002	China (Hong Kong)	General population	34.19
Acharya and Elliott	2003	Australia	Students	56.31
Hamin and Elliott	2006	Indonesia	General population	74.50
Luthy	2007	Iceland	Students	38.25
Chrysochoidis, Krystallis and Perreas	2007	Greece	General population	65.45

Sources: Adapted from Caruana & Magri, 1996; Witkowski, 1998; Acharya & Elliott, 2003; Hamin & Elliott, 2006; Luthy, 2007 & Chrysochoidis. *et al.* 2007.

Even though many authors agree on the reliability, validity and uni-dimensionality of the CETSCALE, there are, however, a few authors that have reported conflicting results.

Lindquist *et al.* (2001:505) administered the 10-item CETSCALE to student samples from the Czech Republic, Hungary and Poland. Results of their study indicated that the 10-item single-factor model (as suggested by Shimp & Sharma, 1987) did not display a universally “good fit” solution in these central and eastern European countries. Lindquist *et al.* (2001:512) suggested revised models with “better fit” for these countries. They proposed a revised 7-item scale for the Czech Republic, a 6-item scale for Poland and a 5-item scale for Hungary.

Studies by Douglas and Nijssen (2003) and Bawa (2004) indicated that the CETSCALE is not uni-dimensional and that consumer ethnocentrism is more complex in the Netherlands and India than had originally been found in the US and

other countries, where the scale was found to be uni-dimensional. As a consequence, Douglas and Nijssen (2003:629) and Bawa (2004:53) modified the CETSCALE in order to obtain a better fit for the data for the respective countries investigated.

Based on their inconsistent results, Douglas and Nijssen (2003:632) argue that extreme caution should be taken when using scales developed in one country or cultural context in other environments, especially in situations where the construct being measured is likely to be culturally embedded or related to macroeconomic country characteristics, as in the case of the CETSCALE.

5.5 ANTECEDENTS OF CONSUMER ETHNOCENTRISM

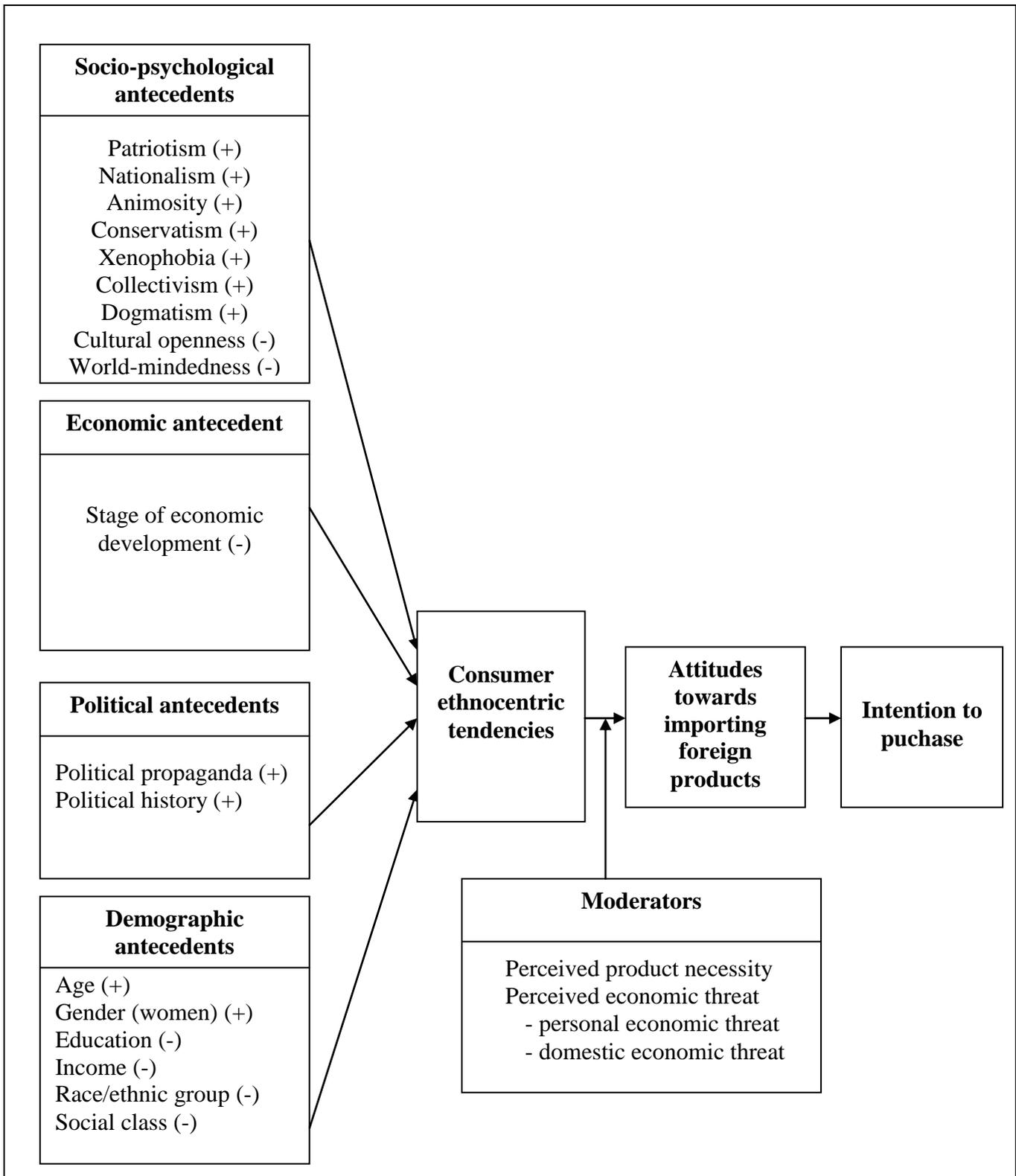
Ethnocentric tendencies of consumers do not develop in isolation, but should rather be seen as being part of a collection of influences (Sharma *et al.*, 1995:27). A number of studies (Han, 1988; Nielsen & Spence, 1997; De Ruyter, Van Birgelen & Wetzels, 1998, Sharma *et al.*, 1995) have integrated the construct of ethnocentrism in models of consumer decision-making by investigating potential antecedents or causes and identifying moderating factors that may reduce the effect of ethnocentrism on consumers' purchase intentions (Javalgi *et al.*, 2005:328). Shankarmahesh (2006:149) argues that four broad categories of antecedents of consumer ethnocentrism can be identified:

- socio-psychological,
- economic,
- political, and
- demographic.

In the following section, some of the major antecedents (as identified in previous research) will be discussed. This section will be followed by a discussion of moderating effects and the outcomes of consumer ethnocentrism. Figure 5.1, is a graphic representation of the antecedents, moderating effects and outcomes that will be discussed.

Figure 5.1

Major antecedents, moderating effects and outcomes of consumer ethnocentrism



Source: Adapted from Sharma et al. 1995; De Ruyter et al. 1998; Javalgi et al. 2005; Shankarmahesh, 2006; Altinaş & Tokol, 2007.

5.5.1 Socio-psychological antecedents

The relationships between consumer ethnocentrism and a number of socio-psychological variables have been investigated by various researchers (Javalgi *et al.*, 2005:330). In the following section a number of these antecedents are discussed individually.

5.5.1.1 Patriotism

The construct of patriotism taps the affective component of people's feelings towards their home country and assesses the degree of love for, and pride in one's nation (Kosterman & Feshbach, 1989:271). According to Balabanis, Diamantopoulos and Melewar (2001:160), patriotism refers to strong feelings of attachment and loyalty to one's own country without a corresponding hostility towards other nations. Sharma *et al.* (1995:28) however pointed out that a number of COO studies have implicated the patriotic emotions of consumers in their purchases of imported products and in country stereotyping (Wang, 1978; Crawford & Lamb, 1981; Morello, 1984; Hooley, Shipley and Krieger, 1988; Han, 1988, Howard, 1989). Investigations to establish whether patriotic individuals would show more ethnocentric consumer tendencies than less patriotic individuals have yielded empirical support for this contention (Sharma *et al.*, 1995; De Ruyter *et al.*, 1998; Klein & Ettenson, 1999; Javalgi *et al.*, 2005; Vida & Reardon, 2008). Results of a study conducted by Balabanis *et al.* (2001:169), demonstrated that while patriotism had a positive effect on ethnocentrism in the Turkish sample investigated, it did not in the Czech sample. The conclusion was that the effect of patriotism on ethnocentrism may vary from country to country.

5.5.1.2 Nationalism

As citizens of a country, people reside in certain geographical areas to which they become emotionally attached and with which they identify. Nationhood becomes personally relevant to people through their attachment to their homeland, when they are motivated to serve their country and when a sense of identity and self-esteem is fostered through national identification (Akhter, 2007:144). Kosterman and Feshbach (1989:271) drew a conceptual distinction between patriotism and nationalism by stating that unlike patriotism, nationalism reflects a perception of national superiority and an orientation towards national dominance. Nationalism therefore encompasses

views that an individual's country is superior and that it should be dominant, implying denigration of other nations (Balabanis *et al.*, 2001:160). Granzin and Painter (2001:76) argue that nationalism places the home country and its status first, for example by endorsing strong national defence, reduced international involvement, restricted immigration into the country as well as preferential treatment for the dominant race, religion and/or workforce of the nation. Akhter (2007:144) argues that evaluative judgements are involved in both the concepts of nationalism and patriotism, but that nationalism, in contrast to patriotism, includes a negative evaluative bias against other countries. Previous studies have found that nationalism is an important predictor of consumer ethnocentrism (Lee, Hong & Lee, 2003 and Vida, Dmitrovič & Obadia, 2008).

5.5.1.3 Consumer animosity

According to Klein, Ettenson and Morris (1998:90), history is filled with examples of the dramatic and damaging effects of hostility between nations. They also point out that where international tension leads to armed conflict, even atrocities, there is the likelihood that animosity towards a current or former enemy could also affect consumers' willingness to buy the products of organisations from that specific country. Klein *et al.* (1998:90) define the "animosity" as the remnants of antipathy related to previous or ongoing military, political, or economic events that affect consumers' purchasing behaviour in the international marketplace. Animosity towards another country can manifest itself in various forms ranging from the relatively benevolent rivalry resulting from sharing a border (e.g. the US and Canada), to more serious manifestations originating in previous military events or more recent economic or diplomatic disputes between countries (Klein *et al.*, 1998:90). Examples of animosity include Jewish consumers avoiding purchasing German-made products and consumers from Australia and New Zealand boycotting French-made products (due to the nuclear tests conducted by France in the South Pacific in 1995), while nations perceived to be practicing unfair trading practices might also experience repercussions from consumers in certain foreign markets (Klein *et al.*, 1998:90).

Klein *et al.* (1998:91) conducted a study in the People's Republic of China to investigate how the attitudes of people towards a specific country might affect the willingness of consumers to buy products from that country. Using the Nanjing

massacre, where 300 000 Chinese civilians were killed by the Japanese in December 1937 and January 1938 as a historical background for the study, it was found that animosity did have a negative impact on the willingness of Chinese consumers to buy Japanese products. Results of the study also suggest that negative feelings towards Japanese products were independent of Chinese consumers' judgements about the quality of Japanese products, meaning that for consumers with high levels of animosity, it was not product perceptions that led to a reluctance to purchase Japanese products, but rather hostility towards the disliked nation (Klein *et al.*, 1998:96,97). Nijssen and Douglas (2004:26) raised the question whether animosity would have the same influence on consumer behaviour under less extreme conditions. The question was also posed whether constructs such as consumer ethnocentrism and animosity would be relevant in small countries with high levels of foreign trade, such as the Netherlands. Results of a study conducted by Nijssen and Douglas (2004:32) in the Netherlands confirmed that animosity towards a particular country is an important consideration in relation to consumers' attitudes towards products of foreign origin, especially insofar as it reinforces consumer ethnocentrism. Results from a study conducted in Spain also confirmed that animosity reinforces consumer ethnocentrism (Torres & Gutiérrez, 2007:24).

An important observation here is that even though Klein *et al.* (1998:91) point out that the constructs of animosity and consumer ethnocentrism may be linked, animosity is conceptually and theoretically seen as being displayed against specific countries. According to Altıntaş and Tokol (2007:311), consumers with low scores on the CETSCALE measure of consumer ethnocentrism may have no objections to buying foreign products, but will not buy anything from a country towards which they feel hostile – consumer animosity is therefore seen as subsuming consumer ethnocentrism.

5.5.1.4 Conservatism

Conservative people are those who demonstrate a tendency to attach importance to traditions and social institutions that have survived the test of time and only introduce changes occasionally, reluctantly and gradually (Sharma *et al.*, 1995:28). Conservatives typically exhibit characteristics such as religious fundamentalism, a

pro-establishment orientation, insistence on strict rules and punishments, preference for the conventional as well as an anti-hedonic outlook (Javalgi *et al.*, 2005:331).

COO researchers (Anderson & Cunningham, 1972 and Wang, 1978) have found an inverse correlation between conservatism and peoples' attitudes toward foreign products, indicating that conservatives tend to evaluate imported products negatively, while domestic products are evaluated positively (Sharma *et al.*, 1995:28).

Studies investigating the correlation between conservatism and consumer ethnocentrism found a positive correlation between these two constructs, implying that more conservative consumers tend to be more ethnocentric (Sharma *et al.*, 1995; Balabanis *et al.*, 2001; Javalgi *et al.*, 2005; Altıntaş & Tokol, 2007).

5.5.1.5 Consumer xenophobia

The concept of xenophobia can be linked to a lack of cultural openness, traditional values, security and conservatism (Altıntaş & Tokol, 2007:309). It is defined as "fear or hatred against someone or something that is strange or different than oneself" (Ossimitz, 2000:7). Ossimitz (2000:7) also argues that a necessary precondition to xenophobia, i.e. the mere fact of being different, provides adequate reason for negative feelings. For a xenophobe it is not necessary even for another person to behave in a peculiar manner: the mere fact that the person is different is enough to create conflict. According to Altıntaş and Tokol (2007:311), foreign people with different cultures are often perceived by local people as a potential threat to the integrity of their own country. The common components of xenophobia are mistrust, fear and/or hate as well as social problems, especially unemployment and social violence, perceived by local people to be caused by foreigners, (Altıntaş & Tokol, 2007:311).

Results of a study conducted in Turkey indicated that xenophobia is positively associated with consumer ethnocentrism, which is strongly affected by it (Altıntaş & Tokol, 2007:321).

5.5.1.6 Collectivism/individualism

It was mentioned in the previous chapter that culture is a complex and multifaceted construct and that Hofstede (1983:78) identified four principal dimensions of national culture:

- power distance,
- individualism/collectivism,
- masculinity/femininity, and
- uncertainty avoidance.

According to Sharma *et al.* (1995:28) the cross-culturally validated construct of collectivism/individualism can be regarded as one of the most promising dimensions of cultural variation. Individualism refers to the degree to which people in a country would prefer to act as individuals rather than as members of a group, while in collectivist countries a close-knit social structure exists and people expect their group to care for them in exchange for resolute loyalty (Steenkamp *et al.*, 1999:59).

COO research has indicated that collectivist cultures have the tendency to consistently evaluate products from the home country more favourably, whereas individualist cultures seem to evaluate products from the home country more favourably only when it was perceived as superior to competing products (Gürhan-Carli & Maheswaran, 2000a:315).

In terms of ethnocentrism research, Javalgi *et al.* (2005:332) argue that collectivistic people are likely to demonstrate ethnocentric tendencies relating their actions to those of the societal group they belong to, while individualistic people tend to act in their own interests, demonstrating fewer ethnocentric tendencies. Empirical support for the positive correlation between collectivism and consumer ethnocentrism have been presented by Sharma *et al.* (1995) and Javalgi *et al.* (2005).

5.5.1.7 Dogmatism

According to Caruana and Magri (1996:39), personality traits include variables such as risk-taking, inner-outer directedness, innovativeness and dogmatism.

Dogmatism is defined as a personality characteristic that indicates the degree of rigidity that individuals display towards the unfamiliar, and towards information that is contrary to their own established beliefs. A highly dogmatic individual approaches unfamiliar situations defensively and with considerable discomfort and uncertainty, while an individual that is less dogmatic will more readily consider unfamiliar or opposing beliefs (Schiffman & Kanuk, 2004:127).

Anderson and Cunningham (1972:33) found that people with lower levels of dogmatism displayed higher levels of preference for foreign products than their more dogmatic counterparts. In terms of consumer ethnocentrism, previous studies (Shimp & Sharma, 1987 and Caruana & Magri, 1996) have found a significant positive correlation between dogmatism and consumer ethnocentrism.

5.5.1.8 Cultural openness

Cultural openness is defined as an awareness, understanding and acceptance of other cultures and is determined by the willingness of people to interact with people from other cultures and experience some of their artefacts (Javalgi *et al.*, 2005 and Shankarmahesh, 2006). Sharma *et al.* (1995:28) argue that the opportunity to interact with people from other cultures can lower cultural prejudice.

Studies conducted by Howard (1989), Sharma *et al.* (1995) and De Ruyter *et al.* (1998) have revealed a negative correlation between cultural openness and consumer ethnocentrism. These studies seemed to have relied on the conventional wisdom that cross-cultural interaction and opportunities to travel can broaden peoples' minds, but according to Shankarmahesh (2006:149) it is rather simplistic to generalise that cross-cultural interactions and familiarity with other cultures will moderate ethnocentric tendencies, more specifically consumer ethnocentrism. Results of a study by Javalgi *et al.* (2005:337) revealed that cultural openness seems to be independent of consumer ethnocentrism among French consumers.

Shankarmahesh (2006:149) suggested that instead of only investigating correlations between cultural openness and consumer ethnocentrism, future research should take the effects of potential moderators such as the "self-reference criterion" into account. The self-reference criterion is defined as "the unconscious application of one's own cultural experience and values to a market in another culture" (Mühlbacher *et al.*,

2006). Shankarmahesh (2006:149) also suggested that possible interrelationships between cultural openness and other antecedent variables, such as world-mindedness should be investigated in future studies.

5.5.1.9 World-mindedness/Internationalism

According to Balabanis *et al.* (2001:163) the concept of world-mindedness is conceptually similar to the concept of internationalism. Javalgi *et al.* (2005:331) argue that although internationalism is related to cultural openness it is more concerned about the welfare of people of other countries. Where cultural openness implies passive exposure and acceptance (or no rejection) of foreign cultures and people, internationalism takes a more active stance by focusing on international sharing and welfare, reflecting empathy for people from other countries (Kosterman & Fesbach, 1989:271). Consumers that are “world-minded” are those who have a “world view of the problems of humanity and whose primary reference group is humankind”, instead of different nationalities such as Americans, Germans or Japanese (Rawwas, Rajendran & Wuehrer, 1996:22). According to Balabanis *et al.* (2001:163) it is more likely that internationalist consumers will find it morally acceptable to buy imported products as a means of supporting international welfare and people from other nations.

A study by Crawford and Lamb (1982:860) saw the main effect of world-mindedness as the willingness of professional buyers to buy foreign products, while Rawwas *et al.* (1996:33) found that highly world-minded consumers gave higher quality ratings to products produced in foreign countries.

5.5.2 Economic antecedent

5.5.2.1 Stage of economic development

Schuh (1994) introduced a framework that attempted to link the different stages of countries' economic development to consumers' preferences for foreign products. According to the framework, consumers in a country that is in the early stages of transition from a government-controlled economy to a market economy will prefer foreign products because of perceptions of good quality, novelty and status, as well as out of curiosity. As the economy of a country moves towards an intermediate

stage of transition, nationalistic motives of consumers become dominant, while in developed countries, characterised by a large presence of multi-national firms, ethnocentric purchasing behaviour tends to decrease again (Shankarmahesh, 2006:163).

A degree of support for the above framework was provided by an earlier study of Good and Huddleston (1995:41-42) who found that consumers from Poland (in an intermediate stage of transition to a market-oriented economy) were more ethnocentric than Russian consumers.

5.5.3 Political antecedents

The following section will deal with political antecedents that have been identified in previous studies as factors influencing consumer ethnocentrism. These antecedents are political propaganda and political history.

5.5.3.1 Political propaganda

Political propaganda was suggested by Rosenblatt (1964) as an antecedent of ethnocentrism. Shankarmahesh (2006:164) believes that the extent to which such propaganda might influence consumer ethnocentrism in a society is an empirical question, and suggested that it might be worthwhile to investigate the moderating role of “political freedom” or “democracy” in the relationship between political propaganda and consumer ethnocentrism.

5.5.3.2 Political history

Good and Huddleston (1995:45) argue that the higher consumer ethnocentrism scores obtained in Poland than in Russia could be explained in terms of the political histories of the two countries. Poland has almost always been an oppressed nation, and by fighting for their identity Polish people have developed strong patriotic emotions, which translate into particular consumer attitudes. Russia, on the other hand, has usually been the oppressor and although Russians are generally perceived as proud, this attitude does not translate into any particular consumer attitudes (Good & Huddleston, 1995:45). The conclusion can therefore be drawn that consumers in countries with a long history of oppression tend to be more ethnocentric than consumers in countries that oppress others (Shankarmahesh, 2006:164). In terms of

the influence of political propaganda and political history on consumer ethnocentrism, Shankarmahesh (2006:164) suggests that these constructs deserve additional investigation in future.

5.5.4 Demographic antecedents

In order to assist marketers to identify consumers sensitive to imported merchandise, several studies have investigated the correlation between consumer ethnocentrism and various demographic variables (Huddleston *et al.*, 2001:238). The results of these studies play an important role as they assist marketers to develop actionable marketing strategies and practices (Sharma *et al.*, 1995:29). Six demographic antecedents – age, gender, education, income, social class and race/ethnicity – will be discussed in the following section.

5.5.4.1 Age

Although previous studies have provided mixed empirical links between age and consumer ethnocentrism, there seems to be more empirical support for the idea that older people show more consumer ethnocentric tendencies than younger people (Sharma *et al.*, 1995:29). Table 5.2 lists a number of international studies whose results have shown that age was positively related to consumer ethnocentric tendencies (i.e. older people display more consumer ethnocentric tendencies than younger people).

Table 5.2

The relationship between age and consumer ethnocentrism

Author (s)	Date	Country	Respondent
Han	1988	US	General population
Good and Huddleston	1995	Poland	General population
Caruana and Magri	1996	Malta	General population
Nielsen and Spence	1997	US	General population
De Ruyter <i>et al.</i>	1998	The Netherlands	General population
Witkowski	1998	Hungary Mexico	General population General population
Klein and Ettenson	1999	US	General population

Author (s)	Date	Country	Respondent
Vida and Fairhurst	1999	Czech Republic Estonia Hungary Poland	University students University students University students University students
Watson and Wright	2000	New Zealand	General population
Balabanis <i>et al.</i>	2001	Turkey	General population
Orth and Firbasovā	2003	Czech Republic	General population
Lee <i>et al.</i>	2003	US	General population
Javalgi <i>et al.</i>	2005	France	General population
Verlegh	2007	The Netherlands	General population
Chryssochoidis <i>et al.</i>	2007	Greece	General population
Nguyen, Nguyen and Barrett	2008	Vietnam	General population

Sources: Adapted from Han, 1988; Good & Huddleston, 1995; Caruana Magri, 1996; Nielsen & Spence, 1997; De Ruyter *et al.* 1998; Witkowski, 1998; Klein & Ettenson, 1999; Vida & Fairhurst, 1999; Watson & Wright, 2000; Lee *et al.* 2003; Balabanis *et al.* 2001; Orth & Firbasovā, 2003; Javalgi *et al.* 2005; Verlegh, 2007; Chryssochoidis *et al.* 2007; Nguyen *et al.* 2008.

It should, however, be mentioned that results from some other studies (Sharma *et al.*, 1995; Good and Huddleston, 1995 (Russian sample) and Bawa, 2004) did not indicate a statistically significant correlation between a consumer's age and consumer ethnocentrism.

5.5.4.2 Gender

There seems to be consensus among a number of researchers that gender does influence consumer ethnocentrism and that women generally have higher ethnocentric scores than men. Table 5.3 lists a number of international studies whose results have indicated that women were found to display greater ethnocentric tendencies than men. Some of the reasons that have been provided for this state of affairs are that females tend to be more conservative, patriotic, concerned with preserving social harmony and promoting positive feelings among group members and to be less individualistic (Sharma *et al.*, 1995:29).

Table 5.3**The relationship between gender and consumer ethnocentrism**

Author (s)	Date	Country	Respondent
Han	1988	US	General population
Good and Huddleston	1995	Poland	General population
Sharma <i>et al.</i>	1995	Korea	General population
Nielsen and Spence	1997	US	General population
Bruning	1997	Canada	General population
Klein and Ettenson	1999	US	General population
Vida and Fairhurst	1999	Czech Republic Estonia Hungary Poland	University students University students University students University students
Watson and Wright	2000	New Zealand	General population
Balabanis <i>et al.</i>	2001	Turkey	General population
Lee <i>et al.</i>	2003	US	General population
Javalgi <i>et al.</i>	2005	France	General population

Sources: Adapted from Han, 1988; Good and Huddleston, 1995; Sharma *et al.* 1995; Bruning, 1997; Nielsen & Spence, 1997; Klein & Ettenson, 1999; Vida & Fairhurst, 1999; Watson & Wright, 2000; Balabanis *et al.* 2001; Lee *et al.* 2003; Javalgi *et al.* 2005.

A few studies (Good and Huddleston, 1995 (Russian sample); Caruana and Magri, 1996; De Ruyter *et al.*, 1998 and Saffu and Walker, 2005) have, however, found no significant difference between men and women in terms of consumer ethnocentric tendencies.

5.5.4.3 Education

Results of some prior studies seem to concur that there is a negative correlation between consumers' education levels and consumer ethnocentrism: the more highly consumers are educated, the less ethnocentric they become. Some of the underlying reasons for this phenomenon are that more educated consumers tend to be less

conservative, are less likely to have ethnic prejudices or be patriotic, and are more likely to favour imported over domestic products (Javalgi et al., 2005:330).

In Table 5.4 a number of international studies are listed, whose results suggest that consumers with higher levels of education, display less consumer ethnocentric tendencies than consumers with lower levels of education.

Table 5.4

The relationship between level of education and consumer ethnocentrism

Author (s)	Date	Country	Respondent
Good and Huddleston	1995	Poland	General population
		Russia	General population
Sharma <i>et al.</i>	1995	Korea	General population
Caruana and Magri	1996	Malta	General population
De Ruyter <i>et al.</i>	1998	The Netherlands	General population
Witkowski	1998	Hungary Mexico	General population General population
Klein and Ettenson	1999	US	General population
Watson and Wright	2000	New Zealand	General population
Lee <i>et al.</i>	2003	US	General population
Verlegh	2007	The Netherlands	General population
Chrysochoidis <i>et al.</i>	2007	Greece	General population

Sources: Adapted from Good & Huddleston, 1995; Sharma *et al.* 1995; Caruana & Magri, 1996; De Ruyter *et al.* 1998; Witkowski, 1998; Klein & Ettenson, 1999; Watson and Wright, 2000; Lee *et al.* 2003; Verlegh, 2007; Chrysochoidis *et al.* 2007.

Various other studies (Han, 1988; Balabanis *et al.*, 2001; Javalgi *et al.*, 2005; Saffu and Walker, 2005 and Nguyen, Nguyen and Barrett, 2008) did not however find significant evidence that consumer education is negatively related to ethnocentric tendencies.

5.5.4.4 Income

As was the case with education, results of a number of previous studies seem to confirm a negative correlation between consumers' income levels and consumer ethnocentrism: consumers with higher incomes appear to be less ethnocentric. Sharma *et al.* (1995:29) proposed that as their incomes increase, people tend to travel overseas and try more products, which may result in a more cosmopolitan views and an increased openness to products of foreign origin. In terms of past investigations of the correlation between income level and consumer ethnocentrism, there seems to be a degree of inconsistency among results of different studies. While a number of studies have found that consumer income and ethnocentrism are negatively related, a relatively large number of studies could not confirm this correlation.

Table 5.5 shows a number of international studies whose results suggest that consumer income and ethnocentrism are negatively related (i.e. consumers with higher levels of income display less ethnocentrism than consumers with lower income levels).

Table 5.5

The relationship between income levels and consumer ethnocentrism

Author (s)	Date	Country	Respondent
Sharma <i>et al.</i>	1995	Korea	General population
Good and Huddleston	1995	Poland	General population
Bruning	1997	Canada	General population
Klein and Ettenson	1999	US	General population
Watson and Wright	2000	New Zealand	General population
Balabanis <i>et al.</i>	2001	Turkey Czech Republic	General population General population
Lee <i>et al.</i>	2003	US	General population

Sources: Adapted from Sharma *et al.* 1995; Good & Huddleston, 1995; Bruning, 1997; Klein & Ettenson, 1999; Watson & Wright, 2000; Balabanis *et al.* 2001; Lee *et al.* 2003.

A number of studies (Han, 1988; Good and Huddleston, 1995 (Russian sample); Caruana and Magri, 1996; De Ruyter *et al.*, 1998; Witkowski, 1998; Javalgi *et al.*, 2005 and Nguyen *et al.*, 2008) did, however, not find significant evidence that the level of consumer income is negatively related to ethnocentric tendencies.

5.5.4.5 Race/ethnic group

In multi-cultural nations, researchers have investigated inter-ethnic group differences in consumer ethnocentrism, especially between the members of the dominant majority culture and members of different non-dominant minority sub-cultures. Studies investigating this ethnic aspect have, however, provided mixed results (Shankarmahesh, 2006:165).

Empirical results of investigations by Klein and Ettenson (1999:19) and Piron (2002:206) showed that race is not a significant predictor of consumer ethnocentrism. Results of a study conducted in Australia, however, showed that a majority of Greek-Australian consumers that were investigated displayed low levels of consumer ethnocentrism, while a majority of Australian consumers displayed medium to high levels of consumer ethnocentrism (Zarkada-Fraser & Fraser, 2002:291).

5.5.4.6 Social class

Shankarmahesh (2006:165) argues that to the extent that social class is correlated with income, the conclusions relating to income and consumer ethnocentrism can be extended to social class. The hypothesis can therefore be proposed that consumer ethnocentric tendencies will decrease as consumers ascend the social ladder. Support for this hypothesis was found by Han (1988) and Klein and Ettenson (1999) (Shankarmahesh, 2006:165).

5.6 CONSEQUENCES OF CONSUMER ETHNOCENTRISM

The primary matter of interest to consumer ethnocentrism researchers is whether consumer ethnocentrism increases sales of domestic products over imported products (Shankarmahesh, 2006:165).

Studies investigating the correlation between consumer attitudes towards the importation of products and the construct of consumer ethnocentrism have

consistently revealed that the more ethnocentric a consumer is, the more the consumer will be opposed to the importation of foreign goods (Javalgi *et al.*, 2005:332). Javalgi *et al.* (2005:333) further argue that a correlation between consumer attitudes and buying behaviour has been valuable in consumer ethnocentrism studies (e.g. Herche, 1994; Moon, 1996; Supphellen & Rittenburg, 2001; Kaynak & Kara, 2002) to explain the purchase of high-involvement products. Javalgi *et al.* (2005:333) cite various studies that suggest that a positive correlation between consumer attitudes towards the importing of foreign products and consumers' intention to purchase foreign products can also be expected (Bilkey & Nes, 1982; Cattin *et al.*, 1982; Han & Terpstra, 1988; Tse & Gorn, 1993 and Al-Sulaiti & Baker, 1998).

5.7 MODERATING FACTORS OF CONSUMER ETHNOCENTRISM

The impact of the ethnocentric tendencies of consumers also seems to be influenced by certain moderating factors (Piron, 2002:198). Sharma *et al.* (1995:27) identified two factors that have a moderating effect on ethnocentric tendencies on the attitudes of consumers towards products of foreign origin.

For the first factor, i.e. perceived product necessity, it was hypothesised that when a product is perceived as a necessity, consumer ethnocentrism has a relatively small influence on consumers' attitudes towards importing that product. For products that are perceived as unnecessary (or dispensable) however, consumer ethnocentrism should have a more substantial impact on the attitudes of consumers towards the importation of those products. Support for this hypothesis was found when a sample of Korean consumers indicated that the more a product was perceived as unnecessary, the greater the impact of ethnocentric tendencies on their attitudes towards importing such a product (Sharma *et al.*, 1995:34). Similar results were recorded for services by De Ruyter *et al.* (1998:196), who found that the more a service was perceived as unnecessary, the greater the negative impact of ethnocentric tendencies on the attitudes of Dutch consumers towards foreign services. Javalgi *et al.* (2005:338) also found that the perceived necessity of an imported product moderated the effect of consumer ethnocentrism on the attitudes of French consumers towards imported products and that ethnocentric French

consumers were more disposed towards the importation of foreign products into France if these products were perceived as necessary.

For the second factor, i.e. perceived economic threat, Sharma *et al.* (1995:30) hypothesised that the impact that consumer ethnocentric tendencies have on consumers' attitudes towards the importing of products is moderated by the perceived threat of foreign competition. The attitudes of consumers, primarily towards products perceived as either posing a personal threat to individuals or the domestic economy, should therefore be strongly influenced by consumer ethnocentricity. Support for this hypothesis was also found with the sample of Korean consumers, where the results indicated that ethnocentric tendencies of consumers had an increased impact on consumers' resistance to importing products that were perceived as threatening to their personal or domestic economic welfare (Sharma *et al.*, 1995:34). Results of the study conducted by De Ruyter *et al.* (1998:196), however found that a perceived economic threat had no significant effect on the correlation between consumer ethnocentrism and attitudes of Dutch consumers towards foreign services.

5.8 SUMMARY AND IMPLICATIONS FOR THIS STUDY

An overview of the construct of consumer ethnocentrism was provided in this chapter. The chapter began with a section on the development of consumer ethnocentrism, followed by a section explaining the measurement of consumer ethnocentrism.

In their 1995 study, Sharma *et al.* (1995:27) argued that the ethnocentric tendencies of consumers do not develop in isolation, but should rather be seen as the result of a constellation of various influences. A discussion of the most important of these antecedents and moderating factors, as investigated by various authors, was therefore also provided in this chapter.

Shimp and Sharma (1987) developed the CETSCALE, an instrument to measure the ethnocentric tendencies of consumers. Over years the international reliability and validity of the CETSCALE was tested in various countries and results indicated that the scale possesses a high degree of validity and reliability. To date, however, no

formal research has been found in which the CETSCALE was used as a relevant measure of the ethnocentric tendencies of South African consumers, nor could any formal research investigating the antecedents and moderating effects of consumer ethnocentrism from a South African point of view be found.

The concept of consumer ethnocentrism can be of use to marketing managers in several ways. Firstly, it provides marketing managers with a useful concept for understanding the reasons why consumers would purchase domestic, instead of imported products. Secondly, more in-depth insight into consumer ethnocentrism and its antecedents provides useful information for importers as well as exporters in the selection of appropriate target markets and in formulating applicable marketing strategies. Thirdly, international trade policymakers could gain some insights in terms of consumer prejudices against products of foreign origin (Sharma *et al.*, 1995:35).

In terms of the above reasons it is believed that an investigation into the ethnocentrism of South African consumers is currently a critical factor that should be addressed, especially as South Africa is often described as the engine for growth in Africa. The results of such a study could be compared to results from studies conducted in other developed and developing countries to investigate possible similarities and/or differences. It is also believed that results of a study investigating ethnocentrism and its antecedents among different racial groups (black and white) in South Africa could assist local and international marketing managers to develop more effective marketing strategies for South African consumer markets.

In the next chapter the methodology of the empirical study to investigate consumer ethnocentrism in South Africa will be discussed, and details of the research design used will be presented.

CHAPTER 6

DESIGN AND METHODOLOGY OF THE EMPIRICAL STUDY

6.1 INTRODUCTION

The main purpose of this study was to investigate consumer ethnocentrism in a developing country (South Africa). In the previous chapters, a literature review was provided in which the concepts of marketing, consumer behaviour, globalisation, the country of origin phenomenon and consumer ethnocentrism were discussed.

The purpose of this chapter is to describe the design and methodology of the empirical phases of this study. It starts with a description of the marketing research process where the marketing problem is defined and the research procedure, primary data collection and sampling procedures that were followed are explained. The next section describes the collection of the primary data, followed by a final section that examines the statistical techniques and procedures used to analyse the data.

6.2 THE MARKETING RESEARCH PROCESS

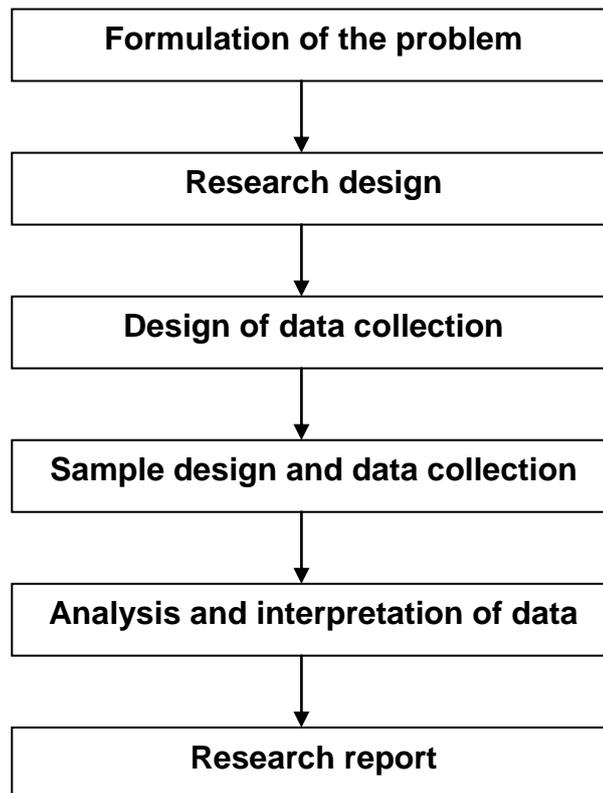
“Marketing research is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem” (Burns & Bush, 2003:7).

According to Malhotra (2004:7) the process of marketing research starts with the identification or definition of a specific marketing problem. The next step involves determining what information is needed to investigate the problem, followed by the identification of relevant information sources. Various data-collection methods are evaluated to find the most appropriate and the data are then collected using the most appropriate method. This step is followed by an analysis and interpretation of the data after which the final inferences are drawn. The findings, implications and recommendations of a research project such as this must be presented in a way that allows the information to be easily accessed and interpreted for the purpose of

making marketing decisions. The sequence of actions followed is depicted in Figure 6.1.

Figure 6.1

The marketing research process



Source: Adapted from Malhotra (2002:10)

6.2.1 Defining the marketing problem (and objectives)

According to Malhotra (2004:9), the first step in any marketing research project is to define a particular marketing problem. The definition of a problem entails stating a general problem as well as identifying specific components of the marketing research problem (Malhotra, 2004:33). Burns and Bush (2003:86) argue that the definition of a problem is a critical process, as it sets the course for all subsequent steps of the marketing research process. If the problem is not defined correctly, acceptable performance in the other steps of the marketing research process will not be accomplished (Burns & Bush, 2003:87).

The research problem which this study investigates is the influence of consumer ethnocentrism on consumer behaviour in a developing country (in this case South Africa).

Netemeyer *et al.* (1991:320) argue that one result of globalisation has been increased levels of competition between domestic and multinational firms in both foreign and domestic markets. As a result of this larger availability of foreign brands, consumers in many countries face an ever-increasing variety of purchase options. Marketers therefore need to understand the attitudes of consumers especially how they choose between domestic products and products of foreign origin (Netemeyer *et al.* 1991:320). Kucukemiroglu (1999:471) argues that along with increased nationalism as well as a heavy emphasis on cultural and ethnic identity, the concept of consumer ethnocentrism must be regarded as a potent force in the global business environment in future. Consumer ethnocentrism involves the tendency of consumers to exhibit a positive or favourable predisposition towards products originating from their own country, while rejecting products imported from other countries. The consequences of consumer ethnocentrism include factors such as an overestimation of the quality and value of domestic products or an underestimation of the virtues of imports, a moral obligation to buy domestic products, as well as an intense preference for domestically produced products (Kaynak & Kara 2001:462).

According to Luque-Martinez *et al.* (2000:1353), research on consumer ethnocentrism may be an important step towards forming a better understanding of the way in which individual and organisational consumers draw comparisons between domestic and foreign products, as well as the reasons that lead these consumers to develop patriotic prejudices against imports.

Kucukemiroglu (1999:471) argues that an understanding of whether the level of ethnocentrism differentiates customer characteristics towards products originating from overseas countries, could be extremely useful to the development of effective marketing strategies for imported products.

Early attempts to operationalise the concept of consumer ethnocentrism were impeded by the absence of an adequate measurement scale (Luque-Martinez *et al.*, 2000:1357) and therefore Shimp and Sharma (1987:281) developed an instrument

called the “Consumer Ethnocentrism Scale” (CETSCALE). The CETSCALE was developed to measure the ethnocentric tendencies of consumers towards purchasing foreign products as opposed to products manufactured in the US (Shimp & Sharma, 1987:281).

Shimp and Sharma (1987:288) argued that CETSCALE may be useful for international consumer research, suggesting also that it be translated into other languages and tested in other countries. It was also proposed that future research should find out whether the scale differentiates the beliefs, attitudes and purchase behaviours of demographic and socioeconomic groups other than those tested by Shimp and Sharma.

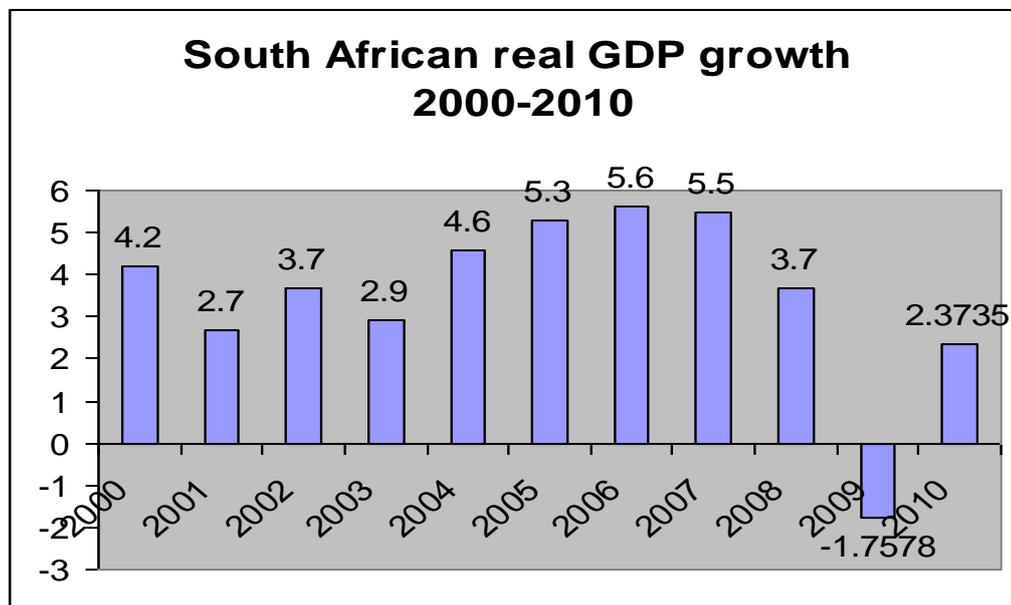
Although the CETSCALE has been validated with samples of American, French, Spanish and Japanese consumers, to date no publically available research could be found indicating whether CETSCALE has been validated with or used as a relevant measure of ethnocentric tendencies among South African consumers. The empirical investigations of this study are therefore aimed at examining the product/country perceptions and evaluations of consumers in South Africa as a mature developing country, with special focus on the ethnocentric tendencies of consumers.

South Africa was selected as the domestic-product base as its economic growth has a substantial impact on the growth in other African countries (Arora & Vamvakidis, 2005). In fact, the country is often described as “the engine for growth in Africa”. South Africa can also be seen as a two-tier country, with a mature, sophisticated economy rivaling other developed countries on the one hand, but with the most basic institutions and infrastructure on the other. South Africa can therefore be typified as a productive, industrialised economy showing many of the characteristics of developing countries, which include a marked division of labour between the formal and informal sectors, as well as a highly uneven distribution of wealth and income. The primary economic sector of South Africa, based on manufacturing, services, mining and agriculture is also well developed (South Africa GDP Annual Growth Rate, 2010).

According to gross domestic product (GDP) data, the economy of South Africa grew by 2.9% in 2003, by 4.6% in 2004 and by 5.3% in 2005 (Figure 6.2). In the first quarter of 2006 South Africa's economic growth accelerated, led by a sharp recovery

of the country's manufacturing sector. This period was South Africa's 30th consecutive quarter of economic growth and represented the longest continuous upswing in the history of South Africa (SA economy upswing continues, 2006). After several years of sustained economic growth, the South African economy lapsed into recession for the first time since 1992, when GDP contracted by 1.8% in 2009. This economic slowdown had already started in 2008 with the weakening of domestic demand and was aggravated when the global financial crisis at that time led to a sharp decrease in exports. GDP growth was, however, expected to recover steadily in 2010 to a projected 2.4%, assisted by a recovery in global demand. A further boost to economic growth in South Africa was the 2010 FIFA soccer World Cup, hosted there during June and July 2010. Estimates also indicate that GDP growth will accelerate in 2011 to a figure of about 3.3% (South Africa Overview, 2010). Figure 6.2 is a graphic presentation of real GDP growth in South Africa for the period 2000 to 2010.

Figure 6.2



Source: Adapted from
http://stats.oecd.org/Index.aspx?DataSetCode=AEO_REAL_GDP_GROWTH_RATES

China was selected as the COO for the strong trade relations between China and South Africa. In 2008, South Africa and the People's Republic of China (PRC) commemorated ten years of diplomatic relations (About SA, 2010). According to the

Chinese ambassador to South Africa, Zhong Jianhua, the positive diplomatic ties between South Africa and China since 1998, were matched by increased economic engagement (China becomes SA's top trading partner, 2009). Over the years, China has become South Africa's biggest trading partner: in 2009 bilateral trade between South Africa and China reached a historic high of US\$16 billion, more than ten times than in 1998 when diplomatic ties were first forged. (China pledges more imports to optimise trade with South Africa, 2010).

The statistics of trade between South Africa and China (refer to Tables 6.1 and 6.2) reflect the extent of this trade. Table 6.1 provides statistics on Chinese exports to the top-ten African destinations for the years 1995, 2000 and 2005. These statistics indicate that South Africa was the top African destination for Chinese exports during 2008 and also indicate steady growth in exports from China to South Africa between 1995 and 2005 (Sandrey, 2009:4-5).

Table 6.1

Chinese exports to Africa (US\$m) and percentage changes

Country	Exports \$m 2008	Percentage change		
		1995	2000	2005
World	1 428 869	17.4%	21.8%	20.9%
Africa	50 869	23.2%	28.9%	33.4%
South Africa	8 596	20.1%	26.7%	27.0%
Nigeria	6 758	29.2%	31.0%	35.9%
Egypt	5 817	19.9%	24.7%	36.7%
Algeria	3 685	32.0%	38.2%	32.2%
Angola	2 931	37.9%	55.8%	68.7%
Morocco	2 329	23.3%	26.6%	21.9%
Benin	2 303	27.3%	22.8%	29.4%
Sudan	1 851	29.2%	30.7%	11.9%
Ghana	1 734	24.5%	34.9%	31.5%
Libya	1 623	29.9%	42.9%	50.2%

Source: Adapted from
http://www.tralac.org/cause_data/images/1694/WP07_SandreyCCS_ChinaAfrTrade_20090909.pdf

Table 6.2 provides statistics on South African trade by country for the top-ten international import destinations for the years 2006-2010. These statistics confirm that, in terms of imports to South Africa, China was South Africa's largest trading partner in 2009 and 2010, followed by Germany and The US (South Africa trade by country, 2010).

Table 6.2
South African trade by country (imports in R '000)

COUNTRY	IMPORTS (R'000)						R a n k		Annual growth
	MAY-2010	2010	2009	2008	2007	2006	2010	2009	
CHINA (CHINAS)	5 785 999	30 150 536	70 809 455	82 431 041	60 298 345	46 718 798	1	1	2.2%
GERMANY (EUROPEAN UNION)	5 485 212	28 097 074	63 256 336	82 699 571	65 620 967	57 844 240	2	2	6.6%
UNITED STATES (NAFTA)	3 253 096	15 341 742	41 583 951	59 881 568	43 155 143	35 176 906	3	3	-11.5%
JAPAN (NORTH-EAST ASIA)	2 434 328	11 915 261	26 321 616	40 590 650	36 978 079	30 261 109	4	5	8.6%
SAUDI ARABIA (MIDDLE EAST)	2 273 034	10 587 902	26 650 919	45 957 543	25 383 070	24 544 792	5	4	-4.7%
UNITED KINGDOM (EUROPEAN UNION)	1 916 301	9 372 169	21 596 728	34 771 308	27 287 819	23 099 217	6	7	4.2%
ANGOLA (SADC)	1 713 074	8 139 809	11 659 324	22 350 010	11 584 540	2 486 137	7	13	67.6%
IRAN (MIDDLE EAST)	1 261 843	7 781 531	22 109 679	27 115 964	20 802 502	18 328 963	8	6	-15.5%
INDIA (SAARC)	1 555 534	7 638 926	15 416 904	18 821 370	12 510 077	10 960 347	9	10	18.9%
FRANCE (EUROPEAN UNION)	1 535 537	7 381 676	17 022 037	20 969 090	18 963 990	16 985 694	10	8	4.1%

Source: Adapted from: <http://www.dti.gov.za/econdb/raportt/rapcoun.html>

Clothing was selected as the subject of this study, as it is also a domestically produced commodity in South Africa. In terms of the trade in clothing, significant volumes of clothing are exported from China to South Africa every year. Table 6.3 provides statistics of imports of textiles and textile articles to South Africa from China. These show continuous growth, even though South Africa imposed quotas on the importation of selected clothing lines from China (South African Trade by Sections, 2010), mainly to protect jobs in the South African clothing and textile industry (Fundira, 2007).

Table 6.3
South African imports of textiles and textile articles

Country	IMPORTS (R '000)						R a n k		Annual Growth
	MAY-2010	2010	2009	2008	2007	2006	2010	2009	2010-2009
CHINA	588 724	3 716 355	8 582 849	7 265 522	6 072 231	7 522 366	1	1	3.9%
INDIA	48 687	357 806	1 000 896	976 055	869 913	732 081	2	2	-14.2%
GERMANY	48 127	268 856	603 052	705 737	550 197	453 514	3	4	7.0%
PAKISTAN	40 619	258 512	605 444	744 474	691 372	603 563	4	3	2.5%
TAIWAN	36 589	208 432	465 798	556 908	549 287	481 664	5	5	7.4%
MAURITIUS	25 908	167 821	463 337	436 849	289 418	178 085	6	6	-13.1%
SOUTH KOREA	20 952	129 811	369 607	429 601	288 076	261 969	7	7	-15.7%
UNITED STATES	22 397	124 815	301 828	354 213	290 216	268 443	8	10	-0.8%
ITALY	25 216	124 753	272 861	388 903	365 235	342 791	9	11	9.7%
BANGLADESH	20 697	114 168	355 511	338 455	155 567	62 073	10	8	-22.9%

Source: <http://www.thedti.gov.za/econdb/raportt/rapsec11.html>

Part of the process of defining a marketing problem is to stipulate the objectives of the specific research project (Churchill, 1983:21). Research objectives stem from the problem statement and provide the researcher with specific, concrete and achievable goals (Cooper & Schindler, 2006:145).

For this study, the specific objectives were to

- measure and compare levels of consumer ethnocentrism among different racial groups in a developing country (South Africa);
- identify a number of antecedents of consumer ethnocentric tendencies in South Africa;

- quantify the impact of these antecedents on consumer ethnocentric tendencies in South Africa;
- investigate the possible impact of consumer ethnocentrism on consumer attitudes of different racial groups towards importing products into South Africa, and subsequently on their purchase intentions; and
- identify future areas of research.

6.2.2 Developing a research design

The research design is the framework for implementing a specific marketing research project and provides detail on the procedures to be followed to obtain the information for addressing the research objectives and problem statement. The purpose of this framework is to propose a study that will test the stated hypotheses, offer possible answers to the research questions and provide information that is required for decision making (Malhotra, 2004:10). Burns and Bush (2003:7-8) argue that the ultimate purpose of marketing research is to connect the consumer to the marketer by providing information that can be used in marketing decision-making.

There are two types of information available to marketing researchers, namely primary data and secondary data. Primary data are data collected to address the objectives of a specific project, while secondary or historical data are data that were previously collected for some project other than the one at hand (Zikmund, 2003:63). For this study, both secondary data (refer to chapters 2-5) and primary data (refer to Chapters 6-7) were used. Secondary data were consulted and used to assist in the development of a conceptual model, while primary data were used to investigate the specific problem.

6.2.2.1 Development of a conceptual model

In the following sections a brief discussion of the background and development of the conceptual model proposed for this study is provided.

6.2.2.1.1 Background to the development of the conceptual model

As mentioned before, Kaynak and Kara (2002:929) argue that, despite marketers' increased interest in understanding the factors that affect consumers' evaluations of foreign against domestic products, there is a dearth of investigations into the product perceptions and judgements of consumers in developing countries and newly emerging economies, Kaynak and Kara (2002:929) furthermore argue that this paucity exists even though multinational companies have expanded their operations in many developing countries, including Latin-America, Africa, the Middle East and the Asia-Pacific region and have faced significant challenges in these countries. Other researchers (e.g. Javalgi *et al.*, (2005) and Nguyen *et al.*, (2008)), concurred that consumer buying intentions should be investigated in developing countries to address this gap in the international marketing literature.

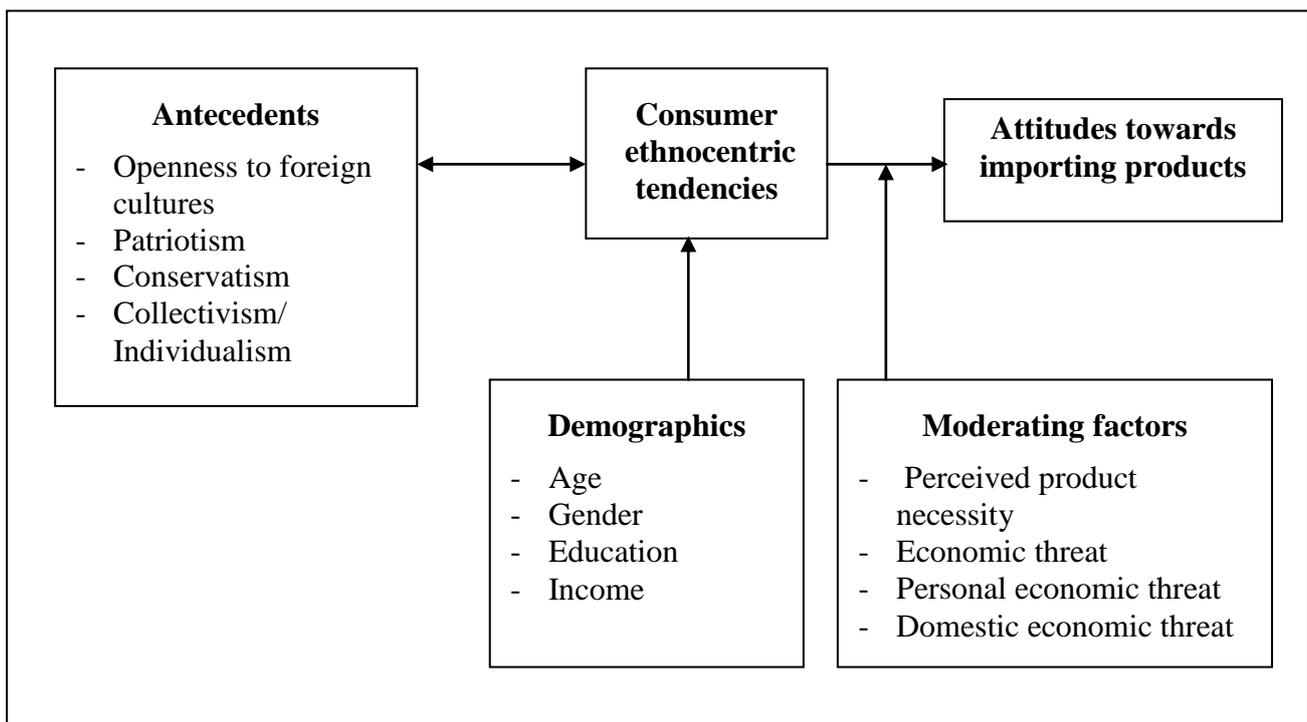
A conceptual framework, based on previous studies was developed for this empirical investigation into consumer ethnocentrism among South African consumers. How consumer ethnocentrism might influence consumer attitudes towards importing foreign products, and ultimately on their intention to purchase clothing products imported into South Africa from China were also investigated. The conceptual model developed for this study is based on investigations by Shimp and Sharma, 1987; Shimp *et al.*, 1995; Javalgi *et al.*, 2005 and Shankarmahesh, 2006.

Sharma *et al.* (1995:27) argue that consumer ethnocentric tendencies do not develop in isolation, but rather that it is shaped by a constellation of socio-psychological and demographic influences. The original model (Figure 6.3), developed by Sharma *et al.* (1995) used consumer ethnocentrism as a pivotal point and related it to four demographic variables (age, gender, education and income), as well as to four socio-psychological concepts (openness to foreign cultures, patriotism, conservatism and collectivism-individualism). In turn, consumer ethnocentrism was also depicted as a determinant of consumer attitudes towards the importation of foreign products into their domestic economies (Sharma *et al.*, 1995:27). The original model also proposed two moderating factors, namely perceived product necessity and perceived economic threats. In terms of perceived product necessity it was expected that consumer ethnocentric tendencies would have an especially marked effect on attitudes towards importing products that were perceived as relatively unnecessary. In terms of

perceived economic threats, the expectation was that consumer ethnocentrism would have a strong impact on consumer attitudes towards imported products, if consumers thought that such importation would pose a threat to their personal welfare and/or the welfare of the domestic economy (Sharma *et al.*, 1995:27).

Figure 6.3

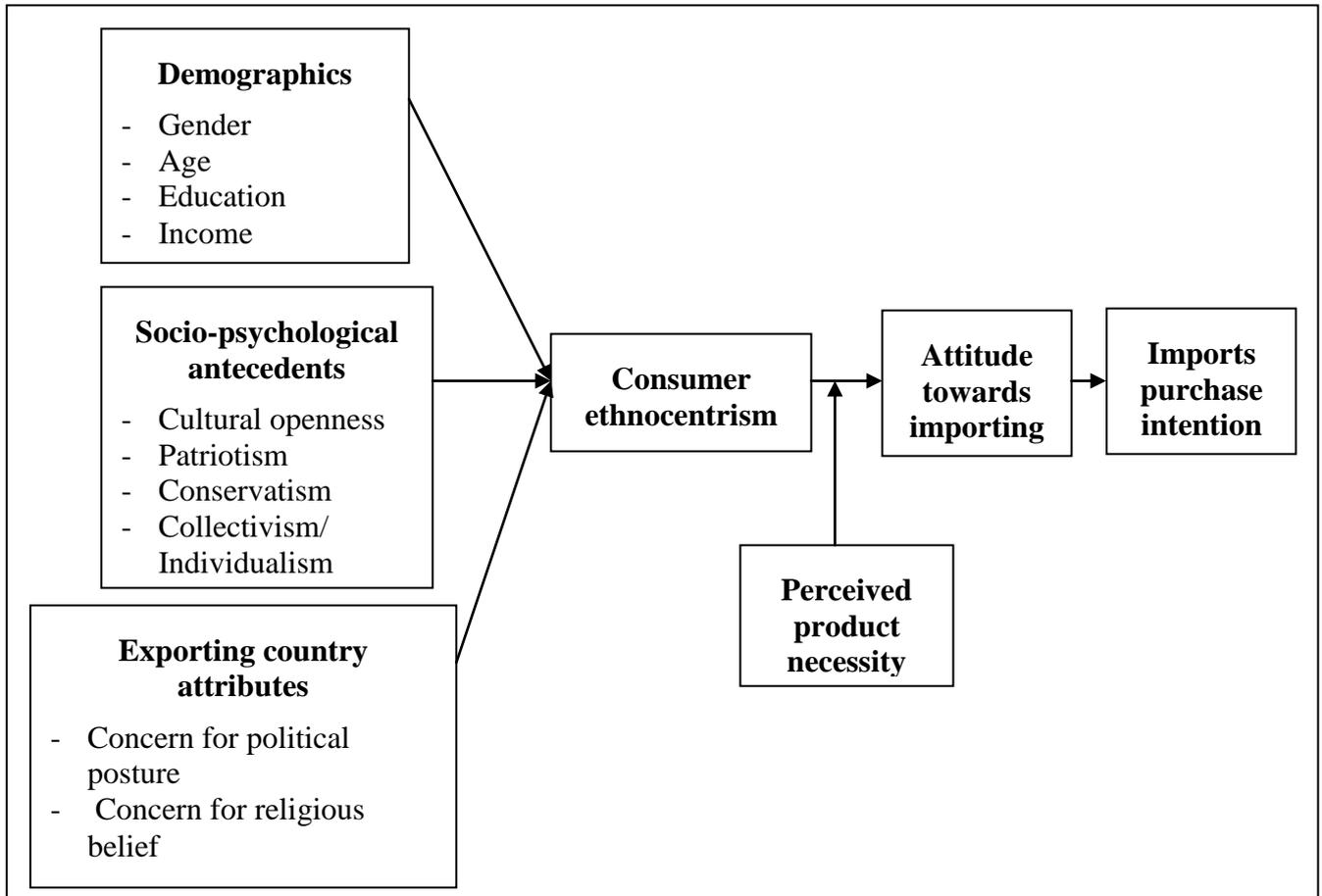
Conceptual model of Sharma *et al.*



Source: Sharma *et al.* (1995:28)

In a study based on the seminal work of Sharma *et al.* (1995), Javalgi *et al.* (2005) investigated consumer ethnocentrism in France. It investigated the causes of ethnocentrism among French consumers and also the effects of their ethnocentrism on their attitudes towards imports and consequently on their purchase intentions (Javalgi *et al.*, 2005:335). The model used by Javalgi *et al.* (2005) is illustrated in Figure 6.4, and depicts a number of antecedents to consumer ethnocentrism, the effect of consumer ethnocentrism on attitudes towards importing foreign products (moderated by product necessity), as well as the effect that these attitudes might have on purchase intentions (Javalgi *et al.*, 2005:328).

Figure 6.4
Conceptual model of Javalgi *et al.*



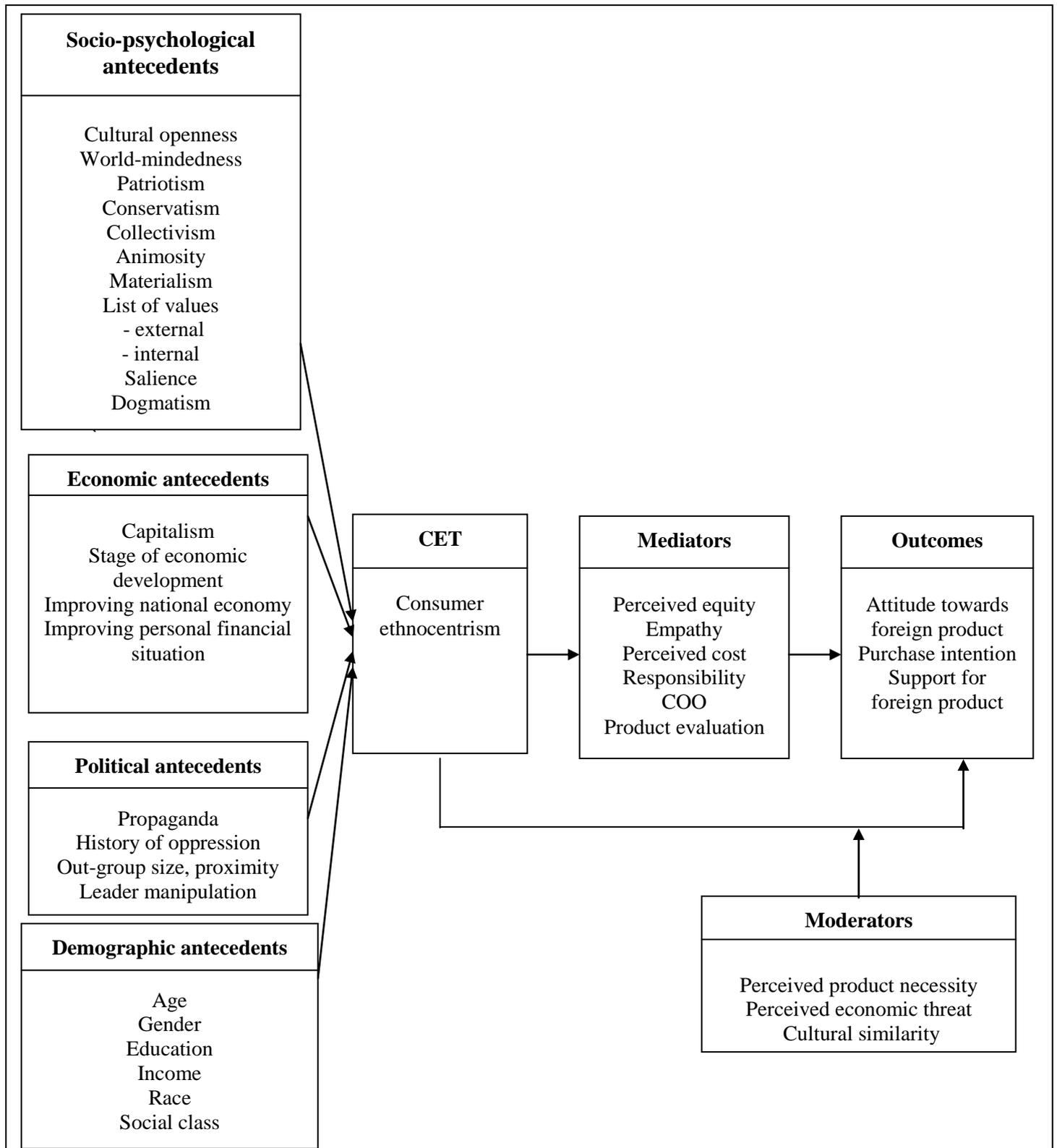
Source: Javalgi *et al.* (2005:329)

In 2006 Shankarmahesh published a paper in which he reviewed existing research for the antecedents for and consequences of consumer ethnocentrism and to provide suggestions for future research (Shankarmahesh, 2006:147). Shankarmahesh (2006:161) also provided an integrated graphic framework (refer to Figure 6.5) of consumer ethnocentrism, its antecedents and consequences as identified by previous studies in this field. From this graphic framework it is clear that four categories of antecedents of consumer ethnocentrism were identified by previous studies:

- socio-psychological,
- economic,
- political, and
- demographic.

The framework also illustrates the direct and indirect consequences of consumer ethnocentrism through a number of mediators and moderators. Shankarmahesh (2006:146) argue that the above antecedents and consequences of consumer ethnocentrism could be of use to international marketing managers when developing segmentation and target-marketing strategies.

Figure 6.5
Conceptual model of Shankarmahesh



Source: Shankarmahesh (2006:161)

6.2.2.1.2 Model proposed for this study

As mentioned previously, the conceptual model developed for this study is based mainly on the work of Shimp and Sharma 1987; Shimp *et al.* 1995; Javalgi *et al.* 2005, and Shankarmahesh, 2006. The conceptual model was developed as a guideline to investigate consumer ethnocentrism and how it could influence the attitudes of South African consumers towards importing foreign products (Chinese clothing) and ultimately the willingness of these consumers to buy imported products (Chinese clothing). A number of hypotheses to be tested in South Africa were developed from this model and previous studies.

As in the original model (refer to Figure 6.3) developed by Sharma *et al.* (1995), the concept of consumer ethnocentrism was also used as a starting point. Three sets of antecedents (based on the most recent previous studies) were selected for this study,

- socio-psychological,
- demographic and
- political antecedents.

An important and novel contribution of this study is that the hypotheses were tested on two different samples in terms of race, namely on a sample of “white” respondents and a sample of “black” respondents. The decision to include two different racial groups in the study was based on a number of reasons: firstly, the fact that South Africa is inhabited by different racial groups, secondly, because authors such as Rossiter and Chan (1998:127) have argued that ethnicity is such an important and relevant construct in business and consumer behaviour that it cannot be ignored as an area of scientific study, and thirdly (as pointed out in Chapter 5), because questions have been raised regarding inter-ethnic group differences in consumer ethnocentrism in multi-cultural nations. Empirical results of investigations by Klein and Ettenson (1999:19) and Piron (2002:206), for example, found that ethnicity is not a significant predictor of consumer ethnocentrism in developed countries, but also that this issue is, not often formally investigated in developing countries.

6.2.2.1.2.1 Socio-psychological antecedents

In terms of socio-psychological antecedents, the original model by Sharma *et al.* (1995), as well as the model proposed by Javalgi *et al.* (2005) used five variables, namely cultural openness, patriotism, conservatism, collectivism and individualism. The model developed for this study also included these five variables, and based on results from previous studies, the following hypotheses were proposed:

H _{1a}	There is a negative relationship between cultural openness and consumer ethnocentrism for white South African consumers.
H _{1b}	There is a negative relationship between cultural openness and consumer ethnocentrism for black South African consumers.
H _{2a}	There is a positive relationship between patriotism and consumer ethnocentrism for white South African consumers.
H _{2b}	There is a positive relationship between patriotism and consumer ethnocentrism for black South African consumers.
H _{3a}	There is a positive relationship between conservatism and consumer ethnocentrism for white South African consumers.
H _{3b}	There is a positive relationship between conservatism and consumer ethnocentrism for black South African consumers.
H _{4a}	There is a positive relationship between collectivism and consumer ethnocentrism for white South African consumers.
H _{4b}	There is a positive relationship between collectivism and consumer ethnocentrism for black South African consumers.
H _{5a}	There is a negative relationship between individualism and consumer ethnocentrism for white South African consumers
H _{5b}	There is a negative relationship between individualism and consumer ethnocentrism for black South African consumers.

In addition to cultural openness, patriotism, conservatism and collectivism/individualism, two other socio-psychological variables were added to this study, namely: nationalism and internationalism/worldmindedness. The reason for the inclusion of these additional variables is mainly because Sharma *et al.* (1995:35) felt that the antecedent constructs included in their study were not exhaustive, while Javalgi *et al.* (2005:340) suggested that more variables than those used in their study could be included in future models of consumer ethnocentrism.

In terms of nationalism, Kosterman and Fesbach (1989:271) made a conceptual distinction between patriotism and nationalism by pointing out that unlike patriotism, nationalism reflects a perception of national superiority and an orientation towards national dominance. Nationalism therefore encompasses the view that an individual's country is superior and that it should be dominant, implying a denigration of other nations (Balabanis *et al.*, 2001:160). Balabanis *et al.* (2001:158) argue that in order to understand how individual-level nationalism translates into economic behaviour, it should be distinguished from other related concepts such as patriotism and internationalism. For that reason, nationalism was treated as a separate variable in this study.

Based on results from previous studies, the following hypotheses were proposed:

H _{6a}	There is a positive relationship between nationalism and consumer ethnocentrism for white South African consumers.
H _{6b}	There is a positive relationship between nationalism and consumer ethnocentrism for black South African consumers.

In so far as internationalism is concerned, Balabanis *et al.* (2001:163) argue that the concept of world-mindedness is conceptually similar to that of internationalism. Consumers that are “world-minded” are those who have a “world-view” of the problems of humanity and whose primary reference group is humankind, instead of different nationalities such as Americans, Germans and Japanese (Rawwas *et al.*, 1996:22). According to Balabanis *et al.* (2001:163), little research has been conducted into the relationship between internationalism and consumer ethnocentric tendencies. It was therefore decided to include the concept of internationalism/world-mindedness in this study.

Based on results from previous studies, the following hypotheses are proposed:

H _{7a}	There is a negative relationship between internationalism and consumer ethnocentrism for white South African consumers.
H _{7b}	There is a negative relationship between internationalism and consumer ethnocentrism for black South African consumers.

6.2.2.1.2.2 Demographic antecedents

Javalgi *et al.* (2005:328) point out that the most commonly used demographic variables in previous ethnocentrism studies are age, gender, education and income. Examples of these studies include investigations by Sharma *et al.* 1995; Good and Huddleston, 1995; Nielsen and Spence, 1997; De Ruyter *et al.* 1998; Hult and Keillor, 1999; Klein and Ettenson, 1999; Kucukemiroglu, 1999; Vida and Fairhurst, 1999; Balabanis *et al.* 2001; Huddleston *et al.* 2001 and Balabanis *et al.* 2002. In line with the above, the demographic variables included in the model for this study were also age, gender, education and income.

Based on results from previous studies the following hypotheses were proposed:

H _{8a}	There is a positive relationship between age and consumer ethnocentrism for white South African consumers.
H _{8b}	There is a positive relationship between age and consumer ethnocentrism for black South African consumers.
H _{9a}	White South African women exhibit greater ethnocentric tendencies than white South African men.
H _{9b}	Black South African women exhibit greater ethnocentric tendencies than black South African men.
H _{10a}	There is a negative relationship between level of education and consumer ethnocentrism for white South African consumers.
H _{10b}	There is a negative relationship between level of education and consumer ethnocentrism for black South African consumers.

H _{11a}	There is a negative relationship between income level and consumer ethnocentrism for white South African consumers.
H _{11b}	There is a negative relationship between income level and consumer ethnocentrism for black South African consumers.

6.2.2.1.2.3 Political antecedents

Shankarmahesh (2006:164) argues that a number of political antecedents, namely political propaganda, the perceived proximity, size and power of so-called “out-groups”, leader manipulation and political history of a country, could act as antecedents of consumer ethnocentrism and suggested that these political variables be explored empirically.

In terms of the political histories of different countries, results of an investigation by Good and Huddleston (1995) into ethnocentric tendencies among Polish and Russian respondents revealed that Polish respondents were more ethnocentric than Russian respondents. Good and Huddleston (1995:45) explained these results by arguing that Poles have through the years developed strong “patriotic” emotions due to the fact that Poland has repeatedly been oppressed.

For the purpose of this study it was decided to investigate whether the political oppression that still exists in China would have an influence on the level of consumer ethnocentrism of South African consumers.

The following hypotheses relate to “history of oppression”:

H _{12a}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for white South African consumers.
H _{12b}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for black South African consumers.

6.2.2.1.2.4 Consumer ethnocentrism

Shimp and Sharma (1987:280) formulated the term “consumer ethnocentrism” as follows: “We use the term ‘consumer ethnocentrism’ to represent the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products. From the perspective of ethnocentric consumers, purchasing imported products is wrong because, in their minds, it hurts the domestic economy, causes the loss of jobs, and is plainly unpatriotic: products from other countries (i.e. out-groups) are objects of contempt to highly ethnocentric consumers. To non-ethnocentric consumers, however, foreign products are objects to be evaluated on their own merits without consideration for where they are made (or perhaps to be evaluated more favourably because they are manufactured outside the United States.”

Sharma *et al.* (1995:27) argue that consumer ethnocentrism has a number of distinct characteristics. The first is that consumer ethnocentrism results from the love and concern for an individual’s own country and the individual’s fear of losing control over his/her own economic interests as a result of the harmful effects that imported products might pose to the individual. The second characteristic is that consumer ethnocentrism reflects an individual’s intention or willingness not to purchase foreign products. For individuals that are highly ethnocentric, the purchase of foreign products is not only an economic issue, but also a moral problem. Thirdly, consumer ethnocentrism refers to a personal level of prejudice against imports. Sharma *et al.* (1995:27) furthermore argue that the consequences of consumer ethnocentricity include an overestimation of domestic products or an underestimation of imported products, a moral obligation to buy domestic products and a preference for domestic products.

According to Sharma *et al.* (1995:27) it is important to note that the concept of consumer ethnocentrism was conceptualised by Shimp and Sharma (1987) as a trait-like property of the personalities of individuals. An individual’s consumer-ethnocentric tendencies can therefore be expected to influence consumer attitudes and behaviours towards foreign products under certain circumstances, and reciprocally, towards competitive domestic products. From this point of view, ethnocentric tendencies represent an antecedent to consumer attitudes, but are not equal to

consumer attitudes. In order to measure the degree of consumer ethnocentrism of the sample of South African respondents used for this study, the 10-item CETSCALE, as developed by Shimp and Sharma (1987) was used.

6.2.2.1.2.5 Attitude towards importing

The globalisation of business has resulted in increased competition among domestic and multinational firms in foreign as well as domestic markets. Due to the increased availability of foreign brands, consumers in almost all countries of the world are facing an ever-expanding choice of purchase options. It is therefore important for marketers to develop measures that can be used to assess consumer attitudes and preferences for both domestic and foreign products (Netemeyer *et al.*, 1991:320). According to Churchill (1983: 169) attitude is one of the more important concepts in marketing literature as it is generally agreed that consumer behaviour is influenced by attitudes. Javalgi *et al.* (2005:333) also argue that consumer attitudes would not have been an important aspect for marketers if it had not been shown to influence the final step a consumer takes, namely the act of making a purchase.

For this study the attitudes of a sample of South African consumers towards importing clothing products from China were measured.

Based on results from previous studies, the following hypotheses are proposed:

H _{13a}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods for white South African consumers.
H _{13b}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods for black South African consumers.

6.2.2.1.2.6 Imports purchase intention

It was pointed out in Chapter 5 that Shankarmahesh (2006:165) noted that the primary outcome of interest for marketers is whether consumer ethnocentrism enhances the sale of domestic products as opposed to foreign products. Empirical support for a positive relationship between consumer ethnocentrism and purchase intention of domestic products have been found (Han, 1988 and Herche, 1994), while

strong statistical evidence has also been found for a direct negative link between consumer ethnocentrism and a willingness to purchase foreign products (Klein *et al.*, 1998 and Suh & Kwon, 2002).

Javalgi *et al.* (2005: 333) argue that a positive relationship between attitude and purchase behaviour has been valuable in explaining the purchase of high-involvement products in consumer ethnocentrism studies (examples include, Herche, 1994; Sharma *et al.*, 1995; Moon, 1996; Watson & Wright, 2000; Supphellen & Rittenburg, 2001 and Kaynak & Kara, 2002). According to Javalgi *et al.* (2005: 333), a positive relationship between the attitude towards importing foreign products and the intention to buy foreign products is also likely, based on findings of COO research (examples include Bilkey & Nes, 1982; Cattin *et al.*, 1982; Han & Terpstra, 1988; Darling & Arnold, 1988; Obermiller & Spangenberg, 1989; Papadopoulos, Heslop & Beracs, 1989; Tse & Gorn, 1993 and Al-Sulaiti & Baker, 1998). Javalgi *et al.* (2005: 340) propose that future research should investigate low-involvement products on which affective factors such as ethnocentrism, rather than cognitive factors such as image of the country, could have a larger influence on attitude formation. In this study, the relationship between an expected positive attitude towards clothing products from China and the decision to purchase products from that country was investigated.

Based on results from previous studies the following hypotheses are proposed:

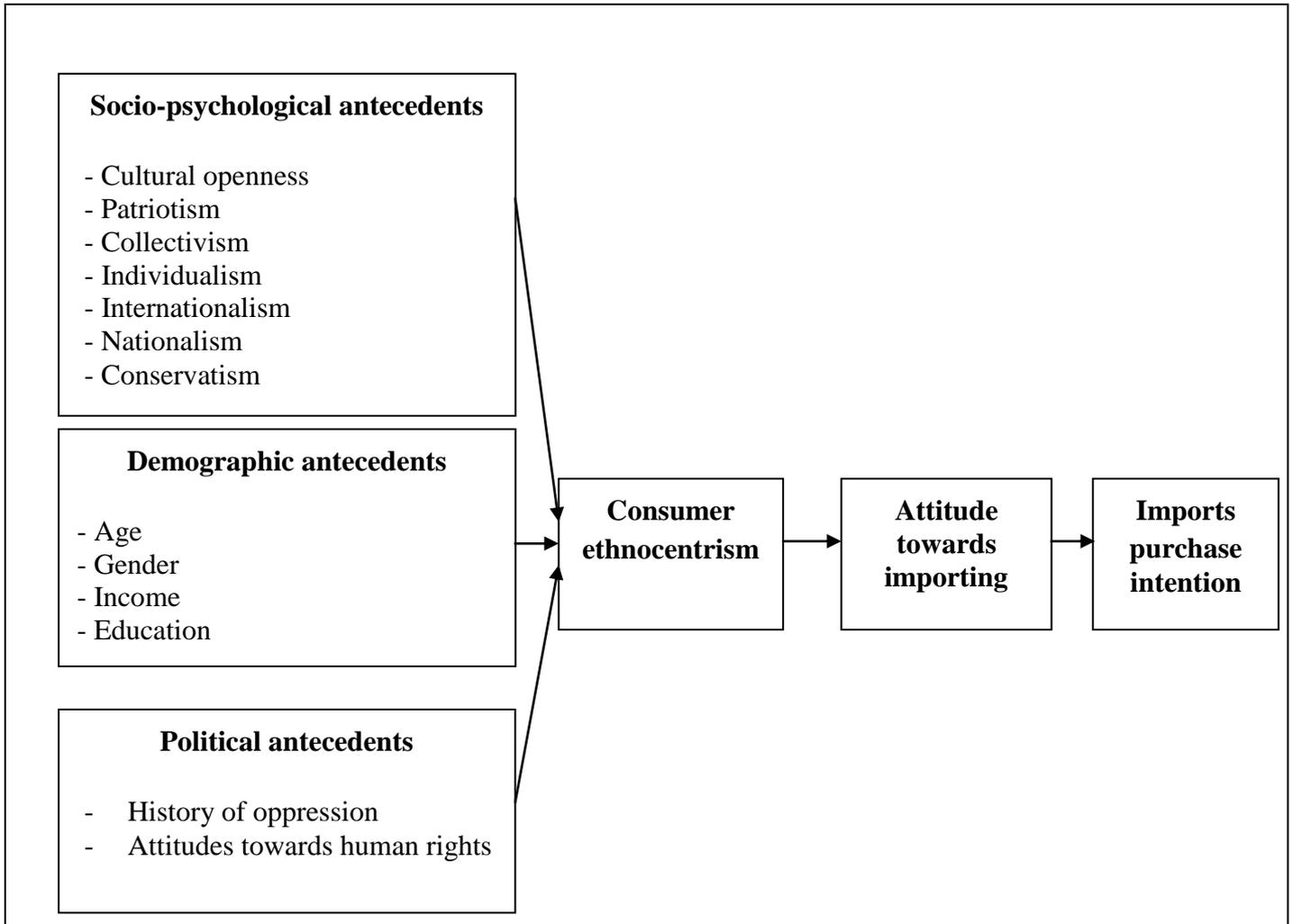
H _{14a}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for white South African consumers.
H _{14b}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for black South African consumers.

Based on previous studies and on suggestions by previous researchers, a total of fifteen variables, listed in Table 6.4, were included in the final proposed conceptual model which is illustrated in Figure 6.6.

Table 6.4
Variables of this study

Number	Variable
1.	Cultural openness
2.	Patriotism
3.	Nationalism
4.	Conservatism
5.	Collectivism
6.	Individualism
7.	Internationalism
8.	Age
9.	Gender
10.	Income
11.	Education
12.	History of oppression
13.	Consumer ethnocentrism
14.	Attitude towards importing
15.	Imports purchase intention

Figure 6.6
Conceptual model proposed for this study



6.2.3 Data collection

As the information required to solve a specific problem is not commonly found in internal or published data, the researcher often has to depend on primary data that will be collected specifically to address the stated problem (Churchill, 1983:21).

Researchers have three basic methods at their disposal to obtain primary data: surveys, experiments and observation (Burns & Bush, 2003:237). According to Zikmund (2003:65) the method chosen to obtain data depends on the research objectives, the available data sources, the urgency of the choice and the cost of

acquiring the data. For the purpose of this study, the survey research method was selected, as a readily available consumer data source was obtained; the method was also considered to be more affordable than an experiment or observation.

6.2.3.1 *The survey research method*

As noted above, the survey research method was used to investigate the phenomenon of consumer ethnocentrism and the effects of consumer ethnocentrism on attitudes towards imports and purchase intentions in South Africa. This method involves the use of a structured questionnaire where questions are asked in a prearranged order and which has been designed to obtain specific information from a number of respondents. Respondents are asked a variety of questions in terms of their behaviour, intentions, attitudes, awareness, motivations and demographic and lifestyle characteristics (Malhotra, 2004:168). According to Malhotra (2004:168), these questions can be asked verbally, in writing, or by means of a computer; the responses from respondents can also be elicited in any of these forms.

6.2.3.2 *The measuring instrument*

For the purposes of this study a structured questionnaire was developed and used as a measuring instrument. The following section will discuss the steps taken to develop and finalise the measuring instrument used for collecting primary data for this study.

6.2.3.2.1 Number of items

While developing the questionnaire it was felt to be important to remember that the number of items that could be used was limited by potential respondent fatigue and the restrictions imposed by techniques used to perform statistical analyses.

The items that were initially identified and used to measure each variable in the conceptual model are listed in Table 6.5

Table 6.5
Number of items per variable

Variable	Number of items used
Socio-psychological antecedents of consumer ethnocentrism	
Cultural openness	5
Patriotism	5
Nationalism	5
Conservatism	5
Individualism	5
Collectivism	5
Internationalism/world-mindedness	5
Demographic antecedents of consumer ethnocentrism	
Age	1
Gender	1
Education	1
Income	1
Political antecedent of consumer ethnocentrism	
History of oppression	5
Consumer ethnocentrism	10
Attitude towards importing	5
Imports purchase intention	5
Total number of items used	64

After consultation with a number of local and international senior academics and other experts in the field of consumer ethnocentrism and international marketing, an additional variable was added to the initial questionnaire. This variable and items used in measuring it are shown in Table 6.6.

Table 6.6

Additional variable and associated items

Variable	Number of items used
Political antecedent of consumer ethnocentrism (existing dimension)	
Attitude towards human rights (new)	3
Total number of items used	67

As far as the attitudes towards human rights is concerned, Diaz-Veizades, Widaman, Little and Gibbs (1995:313) indicated that, despite the long tradition of psychology in studying the way in which individuals respond to and interact with one another, there was a dearth of contemporary research that focused on human-rights attitudes. It also seems that little formal research has been conducted on the relationship between consumer ethnocentrism and attitudes to human rights. Results of a study by McFarland and Mathews (2005:380) indicate that ethnocentrism reduced respondents' commitment to human rights that were inimical to national interests. Results also showed that ethnocentrism increased respondents' willingness to restrict the human rights of groups and individuals that were seen as undesirable. McFarland and Mathews (2005:380) saw these results as consistent with the construct of ethnocentrism, as ethnocentrism naturally leads to deeper concern for the welfare of one's own nation than for global human rights.

For this study, the following hypotheses were proposed under the concept of attitudes towards human rights:

H _{15a}	There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for white South African consumers.
H _{15b}	There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for black South African consumers.

6.2.3.2.2 Source of questionnaire items

The concept of consumer ethnocentrism has been investigated in a number of studies (see Chapter 5). An analysis of these studies provided a detailed list of items used to measure the variables that were included in this study. (Refer to Annexure 1 for a detailed list of variables and items used in previous studies). After an analysis of previous studies and items used by various researchers, a final list of items was selected for the present study.

Table 6.7 provides information relevant to the origin of each item that was selected and used in the questionnaire of the present study.

Table 6.7
Origins of items used in the questionnaire*

Variable	Code	Items used*	Sources
Socio-psychological antecedents of consumer ethnocentrism			
Cultural openness	CULTOP1	I find interaction with people from other cultures interesting.	Cleveland and Laroche (2007)
	CULTOP2	Coming into contact with people of other cultures has benefited me.	Cleveland and Laroche (2007)
	CULTOP3	I like to have contact with people from different cultures.	Yoon <i>et al.</i> (1996)
	CULTOP4	I am interested in learning more about people who live in other countries.	Cleveland and Laroche (2007)
	CULTOP5	I enjoy sharing ideas with people from other cultures.	Cleveland and Laroche (2007)
Patriotism	PATRIT1	I love my country.	Kosterman and Feshbach (1989)
	PATRIT2	Patriotism is an important characteristic of a good citizen.	Levinson (In Adorno, <i>et.al.</i> 1950)
	PATRIT3	The fact that I am a South African is an important part of my identity.	Kosterman and Feshbach (1989)
	PATRIT4	I am attached to my country.	Kosterman and Feshbach (1989)
	PATRIT5	I am proud to be a South African.	Kosterman and Feshbach (1989)
Nationalism	NATION1	South Africans should honour their national heritage.	Kosterman and Feshbach (1989)
	NATION2	It is important that South Africa is successful in international sporting competitions.	Kosterman and Feshbach (1989)

Variable	Code	Items used*	Sources
	NATION3	South Africa should have the right to decide which foreigners should be accepted as citizens.	Vida, Dmitrović and Obadia (2008)
	NATION4	It is important that South Africans do their best in all their endeavours.	Kosterman and Feshbach (1989)
	NATION5	South Africa is a better country to live in than most other countries.	Self-generated item
Conservatism	CONSRV1	Pornographic literature should be prohibited from public sale.	Ray (1983)
	CONSRV2	South Africans should show respect for their country's symbols (e.g. flag and anthem).	Ray (1983)
	CONSRV3	I am attached to the traditions of the society I live in.	Altinaş and Tokol (2007)
	CONSRV4	I will do my best to make typical South African traditions continue in the future.	Self-generated item
	CONSRV5	Religion is an important part of my life.	Self-generated item
Collectivism	COLLEC1	The well-being of my co-workers/colleagues is important to me.	Singelis <i>et.al.</i> (1995)
	COLLEC2	I feel good when I cooperate with others.	Singelis <i>et.al.</i> (1995)
	COLLEC3	If those people around me are happy, I am also happy.	Singelis, et.al, (1995)
	COLLEC4	If I am successful, I like to share the benefits with others.	Self-generated item
	COLLEC5	Teamwork is important to me.	Self-generated item
Individualism	INDVID1	I do not like to rely on other people.	Chen and West (2008)
	INDVID2	I like to act independently and take matters into my own hands.	Chen and West (2008)
	INDVID3	I try to live my live independent of others as much as possible.	Chen and West (2008)
	INDVID4	I prefer to make my own decisions, rather than to follow the advice of others.	Chen and West (2008)
	INDVID5	I do not mind if my views differ from those of others.	Singelis <i>et.al.</i> (1995)
Internationalism/ world-mindedness	INTERNT1	If necessary, we ought to be willing to lower our standard of living to cooperate with other countries in getting an equal standard of living for every person in the world.	Kosterman and Feshbach (1989)
	INTERNT2	The alleviation of poverty in other countries is also our concern.	Kosterman and Feshbach (1989)
	INTERNT3	I would be willing to decrease my living standard to increase that of persons in poorer countries of the world.	Kosterman and Feshbach (1989)

Variable	Code	Items used*	Sources
	INTERNT4	We cannot ignore poor people suffering in other countries.	Self-generated item
	INTERNT5	I care about poverty in other parts of the world.	Self-generated item
Political antecedents of consumer ethnocentrism			
History of oppression	OPPR1	Chinese-made products are manufactured with slave labour.	Self-generated item
	OPPR2	China exploits people in the manufacturing of their products.	Self-generated item
	OPPR3	I am opposed to the fact that the Chinese government oppresses religious freedom.	Self-generated item
	OPPR4	I am opposed to the fact that the Chinese government tightly controls the media and Internet usage in China.	Self-generated item
	OPPR5	I am opposed to the fact that the Chinese government does not adequately protect its citizens from unsafe products.	Self-generated item
Attitude towards human rights	HUMRIG1	I am a supporter of human rights.	Self-generated item
	HUMRIG2	The human rights of people around the world should be respected.	Self-generated item
	HUMRIG3	People from all around the world should be entitled to basic human rights.	Self-generated item
Consumer ethnocentrism	ETHN1	Only those products that are unavailable in South Africa should be imported.	Shimp and Sharma (1987)
	ETHN2	We should purchase products manufactured in South Africa instead of letting other countries get rich off us.	Shimp and Sharma (1987)
	ETHN3	South African products first, last and foremost.	Shimp and Sharma (1987)
	ETHN4	South Africans should not buy foreign products, because this hurts South African business and causes unemployment.	Shimp and Sharma (1987)
	ETHN5	Purchasing foreign-made products is un-South African.	Shimp and Sharma (1987)
	ETHN6	It may cost me in the long run but I prefer to support South African products.	Shimp and Sharma (1987)
	ETHN7	It is not right to purchase foreign products, because it puts South Africans out of jobs.	Shimp and Sharma (1987)
	ETHN8	We should buy from foreign	Shimp and Sharma

Variable	Code	Items used*	Sources
		countries only those products that are unobtainable in our own country.	(1987)
	ETHN9	A real South African should always buy South African-made products.	Shimp and Sharma (1987)
	ETHN10	South African consumers who purchase products made in other countries are responsible for putting their fellow South Africans out of work.	Shimp and Sharma (1987)
Attitude towards importing		Buying clothing that was made in China is:	
	ATTIMP1	good vs bad	Shimp and Sharma (1987)
	ATTIMP2	wise vs foolish	Shimp and Sharma (1987)
	ATTIMP3	beneficial vs harmful	Shimp and Sharma (1987)
	ATTIMP4	pleasant vs unpleasant	Shimp and Sharma (1987)
	ATTIMP5	rewarding vs not rewarding	Self-generated item
Imports purchase intention	IPI1	I would never buy clothing that was made in China.	Klein <i>et al.</i> (1998)
	IPI2	I would feel guilty if I bought Chinese-made clothing.	Klein <i>et al.</i> (1998)
	IPI3	If buying clothing, I will not buy Chinese made clothing.	Klein <i>et al.</i> (1998)
	IPI4	I do not like the idea of owning clothing that was made in China.	Klein <i>et al.</i> (1998)
	IPI5	Whenever possible I will avoid buying clothing that was made in China.	Klein <i>et al.</i> (1998)
* A number of the original items have been altered by the researcher			

6.2.3.2.3 The design of the questionnaire

The final questionnaire used to collect primary data for this study contained only structured questions. Questions used in it therefore pre-specify the set of response alternatives as well as the response format (Malhotra, 2002:319).

For most of the variables identified for the study, a seven-point, multiple-item Likert scale was used, with options ranging from 1 representing “strongly disagree” to 7 representing “strongly agree.” Ordinal and nominal scales were used to collect demographic data of respondents, which included age, gender, education completed

and total gross personal income. In order to investigate respondents' likelihood and intent to buy Chinese-made clothing items, a couple of nominal, ordinal and scale questions were included in the questionnaire.

For the final version of the questionnaire, the questions were scrambled to control for order bias, which refers to the tendency of respondents to select an alternative merely because it occupies a certain position in a list (Malhotra, 2002:320). The questions used in the final questionnaire were also translated from English to Afrikaans and the questionnaire that was used contained questions in both these languages. The reasoning behind the inclusion of the questions in two languages was that it was expected to lead to a higher response rate.

6.2.3.2.4 The pilot study

Before the questionnaire was used to collect data, it was pre-tested by means of a pilot study. Zikmund (2003:739) defines a pilot study as "any small-scale exploratory research technique that uses sampling but does not apply rigorous standards". The pilot study was mainly conducted to identify and eliminate possible interpretation problems (response error) and to test the reliability of the scales used.

The sample of respondents used for this pilot study included senior academics in the fields of marketing, marketing research and consumer behaviour as well as twenty-five South African consumers with similar characteristics to the respondents that were used for the actual survey. Respondents were asked to read the questionnaire carefully before completing it and to alert the researcher to any problems such as ambiguous or awkward questions or even spelling or grammatical errors. After the pilot study was completed, the questionnaire was edited, using the feedback from respondents. Revisions included the correction of a few spelling and grammar mistakes, while the wording of a few questions was altered to increase respondent understanding.

Cronbach (1951:297) argued that any research based on a measurement must be concerned with the reliability of the measurement. Reliability refers to the degree of consistency between multiple measurements of a given variable, and is frequently measured by the degree of internal consistency, which relates to the consistency among variables in a summated scale. The rationale for internal consistency is that

individual items used for a study should all be used to measure the same construct and should therefore be highly correlated (Hair, Anderson, Tatham and Black, 1998:118). To measure the internal consistency of the measurement scales used in this study, the diagnostic measure of Cronbach's Alpha was used. According to Hair *et al.* (1998:118) the commonly accepted lower boundary for Cronbach's Alpha is 0.70, although this value may decrease to 0.60 in cases where exploratory research is conducted. It can therefore be generally assumed that values of Alpha above 0.60 will indicate a satisfactory consistency of measurement scales.

Data was captured from the completed questionnaires of the first pilot study and the statistical program SPSS used to calculate the Cronbach Alphas. An investigation of the results (refer to Table 6.8) indicated that the Cronbach Alphas were satisfactory for a number of variables, but that the Cronbach Alphas were relatively low for five of the variables tested in the questionnaire.

Table 6.8

Cronbach Alphas for first pilot study

Variable	Cronbach Alpha
Cultural openness	0.906
Patriotism	0.822
Nationalism	0.414
Conservatism	0.559
Individualism	0.587
Collectivism	0.610
Internationalism	0.659
History of oppression	0.746
Consumer ethnocentrism	0.947
Attitude towards human rights	0.803
Imports purchase intention	0.959
Attitude towards importing	0.897

The item-to-total correlations of the various items measuring the respective variables in question were consequently investigated and the results indicated that the correlations of certain items were not satisfactory. These items were either replaced with other items used in previous studies, or the wording of the questions was altered in an attempt to improve the item-to-total correlations.

After the alterations had been done, a second preliminary test was conducted (only testing the twenty-five items measuring the five variables in question). As with Pilot test 1, a sample of twenty-five South African consumers with similar characteristics to those used for the actual survey was used for Pilot study two. Data was again captured from the completed questionnaires of the second pilot study and the statistical program SPSS was used to calculate the Cronbach Alphas.

The results of Pilot test 2 indicated that reliability scores for the variables in question increased satisfactorily and these items were therefore included in the final questionnaire.

Table 6.9

Cronbach Alphas for second pilot study

Variable	Cronbach Alpha (Pilot study 1)	Cronbach Alpha (Pilot study 2)
Cultural openness	0.906	-
Patriotism	0.822	-
Nationalism	0.414	0.765
Conservatism	0.559	0.567
Individualism	0.587	0.722
Collectivism	0.610	0.739
Internationalism	0.659	0.656
History of oppression	0.746	-
Consumer ethnocentrism	0.947	-
Attitude towards human rights	0.803	-
Imports purchase intention	0.959	-
Attitude towards importing	0.897	-

The final questionnaire was also investigated by senior local and overseas academics in the fields of marketing, marketing research and consumer behaviour to ensure face validity, which refers to the subjective accord among professional people that a scale logically appears to measure accurately what is intended to be measured (Zikmund, 2003:302). Feedback from these marketing academics in terms of face validity was positive and the final questionnaire was accepted.

As a Web-based approach was used to distribute the questionnaire to a sample of respondents, the next step was to convert the approved questionnaire to an electronic format. This process was conducted by an expert in electronic surveys at Stellenbosch University. Before the Web-based approach was implemented, though, a final pilot test was conducted on the user-friendliness of the Web-based process and to ascertain whether data from completed questionnaires were correctly transferred from respondents to the Web-server of Stellenbosch University. An e-mail was sent to a sample of twenty-five South African consumers. This e-mail contained an invitation and a direct link to the Website of Stellenbosch University, where the electronic version of the questionnaire was hosted. Respondents were requested to complete the electronic questionnaire, to submit it and to contact the researcher if any problems were encountered or if any alterations were suggested. After this process was completed, a number of minor changes were made to the electronic questionnaire, based on the feedback received from the respondents who had completed the electronic questionnaire. The questionnaire was now deemed to be ready for the formal data-collection process.

6.2.4 Sampling procedure

The sample for this study comprised of a national sample of South African citizens. The respondents included in the sample were of both genders, older than 18 years and with an average income of at least R5 000 gross per month. In order to determine whether different racial groups would react differently to the concept of consumer ethnocentrism, two separate samples were used for this study: a sample of white respondents and a sample of black respondents. This study is based on the racial groups classification used by the South African national government for the

South African population, and racial groups were used as an indicator of cultural groupings. Mid-year estimates (2010) of the South African population (49,9m) show that the Black African race make up the majority of the country's population, (79.4%), followed by White people (9.1%) and therefore this study focused on these two groups (Table 1: Mid-year population estimates for South Africa by population group and sex, 2010).

In order to draw the samples of respondents, a leading South African provider of consumer data was provided with the specifications of the samples that needed to be investigated. As the collection of data was to be conducted electronically, the next step was to test the response rate of a sample of respondents in terms of the questionnaire that was used. A sample of 600 white respondents (300 male and 300 female) and a sample of 600 black respondents (300 male and 300 female) were therefore selected randomly from the database of the data provider and an invitation to complete the online questionnaire was sent to them. The following responses were recorded:

Table 6.10

Responses from the trial run per group

Group	Response out of 300	
White female	11	(3.6%)
White male	9	(3%)
Black female	5	(1.7%)
Black male	6	(2%)

Based on the results of the trial run, the number of invitations that had to be sent out for the formal data collection was calculated. As the minimum number of completed questionnaires that the researcher wanted was 500 (125 completed questionnaires per group). The number of 500 is the number of respondents demanded for statistical analyses. The number of respondents to be approached, so that the minimum of 125 respondents per group would respond, was calculated as follows:

Table 6.11**Final number of invitations per group**

Group	Number of invitations
White female	4 200
White male	5 000
Black female	9 000
Black male	7 500
Total	25 700

A total of 25 700 names were therefore randomly selected from the database of the South African provider of consumer data. These names were split up as indicated in Table 6.11.

6.2.5 Method of data collection

A Web-based approach was used to distribute the questionnaire to the sample of respondents. Each respondent received an e-mail with a covering letter providing background on the study and an invitation to complete the questionnaire. (Refer to Addendum 2 for an example of the covering letter and the questionnaire used).

Respondents were requested to click on a link that was connected to the Website of Stellenbosch University where the questionnaire was hosted. The total number of questions was divided into eight separate sheets. Respondents were requested to click on a link that connected them to the next sheet of questions on completion of each sheet. The electronic questionnaire was designed in such a way that respondents could not continue unless all questions on a specific sheet had been completed. This feature contributed to the fact that no unusable questionnaires were received and that all questionnaires received were complete.

Respondents that had not responded to the invitation to complete the questionnaire one week after the first invitation had been sent, received a reminder of the questionnaire, which resulted in the receipt of an additional number of completed

questionnaires. The winner of the R5 000 incentive was drawn randomly from the respondents.

All the data from the completed questionnaires were stored on a server of Stellenbosch University from which it were retrieved and exported to the Excel programme for further statistical analysis. The following table provides the final numbers of completed questionnaires that were received.

Table 6.12

Final number of questionnaires received from the different groups

Group	Questionnaires received
White female	170
White male	172
Black female	200
Black male	217
Total	759

6.2.6 Assessment of nonresponse bias

As previously mentioned, 759 completed questionnaires were received from the total of 25 700 invitations that were sent out. As a relatively large number of the sample did not respond to the invitation to complete a questionnaire it was important to test for nonresponse bias. Blair and Zinkhan (2006:4) argue that even if a sample was fairly drawn, nonresponse bias will occur if the failure to respond (or to be observed) is disproportionately spread across different groups of respondents. For this study, the method for estimating nonresponse bias by estimating the effects of nonresponse suggested by Armstrong and Overton (1977:396) was used. Armstrong and Overton (1977:401) suggest that the last respondents of a study could be used as a prediction for non-respondents. The assumption is that respondents who responded late would be similar to non-respondents.

To investigate nonresponse bias for this study, the data were divided into four groups (quartiles) in terms of the time of response. In quartile one, the data of the first 25 per cent of respondents was grouped, while data of the 25 per cent of respondents who responded last were grouped in quartile four.

The data in quartile one (25% of the respondents who responded first) were compared to the data in quartile four (25% of the respondents who responded last). The comparison was made in terms of the demographic variables by means of a Chi-square test.

The demographic variables (eg gender) were thus regarded as independent variables and group membership (eg quartile one) as the dependent variable. The decision rule was that if the Chi-square statistic was significant, quartiles one and four are statistically different in terms of demographic composition, suggesting that response bias may be prevalent. However, if the p-value is not significant it would suggest that non-response bias is not a concern.

The following null-hypotheses were formulated for both samples of respondents.

- H_0^1 : There is no relationship between the age category and the response category (quartiles)
- H_0^2 : There is no relationship between the income category and the response category (quartiles)
- H_0^3 : There is no relationship between the education category and the response category (quartiles)
- H_0^4 : There is no relationship between the gender category and the response category (quartiles)

Results of the Chi-square test for both samples of respondents are shown in Tables 6.13 and 6.14.

Table 6.13**Assessment of nonresponse – white sub-sample**

Dependent variable	Chi-square	df	Significance (p-value)
Age	10.22	6	0.115 ($p > 0.05$)
Income*	4.22	3	0.238 ($p > 0.05$)
Education	9.46	6	0.149 ($p > 0.05$)
Gender	11.36	3	0.010 ($p < 0.05$)

Table 6.14**Assessment of nonresponse – black sub-sample**

Dependent variable	Chi-square	df	Significance (p-value)
Age	2.53	6	0.864 ($p > 0.05$)
Income*	7.17	3	0.066 ($p > 0.05$)
Education	7.03	6	0.318 ($p > 0.05$)
Gender	28.40	3	0.000 ($p < 0.05$)

* For the income variable, the income categories were collapsed into two categories as there were not sufficient observations in all four income categories to make meaningful conclusions.

From the results it is clear that Hypotheses H_0^1 to H_0^3 were supported for both sub-samples. It therefore seems that for the demographic variables age, income and education, the results in quartiles one and four did not differ substantially, suggesting that nonresponse bias is not a problem in this study.

In terms of the demographic variable gender, the results indicated that Hypothesis H_0^4 was rejected for both samples of respondents. It therefore seems that in terms of quartiles one and four there were noticeable differences. Closer analysis of the data indicates that for the white sample there were much more male respondents than females in quartile one and many more female respondents than males in quartile

three. For the sample of black respondents there were much more male respondents than females in quartile one, while there were substantially more female respondents than males in quartile two. These differences probably resulted in the high Chi-square values. However, these deviations are regarded as relatively minor and not sufficient to alter the conclusion that non-response bias did not play a major role in the study.

6.2.7 Data analysis

The following section provides an overview of the statistical techniques used in this study.

6.2.7.1 Statistical techniques

According to Zikmund (2003:300), there are three major criteria that can be used to evaluate measurements: reliability, validity and sensitivity. The concepts of reliability, validity and sensitivity will be discussed below, after which the techniques used for the empirical assessment of the conceptual model (Figure 6.6) proposed for this study will be listed.

6.2.7.2 Reliability of the questionnaire

As mentioned previously, reliability refers to an assessment of the degree of consistency between multiple measurements of a given variable (Hair *et al.*, 1998:117). Hair *et al.* (1998:118) argue that the commonly agreed-upon lower boundary for Cronbach's Alpha is 0.70, although this value may decrease to 0.60 in cases where exploratory research is conducted. Additional analyses were also conducted to assess the influence of low-correlated questions on total Cronbach Alpha coefficients. This approach was used in an effort to improve total Cronbach Alpha coefficients by identifying and removing questions that were unsatisfactorily correlated with the other questions measuring a variable.

The results of the reliability measurement are discussed in Chapter 7 (section 7.3).

6.2.7.3 Validity of the questionnaire

In order to confirm that the research instrument (questionnaire) actually measured what it intended to measure, the validity of the research instrument had to be assessed. According to Zikmund (2003:302) there are three basic approaches that can be used to deal with the evaluation of validity: content (face) validity, criterion validity and construct validity.

Content validity is the subjective agreement among professionals that a scale logically appears to measure accurately that which is intended to be measured. When it becomes evident to experts that a measure provides adequate coverage of a concept, the measure is believed to have face validity (Zikmund, 2003:302).

Criterion validity examines the extent to which a measurement scale performs as expected, compared with other variables selected as meaningful criteria (criterion variables). These criterion variables may include demographic and psychographic characteristics, attitudinal and behavioural measures, or scores taken from other scales (Malhotra, 2004:269).

For the present study, a questionnaire based on a literature review that denotes relationships and associations among the different constructs investigated, was used. If relationships in a hypothesised model could be confirmed, it would be considered as evidence of the existence of content and criterion validity.

A third type of validity, namely construct validity deals with the question of what a specific measuring instrument is actually measuring (Churchill, 1983:292). When construct validity is assessed, the researcher tries to answer theoretical questions about why a specific scale works and what inferences can be made in terms of the underlying theory (Malhotra, 2004:269). When assessing construct validity it is important for the researcher to have established the meaningfulness of the measure by means of convergent and discriminant validity (Zikmund, 2003:303). Convergent validity is the extent to which a scale correlates positively with other measures of the same construct, while discriminant validity refers to the extent to which a certain measure does not correlate with other constructs from which it is supposed to differ (Malhotra, 2004:269). Zikmund (2003:304) argues that a measure has discriminant validity when it demonstrates a low correlation with measures of disparate concepts.

By focusing on discriminant validity in the present study, the intention was to employ questionnaire items that would discriminate sufficiently between the different constructs investigated in this study. The discriminant validity of the measuring instrument used in this study was assessed by means of an exploratory factor analysis (EFA). An EFA is employed to condense a number of variables to a manageable number that belong together and display overlapping measurement characteristics (Cooper and Schindler, 2003:635). More detail will be provided in Chapter 7.

6.2.7.4 Influence of demographic variables

To measure the influence of the demographic variables income, age and education on consumer ethnocentrism a multiple-regression analysis was used. This type of analysis is a concurrent investigation into the effects of two or more independent variables on a single interval-scale or ratio-scaled dependent variable (Zikmund, 2003:576). To determine whether there was any difference in the level of ethnocentric tendencies between South African women and men, a *t*-test was used. According to Hair, et.al, (1998:330), the *t*-test measures the statistical significance of the difference between two sample means for a single dependent variable.

6.2.7.5 Structural equation modelling (SEM)

For the final analysis of this study, the SEM technique was used to assess the hypothesised relationships in the proposed theoretical model. SEM is a multivariate technique that examines a series of dependence relationships concurrently (Hair *et al.*, 1998:578).

According to Byrne (2010:3), there are several aspects that set SEM apart from multivariate procedures that have been used in earlier days. The first aspect is that SEM takes a confirmatory rather than an exploratory approach to data analysis. Secondly, whereas more traditional multivariate procedures are not capable of either assessing or correcting for measurement error, SEM is able to present explicit estimates of these error variance parameters. Thirdly, by using SEM, researchers are able not only to base their data analysis on observed measurements alone, but to incorporate both unobserved (i.e. latent), and observed variables. Finally, there are currently no widely and easily applied alternative methods for modeling multivariate

relations, or to estimate point and/or interval indirect effects. These important benefits can be utilised by using SEM (Byrne, 2010:3-4).

Hair, Black, Babin and Anderson (2010:653) argue that SEM has become a popular multivariate approach, as it presents researchers with a conceptually attractive way to test theory. If a researcher is able to express a given theory in terms of relationships among measured variables and latent constructs (variables), then SEM can be used to measure how well the theory fits the reality represented by the collected data (Hair *et.al.*, 2010:653-654).

To explain the functionality of SEM, Hair *et al.* (2010:654-677) proposed a six-stage decision process. The first step of this process is to define the constructs (or variables) to be included in a theoretical (conceptual) model.

Step 1: Defining individual constructs

In order to obtain useful results from SEM, it is important that the researcher conducts a thorough literature review. From this literature review a number of constructs are identified and a theoretical definition for each construct is provided. Next, the researcher is to operationalise each construct by selecting measurement scale items as well as scale types. The definitions and scale items that are ultimately selected can be derived from previous research studies, or can be developed by the researcher for the specific study (Hair *et al.*, 2010:655).

In a previous section of this chapter as well as in chapter 5, discussions were provided of the constructs that previous studies have found to have an influence on consumer ethnocentrism and the possible relationship amongst these constructs and the constructs of attitude towards imported products and eventually on the intention to buy imported products (dependent variable).

The variables that were identified for this study are listed in Table 6.4. In Table 6.7 the origins of the scale items that were used in this study are provided.

Step 2: Developing and specifying the measurement model

After the scale items have been specified, the researcher must proceed to specify the measurement model to be used for the study. The researcher has to identify each

latent construct to be included in the model, while the measured indicator variables (items) are also allocated to latent constructs (Hair *et al.*, 2010:656).

Specification of the measurement model can be a relatively simple process, but according to Hair *et al.* (2010:656) it is important that the following questions are answered at this stage:

- Can the validity and unidimensionality of each of the constructs be empirically supported?
- How many indicators should be used for each of the constructs?
- Should the measures be considered as describing the construct or as explaining the construct?

Step 3: Designing a study to generate empirical results

After the basic theoretical model has been specified in terms of constructs and measured variables (indicators), the researcher must address issues relating to research design and estimation. In terms of research design, issues such as the type of data to be analysed (co-variances or correlations), the impact and solutions for missing data and the impact of the size of the sample need to be considered (Hair *et al.*, 2010:657-658).

Hair *et al.*, (2010:658) proposed using co-variances as much as possible, as co-variance matrices offer the researcher more flexibility, thanks to their relatively larger information content. As far as sample size is concerned, it is important to note that SEM requires a relatively large sample size, compared to other multivariate techniques, as some of the statistical algorithms employed by SEM programs are unreliable when smaller samples are used. Proposed guidelines for selecting the required sample size differ with the analysis procedures and characteristics of the model. In other words, the larger or more complex the model to be tested, the larger the sample size ought to be.

As far as model estimation is concerned, the structure of the model, various estimation techniques and computer software to be used need to be considered. A critical aspect in developing a SEM analysis is to ascertain and transfer the theoretical model structure to the program that will be used. Once the researcher has

specified the theoretical model, the estimation method to be used must be selected. Hair *et al.* (2010:663) note that a number of alternative estimation techniques are available to researchers, but that the maximum-likelihood estimation technique is the most widely used approach. Maximum-likelihood estimation is a flexible approach to parameter estimation whereby the “most likely” parameter values to achieve the best model fit are identified. In terms of computer programs, there are a number of readily available statistical computer programs to perform SEM. These programs include EQS, AMOS, Mplus and CALIS. The most widely-used computer program to perform SEM is Linear Structural Relations (LISREL), a flexible program that can be applied in various situations (i.e. cross-sectional, experimental, and longitudinal studies). For this study, LISREL version 8.80 was used to conduct the data analysis, mainly because of the flexibility that the program offers.

Step 4: Assessing the validity of the measurement model

Once the measurement model has been specified, sufficient data have been collected, and other important decisions such as the estimation technique to be used have been made, the researcher must ascertain whether the measurement model is valid. Measurement model validity depends on two important aspects, namely goodness-of-fit considerations and construct validity. Goodness-of-fit is used to compare theory to reality by assessing the similarity of the estimated covariance matrix (the theory) to the observed covariance matrix (the reality). The closer the values between the observed covariance matrix and the estimated covariance matrix, the better the model fit (Hair *et al.*, 2010:665).

An essential instrument to measure the differences between the observed and the estimated covariance matrixes is the Chi-square test. According to Hair *et al.* (2010:666), researchers using structural equation modeling will prefer a relatively small Chi-square value, as this statistic will provide support for a model that fits the data well. The root mean square error of approximation (RMSEA), and goodness-of-fit index were used in this study to measure model fit. The GFI index is an early attempt to produce a fit statistic that is not sensitive to the sample size used, while the RMSEA is a measure that represents how well a model fits a population and not just a sample that is used for estimation (Hair *et al.*, 2010:667).

Step 5: Specifying the structural model

In stage two of the decision-making process, the measurement model was specified. In stage five, the structural model for the specific study is specified by assigning relationships from one construct to the other, based on the literature. The intention is to establish what dependence relationships exist among the different constructs. The final result of this stage is that a structural model is created that not only illustrates the complete set of constructs and indicators in the measurement model, but also indicates the structural relationships among the different constructs. At this stage the structural model that has been created is ready for empirical assessment (Hair *et al.*, 2010:673-675).

Step 6: Assessing structural model validity

The final step in the decision-making process is testing the validity of the structural model. As with the measurement of validity of the measurement model (step 4), the observed data is still represented by the observed sample covariance matrix. In assessing the validity of the structural model, however, a new SEM estimated covariance matrix is calculated. As with the measurement model, the overall fit of the structural model can also be computed by using the Chi-square statistic. It is generally assumed that the closer the structural model goodness-of-fit to that of the measurement model, the better the structural model fit will be (Hair *et al.*, 2010:675).

6.3 SUMMARY AND IMPLICATIONS FOR THIS STUDY

In this chapter the design and the basic methodology followed during the empirical analysis stage of this study were discussed. The methodology followed was in essence described in terms of the marketing research process. Reference was made to the research problem to be investigated, objectives were proposed and the development of the conceptual model proposed for the study was addressed. Furthermore the hypotheses proposed for the study were discussed, while attention was also paid to the process of collecting the primary data that were used in this study. Issues such as the development and testing of the measuring instrument, the physical collection of the data and the statistical techniques that were used in this study were addressed. In the following chapter feedback is provided on the empirical findings of this study.

CHAPTER 7

EMPIRICAL FINDINGS

7.1 INTRODUCTION

The primary objective of this study is to investigate consumer ethnocentrism in a developing country (South Africa). Another important objective is to determine whether the perceptions of a sample of white South African respondents concerning consumer ethnocentrism and other variables would differ from those of a sample of black South African respondents.

The empirical findings of this study will be discussed in this chapter, which begins with an explanation of the invariance test that was applied to assess whether the parameters of the observed model would be invariant (similar) for the samples of both black and white respondents. Based on the result, the decision was made to treat the white and black respondents as two separate sub-samples. This section is followed by a discussion on the validation and reliability of the measuring instrument used. Next a summary of the exploratory factor analysis that was conducted to identify unique factors evident in the data of the study is provided. This section is followed by a review of the Structural Equation Modelling technique used for an empirical investigation of the theoretical relationships depicted in the theoretical model. These analyses were conducted separately for the groups of white and black respondents used.

The result of this entire process was the formulation of revised models for samples of both black and white consumers, based on the empirical findings. These models are provided and discussed at the end of the chapter.

7.2 TEST OF INVARIANCE

One of the objectives of this study was to investigate whether the parameters of the measurement model developed for this study would be invariant (similar) for both the samples of black and white respondents, so an invariance test was conducted. The assessment of invariance can be done on both a structural model as well as on a

measurement model (also referred to as measurement invariance or factorial invariance). The weakest form of invariance testing is configural invariance, as minimal constraints are placed on the model. The conclusion of configural invariance can be reached if the structure of a model is the same in both (all) groups, although the parameters of the model may differ. In the proposed model, all the parameters were set to be free (not expected to be equal). As the proposed measurement models for both the groups of white and black respondents were the same for this study, invariance testing was conducted to confirm whether the parameters would differ between the two groups as expected. The null-hypothesis therefore was:

H_0 : The proposed model is configurally invariant across the groups of black and white respondents

The null-hypothesis implies that the model is the same in both groups. To accept (not reject) the null hypothesis, namely that the structure is the same (invariant) in both groups, the resultant p-value must be large ($p > 0.05$). If the p-value is smaller than 0.05 the null-hypothesis of invariance should be rejected. In other words, the structure of the model is not the same in both groups and parameters are different for the two groups. The results of the invariance test are reported in Table 7.1.

Table 7.1

Results of the invariance test

Measurement	Index
Degrees of freedom	3080
Root mean square error of approximation (RMSEA)	0.065
χ^2	8037.03
P	0.000

The results indicate that the p value (0.000) is smaller than 0.05, so the null-hypothesis that the proposed model is configurally invariant across the groups of black and white respondents is rejected. The model is therefore not invariant, which suggests that the structure of the model differs and that the parameters are different for the two sub-samples used in this study. The results confirmed the fact that the two

sub-samples could be treated as two separate sub-samples for the remainder of the study.

7.3 VALIDITY OF THE MEASURING INSTRUMENT

An important step of the data-analysis process involved the assessment of the validity of the measuring instrument used. Initially, the focal point was to assess the discriminant validity of the measuring instrument. The reason for this focus on discriminant validity was that the measuring instrument was developed from a literature review that indicated associations amongst different variables. By focusing on discriminant validity, the intention was to employ questionnaire items that would discriminate sufficiently between the different variables measured in this study. The discriminant validity of the measuring instrument used in this study was assessed by means of an exploratory factor analysis (EFA).

The computer program SPSS (18) was used to perform the exploratory factor analysis to specifically identify possible commonalities and extracting factors from the data. The process was started by selecting the items used to measure the different variables investigated in this study. The Principal Axis factoring method was used as the method of factor extraction, while the Oblimin with Kaiser Normalization method of rotation was selected. Initially no restriction on the number of factors was specified, but items were excluded from the exploratory factor analysis if the loading on any factor was less than 0.40. The Principal Axis factoring method was used because moderate violation of multivariate normality was present. The Oblimin with Kaiser Normalization method of rotation was applied because the factors were expected to be correlated (Costello & Osborne, 2005).

The process was firstly followed for the data from the sample of white respondents and was then repeated for the data from the sample of black respondents.

7.3.1 Results for the sample of white respondents:

The following results were obtained for the sample of white respondents:

Table 7.2

Results of the exploratory factor analysis for the white sample

Item	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10
ETHN1	0.796	0.008	0.062	0.107	0.002	0.044	0.001	0.060	0.142	0.013
ETHN8	0.791	0.020	0.012	0.105	0.050	0.011	0.010	0.020	0.004	0.018
ETHN2	0.745	0.002	0.034	0.057	0.023	0.006	0.041	0.021	0.050	0.117
ETHN4	0.716	0.047	0.006	0.062	0.023	0.029	0.012	0.027	0.242	0.030
ETHN9	0.665	0.012	0.184	0.079	0.032	0.019	0.010	0.041	0.133	0.030
ETHN3	0.655	0.028	0.095	0.017	0.018	0.086	0.094	0.041	0.085	0.067
ETHN5	0.643	0.078	0.052	0.070	0.028	0.043	0.015	0.037	0.226	0.034
ETHN7	0.610	0.041	0.022	0.058	0.024	0.074	0.034	0.020	0.252	0.024
ETHN6	0.529	0.014	0.137	0.164	0.048	0.061	0.025	0.053	0.026	0.081
ETHN10	0.529	0.041	0.164	0.023	0.008	0.046	0.068	0.022	0.294	0.038
CULTOP3	0.008	0.896	0.060	0.002	0.048	0.021	0.017	0.068	0.004	0.022
CULTOP5	0.075	0.843	0.050	0.005	0.084	0.039	0.023	0.062	0.001	0.033
CULTOP2	0.077	0.761	0.056	0.028	0.087	0.002	0.070	0.063	0.040	0.016
CULTOP1	0.003	0.753	0.005	0.055	0.011	0.098	0.082	0.025	0.039	0.037
CULTOP4	0.014	0.591	0.064	0.028	0.090	0.122	0.109	0.009	0.019	0.051
CONSRV2	0.076	0.047	0.816	0.112	0.020	0.025	0.056	0.003	0.084	0.023
NATION4	0.023	0.077	0.759	0.023	0.050	0.040	0.040	0.049	0.026	0.174
NATION1	0.024	0.014	0.668	0.047	0.005	0.078	0.019	0.137	0.004	0.061
PATRIT2	0.072	0.008	0.618	0.045	0.026	0.059	0.037	0.121	0.148	0.060
CONSRV4	0.177	0.051	0.554	0.054	0.152	0.022	0.007	0.109	0.018	0.007
NATION2	0.061	0.032	0.523	0.046	0.157	0.071	0.010	0.073	0.012	0.071
ATTIMP5	0.030	0.003	0.002	0.819	0.050	0.005	0.000	0.048	0.040	0.028
ATTIMP4	0.061	0.007	0.039	0.801	0.022	0.055	0.024	0.015	0.124	0.046
ATTIMP2	0.062	0.011	0.029	0.799	0.034	0.073	0.039	0.008	0.061	0.090

Item	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10
ATTIMP3	0.181	0.013	0.009	0.737	0.029	0.032	0.029	0.044	0.043	0.054
ATTIMP1	0.032	0.026	0.000	0.721	0.006	0.034	0.050	0.019	0.215	0.003
HUMRIG2	0.032	0.005	0.067	0.016	0.849	0.018	0.043	0.028	0.004	0.058
HUMRIG3	0.017	0.083	0.018	0.016	0.782	0.018	0.075	0.026	0.003	0.076
HUMRIG1	0.035	0.019	0.000	0.011	0.678	0.043	0.056	0.044	0.059	0.023
INDVID3	0.165	0.028	0.057	0.017	0.053	0.628	0.017	0.011	0.035	0.060
INDVID2	0.089	0.015	0.012	0.044	0.019	0.589	0.055	0.012	0.006	0.082
INDVID4	0.031	0.051	0.030	0.071	0.048	0.542	0.080	0.002	0.023	0.060
INTERNT2	0.084	0.133	0.012	0.124	0.096	0.064	0.691	0.078	0.010	0.054
INTERNT3	0.165	0.114	0.030	0.005	0.105	0.037	0.618	0.001	0.027	0.056
INTERNT4	0.108	0.090	0.126	0.017	0.161	0.069	0.594	0.096	0.164	0.155
INTERNT5	0.096	0.100	0.018	0.050	0.285	0.117	0.593	0.001	0.009	0.098
INTERNT1	0.006	0.063	0.002	0.058	0.048	0.025	0.486	0.023	0.114	0.033
PATRIT5	0.010	0.037	0.001	0.025	0.084	0.078	0.024	0.848	0.020	0.011
PATRIT1	0.016	0.049	0.079	0.066	0.030	0.048	0.004	0.731	0.028	0.099
NATION5	0.040	0.040	0.036	0.057	0.054	0.030	0.029	0.642	0.024	0.100
PATRIT3	0.082	0.110	0.253	0.003	0.109	0.053	0.046	0.532	0.053	0.024
PATRIT4	0.021	0.107	0.247	0.058	0.009	0.058	0.087	0.503	0.019	0.134
IPI3	0.045	0.040	0.039	0.150	0.010	0.012	0.001	0.116	0.748	0.059
IPI2	0.102	0.029	0.094	0.103	0.053	0.021	0.011	0.038	0.714	0.011
IPI4	0.086	0.034	0.097	0.210	0.008	0.051	0.011	0.056	0.702	0.102
IPI5	0.133	0.009	0.022	0.256	0.057	0.002	0.077	0.023	0.599	0.041
IPI1	0.128	0.068	0.052	0.125	0.046	0.021	0.034	0.011	0.567	0.017
OPPR4	0.023	0.067	0.010	0.007	0.062	0.016	0.019	0.051	0.039	0.697
OPPR3	0.078	0.033	0.029	0.057	0.007	0.006	0.012	0.099	0.034	0.615
OPPR5	0.076	0.043	0.021	0.160	0.111	0.000	0.103	0.062	0.016	0.530

Table 7.2 shows that a total of 50 variables were grouped into a total of 10 factors for the white sample. For this study, 0.40 was regarded as a significant loading. It is evident from Table 7.2 that all the items loaded significantly (>0.40) on only one factor, providing evidence of discriminant validity.

7.3.2 Results for the sample of black respondents:

For the sample of black respondents, the following results were obtained:

Table 7.3

Results of the exploratory factor analysis for the black sample

Item	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10
ETHN4	0.655	0.030	0.042	0.013	0.072	0.185	0.126	0.144	0.019	0.001
ETHN9	0.647	0.044	0.136	0.046	0.149	0.015	0.117	0.081	0.072	0.008
ETHN8	0.633	0.019	0.016	0.054	0.075	0.059	0.029	0.189	0.025	0.050
ETHN10	0.596	0.090	0.235	0.055	0.065	0.000	0.118	0.163	0.005	0.077
ETHN3	0.540	0.195	0.012	0.051	0.135	0.056	0.035	0.034	0.040	0.119
ETHN1	0.523	0.124	0.049	0.074	0.024	0.097	0.175	0.211	0.035	0.237
ETHN2	0.498	0.361	0.038	0.017	0.107	0.103	0.021	0.108	0.075	0.079
ETHN7	0.486	0.018	0.230	0.045	0.108	0.162	0.086	0.202	0.042	0.072
ETHN5	0.459	0.081	0.119	0.044	0.037	0.040	0.191	0.241	0.017	0.173
ETHN6	0.441	0.097	0.112	0.025	0.162	0.090	0.002	0.220	0.112	0.115
PATRIT1	0.035	0.751	0.022	0.029	0.206	0.026	0.015	0.027	0.042	0.048
NATION1	0.057	0.671	0.013	0.008	0.185	0.049	0.021	0.023	0.116	0.057
HUMRIG1	0.123	0.665	0.037	0.083	0.079	0.030	0.071	0.116	0.149	0.026
NATION2	0.010	0.566	0.045	0.007	0.079	0.075	0.064	0.024	0.130	0.009
CONSRV2	0.042	0.532	0.016	0.049	0.226	0.003	0.163	0.019	0.053	0.067
HUMRIG2	0.065	0.508	0.006	0.049	0.034	0.091	0.188	0.212	0.122	0.061
PATRIT2	0.050	0.439	0.058	0.028	0.211	0.158	0.204	0.165	0.125	0.031
ATTIMP4	0.015	0.003	0.881	0.014	0.030	0.019	0.042	0.035	0.013	0.054
ATTIMP2	0.006	0.013	0.872	0.008	0.014	0.034	0.006	0.041	0.019	0.009
ATTIMP3	0.038	0.001	0.866	0.019	0.002	0.006	0.003	0.019	0.013	0.009
ATTIMP5	0.017	0.036	0.836	0.015	0.006	0.060	0.045	0.015	0.050	0.020
ATTIMP1	0.013	0.023	0.823	0.030	0.025	0.034	0.001	0.003	0.004	0.066
INTERNT3	0.113	0.160	0.023	0.669	0.022	0.079	0.006	0.099	0.066	0.025
INTERNT2	0.107	0.181	0.008	0.604	0.078	0.067	0.090	0.040	0.000	0.082

Item	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10
INTERNT1	0.001	0.019	0.025	0.558	0.008	0.085	0.084	0.070	0.007	0.121
INTERNT4	0.014	0.032	0.041	0.476	0.009	0.120	0.002	0.277	0.072	0.051
PATRIT4	0.037	0.082	0.029	0.014	0.734	0.110	0.023	0.082	0.118	0.007
CONSRV4	0.016	0.027	0.048	0.041	0.726	0.057	0.008	0.066	0.040	0.040
CONSRV3	0.075	0.047	0.040	0.077	0.562	0.024	0.009	0.164	0.037	0.072
PATRIT5	0.043	0.226	0.071	0.026	0.507	0.037	0.105	0.233	0.095	0.097
NATION5	0.041	0.089	0.029	0.012	0.470	0.013	0.115	0.040	0.015	0.019
NATION4	0.068	0.148	0.008	0.135	0.458	0.152	0.021	0.303	0.101	0.003
OPPR4	0.070	0.025	0.039	0.045	0.046	0.748	0.061	0.088	0.013	0.001
OPPR3	0.108	0.015	0.009	0.048	0.060	0.614	0.064	0.072	0.041	0.083
OPPR5	0.053	0.015	0.084	0.068	0.012	0.586	0.043	0.026	0.005	0.019
OPPR2	0.126	0.076	0.072	0.045	0.010	0.403	0.055	0.022	0.087	0.197
INDVID3	0.111	0.052	0.030	0.070	0.092	0.050	0.572	0.057	0.019	0.024
INDVID4	0.029	0.050	0.053	0.125	0.004	0.084	0.486	0.020	0.034	0.003
INDVID2	0.077	0.200	0.072	0.045	0.009	0.049	0.403	0.068	0.032	0.126
HUMRIG3	0.016	0.169	0.014	0.033	0.235	0.169	0.109	0.490	0.138	0.063
CULTOP3	0.056	0.077	0.056	0.074	0.036	0.012	0.005	0.031	0.786	0.024
CULTOP2	0.068	0.111	0.059	0.009	0.032	0.004	0.060	0.193	0.744	0.066
CULTOP5	0.007	0.101	0.004	0.098	0.078	0.034	0.076	0.292	0.604	0.059
CULTOP4	0.006	0.185	0.039	0.097	0.208	0.118	0.032	0.253	0.503	0.081
CULTOP1	0.006	0.348	0.043	0.006	0.067	0.056	0.114	0.059	0.490	0.148
IPI1	0.012	0.026	0.050	0.019	0.001	0.051	0.011	0.075	0.038	0.750
IPI3	0.033	0.134	0.189	0.030	0.080	0.078	0.094	0.080	0.049	0.678
IPI2	0.101	0.082	0.176	0.022	0.048	0.111	0.095	0.004	0.010	0.558
IPI4	0.163	0.037	0.270	0.056	0.040	0.072	0.118	0.027	0.029	0.508

Table 7.3 shows that a total of 49 variables were grouped into a total of 10 factors for the black sample. As with the white respondents, it is evident from Table 7.3 that all the items loaded significantly (>0.40) on only one factor provide evidence of discriminant validity.

Results of the exploratory factor analyses for both the samples of black and white respondents indicate that the original number of variables was reduced to a total of ten factors. An interesting finding here was that the ten factors that emerged from the exploratory factor analysis for both the samples of black and white respondents were exactly the same, although some of the items measuring the factors differed. The two models were thus, from a latent variable point of view, exactly the same. The ten factors identified through the exploratory factor analyses are listed in Table 7.4.

Table 7.4

Factors identified through the exploratory factor analyses

White Group Factors identified (EFA)	Black Group Factors identified (EFA)
Consumer ethnocentrism	Consumer ethnocentrism
Cultural openness	Cultural openness
Nationalism	Nationalism
Attitude towards imports	Attitude towards imports
Attitude towards human rights	Attitude towards human rights
Individualism	Individualism
Internationalism	Internationalism
Patriotism	Patriotism
Imports purchase intention	Imports purchase intention
History of oppression	History of oppression

7.4 RELIABILITY OF THE MEASURING INSTRUMENT

Reliability refers to the assessment of the degree of consistency between multiple measurements of a given variable. To measure the consistency of the measurement

scales used in this study Cronbach's Alpha diagnostic measure was used (Hair *et al.*, 1998:117). The Cronbach Alpha coefficient was calculated for each of the ten variables that were identified during the exploratory factor analysis for the groups of white and black respondents. As a further step, the item-total correlation for the items in each of the variables was also evaluated. Results obtained will be discussed in section 7.5, together with the variables that were identified by means of the exploratory factor analysis.

Cronbach Alpha coefficient scores of more than 0.70 were recorded (see Table 7.5) for eight of the ten variables, for both the sample of white and black respondents. Even though the reliability scores for *individualism* and *internationalism* were relatively low, these variables were retained due to the fact that basic exploratory research was conducted in this study. Based on the results (as displayed in Table 7.5), the measuring instrument was deemed to be a reliable measure.

Table 7.5

Reliability scores of the latent variables

Variable	Cronbach Alpha	Cronbach Alpha
	WHITE	BLACK
Cultural openness	0.894	0.821
Patriotism	0.871	0.822
Nationalism	0.869	0.887
Individualism	0.614	0.554
Internationalism	0.785	0.679
History of oppression	0.732	0.720
Consumer ethnocentrism	0.947	0.901
Attitude towards human rights	0.856	-
Imports purchase intention	0.933	0.880
Attitude towards importing	0.928	0.935

7.5 FACTORS IDENTIFIED FROM THE EXPLORATORY FACTOR ANALYSIS

In the following section, each of the ten factors that emerged from the exploratory factor analysis of the data will be discussed. These results are based on the EFA results reported in Tables 7.2 and 7.3. Results for the white sample and the black sample will be presented separately.

7.5.1 Factor 1 - Consumer ethnocentrism

Ten items were included in the questionnaire to measure *consumer ethnocentrism* of the respondents. For the sample of both white and black respondents, all ten of these items loaded on the factor of *consumer ethnocentrism*. Results are presented in Tables 7.6 and 7.7, respectively.

Table 7.6
Results for consumer ethnocentrism (White sample)

Factor 1: Consumer ethnocentrism				
Cronbach Alpha		0.947		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
ETHN1	Only those products that are unavailable in South Africa should be imported.	0.796	0.720	0.945
ETHN2	We should purchase products manufactured in South Africa instead of letting other countries get rich off us.	0.745	0.747	0.943
ETHN3	South African products first, last and foremost.	0.655	0.792	0.941
ETHN4	South Africans should not buy foreign products, because this hurts South African business and causes unemployment.	0.716	0.811	0.940
ETHN5	Purchasing foreign-made products is un-South African.	0.643	0.771	0.942
ETHN6	It may cost me in the long-run but I prefer to support South African products.	0.529	0.705	0.945
ETHN7	It is not right to purchase foreign products, because it puts South Africans out of jobs.	0.610	0.809	0.940
ETHN8	We should buy from foreign countries only those products that are unobtainable within our own country.	0.791	0.826	0.939
ETHN9	A real South African should always buy South African-made products.	0.665	0.849	0.938
ETHN10	South African consumers who purchase products made in other countries are responsible for putting their fellow South Africans out of work.	0.529	0.754	0.943

Table 7.7

Results for consumer ethnocentrism (Black sample)

Factor 1: Consumer ethnocentrism				
Cronbach Alpha		0.901		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
ETHN1	Only those products that are unavailable in South Africa should be imported.	0.523	0.546	0.898
ETHN2	We should purchase products manufactured in South Africa instead of letting other countries get rich off us.	0.498	0.572	0.896
ETHN3	South African products first, last and foremost.	0.540	0.645	0.893
ETHN4	South Africans should not buy foreign products, because this hurts South African business and causes unemployment.	0.655	0.699	0.888
ETHN5	Purchasing foreign-made products is un-South African.	0.459	0.639	0.893
ETHN6	It may cost me in the long-run but I prefer to support South African products.	0.441	0.553	0.897
ETHN7	It is not right to purchase foreign products, because it puts South Africans out of jobs.	0.486	0.718	0.887
ETHN8	We should buy from foreign countries only those products that are unobtainable within our own country.	0.633	0.667	0.891
ETHN9	A real South African should always buy South African-made products.	0.647	0.744	0.885
ETHN10	South African consumers who purchase products made in other countries are responsible for putting their fellow South Africans out of work.	0.596	0.753	0.885

The Cronbach Alpha coefficient for *consumer ethnocentrism* is 0.947 and 0.901, respectively for the white and black respondents. The measuring instrument for *consumer ethnocentrism* used for this study is therefore considered to be reliable. In terms of the level of *ethnocentrism*, the mean CETSCALE score for the sample of white respondents was 42.80, while the mean CETSCALE score for the sample of black respondents was 49.94. Should one compare these results with CETSCALE results from previous studies (refer to Table 5.1), it seems that South African consumers seem to be fairly, not extremely ethnocentric. The results also showed that the black respondents from this study seemed to be more ethnocentric than the white respondents.

7.5.2 Factor 2 – Cultural openness

Five items were included in the questionnaire to measure the *cultural openness* of the respondents. For both the sample of white and black respondents, all five of these items loaded on the factor of *cultural openness* as expected. Results are presented in Tables 7.8 and 7.9.

Table 7.8

Results for cultural openness (White sample)

Factor 2: Cultural openness				
Cronbach Alpha		0.894		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
CULTOPEN1	I find interaction with people from other cultures interesting.	0.753	0.682	0.881
CULTOPEN2	Coming into contact with people of other cultures has benefited me.	0.761	0.701	0.878
CULTOPEN3	I like to have contact with people from different cultures.	0.896	0.850	0.842
CULTOPEN4	I am interested in learning more about people who live in other countries.	0.591	0.650	0.887
CULTOPEN5	I enjoy sharing ideas with people from other cultures.	0.843	0.821	0.852

Table 7.9
Results for cultural openness (Black sample)

Factor 2: Cultural openness				
Cronbach's Alpha		0.821		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
CULTOPEN1	I find interaction with people from other cultures interesting.	0.490	0.547	0.793
CULTOPEN2	Coming into contact with people of other cultures has benefited me.	0.744	0.584	0.790
CULTOPEN3	I like to have contact with people from different cultures.	0.786	0.740	0.737
CULTOPEN4	I am interested in learning more about people who live in other countries.	0.503	0.545	0.794
CULTOPEN5	I enjoy sharing ideas with people from other cultures.	0.604	0.642	0.770

The Cronbach Alpha coefficient for *cultural openness* is 0.894 and 0.821, respectively for the white and black respondents. The measuring instrument for *cultural openness* used for this study can therefore be considered to be reliable.

7.5.3 Factor 3 – Nationalism

Nationalism was measured on a 5-point scale. Results indicated differences between the responses of the white respondents and the black respondents in terms of factor loadings. In terms of the white respondents, the following items loaded on the factor *nationalism*:

CONSRV2, NATION4, NATION1, PATRIT2, CONSRV4 and NATION2. The items CONSRV2 and CONSRV4 were originally intended to measure *conservatism*, while PATRIT2 was intended to measure patriotism, but respondents appear to regard these items as measures of *nationalism*.

For the black respondents, the following items loaded on the *nationalism* factor:

PATRIT1, NATION1, HUMRIG1, NATION2, CONSRV2, HUMRIG2 and PATRIT2. The items PATRIT1 and PATRIT 2 were included in the questionnaire to measure *patriotism*, while CONSRV2 was expected to measure *conservatism* and HUMRIG 1 and 2 were originally added to measure respondents' *attitudes towards human rights*. In this study these items are regarded as measures of *nationalism*. Irrespective of the origin of the item, it was regarded as a measure of the *nationalism* construct if it loaded on the factor to a significant extent (>0.40).

Results for this factor are presented in Tables 7.10 and 7.11.

Table 7.10

Results for nationalism (White sample)

Factor 3: Nationalism				
Cronbach Alpha		0.869		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
CONSRV2	South Africans should show respect for their country's symbols (e.g. flag and anthem).	0.816	0.713	0.840
NATION4	It is important that South Africans do their best in all their endeavours.	0.759	0.693	0.842
NATION1	South Africans should honour their national heritage.	0.668	0.676	0.845
PATRIT2	Patriotism is an important characteristic of a good citizen.	0.618	0.682	0.844
CONSRV4	I will do my best to make typical South African traditions continue in the future.	0.554	0.660	0.848
NATION2	It is important that South Africa is successful in international sporting competitions.	0.523	0.588	0.860

Table 7.11
Results for nationalism (Black sample)

Factor 3: Nationalism				
Cronbach Alpha		0.887		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
PATRIT1	I love my country.	0.751	0.778	0.844
HUMRIG1	I am a supporter of human rights.	0.665	0.706	0.851
NATION1	South Africans should honour their national heritage.	0.671	0.741	0.847
NATION2	It is important that South Africa is successful in international sporting competitions.	0.566	0.675	0.855
CONSRV2	South Africans should show respect for their country's symbols (e.g. flag and anthem).	0.532	0.672	0.856
HUMRIG2	The human rights of people around the world should be respected.	0.508	0.650	0.859
PATRIT2	Patriotism is an important characteristic of a good citizen.	0.439	0.495	0.891

The Cronbach Alpha coefficient for *nationalism* is 0.869 and 0.887 respectively for the white and black respondents. The assumption can therefore be made that the revised measurement scale for *nationalism* that was used for this study is considered to be reliable.

7.5.4 Factor 4 – Individualism

Five items were used to measure the level of *individualism*. For the sample of both white and black respondents, three of the five of these items loaded on the factor of *individualism*. Results for this factor are presented in Tables 7.12 and 7.13, respectively.

Table 7.12
Results for individualism (White sample)

Factor 4: Individualism				
Cronbach Alpha		0.614		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
INDVID2	I like to act independently and take matters into my own hands	0.589	0.405	0.540
INDVID3	I try to live my live independent of others as much as possible.	0.628	0.458	0.461
INDVID4	I prefer to make my own decisions, rather than to follow the advice of others.	0.542	0.408	0.535

Table 7.13
Results for individualism (Black sample)

Factor 4: Individualism				
Cronbach Alpha		0.554		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
INDVID2	I like to act independently and take matters into my own hands.	0.403	0.339	0.492
INDVID3	I try to live my live independent of others as much as possible.	0.572	0.409	0.381
INDVID4	I prefer to make my own decisions, rather than to follow the advice of others.	0.486	0.347	0.480

The Cronbach Alpha coefficient for *individualism* is 0.614 and 0.554 respectively for the white and black respondents. Even though the Cronbach Alpha coefficients for *individualism* were relatively low, the measuring instrument for *individualism* used for

this study can be considered to be reliable, although this relatively low reliability may be seen as a potential limitation to this study.

7.5.5 Factor 5 – Internationalism

Internationalism was measured with a five-item instrument. For the sample of white respondents, all five of these items loaded on the factor of *internationalism* as expected. For the sample of black respondents, four of the five items loaded on the factor of *internationalism*. Results for this factor are presented in Tables 7.14 and 7.15, respectively.

Table 7.14
Results for internationalism (White sample)

Factor 5: Internationalism				
Cronbach Alpha		0.785		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
INTERNT1	If necessary, we ought to be willing to lower our standard of living to cooperate with other countries in getting an equal standard of living for every person in the world.	0.486	0.435	0.779
INTERNT2	The alleviation of poverty in other countries is also our concern.	0.691	0.568	0.721
INTERNT3	I would be willing to decrease my living standard to increase that of persons in poorer countries of the world.	0.618	0.567	0.721
INTERNT4	We cannot ignore poor peoples suffering in other countries.	0.594	0.603	0.714
INTERNT5	I care about poverty in other parts of the world.	0.593	0.602	0.716

Table 7.15
Results for internationalism (Black sample)

Factor 5: Internationalism				
Cronbach Alpha	0.679			
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
INTERNT1	If necessary, we ought to be willing to lower our standard of living to cooperate with other countries in getting an equal standard of living for every person in the world.	0.558	0.412	0.639
INTERNT2	The alleviation of poverty in other countries is also our concern.	0.604	0.471	0.583
INTERNT3	I would be willing to decrease my living standard to increase that of persons in poorer countries of the world.	0.669	0.533	0.529
INTERNT4	We cannot ignore poor peoples suffering in other countries.	0.476	0.411	0.626

The Cronbach Alpha coefficient for *internationalism* is 0.785 and 0.679, respectively for the white and black respondents. The measuring instrument for *internationalism*, used for this study, can therefore be considered to be reliable, although the coefficient for the sample of black respondents was marginally below the customary cut-off point of 0.70.

7.5.6 Factor 6 – History of oppression

The variable of a *history of oppression* was measured by using five items. For the sample of white respondents, three of these items loaded on the factor of *history of oppression* as intended. For the sample of black respondents, four of the five items loaded on the factor of *history of oppression*. Results for this factor are presented in Tables 7.16 and 7.17.

Table 7.16

Results for history of oppression (White sample)

Factor 6: History of oppression				
Cronbach Alpha		0.732		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
OPPR4	I am opposed to the fact that the Chinese government tightly controls the media and Internet usage in China.	0.697	0.569	0.628
OPPR3	I am opposed to the fact that the Chinese government oppresses religious freedom.	0.615	0.535	0.669
OPPR5	I am opposed to the fact that the Chinese government does not adequately protect its citizens from unsafe products.	0.530	0.562	0.636

Table 7.17

Results for history of oppression (Black sample)

Factor 6: History of oppression				
Cronbach Alpha		0.720		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
OPPR2	China exploits people in the manufacturing of their products.	0.403	0.433	0.702
OPPR3	I am opposed to the fact that the Chinese government oppresses religious freedom.	0.614	0.478	0.678
OPPR5	I am opposed to the fact that the Chinese government does not adequately protect its citizens from unsafe products.	0.586	0.537	0.644
OPPR4	I am opposed to the fact that the Chinese government tightly controls the media and Internet usage in China.	0.748	0.594	0.604

The Cronbach Alpha coefficient for *history of oppression* is 0.732 and 0.720, respectively for the white and black respondents. The results indicate that the measuring instrument for *history of oppression* can be considered reliable.

7.5.7 Factor 7 – Attitude towards human rights

The attitudes of respondents towards human rights were measured with a three-item instrument. For the sample of white respondents, all three of these items loaded on the factor of *attitude towards human rights*, while only one of the three items loaded on the factor of *attitude towards human rights* for the sample of black respondents. Results for this factor are presented in Tables 7.18 and 7.19 respectively.

Table 7.18

Results for attitude towards human rights (White sample)

Factor 7: Attitude towards human rights				
Cronbach Alpha		0.856		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
HUMRIG2	The human rights of people around the world should be respected.	0.849	0.796	0.726
HUMRIG3	People from all around the world should be entitled to basic human rights.	0.782	0.715	0.800
HUMRIG1	I am a supporter of human rights.	0.678	0.668	0.854

Table 7.19

Results for attitude towards human rights (Black sample)

Factor 7: Attitude towards human rights				
Cronbach Alpha		-		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
HUMRIG3	People from all around the world should be entitled to basic human rights.	0.490	*	*
*	No result due to only one item retained.			

The Cronbach Alpha coefficient for *attitude towards human rights* could only be calculated for the results from the sample of white respondents, as only one item was retained for the sample of black respondents. The Cronbach Alpha of 0.856 recorded for the sample of white respondents indicates that the measuring instrument for *attitude towards human rights* used for this study can be taken as reliable.

7.5.8 Factor 8 – Imports purchase intention

To measure the intention of respondents to purchase products imported from China, five items were included in the questionnaire. For the sample of white respondents, all five of these items loaded on the variable of *imports purchase intention*. For the sample of black respondents, four of the five items loaded on the factor of *imports purchase intention*. Item IPI5 was deleted due to evidence of poor discriminant validity in the black sub-sample. Results for this factor are presented in Tables 7.20 and 7.21 respectively.

Table 7.20

Results for imports purchase intention (White sample)

Factor 8: Imports purchase intention				
Cronbach Alpha		0.933		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
IPI3	If buying clothing, I will not buy Chinese made clothing.	0.748	0.860	0.910
IPI2	I would feel guilty if I bought Chinese made clothing.	0.714	0.817	0.918
IPI4	I do not like the idea of owning clothing that was made in China.	0.702	0.869	0.909
IPI5	Whenever possible I will avoid buying clothing that was made in China.	0.599	0.828	0.917
IPI1	I would never buy clothing that was made in China.	0.567	0.740	0.932

Table 7.21

Results for imports purchase intention (Black sample)

Factor 8: Imports purchase intention				
Cronbach Alpha		0.880		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
IPI1	I would never buy clothing that was made in China.	0.750	0.688	0.867
IPI3	If buying clothing, I will not buy Chinese made clothing.	0.678	0.800	0.823
IPI2	I would feel guilty if I bought Chinese made clothing.	0.558	0.736	0.849
IPI4	I do not like the idea of owning clothing that was made in China.	0.508	0.741	0.847

The Cronbach Alpha coefficient for *imports purchase intention* is 0.933 and 0.880 respectively for the white and black respondents. In terms of these results, the measuring instrument for *imports purchase intention* can be considered to be reliable.

7.5.9 Factor 9 – Patriotism

To measure the *patriotism* of respondents, a total of five items was used. Results indicated differences between the responses of white respondents and black respondents in terms of factor loadings. For the white respondents, four of the items intended to measure *patriotism* loaded on the factor *patriotism* (PATRIT1,3,4,5), while one item that was intended to measure *nationalism* (NATION5), also loaded on *patriotism*. The item NATION5 was thus regarded as an additional measure of the *patriotism* variable.

As far as the black respondents were concerned the following items loaded on the factor *patriotism*:

PATRIT4, CONSRV4, CONSRV3, PATRIT5, NATION5 AND NATION4. The items NATION5 and NATION4 were included in the questionnaire to measure *nationalism*, while CONSRV3 and CONSRV were expected to measure *conservatism*. However in this study they were all regarded as measures of the *patriotism* variable.

Results for the *patriotism* variable are presented in Tables 7.22 and 7.23.

Table 7.22
Results for patriotism (White sample)

Factor 9: Patriotism				
Cronbach Alpha		0.871		
Item	Question	Factor Loading	Item-total correlation	Cronbach Alpha if item deleted
PATRIT5	I am proud to be a South African.	0.848	0.801	0.806
PATRIT1	I love my country.	0.731	0.681	0.838
NATION5	South Africa is a better country to live in than most other countries.	0.642	0.570	0.870
PATRIT3	The fact that I am a South African is an important part of my identity.	0.532	0.724	0.824
PATRIT4	I am attached to my country.	0.503	0.688	0.833

Table 7.23
Results for patriotism (Black sample)

Factor 9: Patriotism				
Cronbach Alpha		0.822		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
PATRIT4	I am attached to my country.	0.734	0.664	0.731
CONSRV4	I will do my best to make typical South African traditions continue in the future.	0.726	0.694	0.725
CONSRV3	I am attached to the traditions of the society I live in.	0.562	0.456	0.805
PATRIT5	I am proud to be a South African	0.507	0.635	0.754
NATION5	South Africa is a better country to live in than most other countries.	0.470	0.483	0.777
NATION4	It is important that South Africans do their best in all their endeavours.	0.458	0.530	0.771

The Cronbach Alpha coefficient for *patriotism* is 0.871 and 0.822 respectively for the white and black respondents. In terms of the results, the measuring instrument for *patriotism* can be considered to be reliable.

7.5.10 Factor 10 –Attitude towards imports

Five items were used to measure respondents' *attitudes towards products* imported from China. For both the sample of white and black respondents, all five these items loaded on the factor of *attitude towards imports* as expected. Results for this factor are presented in Tables 7.24 and 7.25.

Table 7.24

Results for attitude towards imports (White sample)

Factor 10: Attitude towards imports				
Cronbach Alpha		0.928		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
	Buying clothing that was made in China is:			
ATTIMP5	rewarding vs not rewarding	0.819	0.773	0.918
ATTIMP4	pleasant vs unpleasant	0.801	0.780	0.915
ATTIMP2	wise vs foolish	0.799	0.849	0.903
ATTIMP3	beneficial vs harmful	0.737	0.819	0.908
ATTIMP1	good vs bad	0.721	0.826	0.906

Table 7.25

Results for attitude towards imports (Black sample)

Factor 10: Attitude towards imports				
Cronbach Alpha		0.935		
Item	Question	Factor loading	Item-total correlation	Cronbach Alpha if item deleted
	Buying clothing that was made in China is:			
ATTIMP4	pleasant vs unpleasant	0.881	0.848	0.914
ATTIMP2	wise vs foolish	0.872	0.844	0.916
ATTIMP3	beneficial vs harmful	0.866	0.812	0.921
ATTIMP5	rewarding vs not rewarding	0.836	0.794	0.925
ATTIMP1	good vs bad	0.823	0.829	0.918

The Cronbach Alpha coefficient for *attitudes towards imports* is 0.928 and 0.935, respectively for the white and black respondents. The measuring instrument for *attitude towards imports* can be considered to be reliable. An important aspect to point out here is that a high score on this scale implies a negative attitude towards Chinese products. These scores were reverse-scored before the data were analysed.

A summary of the items measuring the latent variables modelled in this study, as identified by the process of exploratory factor analyses, is provided in Table 7.26. As was expected at the start of this study, there were differences in the interpretation of measurement items between the sample of white and the sample of black respondents. These differences are also indicated in Table 7.26. However, the factor structure that emerged from the exploratory factor analysis phase of the study was remarkably similar in both sub-samples.

Table 7.26
Summary of items measuring variables as identified from
the exploratory factor analysis

White group (EFA) – n=342	
Variable identified	Items measuring variable
Consumer ethnocentrism	ETHN1,2,3,4,5,6,7,8,9,10
Cultural openness	CULTOP1,2,3,4,5
Nationalism	CONSRV2,NATION4,NATION1,PATRIT2,CONSRV4,NATION2
Attitude towards imports	ATTIMP1,2,3,4,5
Attitude towards human rights	HUMRIG1,HUMRIG2,HUMRIG3
Individualism	INDVID2, INDVID3,INDVID4
Internationalism	INTERNT1,2,3,4,5
Patriotism	PATRIT1,PATRIT3,PATRIT4,PATRIT5,NATION5
Imports purchase intention	IPI1,2,3,4,5
History of oppression	OPPR3,4,5
Total	50 items

Black group (EFA) – n= 417	
Variable identified	Items measuring variable
Consumer ethnocentrism	ETHN1,2,3,4,5,6,7,8,9,10
Cultural openness	CULTOP1,2,3,4,5
Nationalism	PATRIT1,NATION1,HUMRIG1,NATION2,CONSRV2,HUMRIG2,PATRIT2
Attitude towards imports	ATTIMP1,2,3,4,5
Attitude towards human rights	HUMRIG3
Individualism	INDVID2, INDVID3,INDVID4
Internationalism	INTERNT1,2,3,4
Patriotism	PATRIT4,CONSRV4,CONSRV3,PATRIT5,NATION4,NATION5
Imports purchase intention	IPI1,2,3,4
History of oppression	OPPR2,3,4,5
Total	49 items
Similar items for both groups	42 items

7.6 LATENT VARIABLES REMOVED FROM THE THEORETICAL MODEL

Based on the results of the exploratory factor analysis of the data of both the sample of black and white respondents, the decision was made to remove the latent variable, *collectivism* from the theoretical model, on the grounds that it displayed poor discriminant validity. As some of the items were expected to measure the latent variable *conservatism* loaded on other latent variables, the decision was also made to remove it. Due to the removal of the two latent variables, the hypotheses originally proposed in terms of these variables also had to be removed. The final hypotheses proposed for the study were the following:

Table 7.27

Hypotheses proposed for this study

Hypotheses	
H _{1a}	There is a negative relationship between cultural openness and consumer ethnocentrism for white South African consumers.
H _{1b}	There is a negative relationship between cultural openness and consumer ethnocentrism for black South African consumers.
H _{2a}	There is a positive relationship between patriotism and consumer ethnocentrism for white South African consumers.
H _{2b}	There is a positive relationship between patriotism and consumer ethnocentrism for black South African consumers.
H _{3a}	There is a negative relationship between individualism and consumer ethnocentrism for white South African consumers.
H _{3b}	There is a negative relationship between individualism and consumer ethnocentrism for black South African consumers.
H _{4a}	There is a positive relationship between nationalism and consumer ethnocentrism for white South African consumers.
H _{4b}	There is a positive relationship between nationalism and consumer ethnocentrism for black South African consumers.
H _{5a}	There is a negative relationship between internationalism and consumer ethnocentrism for white South African consumers.
H _{5b}	There is a negative relationship between internationalism and consumer ethnocentrism for black South African consumers.
H _{6a}	There is a positive relationship between age and consumer ethnocentrism for white South African consumers.

Hypotheses	
H _{6b}	There is a positive relationship between age and consumer ethnocentrism for black South African consumers.
H _{7a}	White South African women exhibit greater ethnocentric tendencies than white South African men.
H _{7b}	Black South African women exhibit greater ethnocentric tendencies than black South African men.
H _{8a}	There is a negative relationship between level of education and consumer ethnocentrism for white South African consumers.
H _{8b}	There is a negative relationship between level of education and consumer ethnocentrism for black South African consumers.
H _{9a}	There is a negative relationship between income level and consumer ethnocentrism for white South African consumers.
H _{9b}	There is a negative relationship between income level and consumer ethnocentrism for black South African consumers.
H _{10a}	There is a negative relationship between consumer ethnocentrism and attitudes toward human rights for white South African consumers.
H _{10b}	There is a negative relationship between consumer ethnocentrism and attitudes toward human rights for black South African consumers.
H _{11a}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for white South African consumers.
H _{11b}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for black South African consumers.
H _{12a}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods (Chinese clothing) for white South African consumers.
H _{12b}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods (Chinese clothing) for black South African consumers.
H _{13a}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for white South African consumers.
H _{13b}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for black South African consumers.

7.7 EMPIRICAL RESULTS OF THE STRUCTURAL EQUATION MODELLING

As mentioned in Chapter 6, the statistical technique Structural Equation Modelling was used to investigate the relationships portrayed in the proposed theoretical model (Figure 6.6) empirically. As highlighted in Chapter 6, researchers will typically follow a

six-stage decision process when using Structural Equation Modelling: the first step entails constructs to be included in the specific study being identified and defined, based on a literature review. This step was addressed in Chapter 6.

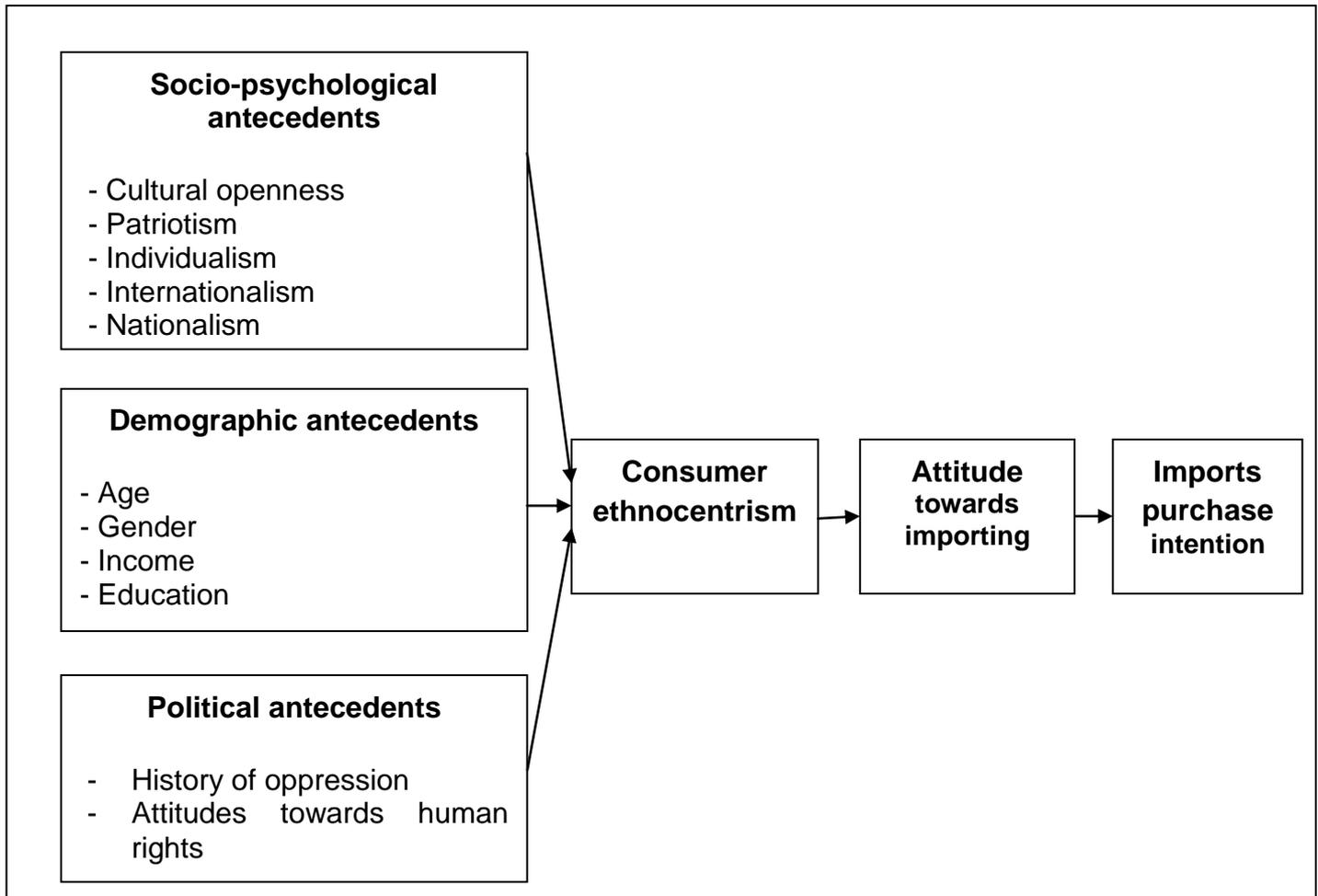
The steps that will be addressed in the next section of this chapter are:

- The development and specification of the measurement model.
- The design of a study to generate empirical results.
- The assessment of the validity of the measurement model.
- The specification of the structural model.
- The assessment of validity of the structural model.

7.7.1 Developing and specifying the measurement model

A measurement model for the samples of both white and black respondents was developed for this study by first identifying the latent variables and then assigning measurement variables (questionnaire items) to each of them. These measurement variables are the so-called indicators in the measurement model, as they will be used to measure (indicate) the latent variables. Unlike the process of exploratory factor analyses, where a researcher has no power over which variables define a given factor, the measurement model is confirmatory in nature, as the researcher is able to specify those questionnaire items that define the different latent variables. The measurement model developed for this study is depicted in Figure 7.1. From the illustration it is clear that, apart from the demographic variables, there are ten variables as identified by the exploratory factor analysis. As mentioned before, these variables were identical (however the items measuring the variables differed) for the samples of black and white respondents.

Figure 7.1

Measurement model proposed for this study**7.7.2 The design of a study to generate empirical results**

At this stage issues relating to research design and estimation had to be addressed. Research design issues such as the type of data to be analysed (covariances or correlations) and the impact of the size of the sample, had to be taken into consideration. As Hair *et al.* (2010:658) recommended the use of covariances this data type was used in the SEM analyses. Because of this choice of data type an analysis of the asymptotic covariance matrix was conducted.

As far as model estimation is concerned various estimation techniques and computer software to be used needed to be considered. For this study LISREL Version 8.80

software was used to conduct the data analysis, mainly because of the flexibility that it offers.

Before any further analyses could be performed, it was important to assess the multivariate normality of the data for both sub-samples used in this study. Cox and Small (1978:263) argue that the primary objective of tests of multivariate normality is to establish whether a projected covariance matrix would provide an acceptable summary of the interrelationships between a given set of variables. In terms of the multivariate normality of the data, the following hypothesis was formulated:

H₀: The distribution of the data is multivariate normal

For samples of both black and white respondents the hypothesis was evaluated by evaluating the skewness and kurtoses of the data. The relevant p-value was determined by using the Chi-square (χ^2) value.

In Table 7.28 the results of the test of multivariate normality for the sample of white respondents are depicted.

Table 7.28

**Results of the test of multivariate normality:
white sub-sample**

Chi-square	p-value
5279.663	0.000

Based on the p-value (0.000) of the Chi-square test statistic, the conclusion can be made that the data for the sample of white respondents of this study did not meet the requirements of multivariate normality. The null-hypothesis, which implies that the distribution of the data is multivariate normal, was therefore not supported.

As far as the sample of black respondents is concerned, the results of the test of multivariate normality are shown in Table 7.29.

Table 7.29**Results of the test of multivariate normality:
black sub-sample**

Chi-square	p-value
12703.65	0.000

As with the data from the sample of white respondents, the p-value (0.000) of the Chi-square test statistic for the sample of black respondents of this study did not meet the requirements of multivariate normality. The null-hypothesis, which implies that the distribution of the data is multivariate normal was therefore also not supported.

The results of the test of multivariate normality implied that the maximum likelihood technique could not be used for this study and the Robust Maximum Likelihood estimation technique was therefore used in all subsequent SEM analyses.

7.7.3 The assessment of validity of the measurement model

As mentioned previously, goodness-of-fit measures are used to compare theory to reality by assessing the similarity of an estimated covariance matrix (the theory) to an observed covariance matrix (the reality). The closer the values between the observed covariance matrix and the estimated covariance matrix, the better the model fit (Hair *et al.*, 2010:665).

The next step was therefore to calculate the goodness-of-fit indices (GFI) for the measurement model proposed for this study, and to examine the related modification indices. A modification index refers to the amount that the overall Chi-squared value of a specific model would be reduced by through the freeing up of any single path in the model that is not presently estimated (Hair *et al.*, 2010:690).

For this study, model fit was measured by means of a range of fit indices, including the Chi-square and the root mean square error of approximation (RMSEA). For the RMSEA, MacCallum, Browne and Sugawara (1996:142) suggested that a RMSEA value of between 0.00 and 0.05 indicates a close model fit, a value of between 0.05 and 0.08 a reasonable fit, and a value of more than 0.08 a poor model fit.

To assess the fit of the proposed measurement model for the sample of white respondents, a confirmatory factor analysis (CFA) was conducted. After an inspection of the modification indices of the CFA for the sample of white respondents, it appeared that the removal of certain items could lead to the improvement of the GFIs for the proposed model. Based on both the modification indices and on theoretical grounds, ten items, namely ETHN6,7,8,9,10; INTERNT2,3; PATRIT3; CONSRV4 and NATION4 were removed from the measurement model. After this process had been completed, the CFA was repeated and GFIs were again inspected. Results indicated that model fit had been improved substantially by the removal of these items.

Table 7.30

The goodness-of-fit indices for the measurement model (white sample)

Index measure	Value
Sample size	342
Degrees of freedom	695
Root mean square error of approximation (RMSEA)	0.034
90 percent confidence interval for RMSEA	(0.0285;0.0388)
Expected cross-validation index (ECVI)	3.566
Santorra-Bentler scaled Chi-square	965.879

The root mean square error of approximation for the sample of white respondents on the model illustrated in Figure 7.1, indicate a close fit for this model. Table 7.30 indicates that the RMSEA of 0.034 falls within the limits of a close fit of between 0 and 0.05. In terms of the sample of black respondents, an inspection of the modification indices of the CFA that was undertaken to assess the fit of the model also indicated that the removal of certain items could lead to an improvement of the GFIs for the proposed model. Based on the modification indices, twelve items, namely ETHN1,3,6,8; HUMRIG1,2; INTERNT3; CONSRV3;PATRIT1;OPPR2; CULTOP4 and NATION4 were removed. After this process, the CFA was repeated and the GFIs were again inspected. Results indicated that model fit was improved considerably by the removal of these items.

Table 7.31**The goodness-of-fit indices for the measurement model (black sample)**

Index measure	Value
Sample size	417
Degrees of freedom	585
Root mean square error of approximation (RMSEA)	0.039
90 percent confidence interval for RMSEA	0.0339;0.0429
Expected cross-validation index (ECVI)	2.840
Santorra-Bentler scaled Chi-square	945.450

As with the sample of white respondents, the RMSEA of the sample of black respondents on the model illustrated in Figure 7.1 indicate a close fit for this model. Table 7.31 indicates that the RMSEA of 0.039 falls within the range of a close fit of between 0 and 0.05.

The conclusion can therefore be drawn that after alterations had been made in terms of the items to be included, the data from both the samples of white and black respondents indicated a close fit for the model proposed in Figure 7.1.

An important aspect to note here is that the indices provided above were calculated for the measurement model (Figure 7.1). In this model, only relationships between the manifest variables and their associated latent constructs were stipulated. No relationships between different constructs were stipulated, as these would be addressed in the structural model.

7.7.4 The specification of the structural model

After the measurement model was developed, examined and illustrated the relationships portrayed in the model needed to be converted to structural equations. At this stage, a structural model was therefore specified for the study by assigning relationships from one construct to the other based on the proposed theoretical model. The aim was to assess the dependence relationships among the different constructs. A SEM analysis was therefore conducted (for samples of both black and white respondents).

7.7.4.1 Empirical results of the SEM analysis (white sub-sample)

A summary of the empirical results of the SEM analysis conducted for the sample of white respondents is provided in Table 7.32.

Table 7.32

Empirical results of the SEM analysis: white sub-sample

Path	t-value	Path coefficient	Remark
Cultural openness → consumer ethnocentrism	-3.04	-0.23	***
Patriotism → consumer ethnocentrism	3.00	0.24	**
Nationalism → consumer ethnocentrism	1.97	0.17	*
Individualism → consumer ethnocentrism	2.27	0.17	*
Internationalism → consumer ethnocentrism	1.54	0.14	N.S.
History of oppression → consumer ethnocentrism	4.32	0.37	***
Attitude toward human rights → consumer ethnocentrism	-1.52	-0.12	***
Consumer ethnocentrism → attitude toward imports	-9.75	-0.61	***
Attitude toward imports → imports purchase intent	12.91	0.78	***

RMSEA: 0.037

Significance level:

- * $p < 0.05$
- ** $p < 0.01$
- *** $p < 0.001$
- N.S. Not significant

The following remarks can be made in terms of relationships that were investigated for the sample of white respondents.

In terms of the relationship between *cultural openness* and *consumer ethnocentrism*, the results indicate a negative relationship between the two variables. This result provides support for Hypothesis 1 (H_{1a}) that stated:

There is a negative relationship between cultural openness and consumer ethnocentrism for white South African consumers.

The negative t-value of -3.04 indicates support on the 0.001 significance level, while the corresponding path coefficient was -0.23. This finding implies that the higher the levels of *cultural openness* reported by the white respondents, the lower their *consumer ethnocentrism* would be.

For the relationship between *patriotism* and *consumer ethnocentrism*, the results indicate a positive relationship between *patriotism* and *consumer ethnocentrism* as Hypothesis 2 (H_{2a}) stated:

There is a positive relationship between patriotism and consumer ethnocentrism for white South African consumers.

The t-value of 3.00 indicates support on the 0.01 significance level, while the corresponding path coefficient was 0.24. The assumption can therefore be made that the higher the levels of *patriotism* reported by the white respondents, the higher their *consumer ethnocentrism* would be.

In terms of the relationship between *individualism* and *consumer ethnocentrism*, the results indicate a positive relationship between the two variables. Hypothesis 3 (H_{3a}) (below) can thus not be accepted.

There is a negative relationship between individualism and consumer ethnocentrism for white South African consumers.

It therefore seems that the higher the levels of *individualism* among white South African consumers, the higher their *consumer ethnocentrism* would be.

The following relationship was confirmed between *nationalism* and *consumer ethnocentrism*, where a positive relationship was found. This finding provides support for Hypothesis 4 (H_{4a}) that stated:

There is a positive relationship between nationalism and consumer ethnocentrism for white South African consumers.

The t-value of 1.97 suggests a significant relationship at the 5% level of significance. The corresponding path coefficient was 0.17. It seems that higher the levels of *nationalism* of white respondent, the higher their *consumer ethnocentrism* would be.

The fifth relationship investigated was that between *internationalism* and *consumer ethnocentrism*. Results indicated a non-significant relationship between these two variables. This finding does not provide support for Hypothesis 5 (H_{5a}) that stated:

There is a negative relationship between internationalism and consumer ethnocentrism for white South African consumers.

The t-value of 1.54 was below the critical value of 1.96, which does not indicate support on the 0.05 significance level. The corresponding path coefficient was 0.14.

The following relationship investigated was that of the *history of oppression* and *consumer ethnocentrism*. Results indicated that there is a positive relationship between these two variables. The t-value of 4.32 suggests support on the 0.001 significance level. The corresponding path coefficient was 0.37. The following hypothesis can therefore be accepted:

There is a positive relationship between a history of oppression in the source (exporting) country and consumer ethnocentrism for white South African consumers.

This finding suggests that the more opposed a white consumer is to government *oppression* of citizens in a country of origin, the more *ethnocentric* these consumers tend to be.

For the relationship between the *attitude towards human rights* and *consumer ethnocentrism*, the results indicated that a negative relationship between these two variables exists. This finding provides support for the hypothesis that stated:

There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for white South African consumers.

The t-value of -1.52 is above the value of -1.96 which indicates support on the 0.001 significance level. The corresponding path coefficient was -.012. This finding implies

that the more white consumers are in favour of the *human rights of people*, the less *ethnocentric* they tend to be.

In terms of the relationship between *consumer ethnocentrism* and *attitudes towards importing* (clothing from China) a negative relationship was found as proposed. This resulted in the acceptance the hypothesis that stated:

There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods for white South African consumers.

The t-value of -9.75 was strongly significant ($p < 0.001$). The corresponding path coefficient was -0.61. It therefore seems that the more *ethnocentric* white South African consumers are, the more opposed they will be to the *importing of foreign goods*.

As far as the relationship between *attitudes towards imported products* and *imports purchase intent* (clothing from China) was concerned, results provide support for Hypothesis 13 (H_{13a}) that stated:

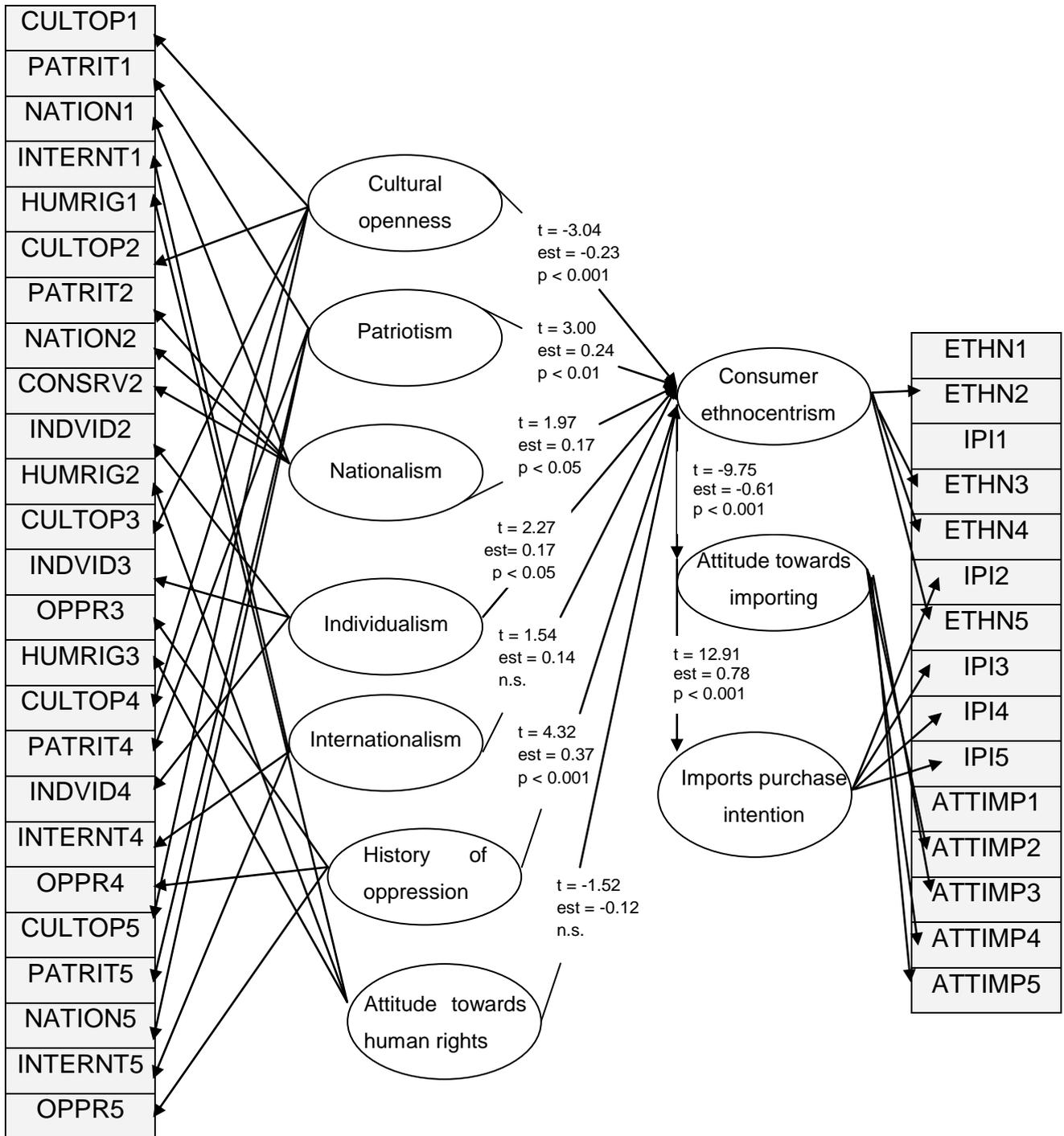
There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for white South African consumers.

The t-value of 12.91 indicates support on the 0.001 significance level, while the corresponding path coefficient was 0.78. The results imply that the more positive the attitudes of white South African are towards *importing foreign goods*, the higher their *intentions would be to buy imported goods*.

The result of this evaluation stage was the creation of a structural model, for the sample of white respondents that not only illustrates the complete set of variables and indicators in the measurement model, but also adds the structural relationships among the different variables for the sample of white respondents. The empirical results reported in section 7.7.4 are graphically depicted in Figure 7.2.

Figure 7.2

Structural Model proposed for this study based on results for the white sample



7.7.4.2 Empirical results of the SEM analysis (black sub-sample)

A summary of the empirical results of the SEM analysis conducted for the sample of black respondents is provided in Table 7.33.

Table 7.33

Empirical results of the SEM analysis for the sample of black respondents

Path		t-value	Path coefficient	Remark
Cultural openness	→ consumer ethnocentrism	-2.75	-0.26	***
Patriotism	→ consumer ethnocentrism	2.06	0.28	*
Nationalism	→ consumer ethnocentrism	0.19	0.02	N.S.
Individualism	→ consumer ethnocentrism	3.54	0.26	***
Internationalism	→ consumer ethnocentrism	1.11	0.10	N.S.
History of oppression	→ consumer ethnocentrism	4.58	0.33	***
Attitude toward human rights	→ consumer ethnocentrism	-1.78	-0.16	***
Consumer ethnocentrism	→ attitude toward imports	-8.22	-0.64	***
Attitude toward imports	→ imports purchase intent	11.86	0.71	***

RMSEA: 0.043

Significance level:

- * p < 0.05
- ** p < 0.01
- *** p < 0.001
- N.S. not significant

As far as the sample of black respondents is concerned, the following remarks can be made in terms of relationships that were investigated.

In terms of the relationship between *cultural openness* and *consumer ethnocentrism*, the results indicate a negative relationship between the two variables. This result provides support for Hypothesis 1 (H_{1b}) that stated:

There is a negative relationship between cultural openness and consumer ethnocentrism for black South African consumers.

The negative t-value of -2.75 indicates support on the 0.001 significance level, while the corresponding path coefficient was -0.26. This finding implies that the higher the levels of *cultural openness* reported by the black respondents, the lower their *consumer ethnocentrism* would be.

For the relationship between *patriotism* and *consumer ethnocentrism*, the results indicate a positive relationship between patriotism and consumer ethnocentrism as stated by Hypothesis 2 (H_{2b}).

There is a positive relationship between patriotism and consumer ethnocentrism for black South African consumers.

The t-value of 2.06 indicates support on the 0.05 significance level. The corresponding path coefficient was 0.28. The assumption can therefore be made that the higher the levels of *patriotism* reported by the black respondents, the higher their *consumer ethnocentrism* would be.

In terms of the relationship between *individualism* and *consumer ethnocentrism*, the results indicate a positive relationship between the two variables. Hypothesis 3 (H_{3b}) (below) can therefore not be accepted.

There is a negative relationship between individualism and consumer ethnocentrism for black South African consumers.

It seems that the higher the levels of *individualism* among black South African consumers, the higher their *consumer ethnocentrism* would be.

The fourth relationship investigated was that between *nationalism* and *consumer ethnocentrism*. Results indicated a non-significant relationship between these two variables. This finding does not provide support for Hypothesis 4 (H_{4b}) that stated:

There is a positive relationship between nationalism and consumer ethnocentrism for black South African consumers.

The t-value of 0.19 was below the critical value of 1.96, which does not indicate support on the 0.01 significance level. The corresponding path coefficient was 0.02.

The fifth relationship investigated was that between *internationalism* and *consumer ethnocentrism*. In this case the results also indicated a non-significant relationship between these two variables. This finding therefore does not provide support for Hypothesis 5 (H_{5b}) that stated:

There is a negative relationship between internationalism and consumer ethnocentrism for black South African consumers.

The t-value of 1.11 was below the critical value of 1.96, which does not indicate support on the 0.01 significance level. The corresponding path coefficient was 0.10.

The next relationship investigated was that of the *history of oppression* and *consumer ethnocentrism*. Results indicated that there is a positive relationship between these two variables. The t-value of 4.58 indicates support on the 0.001 significance level, while the corresponding path coefficient was 0.33. The following hypothesis can therefore be accepted:

There is a positive relationship between a history of oppression in the source (exporting) country and consumer ethnocentrism for black South African consumers.

This finding implies that the more opposed black consumers are to government *oppression* of citizens in a country of origin, the more *ethnocentric* these consumers tend to be.

For the relationship between the *attitude towards human rights* and *consumer ethnocentrism*, the results indicated that a negative relationship between these two variables exists. This finding provides support for the hypothesis that stated:

There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for black South African consumers.

The t-value of -1.78 indicates support on the 0.001 significance level, while the corresponding path coefficient was -0.16. This finding implies that the more black consumers are in favour of the *human rights* of people, the lower their levels of *ethnocentrism* tend to be.

In terms of the relationship between *consumer ethnocentrism* and *attitudes towards importing* (clothing from China) a negative relationship emerged and therefore the following hypothesis could be accepted:

There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods for black South African consumers.

The t-value of -8.22 was strongly significant on the 0.001 significance level, while the corresponding path coefficient was -0.64. The assumption can be made that the more *ethnocentric* black South African consumers are, the more opposed they will be to the importing of foreign goods.

In terms of the relationship between *attitudes towards imported products* and *imports purchase intent* (clothing from China) the results provide support for Hypothesis 13 (H_{13b}) that stated:

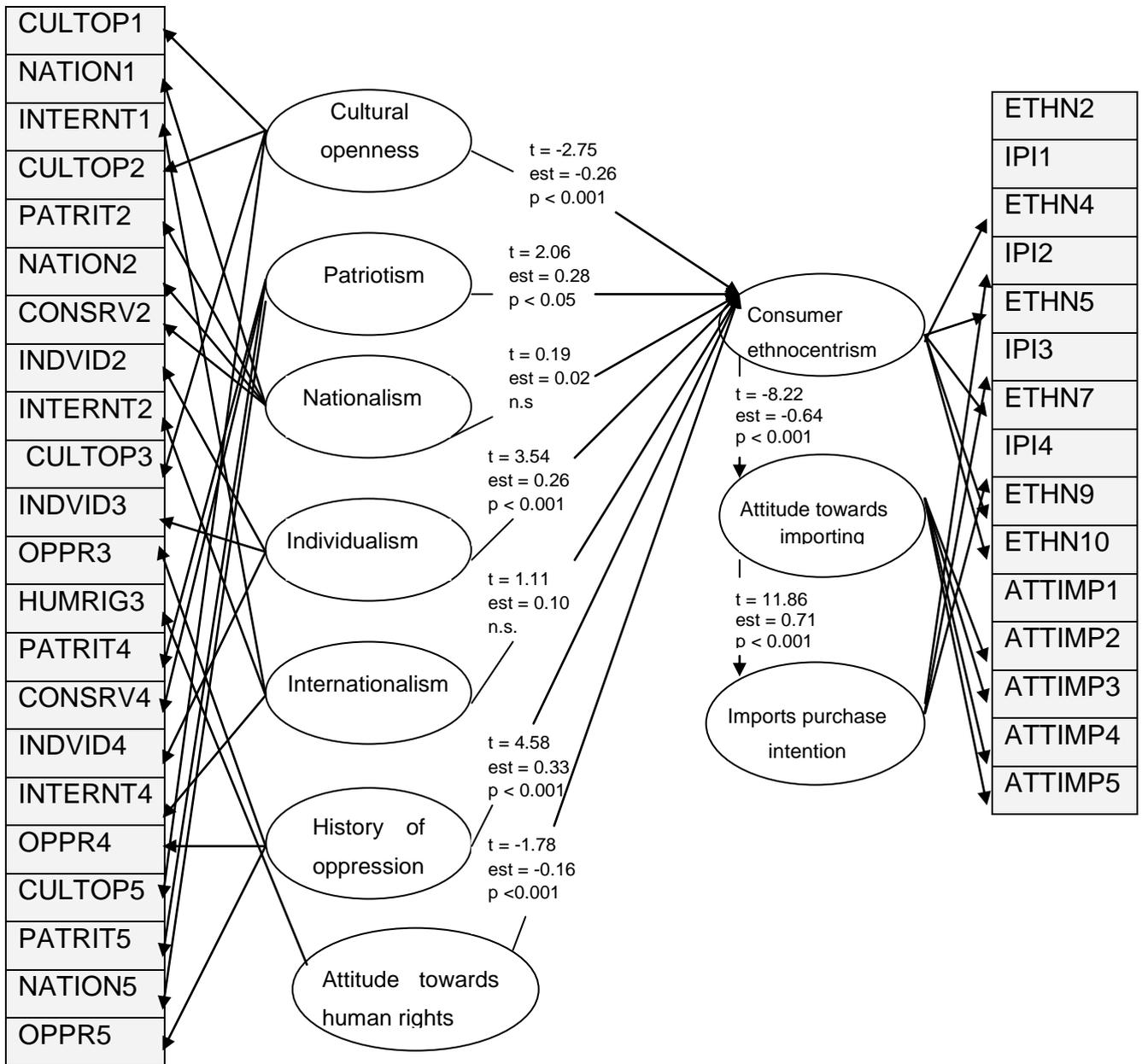
There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for black South African consumers.

The t-value of 11.86 indicates support on the 0.001 significance level. The corresponding path coefficient was 0.71. This finding implies that the more positive the attitudes of black South African are towards *importing foreign goods*, the higher their *intentions would be to buy imported goods*.

The result of this stage of the assessment was the creation of a structural model for the sample of black respondents that not only illustrates the complete set of constructs and indicators in the measurement model, but also adds the structural relationships among the different variables for the sample of black respondents. The empirical results reported in section 7.6.4 are graphically depicted in Figure 7.3.

Figure 7.3

Structural model proposed for this study based on results for the black sample



7.7.5 Assessing the construct validity of the structural model

To assess the extent to which the proposed models represent an acceptable approximation of the data, the fit indices had to be considered. The same fit indices were used to assess the construct validity of the structural model as were used for the

measurement model. The fit indices for the structural model for the samples of white and black respondents are reported in Tables 7.34 and 7.35 respectively.

Table 7.34

The goodness-of-fit indices for the structural model (white sample)

Measurement	Index
Sample size	342
Santorra-Bentler scaled Chi-square	1044.527
Degrees of freedom	710
Root mean square error of approximation (RMSEA)	0.037
90 percent confidence interval for RMSEA	(0.0323;0.0419)
Expected cross-validation index (ECVI)	3.708
χ^2/df	1.471

The Santorra-Bentler, Chi-square/degree of freedom ratio (1.471), as well as the root mean square error of approximation (0.037) for the sample of white respondents on the structural model illustrated in Figure 7.2 indicates an acceptable fit for this model. The RMSEA of 0.037 falls within the range of a close fit of between 0 and 0.05.

Table 7.35

The GFIs for the structural model (black sample)

Measurement	Index
Sample size	417
Santorra-Bentler scaled chi-square	1057.359
Degrees of freedom	600
Root mean square error of approximation (RMSEA)	0.043
90 percent confidence interval for RMSEA	(0.0385;0.0470)
Expected cross-validation index (ECVI)	3.037
χ^2/df	1.762

The Santorra-Bentler, Chi-square/degree of freedom ratio (1.762), as well as the RMSEA (0.043) for the sample of black respondents on the structural model illustrated

in Figure 7.3 point to an acceptable fit for this model. The RMSEA of 0.043 falls within the range of a close fit of between 0 and 0.05.

7.8 THE INFLUENCE OF DEMOGRAPHICS ON CONSUMER ETHNOCENTRISM

As mentioned in Chapter 6, the most commonly used demographic variables in previous ethnocentrism studies are *age*, *gender*, *education* and *income* (e.g. Sharma *et al.*, 1995; Good and Huddleston, 1995; Nielsen & Spence, 1997 and Balabanis *et al.*, 2002). The demographic variables included in this study also included *age*, *gender*, *education* and *income* to address the following hypotheses.

H _{6a}	There is a positive relationship between age and consumer ethnocentrism for white South African consumers.
H _{6b}	There is a positive relationship between age and consumer ethnocentrism for black South African consumers.
H _{7a}	White South African women exhibit greater ethnocentric tendencies than white South African men.
H _{7b}	Black South African women exhibit greater ethnocentric tendencies than black South African men.
H _{8a}	There is a negative relationship between level of education and consumer ethnocentrism for white South African consumers.
H _{8b}	There is a negative relationship between level of education and consumer ethnocentrism for black South African consumers.
H _{9a}	There is a negative relationship between income level and consumer ethnocentrism for white South African consumers.
H _{9b}	There is a negative relationship between income level and consumer ethnocentrism for black South African consumers.

7.8.1 Influence of demographic data on consumer ethnocentrism for the white sample

To determine whether the ordinarily-scaled demographic variables (independent variables) wielded an influence on consumer ethnocentrism, multiple regression was performed. The demographic variables included were *age*, *income* and *education*. The results are reported in Table 7.36.

Table 7.36

**The influence of demographic variables on consumer ethnocentrism:
white sub-sample**

Dependent variable: Consumer ethnocentrism			
R-square = 0.072			
Independent variables	Beta-value	t-value	p-value
Age	0.148	2.742	0.006 (***)
Education	-0.007	-0.118	0.906 (N.S.)
Income	-0.258	-4.375	0.000 (***)

Significance level:

- * $p < 0.05$
- ** $p < 0.01$
- *** $p < 0.001$
- N.S. not significant

In terms of the demographic variable *age*, the hypothesis (H_{6a}) that there is a positive relationship between *age* and *consumer ethnocentrism* for white South African consumers is supported (t-value 2.742; $p < 0.01$). This result suggests that the older white South consumers are the more ethnocentric they are.

As far as *education* is concerned the hypothesis (H_{8a}) that there is a negative relationship between *level of education* and *consumer ethnocentrism* for white South African consumers, is rejected (t-value of -0.118; $p > 0.05$). It therefore seems that the

level of education of white South Africans does not have an influence on their level of *ethnocentrism*.

For the demographic variable *income*, the hypothesis (H_{9a}) that there is a negative relationship between *income* and *consumer ethnocentrism* for white South African consumers cannot be rejected (t-value -4.375; $p < 0.001$). This result confirms that the higher the income of white South consumers, the less ethnocentric they are.

It must be noted that the R^2 value of 0.072 suggests that only 7.2% of variance in the score of consumer ethnocentrism is explained by the three independent demographic variables of *age*, *income* and *education* for the sample of white respondents.

In order to investigate whether white South African women exhibit greater ethnocentric tendencies than white South African men an independent sample t-test was performed. A t-test is used to assess the statistical significance of the difference between two sample means for a single dependent variable (Hair *et al.*, 2010:442). The following results were found:

Table 7.37

Influence of gender on consumer ethnocentrism: white sub-sample

Group statistics		
Gender	N	Mean
Male	172	4.1744
Female	170	4.7400

Independent samples t-test		
	t-test for equality of means	
	T	Df
Equal variances assumed	-3.335	340

The results of the test of differences (Table 7.37) indicate that there is indeed a difference between ethnocentric tendencies of white South African women and men and that white South African women do seem to exhibit greater ethnocentric tendencies than white South African men. Hypothesis H_{7a} can thus not be rejected.

7.8.2 Influence of demographic data of the black sample on consumer ethnocentrism

As with the sample of white respondents, multiple regression was performed to assess whether the ordinarily-scaled demographic variables (independent variables) exerted an influence on the dependent variable, consumer ethnocentrism. The demographic variables also included *age*, *income* and *education*. The results are reported in Table 7.38

Table 7.38

**The influence of demographic variables on consumer ethnocentrism:
black sub-sample**

Dependent variable: Consumer ethnocentrism			
R-square = 0.047			
Independent variables	Beta-value	t-value	p-value
Age	0.142	2.863	0.004 (***)
Education	-0.086	-1.652	0.099 (N.S.)
Income	-0.128	-2.427	0.016 (**)

Significance level:

- * $p < 0.05$
- ** $p < 0.01$
- *** $p < 0.001$
- N.S. not significant

As far as the demographic variable *age* is concerned, the hypothesis (H_{6b}) that there is a positive relationship between *age* and *consumer ethnocentrism* for black South African consumers is supported (t-value 2.863; $p < 0.01$). This result suggests that the older black South consumers are the more ethnocentric they are.

In terms of *education*, the hypothesis (H_{8b}) that there is a negative relationship between *level of education* and *consumer ethnocentrism* for black South African

consumers is rejected (t-value -1.652; $p > 0.05$). This result signifies that the level of education of black South Africans does not influence their level of ethnocentrism.

The hypothesis (H_{9b}) for the variable *income*, i.e. that there is a negative relationship between *income* and *consumer ethnocentrism* for black South African consumers, is supported (t-value -2.427; $p < 0.05$). This result suggests that the higher the income of black South African consumers the less ethnocentric they are.

As with the sample of white respondents, it must be noted that the R^2 value of 0.047 suggests that only 4.7% of variance in the score of consumer ethnocentrism is explained by the three independent demographic variables of *age*, *income* and *education* for the sample of black respondents.

To investigate whether black South African women exhibit greater ethnocentric tendencies than black South African men, an independent sample t-test was also performed. The following results were found:

Table 7.39

**Influence of gender on consumer ethnocentrism:
black sub-sample**

Group statistics		
Gender	N	Mean
Male	217	4.6306
Female	200	4.5992

Independent samples t-test		
	t-test for equality of means	
	t	df
Equal variances assumed	0.215	415

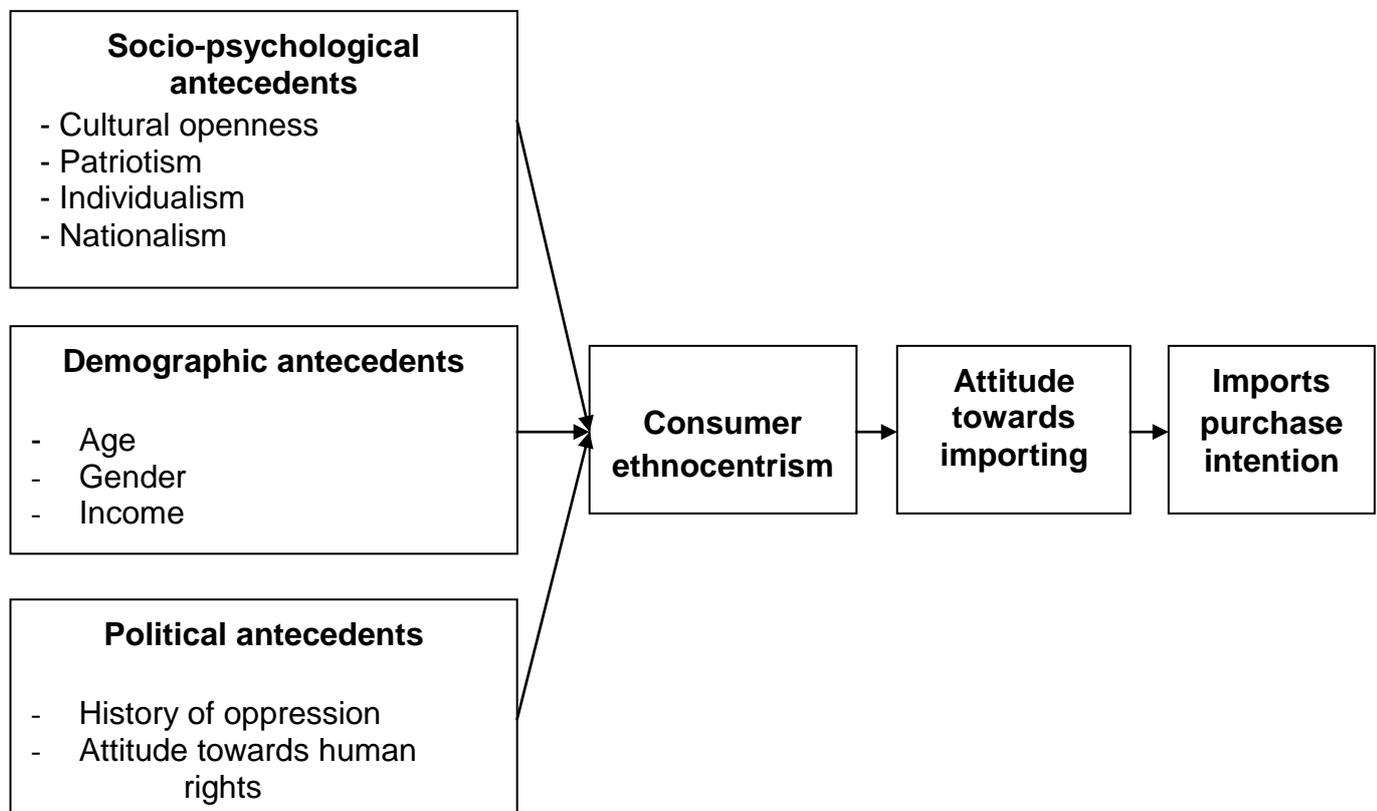
The results of the test of differences (Table 7.39) indicate that there does not seem to be a difference between the ethnocentric tendencies of black South African women and men. Hypothesis H_{7b} can therefore be rejected as both black males and females hold the same views on consumer ethnocentrism.

7.9 SUMMARY OF CONFIRMED RELATIONSHIPS (SAMPLE OF WHITE RESPONDENTS)

On completion of the statistical analyses of the different variables a summary of the confirmed relationships between the different variables was compiled in the form of a model (Figure 7.4). Figure 7.4 represents the final model for the sample of white respondents of this study.

Figure 7.4

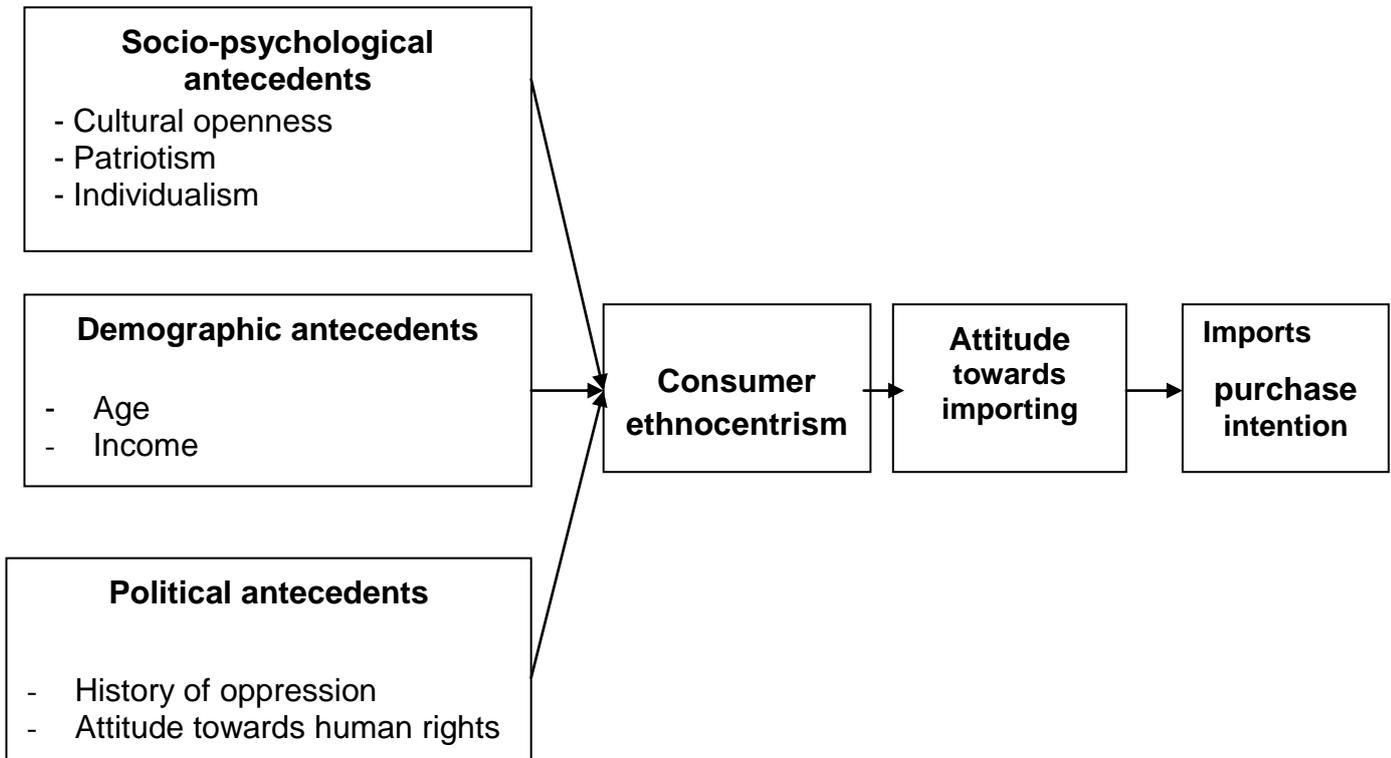
Summary of the empirical findings for the sample of white respondents



A summary of the confirmed relationships between the different variables for the sample of black respondents of this study was also compiled in the form of a model (Figure 7.5). Figure 7.5 represents the final model for the sample of black respondents.

Figure 7.5

Summary of the empirical findings for the sample of black respondents



From the final models (Figure 7.4 and 7.5) it is clear that there is a difference between the samples of white and black respondents in terms of the relevance of the antecedents for consumer ethnocentrism. Both groups agree that *cultural openness*, *patriotism*, *individualism*, *age*, *income*, *history of oppression* and *attitude towards human rights* had an influence on *consumer ethnocentrism*. Results from the sample of white respondents, however, also revealed that *nationalism* and *gender* have an influence on the level of consumer ethnocentrism, while these antecedents were not-significant for the sample of black respondents. The conclusion that can therefore be made is that even though there was significant congruence between the samples of white and black respondents of this study, there were also some differences. In Chapter 8 the similarities and differences between the two sub-samples will be discussed in more detail.

7.10 SUMMARY OF EMPIRICAL ASSESSMENT OF HYPOTHESES

A summary of the hypotheses and the outcomes of their empirical assessment are provided in Table 7.40.

Table 7.40

Summary of hypotheses tested

Hypothesis		Result
H _{1a}	There is a negative relationship between cultural openness and consumer ethnocentrism for white South African consumers.	Supported
H _{1b}	There is a negative relationship between cultural openness and consumer ethnocentrism for black South African consumers.	Supported
H _{2a}	There is a positive relationship between patriotism and consumer ethnocentrism for white South African consumers.	Supported
H _{2b}	There is a positive relationship between patriotism and consumer ethnocentrism for black South African consumers.	Supported
H _{3a}	There is a negative relationship between individualism and consumer ethnocentrism for white South African consumers.	Not supported
H _{3b}	There is a negative relationship between individualism and consumer ethnocentrism for black South African consumers.	Not supported
H _{4a}	There is a positive relationship between nationalism and consumer ethnocentrism for white South African consumers.	Supported
H _{4b}	There is a positive relationship between nationalism and consumer ethnocentrism for black South African consumers.	Not supported
H _{5a}	There is a negative relationship between internationalism and consumer ethnocentrism for white South African consumers.	Not supported
H _{5b}	There is a negative relationship between internationalism and consumer ethnocentrism for black South African consumers.	Not supported
H _{6a}	There is a positive relationship between age and consumer ethnocentrism for white South African consumers.	Supported
H _{6b}	There is a positive relationship between age and consumer ethnocentrism for black South African consumers.	Supported
H _{7a}	White South African women exhibit greater ethnocentric tendencies	Supported

Hypothesis		Result
	than white South African men.	
H _{7b}	Black South African women exhibit greater ethnocentric tendencies than black South African men.	Not supported
H _{8a}	There is a negative relationship between level of education and consumer ethnocentrism for white South African consumers.	Not supported
H _{8b}	There is a negative relationship between level of education and consumer ethnocentrism for black South African consumers.	Not supported
H _{9a}	There is a negative relationship between income level and consumer ethnocentrism for white South African consumers.	Supported
H _{9b}	There is a negative relationship between income level and consumer ethnocentrism for black South African consumers.	Supported
H _{10a}	There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for white South African consumers.	Supported
H _{10b}	There is a negative relationship between consumer ethnocentrism and attitudes towards human rights for black South African consumers.	Supported
H _{11a}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for white South African consumers.	Supported
H _{11b}	There is a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism for black South African consumers.	Supported
H _{12a}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods (Chinese clothing) for white South African consumers.	Supported
H _{12b}	There is a negative relationship between consumer ethnocentrism and attitudes towards importing foreign goods (Chinese clothing) for black South African consumers.	Supported
H _{13a}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for white South African consumers.	Supported
H _{13b}	There is a positive relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods for black South African consumers.	Supported

7.11 SUMMARY AND IMPLICATIONS FOR THIS STUDY

The empirical results of the study are presented in this chapter. The first section of the chapter deals with the validation of the measuring instrument that was designed for the study. An exploratory factor analysis (EFA) was conducted for both sub-groups of this study to assess the discriminant validity of the measuring instrument used. The results of the respective EFAs indicate that the original number of variables proposed can be reduced to a total of ten. These variables were exactly the same for the sample of black and white respondents. The next section deals with the assessment of the reliability of the measuring instrument and is followed by a section explaining the removal of the two latent variables, conservatism and collectivism.

In the next section the proposed theoretical model is tested empirically by means of the structural equation modelling technique as well as by regression analysis - the results were reported for both sub-samples used. The uniqueness of this study is that a final model for the sample of white respondents as well as the sample of black respondents was created indicating the similarities and differences in terms of the relevance of different antecedents for consumer ethnocentrism. The chapter concludes with a summary of the hypotheses formulated for this study and the outcomes of their empirical assessment.

In the following chapter the implications of the empirical results highlighted in this chapter will be discussed and practical marketing strategies will be suggested to marketing managers.

CHAPTER 8

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

In this concluding chapter of the study the empirical results emanating from the study are addressed in more detail. The first section of the chapter provides a synopsis of the study, and is followed by one in which the empirical results of this study are compared with results from previous studies to ascertain how they compare with those of previously reported studies. The next section interprets the empirical results and suggests practical marketing strategies. The chapter concludes by noting some limitations in the study and suggests possible areas and concepts for future research.

8.2 SYNOPSIS OF THE STUDY

The primary objective of this study was to investigate consumer ethnocentrism. Unlike the many country of origin and consumer ethnocentrism studies conducted predominantly in developed countries this study was conducted in a developing country (South Africa). Another noteworthy aspect of the current study was that it made use of two independent samples based on race, namely one of white South African respondents and another of black South African respondents. The main reason for the two different samples was to determine whether the white respondents differed from the black respondents in their perceptions regarding consumer ethnocentrism and other variables relating to international marketing.

As mentioned in the methodology chapter, a conceptual model to investigate consumer ethnocentric tendencies of South African consumers based on the existing literature was proposed for the study. Sixteen independent variables that could influence consumer ethnocentrism were identified from a study of the literature and these were all included in the conceptual model. Secondary objectives were to investigate the possible influences of the ethnocentric tendencies of South Africans on their attitudes towards importing foreign products (especially Chinese clothing) and ultimately the dependent variable arising from this, namely their willingness to buy

these imported products. Based on this model and consistent with the findings of investigations in previous studies, a number of hypotheses were developed.

Based on this conceptual model a questionnaire containing structured questions was developed and was pre-tested among a number of South African individuals. From the results of the feedback from the pilot test, a few adjustments were made to the questionnaire. The electronic questionnaire was then sent to a random sample of 25 700 black and white South African consumers, with an invitation to complete it. A total of 759 completed and usable questionnaires were returned. The data captured from the completed questionnaires were subjected to a number of statistical analyses.

An invariance test was conducted and confirmed that the parameters of the empirical models emanating from the two sub-samples were statistically different (configural invariance). A separate exploratory factor analysis was then performed for each dataset (white sample and the black sample) to identify the unique factors present in the data and to confirm the discriminant validity of the measuring instrument.

The results of the exploratory factor analyses for both the black and white respondent sample-sets indicated that the original questionnaire items measured a total of ten factors. The results also showed that the ten dimensions were exactly the same for the samples of both the black and white respondents, but not necessarily the items measuring them. From the results of the exploratory factor analysis the decision was made to remove the variable *collectivism* from the empirical model. The results of the exploratory factor analysis also showed that some of the items that were expected to measure the variable *conservatism* loaded on other variables. Due to its poor discriminant validity it was also decided to remove the variable *conservatism* from the model. As a result of the removal of these two variables the originally proposed hypotheses were also adjusted.

To assess the reliability of the data, the Cronbach Alpha coefficients for each variable were calculated for the variables that emerged from the exploratory factor analysis. Only one variable, *individualism* returned a relatively low Cronbach coefficient (0.614 for the white sample and 0.554 for the black sample). Since the Cronbach coefficient was above 0.500, though, it was decided to retain individualism as a variable in the study.

The primary statistical analysis performed in the study was conducted by means of structural equation modelling.

8.3 SUMMARY OF THE EMPIRICAL RESULTS OF THE STUDY

The results of the empirical research are presented in the following section together with the points of identity between the results of the study and relevant previous studies. Emphasis is given to those relationships between variables that were empirically confirmed by the results of this study. The discussion is presented individually for the samples of white and black respondents surveyed in the study.

8.3.1 Confirmed relationships for the sample of white respondents

Of the thirteen hypothesised relationships addressed in the study, a total of ten were empirically confirmed in the sample of white respondents. A comparison between the confirmed relationships of this study and those reported in the literature will now be considered.

8.3.1.1 *The relationship between cultural openness and consumer ethnocentrism*

A negative relationship between cultural openness and consumer ethnocentrism for white South African consumers was reported. This finding is in line with previous studies (Howard, 1989; Sharma *et al.*, 1995 and De Ruyter *et al.*, 1998). In other words, the higher the cultural openness of respondents are the lower their levels of consumer ethnocentrism are.

8.3.1.2 *The relationship between patriotism and consumer ethnocentrism*

The empirical results revealed a positive relationship between patriotism and consumer ethnocentrism. This finding is in agreement with previous findings (Sharma *et al.*, 1995; De Ruyter *et al.*, 1998; Javalgi *et al.*, 2005 and Vida & Reardon, 2008). This result suggests that the more patriotic respondents are the higher their consumer ethnocentrism.

8.3.1.3 *The relationship between nationalism and consumer ethnocentrism*

Confirmation of a positive relationship between nationalism and consumer ethnocentrism was found in this study. This finding is in tune with findings from previous studies (Lee *et al.*, 2003 and Vida *et al.*, 2008). In other words, the more nationalistic consumers are the higher their levels of consumer ethnocentrism.

8.3.1.4 *The relationship between consumer ethnocentrism and attitude towards human rights*

The empirical results revealed a negative relationship between attitude towards human rights and consumer ethnocentrism. This finding implies that the more positive consumers are about the human rights of others, the less consumer ethnocentric they are. This result seems to correspond with the results of a study by McFarland and Mathews (2005:380), which suggests that ethnocentrism reduces respondents' commitment to human rights that subordinate national interests.

8.3.1.5 *The relationship between consumer ethnocentrism and "history of oppression"*

The relationship between a "history of oppression" in the source (exporting) country and consumer ethnocentrism proved to be positive, which suggests that the stronger consumers feel about a country of origin where people are oppressed the more ethnocentric they tend to be.

8.3.1.6 *The relationship between age and consumer ethnocentrism*

It emerged from the study that there was a positive relationship between age and consumer ethnocentrism. This finding corresponds with findings of previous studies (Caruana & Magri, 1996; Nielsen & Spence, 1997; De Ruyter *et al.*, 1998; Vida & Fairhurst, 1999; Lee *et al.*, 2003 and Javalgi *et al.*, 2005). This finding implies that the older consumers are the more ethnocentric they tend to be.

8.3.1.7 *The relationship between gender and consumer ethnocentrism*

The investigation of the relationship between gender and consumer ethnocentrism, showed that white South African women exhibit greater ethnocentric tendencies than white South African men. This finding is in line with findings of previous studies where

gender was investigated (Sharma *et al.*, 1995; Nielsen & Spence, 1997; Vida & Fairhurst, 1999; Lee *et al.*, 2003 and Javalgi *et al.*, 2005).

8.3.1.8 *The relationship between income and consumer ethnocentrism*

The negative relationship proposed between the level of income and consumer ethnocentrism was confirmed for the sample of white respondents. This finding concurs with findings of previous studies (Sharma *et al.*, 1995; Klein & Ettenson, 1999 and Lee *et al.*, 2003) where a negative relationship between consumer income level and consumer ethnocentric tendencies was reported. In other words, the higher the incomes of individuals the less ethnocentric they tend to be.

8.3.1.9 *The relationship between consumer ethnocentrism and attitudes towards importing foreign goods*

The empirical results revealed a negative relationship between consumer ethnocentrism and the attitudes of white consumers towards importing foreign goods. This result seems to be consistent with results found in previous studies where it was found that the more ethnocentric consumers are the more they will resist importing foreign goods (Javalgi *et al.*, 2005:332).

8.3.1.10 *The relationship between attitudes towards importing foreign goods and the intention to buy imported foreign goods*

A positive relationship was expected between the attitudes of white South African consumers towards importing foreign goods and the intention to buy imported foreign goods. Results from the sample of white respondents indicated that there was indeed a positive relationship between these two variables. This finding is in line with findings of previous studies (Javalgi *et al.*, 2005:333) and means that the more positive respondents are towards importing foreign products the higher their intentions to buy imported products are.

8.3.2 Confirmed relationships for the sample of black respondents

Of the thirteen hypothesised relationships addressed in the study a total of eight were confirmed for the sample of black respondents.

8.3.2.1 *The relationship between cultural openness and consumer ethnocentrism*

As with the sample of white respondents used in this study, a negative relationship between cultural openness and consumer ethnocentrism was reported for the sample of black respondents. This finding is also in line with previous studies (Howard 1989, Sharma *et al.*, 1995 and De Ruyter *et al.*, 1998). It confirms that the more open respondents are to other cultures the less ethnocentric they are.

8.3.2.2 *The relationship between patriotism and consumer ethnocentrism*

The empirical results revealed a positive relationship between patriotism and consumer ethnocentrism. This finding is in agreement with previous findings (Sharma *et al.*, 1995; De Ruyter *et al.*, 1998; Javalgi *et al.*, 2005 and Vida & Reardon, 2008). This means that the more patriotic respondents are the higher their consumer ethnocentrism.

8.3.2.3 *The relationship between age and consumer ethnocentrism*

Regarding the relationship between age and consumer ethnocentrism, results indicated a positive relationship, which corresponds with the findings of previous studies (Caruana & Magri, 1996; Nielsen & Spence, 1997; De Ruyter *et al.*, 1998; Vida & Fairhurst, 1999; Lee *et al.*, 2003 and Javalgi *et al.*, 2005). In other words, the older respondents are the more ethnocentric they tend to be.

8.3.2.4 *The relationship between income and consumer ethnocentrism*

A negative relationship was predicted between the level of income and consumer ethnocentrism for black South African consumers. As with the sample of white respondents, this relationship was confirmed for the sample of black respondents of this study, which concurs with the findings of previous studies (Sharma *et al.*, 1995; Klein & Ettenson, 1999 and Lee *et al.*, 2003). This result implies that the higher the income of respondents, the less consumer ethnocentric they tend to be.

8.3.2.5 *The relationship between consumer ethnocentrism and “history of oppression”*

The results indicated a positive relationship between a “history of oppression” in the source (exporting) country and consumer ethnocentrism. As with the sample of white respondents, this finding suggests that the stronger a consumer feels about a country of origin where people are oppressed the more ethnocentric these consumers tend to be.

8.3.2.6 *The relationship between consumer ethnocentrism and attitude toward human rights*

The relationship between the attitude towards human rights and consumer ethnocentrism proved to be negative, which implies that the more positive a consumer is towards the human rights of people the less consumer ethnocentric they are. As in the case of white respondents, this result seems to correspond with the results of a study by McFarland and Mathews (2005:380), which suggests that ethnocentrism reduces respondents’ commitment to human rights that subordinated national interests.

8.3.2.7 *The relationship between attitudes towards importing foreign goods and the intention to purchase imported foreign goods*

A positive relationship was expected between the attitudes of black South African consumers towards importing foreign goods and their intention to purchase them. The empirical results confirmed the positive relationship between these two variables and are in line with findings of previous studies (Javalgi *et al.*, 2005).

8.4 INTERPRETATION OF RESULTS AND MANAGERIAL IMPLICATIONS

The primary objective of this study was to investigate consumer ethnocentrism in a developing country (South Africa) and to this end a model was constructed to identify factors that might influence the ethnocentrism of black and white South African consumers. Secondly, the possible effects of South Africans’ ethnocentrism on their attitudes towards imported products and thirdly their intentions to purchase foreign products were investigated.

It is generally assumed that a better understanding of the concept of consumer ethnocentrism and its antecedents could result in more effective marketing strategies.

Sharma *et al.* (1995:34) argue that consumer ethnocentrism can assist marketing managers in understanding the reasons why consumers would buy domestic as opposed to imported products. According to Vida and Fairhurst (1999:332) an understanding of consumer ethnocentric tendencies should assist both local and international marketers in the development of market segmentation and positioning strategies. Consumers that are highly non-ethnocentric will, for example, require a significantly different marketing-mix approach to that of ethnocentric consumers. As each of the relationships confirmed in this study could have profound implications for marketing managers the following section investigates the managerial implications of the results of this study.

Firstly, attention is given to the interpretation of results and managerial implications of the antecedents of consumer ethnocentrism as such, followed by a section where the results in terms of the influence of consumer ethnocentrism on the attitude of South African consumers towards the importing of clothing products from China is interpreted. The managerial implications of this aspect are also highlighted. The final section focuses on the influence of the attitudes of South African consumers towards the importing of Chinese clothing products and their intentions to purchase these products.

8.4.1 Antecedents to consumer ethnocentrism

In Chapter 5 it was argued that the ethnocentric tendencies of consumers do not develop in isolation, but that they should rather be seen as resulting from a range of influences. It was also suggested that four broad categories of antecedents for consumer ethnocentrism can be identified:

- socio-psychological
- economic
- political and
- demographic antecedents.

This study investigated a number of antecedents for consumer ethnocentrism and the findings and their managerial implications are discussed in the following two sections. The first section will focus on the sample of white respondents and the second section on the sample of black respondents.

8.4.1.1 Consumer ethnocentrism and the sample of white respondents

The results of the study on the sample of white respondents confirmed that the following variables could be considered as antecedents for consumer ethnocentrism:

- cultural openness
- patriotism
- individualism
- nationalism
- age
- gender
- income
- history of oppression, and
- attitude towards human rights.

8.4.1.1.1 Social-psychological antecedents for consumer ethnocentrism

Of the social-psychological antecedents that were originally included in this study four revealed a relationship with consumer ethnocentrism.

It was found that cultural openness, i.e. an awareness, understanding and acceptance of other cultures by people, had a negative relationship with consumer ethnocentrism. This implies that white South African consumers, who recognise, understand and accept other cultures are less consumer ethnocentric than white South African consumers who are more reserved about accepting other cultures.

For the purposes of this study patriotism was operationalised as an individual's feelings towards his/her country; it was assessed as the degree of love for, and pride in one's nation. Results of this study confirmed a positive relationship between

patriotism and consumer ethnocentrism. The assumption can therefore be made that white South African consumers who love and are proud of South Africa are more ethnocentric than white South African consumers who are less patriotic.

As for nationalism, i.e. a variable that is mainly linked to feelings of national superiority and dominance, it was suggested in Chapter 6 that it should be distinguished from seemingly related concepts such as patriotism and internationalism. For this reason, nationalism was treated as a separate variable in this study. The results showed a positive relationship between nationalism and consumer ethnocentrism for the sample of white respondents of this study. It therefore seems as if white South African consumers with strong feelings of national superiority and the national dominance of South Africa are more ethnocentric than white South African consumers who do not feel as strongly about national superiority and dominance.

For the antecedent individualism, a positive relationship with consumer ethnocentrism emerged for the sample of white respondents. It seems that white South African consumers, who prefer to act as individuals rather than as members of a group, tend to be more ethnocentric than white South African consumers who prefer to act as members of a group (collectivists).

8.4.1.1.2 Demographic antecedents for consumer ethnocentrism

Of the four demographic antecedents that were included in this study, three – age, income and gender – revealed a relationship with consumer ethnocentrism.

Age was found to have a positive relationship with consumer ethnocentrism in the sample of white respondents, which suggests that older white South African consumers display higher levels of ethnocentric tendencies than younger white South African consumers.

For the antecedent income, a negative relationship was found with consumer ethnocentrism. It can be reasonably assumed that the higher the incomes of white South African consumers, the less ethnocentric they tend to be.

As far as gender is concerned, it was hypothesised that white South African women exhibit greater ethnocentric tendencies than white South African men and the results of the study confirmed this.

8.4.1.1.3 Political antecedents for consumer ethnocentrism

The political antecedents of a history of oppression and the attitude towards human rights revealed relationships with consumer ethnocentrism in the sample of white respondents. In terms of the relationship between a history of oppression of the source (exporting country) and consumer ethnocentrism, a positive relationship was found, i.e. the more a white consumer opposed government oppression of citizens in a country of origin (in this case China) the more ethnocentric these consumers tend to be. In terms of the relationship between the attitudes towards human rights and consumer ethnocentrism, a negative relationship was found for the sample of white respondents. This result implies that the more positive white consumers are towards the human rights of people the less ethnocentric they tend to be.

8.4.1.2 Consumer ethnocentrism and the sample of black respondents

For the sample of black respondents, the results of the study confirmed that the following variables could be considered as antecedents for consumer ethnocentrism:

- cultural openness
- patriotism
- individualism
- age
- income
- history of oppression, and
- attitude towards human rights.

8.4.1.2.1 Social-psychological antecedents for consumer ethnocentrism

Of the social-psychological antecedents that were included in this study, three – cultural openness, patriotism and individualism – revealed a relationship with consumer ethnocentrism.

Regarding cultural openness, a negative relationship was found with consumer ethnocentrism, which implies that black South African consumers who recognise, understand and accept other cultures are less consumer ethnocentric than black

South African consumers who are less aware of and open and sympathetic to other cultures.

For the antecedent of patriotism, a positive relationship with consumer ethnocentrism emerged. It can therefore be concluded that black South African consumers who love and are proud of South Africa are more ethnocentric than black South African consumers who are less patriotic.

In terms of individualism, a positive relationship was found with consumer ethnocentrism for the sample of black respondents surveyed in this study. As with the sample of white South African consumers, it seems that black South African consumers, who prefer to act as individuals rather than as members of a group, tend to be more ethnocentric than black South African consumers who prefer to act as members of a group (collectivists).

8.4.1.2.2 Demographic antecedents of consumer ethnocentrism

Of the four demographic antecedents that were included in this study, two revealed a relationship with consumer ethnocentrism.

A positive relationship with consumer ethnocentrism was found for the antecedent age. This finding suggests that older black South African consumers display more ethnocentric tendencies than younger black South African consumers.

In terms of income, a negative relationship with consumer ethnocentrism was found, which leads to the conclusion that the higher the incomes of black South African consumers the less ethnocentric they tend to be.

It was also hypothesised that black South African women exhibit greater ethnocentric tendencies than black South African men. From the results it emerged that, unlike the sample of white South African respondents, there was no difference between the ethnocentric tendencies of black South African men and women.

8.4.1.2.3 Political antecedents for consumer ethnocentrism

Among the black respondents surveyed in this study there was found to be a clear link between consumer ethnocentrism and two political antecedents, i.e. a history of oppression and consumers' attitude toward human rights. A positive relationship was

found between the history of oppression in the source (exporting country) and black consumer ethnocentrism. As with the sample of white respondents, it would appear that the more opposed black consumers are to government oppression of citizens in a country of origin (such as China), the more ethnocentric these consumers tend to be. A negative relationship was also found between the attitudes towards human rights and consumer ethnocentrism (a similar result to that of the sample of white respondents). This result implies that the more black consumers support the human rights of people the less ethnocentric they tend to be.

8.4.1.3 Managerial implications

The results of this study suggest that even though there were differences in terms of the impact of antecedents on consumer ethnocentrism that were investigated for the sample of white and black respondents, the two groups seemed to respond in a relatively similar way. The results indicated that the variables cultural openness, patriotism, individualism, age, income, attitude towards human rights and a history of oppression were all regarded as antecedents for consumer ethnocentrism by both sub-samples. The main difference was that the sample of white respondents also regarded nationalism and gender as predictors of consumer ethnocentrism.

In terms of marketing strategies it therefore seems that more or less similar strategies could be used by marketing managers for white and black South African consumers when dealing with consumer ethnocentrism. These strategies should still be differentiated in line with the differences recorded between the two sub-samples of the study. This finding concurs with results of a study by Dmitrović and Obadia (2008), whose results indicated that a differentiated or “multi-local” marketing strategy may be justified in countries where multi-ethnic markets exist. A number of suggested marketing strategies that could be implemented in South Africa are discussed below.

Marketing managers of South African companies could, for example, focus on patriotism by incorporating patriotic messages into promotional campaigns. A few examples of patriotic messages that could be used are indicated below:

- “Buy South African products and protect local industries”
- “Buy South African products and protect the jobs of our people”

- “Real South Africans buy South African products”
- “Be a proud South African – buy locally produced products”
- “Show your love for your country by buying South African-made products”
- “I am a son of South Africa – I buy South African meat”
- “I am proud of my country – I buy South African products”

Marketing managers of South African companies could also develop advertising campaigns with patriotic themes. Print advertisements as well as outdoor advertising could, for example, show a smiling South African factory worker and the slogan “By buying South African products you have enabled Sarah to keep her job and provide for her children.” Models/actors (of different races) could be used in these advertisements to make them more representative of South Africa’s racial diversity. Where marketing budgets allow it, television campaigns could also be launched in which South African workers like Sarah are depicted in their working environment and where viewers are again thanked for buying South African products and securing the jobs of South African workers.

South African companies could also display a South African flag on the packaging, or where there is no packaging, on the labels of their products (for example on clothing), to encourage a feeling of patriotism. In-store displays could also be used to inform consumers that certain items, for example the coats on a certain rail in a chain store like Woolworths, were manufactured in South Africa. Once again a slogan such as “Buy South African products and protect the jobs of our people,” could be used to encourage consumers to purchase these products. South African retailers could also make use of window displays to promote the fact that they sell locally produced products.

Companies could also use social media such as Facebook and Twitter to inform consumers that they sell South African produced products. Retailers such as Woolworths, Pick n Pay, Edgars, Cape Union Mart, Mr Price and the Foschini group could use their social media channels to inform consumers that they are proud to sell South African products. They could occasionally also feature certain products made in South Africa (for example shoes, underwear or locally produced fruit) and invite consumers to buy these products. Once again a slogan such as “Be a proud South

African – buy locally produced products” or “Show your love for your country by buying South African made products,” could be used to reinforce the message.

South African consumers could also be made more aware of the “Proudly South African” campaign. This campaign was launched in 2001 to boost job creation and pride in South Africa by promoting South African companies and their “home-grown” products and services (About the campaign, 2011). Results of research conducted by AC Nielsen in 2009 implies that the “Proudly South African” campaign has been well received and supported by South Africans, but also suggests that sustained education in terms of what local product/industry support means to the economy and the overall well-being of South Africa is needed (About the campaign – Research, 2011).

Regarding nationalism, results indicate that this antecedent was only seen by the sample of white respondents as an important antecedent for consumer ethnocentrism. Marketing managers could therefore try and incorporate nationalistic messages into those marketing strategies of products aimed primarily at white South African consumers.

Examples of nationalistic messages that could be used in print and outdoor advertisements at festivals such as the Woordfees (Stellenbosch), National Art Festival (Grahamstown), ABSA KKNK (Oudtshoorn), Joy of Jazz (Johannesburg) and also sporting events such as rugby games could be:

- “Suid-Afrikaanse wyn bly maar die beste (in die Weste)!”
- “ABSA is trots om die amptelike borg te wees van die beste rugbyspan ter wêreld! Bokke bo!”
- “South African meat – the best you can eat!”

A major event such as the Rugby World Cup, for example, is a valuable platform for nationalistic and patriotic messages aimed at predominantly white South African consumers. An integrated marketing communications campaign with a central theme could be developed and implemented in a creative way by using a number of media such as print, outdoor and electronic. Possible examples for this central theme could be:

- “Bring back the cup with a roar” – Simba chips

- “We’ve got Ball's in the rucks and mauls” – Mrs Ball's Chutney
- “Ons Bokke sal nie spekskiet nie!” – Enterprise Bacon
- “Ons Bokke is SPURfek” - Spur
- “Our Boks are SPURfect” – Spur
- “South African cocks stay the best – Go Bokke” – Nandos

Marketing managers would also be well advised to incorporate the construct of individualism into their marketing strategies. Examples of messages that could be used in promotional campaigns could be:

- “I don’t care what others say – I buy South African products”
- “I do what is best for me and my country – I buy South African products”

As far as demographic antecedents are concerned, it seems that marketing managers wishing to focus on consumer ethnocentrism should pay specific attention to age and income.

For the samples of both black and white South African respondents the results indicated that younger South Africans seem to be less ethnocentric, while consumers with higher incomes also seem to be less ethnocentric than consumers with lower incomes. Depending on the product, South African marketing managers could incorporate this insight into their marketing strategies. In terms of older consumers, who tend to be more ethnocentric, strategies could be developed to focus on these ethnocentric older consumers. As previously explained, promotional messages containing patriotic themes could be used to communicate with these consumers. These messages can appear in magazines such as *Fair Lady*, *Getaway* and *Garden and Home*; on television during programmes such as *7de Laan*, *Generations* and news bulletins and on radio stations such as *RSG* and *Ukhozi FM*. South African firms could, for example, also communicate to older consumers how many jobs they provide in South Africa as well as their level of investment in the country. Consumers could then be urged to either continue buying South African products or to start buying South African products to “support their country”.

To enhance this message, South African firms could engage in cause-related marketing by communicating that they would donate funds to worthwhile South African causes (such as Aids orphanages) for every locally produced product bought. To make the strategy more relevant (closer to home), South Africa could be divided into regions for example the Gauteng, Western Cape, Eastern Cape and KwaZulu Natal areas and a suitable beneficiary (cause) could be identified for each. The messages promoting a particular beneficiary (for example Hospice in Cape Town) would then be placed in the main media of the specific area (for example a print advertisement in *Die Burger* or *Cape Argus* newspapers of the Western Cape).

South African firms could also use brands for their products that typically relate to South Africa. Brands like “Namaqua”, “Ceres”, “Willeklong” and “Out of the blue (Knysna)” are for example already used to emphasise the fact that the product is produced in South Africa and is not imported.

Raising the level of ethnocentrism among younger consumers who tend to be less ethnocentric could pose some difficulties. South African marketing managers could therefore develop strategies other than those aimed at promoting consumer ethnocentrism to persuade these younger consumers to buy South African products. An exception could maybe be that as the levels of unemployment among the young at present are alarmingly high in South Africa and with many younger people struggling to find employment, a special strategy could be employed to inform these younger people that buying South African products would not only protect existing jobs but could even create new job opportunities for them. This information could be disseminated at schools, universities, technicons and technical colleges in the form of posters on notice boards, by means of road-shows/industrial theatre or by empowering teachers and/or academics to convey the message to students/learners.

The message could also be communicated in a way that younger people can relate to (i.e. not “old-fashioned”) in timeslots during programmes watched by younger people on South African television channels such as SABC 1, 2, 3, eTV and MK. Well-known South African sports stars and other celebrities such as Ryk Neethling, Menzi Ngubane, Roxy Louw, DJ Fresh, Hunter Kennedy, Charlize Theron, Trevor Noah and members from the groups Freshly Ground and Van Coke Kartel could for example be used for conveying these messages.

As far as gender is concerned, the results of the study indicated that this antecedent was only regarded as an important antecedent for consumer ethnocentrism by the sample of white respondents. This implies that South African marketing managers could therefore focus the strategies proposed above, and other, on (white) South African women where appropriate as they may well be more receptive than South African men. Media such as predominantly female magazines (e.g. *Finesse*, *Sarie*, *Cosmopolitan*, *Women's Health*), television programmes (e.g. *Desperate Housewives*, *Binnelanders*, *Grey's Anatomy*) and radio programmes focusing on female issues (*RSG*, and *5 FM*) could be used to carry advertisements with patriotic themes. Retail outlets (e.g. Foschini, Hip Hop and La Senza) could also pay more attention to communicating the fact that certain clothing items sold by them are produced in South Africa.

As far as the history of oppression of the source country (in this case China) is concerned, it seems that the more strongly black and white South African consumers feel about a country of origin (in this case China) where people are oppressed, the more ethnocentric these consumers will be. In terms of the attitudes of consumers towards human rights, this study indicated that the more concerned black and white South African consumers were about the human rights of other people, the less consumer ethnocentric they tend to be.

South African clothing manufacturers (such as Naartjie, Keedo, Rex Trueform and Anatomic) and retailers could therefore, once again, incorporate the fact that certain products are manufactured in South Africa (rather than in China, for instance). Slogans such as the following could be used in marketing messages, especially those aimed at ethnocentric South African consumers:

- “Made in the Democratic Republic of South Africa”
- “Made in South Africa where the human rights of our workers are respected”
- “Made in the NEW South Africa”

In addition South African clothing manufacturers and retailers selling South African-made clothing items could use social media platforms such as Facebook and Twitter to communicate how they protect the human rights of their South African workers. They could, for example, convey how they implement upliftment programmes, training

programmes, community involvement projects and incentive schemes. These firms could even explain their Black Economic Empowerment programmes and how these benefit workers and local communities.

In conclusion it seems that South African marketing managers would do well to develop marketing strategies aimed at certain market segments, either to foster existing ethnocentric tendencies among consumers or to try to initiate such ethnocentric tendencies where they are absent. This study proposes that two typical South African ethnocentric market segments could be:

- individualistic, patriotic and nationalistic older white females with relatively low incomes; and
- individualistic, patriotic, older black consumers with relatively low incomes.

International firms wishing to sell and promote foreign products on the South African market would be advised to recognise consumer ethnocentrism and its antecedents in their marketing strategies. These foreign firms should concentrate their efforts on the less ethnocentric South African consumers with marketing strategies aimed at persuading these consumers to rather purchase foreign-made products rather than those produced in South Africa.

Here a fruitful strategy could for example be to emphasise extrinsic cues such as packaging, brand, price and country of origin. Where appropriate for the products being offered, the typical segments that international firms could focus on in South Africa would be:

- younger white males with relatively high incomes, and
- younger black consumers with relatively high incomes.

8.4.2 The relationship between consumer ethnocentrism and attitude towards imports

It was pointed out in Chapter 5 that ethnocentric consumers consider the purchase of imported products to be wrong as it impairs the local economy, causes job losses and is seen as unpatriotic. Products from other countries are therefore regarded with contempt by highly ethnocentric consumers. In Chapter 6, it was argued that the

primary concern for local marketers was whether consumer ethnocentrism could be exploited to improve sales of local over foreign products.

A number of studies investigating the relationship between consumer attitudes towards the importation of foreign products and consumer ethnocentrism have found that the more ethnocentric consumers are, the more likely they would be to oppose the importation of foreign goods (Javalgi *et al.*, 2005:332). In the present study the results also pointed to a negative relationship between consumer ethnocentrism and the attitude of the white and black South African respondents towards the importing of clothing products from China in particular. It is therefore fairly safe to assume that the more ethnocentric white South African consumers are, the more opposed they would be to the importing of clothing products from China.

South African clothing producers could implement a number of marketing strategies to address the more favourable attitudes among the less ethnocentric South African consumers towards imports of clothing from China. The desired outcome of these strategies would be increased sales of South African clothing products, partly as a result of instilling a corresponding measure of antipathy towards Chinese imports among the less ethnocentric SA consumers.

South African consumers could firstly be informed of the high quality and superior design of clothing produced and sold in South Africa. Consumers could also be induced to try out the products by making use of coupons, by providing free samples (such as free T-shirts handed out at certain retail outlets) and by making use of price reductions. It is secondly important for firms manufacturing and selling clothing items in South Africa to provide value for money, seeing that South African items of clothing have to compete with competitively priced items from abroad. Thirdly, marketing managers of South African firms would do well to develop promotional strategies to persuade South African consumers to purchase South African produced clothing items rather than items produced in other countries, in this case China. Classical conditioning strategies could be used for example where a South African clothing producer uses South African public figures such as Michael Moll, Basetsana Khumalo, Patricia de Lille, Schalk Burger, Cyril Ramaphosa or Leon Schuster, acting as spokespersons to endorse locally manufactured clothing products to establish positive perceptions among customers.

8.4.3 The relationship between attitude towards importing and imports purchase intention

In Chapter 6 it was pointed out that it is important for marketers to develop measures that can be used to make reliable assessments of consumer attitudes and preferences for both domestic and foreign products. It was further proposed that consumer attitudes would not have been such an important factor for marketers if these had not been found to exert a significant influence the final step of a consumer, namely the act of making the actual purchase. In this study, the attitudes of a sample of South African consumers towards importing clothing products from China and their eventual intentions to buy these products were measured.

8.4.4 The relationship between attitudes towards imports and imports purchase intent for the samples of white and black respondents

The study found a positive relationship between the attitudes of the sample of white and black South African respondents and their intent to buy imported products (here clothing from China). It can therefore safely be assumed that if marketers of South African products could influence the attitudes of black and white South African consumers, these consumers could well be persuaded to buy more clothing produced in South Africa. On the other hand, firms exporting clothing products from China to South Africa should ensure that the positive attitudes of a broad range of South African consumers towards their products were reinforced by continuing to provide clothing products of consistently good quality and design at competitive prices for instance.

8.5 CONTRIBUTIONS OF THE PRESENT STUDY TO NEW KNOWLEDGE

This study is to be understood as a pioneering endeavour in the South African marketing environment as very little published research into the concepts of country of origin and consumer ethnocentrism in South Africa has appeared to date. It is hoped that this study will also be seen as unique by reason of the number of antecedents for consumer ethnocentric tendencies in a developing country that it identifies and the scale, of which the reliability and validity were confirmed, that was subsequently developed to investigate and quantify consumer ethnocentrism in South Africa. Another first in this study is that consumer ethnocentrism was investigated using

samples of both white and black South African respondents. In the process the levels of consumer ethnocentrism between two different South African racial groups were measured and compared. At the same time the possible impact of consumer ethnocentric tendencies on the attitudes of different racial groups towards importing products to South Africa and on their subsequent purchase intentions were investigated. The findings noted that there were similarities as well as important differences between the results of the two sub-samples.

Based on the results of the study, a number of practical, pertinent, and in certain cases, markedly differing marketing strategies for the different racial groups in South Africa were proposed. It is believed that the results of this study and the marketing strategies suggested will enable marketers from both South African and international firms to develop marketing strategies for the South African market that will serve their particular requirements more effectively.

8.6 LIMITATIONS OF THE PRESENT STUDY

The first possible limitation of this study is that when the reliability of the measuring instrument used was being assessed it was found that one variable, individualism, returned relatively low Cronbach coefficients (0.614 for the white sample and 0.554 for the black sample). Since the Cronbach coefficients were both above 0.500, though, it was decided to retain individualism as a variable in the study. It can still be argued though that the items used to investigate individualism did not measure this variable particularly well.

Another limitation of this study is that only one product category (namely clothing) was investigated. Future studies in the South African market could and should include other product categories. A third possible limitation could be that only one source (exporting) country, namely China was selected for this study. It may also well be that the results of this study could have been different, had another country of origin been selected as the exporting country.

8.7 POSSIBLE AREAS FOR FUTURE RESEARCH

Future studies on consumer ethnocentrism in South Africa could include additional product categories, especially low-involvement products. Instead of only investigating

tangible products, future studies could also investigate the influence of consumer ethnocentrism in a services context. Future studies could also investigate other exporting countries (such as India, USA, France and Japan) and the results of these studies could be compared with those of the current study. A fourth possible area of future research could be to replicate the current study in South Africa at regular time intervals. The results of these longitudinal studies would indicate whether consumer perceptions are staying the same or whether they are changing over time.

Another research question worth examining in future is whether consumer ethnocentrism could be seen as an ephemeral phenomenon, one that changes from one generation to the next.

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ADDENDUM 1

ITEMS USED IN PREVIOUS STUDIES TO MEASURE THE DIFFERENT VARIABLES INVESTIGATED IN THIS STUDY

The main purpose of this addendum is to provide an overview of items that were used in previous studies to measure the different variables investigated in this study. From these items a number of items were selected to be included in the questionnaire that was used for the study. In certain cases questions were slightly altered in an attempt to ensure more accurate results. A number of self-generated items were also included in the final questionnaire (see Chapter 6).

A. SOCIO-PSYCHOLOGICAL ANTECEDENTS OF CONSUMER ETHNOCENTRISM

1. CULTURAL OPENNESS

Variable	Definition(s)	Source
Cultural openness	An awareness, understanding and acceptance of other cultures.	Javalgi <i>et al.</i> (2005)
Cosmopolitanism	The term cosmopolitanism loosely describes just about any person that moves about in the world, but beyond that and more specifically, the expression refers to a specific set of qualities held by certain individuals, including a willingness to engage with the other (i.e. different cultures), and a level of competence towards alien culture(s).	Cleveland & Laroche (2007)
Global openness	This construct incorporates the impact of globalisation and reflects a self-conscious level of globalisation as a process of deepening consciousness and increasing sensitivity to other people and cultures.	Suh & Kwon (2002)

Winit, Gregory and Di Mascio (2008:1) argue that the concepts of global openness, cosmopolitanism and cultural openness are considered dichotomous to ethnocentrism

but that distinctions between these concepts are unclear and that measurement scales are used by researchers interchangeably.

1.1 Cultural openness

Sharma *et al.* (1995) – seven self-developed items

Sample items

I would like to have opportunities to meet people from different countries.

I am very interested in trying food from different countries.

De Ruyter *et al.* (1998) – seven self-developed items

Sample items

I would like to have opportunities to meet people from different countries.

I am open-minded towards foreigners and their habits.

Javalgi *et al.* (2005) – two items obtained from Sharma *et al.* (1995)

Sample item

I would like to have the opportunity to meet people from different countries.

Vida, Dmitrović and Obadia (2008) – two items from the cosmopolitan scale by Yoon *et al.* (1996).

Items used

I like immersing myself in different cultural environments.

I like to have contacts with people from different cultures.
--

1.2 Cosmopolitanism

Cosmopolitan Scale by Yoon *et al.* (1996)

I don't like experimenting with things I don't enjoy.
I get uncomfortable when people suggest that there is a "right" way to do something.
I like to surround myself with things that are familiar to me.
When I make important decisions, I rely a lot on the opinions of my friends.
I tend to appreciate many different kinds of music.
You can usually solve a lot of problems by simply doing what you are supposed to do.
I pay a lot of attention to local news.
I tend to evaluate people by what they do, not who they are or what position they hold.
Foreigners often leave me uncomfortable.
I tend to be very loyal to my friends.
I wish I could speak at least one foreign language.
I appreciate the importance of following tradition.
I enjoy getting news from all over the world.
I tend to get intensively involved with the people around me.
I like to have contact with people from different cultures.
I often feel like an "outsider" in my community.
I am most comfortable when I am talking to my close friends.
World issues concern me more than the issues of any one country.
I enjoy experimenting with many different kinds of foods.
I feel very close to the people in my community.
I like immersing myself in different cultural environments.
When I make an important decision, I look for information from as many different sources as possible.
I avoid settings where people don't share my values.
I can usually make a good decision if I have the proper information.

Cleveland and Laroche (2007) – eleven self-generated items from previous studies

Items used

I am interested in learning more about people who live in other countries.
I like to learn about other ways of life.
I enjoy being with people from other countries to learn about their unique views and approaches.
I like to try restaurants that offer food that is different from that in my own culture.
I enjoy exchanging ideas with people from other cultures or countries.
I like to observe people of other cultures, to see what I can learn from them.
I find people from other cultures stimulating.
I enjoy trying foreign food.
When traveling, I like to immerse myself in the culture of the people I am visiting.
Coming into contact with people of other cultures has greatly benefited me.
When it comes to trying new things, I am very open.

1.3 Global openness**Suh and Kwon (2002) – four items****Items used**

It is necessary to make an effort to understand other cultures' perspectives and integrate them into my own way of thinking.
Living and working in a foreign country may be an influential developmental experience of my own life.
I have a real interest in other cultures or nations.
I enjoy being with people from other countries to learn their unique views and approaches.

1.4 Combination – global openness, cosmopolitanism, cultural openness (Winit, Gregory & Di Mascio, 2008)

Winit *et al.* (2008:1) argue that it is of utmost importance to consolidate concepts and scales of global openness, cosmopolitanism and cultural openness into more parsimonious constructs. A study was therefore conducted with the aim of

consolidating the concepts and measurement scales of global openness, cosmopolitanism and cultural openness (Winit *et al.*, 2008:2).

A pool of global openness, cosmopolitanism and cultural openness items were used from the following studies (Winit *et al.*, 2008:3):

- nineteen items from the cosmopolitanism and self identification with global consumer culture, factors (Cleveland & Laroche (2007);
- five items from the cosmopolitanism scale (Yoon *et al.*, (1996);
- three items from the global openness scale (Suh & Kwon (2002).

Results of the study indicated that the concepts of global openness, cosmopolitanism, and cultural openness are based on the same construct. Winit *et al.* (2008:5) suggested that measurement scales from these concepts can be improved by consolidating them into two parsimonious constructs which are “openness to global environments” and “self-identification with global consumer culture”.

Reduced item-reduction scales suggested

Openness to global environments
I find people from other cultures stimulating.
I enjoy exchanging ideas with people from other cultures or countries.
I like to observe people of other cultures, to see what I can learn from them.
I enjoy being with people from other countries to learn about their unique views and approaches.
Coming into contact with people of other cultures has greatly benefited me.
I like to learn about other ways of life.

Self-identification with global consumer culture

Advertising by foreign or global brands has a strong influence on my clothing choices.
I pay attention to the fashions worn by people in my age-group that live in other countries.
I try to pattern my lifestyle, way of dressing, etc. to be a global consumer.
I prefer to wear clothing that I think is popular in many countries around the world rather than clothing traditionally worn in my own country.

Previously used hypotheses

Social-psychological factors			
<u>Variable</u> : Cultural openness			
Sample	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 Korean schoolchildren	A negative correlation is expected between cultural openness and consumer ethnocentrism	Supported	Sharma, Shimp & Shin (1995)
National sample of Dutch consumers. (175 respondents)	There will be a negative relation between cultural openness and consumer ethnocentric tendencies with regard to international services	Supported	De Ruyter, van Birgelen and Wetzels (1998)
Random distribution of questionnaires in mall (106 collected) French respondents	Cultural openness and ethnocentrism are negatively related for French consumers	Not supported	Javalgi, Khare, Gross & Scherer (2005)
600 urban respondents in Bosnia and Herzegovina	Cultural openness will be negatively related to consumer ethnocentrism	Not supported	Vida, Dmitrović & Obadia (2008)

2 PATRIOTISM

Variable	Definition	Source
Patriotism	The construct of patriotism taps the affective component of one's feelings towards one's country and assesses the degree of love for, and pride in one's nation.	Kosterman & Feshbach (1989)

Han (1988) – four self-generated items**Items used**

I should buy American products because I am American.
Foreign imports are and will be hurting the U.S. industry.
Foreign imports are and will be replacing U.S. jobs.
I feel guilty if I choose to buy foreign products instead of U.S. products.

Sharma *et al.* (1995) – eight items, partially taken from Levinson’s (1950) scale**Sample items**

Devoting oneself for one’s country is worthwhile.

Patriotism and loyalty are the first and most important requirements of a good citizen.

De Ruyter *et al.* (1998) – five items from Levinson’s (1950) scale**Sample items**

Patriotism and loyalty are the first and most important requirements of a good citizen.

People throughout the world may be in need, but it would be a mistake to lower our immigration quotas and allow them to flood into the country.

Klein and Ettenson (1999) – one self-generated item**Item used**

How strong is your love for your country?

1 = not very strong to 4 = extremely strong

Balabanis *et al.* (2001) – twelve items from Kosterman and Feshbach’s (1989) scale**Sample item**

I am proud to be a Turk/Czech.

Lee, Hong and Lee (2003) – twelve items from Kosterman and Feshbach’s (1989) scale

Sample item

I love my country.

Douglas and Nijssen (2003) – four self-generated items**Items used**

It is important to sustain our national anthem.

On every national holiday we should raise the flag.

Serving the mother land is an “honorable” thing.
--

A real Dutchman supports Dutch sportsmen when they compete in international games.
--

Javalgi *et al.* (2005) – two items obtained from Sharma *et al.* (1995)**Sample item**

Devoting oneself to one’s country is worthwhile.
--

Vida and Reardon (2008) – four items obtained from a previous study in Slovenia (Luthar, 2002)**Items used**

Slovenes possess certain cultural attributes that other cultures do not possess.
--

The mountain Triglav is an important national symbol and a source of pride to Slovenes.

I am afraid Slovenes will be extinct within the next few decades unless citizens see it as obligation to produce more children.

I would rather only Slovenes lived in Slovenia, rather than people of other nationalities.
--

Winit, Gregory and Di Mascio (2008) – five items from Kosterman and Feshbach’s (1989) scale

Items used

I love my country.
I am proud to be a Thai.
I feel great pride in that land that is our Thailand.
Although at times I may not agree with the government, my commitment to Thailand always remains strong.
In a sense, I am emotionally attached to my country and emotionally affected by its actions.

Patriotism scale by Levinson (1950)

Patriotism and loyalty are the first and most important requirements of a good citizen.
There will always be superior and inferior nations in the world and, in the interests of all concerned, it is best that the superior ones be in control of world affairs.
Minor forms of military training, obedience, and discipline, such as drill, marching and simple commands, should be made a part of the elementary school educational program.
The main threat to basic American institutions during this century has come from the infiltration of foreign ideas, doctrines, and agitators.
Present treatment of conscientious objectors, draft evaders, and enemy aliens is too lenient and molycoddling. If a person won't fight for his country, he deserves a lot worse than just prison or a work camp.
In view of the present national emergency, it is highly important to limit responsible government jobs to native, white Christian Americans.
European refugees may be in need, but it would be a big mistake to lower our immigration quotas and allow them to flood the country.
It has become clear that the Germans and Japanese are racially war-minded and power-seeking, and the only guarantee of future peace is to wipe out most of them and to keep the rest under careful control.
Mexico can never advance to the standards of living and civilization of the U.S., due mainly to the innate dirtiness, laziness, and general backwardness of Mexicans.
There will always be wars because, for one thing, there will always be races who ruthlessly try to grab more than their share.

Patriotism scale by Kosterman and Feshbach (1989)

I love my country.
I am proud to be an American.
In a sense, I am emotionally attached to my country and emotionally affected by its actions.
Although at times I may not agree with the government, my commitment to the U.S. always remains strong.
I feel a great pride in that land that is our America.
It is not that important for me to serve my country.
When I see the American flag flying I feel great.
The fact that I am an American is an important part of my identity.
It is not constructive for one to develop an emotional attachment to his/her country.
In general, I have very little respect for the American people.
It bothers me to see children made to pledge allegiance to the flag or sing the national anthem or otherwise be induced to adopt such strong patriotic attitudes.
The U.S. is really just an institution, big and powerful yes, but just an institution.

Previously used hypotheses

Social-psychological factors			
<u>Variable: Patriotism</u>			
Sample	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 Korean Schoolchildren	A positive correlation is expected between patriotism and consumer ethnocentric tendencies	Supported	Sharma, Shimp & Shin (1995)
National sample of Dutch consumers. (175 respondents)	There will be a positive relation between consumer patriotism and consumer ethnocentric tendencies with regard to international services.	Supported	De Ruyter, Van Birgelen & Wetzels (1998)
303 Turkish consumers	The more patriotic the	Supported (Czech	Balabanis,

480 Czech consumers Mall intercept	individual, the higher his/her consumer ethnocentric tendencies will be	sample) Not supported (Turkish sample)	Diamantopoulos, Mueller & Melewar (2001)
33 959 email invitations – randomly selected cities in USA	There is a positive correlation between patriotism and consumer ethnocentrism	Not supported	Lee, Hong & Lee (2003)
Random distribution of questionnaires in mall (106 collected) French respondents	Patriotism and ethnocentrism are positively related for French consumers	Supported	Javalgi, Khare, Gross & Scherer (2005)
714 individuals from Slovenia (quota sampling)	As a direct antecedent of consumer ethnocentrism, patriotism is positively related to consumer ethnocentrism.	Supported	Vida & Reardon (2008)

3 NATIONALISM

Variable	Definition(s)	Source
Nationalism	A perception of national superiority and an orientation toward national dominance.	Kosterman & Feshbach (1989)

Kosterman and Feshbach (1989:271) made a conceptual distinction between patriotism and nationalism by stating that unlike patriotism, nationalism reflects a perception of national superiority and an orientation towards national dominance.

Balabanis *et al.* (2001) – seven items from Kosterman and Feshbach’s (1989) scale

Sample item

Generally, the more influence Turkey/Czech Republic has on other nations, the better off they are.

Lee, Hong and Lee (2003) – eight items from Kosterman and Feshbach’s (1989) scale

Sample item

In view of America's moral and material superiority, it is only right that we should have the biggest say in deciding United Nations policy.
--

Vida, Dmitrović and Obadia (2008) – two self-generated items**Items used**

Our country should have the right to prohibit certain national and religious groups from entering it to live here.
--

Some nationalities should be considered naturally less intelligent than others.

Nationalism scale by Kosterman and Feshbach (1989)

In view of America's moral and material superiority, it is only right that we should have the biggest say in deciding United Nations policy.
--

The first duty of every young American is to honor the national American history and heritage.
--

The important thing for the U.S. foreign aid program is to see to it that the U.S. gains a political advantage (excluded by Balabanis <i>et al.</i>)

Other countries should try to make their government as much like ours as possible.
--

Generally, the more influence America has on other nations, the better off they are.
--

Foreign nations have done some very fine things but it takes America to do things in a big way.

It is important that the U.S. win in international sporting competitions like the Olympics.

It is really not important that the U.S. be number one in whatever it does.

Previously used hypotheses

Social-Psychological Factors			
<u>Variable</u> : Nationalism			
	Hypotheses	Result	Source
303 Turkish consumers 480 Czech consumers Mall-intercept	The more nationalistic the individual, the higher his/her consumer ethnocentric tendencies will be	Not supported (Czech sample) Supported (Turkish sample)	Balabanis, Diamantopoulos, Mueller & Melewar (2001)
33 959 email invitations – randomly selected cities in USA	There is a positive correlation between nationalism and consumer ethnocentrism	Supported	Lee, Hong & Lee (2003)
600 urban respondents in Bosnia and Herzegovina	Nationalism will be positively related to consumer ethnocentrism	Supported	Vida, Dmitrović & Obadia (2008)

4 CONSERVATISM

Variable	Definition(s)	Source
Conservatism	A tendency to cherish traditions and social institutions that have survived the test of time, and to introduce changes only occasionally, reluctantly and gradually.	Sharma <i>et al.</i> (1995)

Sharma *et al.* (1995) – seven items from Ray’s (1983) scale

Sample items

Erotic and obscene literature should be prohibited from public sale.
The government should make sure that our armed forces are stronger than those of North Korea at all times.

De Ruyter *et al.* (1998) – six items from Ray’s (1983) scale

Sample items

Erotic and obscene literature should be prohibited from public sale.
People who want more money should work harder for it instead of trying to get it off the government in one way or another.

Javalgi *et al.* (2005) – one item from Ray’s (1983) scale**Item used**

Erotic and obscene literature should be prohibited from public sale.
--

Altinaş and Tokol (2007) – four items from Schwartz (1994) scale**Sample items**

The national security of my country is important to me.
I am attached to the traditions of the society I live in.

Conservatism scale by Ray (1983)

Schoolchildren should have plenty of discipline.
The government should not attempt to limit business profits.
Erotic and obscene literature should be prohibited from public sale.
The police deserve more praise for the difficult job they do.
Law and order is more important than letting every kook have his say.
People who are always protesting to have something banned or stopped would probably howl the loudest if they themselves were banned.
People should be free to get on with their own lives without being pestered by governments and do-gooders.
Busing of children to school outside their own neighbourhoods is an unforgivable infringement of individual liberties.
People who show disrespect for their country’s flag should be punished for it.
The government should make sure that our armed forces are stronger than those of Russia at all times.

People who want more money should work harder for it instead of trying to get it off the government in one way or another.

Previously used hypotheses

Social-psychological factors

Variable : Conservatism

	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 Korean Schoolchildren	A positive correlation is expected between conservatism and consumer ethnocentric tendencies	Supported	Sharma, Shimp & Shin (1995)
National sample of Dutch consumers. (175 respondents)	There will be a positive relation between consumer conservatism and consumer ethnocentric tendencies with regard to international services.	Supported	De Ruyter, Van Birgelen & Wetzels (1998)
Random distribution of questionnaires in mall (106 collected) French respondents	Conservatism and ethnocentrism are positively related for French consumers	Supported	Javalgi, Khare, Gross & Scherer (2005)
Sampling population: Everyone in Turkey with email account (200 000) Stratified sample of 7 400 used	Conservative values are positively associated with consumer ethnocentrism.	Supported	Altinaş & Tokol (2007)

5 COLLECTIVISM/INDIVIDUALISM

Variable	Definition(s)	Source
Collectivism/ Individualism	Individualistic societies emphasise "I" consciousness, autonomy, emotional independence, individual initiative, right to privacy, pleasure seeking, financial security, need for specific friendship, and universalism. In contrast, collectivistic societies stress "we" consciousness, collective identity, emotional dependence, group solidarity, sharing, duties and obligations, need for stable and predetermined friendship, group decision, and particularism.	Chen & West (2008)

Sharma *et al.* (1995) - two subscales adopted from Hui's (1988) scale – collectivism toward parents (six items) and collectivism toward coworkers (five items)

Sample items (parents)

Young people should take into consideration their parents' advice when making education/career plans.

It is reasonable for a son to continue his father's business.

Sample items (co-worker)

One needs to return a favor if a colleague lends a helping hand.
--

There is everything to gain and nothing to lose for classmates to group themselves for study and discussion.
--

De Ruyter *et al.* (1998) – two subscales adopted from Hui's (1988) scale – collectivism towards parents (six items) and collectivism towards colleagues or fellow-students (five items)

Sample items (parents)

Young people should take into consideration their parents' advice when making education/career plans.

I practice the religion of my parents.
--

Sample items (colleagues/fellow-students)

One needs to return a favour if a colleague/fellow-student lends a helping hand.
--

When I am among my colleagues/fellow-students, I do not do my own thing without minding about them.

Javalgi *et al.* (2005) – three items obtained from Hui (1988)**Sample item**

One needs to return a favor if a colleague lends a helping hand.
--

Chen and West (2008:259) developed a new instrument of individualism and collectivism (I/C) addressing three key issues in I/C measurement, namely: differentiating components of I/C, understanding the impact of reference groups, and testing of measurement invariance.

Individualism items (Chen & West, 2008)

<i>Independent</i>
I don't like to rely on other people.
What happens to me is my own doing.
I like to act independently and take matters into my own hands.
I mainly depend on myself, rarely on others.
I try to live my life independent of others as much as possible.
When facing a difficult problem, it is better to decide what to do yourself, than to follow the advice of others.

<i>Competitive</i>
I want to be the best every time I compete.
I feel that I have to be better than everyone else.
I enjoy competing against others.
I perform my best when I am competing against others.
When another person does better than I do, I get tense and anxious.
I feel gratified when I excel and others do not.
I would never allow others to take the credit for something I accomplished.
I hate to lose.

<i>Unique</i>
Being distinctive is important to me.
I intentionally do things to make myself different from those around me.
I am a unique individual.
I am different from others.
I like to dress differently from others.
The way I enjoy myself is different from others.

Collectivism items (Chen & West, 2008)

<i>Considering the implications of one's decision for others</i>
When making decisions, it is important for me to consider the effects that my decisions have on my parents.
When making decisions, it is important for me to take my parents' needs into account.
When making decisions, it is important for me to take my parents' feelings into account.
If I decided to change my job, one of the major concerns would be how this would affect my parents.
If I decided to get married, one of the major concerns would be how my marriage would affect my parents.
If I moved to another city, it would be important for me to consider how my parents would be affected.

<i>Sharing positive outcome</i>
I would be honored by my parents' accomplishments.
I would feel honored if my parents received a distinguished reward.
If my parents were to have a successful career, I would be very proud of them.
My parents would be honored if I got into a prestigious school.
If I got a good job, my parents would be very proud of me.
If I were successful, my parents would be honoured.

<i>Sharing negative outcomes</i>
If my parents were caught shoplifting, I would be humiliated.
If my parents were losers in life, I would be embarrassed.
I would feel ashamed by my parents' misconduct.
My misconduct would make my parents feel ashamed.
If I lost a prestigious job, it would humiliate my parents.
If I failed a class, it would be an embarrassment to my parents.

Individualism-Collectivism (INDCOL) scale by Hui (1988)

INDCOL scale items

SPOUSE

If a husband is a sports fan, a wife should also cultivate an interest in sports. If the husband is a stock broker, the wife should also be aware of the current market situation.
A marriage becomes a model for us when the husband loves what the wife loves, and hates what the wife hates.
Married people should have some time to be alone from each other everyday, undisturbed by their spouse.
If one is interested in a job about which the spouse is not very enthusiastic, one should apply for it anyway.
Even if my spouse were of a different religion, there would not be any interpersonal conflict between us.
It is better for a husband and wife to have an own bank accounts rather than to have a joint account.
The decision of where one is to work should be jointly made with one's spouse, if one is married.
It is desirable that a husband and a wife have their own sets of friends, instead of having only a common set of friends.

PARENT

My musical interests are extremely different from my parents.
In these days parents are too stringent with their kids, stunting the development of initiative.
When making important decisions, I seldom consider the positive and negative effects my decisions have on my father.
Teenagers should listen to their parents' advice on dating.
Even if the child won the Nobel prize, the parents should not feel honored in any way.
It is reasonable for a son to continue his father's business.
I would not share my ideas and newly acquired knowledge with my parents
I practice the religion of my parents
I would not let my needy mother use the money that I have saved by living a less than luxurious life.
I would not let my parents use my car (if I have one), whether they are good drivers or not.
Children should not feel honored even if the father were highly praised and given an award by a government official for his contribution and service to the community.
Success and failure in my academic work and career are closely tied to the nurture provided by my parents.
Young people should take into consideration their parents' advice when making education/career plans.
The bigger a family, the more family problems there are.
I have never told my parents the number of sons I want to have.
The number of sons my parents would like me to have differs by [0 / 1 / 2 / 3 / 4 or more / I don't know] from the number I personally would like to have.

KIN

I would help, within my means, if a relative told me that he/she is in financial difficulty.
If I met a person whose last name was the same as mine, I would start wondering whether we were, at least remotely, related by blood.
Whether one spends an income extravagantly or stingily is of no concern to one's relatives (cousins, uncles).
I would not let my cousin use my car (if I have one).
When deciding what kind of work to do, I would definitely pay attention to the views of relatives of my generation.
When deciding what kind of education to have, I would pay absolutely no attention to my uncles' advice.
Each family has its own problems unique to itself. It does not help to tell relatives about one's problems.
I can count on my relatives for help if I find myself in any kind of trouble.

NEIGHBOUR

I have never chatted with my neighbors about the political future of this state.
I am often influenced by the moods of my neighbours.
My neighbours always tell me interesting stories that have happened around them.
I am not interested in knowing what my neighbours are really like.
One need not worry about what the neighbours say about whom one should marry.
I enjoy meeting and talking to my neighbours everyday.
In the past, my neighbors have never borrowed anything from me or my family.
One needs to be cautious in talking with neighbours, otherwise others might think you are nosy.
I don't really know how to befriend my neighbours.
I feel uneasy when my neighbours do not greet me when we come across each other.

FRIEND

I would rather struggle through a personal problem by myself than discuss it with my friends.
If possible, I would like co-owning a car with my close friends, so that it wouldn't be necessary for them to spend much money to buy their own cars.
I like to live close to my good friends.
My good friends and I agree on the best places to shop.
I would pay absolutely no attention to my close friends' views when deciding what kind of work to do.
To go on a trip with friends makes one less free and mobile. As a result, there is less fun.
It is a personal matter whether I worship money or not. Therefore it is not necessary for my friends to give any counsel.
The motto "sharing in both blessing and calamity" is still applicable even if one's friend is clumsy, dumb, and causes a lot of trouble.
There are approximately [0 / 1 / 2 / 3 / 4/more than 4] of my friends who know how much my family as a whole earns each month.
On the average, my friends' ideal number of children differs from my own ideal by [0/ 1 / 2 / 3 /4 or more / I don't know my friends' ideal].

CO-WORKER

It is inappropriate for a supervisor to ask subordinates about their personal life (such as where one plans to go for the next vacation).
When I am among my colleagues/classmates, I do my own thing without minding about them.
One needs to return a favor if a colleague lends a helping hand.
I have never loaned my camera/coat to any colleagues/classmates.
We ought to develop the character of independence among students, so that they do not rely upon other students' help in their schoolwork.

A group of people at their workplace was discussing where to eat. A popular choice was a restaurant which had recently opened. However, someone in the group had discovered that the food there was unpalatable. Yet the group disregarded this person's objection and insisted on trying it out. There were only two alternatives for the person who objected: either to go or not to go with the others. In this situation, *not going* with the others is a better choice.

There is everything to gain and nothing to lose for classmates to group themselves for study and discussion.

Classmates' assistance is indispensable to getting a good grade at school.

I would help if a colleague at work told me that he/she needed money to pay utility bills.

In most cases, to cooperate with someone whose ability is lower than one's own is not as desirable as doing the thing alone.

Do you agree with the proverb "Too many cooks spoil the broth"?

Singelis, Triandis, Bhawuk and Gelfand (1995)

Cultural orientation (horizontal individualism)

I often do "my own thing."

One should live one's life independently of others.

I like my privacy.

I like to be direct and forthright when discussing with people.

I am a unique individual.

What happens to me is my own doing.

When I succeed, it is usually because of my abilities.

I enjoy being unique and different from others in many ways.

Cultural orientation (horizontal collectivism)

The well-being of my co-workers is important to me.

If a co-worker gets a prize, I would feel proud.

If a relative were in financial difficulty, I would help within my means.

It is important to maintain harmony within my group.

I like sharing little things with my neighbors.

I feel good when I cooperate with others.
My happiness depends very much on the happiness of those around me.
To me, pleasure is spending time with others.

Previously used hypotheses

Social-psychological factors

Variable: Collectivism/Individualism

	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 schoolchildren	The correlation between collectivism and consumer ethnocentrism is expected to be positive	Supported	Sharma, Shimp & Shin (1995)
National sample of Dutch consumers. (175 respondents)	There will be a positive relation between consumer collectivism and consumer ethnocentric tendencies with regard to international services.	Supported	De Ruyter, Van Birgelen and Wetzels (1998)
Random distribution of questionnaires in mall (106 collected) French respondents	Collectivism and ethnocentrism are positively related for French consumers	Supported	Javalgi, Khare, Gross and Scherer (2005)

6 INTERNATIONALISM

Variable	Definition(s)	Source
Internationalism	One's concern about other nations' welfare reflecting empathy for the people of other nations.	Balabanis <i>et al.</i> (2001)

According to Balabanis *et al.* (2001:163) the concept of worldmindedness is conceptually similar to the concept of internationalism, while Shankarmahesh (2006:149) pointed out that worldmindedness is distinct from that of cultural openness.

Balabanis *et al.* (2001) – nine items from Kosterman and Feshbach’s (1989) scale

Sample item

If necessary we ought to be willing to lower our standard of living to cooperate with other countries in getting an equal standard for every person in the world.

Lee *et al.* (2003) – nine items from Kosterman and Feshbach’s (1989) scale

Sample item

America should be more willing to share its wealth with other suffering nations, even if it doesn’t necessarily coincide with our political interests.

Internationalism scale by Kosterman and Feshbach (1989)

If necessary, we ought to be willing to lower our standard of living to cooperate with other countries in getting an equal standard for every person in the world.

The alleviation of poverty in other countries is their problem, not ours.

America should be more willing to share its wealth with other suffering nations, even if it doesn’t necessarily coincide with our political interests.

We should teach our children to uphold the welfare of all people everywhere even though it may be against the best interests of our own country.

I would not be willing to decrease my living standard by ten percent to increase that of persons in poorer countries of the world.

Children should be educated to be international minded – to support any movement which contributes to the welfare of the world as a whole, regardless of special national interests.

The agricultural surpluses of all countries should be shared with the have-nots of the world.

The position a U.S. citizen takes on an international issue should depend on how much good it does for how many people in the world, regardless of their nation.

Countries needing our agricultural surpluses should pay for them instead of getting something for nothing.

Previously used hypotheses

Social-psychological factors			
<u>Variable</u> : Internationalism/worldmindedness			
Sample	Hypotheses	Result	Source
303 Turkish consumers 480 Czech consumers Mall intercept	The more internationalist the individual, the lower his/her consumer ethnocentric tendencies will be	Not Supported (Czech sample or (Turkish sample))	Balabanis, Diamantopoulos, Mueller and Melewar (2001)

B POLITICAL ANTECEDENT OF CONSUMER ETHNOCENTRISM**1. HISTORY OF OPPRESSION**

Variable	Definition(s)	Source
Oppression	The exercise of power in a tyrannical manner; cruel treatment of subjects, inferiors, etc.; the imposition of unjust burdens.	The Oxford Universal Dictionary Illustrated (1965:1377)

(Range of items – self generated)

Variable	Item
General	China has a history of oppression.
	The Chinese government oppresses many Chinese citizens.
Labour	Chinese made products are manufactured with slave labour.
	China exploits people in the manufacturing of their products.
	I am opposed to the fact that there is no protection of the right to strike in China.
	I am opposed to the fact that freedom of association is banned in China.
	I am opposed to the fact that independent labour unions are banned

	in China.
	China is considered the most undemocratic country in the world.
Religion	I am opposed to the fact that the Chinese government oppresses religious freedom.
	I am opposed to the fact that the Chinese government restricts religious freedom.
Tibet	I am opposed to the fact that the people of Tibet are oppressed by China.
Imprisonment	I am opposed to the fact that activists for democracy are frequently detained and imprisoned by the Chinese government.
	I am opposed to the fact that that people attempting to organize workers in labour unions are frequently detained and imprisoned by the Chinese government.
	I am opposed to the fact that political activists are frequently detained and imprisoned by the Chinese government.
Media usage	I am opposed to the fact that the Chinese government tightly controls the media and Internet usage in China.
	China remains one of the biggest oppressors of information for its citizens.
Pollution	I am opposed to the fact that the Chinese government only haphazardly protects its citizens from pollution.
	I am opposed to the fact that the Chinese government does not adequately protect its citizens from unsafe products.

C DEMOGRAPHIC ANTECEDENTS

Shimp *et al.* (1995:29) argued that consumer ethnocentricity is expected to covary with age, gender, level of education as well as income.

1. AGE (older versus younger consumers)

Demographic variables

Variable : Age

Sample	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 Korean schoolchildren	Age and consumer-ethnocentric tendencies are expected to be positively correlated	Not supported	Sharma, Shimp & Shin (1995)
350 persons chosen at random from electoral register of Malta	The higher the age the higher the level of consumer ethnocentrism	Supported	Caruana & Magri (1996)
Random sample of 426 adult telephone owners–Sth Carolina (plus one dialing technique)	CETSCALE scores will be higher for older adults than for younger adults	Supported	Nielsen & Spence (1997)
National sample of Dutch consumers. (175 respondents)	Older consumers will have more consumer ethnocentric tendencies towards services than younger consumers with regard to international services.	Supported	De Ruyter, Van Birgelen & Wetzels (1998)
Respondents approached at various outdoor locations 200 Hungarian 200 Mexican	Consumer ethnocentric tendencies are higher among older respondents and lower among better educated and higher income respondents.	Significant relationship for age – older subjects more ethnocentric	Witkowski (1998)
University students in Czech Republic (131), Estonia (179), Hungary (76) and Poland (172)	The level of consumer ethnocentricity will vary with the age of the respondent. Younger respondents will tend to be less ethnocentric than older respondents.	Supported	Vida & Fairhurst (1999)
33 959 email invitations – randomly selected cities in USA	There is a positive correlation between age and consumer ethnocentric tendencies	Supported	Lee, Hong & Lee (2003)
Random distribution of questionnaires in mall (106 collected) French respondents	Age and ethnocentrism are positively related for French consumers	Supported	Javalgi, Khare, Gross & Scherer (2005)

2. Gender (men versus women)

Demographic variables			
<u>Variable</u> : Gender			
Sample	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 Korean schoolchildren	Women are expected to exhibit greater consumer ethnocentric tendencies than men	Supported	Sharma, Shimp & Shin (1995)
350 persons chosen at random from electoral register of Malta	Gender has no effect on consumer ethnocentrism	Supported	Caruana & Magri (1996)
Random sample of 426 adult telephone owners—Sth Carolina “plus one dialing technique)	CETSCALE scores will be higher for women than for men	Supported	Nielsen & Spence (1997)
National sample of Dutch consumers. (175 respondents)	Women will have more consumer ethnocentric tendencies than men with regard to international services.	Not supported	De Ruyter, Van Birgelen and Wetzels (1998)
University students in Czech Republic (131), Estonia (179), Hungary (76) and Poland (172)	There will be significant differences in ethnocentric tendencies between male and female respondents	Supported (Female = more ethnocentric)	Vida & Fairhurst (1999)
33 959 email invitations – randomly selected cities in USA	Females are more ethnocentric than males	Supported	Lee, Hong & Lee (2003)
Random distribution of questionnaires in mall (106 collected) French respondents	French women exhibit greater ethnocentric tendencies than French men	Supported	Javalgi, Khare, Gross & Scherer (2005)
Student samples 144 Canadian students 119 Russian students	Consumer ethnocentric tendencies, as measured by the CETSCALE, will be positively correlated for females	Not supported	Saffu & Walker (2005)

3. Education (differences in formal educational levels)

Demographic variables			
<u>Variable</u> : Education			
	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 Korean schoolchildren	The correlation between the level of educational achievement and consumer ethnocentrism is expected to be negative	Supported	Sharma, Shimp and Shin (1995)
350 persons chosen at random from electoral register of Malta	The higher the level of education the lower the level of consumer ethnocentrism	Supported	Caruana & Magri (1996)
National sample of Dutch consumers. (175 respondents)	Higher educated consumers will have less consumer ethnocentric tendencies with regard to international services than consumers with lower education	Supported	de Ruyter, van Birgelen and Wetzels (1998)
Respondents approached at various outdoor locations 200 Hungarian 200 Mexican	Consumer ethnocentric tendencies are higher among older respondents and lower among better educated and higher income respondents.	Education negatively correlated with consumer ethnocentrism	Witkowski (1998)
2255 respondents from data of 1992 National Election Study (US voters)	Education will be negatively related to consumer ethnocentrism	Supported	Klein & Ettenson (1999)
33 959 email invitations – randomly selected cities in USA	There is a negative correlation between level of education and consumer ethnocentric tendencies	Supported	Lee, Hong & Lee (2003)
Random distribution of questionnaires in mall (106 collected) French respondents	Level of education and ethnocentrism are negatively related for French consumers	Not supported	Javalgi, Khare, Gross & Scherer (2005)
144 Canadian students 119 Russian students	Consumer ethnocentric tendencies, as measured by the	Not supported	Saffu & Walker (2005)

	CETSCALE, will be negatively correlated with levels of education		
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4. Income (differences in income levels)

Demographic variables			
Variable : Income			
	Hypotheses	Result	Source
1. Stratified sample of 1 500 Korean consumers from economically diverse households 2. 700 Korean schoolchildren	The correlation between income level and consumer ethnocentric tendencies is expected to be negative	Supported	Sharma, Shimp & Shin (1995)
350 persons chosen at random from electoral register of Malta	The higher the level of income the lower the level of consumer ethnocentrism	Not supported	Caruana & Magri (1996)
National sample of Dutch consumers. (175 respondents)	Consumers with higher income levels will have less consumer ethnocentric tendencies with regard to international services than consumers with lower incomes	Not supported	De Ruyter, Van Birgelen and Wetzels (1998)
Respondents approached at various outdoor locations 200 Hungarian 200 Mexican	Consumer ethnocentric tendencies are higher among older respondents and lower among better educated and higher income respondents.	Income - No significant correlation with consumer ethnocentrism	Witkowski (1998)
2255 respondents from data of 1992 National election study (US voters)	Income will be negatively related to consumer ethnocentrism	Supported	Klein & Ettenson (1999)
33 959 email invitations – randomly selected cities in USA	There is a negative correlation between income level and consumer ethnocentric tendencies	Supported	Lee, Hong & Lee (2003)
Random distribution of questionnaires in mall (106 collected) French respondents	Income and ethnocentrism are negatively related for French consumers	Not supported	Javalgi, Khare, Gross & Scherer (2005)

D CONSUMER ETHNOCENTRISM

Shimp and Sharma (1987:280) coined the term “consumer ethnocentrism” and described it as “the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign made products. From the perspective of ethnocentric consumers, purchasing imported products is wrong because, in their minds, it hurts the domestic economy, causes loss of jobs, and is plainly unpatriotic: products from other countries (i.e. outgroups) are objects of contempt to highly ethnocentric consumers. To nonethnocentric consumers, however, foreign products are objects to be evaluated on their own merits without consideration for where they are made (or perhaps to be evaluated more favourably because they are manufactured outside the United States.”

Measurement of ethnocentrism in previous studies:

17-ITEM CETSCALE

Shimp and Sharma (1987:281) developed a 17-item instrument called the CETSCALE (The Consumer-Ethnocentric Tendency Scale), to measure the ethnocentric tendencies of consumers towards buying foreign products as opposed to buying products manufactured in the United States.

Other studies where the 17-item CETSCALE was used

Netemeyer, Durvasula and Lichtenstein (1991) (American, West German, French and Japanese consumers)
Sharma, Shimp and Shin (1995) (Korean consumers)
Good and Huddleston (1995) (Polish and Russian consumers)
Caruana and Magri (1996) (Maltese consumers)
De Ruyter, Van Birgelen and Wetzels (1998) (Dutch consumers)
Vida and Fairhurst (1999) (Czech Republic, Hungary, Estonia & Poland)
Kucukemiroglu (1999) (Turkish consumers)

Luque-Martinez, T., Ibáñez-Zapata, J. and Del Barrio-Garcia, S. (2000) (Spanish consumers)
Watson and Wright (2000) (New Zealand consumers)
Huddleston, Good and Stoel (2001) (Polish consumers)
Supphellen and Rittenburg (2001) (Polish consumers)
Kaynak and Kara (2001) (Azeri and Kyrgyz consumers)
Lee, Hong and Lee (2003) (American consumers)
Orth and Firbasová (2003) (Czech consumers)
Acharya and Elliott (2003) (Australian consumers)
Wang and Chen (2004) (Chinese consumers)
Brodowsky, Tan and Meilich (2004) (American consumers)
Javalgi, Khare, Gross and Scherer (2005) (French consumers)
Saffu and Walker (2005) (Canadian and Russian consumers)
Kwak, Jaju and Larsen (2006) (American, Indian and South Korean consumers)
Kavak and Gumusluoglu (2006) (Turkish consumers)
Hamin and Elliott (2006) (Indonesian consumers)
Luthy (2007) (Icelandic consumers)
Chrysochoidis, Krystallis and Perreas (2007) (Greek consumers)

Items of the 17-item CETSCALE (Shimp & Sharma, 1987)

American people should always buy American-made products instead of imports.
Only those products that are unavailable in the U.S. should be imported.
Buy American-made products. Keep America working.
American products first, last, and foremost.
Purchasing foreign-made products is un-American.
It is not right to purchase foreign products, because it puts Americans out of jobs.
A real American should always buy American-made products.
We should purchase products manufactured in America instead of letting other countries get rich off us.
It is always best to purchase American products.

There should be very little trading or purchasing of goods from other countries unless out of necessity.
Americans should not buy foreign products, because this hurts American business and causes unemployment.
Curbs should be put on all imports.
It may cost me in the long-run but I prefer to support American products.
Foreigners should not be allowed to put their products on our markets.
Foreign products should be taxed heavily to reduce their entry into the U.S.
We should buy from foreign countries only those products that we cannot obtain within our own country.
American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.

Over time, shorter versions of the CETSCALE, based on the original 17-item scale, were developed.

10-ITEM CETSCALE

Shimp and Sharma (1987:283) also introduced a 10-item version of the CETSCALE.

Other studies where the 10-item CETSCALE was used

Nielsen and Spence (1997) (American consumers)
Balabanis, Diamantopoulos, Mueller and Melewar (2001) (Turkish and Czech consumers)
Lindquist, Vida, Plank and Fairhurst (2001) (Czech, Hungarian and Polish consumers)
Klein, Ettenson and Krishnan (2006) (Chinese and Russian consumers)
Evanschitzky, Wagenheim, Woisetschläger and Blut (2008) (German consumers)

Items of the 10-item CETSCALE (Shimp & Sharma, 1987):

Only those products that are unavailable in the U.S. should be imported.
American products first, last, and foremost.
Purchasing foreign-made products is un-American.
It is not right to purchase foreign products, because it puts Americans out of jobs.
A real American should always buy American-made products.
We should purchase products manufactured in America instead of letting other countries get rich off us.
Americans should not buy foreign products, because this hurts American business and causes unemployment.
It may cost me in the long-run but I prefer to support American products.
We should buy from foreign countries only those products that we cannot obtain within our own country.
American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.

6-ITEM CETSCALE

Klein, Ettenson and Krishnan (2006) developed a valid and reliable 6-item version of the CETSCALE. Investigations indicated that this 6-item version of the CETSCALE performed as well (or better) than the 10-item shortened version (Klein, Ettenson & Krishnan, 2006:317).

Items of the 6-item CETSCALE (Klein *et al.*, 2006):

Only those products that are unavailable in Russia/China should be imported.
Russian/Chinese products, first, last and foremost.
A real Russian/Chinese should always buy Russian/Chinese-made products.
Russians/Chinese should not buy foreign products, because it hurts Russian/Chinese business and causes unemployment.
It may cost me in the long-run but I prefer Russian/Chinese products.
Russian/Chinese consumers who purchase products made in other countries are responsible for putting their fellow Russians/Chinese out of work.

Altinaş and Tokol (2007)

Altinaş and Tokol (2007:315) used a 6-item version of the 17-item CETSCALE, to measure the dependent variable relating to national pride and the presumed economic effect of purchasing foreign products by Turkish consumers.

Sample items

Purchasing foreign products is un-Turkish.
It is not right to purchase European products, because it puts Turkish people out of jobs.
We should purchase products manufactured in Turkey, instead of letting European countries get rich off us.
Turkish people should not buy European products, because it hurts Turkish business and causes unemployment.
Turkish products: first, last and foremost.

Nguyen, Nguyen and Barrett (2008)

Nguyen, Nguyen and Barrett (2008:93) examined consumer ethnocentrism of Vietnamese consumers by means six items, based upon the version of the CETSCALE used by Klein *et al.* (1998).

Sample items

Buying imported products is not a correct activity for Vietnamese. (DELETED)
Buying imported products causes Vietnamese people to lose jobs.
True Vietnamese should always buy products made in Vietnam.
Buying imported products helps foreign nations get rich.
Buying imported products damages local businesses.

5-ITEM CETSCALE

Vida and Reardon (2008)

Vida and Reardon (2008:38) used a 5-item reduced version of Shimp and Sharma's (1987) CETSCALE to measure consumer ethnocentric tendencies of Slovenian consumers.

Items used

Only those products that are unavailable in Slovenia should be imported.
We should purchase products manufactured in Slovenia instead of letting other companies get rich off us.
It is always best to purchase products made in Slovenia.
In may cost me more in the long-run, but I prefer to support Slovenian products.
Slovenes should not buy foreign products, because it hurts Slovenian business and causes unemployment.

Verlegh (2007)

Verlegh (2007:365) used a 5-item version of the CETSCALE to measure consumer ethnocentrism among Dutch consumers.

Items used

Dutch people should not buy foreign products, because this hurts Dutch business and causes unemployment.
It is not right to purchase foreign products, because this puts Dutch people out of jobs.
A real Dutchman should always buy Dutch products.
I always prefer Dutch products over foreign products.
We should purchase products manufactured in The Netherlands, instead of letting other countries get rich off us.

4-ITEM CETSCALE

Vida, Dmitrović and Obadia (2008)

Vida, Dmitrović and Obadia (2008:333) used a 4-item version of the original CETSCALE to measure consumer ethnocentrism in Bosnia and Herzegovina.

Items used

Bosnia and Herzegovina goods first, last and foremost.
We should purchase products manufactured in Bosnia and Herzegovina instead of letting other countries get rich from us.
It is always better to purchase things made in Bosnia and Herzegovina.
It may cost more in the long-run but I prefer to support products produced in Bosnia and Herzegovina.

E ATTITUDE TOWARDS IMPORTING

Variable	Definition(s)	Source
Attitude towards importing	Fishbein and Ajzen (1975) defined the attitude toward an action as an individual's evaluation of the favorableness of the consequences of engaging in that action.	Brodowsky <i>et al.</i> (2004:738)

Shimp and Sharma (1987)

Shimp and Sharma (1987:285) measured American respondents' attitude towards an action (the purchase of a foreign-made motor vehicle) by using a 4-item, 7-point semantic-differential scale as suggested by Fishbein and Ajzen (1975). The following statements were used:

It would be good/bad to purchase a foreign-made automobile within the next year or so
It would be foolish/wise to purchase a foreign-made automobile within the next year or so
It would be pleasant/unpleasant to purchase a foreign-made automobile within the next year or so
It would be beneficial/harmful to purchase a foreign-made automobile within the next year or so.

Sharma *et al.* (1995)

Attitudes of respondents toward importing each of ten products (dependent variable) were measured on 5-point scales ranging from 1 is definitely should import to 5 is definitely should not import (Sharma *et al.*, 1995:30).

The products used for the study were:

1. medicine
2. beef
3. personal computers
4. kitchenware
5. golf clubs
6. liquor
7. bananas
8. insurance
9. large refrigerators
10. jewelry

Brodowsky *et al.* (2004)

Brodowsky *et al.* (2004:729) conducted a study to investigate the effects of country-of-design/country-of-assembly combinations on American consumers' evaluative beliefs about, and their attitudes toward, the purchase of motor vehicles. As in the study of Shimp and Sharma (1987), attitude toward an action (the purchase of a motor vehicle) was measured using four 7-point semantic-differential items as suggested by Fishbein and Ajzen (1975) (Brodowsky *et al.*, 2004:738) The following statements were used:

Buying the would be good/bad
Buying the would be foolish/wise
Buying the would be pleasant/unpleasant
Buying the would be beneficial/harmful

Javalgi et al. (2005)

Attitude toward importing was measured by means of the following question: “Which of the following products are acceptable to import?” Respondents had to indicate their response on a 7-point Likert-type scale, ranging from 1 (it is not acceptable to import) to 7 (it is acceptable to import). The products used for the study were cars, televisions and computers (Javalgi et al., 2005:336).

Bruner II and Hensel (1994)

The following scale items in terms of “attitude toward the act” were used in a number of studies listed in the *The Marketing Scales Handbook* (Bruner II & Hensel, 1994:72):

good-bad
foolish-wise
beneficial-harmful
unpleasant-pleasant
unlikely-likely
non-existent-existent
improbable-probable
impossible-possible
try product-not try product
seek out product-not seek out product
buy product-not buy product
influential-not influential
look actively for-not look actively for
safe-unsafe
punishing-rewarding
certain-uncertain

F IMPORTS PURCHASE INTENTION

Variable	Definition(s)	Source
Imports purchase intention	Indications of what consumers think they will purchase.	Blackwell <i>et al.</i> (2001:548)

Javalgi *et al.* (2005)

Imports purchase intention was measured by means of the following question “What is the likelihood that you would buy a [product type] from this country?” Respondents had to indicate their response on a 5-point Likert-type scale ranging from 1 (definitely would not buy) to 5 (definitely would buy) for three product categories (cars, televisions and computers) and for three countries of origin (Germany, United States and Japan). (Javalgi *et al.*, 2005: 336).

Willingness to buy (behavioral intent)

Klein, Ettenson and Morris (1998)

Chinese respondents were requested to indicate their agreement on a 1 (strongly disagree) to 7 (strongly agree) scale in terms of their willingness to purchase Japanese products (Klein, Ettenson & Morris, 1998:93).

Items used

I would feel guilty if I bought a Japanese product.
I would never buy a Japanese car.
Whenever possible, I avoid buying Japanese products.
Whenever available, I would prefer to buy products made in Japan.
I do not like the idea of owning Japanese products.
If two products were equal in quality, but one was from Japan and one was from China, I would pay 10% more for the product from China.

Douglas and Nijssen (2003)

The study investigated the reluctance of Dutch respondents to purchase foreign (German) products (Douglas & Nijssen, 2003:629).

Items used

I would feel guilty buying a German product.
I would never buy a German product.
Whenever possible I avoid buying German products.
I do not like the idea of owning a product that was made in Germany.
When two products are of similar quality but one is a Dutch and the other a German brand I would gladly pay 10 percent more for the Dutch brand.

Ettenson & Klein (2005)

One of the aims of this study was to investigate the willingness of Australian respondents to purchase French products (Ettenson & Klein, 2005:205).

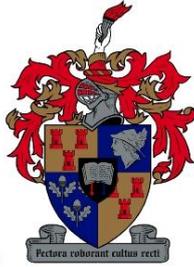
Items used

I would feel guilty if I bought a French product.
I would never buy a French car.
Whenever possible, I avoid buying French products.
Whenever available, I would prefer to buy products made in France.
I do not like the idea of owning French products.

ADDENDUM 2

Example of:

- Covering letter used
- Questionnaire used



UNIVERSITEIT • STELLENBOSCH • UNIVERSITY

Your chance to win R 5 000

The Department of Business Management at Stellenbosch University is currently researching the willingness of South African consumers to purchase products produced in foreign countries (like China). The main purpose of this project is to identify factors that might have an influence on consumers' willingness to buy foreign made products. Results of this study can be important for the development of marketing strategies for products that are manufactured and sold in South Africa, as well as for products imported to South Africa.

We would greatly appreciate it if you could spare a few minutes to take part in this research project by completing the attached questionnaire. We want to assure you that all information provided to us will be treated with the strictest confidentiality and that no information about an individual will be passed on to other people.

All respondents that complete the questionnaire by 23 September will be entered in a lucky draw to win R 5 000 in cash.

We would like to thank you in anticipation for your willingness to contribute to the success of this important research project.

[Click here](#) to complete the survey.

U geleentheid om R 5 000 te wen

Die Departement Ondernemingsbestuur aan die Universiteit van Stellenbosch is tans besig met navorsing om die bereidwilligheid van Suid-Afrikaanse verbruikers om produkte te koop wat in

ander lande (soos China) vervaardig word, te ondersoek. Die hoofdoel van hierdie navorsingsprojek is om faktore te identifiseer wat 'n invloed mag hê op verbruikers se bereidwilligheid om produkte te koop wat in die buiteland vervaardig word. Resultate van hierdie studie kan 'n belangrike rol speel in die ontwikkeling van bemarkingstrategieë vir produkte wat vervaardig en verkoop word in Suid-Afrika, maar ook vir produkte wat na Suid-Afrika ingevoer word.

Ons sal dit hoog op prys stel indien u 'n paar minute van u tyd kan afstaan om deel te neem aan hierdie navorsingsprojek, deur die aangehegte vraelys te voltooi. Ons wil u verseker dat alle inligting wat aan ons verskaf word met die strengste vertroulikheid hanteer sal word en dat geen inligting aangaande individue aan ander partye verskaf sal word nie.

Alle respondente wat die vraelys teen 23 September voltooi, sal ingeskryf word vir 'n gelukkige trekking om R 5 000 kontant te wen.

Ons wil u by voorbaat bedank vir u bereidwilligheid om by te dra tot die sukses van hierdie belangrike navorsingsprojek.

[Klik hier](#) om die vraelys te voltooi.

QUESTIONNAIRE

		Strongly disagree		Neutral		Strongly agree		
		←				→		
		Verskil sterk		Neutraal		Stem sterk saam		
1.	I find interaction with people from other cultures interesting. Ek vind interaksie met mense van ander kulture interessant.	1	2	3	4	5	6	7
2.	I love my country. Ek is lief vir my land.	1	2	3	4	5	6	7
3.	South Africans should honour their national heritage. Suid-Afrikaners behoort hulle nasionale erfenis te eer.	1	2	3	4	5	6	7
4.	Pornographic literature should be prohibited from public sale. Die verkoop van pornografiese literatuur in die openbaar behoort verbied te word.	1	2	3	4	5	6	7
5.	I do not like to rely on other people. Ek hou nie daarvan om op ander mense staat te maak nie.	1	2	3	4	5	6	7
6.	The well-being of my coworkers/colleagues is important to me. Die welstand van my medewerkers/kollegas is vir my belangrik.	1	2	3	4	5	6	7
7.	If necessary, we ought to be willing to lower our standard of living to cooperate with other countries in getting an equal standard of living for every person in the world. Indien nodig, behoort ons gewillig te wees om ons lewenstandaard te verlaag om saam te werk met ander lande om 'n gelyke lewenstandaard vir elke persoon in die wêreld te bewerkstellig.	1	2	3	4	5	6	7
8.	Chinese-made products are manufactured with slave labour. Chinees vervaardigde produkte word met slawe arbeid vervaardig.	1	2	3	4	5	6	7
9.	Only those products that are unavailable in South Africa should be imported. Slegs daardie produkte wat nie in Suid-Afrika beskikbaar is nie, behoort ingevoer te word.	1	2	3	4	5	6	7
10.	We should purchase products manufactured in South Africa instead of letting other countries get rich off us. Ons behoort eerder produkte wat in Suid-Afrika vervaardig is te koop, as om toe te laat dat ander lande deur ons verryk word.	1	2	3	4	5	6	7
11.	I am a supporter of human rights. Ek ondersteun menseregte.	1	2	3	4	5	6	7
12.	I would never buy clothing that was made in China. Ek sal nooit klere koop wat in China gemaak is nie.	1	2	3	4	5	6	7

		Strongly disagree		Neutral			Strongly agree	
		←		→				
		Verskil sterk		Neutraal			Stem sterk saam	
13.	Coming into contact with people of other cultures has benefited me. Ek baat deur met mense van ander kulture in kontak te kom.	1	2	3	4	5	6	7
14.	Patriotism is an important characteristic of a good citizen. Patriotisme is 'n belangrike kenmerk van 'n goeie landsburger.	1	2	3	4	5	6	7
15.	It is important that South Africa is successful in international sporting competitions. Dit is belangrik dat Suid-Afrika suksesvol is in internasionale sport kompetisies.	1	2	3	4	5	6	7
16.	South Africans should show respect for their country's symbols (e.g. flag and anthem). Suid-Afrikaners behoort respek te betoon vir hulle land se simbole (bv. vlag en volkslied).	1	2	3	4	5	6	7
17.	I like to act independently and take matters into my own hands. Ek hou daarvan om onafhanklik op te tree en sake in my eie hande te neem.	1	2	3	4	5	6	7
18.	I feel good when I cooperate with others. Ek voel goed as ek met ander saamwerk.	1	2	3	4	5	6	7
19.	The alleviation of poverty in other countries is also our concern. Die verligting van armoede in ander lande, is ook vir ons 'n probleem.	1	2	3	4	5	6	7
20.	China exploits people in the manufacturing of their products. China buit mense uit in die vervaardiging van hulle produkte.	1	2	3	4	5	6	7
21.	South African products first, last and foremost. Suid-Afrikaanse produkte, eerste, laaste en die vernaamste.	1	2	3	4	5	6	7
22.	South Africans should not buy foreign products, because this hurts South African business and causes unemployment. Suid-Afrikaners behoort nie buitelandse produkte te koop nie, aangesien dit Suid-Afrikaanse besigheid benadeel en lei tot werkloosheid.	1	2	3	4	5	6	7
23.	The human rights of people around the world should be respected. Die menseregte van mense regoor die wêreld behoort gerespekteer te word.	1	2	3	4	5	6	7
24.	I would feel guilty if I bought Chinese made clothing. Ek sal skuldig voel indien ek klere sou koop wat in China	1	2	3	4	5	6	7

		Strongly disagree		Neutral			Strongly agree	
		←		→				
		Verskil sterk		Neutraal			Stem sterk saam	
	gemaak is.							
25.	I like to have contact with people from different cultures. Ek hou daarvan om kontak te hê met mense van verskillende kulture.	1	2	3	4	5	6	7
26.	The fact that I am a South African is an important part of my identity. Die feit dat ek 'n Suid-Afrikaner is, is 'n belangrike deel van my identiteit.	1	2	3	4	5	6	7
27.	South Africa should have the right to decide which foreigners should be accepted as citizens. Suid-Afrika behoort die reg te hê om te besluit watter buitelanders as landsburgers aanvaar moet word.	1	2	3	4	5	6	7
28.	I am attached to the traditions of the society I live in. Ek is geheg aan die tradisies van die gemeenskap waarin ek woonagtig is.	1	2	3	4	5	6	7
29.	I try to live my life independent of others as much as possible. Ek probeer om my lewe so onafhanklik as moontlik van ander te leef.	1	2	3	4	5	6	7
30.	If those people around me are happy, I am also happy. As die mense rondom my gelukkig is, is ek ook gelukkig.	1	2	3	4	5	6	7
31.	I would be willing to decrease my living standard to increase that of persons in poorer countries of the world. Ek sal bereid wees om my lewenstandaard te verlaag sodat dié van mense in armer lande verhoog kan word.	1	2	3	4	5	6	7
32.	I am opposed to the fact that the Chinese government oppresses religious freedom. Ek is gekant teen die feit dat die Chinese regering godsdienstvryheid onderdruk.	1	2	3	4	5	6	7
33.	Purchasing foreign-made products is un-South African. Die aankoop van buitelandse-vervaardigde produkte is nie-Suid-Afrikaans.	1	2	3	4	5	6	7
34.	It may cost me in the long-run but I prefer to support South African products. Dit mag oor die lang termyn vir my nadelig wees, maar ek verkies om Suid-Afrikaanse produkte te ondersteun.	1	2	3	4	5	6	7
35.	People from all around the world should be entitled to basic human rights. Mense van regoor die wêreld behoort geregtig te wees op basiese menseregte.	1	2	3	4	5	6	7
36.	If buying clothing, I will not buy Chinese made clothing. Indien ek klere koop, sal ek nie klere koop wat in China gemaak is nie.	1	2	3	4	5	6	7

		Strongly disagree		Neutral			Strongly agree	
		←		→				
		Verskil sterk		Neutraal			Stem sterk saam	
37.	I am interested in learning more about people who live in other countries. Ek stel belang om meer te leer van mense wat in ander lande woon.	1	2	3	4	5	6	7
38.	I am attached to my country. Ek is verbind aan my land.	1	2	3	4	5	6	7
39.	It is important that South Africans do their best in all their endeavours. Dit is belangrik dat Suid-Afrikaners hul bes probeer in alles wat hulle doen.	1	2	3	4	5	6	7
40.	I will do my best to make typical South African traditions continue in the future. Ek sal my bes probeer sodat dat tipies-Suid-Afrikaanse tradisies in die toekoms bly voortbestaan.	1	2	3	4	5	6	7
41.	I prefer to make my own decisions, rather than to follow the advice of others. Ek verkies om self besluite te neem, eerder as om die advies van ander te volg.	1	2	3	4	5	6	7
42.	If I am successful, I like to share the benefits with others. As ek suksesvol is, hou ek daarvan om die voordele met ander te deel.	1	2	3	4	5	6	7
43.	We cannot ignore poor peoples suffering in other countries. Ons kan nie die lyding van arm mense in ander lande ignoreer nie.	1	2	3	4	5	6	7
44.	I am opposed to the fact that the Chinese government tightly controls the media and Internet usage in China. Ek is gekant teen die feit dat die Chinese regering streng beheer uitoefen oor die media en Internetgebruik in China.	1	2	3	4	5	6	7
45.	It is not right to purchase foreign products, because it puts South Africans out of jobs. Die is nie reg om buitelandse produkte te koop nie, aangesien dit tot gevolg het dat Suid-Afrikaners hul werk verloor.	1	2	3	4	5	6	7
46.	We should buy from foreign countries only those products that are unobtainable within our own country. Ons behoort slegs daardie buitelandse produkte te koop wat nie in ons eie land verkrygbaar is nie.	1	2	3	4	5	6	7
47.	I do not like the idea of owning clothing that was made in China. Ek hou nie van die idee om klere te besit wat in China gemaak is nie.	1	2	3	4	5	6	7
48.	I enjoy sharing ideas with people from other cultures. Ek geniet dit om idees met mense van ander kulture te	1	2	3	4	5	6	7

		Very unlikely/ Hoogs onwaarskynlik	Unlikely/ Onwaarsk ynlik	Very likely/ Hoogs waarskynlik
67.	What is the likelihood that you will purchase Chinese made products, in the future? Wat is die waarskynlikheid dat u in die toekoms Chinees vervaardigde produkte sal koop?	1	2	3

	Strongly disagree ←	Neutral ↔	Strongly agree →
	Verskil sterk	Neutraal saam	Stem sterk

68.	Clothing items imported from China are generally cheaper than other clothing items. Klerasie items wat ingevoer word vanaf China is oor die algemeen goedkoper as ander klerasie items.	1	2	3	4	5	6	7
69.	I support the Proudly South African campaign. Ek ondersteun die "Trots Suid-Afrikaans" veldtog.	1	2	3	4	5	6	7
70.	Clothing items imported from China are generally of good quality. Klerasie items wat ingevoer word vanaf China is oor die algemeen van goeie gehalte.	1	2	3	4	5	6	7
71.	It is important for the South African government to encourage South Africans to buy South African-made products. Dit is belangrik dat die Suid-Afrikaanse regering Suid-Afrikaners sal aanmoedig om Suid-Afrikaans-vervaardigde produkte te koop.	1	2	3	4	5	6	7
72.	Clothing items imported from China are generally produced with care. Klerasie items wat ingevoer word vanaf China word oor die algemeen met sorg vervaardig.	1	2	3	4	5	6	7
73.	The South African Government should do more to promote South African-made products. Die Suid-Afrikaanse regering behoort meer te doen om Suid-Afrikaans-vervaardigde produkte te bevorder.	1	2	3	4	5	6	7

74.	Clothing items imported from China are generally well designed. Klerasie items wat ingevoer word vanaf China is oor die algemeen goed ontwerp.	1	2	3	4	5	6	7
75.	The Proudly South African campaign is successful in persuading South Africans to think about changing their shopping habits. Die "Trots Suid-Afrikaans" veldtog slaag daarin om Suid-Afrikaners te oorreed om daaraan te dink om hul aankoopgewoontes te verander.	1	2	3	4	5	6	7
76.	Clothing items imported from China generally offer good value for money. Klerasie items wat ingevoer word vanaf China bied oor die algemeen goeie waarde vir geld.	1	2	3	4	5	6	7
77.	I will try my best to purchase products that display the "Proudly South African" mark, instead of purchasing imported products. Ek sal my bes probeer om produkte te koop wat die "Trots Suid-Afrikaans" logo vertoon, eerder as om ingevoerde produkte te koop.	1	2	3	4	5	6	7

Age/Ouderdom:

What is your year of birth? _____

In watter jaar is u gebore? _____

Gender/Geslag:Male/Manlik Female/Vroulik **Education completed/Opvoeding voltooi:**Some secondary school education
Gedeeltelike sekondêre opvoedingMatric completed/ Matriek voltooi Higher (tertiary) education completed
(University/Technikon/College; diploma/degree)

Hoër (tersiêre) opleiding voltooi

(Universiteit/Technikon/College; diploma/graad)

Total gross personal income (before deductions) per month/Totale bruto persoonlike inkomste (voor aftrekkings) per maand:

R5 000 to/tot R 9 999

R10 000 to/tot R14 999

R15 000 to/tot R 19 999

R20 000 or more/of meer

Dimension	Questions
Cultural openness	1,13, 25,37,48
Patriotism	2,14,26,38,49
Nationalism	3,15,27,39,50
Conservatism	4,16,28,40,51
Individualism	5,17,29,41,52
Collectivism	6,18,30,42,53
Internationalism/Worldmindedness	7,19,31,43,54
History of oppression	8,20,32,44,55
Consumer ethnocentrism	9,21,33,45,56,10,22,34,46,57
Attitudes toward human rights	11,23,35
Imports purchase intention	12,24,36,47,58
Attitude toward importing	59,60,61,62,63
Likelihood and intent	64,65,66,67
Attitude to Chinese clothing products	68,70,72,74,76
Attitude to "Proudly SA campaign"	69,71,73,75,77