Chapter 72

A Cross–National Effect of Ethnocentrism on Purchase Intention

Nadia Jiménez
Universidad de Burgos, Spain

Sonia San-Martín
Universidad de Burgos, Spain

ABSTRACT

The purpose of this study is to understand how socio-psychological and cultural factors (patriotism, cultural openness and collectivism) affect a social phenomenon implying a tendency to reject foreign products (ethnocentrism). The main contribution of this work is to propose a cross-national study to establish differences or similarities in the behaviour of consumers from emerging and developed markets when evaluating foreign products. Data was collected from 476 Spanish and Mexican consumers. Our results show that also in emerging as in developed markets the patriotism and cultural openness are antecedents of ethnocentrism, but collectivism only influences the ethnocentrism of consumer from emerging markets. In addition, in developed market economies the ethnocentrism negatively affects purchase intention of foreign products, although in emerging markets it does not.

INTRODUCTION

Cross-cultural research about ethnocentrism has increased in recent years due to the globalization of markets (Seidenfuss, Kathawala, & Dinnie, 2013; Zolfagharian, Saldivar, & Sun, 2014). Moreover, many of our marketing concepts have been settled and validated only in developed countries. The further advancement of marketing as an academic discipline requires that the validity of different concepts and models are examined in other cultural settings. As well, it is necessary to identify their degree of generalizability and to uncover boundary conditions (Steenkamp, 2001). Consequently, it is vital to take into account the cultural differences that exist in different markets. Mexico and Spain have the same mother tongue (Spanish), which is the second language more spoken in the word, and also they have some cultural similarities and dissimilarities (Budeva

& Mullen, 2014; Hofstede, 1983, 2001; House, Hanges, Javidan, Dorfman, & Gupta, 2004). But culture is a society's underlying value framework that guides individual behavior and could influence consumer behavior. Within this context, and particularly given the globalization of markets that this brings with it, we consider pertinent to understand how consumers buying decision is influenced by *psychological factors*, such as feelings, inducement and motivation, learning, value, belief, attitude, character, self-concept, attitude, confidence, life style, perceptions, preferences among others; and *social and cultural factors*, which includes cultural, sub-cultural, reference group, opinion leader, family members, family lifecycle, social class, etc. (Agarwal, Malhotra, & Wu, 2002; Chang & Chun-Cheng, 2005; Quester, Karunaratna, & Li, 2000; Verlegh, 2007).

In this sense, literature suggests that consumers tend to favor the meanings and objects of in-groups over those of other groups (Zolfagharian et al., 2014). The concept of ethnocentrism emerges from the study of social events in terms of group interactions and interrelations. It has frequently been applied to social collectives, as an expression of human nature that looks at its identity, protection and group preservation. The group is the key reference for evaluating other aspects, such that ethnocentrism may therefore be conceived of as a way of preserving a group's culture, solidarity, cooperation, loyalty and survival (Maher & Sobh, 2014).

The ethnocentrism could be helpful to partially explain consumer purchasing behavior from different national and cultural contexts. Consumers use their behavior to differentiate themselves as members of a social collective (Jin, Chansarkar, & Kondap, 2006). Consequently, consumers may feel a moral obligation to preserve the group's welfare. Shimp and Sharma (1987) introduce the concept of consumer ethnocentrism to refer to the "belief held by consumers on the appropriateness and indeed morality of purchasing foreign-made products" (p. 280). In the literature on consumer

behavior, ethnocentrism is considered a component of attitude that is strongly linked to social and interracial factors (Budeva & Mullen, 2014; Ouellet, 2007).

Klein and Ettenson (1999) propose that an ethnocentric person believes that buying foreign products is unpatriotic and amoral, hurts the domestic economy and can reduce the domestic employment levels. Ethnocentrism has a negative influence on the evaluation and purchasing intentions of consumers, although that may vary within cultures (Balabanis & Diamantopoulos, 2004; Kan, Cliquet, & Gallo, 2014). Consumers that display greater ethnocentrism stress the negative aspects of foreign products (Ruyter, Birgelen, & Wetzels, 1998), and assume domestic products are superior to products imported from other countries, regions and cross-national associations (Kinra, 2006; Marín, 2005). Ethnocentrism is also caused by specific cultural and socio-psychological variables, such as patriotism, materialism, dogmatism, conservatism, cultural openness or collectivism (Shankarmahesh, 2006). As we previously mentioned, the *purpose* of this chapter is to analyze how three important socio-psychological and cultural factors (patriotism, cultural openness and collectivism) affect a social phenomenon implying a tendency to reject foreign products (ethnocentrism) in an emerging and a developed market. To that aim, a cross-national empirical study will be performed and structural equation modeling will be used to analyze the data.

BACKGROUND

Ethnocentrism and its Socio-Psychological Antecedents and Its Effect on Purchase Intention

From the consumer perspective, the ethnocentrism indicates a general proclivity of buyers to reject imported products irrespective of price or quality considerations due to nationalistic reasons. From

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