

The Effects of Consumer Demographics on Ethnocentrism: A Comparative Study Related to Socioeconomic Status, Age and Gender

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The purpose of the present study was to investigate the difference of consumer ethnocentric tendencies according to age, gender and socioeconomic status. The sample consisted of 180 participants: 90 men and 90 women between age range of 18 to 60 years. It was taken from different educational Institutions of Karachi. Personal information regarding participant's age, gender, marital status and socioeconomic class was collected. Consumer Ethnocentric Tendencies Scale developed by Shimp & Sharma (1987) was used to determine ethnocentric tendencies of participants. Results showed that the level of ethnocentric tendencies varied according to age and socioeconomic status. However, there was no difference with regard to gender.

Keywords: Ethnocentrism, Consumer, Socioeconomic Status, Age, Gender

Consumer ethnocentrism is derived from the more general psychological concept to ethnocentrism. Shimp and Sharma (1987) defined consumer ethnocentrism as beliefs held by consumers about the appropriateness or morality of purchasing foreign products. Purchasing imported goods is seen as wrong as it will harm the domestic economy, have an adverse impact on domestic employment, and is unpatriotic. Basically, ethnocentric individuals tend to view their group as superior to others. As such, they view other groups from the perspective of their own, and reject those which are different while accepting those which are similar (Netemeyer, Durvasula, & Lichtenstein, 1991; Shimp & Sharma, 1987). In other words it is the level of biased preference for domestic products over foreign competitors.

Consumer ethnocentricity is supposed to be a personality trait affecting an individual's attitudes, intentions, and preferences in purchase behavior with respect to imported vs. competing domestic products. It is

usually thought of as the feeling that one's own culture is better than any other. Vida (1996) found that consumer's ethnic sentiment and national identity play an increasingly important role in a consumer's decision-making process, even in the light of the present increasing homogenization and globalization of world markets. Usually when consumers are asked directly how they feel about products from a specific country, they may express a very positive view, yet in the context of the actual purchasing, they may not act consistently with the earlier position. Han and Terpstra (1988) indicated that under normal supply/ demand conditions in the market, consumers will generally prefer domestic products, primarily due to their patriotic feelings. Likewise Shimp & Sharma (1987) regarding cross-cultural consumer behavior suggested that ethnocentric consumer may reject foreign made goods on the basis that buying foreign-made goods may hurt the domestic economy, cause unemployment, and may simply unpatriotic.

An understanding of consumer ethnocentrism provides some insights into consumer reactions to foreign products. It may also help in explaining product preferences based on country-of-origin. Ethnocentric tendencies can be helpful in estimating whether preferences to country-of-origin are productive in promotional campaigns. These tendencies may be a determinant of business success abroad and may also help in positioning products for target markets (Han & Terpstra, 1988; Parameswaran & Yaprak, 1987). Ethnocentrism can determine how companies act in towards certain cultures when conducting business.

Demographic characteristics are found to have an effect on consumer ethnocentrism. A study conducted in Slovenia by Vida and Dmitrovic (2001) revealed that market segments with specific demographic characteristics e.g., older consumers with lower household income levels exhibit significantly stronger ethnocentric tendencies than the general population. In addition, it was found that a new generation of consumers has emerged, where young people have no emotional attachment to their state and a somewhat neutral attitude towards Slovenian products. Overall, these are the consumers with the lowest expressed ethnocentric tendencies who are willing to try out any international product / brand. Particularly interesting is the fact that this young educated segment of the population (when compared to the other strata of respondents) evaluated the quality and value of Slovenian products the least favorably. In view of the fact that this consumer segment represents future consumers of Slovenian brands, this result raises concern among the local marketers. As a result of this research, it

can be expected that the apparent benefit that Slovenian brands currently enjoy in relation to other international brands will shrink rapidly in the future in the younger generation.

Previous studies have also found that older individuals may have more conservative views or attitudes, which affect their import purchase behavior. For instance, Wall, Heslop and Hofstra (1988), and Shimp and Sharma (1987) have shown that in the United States consumer's ethnocentric tendencies are especially high among individuals from lower socioeconomic classes, older groups, and working classes. Socioeconomic status and income level also has an impact on how consumers feel about the importation of foreign-made products. Furthermore, cross-cultural empirical studies (Linguist, Vida, Plank, & Fairhurst, 2001; Sharma, Shimp, & Shin, 1994; Han, 1988) revealed that the more ethnocentric consumers tend to be older and with lower educational and household income levels, who work either at home or who are retired, tend to live in larger households i.e., with a greater number of children living in the household as compared to their less ethnocentric counterparts.

Researches on gender differences in ethnocentrism have suggested that gender plays an important role in the perception of "made-in" images with females having a higher country of origin bias against foreign products and in favor of domestic ones (Wall & Heslop, 1986; Lawrence, Marr, & Prendergast, 1992; Schooler, 1971). Likewise, Vida and Dmitrovic (2001) have found that that woman tend to have stronger ethnocentric tendencies as compared to males.

Researchers have previously examined the effect of demographic variables including age, gender, education, and income level on consumer ethnocentrism. In Pakistan being a developing country previously most of the products, especially those related to electronic items, vehicles, and different household items, were imported from foreign markets. Due to the economical and market demand /supply factor, it was difficult to manufacture high quality goods in Pakistan. Therefore, most of the people preferred purchasing foreign goods; but as the economy improved, higher quality products are made in Pakistan and are available in the market. This is the time when marketers have to understand consumer's attitudes and buying behavior before producing and supplying their products in the market. Now both quality foreign and local products are easily accessible in the market for consumers and marketers are facing challenges on how to cater most of the segments of the society.

Considering the present scenario, the main objective of the study was to compare the level of consumer ethnocentrism among different age groups, socioeconomic strata and gender to find out whether Pakistani men are more patriotic towards country made products; whether there is any effect of socioeconomic strata in their choice of purchase. Furthermore, the study also aimed at finding out if young people were more influenced by foreign made products as compared to the older adults. The present findings would be helpful in the field of marketing in understanding of consumer behavior.

Keeping in view the above literature review, following hypotheses were framed:

1. Younger respondents would display less level of ethnocentric tendencies as compared to the older respondents.
2. Respondents with lower house hold income would display higher level of ethnocentric tendencies.
3. Females would have higher level of ethnocentric tendencies as compared to the males.

Method

Sample

It was a purposive sample of 180 individuals, which included 90 males and 90 females. The sample of the research was taken from different educational institutions of Karachi (University of Karachi, Federal Urdu University, and Defense School of Business Administration). The age range of the participants was from 18 to 60 years, further divided into three groups 18-29 years; 30-45 years and 46-60 years with 30 females and 30 males in each sub group of age. The sample was also divided into three groups according to socioeconomic strata on the basis of household income and expenditure survey by the Federal Bureau of Statistics (FBS), Government of Pakistan (April, 2001). There were 30 females and 30 males belonging to each lower, middle and upper class.

Measures

Consumer Ethnocentric Tendencies Scale: Consumer Ethnocentric Tendencies Scale developed by Shimp and Sharma (1987) was used to measure the ethnocentric tendencies of the participants. It has 17 items and the respondents were asked to respond to these items on a 7-point Likert scale. The sum of the responses on each of the 17 items indicated the respondent's ethnocentric tendency. The author reported high

reliability (coefficient alpha ranging from .93 to .96). To use this scale on a Pakistani sample, the researchers substituted the name of the country (i.e., America to Pakistan) from all items of the scale.

Personal information. Personal information was obtained through Demographic Form that focused on the participants' age, gender, educational level, and socioeconomic class

Operational definition of variables

Lower Socioeconomic Status: Households having a monthly income of Rs. 5,000 to Rs.14, 000. This group spent their income on basic necessities, like food and clothing.

Middle Socioeconomic Status. Households having a monthly income of Rs.14, 000 to Rs.30, 000. This group spent lesser amount of expenditure on food but spends more on personal appearance and education as compared to the lower socioeconomic group.

Upper Socioeconomic Status: Households having a monthly income of Rs.30, 000 and above. This group spent more on food and also on personal appearance, education and other facilities of life, which included personal transport, residence and travel as compared to the lower and middle socioeconomic group.

Consumer ethnocentrism. It is the level of biased preference for domestic products (Pakistani made) over foreign competitors.

Procedure

After taking consent from the respondents, they were briefed about the purpose of the present research and were assured that the data would purely be used for research purposes and their identities would not be revealed to anyone. Once the rapport was established, personal information form was filled in by the participants that focused on the subject's age, gender, educational level, and socioeconomic class. Then Consumer Ethnocentric Tendencies Scale (Shimp & Sharma, 1987) was administered to measure ethnocentric Tendencies.

Result

Table 1

Descriptive Statistics of the variable of Ethnocentric Tendencies by Age (n=60)

Variables	M	SD
Early adulthood 18-29 years	83.32	16.9
Middle adulthood 30-45 years	78.25	13.36
Older adulthood 46-60 years	96.30	13.73
Total	85.9	16.55

Table 1 showing that older adults show more ethnocentric tendencies followed by those lying in the early age group and the middle age group.

Table 2

One way Analysis of Variance among respondents by Age on the variable of Consumer Ethnocentric Tendencies.

Source	df	SS	MS	F
Between Groups	2	10400.81	5200.41	23.85***
Within Groups	177	38600.83	218.08	
Total	179	49001.64		

Note: *** = $p < .000$

Table 2 showing Analysis of variance for consumer ethnocentric tendencies by age indicates a significant difference between three age groups regarding their consumer ethnocentric tendencies.

Table 3

Post Hoc Comparison among respondents with Age on the variable of Ethnocentric Tendencies.

Adult age Groups		Mean Difference	p	95% Confidence Interval	
				Lower Bound	Upper Bound
Early 18-29 years	Middle 30-45 years	5.0	.062	-2.5	10.3
	Older 46-60 years	-12.98	.000	-18.30	-7.66
Middle 30-45 years	Older 46-60 years	-18.05	.000	-23.37	-12.7

Post hoc analysis indicates that level of ethnocentrism varied with respondent's age: younger respondents were significantly ethnocentric than older adults.

Table 4-6 present ANOVA results of ethnocentric tendencies by socioeconomic status class.

Table 4

ANOVA results of ethnocentric tendencies by socioeconomic status class. (n=60).

Variables	M	SD
Lower Socioeconomic Status	96.60	11.20
Middle Socioeconomic Status	86.38	16.56
Upper Socioeconomic Status	74.88	13.82
Total	85.96	16.54

Note: ***= $p < .001$

Post hoc analysis indicate that level of ethnocentrism varies with respondent's age as younger respondents were significantly ethnocentric than older adults.

Table 5

One way ANOVA for consumer's ethnocentric tendencies by socioeconomic status class.

Source	df	SS	MS	F
Between Groups	2	14164.8	7082.4	35.9***
Within Groups	177	34836.7	196.81	
Total	179	49001.6		

Note: ***= $p < .001$

Table 6

Post Hoc Comparison among respondents with lower, middle, and upper Socioeconomic Status on the variable of Ethnocentric Tendencies

Groups		Mean Difference	p	95% Confidence Interval	
				Lower Bound	Upper Bound
	Middle	10.22	.000	5.16	15.27
Lower	Upper	21.72	.000	16.66	26.77
Middle	Upper	11.50	.000	6.45	16.55

Table 7

Differences among respondents on the variable of Ethnocentric Tendencies by Gender (n=90 in each group).

Groups	M	SD	df	t	p
Males	86.04	17.24	178	.07	0.94
Females	85.86	15.91			

Note: $P > .05$

Table 6 & 7 shows a significant F-ratio for consumer's ethnocentric tendencies in three socioeconomic status classes reflects the three consumer ethnocentric tendencies in three groups are significantly different in the three socioeconomic status groups. Post hoc analysis further reflects level of ethnocentric was significantly higher in the lower socioeconomic income groups.

Discussion

Hypothesis one was supported by results which shows that level of ethnocentrism varies in accordance with the respondent's age. Younger respondents were significantly less ethnocentric than older ones. These findings seem consistent with the previous researches. Schooler (1971) had found that age was closely related with consumer ethnocentric attitudes. The younger consumers were more open toward products of foreign origin. In addition McClain and Sternquist (1991) also found that older respondents seemed to be more ethnocentric than the younger ones. The findings of the present research clearly reflected that older consumers displayed more ethnocentric tendencies, as they hold traditional values and are more likely to be more patriotic and or nationalistic than the younger generation. Furthermore younger consumers were more internationally focused which might have consequently made their attraction more towards foreign products.

Further findings seemed consistent with the second hypothesis regarding the differences in the level of ethnocentrism according to respondent's income. These findings are supported by the past researches as Usunier (1994) reported that the level of ethnocentrism was higher in lower income group and less educated consumers. Earlier Schooler (1971) also found that lower income group is more ethnocentric as compared to higher income consumers in America. It was found that respondents with lower income had significantly higher level of ethnocentrism as compared to middle and higher income groups. Majority buys things personally and become brand loyal. They know which product is better, and they feel that Pakistani goods are qualitatively better and much cheaper than foreign made products. Consequently they become loyal to these products. These consumers feel that by purchasing Pakistani products, they indirectly increase their country's economy and give benefit to its people. On the other hand, one reason for high ethnocentric tendencies in low income group as compared to high income group can be the lack of availability of financial resources to buy foreign made goods. Some foreign made goods are expensive than home made things. High income group does not bother about the cost and use foreign products as a status symbol. Whereas, low income group cannot afford to buy them and so to keep their self-esteem high and to overcome their feelings of inferiority they rationalize in this way. As Schaefer (1997) argued that consumers with higher income had more experience with foreign products, were more willing to test internationally oriented products as compared to country made products. This may be the reason that consumers with upper socioeconomic class showed less ethnocentric tendencies as compared to consumers with lower socioeconomic class.

Furthermore it is clear from Table 7 that there is a non significant difference between male and female respondents on the level of ethnocentric tendencies. The results suggested that both male and female consumers had almost equal level of ethnocentric tendencies. It may be due to that fact that the present sample was only taken from Karachi, Pakistan, where the Pakistani culture is different. In Karachi both males and females get equal opportunities to make their decisions; and most of the females like males, actively purchase their household (grocery) and personal things. These findings seem consistent with previous researches conducted by Saleiuviene and Virvilaite (2002) who found no relationship between ethnocentrism and gender. However, Schooler (1971) reported in earlier researches that gender had also been found to predict consumer ethnocentric tendencies, although results were

somewhat mixed. Some earlier studies had found that men had more ethnocentric tendencies as compared to women, and /or they tend to favor domestic products more, which is not consistent with the present research.

Conclusion and Recommendations

It is concluded that the present focus on the consumer as seen in current business, i.e., the market orientation paradigm, advances in consumer behavior knowledge and its dynamics will continue to be crucial for both market researchers/theorists and practitioners. It is expected that the results of this research offer new insights into understanding consumer purchasing behavior in Pakistan. This type of research effort can facilitate managerial decision-making with respect to the formulation of effective long-term marketing strategies. It is recommended that marketing professionals should develop a sense of consumer ethnocentrism via electronic and print media; they need to advertise in a manner that can cater to all segments of the population; that would include both older adults, younger adults, and people from all socioeconomic classes.

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