

# The Influence of Consumer Ethnocentrism on Buying Behavior - The Case of Azerbaijan

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## ABSTRACT

The purpose of this research is to reveal the ethnocentrism level of Azerbaijani consumers and to determine the effect of ethnocentric tendencies of consumers on purchases. 317 questionnaire was collected through a convenience sample. Data were analyzed with SPSS. Mean analysis was conducted to determine the ethnocentric level of consumers. T-test was performed to determine the differences between demographic groups in terms of ethnocentric tendencies. Regression analysis was performed to determine the effect of ethnocentric tendency on purchases. The results show that the consumer ethnocentrism level of Azerbaijani consumers is low, and the higher the consumer ethnocentrism level the higher the likelihood of purchasing domestic products.

**Keywords:** Consumer ethnocentrism, CETSCALE, Azerbaijan

## INTRODUCTION

Consumer ethnocentrism always is an actual issue. Much research has been done about the consumer ethnocentrism level of consumers and its impact on purchasing behavior (Florian and Blut, 2008; Adnan and Khan, 2017; Chowdhury, 2013; Bandara ve Miloslava, 2012; Jiménez et al., 2014). Studies show that people with high levels of consumer ethnocentrism will prefer to buy domestic products (Prince et al., 2019; Pentz et al., 2017). However the impact of consumer ethnocentrism on purchasing domestic goods may vary depending on some factors, namely, the development level of the country, the quality and availability of domestic goods, and so on (Akbarov, 2021).

There are few studies on this subject in Azerbaijan. This study aims to answer the following question:

1. What is the consumer ethnocentrism level of Azerbaijani consumers?
2. Are there differences between demographic groups regarding consumer ethnocentrism level?
3. Is there a significant effect of consumer ethnocentrism on purchasing behavior?

We first reviewed literature in the related field. After then the results of the empirical study are presented. The paper concludes with a discussion section.

## 1. LITERATURE REVIEW

### 1.1. Ethnocentrism

The term ethnocentrism was introduced to the social science literature in 1906 by Sumner (Neuliep et al., 2005). He defined ethnocentrism as “a view in which one’s own group is the center of everything, and all others are scaled and rated in reference to it” (Altıntaş and Tokol, 2007). The original term, ethnocentrism, referred to a situation where individuals would associate themselves with and prefer their own group (in-group) while distancing themselves from and rejecting other groups (out-groups) (Pentz et al., 2017). Ethnocentrism often serves the socially useful function of encouraging cohesion and solidarity among

group members, however, it can also cause such attitudes as superiority, intolerance, and look down on those with different customs and lifestyles (Caruana, 1996). Luque-Martínez et al. (2000) state that ethnocentrism represents universal tendency to see an individual's own group as the center of the universe, thus rejecting those individuals who are culturally different and blindly accepting those who are culturally similar (Jiménez-Guerrero et al., 2014).

### **1.2. Consumer Ethnocentrism**

"Consumer ethnocentrism" was construed by Shimp and Sharma (1987) as a sub-set of ethnocentrism (Shankarmahesh, 2006). In 1987, the concept of "consumer ethnocentrism", which is the consumer dimension of "ethnocentrism", was introduced for the first time in the study conducted by Sharma and Shimp in order to measure the attitudes and behaviors of American consumers towards using foreign products (Arı & Mardan, 2011). Consumer ethnocentrism gives a person identity in a functional sense, creates a sense of belonging, and determines which purchasing behaviors they accept and which purchasing behaviors they cannot accept in their social group (Yener, 2014). Consumer ethnocentrism is the nationalism in the economic sphere, which bears the basic characteristics of nationalism, and its tendencies in the form of non-purchasing or boycott based on moral and social grounds for fear that foreign products will harm individuals and the country's economy (Uyar and Dursun, 2015). Consumers who have an ethnocentric tendency will buy domestic products even if the domestic product is lower than the imported product in terms of price/quality performance, and the domestic product always comes first for them. Therefore, consumers with an ethnocentric tendency support the purchase of domestic products and accept that it is not right to purchase foreign products. From an economic point of view, ethnocentric-oriented consumers think that imported products will harm the domestic economy and labor force and cause job loss, that is, unemployment. From a moral aspect they think, people who love their country and nation should buy domestic products, and that buying foreign products is not right, and contradicts nationalism (Bawa, 2004; Teo et al., 2011).

### **1.3. CETSCALE**

The "Consumer Ethnocentric Tendency Scale" (CETSCALE ) was developed by Shimp and Sharma. The CETSCALE scale helps to determine the consumer tendencies to consume domestic and imported products (Toksarı and Senir, 2015; Çilingir, 2014). The CETSCALE scale consists of 17 items gathered under one dimension. It is presented as a Likert scale in applications. However, various authors also used short forms (10-statement, 6-statement, 5-statement, and 4-statement forms) in which the scale was reliable and valid (Türkmen and Köroğlu, 2017).

## **2. METHODOLOGY**

The purpose of this research is to reveal the ethnocentrism level of Azerbaijani consumers and to determine the effect of ethnocentric tendencies of consumers on purchases. The differences between demographic groups were also investigated. 317 questionnaire was collected through a convenience sample.

CETSCALE (17 items) was used to measuring the level of consumer ethnocentrism. A 5-point Likert-type scale (1- strongly disagree and 5-strongly agree) was used.

Consumers were also asked to indicate whether they preferred domestic or foreign products when purchasing products. The related categories are presented as such: "1 - only foreign, 2 - mostly foreign, 3 - it does not matter/both, 4 - mostly domestic, 5- only domestic".

Data were analyzed with SPSS. Mean analysis was conducted to determine the ethnocentric level of consumers. T-test was performed to determine the differences between demographic groups in terms of ethnocentric tendencies. Regression analysis was performed to determine the effect of ethnocentric tendency on purchases.

### 3. ANALYSES

#### 3.1. Demographic characteristics of the sample

The sample consists of 73.5% younger people, 58.6% women, 74.5% single people, and 55.2% low-income people (Table 1).

**Table 1. Demographic characteristics of the sample**

<b>Age</b>	Younger	233	73,5
	Older	84	26,5
<b>Gender</b>	Men	132	41,6
	Women	185	58,4
<b>Marital status</b>	Married	80	25,2
	Single	237	74,8
<b>Monthly income</b>	Lower income	175	55,2
	Higher income	142	44,8

#### 3.2. Mean Value for CETSCALE Items

Table 2 demonstrates the ethnocentric level of consumers. According to the results of the mean analysis, the value of 6 items range from 3,01 to 3,52; the value of 3 items range from 2,51 to 3,00; the value of 7 items range from 2,01 to 2,50; the value of 1 item is under 2,00. The mean score for CETSCALE is 2,67.

**Table 2. Mean Value for CETSCALE Items**

<b>Items (CETSCALE)</b>	<b>Mean</b>
- Buy Azerbaijan-made products, keep Azerbaijani working	3,52
- Azerbaijani products, first, last, and foremost.	3,28
- We should buy from foreign countries only those products that we cannot obtain within our own country.	3,21
- There should be very little trading or purchasing of goods from other countries unless out of necessity.	3,17
- Azerbaijan people should always buy Azerbaijan-made products instead of imports	3,12
- Only those products that are unavailable in Azerbaijan should be imported	3,12
- We should purchase products manufactured in Azerbaijan instead of letting other countries get rich off us.	2,97
- Azerbaijanis should not buy foreign products because this hurts Azerbaijani business and causes unemployment.	2,73
- It is always best to purchase Azerbaijani products.	2,55
- Foreign products should be taxed heavily to reduce their entry into the Azerbaijani.	2,50
- It may cost me in the long-run but I prefer to support Azerbaijani products.	2,48
- Foreigners should not be allowed to put their products on our markets.	2,42
- Azerbaijani consumers who purchase products made in other countries are responsible for putting their fellow Azerbaijanis out of work.	2,33
- A real Azerbaijani should buy Azerbaijan-made products	2,10
- It is not right to purchase foreign products.	2,03
- Purchasing foreign-made products is un-Azerbaijani	2,01
- Curbs should be put on all imports.	1,91
<b>CETSCALE mean score:</b>	<b>2,67</b>

### 3.3. Analysis of Differences

The results of the T-tests regarding the differences between demographic groups are presented in Table 4. According to the results, the level of consumer ethnocentrism differs between men (2,533) and women (2,774), married (2,858) and singles (2,611) ( $p < 0.05$ ). Women are more ethnocentric than men; married are more ethnocentric than singles. There are no differences regarding age and income groups ( $p > 0.05$ ).

**Table 4. The Results of the T-tests**

Test Variables	Grouping Variables	Groups	Mean	Std. Deviation	t	p
Consumer ethnocentrism	Gender	Men	2,533	0,924	-	0,027
		Women	2,774	0,972	2,221	
	Marital status	Married	2,858	1,040	2,001	0,046
		Single	2,611	0,925		
	Age	Younger	2,623	0,928	-	0,118
		Older	2,814	1,030	1,567	
Monthly income	Lower income	2,740	0,951	1,375	0,170	
	Higher income	2,592	0,964			

### 3.4. The Effect of Consumer Ethnocentrism on Purchasing Behavior

For regression analysis, 17 items of CETSCALE were computed as one variable (independent variable). Consumer ethnocentrism explains 34,4% of the variance of purchasing behavior. When consumer ethnocentrism goes up by 1, the tendency to purchase domestic products goes up by 0.362 ( $p < 0,000$ ).

**Table 5. The Result of the Regression Analysis**

Independent variable	Dependent variable	B	Beta	R <sup>2</sup>	F	Sig.
Consumer ethnocentrism	Purchasing behavior	,362	,586	,344	164,990	,000

## DISCUSSION

In this study the consumer ethnocentrism level of people, the differences between demographic groups regarding consumer ethnocentrism, and the effect of consumer ethnocentrism on purchasing behavior were examined.

The results of this study indicate that the consumer ethnocentrism level of Azerbaijani consumers is low (2,67 out of 5,00) (This result is consistent with Rojas-Méndez and Chapa (2019).). It is good news for foreign companies, but not good for domestic companies. Because results also show that the higher the consumer ethnocentrism level, the higher the consumption of domestic products (This result is consistent with Xin and Seo (2019), and Thomas et al. (2019).). Domestic firms and government can promote consumer ethnocentrism. Campaigns regarding this promotion will raise the consumer ethnocentrism level of individuals. It is important for both government and domestic firms. The government wants to reduce imports and support domestic firms. Domestic firms want to compete against multinational brands. Raising the consumer ethnocentrism level of consumers will result in buying domestic products.

Women are more ethnocentric than men, and married individuals are more ethnocentric than singles. According to these results, one can assume that married individuals and women may be a target of domestic companies than men and singles. However, it is not clear to what degree is the consumer ethnocentrism level of these groups will result in buying domestic products. Therefore, it can be concluded that if other factors are equal,

women will buy more domestic products than men, and married individuals will buy more domestic products than singles.

The results of this study reveal that age and income groups show the same level of consumer ethnocentrism.

One of the main shortcomings of this study is the sampling method. Thus convenience sampling is a problematic method for the generalization of the results. Second, some other variables, for example, country of origin, quality, and so on, might be included in the model. Third, some moderation variables might provide comprehensive and valuable findings.

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