

## Chapter 2

# Consumer Ethnocentrism: Possibilities for Marketing Implication Improvements

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### ABSTRACT

*The concept of consumer ethnocentrism describes consumers' feelings, attitudes, and behavior towards domestic products as subjects of pride and identity. As one of the most researched phenomena in the international marketing literature, consumer ethnocentrism is often considered an important informal barrier for international trade. Considering the fact that consumer ethnocentrism is becoming relevant for international marketing practice, the main goal of this chapter is to provide better understanding of this concept based on the analysis of consumer ethnocentrism studies. Implications of empirical studies mostly depend on the capability and range of generalization of their results. Analysis in this chapter is focused on comparability issues as a basic starting point for findings generalization and marketing implication improvements. The purpose of the analysis is to derive the most important guidelines for comprehensive consumer-centric strategies based on the studies of consumer ethnocentrism.*

### INTRODUCTION

For almost a whole century, various scientific fields have had an interest in the concept of ethnocentrism and its behavioral consequences (Neuliep, 2002). In social science, the concept and definition of ethnocentrism was introduced by the American sociologist Sumner (1906, p. 13). Sumner defines ethnocentrism as “the view of things in which one’s group is the center of

everything, and others are scaled and rated with reference to it.” The basic element in Sumner’s (1906) formulation of ethnocentrism is the view of the in-group superiority as strongly associated with the perception of the out-group inferiority (Raden, 2003). Subsequently, the ethnocentrism has been extended to psychology as a construct with relevance to individual-level personality systems as well as to more general cultural and socio-analytic framework (Levine & Campbell,

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1972). Though the general applicability of ethnocentrism to the study of consumer behavior has been recognized in the 1970s, strong theoretical explanation of consumer ethnocentrism is not offered before the Shimp and Sharma's (1987) study (Pecotich & Rosenthal, 2001). The term "consumer ethnocentrism" was developed to represent "the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products" (Shimp & Sharma, 1987, p. 280). Shimp and Sharma (1987) found that consumer ethnocentrism affect beliefs, attitudes and purchase intention toward domestic vs. foreign made products. Subsequent studies confirm that consumer ethnocentrism influences consumer orientation to domestic products and encloses several economic and socio-psychological motives (Verlegh, 2007).

Consumer ethnocentrism is often seen as one of the most important informal barriers in today's global marketplace (Shankarmahesh, 2006). Therefore, research on consumer ethnocentrism may be a vital step towards forming a better understanding of the way in which individual and organizational consumers draw comparisons between domestic and foreign products (Luque-Martinez, Ibáñez-Zapata, & Del Barrio-Garcia, 2000). An understanding of whether the level of ethnocentrism differentiates customer attitudes towards products originating from foreign countries, could be extremely useful to the development of effective marketing strategies (Kucukemiroglu, 1999).

Marketing strategies are inevitably linked to the possibility of comparison and generalization of specific marketing implications from the study's results (Pharr, 2005). However, when it comes to generalizing findings across the studies of consumer ethnocentrism, several limitations occur (Vida, Dmitrovic, & Obadia, 2008). Therefore, the main focus of this chapter is to discuss the comparability issues as a basic starting point for findings generalization and marketing implication improvements. The purpose of the analysis

is to derive the most important guidelines for the comprehensive consumer centric strategies based on studies of consumer ethnocentrism.

The chapter is organized as follows. The main aspects of consumer ethnocentrism are given in the introduction. The first part of the text offers a conceptual and methodological background of consumer ethnocentrism. The second section describes some of the main limiting factors in comparability of consumer ethnocentrism studies. After all, certain approaches were proposed for improving marketing implications in purpose of better insight into consumer ethnocentrism as an important dimension of effective consumer centric strategies. Conclusion provides a brief overview from the whole analysis and points out possibility of increasing importance of consumer ethnocentrism for international marketing practice in a changing environment of modern societies.

## **CONCEPTUAL AND METHODOLOGICAL ASPECTS OF CONSUMER ETHNOCENTRISM**

Ever since the 1970s, consumer ethnocentrism has been treated as a concept which represents beliefs about the superiority of domestic products (Jacoby, 1978). Shimp and Sharma (1987) noted that American-made products historically provided the frame of reference whereby American consumers evaluated imported products, which often were considered inferior and eschewed.

*In functional terms, consumer ethnocentrism gives the individual a sense of identity, feelings of belongingness and, most important, of our purpose, an understanding of what purchasing behavior is acceptable or unacceptable to the in-group (p. 280).*

Shimp and Sharma (1987) have explained that from the perspective of ethnocentric consumers, purchasing imported products is wrong because,

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