

A COMPARATIVE STUDY ON TURKISH AND ALBANIAN CONSUMERS ETHNOCENTRISM LEVELS

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Abstract

As retail companies around the globe expand their international operations, consumers are introduced to numerous products. Therefore, the factors affecting their purchase intention have become diversified. One of the prominent factors in this process is Consumer Ethnocentrism which helps to evaluate the consumer choice of local or foreign products.

This paper explores the role of demographic factors on purchase intention of domestic and foreign products. Therefore, the correlation between consumer ethnocentrism and demographic factors is examined.

First, the concepts of “consumer ethnocentrism”, “purchase intention” and “measurement of consumer ethnocentrism” are defined. In the empirical section, in terms of consumer ethnocentrism levels and the effect of the demographic characteristics in Turkey and Albania is compared. “Consumer Ethnocentrism Tendencies Scale”, improved by Shimp and Sharma, is used to measure the level of consumer ethnocentrism. As a result, its relationship with several demographic factors is observed.

Keywords: *Consumer Ethnocentrism, Demographic Factors, Consumer Behavior, CETSCALE*

Introduction

In the course of history, a lot of changes and developments took place which affected mankind seriously. Especially the technological developments affect life styles and therefore life standards change dramatically.

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Accessibility in consumption habits is a crucial factor. In the recent past, village people had difficulties in accessing the products city people consume but as the developments in communication and logistics show, accessing the products became boundless and limitless. Internet is one of the key factors in achieving this. Consumer can access the products easily through online stores and products are easily delivered to consumers with the developing logistic networks. Therefore, inaccessibility is not a handicap in consumer choices. As consumers access foreign made products easily the choices between foreign -made products and domestic products may vary. Consumer choices in choosing domestic products vary from country to country. The purpose of this paper is to identify the ethnocentrism levels of the consumers in Albania and Turkey, to define the relationships between their ethnocentrism levels and to analyze the demographic variables between them. In this perspective, in order to measure Consumer Ethnocentrism levels CETSCALE (Consumer Ethnocentrism Tendencies Scale) is used which is developed in 1987 by Shimp and Sharma.

In this research, the scale is translated into native languages of each country from English and distributed to the participants. The reason why these countries are included in the survey is that they have historical ties, close geographical position and commercial activities which still exists today. This paper also gives important clues to academics and businesses.

Literature Review

Ethnocentrism as a concept of consumption has been originally used by Terence A. Shimp. “The concept is used here to represent consumers’ beliefs in the superiority of their own country’s products. This perception is postulated to transcend mere economic and functional considerations, and, instead, to have a more noble foundation rooted in morality. That is, consumer ethnocentrism is intended to capture the notion that some consumers believe it is somehow wrong to purchase foreign-made products, because it will hurt the domestic economy, cause the loss of jobs, and, in short, because, from their point of view, it is plainly unpatriotic (Shimp, 1984).

Consumer ethnocentrism as a term is used in consumer attitudes research concerning foreign-made products. Shimp and Sharma defines the concept with these words in 1987. “We use the term “consumer ethnocentrism” to represent the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products.”(Shimp and Sharma, 1987)

This concept has become valid with the easy accession of consumers to products and affected consumer choices. So, the academic data on ethnocentrism increased with these developments. Shimp and Sharma started ethnocentrism research in the U.S.A and developed CETSCALE scale.

The validity of the CETSCALE gained international recognition in 1991 with the study Netemeyer, Durvasula and Lichtenstein did in U.S.A, Germany, Japan and France (Netemeyer, Durvasula and Lichtenstein, 1991).

Later the validity and one –dimensional quality of the scale is further tested with the studies made in France, Japan, West Germany, Malta, Russia, England, Greece, Belgium, China, Hungary, Poland, the Netherlands and Canada.”(Aysuna and Altuna 2008).

In this study, the relationship between consumer ethnocentrism and demographical characteristics is analyzed. The findings pertaining to recent studies are shown in Table1.

Table 1: Literature Review Relationship Between Demographics And Consumer Ethnocentrism

AUTHORS	YEAR	COUNTRY	FINDINGS Relationship to Consumer Ethnocentrism
Robert SCHOOLER	1971	US	Age: Negative relationship
Marjorie WALL Louise A. HESLOP	1986	Canada	Gender: Women more ethnocentric
Chin Tiong TAN John U. FARLEY	1987	Singapore	Income: Positive relationship
C. Min HAN	1988	US	Age: Positive relationship Gender: Women more ethnocentric Education: No relationship Income: No relationship
Subhash SHARMA Terence A. SHIMP Jeongshin SHIN	1995	Korea	Age: No relationship Gender: Women more ethnocentric Education: Negative relationship Income: Negative relationship
Linda K. GOOD Patricia HUDDLESTON	1995	Poland Russia	Age: Positive relationship Gender: Women more ethnocentric (for Poland) Gender: No relationship (for Russia) Education: Negative relationship Income: Negative relationship
Albert CARUANA	1996	Malta	Age: Positive relationship Gender: No relationship Education: Negative relationship Income: No relationship

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James A. NIELSEN Mark T. SPENCE	1997	US	Age: Positive relationship Gender: Women more ethnocentric
E.R. Bruning	1997	Canada	Gender: Women more ethnocentric Income: Negative relationship
Terrence H. WITKOWSKI	1998	Mexico Hungry	Age: Positive relationship Education: Negative relationship (Only Mexican) Income: No relationship Living foreign country: No relationship Foreign Language: Negative relationship (Only Mexican)
Jill Gabrielle KLEIN Richard ETTENSON	1999	US	Age: Positive relationship Gender: Women more ethnocentric Education: Negative relationship Income: Negative relationship
Irena VIDA Ann FAIRHURST	1999	Czech Republic Estonia Hungary Poland	Age: Positive relationship Gender: Women more ethnocentric
John J. WATSON Katrina WRIGHT	2000	New Zealand	Gender: Women more ethnocentric Age: Positive relationship Education: Negative relationship Income: Negative relationship
George BALBANIS Adamantios DIAMANTOPOULOS Rene Dentiste MUELLER T.C. Melewar	2001	Turkey Czech Republic	Age: Positive relationship (for Turkey) Age: No relationship (for Czech Republic) Gender: Women more ethnocentric (for Turkey) Gender: No relationship (for Czech Republic) Education: Negative relationship (for Turkey) Education: No relationship (for Czech Republic) Income: Negative relationship (for Turkey) Income: Positive relationship (for Czech Republic)
Kojo SAFFU John Hugh WALKER	2005	Canada Russia	Gender: "Women more ethnocentric" is rejected Education: "Negative relationship" is rejected

As seen in Table 1 the studies concerning the relationship between consumer ethnocentrism and demography show different results. Especially, Balbanis and et.al. show in their study in 2001 that there are differences in two countries.

CETSCALE scale is indispensable for the companies to define their marketing perspectives as it provides data for the marketing purposes. According to Nielsen and Spence CETSCALE results in countries that have higher scores show tendency to domestic products compared to foreign-made products (Nielsen and Spence, 1997). As a result, different strategies are adopted by businesses due to target marketing, market positioning and market segmentation processes.

In countries with high ethnocentrism levels the emphasis should be on the quality and the characteristics of the product rather than the origin. When businesses which can not compete in terms of product quality and price advantage in foreign markets, want to enter foreign markets, they should stay away from countries with high ethnocentrism levels. Because to exist in these countries require product appeal when compared to domestic products.

In market segmentation processes demographic qualities of the consumers are foregrounded. In this study, the relationship between the demographic qualities and ethnocentrism levels of the consumers are analyzed and consumers in Albania and in Turkey are foregrounded. As a result, suggestions are also made for businesses that want to be active in Albania and Turkey.

Research Methodology

The aim of this paper is to define the ethnocentrism levels of Albanian and Turkish consumers and to compare it with the consumers’ demographic data. In order to achieve this, a two- part survey is conducted between Turkish and Albanian consumers. This survey is conducted simultaneously in Istanbul – Turkey and in Tiran – Albania in August 2012. In both samples, convenience sampling method is used and 222 samples from Turkey, 168 samples from Albania are obtained ready for data processing. (sample’s characteristics can be seen on Table 2) Due to limitations of money and time, can not reached more participant.

Table 2: Sample’s Characteristics

	Group	Frequency		Percent	
		Turkey	Albania	Turkey	Albania
Gender	Male	160	73	72,1	43,5
	Female	62	94	27,9	56
Age	18-24	35	46	15,8	27,4
	25-31	65	44	29,3	26,2
	32-38	46	30	20,7	17,9
	39 above	74	48	33,3	28,6

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Marital Status	Married	144	87	64,9	51,8
	Single	78	80	35,1	47,6
Education Level	Primary	34	10	15,3	6,0
	High school	69	40	31,1	23,8
	University	108	92	48,6	54,8
	Master&Ph.D	11	26	5,0	15,5
Profession	Worker	12	6	5,4	3,6
	Shopkeeper	51	6	23,0	3,6
	Retired	14	10	6,3	6
	Housewife	11	1	5,0	0,6
	Unemployed	0	31	,0	18,5
	Student	22	21	9,9	12,5
	Public Servant	18	31	8,1	11,9
	Private Sector Employee	81	56	36,5	33,3
	Other	10	17	4,5	10,1
Living abroad country experience	No	199	116	89,6	69
	Yes	22	51	9,9	30,4
Foreign Language	No	121	46	54,5	27,4
	Yes	100	121	45,0	72
Socio-Economic Status	Low-income level	46	43	20,7	25,6
	Middle income level	128	103	57,7	61,3
	High income level	45	21	20,3	12,5
Income(monthly)*	Less than 500	16	94	7,2	56,0
	501-1000	34	35	15,3	20,8
	1001-1500	36	7	16,2	4,2
	1501-2000	44	5	19,8	3,0

2001-2500	27	4	12,2	2,4
2501-3000	17	1	7,7	,6
3001-3500	12	0	5,4	,0
3501-4000	10	0	4,5	0
4001 above	20	1	9,0	0,6

* In Turkey, TL was used as the unit of currency. In Albania, Euro was used as the unit of currency. €1 was equal to approximately 2,32 TL.

Research Design

In the first part of the survey, CETSCALE is used developed by Shimp and Sharma in 1987. In that scale, 17 scale variables (between 1= I strongly disagree, 5= I strongly agree scale) are used. In the second part, there are 9 questions to test the demographic information of the consumers. These questions are age, (only this variable was measured by an open-ended question), income, gender, socio-economic status, educational background, marital status, foreign language background , living in abroad experience and profession. Survey forms are translated into native languages of the consumers and verified by back -translation. They are tested with 30 pilot surveys and analyzed in terms of misunderstood questions. Then surveys are finalized. In accordance with the aim of the survey, the differences between the ethnocentrism levels of the two countries are measured with independent sample t-test, and relationships between demographic data and ethnocentrism is analyzed with “correlation analysis”.

Findings

To test the internal consistency of the data, reliability analysis was conducted for both countries separately. The Cronbach’s Alpha score achieved for the CETSCALE for Turkey was $\alpha=0.907$ and for Albania was $\alpha=0.901$. Findings of the reliability analysis is similar to previous studies. For example, the study that Shimp and Sharma did in 1989 the Cronbach’s alpha was 0,94, is compared with Good and Huddleston’s study in 1995, where reliability was 0,95; Caruana’s study in 1996 where reliability was 0,96, Witkowski’s in 1998 where reliability was 0,92 and Balbanis et.al. in 2001 where reliability was 0,90.

Table 3: Distribution of CETSCALE Items

..... =Turkey/Turkish or Albania/Albanian		TURKISH		ALBANIAN	
		Mea n	Std. Deviatio n	Mea n	Std. Deviatio n
1	..... people should always buy .....-made products instead of imports.	3,52	1,234	3,22	1,283
2	Only those products that are unavailable in the should be imported.	3,79	1,170	3,55	1,223
3	Buy .....-made products. Keep working.	3,95	1,097	3,68	1,123
4	..... products, first, last and foremost.	3,88	1,097	3,31	1,220
5	Purchasing foreign-made products is un-	2,17	1,193	2,83	1,349
6	It is not right to purchase foreign products.	2,34	1,151	2,65	1,285
7	A real should always buy .....-made products.	2,37	1,327	2,60	1,310
8	We should purchase products manufactured in instead of letting other countries get rich off us.	3,35	1,270	2,77	1,276
9	It is always best to purchase products.	3,12	1,267	3,13	1,151
1 0	There should be very little trading purchasing of goods from other countries unless out of necessity.	3,52	1,102	3,50	1,158
1 1	.....s should not buy foreign products, because this hurts business and causes unemployment.	3,08	1,084	3,12	1,266
1 2	Curbs should be put on all imports.	2,60	1,154	3,69	1,140
1 3	It may cost me in the long run but I prefer to support products.	3,38	1,056	3,28	1,174
1 4	Foreigners should be allowed to put their products on our markets. (Recode)	2,70	1,017	2,43	1,103
1 5	Foreign products should be taxed heavily to reduce their entry into the	3,15	1,154	3,09	1,340
1 6	We should buy from foreign countries only those products that we cannot obtain within our own country.	3,60	1,134	3,52	1,183
1 7	..... consumers who purchase products made in other countries are	2,57	1,196	2,82	1,236

responsible for putting their fellow.....s out of work.				
<i>Mean for CETSCALE</i>	3,12		3,13	

The distribution of the responses that Turkish and Albanian consumers give to CETSCALE questions are shown in Table 3. When Table 3 is analyzed, it is seen that Turkish and Albanian consumers give parallel answers with each other. In other words, Turkish and Albanian consumers have similar approaches to foreign made products.

Table 4: Independent Sample T-Test Results (Ethnocentrism)

Independent	Mean			
	t	Sig. (2-tailed)	Turkey (n= 210)	Albania (n = 162)
CETSCALE (mean score)	-,175	,861	3,12	3,13

As seen in Table 4, when Turkish and Albanian consumers' ethnocentrism levels are compared there is not a meaningful difference statistically between two. The neutral point of the scale gives results near to 3 which means that approaches to foreign made products and domestic products are similar.

Table 5: Correlations Between CETSCALE and Demographics

			gender	income	living foreign country	foreign language	marital status	education level	socio economic status
TURKEY	Mean for CETSCALE	Correlation Coefficient	,080	-,056	-,031	-,087	,129*	-,270**	-,091
		Sig. (2-tailed)	,163	,268	,589	,131	,024	,000	,098
		N	210	204	209	209	210	210	207
ALBANIA	Mean for CETSCALE	Correlation Coefficient	,045	-,041	-,034	-,140*	,042	-,048	,061
		Sig. (2-tailed)	,491	,534	,603	,032	,521	,434	,333
		N	161	145	161	161	162	162	161

At this table, Kendall's Tau-b Correlation was conducted at 0,05 significance level.

As seen in Table 5, when Turkish and Albanian consumers' ethnocentrism levels and demographic variables are compared, it can be said that there are different forms of consumption in both countries. In Turkish consumers, demographic

variables and ethnocentrism levels gave only statistically meaningful results in terms of education and marital status. There is no significant relationship at 0.05 level between gender, income, living abroad, foreign language background, and socio-economic level. The relationship between educational background and ethnocentrism levels are negative. As a result, Turkish consumers ethnocentrism levels decrease when they are more educated. There is a positive correlation between marital status and ethnocentrism levels. Therefore, married Turkish consumers have high ethnocentrism levels when compared to single consumers.

When Albanian findings are considered, there is a negative significant relationship between foreign language background and ethnocentrism levels. In other words, there is not a significant relationship at 0,05 level between ethnocentrism levels and gender, income, living abroad , educational background and socio-economic levels . Albanian consumers who have foreign language background have low ethnocentrism levels.

As seen in Table 1, there are different results in different studies. Also, it can be seen relevant results pertaining to negative correlation between educational background and consumer ethnocentrism also in Sharma et.al in 1995, Good and Huddleston in 1995, Caruana in 1996, Witkowski in 1998, Klein and Ettenson in 1999 , Watson and Wright in 2000 and Balbanis et. al. in 2001.

The relationship between foreign language background and consumer ethnocentrism levels are not analyzed thoroughly in former studies. It can be seen a similar negative correlation in Witkowski (1998-Mexico) as we did in Albanian consumer ethnocentrism and foreign language background.

Table 6: Correlations Between CETSCALE and Age

		Age TURKEY	Age ALBANIA
Mean for CETSCALE	Pearson Correlation	,191**	,116
	Sig. (2-tailed)	,006	,140
	N	208	162
**. Correlation is significant at the 0.01 level (2-tailed). Pearson correlation was conducted.			

In CETSCALE surveys one of the most analyzed data is age. The findings about age are shown in Table 6. According to this, there is a positive correlation between Turkish consumers age and ethnocentrism levels. But there is no positive correlation in Albanian consumers. As Turkish consumers age they have high ethnocentrism levels. As also seen in Table 1 Schoole (1971) found a negative

correlation between age and ethnocentrism levels. Sharma, Shimp and Shin (1995) and Balbanis et.al (2001) in Czech Republic found no correlation between them.

Conclusion

When data is considered in this research, what international businesses should invest on Turkish and Albanian consumers is analyzed. The perceptions that Turkish consumers have for foreign made products differ when they grow older with a high level of ethnocentrism. Therefore; they prefer domestic products more when compared to young generation. Singles have a positive perception of foreign made products when compared to married couples. With higher education levels, the lower is ethnocentrism levels which means a positive perception of foreign made products. .

When the Albanian data is analyzed, there is a correlation between demographic data and foreign language background. In this case, people who have foreign language background have low ethnocentrism levels when compared to people who do not have. In other words, people with foreign language background have positive perceptions of foreign made products.

Businesses in their international marketing strategy, try to develop successful market segmentation and positioning strategies. When international businesses want to trade in Turkey or Albania they should consider the ethnocentrism levels of the consumers. In this paper, the findings can be helpful to develop their strategies. When market segmentation strategies are considered, international firms can make segmentation according to age, marital status and educational background in Turkey. The positioning can be done according to young people, singles and for people who have high levels of education. For the aged, married and low-income consumers positioning can be done by putting the country of origin in the background. Foregrounding the characteristics of the product can bring businesses success in that market.

For businesses to invest in Albania, market segmentation can be done according to foreign language background. In positioning the origin of the product can be foregrounded to address people with foreign language background, for those who do not have that background the emphasis can be on the characteristics of the product.

When generally speaking for two countries, the consumers in two countries approach to domestic products and foreign made products equally. In this case, the successful marketing for international businesses is due to characteristics of the product and its competitiveness. According to consumer oriented marketing mix communication is indispensable between consumers and businesses for marketing. Businesses when deciding on advertising, promotion, personal selling, public relations issues should take into consideration the consumer attitudes toward foreign made products. It will affect their marketing success on international grounds.

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