STUDY ON HUNGARIAN STUDENTS’ ETHNOCENTRIC CONSUMER ATTITUDE

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Summary
In our globalised world experts think that consumer ethnocentrism can be a key factor in the brand management of companies. First of all, companies should be able to attract ethnocentric customers and retain them for a longer period. The study presents the basics of consumer ethnocentric behaviour and its influencing factors. Apart from these it also describes the results of an exploratory research among university students to prepare and justify an international research project. The study introduces the consumer ethnocentric behaviour and its influencing factors, and besides these the study also illustrates the results of an exploratory research conducted among students as a basis for a more significant international survey later on.

Keywords:
Globalisation, consumer ethnocentrism, FMCGs, decision-making process, factors

Összefoglalás
A mai globalizált világban a szakemberek úgy vélik, hogy a fogyasztói etnocentrizmus kulcsszerepet töltethet be a vállalatok márkamenedzsmentjében. Ezen belül is abban, hogy a vállalatok képesek legyenek etnocentrikus fogyasztókat „vásárlói táborukba csábítani” és őket hosszabb távon megtartani. A tanulmányban a fogyasztói etnocentrikus magatartás, valamint az azt befolyásoló tényezők bemutatása mellett egy nagyobb nemzetközi felmérés megalapozására szolgáló feltáró kutatás eredményeiről számolunk be, melyet egyetemisták körében végeztünk. A tanulmány a fogyasztói etnocentrikus magatartást és az azt befolyásoló tényezőket vizsgálja a diákok körében egy feltáró kutatás keretében, amely egy nagyobb nemzetközi felmérés megalapozására szolgál.

Kulcsszavak:
Globalizáció, fogyasztói etnocentrizmus, élelmiszerkeres, vásárlási döntéshozatal, tényezők

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INTRODUCTION
In our globalised world experts think that consumer ethnocentrism can be a key factor in the brand management of companies. First of all, companies should be able to attract ethnocentric customers and retain them for a longer period. The study presents the basics of consumer ethnocentric behaviour and its influencing factors. Apart from these it also describes the results of an exploratory research among university students to prepare and justify an international research project. In recent years it is recognised that there is a greater necessity to gauge consumers' attitudes toward domestic and foreign products (Netemeyer et al., 1991 in Watson & Wright, 2000). International trade activities are becoming a central part of the world economy, and there are a lot of countries in the world, where most product categories have a domestically manufactured alternative (Watson & Wright, 2000).

THEORETICAL FRAMEWORK
Secondary literature examined the concentration as one of the key questions concerning future trends in the grocery retail market. The political and economic transition in Hungary at the beginning of the 1990s and the privatisation process had affected significantly the Hungarian food sector, especially the retail. Several multinational supermarket chain stores and discount stores started in the country, by reconstructing a former old supermarket or with green field investments. Not only international but also some Hungarian-owned supermarket chains were also established. Although some of these Hungarian chain stores and the before mentioned multinational supermarkets had a quick growth, in general most of the Hungarian trading small- and medium-sized enterprises were had difficulties to run the business. Market consolidation is a major trend. In advanced countries, it has almost everywhere served to strengthen mass retail chains, and accentuated the conflicts between large and small businesses which differ in store sizes. Micro enterprises and corner shops are in a particularly difficult situation.

The general conception of consumer ethnocentrism was first introduced by Shimp and Sharma (1984, 1987). The consumer ethnocentric attitude depends on individuals’ conviction: since people are afraid that if they buy foreign products, they will cause the economic catastrophe of their beloved country (Sharma, Shimp & Shin, 1995; Balabanis et al.; 2001). The CETSCALE (Consumer Ethnocentric Tendencies Scale) developed by them and validated by others in many countries is suitable for getting information about the consumers’ ethnocentric consumer behaviours, which is also important for the companies in the 21st century. The country-origin-effect is closely related to the topic and includes the consumer’s general perceptions about the quality of products produced in a given country (Han, 1990). In connection with consumer ethnocentrism and the closely related country-origin effect numerous domestic (Makkos-Káldi, Józsa & Németh, 2011; Németh, 2010; Lehota, 2001; Malota, 2003, 2004, 2005; Papp-Váry, 2004; Töröcsik, 2006, 2007; Nótiári, 2008; Popovics, 2009; Konczosné, 2009; Szakály, Pallóné & Nábrádi, 2010) and foreign (Nagashima, 1970; Shimp & Sharma, 1984; Balabanis et. al., 2001) literature have been published that reflect the customers’ consumer attitude toward products produced by their own country and above all have wanted to prove the results of international researches. Country-origin-effect can play an important role when making consumer decisions. The ethnocentric individual rejects and slanders outside groups that
do not prefer buying domestic products (Malota, based on Levinson, 2003). Other researches (Doob, 1964; Papadopoulos & Heslop, 1993; Elliott & Cameron, 1994; Druckman, 1994; Samiee, 1994; Guibernau, 1996; Chao, 1998; Agrawal & Kamakura, 1999; Chryssochoidis, Krystallis & Perreas, 2007; Drozdenko & Jensen, 2009; Schiffman & Kanuk, 2009; Kovács, 2010) have also contributed the Hungarian and the international discussion on consumer ethnocentrism. Makkos-Káldi, Huszka and Huszka (2012) summarized a study on consumer behaviour of young adults concerning FMCGs. Previous studies (Wang & Chen, 2004; Watson & Wright, 2000; Shimp & Sharma, 1987; Balabanis, et al. 2001) conducted in developed countries have demonstrated that ethnocentric consumers are more willing to buy domestic products. This study investigates the moderating roles of quality judgment of domestic products and conspicuous consumption in the relationship between consumer ethnocentrism and willingness to buy domestic products (WBD). The results of the research made by Wang and Chen (2004) support the hypothesis that the impact of ethnocentrism on consumer WBD tends to be weaker when consumers judge them as being of lower quality, or when consumers hold higher CC values. In past studies Watson and Wright (2000) have written about the country-of-origin image concerning product categories as diverse as automobiles, shoes, VCRs, and jam for consumers in Australia, Canada, China, France, Germany, Holland, Ireland, Japan, Mexico, New Zealand, and the USA. The mentioned authors collected the relevant literature written by a numerous researchers, among others like Ahmed & d'Astous, 1996; Elliott & Cameron, 1994; Garland & Coy, 1993; Kaynak, 1989; Kaynak & Cavusgil, 1983; Lantz & Loeb, 1996; Lawrence et al., 1992; Nagashima, 1970; Netemeyer et al., 1991; Okechuku, 1994; Roth & Romeo, 1992; Wall et al., 1991). As Watson and Wright, 2000 have written, important related European sources are to mention about effect of country of origin on decision behaviour from Ettenson, 1993; and Liefeld et al., 1996); product image (Peris et al., 1993); consumer perceptions (d'Astous & Ahmed, 1992; Strutton et al., 1995).

Retail market consolidation’s negative effects on micro enterprises and corner shops present long-term challenges to the Hungarian grocery retail market. What potential future role can they play and how can they possibly adapt? These directions were discussed by Juhász, Seres, Stauder (2008, 2010).

According Mészáros’ (2010) research results the price can play the main aspect by the Hungarian customers while buying daily used products in the different hypermarkets, supermarkets, discount stores and small shops. The Hungarian customers are buying mostly commercial brands than other brands in the different hypermarkets, supermarkets and discount stores. By the discount stores the rank of the four elements are the following: price, discounts, commercial branded products and the range of scale (Mészáros, 2010).

Researches show that the number of discount stores is intensively increasing, so that more consumers can do their shopping in these kinds of retail units. This tendency resulted that Lidl, and Aldi as well forwarded into a better position compared the year before (2009) (Figure 2). Lidl realised 191.2 billion HUF turnovers in 2010, last year, in 2011, increasing its marketing communication activities, the estimated amount of turnover is more than 221 billion HUF. In case of Aldi the tendency is the same: its turnover increased from 49.1 billion to 52.6 billion* HUF (* estimated). Aldi’s expansion’s strategy is although slower than that of Lidl, still encompassed
internationalization to Europe. Lidl started taking it business outside the European Union only in 2009. According to the literature and business figures Lidl has been entering International markets recently at about twice the speed that Aldi did. However, this strategy might not always be successful.

Figure 3 reflects also the trend how often customers are doing their shopping: consumers go more often to the retail stores than before the financial crises, but they spend less every time. \((\text{Nielsen}, 2011)\)

![Figure 3: Market share of discount stores in Hungarian families’ yearly expenditures](source: Gfk Hungária, Consumer Tracking, 2011)

According the market researches \((\text{Nielsen}, 2011)\) the reasons why consumers are more willingly to go to do their shopping in discount stores are as follows:

- positive price-value relation of the products,
- easy parking possibilities,
- relatively low prices in general (with own commercial brands),
- comfortable accessibility,
- and the quick cashier service.

In one sentence: discount stores allow effective purchase on relatively low prices. This is the opinion of the consumers according the literature.

**CONCEPTUAL METHOD AND HYPOTHESES**

To transact the secondary and primary research the model shown in Figure 1 was used during the research. The paper begins with a review of the relevant literature pertaining to the consumer ethnocentrism and country of origin effect. Two research questions were formulated, and two hypotheses are then proposed. To test the hypotheses besides the univariate statistics cross-table analysis, variance-analysis, Pearson-type correlation and
factor analysis were used. Following the methodology, the results of the study, and the conclusions were discussed.

Based on the review of theory the following hypotheses were formulated:

**H1**: Among the young consumer ethnocentrism turns up in case of certain products and product groups. This group is the group of FMCGs. If in case of a given product group there is a domestic one, they prefer buying that one.

**H2**: It is a characteristic of the analysed target group that although they decide mostly based on prices during their buying decisions, the ethnocentric way of thinking can also be observed when choosing a brand.

Traditionally the consumers’ decision making process approach was examined from a rational perspective. However, this process is not only based on cognitive issues, ethnocentric behaviour can be influenced, especially, in the steps of searching for information and evaluating the alternatives (Figure 2).

METHODOLOGICAL APPROACH

To transact the primer research opinion research and within it the questionnaire survey method (the filling in of self-filling, printed questionnaires) was used the basis of which was the questionnaire used in the survey of Malota (2002). After having designated the target multitude (students, western part of Hungary), the snow-ball sampling method was applied. The search took place in 2011. After the data cleansing only 189 questionnaires were proved to be suitable for evaluation. The measurement of consumer ethnocentrism was based on the CETSCALE (Consumer Ethnocentric Tendencies Scale) by Shimp and Sharma (1987). The CETSCALE consists of 17 items which measure the tendency of consumers to act consistently towards foreign and domestic products. Such tendencies may precede attitudes, but they are not the equivalent of attitudes, which tend to be object specific (Watson & Wright), 2000.

The sample by gender is the following: 44.4% men, 55.6% women (Table 1), their age are between 20-29 years. Analysing the aspects taken into account at the moment of buying the respondents evaluated in a 7-point Likert-type scale that how important are the different aspects (country-of-origin, the quality of packaging, the colours of packaging, warranty period, taste, advertisement, recommendations from acquaintances, price and ingredients) for them when buying food products. The data analysis was carried out with the help of SPSS 18.0 statistical software. To test the hypotheses besides the univariate statistics cross-table analysis, variance-analysis, Pearson-type correlation and factor analysis were used.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid male</td>
<td>84</td>
<td>44.4</td>
<td>44.4</td>
<td>44.4</td>
</tr>
<tr>
<td>female</td>
<td>105</td>
<td>55.6</td>
<td>55.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own compilation, 2012

RESULTS

The respondents had to indicate the following statements as well: (1) „I can support the domestic industry if I buy Hungarian products.” (92%); (2) „We don’t have to make a distinction between the products based on the country-of-origin.” (8%). From these answers it is obvious that most of the respondents have patriot approach. From the Hungarian brands mentioned by them they highlighted spontaneous the “Pöttyös”, “Gyulai” and “Csabai” brand names (traditional strong FMCG brands) which they prefer to buy the most willingly from the given product group. The ascertainment compared to the preliminary assumptions can be accepted.

Based on this it can be said that the young consider the country-of-origin as a very important decision-making factor (mean value 4.85) when buying food products (Table 2). This refers to that the ethnocentric way of thinking is present in this age group, but this is not the most important decision-making factor. For them taste, ingredients, warranty period or price are more important. Table 2 shows the relation between the level of education and the opinion on the importance of advertising by food products. Most of
the respondents are aware of the presence of Hungarian food brands at the shelves of the groceries, and they mostly do not by Hungarian products just because it has been advertised in one of the media channels.

Table 2:
The summary of the evaluation of buying decision-making aspects

<table>
<thead>
<tr>
<th></th>
<th>country-of-origin</th>
<th>the quality of packaging</th>
<th>the colors of packaging</th>
<th>warranty period</th>
<th>tastes</th>
<th>advertisements</th>
<th>recommendations from acquaintances</th>
<th>price</th>
<th>ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean</strong></td>
<td>4.85</td>
<td>4.55</td>
<td>2.84</td>
<td>5.92</td>
<td>6.71</td>
<td>3.44</td>
<td>4.66</td>
<td>5.55</td>
<td>5.44</td>
</tr>
<tr>
<td><strong>Modus</strong></td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Dispersion</strong></td>
<td>1.89</td>
<td>1.15</td>
<td>0.94</td>
<td>1.56</td>
<td>0.21</td>
<td>2.12</td>
<td>1.94</td>
<td>1.45</td>
<td>1.52</td>
</tr>
</tbody>
</table>

Source: Own compilation, 2012

Table 3 shows that more than 52% of the answerers’ opinion is that only the advertising of products itself will not motivate them to purchase the domestic products. The results apply in the Hungarian situation, according to the literature as well.

Table 3:
The relation between the educational level and the opinion about importance of advertising

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>not at all</th>
<th>not important</th>
<th>rather not important</th>
<th>indifferent</th>
<th>rather important</th>
<th>very important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>university</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td>high school</td>
<td>14</td>
<td>7</td>
<td>28</td>
<td>0</td>
<td>14</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>secondary leaving exam</td>
<td>7</td>
<td>14</td>
<td>42</td>
<td>14</td>
<td>21</td>
<td>0</td>
<td>98</td>
</tr>
<tr>
<td>technical school</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>21</td>
<td>70</td>
<td>21</td>
<td>49</td>
<td>7</td>
<td>189</td>
</tr>
</tbody>
</table>

Source: Own compilation, 2012

The Pearson Chi-Square test ($\chi^2$) shows the relationship between the educational level and the opinion about advertising as a CE influencing factor. The $\chi^2$ value was 118.057, by 15 degree of freedom with a zero signification (Table 4).

Table 4:
Statistical Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>118.057</td>
<td>15</td>
<td>0.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>106.007</td>
<td>15</td>
<td>0.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>2.524</td>
<td>1</td>
<td>0.112</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>189</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 5 shows the opinion of respondents about price level while making buying decisions. Most of the answerers take the price level into consideration before deciding about the purchase in case of FMCGs. The Pearson Chi-Square test ($\chi^2$) in this case was 241.333 by 15 degree of freedom with a zero signification.

### Table 5:

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Not at all</th>
<th>Rather not important</th>
<th>Indifferent</th>
<th>Rather important</th>
<th>Important</th>
<th>Very important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
<td>7</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>14</td>
<td>21</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>Secondary leaving exam</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>49</td>
<td>28</td>
<td>14</td>
<td>98</td>
</tr>
<tr>
<td>Technical school</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>63</td>
<td>63</td>
<td>42</td>
<td>189</td>
</tr>
</tbody>
</table>

Table 6 shows the results of the following attitude statement: ‘I am not willing to buy Hungarian product. This plays a controlling role in the survey. More than 85% of the respondents absolutely disagree with the statement. The Pearson Chi-Square test ($\chi^2$) in this case was 19.130 by 6 degree of freedom with a 0.004 signification.

### Table 6:

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>I absolutely disagree</th>
<th>I disagree</th>
<th>Indifferent</th>
<th>I agree</th>
<th>I absolutely agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>14</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>High school</td>
<td>56</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>Secondary leaving exam</td>
<td>84</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>98</td>
</tr>
<tr>
<td>Technical school</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td>21</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>189</td>
</tr>
</tbody>
</table>

A variance-analysis was carried out based on the sex and the response to the following question: „To what extent the product’s country-of-origin affects your buying decision?”. Within the ANOVA-table the sum of squares between groups was 5.574, the F-value was 5.048, the sum of squares within groups was 34.227, and the Levene-test (Test of Homogenity of Variance) was 11.456, and the Chi-Square was 22.547. The value of Eta is 0.238, its square is ($\eta^2$) 0.057 $\rightarrow$ 5.7%. This means that the sex hardly affects the taking into account of the product’s country-of-origin whey buying a product.
During the significance analysis carried out to test the reliability of the analysis the zero hypotheses is the following: $H_0$: In the multitude the category means are equal.

The value of F is 4.40 (the degrees of freedom are 5 and 155), which is higher than the calculated (2.915) value, in the SPSS ANOVA table the likelihood is also lower than 0.05 (Sig.=0.000), that’s why the zero hypothesis according to which the category means are equal cannot be approved. Interpreting the results it can be said that the sex category determines the taking into account of the country-of-origin when buying a product.

Those respondents who think that Hungarian products are good are proud of being Hungarians (Pearson-type correlation coefficient=0.280). In this case the relation is positive and has a weaker intensity than the medium. Those who think that the Hungarian flag is the most beautiful in the world are more willing to buy products which packaging is red, white and green in colours (Pearson-type correlation coefficient=0.119). The relation in this case is also positive and has a weaker intensity than the medium.

In case of the buying aspects of food products during the factor-analysis 9 aspects that determine the choice of the consumer during the buying were analysed. The aim was to define greater aspects that affect the consumer decision. The Kaiser-Meyer-Olkin (KMO-indicator) indicator which shows the pertinence and the applicability of the factor-analysis is close to the margin value as it is 0.587 and the Approx. Chi-square is 463.151. After the rotation of the factor matrix 4 factors were segregated: (1) „conditions” (country-of-origin, the quality of the packaging, taste), (2) „design” (the colours of the packaging, the advertisement of the product), (3) „healthiness” (warranty period, ingredients), (4) „other evaluating factors” (information from acquaintances, price).

DISCUSSION, CONCLUSIONS, AND LIMITATION

In addition to the ascertainment of earlier published research literature the authors of the present paper think that not only the family and the friends as reference groups have influence on the buying decision-making of consumers. Based on the obtained results the followings can be said regarding the hypotheses drawn up at the beginning of the survey:

$P_1$: Among the young consumer ethnocentrism turns up but it can only be interpreted in case of food products. Based on this the first hypothesis can be partly accepted.

$P_2$: It is a characteristic of the analysed target group that although they decide mostly based on prices, the ethnocentric way of thinking can also be observed when choosing a brand. (From the Hungarian brands mentioned by them they highlighted the Pöttyös (traditional Hungarian sweet dairy product), Gyulai and Csabai brand (both are traditional Hungarian sausage products) names which they prefer to buy the most willingly from the given product group. The ascertainment compared to the preliminary assumptions can be accepted.

During the analysis more assumptions were used, that’s why the following limitations of the research have to be emphasized:

The research has resulted generalizable findings at regional level. The respondents of the sample were chosen from the West-Transdanubian region (Western part of Hungary). The sample’s numbers of elements and the applied sampling method don’t allow the survey to be representative. It can be mentioned among the possible future directions of the research that the present survey serves to be the basis for a greater international research. The findings obtained now significantly influence the focus point of the
upcoming research. The CETSCALE used during the research was appropriate for the examined target group. Due to length barriers the study only concentrates the show the main results of the research.

MANAGERIAL IMPLICATIONS
These findings have several implications for domestic manufacturers concerning the influence of consumer ethnocentrism attitude in the decision-making process of consumers (using trademarks, national brands, strong national brand management). One solution that may overcome ethnocentrism biases is to assemble or conduct some of the manufacturing process in the country of sales. Joining Watson’s and Wright’s opinion (2000), depending on local content regulations, this may allow the labelling of the foreign product to mention this domestic link, something that is likely to improve product evaluations, particularly among ethnocentric consumers. Further options include localisation of the brand name (Han & Terpstra, 1988), possibly by adopting the brand names of channel members further down the value chain (Andaleeb, 1995).

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