

A Study on Ethnocentric Tendencies of Ethiopian Consumers

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Abstract: The purpose of this research is to deduce and analyze the ethnocentric inclinations of the Ethiopian consumers for products and services by determining the applicability of Consumer Ethnocentric Tendencies Scale (CETSCALE). This study thoroughly reviews the existing literature on ethnocentrism. The CETSCALE (Consumer Ethnocentric Tendencies Scale) developed by Shimp and Sharma was adopted to measure the magnitude of ethnocentrism in both the product and service markets. 500 questionnaires were distributed and only 446 questionnaires were found to be useable for the analysis. Before using the CETSCALE as a measure of ethnocentricity, the reliability of the scale was assessed. The information obtained from the sample was analyzed by using SPSS 16.0 statistical package. The result shows that CETSCALE is a reliable instrument to measure the ethnocentric tendencies of Ethiopian consumers. The magnitude of ethnocentrism for the sample population indicated that Ethiopians exhibit moderate ethnocentrism. The analyses of the demographic variables show that women are more ethnocentric than men. However, no significant relationship was found between ethnocentrism, age, income, and educational levels. Further, consumers did not exhibit different levels of ethnocentrism for the product and service markets in Ethiopia. This research study serves as a basis for Ethiopian marketers to understand the ethnocentric levels of their consumers while purchasing both products and services which are constructive to them to develop, design and modify their marketing offers. The study is the first to investigate the ethnocentric levels of consumers for products and services in Ethiopia and also in East Africa. Thus, it makes a significant contribution to the literature.

Key words: Consumer ethnocentrism, ethnocentrism, Ethiopia Consumer Ethnocentrism Tendencies Scale (CETSCALE), product and services markets

INTRODUCTION

In this highly competitive and cut-throat business world, every marketer is trying to understand consumers even though it is an uphill task to swiftly move their products and services. In today's domestic and global organizations, from board member to bottom-level employee, everybody involves in the creation, communication, and distribution of products and services that will satisfy consumer wants and needs, and the development of lifelong relationships with consumers. For this, marketers are attempting to know each and every bit of information in understanding their target market consumers. In this juncture, consumer ethnocentrism has attracted increasing interest among business practitioners during the recent decade to formulate as well as evaluate their plans, policies, programs, strategies, and budgets.

Consumer ethnocentrism refers to ethnocentric views held by consumer in one country, the in-group, towards

products from another country, the out-group (Shimp and Sharma, 1987). Shimp and Sharma (1987) found that some consumers generally believe that buying products that are locally manufactured is morally appropriate in a normative sense. This expression of consumer ethnocentrism can serve as an essential stimulus for the decision to purchase domestic or local products. They developed Consumers Ethnocentric Tendencies Scale (CETSCALE) as a tool to measure the level of ethnocentricity. Several studies have used this scale to measure the degree of ethnocentrism among different countries. The main focus of this study was to investigate the existence of consumer ethnocentrism in Ethiopia. Ethiopia's economic policy had shifted from the command economy to free market economy since the current government took over the power in 1991. New economic reforms have been formulated and implemented to help the economy achieve some success and speed up the transition of the free economy. Those reforms have

contributed to the improvement of the overall economy. The foreign trade reforms are among the new economic reforms of the country. They are important for the modernization of the economy and are aspects of the transformation from an inward oriented to an outward oriented economy. The liberalization of the foreign trade aimed at dismantling quantitative restriction and reducing the level and dispersion of tariff rates. As a result, the Ethiopian market has become crowded with several imported products, which have made the local products compete with them. This competition, however, compelled companies engaged in the production of textiles, foot wears and other products to reduce their work force and produce with low capacity. On the other hand it provides consumers with more foreign products choices than ever before. New customers' class that is involved in international hierarchical consumption pattern has emerged (Bekele, 2007).

As part of market-oriented reforms, government had made some adjustments with the aim of integrating the country into the global market for goods and services. In pursuit of this objective, it has made several multilateral, regional or bilateral trade negotiations. It amended its investment policies to attract foreign investors are engaged in the health agriculture and education sectors. Ethiopia has recently applied for WTO accession. If accession takes place, Ethiopia will be required to open her market to the globe and adopt the rules and the regulations of WTO. Ndukwe (2000) stated that international marketers in telecommunications and information Technology have shifted their attention to Africa as one of the largest markets for telecommunications. In addition, foreign firms operating globally offer more variety and assortment of products with competitive prices to increase their market share (Kaynak and Kara, 2002). Naturally, Ethiopia as a second most populous country in the African continent definitely is in the plans of MNCs as a major market opportunity for both product and services. In light of the above facts, what would be the ethnocentric tendencies of Ethiopian consumers towards domestic products and services? How can local manufacturers as well as service providers locate and target those consumers who desire to purchase domestic products/services? And how can importers and foreign operators target those who are willing to purchase foreign products/services? In this study, researchers attempted to measure the level of ethnocentric tendencies of Ethiopian consumers in purchasing products and services and also examine the relationship between consumer ethnocentrism and some demographic factors like age, gender, education and income. The term consumer ethnocentrism as defined by Shimp and Sharma (1987) refers to the beliefs held by consumers about the appropriateness, indeed morality of purchasing foreign made products. From the perspective of ethnocentric consumers, purchasing imported products is wrong

because, in their minds, it hurts the domestic economy, causes loss of jobs, and is plainly unpatriotic. Products from other countries (i.e., out groups) are objects of contempt to highly ethnocentric consumers. To non ethnocentric consumers, however, foreign products are objects to be evaluated on their own merits without consideration for where they are made (Bawa, 2004).

Consumer ethnocentrism has been suggested as means of differentiating consumers group who prefers domestic goods over imported goods (Huddleston *et al.*, 2001). Several researches were done in regard to Ethiopian consumers, but to date, no formal and informal research had been done to assess the level of the ethnocentric tendencies of the Ethiopian consumers. The concept if ethnocentrism improves the understanding of how consumers compare domestic products with foreign ones. This study primarily benefits the Ethiopian business community in developing marketing strategies for its products and services so that the needs of the customers are satisfied appropriately. The study also some idea to the business people regarding the tendency of customers/consumers towards domestic products at the time of the liberalization. This knowledge may help the marketers to segment and target its consumers. The researchers also believed that this study offers some clue to the international marketers how they can penetrate to the Ethiopian market. The knowledge of the attitudes of Ethiopian consumers may help them to focus on non ethnocentric consumers.

About Ethiopia: Ethiopia, officially the Federal Democratic Republic of Ethiopia, is situated in the Horn of Africa that has been landlocked since the independence of its northern neighbor Eritrea in the year 1993. Ethiopia is one of the oldest nations in the world and Africa's second-most populous nations with population size of over 80 million and with a population growth rate 2.3%. It is a diversified country with over 70 ethnic groups and languages. 85% of the population is living in rural area while 15% lives in urban areas. When we see the age structure of the population, 43.4% of the population falls under the age category of 0-14 years, 53.9% falls under the 15-64 category and 2.7% falls under the category of 65 years and over. Over the past ten years, the literacy rate of the country has increased from meager to the present 42.7%. Ethiopia has one of the fastest growing economies in the world, according to The Economist. Ethiopia has shown a fast-growing annual GDP and it was the fastest-growing non-oil-dependent African nation in 2007 and 2008 (Tamrat, 2007). Agriculture accounts for almost 41% of the GDP, 80% of exports, and 80% of the labor force. Many other economic activities depend on agriculture, including marketing, processing, and export of agricultural products. (<http://en.wikipedia.org/wiki/Ethiopia>).

LITERATURE REVIEW

Ethnocentrism: The concept ethnocentrism was first introduced by William Graham Sumner in 1906. Ethnocentricity is a psychological construct which influences the attitudes and appropriateness (morality) of purchasing foreign made products. It was primarily a sociological concept where William Graham Sumner described “in-group” vs. “out-group” conflicts (Shimp and Sharma, 1987). He defined it as the view of things in which one’s own group is the center of everything and all others are scaled and rated with reference to it (Shankarmahesh, 2006). It has frequently been applied to social collectives, as an expression of human nature that looks at its identity, protection and group preservation and therefore is perceived as a way of preserving group’s culture, solidarity, cooperation, loyalty and survival (Torres and Gutiérrez, 2007). Consequently, a differentiation arises between us, the we-group or in-group and everybody else, the other group, or the out group (Luque-Martinez *et al.*, 2000). Each group nourishes its pride and vanity, boasts itself superior, and exalts its own activities and links with contempt on outsiders (Shankarmahesh, 2006).

Studies dealt with ethnocentrism, as a psychological construct, described it as the tendency of an individual to identify strongly with his or her own in-group and culture, the tendency to reject out-groups or the tendency to view any economic, political or social events only from the point of the in-group ((Luque-Martinez *et al.*, 2000). Shimp and Sharma (1987) contended that ethnocentrism is a universal phenomenon, which is deeply rooted in inter-group, interracial and cross cultural relations. This type of thinking is natural and one may be ethnocentric without being conscious of such thinking, while others argue that it is part of human nature (Shankarmahesh, 2006).

All people have tendencies to:

- Define what goes on in their own cultures as natural and correct and what goes on in the other culture as unnatural and incorrect
- Perceive in group customs as universally valid meaning what is good for us is good for everybody
- Think that in-group norms, roles and values are obviously correct
- Believe that it is natural to help cooperate with members of one’s own in-group
- Act in ways that favor the in-groups
- Feel proud of the in-group and hostile towards the out-group (Sinkovics and Hartmut, 1994).

There are two major components of ethnocentrism: cultural and economic ethnocentrism. Cultural

ethnocentrism refers to the belief that one’s own cultural norms and attitudes are superior to cultures of other societies or groups. It expresses itself in symbolic manner such as clothing, religious symbols or other visible symbols. Economic ethnocentric on the other hand, is related to the perception that other groups can be seen as economic competitors and therefore should be limited in their capacity as economic factors. It is characterized by a clear preference of goods and services associated with one’s own group.

Consumer ethnocentrism: Consumers use their behavior to differentiate themselves as a member of social collectives and as a result they may feel a moral obligation to preserve the group’s welfare (Torres and Gutiérrez, 2007). Shimp and Sharma (1987) formulated consumer ethnocentrism as a domain specific concept for the study of consumer behavior with marketing implications. Consumer ethnocentrism was regarded as a unique economic form of ethnocentrism that captures the beliefs held by consumers about the appropriateness and indeed morality of purchasing foreign-made products. It refers to ethnocentric views held by consumers in one country, the in-group, towards products from another country, the out-group. In addition, it denotes the consumers’ tendencies to distinguish between product of the in-group (home country) and out-group (foreign countries) and to avoid buying foreign products due to nationalistic reasons (Shankarmahesh, 2006). Further, it involves transferring of feelings of ethnocentrism, that one’s own population group is superior to other group, into overt economic actions, such as purchasing or boycotting products (Good and Huddleston, 1995).

Ethnocentric consumers may believe that it is not appropriate, and possibly even immoral to buy products from other countries. This moral aspect causes consumer to purchase domestic products, even though in extreme cases, the quality is below that of the imports (Sinkovics and Hartmut, 1994). For them, not buying foreign products is good, appropriate, desirable and patriotic while buying them is bad, inappropriate, irresponsible and unpatriotic. They consider purchasing foreign products is wrong because it causes the loss of domestic jobs and hurts the economy (Durvasula *et al.*, 1997). They prefer domestic products because they believe that they are supporting and contributing to the growth of the economy by favoring domestic products over foreign products (Kaynak and Kara, 2002). Granzin and Painter (2001) affirm that ethnocentrism causes consumers tendencies to protect their domestic economy and to help domestic workers with whom they identify.

The consequences of ethnocentrism include overestimation of the quality and value of domestic products or under estimation of the virtue of imports, a moral obligation to buy domestic products and intense

preference for domestic products (Kaynak and Kara, 2002). However, the level of consumer ethnocentrism varies among product categories in such a manner that the less important the product category is the greater, the greater the ethnocentric tendencies and behavior exhibited by the consumers (Chrysochoidis *et al.*, 2005). Its impact also depends on the level of the development of consumer's home country. According to Wang and Chen (2004), consumers from developed countries tend to appreciate more favorably domestic products over imported ones, hence resulting to an increase of the impact of ethnocentrism on buying domestic products and rejecting the foreign ones. The reverse has been observed in developing countries, where consumers perceived foreign products as superior compared to their domestic counterparts. Non ethnocentric consumers evaluate foreign products on their own merits with respect to price, quality and other desired features.

Shimp and Sharma (1987) described the following points as the characteristics of consumer ethnocentrism:

- It results from the love and concern for one's own country and the fear of losing control of one's economic interests as a result of the harmful effects that imports may have on one-self and countrymen.
- It contains the intention or willingness not to purchase foreign products.
- It refers to personal prejudices against imports
- It is a general tendency as opposed to a specific attitude.
- It is inelastic with respect to price or other product related attributes.
- It is assumed to be socialized during childhood like other behavioral patterns.

The CETSCALE: Shimp and Sharma (1987) developed consumer ethnocentrism into a measurable construct through the use of the Consumer Ethnocentric Tendencies Scale (CETSCALE). It is 17 item instruments formulated to better understand explain and predict consumers' behavioral tendencies towards purchasing foreign products (Kaynak and Kara, 2002). A study conducted by Witkowski (1998) using the Consumer Ethnocentrism Scale (CETSCALE) method found evidence of ethnocentricity influencing purchase probability. It has been constructed and distilled through the stage of item generation, item screening, two purification studies four subsequent studies conducted to examine to the psychometric scale (Bawa, 2004). The 17 items are series of Likert type sentences which measures the tendencies of consumers to act consistently towards foreign and domestic products (Watson and Wright, 1999). According to Bawa (2004), CETSCALE is linked to the following four concepts:

- It hurts the domestic economy
- It results in the loss of jobs
- It is unpatriotic
- It is tied to product availability

Shimp and Sharma (1987) were able to demonstrate the validity and reliability of the CETSCALE as a measure of consumer ethnocentrism with sample from USA. Netemeyer *et al.*, (1991), on the other hand, carried out an investigation to test the validity of the CETSCALE in countries other than the USA. He surveyed students in the USA, France, Japan, and West Germany and compared the results. The CETSCALE were found to be reliable across the different cultures where it was tested (Luque-Martinez *et al.*, 2000).

METHODOLOGY

In the present free trade scenario, it would be important to study the attitude of Ethiopian consumers towards foreign/domestic products or services. Research on consumer ethnocentrism is an important step towards better understanding of the way in which individual and organizational consumers compare domestic with foreign products in Ethiopia. Shimp and Sharma (1987) defined consumer ethnocentrism as the belief held by consumers about the appropriateness and morality of purchasing foreign products/services. Purchasing foreign products/services can carry high emotional implications, particularly when the loss of domestic jobs or national security is at stake (Crawford and Lamb 1981, cited in Herche, 1994). Shimp and Sharma (1987) developed 17 items scale measurement called CETSCALE to measure the tendencies of consumers towards purchasing foreign products. Testing the scale in several studies demonstrated its reliability and validity. In this study, we would investigate the applicability of CETSCALE to measure the level of ethnocentric tendencies of Ethiopian consumers towards domestic products in general and domestic telecom services in particular. Therefore, the following hypothesis is proposed. The researchers selected the consumer products like soaps, toothpastes, candies, food products, leather goods and consumer durables like audio and video systems for the study because most of this kind of products are produced by the Ethiopian manufacturers who has faced severe competition from the foreign products. At the same time, the researchers selected only telecom services to verify the Ethiopian consumers' ethnocentric levels. This study was conducted in the Addis Ababa city, the Capital of Ethiopia in the first quarter of this year.

Hypotheses:

Hypothesis 1: CETSCALE has internal consistency and is a reliable tool to measure Ethiopian consumers' ethnocentric tendencies.

Consumer ethnocentrism, as measured by CETSCALE, may be regarded as a means by which to differentiate between consumer groups who prefer domestic to foreign products (Huddleston *et al.*, 2001). Shimp and Sharma (1987) suggested that the higher consumers were on their scale, the more likely they would be to choose domestic products/services and the less likely they would be to choose foreign products. Conversely, consumers with low consumer ethnocentric score are more likely to prefer foreign products (Acharya and Elliott, 2003, cited in Hamin and Elliott, 2006). However, its influence on the willingness to buy domestic products is likely to vary between developed and developing countries (Wang and Chen, 2004). Consumers from less developed countries have repeatedly shown a marked preference for foreign products (Bawa, 2004) and regard foreign products as status symbols (Mason 1981 cited in Wang and Chen, 2004). On the other hand, consumers from developed countries have shown preference for domestic products' (Watson and Wright, 1999). Due to the above facts, the following hypothesis is proposed.

Hypothesis 2: Ethiopian consumers will exhibit less ethnocentric tendencies.

As for the antecedents of consumer ethnocentrism, the results of certain studies show that ethnocentric consumers tend to have a lower level of education and a lower level of income (Watson and Wright, 1999). In addition, age has been significantly and positively related to attitudes towards products (Good and Huddleston, 1995). Empirical evidences support and argument that younger people will have low CE scores than old people (Shankarmahesh, 2006). Further other studies found that women have higher ethnocentric score than men (Sharma, 1995 cited in Shankarmahesh, 2006). In this study, an attempt would be done to find out if the mentioned relationships exist in Ethiopian consumers. Thus, the following hypotheses were suggested.

Hypothesis 3: The level of education does not have an impact on the level of consumer ethnocentrism.

Hypothesis 4: The level of consumer ethnocentrism will be high for aged people.

Hypothesis 5: Women consumers are more ethnocentric than men consumers.

Hypothesis 6: Consumers with high income will exhibit low ethnocentricity.

It is expected that as private companies compete with state-owned ones, consumers will perceive the private companies as more open and responsive to their

needs than the state owned ones (Good and Huddleston, 1995). Akhter (2007) contended that when foreign firms come to a country with better financial resources and marketing know-how, they are perceived as a threat to domestic business. He further argued that the fear of losing control of domestic businesses to foreign firms and the concomitant development of an uncertain future will encourage the behaviors in support of domestic firms. Zarkada-Fraser and Fraser (2002) on the other hand argued that the business firms need to contribute more to the quality of life than just supplying quantities of goods and services to the society and evidence show that organization that is aligned with the society's behavioral norms will attract the loyalty of consumers. Consumer ethnocentrism is showing great and different degrees of impact on individual's purchase intentions in the product and service markets. Therefore, the following hypothesis suggested.

Hypothesis 7: Ethiopian consumers exhibit different levels of ethnocentrism for product and service market.

The questionnaire: In order to examine the hypotheses mentioned above, a self-administered questionnaire was developed and distributed to the participants. The questionnaire was developed in English and was translated to Amharic. It has four parts. The first part requested participants to respond to the demographic variables, such as gender, age, educational status, and income. The second part consist the 17 items CETSCALE developed by Shimp and Sharma (1987), which was modified to fit the Ethiopian context for the general products. Participants were requested to rate the items on a five-point Likert scale (1 = strongly disagree and 5 = strongly agree) that produced the minimum score 17 and the maximum score 85 for each individual. The third part consist the four items support variable, which measures the negative attitudes of consumer towards foreign firms. Respondents were asked to indicate if they protest, boycott or refuse to recommend services from foreign company to friends. The fourth part consist the reduced version of CETSCALE with 10 items. In this part, participants were asked to indicate their level of agreement or disagreement for each item once they were modified to fit the service context.

Sampling and data collection: The survey was administered using the drop off and collect method. A total of 500 respondents were randomly selected and were contacted to complete the self administered questionnaire. 460 completed questionnaires were received and only 446 (89%) were considered useable for the study and the analysis.

RESULTS AND DISCUSSION

The information obtained from the sample was analyzed by using SPSS 16.0 statistical package. The analysis revealed that there are 446 valid cases for the study. The demographic characteristics of the respondents in this study are given in Table 1. The majority of the respondents were male (60.8%). Young people (18-28 years old) seem to dominate the sample, which consisted 46% of the total sample. 20.8% of the respondents are above 40 years of old. 48.0% of the respondents either completed grade twelve or below while 15.7% of the respondents had first degree or above. With regard to income, 40% of the respondents have an income of 500 Birr or 39.68USD less/month while 25.1% of them earned more than 1000 Birr or 79.36 USD/month. To measure consumer ethnocentric tendencies for domestic products, the 17 item CETSCALE developed by Shimp and Sharma (1987) was used.

The reduced form of CETSCALE was also used to measure ethnocentricity towards services. Table 2 shows the result of the reliability analysis for the 17 items, while Table 4 shows for the reduced 10 items. The Cronbach alpha coefficient for the two scales was found to be 0.847 and 0.877, respectively. Evidently, the scales are reliable, since all the values exceed the 0.70 rule. Therefore, the reliability estimates from the samples support Hypothesis: 1 that CETSCALE has internal consistency to measure the ethnocentric tendencies of Ethiopian consumers.

Ethnocentrism In Ethiopian Product Market: Based on the results of reliability analysis, it can be assumed that all the 17 items and the reduced 10 items are measuring the same constructs (ethnocentrism), and therefore a summative measure can be used to represent the ethnocentrism score of the respondents. It was indicated in the literature part that the mean score value of CETSCALE can be taken as the indicator of the intensity of consumer ethnocentrism, i.e. a higher mean scale value indicates higher consumer ethnocentrism.

The total possible value of the CETSCALE for 17 items varies between 17 and 85 due to five point scale and it falls between 17 and 50 for the reduced 10 items scale. The total mean value for the case of products and services were found 54.82 and 32.28, respectively.

The overall mean score of ethnocentrism was obtained as the average of the scores on the 17 and 10 component items. The mean ethnocentrism score for product market was found to be 3.225 (with a standard deviation of 1.39). These scores seemed not to support hypothesis 2 stating that Ethiopian consumers exhibit less ethnocentrism. For the five point scales, the values 3.225 appeared to indicate that Ethiopian consumers can be considered to have medium level of ethnocentrism.

Table 1: Respondents' demographic characteristics (N = 446)

Characteristics		Frequency	percentage
Gender	Male	271	60.8
	Female	175	39.2
Age	18-28	205	46.0
	29-39	148	33.2
	40-50	67	15.0
	>50	26	5.8
Education	12th grade and under	214	48.0
	Certificate/diploma	161	36.1
	First degree	59	13.2
	Second degree and above	12	2.7
Monthly income	Less than 500	179	40.1
	501-1000	155	34.8
	1001-2500	84	18.8
	>2500	28	6.3

Scale Reliability

The results of the ethnocentrism are shown in Table 2. As Table 2 shows, the highest scoring factor were item 1 (4.26) namely the highest scoring factor were item 1 (4.26) namely "Ethiopian people should always buy Ethiopian products instead of imports" and Item 2 (4.29) namely, "only those products that are unavailable in Ethiopia should be imported". These scores seem to indicate that Ethiopians favor domestic products if available in the market and support importers of scarce products.

The scores for items 3, 4, 8, and 9 were found to be more than the total means scoring 3.225 (with a standard deviation of 1.39), which is indicating Ethiopians preferences to domestic products. The lowest scores were reported on item 5 (purchasing foreign made products is un-Ethiopian), item 14 (foreigners should not be allowed to put their products on our markets), item 15 (foreign products should be taxed heavily to reduce their entry into Ethiopia) and item 17 (Ethiopian consumers who purchase products made in other countries are responsible for putting their fellow Ethiopians out of work). These results give an indication that Ethiopians are not against foreign products and do not consider foreign products as cause of unemployment. The inter quartile range for the mean score data for the sample indicated that 25% of the respondents have a mean score less than 2.65, which can be considered as low ethnocentrism score, while 25% of the respondents have a mean score greater than 3.72, which can be considered as high level of ethnocentrism. **Consumer Ethnocentrism and Demographic Variables.**

In order to test which demographic factors influence ethnocentric tendencies of Ethiopian consumers, an analysis of variance (ANOVA) was conducted for each variable. The mean scores for ethnocentrism were compared between the levels of education, age group, levels of income and men and women. The results are shown in Table 3. The result indicated that there were no significant differences in ethnocentrism by age, education level, and income level for the sample under study. Thus, H3, H4, and H6 were rejected. However, the degree of ethnocentrism was significantly different by gender.

Table 2: Ethnocentrism measured on 17 item CETSCALE

S. No.	Item	Mean	Standard Deviation	Reliability
1	Ethiopian people should always buy Ethiopian products instead of imports	4.26	2.630	0.865
2	Only those products that are unavailable in Ethiopia should be imported	4.29	0.999	0.842
3	Buy Ethiopian products. Keep Ethiopia working Ethiopian products, first, last and foremost Purchasing foreign made products is un-Ethiopian	3.59	1.387	0.837
4	It is not right to purchase foreign products, because it puts Ethiopians out of jobs	3.27	1.287	0.841
5	A real Ethiopian should always buy Ethiopian made products	2.34	1.165	0.839
6	We should purchase products made in Ethiopia instead of letting others countries get rich off us	2.79	1.314	0.833
7	It is always best to purchase Ethiopian products There should be very little trading or purchasing of products from other countries unless out of necessity	3.04	1.331	0.833
8	Ethiopians should not buy foreign products, because this hurts Ethiopian business and causes unemployment	3.87	1.171	0.838
9	Curbs should be put on all imports	3.29	1.242	0.838
10	It may cost me in the long run but I prefer to support Ethiopian products	3.35	1.578	0.839
11	Foreigners should not be allowed to put their products on our markets Foreign products should be taxed heavily to reduce their entry into Ethiopia	2.94	1.256	0.835
12	We should buy foreign products only those that we cannot obtain within our own country	3.83	1.216	0.843
13	Ethiopian consumers who purchase products made in other countries are responsible for putting their fellow Ethiopians out of work	2.96	1.344	0.833
14		2.59	1.838	0.844
15		2.61	1.269	0.834
16		3.20	1.343	0.832

Table. 3: Hypothesis Test for Demographic Factors

	SS	df	MS	F	Sig.
Hypothesis 3: The level of education will have an impact on the level of consumer ethnocentrism					
Between Groups	2.185	3	0.728	1.334	0.263
Within Groups	241.311	442	0.546		
Total	243.496	445			
Hypothesis 4: The level of consumer ethnocentrism will be high for aged people					
Between Groups	2.984	3	0.995	1.828	0.141
Within Groups	240.512	442	0.544		
Total	243.496	445			
Hypothesis 5: Women consumers are more ethnocentric than men consumers					
Between Groups	3.445	1	3.445	6.373	0.012
Within Groups	240.051	444	0.541		
Total	243.496	445			
Hypothesis 6: Consumers with high income will exhibit low ethnocentricity					
Between Groups	2.993	3	0.998	1.833	0.140
Within Groups	240.503	442	0.544		
Total	243.496	445			

Ethnocentrism in Ethiopian Services Market

Table 3 shows that women scored higher than men on ethnocentrism (mean score for women = 3.32 and for men 3.14, $F = 6.375$). Therefore, the hypothesis women consumers are more ethnocentric than men cannot be rejected. It was indicated in the scale reliability part that the sample for this study supported the reliability of the reduced 10 items CETSCALE as a measurement consumer ethnocentrism for Ethiopian consumers. Therefore, a summative measure can be used to represent the ethnocentrism score of the respondents. Table 4 shows the result of the ethnocentric analysis for the services market as measured by the 10 items CETSCALE. The overall mean score of ethnocentrism was obtained as the average of the scores on the 10 component items. The mean ethnocentrism score for the services market was found to be 3.228 (with a standard deviation of 0.374), which indicates Ethiopian consumers had moderate level of ethnocentrism in services market. As Table 4 shows,

the highest score was reported for item 2 indicating consumers' agreement to make Ethiopian services their first choice. The lower scores for items 3, 4, 5 and 7 give an indication that Ethiopian does not have negative attitudes towards Foreign Service provides. The inter quartile range distribution of the data indicates that 25% of the respondents had ethnocentrism mean less than 2.58, while the other 25% had ethnocentrism value greater than 3.83. 50% of the sample population had a mean score value between 2.58 and 3.83.

To test the hypothesis 7 that consumers would exhibit different levels of ethnocentrism for the product and service market, a paired sample t test was conducted and no significant difference was found in the level of consumers' ethnocentrism for the product and service market. Therefore, hypothesis 7 is rejected at alpha 0.05 which means there is no significant difference on the ethnocentric levels of product and service.

Table 4: Ethnocentrism measured with 10 items CETSCALE

Item No.	Item	Mean	Standard Deviation	Reliability
1.	Foreign service companies should provide only those services that Ethiopian companies cannot provide to its customers	3.37	1.321	0.865
2	Ethiopian people should first and foremost subscribe Ethiopian services	3.88	1.117	0.868
3	Subscribing services from a foreign company while the services are available from the local service firms are un-Ethiopian.	2.75	1.294	0.869
4	It is not right to subscribe services from foreign companies because it causes people to lose their jobs	2.90.	1.296	0.864
5	A real Ethiopian should always subscribe services from Ethiopia.	2.97	1.338	0.860
6	We should subscribe services from Ethiopia firms instead of letting Foreign Service Companies getting rich out of us	3.43	1.231	0.864
7	Ethiopians should not subscribe services from foreign companies because it causes local firms out of business	.2.92	1.235	0.866
8	It may cost me in the long run but I prefer to be the customer of Ethiopian service firms	3.62	1.208	0.873
9	We should subscribe foreign services from foreign service companies only those we cannot obtain from the Ethiopian service firms	3.40	1.321	0.860
10	Ethiopians who subscribe all services from foreign service companies will be responsible for putting Ethiopians out of work	2.80	1.278	0.864

Table. 5: Consumers support to domestic companies

Item description	I strongly disagree	I am indifferent	I disagree	I agree	I strongly agree
If government allows foreign. firms to enter into the Ethiopian market, I will fully support this decision	142 (31.8%)	105 (23.5%)	32 (7.3%)	97 (21.7%)	70 (15.7%)
If asked to sign a petition to boycott foreign operators, I will sign it	44 (9.9%)	148 (33.2%)	54 (12.0%)	155 (34.8%)	45 (10.1%)
Foreign company operators will be. the last place that I recommend to friends	34 (7.6%)	139 (31.2%)	102 (22.8%)	131 (29.4%)	40 (9%)
I will protest against a decision by the government to allow foreign firms to enter the local market	45 (10.1%)	147 (33.0%)	74 (16.5%)	132 (29.6%)	48 (10.8%)

Consumers support to domestic firms: In the questionnaire of this survey, consumer support variable was included to assess the consumers' attitude towards foreign companies. Respondents were asked to indicate their level of agreement to the constructs of the support variable. Zarkada-Fraser and Fraser (2002) have used this variable to measure consumers' attitudes towards foreign firms. Here, this variable was adapted to measure Ethiopian consumers' attitude towards foreign companies. As shown in Table 5, 55.3% of the respondents indicated that they would support the decision of allowing foreign companies to enter the local market. 44.9% of the respondents indicated that they will not boycott foreign services, while 38.8% agreed that foreign firms are the last place to recommend to friends. The above result gives an indication that if foreign firms start business in Ethiopia, they will get some support from the local customers.

Practical implication: The proof that the CETSCALE is a reliable measurement of consumer ethnocentrism supports the use of the scale in Ethiopian market. Therefore, Ethiopian local manufacturers or importers and service providers may use the scale to better understand consumers' tendencies to move their products, to segment and target those consumers with high/low ethnocentric tendencies. The findings of this research indicate the existence of consumers' ethnocentric tendencies in

Ethiopia's market. This will give some encouragement to local manufacturers to use "buy local" campaign in order to translate this favorable perception of consumers into actual purchasing of domestic products. They can take advantage of this situation and emphasize it in their marketing offers. The main problem in the domestic market is the availability of domestic products with the desired quality. As a result, even those customers with high ethnocentric tendencies are forced to purchase foreign products instead of domestic ones. If local manufacturers are able to provide the local market with the desired quality, there is a possibility of changing the general opinion of foreign products are better than local one. Local marketers then can use ethnocentrism pitched advertisement to generate favorable disposition of to domestic products by appealing to consumers' ethnocentrism. In addition, one of the findings of this study is that Ethiopian consumers are not against foreign companies and 55.3% of the respondents were in favor of the decision for allowing Foreign Service companies enter the local market. This indicates that there are possibilities for Foreign Service companies to good share of the market. To stay off this competition and keep its customers, Ethiopian service companies' management's needs to understand the ethnocentric nature of their customers and execute the appropriate marketing mix strategy.

CONCLUSION

The main focus of this study was to investigate the existence of consumer ethnocentrism as defined by Shimp and Sharma in Ethiopia. To the knowledge of the researchers, this is the first academic investigation of consumer ethnocentrism in Ethiopia and also in East Africa and it is expected that it gives some clues regarding the nature of ethnocentrism in Ethiopia. The following conclusions are made based on our findings. To achieve the main objective this study, the reliability of the CETSCALE was conducted and the Cronback's alpha was found to be 0.847 for the product market and 0.877 for the service market. As both values exceed the 0.70 rule, it can be concluded that the CETSCALE is a reliable scale to measure the beliefs held by Ethiopian consumers about the appropriateness, indeed morality of purchasing foreign products in place of domestic products. The proof that the CETSCALE is reliable scale helps to measure the magnitude of the ethnocentric tendencies of Ethiopian consumers. The findings of this study show that the total mean value for the case of products market was 54.82 as measured by the 17 items against five points. For the service market it was found to be 32.28 as measured by the reduced 10 items against five point scale. The total possible value of the CETSCALE for 17 items varies between 17 and 85 due to five point scale while it falls between 17 and 50 for the reduced 10 items scale. As both values were above the midpoint of the scale, it can be inferred that Ethiopian consumers can not be considered as less ethnocentric and have some preferences towards domestic products/services. The impact of the demographic factors such as age, gender, income and educational levels was investigated. The result indicated that there were no significant differences in ethnocentrism by age, educational level and income level for the sample under study. However, for the variable gender, it was found that there were significant differences in the level of ethnocentrism between women and men. Thus, it can be inferred that Ethiopian women are more ethnocentric than men. These results give an indication to the local marketers to segment the market and use different marketing strategies to attract consumers with different levels of ethnocentricity. The paired sample t test gives an indication though consumers some degree of ethnocentrism in product and service markets, their differences is insignificant. Therefore, it can be inferred that Ethiopian consumers exhibit same level of ethnocentricity for both product and service market.

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