

# **Consumer Ethnocentrism and Conspicuousness of South African Imports in Mozambique**

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**A Thesis submitted for the degree of Doctor of Philosophy**

**Dublin City University Business School**

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## **DECLARATION**

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## **DEDICATION**

Dedicated to: Ludmila, Viktor, José and Netinho

To the memory of: Anysia Ivanovna, Vera Fyodorovna, Serguei Semyonovich, Pavel Lukich, Chanaze Caetano, Chico Lino, Carlos Caetano, Dr. Clifford, Dr. Socovinho and Dr. Rakitin

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## **LIST OF ABBREVIATIONS AND EXPLANATIONS OF TERMS**

Agência de Informação de Moçambique: Mozambican News Agency.  
ANC: African National Congress, a political party in South Africa.  
Assembleia da República de Moçambique: Parliament of Mozambique.  
Bureau of African Affairs: a bureau in the Department of State of the USA.  
CET: consumer ethnocentrism or consumer ethnocentric tendencies.  
CI: conspicuousness of imports.  
COO: country of origin.  
DTI: Department of Trade and Industry of South Africa.  
FRELIMO: Frente de Libertação de Moçambique (Liberation Front of Mozambique), a political party in Mozambique.  
FTA: Free Trade Area of the Southern African Development Community  
Governo de Moçambique: Government of Mozambique  
INE: Instituto Nacional de Estatística (National Institute of Statistics), a department in the Ministry of Planning and Development of Mozambique.  
NEDLC: National Economic Development and Labour Council of South Africa.  
Notícias: Jornal de Notícias, a newspaper in Mozambique.  
PSA: 'Proudly South African' campaign.  
RAS: South Africa.  
RENAMO: Resistência Nacional Moçambicana (Mozambican National Resistance), a political party in Mozambique.  
SADC: Southern African Development Community.  
UNDP: United Nations Development Programme, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life.  
Unidade Técnica para Promoção de Produtos Nacionais: Technical Unit for Promotion of National Products in Mozambique.  
World Bank: an international financial institution that provides loans to developing countries.  
ZANU: Zimbabwe African National Union, known as ZANU-PF (Zimbabwe African National Union – Patriotic Front), a political party in Zimbabwe.

## **ABSTRACT**

### **Focus of the study**

The study examines the nature and effects of consumer ethnocentrism and conspicuousness of imports on consumer reactions toward South African products in Mozambique.

### **Purpose**

The purpose of the study is threefold:

- (1) to indicate those groups of Mozambican consumers who are more ethnocentric and who see greater conspicuousness in South African imports;
- (2) to indicate those groups of consumers whose consumer ethnocentric responses to South African versus Mozambican products and brands are stronger; and
- (3) to indicate those categories of South African versus Mozambican products and brands which bring up stronger negative reactions among consumers in the Mozambican market.

### **Methodology**

#### *Products*

The study focuses on food consumables. The selected products include potatoes, chicken meat, tea, juice, biscuits and beer. They are classified into agricultural and processed items.

#### *Instrument*

The instrument consisted of two parts. The first comprised the scales of consumer ethnocentric tendencies, conspicuousness of South African imports, attitudes toward the product, attitudes toward the brand and purchasing intentions toward the brand. All the scales had good psychometric qualities in the Mozambican context. The second part contained demographic questions.

#### *Sample*

A questionnaire-based survey was used to collect data from 448 students in the southern part of Mozambique.

#### *Data analyses*

The data was analysed by using such quantitative techniques as structural equation modelling (LISREL 8.8), one sample t-tests, one-way repeated measures analysis of variance and one-way repeated measures analysis of covariance (SPSS15).

### **Findings**

The nature of consumer ethnocentric tendencies was defined by age, gender, national subgroup and employment status. The same predictors shaped conspicuousness of



South African imports. The phenomena of consumer ethnocentrism and conspicuousness of South African imports were positively correlated.

By and large, consumer ethnocentrism predicted negative reactions to South African imports at the product level. Yet, it did not manifest at the brand level. In a similar manner, conspicuousness of South African imports activated only at the product level as it had a significant positive impact on attitudes towards South African food consumables but had no influence upon attitudes and purchasing intentions towards South African brands of food consumables.

Regarding moderating effects, the demographic characteristics—age, gender, national subgroup and employment status—did not explain consumer ethnocentric effects.

Also, consumer reactions to imports vary across product categories. Imports which threaten domestic alternatives of high national importance evoke greater resentment among consumers. Consumers were prone to reject imports of South African agricultural food consumables because those represented a threat to the output of a highly important economic sector in Mozambique—agriculture. However, Mozambicans were more tolerant of South African processed food imports which competed with the produce of a less important national economic sector—processed food industry.

Finally, the impact of product type on consumer reactions to imports was moderated by consumer ethnocentric tendencies. That is, the magnitude of the effect was greater among ethnocentric consumers. Compared to the non-ethnocentric population, ethnocentric consumers feel stronger resentment to those categories of imports which threaten domestic alternatives of high national importance.

### **Theoretical contributions**

The study makes a series of contributions to the substantive theories of consumer ethnocentrism and conspicuous consumption of imports. In addition to this, it suggests several frameworks and models which might be useful for further analysis of the two phenomena.

### **Practical implications**

The study advises Mozambican and South African practitioners groups of more loyal consumers. It indicates product categories which may enhance competitiveness of South African and national suppliers in the Mozambican market. It also points out those categories of food consumables which deserve greater attention.

**Keywords:** Consumer Ethnocentrism, Conspicuous Consumption, Mozambique, South Africa, food consumables

## **CHAPTER 1: INTRODUCTION**

### **1. PROBLEM STATEMENT AND RESEARCH OBJECTIVE**

This study examines the nature and effects of consumer ethnocentrism and conspicuousness of imports on consumer attitudes and purchasing intentions towards South African consumer goods in Mozambique.

The analysis is structured around two process variables. The first – consumer ethnocentrism - has its origin in the socio-psychological concept of ethnocentrism. This, in turn, was introduced by Sumner in 1906 and refers to a prejudice against “aliens” - those who belong to a different ethnic group (out-group) and, thus, do not share a common past, origin, culture, language, and may have different religious and physical features (Sumner 2002, Adorno et al. 1982, Chichava 2009, Hammond and Axelrod 2006). Ethnocentric predispositions may manifest in the behaviour of individuals. For example, they may influence the economic decisions of people. Following this logic, Shimp (1984) and Shimp and Sharma (1987) suggested an economic form of ethnocentrism – consumer ethnocentric tendencies (CET).

CET can be defined as beliefs held by consumers about the appropriateness and morality of purchasing foreign-made products (Shimp and Sharma 1987, Yagci 2001). Highly ethnocentric consumers feel that purchasing imports is wrong because it hurts the national economy, causes unemployment and is unpatriotic (Shimp and

Sharma 1987). To such consumers products from other countries (out-groups) are “objects of contempt” (Shimp and Sharma 1987). Hence, ethnocentric consumers are less likely to purchase imported goods (Thelen, Ford and Honeycutt 2006). By contrast, less ethnocentric consumers evaluate foreign products more objectively, on the basis of their merits – e.g. price and quality, and without consideration of country of origin (Shimp and Sharma 1987, Thelen, Ford and Honeycutt 2006, Netemeyer, Durvasula and Lichtenstein 1991). Under this proviso, less ethnocentric consumers may evaluate non-domestic products more favourably (Shimp and Sharma 1987).

The second process variable is conspicuousness of imports. Conspicuousness of imports from a particular country (CI) indicates the extent to which consumers admire imports from that country and use them for an overt display of various aspects of wealth. This phenomenon takes place when imports originate from a relatively wealthier economy (Marcoux, Filiatrault and Chéron 1997).

The effects of CET and CI have different directions (Shimp and Sharma 1987, Marcoux, Filiatrault and Chéron 1997, Wang and Chen 2004). CET is deemed to be a cause of resentment of imports because they are not made by the in-group. By contrast, CI makes imports attractive to consumers because they come from a wealthier economy. Exploring the impacts of CET and CI simultaneously is, therefore, possible when imports originate from more advanced economies.

The study examines the phenomena of CET and CI in the Mozambican context. This has been chosen for two major reasons. First, it is interesting from the standpoint of the substantive theories of consumer ethnocentrism and conspicuous consumption of imports. It is believed that using Mozambique as a setting for the study may add to a better understanding of the two theories in low income developing countries as well as those societies which, similar to Mozambique, are characterised by divisions into ethnic and regional subgroups, clear-cut differences in social gender roles and a heavy bias to one production sector (e.g. agriculture). Also, using Mozambique as a setting for the study of CET and CI may shed light on consumer reactions to imports in other African markets. Prahalad (2005) suggests that these markets deserve greater attention among academics because, having around 600 million bottom-of-the-pyramid consumers, they reveal new opportunities for international companies for future increase of sales.

Second, results of the study in the Mozambican market might be of interest to practitioners. The country has become an important destination for foreign consumer goods. Indeed, the rapid economic growth since the end of the civil war in 1992 has transformed Mozambique into one of the most attractive markets for consumer imports in Southern Africa (Instituto Nacional de Estatística 2010b). The attractiveness of the market has resulted in a greater interest of practitioners—foreign exporters, domestic producers and the national government—in consumers’ reactions towards imports (Notícias 2010). Nonetheless, academic research lags behind the informational demands of practitioners. To date, very little has been said about

consumption of foreign products in Mozambique and this study aims to fill this gap in prior research.

The focus on imports from South Africa can be explained by large trade flows from this country to Mozambique. Today, South Africa is the world's largest exporter of consumer goods to Mozambique (SADC Trade). Similarly, Mozambique is a large market for South African imports (DTI 2010).

Studying CET seems highly relevant in the context of South African imports to Mozambique. Nowadays, some Mozambican industries have begun to recover and offer local alternatives to foreign goods (Notícias 2010, Agência de Informação de Moçambique 2006, Agência de Informação de Moçambique 2008). Yet, the upturn in national production has been recently threatened by mounting imports from all over the world. South African supplies account for the largest share in the Mozambican market and, thus, are likely to be the first target of Mozambican consumer ethnocentrism.

Similarly, research into CI is relevant in the context of South African imports to Mozambique. Mozambicans are expected to admire products from South Africa because they are made in a relatively wealthier country. The socio-economic differential between the two states is likely to be sufficient to trigger conspicuous consumption of South African products in Mozambique. Indeed, the Republic of South Africa is the most developed economy in the region (FTA 2010). By contrast,

Mozambique is included in the group of the least developed Southern African Development Community (SADC) states (FTA 2010).

The research questions of the study revolve around those issues in the theories of consumer ethnocentrism and conspicuous consumption of imports which have received little or no attention in prior research. One of such issues is the demographic nature of the two phenomena. With very few exceptions (Shimp and Sharma 1987), most studies either ignored demographic characteristics of the consumer ethnocentric population or used them as control variables only without providing theoretical justification for their impact. Because of this, prior research has generated inconsistent results which have not been explained. Therefore, it is not clear why the same demographic characteristic (e.g. gender and age) might have different impacts in different societies. In a similar manner, demographic factors of conspicuous consumption of imports from wealthier economies also remain under-researched. For instance, the research model of Marcoux, Filiatrault and Chéron (1997) contained no demographic predictors. Wang and Chen (2004) included demographic characteristics as control variables only. I therefore, propose the following research question:

*(1) Which demographic groups of consumers are more ethnocentric and see greater conspicuousness in South African imports in Mozambique?*

Another issue which received little attention among researchers is related to the effects of consumer ethnocentrism and conspicuous consumption of imports in less developed societies. The preponderance of studies investigated consumer ethnocentric effects mainly in advanced and emerging economies such as USA, France, Poland and Malta (Marcoux, Filiatrault and Chéron 1997, Shimp and Sharma 1987, Cleveland, Laroche and Papadopoulos 2009, Caruana and Magri 1996, Javalgi et al. 2005, Yoo and Donthu 2005). Some studies examined the impacts in middle income developing economies such as China and Chile (Cleveland, Laroche and Papadopoulos 2009). However, there is a dearth of studies into consumer ethnocentric effects in low income developing countries (Shenge 2010). For instance, it is not known if consumer ethnocentric tendencies lead to resentment of foreign products in the least developed states in the African continent (Shenge 2010, Saffu and Walker 2006b). Likewise, prior research into consequences of conspicuousness of imports from wealthier economies focused only on markets of emerging (e.g. Poland) and middle income developing countries (e.g. China) (Marcoux et al 1997, Wang and Chen 2004). Nonetheless, I found no study that examined the phenomenon's effects in low income developing countries. Meanwhile, it is in these markets where consumers are expected to feel stronger admiration for products from wealthier countries. To address these under-researched areas, the present study examines the impacts of consumer ethnocentrism and conspicuousness of imports in Mozambique, a low income developing economy in Africa. The analysis is structured around the following research question:

*(2) What are the effects of CET and CI on attitudes and purchasing intentions towards South African consumer goods and their brands in Mozambique?*

Also, the results from earlier studies reveal an inconsistency in the effects of consumer ethnocentric tendencies. In some cases consumer ethnocentrism was a significant predictor of consumer preferences for foreign and domestic products whereas in others its impact was rather weak (Cleveland, Laroche and Papadopoulos 2009, Reardon et al. 2005, Witkowski 1998). To date, the reasons for such inconsistencies have remained beyond the scope of researchers' attention. However, some authors note that any variability of effects across different samples might be due to moderators—the variables which explain the circumstances that strengthen or weaken impacts (Bennett 2000, Baron and Kenny 1986). This study addresses this literature gap by incorporating demographic moderators into consumer ethnocentric effects. It is believed that these moderators will help to explain why in some cases consumer ethnocentrism manifests in negative reactions to imports whereas in others it remains suppressed. Given this, I suggest the following research question:

*(3) What is the role of demographic moderators in the effects of CET on attitudes and purchasing intentions towards South African consumer goods and their brands in Mozambique?*



It follows from prior research that consumers react differently towards different types of imports. Some imports evoke resentment whereas others do not entail antipathy. Many studies focused on country-of-origin (COO) moderators to explain such variability (Peterson and Jolibert 1995, Chao 1998, Kinra 2006, Al-Sulaiti and Baker 1998, Balestrini and Gamble 2006, Kwok, Uncles and Huang 2006). However, differences in consumer responses to imports from a specific COO may be due to product type (Nijssen and Douglas 2004). For instance, consumers seem to give more negative evaluations to those categories of imports from a COO which represent a greater threat to domestic alternatives critical to the national economy (Nijssen and Douglas 2004). To address this issue, I propose the research question as follows:

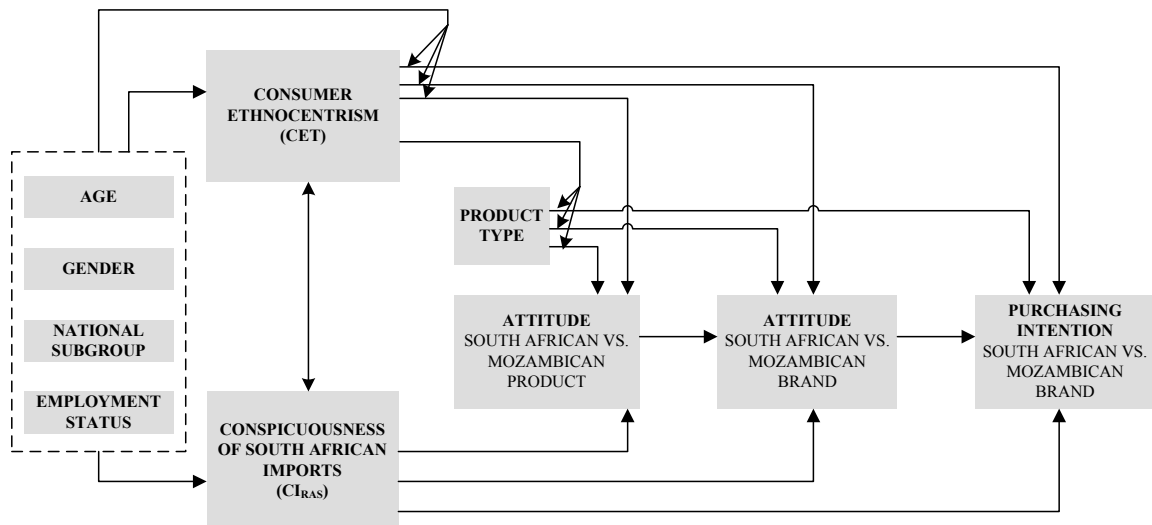
*(4a)What is the impact of product type on consumer attitudes and purchasing intentions towards South African consumer goods and their brands in Mozambique?*

It is likely that consumer ethnocentrism enhances the magnitude of the product type impact on consumer responses to imports. Ethnocentric consumers are prone to differentiating products in terms of their origin (Shimp and Sharma 1987). However, they may also differentiate products in terms of their connection with the country of origin. Compared to the non-ethnocentric population, ethnocentric consumers may be more protective of those categories of domestic alternatives which are closely associated with the nation and its welfare (Jakubanecs, Supphellen and Thorbjørnsen

2005). Likewise, they may feel stronger resentment to those categories of imports which threaten domestic substitutes of high national importance (Nijssen and Douglas 2004, Jakubanečs, Supphellen and Thorbjørnsen 2005, Thelen, Ford and Honeycutt 2006). Some studies speculated on such a moderating role of CET in the impact of product type (Bandyopadhyay, Wongtada and Rice 2011). Nonetheless, this role has been neither justified theoretically nor formally tested. To address this literature gap, the study suggests the following research question:

*(4b) What is the moderating role of consumer ethnocentric tendencies in the impact of product type on consumer attitudes and purchasing intentions towards South African consumer goods and their brands in Mozambique?*

The abovementioned research questions suggest a series of causal links to and from the process variables. These are summarised in a conceptual model in figure 1. The analysis of the model in figure 1 is guided by a threefold objective: (1) to indicate those groups of Mozambican consumers who are more ethnocentric and who see greater conspicuousness in South African imports; (2) to indicate those groups of consumers whose consumer ethnocentric responses to South African versus Mozambican products and brands are stronger; and (3) to indicate those categories of South African versus Mozambican products and brands which bring up stronger negative reactions among consumers in the Mozambican market.



**Figure 1: Conceptual model**

## 2. RESEARCH PHILOSOPHY

Following the footsteps of many other scholars in this field, I adopt a positivist research approach (Marcoux, Filiatrault and Chéron 1997, Wang and Chen 2004, Sharma, Shimp and Shin 1995, Luque-Martinez, Ibanez-Zapata and del Barrio-Garcia 2000, Supphellen and Rittenburg 2001). The positivist approach can be explained by reference to three philosophical dimensions: ontology, epistemology and methodology.

Ontology reflects the researcher' view of the nature of reality (Saunders, Lewis and Thornhill 2009). Positivists adopt a realist ontology which argues that reality exists

independently of the language we use to describe it. Therefore, at the ontological level positivists share the same belief as scientific and critical realists amongst others. However, at the epistemological level, positivism diverges substantially from these realist approaches.

Epistemology reveals the researcher's view as to what constitutes acceptable knowledge (Saunders, Lewis and Thornhill 2009). In positivism, we can have complete knowledge of social reality through the development of causal laws. Knowledge, therefore, is the search for universal laws that characterise our social reality. This has significant implications for methodological approach.

In positivism, the methodological emphasis is on quantitative techniques since these enable the researcher to hypothesize and test general causal statements (Benton and Craib 2001). This study employs quantitative methods for data collection and analysis. A questionnaire-based survey was used to collect the data. These were further analyzed by means of such quantitative techniques as structural equation modelling, one sample t-tests, one-way repeated measures analysis of variance and one-way repeated measures analysis of covariance. Critical realists and scientific realists also use quantitative methods (Benton and Craib 2001). However, positivists restrict themselves to the measurement of variables that can be observed directly (Benton and Craib 2001).

### **3. EXPECTED THEORETICAL CONTRIBUTIONS OF THE STUDY**

The study is expected to make a series of contributions to the theories of consumer ethnocentrism and conspicuous consumption of imports. First, it is aiming to contribute to the discussion about the nature of consumer ethnocentrism and conspicuousness of imports. For this, it will refer to demographic factors of the two phenomena because those have received less attention in prior research. These include age, gender, national subgroup and employment status. The effects of age and gender upon consumer ethnocentric tendencies were inconsistent across studies (Cleveland, Laroche and Papadopoulos 2009, Yoo and Donthu 2005, Supphellen and Rittenburg 2001, Vida and Fairhurst 1999, Balabanis, et al. 2001, Park, Rabolt and Jeon 2008, Sharma, Shimp and Shin 1995, Good and Huddelston 1995). However, such inconsistencies have not been explained in earlier studies. Also, very few studies referred to the national subgroup and employment status characteristics of ethnocentric consumers (Shimp and Sharma 1987, Rose, Rose and Shoham 2009, Pereira, Hsu and Kundu 2002). These can be best addressed in Mozambique, a country where ethnic and regional divisions are more salient and where the unemployment problem is more acute. Regarding conspicuousness of imports, the age and gender antecedents have not been discussed in prior research. Nonetheless, one study included them as control variables (Wang and Chen 2004). The predicting role of the national subgroup and employment status variables in conspicuousness of imports from wealthier societies is not known.

Second, very few scholars examined CET and CI in conjunction and those who did research them together considered only their impact on consumption of imports from highly advanced western economies such as the USA, Canada and the EU in developing economies (Marcoux, Filiatrault and Chéron 1997, Wang and Chen 2004). This study takes one step further and discusses the predicting role of the two variables when imports to a developing market come from an emerging economy.

Third, the study intends to develop a theoretical framework for further analysis of conspicuous consumption of imports. So far, prior research has relied on semiotics assumptions (Marcoux, Filiatrault and Chéron 1997, Wang and Chen 2004). No formal middle range theory was suggested for further development of the theory of conspicuous consumption of imports.

Fourth, the study is expected to suggest a model for studying consumer ethnocentric effects and explaining their variability. This model will help to analyse inconsistencies in CET effects which have received little attention in prior research.

Finally, the study will suggest a series of middle range theories in the anticipation that they will bring new insights into the theories of consumer ethnocentrism and conspicuous consumption of imports. To date, the theory of consumer ethnocentrism has been supported by only one middle range theory—the theory of psychological reactance (Shimp and Sharma 1987, Brehm 1989, Brehm and Mann 1975). However, using only one middle range theory limits the explanatory capacity of the consumer

ethnocentric theory. As for the theory of conspicuous consumption of imports, no middle range theory supported analysis of earlier studies (Marcoux, Filiatrault and Chéron 1997, Wang and Chen 2004).

#### **4. EXPECTED PRACTICAL IMPLICATIONS**

The study aims to offer suggestions to both Mozambican and South African practitioners on how to respond to consumer ethnocentrism and South African product conspicuousness in order to increase sales in the Mozambican market. The recommendations are made for Mozambican policy makers and marketers of national consumer goods. I further advise South African exporters and policy makers of possible implications of, and responses to, consumer ethnocentrism and South African product conspicuousness in the Mozambican market.

Mozambican policy makers use the “Made-in-Mozambique” campaign to convince national consumers to purchase domestic goods and brands (Unidade Técnica para Promoção de Produtos Nacionais 2006). Its effectiveness, in turn, is a function of a number of factors. One of them is to make national products attractive to groups of less loyal consumers – those who are not prone to ethnocentric consumption of domestic produce and may even admire South African imports. However, it is not known who the less loyal consumers are. The study is expected to provide such information to the Mozambican government.

So far, the “Made-in-Mozambique” campaigns have been running in the form of generic advertisings encouraging consumption of national produce but not making reference to specific goods (Unidade Técnica para Promoção de Produtos Nacionais 2006). Meanwhile, some categories of domestic products are less favoured by Mozambicans and, thus, may need greater marketing efforts. This examination draws the attention of the government to such types of products.

Due to the fast growth of South African imports, Mozambican producers market their goods in fiercely competitive conditions. Ethnocentric consumers are a safety ticket of the national companies in the domestic market. Some companies may consider targeting this group of buyers to resist competitive pressures. The study provides Mozambican managers with the demographic profile of such consumers. This information will help Mozambican producers to tailor marketing campaigns and increase their effectiveness in the domestic market.

However, some Mozambican companies are interested in a larger market share and may have to attract consumers who are less ethnocentric and fancy South African imports. To target this category of the population and to design more effective marketing campaigns, marketing managers need to know who these consumers are. As with the previous case, the study informs national marketers on the demographic profile of these consumers.



Some domestic products may be more susceptible to consumer ethnocentrism and their South African alternatives may not be seen as highly conspicuous by the Mozambican population. These goods are important to national companies as they may help to survive in their competition with South African producers. The study advises Mozambican managers on such product categories.

Removal of tariff barriers and simplification of clearance procedures in the SADC are likely to attract more South African exporters to Mozambique in the future. However, growing competition among existing suppliers is a challenge for new entrants. To avert risks of competition, South African managers may need to know which Mozambican consumers do not favour imports from South Africa and thus represent the least reliable group of buyers. The study describes demographic features of such consumers to practitioners. To guarantee sales in the Mozambican market, the managers may focus on that part of the population which is more responsive to South African products. South African suppliers may learn about this category of potential buyers from further discussion.

A thoughtful choice of products may also help South African suppliers to bypass competition in the new market. Selling consumer goods which are less resented and, perhaps, even admired by Mozambicans may give competitive advantage. By contrast, offering products which evoke ethnocentric feelings among the Mozambican population may expose South African suppliers to risks. The study advises as to which categories of consumers goods may pave the way for the entry of South

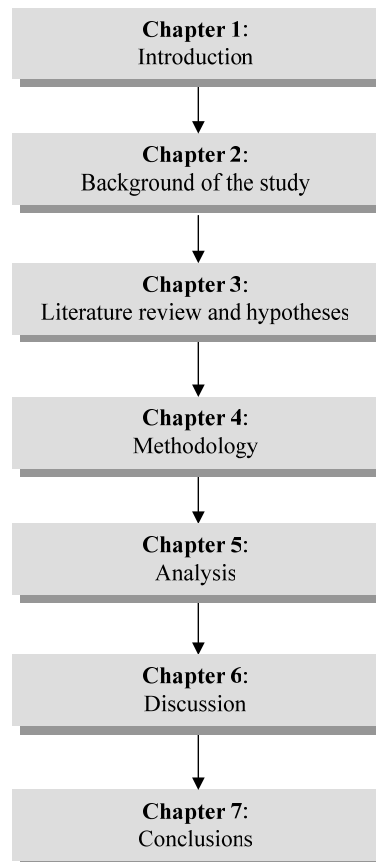
African suppliers into the Mozambican market. It also points to those product types which may put South African suppliers at a disadvantage in Mozambique.

Clearly, the list of possible contributions is not exhaustive. Other theoretical and practical implications may occasionally become evident in the process of research. These will be addressed in the conclusion.

## **5. ORGANIZATION OF THE DISSERTATION**

The dissertation consists of seven chapters. The first is an introduction to the research. It states a research problem, proposes a conceptual model and sets objectives. Its final section outlines the structure of the dissertation. The second chapter presents the background of the study. It concludes with the description of geographic areas of enquiry and a justification for the selected product categories.

The third chapter of the dissertation discusses prior research into the area and suggests hypotheses. The methodological framework is detailed in the fourth chapter. It is followed by analyses and discussion of results in the fifth and sixth chapters. The dissertation ends with conclusions. These summarise theoretical contributions, make recommendations to practitioners, discuss the limitations of the study and identify directions for further research. The structure of the dissertation is shown in figure 2.



**Figure 2: Dissertation structure**

## **CHAPTER 2: BACKGROUND OF THE STUDY**

### **1. INTRODUCTION**

This chapter addresses peculiarities of the Mozambican context pertinent to this study. The discussion begins with a brief overview of the geographic, ethnic, regional and historical background of the country. The subsequent sections examine the Mozambican socio-economic and employment situations by taking into consideration regional, gender and age differences. In addition, the chapter analyses the national production and supply of consumer goods, foreign competition in the Mozambican market and the role of South African imports in it. The final sections are devoted to marketing of national and South African consumer goods. The chapter ends with conclusions. These justify the geographic areas of enquiry and the choice of consumer goods in the study.

### **2. GEOGRAPHIC NOTE**

Mozambique is a country in the south-eastern part of Africa. It borders the Indian Ocean, with over 2000 kilometres of coastline and shares borders with South Africa, Swaziland, Zambia, Tanzania, Zimbabwe and Malawi (Silva 2007). The country comprises ten provinces. These are Niassa, Cabo Delgado, Nampula, Zambezia, Tete, Manica, Sofala, Inhambane, Gaza and Maputo. The capital of the country is located in the southern province of Maputo and is also called Maputo. Figure 3 shows the map of Mozambique, its neighbours in south-eastern Africa and its provinces.



### **3. ETHNIC AND REGIONAL DIVISIONS**

Mozambique is a heterogeneous society which comprises several sub-groups emerging from ethnic and regional divisions. The smallest unit in analyses of ethnic divisions is ethnic group, or tribe. Anthropologists agree on several criteria which describe a tribe. These are common territory, common language, common culture and the same name (Chichava 2009). Based on these criteria some authors distinguish several major ethnic groups in Mozambique (Lopes 1998). However, both academics and practitioners—businesses and the Mozambican government—rarely use ethnic groups as separate units in their analyses. Instead, they aggregate them into three ethnic clusters (Chichava 2009, Newitt 2009, Lubkemann 2005, Weinstein 2002, De Vletter 2007, Virtanen and Ehrenpreis 2007). Because the clusters coincide with three major regions in the country, they were formally named as southern, central and northern ethnic clusters (Governo de Moçambique). The southern cluster includes the following ethnic groups: Zulu, Ronga, Swazi, Changana, Copi, Tswa, and Tonga. The central cluster comprises the representatives of Shona, Nyungwe, Sena, Shona, Senga, Nyanja, Chwabo, and Lomwe. The groups of the northern cluster are Makhuwa, Koti, Yao, Makonde, Mwani and Swahili (Governo de Moçambique 2010b, Lopes 1998). Table 1 presents names of the main ethnic groups, their respective territories and mother tongues.

**Table 1: Major ethnic groups in Mozambique**

Region of the country	Province	Ethnic group	Mother tongue
South	Maputo	Zulu	Zulu
		Ronga	Xironga
		Swazi	Swazi
		Changana	Xichangana
	Gaza	Changana	Xichangana
		Copi	Cicopi
	Inhambane	Copi	Cicopi
		Tswa	Xistwa
		Tonga	Xitonga
Centre	Manica	Shona	Cishona
		Nyungwe	Cinyungwe
		Sena	Cisena
	Sofala	Shona	Cishona
		Sena	Cisena
	Tete	Senga	Cisenga
		Shona	Cishona
		Nyungwe	Cinyungwe
		Nyanja	Cinyanja
	Zambezia	Sena	Cisena
		Chwabo	Echwuabo
		Lomwe	Elomwe
North	Nampula	Makhuwa	Emakhuwa
		Koti	Ekoti
	Niassa	Yao	Ciyao
		Makhuwa	Emakhuwa
	Cabo Delgado	Makhuwa	Emakhuwa
		Makonde	Shimakonde
		Mwani	Kimwani
		Swahili	Kiswahili

Source: based on Lopes (1998) and Governo de Moçambique (2010b)

The fact that regional borders within the country replicate the divisions between the ethnic clusters constitutes a unique feature of Mozambique relative to other African nations, e.g. South Africa. Neither ethnic group spans across two regions. This, however, would not be feasible as the clusters are divided by two rivers. The southern and central clusters are separated by the Save river whereas the river Ligonha forms a natural borderline between the central and northern clusters.

Because the regions and clusters coincide, their terms are used interchangeably (Governo de Moçambique 2010b). For example, the southern region is considered to be synonymous to the southern cluster. Although such an overlap in terminology may bring some ambiguity among readers, it is taken for granted by the Mozambicans as well as Africanists who conduct research in the Mozambican context (Chichava 2009, Newitt 2009, Virtanen and Ehrenpreis 2007). Unlike in many other countries, regions in Mozambique are not mere administrative divisions. They have ethnic meanings. The southern region is conceived of as a homeland for Changana, Ronga, Copi, etc. However, it is not associated with Sena or Makhuwa. Neither the rivers which separate the regions are mere geographic units. For example, the river Save is often used as a metaphor for an ethnic division between the south and the rest (Lubkemann 2005). It is possible that such a link between clusters and their respective regions will disappear one day due to migration and inter-ethnic marriages. Yet, it is unlikely to happen in the nearest future as many Mozambicans remain connected to the land of their ancestors and find cross-ethnic families misfortunate.

For simplicity some scholars who focus on intra-national divisions advise using the term sub-group in place of region or ethnic cluster (Rose, Rose and Shoham 2009). Following this approach, this study refers to representatives of southern ethnic cluster who originate from southern Mozambique as the southern sub-group. In a similar manner, the central sub-group comprises members of the central ethnic cluster who originate from the centre of the country. Finally, the northern ethnic group consists of



representatives of the northern ethnic cluster who originate from the north of Mozambique.

#### **4. HISTORICAL DEVELOPMENT**

##### **4.1 PRE-COLONIAL PERIOD**

Until the first century AD, Mozambique was inhabited by the Khoisani people who were typically hunters and gatherers (Governo de Moçambique 2010a, Havermann 2010). In the first century, groups of Nguni<sup>1</sup> people, who were migrating from the north of Africa, reached Mozambique (Governo de Moçambique 2010a). Farming was the major activity of the Nguni peoples.

By the tenth century, Arabs and Persians had established settlements along Mozambique's coast and on the Island of Mozambique (Governo de Moçambique 2010a, Havermann 2010, Bureau of African Affairs 2010). The Arab population was involved in commercial trading with the Mozambican Nguni people (Governo de Moçambique 2010a).

##### **4.2 COLONIZATION**

Mozambique was discovered by the Portuguese expedition led by Vasco da Gama in 1498 (Newitt 2009, Havermann 2010). In 1505, it became a Portuguese colony. Initially, the Portuguese had a greater economic interest in coastal areas in the centre and north which might contribute to the growth in the gold trade and serve as

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<sup>1</sup> Note that the Nguni may also be called Bantu people (Havermann 2010).

transshipment points for foreign merchants. However, further expansion to the south from the sixteenth to the nineteenth centuries revealed opportunities of developing stronger economic ties with South Africa<sup>2</sup> (Silva 2007, Newitt 2009, Pitcher 2000). Such a change in economic priorities of the Portuguese predetermined the trajectory of further socio-economic development and industrial specialization of Mozambique. Having lost interest in the centre and north, the Portuguese became reluctant to develop transport connection to these regions<sup>3</sup>. For example, no railroad was constructed from the south to the north of the country (Newitt 2009). No central bridge was built over the Zambezi River in order to link the south with the north (Silva 2007). The isolation from the south became an impediment to the development of subsistence agriculture in these regions. Even if highly fertile central and northern soils produced large crops, the local farmers could not reach major markets in the south (Silva 2007). Likewise, the lack of infrastructures blocked the industrial development of the centre and north (Newitt 2009). The vulnerable agricultural sector and under-developed industry contributed to the socio-economic setback of central and northern Mozambique.

#### 4.3 INDEPENDENCE

After the World War II many European nations granted independence to their colonies. Likewise, the control of Portugal in the post-war period substantially weakened. This created conditions for the first movement for independence – the

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<sup>2</sup> In pursuit of such opportunities in the nineteenth century, the Portuguese also transferred the capital and administration activities to the southern city - Lourenço Marques (Maputo) (Newitt 2009).

<sup>3</sup> Some authors, e.g. Silva (2007), note that the Portuguese purposely did not invest into the development of central and northern Mozambique. This is because, if weak and destabilised, the central and northern regions would be of little help to the movement for independence.

Front of Liberation of Mozambique (FRELIMO)<sup>4</sup>. After a decade of warfare, Mozambique became independent in 1975 (Newitt 2009, Governo de Moçambique 2010a, Governo de Moçambique 2010b). Some authors note that the war had a more detrimental impact on central and northern regions whereas the south spared the destruction (Newitt 2009).

#### 4.4 CIVIL WAR

The civil war lasted from 1977 to 1992. Most historians agree that the war was caused by the ethnic conflict (Chichava 2009, Newitt 2009). This, in turn, began within the FRELIMO circles. According to Chichava (2009), southern leaders gradually gained dominant position within the party whereby leaving central and northern leaders excluded from many important decisions. As ethnic divisions had become apparent to the majority of members, central and northern leaders accused their southern counterparts in tribalism (Chichava 2009). The situation worsened with the murder of Eduardo Mondlane, the FRELIMO's president who originated from the south. Some southern members suspected several central comrades of being involved in this crime. After independence, central and northern leaders realised that the south-led state was unable to promote development and re-distribute political and economic resources fairly across all provinces (Chichava 2009). The splits within the FRELIMO formed a basis for the creation of a new political party, National

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<sup>4</sup> The official name of this political party in Portuguese is Frente de Libertação de Moçambique.

Resistance of Mozambique (RENAMO)<sup>5</sup> (Newitt 2009). This was followed by the initiation of military attacks against FRELIMO.

Although it was the ethnic conflict what sparked off the war, various African and international interest groups ensured its continuance. After independence, the FRELIMO continued to receive extensive support from the socialist states such as the Soviet Union, China and Cuba (Newitt 2009, Lubkemann 2005, Weinstein 2002). Contrary to this, the RENAMO gained financial help of right-wing backers from the USA and Europe eager to substitute the socialist regime of the existing Mozambican government with a capitalistic approach (Newitt, 2009). An additional assistance to the RENAMO came from two white-settler regimes of Rhodesia and South Africa (Silva 2007, Newitt 2009, Weinstein 2002). Their aim was to destabilize the FRELIMO because it supported their nationalist guerrillas.

The military attacks took place in all parts of the country. Yet, the damage of the war was more detrimental to the socio-economic situation in central and northern Mozambique (Lubkemann 2005). This further exacerbated the regional disparities.

## **5. MODERN SOCIO-ECONOMIC SITUATION**

The historical and political precursors of Mozambique have negatively impacted upon its modern socio-economic development. The World Bank classifies

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<sup>5</sup> The official name of this political party in Portuguese is Resistência Nacional de Moçambique. This party was created by the leaders from central Mozambique to oppose the south-led FRELIMO.

Mozambique as a low income economy (World Bank 2010a). The SADC assigns the country to the group of least developed states in the region (FTA 2010). Mozambique's GNI per capita is 440 USD and more than 55.2% of its population live below the poverty line (World Bank 2010a). With the ratio of debt to GDP of 11.4%, the country remains a heavily-indebted economy (World Bank 2010a).

#### 5.1 REGIONAL DISPARITIES IN SOCIO-ECONOMIC DEVELOPMENT

A number of sources report regional inequalities in the level of socio-economic development of Mozambique (Silva 2007, Weinstein 2002, De Vletter 2007). Compared to the central and northern regions, the south is more developed (Silva 2007). It has a greater number of education institutions and healthcare points, e.g. hospitals, medical centres and pharmacies. Also, its infrastructure is better as it is represented by denser transport and communication networks. Finally, it accumulates greater capital and financial resources.

The socio-economic disparity between the southern and non-southern regions stems from their geographic location as well as from historical and political precursors. The geographic position of the south seems to be more beneficial as it offers its population more opportunities for rapid accumulation of wealth. First, the southern provinces are close to the city of Maputo, the capital, and thus, substantially benefit from its infrastructures, services and dynamic market. Specifically, the transport links from southern districts to the city of Maputo are better. In addition, the market of Maputo is rapidly growing as its purchasing power increases. Second, the south's

proximity to South Africa facilitates its greater integration into the cash economy and increases the ability of southern households to accumulate capital. For example, southern households, especially those in rural areas, often improve their financial situation through remittance income sent by relatives working in South Africa (Silva 2007, De Vletter 2007).

Furthermore, the greater socio-economic advancement of the south is the outcome of a series of historical and political factors. When the capital of Mozambique was transferred from the Island of Mozambique to the city of Maputo, the Portuguese became more interested in investing in the infrastructure and development of the south. In addition, the south was relatively less damaged during the war for independence because most military operations took place in the north and centre of the country. Finally, upon independence the south-led ruling government paid greater attention to the development of the south rather than central and northern parts of the country.

The regional inequalities contribute to differences in their citizens' life conditions. Weinstein (2002) maintains that a hypothetical person from the province of Sofala lives in poor conditions with little access to health and education from the government. By contrast, a Mozambican from, for instance, Maputo and its surroundings enjoys better socio-economic conditions.

The unequal quality of life across the three regions is also evident from the official statistics of the World Bank<sup>6</sup>. Unlike central and northern Mozambicans, the southern population has a relatively easier access to primary education. School enrolment rates in Maputo and its province were 84.5% and 86%. By contrast, 60.4% of the population in the central province of Sofala and 60.6% in the northern province of Cabo Delgado attend schools. Similarly, malnutrition is a more acute problem in the centre and north rather than in the south. Chronic malnutrition rates in Maputo and its province are 21% and 24% respectively. These rates were substantially higher for Sofala (42%) and Cabo Delgado (56%). Also, the share of population which has access to safe drinking water is greater in the south. It reaches 66.2% in Maputo and 49% in the province of Maputo. This percentage is lower for Sofala (47.7%) and Cabo Delgado (41.6%) (World Bank 2010b).

Being more developed, southern regions attract migrants from the centre and north. The migrants are typically young men. Migration among women is rarer (Raimundo 2009). The largest share of immigrants to the south, for example, to the Maputo province and the city of Maputo, arrive either from the neighbouring southern provinces of Gaza and Inhambane (Raimundo 2009). Hence, one might anticipate Maputo and its surroundings to be ethnically diverse.

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<sup>6</sup> Note: for simplicity I provide statistics only for Maputo and its province (south), Sofala (centre) and Cabo Delgado (north). However, the observed patterns maintain even if all the provinces from each region are included into the analyses.

By and large, migrants from the centre and north are at a disadvantage in the south. Having difficulties to integrate into the local labour market, they often do not have permanent income. Indeed, southern employers tend to reduce uncertainty at work and recruit representatives of southern ethnic groups. These are the in-group as they are culturally similar; share the same political views, and, thus, are more trustful (Webster and Wood 2005, Maputo 2006). Central and northern Mozambicans are the out-group in the south. It takes a long time for them to become part of informal networks which may occasionally reveal opportunities for employment (Maputo 2006). Many return to their homeland.

## 5.2 GENDER DIFFERENCES IN SOCIO-ECONOMIC SITUATION

Mozambique is also characterised by gender disparities in the level of socio-economic development. Women have a relatively weaker socio-economic position in Mozambican society. For example, the illiteracy rate is higher for women. Around 60% of the female population are illiterate (World Bank 2010c). However, the illiteracy rate for men is below 30% (World Bank 2010c). Additionally, women experience greater difficulties to integrate into the national job market (Ardeni and Andracchio 2001, van Klaveren et al. 2009).

## 6. EMPLOYMENT SITUATION

### 6.1 EMPLOYED VERSUS UNEMPLOYED MOZAMBICANS

Employment substantially changes the life of Mozambicans. Even if it is not always a source of high income, it brings a sense of financial security. It also provides with



access to a wide network of contacts; hence, employed Mozambicans have more chances to find a new job. Additionally, the fact of being employed raises self-esteem of Mozambicans as it proves their social worth and, most importantly, capacity to survival to relatives, friends and acquaintances. Moreover, the job place provides a setting for social interaction whereby people exchange news and opinions, enhance their image and learn about others. Likewise, employment expands a range of social roles of Mozambicans. Apart from being family members and friends, they act as subordinates, leaders and colleagues at work. Further, those who work for larger companies or public organizations benefit from access to office facilities with internet, TV, radio and newspapers. Finally, employed individuals have right to apply for a credit in local banks.

In contrast, the term unemployment is synonymous to social exclusion in Mozambique (Turshen 2004). Like in many other low income African countries, the Mozambican government does not provide any financial support to the unemployed population (De Cordoba, Laird and Serena 2005). Neither Mozambican banks issue credits to unemployed individuals. Without income such people and their children have no access to medical care, education, and transport services. Many suffer from malnutrition. The personal situation of a typical unemployed Mozambican is often aggravated due to cultural factors. A masculine culture, Mozambique does not

accommodate values of nurture<sup>7</sup>. People in trouble, especially those unemployed, do not earn sympathy among former friends and acquaintances. They are expected to break through the unemployment problem themselves.

## 6.2 GENDER AND AGE ISSUES IN THE JOB MARKET

Some authors note that women are at a disadvantage in the job market (Ardeni and Andracchio 2001, van Klaveren et al. 2009). Typically, they experience greater difficulties to get employment. Those, who do have jobs, often work in lower paid sectors such as agriculture or informal economy (van Klaveren et al. 2009, Trading Economics 2010). Even if some women are employed in spheres of higher remuneration, their salaries are typically lower than those of men with similar education and work experience (van Klaveren et al. 2009). Also, very few female employees' progress to leadership positions (van Klaveren et al. 2009). This is due to the fact that, being a patriarchal culture<sup>8</sup>, the Mozambican society does not acknowledge the power of women to make decisions. Instead, women are viewed as implementers subordinate to men (Arnfred 1988, Gawaya 2008, Lastarria-Cornhiel 1997). Being more noticeable in the south and centre, the patriarchal power of men is, nonetheless, weaker in the north where it is mitigated by matrilineal influences<sup>9</sup> (Arnfred 1988).

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<sup>7</sup> Unpopularity of this value among Mozambicans has its origin in the slavery past of the country. Slaves which complained and showed sufferings were considered as weak and, therefore, inappropriate for work; they were killed (Capela 1995).

<sup>8</sup> A patriarchal society is the one where authority within family as well as other societal institutions belongs to men (Arnfred 1988).

<sup>9</sup> Depending upon cultural norms, families may have either matrilineal or patrilineal system of inheritance transfer (Arnfred 1988). In the patrilineal system, the property is in the hands of a husband. Upon divorce or death of her husband, the wife leaves without children and property. In the matrilineal

Older employees in rural areas and non-southern regions benefit from traditional values which set age equal to wisdom and responsibility at work (Holzhausen 2007). However, urbanization has transformed attitudes towards age in the south (Virtanen 2005b, Bolnick 2008). Nowadays, younger Mozambicans can relatively easier get employment as they are believed to be more receptive of new technologies and ideas. Also, younger Mozambicans more readily assist each other in job search. By contrast, the older population is at a disadvantage. Once they lose jobs, they may have difficulties to find new ones. Such a change makes southern Mozambicans similar to members of some more individualistic societies, e.g. USA and Canada, where younger people have more opportunities (Hofstede 2001).

## **7. NATIONAL PRODUCTION**

### **7.1 STRUCTURE**

With independence the Mozambican production system inherited a strong bias towards agricultural sector (Newitt 2009). This tendency remains in the modern Mozambique. In 2009, for instance, the share of agriculture in the overall production of goods reached 53%. Statistics in table 2 indicates contribution of the agricultural and industrial sectors to the overall production of goods during 2000, 2005, 2007, 2008 and 2009.

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system, children and the property, e.g. land, house, and household utensils, always belong to the family of the wife's mother. Such a system is considered as a source of social authority for women in Mozambique (Arnfred 1988).

**Table 2: Production of goods by sector**

Production sectors	2000	2005	2007	2008	2009
Agriculture, %	49	52	52	55	53
Industry, %	51	48	48	45	47

Source: World Bank (2010b)

### **7.1.1 Agriculture and its socio-economic impact**

Apart from its large share in the production of goods, the agricultural sector plays a critical role in the Mozambican socio-economic situation. The sector is the largest employer in the country as more than 81% of Mozambicans work in it (Encyclopedia of Nations 2010a). To these people the agriculture is a primary source of income (Encyclopedia of Nations 2010a). Given the development of agricultural logistics systems and infrastructure, this sector might substantially improve the socio-economic conditions of Mozambicans and eradicate absolute poverty.

### **7.1.2 Industry and its socio-economic impact**

Statistics in table 2 looks optimistic as it shows a large share of the industry in the overall production of goods. However, these data should be interpreted with caution. This is because since 1999 the industrial output has been inflated by two international mega-projects in the primary sector<sup>10</sup>. The first is the Mozal, an aluminium smelter. It uses raw aluminium from western Australia to produce standard aluminium ingots. These are further exported worldwide. According to Yager (2008), the Mozal has made Mozambique the second largest producer of aluminium in Africa. The second

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<sup>10</sup> Some sources mention three large scale projects in Mozambique. However, one of the projects, namely, Corridor Sands, has not entered into its operational phase yet.

project is related to gas operations. Gas is concentrated mainly in Gaza and Inhambane. Its major export destination is South Africa.

In contrast, the output of light industry remains low as it is still a nascent industry. It primarily serves the domestic market and is composed of food processing, beverage, textile, clothing, furniture and chemicals' producers.

To date, the positive impact of the industry on socio-economic development has been rather weak. First, it employs a small portion of the population. Regarding the large scale projects, the Mozal presently maintains a workforce of around 1100 employees (Mitsubishi Corporation 2006). Gas operations in the 2000s involved 440 Mozambican workers (Tonder 2004). Similarly, the light industry does not significantly improve the national employment situation. For example, Texlom, a textile company recently re-opened in the Maputo province, is to advertise 600 job vacancies (Agência de Informação de Moçambique 2008). Texmoque, a textile producer in the north, will employ 400 workers (Agencia de Informação de Moçambique 2007). Companhia Industrial de Matola (CIM) provides employment for 200 women and 180 men (Agência de Informação de Moçambique 2006). Second, a number of industrial companies are owned by foreign investors and thus transfer profits out of the country. This is particularly common with large scale projects. A similar tendency is observed in the light industry. For example, Texmoque was acquired by a Tanzanian company, Mohammed Enterprises Tanzania Ltd (Agência de Informação de Moçambique 2007). Most personal and home care

items are produced by multinational corporations as Unilever and Colgate. Further, Coca Cola and Parmalat invest heavily in the beverages sector. Yet, the presence of foreign capital in light industry is less pronounced than in primary industry (Encyclopedia of Nations 2010b).

## 7.2 SUPPLY OF CONSUMER GOODS

### **7.2.1 Durables and consumables**

Durables occupy a small portion of the overall domestic supply of consumer goods (Instituto Nacional de Estatística 2010a, Encyclopedia of Nations 2010b). This is due to the fact that production of durables involves more complex technologies, greater investment and higher exposure to risks of low quality and incompetitive prices.

By and large, Mozambican consumer goods are represented by consumables (Instituto Nacional de Estatística 2010a). The supply of consumables, in turn, is dominated by food products (Instituto Nacional de Estatística 2010a). In part, such a tendency is predetermined by a relatively greater demand for food items. This is typical for low- income economies where food has the largest share in individual consumption.

### **7.2.2 Food consumables**

The agricultural sector and food processing industry are major suppliers of food (Instituto Nacional de Estatística 2010a). The food processing industry spans across the whole country. The agricultural sector is also present in all areas. Livestock and

poultry farming are popular everywhere (Instituto Nacional de Estatística 2010a). Yet, due to differences in soil and climate conditions, the regions specialize in different crops. Historically, agriculture in the centre and north has been biased towards growing cash crops for export, e.g. tea, tobacco, and sugar (Silva 2007). In addition to this, central and northern regions have been producing vegetables for domestic consumption. In contrast, southern Mozambique is an area bereft of resources and traditionally less productive agriculturally due to poor soils and erratic weather conditions (De Vletter 2007). The soil conditions in the south have been appropriate mainly growing vegetables for the national market (Silva 2007).

#### **8. IMPORTS OF CONSUMER GOODS AND FOREIGN COMPETITION**

Mozambican imports of consumer goods originate from various countries. Major sources are South Africa, Portugal, India, USA, China, Thailand and Vietnam (SADC Trade 2006, Instituto Nacional de Estatística 2010b). It is not surprising that South Africa ranks first in the list of Mozambique's importing partners. As a neighbouring country, it has strong historical and economic ties with the country and is very close to the Mozambican capital - Maputo.

Mozambique imports almost all categories of consumer goods (Instituto Nacional de Estatística 2010a). As shown earlier, most durables do not have domestic substitution. Some imported non-food consumables have local alternatives. However, they are often produced by businesses owned by multinational and global corporations and hence cannot be considered as purely Mozambican products. The preponderance of

foreign food consumables competes with the national substitutes. Hence, the competition between foreign and national suppliers is more acute in the food market.

The pressure of foreign competition is not the same in the southern and non-southern domestic markets of consumer goods. It is rather weak in the central and northern regions whose economy depends more upon exports rather than local sales. By contrast, imports may be a source of risk to producers in the south. Because southern producers typically target the national market, their produce directly competes with foreign substitutes. Also, due to its proximity to the capital and greater socio-economic development, the south is a major destination for imports.

#### **9. SOUTH AFRICAN EXPORTS OF CONSUMER GOODS TO THE MOZAMBICAN MARKET**

As mentioned earlier, South Africa is the world's largest exporter of consumer goods to Mozambique. There is a heavy bias towards consumables such as clothing, toiletries and food. Food products have the largest share in the overall amount of South African exports to Mozambique. Around 12% of Mozambique's imported vegetables, 27% of fats and oil and 36% foodstuffs and beverages originate in South Africa (SADC Trade 2006).

South Africa is also the largest SADC exporter to Mozambique (SADC Trade 2006). It accounts for over 90% of the SADC's exports of vegetables, fats and oil to the



country. Similarly, it exports more than 50% of the SADC's prepared foodstuffs and beverages to Mozambique.

According to the DTI (2010), Mozambique is an important market for South Africa. It is the world's largest consumer of South African exports of vegetables, coffee and tea. Mozambique also consumes a large portion of South African exports of cocoa products, meat products, vegetable fats and oil, cereal and pastry products, confectionery, beverages and alcoholic drinks (DTI 2010).

Furthermore, South African exports of some food consumables to Mozambique have grown substantially within the last year. For example, exports of vegetables and meat products have increased by 53.7% and 21.3% respectively (DTI 2010). The growth in exports of the aforementioned perishables, however, has occurred due to new SADC customs procedures which reduced customs clearance time.

There are a number of factors which might contribute to the growing attractiveness of the Mozambican market for South African exporters. First, the Mozambican economy continues to be one of the fastest growing economies in the SADC region (FTA 2010). Second, personal income of the country's population has also increased in the past years suggesting greater potential demand for both domestic and foreign products (World Bank 2010, Meusalario 2010). Third, Mozambique has recently reduced its tariff barriers to SADC states. Finally and above all, Mozambique has a beneficial geographic location as it is an immediate neighbour of South Africa.

However, the potential of the Mozambican market is evident not only to South African producers but also to exporters from Portugal, India, USA, China and Argentina (SADC Trade 2006, Instituto Nacional de Estatística 2010a). Products from the advanced countries such as Portugal and USA may have an advantage due to their high prestige among Mozambicans. By contrast, low cost producers such as India and China may benefit from the low prices of their goods. Hence, the growth of South African exports to Mozambique should not be taken for granted and the market may become very competitive.

A final remark in this section is related to the geographic focus of South African trade with Mozambique. Similar to other foreign products, South African imports are mainly sold in the south of Mozambique (Notícias 2010, Hall 2003). Very few of them reach more distant central and northern areas. In part, this tendency is predetermined by the geographic proximity of the Mozambican south to South Africa. Also, southern Mozambicans are relatively better off than their central and northern compatriots. Many of them can afford foreign products. This makes the south the primary market for South African exports to Mozambique.

## **10. PROMOTION OF NATIONAL AND SOUTH AFRICAN CONSUMER GOODS IN MOZAMBIQUE**

Promotion of products is based on marketing communications. These, however, remain under-developed in Mozambique. Very few companies refer to TV, radio, press and internet advertisings as they may have low reach and thus be inefficient. Indeed, a large portion of the population does not have access to TV, radio or internet (United Nations Development Programme 2009). Further, many Mozambicans cannot afford newspapers (Press Reference 2010).

By and large, marketing communications seem to be more developed and effective in urban zones, especially those in southern Mozambique, where the population is relatively better off. Outdoor and transport advertisings are becoming popular in these areas. Additionally, some southern companies have become more conscious about their corporate identity and have started to invest in sponsorship activities (Moçambique Celular 2008).

Selling products under brands is a possible solution to building consumer awareness in Mozambique, a country with a high illiteracy rate. However, it takes time for new brands to enter consumer consciousness as branding is typically not reinforced by advertising campaigns. Most information on the quality and prestige of new domestic brands is inferred from information cues such as packaging, price level and the prestige of the retail outlet.

Accordingly, the national companies cannot fully benefit from formal marketing communications. Nevertheless, they often make use of consumer-to-consumer communications, such as word-of-mouth. The latter is well-developed in Mozambique where each consumer is deeply integrated into a vast network of contacts, e.g. extended family members, friends, acquaintances and colleagues. John and Brady (2009d) showed that family members and friends are major sources of information when consumers make buying decisions about food consumables.

Some Mozambican producers rely on the government's promotion of national goods. This was initiated in 2006 by the Technical Unit for Promotion of National Products at the Ministry of Industry and Commerce (Unidade Técnica para Promoção de Produtos Nacionais 2006). The Unit assigns the "Made-in-Mozambique" logo to domestic brands to raise consumer awareness of national produce. It also uses generic advertising campaigns with this logo to encourage national consumers to purchase Mozambican goods. It is assumed that products with the "Made-in-Mozambique" logo are likely to benefit the most from such campaigns. The logo is shown in figure 4.



**Figure 4: “Made-in-Mozambique” logo**

Some South African exporters to Mozambique benefit from promotion campaigns of the National Economic Development and Labour Council (NEDLC) (PSA 2010). This is composed of such constituencies as the national government, organised business, organised labour and organised community organisations. The Council grants the “Proudly South African” logo to products whose companies meet qualifying criteria and pay a membership fee. The qualifying criteria are fourfold. First, the products are supposed to have local content. That is, at least 50% of the cost of production must be incurred in South Africa and there must be “substantial transformation” of any imported materials. Second, the products are to be of high quality. Third, the producing companies must comply with labour legislation and adhere to fair labour practices. Finally, the companies must be environmentally responsible and adhere to production processes that are environmentally friendly and acceptable. The Council runs generic advertising campaigns which use the same logo and encourage consumers to purchase South African products. The “Proudly South African” logo is depicted in figure 5.



**Figure 5: “Proudly South African” logo**

Although South African suppliers sell products to all categories of the Mozambican population, their primary targets are younger people and women. Younger Mozambicans represent a more attractive group of consumers to many South African marketers because, being a post-colonial generation, they are more receptive of foreign influences in general and of the South African modern culture in particular. South African companies take a lead in supplies of various image- and status-laden items to the Mozambican younger segment. Most foreign clothing, fashion accessories, footwear and sportswear for the younger population originate in South Africa.

South African marketers are interested in the female consumer segment because the demand for many South African products comes from women. Indeed, many South African exports to Mozambique are represented by cheaper product categories which

are in the sphere consumer decisions of women<sup>11</sup>. Women make purchasing decisions about such South African categories as less complex durables, foodstuffs, and image-related consumables—clothing for women, men and children, fashion accessories, perfume and cosmetics.

Often, South African managers refer to various forms of direct marketing such as direct mail to reach employees of companies and organizations. These represent an attractive consumer category due to higher purchasing power: they earn a stable income and have a right to ask for a credit in a local bank. The direct marketing strategy is particularly popular among large South African retailers such as Game.

## **11. SUMMARY**

### **11.1 GEOGRAPHIC AREAS OF ENQUIRY**

A unique blend of historical, political and socio-economic factors in Mozambique's development resulted in regional disparities in consumer experiences. Those who reside in the south of Mozambique are deemed to have greater experience with imports from South Africa. Indeed, most South African consumer goods are sold in the south and do not reach central and northern Mozambique. Because residents in the south are more familiar with South African consumer goods and brands, their consumer judgments are likely to be more accurate. For this reason, the geographic area of inquiry in this study is Southern Mozambique.

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<sup>11</sup> The fact that women focus more on cheaper products can be explained by a patriarchal distinction of gender roles in the Mozambican society where decision power of women in economic issues is negligible (Arnfred 1988).

## 11.2 CATEGORIES OF CONSUMER GOODS IN THE STUDY

Food consumables represent the most reasonable choice of a product category for this study. First, Mozambicans are expected to make more accurate consumer judgements about this category as they are more familiar with it. Indeed, only a small portion of the population has a high income whereas the majority has a low income. This implies that most Mozambicans cannot afford all types of consumer goods; instead their consumption is strongly biased towards rather cheap products such as food consumables. Hence, the overall direct consumer experience of many Mozambicans is also biased towards this product category.

Second, this is the only category where comparison between Mozambican and South African items is feasible due to availability of domestic alternatives to many South African imports. Indeed, many production sectors in Mozambique are today still only in the process of recovery after the war for independence and the civil war. A number of durables and some non-food consumables are either not produced in the country or made by global companies, e.g. Colgate. In comparison, food items occupy the largest share in the domestic output of consumer goods. As a consequence, many South African food consumables have domestic substitution in Mozambique.

It is worth noting that some scholars warn against foodstuffs. They argue that consumer attitudes towards their native food should always be positive because food habits and tastes develop via socialization process in early childhood (Rozin 1990). By and large, this seems to be true for a limited range of prepared foods—those



which are based on recipes of traditional cuisine (Jakubanečs and Supphellen 2005). Irish stew, Ukrainian borsch, Brazilian feijoada, Russian schi, Portuguese carapão and Mozambican matapa are examples in this category. However, this may not be the case of raw food items such as meat and vegetables because, due to international trade, they have become universal. Further, it is unlikely to be the case of many processed items which compete with foreign substitutes. Often, they are based on universal recipes. Those, which have some traditional influence, may occasionally lose it as producers introduce *ad hoc* adjustments in recipes in attempt to outperform foreign competition. Nonetheless, the abovementioned problem is not an issue in this study because it does not use traditional food. Instead, it focuses on some more universal food categories. The exact list of such products is presented in the methodology chapter.

With its heavy bias towards agriculture and underdeveloped industry, the structure of the Mozambican production system<sup>12</sup> is a precursor of the socio-economic vulnerability of Mozambicans and their responsiveness to international trade. Given this, the production sector appears to be a salient foundation for classification of products in this study. Accordingly, food items which are the output of the agricultural sector are ascribed to the agricultural category. Foodstuffs made by industry are called processed food consumables. Such a categorization seems appropriate from the practical standpoint. Indeed, many Mozambican consultancy

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<sup>12</sup> The discussion refers to the production system net of international megaprojects whose contribution to the overall employment situation is marginal and whose profits accrue to foreign investors (Cunguara and Hanlon 2010).

agencies, government bodies and companies often classify food items by their production sector into agricultural and processed consumables suggesting that such a classification is more convenient (Instituto Nacional de Estatística 2010a).

Because the focus of the study is now narrowed down to food consumables, I introduce minor changes into research questions #2-4. They no longer deal with consumer goods. Instead, they refer to food consumables. They are now formulated as:

Research question #2:

*What are the effects of CET and CI on attitudes and purchasing intentions towards South African food consumables and their brands in Mozambique?*

Research question #3:

*What is the role of demographic moderators in the effects of CET on attitudes and purchasing intentions towards South African food consumables and their brands in Mozambique?*

Research question #4a:

*What is the impact of product type on consumer attitudes and purchasing intentions towards South African food consumables and their brands in Mozambique?*

Research question #4b:

*What is the moderating role of consumer ethnocentric tendencies in the impact of product type on consumer attitudes and purchasing intentions towards South African food consumables and their brands in Mozambique?*

## **CHAPTER 3: LITERATURE REVIEW AND HYPOTHESES**

### **1. INTRODUCTION**

This chapter consists of three parts. The first presents theoretical bases of the project. The second discusses major concepts and their relation to key middle range theories of the study. The final part puts forward a series of propositions about the nature and effects of the CET and CI<sub>RAS</sub> phenomena.

### **2. THEORETICAL UNDERPINNINGS OF THE STUDY**

The primary objective of the study is to make a contribution to two substantive theories—the theory of consumer ethnocentrism and the theory conspicuous consumption of imports from wealthier countries. The secondary objective of the study is to examine the role of four middle range socio-psychological theories in the context of imports from a wealthier economy to a low income market. These theories are psychological reactance, reference group, relative deprivation and dual processing theories. The study discusses on the theory of psychological reactance to explain the nature of consumer ethnocentrism. The theories of reference group and relative deprivation are employed in the analyses of the nature of conspicuousness of imports. The dual processing theory is also used to explicate the effects of CET and CI. The following section presents these four middle range theories. It further provides a brief description of a number of other middle range theories which may occasionally overlap with the main supporting theories or assist in interpretation of findings. Such

theories include the theories of frustration-aggression-displacement, reinforcement, and realistic group conflict. The section also presents (Fishbein and Ajzen 1975) model which is employed to render additional support to several propositions of dual processing theory. The discussion ends with a brief description of semiotics. This represents a useful framework for analysis of the theories of consumer ethnocentrism and conspicuous consumption of imports from wealthier countries.

## 2.1 MAJOR SUPPORTING THEORIES

### 2.1.1 Psychological reactance theory

Psychological reactance theory was originally posited by Brehm (1966) and further developed by Brehm and Brehm (1981). In line with this theory, people have behavioural freedoms, such as being able to hold a particular position or an opinion (Brehm and Mann 1975). The theory also suggests that, when an individual feels a freedom has been threatened or eliminated, reactance is aroused (Brehm and Cole 1966). According to Brehm and Mann (1975),

Reactance is a motivational state that is directed toward the restoration of whatever freedom has been threatened or eliminated (p.816).

Reassertion of freedom is, therefore, the main effect brought by reactance arousal. One way to re-establish a threatened freedom is to exercise it by engaging in the behaviour in question. Such a reaction is known as a negative change or a 'boomerang effect' (Raven and French Jr 1958, Clee and Wicklund 1980).

Although a threat to freedom triggers reactance, it is not the only element in the reactance process. Brehm and Mann (1975) note that the intensity of reactance also depends upon importance of freedom. They specify that, when the importance of the threatened freedom is high, the magnitude of reactance is strong. However, when the importance of the threatened freedom is low, reactance is weak.

Earlier studies documented various types of threats to freedom. Brehm and Mann (1975) proposed the pressure of a group as a threat to freedom of its members. They concluded that an individual has a tendency to disagreement with her group when that group exerts pressure to agree. Likewise, a favour may serve as a threat to freedom. It was showed in Brehm and Cole (1966) that a favour may arouse an individual to avoid performing a return favour. Also, some freedoms of individuals may be threatened by influence of a specific person, e.g. leader, supervisor, manager (Raven and French Jr 1958). Finally, a specific historical event or a political decision may threaten a freedom of individuals at macro-level. For example, the idea of EMU (European Monetary Union) induced negative attitudes among many Europeans because it was associated with a feeling of loss of freedom to determine national budgetary policies (Müller-Peters, et al. 1998).

Individuals differ in terms of the magnitude of their reactance (Brehm and Mann 1975). People who perceive greater threat to their freedom and view that threatened

freedom as important, exhibit stronger reactance. By contrast, reactance is weaker among individuals who perceive their freedoms as less threatened and less important.

Also, individuals vary in their susceptibility to reactance arousal (Dowd and Wallbrown 1993, Pepper 1996). Due to differences in personality structures, some people have greater proneness to reactance whereas others are less predisposed to it (Dowd and Wallbrown 1993). An individual with greater susceptibility to reactance may experience a stronger reactance arousal once her freedom has been threatened (Pepper 1996). She may also feel reactance in a broader range of situations (Pepper 1996).

An additional remark should be made about the process of reactance. It begins with the reactance arousal. This may further lead to a reactance response. However, due to a number of factors, there may be a delay in reactance responses. Inhibition of reactance responses may strengthen reactance arousal even more. Hence, in many cases a reactance response is inevitable. Once a reactance response has occurred, reactance decreases. This implies that, when the desired freedom is reasserted, an individual feels less threatened and becomes less prone to engage in reactance behaviour again.

The theory of psychological reactance has been applied in a number of spheres. It has been used to explain various phenomena in psychology, sociology, organizational behaviour, etc. Nowadays, it is a subject of interest in the consumer behaviour field.

It may provide a basis for analysis of consumer ethnocentric tendencies and conspicuous consumption of imports.

### **2.1.2 Reference group theory**

The reference group is the major unit of analysis in reference group theory. Sherif and Sherif (1953) defined reference groups 'as those groups to which the individual relates herself as a part, or to which she aspires to relate herself psychologically' (p. 161). This implies that reference groups and membership groups of individuals are not always the same. An individual may belong to a membership group but aspire to relate herself psychologically to a different group. This will be her reference group. It attracts the individual and serves as an anchor point for her attitudes. Therefore, even if the individual is a member of a specific group, her tendencies and behaviour may be shaped by the behaviour of reference groups (Slocum and Stone 1959). For example, a blue collar employee belongs to a low skilled workgroup in a plant. However, this employee wants to associate with top management. Having the top management as a reference group may influence this employee. For example, it may serve as a motivation to work harder in order to be promoted to higher positions. It may also inspire an individual to seek out opportunities for further managerial education. In sum, despite loyalty to their membership groups, individuals look at reference groups for a model of behaviour.

However, two remarks should be made as to when membership groups have a weaker impact on individual behaviour than reference groups. First, an individual has a



greater tendency to emulate a reference group when the membership group does not provide sufficient reward for membership in it. This conclusion is pertinent to explaining tendencies and behaviours of individuals with respect to in-groups and out-groups. Individuals who receive substantial rewards from their in-groups exhibit more in-group loyalty and solidarity and are less prone to copying behaviour of members of out-groups. LeVine and Campbell (1972) suggest that in-groups whose incentives for membership are weak have a risk of becoming less ethnocentric in the future.

Second, an individual has a greater tendency to emulate a reference group due to a sense of relative deprivation (Merton and Rossi 1962). LeVine and Campbell (1972) specify that out-groups become reference groups which bring up admiration and serve as models for emulation when they have a conspicuous advantage over the in-group. Such an advantage is often related to the wealth of out-groups and associated with its power to master the environment (LeVine and Campbell 1972). In other words, an in-group, which is deprived of socio-economic benefits available to an out-group, will imitate the lifestyle and strive to acquire objects of the out-group.

### **2.1.3 Relative deprivation theory**

According to Crosby (1976), deprivation is relative, not absolute. Individuals feel deprived when they are treated or compensated unjustly compared to some standard of reference. Hence, deprivation is associated with dissatisfaction due to lack of justice and fairness.

The theory of relative deprivation has three major dimensions. The first was developed by Davis (1959) who introduced three necessary preconditions of relative deprivation. He suggested that the individual who lacks X will feel deprived if she (1) perceives that a similar other has X, (2) wants X, and (3) feels entitled to X. The second dimension of the relative deprivation theory was suggested by Runciman (1966) who introduced a fourth precondition of relative deprivation—feasibility of attaining X. Crosby (1976) provides a clear definition of the feasibility element:

...The solution lies in the contrast between *can* and *will*. The individual who thinks he *will* obtain X experiences no relative deprivation, the individual who thinks he *can* obtain X does experience it if the other preconditions are present. In other words, when person thinks the acquisition of X is nearly certain, he is not subject to relative deprivation. When person thinks the acquisition of X is only probable (and, generally, contingent on some effort by himself or others), then he is subject to relative deprivation. Similarly, when person is nearly certain of not acquiring X, he is quite unlikely to experience relative deprivation (p. 91).

Further proponents of the second approach employed one more necessary condition of the relative deprivation: an individual lacks a sense of personal responsibility for not having X (Crosby 1976, Patchen 1961).

The third dimension was proposed by Gurr (1970) who disagreed with Runciman (1966) about the fourth prerequisite of the deprivation. Gurr (1970) asserted that an individual feels deprivation when she thinks that it is not feasible to obtain X.

The debate about the fourth precondition of relative deprivation continues. Yet, several empirical studies confirmed that people tend to reduce a sense of deprivation by giving up the desire to obtain something if they feel it is no longer possible to obtain it. For example, employees in organizations were found to agree with lower payments or quit their jobs if higher payments were not feasible (Patchen 1961, Andrews and Henry 1963, Finn and Lee 1972, Taylor and Vest 1992). A similar conclusion was made in a dyad game study by Leventhal and Bergman (1969). The results showed that most subjects, who were given somewhat less than half the reward, subsequently increased their share. However, many subjects, who were given much less than half the reward, decreased their share. These conclusions make sense in a consumer behaviour context. A consumer in a low income society is likely to feel less deprived when she sees a luxury multi-storey palace of an internationally famous celebrity whose earnings are measured in billions of dollars. This is because such lavishness may be a dream but is highly unlikely to come true in her case. However, her feeling of relative deprivation is likely to be more intensive when she witnesses an acquisition of a large house by someone with similar socio-economic background. Indeed, the fact that someone from her social circle can afford a spacious house indicates feasibility of such a purchase for others.

Given the foregoing evidence, this study adopts the second approach and deems that feasibility is a precondition for relative deprivation. In sum, individuals who do not possess X feel deprived if they think (1) see that others possess X, (2) want X, (3) feel entitled to possess X, (4) think it feasible to obtain X, and (5) lack a sense of personal responsibility for not having X.

The deprivation preconditions are determined by a number of factors. The first condition—perception that others have X—results from exposure to X and messages that others have X (Crosby 1976).

The desirability of X has the largest amount of determinants. First, individuals want X more if it is attractive and is associated with power. X is likely to be attractive and bring a sense of power if its owner is attractive and powerful. Crosby (1976) notes that ‘attractive and powerful people, once they have been brought to our attention, can sell us more soap flakes than their ugly and puny comrades’ (p. 95). Second, the desirability of X depends upon the personal past of an individual (Crosby 1976). An individual will want X more if she is close to attaining it or has often acquired it. Frequent acquisitions of X make it more desirable to the individual. Third, individuals are willing to have X due to various factors of their immediate environment (Crosby 1976). For example, individuals may want X because they are in contact with someone who possesses it or because many other people have it. Alternatively, individuals want X more because they are similar to the owners of X or

because others have owned X for a long time. Finally, societal dictates make X more desirable to individuals (Crosby 1976). Individuals, whose exposure to positive messages about X is greater, are more likely to want X. An important assumption here is that an individual is receptive to prescriptions of her community.

An individual feels entitled to possess X if she is similar to the owner of X or has already owned X earlier. Exposure to messages that X is good and that an individual deserves and can obtain X make the individual believe that she is entitled to have X (Crosby 1976).

Feasibility of obtaining X is determined by the following factors. First, an individual should be close to attaining X or have already acquired it earlier (Crosby 1976) . Second, an individual knows that many people have X and that some of these people are similar to X. Third, an individual has been informed via various messages that it is possible to obtain X.

Finally, individuals lack a sense of responsibility for failure to possess X when their similarity with the owners of X is small (Crosby 1976, Patchen 1961). If a company rewards mainly men, women are likely to blame the gender-biased motivation system rather than acknowledge their own responsibility for not earning rewards. In a similar manner, if most owners of cars in Mozambique are men, women are unlikely to feel responsible for not having cars.

A feeling of relative deprivation plays an important role in various tendencies and behaviours. Some of such tendencies and behaviours signal self-improvement of individuals and may lead to constructive changes within a society whereas others are of a more violent nature. Some authors note that a sense of relative deprivation due to lack of X may result in greater willingness to have X in order to catch up with those who possess it (Crosby 1976, Chipp, Kleyn and Manzi 2011, Skeldon 2002, Mazrui 1967).

The above idea is in line with Merton and Rossi (1962) who viewed relative deprivation as a category of reference group theory rather than the basis for an independent theory. It follows from Merton and Rossi (1962) that individuals aspire to emulate members of reference groups because they want to reduce the socio-economic difference with them—deprivation. This explains why poorer individuals in a society imitate the lifestyle of their wealthier compatriots. This also explicates why individuals in poorer economies copy the way of life in wealthier societies for example by acquiring their imports.

#### **2.1.4 Dual processing theory**

The central principle of dual processing theory is that human behaviour is determined by the interplay of automatic and controlled processing of information (Barrett, Tugade and Engle 2004). Automatic processing is often called nonconscious, implicit

or heuristic processing. It is characterised by weak control of attention<sup>13</sup>, low cognitive involvement and results in automatic responses (Barrett, Tugade and Engle 2004). The automatic responses take place when already existing knowledge structures—schemas, scripts, categories or concepts—are activated passively under the pressure of some external stimuli.

Controlled processing is often referred to as conscious, explicit or systematic processing (Barrett, Tugade and Engle 2004). It occurs when an individual has high control of attention<sup>14</sup>. When attention is captured by a stimulus, it activates cognitive processing of the information which further results in a cognitive response. Cognitive responses do not rely on already existing schemas, scripts or concepts. They are not governed automatically by external stimuli. Instead, an individual controls her responses.

Some authors stress that a response of an individual is always an outcome of both automatic and cognitive modes of processing (Barrett, Tugade and Engle 2004). This implies that purely cognitive responses are not likely and that any response of an individual may be affected by her basic knowledge structures. Broader categories serve as knowledge structures for narrower categories. This means that narrower categories are determined by broader categories. For instance, some more specific attitudes are the outcomes of more general attitudes.

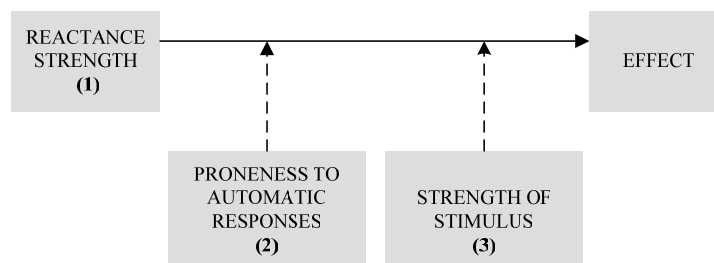
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<sup>13</sup> This type attention is also termed stimulus-driven, bottom-up, reflexive or exogenous attention.

<sup>14</sup> The controlled attention may also be called goal-directed, top-down or endogenous attention.

An individual is inclined to an automatic response when she lacks information about the object (Barrett, Tugade and Engle 2004). Let us assume that a buyer is confronted with an absolutely new brand of a product (object) and has no information about it. However, she is aware that other products of the same producer are of inferior quality (knowledge structure). With no details about the new brand, the information about the producer's reputation serves as a basis for its rejection (automatic response).

Dual processing theory offers an explanation of the magnitude of psychological reactance effects. The manifestation of reactance depends upon (1) individual's scope of reactance, (2) proneness to automatic responses, and (3) strength of stimulus. Greater reactance effects are possible with stronger reactance, greater propensity to automatic responses, and stronger stimulus. Figure 6 summarizes this idea.



**Figure 6: Reactance effect model: a dual processing theory standpoint**

The strength of reactance contributes to the magnitude of its effect. The reason for this is that reactance evokes a broad range of negative emotions such as anger, fear,



guilt, disgust, sadness, shame and hate (Chadee 2011). However, negative emotions inhibit an individual's capacity to a controlled processing of information and evoke an automatic mechanism (Locke 2005, Boekaerts and Cascallar 2006, Hasher and Zacks 1979). Inability to control processing restrains the capacity to suppress reactance. The following automatic response leads to reactance manifestation. In sum, greater reactance causes more intensive negative emotions which, in turn, lead to a stronger suppression of a cognitive mechanism suggesting a larger reactance effect (Chadee 2011).

An individual is prone to an automatic response when she is not able to engage in controlled processing. This may happen due to complexity or lack of the information about the stimulus. Alternatively, an individual may have difficulties in processing information because of low working memory capacity (Barrett, Tugade and Engle 2004, Hasher and Zacks 1979, Craik 1994, Grady and Craik 2000, von Hippel, Silver and Lynch 2000). The working memory capacity weakens with age; consequently, older people have a greater tendency to automatic responses (Barrett, Tugade and Engle 2004, Hasher and Zacks 1979, Craik 1994, Grady and Craik 2000, von Hippel, Silver and Lynch 2000).

The strength of stimulus is one more element which enhances the magnitude of reactance effect. It increases when the stimulus elicits a sense of a higher threat to freedom and when the threatened freedom is more important (Brehm and Brehm 1981).

## 2.2 OTHER RELEVANT THEORIES AND FRAMEWORKS

### **2.2.1 Frustration-Aggression-Displacement Theory**

The theory of frustration-aggression-displacement, as its name suggests, is built upon three major elements—frustration, aggression and displacement (Dollard, et al. 1939). Frustration is conceived of as an obstacle blocking the attainment of an expected gratification. In many cases frustration originates in the external environment. It may take the form of poor socio-economic situation, ongoing hostilities, high density of population, political decisions, environmental pollution, etc.

Frustration may lead to aggression. The latter refers to any ‘sequence behaviour, the goal-response to which is the injury of the person toward whom it is directed’ (Berkowitz, 1989, p. 61). Yet, frustration does not always manifest itself in open aggression. In some cases frustrated individuals may restrain themselves and their aggression may be displaced on to another target. The displacement of aggression takes place when a potential aggressive behaviour may bring punishment or other undesirable consequences (Berkowitz 1989).

In sum, the theory of frustration-aggression-displacement suggests that frustrated individuals may displace their aggression on to other targets. This study draws on a more specific postulate of this theory: frustrated members of an in-group displace their aggression on to out-groups (LeVine and Campbell 1972).

### **2.2.2 Reinforcement theory**

Reinforcement theory explains how individuals in a society learn behavioural patterns. It suggests four major units in the learning process: direct learning, direct reinforcement, imitative learning and vicarious reinforcement (Bandura, Ross and Ross 1963, Bandura 1971). Direct learning occurs when an individual performs a specific behaviour which is directly reinforced by various rewards, e.g. gifts, compliments or praise (Bandura 1971). Imitative learning takes place when an individual imitates behaviour of others which is also directly reinforced (Bandura 1971). Vicarious reinforcement serves as a basis for imitative learning. Bandura (1971) defines it as ‘a change in the behaviour of observers as a function of witnessing the consequences accompanying the performances of others’ (p. 230). If an individual observes that others are rewarded for a specific behaviour, she is more likely to engage in that behaviour too. However, an individual is more likely to avoid those behaviours which were punished in others.

Sechrest (1963) suggested an additional element to the reinforcement theory—implicit reinforcement. The author concluded that positive reinforcement delivered to one person operates as a negative reinforcement for another person participating in the same activity. For example, take two individuals who perform the same type of work and whose performance levels are approximately the same. Say that the first individual receives a reward for her job whereas the second gains nothing. The first individual experiences positive direct reinforcement and feels motivated to continue

her activity. By contrast, the second participant observes injustice. Her motivation decreases suggesting an effect of implicit reinforcement. The issue of implicit reinforcement is highly pertinent to this study.

### **2.2.3 Realistic Group Conflict Theory**

Realistic group conflict theory assumes that groups compete for scarce resources. While competing with out-groups, an in-group is under the threat of losing the desired resources (Sherif 1961). As a consequence, members of the in-group develop a series of behaviours and tendencies associated with distrust and fear of out-groups. They may develop a better awareness of the in-group's boundaries and a greater sense of identity with the in-group. They may develop more unfavourable attitudes towards the out-group and even engage in hostilities against its members. Where the out-group is stronger and more threatening, hostilities may not be possible. In such cases members of the in-group may feel stronger negative attitudes towards the out-group suggesting an increase in ethnocentrism (Coser 1957).

### **2.2.4 Fishbein and Ajzen's Model**

Fishbein and Ajzen (1975) developed a conceptual framework for prediction of specific intentions<sup>15</sup>. It suggests that behavioural intentions are a function of two components: personal attitudes towards performing behaviour and subjective norms guiding this behaviour. These two elements may either motivate or preclude individual from specific behaviours. For example, an individual is unlikely to

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<sup>15</sup> Note that this framework draws upon the theory of reasoned action.

purchase a specific fur coat if she holds negative attitudes towards buying fur coats and if she feels normative pressures against buying fur coats.

### **2.2.5 Semiotics**

Scholars often refer to semiotics as a doctrine of signs (Mick 1986) or a science of signs (Morris 1946). It focuses on the morphology of signs, symbols and meanings. It is not so much a theory as a framework for analysis and development of social science theories.

There exist various definitions of signs. According to the Swiss linguist Ferdinand Saussure, a sign may be defined by a dyadic relationship between a concept that is signified (e.g. book) and a sound image that is the signifier (e.g. the spoken word 'book'). Parallel to this, the American philosopher Charles Sanders Pierce suggested that a sign is anything that stands for something to somebody in some respect. Pierce positions a sign as an element in a triadic model: Sign-Object-Interpretant. Interpretant is the interpreter's reaction to the sign. Finally, Mick (1986) provides a more comprehensive definition of a sign as 'the fundamental vehicle connecting objects in the broadest sense and human reactions (intepretants)' (p. 201).

Signs, objects and interpretant are interrelated (Mick 1986). For example, a sign may be related to another sign. This type of relationship is investigated within the syntactics dimension of semiotic analysis.

Likewise, a sign may be related to an object. This relationship is addressed by the semantic dimension of semiotics and suggests the existence of different signs (Mick 1986, Nauta Jr 1972). These signs are iconic, indexical and symbolic. An iconic sign serves to imitate or resemble its object. An image of fresh loaves, rolls and cookies on the signboard of a bakery is an example of an iconic sign. An indexical sign has a causal relationship with its object. For example, conspicuous consumption of imports from a specific country is an indexical sign suggesting that consumers use these imports for an overt display of wealth. A symbolic sign is related to its object by means of interpretation. This presumes the participative presence of an interpreter to create a signifying connection. An image of laughing children in a commercial for consumer banking services may bring up different symbolic associations. Some people may view it as a symbol of happiness whereas to others it may signify an escape from financial problems and a prosperous future.

Finally, a sign may be related to the interpretant (Mick 1986). Such a relationship is studied within pragmatic semiotics which focuses on processes of knowledge and meaning generation such as deduction, induction and abduction. Each of the processes contains three elements: rule, case and result. Cases and results are meanings which contribute to the formation of rules whereas rules are meanings which shape underlying tendencies and guide behaviour of individuals. In deduction, the rule and a given case entail a result: (1) Rule  $\rightarrow$  (2) Case  $\rightarrow$  (3) Result. In the case of induction, the rule is inferred probabilistically from the case and result: (1) Case  $\rightarrow$

(2) Result  $\rightarrow$  (3) Rule. In abduction, the case is inferred probabilistically from the result and the rule: (1) Result  $\rightarrow$  (2) Rule  $\rightarrow$  (3) Case.

The three processes of knowledge and meaning generation may be illustrated in an example of imports from wealthier economies into poorer economies. Let us assume that the rule suggests that all people who use products from a specific wealthier economy (A) are rich. Further, the case suggests that a consumer (B) from a poorer country uses products from country A. Finally, the result indicates that consumer B is rich. The example with deduction, induction and abduction processes are shown in table 3:

**Table 3: Processes of knowledge and meaning generation**

<b>Deduction</b>	<b>Induction</b>	<b>Abduction</b>
<b>1. Rule:</b> All people who use products from wealthier country A are rich.	<b>1. Case:</b> Consumer B from a poorer country uses products from country A.	<b>1. Result:</b> Consumer B from a poorer country is rich.
<b>2. Case:</b> Consumer B from a poorer country uses products from country A.	<b>2. Result:</b> Consumer B from a poorer country is rich.	<b>2. Rule:</b> All people who use products from wealthier country A are rich.
<b>3. Result:</b> Consumer B from a poorer country is rich.	<b>3. Rule:</b> All people who use products from wealthier country A are rich.	<b>3. Case:</b> Consumer B from a poorer country uses products from country A.

Source: based on Mick (1986) and Mick et al (2004)

Interestingly, the first two mechanisms of knowledge generation in the semiotic framework resemble the formation and use of knowledge structures in dual processing theory. For example, the induction approach serves for the development of rules. Yet, in the terminology of dual processing theory the rules are knowledge

structures. Indeed, many schemas, scripts and categories in our lives result from a limited amount of specific examples. That is, an individual makes general conclusions by connecting the information about cases and results. In sum, the induction mechanism may underlie the formation of knowledge structures, e.g. more general tendencies.

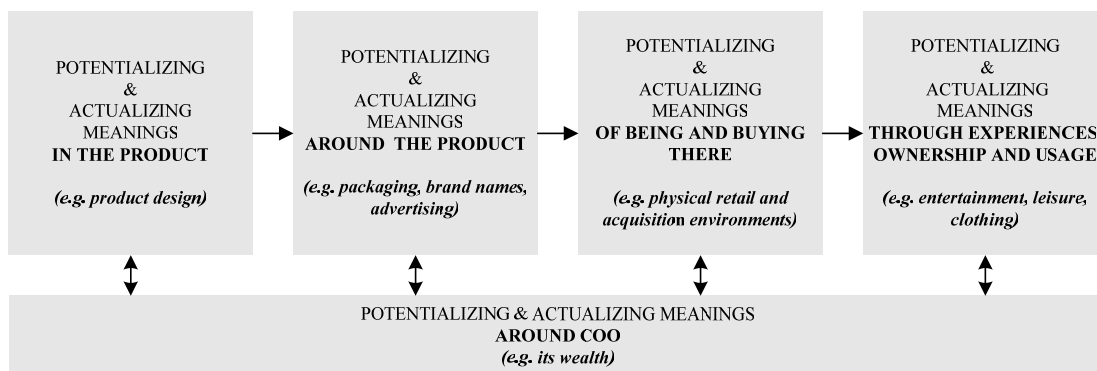
Similarly, the deduction mechanism forms the basis for the use of rules in the semiotic framework. However, it may also serve as an equivalent to automatic responses in the dual processing theory. Being knowledge structures, rules make automatic responses possible.

Semiotics is relevant to various fields of consumer research. In their attempt to attract consumers, marketers aspire to build salient favourable rules, or semiotic value, for their products (Mick et al. 2004). That is, they strive to make products noticeable and desirable to consumers. They operate with a series of instruments to transfer the desired meanings onto consumer goods, their context and owners (McCracken 1986). Such instruments may be advertisings as well as other types of messages with information about various rituals of consumption, e.g. gift giving, use of products and style development (McCracken 1986). Mick et al. (2004) conjecture that marketers engage in so called potentializing of meanings surrounding their produce. Potentializing of meanings refers to ‘marketers’ known or apparent efforts to set up imminent meanings and to guide targeted or ideal consumers toward them’ (Mick et al 2004, p. 4). They potentialize meanings in the product (e.g. product design),



around the product (e.g. packaging, brand names and advertising), around consumer being and buying (e.g. physical retail and acquisition environments) and through experiences, ownership and usage (e.g. entertainment, leisure and clothing) (Mick et al 2004). The process of potentializing goes in parallel to the process of actualizing. Actualizing of meanings is related to ‘the concrete efforts of everyday consumers to activate or generate meanings’ (Mick et al 2004, p. 4).

The process of potentializing and actualizing of products goes in parallel with the process of potentializing and actualising meanings about COO. For example, the government from a specific country of origin (COO) may support its businesses in the national and overseas markets by generic marketing campaigns. Similarly, the image of COO may be affected by the semiotic value of its products. Figure 7 shows a simplified framework for the semiotic value enhancement of products.



**Figure 7: A simplified framework of enhancement of the semiotic value of products and their COOs**

Source: based on Mick et al (2004)

A final remark should be made about the actualizing of meanings and its relationship with potentializing. In the ideal situation actualizing should produce the meanings expected by the potentializers—marketers and governments. However, this is not always the case because actualizing is not always a function of marketing potentializing. In many cases it cannot be fully controlled by marketing efforts. This implies that a portion of the semiotic value of products is shaped by the contextual factors. For example, consumers may discover the semiotic value of products by living through historical events, political decisions, economic situations and entertainment and recreational activities—music concerts, art exhibitions, sport contests, etc. Likewise, they may learn about the meanings of products via internalization of societal norms and cultural values. Parallel to this, Jakubanečs, Supphellen and Thorbjørnsen (2005) suggest that some products entail a high semiotic value because they are embedded into the national culture of their consumers. According to the above, actualizing seems to be a function of consumers' exposure to signs which are directly or indirectly related to products. This leads to a conclusion that the exposure to signs surrounding products shapes the semiotic value of these products.

### **3. CONCEPTUAL BASES OF CET AND CI**

This part is devoted to key concepts of the project – consumer ethnocentrism and conspicuousness of imports. It comprises five sections. The first defines ethnocentrism – a category which antedates the notion of consumer ethnocentrism. The second and third sections focus on the theoretical underpinnings of the CET and

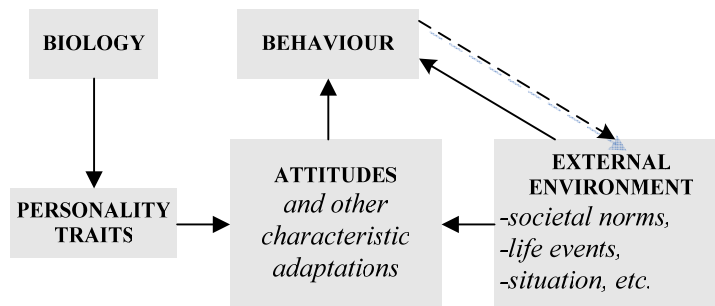
CI phenomena and their effects. The final two sections make an enquiry into the relationship between CET and CI and the relationships among CI dimensions.

### 3.1 ETHNOCENTRISM

Given that it is a conceptual basis for the term ‘consumer ethnocentrism’, the phenomenon of ethnocentrism deserves greater attention. The word ‘ethnocentrism’ was derived from two Greek words: *ethnos*, meaning nation, and *kentron*, meaning center (Wrench and McCroskey 2003). The concept was formally introduced by (Sumner 2002) to describe the extent to which individuals differentiate between their own group (in-group) and other groups (out-groups). Shimp and Sharma (1987) defined ethnocentrism as a ‘universal proclivity for people to view their own group as the centre of universe, to interpret other social units from the perspective of their own group, and to reject persons who are culturally dissimilar while blindly accepting those who are culturally like themselves (p.280).

Initially, ethnocentrism was conceptualised as a social phenomenon (Sumner, 2002). However, later research described ethnocentrism as a psychosocial construct that comes across analytic boundaries of individual personality systems as well as socio-cultural systems (Shimp 1984, Shimp and Sharma 1987). The preponderance of research into consumer ethnocentrism draws upon studies of ethnocentrism at the individual level. At this level, ethnocentrism is often conceived of as either a personality trait (Block and Block 1951) or an attitude (Fishbein and Ajzen 1975, LeVine and Campbell 1972, Oppenheim 1966).

According to the personality trait psychology, both attitudes and personality traits are elements in the personality system (McCrae 2004). However, they represent two distinct categories. Attitudes are a component of characteristic adaptations. These, in turn, can be described as ‘psychological structures that people acquire in the course of life for getting along in the world’ (McCrae 2004, p. 5). By contrast, personality traits form temperament. They can be defined as ‘biologically based dispositions that characterize members of human species’ (Hofstede and McCrae 2004:57). Figure 8 depicts a simplified model of a personality system and its dynamic processes (McCrae 2004). The model shows formation of personality traits and attitudes, their dynamic processes and manifestation in behaviour. Personality traits are basic tendencies which are genetically pre-determined and, therefore, are inherited. They do not change with life experience. They are impervious to influences of attitudes and to such forces of the shared environment as cultural norms and life events. However, personality traits may shape attitudes. This relationship is shown by a causal link from personality traits to attitudes (figure 8). Similar to other characteristic adaptations, attitudes emerge from the interaction of personality traits and elements of the external environment. Compared to personality traits, attitudes are not basic tendencies. Yet, under the influence of personality structures, they may take form of relatively enduring tendencies.



**Figure 8: A simplified model of personality system**

Source: McCrae (2004: 5) and Hofstede and McCrae (2004:76)

Both personality traits and attitudes are considered as relatively enduring dispositions from the standpoint of social psychology. These dispositions manifest themselves in a variety of observable responses (Ajzen 1987, Ajzen 2005). Yet, the nature of such responses is not the same in the two cases. In the case of attitudes, the responses are evaluative in nature and are directed to an object or an external target, e.g. a person, symbol, policy and event (Ajzen 2005). In the case of personality traits, responses do not focus on a particular external target. Instead, their focal point is the individual herself (Ajzen 2005). The differences in the nature of responses suggest that attitudes are malleable to influences of the external environment and may occasionally undergo some changes whereas personality traits are resistant to external forces and remain stable (Ajzen 2005).

Based on the above characteristics of attitudes and personality traits, this study refers to ethnocentrism as an attitude. Indeed, many scholars agreed that the phenomenon is an attitude, not a personality trait, because it is a function of personality traits, societal

norms, life events and their interaction (Adorno et al. 1982, Marcoux, Filiatrault and Chéron 1997, Fishbein and Ajzen 1975, Oppenheim 1966, Wilson and Brazendale 1973). For example, the temperamental antecedents of ethnocentrism were confirmed in Adorno et al. (1982) and Wilson and Brazendale (1973). Adorno et al. (1982) concluded that ethnocentrism is an expression of an authoritarian personality defect. In Wilson and Brazendale (1973), ethnocentrism was significantly predicted by the personality trait of neuroticism. Further, political values and societal norms served as a precursor of ethnocentrism in Huddy et al. (2005) and Pettigrew (1958). Finally, certain life and historical events—terrorist attacks, war conflicts and hostilities—reinforced ethnocentrism (Huddy et al. 2005, Biro et al. 2002).

Also, ethnocentrism is an attitude because it evokes responses which centre on the evaluations of a specific target (e.g. the in-group versus out-groups) rather than on the individual herself.

### 3.2 CONSUMER ETHNOCENTRISM (CET)

Consumer ethnocentrism is an economic form of ethnocentrism which manifests itself in various aspects of consumer behaviour. Similar to ethnocentrism, consumer ethnocentrism cannot be inherited genetically and, therefore, is not a personality trait. Instead, this study refers to consumer ethnocentrism as another element of a personality system—attitude. Indeed, two features of consumer ethnocentrism suggest that it is an attitude rather than a personality trait. First, it is malleable to influences of the external environment. According to Shimp and Sharma (1987),

individuals acquire consumer ethnocentric attitudes in early childhood as a result of the socialization process. Given this, consumer ethnocentrism is shaped by personal situation of individuals as well as by a range of social, cultural, economic and historical pressures (Shimp 1984; Shimp and Sharma 1987). This implies that consumer ethnocentrism is subject to constant change (Shimp and Sharma 1987).

Second, consumer ethnocentrism may be conceived of as an attitude because it elicits responses which focus on external objects (e.g. domestic products, domestic economy, etc.) rather than on the individual herself (Ajzen 2005; Shimp and Sharma 1987).

Despite being an attitude, consumer ethnocentrism is distinct from other consumer attitudes towards foreign products. The latter are often more specific and less stable. For example, consumer ethnocentrism does not refer to the consumer's feelings toward a specific product, e.g. an automobile (Shimp and Sharma, 1987). Instead, it is an enduring disposition, or a tendency, 'to act in some consistent fashion toward foreign products in toto' (Shimp and Sharma 1987, p.281).

The structure of consumer ethnocentric tendencies (CET) is rather complex. Yet, some authors decompose it into three groups of elements: cognitive, affective and normative (Shankarmahesh 2006). The cognitive aspects are evident when consumers compare foreign and domestic alternatives. For example, they may take the form of thoughts about national and personal economic situations in the context of

competition of local and foreign products. Although important, the cognitive aspects do not fully reflect the functional essence of the phenomenon. Instead, designed to transcend purely economic and functional considerations, CET is a construct whose primary objective is to capture the affective responses and normative pressures of buying behaviour (Shimp 1984). The affective side of consumer ethnocentrism deals with a sense of identity and belongingness. That is, consumer ethnocentrism tendencies are conceived of as expressions of pride about, and attachment to, the products of one's own national group (Shimp 1984). The normative foundation of the CET is rooted in morality of purchasing foreign-made products (Shimp and Sharma 1987). In other words, the normative aspects of consumer ethnocentrism are related to such beliefs as buying domestic products because that is good for the country whereas purchasing imports is wrong because it hurts the domestic economy, causes the loss of jobs and is unpatriotic (Shimp 1984, Shimp and Sharma 1987).

Shimp and Sharma (1987) proposed consumer ethnocentric tendencies as predictors of domestic product bias and resentment of imports. CET is expected to evoke positive attitudes and purchasing intentions towards domestic goods. Likewise, it is anticipated to invoke negative attitudes and purchasing intentions towards foreign items.

### **3.2.1 CET and psychological reactance theory**

The theory of psychological reactance forms the basis for consumer ethnocentric tendencies (Shimp 1984, Shimp and Sharma 1987). The construct of consumer



ethnocentrism was created to measure consumer reactance with respect to imports. The reactance results from perceived threats to socio-economic circumstances of consumers. For example, imports are believed to undermine the national production sector and, as a consequence, threaten the employment situation of the national population. Being a threat to the employment situation, they represent a threat to the quality of life of the population. In the terminology of psychological reactance theory, imports reduce or eliminate freedom to have socio-economic stability.

The psychological reactance mechanism forms the basis for consumer ethnocentric tendencies. Forced to choose between national and foreign products, a consumer may experience reactance. That is, she may opt for national items if she feels that foreign alternatives represent a threat to her personal prosperity or the welfare of her in-group (Shimp and Sharma 1987).

Similar to other forms of psychological reactance, consumer ethnocentric tendencies vary across different categories of individuals. Those whose economic livelihood is more threatened by foreign competition may demonstrate stronger reactance leading to greater domestic product bias and greater resentment for imports. In line with Shimp and Sharma (1987), consumer ethnocentric tendencies may be more salient among representatives of lower socio-economic strata. Likewise, consumer ethnocentric tendencies may be higher among those whose situation in the job market is more vulnerable (Shimp and Sharma 1987). For example, older individuals may be

more ethnocentric consumers. Finally, greater ethnocentric tendencies may be found among consumers from regions with acute foreign competition.

It is clear from psychological reactance theory that consumers whose socio-economic situation is more vulnerable are more ethnocentric. This general proposition gains support from other theories such as the theories of frustration-aggression-displacement and realistic group conflict. From the perspective of the frustration-aggression-displacement theory, representatives whose socio-economic situation is vulnerable experience a greater amount of frustrating obstacles to achievement of their goals and, therefore, feel greater potential aggression. Greater inhibited aggression results in stronger negative feelings towards out-groups and their artefacts. In the consumer behaviour context such feelings infer greater consumer ethnocentric tendencies.

Also, the above proposition is supported by the realistic group conflict theory. A real threat of foreign competition may have a greater negative impact on individuals whose socio-economic situation is more vulnerable. Therefore, this group of consumers may feel stronger negative attitudes towards the threat source – imports. Accordingly, such consumers are likely to be more ethnocentric.

### **3.2.2 CET effects and dual processing theory**

As discussed earlier, broader categories may shape narrower categories. This idea has been confirmed in studies into consumer ethnocentrism. It was shown that consumer

ethnocentric tendencies lead to favourable attitudes towards specific domestic products and brands. It was also found that consumer ethnocentric tendencies determine negative attitudes towards specific imported items. For instance, consumer ethnocentrism determined negative attitudes towards imported products and brands in Shimp and Sharma (1987), Netemeyer, Durvasula and Lichtenstein (1991), Bawa (2004), Klein, Ettenson and Krishnan (2006) and Kwak, Jaju and Larsen (2006).

Dual processing theory also postulates a negative impact of consumer ethnocentric tendencies on purchasing intentions towards foreign products. Indeed, consumer ethnocentrism is a general tendency indicating reluctance to purchase imports. As such, it may result in unwillingness to buy specific foreign items.

It is worth noting that the proposed effect of CET on purchasing intentions is consistent with the model of Fishbein and Ajzen (1975). This suggests that behavioural intentions are a function of two components, namely, personal attitudes towards performing behaviour and subjective norms guiding this behaviour. According to Shimp and Sharma (1987), the phenomenon of consumer ethnocentrism contains both components in its structure. The first appears in the form of attitudes towards buying imports. Being normative in its nature, the second element refers to morality of purchasing foreign-made products. Given that, ethnocentric consumers hold unfavourable attitudes towards buying imports. Similarly, they follow normative pressures to reject imports because purchasing foreign-made products is not moral

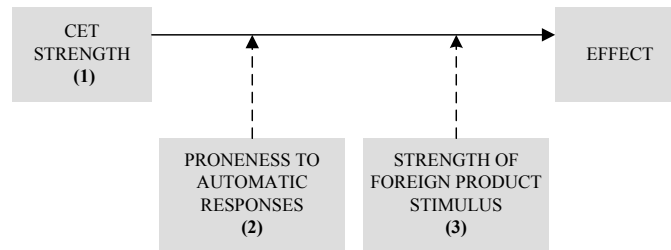
and indicates low patriotism. Having a general tendency not to buy imports, ethnocentric buyers are likely to reject specific products from other countries.

### **3.2.3 The strength of CET effects**

The formation of consumer ethnocentric tendencies and their magnitude across different consumer groups and product categories can be presented from the perspective of the Reactance Effect Model (figure 6). According to the model, individuals with higher levels of consumer ethnocentrism are more likely to feel stronger resentment for specific imports.

Further, ethnocentric consumers with greater propensity to automatic responses are more likely to reject specific foreign products and brands in favour of their domestic substitutes. For example, being more prone to automatic processing, older ethnocentric consumers may feel stronger negative attitudes and intentions towards specific imported items (Craik 1994, Grady and Craik 2000, von Hippel, Silver and Lynch 2000).

Finally, a stronger manifestation of consumer ethnocentric tendencies may be expected when ethnocentric consumers are confronted with foreign products which represent stronger stimuli to reactance-based resentment. Figure 9 provides a summary of the above suggestions.



**Figure 9: Reactance effect model for studying CET effects and explaining their variability**

An additional remark should be made as to which foreign products serve as stimuli to reactance-based resentment. For this, I propose a ‘Framework for Categorisation of Imports as Stimuli to Reactance-Based Resentment’ which is shown in figure10. The framework is built upon the psychological reactance theory (Shimp and Sharma 1987, Brehm 1989, Brehm and Mann 1975). This suggests that the reactance-based resentment of imports is contingent to two necessary criteria. The first criterion is depicted on the vertical axis of the framework in figure 10. It is related to threat of foreign competition to a national production sector. It allows dividing imports into those whose competitive pressures may undermine operations of domestic producers and those which have little or no effect upon the domestic production.

The second criterion is shown on the horizontal axis of the framework (figure 10). It refers to importance of domestic alternatives and their production sector to the nation. Such importance may be due to their critical role in the national socio-economic stability and/or connection to the national culture and history. Domestic alternatives

are crucial to the socio-economic stability in a country when their production sector is a large employer and, therefore, is a source of income for a large portion of the local population (Shimp and Sharma 1987). Also, domestic alternatives are important when their production sector is deeply entrenched into cultural and historical context of the society (Jakubanees, Supphellen and Thorbjørnsen 2005). Based on this criterion, domestic substitutes may be classified into those which are fundamental to the nation and those whose overall impact on the nation is negligible.

**Figure 10: Framework for categorisation of imports as stimuli to reactance-based resentment**

		Importance of domestic alternatives to the nation	
		<b>High</b>	<b>Low</b>
Threat of imports to domestic alternatives	<b>Low</b>	Category #1: <i>Weak stimuli</i>  Example: Computer hardware in Taiwan	Category #2: <i>No stimuli</i>  Example: No domestic substitutes for foreign cars in the Netherlands
	<b>High</b>	Category #3: <i>Strong stimuli</i>  Example: Agricultural food consumables in Mozambique	Category #4: <i>Weak stimuli</i>  Example: Processed food consumables in Mozambique

Source: own

It is clear from figure 10 that the combinations of two criteria produce four categories of imports as stimuli to reactance-based resentment. Category #1 incorporates imports which represent little threat to domestic alternatives of high importance to the nation.

The framework suggests that imports in this category serve as weak stimuli to resentment because they fulfil only one criterion for reactance-based resentment—importance of domestic alternatives and their production sector to the nation. Imports of computer hardware and associated with it semiconductors, storage and displays to the Taiwanese market are an example in this category. For more than twenty years, computer hardware industry has played a critical role in the socio-economic development of the country. Apart from substantial inflows of tax payments into the national budget, the industry has been an employer of a large portion of the local population. This implies that discontinuance of operations in the industry may have a detrimental effect on the overall economic situation in Taiwan (Throne 2004). Meanwhile, foreign competition does not seem to be a serious threat to the Taiwanese computer manufactures in the domestic market because the largest share of their revenues is generated from overseas sales. According to Kraemer and Dedrick (2002) and Lee, Hayter and Edgington (2010), income of the Taiwanese computer producers comes from the USA, China and EU markets.

Category #2 refers to imports which represent little or no threat to domestic substitutes of low importance to the nation. This category of imports does not satisfy criteria for reactance-based resentment. For this reason, it does not contain a stimulus to resentment. Foreign cars in the Netherlands are an example of such imports. They represent no threat in the Dutch market because they have no domestic alternatives. As a result, Dutch consumers do not give negative evaluations to foreign cars. This was shown in Nijssen and Douglas (2004).

Category #3 includes imports which threaten domestic alternatives critical to the nation. Such imports are strong stimuli to reactance-based resentment because they fulfil both necessary criteria to reactance. According to the 'Reactance Effect Model for Studying CET effects and Explaining their Variability', this category of imports is more likely to trigger manifestation of consumer ethnocentric tendencies. Growing imports of agricultural products to Mozambique fall into this category. On the one hand, foreign competition puts at risk Mozambican agricultural producers because those rely on under-developed infrastructures and suffer from lack of financial and managerial resources (Encyclopedia of Nations 2010a). On the other hand, the agricultural sector is vital to Mozambique. It employs more than 80 percent of the local population (Encyclopedia of Nations 2010a). If foreign competition undermines the national agriculture, many Mozambicans will lose subsistence. The agriculture is also important to Mozambicans because it is closely related to the indigenous culture and historical development of the country.

Category #4 is related to imports which represent a threat to domestic substitutes of low importance to the nation. These imports are weak stimuli to reactance-based resentment. In Mozambique such a category is represented by foreign processed food consumables. Their domestic substitutes are not highly competitive because the Mozambican processed food industry is rather weak (Agência de Informação de Moçambique 2006, Encyclopedia of Nations 2010a). Also, the domestic processed food industry has little impact on the overall socio-economic situation in the country.



It provides jobs for very few Mozambicans and its share in the national production is negligible (Agência de Informação de Moçambique 2006).

### 3.3 CONSPICUOUSNESS OF IMPORTS (CI)

The concept of CI is deeply-seated in the notion of product conspicuousness. Conspicuous products are used for an overt display of wealth. Therefore, they satisfy two criteria. First, conspicuous products have a public, as opposed to private, mode of consumption. This is the criterion for potential conspicuousness of products. Second, products convey the wealth of their owner. This function is best performed by unnecessary and expensive products which, according to Veblen (1994), represent a potential “conspicuous waste”. However, necessary products with unnecessary elements making them expensive but not proportionately increasing their serviceability may also be appropriate to convey wealth (Veblen 1994).

According to the above, imported products are conspicuous if they are consumed in an overt way and if they contain an element of “conspicuous waste”. One of the sources of the “conspicuous waste” of imported items is the wealth of their country of origin (COO). A wealthier COO does not increase their serviceability, yet it makes them more valuable to consumers (Dichter 1962, Bilkey and Nes 1982). As a consequence, consumers are ready to pay more for products from more affluent countries (Marcoux, Filiatrault and Chéron 1997).

The overall conspicuousness of imports draws upon the perceived wealth of the country of origin (Marcoux, Filiatrault and Chéron 1997). To increase conspicuousness of its exports abroad, a country needs to develop stereotypes about its wealth by projecting an image of a highly developed economy. Likewise, it may engage in extensive marketing of various conspicuous items—those which have a public mode of consumption and contain an element of ‘conspicuous waste’, e.g. brands, attractive packages, outstanding design and exclusive style.

Yet, the real wealth of countries may also play a role in conspicuousness of their imports abroad. For example, the real wealth of countries is often associated with the trade bias to markets with considerably high purchasing power—those in advanced economies as well as in some higher income emerging economies (Prahalad and Hammond 2002). This suggests that imports from wealthy countries (e.g. advanced economies) in the markets of lower income countries (e.g. developing economies) are relatively scarce. Some authors argue that, being a heuristic cue to value, scarcity contributes to greater attractiveness and desirability of such imports and, as a consequence, increases their conspicuousness among the population in lower income countries (Gierl and Huettl 2010, Lynn 1992, Verhallen 1982).

Likewise, the real wealth of countries is associated with elevated prices of their produce. The population in lower income societies may have little or no experience with highly priced imports. However, higher prices of such imports may serve as a

heuristic cue about their superiority and enhance their conspicuousness (Lynn 1992, Petty and Cacioppo 1986).

Finally, the real wealth contributes to the capacity of COO to potentialize their CI abroad (Mick et al. 2004). Indeed, such a capacity is higher among societies which have well-developed infrastructures, whose governments can afford to promote images of national prosperity, and whose businesses can afford to re-allocate a portion of financial, technological and intellectual resources into the development of 'conspicuous waste'. Having superior infrastructural and financial resources, highly advanced economies have greater chances for reinforcement of their CI in foreign markets. They can relatively easier potentialize the semiotic value of their products as symbols of prosperity (Mick et al. 2004). For example, they can spend more on a superior product design and advertising. Their businesses may benefit from greater investments into new packaging technologies, large retail networks and outstanding acquisition environments.

Having greater capacity to potentialize their CI in overseas markets, wealthier countries of origin are often actualised by foreign buyers as exporters with high CI. Given this, wealthier countries of origin may be conceived of as invaluable assets of their suppliers. Moreover, references to wealthier countries of origin may serve as elements of 'conspicuous waste'.

As mentioned earlier, conspicuousness of imports from a particular country indicates the extent to which consumers admire imports from that country and use them for an overt display of wealth. It is noted that the display of wealth goes beyond mere ostentation of a high social status as initially suggested by Veblen (1994). Instead, it serves many other ways to impress reference groups and may manifest in demonstration of uniqueness and exclusivity (Gierl and Huettl 2010, Bourne 1957).

Parallel to this, Marcoux et al (1997) conceptualised CI as an attitude towards five meanings of consumption. The meanings comprised (1) materialistic hedonism, (2) communication of belonging to or dissociation from a group, (3) social status demonstration, (4) interpersonal mediation, and (5) ostentation. The meaning of materialistic hedonism concerned pleasant aspects of consumption of imports from a particular country. Such aspects included image and uniqueness enhancement as well as augmentation of style and importance by means of the imports. Imports from a particular country are conspicuous if they improve image, bring a sense of uniqueness and indicate style and importance of their owner. In the era of the mass media globalisation, many wealthier societies, e.g. USA, Canada, Europe, have transformed into trendsetters of style in poorer societies. As a consequence, their imports evoke stronger hedonistic attitudes.

The meaning of communication of belongingness to, or dissociation from, a group rests on the association between positive or negative demographic, social, economic and cultural stereotypes of a country and conspicuousness of its exports (Marcoux,

Filiatrault and Chéron 1997). This meaning suggests that imports are conspicuous in a specific market if they gain pervasive acceptance among various reference groups in that market. It also assumes that the pervasive acceptance of imports is a function of positive stereotypes about their COO. In line with Marcoux et al (1997), relatively wealthier countries are often associated with more positive social, economic and cultural stereotypes. Accordingly, imports from such countries gain better acceptance and are perceived as more conspicuous in the context of relatively poorer economies.

The meaning of social status demonstration is related to the issues of success, wealth and prestige (Marcoux et al 1997). In an attempt to enhance their social status, members of poorer societies emulate citizens from wealthier economies because those enjoy better conditions of life and, therefore, represent a model of success. To imitate people from more affluent countries, consumers engage in an overt use of various imports from these countries. This suggests that imports from wealthier economies have greater conspicuousness in a poorer country setting.

The meaning of interpersonal mediation concerns the extent to which imports from a particular country positively influence relationships of their owner with other people. It follows from Marcoux et al (1997) that imports from wealthier countries may increase attractiveness, value and popularity of their owner among other people in poorer societies.

The meaning of ostentation relies on buying a product because of its high price, and the fact that this price is known by others (Marcoux, Filiatrault and Chéron 1997, Lynn 1992, Petty and Cacioppo 1986). Often, imports from more affluent countries have higher prices than domestic products and, therefore, can be afforded by a few people in poorer countries. The expensiveness of such imports represents an element of 'conspicuous waste'. It signals prosperity of their owner and stimulates invidious consumption among other people. Hence, imports from wealthier economies may have greater conspicuousness in poorer societies.

The five meanings of CI cut across cognitive, affective and normative aspects. The cognitive element of CI may, for instance, emanate from an assessment of each country of origin across dimensions of wealth, e.g. level of socio-economic development, extensive use of status products by its citizens, high quality of its products. The affective side of CI evinces feelings of connection with more prosperous societies, their life style and products. The normative aspect of CI may be related to norms that indicate COOs whose products pave the way for higher status through conspicuous consumption.

Although the overall conspicuousness of imports is determined by the wealth of its COO, its specific meanings accrue from import categories. This means that the salience of CI meanings depends upon the structure of imports from the COO. For example, if imports are dominated by image-related articles which are suitable for purposes of materialistic hedonism, then the dimension of materialistic hedonism will

be more prominent. Likewise, if most imports from the COO are status-laden items, then the dimension of social status demonstration will be more pronounced.

Marcoux et al (1997) developed the construct of CI from a specific country as a potential antecedent of favourable attitudes and purchasing intentions towards specific products from that country. In addition, CI may predict purchases of foreign products.

### **3.3.1 CI, reference group and relative deprivation theories and semiotics**

The following discussion integrates the developments of the reference group and relative deprivation theories in order to explain as to how imports from wealthier economies become conspicuous among consumers of poorer economies. I also refer to the semiotic framework as its assumptions concerning the interaction of individuals with external environment are fundamental to both theories (Crosby 1976). The assumptions are the following. First, people evaluate themselves through comparison with other people in their immediate environment or primary groups. Second, groups are divided into ‘haves’ and ‘have-nots’. Exposure to such a difference makes it more noticeable to individuals. Third, feelings on the part of the ‘have-nots’ can vary systematically with characteristics of the interaction with ‘haves’ or with characteristics of ‘haves’ themselves. Once ‘have-nots’ have attained the level of ‘haves’, they aspire to reach the level of a new reference group – the one which consists of more attractive and more powerful ‘haves’ (Chipp, Kleyn and Manzi 2011).

In line with the semiotics assumptions, countries and businesses potentialize their images and conspicuousness of their products in the foreign markets (Mick et al. 2004). However, wealthier economies have more chances to succeed in this because they can afford investments into the development of ‘conspicuous waste’ elements resulting in higher perceived power of wealthier countries and attractiveness of their exports.

However, the potentialization effectiveness of a wealthier COO depends upon the extent to which consumers in poorer markets are exposed to symbols of success and to products of the COO. The relative deprivation theory suggests that the difference between the ‘haves’ and ‘have-nots’ is not evident to consumers unless they are exposed to it (Crosby, 1976). ‘Have-not’ consumers will not feel deprived of a product if they are not aware of its existence. Consumers from Central and Eastern Europe and the Soviet Union did not feel relative deprivation with respect to advanced economies in the West during the socialist era because the exposure to any overseas influences was minimal (Marcoux, Filiatrault and Chéron 1997, Jakubanees, Supphellen and Thorbjørnsen 2005, Good and Huddelston 1995). However, relative deprivation became evident in the post-socialist period. The same is true in the case of Africa. In the early post-independence period, infrastructures and means of communication in many African societies were either destroyed or obsolete (Newitt, 2000). Hence, the preponderance of the African population had little information of what people in other countries might afford (Newitt 2009, Knauder 2000). As a



result, the deprivation was less acute in the early post-colonization period (Knauder 2000).

Consumer exposure to symbols of a wealthier COO and to its products may take various forms. The first is due to societal dictates. These include various TV and radio programs as well as publications in newspapers and magazines which inform about higher socio-economic standards of the wealthier COO. Likewise, the societal dictates may be represented by marketing campaigns promoting the wealthier COO and its exports. Clearly, the exposure to societal dictates depends upon access to TV, radio, internet, newspapers, journals and magazines, etc.

The second form of exposure is due to consumer's personal past. A consumer may have lived or visited the wealthier COO. Alternatively, a consumer may have a direct experience with some imports from the COO because they fall into the scope of her purchasing decisions.

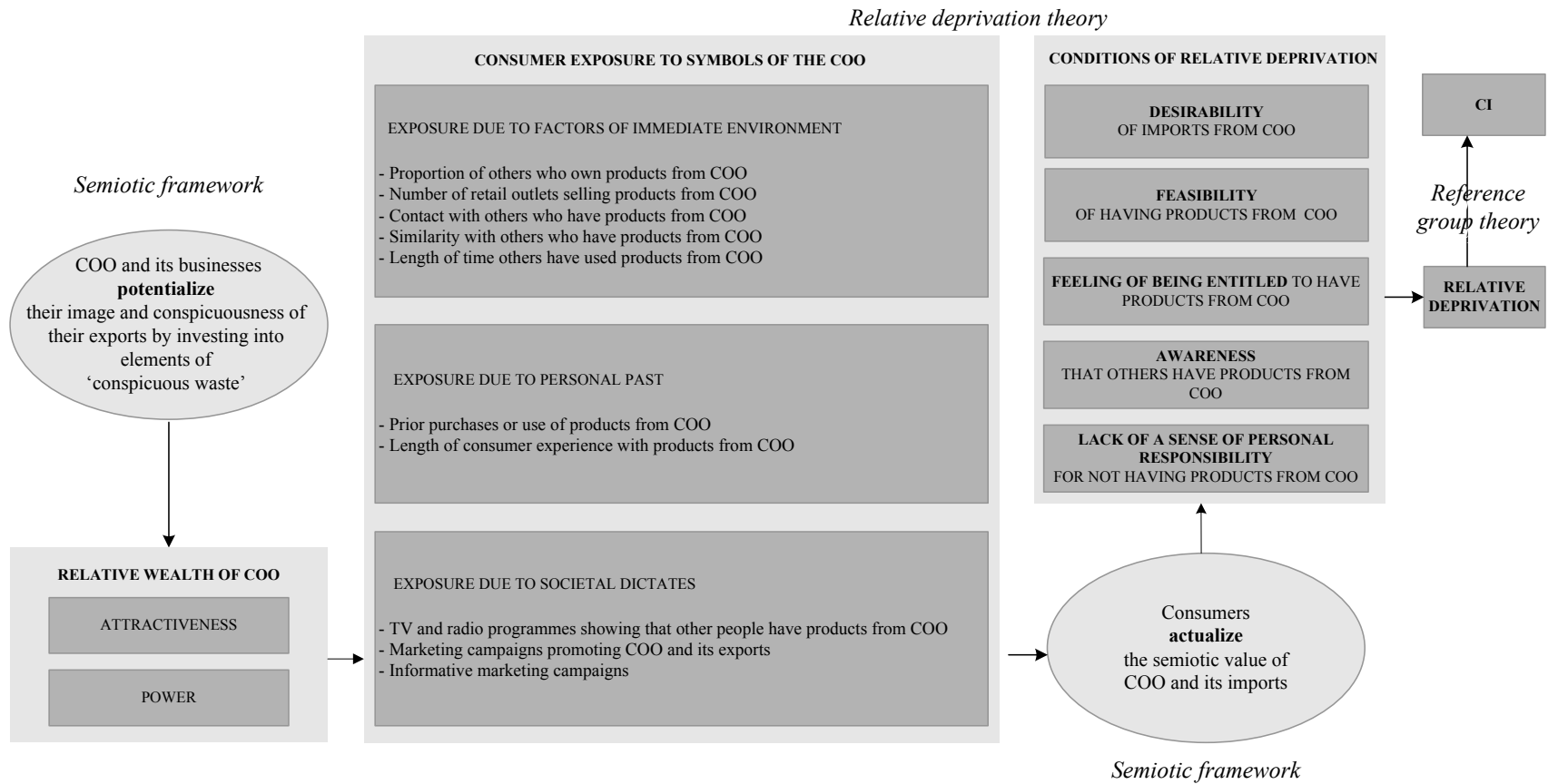
Finally, consumer exposure may be due to factors of immediate environment. Consumers infer attractiveness of products from a wealthier COO from the proportion of others who acquire these products. If this proportion grows, an individual wants to catch up with others and aspires to obtain such imported items (Chipp, Kleyn and Manzi 2011). Contact with others, who have already purchased products from a wealthier COO, may also shed the light on a superior quality of its imports. This constituent of consumer exposure may be of greater importance in

collectivistic cultures where interaction among people is more intensive (Mourali, Laroche and Pons 2005). Contact with citizens from the wealthier COO may reveal higher socio-economic standards in that country.

Consumer exposure stimulates consumer actualization of the semiotic value of a COO and its imports (Mick et al. 2004). While actualizing, consumers generate meanings about wealth and power of the COO relative to the home country, prosperity of its population and capacity of its imports to signal various dimensions of wealth – uniqueness, style, status, etc.

The actualization process also creates conditions for relative deprivation. Consumers realize that some people represent the ‘haves’ who can easily afford such imports and use them to differentiate from those who are ‘have-nots’. These are citizens of the wealthier COO as well as the more affluent population in their home country. The ‘haves’ become reference groups (Crosby 1976). Being deprived of what these reference groups have, consumers aspire to reach the level of ‘haves’ and, most importantly, gain their approval. This leads to emulation of reference groups and conspicuous consumption of products associated with them (Merton and Rossi 1962). The above ideas are summarised in figure 11.

**Figure 11: Framework for analysis of the nature of conspicuousness of imports**



Source: based on Merton and Rossi (1962), Crosby (1976) and Mick et al (2004)

### **3.3.2 CI effects and dual processing theory**

As shown above, broader categories may shape narrower categories (Barrett, Tugade and Engle 2004). This idea has been confirmed in studies into the conspicuousness of imports. Conspicuousness of imports from a specific country was a predictor of favourable attitudes towards specific imports from that country.

### **3.4 THE RELATIONSHIP AMONG DIMENSIONS OF CI AND DUAL PROCESSING THEORY**

The dual processing theory suggests that the knowledge of individuals is structured into categories (Barrett, Tugade and Engle 2004). Categories consist of sub-categories. Given this, sub-categories which represent the same category are positively correlated. Following this logic, the dimensions of conspicuousness of imports are expected to be positively correlated.

### **3.5 THE RELATIONSHIP BETWEEN CET AND CI AND DUAL PROCESSING THEORY**

In line with the dual processing theory, some individuals are more prone to automatic processing of information because their working memory capacity and attention control are lower. Consumer ethnocentrism and a tendency towards conspicuous consumption of imports are stereotype-based dispositions (Barrett, Tugade and Engle 2004). As such, they represent forms of automatic processing (Barrett, Tugade and Engle 2004). This means that individuals who are prone to automatic processing are more likely to be ethnocentric and see greater conspicuousness in imports from wealthier economies. Accordingly, consumer ethnocentrism and conspicuousness of imports may be positively related.

#### 4. HYPOTHESES

This part centres on propositions about consumer ethnocentrism and conspicuousness of imports in the context of imports from South Africa to Mozambique. Its structure consists of three sections. The first section puts forward propositions on the strength of consumer ethnocentrism and conspicuousness of South African imports in the Mozambican market.

The second section presents hypotheses which deal with main effects. These include propositions about (1) the demographic nature of CET and  $CI_{RAS}$ , (2) the relationships among the dimensions of  $CI_{RAS}$ , (3) the relationship between CET and  $CI_{RAS}$ , and (4) consequences of CET and  $CI_{RAS}$ .

The final section suggests several hypotheses on moderating effects of the model. First, it discusses the demographic moderators in CET effects. Second, it puts forward propositions about the moderating role of CET in the impact of product type on consumer preferences in the markets of agricultural and processed food consumables.

##### 4.1 STRENGTH OF CET AND $CI_{RAS}$

Psychological reactance theory (Brehm 1989, Brehm and Mann 1975) suggests that Mozambican consumers will be more ethnocentric than consumers in emerging and advanced economies. The theory shows that in-groups whose economic livelihood is more threatened by foreign competition may experience stronger reactance leading to greater domestic product bias and greater resentment

of imports (Shimp and Sharma 1987, Brehm 1989, Brehm and Mann 1975). The threat of imports to the economic welfare of people is slighter in emerging and advanced economies. Indeed, having better infrastructures and more sophisticated managerial systems, most producers in emerging and advanced economies can relatively easily resist foreign competition. This enables continuance of business operations and secures jobs. Further, governments of many emerging and advanced economies offer socio-economic support to the unemployed population (Lindbeck 2008). That is, those who lose jobs due to foreign competition are entitled to various types of subsidies and benefits (Lindbeck 2008).

The situation is different in the case of developing countries, especially those in the category of the least developed countries. Growing imports represent an acute threat to the socio-economic situation of the population. First, under-developed infrastructures, lack of financial resources and poor management make many economic sectors in these countries highly vulnerable to pressures from foreign competition pressures (Kokko 2006, Dunning 2009, Bell 2007). Imports may easily undermine the national production system and cause unemployment in such countries (Bell 2007). Second, most developing economies do not provide financial support to the unemployed population when the national economy is hurt (Lindbeck 2008, Ginneken 2003).

In sum, imports represent a greater threat to the socio-economic population in the least developed countries. Accordingly, people in these countries are expected to

experience greater reactance when they are confronted with foreign products. That is, they are expected to be more ethnocentric.

As shown in the background to the study, Mozambique is one of the least developed countries in the world (United Nations - DESA 2010, UN-OHRLLS 2010a). It is, therefore, possible that reactance of consumers in Mozambique with respect to imports will be higher than that of consumers in emerging and advanced economies. Hence, Mozambican consumers are expected to be more ethnocentric than consumers in emerging and advanced economies.

This proposition of the psychological reactance theory (Brehm 1989, Brehm and Mann 1975) may be supported by the theory of realistic group conflict (Sherif 1961, Sherif 1998, Sherif 1988, Sherif 1958) suggesting that greater real threat to desired resources causes greater ethnocentrism (Levine and Campbell, 1972). Growing imports in the least developed economies are likely to elicit high consumer ethnocentrism because, incapable of retaliating against pressures of foreign competition, domestic producers often close down operations and lay off employees leaving them without income (Tybout 2000). Accordingly, consumers in a least developed country, Mozambique, may also be more ethnocentric than those in advanced and emerging economies.

An additional support for the above idea comes from the theory of frustration-aggression-displacement (Dollard et al. 1939). This suggests that poorer socio-economic situation serves as a frustration source which brings up greater inhibited

aggression conditioning greater narcissistic gratification at the group level—ethnocentrism (LeVine and Campbell 1972, Dollard, et al. 1939). Given this, worse socio-economic conditions are expected to trigger greater ethnocentrism in the least developed countries. Being more ethnocentric, such countries are likely to exhibit higher levels of consumer ethnocentrism. A similar idea was suggested in a meta-analytic study by (John and Brady 2010) who examined variability of consumer ethnocentric tendencies across 34 studies in countries with different levels of socio-economic development. The authors concluded that low income developing countries were the most consumer ethnocentric societies. Based on the foregoing evidence, CET in Mozambique, the least developed economy, is expected to be higher than CET in emerging and advanced economies. Formally stated,

**H1:** CET in Mozambique will be higher than that in advanced and emerging economies.

The least developed countries are a sub-category of developing countries (UN-OHRLLS 2010, International Monetary Fund 2010). Albeit worse, their socio-economic conditions do not substantially differ from those in other developing countries. This implies that the negative impacts of foreign competition are likely to be similar in these two groups of countries. Consequently, Mozambique, the least developed country, and other developing countries are expected to exhibit similar levels of reactance with respect to imports. I, therefore, hypothesize that:

**H2:** The level of CET in Mozambique will not differ significantly from the level of CET in other developing economies.



Only one study reported the level of CI (Wang and Chen 2004). It focused on conspicuous consumption of imports from advanced western economies to a developing country market – China. However, prior research does not provide data on CI levels when imports to developing economies come from emerging economies. Without such data it is not possible to evaluate the level of CI<sub>RAS</sub>. Therefore, the study does not propose formal hypotheses about CI<sub>RAS</sub> strength.

## 4.2 MAIN EFFECTS

### 4.2.1 The nature of CET

The following hypotheses deal with the impacts of age, gender, national sub-groups and employment status on consumer ethnocentric tendencies. Like the originators of the theory of consumer ethnocentrism (Shimp and Sharma, 1987), I justify the propositions from the perspective of the psychological reactance theory (Brehm 1966, Brehm and Brehm 1981). In addition to this, I show how these propositions agree with other middle range theories such as the frustration-aggression-displacement (Berkowitz 1989), realistic group conflict (Sherif 1961, Coser 1957), reinforcement (Bandura, Ross and Ross 1963, Bandura 1971) and reference group theories (LeVine and Campbell 1972, Merton and Rossi 1962).

#### 4.2.1.1 Age

Shimp and Sharma (1987) proposed a positive effect of age on CET. The authors assumed that, compared to younger population, older people were more liable to lose their jobs but be unable to find new ones if foreign competition should hurt the national production system. Using the psychological reactance theory (Brehm 1966), they suggested that, having a more vulnerable position in the job market,

older individuals may experience a stronger reactance with respect to imports leading to greater consumer ethnocentrism among this group of population. The subsequent tests in the USA confirmed this proposition (Shimp and Sharma, 1987). Later studies, whose results were significant, also reported a positive effect of age on consumer ethnocentrism (table 4).

Based on psychological reactance theory, the suggested impact does not seem plausible in remote Mozambican areas—rural zones and central and northern regions—whose traditional cultures set younger employees at a disadvantage on the local job markets (Virtanen 2005b, Bolnick 2008). However, the positive effect of age may take place in an area of enquiry - southern Mozambique. Indeed, older individuals in this region have difficulties to secure their jobs. If the national economy is hurt by foreign competition, they will be the first to lose jobs. Their further reintegration into the job market may be problematic.

Additionally, the proposition agrees with the theory of frustration-aggression-displacement (Berkowitz 1989). According to this theory, vulnerable position of older individuals in a job market is a factor of socio-economic problems. These are a frustration source which conditions aggression (Berkowitz 1989). Being inhibited by societal norms and laws, the aggression of older individuals is displaced on to other societies and their artefacts (LeVine and Campbell 1972). It may take form of negative attitudes towards foreign products suggesting higher consumer ethnocentrism among the older population. Formally stated,

**H3a (+):** CET will be greater among older individuals.

**Table 4: Age as an antecedent of CET**

Source	Geographic Area of Study	Effect Direction	Statistical Significance
Cleveland, Laroche and Papadopoulos (2009)	Canada	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	Mexico	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	Greece	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	Korea	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	Hungary	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	India	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	Chile	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	Sweden	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	China	Positive	Significant
Cleveland, Laroche and Papadopoulos (2009)	Czech Republic	Positive	Significant
Vida and Fairhurst (1999)	CEE	Positive	Significant
Supphellen and Rittenburg (2001)	Poland	Positive	Significant
Witkowski (1998)	Mexico	Positive	Significant
De Ruyter, van Birgelen and Wetzels (1998)	Netherlands	Positive	Significant
Caruana and Magri (1996)	Malta	Positive	Significant
Witkowski (1998)	Hungary	Positive	Significant
Balabanis, et al. (2001)	Turkey	Positive	Significant
Javalgi et al. (2005)	France	Positive	Not significant
Yoo and Donthu (2005)	USA	Positive	Not significant
Park, Rabolt and Jeon (2008)	South Korea	Negative	Not significant
Spillan, Kucukemiroglu and de Mayolo (2008)	Peru	Negative	Not significant
Bawa (2004)	India (Managers)	Positive	Not significant
Bawa (2004)	India (University students)	Positive	Not significant
Bawa (2004)	India (School students)	Positive	Not significant
Balabanis et al. (2001)	Czech Republic	Positive	Not significant
Klein (2002)	USA	Positive	Not significant
Sharma, Shimp and Shin (1995)	Korea	Negative	Not significant

#### *4.2.1.2 Gender*

Gender is one of the most frequently researched antecedents of consumer ethnocentric tendencies. The results were inconsistent across studies because in some cases gender did not predict consumer ethnocentrism (Cleveland, Laroche and Papadopoulos 2009, Yoo and Donthu 2005, Balabanis, et al. 2001, Good and Huddelston 1995). The reasons for inconsistency are not known suggesting a literature gap. Table 5 provides a summary of gender effects from earlier studies.

Psychological reactance theory (Brehm 1966) suggests that women will be more ethnocentric consumers in the Mozambican context. According to Ardeni and Andracchio (2001) and van Klaveren et al. (2009), the employment situation of women is more vulnerable than that of men. If foreign competition undermines the national production system, women are more likely than men to lose their jobs and, having been made redundant, will likely to have more trouble integrating back into the workforce. Being a source of threat to the employment of women, imported products are expected to elicit a stronger reactance-based resentment among female consumers.

**Table 5: Gender as an antecedent of CET**

Source	Geographic Area of Study	Effect Direction	Statistical Significance
Cleveland, Laroche and Papadopoulos (2009)	Mexico	Women are more ethnocentric	Significant
Cleveland, Laroche and Papadopoulos (2009)	Greece	Women are more ethnocentric	Significant
Wang and Chen (2004)	China	Women are more ethnocentric	Significant
Javalgi et al. (2005)	France	Women are more ethnocentric	Significant
Balabanis et al. (2001)	Turkey	Women are more ethnocentric	Significant
Vida and Fairhurst (1999)	CEE	Women are more ethnocentric	Significant
Good and Huddleston (1995)	Poland	Women are more ethnocentric	Significant
Cleveland, Laroche and Papadopoulos (2009)	Canada	Men are more ethnocentric	Not significant
Cleveland, Laroche and Papadopoulos (2009)	South Korea	Women are more ethnocentric	Not significant
Cleveland, Laroche and Papadopoulos (2009)	Hungary	Women are more ethnocentric	Not significant
Cleveland, Laroche and Papadopoulos (2009)	India	Men are more ethnocentric	Not significant
Cleveland, Laroche and Papadopoulos (2009)	Chile	Women are more ethnocentric	Not significant
Cleveland, Laroche and Papadopoulos (2009)	Sweden	Men are more ethnocentric	Not significant
Yoo and Donthu (2005)	USA	Men are more ethnocentric	Not significant
Supphellen and Rittenburg (2001)	Poland	Women are more ethnocentric	Not significant
Spillan, Kucukemiroglu and de Mayolo (2008)	Peru	Men are more ethnocentric	Not significant
Ishii (2009)	China	Women are more ethnocentric	Not significant
Balabanis et al. (2001)	Czech Republic	Women are more ethnocentric	Not significant
De Ruyter, van Birgelen and Wetzels (1998)	Netherlands	Women are more ethnocentric	Not significant
Caruana and Magri (1996)	Malta	Women are more ethnocentric	Not significant
Good and Huddleston (1995)	Russia	Women are more ethnocentric	Not significant
Bawa (2004)	India (University students)	Women are more ethnocentric	Not significant
Bawa (2004)	India (School students)	Women are more ethnocentric	Not significant
Watson and Wright (2000)	New Zealand	Women are more ethnocentric	Not specified
Hsu and Nien (2008)	China (Taipei)	Men are more ethnocentric	Not specified
Hsu and Nien (2008)	China(Shanghai)	Men are more ethnocentric	Not specified

Greater ethnocentrism of women seems plausible also from the standpoint of frustration-aggression-displacement theory (Berkowitz 1989). An obstacle to achievement of many personal goals, weaker socio-economic position of women in the Mozambican society is a source of frustration which conditions aggression (Ardeni and Andracchio 2001, van Klaveren, et al.). Being inhibited by Mozambican norms and laws, the aggression is displaced from Mozambique onto other societies and their objects (LeVine and Campbell 1972). For example, the displaced aggression may manifest in hatred of foreign products. Based on the above, I propose the following hypothesis:

**H3b (-):** CET will be greater among women.

#### *4.2.1.3 National sub-groups*

Rose, Rose and Shoham (2009) call for studying consumer tendencies via lens of sub-groups as many nations, especially those in Africa, represent heterogeneous groups. Nonetheless, very few studies have examined the role of sub-group membership in consumer ethnocentric tendencies (Shimp and Sharma 1987, Rose, Rose and Shoham 2009, Pereira, Hsu and Kundu 2002). Their focus was mainly on regional and ethnic sub-groups, depending upon specifics of the studied context (Rose, Rose and Shoham 2009). I first look at subgroups in three cases: USA, Israel and Taiwan; and then I go on to look at the Mozambican context.

Shimp and Sharma (1987) adopted a regional perspective to explore the sub-group effect across four geographic areas in the USA: Detroit, Denver, Los Angeles and Carolinas. Their results revealed significant differences in consumer ethnocentric

tendencies between the four areas. Using the psychological reactance theory of Shimp and Sharma (1987) and Brehm (1966) concluded that consumer ethnocentric sentiments were stronger in areas where foreign competition threatened local industries. An alternative explanation for the effect may be borrowed from the realistic group conflict theory (Sherif 1961) which claims that ethnocentric sentiments of consumers are instigated by a real threat to the economic welfare of the sub-group. In Shimp and Sharma (1987), consumer ethnocentric tendencies were high in those areas of USA where foreign competition already caused real damage to industries of high importance to the regional economy. The theoretical support of the finding might also be extended to reference group and reinforcement theories which explain intra-group differences in consumer ethnocentrism as a function of unequal distribution of incentives across sub-groups (LeVine and Campbell 1972, Merton and Rossi 1962, Bandura, Ross and Ross 1963, Bandura 1971). However, the study did not provide details as to which of the four areas received greater support from the national government.

Rose, Rose and Shoham (2009) considered ethnic sub-groups. They compared consumer ethnocentric tendencies between Arab and Jewish representatives in northern Israel. Consumer ethnocentrism was significantly higher in the sample of Jewish Israeli. The authors did not provide a theoretical justification of the effect. However, it may be explained by the reference group theory suggesting that individuals exhibit lower in-group loyalty, or ethnocentrism, when they are deprived of some rewards of their in-group and when they are psychologically

connected to out-groups (LeVine and Campbell 1972, Merton and Rossi 1962). Jamal (2007) argues that the Arab population has been deprived of political power and access to national resources in Israel. They note that:

As Arab society has been deprived of real power in the Israeli polity, it has no access to the main centres of policy making. As a result, Arabs have been marginalised in the Israeli matrix of power, a marginalisation apparent in the allocation of resources by state agencies (p. 271).

Also, the Arab minority has a weaker emotional connection with the Israeli in-group. Rose, Rose and Shoham (2009) contend that:

Arab Israelis may feel culturally and religiously connected to other Arabs in the Middle East and identify with other Arabs as an “in-group” (p. 336)

A sense of deprivation and psychological disconnection from the Israeli membership group might contribute to lower consumer ethnocentrism among Arab Israelis. On the other hand, Jewish Israelis felt more ethnocentric.

Alternatively, the ethnic group effect in Rose et al (2009) may be justified by the reinforcement theory suggesting that a positive reinforcement of in-group loyalty delivered to one sub-group may serve as a negative reinforcement for another sub-group whose characteristics and activities are similar to those of the first sub-group (Bandura, Ross and Ross 1963, Bandura 1971). The fact that most power



and resources are distributed among Jewish Israelis serves as a positive reinforcement of the national loyalty among the Jewish population (Jamal 2007). By contrast, it operates as an implicit negative reinforcement for the Arab minority suggesting national detachment and weaker ethnocentric sentiments among this sub-group.

The psychological reactance theory and realistic group conflict theories might also enrich analysis of the finding (Brehm 1966, Sherif 1961). However, these theories view intra-group differences in consumer ethnocentrism as a function of differences in sub-groups' exposure to threats of foreign competition. The information about differences in exposure of Arab and Jewish groups to foreign competition is not given in Rose, Rose and Shoham (2009).

However, in some cases regional and ethnic divisions between sub-groups overlap. Pereira, Hsu and Kundu (2002) compared differences in consumer ethnocentric tendencies between two regions in China – Taiwan and the mainland region. The authors showed that the divergence in historical trajectories followed by subsequent disparities in socio-economic development of the two regions set the Taiwanese ethnic group apart from the mainland population. Due to a weaker emotional connection with the mainland, Taiwanese participants demonstrated significantly weaker ethnocentric loyalty to Chinese products (Pereira, Hsu and Kundu 2002).

It is noted that Pereira, Hsu and Kundu (2002) did not put forward a theoretical justification of the finding. However, it may be explained by the reference group, reinforcement, psychological reactance and realistic group conflict theories (Brehm 1966, LeVine and Campbell 1972, Merton and Rossi 1962, Bandura, Ross and Ross 1963, Bandura 1971, Sherif 1961). Based on the reference group theory, Taiwanese consumers might be less ethnocentric because the Chinese in-group provided fewer incentives for their national loyalty and because they aspired to connect psychologically and culturally with Japan and Western countries (Pereira, Hsu and Kundu 2002). Under the Japanese colonization from 1895 to 1945, the Taiwanese population dreamt of returning one day to the bosom of the great Chinese motherland (Chang and Holt 2007). However, their hopes for a better future did not fulfil as they began to feel marginalised with the arrival of the mainland Nationalist government in 1945. As a Chinese minority deprived of political power and opportunity to maintain existing culture, some Taiwanese began to look back to Japan as a reference model of a better life whereas others realised the importance of the unique Taiwanese identity for further independence (Chang and Holt 2007). As Deng's democratic reforms in China established a bridge with advanced western economies, the Western societies became a new reference group to the Taiwanese population (Anderson and He 1998).

According to the reinforcement theory (Bandura 1971), the mainland Chinese were more ethnocentric consumers in (Pereira, Hsu and Kundu 2002) because the national government had been relentless in delivering positive reinforcement for this sub-group by ensuring their political and cultural dominance. Such a positive

reinforcement served as an implicit negative reinforcement for the Taiwanese causing their further emotional detachment from the mainland.

Consistent with psychological reactance and realistic group conflict theories, Taiwan was a market with lower consumer ethnocentrism in Pereira, Hsu and Kundu (2002) because imports did not threaten the employment situation of the population. Indeed, at the time of Pereira, Hsu and Kundu (2002) study, the preponderance of the large employers in Taiwan were already world leading exporters whose sales were less dependent upon performance in the Taiwanese market (Chen 2007). By contrast, consumer ethnocentrism was higher in mainland China because in the end of 1990s and beginning of 2000s the increase in imports was also accompanied by a growing unemployment in the country (Hale and Hale 2003).

It follows from the above discussion that consumer ethnocentrism is higher among those regional and ethnic sub-groups (1) which are more threatened by foreign competition and/or (2) which, being deprived of some incentives available to other subgroups, become detached from the in-group. Such a conclusion goes beyond Shimp and Sharma (1987) who claimed that consumer ethnocentric tendencies are especially prominent among subgroups whose quality of life and economic livelihood are threatened by foreign competition. It seems that intra-group differences in consumer ethnocentrism may also originate in unequal treatment of sub-groups within a nation. Dominant sub-groups feel more ethnocentric whereas marginalised sub-groups feel less loyalty to the nation and

may even feel psychological attachment to other countries. Given this, the psychological reactance and realistic group conflict theories, which use a threat of foreign competition as a primary unit of analysis, may be insufficient to explain variability of consumer ethnocentrism across sub-groups. Their explanation should be supplemented by theories which focus on discriminatory treatment of sub-groups within a state. These are the theories of reference group and reinforcement.

As mentioned in the background to the study, Mozambican divisions into regions and ethnic cluster overlap. This makes the categories of regions and ethnic clusters inseparable in the Mozambican context. Hence, the study develops a proposition from both regional and ethnic perspectives. The hypothesis is justified by the theory of psychological reactance. Along with it, I employ the theories of realistic group conflict, reinforcement and reference group.

The psychological reactance theory suggests that those, whose economic livelihood is more threatened by foreign competition, demonstrate stronger reactance which, in turn, leads to greater consumer ethnocentric tendencies (Shimp and Sharma 1987, Brehm 1966). The growing imports of consumer goods are likely to evoke stronger reactance and, therefore, greater consumer ethnocentrism among the native southern population in Mozambique. First, imports concentrate mainly in the south as, due to poor infrastructures, they do not reach central and northern regions. Second, imports compete with the produce of the two important sectors in the south – agriculture and light industry. If these

sectors are hurt by foreign competition, many local people may lose their jobs. Third, the threatened sectors remain weak and, therefore, highly dependent upon the southern market. Also, the south has been the target of imports of consumer goods for nearly a century. This implies that the native local population may have a greater accumulated reactance.

This proposition of the psychological reactance theory is consistent with realistic group conflict theory (Sherif 1961). The realistic group conflict theory states that consumer ethnocentric tendencies are more significant when a real threat of imports is greater. As mentioned earlier, growing imports target mainly the southern market. Hence, they represent a greater real threat to the socio-economic welfare of the southern population. As a result, the southern Mozambicans are expected to be more ethnocentric consumers.

The reinforcement theory puts forward that implicit reinforcement contributes to intra-group differences in ethnocentric tendencies (Bandura, Ross and Ross 1963, Bandura 1971). That is, a positive reinforcement delivered to one sub-group serves as a negative reinforcement for another sub-group. As shown in the background to the study, both representatives of southern and non-southern ethnic groups contributed equally to the liberation of Mozambique from Portugal in 1975. Since then, the FRELIMO-led government has always given preference to the south while re-distributing the country's scarce financial resources (Newitt 2009). This augmented the socio-economic deprivation of the central and northern provinces even further. Also, the administrative and political systems of

Mozambique have been biased to the south. For example, the majority of seats in the parliament pertain to delegates from the south (Hanlon 2010). In sum, representatives of the southern ethnic groups have been subject to positive reinforcement of the in-group loyalty. This has served as an implicit negative reinforcement to non-southern ethnic groups. This suggests that, compared to non-southern counterparts, individuals from southern ethnic groups may be more ethnocentric.

Following the logic of the reinforcement theory, the reference group theory also sustains the above proposition (LeVine and Campbell 1972, Merton and Rossi 1962). The Mozambican in-group provides fewer incentives towards its non-southern members. As a consequence, non-southern Mozambicans are expected to have a weaker in-group bias and lower level of ethnocentrism. This may contribute to weaker consumer ethnocentric tendencies among this category.

**H3c (-):** CET will be higher for the sub-group of southerners.

#### *4.2.1.4 Employment status*

Shimp and Sharma (1987) entertained the possibility of employment status impacting CET from the standpoint of the psychological reactance theory (Brehm 1966):

Because an unemployed or imminently unemployed individual's quality and way of life are threatened, the individual should be motivated to evaluate more positively the threatened alternative (i.e., "the American way of life" and associated artefacts such as American-made products) and to evaluate less positively the source of threat (i.e., foreign competition) and its associated products (p. 286).

In a similar manner, one might expect that unemployed Mozambicans will be inclined to give more positive evaluations to the threatened alternatives such as domestic products and to feel contempt of the source of threat—growing imports. That is, unemployed Mozambicans are expected to be more ethnocentric consumers.

Such a proposition may be supported by the frustration-aggression-displacement theory (LeVine and Campbell 1972, Berkowitz 1989). Being sources of frustration, economic hardship and social exclusion of unemployed Mozambicans stimulate their aggression (Turshen 2004, Knauder 2000). The displacement mechanism for aggression brings about ethnocentric tendencies (LeVine and Campbell 1972). In consumer behaviour, these tendencies manifest in consumer ethnocentrism. I propose the following hypothesis:

**H3d (-):** CET will be greater among unemployed Mozambicans.

#### **4.2.2 The nature of $CI_{RAS}$**

An integrative view of the relative deprivation and reference group theories (LeVine and Campbell 1972, Merton and Rossi 1962, Crosby 1976) and the semiotic framework (Mick et al. 2004, Mick 1986) suggests that individuals, whose exposure to symbols and exports of a wealthier COO has been more extensive, feel more deprived as the difference between their socio-economic situation and that of citizens of the COO becomes more evident. To such individuals the wealthier COO represents a reference group. In attempt to reach its level, consumers emulate the reference group and develop a tendency to

conspicuous consumption of its products. In sum, conspicuousness of imports from a wealthier COO is a function of consumer exposure to symbols of its success and its products. Given this, this study assumes that conspicuousness of South African imports will be more evident to those categories of the Mozambican population which have stronger historical, geographic and economic ties with South Africa and greater consumer experience with imports from this country.

#### *4.2.2.1 Age*

Some studies suggest that the negative impact of age on conspicuousness of imports from wealthier economies seems plausible in developing countries where, due to historical precursors, older generations had limited exposure to imports and younger people were brought up in an era of globalisation and extensive use of mass media communications promoting values of wealthier societies (Marcoux, Filiatrault and Chéron 1997, Anderson and He 1998, Bar-Haim 1989).

For example, in the end of the 1990s, Chinese people aged 35 and over remained less receptive to consumer goods from advanced countries in the West because they had grown up in Mao's socialist regime (Anderson and He 1998). By contrast, younger Chinese consumers—those who grew up under Deng's economic reform—favoured Western products more because they enhanced image (Anderson and He 1998).

Similarly, younger Central and Eastern Europeans in the early post-socialist period felt greater admiration for Western products as symbols of rich societies,



prosperous life and status (Marcoux, Filiatrault and Chéron 1997, Bar-Haim 1989).

These examples suggest that younger consumers in other developing countries with similar historic transformations may also see imports from wealthier societies as more prestigious and use them for conspicuous consumption. Such a proposition seems pertinent to the Mozambican context.

Grown up in the post-independence period, younger Mozambicans have had greater exposure to information about South Africa and symbols of its prosperity, e.g. its television programmes, music events, appearances of celebrities, expensive marketing campaigns and luxurious products (Newitt 2009, Knauder 2000). To them South Africa has a greater semiotic value as a wealthier society. Their feeling of relative deprivation with respect to South Africans may be more intense. As a result, they may be more prone to emulate the life style of the South African population as well as Mozambicans who are associated with South Africa. In attempt to imitate South Africans and to impress local reference groups, younger consumers are more likely to engage in conspicuous consumption of South African products. They are expected to use South African items as tools to enhance personal image and style, to communicate belongingness to reference groups, to demonstrate status, to improve relationships with others and to show ability to pay higher prices. I, therefore, propose the following hypotheses:

**H4a-1:** CI<sub>RAS</sub> materialistic hedonism will be greater among younger individuals.

**H4a-2:**  $CI_{RAS}$  communication of belonging to a group will be greater among younger individuals.

**H4a-3:**  $CI_{RAS}$  social status demonstration will be greater among younger individuals.

**H4a-4:**  $CI_{RAS}$  interpersonal mediation will be greater among younger individuals.

**H4a-5:**  $CI_{RAS}$  ostentation will be greater among younger individuals.

#### *4.2.2.2 Gender*

Due to a wide-ranging experience with South African products and marketing campaigns, women are expected to see greater conspicuousness in South African imports. As shown in the background to the study, a large portion of South African imports is represented by consumables and less complex durables. The responsibility for purchasing these product categories is on women. Also, the preponderance of South African marketing campaigns target women. Formally stated,

**H4b-1:**  $CI_{RAS}$  materialistic hedonism will be greater among women.

**H4b-2:**  $CI_{RAS}$  communication of belonging to a group will be greater among women.

**H4b-3:**  $CI_{RAS}$  social status demonstration will be greater among women.

**H4b-4:**  $CI_{RAS}$  interpersonal mediation will be greater among women.

**H4b-5:**  $CI_{RAS}$  ostentation will be greater among women.

#### *4.2.2.3 National sub-groups*

Representatives of the southern sub-group are expected to be more conspicuous consumers because they seem to be more familiar with South Africa, its citizens

and products. As shown in the background, the south has been for many years the primary destination of South African exports of consumer goods and services to Mozambique (Notícias 2010, Hall 2003). Also, the preponderance of South African music, fashion and cinema events in Mozambique has been hosted in the south, mainly in Maputo and its surroundings<sup>16</sup>. Moreover, the south has been the most popular Mozambican destination among South African tourists (Instituto Nacional de Estatística 2010a, MITUR 2009). I, therefore, hypothesize that:

**H4c-1:**  $CI_{RAS}$  materialistic hedonism will be greater among southern Mozambicans.

**H4c-2:**  $CI_{RAS}$  communication of belonging to a group will be greater among southern Mozambicans.

**H4c-3:**  $CI_{RAS}$  social status demonstration will be greater among southern Mozambicans.

**H4c-4:**  $CI_{RAS}$  interpersonal mediation will be greater among southern Mozambicans.

**H4c-5:**  $CI_{RAS}$  ostentation will be greater among southern Mozambicans.

#### *4.2.2.4 Employment status*

South African imports are expected to be more conspicuous among employed Mozambicans whose overall experience with South African products is likely to be more extensive. The preconditions for such an experience were discussed in the background of the study. First, South African marketers prioritize the employed population in Mozambique. For example, many South African retailers market their products directly to Mozambican organizations as it is the best way

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<sup>16</sup> Official statistic on the number of South African events in various Mozambican locations is not available.

to reach the population with higher purchasing power. Likewise, many South African retailers allow employed Mozambicans purchasing in credit. Such an option is not available to unemployed buyers. Second, employed Mozambicans have a stable income which, even if not high, brings a sense of financial security and freedom to experiment with foreign products including those from South Africa. I, therefore, propose that:

**H4d-1:**  $CI_{RAS}$  materialistic hedonism will be greater among employed Mozambicans.

**H4d-2:**  $CI_{RAS}$  communication of belonging to a group will be greater among employed Mozambicans.

**H4d-3:**  $CI_{RAS}$  social status demonstration will be greater among employed Mozambicans.

**H4d-4:**  $CI_{RAS}$  interpersonal mediation will be greater among employed Mozambicans.

**H4d-5:**  $CI_{RAS}$  ostentation will be greater among employed Mozambicans.

#### **4.2.3 Relationships among dimensions of $CI_{RAS}$**

The dual processing theory states that categories consist of sub-categories (Barrett, Tugade and Engle 2004). This implies that various aspects of the same phenomenon should be positively correlated. Being dimensions of the same construct, the five  $CI_{RAS}$  factors are expected to be positively correlated. Hence, it is posited that:

**H5 (+):** The dimensions of  $CI_{RAS}$  will be positively correlated.

#### **4.2.4 Relationship between CET and CI<sub>RAS</sub>**

The dual processing theory (Barrett, Tugade and Engle 2004) claims that some individuals have a weaker control of attention. Because of this, they are more likely to engage in automatic processing of information in various spheres. Consumer ethnocentrism and consumer beliefs about conspicuousness of imports are knowledge structures which activate via automatic processing. Therefore, consumers who have proclivity to automatic processing are more likely to score high on both issues. This implies a positive correlation between CET and CI<sub>RAS</sub> dimensions. Formally stated,

**H6 (+):** CET and CI<sub>RAS</sub> will be positively related.

#### **4.2.5 Effects of CET**

According to dual processing theory, broader categories shape narrower categories (Barrett, Tugade and Engle 2004). As a more general unfavourable attitude towards foreign products, consumer ethnocentrism predicts more specific unfavourable attitudes towards imported items. It may, for example, predict negative attitudes towards specific categories of foreign products (Shimp and Sharma 1987). Similarly, it may explain negative attitudes towards specific foreign brands (Shimp and Sharma 1987). In sum, consumer ethnocentrism may have a negative impact on attitudes towards foreign products and brands. Such an impact was confirmed in a number of studies. For instance, consumer ethnocentrism triggered negative attitudes towards imported products and brands in Shimp and Sharma (1987), Netemeyer et al (1991), Bawa (2004), Klein et al (2006) and Kwak et al (2006). Based on the above, Mozambican consumer

ethnocentrism is expected to cause negative attitudes towards South African food consumables and their brands.

**H7a (-):** CET will have a negative effect on attitudes towards South African food consumables.

**H7b (-):** CET will have a negative effect on attitudes towards brands of South African food consumables.

Dual processing theory (Barrett et al 2004) suggests a negative impact of consumer ethnocentric tendencies on purchasing intentions towards foreign products. Indeed, consumer ethnocentrism is a general tendency indicating reluctance to purchase imports. As such, it may result in unwillingness to purchase specific foreign items. For example, it may lead to negative purchasing intentions towards foreign brands.

It is worth noting that the suggested effect is consistent with the model of Fishbein and Ajzen (1975). According to this model, behavioural intentions are a function of two components: personal attitudes towards performing behaviour and subjective norms guiding this behaviour. The phenomenon of consumer ethnocentrism, as it was conceptualised by Shimp and Sharma (1987), contains both components in its structure. The first appears in the form of attitudes towards buying imports. Being normative in its nature, the second component focuses on morality of purchasing foreign-made products. Accordingly, consumers who are ethnocentric have negative attitudes towards buying imports. Likewise, they follow normative pressures to reject imports because purchasing foreign-made

products is not moral and indicates low patriotism. Having a general predisposition not to buy imports, ethnocentric buyers are likely to reject specific brands from other countries. In sum, consumer ethnocentric tendencies are expected to cause negative purchasing intentions towards brands of South Africa food consumables. Formally stated,

**H7c (-):** CET will have a negative effect on purchasing intentions towards brands of South African food consumables.

#### **4.2.6 Effects of $CI_{RAS}$**

Like in the previous case, the effects of  $CI_{RAS}$  are guided by a proposition of the dual processing theory: more general categories define more specific categories (Barrett et al 2004). For instance, favourable predispositions to imports may lead to favourable attitudes and intentions with respect to specific products and brands. Therefore, the five dimensions of  $CI_{RAS}$  may predict favourable consumer attitudes and purchasing intentions towards specific products and brands.

The dimension of materialistic hedonism of  $CI_{RAS}$  reflects pleasant aspects of consumption of South African imports in the Mozambican context (Marcoux et al 1997). If such aspects are present, they may cause more favourable attitudes towards some specific products and brands from South Africa.

In a similar manner, the factor of communication of belongingness to a group draws from positive stereotypes about South Africa and its exports. Such stereotypes signal favourable predispositions with respect to imports from this

country and, therefore, may result in favourable attitudes towards its specific products and brands (Marcoux et al 1997).

Likewise, the social status demonstration facet of  $CI_{RAS}$  refers to the capacity of South African imports to confer social status and to communicate success and wealth of their owner. When this capacity is salient to Mozambican consumers, it will likely to have a positive impact on attitudes towards specific items from South Africa (Marcoux et al 1997).

Also, interpersonal mediation of  $CI_{RAS}$  concerns the extent to which South African imports positively influence relationships of their owner with other people. A Mozambican, who believes that South African imports increase attractiveness, value and popularity of their owner, will more likely hold favourable attitudes towards specific articles from South Africa.

Finally, the ostentation dimension concerns expensiveness of South African imports. Expensive objects may favourably influence the social status of their owner (Marcoux, Filiatrault and Chéron 1997, Lynn 1992, Petty and Cacioppo 1986). Hence, ostentation of South African imports implies a favourable attitude towards products and brands from South Africa.

Some authors note that conspicuousness of imports should not affect consumer preferences for potentially inconspicuous products—those with private mode of consumption and no ‘conspicuous waste’ (Marcoux, Filiatrault and Chéron 1997,



Veblen 1994, John and Brady 2009a). Given this, the following propositions are suggested only for potentially conspicuous food consumables:

**H8a-1:** Materialistic hedonism will have a positive effect on attitudes towards South African food consumables.

**H8a-2:** Communication of belonging to a group will have a positive effect on attitudes towards South African food consumables.

**H8a-3:** Social status demonstration will have a positive effect on attitudes towards South African food consumables.

**H8a-4:** Interpersonal mediation will have a positive effect on attitudes towards South African food consumables.

**H8a-5:** Ostentation will have a positive effect on attitudes towards South African food consumables.

**H8b-1:** Materialistic hedonism will have a positive effect on attitudes towards brands of South African food consumables.

**H8b-2:** Communication of belonging to a group will have a positive effect on attitudes towards brands of South African food consumables.

**H8b-3:** Social status demonstration will have a positive effect on attitudes towards brands of South African food consumables.

**H8b-4:** Interpersonal mediation will have a positive effect on attitudes towards brands of South African food consumables.

**H8b-5:** Ostentation will have a positive effect on attitudes towards brands of South African food consumables.

Dual processing theory (Barrett, Tugade and Engle 2004) proposes a positive effect of the five  $CI_{RAS}$  dimensions on purchasing intentions towards South African brands. Indeed, the five factors of  $CI_{RAS}$  may be conceived of as a set of general tendencies towards purchasing South African imports for conspicuous consumption purposes. As broader categories, they may predict consumer intentions to buy specific South African brands.

This proposition is also plausible from the perspective of Fishbein and Ajzen's (1975) model which suggests that behavioural intentions are a function of personal attitudes towards performing behaviour and subjective norms guiding this behaviour. The dimensions of  $CI_{RAS}$  contain both elements in their structure. On the one hand, they reflect favourable consumer attitudes towards buying South African imports. On the other hand, the factors suggest that it is a norm to buy South African products for conspicuous consumption in the Mozambican context. For instance, it is a norm to enhance image, uniqueness, style, status, attractiveness, importance and popularity among others by means of South African objects. In sum, the five dimensions of  $CI_{RAS}$  are expected to predict favourable purchasing intentions towards South African versus Mozambican brands of food consumables. Formally stated,

**H8c-1:** Materialistic hedonism will have a positive effect on purchasing intentions towards brands of South African food consumables.

**H8c-2:** Communication of belonging to a group will have a positive effect on purchasing intentions towards brands of South African food consumables.

**H8c-3:** Social status demonstration will have a positive effect on purchasing intentions towards brands of South African food consumables.

**H8c-4:** Interpersonal mediation will have a positive effect on purchasing intentions towards brands of South African food consumables.

**H8c-5:** Ostentation will have a positive effect on purchasing intentions towards brands of South African food consumables.

#### **4.2.7 Other effects**

Dual processing theory (Barrett, Tugade and Engle 2004) suggests that broader categories shape narrower categories. More general attitudes predict more specific attitudes. It is possible that attitudes towards South African versus Mozambican food consumables will have a positive impact on attitudes towards South African versus Mozambican brands of food consumables. This is formally stated as:

**H9 (+):** Attitudes towards food consumables will predict attitudes towards brands of food consumables.

Fishbein and Ajzen's (1975) model views behavioural intentions as a function of personal attitudes towards performing behaviour and subjective norms guiding this behaviour. However, it suggests that behavioural intentions cannot be predicted by attitudes towards the object. Although it posits that favourable attitudes towards the brand may predict favourable intentions towards that brand, it does not specify the type of such favourable intentions. These may be intentions to use the brand. Alternatively, these intentions may take form of willingness to give the brand as a gift to someone. It is not known if favourable attitudes towards the brand result in intentions to purchase it. Because the effect of

attitudes on purchasing intentions is likely to occur at random, I propose the following null hypothesis:

**H10 (0):** Attitudes towards brands of South African versus Mozambican food consumables will have no effect on purchasing intentions towards brands of South African versus Mozambican food consumables.

#### 4.3 MODERATING EFFECTS

##### 4.3.1 Demographic moderators in CET effects

The effects of consumer ethnocentric tendencies may vary across various demographic groups. The 'Reactance Effect Model for Studying CET Effects and their Variability' (figure 9) suggests that individuals who score higher on consumer ethnocentrism and are prone to automatic responses will hold more negative attitudes and purchasing intentions towards foreign products and brands. It was shown that older individuals exhibit greater susceptibility to automatic responses (Craig 1994, Grady and Craig 2000, von Hippel, Silver and Lynch 2000). It was also suggested that older consumers in Mozambique may be more ethnocentric. In line with this,

**H11a:** CET effects will be greater among older individuals.

The dual processing theory points to a positive effect of age on proneness to automatic responses (Barrett, Tugade and Engle 2004, Craig 1994, Grady and Craig 2000, von Hippel, Silver and Lynch 2000). However, it is not known if automatic responses can be predicted by other demographic factors such as gender, national sub-group and employment status. Yet, it follows from the reactance effect model that women, representatives of the southern sub-group and

unemployed Mozambicans will be more ethnocentric consumers. Given this, the magnitude of CET effects is likely to be greater among these categories of consumers. I propose the following hypotheses:

**H11b:** CET effects will be greater among female consumers.

**H11c:** CET effects will be greater among representatives of the southern subgroup.

**H11d:** CET effects will be greater among unemployed Mozambicans.

#### **4.3.2 The moderating role of CET in the impact of product type on preferences**

The following list of propositions refers to the impact of product type on consumer attitudes and purchasing intentions and to the moderating role of consumer ethnocentric tendencies in this impact. These propositions are developed from the standpoint of the ‘Reactance Effect Model for Studying CET Effects and their Variability’ (figure 9). This indicates that the magnitude of reactance-based consumer responses to imports increases with the strength of product type stimulus. That is, negative consumer responses are greater when imports represent a stronger stimulus to reactance. In this study, imports are believed to be a stronger stimulus if they are a threat to domestic alternatives of high importance to the nation. The domestic alternatives may be important to the nation because their production sector plays a critical role in the overall national economic stability and/or because they are deeply embedded into the national historical and socio-cultural context (Jakubanecs, Supphellen and Thorbjørnsen 2005).

According to the above, most Mozambicans are expected to feel greater reactance-driven resentment for imports of agricultural food consumables rather than for imports of processed food consumables. This is because imports of the agricultural category contain a stronger stimulus to consumer reactance. First, growing imports from South Africa are a threat to Mozambican suppliers in the agricultural food market. In many cases Mozambican suppliers lose share in the domestic market because, due to underdeveloped infrastructures and lack of financial, technical and managerial resources, they cannot retaliate against pressures of South African competition (Mulder and Tembe 2008, Song 2010, Alfieri, Arndt and Cirera 2007).

Second, the agricultural sector is important to the Mozambican nation. The agriculture and its output are critical to the national economic welfare. Being the largest employer in the country, the agricultural sector provides jobs and earnings for more than 80 percent of the population (Encyclopedia of Nations 2010a). If foreign competition hurts this sector, many people would lose their income. In addition to this, the agriculture and its produce are deeply embedded into the Mozambican historical context (Newitt 2009). As mentioned in the background to the study, farming was the primary activity of the Mozambican Bantu since the first century AD. It continued to be the primary occupation and a hope for a better future among the indigenous people during the colonization period (Newitt 2009). Likewise, the agriculture and its produce are deeply entrenched into the Mozambican socio-cultural context. Farming, whose major resource is land, has always served as a connection to the traditional culture of Mozambique. Indeed,

most indigenous witchcraft rituals and sacred ceremonies in respect to ancestors revolve around land, its fertility and harvests (Virtanen 2005a, Unruh 1998, Tique 2001, Nhantumbo, Monela and Kowero 2003, Haaland 2010, Bessant 2007).

In contrast, the category of processed food consumables represents a weaker stimulus to reactance-based resentment of imports. As shown in the background of the study, the national food industry plays a less critical role in the overall economic situation of Mozambique. Because the sector is still in its formative stage, its share in the Mozambican output of consumer goods remains very small. The processed food industry provides jobs and income for a small proportion of the Mozambican population. If it is hurt by South African competition, very few Mozambicans would lose jobs. Accordingly, South African processed food imports may be conceived of as a source of variety rather than threat to the Mozambican nation.

In sum, consumer resentment to South African items may be stronger in the market of agricultural food consumables and weaker in the market of processed food consumables. Formally stated,

**H12a-1:** Attitudes towards the South African versus Mozambican products will be more unfavorable in the case agricultural rather than processed food consumables.

**H12a-2:** Attitudes towards the South African versus Mozambican brands will be more unfavorable in the case of agricultural rather than processed food consumables.

**H12a-3:** Negative purchasing intentions towards the South African versus Mozambican brand will be stronger in the case of agricultural rather than processed food consumables.

The final three hypotheses suggest that some difference in consumer preferences towards two product categories may be explained by CET. That is, the product type effect on attitudes and purchasing intentions may be stronger among more ethnocentric consumers. To justify the moderating role of CET, I refer to the reactance effect model.

As shown earlier, individuals prone to reactance experience stronger and more frequent reactance responses (Brehm and Mann 1975, Dowd and Wallbrown 1993, Pepper 1996). They are more sensitive to reactance stimuli. This means that they are sensitive to all reactance stimuli, both weak and strong. Yet, the sensitivity to reactance stimuli also presumes the ability to differentiate them. That is, the increase in reactance will result in a smaller increase in the magnitude of reactance responses in the case of weaker stimuli. However, it will lead to a greater increase in the level of reactance responses in the case of stronger stimuli.

A form of reactance, consumer ethnocentrism implies a greater sensitivity to the stimuli of both product categories. However, consumer ethnocentrism also suggests ability to differentiate the national products in terms of exposure to threats of South African competition and in terms of importance to the Mozambican nation. This implies that an increase in Mozambican consumer



ethnocentrism may lead to a smaller increase in resentment to South African processed food consumables (a weaker reactance stimulus) and to a higher increase in resentment to South African agricultural food consumables (a stronger reactance stimulus). That is, greater consumer ethnocentric tendencies are likely to have a more intensive manifestation in the market of agricultural rather than processed food consumables. Accordingly, consumer ethnocentrism is expected to moderate the effect of product type on consumer preferences. I, therefore, propose the following hypotheses:

**H12b-1:** CET will moderate the effect of product type on consumer attitudes towards products. Mozambican CET will have a greater manifestation in the market of agricultural rather than processed food consumables.

**H12b-2:** CET will moderate the effect of product type on consumer attitudes towards brands. Mozambican CET will have a greater manifestation in the market of agricultural rather than processed food consumables.

**H12b-3:** CET will moderate the effect of product type on purchasing intentions towards brands. Mozambican CET will have a greater manifestation in the market of agricultural rather than processed food consumables.

## **5. SUMMARY**

The first part of the chapter presented theoretical underpinnings of the study. As shown earlier, the study aims to make a contribution to the two substantive theories—the theory of consumer ethnocentrism and the theory of conspicuous consumption of imports from wealthier economies. These two substantive theories find support in several middle range theories. The psychological reactance, reference group, relative deprivation and dual processing theories are major

supporting theories. Other theories which add to a better understanding of the phenomena are the frustration-aggression-displacement, reinforcement, and realistic group conflict theories. Apart from the middle range theories, the semiotic framework and Fishbein and Ajzen's (1975) model serve as two useful references to the analysis of CET and CI.

The discussion in the second part of the chapter revolves around conceptual bases of the study. It draws several conclusions about the phenomena of consumer ethnocentric tendencies and conspicuousness of imports from wealthier economies. First, it suggests that the two are attitudes rather than personality traits. Second, it claims that consumer ethnocentrism may be conceived of as an example of psychological reactance. Also, it explains conspicuousness of imports from wealthier economies from the standpoint of reference group and relative deprivation theories. Third, it shows that the effects of CET and CI are guided by dual processing theory. Fourth, it puts forward that the magnitude of CET effects depends upon proneness to automatic responses, strength of consumer ethnocentrism and strength of stimulus (e.g. product). Finally, it argues that CET and CI are positively correlated.

The third part of the chapter presents hypotheses about CET and CI<sub>RAS</sub>, their nature and effects. The final hypotheses address moderating effects in the theory of consumer ethnocentrism. The psychological reactance, reference group, relative deprivation and dual processing theories are used to support the propositions. The frustration-aggression-displacement, reinforcement, and realistic group conflict

theories, Fishbein and Ajzen's (1975) model and the semiotic framework are employed to provide an additional support to the propositions or to present possible alternatives to them. A summary of the hypotheses and supporting theories is given in table 6.

The propositions are also summarised in a conceptual model in figure 12. The central part of the model contains key process variables—CET and the five dimensions of  $CI_{RAS}$ —which are expected to correlate (H5-H6).

The demographic antecedents of the process variables, namely, age, gender, ethnic cluster and employment status, are depicted in the left hand side of the graph (H3-H4). The output section of the model shows consequences of CET and  $CI_{RAS}$ : attitudes towards South African versus Mozambican products and attitudes and purchasing intentions towards South African versus Mozambican brands (H7-H8). The product type variable serves as an additional predictor of consumer attitudes and purchasing intentions (H12a). A causal link leads from attitudes towards the product to attitudes towards the brand (H9). The effect of attitudes towards the brand on purchasing intentions towards the brand may occur at random (H10<sub>0</sub>).

The model contains moderators. The demographic characteristics of consumers moderate the effects of consumer ethnocentrism (H11). The impact of product type on attitudes and intentions is moderated by consumer ethnocentric tendencies (H12b).

Given that some products in Mozambique are sold without brands, I suggest for those products a reduced version of the research model (figure 13). Compared to the full model, it does not have brand-related variables – attitudes towards brands and purchasing intentions towards brands. Neither does it show brand-related propositions: H7b, H7c, H8b, H8c, H9, H10, H12a-2, H12a-3, H12b-2 and H12b-3.

**Table 6: Summary of hypotheses and supporting theories**

Hypotheses	Major supporting theories	Other supporting theories and frameworks
<b>STRENGTH OF CET (H1-H2)</b>		
<b>H1:</b> The level of CET in Mozambique will be higher than that in advanced and emerging economies.	Psychological reactance theory	Realistic group conflict theory, Frustration-aggression-displacement theory
<b>H2:</b> The level of CET in Mozambique will not differ significantly from the level of CET in other developing countries.	Psychological reactance theory	Realistic group conflict theory, Frustration-aggression-displacement theory
<b>MAIN EFFECTS (H3-H10)</b>		
<b>Nature of CET (H3)</b>		
<b>H3a (+):</b> CET will be greater among older individuals.	Psychological reactance theory	Frustration-aggression-displacement theory
<b>H3b (-):</b> CET will be greater among women.	Psychological reactance theory	Frustration-aggression-displacement theory
<b>H3c (-):</b> CET will be greater among representatives of the southern sub-group.	Psychological reactance theory	Realistic group conflict theory, Reinforcement theory, Reference group theory
<b>H3d (-):</b> CET will be greater among unemployed Mozambicans.	Psychological reactance theory	Frustration-aggression-displacement theory

*(Continued)*

**Table 6: (Continued)**

Hypotheses	Major supporting theories	Other supporting theories and frameworks
<b>Nature of CI<sub>RAS</sub> (H4)</b>		
<b>H4a-1 (-):</b> CI <sub>RAS</sub> materialistic hedonism will be greater among younger individuals.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4a-2 (-):</b> CI <sub>RAS</sub> communication of belonging to a group will be greater among younger individuals.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4a-3 (-):</b> CI <sub>RAS</sub> social status demonstration will be greater among younger individuals.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4a-4 (-):</b> CI <sub>RAS</sub> interpersonal mediation will be greater among younger individuals.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4a-5 (-):</b> CI <sub>RAS</sub> ostentation will be greater among younger individuals.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4b-1 (-):</b> CI <sub>RAS</sub> materialistic hedonism will be greater among women.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4b-2 (-):</b> CI <sub>RAS</sub> communication of belonging to a group will be greater among women.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4b-3 (-):</b> CI <sub>RAS</sub> social status demonstration will be greater among women.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4b-4 (-):</b> CI <sub>RAS</sub> interpersonal mediation will be greater among women.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4b-5 (-):</b> CI <sub>RAS</sub> ostentation will be greater among women.	Framework for analysis of the nature of conspicuousness of imports	

(Continued)

**Table 6: (Continued)**

Hypotheses	Major supporting theories	Other supporting theories and frameworks
<b>H4c-1 (-):</b> CI <sub>RAS</sub> materialistic hedonism will be greater among representatives of the southern sub-group.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4c-2 (-):</b> CI <sub>RAS</sub> communication of belonging to a group will be greater among representatives of the southern subgroup.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4c-3 (-):</b> CI <sub>RAS</sub> social status demonstration will be greater among representatives of the southern subgroup.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4c-4 (-):</b> CI <sub>RAS</sub> interpersonal mediation will be greater among representatives of the southern subgroup.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4c-5 (-):</b> CI <sub>RAS</sub> ostentation will be greater among representatives of the southern subgroup.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4d-1 (+):</b> CI <sub>RAS</sub> materialistic hedonism will be greater among employed Mozambicans.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4d-2 (+):</b> CI <sub>RAS</sub> communication of belonging to a group will be greater among employed Mozambicans.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4d-3 (+):</b> CI <sub>RAS</sub> social status demonstration will be greater among employed Mozambicans.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4d-4 (+):</b> CI <sub>RAS</sub> interpersonal mediation will be greater among employed Mozambicans.	Framework for analysis of the nature of conspicuousness of imports	
<b>H4d-5 (+):</b> CI <sub>RAS</sub> ostentation will be greater among employed Mozambicans.	Framework for analysis of the nature of conspicuousness of imports	

(Continued)

**Table 6: (Continued)**

Hypotheses	Major supporting theories	Other supporting theories and frameworks
<b>Relationships among dimensions <math>CI_{RAS}</math> (H5)</b>		
<b>H5 (+):</b> The dimensions of $CI_{RAS}$ will be positively correlated.	Dual processing theory	NA
<b>Relationship between CET and dimensions of <math>CI_{RAS}</math> (H6)</b>		
<b>H6 (+):</b> CET and the dimensions of $CI_{RAS}$ will be positively correlated.	Dual processing theory	NA
<b>Effects of CET (H7)</b>		
<b>H7a (-):</b> CET will have a negative effect on attitudes towards South African versus Mozambican food consumables.	Dual processing theory	NA
<b>H7b (-):</b> CET will have a negative effect on attitudes towards South African versus Mozambican brands of food consumables.	Dual processing theory	NA
<b>H7c (-):</b> CET will have a negative effect on purchasing intentions towards South African versus Mozambican brands of food consumables.	Dual processing theory	Fishbein and Ajzen's model (1975)

(Continued)



**Table 6: (Continued)**

Hypotheses	Major supporting theories	Other supporting theories and frameworks
<b>Effects of CI<sub>RAS</sub> (H8)</b>		
<b>H8a-1</b> (+): Materialistic hedonism will have a positive effect on attitudes towards South African versus Mozambican food consumables.	Dual processing theory	NA
<b>H8a-2</b> (+): Communication of belonging to a group will have a positive effect on attitudes towards South African versus Mozambican food consumables.	Dual processing theory	NA
<b>H8a-3</b> (+): Social status demonstration will have a positive effect on attitudes towards South African versus Mozambican food consumables.	Dual processing theory	NA
<b>H8a-4</b> (+): Interpersonal mediation will have a positive effect on attitudes towards South African versus Mozambican food consumables.	Dual processing theory	NA
<b>H8a-5</b> (+): Ostentation will have a positive effect on attitudes towards South African versus Mozambican food consumables.	Dual processing theory	NA
<b>H8b-1</b> (+): Materialistic hedonism will have a positive effect on attitudes towards South African versus Mozambican brands of food consumables.	Dual processing theory	NA
<b>H8b-2</b> (+): Communication of belonging to a group will have a positive effect on attitudes towards South African versus Mozambican brands of food consumables.	Dual processing theory	NA
<b>H8b-3</b> (+): Social status demonstration will have a positive effect on attitudes towards South African versus Mozambican brands of food consumables.	Dual processing theory	NA
<b>H8b-4</b> (+): Interpersonal mediation will have a positive effect on attitudes towards South African versus Mozambican brands of food consumables.	Dual processing theory	NA
<b>H8b-5</b> (+): Ostentation will have a positive effect on attitudes towards South African versus Mozambican brands of food consumables.	Dual processing theory	NA

(Continued)

**Table 6: (Continued)**

<b>Hypotheses</b>	<b>Major supporting theories</b>	<b>Other supporting theories and frameworks</b>
<b>H8c-1</b> (+): Materialistic hedonism will have a positive effect on purchasing intentions towards South African versus Mozambican brands of food consumables.	Dual processing theory	Fishbein and Ajzen's model (1975)
<b>H8c-2</b> (+): Communication of belonging to a group will have a positive effect on purchasing intentions towards South African versus Mozambican brands of food consumables.	Dual processing theory	Fishbein and Ajzen's model (1975)
<b>H8c-3</b> (+): Social status demonstration will have a positive effect on purchasing intentions towards South African versus Mozambican brands of food consumables.	Dual processing theory	Fishbein and Ajzen's model (1975)
<b>H8c-4</b> (+): Interpersonal mediation will have a positive effect on purchasing intentions towards South African versus Mozambican brands of food consumables.	Dual processing theory	Fishbein and Ajzen's model (1975)
<b>H8c-5</b> (+): Ostentation will have a positive effect on purchasing intentions towards South African versus Mozambican brands of food consumables.	Dual processing theory	Fishbein and Ajzen's model (1975)
<b>Other main effects (H9-10)</b>		
<b>H9</b> (+): Attitudes towards food consumables will predict attitudes towards brands of food consumables.	Dual processing theory	NA
<b>H10</b> (0): Attitudes towards brands will have no effect on purchasing intentions towards brands.	Dual processing theory	Fishbein and Ajzen's model (1975)

(Continued)

**Table 6: (Continued)**

Hypotheses	Major supporting theories	Other supporting theories and frameworks
MODERATING EFFECTS		
Demographic moderators in CET effects (H11)		
H11a: CET effects will be greater among older individuals.	Reactance effect model for studying CET effects and their variability	
H11b: CET effects will be greater among women.	Reactance effect model for studying CET effects and their variability	
H11c: CET effects will be greater among representatives of the southern subgroup.	Reactance effect model for studying CET effects and their variability	
H11d: CET effects will be greater among unemployed Mozambicans.	Reactance effect model for studying CET effects and their variability	
Moderating role of CET in the impact of product type on consumer preferences (H12)		
H12a-1: Attitudes towards South African versus Mozambican products will be more unfavourable in the case of agricultural rather than processed food consumables.	Reactance effect model for studying CET effects and their variability	
H12a-2: Attitudes towards South African versus Mozambican brands will be more unfavourable in the case of agricultural rather than processed food consumables.	Reactance effect model for studying CET effects and their variability	
H12a-3: Negative purchasing intentions towards South African versus Mozambican brands will be stronger in the case of agricultural rather than processed food consumables.	Reactance effect model for studying CET effects and their variability	
H12b-1: CET will be a significant moderator in the effect of product type on consumer attitudes towards products. Mozambican CET will have a greater manifestation in the market of agricultural rather than processed food consumables.	Reactance effect model for studying CET effects and their variability	
H12b-2: CET will be a significant moderator in the effect of product type on consumer attitudes towards brands. Mozambican CET will have a greater manifestation in the market of agricultural rather than processed food consumables.	Reactance effect model for studying CET effects and their variability	
H12b-3: CET will be a significant moderator in the effect of product type on purchasing intentions towards brands. Mozambican CET will have a greater manifestation in the market of agricultural rather than processed food consumables.	Reactance effect model for studying CET effects and their variability	

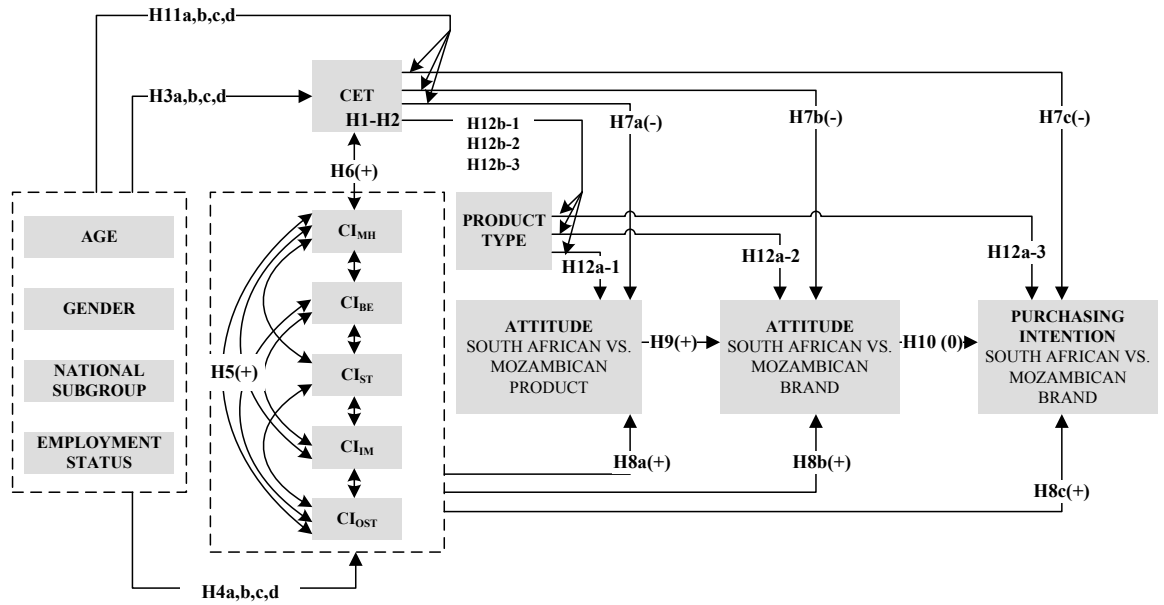


Figure 12: Full research model

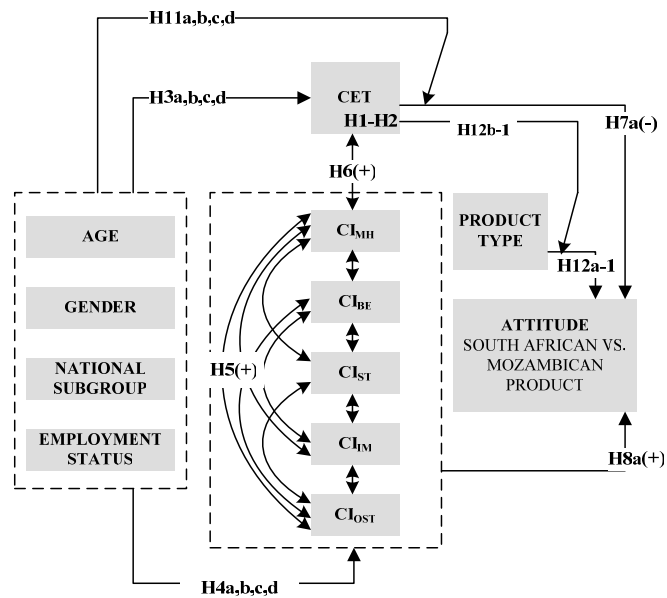


Figure 13: Reduced research model

## **CHAPTER 4: METHODOLOGY**

### **1. INTRODUCTION**

This chapter discusses methodological issues of the study. These are related to the choice of food consumables and brands, instrument and data collection. As mentioned earlier, the data was obtained from a questionnaire-based survey. However, this method for data collection entails various problems for data analysis. For instance, it may lead to restricted range bias, total survey error and common method bias. These are addressed in the final sections of the chapter.

The methodology complies with ethics standards of the university. The Research Ethics Committee of the university (DCUREC) classified the proposal as a low risk social research project. The DCUREC approval letter is presented in Appendix A.

### **2. FOOD CONSUMABLES AND BRANDS**

#### **2.1 CRITERIA FOR SELECTION**

The choice of food consumables was guided by several criteria. One of the most important requirements was the familiarity of the selected products to Mozambican consumers. The products were to be available at affordable prices in most retail outlets.

Further, the selected categories were to be imported from South Africa and to have domestic substitutes in Mozambique. This requirement was critical to

measuring domestic product bias in situations when consumers were confronted with imports from South Africa.

Additionally, the items were expected to have references to their country of origin. References to the Mozambican origin are stimuli to domestic product bias. By contrast, references to the South African origin serve as both stimuli for resentment of products and elements of “conspicuous waste”. Because the references to country of origin are typically made on packages and labels, the selected products were to be packaged or labelled.

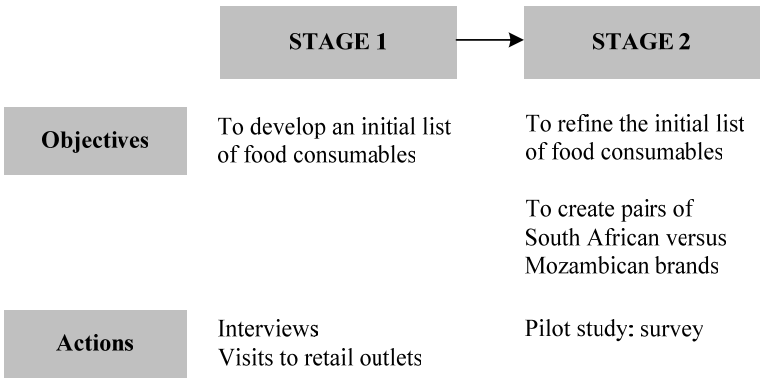
As mentioned earlier, the full model was designed only for potentially conspicuous products – those which serve for an overt display of wealth. The consumption process of such items should be visible. Hence, consumables in tests of the full model were to have a public mode of consumption.

The choice of brands was based on two criteria. First, the selected brands were to be familiar to consumers. Second, South African and Mozambican brands of the same product were to be comparable. That is, they were expected to have similar ingredients, flavours, weights and prices.

## 2.2 SELECTION PROCESS

The selection process consisted of two stages. The objective in the first stage was to develop an initial list of food consumables. This list was further refined in the second stage. An additional task in the second stage was to create pairs of South

African versus Mozambican brands to be included in the study. The selection process is summarised in a model in figure 14.



**Figure 14: Process of selection of food consumables**

### 2.2.1 Stage 1

To develop an initial list of suitable products, I carried out two face-to-face semi-structured interviews. The interview questions addressed the abovementioned criteria. Their list is presented in an Interview Form. The form was accompanied by a Letter of Invitation. English versions of these documents are given in Appendix B. Their translations into Portuguese are shown in Appendix C. The participants also received a Letter of Informed Consent to Participate in Interviews and a Certificate of Consent (Appendix D). The Portuguese versions of these two documents are presented in Appendix E.

The participants in the interviews were two Mozambican nationals. Both were permanent residents in the country and this served as a potential guarantee of their

awareness of food consumables available in the Mozambican market. The two were highly educated, employed married men. Their ages were 33 and 36.

At the beginning of the interviews the participants came up with the following list of food consumables: juice, potatoes, chicken, tea, biscuits, beer, spaghetti, water, and bread. Each of these products was produced in Mozambique and had a South African alternative.

Furthermore, juice, chicken, tea, biscuits, beer, spaghetti and water were usually sold in packages with references to the country of origin. In the case of Mozambican products such references were often in the form of the “Made-in-Mozambique” logo. The “Proudly South African” logo was an indicator of the South African origin. By and large, South African potatoes and bread were sold as packaged categories. Their Mozambican alternatives were usually available unpackaged. Yet, both interviewees assured me that a typical Mozambican would easily infer the origin of domestic potatoes and bread from their colour and shape.

The interviewees suggested that the consumption process of juice, biscuits, beer, water and tea was typically visible in the Mozambican context. The remaining products - potatoes, chicken, spaghetti and bread – had a private mode of consumption.



It was clear from the answers that South African juice, biscuits, beer, water and tea were conspicuous food consumables. Indeed, each of these products had a public mode of consumption and references to the South African origin.

At this stage there were doubts about the inclusion of water into further analyses. The period of data collection had been preceded by a series of conflicts in the national mineral water industry. In 2007 the Mozambican authorities asked retailers and wholesalers to recall a batch of mineral water of the largest national brand “Água de Namaacha” (All Africa). It was further explained that the product had been found unfit for human consumption. This recall might have caused a response bias during the main survey. To avoid this, I excluded water from the list of products.

To verify availability of the suggested food consumables, I visited a number of retail outlets located in different parts of the surveyed area and targeting consumers with different levels of income (Appendix F). Six products, namely potatoes, chicken, tea, juice, biscuits and beer were available in most places. Yet, almost all brands of foreign spaghetti were Italian and Portuguese. Very few stores offered spaghetti from South Africa. Similarly, bread from South Africa was sold mainly in supermarkets and sometimes at petrol stations but was rarely available in grocery stores, outdoor markets and bakeries. It was, therefore, decided to remove spaghetti and bread from further analyses.

### 2.2.2 Stage 2

The remaining list of products comprised potatoes, chicken, tea, juice, biscuits and beer. To refine it, I carried out a pilot study. This took the form of a survey. The data were collected from forty-two students in Maputo. Of these, forty provided valid responses. The participants were asked to complete a one-page questionnaire with several statements about the six food consumables. The questionnaire accompanied by a letter is given in Appendix G. The Portuguese versions of the questionnaire and letter are shown in Appendix H.

Appendix I contains a table with answers of the participants. The results confirmed the suggestions of the interviewees. Each of the six food consumables could be easily found in stores and had an affordable price. Consequently, all the participants had direct consumer experience with the suggested products. Also, each product had both domestic and South African alternatives. Most respondents agreed that each product was sold in packages with references to the country of origin. Yet, only tea, juice, biscuits and beer might be consumed in public. Given this, South African versions of these food consumables might be conspicuous in Mozambique.

The participants were also asked to indicate national and South African brands of the six consumables. The list of brands of potentially conspicuous South African items and their Mozambican alternatives is given in table 7.

**Table 7: Suggested brands**

<b>Food consumables</b>	<b>South African brands</b>	<b>Mozambican brands</b>
Tea	“Five Roses” “Rooibos”	“Five Stars” “Gurue”
Juice	“Ceres”	“Santal”
Biscuits	“Baker’s Tennis” “Maria”	“Agua e Sal” “Maria” “Estrelinha”
Beer	“Castle Lager” “Milk Stout” “Hansa”	“2M” “Manica” “Laurentina Clara” “Laurentina Preta”

To create pairs of South African and domestic brands for each product, I examined their similarities in terms of ingredients, weight and price. In addition to this, I referred to the advice of the two interviewees. The following pairs of brands were created: Mozambican tea “Gurue” vs. South African tea “Five Roses”, Mozambican juice “Santal” vs. South African juice “Ceres”, Mozambican biscuits “Estrelinha” vs. South African biscuits “Baker’s Tennis”, and Mozambican beer “2M” vs. South African beer “Castle Lager”.

The final list of food consumables and their brands is presented in table 8. Only tea, juice, biscuits and beer were suitable for tests of the full model. However, each of the six food consumables could be included in tests of the reduced model.

**Table 8: Final list of food consumables and brands**

Criteria	Full model	Reduced model
<b>Food consumables</b>		
Product is familiar to consumers a) affordable b) available in most retail outlets	<b>Tea</b> <b>Juice</b> <b>Biscuits</b> <b>Beer</b>	<b>Potatoes</b> <b>Chicken</b> <b>Tea</b> <b>Juice</b> <b>Biscuits</b> <b>Beer</b>
Product is made in Mozambique		
Product is imported from South Africa to Mozambique		
Product has references to the country of origin on e.g. packages or labels		
Consumption process of this product is visible		Not applicable
<b>Brands of food consumables</b>		
Brands are familiar to consumers	<b>Tea</b> “Gurue” (MZ) “Five Roses” (RAS) <b>Juice</b> “Santal” (MZ) “Ceres” (RAS) <b>Biscuits</b> “Estrelinha” (MZ) “Baker’s Tennis” (RAS) <b>Beer</b> “2M” (MZ) “Castle Lager” (RAS)	Not applicable
South African and Mozambican brands of the same product should be comparable by having similar ingredients/flavours, the same weight and similar prices, etc.		

### 2.3 CLASSIFICATION

Based on the formal classification of the National Institute of Statistics of Mozambique (INE), each of the six food consumables was ascribed to either an agricultural or a processed category. The group of agricultural food consumables comprised potatoes, chicken and tea whereas biscuits and beer constituted the category of processed food consumables. It is noted that during the pilot study, most participants agreed the ingredients of juice were from the agricultural sector (Appendix I). Therefore, juice was ascribed to the agricultural category.

### **3. INSTRUMENT**

This section focuses on the instrument of the study—questionnaire. First, it presents the structure of the questionnaire. Second, it describes the process of back-translation of the questionnaire. Finally, it discusses tests of the quality of the questionnaire.

#### **3.1 STRUCTURE**

The questionnaire consisted of two parts. The first section included five constructs measuring consumer ethnocentrism (CET), South African product conspicuousness ( $CI_{RAS}$ ), attitude towards the South African versus the Mozambican product ( $ATT_{PRODUCT}$ ), attitude towards the South African versus the Mozambican brand ( $ATT_{BRAND}$ ) and purchasing intention towards the South African versus the Mozambican brand ( $PI_{BRAND}$ ). The second part comprised demographic questions. These were used to describe the profile of the sample and to examine the nature of the phenomena of CET and  $CI_{RAS}$ .

##### **3.1.1 Measures**

The choice of the measures was guided by several criteria. First, these were to be published in prominent studies in the area and available in leading marketing journals. Second, the preference was given to those scales which had been successfully validated not only in advanced and emerging economies but also in the developing world. This criterion was important to make sure that the quality of the chosen scales is satisfactory in a developing country setting, Mozambique. Third, the measures were to have good psychometric characteristics not only in English speaking societies but also in those countries where English is not the

primary/official language. This criterion was important to ensure that even translated versions of the measures have acceptable psychometric qualities.

Based on the above criteria, the final list of measures included the following scales: CET (Shimp and Sharma 1987), CI (Marcoux, Filiatrault and Chéron 1997), attitudes towards the product (Raju and Hastak 1983, Hastak and Olson 1989), attitudes towards the brand (Raju and Hastak 1983, Hastak and Olson 1989) and purchasing intentions (Raju and Hastak 1983, Hastak and Olson 1989). The following sections discuss psychometric qualities and the dimensionality of the scales in earlier studies.

#### *3.1.1.1 Consumer Ethnocentric Tendencies (CET)*

The CET-scale was proposed by Shimp and Sharma (1987). It was first tested in the USA. The 17 items of the original construct are presented in table 9. It has been validated and used in both developed and developing economies (Wang and Chen 2004, Shimp and Sharma 1987, Balabanis, et al. 2001, Durvasula, Andrews and Netemeyer 1997, Klein, Ettenson and Morris 1998). It had good psychometric qualities not only in English speaking societies but also in those countries where English is not the primary/official language. For example, it was found to have good psychometric qualities in Spain (Luque-Martinez, Ibanez-Zapata and del Barrio-Garcia 2000), China (Klein, Ettenson and Krishnan 2006), Russia (Klein, Ettenson and Krishnan 2006), France (Netemeyer, Durvasula and Lichtenstein 1991a), Germany (Netemeyer, Durvasula and Lichtenstein 1991a), Greece (Chryssochoidis, Krystallis and Perreas 2007) and Poland (Marcoux, Filiatrault and Chéron 1997).

**Table 9: The original CET-scale**

Items	Cronbach's $\alpha$
1. American people should always buy American-made products instead of imports.	0.94 – 0.96
2. Only those products that are unavailable in the U.S. should be imported.	
3. Buy American-made products. Keep America working.	
4. American products, first, last and foremost.	
5. Purchasing foreign-made products is un-American.	
6. It is not right to purchase foreign products, because it puts Americans out of jobs.	
7. A real American should always buy American-made products.	
8. We should purchase products manufactured in America instead of letting other countries get rich off us.	
9. It is always best to purchase American products.	
10. There should be very little trading or purchasing of goods from other countries unless out of necessity.	
11. Americans should not buy foreign products because this hurts American business and causes unemployment.	
12. Curbs should be put on all imports.	
13. It may cost me in the long run but I prefer to support American products.	
14. Foreigners should not be allowed to put their products on our markets.	
15. Foreign products should be taxed heavily to reduce their entry into the U.S.	
16. We should buy from foreign countries only those products that we cannot obtain within our own country.	
17. American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.	

Source: Shimp and Sharma (1987)

The CET reliability coefficients have always exceeded the cut-off value of 0.700 (Kline 2000), varying from  $\alpha = 0.722$  to  $\alpha = 0.970$ . Saffu and Walker (2006a) validated the CET-scale in Ghana, a country in western Africa. In the Ghanaian sample Cronbach's alpha coefficient was 0.722. Using a reduced version of the CET-scale, John and Brady (2009c) found  $\alpha$  to be 0.722 in Mozambique.

As in the original US study, the CET-construct was found to be one-dimensional in a number of countries (e.g. USA, Spain, France and Japan). However, in other

countries it was found to have a multi-factor structure (e.g. Poland, Ukraine, the Netherlands and Australia). The structure of the scale in the Ghanaian context consisted of two factors. This may suggest that the CET scale may not be one-dimensional in other African societies. Table 10 provides data on psychometric qualities and dimensionality of the CET-scale across societies.

**Table 10: The CET-scale across societies**

Source	Reliability Cronbach's alpha ( $\alpha$ )	Number of dimensions	Names of the Dimensions	Number of items	Country
Shimp and Sharma (1987)	0.94 - 0.96	One	Not applicable	17 items	USA
Luque-Martinez, Ibanez-Zapata and del Barrio-Garcia (2000)	0.9891	One	Not applicable	17 items	Spain
Klein, Ettenson and Krishnan (2006)	0.82/0.81	One	Not applicable	6 items	China
Klein, Ettenson and Krishnan (2006)	0.92/0.81	One	Not applicable	6 items	Russia
Jakubanečs, Supphellen and Thorbjørnsen (2005)	Not reported	One	Not applicable	8 items	Russia
Bawa (2004)	0.928/0.831/0.858	One	Not applicable	11/11/14 items	India
Netemeyer, Durvasula and Lichtenstein (1991)	0.95	One	Not applicable	17 items	USA
Netemeyer, Durvasula and Lichtenstein (1991)	0.92	One	Not applicable	17 items	France
Netemeyer, Durvasula and Lichtenstein (1991)	0.91	One	Not applicable	17 items	Japan
Netemeyer, Durvasula and Lichtenstein (1991)	0.94	One	Not applicable	17 items	West Germany
Saffu and Walker (2005)	0.933	One	Not applicable	17 items	Canada
Saffu and Walker (2005)	0.925	Two	No names	17 items	Russia
Chryssochoidis, Krystallis and Perreas (2007)	0.9130 0.9388	Two	1. Soft CET; 2. Hard CET	17 items	Greece
Acharya and Elliott (2003)	0.9449	Two	1. Emotional; 2. Rational	17 items	Australia
Douglas and Nijssen (2003)	0.86	Two	1. Core items; 2. Domestic availability	11 items	The Netherlands
Saffu and Walker (2006a)	0.7466	Two	No names	17 items	Ghana
Hsu and Nien (2008)	0.90 0.80	Two	1. Protectionism 2. Self-reliance	10 items	China (Taipei)
Hsu and Nien (2008)	0.84 0.82	Two	1. Conservative patriotism 2. Defensive patriotism	10 items	China (Shanghai)

(Continued)



**Table 10: (Continued)**

Source	Reliability Cronbach's alpha ( $\alpha$ )	Number of dimensions	Names of the Dimensions	Number of items	Country
Jakubanees, Supphellen and Thorbjørnsen (2005)	Not reported	Three	1. Domestic favouritism; 2. Foreign discrimination 3. Political protectionism	9 items	Ukraine
Marcoux, Filiatrault and Chéron (1997)	0.75 0.79 0.72	Three	1. Protectionism; 2. Socio-economic conservatism; 3. Patriotism	14 items	Poland
Upadhyay and Singh (2006)	Not reported	Four	1. Nationalism, 2. Socio-economic conservatism, 3. Ultra-nationalism, 4. Protectionism	15 items	India

#### 3.1.1.2 Conspicuousness of South African imports ( $CI_{RAS}$ )

The conspicuousness of South African imports ( $CI_{RAS}$ ) was measured by using the 18 items of Marcoux, Filiatrault and Chéron (1997). The reliability coefficients varied from 0.74 to 0.89 in a Polish study. Wang and Chen (2004) validated the scale in China. They reported  $\alpha = 0.95$ . To the best of my knowledge this construct has not been validated in an African country setting.

The original scale of Marcoux, Filiatrault and Chéron (1997) was developed as a five-dimensional construct. Its factors were materialistic hedonism ( $CI_{MH}$ ), communication of belonging to a group ( $CI_{BE}$ ), social status demonstration ( $CI_{ST}$ ), interpersonal mediation ( $CI_{IM}$ ) and ostentation ( $CI_{OST}$ ). Table 11 presents the structure of these dimensions and their reliability coefficients. The first four dimensions in the Polish study had good psychometric qualities whereas  $CI_{OST}$

had a very low reliability coefficient ( $\alpha = 0.49$ ). The same situation took place in this study. Albeit reliability exceeded the cut-off value of 0.700 for  $CI_{RAS-MH}$ ,  $CI_{RAS-BE}$ ,  $CI_{RAS-ST}$  and  $CI_{RAS-IM}$ , it was not satisfactory in the case of  $CI_{OST}$  ( $\alpha = 0.53 < 0.700$ ). For this reason, it was decided to exclude the  $CI_{OST}$  dimension from further analyses.

**Table 11: The original CI scale**

Factors	Items	Cronbach's $\alpha$
$CI_{MH}$	1. People buy Western products to enhance their image.	0.780
	2. People buy Western products for uniqueness to have products others do not own.	
	3. People buy Western products to be fashionable.	
	4. By using Western products people intend to please others.	
	5. People using Western products feel more important.	
$CI_{BE}$	6. People want to have Western products owned by their friends and colleagues.	0.790
	7. People want to have Western products owned by their neighbours.	
	8. People want Western products owned by everybody.	
	9. People buy Western products to show off, to be noted.	
$CI_{ST}$	10. Western products are social status symbols.	0.890
	11. Western products are a symbol of success and prestige.	
	12. Western products mean wealth.	
$CI_{IM}$	13. People using Western products increase their own value from the point of view of others.	0.740
	14. People using Western products are more attractive than others.	
	15. Use of Western products allows popularity among friends and colleagues.	
	16. Using Western products induces respect from others.	
$CI_{OST}$	17. If people could afford it, only Western products would be bought.	0.49
	18. People buy Western products only because they are more expensive than Polish products.	

Source: Marcoux, Filiatrault and Chéron (1997)

### 3.1.1.3 Attitudes towards Product and Brand ( $ATT_{PRODUCT}$ and $ATT_{BRAND}$ ) and Purchasing Intentions ( $PI_{BRAND}$ )

Both  $ATT_{PRODUCT}$  and  $ATT_{BRAND}$  were measured by the attitudinal scale from Raju and Hastak (1983) and Hastak and Olson (1989). The scale contained three items whose internal consistency was above 0.90. It is noted that the original scale

was altered to better suit the context and purpose of the study. That is, the semantic differential was substituted with a forced-choice 7-point Likert scale. Because most forced-choice scales demonstrate good performance, this change was not expected to negatively affect the overall quality of the construct in question (Zavala 1965). An exemplary item of the new scale of attitudes towards the product is: ‘I like South African product X more than Mozambican product X’. An item of the attitudes towards the brand scale was formulated as follows: ‘I like South African brand Y of product X more than Mozambican brand Z of product X’. While answering such questions, respondents would be forced to choose between only two alternatives – a Mozambican product/brand and its South African substitute. This, however, did not seem a substantial departure from the real context of consumer decisions in the Mozambican market. It should be remembered that South African food consumables occupy the largest share in the overall amount of food imports into the country so that most foreign substitutes of national produce originate in South Africa. This implies that often a Mozambican consumer has to choose between only two options – national and South African.

The construct of  $PI_{\text{BRAND}}$  was measured by two items. The first item was formulated as: ‘I would like to buy South African brand Y of product X rather than Mozambican brand Z of product X’. The statement in the second item was the following: ‘I would purchase Mozambican brand Z of products X rather than South African brand Y of product X’. This item was reverse coded to maintain consistent directionality. Data coding was done such that a high score indicated an intention to buy South African brand Y of product X.

The items of the five above-mentioned constructs were measured on a 7-point Likert scale with 1 – ‘strongly disagree’ and 7 – ‘strongly agree’ as anchors.

### **3.1.2 Demographic variables**

The second part of the instrument contained questions about the demographic profile of the respondents. The participants were asked to provide information on their sub-group, age, gender and employment status.

## **3.2 BACK-TRANSLATION**

The initial version of the instrument was translated into Portuguese, an official language in Mozambique. It was further back-translated into English by a Mozambican national fluent in English. In addition to this, the translator was asked to point to those Portuguese phrases whose style and structure did not comply with Mozambican Portuguese. The back-translated version was compared to the original instrument in English. Both versions were quite close, yet minor changes were needed to increase their similarity. Also, the translator indicated several items whose style had to be adjusted.

Based on the results of the back translation and recommendations of the translator, I introduced several changes into the Portuguese instrument. After this, the corrected instrument was given for back-translation to another Mozambican national who had not been familiar with the first translation. Like in the previous case, the translator was asked to give suggestions concerning further improvement of the language in the Portuguese instrument. This time the original and back-

translated English instruments seemed very similar. According to the translator, no changes in grammar and style were needed for further use of the instrument in the Mozambican context.

### 3.3 TESTING THE INSTRUMENT

A group of eight Mozambicans was invited to read and assess the first version of the questionnaire. The task of the participants was to express all doubts and difficulties they had while interpreting questions of the instrument. Additionally, they were asked to point to those items which did not sound ethical or appropriate in the Mozambican context. This work of the group was administered by a facilitator.

The facilitator was a Mozambican national who passed one-day training. During the training process, I gave the facilitator a list of instructions. In addition to this, the facilitator received a form with questions taken from the instrument. The instructions and the form are presented in Appendix J. The Portuguese versions of the two documents are showed in Appendix K.

The form contained blank spaces against each question. These were kept for remarks. Every time a participant had a question/doubt/comment concerning a specific item in the instrument, the facilitator was supposed to write down that question/doubt/comment in the blank space against the respective item. The facilitator was asked to maintain a friendly environment so that the participants could freely express their opinion. An additional task of the facilitator was to

encourage the participants to explain every difficult item in their own words. The explanation was recorded in the respective blank space.

The assessment of the questionnaire took five hours. First, the facilitator made a brief introduction. He spoke about objectives and focus of the research project. He further described the task of the participants. Then, the facilitator gave to each participant a Letter and a Certificate of Informed Consent. Appendix L provides English versions of the documents whereas Portuguese versions are available in Appendix M. He further proceeded with the evaluation process. At the end of the work, the facilitator gave me the form with notes and the completed certificates of informed consent.

The notes in the facilitator's form revealed the need for further improvement to the questionnaire. According to some participants, the direct question about one's sub-group did not seem appropriate. It was suggested to trace origin via one's mother tongue and place of birth. Also, the participants suggested enlarging a font size and increasing the space between items in the instrument.

As recommended, the question about native sub-group was removed. I further introduced two new questions which might deduce the origin of the participants. The first asked about mother tongue and was as follows: 'What is your mother tongue?' In the second question I requested information about place of origin: 'What is your city/village/district of birth?'

As advised, I formatted the instrument. That is, I increased the font size and the space between items. The final versions of the instrument in English and Portuguese are given in Appendices N and O.

#### **4. DATA COLLECTION**

A questionnaire-based survey was used to collect data from a non-probabilistic convenience sample in the southern part of Mozambique. The participants were students at major secondary and tertiary education institutions in Maputo. To avoid participant bias, the questionnaires were distributed by lecturers who were Mozambican nationals (Saunders, Lewis and Thornhill 2009). The lecturers were instructed not to make comments about the content of the questionnaires. Each questionnaire began with an introductory part containing a brief note about the project and its purposes. The students also received a consent form which stressed that their participation was voluntary and in no way would influence their academic performance. I also enclosed my contact details for those who were interested in the results of the study. The initial number of questionnaires was 700. However, only 460 students agreed to take part in the survey. At the end of the survey I received 448 usable questionnaires. Typically, a student spent from one to two hours to complete a questionnaire. Completion sessions took place during classes. An average group included from 30 to 40 students. Each student in every group was given a separate desk during the completion process. This was important to ensure anonymity of responses. The survey process consisted of 14 sessions and continued for one month. One session was cancelled. Two were re-scheduled at the request of lecturers. One lecturer refused to cooperate.

The demographic structure of the sample is given in table 12. It is clear from the table that the preponderance of participants (72.7%) was below 31 years old. Also, the number of men (73.8%) in the sample was substantially higher than that of women (26.2%). This disproportion took place due to differences in social gender roles in Mozambique. Men are more integrated into socio-economic activities whereas women have a greater focus on household activities. Finally, because the sample was drawn from southern Mozambique, most participants belonged to the southern subgroup (67%).

**Table 12: Demographic structure of the sample**

Data	Total Number of cases	Number of valid responses	Structure
Age	448	414	18 – 20: 6.5 % 21 – 30 : 66.2% 31 – 51: 27.3%
Gender	448	439	Men: 73.8% Women: 26.2%
National subgroup ( <i>Mother tongue + native city/village/district</i> )	448	411	Southern Mozambicans: 67% Non-southern Mozambicans: 33%
Employment status	448	437	Employed: 43.8% Unemployed: 56.2%

## 5. RESTRICTION OF RANGE

It is clear from the demographic characteristics of the survey participants that the sample has a restriction of range because it is drawn from some restricted part of a population (Alexander 1988). Restriction of range is a problem in analysis because it distorts the means, variance and correlations of variables (Alexander 1988).



There exist direct and indirect restrictions of range (Alexander 1988). The former suggests that the sample is restricted on one of the two variables of interest. For example, this type of restriction of range may be observed in a study of highly performance services personnel which surveys only those employees whose number of clients exceeded the required minimum.

The latter refers to restriction on some third, or indirect, variable which is not included into analysis (Alexander 1988). For instance, using MBA students as surrogates for marketing managers may distort effects of personal values on decision making style. This is because younger age and lack of managerial experience of the student participants may influence both their personal values and their decision making style as potential marketers.

The indirect restriction of range may take three forms. The first is observed in situations when the correlations between the indirect variable and the two variables of interest have the same sign (Alexander 1988). For instance, they may be both positive. Alternatively, the correlations may be both negative. In either of these cases, the correlation between the variables of interest moves in the negative direction. Positive correlations become less positive, zero, or even negative. Zero correlations become negative. Negative correlations become more negative.

The second case of indirect restriction of range occurs when the two correlations with the indirect variable have opposite signs (Alexander 1988). The correlation between the variables of interest moves in the positive direction. Negative

correlations become less negative, zero or positive. Zero correlations become positive. Positive correlations become more positive.

The third situation of indirect restriction of range takes place when one of the two correlations of the researched variables with the indirect variable is zero (Alexander 1988). In this case positive correlations become more positive whereas negative become more negative.

The sample in this study was not selected based on one of the variables of interest. Hence, the direct restriction of range is not present in this sample. Nonetheless, the sample may be affected by the indirect restriction of range. For instance, age effects on consumer ethnocentric tendencies may be distorted due to the use of student respondents. Being more educated, students in an African country setting are likely to be less ethnocentric consumers. In addition to this, most students belong to the younger population segment. This implies that the indirect variable of student versus non-student representatives is negatively associated with both consumer ethnocentrism and age. Because both hypothetical correlations have the same negative sign, the proposed positive effect of age on consumer ethnocentrism is likely to be weaker than it should be in reality.

Clearly, the restriction of range is not the only problem of surveys which rely on convenience samples. The results may also be distorted due to total survey error. This will be discussed in the following section.

## 6. TOTAL SURVEY ERROR

Total survey error comprises four general categories of errors: sampling errors, coverage errors, sampling errors, non-response errors and measurement errors. Because the data in this study draws from a convenience sample, the following discussion shows how the total error categories affect convenience samples in general and the sample of the study in particular.

Sampling errors arise because the data are collected from a part, rather than the whole of the population (Schonlau, Fricker and Elliott 2002). Although sampling errors are measureable from the sample data in the case of probability sampling, they cannot be measured for convenience samples. Nonetheless, convenience samples do have sampling errors because they include only a portion of the overall population (Schonlau, Fricker and Elliott 2002).

Coverage errors occur when some part of the population cannot be included into the sample (Schonlau, Fricker and Elliott 2002). Generally, it is defined as the difference between the statistics calculated on the frame population and on the target population<sup>17</sup>. Coverage errors cannot be computed for convenience samples because these samples are designed without a sampling frame. Nevertheless, coverage errors are assumed to be a problem in convenience samples because they are more likely to exclude some segments of the target population. The sample in

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<sup>17</sup> Schonlau, Fricker and Elliott (2002) specify four different types of populations: the population of inference, the target population, the frame population and the survey sample. The population of inference is the population about which the scholar intends to draw conclusions. The target population is the population of inference minus various groups that the scholar has decided to disregard. The frame population is a portion of the target population that can be enumerated via a sampling frame, or a list of individuals from which a sample is drawn. The survey sample comprises those members of the sampling frame who were chosen to be surveyed.

this study is not free of coverage errors. Drawn from the student population in the south, the sample is biased to male, younger, and more educated participants as well as to representatives of the southern subgroup. This may not be highly representative of the overall Mozambican population.

Non-response errors arise when respondents do not participate in the survey (unit non-response) or when respondents do not answer some questions in the survey (item non-response) (Schonlau, Fricker and Elliott 2002). The response rate—the ratio of the number of respondents to the number sampled—may help to cope with the problem of non-response errors. Higher response rates allow reducing the gravity of the non-response bias. However, because there are no sampling frames for convenience samples, response rates for those samples are not meaningful (Schonlau, Fricker and Elliott 2002). In this study, the objective was to collect as many cases as possible given time and budget restrictions. The primary target was 200 usable questionnaires—the minimal amount of cases needed to conduct structural equation modelling analysis and to avoid underestimation of variance if the data are not normal (Tabachnik and Fidell 2007).

Measurement errors occur when survey response differs from the ‘true’ response. For instance, participants may misinterpret some questions (Schonlau, Fricker and Elliott 2002). Alternatively, they may not answer sensitive questions honestly. One of the main sources of measurement errors is common method bias. The following section discusses potential sources and remedies for common method biases.

In sum, it is more difficult to control total survey error in convenience samples than in probabilistic samples. Despite this shortcoming, convenience samples have two advantages. First, it is relatively easier to generate convenience samples (Schonlau, Fricker and Elliott 2002). They require less time. Also, they are less costly. This makes convenience samples attractive for short and medium-term projects with budget restrictions (e.g. dissertations) as well as for projects in new contexts where research activities involve high transaction costs—transport, production of questionnaires, internet access, communication, remuneration for interviewers, facilitators and participants, and accommodation facilities in remote areas (e.g. African countries) (Schonlau, Fricker and Elliott 2002). Second, results drawn from convenience samples are still useful to researchers because they shed the light on possible tendencies within the real population and help to develop hypothesis for future more expensive and larger projects (Schonlau, Fricker and Elliott 2002). Because of these advantages, many researchers into consumer ethnocentrism and conspicuous consumption of imports referred to convenience samples of students (Yagci 2001, Marcoux, Filiatrault and Chéron 1997, Cleveland, Laroche and Papadopoulos 2009, Netemeyer, Durvasula and Lichtenstein 1991, Suh and Kwon 2002, Wong, Polonsky and Garma 2008, Lantz and Loeb 1996). For similar reasons, this study relies on the student sample.

## **7. COMMON METHOD BIASES**

### **7.1 SOURCES OF COMMON METHOD BIASES**

Common method biases represent a potential problem in behavioural research. They are related to variances attributable to the measurement method rather than

to the constructs the measures represent (Podsakoff, et al. 2003). Being one of the main sources of measurement error, common method variances may reduce validity of findings and lead to misleading conclusions (Podsakoff, et al. 2003, Podsakoff and Organ 1986).

Common method biases have a number of potential sources. These may be divided into four vast groups: common rater effects, item characteristic effects, item context effects and measurement context effects. A summary of the sources is presented in table 13.

**Table 13: Potential sources of common method biases**

Potential cause	Definition
Common rater effects	Refer to any artifactual covariance between the predictor and criterion variable produced by the fact that the respondent providing the measure of these variables is the same.
Consistency motif	Refers to the propensity for respondents to try to maintain consistency in their responses to questions.
Implicit theories (and illusionary correlations)	Refer to respondents' beliefs about the covariation among particular traits, behaviours, and/or outcomes.
Social desirability	Refers to the tendency of some people to respond to items more as a result of their social acceptability than their true feelings.
Leniency biases	Refer to the propensity for respondents to attribute socially desirable traits, attitudes and/or behaviours to someone they know and like than to someone they dislike.
Acquiescence biases (yea-saying and nay-saying)	Refer to the propensity of respondents to agree (disagree) with questionnaire items independent of their content.
Mood state (positive or negative affectivity; positive or negative emotionality)	Refers to the propensity of respondents to view themselves and the world around them in generally negative terms (negative affectivity) or the propensity of respondents to view themselves and the world around them in generally positive terms (positive affectivity).
Transient mood state	Refers to the impact of relatively recent mood-inducing events to influence the manner in which respondents view themselves and the world around them.
Item characteristic effects	Refers to any artifactual covariance that is caused by the influence or interpretation that a respondent might ascribe to an item solely because of specific properties or characteristics the item possesses.
Item social desirability	Refers to the fact that items may be written in such a way as to reflect more social desirability attitudes, behaviours, or perceptions.
Item demand characteristics	Refers to the fact that items may convey hidden cues as to how to respond to them.
Item ambiguity	Refers to the fact that items that are ambiguous allow respondents to respond to them systematically using their own heuristic or respond to them randomly.
Common scale anchors	Refer to the repeated use of the same anchor points (e.g. extremely, always, never) on a questionnaire.
Positive and negative item wording	Refers to the fact that the use of positively (negative) worded items may produce artificial relationships on the questionnaire.

*(Continued)*

**Table 13: (Continued)**

Potential cause	Definition
Item context effects	Refer to any influence or interpretation that a respondent might ascribe to an item because of its relation to the other items making up an instrument.
Item priming effects	Refer to the fact that the positioning of the predictor (or criterion) variable on the questionnaire can make that variable more salient to the respondent and imply a causal relationship with other variables.
Item embeddedness	Refers to the fact that neutral items embedded in the context of either positive or negatively worded items will take on the evaluative properties of those items.
Context induced mood	Refers to whom the first question (or a set of questions) encountered on the questionnaire induces a mood for responding to the remainder of the questionnaire.
Scale length	Refers to the fact that if scales have fewer items, responses to previous are more likely to be accessible in short-term memory and to be recalled when responding to other items.
Intermixing (or grouping) of items or constructs on the questionnaire	Refers to the fact that items from different constructs that are grouped together may decrease intraconstruct correlations and increase interconstruct correlations.
Measurement context effects	Refer to any artifactual covariation produced from the context in which the measures are obtained.
Predictor and criterion variables measured at the same time	Refers to the fact that measures of different constructs measured at the same point in time may produce artifactual covariance independent of the content of the constructs themselves.
Predictor and criterion variables measured in the same location	Refers to the fact that measures of different constructs measured in the same location may produce artifactual covariance independent of the content of constructs themselves.
Predictor and criterion variables measured using the same medium	Refers to the fact that measures of different constructs measured with the same medium may produce artifactual covariance independent of the content of the constructs themselves.

Source: Podsakoff et al. (2003)

## 7.2 REMEDIES FOR COMMON METHOD BIASES

Podsakoff et al. (2003) recommend several procedural and statistical remedies for reducing common method biases. The procedural remedies may be divided into five categories: (1) obtaining measures of the predictor and criterion variables from different sources, (2) temporal, proximal, psychological and methodological separation of measurement, (3) counterbalancing question order, (4), protecting respondent anonymity, and (5) improving scale items. One of the most popular statistical techniques use to address the problem of common method bias is Harman's single-factor test.

### **7.2.1 Procedural measures**

(1) Obtaining measures of the predictor and criterion variables from different sources

Often, using the same rater or source to obtain the measures of both predictor and criterion variables causes common method variance (Podsakoff et al. 2003). To avoid this problem a researcher may obtain measures of predictors and criterion variables from separate sources. However, this may not be feasible in some cases. For instance, scholars examining the relationships between two or more attitudinal variables cannot obtain measures of these scales from alternative sources. This study represents one of such examples. Specifically, it was not possible to collect data on predicting variables (CET and CI<sub>RAS</sub>) and criterion variables (ATT and PI) from two different sources. Likewise, self-reports were the only source of the participants' demographic data.

(2) Temporal, proximal, psychological, or methodological separation of measurement

Temporal separation of measurement may be accomplished by introducing a time lag between the measurement of the predictor and criterion variables (Podsakoff et al. 2003). Psychological separation may be created by telling a cover story (Podsakoff et al. 2003). Proximal separation might be implemented when respondents complete the measurement of the predictor under circumstances that differ from those under which they complete the measurement of the criterion variable (Podsakoff et al. 2003). Methodological separation of measurement suggests using different response formats for the measurement of the predictor and criterion variables (Podsakoff et al. 2003). For example, a researcher may



collect data via different media sources (paper and pencil survey, computer-based survey and face-to-face structured interviews). Similarly, a scholar may administer the survey in different locations. Clearly, employment of such techniques would require amounts of time and financial resources substantially larger than those available within this project. As a consequence, neither of these techniques was feasible in the present study.

### (3) Counterbalancing question order

Some scholars reduce such common method biases as priming effects and item-context induced mood states by counterbalancing the order of the measurement of the predictor and criterion variables. However, some researchers in management and marketing areas are sceptical about this remedy as it often disrupts the funnelling procedure, or logical progressing from general to specific questions (Podsakoff et al. 2003). As showed in other similar studies, counterbalancing of scales may have negative consequences in the Mozambican context. For example, making enquiries about specific beliefs at the beginning of the instrument and asking questions about general tendencies in the final part of the questionnaire often caused fatigue in participants and resulted in partial completion of questionnaires (John and Brady 2008). For this reason, the order of constructs was not counterbalanced in this study.

### (4) Protecting respondent anonymity

This study employed an additional remedy for reducing common method bias—protecting respondent anonymity. Specifically, each respondent had its own desk so that others could not read her answers during the completion process. The anonymity of answers was also stressed in the invitation to participate in the

survey. This was distributed to all participants and clearly stated that the respondents would not need to provide any information that might in some way identify them (e.g. name, surname). In addition to this, the invitation letter assured that no information from the questionnaires would be shared with any other individual. Also, the participants were informed that the completed questionnaires would be stored under lock in my office at DCUBS and would be destroyed at the end of the project. Finally, the invitation letter explained that the data from the questionnaires would be reported in aggregate form.

#### **(5) Improving scale items**

Common method biases can be diminished by improving scale items. Two measures were undertaken to improve the quality of items. First, the items were examined during the assessment of the questionnaire. This procedure is described in the 'Testing the Instrument' section. As suggested in (Podsakoff et al. 2003), the objective was to detect and improve items which sounded ambiguous, contained unfamiliar terms, or had complicated syntax. Second, verbal labels were added to all points of each scale.

#### **7.2.2 Statistical remedies**

One of the most popular statistical techniques used to address the problem of common method bias is Harman's single-factor test (Podsakoff et al. 2003). In the case of high common method variance either a single factor will emerge from the factor analyses, or one general factor will account for the majority of the covariance among the measures. Also, the common method variance takes place when, compared to a model with many factors, a single-factor solution has a lower ratio of chi-square to degrees of freedom. Harman's test did not reveal a

common method variance problem in this study because a factor analysis with maximum likelihood extraction and direct oblimin rotation produced fifteen factors. No general factor accounted for the majority of the covariance among the measures. In addition, the ratio of chi-square to degrees of freedom in the model with fifteen factors  $\left[ \left( \frac{\chi^2}{df} \right)_{15F} = \frac{1676.65}{975} = 1.719 \right]$  was substantially lower than the one in the model where all the items were forced into one factor  $\left[ \left( \frac{\chi^2}{df} \right)_{1F} = \frac{9461.14}{1710} = 5.530 \right]$ . In sum, common method variance was not an issue in this study.

## 8. SUMMARY

The study refers to the example of six food consumables such as potatoes, chicken, tea, juice, biscuits and beer. The first four products were assigned to the agricultural category whereas the remaining two—biscuits and beer—constituted the group of processed food consumables.

The instrument comprised two parts. The first consisted of the measures of CET, CI<sub>RAS</sub>, attitudes towards products, attitudes towards brands and purchasing intentions. These demonstrated good psychometric qualities in earlier studies. The exception was CI<sub>RAS-OST</sub>. This dimension of conspicuousness of imports was excluded from further analyses. The second part included demographic questions.

I conducted a questionnaire-based survey to collect data in southern Mozambique. To reduce common method biases of the sample, I ensured anonymity of

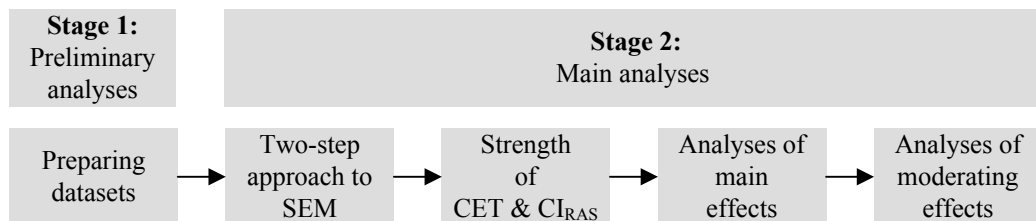
respondents and the quality of items. Statistical tests did not reveal any common method bias problem.

## CHAPTER 5: ANALYSIS

### 1. INTRODUCTION: STRATEGIES OF ANALYSES

The process of data analyses contained two stages. The objective at the first stage was to prepare datasets. The second stage comprised main analyses. These included (1) analyses of measurement and structural models by means of a two-step approach, (2) analyses of the strength of CET and  $CI_{RAS}$ , (3) analyses of main effects of the model, and (4) analyses of the moderating effects. The process of data analyses is summarised in figure 15.

**Figure 15: Process of data analyses**



### 2. PREPARING DATASETS

Two datasets were created to conduct analyses of the data. The first was a PRELIS dataset. It was used to conduct structural equation modelling (SEM) analyses of hypotheses H1 to H11 using LISREL8.8 software. The second dataset was created in an SPSS15 file in order to test propositions H12a and H12b using one-way repeated measures analysis of variance (ANOVA) and one-way repeated measures analysis of covariance (ANCOVA).

## 2.1 PRELIS DATASET

This section discusses data issues pertinent to SEM analyses. Such issues include missing data, normality and outliers, linearity and absence of multicollinearity and singularity.

### 2.1.1 Missing data

Missing data is an important issue in data analyses because it may affect results. In the case of surveys, data is often missing due to item non-response (Schafer and Graham 2002). Such a problem takes place when, for example, an individual completes a questionnaire but does not respond to some items (Schafer and Graham 2002).

Some researchers conduct analysis with missing data (Schreiber 2008). Testing structural equation models on datasets with missing values presumes using full information maximum likelihood (FIML) technique (Du Toit, Du Toit and Hawkins 2001). However, this technique has a disadvantage: FIML does not report complete data needed to assess the tested model.

Alternatively, researchers may cope with missing data before analyses. Older techniques for dealing with missing data include: pairwise deletion, listwise deletion, reweighing, single imputation, averaging the available items and mean substitution (Schafer and Graham 2002, Du Toit, Du Toit and Hawkins 2001, Downey and King 1998). A disadvantage of case deletion techniques is that they may substantially reduce sample size (Schafer and Graham 2002, Schreiber 2008).

As regards reweighing, a scholar removes incomplete cases and weights the remaining complete cases so that their distribution resembles that of the full sample (Schafer and Graham 2002). Weights are obtained from the probabilities of response estimated from the data by means of logistic and/or probit regressions. This method is considered to be less attractive because one must compute a different set of weights for each variable (Schafer and Graham 2002).

The single imputation technique refers to replacing the missing items with plausible values. Its shortcoming is that it may distort data distributions and relationships (Schafer and Graham 2002).

The method of averaging the available items implies using an average score of the scale to substitute missing values in its specific items (Schafer and Graham 2002). However, Downey and King (1998) warn that this method may lead to a spurious increase in the inter-item correlations and inflate reliabilities when numbers of missing items increase.

Mean substitution is one of the most common traditional approaches for dealing with missing data. It replaces the missing value with the mean for the item from all individuals completing that item (Downey and King 1998). Nonetheless, this approach reduces the variance of the new scale as well as its correlations (covariances) with other scales (Schafer and Graham 2002, Downey and King 1998).

Nowadays, there exist two more robust alternatives to the older methods for dealing with missing values. These are maximum likelihood (ML) and multiple imputation (MI) procedures. The two techniques make similar assumptions (Schafer and Graham 2002). Because the MI is a newer and less researched technique, I employ the ML method.

The ML method has two assumptions. The first is related to missing data patterns. These are divided into three categories: MCAR (missing completely at random), MAR (missing at random) and MNAR (missing not at random) (Tabachnik and Fidell 2007, Schafer and Graham 2002). Let us assume that variables  $X = (X_1, X_2, \dots, X_N)$  are known for all respondents and that  $Y$  is missing for some. In the case of MCAR, the probability that  $Y$  is missing depends neither on  $X$  nor on  $Y$  (Schafer and Graham 2002). MAR implies that  $Y$  is missing may depend on  $X$  but not  $Y$  (Schafer and Graham 2002). In MNAR situations, the probability that  $Y$  is missing depends upon  $Y$  (Schafer and Graham 2002).

MCAR is desirable (Tabachnik and Fidell 2007, Schafer and Graham 2002). However, in real research situations MAR and MNAR are more common (Schafer and Graham 2002). MAR is often referred to as non-informative drop-out which can be ignored (Schafer and Graham 2002). By contrast, MNAR is non-ignorable non-response (Schafer and Graham 2002). Similar to many other techniques, the ML method requires for missing data to have a MAR pattern (Schafer and Graham 2002).



The amount of missing values in the CET, CI<sub>RAS</sub>, attitudes and purchasing intentions in the sample was rather small (less than 5%). Little's MCAR tests were significant suggesting that the data were not missing completely at random (Tabachnik and Fidell 2007). However, the MNAR was rejected because, according to the results of t-tests, missing patterns were not caused by the dependent variables (Tabachnik and Fidell 2007). Such a result implied the MAR pattern. That is, the data were missing at random. This implies that the first requirement of the ML method was met.

The second assumption is that the sample is large enough for the ML estimates to be approximately unbiased and normally distributed (Schafer and Graham 2002). This requirement was met because, having 448 cases, the sample was rather large (Schafer and Graham 2002). More information about normality of the data is provided in the next section.

The ML estimation was conducted by using an EM algorithm (Dempster, Laird and Rubin 1977). This involves two steps: E-step and M-step. Based on a set of parameters such as a mean vector and covariance matrix for multivariate normal distribution, the E-step calculates the conditional expectation of the complete data log likelihood given the observed data and the parameter estimates (Dempster, Laird and Rubin 1977). Given the complete data log likelihood, the M-step finds the parameter estimates to maximize the complete data log likelihood obtained in the E-step (Dempster, Laird and Rubin 1977). This study implemented the ML procedure with the EM algorithm using LISREL8.8 (Jöreskog and Sörbom 1996).

As table 14 shows, the amount of missing data points was rather high for some demographic questions. Since it was not possible to use mean values to substitute missing data points, it was decided to delete missing cases from the analyses. This affected the sample size in the analyses of main effects.

**Table 14: Missing values in the socio-demographic data**

<b>Data</b>	<b>Total number of cases</b>	<b>Number of valid responses</b>	<b>Percentage of valid responses</b>	<b>Percentage of missing data</b>
Age	448	414	92.41%	7.59%
Gender	448	439	97.99%	2.01%
National sub-group	448	411	91.74%	8.26%
Employment status	448	437	97.54%	2.46%

### **2.1.2 Normality and outliers**

According to Du Toit, Du Toit and Hawkins (2001), the analysis of non-normal continuous variables in structural equation modelling is problematic. For example, the most commonly used method of estimation – maximum likelihood (ML) – may produce incorrect standard errors and chi-square if the data is not normal. Those methods which perform better when normality is violated (e.g. weighted least squares, WLS or ADF) require very large sample sizes. Hence, non-normality should be corrected.

Normality of single observed variables may be assessed statistically - by using values of skewness and kurtosis, and graphically by exploring histograms and normal probability plots (Tabachnik and Fidell 2007). Skewness refers to the

symmetry of the distribution. If a variable is skewed, its mean is not in the centre of the distribution (Tabachnik and Fidell 2007). Positive skewness implies that a pileup of cases to the left and the right tail is long. The opposite holds for negative skewness where a pileup of cases is to the right and the left tail is long. Kurtosis indicates the peakedness of a distribution (Tabachnik and Fidell 2007). Positive kurtosis is characterised by a distribution with short and thick tails. When kurtosis is negative, a distribution is flat with many cases in the tails. When a distribution is normal, the values of skewness and kurtosis are zero. However, a distribution is not normal when skewness and kurtosis substantially divert from zero. In such cases, the item should be transformed (Tabachnick and Fidell 2007).

A scholar may conduct manual transformations by using a list of transformation formulae shown in table 15. Each of these formulae corresponds to different combinations and degrees of skewness and kurtosis. Alternatively, a scholar may normalise data automatically. In LISREL 8.8, items with large skewness and kurtosis can be normalised by means of normal scores function (Schreiber 2008).

It is worth noting that with large samples, the significant level of skewness is not as important as its actual size and the visual appearance of the distribution. Further, underestimates of variance associated with positive kurtosis disappear with samples of 100 or more cases. As regards negative kurtosis, underestimation of variance disappears if a sample involves 200 or more participants (Tabachnick and Fidell 2007).

**Table 15: Formulae for Transformation**

Departure from normality	Formula*
Moderate positive skewness	$X_{NEW} = \sqrt{X}$
Substantial positive skewness	$X_{NEW} = \text{LG10}(X)$
With zero	$X_{NEW} = \text{LG10}(X+C)$
Severe positive skewness	$X_{NEW} = \frac{1}{X}$
L – shaped with zero	$X_{NEW} = \frac{1}{(X + C)}$
Moderate negative skewness	$X_{NEW} = \sqrt{K - X}$
Substantial negative skewness	$X_{NEW} = \text{LG10}(K-X)$
Sever negative skewness J-shaped	$X_{NEW} = \frac{1}{(K - X)}$

\* Source: Tabachnik and Fidell (2007); Note: C = a constant added to each score so that the smallest score is 1. K = a constant from which each score is subtracted so that the smallest score is 1; usually equal to the largest score + 1.

Because departures from normality may be caused by outliers, some authors suggest examining normality and the presence of outliers in conjunction (Tabachnick and Fidell 2007, Pallant 2007). Boxplots are a helpful graphical device in detecting possible outliers. Although outliers contribute to deviations from normality, their impact is not always strong. Specifically, extreme cases do not substantially influence distribution if the difference between the original mean values and 5% trimmed mean values is small (Pallant 2007). In such cases the deletion of outliers may not be necessary (Pallant 2007).

The Kolmogorov-Smirnov statistics of the CET, CI<sub>RAS</sub>, attitudinal and purchasing intentions items were significant suggesting possible deviations from normality in these scales in the sample (Pallant 2007). Because in a sample of 200 or more

participants significance of non-normality is less important than its actual size and visual appearance (Tabachnik and Fidell 2007), the distribution qualities of the items were further assessed by using actual values of skewness and kurtosis and by examining frequency histograms, normal Q-Q plots and detrended normal Q-Q plots. Most items had skewness and kurtosis close to 0 and frequency histograms indicating normal distribution. Normality was also evident from the respective normal probability plots. Indeed, cases in most items lined up along the diagonal in the normal probability plots and distributed themselves evenly above and below the horizontal line that intercepts the Y-axis at 0.0 in the detrended normal probability plots.

Although most items were normally distributed, there were some exceptions. These were items 14 and 16 of the CET-scale, 14, 16, 17 and 18 of the CI<sub>RAS</sub>-scale and items 1 and 2 of ATT<sub>CHICKEN MEAT</sub> (table 16). Although these items did not have very high kurtosis values, their skewness was in excess of 1. The distribution and outliers were further examined graphically. The boxplot graphs revealed no outliers. However, deviations from normality were evident from histograms and probability plots. It was, therefore, decided to use the normal scores function of LISREL8.8 to correct non-normality of data (Du Toit, Du Toit and Hawkins 2001).

**Table 16: Items with non-normal distribution**

Variables	Items	Skewness and Kurtosis Values
CET	Item 14	S = 1.112 K = 0.365
	Item 16	S = - 1.201 K = - 0.050
CI <sub>RAS</sub>	Item 14	S = 1.184 K = 0.453
	Item 16	S = 1.040 K = -0.052
	Item 17	S = 1.098 K = 0.657
	Item 18	S = 1.579 K = 2.364
ATT <sub>CHICKEN MEAT</sub>	Item 1	S = 1.426 K = 1.271
	Item 2	S = 1.071 K = 0.720

### 2.1.3 Linearity

Linearity is an important precondition for SEM analyses (Tabachnik and Fidell 2007). It points to a straight-line relationship between two variables and may be diagnosed from bivariate scatterplots (Tabachnik and Fidell 2007). If two variables are linearly related, the scatterplot is oval-shaped (Tabachnick and Fidell 2007). Because the overall number of items was large, examination of all pairwise scatterplots was not feasible. Some authors recommend a spot-check on a few plots (Tabachnick and Fidell 2007). An examination of several scatterplots of items of the CET, CI<sub>RAS</sub>, attitudinal and purchasing intentions scales revealed neither severe departures from linearity nor evidence of curvilinearity.

### 2.1.4 Absence of multicollinearity and singularity

Singularity and multicollinearity are a problem for SEM analyses (Tabachnik and Fidell 2007). Most SEM software programmes, including LISREL8.8, abort as in case of singularity and multicollinearity the necessary matrices cannot be inverted (Jöreskog and Sörbom 1996, Tabachnick and Fidell 2007).

Singularity refers to redundancy of the variables. That is, one of the variables is a combination of two or more of the other variables (Tabachnick and Fidell 2007). With multicollinearity, the variables are highly correlated (e.g.  $r = 0.90$ ), their tolerance values are less than 0.10 and their variance inflation factor (VIF) is greater than 10 (Tabachnick and Fidell 2007).

The sample showed neither singularity nor multicollinearity. Indeed, neither of the coefficients in the correlation matrix was close to or in excess of 0.90. In addition to this, tolerance and VIF values were acceptable. The tolerance values varied from 0.186 to 0.635 whereas VIF were from 1.575 to 5.376. In addition to this, the sample matrix was successfully inverted by the LISREL software suggesting that the sample did not have any multicollinearity/singularity problems. Data issues in the PRELIS dataset are summarised in table 17.

**Table 17: Data issues in the PRELIS dataset**

Data issues		PRELIS dataset
<b>Data issues of the socio-psychological constructs = Continuous variables</b> (CET, CI <sub>RAS</sub> , ATT <sub>PRODUCT</sub> , ATT <sub>BRAND</sub> , PI <sub>BRAND</sub> )		
Missing values	Presence of missing values	Yes
	Dealing with missing data	Maximum Likelihood (EM algorithm)
Normality	Departures from normality	Some items
	Dealing with non-normality	Normal scores
Linearity		Yes
Multicollinearity and/or singularity		No
<b>Data issues of the demographic data = Continuous and categorical variables</b>		
Missing values	Presence of missing values	Yes
	Dealing with missing data	Deletion
Dealing with categorical variables		Transformed into continuous

## 2.2 SPSS DATASET

Having dealt with data issues in the PRELIS dataset, I exported the file to the SPSS15 dataset. This guaranteed the homogeneity of the datasets.

## 3. TWO-STEP APPROACH TO SEM

### 3.1 KEY ASPECTS

Unlike in a one-step approach, the measurement and structural sub-models in a two-step approach are not estimated simultaneously (Anderson and Gerbing 1988). That is, evaluation of structural equation models is preceded by tests of their respective measurement models (Anderson and Gerbing 1988, Anderson and Narus 1984, Zeugner Roth, Diamantopoulos and Montesinos 2008, Schoefer and Diamantopoulos 2008, Hornung and Rousseau 2007, Fornell and Yi 1992). This reduces the possibility of interpretational confounding (Burt 1976). I now go on to explain these two steps in detail.

#### **Step 1: Estimation of the measurement model**

The measurement model is tested by using a series of confirmatory factor analyses (CFA). Earlier proponents of the two-step approach (Burt 1976) recommended using a separate factor analysis for each unobservable variable. However, this study takes a stance of Anderson and Gerbing (1988) who suggested including all unobservable variables into one CFA model simultaneously. Neither of the structural parameters is constrained. Instead, they are free to relate to each other.

Confirmatory factor analyses are often used to compare several measurement models. This requires the specification of nested models. These contain the same parameters. Further, the set of free parameters in one model is a subset of the set



of free parameters in another model. For example, model M2 is nested within another model M1, if its set of free parameters represents a subset of those of M1 (Anderson and Gerbing 1988). The best model can be selected based on the chi-square difference statistics. The nested model is preferred when its chi-square is significantly lower than that of the initial model.

At this stage of the two-step approach a scholar has two major objectives. The first is to establish unidimensionality of constructs (Anderson and Gerbing, 1988). Achieving unidimensional measurement is a necessary condition for assigning meaning to estimated constructs. Each group of alternate indicators should have only one underlying construct in common.

The second objective is to establish constructs' reliability (Luque-Martinez, Ibanez-Zapata and del Barrio-Garcia 2000). This can be computed by using the following formula 1:

$$\text{Construct Reliability} = \frac{(\sum \text{Std. Loading}_j)^2}{(\sum \text{Std. Loading}_j)^2 + \sum \text{Measurement Error}_j}$$

**Formula 1**

The final objective refers to the assessment of construct's trait validity (Anderson 1987). This, in turn, may be decomposed into convergent and discriminant validity assessments. Convergent validity shows the degree to which two or more measures are true indicators of a concept. This is possible when the measures are highly correlated (Bagozzi and Phillips 1982). Convergent validity can be evaluated by determining whether each item's loading on its underlying factor is

significant. The loading is significant when it is greater than two times its standard error (Anderson 1987).

Discriminant validity is the extent to which measures of distinct concepts differ (Bagozzi and Phillips 1982). That is, measures of different concepts should share little common variance. Discriminant validity can be assessed for two constructs by setting their correlation parameter equal to 1.0 and then computing a chi-square difference for the constrained and unconstrained models (Anderson 1987, Bagozzi and Phillips 1982). If a model, whose correlation was constrained, has a significantly lower chi-square, then constructs are not highly correlated suggesting discriminant validity (Bagozzi and Phillips 1982).

## **Step 2: Assessment of the Structural Equation Model**

At this stage a researcher focuses on the estimation of structural paths. This, however, does not imply fixing the measurement parameters (Fornell and Yi 1992). These, according to Anderson and Gerbing (1988), should be re-estimated again. While testing the structural model a researcher sets as an objective to assess nomological validity of the confirmatory factor model (Anderson 1987).

Anderson and Gerbing (1988) recommend estimating a series of five nested structural models in order to assess the structural model. The suggested sequence of the nested models is the following:

$$\mathbf{M}_n < \mathbf{M}_c < \mathbf{M}_t < \mathbf{M}_u < \mathbf{M}_s,$$

where:

$\mathbf{M}_s$  is a saturated structural model,

$\mathbf{M}_u$  is an unconstrained structural model,

$\mathbf{M}_t$  is a theoretical structural model,

$\mathbf{M}_c$  is a constrained structural model,

$\mathbf{M}_n$  is a null structural model.

The saturated model ( $\mathbf{M}_s$ ) is equivalent to the confirmatory measurement model obtained in the first step of the analysis. All its parameters relating the constructs to one another are set free. That is, no constraints are imposed on the structural paths. The null structural model ( $\mathbf{M}_n$ ) is the opposite of the saturated model because all of its structural paths are fixed at 0.0. The theoretical model ( $\mathbf{M}_t$ ) is built upon theory. The constrained model ( $\mathbf{M}_c$ ) is the closest constrained alternative to the theoretical model. Finally, the unconstrained model ( $\mathbf{M}_u$ ) is the most likely unconstrained alternative to the theoretical model. It is clear that  $\mathbf{M}_n$  is the smallest model. Hence, it has the largest degrees of freedom. By contrast,  $\mathbf{M}_s$  is the largest model with the smallest degrees of freedom.

### **Process of analyses**

#### *Pseudo chi-square statistic tests*

Pseudo chi-square statistics is composed of chi-square of the saturated model and degrees of freedom of the null model (Bentler and Bonnett 1980). Chi-square statistics points to a fundamental misspecification of the measurement model and

suggests that neither of the models has acceptable fit (Anderson and Gerbing 1988).

*Sequential chi-square difference tests (SCDTs)*

The five nested models are examined in a series of tests. Their sequence is shown in a decision tree in Anderson and Gerbing (1988).

### 3.2 CONFIRMATORY FACTOR ANALYSIS OF THE OVERALL MEASUREMENT MODEL (STEP 1)

Fifteen measurement models were examined in the case of the potentially inconspicuous products—chicken and potatoes. Each of the models comprised four demographic variables (age, gender, ethnic group and employment status), four subscales of the conspicuousness of imports construct ( $CI_{RAS-MH}$ ,  $CI_{RAS-BE}$ ,  $CI_{RAS-ST}$  and  $CI_{RAS-IM}$ ) and attitudes towards the product ( $ATT_{PRODUCT}$ ). However, the last component—CET-variable—was different across models. In models 1-5, it had a one-dimensional structure (Shimp and Sharma 1987, Cleveland, Laroche and Papadopoulos 2009, Jakubanecs, Supphellen and Thorbjørnsen 2005, Netemeyer, Durvasula and Lichtenstein 1991, Klein, Ettenson and Krishnan 2006). In models 6-12, the last component was represented by two-dimensional CET-scales (Saffu and Walker 2006a, Hsu and Nien 2008, Chryssochoidis, Krystallis and Perreas 2007, Saffu and Walker 2005, Acharya and Elliott 2003, Douglas and Nijssen 2003). Models 13-14 comprised CET-scales with three dimensions (Marcoux, Filiatrault and Chéron 1997, Jakubanecs, Supphellen and Thorbjørnsen 2005). The last element in model 15 took form of a four-factor CET-scale from (Upadhyay and Singh 2006).

In addition, I assessed fifteen measurement models for each of the potentially conspicuous food consumables—tea, juice, biscuits and beer. All the measurement models included the four demographic variables, the four subscales of the conspicuousness of imports construct, attitudes towards the product, attitudes towards the brand and purchasing intentions towards the brand. Like in the case of potentially inconspicuous products, the last measure differed across models. It was represented by a one-dimensional CET-scale in models 1-5 (Netemeyer, Durvasula and Lichtenstein 1991, Shimp and Sharma 1987, Cleveland, Laroche and Papadopoulos 2009, Jakubanecs, Supphellen and Thorbjørnsen 2005, Klein, Ettenson and Krishnan 2006). The last elements of models 6-12 were two-dimensional CET-scales (Saffu and Walker 2006a, Hsu and Nien 2008, Chryssochoidis, Krystallis and Perreas 2007, Saffu and Walker 2005, Acharya and Elliott 2003, Douglas and Nijssen 2003). In models 13-14, the final components were CET-scales with three factors (Marcoux et al 1997; Jakubanecs et al 2005). In model 15, I used the four-factor CET-construct from Upadhyay and Singh (2006).

The results of 84 different analyses of the measurement model are presented in table 18. It is clear that model 4 has the best fit to the sample. Its ratios of chi-square to degrees of freedom were always less than the recommended maximum of 2.00; RMSEA values and their respective 90% confidence intervals did not exceed 0.05; and CFI indices were substantially greater than 0.95 (Schreiber 2008). Its loadings of items in the conspicuousness of imports sub-scales, attitudes towards the product, attitudes towards the brand and purchasing intentions

towards the brand were two times higher than their respective standard errors (Anderson 1987). This indicated significance of these loadings and good convergent validity of the constructs (Anderson 1987). It was, therefore, decided to use model 4 whose last element was the 6-item one-dimensional CET-scale developed by Klein et al (2006).

**Table 18: Fit statistics of the measurement models**

MODELS	CHICKEN	POTATOES	TEA	JUICE	BISCUITS	BEER
<b>Model 1</b>  Where CET has: 1 dimension & 17 items (Shimp and Sharma 1987)	$X^2 = 1438.4$ $DF = 669$  $X^2/DF = 2.15$  $RMSEA = 0.054$  90%CI OF $RMSEA = (0.050; 0.057)$  $CFI = 0.94$	$X^2 = 1443.26$ $DF = 669$  $X^2/DF = 2.15$  $RMSEA = 0.054$  90%CI OF $RMSEA = (0.050; 0.057)$  $CFI = 0.94$	$X^2 = 1709.71$ $DF = 844$  $X^2/DF = 2.02$  $RMSEA = 0.051$  90%CI OF $RMSEA = (0.047; 0.054)$  $CFI = 0.94$	$X^2 = 1591.79$ $DF = 844$  $X^2/DF = 1.88$  $RMSEA = 0.049$  90%CI OF $RMSEA = (0.045; 0.052)$  $CFI = 0.95$	$X^2 = 1644.43$ $DF = 844$  $X^2/DF = 1.94$  $RMSEA = 0.049$  90%CI OF $RMSEA = (0.045; 0.052)$  $CFI = 0.95$	$X^2 = 1689.47$ $DF = 844$  $X^2/DF = 2.00$  $RMSEA = 0.050$  90%CI OF $RMSEA = (0.047; 0.054)$  $CFI = 0.94$
<b>Model 2</b>  Where CET has: 1 dimension & 10 items (Netemeyer et al 1991)	$X^2 = 632.78$ $DF = 424$  $X^2/DF = 1.50$  $RMSEA = 0.035$  90%CI OF $RMSEA = (0.03; 0.041)$  $CFI = 0.98$	$X^2 = 644.39$ $DF = 424$  $X^2/DF = 1.51$  $RMSEA = 0.036$  90%CI OF $RMSEA = (0.030; 0.041)$  $CFI = 0.98$	$X^2 = 856.77$ $DF = 564$  $X^2/DF = 1.51$  $RMSEA = 0.036$  90%CI OF $RMSEA = (0.031; 0.041)$  $CFI = 0.97$	$X^2 = 814.04$ $DF = 564$  $X^2/DF = 1.44$  $RMSEA = 0.033$  90%CI OF $RMSEA = (0.028; 0.038)$  $CFI = 0.98$	$X^2 = 790.63$ $DF = 564$  $X^2/DF = 1.40$  $RMSEA = 0.032$  90%CI OF $RMSEA = (0.026; 0.037)$  $CFI = 0.98$	$X^2 = 852.75$ $DF = 564$  $X^2/DF = 1.51$  $RMSEA = 0.036$  90%CI OF $RMSEA = (0.031; 0.041)$  $CFI = 0.97$
<b>Model 3</b>  Where CET has: 1 dimension & 8 items (Jakubanees et al 2005)	$X^2 = 573.12$ $DF = 364$  $X^2/DF = 1.57$  $RMSEA = 0.038$  90%CI OF $RMSEA = (0.032; 0.044)$  $CFI = 0.97$	$X^2 = 572.68$ $DF = 364$  $X^2/DF = 1.57$  $RMSEA = 0.038$  90%CI OF $RMSEA = (0.032; 0.044)$  $CFI = 0.97$	$X^2 = 794.05$ $DF = 493$  $X^2/DF = 1.61$  $RMSEA = 0.039$  90%CI OF $RMSEA = (0.034; 0.044)$  $CFI = 0.97$	$X^2 = 732.85$ $DF = 493$  $X^2/DF = 1.49$  $RMSEA = 0.035$  90%CI OF $RMSEA = (0.029; 0.040)$  $CFI = 0.97$	$X^2 = 722.29$ $DF = 493$  $X^2/DF = 1.47$  $RMSEA = 0.034$  90%CI OF $RMSEA = (0.029; 0.039)$  $CFI = 0.97$	$X^2 = 789.43$ $DF = 493$  $X^2/DF = 1.60$  $RMSEA = 0.039$  90%CI OF $RMSEA = (0.034; 0.044)$  $CFI = 0.97$

(Continued)

**Table 18: (Continued)**

MODELS	CHICKEN	POTATOES	TEA	JUICE	BISCUITS	BEER
<b>Model 4</b>  Where CET has: 1 dimension & 6 items (Klein et al 2006)	$X^2 = 364.67$ DF = 306  $X^2/DF = 1.19$  RMSEA = 0.022  90%CI OF RMSEA = (0.011; 0.030)  CFI = 0.99	$X^2 = 395.56$ DF = 306  $X^2/DF = 1.29$  RMSEA = 0.027  90%CI OF RMSEA = (0.018; 0.034)  CFI = 0.99	$X^2 = 527.51$ DF = 426  $X^2/DF = 1.24$  RMSEA = 0.028  90%CI OF RMSEA = (0.021; 0.034)  CFI = 0.98	$X^2 = 518.35$ DF = 426  $X^2/DF = 1.21$  RMSEA = 0.025  90%CI OF RMSEA = (0.017; 0.031)  CFI = 0.99	$X^2 = 503.14$ DF = 426  $X^2/DF = 1.18$  RMSEA = 0.021  90%CI OF RMSEA = (0.012; 0.028)  CFI = 0.99	$X^2 = 529.8$ DF = 426  $X^2/DF = 1.24$  RMSEA = 0.031  90%CI OF RMSEA = (0.024; 0.037)  CFI = 0.98
<b>Model 5</b>  Where CET has: 1 dimension & 4 items (Cleveland et al 2009)	$X^2 = 335.01$ DF = 250  $X^2/DF = 1.34$  RMSEA = 0.032  90%CI OF RMSEA = (0.030; 0.035)  CFI = 0.98	$X^2 = 340.2$ DF = 250  $X^2/DF = 1.36$  RMSEA = 0.033  90%CI OF RMSEA = (0.030; 0.036)  CFI = 0.97	$X^2 = 547.5$ DF = 365  $X^2/DF = 1.35$  RMSEA = 0.034  90%CI OF RMSEA = (0.030; 0.037)  CFI = 0.97	$X^2 = 485.45$ DF = 365  $X^2/DF = 1.33$  RMSEA = 0.031  90%CI OF RMSEA = (0.031; 0.034)  CFI = 0.98	$X^2 = 489.1$ DF = 365  $X^2/DF = 1.34$  RMSEA = 0.033  90%CI OF RMSEA = (0.031; 0.037)  CFI = 0.97	$X^2 = 492.75$ DF = 365  $X^2/DF = 1.35$  RMSEA = 0.035  90%CI OF RMSEA = (0.031; 0.040)  CFI = 0.97
<b>Model 6</b>  Where CET has: 2 dimensions & 17 items (Saffu and Walker 2005)	$X^2 = 1413.98$ DF = 659  $X^2/DF = 2.14$  RMSEA = 0.053  90%CI OF RMSEA = (0.050; 0.057)  CFI = 0.94	$X^2 = 1418.46$ DF = 659  $X^2/DF = 2.15$  RMSEA = 0.054  90%CI OF RMSEA = (0.050; 0.057)  CFI = 0.94	$X^2 = 1672.60$ DF = 832  $X^2/DF = 2.01$  RMSEA = 0.050  90%CI OF RMSEA = (0.047; 0.054)  CFI = 0.94	$X^2 = 1627.70$ DF = 832  $X^2/DF = 1.95$  RMSEA = 0.049  90%CI OF RMSEA = (0.045; 0.052)  CFI = 0.95	$X^2 = 1618.03$ DF = 832  $X^2/DF = 1.94$  RMSEA = 0.049  90%CI OF RMSEA = (0.045; 0.052)  CFI = 0.95	$X^2 = 1618.03$ DF = 832  $X^2/DF = 2.00$  RMSEA = 0.050  90%CI OF RMSEA = (0.047; 0.054)  CFI = 0.94

(Continued)



**Table 18: (Continued)**

MODELS	CHICKEN	POTATOES	TEA	JUICE	BISCUITS	BEER
<b>Model 7</b>  Where CET has: 2 dimensions & 17 items (Chryssochoidis et al 2007)	$X^2 = 1291.98$ Df = 659  $X^2/Df = 1.96$  RMSEA = 0.049  90%CI of RMSEA = (0.045; 0.053)  CFI = 0.95	$X^2 = 1305.26$ Df = 659  $X^2/Df = 1.97$  RMSEA = 0.049  90%CI of RMSEA = (0.045; 0.053)  CFI = 0.95	$X^2 = 1539.07$ Df = 832  $X^2/Df = 1.85$  RMSEA = 0.046  90%CI of RMSEA = (0.042; 0.050)  CFI = 0.95	$X^2 = 1530.75$ Df = 832  $X^2/Df = 1.84$  RMSEA = 0.046  90%CI of RMSEA = (0.042; 0.049)  CFI = 0.95	$X^2 = 1524.43$ Df = 832  $X^2/Df = 1.83$  RMSEA = 0.046  90%CI of RMSEA = (0.042; 0.049)  CFI = 0.95	$X^2 = 1557.57$ Df = 832  $X^2/Df = 1.87$  RMSEA = 0.046  90%CI of RMSEA = (0.043; 0.050)  CFI = 0.95
<b>Model 8</b>  Where CET has: 2 dimensions & 17 items (Acharya and Elliott 2003)	$X^2 = 1365.02$ Df = 659  $X^2/Df = 2.07$  RMSEA = 0.052  90%CI of RMSEA = (0.048; 0.056)  CFI = 0.95	$X^2 = 1376.25$ Df = 659  $X^2/Df = 2.08$  RMSEA = 0.052  90%CI of RMSEA = (0.048; 0.056)  CFI = 0.95	$X^2 = 1616.25$ Df = 832  $X^2/Df = 1.94$  RMSEA = 0.048  90%CI of RMSEA = (0.045; 0.052)  CFI = 0.94	$X^2 = 1592.77$ Df = 832  $X^2/Df = 1.91$  RMSEA = 0.048  90%CI of RMSEA = (0.044; 0.051)  CFI = 0.95	$X^2 = 1584.14$ Df = 832  $X^2/Df = 1.90$  RMSEA = 0.047  90%CI of RMSEA = (0.044; 0.051)  CFI = 0.95	$X^2 = 1618.33$ Df = 832  $X^2/Df = 1.95$  RMSEA = 0.049  90%CI of RMSEA = (0.045; 0.052)  CFI = 0.95
<b>Model 9</b>  (Saffu and Walker 2006a)	INFORMATION ON THE COMPOSITION OF FACTORS IS NOT AVAILABLE					

(Continued)

**Table 18: (Continued)**

MODELS	CHICKEN	POTATOES	TEA	JUICE	BISCUITS	BEER
<b>Model 10</b>  Where CET has: 2 dimensions & 10 items (Douglas and Nijssen 2003)	$X^2 = 611.34$ DF = 414  $X^2/DF = 1.48$  RMSEA = 0.034  90%CI OF RMSEA = (0.029; 0.040)  CFI = 0.98	$X^2 = 617.14$ DF = 414  $X^2/DF = 1.49$  RMSEA = 0.035  90%CI OF RMSEA = (0.029; 0.040)  CFI = 0.98	$X^2 = 847.35$ DF = 552  $X^2/DF = 1.54$  RMSEA = 0.037  90%CI OF RMSEA = (0.032; 0.041)  CFI = 0.97	$X^2 = 822.42$ DF = 552  $X^2/DF = 1.49$  RMSEA = 0.035  90%CI OF RMSEA = (0.030; 0.040)  CFI = 0.98	$X^2 = 933.86$ DF = 552  $X^2/DF = 1.69$  RMSEA = 0.040  90%CI OF RMSEA = (0.033; 0.043)  CFI = 0.96	$X^2 = 822.26$ DF = 552  $X^2/DF = 1.49$  RMSEA = 0.035  90%CI OF RMSEA = (0.030; 0.040)  CFI = 0.97
<b>Model 11</b>  Where CET has: 2 dimensions & 10 items (Hsu and Nien 2008)	$X^2 = 595.28$ DF = 414  $X^2/DF = 1.43$  RMSEA = 0.033  90%CI OF RMSEA = (0.027; 0.039)  CFI = 0.98	$X^2 = 604.60$ DF = 414  $X^2/DF = 1.46$  RMSEA = 0.034  90%CI OF RMSEA = (0.028; 0.039)  CFI = 0.98	$X^2 = 811.85$ DF = 552  $X^2/DF = 1.47$  RMSEA = 0.034  90%CI OF RMSEA = (0.029; 0.039)  CFI = 0.97	$X^2 = 797.36$ DF = 552  $X^2/DF = 1.44$  RMSEA = 0.033  90%CI OF RMSEA = (0.028; 0.038)  CFI = 0.98	$X^2 = 764.21$ DF = 552  $X^2/DF = 1.38$  RMSEA = 0.031  90%CI OF RMSEA = (0.025; 0.036)  CFI = 0.98	$X^2 = 795.58$ DF = 552  $X^2/DF = 1.44$  RMSEA = 0.033  90%CI OF RMSEA = (0.028; 0.038)  CFI = 0.98
<b>Model 12</b>  Where CET has: 2 dimensions & 10 items (Hsu and Nien 2008)	$X^2 = 612.16$ DF = 414  $X^2/DF = 1.47$  RMSEA = 0.035  90%CI OF RMSEA = (0.029; 0.040)  CFI = 0.98	$X^2 = 624.64$ DF = 414  $X^2/DF = 1.51$  RMSEA = 0.035  90%CI OF RMSEA = (0.030; 0.041)  CFI = 0.98	$X^2 = 871.64$ DF = 552  $X^2/DF = 1.56$  RMSEA = 0.038  90%CI OF RMSEA = (0.033; 0.043)  CFI = 0.96	$X^2 = 798.58$ DF = 552  $X^2/DF = 1.45$  RMSEA = 0.038  90%CI OF RMSEA = (0.028; 0.038)  CFI = 0.98	$X^2 = 806.69$ DF = 552  $X^2/DF = 1.46$  RMSEA = 0.032  90%CI OF RMSEA = (0.026; 0.037)  CFI = 0.98	$X^2 = 906.66$ DF = 552  $X^2/DF = 1.64$  RMSEA = 0.040  90%CI OF RMSEA = (0.035; 0.045)  CFI = 0.97

(Continued)

**Table 18: (Continued)**

MODELS	CHICKEN	POTATOES	TEA	JUICE	BISCUITS	BEER
<b>Model 13</b>  Where CET has: 3 dimensions & 14 items (Marcoux et al 1997)	$X^2 = 951.45$ DF = 537  $X^2/DF = 1.77$  RMSEA = 0.044  90%CI OF RMSEA = (0.039; 0.048)  CFI = 0.96	$X^2 = 960.06$ DF = 537  $X^2/DF = 1.79$  RMSEA = 0.044  90%CI OF RMSEA = (0.040; 0.049)  CFI = 0.96	$X^2 = 1188.73$ DF = 693  $X^2/DF = 1.71$  RMSEA = 0.042  90%CI OF RMSEA = (0.038; 0.046)  CFI = 0.96	$X^2 = 1161.64$ DF = 693  $X^2/DF = 1.68$  RMSEA = 0.041  90%CI OF RMSEA = (0.037; 0.045)  CFI = 0.96	$X^2 = 1146.08$ DF = 693  $X^2/DF = 1.65$  RMSEA = 0.040  90%CI OF RMSEA = (0.036; 0.044)  CFI = 0.96	$X^2 = 1196.00$ DF = 693  $X^2/DF = 1.73$  RMSEA = 0.043  90%CI OF RMSEA = (0.038; 0.047)  CFI = 0.96
<b>Model 14</b>  Where CET has: 3 dimensions & 9 items (Jakubanečs et al 2005)	$X^2 = 640.85$ DF = 372  $X^2/DF = 1.79$  RMSEA = 0.044  90%CI OF RMSEA = (0.039; 0.050)  CFI = 0.97	$X^2 = 646.77$ DF = 372  $X^2/DF = 1.73$  RMSEA = 0.043  90%CI OF RMSEA = (0.037; 0.048)  CFI = 0.97	$X^2 = 874.32$ DF = 503  $X^2/DF = 1.74$  RMSEA = 0.043  90%CI OF RMSEA = (0.038; 0.048)  CFI = 0.96	$X^2 = 804.44$ DF = 503  $X^2/DF = 1.60$  RMSEA = 0.039  90%CI OF RMSEA = (0.034; 0.044)  CFI = 0.97	$X^2 = 829.42$ DF = 503  $X^2/DF = 1.65$  RMSEA = 0.040  90%CI OF RMSEA = (0.035; 0.045)  CFI = 0.97	$X^2 = 842.69$ DF = 503  $X^2/DF = 1.68$  RMSEA = 0.041  90%CI OF RMSEA = (0.036; 0.046)  CFI = 0.97
<b>Model 15</b>  Where CET has: 4 dimensions & 15 items (Upadhyay and Singh 2006)	$X^2 = 1083.69$ DF = 561  $X^2/DF = 1.93$  RMSEA = 0.048  90%CI OF RMSEA = (0.044; 0.052)  CFI = 0.94	$X^2 = 1064.88$ DF = 561  $X^2/DF = 1.89$  RMSEA = 0.047  90%CI OF RMSEA = (0.043; 0.052)  CFI = 0.96	$X^2 = 1312.60$ DF = 720  $X^2/DF = 1.82$  RMSEA = 0.045  90%CI OF RMSEA = (0.041; 0.049)  CFI = 0.95	$X^2 = 1271.33$ DF = 720  $X^2/DF = 1.77$  RMSEA = 0.044  90%CI OF RMSEA = (0.040; 0.048)  CFI = 0.96	$X^2 = 1283.48$ DF = 720  $X^2/DF = 1.78$  RMSEA = 0.044  90%CI OF RMSEA = (0.040; 0.048)  CFI = 0.96	$X^2 = 1312.52$ DF = 720  $X^2/DF = 1.78$  RMSEA = 0.045  90%CI OF RMSEA = (0.041; 0.049)  CFI = 0.95

(Continued)

The scales in model 4 were one-dimensional. Each item loaded on its underlying construct only. Using formula 1, I computed construct reliabilities. Being greater than the recommended minimum of 0.700, the construct reliabilities were acceptable (Luque-Martinez, Ibanez-Zapata and del Barrio-Garcia 2000) (table 19).

**Table 19: Construct reliabilities**

SCALE	CHICKEN	POTATOES	TEA	JUICE	BISCUITS	BEER
CI <sub>RAS-MH</sub>	0.894	0.894	0.894	0.893	0.893	0.894
CI <sub>RAS-BE</sub>	0.92	0.92	0.92	0.92	0.92	0.92
CI <sub>RAS-ST</sub>	0.94	0.94	0.94	0.94	0.94	0.94
CI <sub>RAS-IM</sub>	0.87	0.87	0.87	0.87	0.87	0.87
CET	0.91	0.91	0.91	0.91	0.91	0.91
ATT <sub>PRODUCT</sub>	0.852	0.863	0.868	0.872	0.865	0.843
ATT <sub>BRAND</sub>	NA	NA	0.831	0.892	0.897	0.850
PI <sub>BRAND</sub>	NA	NA	0.760	0.771	0.759	0.759

Following the method of Bagozzi and Phillips (1982) discussed earlier, I assessed the discriminant validity of the constructs across six products (table 20). In each case the chi-square difference for constrained and unconstrained models was significant across all pairs of the constructs. It was, therefore, concluded that the measures had discriminant validity and addressed distinct concepts.

**Table 20: Discriminant validity statistics**

Correlation	Chicken	Potatoes	Tea	Juice	Biscuits	Beer	Conclusion
CET- CI <sub>RAS-MH</sub>	$\Delta X^2 = 480.39-364.67=115.72$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 521.04-395.56=125.48$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 630.23-527.51=102.72$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 645.34-518.35=126.99$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 654.1-503.14=150.96$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 661.28-529.8=131.48$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CET- CI <sub>RAS-BE</sub>	$\Delta X^2 = 502.18-364.67=137.51$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 548.79-395.56=153.23$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 704.11-527.51=176.6$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 679.6-518.35=161.25$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 672.32-503.14=169.18$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 684.21-529.8=154.41$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CET- CI <sub>RAS-ST</sub>	$\Delta X^2 = 541.56-364.67=176.89$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 603.67-395.56=208.11$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 732.14-527.51=204.63$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 712.62-518.35=194.27$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 696.78-503.14=193.64$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 712.32-529.8=182.52$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CET- CI <sub>RAS-IM</sub>	$\Delta X^2 = 498.45-364.67=133.78$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 480.54-395.56=84.98$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 678.95-527.51=151.44$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 657.89-518.35=139.54$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 642.22-503.14=139.08$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 729.3-529.8=199.5$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CET- ATT <sub>PRODUCT</sub>	$\Delta X^2 = 398.02-364.67=33.35$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 423.87-395.56=28.31$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 589.54-527.51=62.03$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 584.9-518.35=66.55$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 548.5-503.14=45.36$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 575.87-529.8=46.07$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct

(Continued)

**Table 20: (Continued)**

Correlation	Chicken	Potatoes	Tea	Juice	Biscuits	Beer	Conclusion
CET- ATT <sub>BRAND</sub>	NA	NA	$\Delta X^2 = 597.54-527.51=70.03$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 634.33-518.35=115.98$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 585.42-503.14=82.28$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 602.44-529.8=72.64$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CET- PI <sub>BRAND</sub>	NA	NA	$\Delta X^2 = 637.34-527.51=109.83$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 593.2-518.35=74.85$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 621.19-503.14=118.05$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 632.66-529.8=102.86$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CI <sub>RAS-MH</sub> - CI <sub>RAS-BE</sub>	$\Delta X^2 = 394.20-364.67=29.53$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 428.78-395.56=33.22$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 668.73-527.51=141.22$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 639.74-518.35=112.23$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 528.58-503.14=25.44$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 669.4-529.8=139.6$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CI <sub>RAS-MH</sub> - CI <sub>RAS-ST</sub>	$\Delta X^2 = 369.21-364.67=4.54$ $\Delta df = 307-306=1$ $p=0.033<0.05$ , Significant	$\Delta X^2 = 399.68-395.56=4.12$ $\Delta df = 307-306=1$ $p=0.042<0.05$ , Significant	$\Delta X^2 = 567.06-527.51=39.55$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 537.58-518.35=10.07$ $\Delta df = 427-426=1$ $p=0.001<0.05$ , Significant	$\Delta X^2 = 520.17-503.14=17.03$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 609.93-529.8=80.13$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
CI <sub>RAS-MH</sub> - CI <sub>RAS-IM</sub>	$\Delta X^2 = 543.70-364.67=179.03$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 606.57-395.56=211.0$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 827.34-527.51=299.8$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 780.31-518.35=252.8$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 850.0-503.14=346.86$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 811.84-529.8=282.04$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct

(Continued)

**Table 20: (Continued)**

Correlation	Chicken	Potatoes	Tea	Juice	Biscuits	Beer	Conclusion
$CI_{RAS-MH^-}$ $ATT_{PRODUCT}$	$\Delta X^2 = 525.56-364.67=160.89$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 562.76-395.56=167.2$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 742.59-527.51=215.08$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 706.62-518.35=179.11$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 782.78-503.14=279.64$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 628.39-529.8=98.59$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-MH^-}$ $ATT_{BRAND}$	NA	NA	$\Delta X^2 = 610.89-527.51=83.38$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 973.16-518.35=445.65$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 1051.2-503.14=548.1$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 590.83-529.8=61.03$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-MH^-}$ $PI_{BRAND}$	NA	NA	$\Delta X^2 = 645.17-527.51=117.66$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 728.85-518.35=201.34$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 644.51-503.14=141.37$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 569.83-529.8=40.03$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-BE^-}$ $CI_{RAS-ST}$	$\Delta X^2 = 372.56-364.67=7.89$ $\Delta df = 307-306=1$ $p=0.005<0.05$ , Significant	$\Delta X^2 = 430.18-395.56=34.62$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 580.45-527.51=52.94$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 537.5-518.35=10.07$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 533.99-503.14=30.85$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 601.01-529.8=71.21$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-BE^-}$ $CI_{RAS-IM}$	$\Delta X^2 = 376.29-364.67=11.62$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 420.36-395.56=24.8$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 645.18-527.51=117.67$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 554.72-518.35=27.21$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 526.22-503.14=23.08$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 608.67-529.8=78.87$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct

(Continued)

**Table 20: (Continued)**

Correlation	Chicken	Potatoes	Tea	Juice	Biscuits	Beer	Conclusion
$CI_{RAS-BE^-}$ $ATT_{PRODUCT}$	$\Delta X^2 = 505.02-364.67=145.35$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 665.81-395.56=270.25$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 784.17-527.51=256.66$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 827.85-518.35=300.34$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 509.2-503.14=6.06$ $\Delta df = 427-426=1$ $p=0.020<0.05$ , Significant	$\Delta X^2 = 620.91-529.8=91.11$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-BE^-}$ $ATT_{BRAND}$	NA	NA	$\Delta X^2 = 801.02-527.51=273.51$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 1273.28-518.35=746.28$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 599.92-503.14=96.78$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 670.23-529.8=140.43$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-BE^-}$ $PI_{BRAND}$	NA	NA	$\Delta X^2 = 586.65-527.51=59.14$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 683.35-518.35=155.84$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 625.63-503.14=122.49$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 578.09-529.8=48.29$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-ST^-}$ $CI_{RAS-IM}$	$\Delta X^2 = 421.57-364.67=56.9$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 435.98-395.56=40.42$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 642.33-527.51=114.82$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 588.35-518.35=60.84$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 602.64-503.14=99.5$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 647.89-529.8=118.09$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-ST^-}$ $ATT_{PRODUCT}$	$\Delta X^2 = 410.69-364.67=46.0$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 547.60-395.56=152.04$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 560.30-527.51=32.79$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 537.34-518.35=9.83$ $\Delta df = 427-426=1$ $p=0.001<0.05$ , Significant	$\Delta X^2 = 521.11-503.14=17.97$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 602.48-529.8=72.68$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct

(Continued)



**Table 20: (Continued)**

Correlation	Chicken	Potatoes	Tea	Juice	Biscuits	Beer	Conclusion
$CI_{RAS-ST-}$ $ATT_{BRAND}$	NA	NA	$\Delta X^2 = 612.32-527.51=84.82$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 574.61-518.35=47.1$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 595.22-503.14=92.08$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 621.28-529.8=91.48$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-ST-}$ $PI_{BRAND}$	NA	NA	$\Delta X^2 = 664.81-527.51=137.3$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 575.87-518.35=48.36$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 563.70-503.14=60.56$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 645.2-529.8=115.4$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-IM-}$ $ATT_{PRODUCT}$	$\Delta X^2 = 491.54-364.67=126.87$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 619.59-395.56=224.03$ $\Delta df = 307-306=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 910.91-527.51=383.4$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 711.75-518.35=184.24$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 864.27-503.14=361.13$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 614.79-529.8=84.99$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-IM-}$ $ATT_{BRAND}$	NA	NA	$\Delta X^2 = 610.21-527.51=82.7$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 798.28-518.35=270.77$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 732.8-503.14=229.66$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 593.21-529.8=63.41$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct
$CI_{RAS-IM-}$ $PI_{BRAND}$	NA	NA	$\Delta X^2 = 645.91-527.51=118.3$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 736.26-518.35=208.75$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 693.53-503.14=190.39$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	$\Delta X^2 = 567.49-529.8=37.69$ $\Delta df = 427-426=1$ $p=0.000<0.05$ , Significant	Distinct

(Continued)

**Table 20: (Continued)**

Correlation	Chicken	Potatoes	Tea	Juice	Biscuits	Beer	Conclusion
$ATT_{PRODUCT} - ATT_{BRAND}$	NA	NA	$\Delta X^2 = 616.08 - 527.51 = 88.57$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	$\Delta X^2 = 532.36 - 518.35 = 4.85$ $\Delta df = 427 - 426 = 1$ $p = 0.027 < 0.05$ , Significant	$\Delta X^2 = 611.11 - 503.14 = 108.21$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	$\Delta X^2 = 610.22 - 529.8 = 80.42$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	Distinct
$ATT_{PRODUCT} - PI_{BRAND}$	NA	NA	$\Delta X^2 = 645.82 - 527.51 = 118.3$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	$\Delta X^2 = 538.55 - 518.35 = 11.04$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	$\Delta X^2 = 576.97 - 503.14 = 73.83$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	$\Delta X^2 = 610.69 - 529.8 = 80.89$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	Distinct
$ATT_{BRAND} - PI_{BRAND}$	NA	NA	$\Delta X^2 = 557.0 - 527.51 = 29.49$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	$\Delta X^2 = 538.55 - 518.35 = 11.04$ $\Delta df = 427 - 426 = 1$ $p = 0.001 < 0.05$ , Significant	$\Delta X^2 = 535.01 - 503.14 = 31.87$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	$\Delta X^2 = 582.21 - 529.8 = 52.41$ $\Delta df = 427 - 426 = 1$ $p = 0.000 < 0.05$ , Significant	Distinct

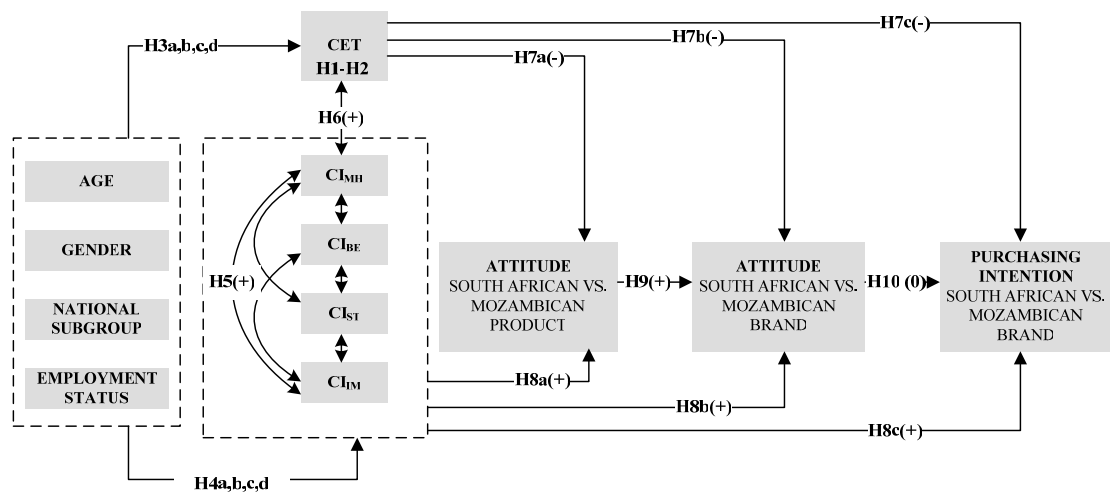
(Continued)

### 3.3 ANALYSIS OF THE STRUCTURAL MODEL (STEP 2)

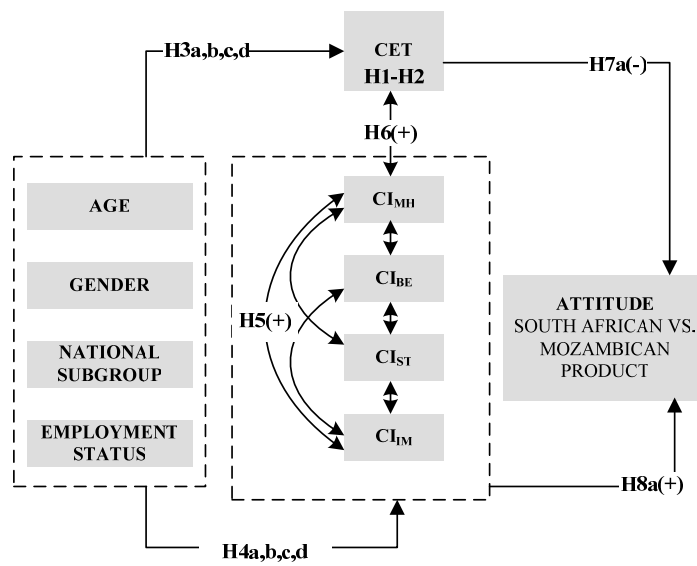
The fourth measurement model estimated in the confirmatory factor analysis was equal to the saturated structural model. Using chi-square of this model and degrees of freedom of the null structural model, I computed pseudo chi-square statistics. These were not significant suggesting that some structural models might have acceptable fit (table 21). Given this, it was decided to proceed with further analyses of the structural models.

First, the saturated and theoretical models were compared. The theoretical model of tea, juice, biscuits and beer is depicted in figure 16. It is noted that, because chicken and potatoes are often sold without brands, their theoretical model did not include attitudes towards the brand and purchasing intentions towards the brand; this is represented in the reduced theoretical model in figure 17.

**Figure 16: Full theoretical model**



**Figure 17: Reduced theoretical model**



It is clear from table 21 that the difference between Ms and Mt was not significant. Such an outcome led to the next step in Anderson and Gerbing's (1988) decision tree framework—comparison of Mt and Mc. The constrained model was created by removing structural paths whose t-values were less than the recommended minimum 2.00 (Anderson and Narus 1984). The information on excluded causal links and increase in degrees of freedom is provided in table 22.

**Table 21: Pseudo chi-square statistics and sequential chi-square difference tests**

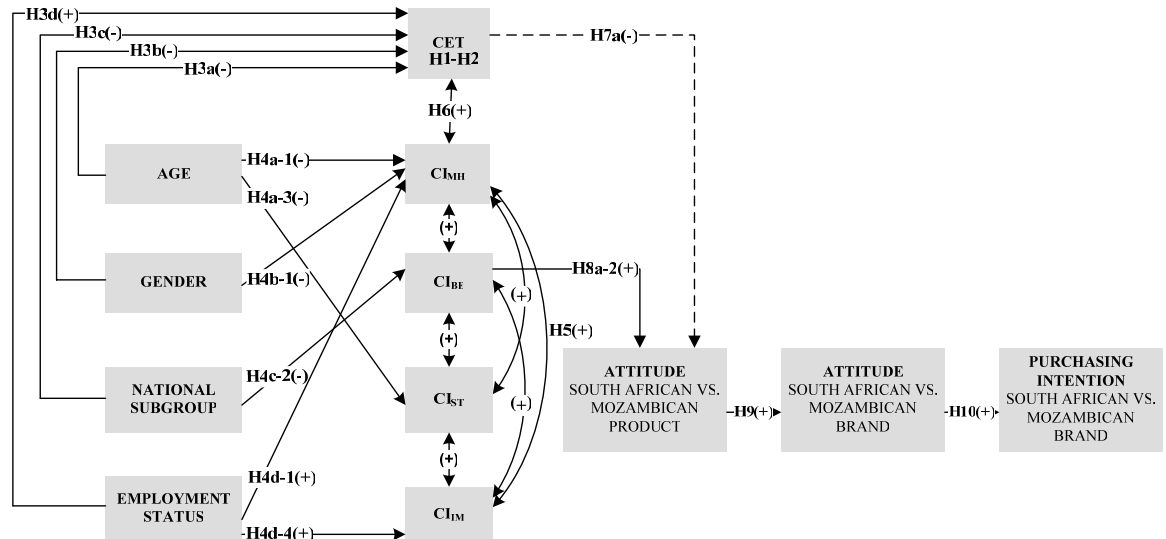
PRODUCT	PSEUDO $X^2$ STATISTICS	MS	MT	MC	STEPS IN THE DECISION TREE			DECISION
					STEP 1: MT-MS	STEP 2: MC-MT	STEP 3: MC-MS	
Chicken	$X^2(\text{Ms}) = 364.57$ $\text{df}(\text{Mn}) = 351$ $p = 0.2978 > 0.05$ , Not significant	$X^2 = 364.57$ $\text{df} = 306$	$X^2 = 381.91$ $\text{df} = 316$	$X^2 = 393.03$ $\text{df} = 330$	$\Delta X^2 = 17.34$ $\Delta \text{df} = 10$ $p = 0.067 > 0.05$ , Not significant	$\Delta X^2 = 11.12$ $\Delta \text{df} = 14$ $p = 0.676 > 0.05$ , Not significant	$\Delta X^2 = 28.46$ $\Delta \text{df} = 24$ $p = 0.241 > 0.05$ , Not significant	Select Mc
Potatoes	$X^2(\text{Ms}) = 395.56$ $\text{df}(\text{Mn}) = 351$ $p = 0.051 > 0.05$ , Not Significant	$X^2 = 395.56$ $\text{df} = 306$	$X^2 = 404.91$ $\text{df} = 316$	$X^2 = 427.57$ $\text{df} = 330$	$\Delta X^2 = 9.34$ $\Delta \text{df} = 10$ $p = 0.051 > 0.05$ , Not significant	$\Delta X^2 = 22.66$ $\Delta \text{df} = 14$ $p = 0.066 > 0.05$ , Not significant	$\Delta X^2 = 32$ $\Delta \text{df} = 24$ $p = 0.127 > 0.05$ , Not significant	Select Mc
Tea	$X^2(\text{Ms}) = 527.51$ $\text{df}(\text{Mn}) = 491$ $p = 0.1233 > 0.05$ , Not significant	$X^2 = 527.51$ $\text{df} = 426$	$X^2 = 549.13$ $\text{df} = 444$	$X^2 = 571.34$ $\text{df} = 467$	$\Delta X^2 = 21.62$ $\Delta \text{df} = 18$ $p = 0.249 > 0.05$ , Not significant	$\Delta X^2 = 22.21$ $\Delta \text{df} = 23$ $p = 0.508 > 0.05$ , Not significant	$\Delta X^2 = 43.83$ $\Delta \text{df} = 41$ $p = 0.352 > 0.05$ , Not significant	Select Mc
Juice	$X^2(\text{Ms}) = 518.35$ $\text{df}(\text{Mn}) = 491$ $p = 0.1899 > 0.05$ , Not significant	$X^2 = 518.35$ $\text{df} = 426$	$X^2 = 545.13$ $\text{df} = 444$	$X^2 = 574.56$ $\text{df} = 467$	$\Delta X^2 = 26.78$ $\Delta \text{df} = 18$ $p = 0.0832 > 0.05$ , Not significant	$\Delta X^2 = 29.43$ $\Delta \text{df} = 23$ $p = 0.116 > 0.05$ , Not significant	$\Delta X^2 = 56.21$ $\Delta \text{df} = 41$ $p = 0.0571 > 0.05$ , Not significant	Select Mc
Biscuits	$X^2(\text{Ms}) = 503.14$ $\text{df}(\text{Mn}) = 491$ $p = 0.342 > 0.05$ , Not significant	$X^2 = 503.14$ $\text{df} = 426$	$X^2 = 530.01$ $\text{df} = 444$	$X^2 = 560.20$ $\text{df} = 468$	$\Delta X^2 = 26.87$ $\Delta \text{df} = 18$ $p = 0.0814 > 0.05$ , Not significant	$\Delta X^2 = 30.19$ $\Delta \text{df} = 24$ $p = 0.1785 > 0.05$ , Not significant	$\Delta X^2 = 57.06$ $\Delta \text{df} = 42$ $p = 0.060 > 0.05$ , Not significant	Select Mc
Beer	$X^2(\text{Ms}) = 529.8$ $\text{df}(\text{Mn}) = 491$ $p = 0.1097 > 0.05$ , Not significant	$X^2 = 529.8$ $\text{df} = 426$	$X^2 = 552.13$ $\text{df} = 444$	$X^2 = 585.87$ $\text{df} = 468$	$\Delta X^2 = 22.33$ $\Delta \text{df} = 18$ $p = 0.218 > 0.05$ , Not significant	$\Delta X^2 = 33.74$ $\Delta \text{df} = 24$ $p = 0.089 > 0.05$ , Not significant	$\Delta X^2 = 56.07$ $\Delta \text{df} = 42$ $p = 0.0718 > 0.05$ , Not significant	Select Mc

**Table 22: Development of the constrained model (Mc)**

Removed paths	Increase in degrees of freedom		
	Reduced model Agricultural products (Chicken and Potatoes)	Full model	
		Agricultural products (Tea and Juice)	Non-agricultural products (Beer and Biscuits)
NATIONAL SUBGROUP $\rightarrow$ CI <sub>RAS-MH</sub> AGE $\rightarrow$ CI <sub>RAS-BE</sub> GENDER $\rightarrow$ CI <sub>RAS-BE</sub> EMPLOYMENT STATUS $\rightarrow$ CI <sub>RAS-BE</sub> GENDER $\rightarrow$ CI <sub>RAS-ST</sub> NATIONAL SUBGROUP $\rightarrow$ CI <sub>RAS-ST</sub> EMPLOYMENT STATUS $\rightarrow$ CI <sub>RAS-ST</sub> AGE $\rightarrow$ CI <sub>RAS-IM</sub> GENDER $\rightarrow$ CI <sub>RAS-IM</sub> NATIONAL SUBGROUP $\rightarrow$ CI <sub>RAS-IM</sub>	10 degrees of freedom	10 degrees of freedom	10 degrees of freedom
CI <sub>RAS-MH</sub> $\rightarrow$ ATT <sub>PRODUCT</sub>	1 degree of freedom	1 degree of freedom	1 degree of freedom
CI <sub>RAS-BE</sub> $\rightarrow$ ATT <sub>PRODUCT</sub>	1 degree of freedom	--	--
CI <sub>RAS-ST</sub> $\rightarrow$ ATT <sub>PRODUCT</sub>	1 degree of freedom	1 degree of freedom	1 degree of freedom
CI <sub>RAS-IM</sub> $\rightarrow$ ATT <sub>PRODUCT</sub>	1 degree of freedom	1 degree of freedom	1 degree of freedom
CI <sub>RAS-MH</sub> $\rightarrow$ ATT <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CI <sub>RAS-BE</sub> $\rightarrow$ ATT <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CI <sub>RAS-ST</sub> $\rightarrow$ ATT <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CI <sub>RAS-IM</sub> $\rightarrow$ ATT <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CI <sub>RAS-MH</sub> $\rightarrow$ PIB <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CI <sub>RAS-BE</sub> $\rightarrow$ PIB <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CI <sub>RAS-ST</sub> $\rightarrow$ PIB <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CI <sub>RAS-IM</sub> $\rightarrow$ PIB <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CET $\rightarrow$ ATT <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CET $\rightarrow$ PIB <sub>BRAND</sub>	NA	1 degree of freedom	1 degree of freedom
CET $\rightarrow$ ATT <sub>PRODUCT</sub>	--	--	1 degree of freedom
TOTAL	14 degrees of freedom	23 degrees of freedom	24 degrees of freedom

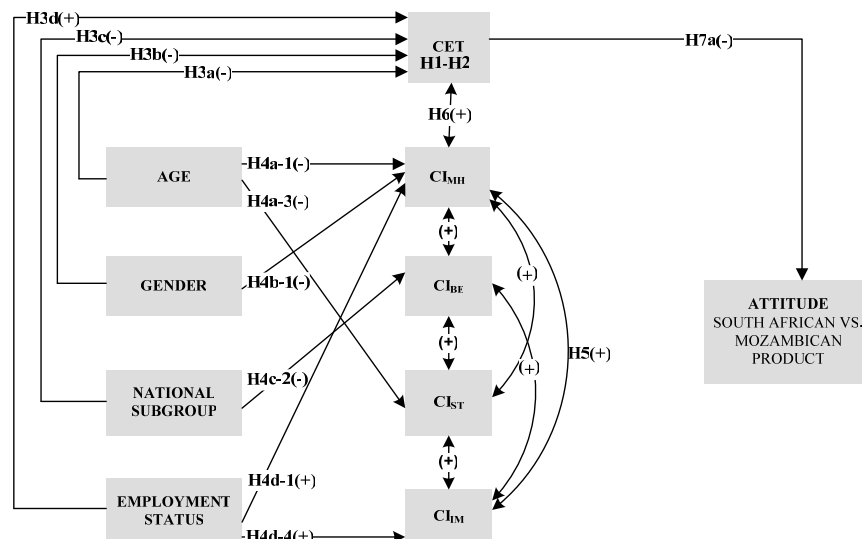
The difference between Mt and Mc was not significant. Similarly, Mc and Ms did not differ significantly. It was, therefore, decided to retain Mc for further analyses of hypotheses. Figure 18 shows the constrained model for tea, juice, biscuits and beer. The reduced constrained model for chicken and potatoes is depicted in figure 19.

**Figure 18: Full constrained model (tea, juice, biscuits and beer)**



\* The dotted line from CET and ATT<sub>PRODUCT</sub> suggests that only agricultural (tea) and semi-agricultural (juice) food consumables have the causal link CET→ATT<sub>PRODUCT</sub>. Processed food consumables (biscuits and beer) do not have the effect CET→ATT<sub>PRODUCT</sub>.

**Figure 19: Reduced constrained model (chicken and potatoes)**



#### 4. STRENGTH OF CET AND CI<sub>RAS</sub> (H1-H2)

It was hypothesized in H1 that consumer ethnocentrism in Mozambique would be higher than that in advanced and emerging economies. Proposition H2 stated that the level of CET in Mozambique would not differ significantly from the level of CET in other developing economies.

The hypotheses were tested by means of one-sample t-tests and, where possible, one-sample z-tests. The latter technique was used when standard deviations of countries were known. However, when the values of standard deviation were not available, I employed t-tests (Weinberg and Abramowitz 2008, Yount 2010). Weinberg and Abramowitz (2008) suggested the following formula for computing z values:

$$z = \frac{\bar{X} - \mu}{\sigma_{\bar{x}}},$$

where:

$\bar{X}$  is the mean score of the sample (e.g. the Mozambican sample),

$$\sigma_{\bar{x}} = \frac{\sigma}{\sqrt{N}},$$

$\sigma$  is the standard deviation of the population or sample from another study,

N is the sample size (e.g. the size of the Mozambican sample),

$\mu$  is the mean of the population or sample from another study.

**Formula 2**



A formula for t-values was also taken from Weinberg and Abramowitz (2008):

$$t = \frac{\bar{X} - \mu}{s_{\bar{x}}},$$

where:

$\bar{X}$  is the mean score of the sample (e.g. the Mozambican sample),

$$s_{\bar{x}} = \frac{s}{\sqrt{N}},$$

s is the standard deviation of the sample mean,

N is the sample size (e.g. the size of the Mozambican sample),

$\mu$  is the mean of the population or sample from another study.

**Formula 3**

The z values and t values are significant if their respective p-values are less than  $\alpha=0.05$ . It is noted that z-tests and t-tests may generate different results (Weinberg and Abramowitz 2008).

According to Weinberg and Abramowitz (2008), normal distribution is an assumption of z-tests. Similarly, a normally distributed parent population is an assumption in one-sample t-tests. Yet, these requirements are not critical when, like in this study, a sample exceeds 30 cases (Weinberg and Abramowitz 2008a, Yount 2010). Hence, I proceeded to the analyses.

The mean value and its standard deviation for consumer ethnocentrism in the Mozambican sample were 4.22 and 1.23 respectively. To compare this mean value with those in other countries, I selected a list of studies published from 2000

onwards. The initial list of bibliographic sources was obtained from the following databases: Business and Company Resource Centre, Emerald Management Xtra, Informa World, JSTOR and SAGE journals online. Although the primary list was rather extensive, many studies were excluded from the analysis. For example, it was decided to remove studies whose mean values were computed for a single-item CET-scale (e.g. Moon and Jain 2001). Likewise, it was not possible to include mean values when studies measured CET items on a different scale, e.g. 5-point scale instead of 7-point scale (e.g. Nijssen and Douglas 2004). Finally, a number of studies did not report any mean values at all (e.g. Lindquist et al. 2001, Nguyen, Nguyen and Barrett 2008). The final list of studies is presented in table 23.

The next step was to group the countries from the selected studies into advanced, emerging and developing categories based on the classifications from 2000 through 2010 adopted by the International Monetary Fund, a specialised agency in the structure of the United Nations Organization (International Monetary Fund 2010a, United Nations Organization 2010). Used to group countries in terms of economic development, these classifications are based on the following criteria: (1) per capita income level, (2) export diversification, and (3) degree of integration into the international financial system (International Monetary Fund 2010). It is noted that the category of developing economies has two subcategories: low income developing countries and other developing countries. The group of low income developing countries corresponds to the category of least-developed countries in UN-OHRLLS (2010), United Nations Development

Programme (2008b) and United Nations Development Programme (2009). It is worth mentioning that in some cases the IMF has referred to China, Indonesia, and India as emerging countries. Yet, the formal classification suggests that, despite high economic growth, these countries remain in the developing category. For example, China, India and the ASEAN group (Indonesia, Philippines, Malaysia, Thailand and Vietnam) comprise the Developing Asia category (International Monetary Fund 2010).

To classify a country from a specific study, I referred to the IMF classification which corresponded to the year of that study. For example, if Slovenia was studied in 2001, it would be ascribed to the category of emerging countries (International Monetary Fund 2001). However, if it was studied in 2010, it would be assigned to the list of advanced countries (International Monetary Fund 2010a). Hence, the same country may belong to different categories in different years.

Table 23 shows mean values, standard deviations and the results of z-tests and t-tests for the studies. Only t-test statistics are reported for studies which did not provide standard deviations for CET mean values.

**Table 23: Mean values of CET**

Source	Country (LD) <sup>a</sup>	Mean value	Standard deviation	Sample size	Scale	Number of items	z-test Sig. <sup>d</sup>	One-sample t-test statistics					Cohen's d Effect size	Result
								t	df	Sig.	Mean difference	95% Confidence of the interval difference		
Saffu and Walker (2005)	Canada (A) <sup>b</sup>	2.86	Not reported	144	7-point Likert	17	NA	22.19	401	0.00	1.36	1.24-1.48	1.15 Large	CET <sub>MZ</sub> >CET <sub>CAN</sub>
Cleveland, Laroche and Papadopoulos (2009)	Canada (A) <sup>c</sup>	2.95	1.12	241	7-point Likert	4	0.00	20.73	401	0.00	1.27	1.15-1.40	1.03 Large	CET <sub>MZ</sub> >CET <sub>CAN</sub>
Acharya and Elliott (2003)	Australia (A) <sup>b</sup>	3.31	Not reported	248	7-point Likert	17	NA	14.85	401	0.00	0.91	0.79-1.03	0.73 Medium	CET <sub>MZ</sub> >CET <sub>AUS</sub>
Javalgi et al (2005)	France (A)	3.52	1.13	106	7-point Likert	17	0.00	11.42	401	0.00	0.70	0.57-0.82	0.56 Medium	CET <sub>MZ</sub> >CET <sub>FRA</sub>
Yoo and Donthu (2005)	USA (A)	3.61	1.22	213	7-point Likert	17	0.00	9.96	401	0.00	0.61	0.49-0.73	0.50 Medium	CET <sub>MZ</sub> >CET <sub>USA</sub>
Yagci (2001)	USA (A)	2.96	1.16	60	7-point Likert	17	0.00	20.72	401	0.00	1.26	1.14-1.39	1.02 Large	CET <sub>MZ</sub> >CET <sub>USA</sub>
Yagci (2001)	Germany (A)	2.94	1.05	57	7-point Likert	17	0.00	20.89	401	0.00	1.28	1.16-1.40	1.04 Large	CET <sub>MZ</sub> >CET <sub>GER</sub>
Cleveland, Laroche and Papadopoulos (2009)	Sweden (A) <sup>c</sup>	2.64	1.23	329	7-point Likert	4	0.00	25.78	401	0.00	1.58	1.46-1.70	1.28 Large	CET <sub>MZ</sub> >CET <sub>SWE</sub>
Cleveland, Laroche and Papadopoulos (2009)	Greece (A) <sup>b</sup>	3.96	1.37	317	7-point Likert	4	0.00	4.25	401	0.00	0.26	0.14-0.38	0.21 Small	CET <sub>MZ</sub> >CET <sub>GRE</sub>
Chrysoschoidis, Krystallis and Perreas (2007)	Greece (A)	3.85	1.05	274	7-point Likert	17	0.00	6.04	401	0.00	0.37	0.25-0.49	0.30 Small	CET <sub>MZ</sub> >CET <sub>GRE</sub>
Shoham and Brencic (2003)	Israel (A)	2.81	1.25	137	7-point Likert	17	0.00	23.01	401	0.00	1.41	1.29-1.52	1.15 Large	CET <sub>MZ</sub> >CET <sub>CAN</sub>
Yagci (2001)	Korea (A)	3.08	1.34	55	7-point Likert	17	0.00	18.60	401	0.00	1.14	1.02-1.26	0.93 Large	CET <sub>MZ</sub> >CET <sub>KOR</sub>
Cleveland, Laroche and Papadopoulos (2009)	Korea (A) <sup>c</sup>	3.86	1.18	137	7-point Likert	4	0.00	5.88	401	0.00	0.36	0.24-0.48	0.30 Small	CET <sub>MZ</sub> >CET <sub>KOR</sub>
Saffu and Walker (2010)	Slovakia (A) <sup>b</sup>	3.87	0.92	209	7-point Likert	17	0.00	5.87	401	0.00	0.35	0.23-0.48	0.28 Small	CET <sub>MZ</sub> >CET <sub>SLO</sub>

(Continued)

**Table 23: (Continued)**

Source	Country (LD) <sup>a</sup>	Mean value	Standard deviation	Sample size	Scale	Number of items	z-test Sig. <sup>d</sup>	One-sample t-test statistics					Cohen's d Effect size	Result
								t	df	Sig.	Mean difference	95% Confidence of the interval difference		
Cleveland, Laroche and Papadopoulos (2009)	Hungary (E) <sup>c</sup>	3.70	1.34	332	7-point Likert	4	0.00	8.49	401	0.00	0.52	0.40-0.64	0.42 Small	CET <sub>MZ</sub> >CET <sub>HUN</sub>
Klein, Ettenson and Krishnan (2006)	Russia (E) <sup>b</sup>	3.08	1.75	100	7-point Likert	6	0.00	18.60	401	0.00	1.14	1.02-1.26	0.93 Large	CET <sub>MZ</sub> >CET <sub>RUS</sub>
Jakubaneccs, Supphellen and Thorbjornsen (2005)	Russia (E) <sup>b</sup>	3.93	1.42	111	7-point Likert	8	0.00	4.73	401	0.00	0.29	0.17-0.41	0.24 Small	CET <sub>MZ</sub> >CET <sub>RUS</sub>
Saffu and Walker (2005)	Russia (E) <sup>b</sup>	3.14	Not reported	119	7-point Likert	17	NA	17.62	401	0.00	1.08	0.96-1.20	0.88 Large	CET <sub>MZ</sub> >CET <sub>RUS</sub>
Cleveland, Laroche and Papadopoulos (2009)	Chile (E) <sup>c</sup>	3.54	1.27	192	7-point Likert	4	0.00	11.10	401	0.00	0.68	0.56-0.81	0.55 Medium	CET <sub>MZ</sub> >CET <sub>CHL</sub>
Jakubaneccs, Supphellen and Thorbjornsen (2005)	Ukraine (E) <sup>b</sup>	4.02	1.30	100	7-point Likert	9	0.00	3.27	401	0.00	0.20	0.08-0.32	0.16 Small	CET <sub>MZ</sub> >CET <sub>CAN</sub>
Klein, Ettenson and Krishnan (2006)	China (D) <sup>b</sup>	5.69	1.08	115	7-point Likert	6	0.99	-23.97	401	0.00	-1.47	-1.59-(-1.35)	-1.20 Large	CET <sub>MZ</sub> <CET <sub>CHI</sub>
Wang and Chen (2004)	China (D)	4.38	0.92	800	7-point Likert	17	0.99	-2.60	401	0.01	-0.16	-0.28-(-0.04)	-0.13 Small	CET <sub>MZ</sub> <CET <sub>CHI</sub>
Cleveland, Laroche and Papadopoulos (2009)	Mexico (D) <sup>c</sup>	4.41	1.20	231	7-point Likert	4	0.99	-3.09	401	0.00	-0.19	-0.31-(-0.07)	-0.15 Small	CET <sub>MZ</sub> <CET <sub>MEX</sub>
Hamin and Elliott (2006)	Indonesia (D)	4.38	Not reported	547	7-point Likert	17	NA	-2.60	401	0.01	-0.16	-0.28-(-0.04)	-0.13 Small	CET <sub>MZ</sub> <CET <sub>INDO</sub>
Saffu and Walker (2006b)	Ghana (D)	3.91	1.87	233	7-point Likert	17	0.00	5.06	401	0.00	0.31	0.19-0.43	0.25 Small	CET <sub>MZ</sub> >CET <sub>GHA</sub>
Mosley and Amponsah (2006)	Ghana (D) <sup>b</sup>	4.28	Not reported	242	7-point Likert	6	NA	-0.97	401	0.33	-0.06	-0.18-0.06	-0.05 Small	CET <sub>MZ</sub> <CET <sub>GHA</sub>
Cleveland, Laroche and Papadopoulos (2009)	India (D) <sup>c</sup>	3.67	1.41	236	7-point Likert	4	0.00	8.98	401	0.00	0.55	0.43-0.67	0.45 Small	CET <sub>MZ</sub> >CET <sub>IN</sub>

<sup>a</sup> (LD) - is an abbreviation for the level of socio-economic development of countries. (A) – advanced economy; (E) – emerging economy, and (D) – developing economy. The study followed the guidelines of the International Monetary Fund/UNO to classify countries into advanced, emerging and developing economies (IMF, 2010a). <sup>b</sup> The sample consists of students. <sup>c</sup> The sample is combined of students and their, family members, friends, neighbours, etc (snowball sampling technique). <sup>d</sup> The two-tailed p-value is used to measure the significance of z-tests.

In addition to the results of z-tests and t-tests, table 23 contains information on effect sizes. These were measured in Cohen's d. (Weinberg and Abramowitz 2008) provided the following formula for Cohen's d:

$$d = \frac{\bar{X} - \mu}{\hat{\sigma}},$$

where:

$\bar{X}$  is the mean score of the sample (e.g. the Mozambican sample),

$\mu$  is the mean of the population or sample from another study,

$\hat{\sigma}$  is the standard deviation of the mean of the sample.

**Formula 4**

In most social science studies,  $d = 0.20$  represents a small effect size,  $d = 0.50$  indicates a medium effect size and  $d = 0.80$  points to a large effect size (Weinberg and Abramowitz, 2008).

Both z-tests and t-tests were significant for advanced and emerging economies. Varying from small to large, the effect sizes were always positive suggesting that consumer ethnocentrism in Mozambique was always greater than that in advanced and emerging economies. This substantiates proposition H1.

Contrary to the expected, z-tests and t-tests revealed that levels of CET in Mozambique and other developing countries are not the same. For example, Mozambican CET was significantly greater than CET in India. In addition, t-tests and Cohen's d suggested that, compared to Chinese, Mexican, Indonesian consumers, Mozambicans are less ethnocentric. Interesting, Mozambicans were

found to be more ethnocentric than Ghanaians in Saffu and Walker (2006b). However, they did not differ significantly from Ghanaians in (Mosley and Amponisah 2006). Given these results, proposition H2 that the level of CET in Mozambique is not different from the level of CET in other developing economies, is rejected.

The  $CI_{RAS}$  mean value and its standard deviation in Mozambique were 3.06 and 1.09 respectively. It is reminded that no formal hypotheses were suggested about the level of  $CI_{RAS}$ . However, it was decided to compare it to the level of CI from advanced western countries to China (Wang and Chen 2004). Significant z-test and t-test statistics and positive medium effect size ( $d = 0.75$ ) indicated that conspicuousness of South African imports in Mozambique is greater than conspicuousness of Western products in China (table 24).

**Table 24: Mean values of CI**

Source	COO (LD) <sup>a</sup>	COD (LD) <sup>b</sup>	Mean value	Standard deviation	Sample size	Scale	Number of items	z-test sig.	One-sample t-test statistics					Cohen's d Effect size
									t	df	Sig.	Mean difference	95% Confidence interval of the difference	
Wang and Chen (2004)	Western Countries (A)	China (D) <sup>c</sup>	2.24	0.96	800	7-point Likert	18	0.000	15.07	401	0.000	0.82	0.71-0.92	0.75 Medium

<sup>a</sup> COO (LD) - stands for country of origin (level of socio-economic development). <sup>b</sup> COD (LD) – stands for country of destination (level of socio-economic development). <sup>c</sup> (A) – advanced economy; (D) – developing economy.



## 5. MAIN EFFECTS (H3-H10)

### 5.1 THE NATURE OF CET (H3)

Table 25 shows structural paths and their respective t-values for the four demographic antecedents of consumer ethnocentrism. The statistics for chicken and potatoes is based on the reduced constrained model whereas the data for the remaining products comes from the full constrained model.

The four paths were significant because their  $|t|$ -values exceeded the required minimum of 2.00 (Schreiber 2008). The structural paths from gender, national subgroup and employment status to consumer ethnocentrism varied from – 0.13 to -0.38. This implies that the three demographic variables have a moderate negative effect on ethnocentric tendencies of Mozambican consumers. That is, women, representatives of the southern ethnic cluster and unemployed individuals are more ethnocentric. The structural paths from age to consumer ethnocentrism varied from 0.024 to 0.051. This indicates a small positive effect of age on CET suggesting that older consumers in Mozambique exhibit stronger ethnocentric tendencies. These results are consistent with propositions H3a(+), H3b(-), H3c(-) and H3d(-). A summary of the supported hypotheses is presented in table 26.

**Table 25: Statistics for the demographic nature of CET**

Antecedent	Standardised coefficients (t-value)*					
	Potatoes	Chicken	Tea	Juice	Biscuits	Beer
Age	0.029 (2.00)	0.030 (2.01)	0.028 (2.00)	0.051 (2.80)	0.026 (2.15)	0.024 (2.67)
Gender	-0.25 (2.00)	-0.26 (-3.73)	-0.23 (-2.02)	-0.13 (-2.69)	-0.28 (-2.91)	-0.25 (-2.11)
National subgroup	-0.21 (2.37)	-0.21 (-3.62)	-0.20 (-2.10)	-0.24 (-3.11)	-0.21 (-2.40)	-0.20 (-2.00)
Employment status	-0.24 (-2.14)	-0.22 (-3.57)	-0.25 (-2.07)	-0.38 (-4.90)	-0.26 (-2.59)	-0.23 (-2.98)

**Table 26: Summary of the supported hypotheses for the nature of CET**

<b>Antecedent</b>	<b>Hypothesis</b>	<b>Text</b>	<b>Effect (significance)</b>	<b>Conclusion</b>
Age	H3a(+)	CET will be greater among older individuals	Positive (significant)	Supported
Gender	H3b(-)	CET will be greater among women	Negative (significant)	Supported
National subgroup	H3c(-)	CET will be greater among representatives of the southern subgroup	Negative (significant)	Supported
Employment status	H3d(-)	CET will be greater among unemployed individuals	Negative (significant)	Supported

## 5.2 THE NATURE OF $CI_{RAS}$ (H4)

Tables 27, 28, 29 and 30 present information on structural paths and their respective t-values for the four demographic antecedents of the four factors of  $CI_{RAS}$ . Being greater than the required minimum of 2.00 (Schreiber 2008), the t-values for the age, gender and employment status antecedents of  $CI_{RAS-MH}$  were significant (table 27). This implies that the materialistic hedonism dimension is predicted by age, gender and employment status. The standardised coefficients for the structural path from age to  $CI_{RAS-MH}$  varied from -0.012 to -0.14 across six models. Accordingly, younger consumers in Mozambique are more prone to use South African imports for conspicuous consumption. This renders support for proposition H4a-1 confirming that age has a negative impact on the materialistic hedonism of  $CI_{RAS}$ .

The standardised coefficients for the structural path from gender to  $CI_{RAS-MH}$  were in the range from -0.012 to -0.18. The negative impact of gender is consistent with hypothesis H4b-1:  $CI_{RAS}$  materialistic hedonism is higher among women.

The standardised coefficients for the employment status antecedent were from 0.025 to 0.12. Such a result confirms that employed Mozambicans are more inclined to consume South African imports for materialistic hedonistic purposes. Hypothesis H4d-1 is sustained.

**Table 27: Statistics for the demographic nature of  $CI_{RAS-MH}$**

Antecedent	Standardised coefficients (t-value)*					
	Potatoes	Chicken	Tea	Juice	Biscuits	Beer
Age	-0.14 (-2.04)	-0.025 (-2.20)	-0.024 (-2.13)	-0.03 (-2.11)	-0.012 (-2.05)	-0.015 (-2.14)
Gender	-0.16 (-2.23)	-0.17 (-2.76)	-0.14 (-2.45)	-0.12 (-2.34)	-0.17 (-2.21)	-0.18 (-2.40)
National subgroup	-*	-	-	-	-	-
Employment status	0.025 (2.09)	0.04 (2.02)	0.05 (2.13)	0.12 (2.10)	0.04 (2.08)	0.06 (2.11)

\* The sign ‘-’ means that the effect was removed from the constrained model.

The structural paths for the national subgroup predictor of  $CI_{RAS-BE}$  were significant because their absolute t-values were in excess of 2.00 (Schreiber 2008) (table 28). The standardised coefficients varied from -0.045 to -0.091. This implies that the national subgroup variable has a significant negative effect  $CI_{RAS-BE}$ . That is, representatives of the southern subgroup are more prone to consume South African imports to communicate their belongingness to a group. Consequently, proposition H4c-2 is supported.

As expected, the negative impact of age on  $CI_{RAS-ST}$  was significant (table 29). Indeed, t-values for structural paths across six models were higher than 2.00 (Schreiber 2008). The negative standardised coefficients were equal to -0.04 and -0.05. This confirms hypothesis H4a-3 suggesting that younger consumers have a greater propensity to conspicuous consumption of South African imports for social status demonstration purposes.

Finally, the statistics in table 30 indicates a positive effect of employment on  $CI_{RAS-IM}$ . Employed Mozambicans score higher on  $CI_{RAS-IM}$ . Proposition H4d-4, that employed Mozambicans are more prone to conspicuous consumption of South African imports for interpersonal mediation purposes, is sustained. A summary of the supported hypotheses is presented in table 31. For simplicity, the rejected hypotheses—H4a-2, H4a-4, H4b-2, H4b-3, H4b-4, H4c-1, H4c-3, H4c-4, H4d-2, H4d-3—are not shown in this table. It is reminded that H4a-5, H4b-5, H4c-5, and H4d-5 were not tested because the variable of  $CI_{RAS-OST}$  was excluded from the analyses.

**Table 28: Statistics for the demographic nature of  $CI_{RAS-BE}$**

Antecedent	Standardised coefficients (t-value)*					
	Potatoes	Chicken	Tea	Juice	Biscuits	Beer
Age	_*	-	-	-	-	-
Gender	-	-	-	-	-	-
National subgroup	-0.083 (-2.13)	-0.091 (-2.60)	-0.056 (-2.32)	-0.045 (-2.14)	-0.077 (-2.24)	-0.066 (-2.05)
Employment status	-	-	-	-	-	-

\* The sign ‘-’ means that the effect was removed from the constrained model.

**Table 29: Statistics for the demographic nature of  $CI_{RAS-ST}$**

Antecedent	Standardised coefficients (t-value)*					
	Potatoes	Chicken	Tea	Juice	Biscuits	Beer
Age	-0.05 (-2.16)	-0.04 (-2.01)	-0.04 (-2.07)	-0.05 (-2.11)	-0.05 (-2.15)	-0.04 (-2.23)
Gender	_*	-	-	-	-	-
National subgroup	-	-	-	-	-	-
Employment status	-	-	-	-	-	-

\* The sign ‘-’ means that the effect was removed from the constrained model.



**Table 30: Statistics for the demographic nature of  $CI_{RAS-IM}$**

Antecedent	Standardised coefficients (t-value)*					
	Potatoes	Chicken	Tea	Juice	Biscuits	Beer
Age	_*	-	-	-	-	-
Gender	-	-	-	-	-	-
National subgroup	-	-	-	-	-	-
Employment status	0.09 (2.30)	0.05 (2.01)	0.06 (2.23)	0.10 (2.12)	0.07 (2.27)	0.06 (2.17)

\* The sign ‘-’ means that the effect was removed from the constrained model.

**Table 31: Summary of supported hypotheses for the nature of  $CI_{RAS}$**

Antecedent	Hypothesis	Text	Effect (significance)				Conclusion
			$CI_{RAS-MH}$ (1)	$CI_{RAS-BE}$ (2)	$CI_{RAS-ST}$ (3)	$CI_{RAS-IM}$ (4)	
Age	H4a(-)	$CI_{RAS}$ will be greater among younger individuals	Negative (Significant)	No effect	Negative (Significant)	No effect	Supported: H4a-1(-) H4a-3(-)
Gender	H4b(-)	$CI_{RAS}$ will be greater among women	Negative (Significant)	No effect	No effect	No effect	Supported: H4b-1(-)
National subgroup	H4c(-)	$CI_{RAS}$ will be greater among representatives of the southern subgroup	No effect	Negative (Significant)	No effect	No effect	Supported: H4c-2(-)
Employment status	H4d(+)	$CI_{RAS}$ will be greater among employed individuals	Positive (Significant)	No effect	No effect	Positive (Significant)	Supported: H4d-1(+) H4d-4(+)

### 5.3 THE RELATIONSHIPS AMONG CI<sub>RAS</sub> DIMENSIONS (H5)

It was suggested in proposition H5 that CI<sub>RAS</sub> dimensions would be positively correlated. Table 32 shows statistics for the relationships among CI<sub>RAS</sub> factors. Being greater than 2.00 (Schreiber 2008), the t-values were significant. The positive correlations between CI<sub>RAS-MH</sub>-CI<sub>RAS-BE</sub> were rather high across six products. Their values varied from 0.69 to 0.81. The positive correlations between CI<sub>RAS-MH</sub>-CI<sub>RAS-IM</sub>, between CI<sub>RAS-BE</sub>-CI<sub>RAS-IM</sub> and CI<sub>RAS-ST</sub>-CI<sub>RAS-IM</sub> were slightly lower. Their values fell into the range from 0.37 to 0.55. The remaining two pairs of the dimensions—CI<sub>RAS-MH</sub>-CI<sub>RAS-ST</sub> and CI<sub>RAS-BE</sub>-CI<sub>RAS-ST</sub>—were characterised by low positive correlations whose values were from 0.24 to 0.40. Because the dimensions were positively correlated, hypothesis H5 is sustained.

**Table 32: Statistics for the relationships among CI<sub>RAS</sub> dimensions**

Pairs of CI <sub>RAS</sub> dimensions	Correlations (t-value)					
	Potatoes	Chicken	Tea	Juice	Biscuits	Beer
CI <sub>RAS-MH</sub> -CI <sub>RAS-BE</sub>	0.75 (5.46)	0.78 (6.86)	0.70 (5.85)	0.72 (4.71)	0.81 (4.94)	0.69 (5.38)
CI <sub>RAS-MH</sub> -CI <sub>RAS-ST</sub>	0.25 (2.04)	0.40 (4.69)	0.33 (2.92)	0.31 (2.35)	0.37 (2.07)	0.26 (2.32)
CI <sub>RAS-MH</sub> -CI <sub>RAS-IM</sub>	0.50 (4.08)	0.55 (5.95)	0.51 (4.20)	0.50 (4.00)	0.52 (3.83)	0.50 (3.98)
CI <sub>RAS-BE</sub> -CI <sub>RAS-ST</sub>	0.25 (2.14)	0.39 (4.70)	0.30 (2.98)	0.29 (2.16)	0.28 (2.11)	0.24 (3.18)
CI <sub>RAS-BE</sub> -CI <sub>RAS-IM</sub>	0.46 (4.05)	0.52 (5.30)	0.44 (4.00)	0.45 (3.35)	0.52 (3.85)	0.43 (3.58)
CI <sub>RAS-ST</sub> -CI <sub>RAS-IM</sub>	0.37 (2.66)	0.62 (6.12)	0.51 (3.33)	0.46 (3.23)	0.42 (2.82)	0.40 (2.64)

### 5.4 THE RELATIONSHIP BETWEEN CET AND CI<sub>RAS</sub> (H6)

Table 33 shows statistics for the relationship between CET and the four dimensions of CI<sub>RAS</sub>. Varying from 0.24 to 0.26, the correlations for CI<sub>RAS-MH</sub>-CET were slightly higher. Lower correlation coefficients were observed for CI<sub>RAS</sub>-

BE-CET and CI<sub>RAS-IM</sub>-CET. Finally, the weakest correlation was found in the case of CI<sub>RAS-ST</sub>-CET. Because the positive correlations were always significant ( $t > 2.00$ ) (Schreiber 2008), hypothesis H6 is supported.

**Table 33: Statistics for the relationship between CET and CI<sub>RAS</sub> dimensions**

Pairs of CI <sub>RAS</sub> dimensions	Standardised coefficients (t-value)					
	Potatoes	Chicken	Tea	Juice	Biscuits	Beer
CI <sub>RAS-MH</sub> -CET	0.24 (3.06)	0.26 (4.21)	0.25 (3.05)	0.23 (3.70)	0.25 (3.74)	0.25 (2.95)
CI <sub>RAS-BE</sub> -CET	0.15 (2.01)	0.16 (2.63)	0.16 (2.10)	0.17 (2.15)	0.18 (2.59)	0.15 (2.17)
CI <sub>RAS-ST</sub> -CET	0.09 (2.05)	0.09 (2.03)	0.10 (2.07)	0.08 (2.02)	0.10 (2.13)	0.10 (2.12)
CI <sub>RAS-IM</sub> -CET	0.11 (2.11)	0.12 (2.08)	0.14 (2.04)	0.14 (2.17)	0.13 (2.07)	0.12 (2.24)

#### 5.5 THE EFFECTS OF CET (H7)

It was postulated in H7a that consumer ethnocentric tendencies would lead to unfavourable attitudes towards South African versus Mozambican food consumables. Proposition H7b states that ethnocentric consumers will have negative attitudes towards South African versus Mozambican brands of food consumables. According to H7c, CET is expected to predict negative purchasing intentions towards South African versus Mozambican brands of food consumables.

Table 34 provides statistics for CET effects across six products. The results for potatoes and chicken come from the reduced constrained model. The full version of the constrained model was used to obtain data for tea, juice, biscuits and beer.

**Table 34: Statistics for the effects of CET**

Hypothesis	Effect	Standardised coefficient (t-value)						Conclusion
		Potatoes	Chicken	Tea	Juice	Biscuits	Beer	
H7a (-)	CET→ATT <sub>PRODUCT</sub>	<b>-0.36 (-2.74)</b>	<b>-0.37 (-3.10)</b>	<b>-0.21 (-3.95)</b>	<b>-0.20 (-2.68)</b>	-0.11 (-1.09)	-0.08 (-1.04)	<b>Partially supported</b>
H7b (-)	CET→ATT <sub>BRAND</sub>	No effect	No effect	No effect	No effect	No effect	No effect	Rejected
H7c (-)	CET→PI <sub>BRAND</sub>	No effect	No effect	No effect	No effect	No effect	No effect	Rejected

Note: Statistically significant effects are highlighted in bold.

The effects of CET on ATT<sub>BRAND</sub> and PI<sub>BRAND</sub> were removed from the constrained models.

Having  $|t|$ -values in excess of 2.00, the structural paths from CET to attitudes towards potatoes, chicken, tea and juice are significant (Schreiber 2008). The negative standardised coefficients of the paths indicate that consumer ethnocentric tendencies cause unfavourable attitudes towards these four products. Yet, the impact of ethnocentric tendencies on consumer attitudes towards biscuits and beer is not statistically significant ( $|t|$ -values  $< 2.00$ ) (Schreiber 2008). Accordingly, proposition H7a is supported only partially.

The effects of CET on attitudes and purchasing intentions towards brands were excluded from the constrained models because they did not reach statistical significance. Hypotheses H7b and H7c are rejected.

#### 5.6 THE EFFECTS OF $CI_{RAS}$ (H8)

I referred to the constrained models to examine the effects of conspicuousness of imports. Most effects of  $CI_{RAS}$  were excluded from these models because they did not reach statistical significance. For example, consumer attitudes towards products were not predicted by materialistic hedonism, social status demonstration and interpersonal mediation. In a similar manner, the dimensions of  $CI_{RAS}$  did not influence attitudes and purchasing intentions towards brands. The list of rejected hypotheses is the following: H8a-1, Ha-3, H8a-4, H8b-1, H8b-2, H8b-3, H8b-4, H8c-1, H8c-2, H8c-3 and H8c-4. It is reminded that H8a-5, H8b-5 and H8c-5 were not tested because the variable of  $CI_{RAS-OST}$  was excluded from the analyses.

Yet, the constrained models for tea, juice, biscuits and beer show the structural paths from  $CI_{RAS-BE}$  to attitudes towards products (table 35).

**Table 35: Statistics for the effects of  $CI_{RAS}$**

Hypothesis	Effect	Standardised coefficient (t-value)						Conclusion
		Potatoes	Chicken	Tea	Juice	Biscuits	Beer	
H8a-1(+)	$CI_{RAS-MH} \rightarrow ATT_{PRODUCT}$	No effect	No effect	No effect	No effect	No effect	No effect	Rejected
H8a-2(+)	$CI_{RAS-BE} \rightarrow ATT_{PRODUCT}$	No effect	No effect	<b>0.15 (2.04)</b>	<b>0.20 (3.42)</b>	<b>0.20 (2.95)</b>	<b>0.10 (2.13)</b>	<b>Supported</b>
H8a-3(+)	$CI_{RAS-ST} \rightarrow ATT_{PRODUCT}$	No effect	No effect	No effect	No effect	No effect	No effect	Rejected
H8a-4(+)	$CI_{RAS-IM} \rightarrow ATT_{PRODUCT}$	No effect	No effect	No effect	No effect	No effect	No effect	Rejected
H8b-1(+)	$CI_{RAS-MH} \rightarrow ATT_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected
H8b-2(+)	$CI_{RAS-BE} \rightarrow ATT_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected
H8b-3(+)	$CI_{RAS-ST} \rightarrow ATT_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected
H8b-4(+)	$CI_{RAS-IM} \rightarrow ATT_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected
H8c-1(+)	$CI_{RAS-MH} \rightarrow PI_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected
H8c-2(+)	$CI_{RAS-BE} \rightarrow PI_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected
H8c-3(+)	$CI_{RAS-ST} \rightarrow PI_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected
H8c-4(+)	$CI_{RAS-IM} \rightarrow PI_{BRAND}$	NA	NA	No effect	No effect	No effect	No effect	Rejected

Note: Significant effects and supported hypotheses are highlighted in bold.

The effect of  $CI_{RAS-BE}$  on  $ATT_{PRODUCT}$  was retained in the constrained models for tea, juice, biscuits and beer.

The remaining  $CI_{RAS}$  effects were removed from the constrained model.

The structural paths from  $CI_{RAS-BE}$  to attitudes towards juice, beer, biscuits and tea were significant because their t-values exceeded the cut-off value of 2.00 (Schreiber 2008). It is worth noting that the effects were rather weak. Indeed, the standardised coefficients, whose values were lower than 0.20, were rather small. Nonetheless, proposition H8a-2 is supported (table 35).

#### 5.7 OTHER EFFECTS (H9-H10)

It was expected in proposition H9 that attitudes towards products would have a positive effect on attitudes towards brands of these products. The null hypothesis (H10<sub>0</sub>) postulated that there would be no effect of attitudes towards brands on purchasing intentions towards brands. Table 36 presents results for these two hypotheses. The data is obtained from the full constrained models for tea, juice, biscuits and beer. The statistics for chicken and potatoes are not available because these two products are sold without brands; the reduced constrained models contained no attitudes and purchasing intentions towards brands.

Because their t-values were greater than the required minimum of 2.00 (Schreiber 2008), the structural paths from attitudes towards products to attitudes towards brands were significant. The positive standardised coefficients were rather high as their values varied from 0.44 to 0.88. Such a result confirms proposition H9.

The null hypothesis (H10) was not supported because attitudes towards brands were significant positive predictors of purchasing intentions towards brands ( $t > 2.00$ ) (table 36).



**Table 36: Statistics for other effects**

Hypothesis	Effect	Standardised coefficient (t-value)						Conclusion
		Potatoes	Chicken	Tea	Juice	Biscuits	Beer	
H9(+)	$ATT_{PRODUCT} \rightarrow ATT_{BRAND}$	NA	NA	0.85 (11.10)	0.44 (8.25)	0.54 (9.42)	0.88 (22.20)	<b>Supported</b>
H10(0)	$ATT_{BRAND} \rightarrow PI_{BRAND}$	NA	NA	0.30 (8.25)	0.89 (19.13)	0.77 (13.63)	0.90 (8.19)	Not supported

## **6. MODERATING EFFECTS (H11-H12)**

### **6.1 DEMOGRAPHIC MODERATORS IN CET EFFECTS (H11)**

It was hypothesized that demographic variables would play a moderating role in the effects of CET on consumer attitudes and purchasing intentions.

To examine the moderating role of the demographic characteristics in CET effects, I referred to path analyses with directly observed variables. Such analyses in LISREL are performed by means of regressions from ‘Sub-Model 2’ of Jöreskog and Sörbom (1996).

The model for each product included three elements. The first was represented by the four demographic predictors, namely, age, gender, national subgroup and employment status.

The second element took the form of the dependent variables. It comprised attitudes towards the product, attitudes towards the brand and purchasing intentions towards the brand in the models for tea, juice, biscuits and beer. In the models for chicken and potatoes it was represented by only one dependent variable – attitude towards the product. It is noted that the dependent variables were not designed as observed variables and, therefore, could not be included into the path analyses directly. For this reason, I used factor scores of these variables. The factor scores, in turn, were obtained from factor analyses with maximum likelihood method of extraction and direct oblimin rotation.

Moderating variables formed the third component. These were designed as interaction terms of the demographic variables and consumer ethnocentrism (CET). An interaction term was computed by multiplying a demographic variable and CET (Aiken, West and Reno 1991). Each model contained four interaction terms: (1) Age\*CET, (2) Gender\*CET, (3) National group\*CET and (4) Employment status\*CET. To avoid a potential problem with multicollinearity, it is recommended to center the interaction terms (Aiken, West and Reno 1991). While centering the interaction terms, I subtracted their mean values from their scores. The mean values of the new variables became equal to 0.00.

The overall significance of the moderating effects was assessed by the significance of  $\Delta R^2$  (Mohammed and Angell 2004, Hitt, et al. 2001). This, in turn, was evaluated by the significance of  $\Delta F$  (Field 2009). The latter was computed by using the formula of Field (2009):

$$\Delta F = \frac{(R_{wi}^2 - R_{wo}^2) / m}{(1 - R_{wi}^2) / df_{res}}$$

where,

$R_{wi}^2$  - is the  $R^2$  of the model after the interaction terms have been added,

$R_{wo}^2$  - is the  $R^2$  of the model before the interaction terms have been added,

m- is the number of the interaction terms,

$df_{RES} = (N-k-1)$  is residual degrees of freedom,

N- is the number of observations,

k- is the number of independent variables in the model.

**Formula 5**

$\Delta F$  was significant if its p-value was less than 0.05. The p-value was computed by using an online p-value calculator (GraphPad Software 2010).

Table 37 shows significance statistics for the four interacting terms. It is clear that adding the interacting terms did not produce statistically significant change in  $R^2$ . These results suggest that the interactive effects of CET and the four demographic variables were not significant. That is, the demographic variables do not moderate the effect of CET on consumer attitudes and purchasing intentions. Consequently, the hypotheses H11a-d are rejected.

**Table 37: Significance of the demographic moderators**

Effect	Chicken	Potatoes	Tea	Juice	Biscuits	Beer
CET→ATT <sub>PRODUCT</sub>	$R_{wo}^2 = 0.100$ $R_{wi}^2 = 0.120$ $\Delta R^2 = 0.020$ $\Delta F (4, 392) = 2.227$ $Sig. = 0.0655 > 0.05$	$R_{wo}^2 = 0.095$ $R_{wi}^2 = 0.110$ $\Delta R^2 = 0.015$ $\Delta F (4, 392) = 1.649$ $Sig. = 0.1612 > 0.05$	$R_{wo}^2 = 0.067$ $R_{wi}^2 = 0.077$ $\Delta R^2 = 0.010$ $\Delta F (4, 392) = 1.141$ $Sig. = 0.337 > 0.05$	$R_{wo}^2 = 0.044$ $R_{wi}^2 = 0.066$ $\Delta R^2 = 0.022$ $\Delta F (4, 392) = 2.308$ $Sig. = 0.058 > 0.05$	$R_{wo}^2 = 0.019$ $R_{wi}^2 = 0.037$ $\Delta R^2 = 0.018$ $\Delta F (4, 392) = 1.800$ $Sig. = 0.128 > 0.05$	$R_{wo}^2 = 0.043$ $R_{wi}^2 = 0.053$ $\Delta R^2 = 0.010$ $\Delta F (4, 392) = 1.035$ $Sig. = 0.389 > 0.05$
CET→ATT <sub>BRAND</sub>	Not applicable	Not applicable	$R_{wo}^2 = 0.225$ $R_{wi}^2 = 0.240$ $\Delta R^2 = 0.015$ $\Delta F (4, 391) = 1.887$ $Sig. = 0.119 > 0.05$	$R_{wo}^2 = 0.166$ $R_{wi}^2 = 0.185$ $\Delta R^2 = 0.019$ $\Delta F (4, 391) = 2.278$ $Sig. = 0.0603 > 0.05$	$R_{wo}^2 = 0.222$ $R_{wi}^2 = 0.227$ $\Delta R^2 = 0.005$ $\Delta F (4, 391) = 0.632$ $Sig. = 0.639 > 0.05$	$R_{wo}^2 = 0.279$ $R_{wi}^2 = 0.285$ $\Delta R^2 = 0.006$ $\Delta F (4, 391) = 0.882$ $Sig. = 0.475 > 0.05$
CET→PI <sub>BRAND</sub>	Not applicable	Not applicable	$R_{wo}^2 = 0.393$ $R_{wi}^2 = 0.402$ $\Delta R^2 = 0.009$ $\Delta F (4, 390) = 1.493$ $Sig. = 0.204 > 0.05$	$R_{wo}^2 = 0.500$ $R_{wi}^2 = 0.510$ $\Delta R^2 = 0.010$ $\Delta F (4, 390) = 2.000$ $Sig. = 0.094 > 0.05$	$R_{wo}^2 = 0.400$ $R_{wi}^2 = 0.410$ $\Delta R^2 = 0.010$ $\Delta F (4, 390) = 1.538$ $Sig. = 0.190 > 0.05$	$R_{wo}^2 = 0.408$ $R_{wi}^2 = 0.409$ $\Delta R^2 = 0.001$ $\Delta F (4, 390) = 0.166$ $Sig. = 0.956 > 0.05$

## 6.2 THE MODERATING ROLE OF CET IN THE IMPACT OF PRODUCT TYPE ON PREFERENCES (H12)

### 6.2.1 Attitudes towards Product

It was proposed in H12a-1 that unfavorable attitudes towards product would be stronger in the case agricultural rather than processed food consumables. In hypothesis H12b-1, CET was expected to be a significant covariate in the effect of product type on consumer attitudes.

Two techniques of the general linear model—one-way repeated measures analysis of variance (ANOVA) and one-way repeated measures analysis of covariance (ANCOVA)—were employed to test the above hypotheses. The predictor was represented by the product type variable with two categories (levels)—agricultural food consumables and processed food consumables. The dependent variable took form of consumer attitudes. The attitude towards agricultural food consumables was computed as an arithmetic mean of attitudes towards chicken, attitudes towards potatoes, attitudes towards tea and attitudes towards juice. The attitude towards processed food consumables was computed as an arithmetic mean of attitudes towards biscuits and attitudes towards beer. The covariate was represented by a factor score of the consumer ethnocentric tendencies scale. This was computed in factor analysis with maximum likelihood method of extraction.

Like other parametric techniques, repeated measures ANOVA and ANCOVA have several general assumptions, e.g. measurement of the dependent variable, independence of observations, normal distribution of the dependent variable and

linear relationship between dependent variable and covariate (Pallant 2007). As required, the dependent variable was measured on a continuous scale. Because participants had minimum interaction with each other, the observations are considered to be independent. Further, bell-shaped lines in the histograms for attitudes confirmed normal distribution of the dependent variable. Though the violation of the normality assumption would not cause any major problems in this study because the sample size was rather large (N=402 cases) (Pallant 2007). Finally, scatterplots confirmed the linear relationship between the covariate and the dependent variable.

An additional assumption of the two techniques is sphericity (Pallant 2007, Field 2009). This refers to the equality of variances of the differences between treatment levels. Field (2009) specifies that if a scholar takes each pair of treatment levels, and computes the differences between each pair of scores, then it is required that these differences have approximately equal variance. Sphericity can be assessed by using Mauchly's test. If the significance value of this test is less than the critical value of 0.05, then the assumption of sphericity has been violated (Pallant 2007, Field 2009).

When the assumption of sphericity is not met, a scholar may proceed in two ways. First, she may refer to two corrections based on estimates of sphericity. The first is the Greenhouse and Geisser correction ( $\epsilon$ ). The closer its value is to 1.00 rather than lower bound, the more spherical data are (Pallant 2007, Field 2009). The second is the Huynh-Fledt correction. This is recommended when the Greenhouse

and Geisser correction estimate is greater than 0.75 (Field 2009). Second, she may inspect the multivariate statistics available in the general linear model output (Pallant 2007).

Yet, for sphericity to be a problem, a test should involve at least three levels (Field 2009). The sphericity was not an issue in this study because the model contained only two levels – agricultural and processed food consumables. As a consequence, the estimates in Mauchly’s test of sphericity were equal to 1.00 suggesting the case of perfect sphericity (Field 2009).

The differences in consumer attitudes towards agricultural and processed food categories were tested by means of one-way repeated measures ANOVA. Table 38 shows descriptive statistics from the output file.

**Table 38: Descriptive statistics (ANOVA: ATT<sub>PRODUCT</sub>)**

Attitudes	Mean	Standard Deviation	Number of observations
Agricultural food consumables	2.96	1.01	402
Processed food consumables	3.83	1.24	402

It is clear from the table that the mean values for attitudes towards agricultural products are lower than those for attitudes towards processed products. This suggests that unfavorable attitudes of Mozambicans towards South African products are stronger in the case of agricultural rather than processed food consumables. Both tests of within-subjects effects and multivariate statistics confirmed the significance of this difference,  $F(1, 401) = 170.616$ ,  $p = 0.000 <$



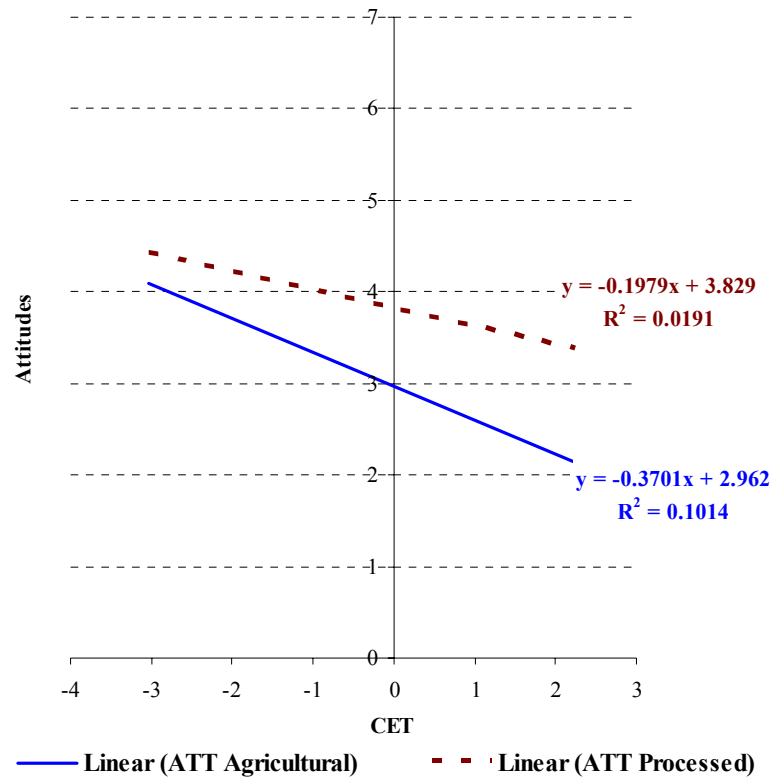
0.05. Multivariate partial eta squared was rather high ( $\eta^2 = 0.298$ )<sup>18</sup>. This pointed to a large effect size suggesting that the product type variable explained a large proportion of variance of attitudes towards South African products. This finding substantiates hypothesis H12a-1.

Further, the covariate of CET was added and the model was tested by using one-way repeated measures ANCOVA. As in the previous case, the difference in attitudes towards the two product categories was significant,  $F(1, 400) = 172.377$ ,  $p = 0.000 < 0.05$ ,  $\eta^2 = 0.301$ . In addition to this, the interaction of CET and product type was significant,  $F(1, 400) = 5.410$ ,  $p = 0.024 < 0.05$ ,  $\eta^2 = 0.013$ . This result confirms that a portion of the difference in attitudes may be explained by consumer ethnocentric tendencies. This provides support for hypothesis H12b-1.

A graph in figure 20 may add to a better understanding of the role of consumer ethnocentrism in attitudes towards the two product categories. Its horizontal axis (X) is represented by values of CET whereas its vertical axis (Y) depicts values of consumer attitudes. The graph shows two regression lines and their respective equations. The lower line corresponds to consumer attitudes towards agricultural products. Its equation is  $Y = -0.3701X + 2.962$ ,  $R^2 = 0.1014$ . The higher line refers to consumer attitude towards processed products and can be described by the following equation:  $Y = -0.1979X + 3.829$ ,  $R^2 = 0.0191$ .

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<sup>18</sup> This study follows the guidelines of Pallant (2007, p. 208) to classify partial eta squared values into small, medium and large effect sizes. Accordingly, partial eta squared values from 0.01 to 0.06 indicate a small effect size. Partial eta squared values from 0.06 to 0.138 indicate a medium effect size. Finally, partial eta squared values equal to or greater than 0.138 correspond to a large effect size.



**Figure 20: Graph of the one-way repeated measures ANCOVA (ATT<sub>PRODUCT</sub>)**

It is clear from the graph that the line for agricultural products is always lower than the line for processed products. This implies that consumers across all levels of ethnocentrism tend to give more unfavorable evaluations to agricultural rather than processed imports from South Africa. This provides an additional support for hypothesis H12a-1.

As expected, both lines have negative slopes suggesting that greater consumer ethnocentrism leads to stronger unfavorable evaluations of imports. Yet, the negative slope of the line of attitudes towards agricultural consumables is steeper than the negative slope of the line of attitudes towards processed consumables. As a consequence, the gap between the two lines becomes wider when the values of

CET rise. This implies that with the increase of consumer ethnocentrism the resentment to South African agricultural food consumables grows faster than the resentment to South African processed food consumables. This also confirms that Mozambican CET has greater manifestation in the market of agricultural food consumables; yet its role in the market of processed food consumables is less acute. More ethnocentric consumers may, therefore, be prone to differentiation of the national economy into sectors which need greater protection versus sectors which require less support. Hence, the sector of origin of a product plays a more important role in consumer attitudes of Mozambicans with higher levels of ethnocentrism. This provides an additional support to hypothesis H12b-1.

Interestingly, the two lines nearly converge in the upper left corner where consumer ethnocentrism is low. This suggests that less ethnocentric buyers evaluate the two groups of consumables similarly. That is, they are almost equally open to imports of the two categories and are almost equally reluctant to support either agricultural or processed food sectors of Mozambique. Consequently, such consumers are more likely to evaluate products based on their merits rather than their sector of origin. This complies with the theory of consumer ethnocentrism (Shimp and Sharma 1987).

### **6.2.2 Attitudes towards Brand**

It was suggested in H12a-2 that attitudes towards South African versus Mozambican brands would be more unfavorable in the case of agricultural rather than processed food consumables. H12b-2 further proposed that CET would be a significant moderator in the effect of product type on consumer attitudes towards

brands and that Mozambican CET would have a greater manifestation in the market of agricultural rather than processed food consumables.

Like in the previous case, these hypotheses were tested by using one-way repeated measures ANOVA and ANCOVA. The product type variable was included into the model as a predictor with two levels – agricultural food consumables and processed food consumables. The outcome variable was represented by consumer attitudes towards brands. The tests were not conducted for the reduced models of non-branded products (potatoes and chicken) where attitudes towards brands could not be measured. Hence, the results are available only for tea, juice, biscuits and beer.

The general assumptions of the tests were met. Attitudes towards brands, the dependent variables, were measured on a continuous 7-point Likert scale and were normally distributed. Sphericity was not an issue because the model contained only two levels and the estimates in Mauchly's test reached 1.00 (Field 2009).

Descriptive statistics from the ANOVA test (table 39) show that the mean values for attitudes towards brands are lower for agricultural imports and higher for the imports of processed food. This implies that consumer resentment of South African products is more prominent in the agricultural market. The ANOVA results revealed that the product-based difference in attitudes was statistically significant:  $F(1, 401) = 10.496$ ,  $p = 0.000 < 0.05$ . Despite being significant, the difference was rather small as the multivariate eta squared was low ( $\eta^2 = 0.026$ )

(Pallant, 2007). Because attitudes towards South African versus Mozambican brands were found to be more negative in the case of agricultural food consumables, hypothesis H12a-2 was sustained.

**Table 39: Descriptive statistics (ANOVA:  $ATT_{\text{BRAND}}$ )**

Attitudes towards brands	Mean	Standard Deviation	Number of observations
Agricultural food consumables	3.91	1.24	402
Processed food consumables	4.15	1.34	402

The ANCOVA results did not confirm the significance of the CET covariate ( $F(1, 400) = 2.153, p = 0.143 > 0.05$ ). This means that the product-based difference in attitudes cannot be explained by consumer ethnocentrism at the brand level. Proposition H12b-2 is rejected.

A graph in figure 21 summarizes the abovementioned results. As in the product-level analysis, the line representing attitudes towards the agricultural categories was slightly lower than the line representing attitudes towards processed categories. This provides additional evidence for H12a-2 in that, independently upon their ethnocentricity level, consumers feel greater antipathy to agricultural imports from South Africa.

Also, similar to the results at the product level, the two lines have negative slopes suggesting that both agricultural and processed food consumables evoke stronger resentment among ethnocentric consumers. This is consistent with consumer ethnocentrism theory (Shimp and Sharma, 1987).

However, unlike in the previous case, the gap between the two lines did not widen with the increase in consumer ethnocentrism. Accordingly, CET does not explain the product-based difference in attitudes towards imported brands in the agricultural and processed food markets (H12b-2 is rejected).

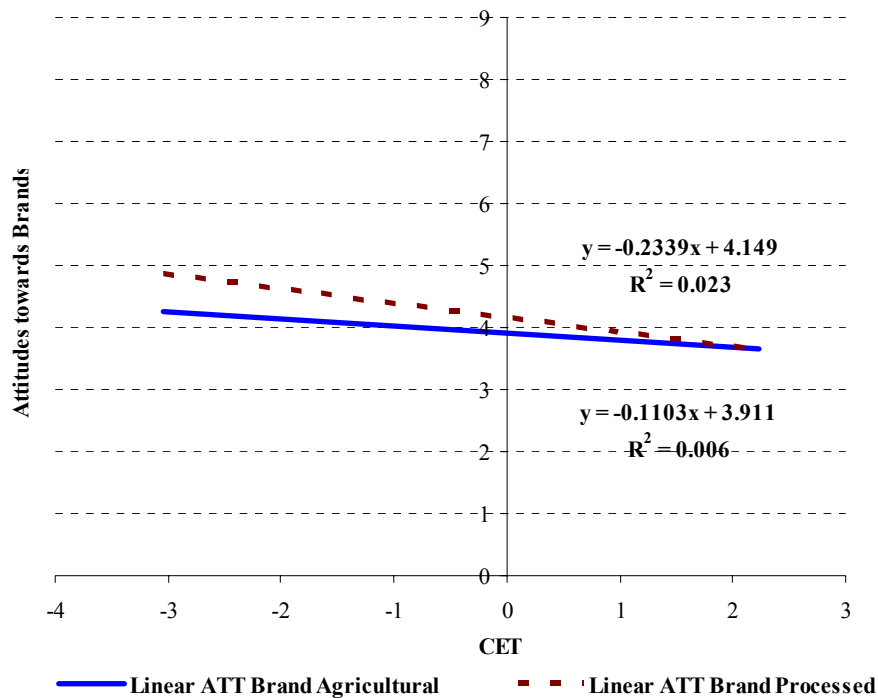


Figure 21: Graph of the one-way repeated measures ANCOVA ( $ATT_{\text{BRAND}}$ )

### 6.2.3 Purchasing Intentions towards Brand

In H12a-3 I postulated that negative purchasing intentions towards South African versus Mozambican brands would be stronger in the case of agricultural rather than processed food consumables. Hypothesis H12b-3 proposed that CET would be a significant moderator in the effect of product type on purchasing intentions towards brands. Mozambican CET was expected to have a more pronounced manifestation in the agricultural market.

In the ANOVA and ANCOVA tests, the independent variable was represented by product type. Purchasing intentions towards brands were introduced into the models as dependent variables. The tests were carried out only on models with branded categories because they contained purchasing intentions towards brands. Consequently, the data is available only for tea, juice, biscuits and beer.

The general assumptions of the tests were met. As required, purchasing intentions were continuous variables with bell-shaped normal distribution. Being equal to 1.00, the estimates in Mauchly's test indicated perfect sphericity (Field 2009). This is understandable because the predictor had only two categories (Field 2009).

An eyeball comparison of mean values in table 40 suggests that purchasing intentions towards brands do not differ substantially for agricultural and processed food consumables.

**Table 40: Descriptive statistics (ANOVA:  $PI_{\text{BRAND}}$ )**

Attitudes towards brands	Mean	Standard Deviation	Number of observations
Agricultural food consumables	3.29	1.29	402
Processed food consumables	3.31	1.18	402

A graph in figure 22 supports this observation. Indeed, the lines for attitudes towards agricultural and processed food brands are very close to each other. Despite this, the difference in the ANOVA output was statistically significant ( $F(1, 401) = 5.533$ ,  $p = 0.02 < 0.05$ ,  $\eta^2 = 0.014$ ). This means that, irrespective of ethnocentric beliefs, consumers are more likely to reject the purchase of imports of South African agricultural categories. However, they may be more tolerant of

South African brands while making purchasing decisions in the market of processed food. In line with this, proposition H12a-3 is sustained.

According to the ANCOVA statistics, the CET covariate was not significant ( $F(1, 400) = 1.193$ ,  $p = 0.275 > 0.05$ ,  $\eta^2 = 0.003$ ) suggesting that the product-based difference in purchasing intentions towards brands was not due to consumer ethnocentric tendencies. A graph in figure 22 leads to a similar conclusion. Independently upon the level of consumer ethnocentrism, the difference between the lines of attitudes remains always small. Accordingly, proposition H12b-3 is rejected.

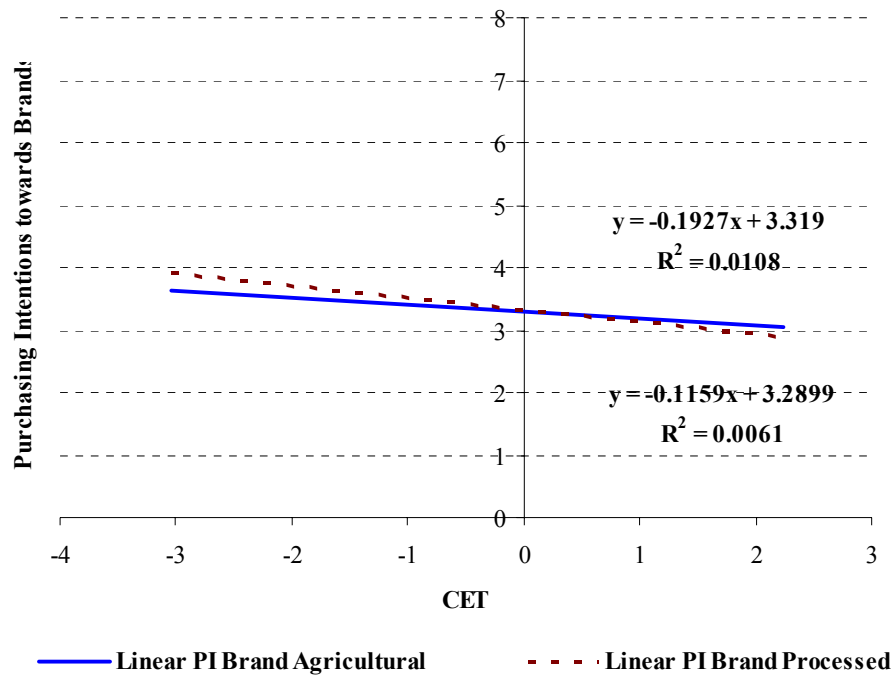


Figure 22: Graph of the one-way repeated measures ANCOVA ( $PI_{\text{BRAND}}$ )



## 7. SUMMARY

The statistical tests supported H1 suggesting that CET in Mozambique is higher than that in advanced and emerging economies. However, proposition H2 was rejected because the Mozambican CET differed from CET in other developing societies.

The main effects in propositions H3 through H10 were tested by using the SEM technique of data analysis. Following Anderson and Gerbing (1988), this study employed a two step approach to structural equation modeling. The first step consisted in confirmatory factor analyses in order to estimate fifteen measurement models. It was decided to retain Model 4 for further analyses because it had the best possible fit. The full version of Model 4 included six components: (1) four demographic variables (age, gender, national subgroup and employment status), (2) the 6-item one-dimensional CET-scale (Klein et al, 2006), (3) four subscales of conspicuousness of imports ( $CI_{RAS-MH}$ ,  $CI_{RAS-BE}$ ,  $CI_{RAS-ST}$  and  $CI_{RAS-IM}$ ) (Marcoux, Filiatrault and Chéron 1997), (4) attitudes towards product (Raju and Hastak 1983, Hastak and Olson 1989), (5) attitudes towards brand (Raju and Hastak 1983, Hastak and Olson 1989) and (6) purchasing intentions towards brand (Raju and Hastak 1983, Hastak and Olson 1989). The first four components in the reduced version of Model 4 were the same. However, attitudes towards brands and purchasing intentions towards brands were excluded because the reduced model represented non-branded food consumables. The constructs of the full and reduced versions of Model 4 had good construct trait validity and high reliabilities.

The objective of the second step was to test structural models. The original theoretical models were rejected in favor of their constrained alternatives. These constrained models were used for further analyses of propositions. Table 41 shows a summary of results and a list of supported and rejected hypotheses.

Propositions H11 on the moderating role of demographic characteristics in the impact of CET on consumer preferences were tested by means of regressions from ‘Sub-Model 2’ of (Jöreskog and Sörbom 1996). However, the effects were not significant leading to rejection of H11 (table 41).

Hypotheses H12a-1, H12a-2 and H12a-3 were supported suggesting a significant impact of product type on consumer attitudes and purchasing intentions towards South African versus Mozambican food consumables (table 41).

Regarding propositions H12b, CET served as a significant moderator in the impact of product type on attitudes towards product. However, it did not moderate the effect of product type on attitudes and purchasing intentions towards specific brands. In sum, H12b-1 was supported whereas propositions H12b-2 and H12b-3 were rejected (table 41).

**Table 41: Summary of supported and rejected hypotheses**

Hypothesis	Result	Chicken	Potatoes	Tea	Juice	Biscuits	Beer
Strength of CET							
H1	$CET_{MOZ} > CET_{ADVANCED+EMERGING\ ECONOMIES}$	Not applicable					
H2	$CET_{MOZ} \neq CET_{DEVELOPING\ ECONOMIES}$	Not applicable					
Nature of CET							
H3a (+)	Age $\rightarrow$ CET	Significant	Significant	Significant	Significant	Significant	Significant
H3b (-)	Gender $\rightarrow$ CET	Significant	Significant	Significant	Significant	Significant	Significant
H3c (-)	National subgroup $\rightarrow$ CET	Significant	Significant	Significant	Significant	Significant	Significant
H3d (-)	Employment $\rightarrow$ CET	Significant	Significant	Significant	Significant	Significant	Significant
Nature of $CI_{RAS}$							
$CI_{RAS-MH}$							
H4a-1 (-)	Age $\rightarrow CI_{RAS-MH}$	Significant	Significant	Significant	Significant	Significant	Significant
H4b-1 (-)	Gender $\rightarrow CI_{RAS-MH}$	Significant	Significant	Significant	Significant	Significant	Significant
H4d-1 (+)	Employment $\rightarrow CI_{RAS-MH}$	Significant	Significant	Significant	Significant	Significant	Significant
H4c-1 (-)	National subgroup $\rightarrow CI_{RAS-MH}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
$CI_{RAS-BE}$							
H4c-2 (-)	National subgroup $\rightarrow CI_{RAS-BE}$	Significant	Significant	Significant	Significant	Significant	Significant
H4a-2 (-)	Age $\rightarrow CI_{RAS-BE}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H4b-2 (-)	Gender $\rightarrow CI_{RAS-BE}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H4d-2 (+)	Employment $\rightarrow CI_{RAS-BE}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
$CI_{RAS-ST}$							
H4a-3 (-)	Age $\rightarrow CI_{RAS-ST}$	Significant	Significant	Significant	Significant	Significant	Significant
H4b-3 (-)	Gender $\rightarrow CI_{RAS-ST}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H4c-3 (-)	National subgroup $\rightarrow CI_{RAS-ST}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H4d-3 (+)	Employment $\rightarrow CI_{RAS-ST}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
$CI_{RAS-IM}$							
H4d-4 (+)	Employment $\rightarrow CI_{RAS-IM}$	Significant	Significant	Significant	Significant	Significant	Significant
H4a-4 (-)	Age $\rightarrow CI_{RAS-IM}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H4b-4 (-)	Gender $\rightarrow CI_{RAS-IM}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H4c-4 (-)	National subgroup $\rightarrow CI_{RAS-IM}$	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant

(Continued)

Table 41: (Continued)

Hypothesis	Result	Chicken	Potatoes	Tea	Juice	Biscuits	Beer
Relationships among CI <sub>RAS</sub>							
H6 (+)	CI <sub>RAS-MH</sub> ↔ CI <sub>RAS-BE</sub>	Significant	Significant	Significant	Significant	Significant	Significant
	CI <sub>RAS-MH</sub> ↔ CI <sub>RAS-ST</sub>						
	CI <sub>RAS-MH</sub> ↔ CI <sub>RAS-IM</sub>						
	CI <sub>RAS-BE</sub> ↔ CI <sub>RAS-ST</sub>						
	CI <sub>RAS-BE</sub> ↔ CI <sub>RAS-IM</sub>						
	CI <sub>RAS-ST</sub> ↔ CI <sub>RAS-IM</sub>						
Effects of CET							
H7a (-)	CET → ATT <sub>PRODUCT</sub>	Significant	Significant	Significant	Significant	Not significant	Not significant
H7b (-)	CET → ATT <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H7c (-)	CET → PI <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
Effects of CI <sub>RAS</sub>							
H8a-2 (+)	CI <sub>RAS-BE</sub> → ATT <sub>PRODUCT</sub>	Not significant	Not significant	Significant	Significant	Significant	Significant
H8a-1 (+)	CI <sub>RAS-MH</sub> → ATT <sub>PRODUCT</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8a-3 (+)	CI <sub>RAS-ST</sub> → ATT <sub>PRODUCT</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8a-4 (+)	CI <sub>RAS-IM</sub> → ATT <sub>PRODUCT</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8b-1 (+)	CI <sub>RAS-MH</sub> → ATT <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8b-2 (+)	CI <sub>RAS-BE</sub> → ATT <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8b-3 (+)	CI <sub>RAS-ST</sub> → ATT <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8b-4 (+)	CI <sub>RAS-IM</sub> → ATT <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8c-1 (+)	CI <sub>RAS-MH</sub> → PI <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8c-2 (+)	CI <sub>RAS-BE</sub> → PI <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8c-3 (+)	CI <sub>RAS-ST</sub> → PI <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
H8c-4 (+)	CI <sub>RAS-IM</sub> → PI <sub>BRAND</sub>	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant

(Continued)

**Table 41: (Continued)**

<b>Hypothesis</b>	<b>Result</b>	<b>Chicken</b>	<b>Potatoes</b>	<b>Tea</b>	<b>Juice</b>	<b>Biscuits</b>	<b>Beer</b>
<b>Other effects</b>							
<b>H9 (+)</b>	$ATT_{PRODUCT} \rightarrow ATT_{BRAND}$	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>
<b>H10 (0)</b>	$ATT_{BRAND} \rightarrow PI_{BRAND}$	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>	<b>Significant</b>
<b>Moderating effects</b>							
<b>H12a-1</b>	Product type $\rightarrow ATT_{PRODUCT}$	<b>Significant</b>					
<b>H12a-2</b>	Product type $\rightarrow ATT_{BRAND}$	<b>Significant</b>					
<b>H12a-3</b>	Product type $\rightarrow PI_{BRAND}$	<b>Significant</b>					
H12b-1	CET moderator in Product type $\rightarrow ATT_{PRODUCT}$	<b>Significant</b>					
H12b-2	CET moderator in Product type $\rightarrow ATT_{BRAND}$	Not significant					
H12b-3	CET moderator in Product type $\rightarrow PI_{BRAND}$	Not significant					

Note: supported hypotheses and significant results are highlighted in bold

## **CHAPTER 6: DISCUSSION**

### **1. INTRODUCTION**

This chapter discusses findings of the study. The first section focuses on the strength of consumer ethnocentrism and conspicuousness of South African imports in the Mozambican context. In the subsequent sections, I speak about the nature and effects of, and relationship between, the two phenomena. The final sections centre on demographic moderators in CET effects and CET moderator in the effects of product type on consumer preferences.

### **2. STRENGTH OF CET AND $CI_{RAS}$**

#### **CET in Mozambique versus CET in emerging and advanced economies**

As expected in H1, consumers in Mozambique were found to be more ethnocentric than their counterparts from emerging and advanced economies. Such a result is consistent with the meta-analytic study of (John and Brady 2010) who suggested that consumer ethnocentrism is highest among consumers in low income developing countries.

The finding can be justified theoretically. Specifically, it complies with psychological reactance theory (Brehm 1989, Brehm and Mann 1975) which postulates that in-groups, whose economic livelihood is more threatened by foreign competition, may experience stronger reactance leading to greater domestic product bias and greater resentment of imports (Shimp and Sharma 1987). Compared to citizens in relatively wealthier countries, most Mozambicans live below the poverty line (World Bank 2010b, UN-OHRLLS 2010). Their personal economic situation is more vulnerable to the negative effects of foreign

competition (UN-OHRLLS 2010). This greater exposure to the threat of imports causes stronger reactance to foreign products among Mozambicans. The more intensive reactance leads to higher consumer ethnocentrism.

Likewise, the result agrees with the realistic group conflict theory (Sherif 1961, Sherif 1998, Sherif 1988, Sherif 1958) positing that greater real threat causes greater ethnocentrism (LeVine and Campbell 1972). Compared to emerging and advanced economies, the economy of Mozambique relies on under-developed infrastructures, outdated technologies and lack of managerial skills (World Bank 2010b, UN-OHRLLS 2010, Encyclopedia of Nations 2010c). Growing imports represent a greater real threat to Mozambique whose national production system is more vulnerable in the highly competitive domestic market. A greater real threat determines higher ethnocentrism among Mozambican consumers.

Finally, the finding is consistent with the theory of frustration-aggression-displacement (Dollard et al. 1939) which suggests that worse socio-economic conditions are sources of frustration which increase the amount of aggression displaced from the in-group to out-groups leading to ethnocentrism (LeVine and Campbell 1972). Compared to people in emerging and advanced economies, Mozambicans are exposed to a broader range of sources of socio-economic frustration—absolute poverty, malnutrition, poor housing conditions, little or no access to healthcare services and inability to afford further education etc. Greater frustration causes stronger inhibited aggression. The greater inhibited aggression

is displaced in the form of higher ethnocentrism which, in consumer behavior context, conditions greater consumer ethnocentric tendencies.

### **CET in Mozambique versus CET in other developing economies**

Contrary to that expected from H2, the levels of CET in Mozambique and other developing economies are not the same. It was showed that Mozambican CET was greater than CET in India (Cleveland, Laroche and Papadopoulos 2009). However, compared to Chinese (Wang and Chen 2004, Klein, Ettenson and Krishnan 2006), Mexican (Cleveland, Laroche and Papadopoulos 2009), Indonesian consumers (Hamin 2006), Mozambicans were less ethnocentric. Nonetheless, the statistical difference was small in most cases<sup>19</sup>. It might be due to interference of factors which are not captured by the IMF classifications of countries. These factors are related to differences in economic growth rates, openness to external trade, historical development and cultural systems of the countries. Further research is needed to examine the role of such factors.

In sum, consumer ethnocentrism in Mozambique does not only differ substantially from that in emerging and advanced economies but also has a small difference with consumer ethnocentric tendencies in other developing economies.

### **CI<sub>RAS</sub> in Mozambique**

As mentioned earlier, conspicuousness of South African imports to Mozambique represents an example of conspicuousness of imports from an emerging economy to a developing economy market. It is, however, not known how conspicuousness

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<sup>19</sup> The large difference was observed only when the Mozambican CET was compared to the Chinese CET (Klein et al 2006).



of South African imports to Mozambique differs from conspicuousness of imports from an emerging economy to a developing economy in other cases because data on conspicuousness of imports from emerging economies to developing economies was not available from earlier studies.

Yet, conspicuousness of South African imports in Mozambique was found to be higher than conspicuousness of advanced Western economies to a developing country, China, in Wang and Chen (2004). This sounds counter-intuitive because consumers in developing countries would be expected to feel less admiration for products from emerging economies and to be more attracted to imports from advanced economies. Nonetheless, I suggest the following explanation for such an outcome. Since early 2000s, China has been manufacturing practically all products designed in advanced countries. Accordingly, Chinese respondents in Wang and Chen (2004) might not view products of advanced countries as symbols of advanced countries. Instead, the Chinese participants might see such products as a part of their country and success. The growing industrial and technological capacity of China may steadily reduce conspicuousness of imports from advanced countries to the Chinese market.

### **3. MAIN EFFECTS**

#### **3.1 THE NATURE OF CET**

##### **3.1.1 Age**

As expected in H3a, age had a positive effect on consumer ethnocentric tendencies. That is, older Mozambican consumers are more ethnocentric. This

result is consistent with significant findings in other studies (Cleveland, Laroche and Papadopoulos 2009, Caruana and Magri 1996, Witkowski 1998, Supphellen and Rittenburg 2001, Vida and Fairhurst 1999, Balabanis, et al. 2001, de Ruyter, van Birgelen and Wetzels 1998). The finding complies with the theory of consumer ethnocentrism whose founders suggested that older consumers may be more ethnocentric (Shimp 1984; Shimp and Sharma 1987).

The result substantiates psychological reactance and frustration-aggression-displacement theories in the context of consumption of imports (Shimp and Sharma 1987b, Brehm 1966, Brehm and Brehm 1981, Berkowitz 1989). It supports the idea from psychological reactance theory that individuals whose socio-economic freedoms, e.g. employment and income, are threatened by foreign competition experience stronger reactance-based resentment of imports and develop domestic product bias (Shimp and Sharma 1987). Foreign competition threatens employment situation of older individuals in Mozambique. If it hurts national producers, older Mozambicans will be the first to lose jobs and will have difficulties re-integrating into the job market. Accordingly, it is no surprise that imports bring out greater reactance-based antipathy among older consumers in Mozambique.

Likewise, it is in line with the idea from frustration-aggression-displacement theory that consumers whose socio-economic situation is more vulnerable experience greater aggression and displace it onto foreign products (LeVine and Campbell 1972, Berkowitz 1989).

Yet, the finding should be taken with caution. First, albeit significant, the effect was rather small. This might be due to a narrow span of ages in the survey. The participants were from 18 to 51 years old. In addition to this, the sample was biased to younger participants. It may be important to confirm the predicting role of age in Mozambican consumer ethnocentric tendencies on a sample with a broader age range.

Second, note that the positive effect of age draws from a sample in southern Mozambique where younger consumers experience weaker reactance because their employment situation is relatively better. Note also that, because the southern region has been more open to an international influence, its society no longer has a firm grip on some traditional African values (Virtanen 2005b, Bolnick 2008). Contrary to the traditional culture, it views greater intelligence and effectiveness at work as characteristics of younger rather than older age. This makes the employment situation more favourable for younger Mozambicans and reduces their vulnerability on the southern job market. However, the effect of age on consumer ethnocentric tendencies may be different in central and northern areas which, being deeply integrated into the traditional African culture, represent more favourable job settings for older Mozambicans. Further studies in Mozambique might explore how cross-regional differences in age perceptions moderate the impact of age on consumer ethnocentrism. Likewise, the future research might examine how the effect differs between traditional and modern societies in other parts of Africa. To the best of my knowledge, no study has

addressed this topic suggesting a gap in the existing literature on consumer ethnocentrism.

### **3.1.2 Gender**

As proposed in H3b, gender was found to have an impact on consumer ethnocentric tendencies of Mozambicans. Women were found to more ethnocentric consumers than men. Such an effect is consistent with findings in Mexico (Cleveland, Laroche and Papadopoulos 2009), Greece (Cleveland, Laroche and Papadopoulos 2009), China (Wang and Chen 2004), France (Javalgi et al. 2005), Turkey (Balabanis et al 2001) and Poland (Good and Huddelston 1995).

The finding may be explained by the psychological reactance theory (Brehm 1966). Female consumers feel stronger reactance-based ethnocentric sentiments because growing imports are a more serious threat to their employment situation. If foreign competition destabilizes national production sectors, women are more likely than men to lose their jobs (Ardeni and Andracchio 2001; van Klaveren et al 2009).

Parallel to this, the finding may be justified by frustration-aggression-displacement theory (Berkowitz 1989). Poorer socio-economic conditions of women (World Bank 2010c, van Klaveren et al. 2009) are a source of frustration which stimulates aggression among female consumers. Blocked by norms and legislation, aggressive responses are displaced onto foreign societies (LeVine and

Campbell 1972) and, in the consumption context, take form of ethnocentric tendencies towards imports.

In sum, women are more ethnocentric consumers than men because their socio-economic situation is worse. By and large, the weaker socio-economic position of women in Mozambique has its roots in the patriarchal power of men. This suggests that greater consumer ethnocentrism among Mozambican women may be due to patriarchal values in the Mozambican society. Such an idea also sheds the light on inconsistency of results from previous studies. Indeed, women were not always found to be ethnocentric consumers in post-socialist societies such as Russia, Hungary, Poland and Czech Republic where former socialist regimes had promoted gender equality as a prerequisite for socio-economic progress (Good and Huddleston 1995, Supphellen and Rittenburg 2001, Cleveland, Laroche and Papadopoulos 2009). Likewise, greater ethnocentrism was not confirmed for female consumers in Sweden and the northern part of European Russia—societies with a slight matriarchal slant—where women have gradually become more powerful due to greater capacity for survival in extreme climatic conditions (Cleveland, Laroche and Papadopoulos 2009, Crins 2004, Zubov and Kolosov 1996, John and Brady 2009b).

Following the above logic, this study introduces a remark to the theory of consumer ethnocentrism. It suggests that women may be more ethnocentric consumers than men in patriarchal societies. By contrast, women, whose societies promote gender equality or even are matriarchal, may have a weaker domestic

product bias. Clearly, it would be too early to generalize greater consumer ethnocentrism of women to other patriarchal societies as further empirical research is needed to substantiate this proposition. Nonetheless, classification of societies into patriarchal versus matriarchal may be a key to explaining inconsistency in the effects of gender on consumer ethnocentrism.

Yet, several issues deserve greater attention regarding the use of patriarchal versus matriarchal classification to trace gender differences in CET in future research. First, it is worthwhile to control for matrilineal influences in patriarchal societies as they enhance social authority of women (Arnfred 1988) and, therefore, may mitigate their accumulated reactance and frustration. It is possible that women will not be more ethnocentric than men in northern Mozambique which, unlike the southern region where the survey took place, is a matrilineal society. Second, patriarchal values are not static. For instance, a patriarchal society may occasionally transform into an egalitarian culture when it is in a state of war (Arnfred 1988).

### **3.1.3 National sub-groups**

As expected in proposition H3c, representatives of the southern sub-group in Mozambique were found to be more ethnocentric consumers. Consumer ethnocentric tendencies were weaker among representatives of the central and northern sub-groups.

Higher ethnocentricity of the southern sub-group confirms the postulate of psychological reactance theory: individuals with greater exposure to the threats of

foreign competition experience stronger negative reactance with respect to foreign products and become more ethnocentric as consumers (Brehm 1966, Shimp and Sharma 1987). Indeed, growing imports represent a greater threat to the native southern population and to producers in the south. First, most imports concentrate in the south as, due to under-developed road networks, they do not reach the rest of the country (Newitt 2009, Global Edge 2010). Second, imports are in direct competition with the produce of two important employers in the south – agriculture and light industry (Newitt 2009). If foreign competition undermines these sectors, many local people will lose jobs and income. Third, compared to many imports, the output of the two sectors has low competitiveness in international markets and, therefore, is highly dependent upon local demand (Newitt 2009, Global Edge 2010, Flatters 2007, Kaufmann and Parlmeyer 2006)).

Also, the exposure of the native southern population to foreign competition lasted for a longer period (Newitt 2009). Due to historical, geographical and economic factors, the south of Mozambique has for many years been a more attractive market to foreign sellers of consumer goods (Newitt 2009). By contrast, the centre and north have opened to imports of consumer goods only recently. So far, the local consumer markets remain under-developed in these regions. Because foreign competition is less acute here, imports do not pose a serious threat to the local producers. Instead, foreign products may be a source of variety.

The finding agrees with propositions of other theories. For example, it is consistent with the realistic group conflict theory postulate that consumers feel

more negative attitudes towards out-groups and their artifacts when those represent greater real threat (Sherif 1961). Many southern Mozambican suppliers lose their market share and reduce labor force under the pressure of growing imports to the region (Notícias 2010, USAID 2007). Hence, foreign competition is a real threat to the employment and economic situations of the southern subgroup.

Additionally, the result is in line with the reinforcement theory about effects of implicit reinforcement (Bandura 1971). It confirms that, when two groups perform the same activity, a positive reinforcement of one group operates as a negative reinforcement of another group. Although all Mozambicans equally contributed to the independence of the country from Portugal, only representatives of the southern ethnic cluster have been subject to positive reinforcement for this (Newitt 2009). By contrast, the native population of the centre and north has received little gratification. As shown in the background to the study, the political power and Mozambican resources have concentrated mainly in the hands of native southerners and have been used in fostering the interests of the south. The direct positive reinforcement of representatives of the south has become a source of an implicit negative reinforcement to representatives from the centre and north. Negative reinforcement has tended to reduce this national loyalty of the central and northern Mozambicans by making them less ethnocentric. Being less ethnocentric, they are reluctant to reject imports.



Finally, the finding continues the idea of reference group theory that, individuals, who receive fewer incentives from the membership group, tend to disconnect psychologically from it in favor of other groups (Merton and Rossi 1962, Levine and Campbell 1972). With fewer rewards from the government (Newitt 2009), representatives of the non-southern cluster are less centered on the Mozambican in-group. Due to lower ethnocentrism, they exhibit weaker consumer ethnocentric tendencies.

The finding replicates results from other studies. As in Shimp and Sharma (1987) and Pereira, Hsu and Kundu (2002), consumer ethnocentrism was higher for the sub-group whose native region was more threatened by foreign competition. As in Rose et al (2009) and Pereira, Hsu and Kundu (2002), consumer ethnocentric tendencies were greater for the sub-group whose ethnic cluster was deprived of rewards available to the rest of the society. A summary of results from this study and prior research is given in table 42.

**Table 42: A summary of sub-group effects on CET in USA, Israel, China and Mozambique**

<b>Sub-group</b>	<b>Shimp &amp; Sharma (1987) USA</b>	<b>Rose et al (2009) Israel</b>	<b>Pereira et al (2002) China</b>	<b>Study Mozambique</b>
Deprived of some rewards of the society	Not known	Arab Israelis > Jewish Israelis	Taiwanese > Mainland Chinese	Non-southern > Southern
Threatened by foreign competition	Detroit > Denver , Los Angeles, Carolinas	Not known	Mainland Chinese > Taiwanese	Southern > Non-southern
Consumer ethnocentric (CET)	Detroit > Denver , Los Angeles, Carolinas	Jewish Israelis > Arab Israelis	Mainland Chinese > Taiwanese	Southern > Non-southern

The result also maintains the idea of the consumer ethnocentric theory (Shimp and Sharma, 1987) that consumer ethnocentric tendencies are greater for those categories of population who are more threatened by foreign competition.

The finding brings some new insights into the theory of consumer ethnocentrism. It suggests that intra-national differences in consumer ethnocentric tendencies emerge when there exists unequal treatment of sub-groups by their nation. Marginalisation of interests of some sub-groups within a country lessens domestic product bias among members of those sub-groups.

Regarding generalizability to other contexts, Mozambique and previously studied contexts—Israel, China and USA—are not alone in having intergroup tensions due to ethnic and regional divisions (Shimp and Sharma 1987, Rose et al 2009, Pereira et al 2002). Similar situations exist in many other parts of the world such as Russia, the Balkans and Africa. Yet, any generalisation of the results should be made with caution because each context has its own nuances which shape relations among subgroups.

#### **3.1.4 Employment status**

Consistent with proposition H3d, unemployed Mozambicans are more ethnocentric consumers. Such a result sustains the idea of the founders of the theory of consumer ethnocentrism that unemployed individuals have domestic product bias and feel contempt of imports (Shimp and Sharma 1987).

The finding is consistent with ideas of psychological reactance and frustration-aggression-displacement theories in respect to consumption of imports (Shimp and Sharma 1987, Brehm 1966, Berkowitz 1989, Levine and Campbell 1972). Regarding the psychological reactance theory, the result shows that reactance-based resentment of foreign products is stronger among individuals whose economic livelihood is more threatened by foreign competition.

As to the frustration-aggression-displacement theory, the effect indicates that imports entail antipathy among individuals who are more exposed to frustrations of the external environment such as social exclusion, economic hardship and malnutrition.

Any generalization of the effect to other societies should be done with caution. The employment status may have little or no impact on consumer ethnocentric tendencies in societies where socio-economic disparities between employed and unemployed categories of population are insignificant. This is the case of advanced and some emerging economies whose governments provide financial support to the unemployed population. However, the effect is plausible in low income developing societies where the unemployment rate is high and where unemployed individuals are not entitled to any benefits.

### 3.2 THE NATURE OF $CI_{RAS}$

This section discusses how demographic antecedents—age, gender, national subgroup and employment—shape four dimensions of conspicuousness of South African imports—materialistic hedonism ( $CI_{RAS-MH}$ ), communication of

belongingness to a group ( $CI_{RAS-BE}$ ), social status demonstration ( $CI_{RAS-ST}$ ), and interpersonal mediation ( $CI_{RAS-IM}$ ).

### **3.2.1 Age**

Age was a significant negative predictor of the materialistic hedonism and social status demonstration dimensions of conspicuousness of South African imports suggesting that younger Mozambicans are more prone to engage in conspicuous consumption in order to differentiate themselves from others by style and uniqueness of South African products as well as to raise status by prestige of South African possessions.

The negative effect of age is consistent with an integrative view of the reference group and relative deprivation theories and semiotic framework stating that consumers who have been more exposed to symbols (e.g. products) from a wealthier COO will see greater conspicuousness in imports from that COO. Brought up in a post-colonial era, younger Mozambicans are more familiar with South Africa and its products. However, a better understanding of South Africa evokes a sense of relative deprivation. This brings up a desire to imitate South Africans which, in turn, predetermines a tendency to conspicuous consumption of South African imports.

The fact that age had a negative impact only on the materialistic hedonism and social status demonstration dimensions of conspicuousness of South African imports indicates that the conceptualisation of conspicuousness of products from South Africa among younger Mozambicans is biased to the meanings of

materialistic hedonism and social status demonstration. This might happen because, as shown in the background to the study, consumer experiences of younger Mozambicans with South African imports are also biased to image-related and to some categories of status-laden items which are suitable for materialistic hedonistic and status consumption. This suggests that conspicuousness of imports accrues from product categories to which consumers are exposed.

The negative impact of age on conspicuousness of imports from wealthier economies might be of interest to other scholars. Hypothetically, the effect may take place in other societies due to greater responsiveness of younger generations to foreign influences. It is also likely that the effect will be more pronounced in nations which, similar to Mozambique, have only recently opened to the foreign world. For instance, it might occur in post-socialist and post-colonial states (Marcoux, Filiatrault and Chéron 1997, Anderson and He 1998, Bar-Haim 1989).

However, any generalisation of the effect from Mozambique to other societies should be made with caution. First, the role of age in consumption is always a function of unique historical trajectories of societies. Second, the effect was rather small. The small magnitude of the impact may be explained by a narrow range of ages in the study. As shown earlier the youngest participant was 18 years old whereas the age of the oldest participant was 51. In addition to this, most respondents fell into the category of young consumers. Further studies are advised to replicate this result with a broader diapason of ages.

### **3.2.2 Gender**

As expected in proposition H4b-1, gender was a significant predictor of conspicuousness of South African imports as a tendency to materialistic hedonistic consumption of products from South Africa was found to be higher among women. Women would engage in conspicuous consumption of South African imports in order to enhance image and to become more stylish, fashionable and unique. Such a result is consistent with an integrative view of the reference group (Sherif and Sherif 1953, Slocum and Stone 1959, LeVine and Campbell 1972, Merton and Rossi 1962) and relative deprivation theories (Crosby 1976) and semiotic framework (Mick 1986) suggesting that greater familiarity with wealthier country and exposure to its products lead to a greater proneness to conspicuous consumption of its products. In an attempt to emulate their South African counterparts, Mozambican women engage in conspicuous consumption of South African imports. However, the desire to imitate the South African population is triggered by a sense of relative deprivation. Women feel more deprived of the lifestyle of South Africa because they are more often confronted with its symbols—its products and marketing campaigns.

It is noted that the impact of gender on conspicuousness of South African imports manifested only for the dimension of materialistic hedonism whereas it remained insignificant across the three other dimensions. This suggests that CI meanings are shaped by product categories to which consumers are exposed. As mentioned in the background to the study, South African products take a lead in the Mozambican market of image-related items for women. They account for the

largest share in the overall supplies of clothing, fashion accessories, perfumes and cosmetics to Mozambique (DTI 2010). Usually moderately priced, such items are suitable for materialistic hedonistic consumption whose primary objective is differentiating from others. However, they are not prestigious enough to convey status or to influence others. Because women are more exposed to South African items with materialistic hedonistic meaning, the overall meaning of  $CI_{RAS}$  for women is biased to materialistic hedonism only.

### **3.2.3 National sub-groups**

As expected in H4c-2,  $CI_{RAS-BE}$  was found to be higher among representatives of the southern ethnic cluster. Based on Marcoux et al (1997), such a result implies that, compared to representatives of the central and northern sub-groups, southerners hold favourable stereotypes about South Africa and its exports. They believe that South African products have a pervasive approval among various local reference groups. They also view South African products as objects which pave the way to acceptance by such reference groups.

The result is in line with an integrative view of the theories of reference group (Merton and Rossi 1962, Sherif and Sherif 1953, Slocum and Stone 1959) and relative deprivation (Crosby 1976), and semiotic framework (Mick 1986) proposing that greater exposure to symbols and products of a wealthier country increases conspicuousness of imports from that country. It was shown in the background to the study that, due to historical and geographical precursors, consumer exposure to symbols of South Africa and its products was more extensive among representatives of the southern sub-group. To them the socio-



economic differential between South Africa and Mozambique is more evident. Being deprived of South Africa's prosperity, the southerners emulate South Africans by engaging in conspicuous consumption of South African imports.

Reference group theory (Sherif and Sherif 1953, Slocum and Stone 1959) provides another explanation for the effect. It suggests that southerners hold positive stereotypes about South Africa and its products because they associate themselves with South Africans. It is noted that ethnic groups in north-eastern South Africa and southern Mozambique belong to the same ethnic cluster. Albeit separated by the frontier between the two countries, these ethnic groups speak similar mother tongues and maintain cultural resemblance. It seems that an ethnic bond between wealthier and poorer societies enhances conspicuousness of imports from the wealthier society. This issue has not been addressed in earlier studies suggesting a literature gap and an opportunity for further research.

#### **3.2.4 Employment status**

As expected in H4d-1 and H4d-4, employment was found to have a positive effect on materialistic hedonism and interpersonal mediation of conspicuousness of South African imports. Employed Mozambicans see greater conspicuousness in South African imports and use them as tools to differentiate themselves from others as well as to improve relationships with other people.

The positive impact of employment on conspicuousness of imports is consistent with the integrative view of the reference group (Merton and Rossi 1962, Sherif and Sherif 1953, Slocum and Stone 1959) and relative deprivation (Crosby 1976)

theories and semiotic framework (Mick 1986) that familiarity with products from a wealthier COO contributes to the overall conspicuousness of imports from that COO. Conspicuousness of South African imports was higher among employed Mozambicans because, as illustrated in the background of the study, this category of population appeared to be more experienced with products from South Africa.

As mentioned earlier, employment status had a significant impact only on the materialistic hedonism and interpersonal mediation dimensions. The former was salient because, being in the category of low-income population, most participants in the survey could afford only moderately priced items from South Africa—those which enhance image but do not confer status on their owner. The latter dimension was salient because, when employed, Mozambicans play a broader range of social roles and, therefore, are more likely to use South African products to improve relationships with other people.

It is worth noting that in both cases the effect was very small. It seems that the employment status antecedent captures only a small portion of variability in conspicuousness of imports. Even if employment brings financial security, it does not always lead to a substantial increase in purchasing power of consumers. Perhaps, income would be a better predictor of a tendency towards conspicuous consumption of imports from wealthier countries. It may also be a better option in societies where the socio-economic contrasts between employed and unemployed individuals are less explicit. This might be the case of societies which provide subsidies to the unemployed population. The income variable could not be tested

in this study as most participants fell into the same, low-income category (0.000-7.500MTS).

### 3.3 THE RELATIONSHIPS AMONG CI<sub>RAS</sub> DIMENSIONS

It is worth noting that correlations were tested only for materialistic hedonism, communication of belongingness to a group, social status communication and interpersonal mediation because only these four dimensions were included into the constrained structural models. As expected, the four dimensions of CI<sub>RAS</sub> were positively related. This implies that, even though they were confirmed as distinct constructs in the discriminant validity analysis (Bagozzi and Phillips 1982), the four factors represent different aspects of the same issue – conspicuousness of South African imports. This confirms that the four dimensions belong to the same nomological network suggesting the nomological validity of the CI<sub>RAS</sub> construct in the Mozambican context (Cronbach and Meehl 1955).

The finding might be of interest to advocates of the dual processing theory (Barrett et al 2004) as it is consistent with the proposition that, being units of the same broader schema, similar concepts are positively interrelated. Materialistic hedonism, communication of belongingness to a group, social status demonstration, and interpersonal mediation belong to the same schema of conspicuousness of imports. The conceptual proximity of the four meanings manifests in positive significant correlations among them.

Interestingly, the highest correlations were reported for the pair of communication of belongingness to a group and materialistic hedonism [0.69-0.81]. This implies

that consumers in the sample actualize a strong association between positive stereotypes about South Africa and its exports and hedonistic characteristics of South African products (Mick et al 2004). Consumers, whose stereotypes about South Africa are favorable, find South African imports as stylish, unique and fashionable. Nonetheless, the high correlation should not be generalized to the overall Mozambican society as the convenience sample was heavily biased to younger Mozambicans from the south. It is reminded that younger participants scored higher on materialistic hedonism whereas representatives of the southern sub-group gave higher scores to social status demonstration. Having mainly young southerners in the sample might inflate the correlation between the dimensions of materialistic hedonism and social status demonstration.

#### 3.4 THE RELATIONSHIP BETWEEN CET AND $CI_{RAS}$ DIMENSIONS

As proposed in H6, CET was positively related to the four dimensions of  $CI_{RAS}$ . This implies that highly ethnocentric consumers are more likely to consume South African imports for purposes of materialistic hedonism (CET- $CI_{RAS-MH}$ ). They are more likely to acquire products from South Africa to enhance image, style and uniqueness, to please others and to look more important.

Also, Mozambicans who score high on consumer ethnocentrism tend to use South African imports in order to improve their social standing (CET- $CI_{RAS-ST}$ ). They consider products from South Africa as symbols of status, wealth and prestige.

Further, highly ethnocentric consumers hold more positive stereotypes about South Africa and conspicuousness of its exports (CET- $CI_{RAS-BE}$ ). They believe

that, being widely accepted, South African products may help to impress members of reference groups.

Finally, highly ethnocentric Mozambicans are more likely to view South African products as objects which positively influence the relationships of their owner with other people (CET-CI<sub>RAS-IM</sub>). They believe that people who use South African imports increase their own value, attractiveness and popularity from the point of view of others. They also think that using South African imports induces respect from others.

The positive correlation between CET and the dimensions of CI<sub>RAS</sub> is in line with the dual processing theory (Barrett et al 2004). The theory suggests that, due to lower attention capacity, some individuals are more prone to automatic processing of information (Barrett et al 2004). If they engage in automatic processing of one issue, they are more likely to engage in automatic processing of another issue (Barrett et al 2004). Both consumer perceptions of foreign product conspicuousness and consumer ethnocentrism are knowledge structures which activate via automatic processing. Consumers, who are prone to automatic processing, score high on ethnocentrism and see greater conspicuousness in imports from a wealthier country. This adds further explanation to the positive relationship between CET and CI<sub>RAS</sub> dimensions.

### 3.5 THE EFFECTS OF CET

As expected in H7a, consumer ethnocentric tendencies predicted unfavorable attitudes towards South African food consumables in the Mozambican market. It

is worth noting that the negative effect was significant only in the case of agricultural products—potatoes, chicken, tea and juice. It was slightly higher for the first two categories which require only minor processing such as cleaning (Standardized Coefficient  $POTATOES = -0.36$ ; Standardized Coefficient  $CHICKEN = -0.37$ ). It was lower for the consumables which involve a greater amount of processing operations, e.g. cleaning, drying, packaging (Standardized Coefficient  $TEA = -0.21$ ; Standardized Coefficient  $JUICE = -0.20$ ). However, the impact did not reach a statistical significance in the models for processed food consumables—biscuits and beer. Despite this, the directionality of the effect was always negative indicating that consumer ethnocentric tendencies cause resentment for foreign products. Such an outcome confirms the nomological validity (Cronbach and Meehl 1955) of the consumer ethnocentric tendencies construct and is consistent with the substantive theory of consumer ethnocentrism (Shimp and Sharma 1987).

In addition to this, the result is in line with the proposition of dual processing theory (Barrett et al 2004) that broader categories shape narrower categories. In this case consumer ethnocentrism is a broader category indicating a general predisposition to support domestic products and reject imports. It serves as a knowledge structure for narrower categories such as negative attitudes towards specific categories of imports.

### 3.6 THE EFFECTS OF $CI_{RAS}$

In accord with H8a-2, the dimension of communication of belongingness to a group had a positive impact on attitudes towards South African versus Mozambican food consumables. In line with interpretation of Marcoux et al

(1997), such a result means that positive stereotypes about South Africa and its exports lead to favorable attitudes towards South African products in the Mozambican food market. The effect was significant for tea, juice, biscuits and beer—potentially conspicuous categories whose consumption is visible to others. However, it did not reach statistical significance in the case of potatoes and chicken. This is because these products are in the category of non-conspicuous goods. If available, their packages serve purely utilitarian purposes suggesting little or no ‘conspicuous waste’. The products have a private mode of consumption.

The fact that conspicuousness of South African imports affected attitudes towards tea, juice, biscuits and beer but had no impact on chicken and potatoes confirms the idea that a tendency towards conspicuous consumption of imports activates only in the case of potentially conspicuous products (Marcoux, Filiatrault and Chéron 1997, Veblen 1994, John and Brady 2009a).

It is noted that attitudes towards food consumables were influenced only by the communication of belongingness to a group dimension. Such an outcome may be explained by the sample bias to participants from the southern sub-group who scored high on communication of belongingness to a group. Hence, the effect should not be generalized to other parts of Mozambique. It is possible that consumer preferences for South African products will be shaped by other CI<sub>RAS</sub> dimensions in central and northern regions.

The finding is in line with dual processing theory (Barrett et al 2004) suggesting that broader categories determine narrower categories.  $CI_{RAS-BE}$  is a broader category which is rooted into positive stereotypes about South Africa and its exports. It signals a general predisposition to favor South African products. It serves as a basis for narrower structures such as favorable attitudes towards specific products from South Africa.

### 3.7 OTHER EFFECTS

Attitudes towards products were found to be positive antecedents of attitudes towards brands. This is consistent with dual processing theory (Barrett et al 2004) suggesting that broader categories predict narrower categories.

Also, attitudes towards brands had a strong positive impact on purchasing intentions towards brands. Based on this result, attitudes towards objects seem to be salient predictors of behavioral intentions in Mozambique. Perhaps, they are even better predictors than attitudes towards behaviors. Such a proposition is in line with Lord (1987), Lord (1986), and Ong (1986) who suggested that attitudinal constructs with references to concrete real objects rather than behaviors sound less abstract and, therefore, perform better in societies with high illiteracy rate<sup>20</sup>. Further research might explore this idea by comparing attitudes towards objects and attitudes towards behavior as predictors of behavioral intentions in societies with high and low illiteracy rate. It is possible that attitudes towards objects will have a greater impact on behavioral intentions in societies with high illiteracy

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<sup>20</sup> Note: Albert Lord and Walter J. Ong used the term ‘residual orality’ instead of illiteracy rate. However, residual orality is always an outcome of the illiteracy rate (Ong 1988).



whereas the effect of attitudes towards behavior will be larger in societies with low illiteracy.

#### **4. MODERATING EFFECTS**

##### **4.1 DEMOGRAPHIC MODERATORS IN CET EFFECTS**

Hypotheses H11a through H11d suggested that demographic characteristics of consumers might be moderators in the effects of CET on attitudes towards products and brands and purchasing intentions towards brands. Yet, the moderating role of the demographic variables was not confirmed. It seems that CET effects are not stronger among demographic categories whose consumer ethnocentrism is higher. It is possible that the demographic moderators were not confirmed due to non-representative sample which included very few representatives of central and northern ethnic groups and smaller numbers of female, older and unemployed participants. I recommend scholars to re-address these propositions in future projects—those which might afford more expensive and time consuming representative sampling methods.

##### **4.2 MODERATING ROLE OF CET IN THE IMPACT OF PRODUCT TYPE ON CONSUMER PREFERENCES**

In line with propositions H12a-1, H12a-2 and H12a-3, there was a significant product-based difference in consumer preferences for South African versus Mozambican items. Irrespectively upon their level of consumer ethnocentrism, Mozambican consumers demonstrated greater domestic product bias and willingness to reject South African imports in the case of agricultural categories.

However, they were less protective of the national products and more tolerant to their South African alternatives in the processed food market.

This finding is in accord with the model of reactance effect in consumption of imports. It suggests that the magnitude of reactance-based negative response to imports increases with the strength of product type stimulus to reactance. That is, consumers feel stronger resentment to foreign products that represent a greater threat to domestic alternatives which are important to the socio-economic welfare and culture of a country. The participants in this study felt more negative attitudes and purchasing intentions towards agricultural South African imports because these threaten products of the national agriculture, a sector whose stability is critical to the overall socio-economic stability and cultural permanence in Mozambique. It is reminded that the agricultural sector is crucial to the economy and social situation of Mozambique because it is a source of income for more than 80 percent of the population. If it is hurt by foreign competition, there is a danger that the preponderance of Mozambicans would fall below the subsistence level. Further, agriculture provides a setting for traditional culture in Mozambique. As mentioned earlier, many rituals and ceremonies are related to land, its fertility and harvests.

By contrast, Mozambicans feel weaker reactance-driven resentment to processed food imports which represent weaker stimuli. Indeed, compared to agricultural imports, this category of South African products does not represent a serious threat to the national socio-economic situation or culture. First, the processed food

sector employs a small portion of the Mozambican population. The negative impacts of South African competition on this industry are unlikely to be detrimental to the overall employment situation in the country. Second, being in its nascent stage, the industry has less association with the Mozambican past and cultural tradition.

Interestingly, the product type effect was rather large in the case of attitudes towards product ( $\eta^2$  ATT<sub>PRODUCT</sub> = 0.301) and small in the case of attitudes and purchasing intentions towards brands ( $\eta^2$  ATT<sub>BRAND</sub> = 0.026 and  $\eta^2$  PI<sub>BRAND</sub> = 0.014). This suggests that a product category is a relevant short-cut in hypothetical consumer decisions or real decisions about products whose brands are not familiar to consumers. However, the product category cue becomes less relevant when consumers are confronted with real, well-known, brands. This indicates that, due to multiple information cues, brands help to change consumer attitudes and decisions. They may elicit sympathy even to less desirable product categories. In a similar manner, brands may bring up animosity to more attractive product categories.

Consistent with proposition H12b-1, a portion of the product-based difference in attitudes towards food consumables was explained by consumer ethnocentrism. Both ethnocentric and non-ethnocentric consumers were reluctant to support the national processed food consumables. Yet, unlike the more ethnocentric population, less ethnocentric Mozambicans were found to be less responsive to the agricultural product stimulus. As a consequence, their evaluations of

agricultural and processed food consumables did not differ considerably. This substantiates the idea of consumer ethnocentric theory that less ethnocentric consumers represent a group of more pragmatic buyers – those who make consumer decisions based on merits of products without consideration of products' symbolic association with the national economy (Shimp and Sharma 1987).

The gap in attitudes towards agricultural and processed food consumables was wider among the more ethnocentric consumers who, compared to the less ethnocentric population, were more receptive of the agricultural category stimulus. This means that ethnocentric Mozambicans assess national products based on their exposure to the threats of foreign competition and their meaning to the national economy and culture. Consistent with the theory of consumer ethnocentrism, such individuals represent the category of less pragmatic buyers (Shimp and Sharma 1987).

The ANCOVA findings are in line with the idea of psychological reactance theory that the reactance response to an external stimulus is (1) weaker among individuals with low levels of reactance and (2) higher among individuals with high levels of reactance. Consumer ethnocentrism is a form of reactance to foreign competition. When consumers are more ethnocentric, they become more sensitive to the influence of reactance stimuli such as country-of-origin or, as suggests this study, foreign products which represent a serious threat to domestic alternatives of high national importance.

It is worth noting that, even though CET explained the product-based difference in attitudes towards food consumables, it was not a significant moderator in the case of attitudes and purchasing intentions towards brands. Highly ethnocentric consumers are more prone to refer to the product type cue while making general evaluations of imports from a COO; yet, even to them the product category becomes irrelevant when consumer decisions involve specific brands. Hence, the product type information cue allows more ethnocentric consumers to compensate for a lack of knowledge about imports. However, consumer decisions of ethnocentric buyers do not depend upon the product type when other characteristics of products, e.g. brands, are known. Such an observation is consistent with the proposition of the dual processing theory: the more salient is the knowledge structure, the greater is its role in the automatic responses of individuals. With the lack of other information about imports, the product category stereotype appears to be the more salient knowledge structure which shapes attitudes of ethnocentric consumers. However, it becomes less prominent when brand-related knowledge structures become active.

## **5. SUMMARY**

By and large, findings about the magnitude and demographic nature of CET are consistent with psychological reactance theory. Indeed, people, whose economic livelihood is threatened by foreign competition, seem to be more ethnocentric consumers. The findings are also in line with the frustration-aggression-displacement theory, realistic group conflict, reinforcement and reference group theories.

Also, the significant effects of demographic characteristics on  $CI_{RAS}$  are consistent with the integrative view of the reference group and relative deprivation theories and the semiotic framework suggesting that people, who are more exposed to products from a wealthier country, see greater conspicuousness in imports from that country.

Further, the significant effects of CET and  $CI_{RAS}$  on consumer attitudes towards South African versus Mozambican food consumables are in accord with the dual processing theory that proposes that broader categories predict narrower categories. They also conform to Fishbein and Ajzen's (1975) model.

In line with the theories of psychological reactance and consumer ethnocentrism, the significant impact of product type on consumer preferences confirms that consumers tend to reject those categories of imports which threaten domestic alternatives of high importance to the national socio-economic situation and culture.

Finally, the moderating role of CET in the effect of product type on consumer attitudes towards products supports the idea of the reactance effect model with respect to consumer ethnocentrism. That is, ethnocentric consumers exhibit a stronger reactance-based negative response to those imports which, being a threat to domestic alternatives important to the national socio-economic welfare and culture, represent a stronger stimulus to reactance.

## CHAPTER 7: CONCLUSIONS

### 1. THEORETICAL IMPLICATIONS OF THE STUDY

As mentioned earlier, the primary theoretical objective of the study was to make a series of contributions to the substantive theories of consumer ethnocentrism (Shimp and Sharma 1987) and conspicuous consumption of imports from wealthier countries (Marcoux et al 1997). An additional objective was to point out middle range theories which might bring new insights into these two substantive theories.

#### 1.1 CONTRIBUTIONS TO THE CET THEORY

The study contributes to the discussion about the *nature of consumer ethnocentric tendencies*. First, apart from two frequently tested predictors—age and gender, it explores the role of two under-researched antecedents—national subgroup and employment status. It is reminded that the national subgroup predictor was addressed only in three studies. The first study took a regional approach to show variability of consumer ethnocentric tendencies across four geographic areas in the USA (Shimp and Sharma 1987). The second focused on ethnic differences in consumer ethnocentrism in Israel (Rose et al 2009). The third study discussed differences in consumer ethnocentric tendencies from both regional and ethnic perspectives in China (Pereira et al 2002). To the best of my knowledge, the employment status antecedent of CET has not been addressed in prior research. This study contributes to filling in this literature gap.

Second, the study suggests that inconsistency in gender effects on consumer ethnocentrism across earlier studies might be due to interference of patriarchal versus matriarchal values. It seems that in patriarchal societies consumer ethnocentrism is higher among women. By contrast, consumer ethnocentric tendencies do not differ between men and women in egalitarian societies. This proposition opens a new area for further discussion among researchers into the nature of consumer ethnocentrism.

Third, integrating results from Mozambique and from earlier studies in the USA, Israel and China (Shimp and Sharma 1987, Rose et al 2009, Pereira et al 2002), this study proposes two criteria for consumer ethnocentricity of national subgroups. Apart from the traditional criterion of threat of foreign competition (Shimp and Sharma 1987), it also suggests the criterion of deprivation of some incentives of the society (e.g. access to political power and to national resources). That is, national subgroups will exhibit lower consumer ethnocentrism if they are deprived of some rewards of the society and if they are not threatened by foreign competition. In contrast, national subgroups will be more ethnocentric if they received greater rewards from their society and if they are threatened by foreign competition. Further studies might test this proposition empirically.

Finally, the study confirms the general proposition of the CET theory that consumer ethnocentrism is higher among individuals whose socio-economic livelihood is threatened by foreign competition (Shimp and Sharma 1987). The study showed that older and unemployed individuals, women, and representatives



of the southern subgroup are more ethnocentric consumers in Mozambique because their socio-economic position would be the worst if foreign competition hurt national producers.

Also, the study contributes to the discussion about *consumer ethnocentric effects*. First, similar to earlier studies (Chryssochoidis, Krystallis and Perreas 2007, Acharya and Elliott 2003, Orth and Firbasová 2003, Huddleston, Good and Stoel 2001), it confirms that ethnocentric consumers have domestic product bias and feel resentment for imports in the market of food consumables.

Second, the study addresses an under-researched issue—the role of product category in variability of consumer ethnocentric effects. This was suggested as a topic for further research in Cleveland, Laroche and Papadopoulos (2009), Jakubanečs, Supphellen and Thorbjørnsen (2005), Balabanis and Diamantopoulos (2004) and Evanschitzky et al. (2008). However, there is a dearth of studies which tested the impact of product category empirically (Thelen, Ford and Honeycutt 2006, Nijssen and Douglas 2004, Nguyen, Nguyen and Barrett 2008). The present study fills in this literature gap by looking at how consumer ethnocentric effects vary across different categories of foreign products.

Third, the study proposes a ‘Framework for Categorisation of Imports as Stimuli to Resentment’ (figure 10). The framework draws upon the psychological reactance theory (Brehm 1989, Brehm and Mann 1975). It assumes that resentment is an outcome of reactance (Shimp and Sharma 1987). This, in turn,

has two necessary criteria. The first refers to threat of foreign competition to a national production sector. Based on this criterion, imports may be classified into those whose competitive pressures threaten business operations of domestic suppliers and those which have little or no impact on the domestic production. The second criterion is related to importance of the production sector to the nation due to critical role in the overall socio-economic stability and connection to the national culture and history. According to this criterion, domestic substitutes of imports may be divided into those which are critical to the nation and those whose overall impact on the nation is weaker.

In total, the two criteria produce four categories of imports for analysis of CET effects. Category #1 includes imports which compete with, but do not represent a serious threat to, domestic alternatives of high national importance. Imports of computer hardware into Taiwan are an example in this category. On the one hand, computer hardware industry is critical to the socio-economic stability in Taiwan because it is a large employer in the country. If operations in the industry discontinue, a large portion of the local population will lose jobs. On the other hand, foreign competition is of little threat to the Taiwanese computer manufactures in the local market because most of their profits come from sales in overseas markets.

Category #2 comprises imports which represent little or no threat to domestic alternatives of low national importance. Imports with no domestic substitutes such

as foreign cars in the Dutch market are in this category. Such imports are a source of variety rather than a threat.

Category #3 consists of imports which threaten domestic alternatives of high national importance. An example in this category might be imports of agricultural products into the Mozambican market. Their competitive pressures put at risk national agricultural producers who have to rely on poor infrastructures and underdeveloped logistic systems. Meanwhile, the Mozambican agricultural sector is critical to the nation. This is because the sector is the largest employer in the country. If it is hurt, many people would lose jobs and income. In addition to this, the sector is deeply entrenched into the cultural and historical context of Mozambique.

Category #4 refers to imports which threaten domestic alternatives of low national importance. Processed food imports to Mozambique fall into this category. Being underdeveloped, the Mozambican processed food sector is highly vulnerable to pressures of foreign competition. Nevertheless, its contribution to the socio-economic welfare in the country remains negligible. It employs very few people and its output is small. However, this situation could change in the future and the processed food sector could become more important as a national industry. If so, consumer ethnocentrism against processed imports may rise.

Based on psychological reactance theory (Brehm 1989, Brehm and Mann 1975), the framework suggests that consumers will demonstrate negative responses to

that category of imports which activates both criteria of reactance. That is, the category will trigger resentment in consumers (1) if it represents a threat to domestic alternatives and (2) if its domestic alternatives are critical to the nation. However, if at least one of the criteria is missing, the category is likely to elicit either weak or no antipathy. Having had both criteria fulfilled, imports in Category #3 are conceived of as strong stimuli to negative consumer reactions. By contrast, imports in Categories #1, #2 and #4 are expected to trigger weak or no resentment among consumers. Indeed, one criterion is missing in Categories #1 and #4. Imports in Category #1 do not threaten domestic alternatives. Domestic substitutes of imports in Category #4 are not critical to the nation. As regards Category #2, both criteria are absent. The present study confirms the above ideas for Categories #3 and #4. Compared to Category #4 (processed food consumables), Category #3 (agricultural food consumables) evoked stronger negative reactions among Mozambican consumers in this study. Future research might compare consumer responses across all four categories.

Fourth, the study proposes a 'Reactance Effect Model for Studying CET Effects and Explaining their Variability'. The model revolves around the ideas drawn from the theories of psychological reactance (Brehm 1989, Brehm and Mann 1975) and dual processing (Barrett, Tugade and Engle 2004). It makes an assumption that consumer ethnocentrism is a form of psychological reactance. According to the model, the magnitude of an ethnocentric response depends upon three factors: strength of consumer ethnocentric tendencies, consumer proneness to automatic responses and strength of product stimulus. For example, consumers

are expected to feel stronger resentment for a specific foreign product if they are more ethnocentric. Also, consumers are likely to exhibit a stronger negative reaction to a specific imported item if they have a greater propensity to automatic processing of information. Finally, consumers are more prone to rejection of imports which incorporate stronger stimuli to reactance. Imports represent stronger stimuli to reactance if they elicit a sense of higher threat to the nation (e.g. higher threat to the national socio-economic stability and culture). The study focuses on such a stimulus of imports as product category. It suggests that categories of imports, whose threat to the nation is greater, evoke stronger reactance-based resentment among ethnocentric consumers. Nonetheless, further research might explore the role of other foreign product stimuli, e.g. references to country of origin and product-country of origin configurations (Evanschitzky et al. 2008).

Finally, the study suggests that, compared to the non-ethnocentric population, ethnocentric consumers are capable of differentiating imports not only in terms of their country of origin (Shimp and Sharma, 1987) but also in terms of product category. That is, ethnocentric consumers are ready to reject those categories of imports which put at risk domestic alternatives of high importance to the nation. However, they are reluctant to reject imports which threaten domestic alternatives of low importance to the nation.

## 1.2 CONTRIBUTIONS TO THE THEORY OF CONSPICUOUS CONSUMPTION OF IMPORTS

The study makes several contributions to the theory of conspicuous consumption of imports. First, it defines two concepts which have not been specified in prior research into the area. The first is product conspicuousness. The study suggests that a product is conspicuous if it can be consumed in an overt way and if it has elements of ‘conspicuous waste’ – unnecessary elements (e.g. brands and design) making the product more expensive but not proportionately increasing its serviceability. It also claims that any product which is consumed in an overt way may be transformed into a conspicuous item. For this marketers need to add elements of ‘conspicuous waste’. This implies that even relatively cheap categories of products such as food consumables (e.g. tea, juice, biscuits and beer) may be conspicuous.

The second concept refers to conspicuousness of imports. In this study conspicuousness of imports from a particular country indicates the extent to which consumers admire imports from that country and use them for an overt display of various aspects of wealth (status, uniqueness, style, etc). The overall conspicuousness of imports draws upon the wealth of the country of origin. Imports, whose country of origin is believed to be wealthier, are conspicuous. Also, the real wealth of a country contributes to its capacity to develop conspicuousness of its exports abroad. Typically, wealthier countries and their businesses can afford to re-allocate a portion of financial, technological and intellectual resources into development of elements of ‘conspicuous waste’ such as superior design, brand names and supporting services.

Second, the study proposes a 'Framework for Analysis of the Nature of Conspicuousness of Imports'. The framework integrates assumptions of semiotics and ideas of the theories of reference group and relative deprivation. It suggests that wealthier countries and their businesses develop conspicuousness of their exports by investing in elements of 'conspicuous waste'. However, prosperity of a wealthier country of origin becomes evident only to those consumers who are exposed to symbols and imports of that country. Such consumers are more likely to engage in conspicuous consumption of imports from that country. The significant findings of the study confirm this idea. Indeed, demographic categories whose exposure to symbols and products from South Africa was more extensive saw South African imports as more conspicuous.

Third, the study contributes to the discussion about effects of conspicuousness of imports. Similar to Marcoux et al (1997), it maintains that conspicuousness of imports from a particular country facilitates favourable attitudes towards potentially conspicuous items from that country; yet, it has no influence on attitudes towards inconspicuous items. For instance, this study showed that conspicuousness of South African imports had a positive impact on attitudes towards potentially conspicuous items in the Mozambican market—tea, juice, biscuits and beer. However, favourable consumer attitudes towards potentially inconspicuous items—chicken and potatoes—were not caused by conspicuousness of South African imports.

### 1.3 MIDDLE-RANGE THEORIES IN STUDIES OF CET AND CI

Middle range theories add to a better understanding of substantive theories. Nonetheless, they received little attention among developers of the substantive theories of consumer ethnocentrism and conspicuous consumption of imports. Most researchers into consumer ethnocentrism referred to only one middle range theory—the theory of psychological reactance (e.g. Shimp and Sharma 1987, Luque-Martinez et al 2000). No middle range theory guides analyses of conspicuous consumption of imports (Marcoux et al 1997; Wang and Chen 2004). Instead, prior research refers to assumptions of the semiotic framework. The present study addresses this gap by recommending several middle range theories which might enrich analysis in the two areas. These are the theories of dual processing, relative deprivation, frustration-aggression-displacement, realistic group conflict, reinforcement, and reference group.

The theories of frustration-aggression-displacement, realistic group conflict, reinforcement, and reference group provide with new explanations for variability of consumer ethnocentric tendencies. The relative deprivation and reference group theories together with semiotics assumptions form the ‘Framework for Analysis of the Nature of Conspicuousness of Imports’. The dual processing theory allows explaining effects of consumer ethnocentrism and conspicuousness of imports. Also, the dual processing theory may be used in conjunction with the theory of psychological reactance to analyse variability in consumer ethnocentric effects. For this, the study proposes a ‘Reactance Effect Model for Studying CET Effects and Explaining their Variability’.



## **2. METHODOLOGICAL IMPLICATIONS**

The study has several methodological implications. First, it confirmed validity of two important consumer constructs in an under-researched geographic area—Mozambique. The first construct was consumer ethnocentric tendencies (CET). The study showed that measurement models with the one dimensional 6-item CET-scale validated in Russia and China by Klein et al (2006) performed better than those with other CET-scales (Netemeyer, Durvasula and Lichtenstein 1991, Marcoux, Filiatrault and Chéron 1997, Shimp and Sharma 1987, Cleveland, Laroche and Papadopoulos 2009, Jakubanecs, Supphellen and Thorbjørnsen 2005, Hsu and Nien 2008, Chryssochoidis, Krystallis and Perreas 2007, Saffu and Walker 2005, Acharya and Elliott 2003, Douglas and Nijssen 2003, Upadhyay and Singh 2006). It further confirmed that the construct (Klein et al 2006) had good construct validity because its trait and nomological validities were acceptable (Anderson and Gerbing 1988).

The requirements for the trait validity of the CET construct (Klein et al, 2006) were fulfilled (Anderson and Gerbing 1988). For example, the measure had good reliability because its reliability coefficients exceeded the required minimum of 0.700 (Luque-Martinez, Ibanez-Zapata and del Barrio-Garcia 2000). Also, its convergent validity was acceptable because all loadings on the underlying construct were significant (Anderson and Gerbing 1988). Finally, it had discriminant validity because it differed from distinct concepts (e.g.

conspicuousness of imports and attitudes towards foreign products) (Anderson and Gerbing 1988).

Consistent with Klein et al (2006), the overall pattern of results pertaining to consumer ethnocentrism and preferences for foreign products suggested satisfactory nomological validity of the construct. Indeed, even if not always statistically significant, the correlations of consumer ethnocentric tendencies with attitudes and purchasing intentions towards foreign products were always negative. This confirms that the behaviour of the CET-construct (Klein et al 2006) within its nomological net follows the laws of the theory of consumer ethnocentrism (Shimp and Sharma 1987).

The second construct referred to conspicuousness of imports (Marcoux et al 1997). The study confirmed the four-dimensional 16-item version of the construct. It showed that the four sub-scales of Marcoux et al (1997)—materialistic hedonism, communication of belongingness to a group, social status demonstration and interpersonal mediation—had good validity in the Mozambican context. Regarding the trait validity, the sub-scales had high reliabilities and acceptable convergent and discriminant validities.

In line with Marcoux et al (1997), the pattern of results revealed nomological validity of the conspicuousness of imports construct. Even though not always statistically significant, the correlations of the sub-scales with attitudes and purchasing intentions towards imports from a wealthier economy were always

positive. This agrees with the theory of conspicuous consumption of imports from a wealthier country.

Second, the study employed a relatively new method of data analysis—Two-Step Approach to Structural Equation Modelling (Anderson and Gerbing 1988). Unlike in a one-step approach, the measurement and structural sub-models in a two-step approach are not estimated simultaneously (Anderson and Gerbing 1988). That is, evaluation of structural equation models (second step) is preceded by estimation of measurement model (first step) (Anderson and Gerbing 1988). The objective in the first step is to assess trait validity of the tested constructs (Anderson and Gerbing 1988). By contrast, the second step focuses on nomological validity of the constructs of the confirmatory factor model (Anderson and Gerbing 1988).

To date, very few studies have used this approach in analysis of consumer reactions to imports (Lee, Kumar and Kim 2010). Nonetheless, there is much to be gained from a two-step approach, compared with a one-step approach, to the model-building process (Anderson and Gerbing 1988). For instance, the two step approach allows tests of the significance for all pattern coefficients. Moreover, it provides information on whether any structural model would have acceptable fit. Finally, it allows formal comparisons of the substantive model of interest with next most likely theoretical alternatives.

### **3. PRACTICAL IMPLICATIONS OF THE STUDY**

#### **3.1 GENERAL IMPLICATIONS FOR SUPPLIERS**

##### **3.1.1 Mozambican suppliers**

As discussed, Mozambique is a society with a high level of consumer ethnocentrism. This means that Mozambicans are prone to support national products. Indigenous suppliers can benefit from this support even more if they target highly ethnocentric consumers—older and unemployed individuals, women, and representatives of the southern subgroup. References to a product's Mozambican origin may be helpful in this case. Note that targeting women and representatives of the southern subgroup may be less helpful in markets which are already dominated by imports from relatively wealthier economies (e.g. South Africa).

Mozambican producers should bear in mind that less ethnocentric categories of consumers—younger and employed individuals, men and representatives of the non-southern subgroups—evaluate products on their merits without consideration of where they are made (Shimp and Sharma 1987). Accordingly, producers who target these consumers should aim to outperform competitors. For this they must ensure superiority of products for example by offering better quality, more attractive prices, greater brand prestige or international recognition.

##### **3.1.2 Foreign suppliers**

More ethnocentric Mozambicans—older and unemployed individuals, women, and representatives of the southern subgroup—are likely to be more resistant to

foreign produce. Therefore, foreign suppliers might consider targeting less ethnocentric consumer categories such as younger and employed individuals, women and representatives of the non-southern subgroups. Yet, being less ethnocentric, these consumers pay greater attention to merits of products. Hence, it is important to surpass competitors in quality, prices, brand image, etc.

These recommendations should be taken with caution because it is unlikely that Mozambican consumers treat all foreign products equally. It is possible that ethnocentric consumers refuse imports from some countries but accept from others.

### **3.1.3 South African suppliers**

Similar to other foreign suppliers, South African suppliers might benefit from selling to younger and employed individuals because, apart from being less ethnocentric, these consumers feel admiration for South African produce. It is noted that younger Mozambicans use South African imports to enhance their image, style and uniqueness as well as to demonstrate status. To attract younger buyers, South African marketers should emphasize the exclusivity and prestige of their products and use references to the South African origin.

Employed individuals purchase South African products in order to demonstrate style and individuality as well as to gain respect and popularity among other people. South African marketers to this consumer segment should emphasize uniqueness of their products. Their marketing messages should stress a positive

impact of South African products on interpersonal relationships. It is worthwhile to use references to the South African origin.

In addition to this, South African suppliers might consider selling to the segments of women and southerners. Despite high consumer ethnocentrism, women and representatives of the southern subgroup approve of South African imports. Women use South African products to appear more stylish, fashionable and important. Accordingly, South African marketers to women are recommended to accentuate the trendsetting role of their products. Also, it might be helpful to use references to the South African origin.

Southerners empathise with South African produce because they hold more favourable stereotypes about South Africa. These stereotypes originate from ethnic similarities between Mozambican southerners and South Africans. Indeed, representatives of the southern subgroup in Mozambique and the native population in north-eastern South Africa belong to the same ethnic cluster. This suggests that Mozambican southerners are emotionally connected to South Africa and, despite high ethnocentrism, are open to products from this country. I advise that South African marketers incorporate references to the South African origin into their produce. Likewise, South African themes and images might improve effectiveness of marketing campaigns.

Older and unemployed Mozambicans may feel resentment to South African imports. It is important to deemphasize references to the South African origin

while marketing to these consumers. Perhaps, adapting marketing strategies with references to Mozambican culture and life would be more beneficial.

Men and representatives of the non-southern subgroups seem to be neutral to the origin of products. In addition to this, they feel neither antipathy nor admiration for imports from South Africa. It is likely that they will assess South African products on their merits. To attract these buyers, South African marketers should stress the advantages of their items due to, e.g. better quality, prices, brand image, and international recognition. References to the South African origin may be less helpful.

### 3.2 IMPLICATIONS FOR SUPPLIERS IN THE FOOD CONSUMABLES MARKET

#### **3.2.1 Mozambican suppliers of food consumables**

In general, indigenous suppliers to the market of agricultural food consumables may benefit from the support of Mozambican consumers. The suppliers should be informed that local consumers are ready to reject foreign alternatives in favour of domestic items in the market of potentially inconspicuous categories—those with private mode of consumption (e.g. chicken and potatoes).

However, suppliers who specialize in potentially conspicuous items—those which are consumed in public and have conspicuous elements, e.g. beautiful packages, outstanding design and brands—must beware of South African competition. This is because Mozambican consumers feel divided when they are confronted with potentially conspicuous products (e.g. tea and juice) in the agricultural food market. On the one hand, they are protective of Mozambican products. On the

other hand, they are open to South African alternatives. Marketers may use references to the Mozambican origin on consumables. Nonetheless, patriotism of consumers should not be taken for granted. Greater marketing efforts are needed to outperform South African competitors. The suppliers should work on conspicuous elements of their products such as design, quality of packages, prestige of brands and attractiveness of selling outlets.

Mozambican suppliers to the processed food market (e.g. biscuits and beer) are at a disadvantage. They may not rely on patriotic sentiments of the local population. In addition to this, Mozambican consumers are likely to reject national processed food items in favour of South African alternatives because those alternatives originate from a wealthier country. This implies that Mozambican suppliers may not be able to benefit from references to the national origin. However, a possible option to bypass South African competition would be to target pragmatic buyers—those who make judgements about products without consideration of where they were made. In this case, the Mozambican suppliers are advised to pay closer attention to merits of their products.

### **3.2.2 South African suppliers of food consumables**

Ethnocentric sentiments shape consumer preferences in the Mozambican market of potentially inconspicuous agricultural food consumables (e.g. chicken and potatoes). Foreign products including those from South African evoke resentment. Given this, South African suppliers should avoid using references to the South African origin on products or in marketing campaigns. South African emblems



and symbols should be de-emphasized even if products are sold in packages. Brands may be useful tools to curb ethnocentric attitudes toward these products.

South African imports of potentially conspicuous agricultural food consumables (e.g. tea and juice) elicit both ethnocentric sentiments and admiration among Mozambican consumers. Hence, South African suppliers might incorporate references to the South African origin whereby admiration for South Africa and its imports will mitigate ethnocentric reactions among Mozambican consumers.

Apart from the above measures, South African suppliers of agricultural foodstuffs could bypass Mozambican competition by selling items which do not have domestic substitutes. Such consumables are fruit and vegetables which are not typical for the Mozambican climate, e.g. litchi, strawberries, apricots, apples, grapes and pears.

South African imports of processed food consumables such as biscuits and beer do not evoke resentment among Mozambican buyers. Instead they are perceived as conspicuous in the local market because they originate in a wealthier country – South Africa. Consequently, Mozambicans are likely to give preference to South African products and reject their domestic alternatives. South African suppliers may benefit from references to the South African origin. It may be important to integrate South African symbols into product packages. Likewise, it is possible that marketing campaigns with South African themes will be more effective.

### 3.3 IMPLICATIONS FOR MOZAMBICAN POLICYMAKERS

The phenomenon of consumer ethnocentrism is critical to national policymakers because it supports agricultural food consumables – the output of the most important economic sector in Mozambique. If the policymakers intend to support the agricultural sector, they are advised to increase consumer ethnocentric tendencies among the population. One way of doing this is by directing messages of the ‘Made-in-Mozambique’ campaign to non-ethnocentric consumers— younger and employed individuals, men and representatives of the non-southern subgroups. It is important that the campaign elicits consumer ethnocentric sentiments among men and non-southerners because purchases of these consumers in the agricultural market might increase sales of domestic farmers and, therefore, boost the overall economy of Mozambique. It is important to engender patriotic feelings among younger Mozambicans because they represent future generations of consumers of products of the national agricultural sector. Likewise, it is critical to turn employed individuals to the national produce because these consumers have greater financial security and, therefore, are a more secure source of demand for a broader range of food products.

Clearly, the structure of the Mozambican economy is not static. Some economists note that, due to urbanisation, the agricultural sector will contract in the long-run whereas industry will expand and become a large employer in the country. Despite its potential for future growth, the modern industry remains fragile. The processed food industry is no exception. The designers of the ‘Made-in-

Mozambique' campaign might support it by focusing on the category of processed food consumables.

### 3.4 IMPLICATIONS FOR SOUTH AFRICAN POLICYMAKERS AND DESIGNERS OF THE 'PROUDLY SOUTH AFRICAN' CAMPAIGN

Conspicuousness of South African exports is important to South African marketers because it raises interest in South African consumer goods abroad. South African policymakers and designers of the 'Proudly South African' campaign might employ two strategies in order to enhance conspicuousness of South African products in the Mozambican market.

First, the designers of the 'Proudly South African' campaign might address messages to consumers who do not find South African imports conspicuous. These consumers are men, representatives of the non-southern subgroups, older and unemployed individuals.

Second, policy makers should increase exposure of Mozambicans to South African symbols, products and marketing campaigns. Better knowledge of South Africa, a leading economy in the African continent, may reinforce conspicuousness of its products in the Mozambican market.

### **4. LIMITATIONS OF THE STUDY AND DIRECTIONS FOR FURTHER RESEARCH**

The study has several limitations which might be overcome in further research. First, the study uses a non-probabilistic sample which draws from the student population in the south of country. It is possible that the nature and effects of consumer ethnocentrism and conspicuousness of South African imports in

Mozambique will be different when the sample is probabilistic and covers the whole country including central and northern regions. This implies that the results should be treated with caution. Future research might employ probabilistic sampling techniques to better capture the characteristics of Mozambican consumers (Saunders, Lewis and Thornhill 2009).

Second, the study includes only six consumables. Four products were ascribed to the category of agricultural food consumables. Two products were assigned to processed food consumables. Further studies are advised to confirm the role of product type in consumer preferences by including a greater number of products in each category. In addition to this, it would be interesting to replicate findings for other product categories, e.g. durables.

Third, the study tests the ‘Reactance Effect Model’ (figure 9) only for one product stimulus—product category of imports. Future studies might examine the country of origin stimulus in place of product category. It is possible that countries of origin are stronger stimuli to reactance-based resentment when their products threaten domestic alternative of high national importance.

Fourth, the study suggests a ‘Framework for Analysis of the Nature of Conspicuousness of Imports’ (figure 11). Future researchers into conspicuous consumption of imports might transform the framework into a model. For this, they might substitute elements of the framework with variables and replace logical links with causal links.

Finally, the Mozambican market is constantly growing and attracts imports from new countries. The share of South African products in the overall amount of imports may decrease in the future. This implies that consumer decisions will not be limited to a choice between Mozambican and South African alternatives. Given this, it may be critical to gain an insight into consumer reactions to imports from other countries. Therefore, I advise scholars to explore the role of the two phenomena in Mozambique when imports originate from other large suppliers such as other SADC countries, the EU, Latin America, China or India.

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