

Copyright © 2014 by Academic Publishing House *Researcher*



Published in the Russian Federation
European Researcher
Has been issued since 2010.
ISSN 2219-8229
E-ISSN 2224-0136
Vol. 79, No. 7-2, pp. 1387-1400, 2014

DOI: 10.13187/issn.2219-8229
www.erjournal.ru



Peoples Perception About Ethnocentrism in BiH

¹ Dalila Salkanović

² Mersid Poturak

¹⁻² International Burch University, Bosnia and Herzegovina

¹ Faculty of Engineering and IT, Department of Architecture

² Faculty of Economics, Management Department

E-mail: mpoturak@ibu.edu.ba

Abstract

Consumer ethnocentrism comes up as tendency to purchase domestic products instead of foreign once. This kind of behavior can be directly linked to every country's prosperity. Ethnocentric consumers, purchasing domestic products, see as their own contribution to economic, social and political development. Purpose of this study is to analyze consumer perceptions about local products consumption and its effects on community-building in BiH. It also explored the potential to expand local markets for local food and products. Sources of local food products include (but may not be limited to) farmers markets, and grocers who carry local foods. A descriptive research methodology was used for this study. As the survey instrument questionnaire is used to collect data from local community. 320 responses were further analyzed with SPSS program, using descriptive statistics. Final outcome give detailed picture of local products consumption by learning about the expectations of consumers and understanding the kinds of contributions that local products make to the community. Results showed that consumers in BiH are showing ethnocentric behavior while purchasing products, respondents generally perceive domestic products to be of good quality but while purchasing they are putting quality in front of domestically produced products.

Keywords: Peoples; Ethnocentrism; BiH.

Introduction

The idea of direct proportional relation between consumption of domestic products and economic prosperity of one nation is not new in BiH and in rest of the world. In very nature of this bond lays a fact that perceiving products as domestic or foreign plays an important role in behavior of one part of consumers.

This behavior can be defined with a relatively new term, and a new concept, linked to the beginnings of the twentieth century known as consumer ethnocentrism. In marketing, ethnocentrism comes up as tendency to purchase domestic products instead of foreign once. Ethnocentric consumers, purchasing domestic products, see as their own contribution to economic, social and political development. Scale for measuring consumer ethnocentrism is called CETSCALE and has been shown to be reliable in many nations.

There are a lot of factors influencing consumer ethnocentrism.

There fore, any further analysis of this concept in BiH must begin with identifying current situation we have in our market. Are the domestic products available to our consumers?

According to study of nongovernmental organizations, the percentage of domestic products on the shelves of some prominent BH shopping centers is between 25 and 27 percent i.e. BH companies are left to cope alone with a large competition without any governmental protection and support.

Adding to this, in our country we are faced with regularly product offerings from the Croatia, Serbia and Slovenia than from our own country. The presence of regional shopping centers with the support they have from their countries leads to increasing foreign market share at the harm of our manufacturers.

Furthermore it is important to analyze how BiH consumers perceive domestic brands?

There is wide distributed fact that BH consumers consider domestic products to be of poor quality and would rather not buy them, although, somewhat paradoxically, they are perceived to offer the best price-quality ratio on the market.

If we consider the list of leading brands, we can see that, in addition to international stars, some brands from the region have a very high position in the perception of BiH consumers.

Thus, for example, the Slovenian paté Argeta unquestionably occupies a high position regardless from which part of the BiH consumer is coming.

Together with Argeta in leading position is also Croatian Cedevita which developed largely with its innovative position and won not only the domestic market, but is largely dominant within the BiH market.

As one of the few domestic brands that has prevailed ethnocentrism of domestic consumers is Violeta which is highly placed on market. Its key for success is primarily in precisely selected category, the trade-off between price and quality and in very good distribution.

Although not many, there are several local brands with potential in BiH and even further.

Sarajevo Tobacco Factory (FDS) is a leading company in the tobacco industry in BiH. Its image is based on the long tradition of 130 years and the quality of the basic raw material - tobacco. FDS well predicted its trends in the tobacco industry and successfully launched its brands, such as Aura in the premium segment and code segment for the young and her strongest brand remains the Drina – jedina (the only one).

In addition to these facts there is negative factor that further influenced consumer decisions. This is market turmoil from last year. It left traces in all countries of the region as well as in Bosnia and Herzegovina.

Therefore, the question arises whether today there is a change in perception when it comes to domestic origin of products? What is the meaning of domestic brand in Bosnia and Herzegovina?

Is it about a lack of consumer ethnocentrism or it eventually appeared due to recession crisis...?

Following methodology section this study will concentrate on answering these questions and finding place of ethnocentrism in BiH society.

Literature review

1. Nature of ethnocentrism

1.1. Definition

In the last two decades, consumer ethnocentrism represents one of the leading trends in the research world, putting it high on the scale of factors that lead to global business economy.

The concept of ethnocentrism involves attitudes of putting own way of life and national culture in dominant position relative to others. When we consider the behavior of consumers, ethnocentrism appears as a tendency to buy local products rather than foreign. From the perception of the citizens who are the more ethnocentric, buying foreign products is wrong, because, in their opinion, it harms the domestic economy, causing unemployment and represents unpatriotic behavior; high ethnocentric people feel contempt regarding foreign products, while the products of domestic origin are assessed as better and more valuable precisely because of domestic origins. For those who are not ethnocentric foreign products are objects that need to evaluate according to their values, without considering their origin of production. (Shimp and Sharma, 1987).

There are several factors that determine consumer ethnocentrism or are in close contact with it, and, as such, they can be classified into four categories: socio-psychological, economic, political and demographic.

Some of the socio-psychological factors are cultural openness. Group members who spend several years in contact with other cultures, according to some studies show high ethnocentric or even nationalistic tendencies. This can be explained by the fact that in contact with other cultures people are trying to preserve their own identity.

Patriotism is defined as love for or loyalty to a particular country and is positively associated with consumer ethnocentrism. Conservative people tend to cherish traditions and social institutions that took place over time and accept change only occasionally. Research has found a positive association between conservatism and consumer ethnocentrism.

Different economic status of the country creates different preferences to foreign products. In transition countries, Western products will be preferred for quality and innovation. However, as the economies are developing, nationalist motives become more dominant and ethnocentrism emerges.

Among the factors that affect ethnocentrism are political propaganda. Political leaders can increase the ethnocentrism of one nation by raising awareness about the threats to external groups (eg the U.S. during the Bush regime). (Rosenblat, 1964.)

Although the research results are not consistent, it seems that more empirical support is on the hypothesis that younger people have lower levels of consumer ethnocentrism than older people (Klein and Ettenson, 1999). Studies also show that women have greater ethnocentric tendencies than men. The explanation probably lies in the fact that women are more conservative, more prone to conforming and feel compelled to maintain social harmony and have positive feelings within the group. Apart from a few exceptions, the results indicate a negative relationship between consumer ethnocentrism and education. The explanation could be found in the fact that educated people have less ethnic bias and are less conservative.

1.2. Differences in regions

Results of previous studies show that the level of consumer ethnocentrism is different in different countries and even regions of the country, and it varies over time due to varying factors that determine ethnocentrism (economic, political, demographic, socio-psychological).

In the region of Central and Eastern Europe the lowest level of consumer ethnocentrism was recorded in Hungary (Veljkovic, 2005). Results on a scale of consumer ethnocentrism differ not only between countries but also between regions of the same country (O'Cass and Lim, 2002nd, by Marinkovic et al., 2010) in the U.S. is significantly higher levels of consumer ethnocentrism measured in Detroit rather than Los Angeles.

According to studies made by association "Kupujmo i koristimo domaće" the term "domestic product" has a different meaning for different regions within BiH. Therefore ethnocentric perception is not the same in the Republic of Serbian, Western Herzegovina and Sarajevo.

Arguably the strongest impact on consumers from various BiH regions have brands from Croatia or Serbia.

Complexity of consumer ethnocentrism in BiH best can be illustrated by raising a question: "Is Vispak's coffee "Zlatna džezva" more domestic brand (with traditional image of coffee brewing pot on the package and very oriental topography) or it is Grand coffee (the strongest Serbian brand of coffee whose company merged with the Slovenian company Droga Kolinska, which in 2010th buys Croatian Atlantic Group, while still is produced in BiH)?" To make the matter even more complicated it is enough to ask this question a consumer from the Republic of Serbia.

Furthermore, the degree of consumer ethnocentrism may be different between different nations within the same state: In Bosnia and Herzegovina, of Bosniaks was measured ethnocentrism strongest, followed by Croats, while Serbs showed the lowest level of consumer ethnocentrism (Čutura, 2006). It is assumed that this relationship is largely associated with experiencing Bosnia and Herzegovina as their country

According to the 2013 China customers' loyalty study conducted by marketing research firm Epsilon, six out of the 10 Chinese respondents endorsed foreign brands. However, there is a growing preference to buy products that are made in China. Local-brand supporters have grown to 43 percent from 31 percent in 2011, the report said. Such trends are already visible in the Chinese fashion industry. In March, China's first lady Peng Liyuan sparked off a craze for Chinese brands after dressing up in Chinese-made apparel for diplomatic visits.

Theoretically speaking, for all producers, regardless from which neighboring country they are coming, the most important fact is to know the target market and to have a clear picture of consumer ethnocentrism. In the case of Bosnia and Herzegovina this means that different regions require different marketing strategies.

1.3. Differences in category of buying a domestic products

Recent studies, on the impact of consumer ethnocentrism, came to the general conclusion that preference to domestic products varies considerably within category of product that is taken into consideration.

In American consumers automotive industry is considered one of the most important pillars of the local economy, while domestic cars are connected with feelings of identity and pride. Studies in the U.S. have confirmed multiple correlations of consumer ethnocentrism and intentions to purchase car brand with domestic origin.

On the other hand, while investigating consumer ethnocentrism related to some other product categories did not have such consistent results.

Many studies in Bosnia and Herzegovina reveals that consumers find foreign products to be higher quality with generally low commitment to domestic products.

However, the study, that measured the frequency of purchasing some certain product categories, shows a somewhat different picture of BiH consumers.

A study has been conducted in 1000 households in the Federation. Respondents were asked to identify brands of milk, carbonated water and refrigerator they possess in their household, According to the results of study 70% respondents purchasing domestic brands of milk and 78% was purchasing aerated waters (78%).

In case of refrigerators great number of respondents was possessing refrigerators originating in Slovenia and Turkey. Given the long-standing presence and excellent availability of Slovenian brand "Gorenje" on the Bosnian market, this result was completely expected.

Looking at purchasing difference between ethnocentric and no ethnocentric consumers, it is clear that ethnocentric consumers in average buy more domestic brands in all three categories that are considered.

Great difference occurred in purchasing milk and water, while there were no statistically significant differences in the frequency of owning a domestic brand refrigerator between ethnocentric and no ethnocentric consumers.

Thus we can conclude that in category of milk and carbonated water consumers with ethnocentric tendencies in greater extent really do buy products of domestic origins.

Research in Serbia also show that ethnocentrism affects purchasing and selection of products, especially in the case of certain categories (Veljkovic, 2009.). These categories are everyday food products (milk, soups, mayonnaise), alcoholic beverages (beer, wine), soft drinks (non-carbonated soft drinks, water). On the other hand, the product categories in which the Serbian consumers show a greater preferences in choosing alternatives include personal care, cosmetics and household products.

Thus, consumer ethnocentrism may prove to be a universal characteristic of the consumer, but its effects cannot be analyzed outside the context of the characteristics of the product. The product characteristics can significantly moderate the impact to consumer ethnocentrism. In fact ethnocentric consumers are more buying certain categories of domestic products, especially food products of domestic origin.

1.4. The consequences of consumer ethnocentrism

The main issue of discussion on consumer ethnocentrism is: Does consumer ethnocentrism lead to purchasing local products and thus nation's prosperity?

The study of consumer ethnocentrism began with studies that have been done on the territory of Western Europe during the 70s and 80s of the twentieth century, showing as desirable behavior, for both consumers and society, the one in which consumers when purchasing products prefer domestic rather than foreign products. (Supphellen and Rittenburg, 2001).

In the study of Sharma and Sur. (1995) are mentioned two moderator variables between consumer behavior and attitudes towards imported products: the perceived necessity of the product and the perceived economic threat. Necessity products is mentioned in the sense that consumers consider a particular imported product as absolutely necessary for the possession, while the economic threat is considered a product that is absolutely unnecessary in the domestic market. Accordingly, absolutely necessary items are not included in the sphere of consumer ethnocentrism.

The consequences of consumer ethnocentrism are therefore evident on the behavioral level. Because understanding of some future research, it is important to note that foreign products are those made by foreigners. What is meant by foreigners only depends on the opinion of the citizens of one state.

2. Promotion of domestic products

2.1. Availability of domestic products

Bussiness portal "eKapija" lead a survey in order to find out to which extend Serbian consumers are purchasing domestic products.

Only 19% of respondents believe that domestic products are clearly marked, and 72% of participants in the survey said that domestic products should be singled out in shopping malls.

In this survey participated 2,000 respondents, which in 72% of cases belonged to middle and senior management.

Average presence of domestic product in BiH stores is around 26%. The large presence of shopping centers from neighboring countries influence that citizens have greater opportunity to buy products from Slovenia, Croatian and Serbian, than from BiH.

Since 2005th in Valicon research on the perception of strength and brand image (PGM) follow the perception of the country of origin (COO - Country Of Origin). Bosnia-Herzegovina consumers are positioning domestic products in the group with the Serbian, Macedonian and Bulgarian and consider them to be of poor quality products, and prefer not to buy them, even though they see the affordable and best value for money and quality.

Politics has no major activities in this regard. The laws are bad; constitutional order of BiH is not solving the problem. Lobbies are present and have a big impact, but they are not a problem as the problem of the absence of BH lobby.

2.2. Associations promoting domestic products

Some supporting associations works on opening stores with domestic items. Association "Buy and use a homemade" existed for eight years, and currently has over 450 companies members from various industrial fields, and 86 of them owns a mark of bh quality. The objectives of the Association are to promote our companies and their products, as well as the impact on the consciousness of our citizens to buy domestic products. The results that are achieved are quite good, but the whole concept is a process that takes a long time for generations to get used to all what does BiH possesses

It may be a good magnet for the media and raise the story about this problem; but support from local authorities is still required.

3. Hypotheses

In this research, we developed 4 hypotheses which are going to be tested.

H₁ Consumers in BiH are showing ethnocentric behavior

H₂ Consumers in BiH are more appreciating products from neighboring countries than BiH

H₃ Domestic products are not properly available in prominent shopping centers

H₄ Quality is important factor that can influence purchase of foreign product instead of domestic one

Methodology

Methodology for collecting data for verifying study, were obtained through online questionnaire.

Testing was conducted in the period from 27 December 2013 until 31 January 2014 in the territory of BiH. The survey was carried out in city, as well as in rural areas.

A total of 320 responses were collected from people who live in different cities in Bosnia and Herzegovina.

The questionnaire consisted of 21 item divided in two parts.

First part of the questionnaire has been designed with the intention of determining the general information about consumers offering them multiple questions about age, place of residence, education.

Second part was conceived in form of 16 statements measured by level of agreement. These statements helped to analyze general consumer perceptions about ethnocentrism and general view

respondents regarding the purchase of domestic and foreign products, as well as examine the consumer's choice between domestic and foreign products in the purchasing process.

When analyzing the collected data, the measures of descriptive statistics used the arithmetic mean and standard deviation.

All questions have been mandatory to answer in order to obtain clear and correct data for survey. Results of the survey will be presented in following sections.

Results

Some of the answers gathered from questionnaire were analyzed in SPSS, by using descriptive statistics. Also, graphs are used to better describe the data and results. The following table provides demographic characteristics of total of 320 respondents: age, gender and education.

Table 1: Demographic Characteristics of Respondents

<i>Demographic Factors</i>	<i>Details</i>	<i>Percentage %</i>
Age	15-20	91
	21-29	119
	30-49	64
	50-59	30
	60 and more	16
	Total	100 %
Gender	Male	114
	Female	179
	Total	100 %
Education	Highschool	127
	Undergraduate	100
	Graduate	52
	Postgraduate	28
	Phd	13
	Total	100 %

From the previous table that contains information about the age-group of respondents, it is found that the majority of respondents is in 21-29 age group (37.19%), what is logically, if we take into consideration that questionnaires are mainly distributed to the students.

It is also presented that the majority of respondents has high school education (39.69%) and undergraduate (31.25%) what is in compliance with analysis of table 2.

H₁ Consumers in BiH are showing ethnocentric behavior

Table 2: Taking care for purchasing domestic products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	27	8.4	8.4	8.4
	Disagree	46	14.4	14.4	22.8
	Neutral	75	23.4	23.4	46.3
	Agree	98	30.6	30.6	76.9
	Strongly agree	74	23.1	23.1	100.0
	Total	320	100.0	100.0	

When analysing table above we can conclude that majority of respondents (53,76%) take care to purchase domestic products while shopping, and only 22,83% don't show this behavior.

Table 3: AlternativeLocalProduct

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	27	8.4	8.4	8.4
	Disagree	49	15.3	15.3	23.8
	Neutral	82	25.6	25.6	49.4
	Agree	97	30.3	30.3	79.7
	Strongly agree	65	20.3	20.3	100.0
	Total	320	100.0	100.0	

Table 3 shows that majority of respondents are trying to find alternative among domestic products for their favorite foreign product, with 50,62% of respondents displaying their agreement with the statement, and only 23,75% are opposing the statement.

Table 4: Support Action Promote

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	.9	.9	.9
	Disagree	18	5.6	5.6	6.6
	Neutral	32	10.0	10.0	16.6
	Agree	85	26.6	26.6	43.1
	Strongly agree	182	56.9	56.9	100.0
	Total	320	100.0	100.0	

Results of table 4 show that great majority of people would support actions that promote the purchase of domestic products, even 83,44% respondents responding they agree with the statement, with only 5,63% who don't agree,

Table 5: ForeignProductsHarmBiH

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	13	4.1	4.1	4.1
	Disagree	33	10.3	10.3	14.4
	Neutral	53	16.6	16.6	30.9
	Agree	100	31.3	31.3	62.2
	Strongly agree	121	37.8	37.8	100.0
	Total	320	100.0	100.0	

Results in table 5 show that consumers in BiH are aware of negative effects that purchase of foreign products can bring to BiH economy. Great majority of respondents marked they agree with statement (69,06%) and only 14,37% don't agree.

Table 6: Imported Products Limited

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	12	3.8	3.8	3.8
	Disagree	19	5.9	5.9	9.7
	Neutral	57	17.8	17.8	27.5
	Agree	86	26.9	26.9	54.4
	Strongly agree	146	45.6	45.6	100.0
	Total	320	100.0	100.0	

Table 6 is also related to table 8 showing consumer's ethnocentric awareness, and negative effects of purchasing foreign products, even 72,51% of respondents would limit amount of import of foreign products.

CONCLUSION: According to results of a questionnaire H1 is confirmed. Majority of respondents are taking care to purchase domestic products while going shopping, majority is even ready to find alternative for their favorite foreign product and all this is based on their awareness that purchase of foreign products can harm BiH business and have negative effects on economy. All these are obvious results of ethnocentric behavior.

H₂ Consumers in BiH are more appreciating products from neighboring countries than BiH products

Table 7: CroatiaSerbiaBetterQuality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	63	19.7	19.7	19.7
	Disagree	94	29.4	29.4	49.1
	Neutral	98	30.6	30.6	79.7
	Agree	51	15.9	15.9	95.6
	Strongly agree	14	4.4	4.4	100.0
	Total	320	100.0	100.0	

Graph above shows majority of respondents not agreeing with the statement that products from neighboring countries have better quality. 60,01 % of respondents don't agree with statement and smaller number of respondents 20,32% are perceiving neighboring products to be of better quality.

Table 8: CroatiaSerbiaLowerPrices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	63	19.7	19.7	19.7
	Disagree	87	27.2	27.2	46.9
	Neutral	117	36.6	36.6	83.4
	Agree	38	11.9	11.9	95.3
	Strongly agree	15	4.7	4.7	100.0
	Total	320	100.0	100.0	

As well as previous table, table 8 also shows high level of disagreement (46,19) among respondents regarding statement that neighboring products have lower prices than domestic ones.

CONCLUSION: H2 is rejected, since majority of respondents don't perceive neighboring products being advanced regarding quality and price when comparing with domestic products.

H₃ Domestic products are not properly available in prominent shopping centers

Table 9: ClearlyLabeled

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	91	28.4	28.4	28.4
	Disagree	102	31.9	31.9	60.3
	Neutral	65	20.3	20.3	80.6
	Agree	41	12.8	12.8	93.4
	Strongly agree	21	6.6	6.6	100.0
	Total	320	100.0	100.0	

In table we can see that majority (60,32%) respondents don't agree that domestic products are clearly labeled in supermarkets.

Table 10: ShouldBeSingledOut

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	1.9	1.9	1.9
	Disagree	16	5.0	5.0	6.9
	Neutral	36	11.3	11.3	18.1
	Agree	73	22.8	22.8	40.9
	Strongly agree	189	59.1	59.1	100.0
	Total	320	100.0	100.0	

As addition to previous table table 10 shows that majority respondents 81,87 respondents are supporting idea and think that domestic products should be specially singled out in shopping malls.

CONCLUSION: H3 is confirmed since majority of respondents don't think domestic product's are clearly labeled in supermarkets, as well great majority thinks that domestic products should be specially singled out.

H₄ Quality is important factor that can influence purchase of foreign product instead of domestic one

Table 11: Most important factors for purchasing food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Quality	165	51.6	51.6	51.6
	Price	85	26.6	26.6	78.1
	Brand Image	12	3.8	3.8	81.9
	Domestically produced	50	15.6	15.6	97.5
	Package	8	2.5	2.5	100.0
	Total	320	100.0	100.0	

As we can see from table above majority of respondents (51,56%) marked quality to be most important factor for purchasing products.

Table 12: LocalGoodQuality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	18	5.6	5.6	5.6
Disagree	40	12.5	12.5	18.1
Neutral	90	28.1	28.1	46.3
Agree	122	38.1	38.1	84.4
Strongly agree	50	15.6	15.6	100.0
Total	320	100.0	100.0	

According to table 12 majority of respondents 38,13% perceive BiH products to be of good quality, and 15,63% strongly agree with this statement.

Table 13: LocalBetterQThanForeign

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	40	12.5	12.5	12.5
Disagree	91	28.4	28.4	40.9
Neutral	111	34.7	34.7	75.6
Agree	52	16.3	16.3	91.9
Strongly agree	26	8.1	8.1	100.0
Total	320	100.0	100.0	

However, results in table 13 show that majority of respondents don't agree that foreign products have better quality than foreign products, where 40,94% of respondents doesn't agree with statement.

Table 14: Higher Price Same Quality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	47	14.7	14.7	14.7
Disagree	64	20.0	20.0	34.7
Neutral	50	15.6	15.6	50.3
Agree	79	24.7	24.7	75.0
Strongly agree	80	25.0	25.0	100.0
Total	320	100.0	100.0	

Results in table 14 show that consumers in BiH are ready to pay higher price for domestic products if they will get same quality as they are expecting from some other product, where 49,69% of respondents agree with the statement.

Table 15: Lower Quality Same Price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	70	21.9	21.9	21.9
	Disagree	77	24.1	24.1	45.9
	Neutral	80	25.0	25.0	70.9
	Agree	57	17.8	17.8	88.8
	Strongly agree	36	11.3	11.3	100.0
Total		320	100.0	100.0	

The table 15, where 45,94% respondents don't agree with statement, show that respondents are not ready to accept lower quality of products made in BiH even though they will pay the same price for it as they would for foreign product

CONCLUSION: H3 is confirmed. Quality appeared to be very important factor for purchasing among respondents. Even though they perceive BiH products as having good quality they are not ready to accept lower quality at the same price as foreign ones, but they are ready to pay more for higher quality of BiH products.

Here we have some interesting results showing respondents perception about promotion of domestic products and enhancing domestic production. 80,32% respondents think that state should subsidize marketing production, only 5% are opposing.

Also 79,06 % respondents think that manufacturers should allocate more funds for promoting their products, whit only 19,38% opposing this statement.

CONCLUSION: According to these results we can conclude that consumers in BiH are perceiving state responsible for promoting domestic production, as well as they are perceiving that domestic manufacturers don't allocate enough funds for promotion of their products.

Limitations and future recommandations

The problem with all researches based on a questionnaire, including this one, is reflected in the fact that some respondents express their views based on the last realized purchases, not on the basis of the overall experience. In this sense, it would be desirable to continuously conduct surveys in successive intervals in order to light up more realistic situation in a market.

Another limitation is the fact that the survey was conducted during the time when economic crisis in BiH is still ongoing. This situation affects the increase of consumer ethnocentrism. It would be useful to carry out this type of research in the period after the crisis, and see whether there is a changes in the degree of ethnocentricity in the consumption of the population of BiH. The study could show whether the tendency to increase the level of ethnocentricity is long-term sustainable or not.

When it comes to future research, it is important to examine the relationship between consumer ethnocentrism and other social phenomena such as patriotism, national identity, the image of the nation, political factors etc. For the purpose of conducting this research it is useful to create a specific research model. By establishing a causal relationships between the observed variable model, an insight into the openness of one society towards foreign cultures and values can be made. In addition, it is desirable to implement a detailed analysis by segments. In this context, if we look place of residence as a criterion for segmentation, it would be interesting to examine whether there are significant differences in the level of consumer ethnocentrism among respondents who live in countryside, in the suburbs and in the central city municipalities.

Conclusion

Consumer ethnocentrism is a social phenomenon that would help to light up certain characteristics of a nation at some point in time, especially regarding attitudes about the products that are imported from abroad.

This investigation indicates that the level of consumer ethnocentrism in BiH is at the significant level. The reason for this might be the emergence of the economic crisis in which ethnocentric behavior affirms as socially acceptable and desirable.

Conclusion that consumers in BiH are displaying ethnocentric behavior, we can derive from fact that even 53,76% of respondents are taking care to purchase domestically products while purchasing, 50,62% are trying to find alternative for their favorite foreign product.

Also in frames of ethnocentric behavior consumers display awareness about benefits of buying domestically produced and recognize possible negative effects of purchasing foreign. 69,06% of respondents are aware that purchasing foreign products can lead to inferior position of domestic products, thus harming BiH economy, 72,51% of respondents think that amount of import should be limited.

After we concluded that consumers in BiH display ethnocentric behavior, and that they are willing to buy domestic products, we can stress another issue regarding availability of products.

According to results 60,32% of respondents think that domestic products are not properly available in shopping centers and 81,87% think that BiH products should be specially singled out.

Also consumers in BiH are perceiving state responsible for promoting domestic production and it should subsidize it 80,32%, as well as they are perceiving that domestic manufacturers don't allocate enough funds for promotion of their products 79,06%.

Consumers are not perceiving neighboring products better quality and price than domestic products, with 60,01% opposing this statement.

However quality appeared to be very important factor for purchasing among respondents. 51,56% of respondents marked quality to be most important factor while purchasing and only 15,63% marked domestically produced. Even though they perceive BiH products as having good quality 38,13% (opposing 15,63%), they are not ready to accept lower quality at the same price as foreign ones, but they are ready to pay more for higher quality of BiH products.

At the end we can say that this research helped as to conclude that consumers in BiH are ethnocentric aware and that they display ethnocentric behavior while purchasing. However domestically producers should more take care about quality of their products since quality has advantage rather than domestically produced products. Also state and marketers should give more effort in order to promote domestic products since general perception of respondents was that domestic products are not properly available.

References:

Shimp, A. T. and Sharma, S. 1987. Consumer Ethnocentrism: Construction and Validation of the CETSCALE, *Journal of Marketing Research*, Vol. 24, No. 3, pp. 280-289

Rosenblatt, P.C. (1964). Origins and effects of group ethnocentrism and nationalism. *Journal of Conflict Resolution*. 8, 46-131

Klein, J.G., Ettenson, R. (1999). Consumer animosity and consumer ethnocentrism: an analysis of unique antecedents. *Journal of International Consumer Marketing*, 11, 5

Veljković, S. (2005). Uticaj potrošačkog etnocentrizma na izbor marke proizvoda. *Ekonomski fakultet, Beograd*

O’Cass, A. and Lim, K. 2002., Understanding the Younger Singaporean Consumers’ Views of Western and Eastern Brands, *Asia Pacific Journal of Marketing and Logistics*, Vol. 14, No. 4, pp. 54-79

Supphellen, M. and Rittenburg, L., T., 2001. Consumer Ethnocentrism When Foreign Products Are Better, *Psychology & Marketing*, Vol. 18, No. 9, pp. 907-927

Made in Bosnia and Hertegovian: Je li vrijeme ta doamće?
<http://www.jatrgovac.com/2011/07/made-in-bosna-i-hercegovina-je-li-vrijeme-za-domace/>

Čutura, M. (2006). The Impacts of Ethnocentrism on Consumer’s Evaluation Processes and Willingness to Buy Domestic vs. Imported Goods in the Case of Bosnia and Herzegovina, *South East European Journal of Economics and Business*, 2, 54-63

Buyers lured by local goods - China.org.cn. Retrieved from: <http://english.people.com.cn/90778/8232880.html>

Survey says US automotive industry. Retrieved from: <http://www.thetruthaboutcars.com/2011/07/survey-says-old-folks-buy-domestic-young-folks-buy-foreign/>

Potrošački etnocentrizam: Kupuju li domaći domaće? Retrieved from: <http://www.istrazime.com/psihologija-potrosaca/potrosacki-etnocentrizam-ili-kupujmo-domace/>

Koliko nam znači "made in Serbia" - "eKapija" i Klub privrednih novinara sproveli anketu o potrošačkim navikama [Internet]. [cited January 27, 2014]. Retrieved from: <http://www.ekapija.com/website/sr/page/311984/Koliko-nam-zna%C4%8Di-made-in-Serbia-eKapija-i-Klub-privrednih-novinara-sproveli-anketu-o-potro%C5%A1a%C4%8Dkim-navikama>