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# CULTURAL VALUES AND CONSUMER ETHNOCENTRISM IN SLOVENIA: PREDICTIVE POWER OF DIFFERENT MODELS

Ljubljana, February 2015

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## TABLE OF CONTENTS

INTRODUCTION	1
1 CULTURAL VALUES	4
1.1 Definition of Culture	4
1.2 Definition of Cultural Values	5
1.3 Definition of National Culture and Cultural Value Dimensions	6
1.3.1 Introduction of Cultural Dimensions' Models	7
1.3.2 Convergence of Cultural Dimensions' Models	15
1.4 Selected Hofstede's and Schwartz's Cultural Value Dimensions	16
1.4.1 Selected Cultural Value Dimension Hierarchy-Equality	16
1.4.2 Selected Cultural Value Dimension Individualism-Collectivism	17
1.5 Application of Cultural Values to Consumer Behaviour	18
2 CONSUMER ETHNOCENTRISM AND BUYING BEHAVIOUR	20
2.1 Definition of Ethnocentrism and Consumer Ethnocentrism	20
2.2 Relationship Between Cultural Value Dimensions and Consumer Ethnocentrism	21
2.3 Relationship Between Consumer Ethnocentrism and Domestic and Foreign Bu Behaviour in General and in Different Product Categories	uying 22
3 EMPIRICAL STUDY OF CULTURAL VALUES, CONSUMER ETHNOCENTR	RISM
AND BUYING BEHAVIOUR	25
3.1 Identification of Key Research Questions	25
3.2 Formulation of Conceptual Model and Research Hypotheses	26
3.3 Methodology	30
3.3.1 Concept Measures	31
3.3.2 Questionnaire Design	35
3.3.3 Sampling	36
3.4 Data Analysis	37
3.4.1 Sample Characteristics	37
3.4.2 Means and Frequencies	41
3.4.3 Exploratory Factor Analysis	48
3.4.4 Hypotheses Testing	53
3.5 Interpretation of Results	56

3.7 Implications for Further Research	
CONCLUSION	64
REFERENCE LIST	65
APPENDIX	

## TABLE OF TABLES

Table 1. Summary of Core Cultural Dimensions	. 15
Table 2. Final Selection of Models and Dimensions	. 16
Table 3. Example of Hofstede's Power Distance Measurement Item	. 32
Table 4. Example of Hofstede's Collectivism Measurement Item	. 32
Table 5. Example of Short Schwartz's Value Survey Measurement Item for Hierarchy	. 33
Table 6. Example of Short Schwartz's Value Survey Measurement Item for Conservatism.	. 33
Table 7. Example of CETSCALE Measurement Item	. 34
Table 8. Example of Domestic Buying Behaviour Measurement Item	. 34
Table 9. Factor Loadings and Cronbach's Alpha for Hofstede's Power Distance	. 49
Table 10. Factor Loadings and Cronbach's Alpha for Hofstede's Collectivism	. 49
Table 11. Factor Loadings and Cronbach's Alpha for Schwartz's Conservatism	. 50
Table 12. Factor Loadings and Cronbach's Alpha for Schwartz's Hierarchy	. 50
Table 13. Factor Loadings and Cronbach's Alpha for Consumer Ethnocentrism	. 50
Table 14. Factor Loadings and Cronbach's Alpha for Domestic Buying Behaviour	. 51
Table 15. Factor Loadings and Cronbach's Alpha for Foreign Buying Behaviour	. 51
Table 16. Factor Loadings and Cronbach's Alpha for Domestic Buying Behaviour in W	/ine
Product Category	. 52
Table 17. Factor Loadings and Cronbach's Alpha for Foreign Buying Behaviour in W	/ine
Product Category	. 52
Table 18. Factor Loadings and Cronbach's Alpha for Domestic Buying Behaviour in M	Лilk
Chocolate Product Category	. 52
Table 19. Factor Loadings and Cronbach's Alpha for Foreign Buying Behaviour in M	Ailk
Chocolate Product Category	. 53

### **TABLE OF FIGURES**

Figure 1. Conceptual Model	29
Figure 2. Descriptive Statistics for Age Groups in the Sample	38
Figure 3. Descriptive Statistics for Highest Achieved Formal Education in the Sample	38
Figure 4. Descriptive Statistics for Employment Status in the Sample	
Figure 5. Descriptive Statistics for Place of Living in the Sample	
Figure 6. Descriptive Statistics for Region of Residence in the Sample	40
Figure 7. Descriptive Statistics for Number of Household Members in the Sample	40
Figure 8. Descriptive Statistics for Average Monthly Income in the Sample	41
Figure 9. Means and Standard Deviations for Hofstede's Power Distance	41
Figure 10. Means and Standard Deviations for Hofstede's Collectivism	42
Figure 11. Means and Standard Deviations for Schwartz's Conservatism	42
Figure 12. Means and Standard Deviations for Schwartz's Hierarchy	43
Figure 13. Means and Standard Deviations for Consumer Ethnocentrism	43
Figure 14. Means and Standard Deviations for Domestic Buying Behaviour	44
Figure 15. Means and Standard Deviations for Foreign Buying Behaviour	44
Figure 16. Means and Standard Deviations for Domestic Buying Behaviour in Wine F	roduct
Category	45
Figure 17. Means and Standard Deviations for Foreign Buying Behaviour in Wine F	roduct
Category	46
Figure 18. Means and Standard Deviations for Domestic Buying Behaviour in Milk Che	ocolate
Product Category	46
Figure 19. Means and Standard Deviations for Foreign Buying Behaviour in Milk Che	ocolate
Product Category	48
Figure 20. Summary of Hypotheses Testing	56

### **INTRODUCTION**

International trade has become an essential component of the Slovenian economy where domestic products and brands must compete with foreign alternatives. The confrontation of Slovenia with market economy in 1991 and the entry into European single market in 2004 has amplified the globalisation of trade in the country and altered the consumption patterns of Slovenians. Moreover, a wider variety of choice has been introduced to Slovenian consumers due to the elimination of tariff and non-tariff barriers. Consequently, a Slovenian consumer is able to select from a wide range of foreign products and brands in addition to domestically produced ones. However, Porter, 1986 (in Shankarmahesh, 2006, p. 146) explains that due to global and especially European liberalisation of trade, new forms of protectionism emerged. One of the most permanent forms of protectionism is consumer ethnocentrism, which refers to the "unique economic form of ethnocentrism that captures the beliefs held by consumers about the appropriateness and indeed morality of purchasing foreign-made products" (Shimp & Sharma, 1987, p. 280). Thus, consumer ethnocentrism exists when consumers choose to purchase products from their own country rather than products produced abroad regardless of price and quality (De Mooij, 2004, p. 120). Presumably, consumer ethnocentrism occurs due to nationalistic reasons to avoid purchasing foreign-made products and greatly affects consumer behaviour (Shankarmahesh, 2006).

Nonetheless, the manner in which consumers form opinions about products cannot be explained without taking cultural context into consideration. Consumer behaviour is not driven only by consumer's needs, but is also determined by the environment in which purchasing decisions are made (De Mooij, 2004, p. 138). In this perspective, culture is like a "lens" through which consumers see the products and determine their meaning (Solomon, Bamossy, Askegaard, & Hogg, 2006, p. 498). Each culture can be determined by its core values that are imparted to the members of the culture. Not every member of the culture endorses cultural values to the same extent, but a general set of fundamental values can usually be determined. Furthermore, values might ultimately affect consumer behaviour as they by definition represent preferences of one state of being over another (De Mooij, 2004, p. 23). Thus, to understand how culture affects consumer decisions, values are to be vocalized, which means that various dimensions of culture are measured and used to explain the differences in consumer behaviour (De Mooij, 2004, p. 23).

The **purpose** of this research is to study the relationship between cultural values and consumer ethnocentrism in Slovenia, and in the process determine predictive power of two dimensional models, namely Hofstede's and Schwartz's model. In addition, the implications for domestic and foreign buying behaviour are examined, and the insight into wine and milk chocolate product category is provided.

Cultural values are measured by using two major large-scale cultural dimensions' models: the models of Hofstede and Schwartz. According to the identification of similarities and differences across the selected dimensional models narrated by Nardon and Steers (2009), two

cultural value dimensions are chosen for the research based on comparability of the dimensions: (1) **hierarchy-equality**, and (2) **individualism-collectivism**. The goal is to examine the predictive power of two dimensional models when relating the selected cultural value dimensions to the construct of **consumer ethnocentrism**. The research of predictive power is incorporated because Hofstede's and Schwartz's dimensional models vary greatly in terms of questions asked (De Mooij, 2010, p. 148). Further analysis determines **domestic** and **foreign buying behaviour** of Slovenian consumers in general, and specifically in wine and milk chocolate product categories. The aim is to identify the type of relationships between **consumer ethnocentrism** and **domestic** and **foreign buying behaviour** (Jaffe & Nebenzahl, 2001) of Slovenian consumers.

The first and the second chapter provide a comprehensive literature review of studied constructs. The **first chapter** is focused on cultural values' theory starting with a definition of culture, national culture, and cultural values, continuing with a systematic investigation of cultural value dimensions from the following authors: Kluckhohn and Strodtbeck, Hofstede, Hall, Trompenaars, Schwartz, and GLOBE Project. Each of the cultural models is described in terms of its core philosophy and the dimensions used. This section offers a summary of core cultural dimensions of each model and is followed by an argumentation of Hofstede's and Schwartz's cultural dimensions' selection for the empirical research. The chapter concludes with application of cultural values to various consumer behaviour studies. The **second chapter** tackles consumer ethnocentrism as well as domestic and foreign buying behaviour theory. It provides definitions of ethnocentrism and consumer ethnocentrism, explores the relationship between cultural values and consumer ethnocentrism as well as the relationship between consumer ethnocentrism and domestic and foreign buying behaviour in different product categories.

The **third chapter** is dedicated to the empirical study of cultural values hierarchy-equality, and individualism-collectivism by Hofstede and Schwartz, consumer ethnocentrism and domestic and foreign buying behaviour in general and specifically for wine and milk chocolate product categories. The content of this chapter includes identification of key research questions, presentation of the conceptual model and argumentation of proposed hypotheses. Relevant secondary sources are reviewed to substantiate the proposed hypotheses. The next section examines methodology issues by looking into the concept measures, questionnaire design and sampling methods. Several secondary sources are used to identify appropriate questionnaire items that have been tested before and used in a similar consumer behaviour research setting. Examples of each section of the questionnaire are provided to demonstrate the outline of the measurement instrument. The thesis continues with data analysis where sample characteristics are described and graphically presented. The following data are included in characterization of the sample: gender, age, formal education, employment status, region, number of household members and monthly income. In the next step, exploratory factor analysis is performed to extract one factor for each variable that uses several items to measure the same construct. To determine the internal consistency and reliability of the scales, Cronbach's Alpha is calculated for each variable. The analysis of the relationship between variables is examined in the next section, where the hypotheses are tested and Pearson Correlation Coefficient results are interpreted. Accordingly, the results of hypotheses testing are visually presented with the conceptual model. The following part contains the interpretation of results explaining the meaning of the obtained results and possible reasons for particular outcomes. The thesis concludes with managerial suggestions and recommendations, implications for further research and the conclusion summing up the main findings. It can be noted that the conclusion provides answers to the research questions designed in the initial stage.

The findings of the research are subject to several possible **limitations** that undermine the quality and applicability of the results. Firstly, the relationship between cultural dimensions and consumer ethnocentrism has not yet been studied extensively and there is limited empirical evidence to lean on. Consequently, the hypotheses might not be substantiated to a high enough extent and could be formulated on the basis of insufficiently supported grounds. Therefore, there is an exalted probability of failing to find support for the hypotheses.

Moreover, the reliability of research instruments is uncertain as the cultural value dimensions are measured according to two different dimensional models that vary greatly in the way questions are asked: Hofstede's model inquires about individual behavioural preferences, and Schwartz's model asks about the person's guiding principles in life (De Mooij, 2010, p. 148). Due to these differences, a comparable analysis and interpretation of the results is problematic. Also, Davis, Douglas and Silk, 1981 (in Usunier & Lee, 2005, p. 189) explain that the questionnaire comprises of psychographic variables such as cultural value dimensions, consumer ethnocentrism and domestic and foreign buying behaviour, which are rather difficult to obtain measurement equivalence from. What is more, Parameswaran and Yaprak, 1987 (in Usunier & Lee, 2005, p. 189) establish that different levels of knowledge and familiarity of the constructs can impact the measure equivalence. The situation-specific questions that are highly influenced by the respondent's socio-political circumstances are included. The selection of questions and situations they refer to, can considerably influence the answers. Numerous questions are asked in the questionnaire to measure a construct as accurately as possible and to provide an underlying consistence of answers that can only be achieved by asking a larger number of questions referring to different settings. Even if the quantity of questions is adequate, it is still probable that clear value priorities will not be determined due to inconsistent responses. Nevertheless, a considerable amount of questions can discourage the respondents from completing the questionnaire in the first place or result in untrue responses provided due to lack of interest. Among others, metric equivalence is possible to occur during the course of the empirical research (Usunier & Lee, 2005, p. 190), which means that the scores can be altered due to avoidance of extreme answers, humility or social desirability (Van der Vijver & Poortinga, 1982).

A concern exists regarding adequate representation of the total population in the sample, namely the sampling unit equivalence (Usunier & Lee, 2005, p. 192). It is possible that the non-probability sampling technique of a snowball could not provide a proportional sample

where genders, age groups and social classes are equally represented. As a consequence, the results might not be applicable to the population in total. Moreover, it is important to stress that the role of the respondents in the buying decision process matters (Usunier & Lee, 2005, p. 192). The questions referring to domestic and foreign buying behaviour might not yield the same results if the questionnaire is filled-in by an actual buyer of products, or when the respondent is not a regular buyer of the goods in question.

One of the limitations relevant for the research is a possibility for a false negative result or a so-called type 1 error to occur (Fisher, 2010, p. 54). Such error can occur in business research as the relationships between different variables are by default more complicated than the statistical techniques trying to measure them. A study by Katzell, Thompson and Guzzo, 1992 (in Fisher, 2010, p. 54) indicates that non-existence of a linear relationship between variables does not necessarily mean there is no relationship at all. This implies that if no support is found for a hypothesis, the relationship might still exist, it was just not identified with the statistical tools used.

#### **1 CULTURAL VALUES**

#### **1.1 Definition of Culture**

Many different aspects of human behaviour are affected by culture. Without the cultural patterns that contain ordered systems of symbols it would be difficult for a group of people to coexist (De Mooij, 2004, p. 26). One of the earliest definitions of culture was provided by an English anthropologist Tylor, 1871 (in Soares, Farhangmehr, & Shoham, 2007, p. 277): "the complex whole which includes knowledge, belief, art, morals, custom, and any other capabilities and habits acquired by man as a member of society". As later stated by an American anthropologist Herskovits, 1955 (in Craig & Douglas, 2006, p. 323), culture is what is "manmade" in the environment and sets humans apart from other species. A German-American anthropologist Boas, 1911 (in Banerjee, 2008, p. 368) termed culture as an outcome of group's reactions to environmental circumstances and the historical development. An American anthropologist Geertz (1973) stated that culture consists of control mechanisms such as plans, rules, and instructions that are intended to govern behaviour. A Canadian anthropologist McCracken (1986) interprets the culture as the "lens through which the individual views phenomena" (p.72), and by doing so establishes the way individuals observe and understand different occurrences. His vision of culture closely follows the viewpoint of other researchers defining culture in terms of interpretation of meaning, namely Clifford, 1988, Geertz, 1973, and Marcus, 1999 (in Craig & Douglas, 2006, p. 323). According to Hofstede (2011), "Culture is the collective programming of the mind that distinguishes the members of one group or category of people from others." (p.3). The concept of culture is always a collective one, but it can refer to different collectives that consist of a group of individuals (Hofstede, 2011). According to Hofstede (1991), culture is a common characteristic of a group of people who were exposed to the same educational process and life experience (p.5). A Dutch researcher De Mooij (2004) states that a person is a product of culture; hence, the individual cannot be parted from its cultural self (p.26). Consequently, people belong to their sociocultural environment and because of that they are accustomed to act in a certain manner. Culture consists of common beliefs, attitudes, norms, roles, and values of people who speak the same language and cohabit on the same geographical area at the same point in time (De Mooij, 2004, p. 26).

Typically, culture applies to tribes, ethnic groups, nations, and organizations; however, it is also associated with occupations, genders, generations, and social classes. Nevertheless, national, societal and gender cultures are deeply rooted in one's mind; where on the other hand, occupational or organisational cultures picked up at school and work, are not (Hofstede, 2001). Societal culture is present in one's values, which are often unconscious predispositions to favour certain states of matters over the others (Hofstede, 2001). To conclude, culture is constructed of multiple different layers that encompass a person, specifically the global, national, organisational and group cultures (Leung, Bhagat, Buchan, Erez, & Gibson, 2005).

The complex nature of culture makes it difficult to define it, which harmfully affects the research about cultural influences on consumer behaviour. It is difficult to isolate cultural influences from other macro-environmental factors, as the boundaries between interconnected influences are not clear. According to Sekaran, 1983 (Soares, Farhangmehr, & Shoham, 2007, p. 278) "Culturally normed behaviours and patterns of socialization could often stem from a mix of religious beliefs, economic and political exigencies, and so on. Sorting these out in a clear-cut fashion would be extremely difficult, if not totally impossible." Inevitably, culture changes and evolves constantly as the political, economic and technological factors change rapidly and reform the existing cultural frames (Craig & Douglas, 2006).

### **1.2 Definition of Cultural Values**

According to an American researcher of values Rokeach, 1973 (in Yahyagil & Otken, 2011, p. 1020), value is "an enduring belief" of one type of conduct being preferred over another. There are two important viewpoints when considering values: (1) values being the guiding principles in one's life, and (2) values being a preferred sort of behaviour (De Mooij, 2004, p. 23). The difference concerning the two aspects is between the desirable and the desired, more specifically between what people think should be desired in a society and what people truly desire (Hofstede, 1991, p. 9). Explicitly, the desirable are common societal norms in terms of right or wrong and the desired is what individuals think matters the most in their lives (De Mooij, 2004, p. 24). Nevertheless, asking people about their moral guidelines yields different results than asking them for their preferred state of being. For instance, the discrepancy between the desirable and the desired occurs when the relationships between members of a certain society are a subject to inequality among the lower and higher situated people, but people still strive for greater equality.

Each culture can be determined by its core values that are imparted in the members of the culture. In fact, the members of a society implicitly learn values in their childhood and are in possession of their core value system by the age of ten already (Hofstede, 1991, p. 8). Values tend not to change much through generations, but stay the same even over longer periods of time. For example, traditional Japanese values of pragmatism and hard work have remained stable even during the era of intense globalisation and pressing influences from the West (Inkeles, 1997).

#### **1.3 Definition of National Culture and Cultural Value Dimensions**

National culture is a concept that refers to the culture within a nation and leans on the idea of within-country homogeneity and between-country differences (Usunier & Lee, 2005, p. 12). The model of national culture is doubtful and stands on shaky grounds because it tries to sum up a multifaceted reality. The question whether a culture can be stereotyped by deriving a variable of national culture still remains. Due to current political systems, culture is not always in line with national borders, but rather follows ethnical, linguistic, or religious boundaries (Usunier & Lee, 2005, p. 13). Even though the concept of national culture is difficult to measure, it still embodies a practical way of conceptualising culture and enables the researchers to measure and compare various cultures.

Cultural values are not equally endorsed by every member of the culture, but a set of fundamental values can generally be extracted. However, the values cannot be detected directly. Researchers gather information from cultural products such as advertising or children's books or by questioning the members of a society about their personal values (De Mooij, 2004, p. 23). The concept of culture is parsed into components to be able to compare cultural differences (Bagozzi, 1994; Samiee & Jeong, 1994; Schwartz, 1994). The comparison of cultures based on a restricted number of dimensions has its origins in anthropology. Kluckhohn, 1962 (in Hofstede, 2011, p. 3) claims that cultural differences occur due to different answers to universal questions, such as the existence of two genders, coexistence of human beings from different age groups and with differing physical capabilities, dependency of infants, and need for satisfaction of basic physical needs. In principal, every society provides accepted methods of handling such universal issues. According to Briley, Morris and Simonson (2000), dichotomous value dimensions are the most widely accepted means of conceptualising culture and examining cultural differences in consumer behaviour studies.

The use of cultural dimensions diminishes a long list of detected cultural differences to a manageable number of imaginary variables. Conceptualised variables enable researchers to spot patterns, similarities, and relations between different phenomena in otherwise very complex cultural research (Minkov, 2013, p. 128). The predictive power of cultural value dimensions in relation to external variables qualifies the dimensions to predict different phenomena and hypothetically disclose cause-and-effect relationships between them. In cross-cultural research, the dimensions are used to unveil differences and similarities between

cultures as well as measure cultural distance and facilitate cultural mapping (Minkov, 2013, p. 129).

Identification of suitable cultural dimensions that capture distinctive aspects of culture can greatly contribute to cultural research. A set of suitable dimensions represents a viable manner of conceptualizing culture as a complex and multidimensional construct (Soares, Farhangmehr, & Shoham, 2007). The multidimensional approach provides a viable foundation for generation of hypotheses (Smith, Dugan, & Trompenaars, 1996). Nevertheless, the critics believe that this approach fails to seize all the aspects of culture as a single dimension cannot account for diverse cultural differences (Briley, Morris, & Simonson, 2000).

#### 1.3.1 Introduction of Cultural Dimensions' Models

Cultural research is often repressed due to many differing models of culture. The existing models offer useful platforms that enable a comparison of various cultural dimensions across nations and some of them even provide numerical scores of the dimensions. Regardless of the vast research in the area of cultural differences, there is no convergence across numerous models. The researchers are forced to select between competing and often contradicting cultural models (Nardon & Steers, 2009). Inadequate understanding of cultural models can result in wrongful formation of hypotheses and ultimately the cultural model is blamed for unsatisfactory results. Therefore, when taking several different models into consideration, the following concepts must be understood to prevent wrongful hypotheses writing: (1) human values and their often paradoxical elements are at the foundation of the models, (2) measurement of values is influenced by the way questions are asked, and (3) research is affected by cultural values of the researcher (De Mooij, 2013).

There are six models of national culture that are extensively cited in the research literature, namely the models of Kluckhohn and Strodtbeck, Hofstede, Hall, Trompenaars, Schwartz, and GLOBE Project. Each of the models leans on a different set of social norms and values, which results in restricted comparability of the models (Nardon & Steers, 2009).

#### 1.3.1.1 Kluckhohn and Strodtbeck's Cultural Model

The model proposed by Florence Kluckhohn and Fred Strodtbeck in 1961 is one of the first cultural models and serves as the groundwork for numerous models developed after (Nardon & Steers, 2009). The model is built on the notion of value orientations and suggests that there is a limited range of common human problems. All cultures feel the need to find solutions to these problems based on the idea of how they see the world. In other words, cultures derive their cultural values from their assumptions regarding existential questions and regulate them into a dominant value system. Even though each culture faces the same basic human problems, each of them develops different solutions (Nardon & Steers, 2009). Five cultural dimensions are developed according to Kluckhohn and Strodtbeck, i.e. relationship with nature, relationship with people, human activities, relationship with time and human nature.

The cultural dimension **relationship with nature** refers to the need of controlling the nature. The scale for the dimension includes three anchors: mastery, harmony and subjugation. The anchor of (1) **mastery** means that people feel the need to take control over nature, (2) **harmony** refers to a belief that people should live intertwined with nature and lastly, (3) **subjugation** is a belief that individuals must give in to nature (Nardon & Steers, 2009).

The dimension **relationship with people** insinuates the beliefs about social structure and includes the following three scale anchors: individualistic, collateral and lineal relationship with people. In fact, (1) **individualistic** relationship refers to beliefs that the structure of the society ought to be based on individuals, (2) **collateral** means that the social structure should be founded on groups of people with the same status, and lastly, (3) **lineal relationship with people** suggests a structure based on distinctive and inflexible hierarchy (Nardon & Steers, 2009).

The third value dimension **human activities** refers to the views of goals and distinguishes three scale anchors: being, becoming and doing. To elaborate, (1) **being** means that people should live for the moment, (2) **becoming** suggests that a person must try to grow into an integrated whole, and (3) **doing** proposes a belief of striving for accomplishments (Nardon & Steers, 2009).

Cultural value dimension **relationship with time** that discusses the degree to which past, present and future affect decision making has three scale anchors: (1) **past** where people are influenced by past happenings and traditions, (2) **present** where decisions are based on current situations, and (3) **future** suggesting that future prospects are the ones to influence individual's decisions (Nardon & Steers, 2009).

The last Kluckhohn and Strodtbeck's cultural value dimension is **human nature** referring to the belief about **good**, **neutral** or **evil human nature**, where each of the scale anchors suggests a belief that people are inherently good, neutral or evil (Nardon & Steers, 2009).

#### 1.3.1.2 Hofstede's Cultural Model

The most broadly used cultural model was developed by a Dutch management researcher Geert Hofstede in 1980 and upgraded in 2001 (Nardon & Steers, 2009). The model is based on a study conducted among more than 60,000 IBM employees involving more than 116,000 questionnaires in 70 different countries between the years of 1967-1973 (Hofstede, 1984; 1991; 2001). Hofstede's model is the most widely used dimensional model in psychology, sociology, marketing and management (Sondergaard, 1994; Steenkamp, 2001). Hofstede forms a predisposition that the members of a certain culture value things that are feasibly irrelevant to the members of another culture and assumes cultures can be distinguished accordingly. To be exact, the members of some cultures highly value routine in their lives and feel uncomfortable when dealing with unpredicted circumstances, while others more easily cope with ambiguity and appear to easily accept change. Likewise, in some cultures equality is highly valued, while in others hierarchy and power distance prevail. The model presents

selected value dimensions of power distance, uncertainty avoidance, individualismcollectivism, masculinity-femininity, long-term versus short-term orientation and indulgencerestraint that are expected to give substantial comprehension of behaviour across cultures (Hofstede, 2014). Four dimensions are initially included in the model, but further research reveals the fifth and the sixth dimension: long-term versus short-term orientation and indulgence-restraint.

Value dimension **power distance** investigates the attitude towards appropriate allocation of power in the society (Nardon & Steers, 2009). The scale consists of two opposite ends: (1) **low power distance** that applies to the cultures where people in positions of authority hold no significant power compared to their subordinates, and (2) **high power distance** referring to the belief that leaders should possess substantial power compared to their subordinates. Power distance is discovered via behaviours of superiors and how they use their power, as well as through the behaviours of subordinates and how they tolerate their superiors' display of power (Usunier & Lee, 2005, p. 58).

The dimension **uncertainty avoidance** discusses the level of uncertainty that is accepted by the members of a culture. The two poles of the dimension are: (1) **low uncertainty avoidance** where tolerance for ambiguity is high plus the members of such culture do not require many rules to limit uncertainty, and (2) **high uncertainty avoidance** that characterizes intolerance for ambiguity and numerous rules to limit uncertainty (Nardon & Steers, 2009). In societies where uncertainty avoidance is high, people strive for stable career paths and demonstrate the necessity for directions and procedures. Such cultures also display higher levels of hostility and anxiety (Hofstede, 1980). Nevertheless, uncertainty avoidance is not equal to risk avoidance, because uncertainty stands for a broader term than risk (Hofstede, 1991, p. 116). To clarify, people might display risky behaviour to eliminate uncertainty and start a fight instead of sitting back and waiting for the opponent to attack first (Hofstede, 2001, p. 148).

Value dimension **individualism-collectivism** examines the significance of individual's interests against the interests of a group (Nardon & Steers, 2009). The scale consists of: (1) **collectivism** where group interests are prioritised over the ones of an individual, and (2) **individualism** where the interests of a single person take precedence over the group's interests (Nardon & Steers, 2009). In collectivist societies, the members of the in-group and the members of the out-group are clearly distinguished. The in-groups are taken care of by the other members of the in-group. On the contrary, in the individualistic societies people take care of themselves and only a limited reciprocal exchange of care is expected among people from different in-groups (Usunier & Lee, 2005, p. 58).

The dimension **masculinity-femininity** indicates whether the culture is oriented towards assertiveness and material possessions or passivity and quality of life (Nardon & Steers, 2009). On one end of the scale is (1) **masculinity** that praises money, material possessions, and encourages people to follow their personal aims, on the other end is (2) **femininity** that is a characteristic of cultures that concentrate on quality of life, social importance and welfare of the society (Nardon & Steers, 2009). Typical feminine societies (Scandinavian countries) put

special focus on the welfare system, accessibility of education and great understanding of those in trouble. On the other hand, in masculine societies (United States or Japan) people facing trouble in life find less support and understanding. Generally speaking, the members of a masculine society are taught to admire strong figures such as Rambo or Vin Diesel. The main difference surfacing between the two ends of the dimension is whether we help the weak or we leave them to struggle on their own (Usunier & Lee, 2005, p. 59).

The fifth dimension is **long-term** versus **short-term orientation** that determines the stance on people's life, work and relationships (Nardon & Steers, 2009). The opposite ends of the scale are: (1) **short-term orientation** where people praise tradition and social responsibilities while concentrating on past and present time, and (2) **long-term orientation** where the members of a society praise hard work and commitment while focusing on the future (Nardon & Steers, 2009).

The dimension **indulgence-restraint** examines the level of gratification of individual's leisure needs where (1) **indulgence** refers to a culture that tolerates enjoyment of leisure desires, expenditure, and sex, and (2) **restraint** that stands for a culture where such gratifications are controlled and where people are not expected to freely enjoy life's pleasures (Hofstede, Hofstede, Minkov, & Vinken, 2008).

#### 1.3.1.3 Hall's Cultural Model

An American cultural anthropologist Edward T. Hall developed a cultural model in 1981 and upgraded it in 1990. The model is founded on ethnographic research in Germany, France, the USA and Japan. Hall's study distinguishes different approaches to interpersonal communication and explores the aspects of personal space and time (Nardon & Steers, 2009).

Hall's value dimension **context** involves matters of interpersonal communication and determines the degree to which the context of someone's message is as significant as the message itself. The two anchors of the scale are: (1) **low context** representing direct and honest communication where the message itself communicates its true meaning, and (2) **high context** where true meaning of the message is hidden and communicated indirectly via the context surrounding the message (Nardon & Steers, 2009).

The dimension **space** deals with the issue of people sharing their personal space with others. On one end of the dimension is (1) **center of power**, which is territorial and assumes that people need their own personal space, and the other end is (2) **center of community** that is communal and denotes that people are comfortable with sharing their own personal space with others (Nardon & Steers, 2009).

The last dimension is **time**, which refers to the level of people's tendency to either deal with one task at a time or do numerous tasks simultaneously. There are two anchors of the scale: (1) **monochronic** dimension that characterizes the tendency to attend to a single task at once, to separate personal and professional life, and to understand time in a specific way, whereas (2)

**polychronic** refers to handling numerous tasks at a time, mixing of personal and professional life and a relative concept of time (Nardon & Steers, 2009).

#### 1.3.1.4 Trompenaars' Cultural Model

Trompenaars' cultural model was developed after a ten-year research of Shell's and other managers with the foundations in the work of Harvard sociologists Parsons and Shils, who emphasise the differences in values and personal relationships among cultures (Nardon & Steers, 2009). The model of a Dutch organisational theorist Fons Trompenaars consists of seven cultural dimensions, where five of them deal with personal relationships, and two with time management and relationship between human and nature.

The dimension **universalism-particularism** refers to the need for standardized rules in society (Nardon & Steers, 2009). The two scale anchors are: (1) **universalism** that stands for strong dependence on official rules that are applied to all members of the society equally, and (2) **particularism** where the rules are altered according to the situation (Nardon & Steers, 2009).

The second dimension is **individualism-collectivism**, discussing the extent to which people identify themselves as being individualists or part of a group. On one end of the scale stands (1) **individualism** that concentrates on individual accomplishments and one's independence, whereas (2) **collectivism** focuses on accomplishments and welfare of the group (Nardon & Steers, 2009).

The dimension **specific-diffuse** reveals the degree to which people's roles in life are separated or integrated. The first anchor (1) **specific** refers to clear separation of person's multiple roles, whereas the second one (2) **diffuse** suggests various roles intertwine with each other.

Trompenaars' dimension **neutral-affective** deals with the degree to which the members of a society are expected to show emotions in public. The first anchor (1) **neutral** characterizes cultures where emotions are expected to be hidden, and the opposing one (2) **affective** describes cultures where emotional expressions are tolerated and even encouraged (Nardon & Steers, 2009).

The succeeding cultural dimension **achievement-ascription** determines in what manner the social status and admiration are given to people. One anchor of the scale is (1) **achievement** indicating that respect is earned via accomplishments, opposite of (2) **ascription** where respect is accorded to people by birth (Nardon & Steers, 2009).

The sixth dimension **time perspective** identifies the attention people put on the past or the future in their everyday lives. People can either be (1) **past/present oriented** meaning that they focus on past events and glory, or (2) **future oriented** where they focus on future opportunities and planning (Nardon & Steers, 2009).

The last dimension is **relationship with environment**, representing the extent to which people believe they control the nature or the nature controls them. One anchor of the scale is (1) **inner-directed** referring to the people's belief in controlling the environment, and the opposing one is (2) **outer-directed** emphasising life in harmony (Nardon & Steers, 2009).

#### 1.3.1.5 Schwartz's Cultural Model

An Israeli social psychologist Shalom Schwartz introduced a more psychological approach to cross-cultural research in 1994. Schwartz (1994) explains values as "desirable goals, varying in importance, serving as guiding principles in people's lives" (p.88). Schwartz (1994) asserts that two levels of dimensions exist independently: individual-level and cultural-level dimensions. Individual-level dimensions represent psychological dynamics that occur when people act according to their values, while culture-level dimensions embody societal solutions that control human activities (Nardon & Steers, 2009). Schwartz's study on the cultural level includes data from 86 samples from over 17,000 respondents from 38 countries. He derives the following seven cultural-level values that are paired up into three opposing sets of values: (1) conservatism-autonomy (divided into intellectual and affective autonomy), (2) hierarchy-egalitarianism, and (3) mastery-harmony (Schwartz, 1999). The model was tested on teachers and students in 54 countries, confirming its applicability to social behaviour, but showing limited use in organisational studies (Bond & Tedeschi, 2001).

The dimension **conservatism-autonomy** discusses the degree of individual's integration into groups. One anchor of the scale is (1) **conservatism** where people are part of the group in which they find meaning and identification, and other one is (2) **autonomy** where individuals are independent from groups and seek for meaning in their own individuality. Two types of autonomy are recognised: (1) **intellectual** that stands for individual search of ideas, and (2) **affective** that brings up individual search for positive experience (Nardon & Steers, 2009).

The dimension **hierarchy-egalitarianism** determines the extent to which equality is valued and anticipated in a society. One end of the dimension (1) **hierarchy** characterizes societies that are structured hierarchically, meaning that the members are expected to comply with the roles they are given and face consequences if they fail to do so. The second anchor is (2) **egalitarianism** where individuals are expected to be equal to one another (Nardon & Steers, 2009).

The last Schwartz's cultural value dimension is **mastery-harmony** that addresses the degree to which people pursue to change the world to achieve individual or group goals. The first anchor is (1) **mastery** referring to individual's use of self-assertion to achieve progress. The second end of the dimension is (2) **harmony** where people take the natural and social world as it is and avoid changing it (Nardon & Steers, 2009).

#### 1.3.1.6 GLOBE Project

Robert House and his team of researchers developed the GLOBE cultural model after conducting the "Global Leadership and Organizational Behavior Effectiveness" study in 2004

(Nardon & Steers, 2009). The emphasis of the research is put on understanding the impact of cultural differences on leadership (House, Hanges, Javidan, Dorfman, & Gupta, 2004). During the research, nine cultural dimensions are acknowledged, some of them known before (e.g., individualism-collectivism, power distance, uncertainty avoidance), but others exclusive to this particular model (e.g., gender egalitarianism, performance orientation). The GLOBE study was conducted in 62 countries, revealing systematic differences in leadership styles among different cultures. To illustrate the difference, Western individualistic societies extensively use participative leadership styles, which proved to be problematic in more collectivistic Eastern societies where the leaders rely more on paternalistic leadership. It is established that GLOBE Project not only studies cultural value dimensions, but also discovers the differences in leadership styles (Nardon & Steers, 2009).

GLOBE cultural dimension **power distance** refers to the extent to which the members of a society expect power to be allocated equally (Nardon & Steers, 2009). Power distance is either (1) **high**, in which case the society consists of social classes with stable sources of power in hands of a limited number of people, or power distance is (2) **low** meaning that the society has a strong middle class with high upward mobility and power being comprehended as a source of corruption.

The dimension **uncertainty avoidance** refers to the degree to which the members of a society put their trust into rules and procedures in order to minimise unpredictability of future (Nardon & Steers, 2009). The score of the dimension is either (1) **high**, indicating an inclination towards strict rules, formal policies, legal contracts, and detailed records; or (2) **low**, in which case people rely on informal norms to regulate behaviour. Low uncertainty avoidance cultures are less formal in social interactions, and usually do not put emphasis on record keeping.

The dimension **humane orientation** examines the degree to which people prize fair, generous, and selfless behaviour (Nardon & Steers, 2009). The dimension's score can be (1) **high** meaning that the society values generosity, humanity, kindness, and benevolence. Such society also praises the importance of others; the members indicate high need for belonging, and demonstrate fewer pathological and psychological problems. In case of (2) **low humane orientation** the society exhibits values of pleasure, self-enjoyment, and comfort. People put their own interests over the interests of others and demonstrate high necessity for power, which is expressed in more psychological and pathological problems on the societal level.

**Institutional collectivism** is a GLOBE value dimension that determines the degree to which group distribution of resources is expected (Nardon & Steers, 2009). When the dimensional score is (1) **high**, the members of the society are strongly integrated into interdependent groups. What is more, collective goals are viewed as more important than individual ones. The other anchor is (2) **low institutional collectivism** meaning that every individual holds the responsibility for himself/herself. In such societies, individual goals are more important than the collective ones as the individuals are seen as autonomous (Nardon & Steers, 2009).

**In-group collectivism** is a dimension dealing with the expression of pride and loyalty in organisations and families (Nardon & Steers, 2009). In case of (1) **high in-group collectivism**, a person is seen as interdependent and strives to contribute to the group. In such societies, long-term employment is frequent and the organisations care about their employees' welfare. The whole group makes the decision-making. On the other hand, (2) **low in-group collectivism** assumes people to be autonomous from the group and differentiate themselves with individual achievements. In such case, the employment relationships are short-term oriented, leading to the employer's sole focus on the performance of the staff instead of their welfare.

The dimension **assertiveness** refers to the degree to which the members of a society are confrontational, aggressive and assertive in their interactions with other people (Nardon & Steers, 2009). In case of (1) **high assertiveness** the society encourages its members to be tough and dominant. In such society, competition, hard work, and direct communication are valued. However, in case of (2) **low assertiveness** the members of a culture value modesty, sensitivity, cooperation, and understanding of the less fortunate. People often associate competition with negative notions of punishment and defeat. Face-saving in social interactions is highly valued (Nardon & Steers, 2009).

GLOBE dimension **gender egalitarianism** refers to the level to which gender disparities are reduced (Nardon & Steers, 2009). The first scale anchor is (1) **high gender egalitarianism** in which case there is equality of women and men in the society. High involvement of women in the workforce leads to a greater number of women in positions of influence. On the other hand, (2) **low gender egalitarianism** results in an unequal status of women in the society. Consequently, women's involvement in the workforce is low and there is only a limited number of women in the positions of authority (Nardon & Steers, 2009).

Cultural dimension **future orientation** indicates the level of people's engagement in planning, investing, delayed gratification and other future-oriented actions (Nardon & Steers, 2009). In case of (1) **high future orientation** the focus of the society is on financial success and people exhibit the tendency to save for the future. Intrinsic motivation is praised, and organisations are inclined to be flexible. The second anchor of the dimension is (2) **low future orientation** in which case the focus on the financial success is low, and people tend to show their gratification without delay. Also, such society highly values extrinsic motivation, and the organisations end up being relatively rigid (Nardon & Steers, 2009).

The last GLOBE cultural dimension is **performance orientation** that determines the level to which high performance is desired and rewarded (Nardon & Steers, 2009). In case of (1) **high performance orientation** people believe they are personally responsible for their own destiny. The values of assertiveness, competitiveness and materialism are applauded. What is more, the importance of performance is placed above the importance of people. The second anchor of the dimension is (2) **low performance orientation** where harmony with nature is preferred over the control of the environment. The society stresses values such as seniority, allegiance,

social interactions, belongingness, and prioritizes who people are over what they do (Nardon & Steers, 2009).

#### 1.3.2 Convergence of Cultural Dimensions' Models

The above-discussed theory of cultural value dimensions reveals many different ways to approach cultural values. All the models of national culture attempt to offer a reasonable set of cultural dimensions that enables cross-cultural comparisons. These efforts allow the researchers to break down a complex notion of culture into measurable components – cultural dimensions. Nevertheless, the six above-mentioned models derive dimensions relying on different aspects of societal norms, values and beliefs, making the comparison of models problematic. This deficiency of convergence denotes substantial challenges for researchers attempting to study cultural aspects in business (Nardon & Steers, 2009).

According to Nardon and Steers (2009), the six cultural models discussed in the previous sections denote an emergence of five common topics that are summarized in Table 1: (1) power allocation in society, (2) emphasis on individuals or groups, (3) relationship with the environment, (4) organisation and use of time, and (5) importance of personal and social control. These five themes or core cultural dimensions reflect five Hofstede's dimensions, but are reinforced and clarified by the findings of all other models (Nardon & Steers, 2009).

<b>Core Cultural Dimensions</b>	Focus of Dimensions	
Hierarchy-Equality	Power allocation in society or in organisations	
Individualism- Collectivism	Emphasis on individuals or groups	
Mastery-Harmony	Relationship with natural and social environment	
Monochronism-Polychronism	Organisation and use of time	
Universalism-Particularism	Importance of personal and social control	

Table 1. Summary of Core Cultural Dimensions

Source: L. Nardon & R.M. Steers, *The Culture Theory Jungle: Divergence and Convergence in Models of National Culture*, 2009, p. 10.

The researchers Charles and Trompenaars, 1993, Hall, 1965, Hofstede, 1980, Kahle, 1983, Kluckhohn and Strodtbeck, 1961, Mitchell, 1983, Rokeach, 1973, and Trompenaars and Charles, 1998 (all in Hassan, 2011) establish that the cultural models are developed to investigate cultural differences across geographical areas by focusing on the differences on the surface (etic-level), but neglecting the within culture differences (emic level). Cultural models enable identification of general cultural values within a single culture, and based on that allow a comparison among different cultures. However, they do not provide an underlying reasoning for differences that occur among the cultures, nor do they put special attention to regional differences within a given culture (Hassan, 2011; Watson, Lysonski, Gillan, & Raymore, 2002).

## 1.4 Selected Hofstede's and Schwartz's Cultural Value Dimensions

For the purpose of this research, the assortment of cultural models is narrowed down to avoid information overload and to limit the scope of empirical research. Two cultural models, namely Hofstede's and Schwartz's, are selected due to their frequent usage in business research and sufficient similarity among the dimensions allowing comparison between the models. The two selected models share three common themes, (1) power allocation in society, (2) emphasis on individuals or groups, and (3) relationship with the environment (Nardon & Steers, 2009). These three themes correspond with the following three core cultural dimensions: (1) hierarchy-equality, (2) individualism-collectivism, and (3) mastery-harmony (Nardon & Steers, 2009). Instead of using all three common cultural dimensions, the scope of the research is limited to merely two dimensions based on predictability of the dimensions in connection to consumer ethnocentrism. Thus, the dimensions hierarchy-equality, and individualism-collectivism are selected as there is evidence that these dimensions are reasonable predictors of consumer ethnocentrism. The third dimension, mastery-harmony is eliminated from the research to avoid over-complexity and to deliver a questionnaire of reasonable length. The final selection of models of national culture and cultural value dimensions is evident from Table 2.

Table 2. Final Selection of Models and Dimensions

Author / Dimension	Hierarchy-Equality	Individualism-Collectivism
Hofstede	Power Distance	Individualism-Collectivism
Schwartz	Hierarchy-Egalitarianism	Conservatism-Intellectual & Affective Autonomy

Source: L. Nardon & R.M. Steers, *The Culture Theory Jungle: Divergence and Convergence in Models of National Culture*, 2009, p. 10.

#### 1.4.1 Selected Cultural Value Dimension Hierarchy-Equality

The first dimension included in the empirical research, **hierarchy-equality** incorporates one of the two basic themes that all societies confront, which is **power allocation in society** (Schwartz, 1999). This theme is vital for all societies as it guarantees responsible behaviour from people and preserves social order. The members of the society are stimulated to care about the well-being of others and to successfully coexist with other people. Addressing the theme power allocation in society is critical for handling inevitable social interdependencies within a culture. Hofstede labels the dimension as power distance, on the other hand Schwartz terms it hierarchy-egalitarianism (Nardon & Steers, 2009).

Hofstede's cultural value dimension **power distance** refers to how people perceive the distribution of power and authority in the society. Question arises whether power is distributed hierarchically or in an egalitarian manner. Hofstede (1980) explains power distance as the attitude people have about perceived differences in power between the members of a society. For instance, some Asian, Arab or Latin American cultures demonstrating high power distance believe that it is natural for some members of the group to

exercise considerable power over the others who are expected to obey without questions. Such control in the hands of the strongest leaders is nonetheless not perceived as offensive, but rather beneficial for the society to secure the well-being of the group. On the other hand, Scandinavian cultures exercise low power distance where the society is structured in a more egalitarian manner and the leaders are expected to consult their subordinates (Hofstede, 1980).

Schwartz (1994) recognizes the value dimension termed **hierarchy-egalitarianism**. Hierarchy denotes the level of rightfulness of unequal allocation of social power, authority, and wealth in a society. In cultures such as China, Turkey, and Thailand, there is a hierarchical structure meaning that uneven distribution of power, resources, and roles is acceptable. A member of such society complies with his/her role in the hierarchical structure and faces sanctions if he/she fails to do so. In such societies, socially responsible conduct is induced via hierarchical schemes of ascribed roles (Schwartz, 1999). Instead, egalitarianism conveys supremacy of selfish interests that increase the equality, liberty and social integrity. The concept induces people to recognise others as their equals. The socialization process in such cultures internalizes concern for everyone's welfare and voluntary collaboration with others. Egalitarian cultures like Denmark, Norway, and Sweden raise their individuals to voluntarily cooperate and worry about the well-being of other members of the group (Schwartz, 1994).

#### 1.4.2 Selected Cultural Value Dimension Individualism-Collectivism

The second dimension included in the empirical research is **individualism-collectivism** that is identified as the most critical cultural dimension in literature. This value dimension recognises that some societies are structured according to groups, while others are based on individuals. Different authors such as Bellah, Madsen, Sullivan, Swidler and Tipton, 1985, Doi, 1986, Geertz, 1984, Hsu, 1983, Kagitcibasi, 1989, Shweder and Bourn, 1982, and Sinha, 1990 (all in Schwartz, 1999, p. 26) label the dimension as individualism-communalism, autonomy-relatedness, and separateness-interdependence. Among others, Markus and Kitayama (1991) use the term independence-interdependence. These contrasting pairs of dimensions include two key themes, namely (1) whose needs come first, the individual's or the group's, and (2) to what extent individuals are autonomous or embedded into the groups (Schwartz, 1999).

Hofstede's cultural model includes a dimension **individualism-collectivism** that defines relationships of people in different cultures. In individualistic cultures individuals take care of themselves and their immediate family, while in collectivistic societies people belong to groups that take care of them in exchange for their loyalty (Hofstede, 1980). In individualistic societies, the ties between people are loose, as everyone is anticipated to only worry about his/her own and his/her immediate family's interests. On the contrary, collectivistic societies stimulate people to create strong interconnections within the group and expect care in return for their unrestricted loyalty (Hofstede, 1991).

Schwartz's model includes value dimensions **conservatism-autonomy** (divided into intellectual and affective autonomy) that refer to the degree of individual's integration into groups. Conservatism describes cultures in which the individual is embedded in the group and finds purpose in life via group interactions, identification with the group, and involvement with other members of the group. The dimension stresses preservation of status quo, politeness, and restraint of behaviours that harm social order and tradition. The contrasting pole of the dimension, autonomy, portrays societies in which the individual is autonomous, develops his/her own preferences and finds purpose in life by being unique. Schwartz distinguishes two different concepts: (1) intellectual autonomy referring to an individual's desire to chase his/her own viewpoints, interests and inspirations, whereas (2) affective autonomy represents the importance of individuals following their own desires, and diverse life (Schwartz, 1999).

#### **1.5 Application of Cultural Values to Consumer Behaviour**

Competitive global markets dictate companies to meet constantly changing consumer needs by providing the right products and services. To be able to provide what consumers want, the researchers must provide an insight into the heads of typical consumers. Consumer behaviour is influenced by numerous components, among which the influence of culture cannot be ignored. First of all, culture affects the understanding and execution of Maslow's hierarchy of needs, which has a high influence on what consumers buy (Usunier & Lee, 2005, p. 88). Maslow, 1954 (in Usunier & Lee, 2005, p. 88) argues that basic human needs must be fulfilled for the higher needs to be tackled. However, some cultures in developing countries encourage fulfilment of higher needs prior to the fulfilment of even basic human needs, for example people not being able to afford food after purchasing a refrigerator that serves as a status symbol. This proves the impact of culture on the way consumers prioritize certain product purchases (Usunier & Lee, 2005, p. 88). Moreover, institutions such as church, state and trade unions impact consumer decisions by imposing certain limitations or recommendations regarding how and when to buy, such as the strict limitations by German trade unions that prevent the stores to be open on Sundays (Usunier & Lee, 2005, p. 91). The most relevant impact of culture on consumer behaviour for this study is the influence of cultural values, especially individualist and collectivist value orientations.

The following section discloses several theories and studies that prove or attempt to prove the existence of a relationship between cultural values and consumer behaviour. Consumer behaviour research reveals that consumers do not always strive to get the best functional benefits from a product, but rather buy things that express their personality, status, and affiliation or even to satisfy their internal psychological wants. However, consumer needs fulfilled via purchases of specific products and services vary considerably among markets due to changes in socio-economic and cultural conditions (Yau, 1994). According to Yau (1994), complex social stimuli influence the purchase of products or brands. These social and environmental stimuli are supposed to affect consumer values, which influence consumer

needs and ultimately impact consumer behaviour. Hence, consumer needs for certain products alter over time as the social and environmental stimuli change (Yau, 1994).

The researchers Homer and Kahle, 1988 (in Kim, Forsythe, Gu, & Moon, 2002, p. 481), as well as Scott and Lamont, 1977 (in Kim, Forsythe, Gu, & Moon, 2002, p. 481) have indicated that values are fundamental determinants of consumer behaviour. Also, the work of McCort and Malhotra, 1993 (in Hassan, 2011, p. 1047) proves that differing values account for variations in consumer behaviour. Likewise, studies from Beatty, Kahle, Homer and Misra, 1985, Ford, LaTour and Henthrone, 1995, Green and Alden, 1988, and Wallendorf and Arnould, 1988 (all in Hassan, 2011, p. 1047) show that cultural values can be used to rationalize behavioural patterns in consumer research. Differences in values between different cultures are linked with differences in consumer behaviour. According to Kahle, 1983 (in Shankarmahesh, 2006, p. 163), values are a form of social cognition and assist a person to adapt to the environment via constant integration of information from the environment. Earlier research from Williams, 1979 (in Kim, Forsythe, Gu, & Moon, 2002, p. 482) indicates the connection between values and behaviour by stating that the selection of one's behaviour is determined by beliefs and values that motivate people to act in a certain manner. Later research by Allen (2001) reveals that human values affect product and brand preference directly and indirectly through prioritizing certain tangible characteristics of products. Kim, Forsythe, Gu and Moon (2002) confirm that consumer values are reflected in purchase behaviour of clothing. The research piloted by Henry (1976) discloses empirical evidence about culture being an important determinant of consumer behaviour. This American study demonstrates a correlation between cultural values and the ownership of generic automobile categories. The food consumption study conducted by Hassan (2011) suggests that even though consumers are not aware of their cultural values, the latter influence their consumer decisions. This occurs particularly in situations when consumers are faced with consumption choices that are conflicting their values in which case they are forced to prioritise and negotiate their values to be able to reach a decision (Connors, Bisogni, Sobal, & Devine, 2001; Kamakura & Novak, 1992).

The impact of collectivism on the decision making process has been reported largely in some studies in Asia. The study of Chen, Lai and Tarn (1999) reveals the effect of collectivism on collaborative family decision making in Taiwan and Japan. According to Rose (1999), collectivist Japanese mothers limit their children's consumption opposed to the American mothers who leave their kids with plenty of freedom regarding their purchase decisions. Moreover, the study of Viswanathan (2000) proves that stronger ties in a collectivist society lead to greater family influences on consumer decisions. This research proves the Taiwanese consumers to be a lot more involved in the collective decision making process than the Americans.

According to Rokeach, 1973 (in Yahyagil & Otken, 2011, p. 1020), values are consequences of culture, which means that some values are considered to be more important to consumers in some markets than in others due to differing socio-economic factors. Therefore, some

values affect consumer purchase decisions more significantly in certain consumer markets. Even though the advocates of cultural values try to substantiate predictive power of cultural dimensions in consumer decision-making, the existing research fails to display a general pattern supporting the predictive power of cultural dimensions such as individualism-collectivism (Heine, Lehman, Peng, & Greenholtz, 1999).

## **2 CONSUMER ETHNOCENTRISM AND BUYING BEHAVIOUR**

#### 2.1 Definition of Ethnocentrism and Consumer Ethnocentrism

According to Solomon and Stuart (2005), consumer perception consists of the following three stages: (1) exposure, (2) perceptive selection and (3) interpretation. After a consumer is exposed to a product, he/she selectively pays attention to a limited number of stimuli. The perception of national products is different as it is highly influenced by local heritage, culture, history, tradition and authenticity of a country (Kolar & Zabkar, 2010; Morris & Kirwan, 2010). Several current researchers recognize the value consumers assign to products linked to certain geographical areas (Balabanis, Mueller, & Melewar, 2002; Balabanis, Mueller, & Melewar, 2002; Balabanis & Diamantopoulos, 2004; Diamantopoulos, Schlegelmilch, & Palihawadana, 2011; Roth & Diamantopolous, 2009). It is verified by different researchers that there is a consumer bias against foreign products in favour of domestic ones (Balabanis & Diamantopoulos, 2004; Baughn & Yarpak, 1993; Cleveland, Laroche, & Papadopoulos, 2009; Dmitrovic, Vida, & Reardon, 2009; Evanschitzky, Wangenheim, Woisetschläger, & Blut, 2008; Ozsomer & Cavusgil, 1991; Peterson & Jolibert, 1995; Verlegh & Steenkamp, 1999). More studies prove that home country bias is a strong influencer of consumer decisions when deliberating between domestic and foreign products (Lusk, et al., 2006; Samiee, 1994). Such domestic country bias is exhibited in consumers' product perceptions and purchase intentions (Peterson & Jolibert, 1995).

Domestic country bias and less favourable predisposition towards foreign products are best explained by the notion of consumer ethnocentrism (Shimp & Sharma, 1987). The roots of consumer ethnocentrism research can be traced back to Sumner, 1906 (in Shankarmahesh, 2006, p. 147) who describes the construct of ethnocentrism as "the view of things in which one's own group is the centre of everything, and all others are scaled and rated with reference to it". Fitting this theory, the central point is the in-group as the out-groups are assessed in relation to it. Sumner, 1906 (in Shankarmahesh, 2006, p. 147) identifies an unfavourable attitude towards the out-groups and a favourable attitude towards the in-groups, whereas the in-group decides upon the standard of judging the out-groups.

Further, consumer ethnocentrism refers to the concept of ethnocentrism in an economic viewpoint adopting the main characteristics of the phenomena. According to Shimp and Sharma (1987), consumer ethnocentrism is a "trait-like property of an individual's personality" which incorporates "the beliefs held by the consumers about appropriateness, indeed morality, of purchasing foreign-made products" (p.280). An ethnocentric consumer believes that the

purchase of foreign products is a mistake as it damages the domestic economy. Moreover, imported products are recognised as unwanted and unpatriotic (Chattalas, Kramer, & Takada, 2008). The concept clarifies consumers' tendencies to buy domestic rather than foreign products even in cases when foreign products are cheaper and/or of better quality. Also, Herche (1992) verifies that consumer ethnocentrism forecasts consumer preferences for domestic products.

The studies from Lillis and Narayana, 1974, Morello, 1984, Reierson, 1966, Samiee, 1994, Schweiger, Haubl and Friederes, 1995 (all in Usunier & Lee, 2005, p. 139) show that domestically produced goods enjoy a more favourable image than the foreign ones in developed countries. The study by Nagashima, 1977 (in Usunier & Lee, 2005, p. 139) provides proof of domestic product preference in case of the Japanese consumers, the work of Bannister and Saunders, 1978 (in Usunier & Lee, 2005, p. 139) in case of the United Kingdom, Graby, 1980 (in Usunier & Lee, 2005, p. 139) in case of France, and Cattin, 1982 (in Usunier & Lee, 2005, p. 139) in case of France and the United States. Schweiger, Häubl and Frideres, 1995 (in Usunier & Lee, 2005, p. 139) account for superior evaluation of domestically produced goods among European consumers opposed to the foreign ones, specifically from Japan and the United States. Papadopolous (1990) shows that the most positive opinions about domestic products are held by French, Dutch and German consumers. Darling and Kraft, 1977 (in Rawwas, Rajendran, & Wuehrer, 1996, p. 23) establish that the Finnish national pride boosts the consumers' preference for domestic rather than foreign products. The work of Baumgartner and Jolibert, 1977 (in Rawwas, Rajendran, & Wuehrer, 1996, p. 23) insinuates that French consumers possess strong preference for domestic products due to nationalistic values. Yu and Albaum's research (2002) indicates that consumers from Hong Kong and China prefer to purchase domestic goods over the foreign ones. On the contrary, Bon and Ollivier, 1979 (in Usunier & Lee, 2005, p. 134) demonstrate that domestic products in developing countries are usually not preferred over the foreign alternatives, like for example Iranian products. As Yagci (2001) states, home country bias is a deeply enrooted belief that comes to light when a consumer buys domestic products opposed to their foreign alternatives. Ultimately, consumer's social and moral beliefs result in the level of ethnocentrism this person displays (Jimenez & Martin, 2010).

## 2.2 Relationship Between Cultural Value Dimensions and Consumer Ethnocentrism

Obtainable research on the relationship between cultural value dimensions and consumer ethnocentrism focuses mainly on Hofstede's model and somewhat neglects Schwartz's cultural dimensions. The following section conveys empirical evidence from the literature about the relationship between Hofstede's individualism-collectivism and consumer ethnocentrism, and provides rather inconsistent clues about the connection between Hofstede's power distance and consumer ethnocentrism. The evidence of such relationships between Schwartz's value dimensions and consumer ethnocentrism is not found. The research lead by Sharma, Shimp and Shin (1995) reveals that ethnocentric consumers are more collectively than individually minded. The findings of the study verify the existence of a positive relationship between collectivism and consumer ethnocentrism. Moreover, the research conducted by Yoo and Donthu (2005) investigates the relationship between an individual's cultural orientation and his/her consumer ethnocentrism using five Hofstede's cultural dimensions. The study is conducted among American consumers comparing domestic and Japanese products and ultimately verifies that collectivism is positively related to consumer ethnocentrism. According to Triandis, Bontempo and Villareal (1988), collectivism-individualism is one of the best dimensions in terms of cultural discrepancy. The members of collectivistic societies are expected to have strong consumer ethnocentric tendencies as they are inclined to think about the consequences of their behaviour on the society. What is more, the collectivists are likely to feel accountable for other people and are more sensitive regarding the social impact of imports (Triandis, Bontempo, & Villareal, 1988). Additional recent studies piloted by other scholars confirm a positive relation between collectivism and consumer ethnocentrism (Shankarmahesh, 2006; Yoo & Donthu, 2005). Moreover, the research shows that only the dimension individualism-collectivism accounts for the differences in country-of-origin effects among different cultures (Gurhan-Canli & Maheswaran, 2000).

Consumers with large power distance are expected to choose domestic products over the foreign alternatives, as they feel that they help their country by doing so. What is more, purchasing domestic products shows consumer loyalty to the society; thus, the domestic products should be entitled to more privileges than imports (Yoo & Donthu, 2005). Nevertheless, the impact of power distance on consumer ethnocentrism is found to be insignificant in the study of Yoo and Donthu (2005).

## 2.3 Relationship Between Consumer Ethnocentrism and Domestic and Foreign Buying Behaviour in General and in Different Product Categories

Several reasons can account for consumer preferences to purchase products originating from specific countries, namely dependency on a product, country-of-origin image, country's development phase, cultural similarities, consumers' experiences and opinions (Cordell, 1992). Also, two vital socio-psychological constructs that can help understand consumer decision for either domestic or foreign alternatives are the following: (1) cosmopolitanism revealing positive opinions towards out-groups and (2) ethnocentrism referring to an individual's in-group versus out-group viewpoint (Parts & Vida, 2011).

The study by Rawwas, Rajndran and Wuehrer (1996) verifies that higher consumer cosmopolitanism results in superior opinions about foreign-made products and their perceived quality. On the contrary, consumer ethnocentrism is a construct that accounts for increased domestic buying behaviours. According to Shimp and Sharma (1987), consumer ethnocentrism signifies the consumer's belief about the inappropriateness and immorality of buying foreign-made products. In accordance with this statement, the existing research

indicates that consumer ethnocentrism highly affects consumer attitudes towards domestic and foreign products (Sharma, Shimp, & Shin, 1995). Moon (2003) identifies the most evident effect of consumer ethnocentrism to be the willingness to buy domestic products opposed to the foreign ones. Several different studies confirm the presence of a bias towards domestic products displayed by ethnocentric consumers, signifying that when all other features of the product are assumed identical, consumers tend to purchase domestic rather than foreign-made products (Cleveland, Laroche, & Papadopoulos, 2009; Dmitrovic, Vida, & Reardon, 2009; Herche, 1992; Rawwas, Rajendran, & Wuehrer, 1996; Sharma, Shimp, & Shin, 1995; Vida, Dmitrović, & Obadia, 2008).

On top of that, highly ethnocentric consumers tend to display more positive domestic product evaluations. Previous research also confirms that even if ethnocentric consumers find domestic products inferior to the foreign ones, they are willing to buy domestic products due to morality reasons (De Mooij, 2004; Shimp & Sharma, 1987; Watson & Wright, 2000). The study by Dmitrovic, Vida and Reardon (2009) proves that consumer ethnocentrism is positively related to domestic buying behaviour in Croatia, Serbia, Bosnia and Herzegovina, and Montenegro. Moreover, research guided by Li, Yang, Wang and Lei (2012) in China demonstrates that consumer ethnocentrism has a positive influence on purchasing domestic products and at the same time negative impact on purchasing foreign products. The researchers Huddleston, Good and Stoel (2001) confirm that consumer ethnocentrism influences product quality perceptions of Polish consumers. The effect of consumer ethnocentrism is most prominent for product categories that are not needed for daily use. The study of Hsu and Nien (2008) conducted in Taiwan and China reveals that consumer ethnocentrism has a strong influence on preference for domestic brands. The research denotes that Chinese consumers believe domestic mobile phones are the best choice on the market. Likewise, it is discovered that Pakistani consumers show high ethnocentrism and home country bias when it comes to buying domestic shoes and clothes that are perceived as good quality products (Khan, Bamber, & Quazi, 2012). Researchers Watson and Wright (2000) investigate the relationship between consumer ethnocentrism and consumer attitudes towards foreign products in New Zealand. Their study confirms that ethnocentrism is highly related to the evaluation of foreign products, due to preference for products from culturally similar countries over those from culturally dissimilar ones.

On the contrary, Bi, Gunessee, Hoffmenn, Hui, Larner, Ma and Mattison Thompson (2012) show there is no evidence of consumer ethnocentrism being able to predict individual choices in favour of domestic products in China. The results question the existence of a relationship between consumer ethnocentrism and domestic buying behaviour in China.

The studies from previous sections largely suggest that research of consumer ethnocentrism and domestic buying behaviour continuously reveals a positive relationship and that the relationship between consumer ethnocentrism and foreign buying behaviour is always negative. However, consumer buying behaviour is slightly more complicated than that. The research by Cattin, Jolibert and Lohnes, 1982 (in Usunier & Lee, 2005, p. 139) and the study of Eroglu and Machleit, 1989 (in Usunier & Lee, 2005, p. 139) show evidence that various product categories are judged differently inside the same group. Likewise, consumers with the same level of consumer ethnocentrism are inclined to judge different product categories from the same country in a different manner (Herche, 1992; Sharma, Shimp, & Shin, 1995; Balabanis & Diamantopoulos, 2004; Evanschitzky, Wangenheim, Woisetschläger, & Blut, 2008). For instance, consumers from a certain country may favour domestic wine, but dislike domestic cars. Thus, it can be presumed that one country's image can differ by product category, meaning that also consumer ethnocentrism can differ from one product category to another (Jaffe & Nebenzahl, 2001).

Consumer's needs can be categorised as either functional or symbolic, whereas functional products fulfil practical consumer needs straightaway, and symbolic ones fulfil needs for selfexpression or status (Papadopoulos & Heslop, 2002; Park, Jaworski, & MacInnis, 1986; Verlegh & Steenkamp, 2001). The reason why consumers purchase a specific product from a particular country can be to show off their social status or to satisfy certain self-expression needs. The research by Zhou and Hui (2003) explains that consumers from developing countries are inclined to buy foreign-made products because they perceive them to be of higher quality and also believe they embody symbolic values. Nigerian consumers, for example, have a high tendency to display foreign buying behaviour, as six out of every ten products sold on the market are of foreign origin (Folorunso, 2013). Consumers might therefore assign foreign-made products from certain product categories higher quality and social status affiliation than to others. Consumer research by Khan, Bamber and Quazi (2012) determines that consumers associate some countries with products that are perceived of higher quality for being made in that country, which ultimately increases foreign buying behaviour. The study shows that the USA, France, Italy, and the UK are often associated with fashion products such as clothes, shoes, and perfumes; Germany and Japan with high quality cars and electronic appliances; and Switzerland with high quality watches. The studies by Cattin, Jolibert and Lohnes, 1982 (in Usunier & Lee, 2005, p. 293) and Jolibert, 1979 (in Usunier & Lee, 2005, p. 293) indicate that German industrial products enjoy a favourable image in the United States, even one that is superior to the products of domestic production. The researchers Kraft and Chung, 1992 (in Usunier & Lee, 2005, p. 293), and Chang and Rim, 1995 (in Usunier & Lee, 2005, p. 293) found similar favourable image of Japanese industrial products over the alternatives from Korea and the United States. The study by White, 1979 (in Usunier & Lee, 2005, p. 306) shows that French, British and American industrial products are seen as the same quality while Italian ones are perceived as inferior. The research concludes that country of origin information is relevant to consumers only when purchasing certain product categories, typically more expensive ones. The research by Parts and Vida (2011) confirms that cosmopolitan consumers show a greater inclination towards buying foreign products in alcoholic drinks, clothes and furniture product categories. Moreover, Kashi (2013) states that cosmopolitan Iranian consumers prefer buying foreign brands as they associate them with higher quality of life and modern lifestyle. Gaedeke, 1973 (in Usunier & Lee, 2005, p. 306) establishes that domestically produced Brazilian meat holds higher preference

opposed to video recorders produced domestically. What is more, his study implies that foreign video recorders, namely from South Korea, are much preferred among the Brazilian consumers than South Korean shoes. Hooley, 1988 (in Usunier & Lee, 2005, p. 306) proves that British consumers hold high opinions about vegetables and fruits from certain countries, namely Italian grapes and tomatoes are perceived as best quality, so are apples from France, citrus fruits from Spain and potatoes from Britain. Thus, it can be presumed that one country's image can differ by product category (Jaffe & Nebenzahl, 2001). On top of that, Herche (1992) and Sharma, Ship and Shin (1995) establish that different product categories made in the same country yield differing levels of acceptability by the consumers.

The beliefs of higher quality of some foreign-made products or the needs for status affiliation achieved through ownership of foreign products are possible to prevail over consumer ethnocentric tendencies. Klein, Etterson and Morris (1998) propose that foreign products are accepted by highly ethnocentric consumers if the products are perceived to be of better quality, more affordable, more prestigious, and/or to offer better value for the price paid. Consequently, even highly ethnocentric consumers could demonstrate strong foreign buying behaviour in some product categories.

## **3 EMPIRICAL STUDY OF CULTURAL VALUES, CONSUMER ETHNOCENTRISM AND BUYING BEHAVIOUR**

## **3.1 Identification of Key Research Questions**

The main research issue of the thesis is to determine which of the two cultural dimension models (Hofstede's or Schwartz's) has better predictive power of consumer ethnocentrism. An additional research objective is to define the type of the relationship between consumer ethnocentrism and domestic and foreign buying behaviour in general and specifically for wine and milk chocolate product categories.

The goal of the research is to answer the following questions based on statistical analysis of empirical research data:

- According to Hofstede's, and Schwartz's dimensional models, what conclusions can be made about the cultural values of Slovenians?
- Are Slovenian consumers ethnocentric?
- Is there a relationship between selected Hofstede's, and Schwartz's cultural value dimensions and consumer ethnocentrism? If so, is the correlation between each cultural value and consumer ethnocentrism positive or negative?
- Which dimensional model shows better predictive power in relationship with consumer ethnocentrism?
- What is the domestic and foreign buying behaviour among Slovenian consumers in general and specifically for wine and milk chocolate product categories?
- Does consumer ethnocentrism correlate with buying behaviour in general and explicitly for wine and milk chocolate product categories?

### **3.2 Formulation of Conceptual Model and Research Hypotheses**

The conceptual model and hypotheses are designed based on the literature review presented in Chapters 1 and 2. The conceptual model denotes a positive relationship between cultural value dimension hierarchy (Hofstede's power distance and Schwartz's hierarchy) and consumer ethnocentrism. The construction of H<sub>1</sub> hypotheses is founded on the grounds of Yoo & Donthu's (2005) research even though its findings are found to be statistically insignificant. According to Hofstede (2001), people with high power distance accept inequality, rely heavily on centralized authority, consent to tight control, and show fear of authoritative bodies. Yoo and Donthu (2005) explain that government structures, common history and national pride serve as instruments of a country with high power distance to exercise power over their residents' lives. Therefore, if consumers perceive their home country as a superior authority, they are likely to purchase domestic rather than foreign products to serve their country and fulfil their obligation. On top of that, buying domestic products opposed to foreign ones is seen as an action of obedience towards the home country (Yoo & Donthu, 2005). Consumers with high power distance presumably value domestic products more than the foreign ones and assign them special privileges and supremacy on the market. On the other hand, it is expected that consumers with low power distance show strong support for a harmonic market, treat foreign products fairly, and oppose any acts against imported products (Yoo & Donthu, 2005). Due to similarity of the dimensions, Schwartz's hierarchy is anticipated to yield similar results to Hofstede's value dimension. Again, due to less consistent results of Schwartz's model in the previous studies, Hofstede's value dimensions are expected to deliver more consistent and valid results than Schwartz's dimensions (Magnuson, Wilson, Zdravkovic, Zhou, & Westjohn, 2008).

 $H_{1A}$ : A positive correlation is expected between Hofstede's cultural dimension power distance and consumer ethnocentrism.

 $H_{1B}$ : A positive correlation is expected between Schwartz's cultural dimension hierarchy and consumer ethnocentrism.

A positive relationship is predicted between cultural dimension collectivism (both Hofstede's and Schwartz's) and the construct of consumer ethnocentrism. The  $H_2$  hypotheses are formulated based on the studies conducted by Sharma, Shimp and Shin (1995), Yoo and Donthu (2005), Triandis, Bontempo and Villareal (1988), Shankarmahesh (2006), and Gurhan-Canli & Maheswaran (2000) verifying the existence of the relationship between Hofstede's value dimension collectivism and consumer ethnocentrism. The members of collectivist cultures are expected to be more ethnocentric, because they are inclined to think about the consequences of their actions to the society, they feel responsible for other people and are more sensitive regarding the social impact of imported products (Triandis, Bontempo, & Villareal, 1988). Collectivists are expected to feel an obligation towards buying domestic products, as doing so might benefit the country's economic situation. If a collectivist consumer disregards his/her responsibilities to the country, he/she likely appears as selfish
(Yoo & Donthu, 2005). According to Hui and Triandis (1986), such consumers are assumed to put the country's welfare before their own personal interests due to their strong identification with the country. On the contrary, individualists are expected to make decisions autonomously as they do not feel obliged to be part of joint decision making nor to take their country into consideration when doing so (Wagner, 1995). Product attributes like country of origin hold little value to individualistic consumers, and therefore do not affect their decision making significantly. Such consumers are not closely connected to groups and focus on maximizing personal welfare (Yoo & Donthu, 2005). According to Adler and Jelinek (1986), individualistic consumers even approve of market competition which makes them feel in control of the environment. Consequently, consumers in collectivist societies are likely to be more ethnocentric than the ones from individualist societies. The hypothesis regarding Schwartz's conservatism is derived from the findings of Hofstede's collectivism as the two dimensions have a lot in common. The result is expected to be similar to the one of Hofstede's value dimension. Nevertheless, the existing research exhibits Schwartz's model to provide less consistent results, whereas Hofstede's model demonstrates much higher validity (Magnuson, Wilson, Zdravkovic, Zhou, & Westjohn, 2008). Thus, Hofstede's value dimensions are expected to provide more consistent and valid results than the measurements according to Schwartz's model.

 $H_{2A}$ : A positive correlation is expected between Hofstede's cultural dimension collectivism and consumer ethnocentrism.

 $H_{2B}$ : A positive correlation is expected between Schwartz's cultural dimension conservatism and consumer ethnocentrism.

Further, consumer ethnocentrism is expected to positively correlate with domestic buying behaviour. On the contrary, it is anticipated that the same construct displays a negative correlation with foreign buying behaviour. The formulation of hypotheses H<sub>3</sub> is based on the findings of studies conducted by Cleveland, Laroche & Papadopoulos (2009), De Mooij (2004), Dmitrovic, Vida, & Reardon (2009), Herche (1992), Huddleston, Good and Stoel (2001), Hsu and Nien (2008), Li, Yang, Wang and Lei (2012), Moon (2003), Rawwas, Rajendran, & Wuehrer (1996), Shimp & Sharma (1987), Sharma, Shimp, & Shin (1995), Vida, Dmitrović, & Obadia (2008), Watson & Wright (2000), which all confirm the existence of a relationship between consumer ethnocentrism and consumer attitudes towards domestic and foreign products and/or domestic and foreign buying behaviour. High consumer ethnocentrism is linked to consumers' belief about the inappropriateness and immorality of buying foreign products. When all other product features are presumed identical, ethnocentric consumers tend to purchase domestic rather than foreign-made products (Cleveland, Laroche, & Papadopoulos, 2009; Dmitrovic, Vida, & Reardon, 2009; Rawwas, Rajendran, & Wuehrer, 1996; Sharma, Shimp, & Shin, 1995; Vida, Dmitrović, & Obadia, 2008; Herche, 1992). Even when ethnocentric consumers find domestic products inferior to the foreign ones, they are willing to buy domestic products due to morality reasons (De Mooij, 2004; Shimp & Sharma, 1987; Watson & Wright, 2000). The results are expected to reveal a high tendency of ethnocentric consumers to actively strive to purchase domestically produced goods, while consciously avoiding the purchase of foreign made products.

 $H_{3A}$ : A positive correlation is expected between consumer ethnocentrism and domestic buying behaviour.

 $H_{3B}$ : A negative correlation is expected between consumer ethnocentrism and foreign buying behaviour.

The research by Cattin, Jolibert and Lohnes, 1982 (in Usunier & Lee, 2005, p. 293), as well as the study by Eroglu and Machleit, 1989 (in Usunier & Lee, 2005, p. 293) disclose that consumers inside the same group judge different product categories in a different manner. Likewise, consumers with the same level of consumer ethnocentrism are prone to judge different product categories from the same country differently. The studies by Cattin, Jolibert and Lohnes, 1982 (in Usunier & Lee, 2005, p. 293) and Jolibert, 1979 (in Usunier & Lee, 2005, p. 293) indicate that German industrial products enjoy a favourable image in the United States, even one that is superior to the image of the products of domestic production. Moreover, the researchers Kraft and Chung, 1992 (in Usunier & Lee, 2005, p. 293), and Chang and Rim, 1995 (in Usunier & Lee, 2005, p. 293) have found a favourable image of Japanese industrial products in South Korea, which outperform the industrial imports from the United States. The study by White, 1979 (in Usunier & Lee, 2005, p. 306) shows that French, British and American industrial products are seen as the same quality in the USA, while Italian ones are perceived as inferior. Gaedeke, 1973 (in Usunier & Lee, 2005, p. 306) establishes that meat from Brazil enjoys a much more favourbale image than the television sets produced in the same country. What is more, the same research indicates that video recorders from South Korea are more highly regarded than the shoes made in the same country. Hooley, 1988 (in Usunier & Lee, 2005, p. 306) proves that British consumers hold high opinions about vegetables and fruits from certain countries, namely Italian grapes and tomatoes are perceived as best quality, so are apples from France, citrus fruits from Spain and potatoes from Britain. Thus, it can be presumed that one country's image can differ by product category (Jaffe & Nebenzahl, 2001). On top of that, Herche (1992) and Sharma, Ship and Shin (1995) establish that different product categories made in the same country yield differing levels of acceptability by the consumers.

Hypotheses  $H_{4A}$  and  $H_{5A}$  regarding wine product category are based on the information obtained from the Statistical Office of the Republic of Slovenia (2013). Namely, the self-sufficiency level in the wine sector in Slovenia was 82% in the market year 2012/13. This indicator demonstrates that the relationship between domestic production and domestic consumption of wine in Slovenia amounted to 82%. Consequently, only 18% of the wine sold on the Slovenian market was of foreign origin in the market year 2012/13 (Statistical Office of the Republic of Slovenia, 2013). Taking the above information into account, it can be presumed that Slovenian consumers are to score highly on the domestic buying

behaviour in wine product category and at the same time score relatively low on the foreign buying behaviour scale.

 $H_{4A}$ : A positive correlation is expected between consumer ethnocentrism and domestic buying behaviour in wine product category.

 $H_{5A}$ : A negative correlation is expected between consumer ethnocentrism and foreign buying behaviour in wine product category.

Hypotheses  $H_{4B}$  and  $H_{5B}$  regarding milk chocolate product category are formulated on the basis of information acquired from the Panel of Chocolate Bar Stores conducted by Ac Nielsen d.o.o. (2009). According to the panel, the segment of milk chocolate bars and milk chocolate with flavourings consists of only 16.8 % of domestic products corresponding to the market share of the only major Slovenian producer of milk chocolate Gorenjka Žito in 2009. On the other hand, a total of 83.2% of milk chocolate sold on the Slovenian market in 2009 was of foreign origin (Ac Nielsen d.o.o., 2009). Correspondingly, major players on the Slovenian milk chocolate consumer market are mainly foreign companies, which are Kraft (47.5% market share), Pionir (16.8%), Kraš (6.7%), Manner (3.1%); followed by smaller players such as Kandit, Lindt, Zvečevo and Ferrero (Ac Nielsen d.o.o., 2009). Taking the above information into account, it can be expected that Slovenian consumers score low on domestic buying behaviour in milk chocolate product category and at the same time score relatively high on the foreign buying behaviour scale.

 $H_{4B}$ : A negative correlation is expected between consumer ethnocentrism and domestic buying behaviour in milk chocolate product category.

 $H_{5B}$ : A positive correlation is expected between consumer ethnocentrism and foreign buying behaviour in milk chocolate product category.

The conceptual model of proposed hypotheses is visually presented in Figure 1.

*Figure 1*. Conceptual Model



### 3.3 Methodology

The empirical data in this study is collected via the most common data collection method in business research, which is a survey (Adams, Khan, Raeside, & White, 2007, p. 111). However, the reliability and validity of questions asked is doubtful when using surveys (Weathington, Cunningham, & Pittenger, 2012, p. 90). Reliability of the research is therefore guaranteed by providing a clear and transparent design of the research and the possibility to undertake the same research steps (Greener, 2008, p. 37). Moreover, face validity is ensured by showing a non-researcher that the research methods selected in this study represent a valid method of researching the predictive power of dimensional models of culture in connection to consumer ethnocentrism and buying behaviour (Greener, 2008, p. 37). Another type of validity taken into consideration is construct validity assuring that the research methods used actually measure the right concept. To assure the construct validity, exploratory factor analysis is performed on the data and Cronbach's Alpha or the measure of internal consistency is calculated as part of the analysis. Furthermore, Pearson Correlation Coefficient identifies possible relationships between variables. Finally, external validity or generalizability determines whether the results can be generalised to other situations and this type of validity is also taken into consideration during the course of the research by determining whether the sample is representative enough to allow generalisation (Greener, 2008, p. 38).

The empirical research entails a questionnaire measuring the following: cultural dimensions of hierarchy-equality and individualism-collectivism according to the two different dimensional models of Hofstede and Schwartz, the notion of consumer ethnocentrism, and the domestic and foreign buying behaviour in general and more specifically for wine and milk chocolate product categories.

#### 3.3.1 Concept Measures

Cultural values cannot be observed in a straightforward manner, but should be identified as a derivative of the study of individuals. Nevertheless, shaping of cultural values is a difficult task as many values are learned unconsciously making people utterly unaware of them. Also, the measurements of cultural values are hardly very accurate because individuals indirectly draw conclusions about themselves based on comparisons with other people. What is more, the measurements tend to produce inconsistent results due to different cultural settings that result in different behaviour. Moreover, conducting value surveys in a local language can lead to considerable differences in results due to translation and interpretation differences. The questions in a questionnaire must be translatable and meanings must have conceptual equivalence across cultures (De Mooij, 2011, p. 34).

Two dimensional models proposing independent variables for the analysis of consumption patterns and other characteristics of consumer behaviour are used, namely the models of Geert Hofstede, and Shalom Schwartz. GLOBE Project was eliminated from this research to avoid over-complexity, however, the remaining Hofstede's and Schwartz's models describe comparable fundamental value orientations and are grounded on sizeable quantitative surveys. Hofstede's and Schwartz's models are similar in the following aspects: (1) focus on etic comparisons, (2) values seen as the core of the culture, and (3) the concept of culture seen as a phenomena within the national boundaries (De Mooij, 2011, p. 42). Schwartz's model appears less useful as its dimensions produce results that are less consistent than Hofstede's. The reason for inconsistency probably lies in dissimilarities in methodological and conceptual frameworks of both models. Hofstede's model is more widely adopted due to simplicity and straightforwardness of the dimensions. Numerous studies show high validity of Hofstede's model despite the development of recent new models (Magnuson, Wilson, Zdravkovic, Zhou, & Westjohn, 2008). Thus, the value dimensions measured according to Hofstede's model are expected to show more consistent results than the measurements according to Schwartz's model.

The measurement of Hofstede's cultural value dimensions is based on previous research conducted in the USA, Korea, Poland and Brazil by Yoo, Donthu and Lenartowicz (2011). A partial Cultural Values Scale (CVSCALE) is used as an instrument of measurement, due to its confirmed reliability and validity for the measurement of Hofstede's cultural dimensions (Yoo & Donthu, 2002). The measurement scale for power distance originally consists of six separate items to be evaluated by the respondents on a five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) measuring the strength of the response against both a numeric and a verbal scale. Table 3 represents an example of Hofstede's measurement item for power distance.

Table 3	3. E	Example	of Hofstede	's	Power	Distance	N	leasurement It	em
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	Strongly disagree 1	Partly disagree 2	Neither agree nor disagree 3	Partly agree 4	Strongly agree 5
People in higher positions should					
make most decisions without	0	0	0	0	0
consulting people in lower positions.					

Source: B. Yoo, N. Donthu, & T. Lenartowicz, *Measuring Hofstede's Five Dimensions of Cultural Values at the Individual Level: Development and Validation of CVSCALE*, 2011, p. 210.

Furthermore, the dimension collectivism initially consists of five items and a five point Likert rating scale (Greener, 2008, p. 67). Table 4 represents an example of Hofstede's measurement item for collectivism.

Table 4. Example of Holstede 5 Concentrisin Measurement ften	Table 4. Exa	mple of Hofsted	le's Collectiv	ism Measuremer	nt Item
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	Strongly	Partly	Neither agree	Partly	Strongly
	disagree	disagree	nor disagree	agree	agree
	1	2	3	4	5
Individuals should stick with the group even through difficulties.	0	0	0	0	0

Source: B. Yoo, N. Donthu, & T. Lenartowicz, *Measuring Hofstede's Five Dimensions of Cultural Values at the Individual Level: Development and Validation of CVSCALE*, 2011, p. 210.

The measurement of Schwartz's dimensions is based on Schwartz's Value Survey (SVS) designed by Schwartz (1992) and tested in 20 countries. The SVS consists of 57 values that a respondent must rate in terms of importance as "a guiding principle in my life" on a 9-point scale (Schwartz, 1992). However, the 57-item scale is too complex for this research, that is why the selected Schwartz's scale is sourced from Yahyagil and Ötken's study of cultural values in Turkey (2011, p. 1026) and Lindeman and Verksalo's Measuring Values with the Short Schwartz's Value Survey (2005, p. 172). The authors of the two papers use a significantly shortened version of the original scale of 57 items, which is the Short Schwartz's Value Survey consisting of only seven cultural items. A seven-point rating scale is used for the evaluation of cultural dimensions ranging from 1 (not important) to 7 (highly important). The rating scale measures the strength of the response specified against bipolar or self-anchoring numeric scale. Table 5 represents an example of a Short Schwartz's Value Survey measurement item for hierarchy.

#### Table 5. Example of Short Schwartz's Value Survey Measurement Item for Hierarchy

	Not importa	nt					Highly important
	1	2	3	4	5	6	7
Hierarchy – Arrangement of Individuals According to Social Class	0	0	0	0	0	0	0

Source: M. Y. Yahyagil and A. B. Ötken, *Cultural Values from Managers' and Academicians' Perspectives: The Case of Turkey*, 2011, p. 1026 and M. Lindeman and M. Verksalo, *Measuring Values with the Short Schwartz's Value Survey*, 2005, p. 172.

Table 6 represents an example of a Short Schwartz's Value Survey measurement item for conservatism.

Table 6. Example of Short Schwartz's Value Survey Measurement Item for Conservatism

	Not importai	nt					Highly important
	1	2	3	4	5	6	7
Conservatism – Preservation of Tradition	0	0	0	0	0	0	0

Source: M. Y. Yahyagil and A. B. Ötken, *Cultural Values from Managers' and Academicians' Perspectives: The Case of Turkey*, 2011, p. 1026 and M. Lindeman and M. Verksalo, *Measuring Values with the Short Schwartz's Value Survey*, 2005, p. 172.

The original scale for the measurement of consumer ethnocentrism is sourced from Shimp and Sharma's study on the validation of CETSCALE (1987). The original CETSCALE incorporates a 17-item scale subject to a seven-point Likert type rating scale measuring the strength of response against a verbal and numerical scale (Greener, 2008, p. 67) ranging from 1 (strongly disagree) to 7 (strongly agree). The original CETSCALE incorporating 17 items is reduced to four most relevant scale items according to the research conducted in paper The Effects of Consumer Cosmopolitanism on Purchase Behavior of Foreign vs. Domestic Products by Vida and Parts (2011) and in Purchase Behavior in Favor of Domestic Products in the West Balkan by Dmitrović, Vida and Reardon (2009). Table 7 represents an example of a measurement item from CETSCALE.

#### Table 7. Example of CETSCALE Measurement Item

	Strongly disagree	Disagree	Partly disagree	Neither agree nor disagree	Partly agree	Agree	Strongly agree
	1	2	3	4	5	6	7
We Slovenians should not							
let other countries get rich	0	0	0	0	0	0	0
of us.							

Source: T. A. Shimp and S. Sharma, *Consumer Ethnocentrism: Construction and Validation of the CETSCALE*, 1987, p. 282.

The measurement of domestic and foreign buying behaviour is based on the research conducted in Slovenia by Parts and Vida (2011). A five-point Likert rating scale measuring the strength of response against a verbal and numerical scale is used to determine the respondent's level of domestic and foreign buying behaviour ranging from 1 (strongly disagree) to 5 (strongly agree) (Greener, 2008, p. 67). The same scale is used for measuring domestic and foreign buying behaviour in general, and specifically for wine and milk chocolate product categories. In Table 8, an example of the domestic buying behaviour measurement item can be seen.

Table 8. Example of Domestic Buying Behaviour Measurement Item

	Strongly	Partly	Neither agree	Partly	Strongly
	disagree	disagree	nor disagree	agree	agree
	1	2	3	4	5
Mostly I try to buy brands o domestic companies.	f 🕜	0	0	0	0

Source: O. Parts and I. Vida, *The Effects of Consumer Cosmopolitanism on Purchase Behavior of Foreign vs.* Domestic Products, 2011, p. 364.

Table 9 shows an example of the foreign buying behaviour measurement item.

	Strongly	Partly	Neither agree	Partly	Strongly
	disagree	disagree	nor disagree	agree	agree
	1	2	3	4	5
I like the idea of owning foreign- made products.	0	0	0	0	0

### Table 9. Example of Foreign Buying Behaviour Measurement Item

Source: O. Parts and I. Vida, *The Effects of Consumer Cosmopolitanism on Purchase Behavior of Foreign vs.* Domestic Products, 2011, p. 364.

The last section of the questionnaire consists of a sequence of socio-demographic questions including the respondents' nationality, gender, age, education, employment status, permanent residence, region, number of household members, and average income.

#### **3.3.2 Questionnaire Design**

After the collection of measurement scales for Hofstede's and Schwartz's value dimensions, the scale for consumer ethnocentrism and the scales for domestic and foreign buying behaviour, the survey is created in a form of a questionnaire.

According to Usunier and Lee (2005), translation equivalence must be achieved during the process of translation, obtaining (1) lexical, (2) idiomatic, (3) grammatical-syntactical, and (4) experimental equivalence (p.186). When obtaining (1) lexical equivalence, the meaning of a single word in English must be preserved in Slovene language. Further, (2) idiomatic equivalence is achieved when during the translation of sentences into Slovene, the translation that most closely reflects the original meaning in English is selected. To achieve (3) grammatical-syntactical equivalence, the meaning expressed in English is translated into Slovene by changing the word order and the construction of sentences if needed. Further, Sechrest, Fay and Zaidi, 1972 (in Usunier & Lee, 2005, p. 186) establish that 4) experimental equivalence is achieved by taking into consideration what particular words and sentences mean to people in their everyday life. Campbell and Werner, 1970 (in Usunier & Lee, 2005, p. 186) state that back-translation technique should be used to attain translation equivalence and more easily spot translational errors. The questionnaire is translated from English to Slovene by one translator and then back to English by another translator unaware of the contents of the original text. Both versions of the English questionnaire are then compared to establish whether the meaning of the text remained the same after the back translation. Certain statements in the questionnaire are corrected according to the findings of the method. Nevertheless, the back-translation technique can give the researcher a false sense of confidence that the meaning of the questions is the same both in English and Slovene. However, there is always risk that people might understand the same statement differently depending on the cultural setting they are in (Usunier & Lee, 2005, p. 187).

In the next stage, testing of the questionnaire is conducted on a sample of ten regular consumers. The participants in the test are asked to review the questionnaire to provide comments that would help improve the structure and understanding of the questions. The following are the changes made to the first questionnaire draft based on the observations of the test respondents and their repetitive problems with the questionnaire fill-in.

The measurement scale for Hofstede's collectivism originally consists of six separate items. After testing the questionnaire on ten regular consumers, only four most relevant and clear items are selected for the research. Furthermore, Hofstede's value dimension power distance originally consists of five items that are eliminated to four according to the results of the questionnaire testing. Eliminated statements are left out due to large similarities with other statements retained in the questionnaire. Short Schwartz's Value Survey is kept in its original form, excluding cultural dimensions irrelevant for this study, leaving only the dimensions of hierarchy, egalitarianism, conservatism, intellectual and affective autonomy. The dimensions are added a short explanation to assure better understanding of difficult wording as suggested in the research methods theory (Frankfort-Nachmias & Nachmias, 2008). For example,

Schwartz's cultural dimension conservatism might represent a vague concept to many respondents that is why a short explanation is added (e.g. preservation of tradition). The original CETSCALE with 17 items is reduced to four most relevant scale items according to the research conducted by Vida and Parts (2011) and by Dmitrović, Vida and Reardon (2009). The shortened version by Dmitrović, Vida and Reardon (2009) is used in its original form. Finally, the domestic and foreign buying behaviour scale is used repeatedly in questions regarding buying behaviour in general, as well as for the wine and milk chocolate product categories.

#### 3.3.3 Sampling

Sampling represents the fundamental stage in the design of empirical research (Usunier & Lee, 2005, p. 192). It is impossible and too costly to reach a complete census of Slovenian adult population, therefore the characteristics of the whole population are deduced on a small sample (240 respondents).

Due to limited resources and no existing sampling frame, a non-probability sampling method is selected (Fisher, 2010, p. 209). This denotes that some units of the population have a higher chance of being selected than the others (Greener, 2008, p. 48). Also, the probability of selection of a specific element is unknown in this case (Adams, Khan, Raeside, & White, 2007). The non-probability sampling raises some concerns regarding the representativeness of the sample. Nevertheless, the method is estimated as appropriate due to cost and time factors and an absence of the sampling frame (Adams, Khan, Raeside, & White, 2007, p. 89). Moreover, a snowball sampling (also called network or chain sampling) is used which is a special type of non-probability sampling, where the initial group is contacted to participate in the research and the same group is then used to contact others for the participation in the research (Greener, 2008, p. 49). When using such method, the respondents are not easily identified. It can be used when the members of a sample are in the same network and can therefore be easily reached (Adams, Khan, Raeside, & White, 2007, p. 91).

The collection of responses is done both electronically and via distribution of paper copy questionnaires. Even though Internet is an attractive choice due to low cost and fast collection of data, it is inconvenient as the level of availability of technology among the studied population limits its sampling frame (Usunier & Lee, 2005, p. 192). Therefore, a combination of both electronic and paper copy questionnaires is used to ensure adequate representation of the population census. The questionnaire on the Internet is designed on EnKlikAnketa (<u>www.1ka.si</u>) website and distributed among the researcher's network. The same is repeated with paper copy questionnaires. The answers from paper copies are then manually entered into the online questionnaire at EnKlikAnketa to allow collective analysis of all empirical data.

It must be noted that the response equivalence can occur, namely the (1) unwillingness of the respondent to answer, (2) response bias, or (3) different response styles among the participants (Usunier & Lee, 2005, p. 194). The (1) unwillingness to answer or the respondents' cooperation equivalence refers to a situation when a person feels that the

questions are too private and they deliberately refuse to answer to bias their answer. Slovenian consumers are expected not to have any major privacy issues and are expected to answer bluntly as their anonymity is assured. The following issue is (2) response bias or context equivalence where bias occurs, as the questions are never culture-free, meaning that they always contain some cultural context. The final step is (3) response-style equivalence referring to the yes-saying pattern, extreme response style, non-contingent (careless, random) responding and item non-response pattern that may all cause alteration of the results from reality. The researchers Baumgartner and Steenkamp (2001) found out that consumer ethnocentrism is one of the most problematic constructs to be measured in terms of the response-style equivalence is problematic in this empirical research. Moreover, the respondents might feel enthusiastic about some particular questions, which can cause problems via an extreme response style.

### 3.4 Data Analysis

The data is collected in the time frame of three months starting on April 22<sup>nd</sup>, 2014. The collection of empirical data is performed both electronically (online survey) and via distribution of paper copy questionnaires. Electronically, 277 clicks on the survey link were generated, but only 140 respondents fully completed the questionnaire and met the requirements of the research, namely holding a Slovenian citizenship and being of full age (18+). The response rate for electronic collection of questionnaires is therefore 51%. The distribution of hard copies produced 100 entirely completed questionnaires with fulfilled requirements. Out of 135 respondents that were asked to cooperate, 100 agreed to fill in the questionnaire, yielding a response rate of 74%. In the end, 240 fully completed questionnaires are collected and the data is transferred to SPSS where statistical analysis is performed.

#### **3.4.1 Sample Characteristics**

Out of 240 respondents, 121 were male (50.4%) and 119 female (49.6%).

Average age of the respondents in the study is 37 (st. dev. 5.46). Slovenian average age was 42 years in 2012, which is very close to the research average (Statistical Office of the Republic of Slovenia, 2012). It can be concluded that the respondents in this research represent the total population moderately well. The majority of the respondents (44.6%) is aged between 25-34 years. The distribution of different age groups from the sample is illustrated in Figure 2. The representativeness of the sample is possibly limited due to a low share of age groups 55-64 and 65+. According to SURS (2013), there was 17.1% of people aged 64 and older in Slovenia in 2012 opposed to only 3.3% of them in this sample. This indicates that older age groups are not fairly represented in this research.



Figure 2. Descriptive Statistics for Age Groups in the Sample

The highest achieved formal education of the majority of the respondents is high school with 40.8% of the answers. The representation of highest achieved formal education of the respondents included in the sample is graphically presented in Figure 3.





The most of the respondents (35%) are employed in a non-managerial position. Figure 4 illustrates the representation of each answer regarding employment status of the respondents from the sample. The unemployment level in Slovenia is 9.3% in 2014, which corresponds with 7.1% of unemployed respondents in this study. This indicator speaks in favour of the representativeness of the sample. However, the share of students in the research appears too high (33.3%), and the share of the retired too low (5.8%), which likely indicates a possible mismatch with the total population.



Figure 4. Descriptive Statistics for Employment Status in the Sample

Figure 5 shows representation of each answer regarding place of living of the respondents from the sample. The majority lives in a small city or village with less than 10,000 inhabitants (37.1%). Nevertheless, all three answers have nearly equal representation, indicating that the respondents included in the study cover all three different types of settlements equally.

Figure 5. Descriptive Statistics for Place of Living in the Sample



The majority of the respondents come from Savinjska region, namely 64.6%. All regions are represented, but many of them barely. It can be assumed that the results cannot be generalized to the whole country, as the majority of the respondents from this sample live in one region. Figure 6 represents the distribution of the respondents' answers about the region they live in.



#### Figure 6. Descriptive Statistics for Region of Residence in the Sample

The average number of household members in the study is 3.2 (st. dev. 0.76). The most of the respondents live in a household with 3 members (29.6%), closely followed by those with 4 members (27.9%). Figure 7 illustrates the distribution of answers regarding the number of household members of the respondents from the sample. The average number of household members in the study is slightly higher than the Slovenian average of 2.5 people per household in 2011 (Statistical Office of the Republic of Slovenia, 2011).



Figure 7. Descriptive Statistics for Number of Household Members in the Sample

The most of the respondents (66.3%) estimate their monthly income as average compared to the Slovenian average. 18.8% assess that it is below average and 15.0% believe it is above average. Visual representation of the monthly income can be grasped from Figure 8.



Figure 8. Descriptive Statistics for Average Monthly Income in the Sample

### 3.4.2 Means and Frequencies

The following section provides insight into variables measuring cultural value dimensions, consumer ethnocentrism and buying behaviour in terms of the frequency of answers and the means produced for each variable.

3.4.2.1 Question 1 – Hofstede's Power Distance

Figure 9 illustrates means and standard deviations for each item measuring Hofstede's power distance. All in all, question 1 produces an average mean of 1.66 (average st. dev. 1.01) on a scale from 1 to 5 representing low Hofstede's power distance score.



Figure 9. Means and Standard Deviations for Hofstede's Power Distance

#### 3.4.2.2 Question 2 – Hofstede's Collectivism

Figure 10 illustrates means and standard deviations for each item measuring Hofstede's collectivism. To conclude, question 2 yields an average mean of 3.85 (average st. dev. 1.13) on a scale from 1 to 5 indicating a relatively high score of Hofstede's value dimension collectivism.





3.4.2.3 Questions 3a, 3c and 3d - Schwartz's Conservatism

Figure 11 illustrates means and standard deviations for Schwartz's dimensions conservatismautonomy. Question 3a rating conservatism produces a mean of 4.66 (st. dev. 1.58) on the scale from 1 to 7 where score 1 labels the value as not important and score 7 specifies the value as highly important. The results imply a relatively high score of conservatism. Question 3c measuring affective autonomy yields a mean of 5.14 (st. dev. 1.66) implying a high affective autonomy score. Question 3d measuring intellectual autonomy results in a mean of 6.30 (st. dev. 1.33) representing high importance of value dimension intellectual autonomy. To conclude, question 3a indicates relatively high conservatism, whereas questions 3c and 3d indicate a rather high score of Schwartz's value dimensions affective and intellectual autonomy. The results are contradictory, as conservatism and autonomy represent opposite ends of the same dimension and should therefore yield opposing scores. Please note that collectivism and autonomy should have yielded opposing results when looking at Figure 11.

Figure 11. Means and Standard Deviations for Schwartz's Conservatism



3.4.2.4 Questions 3b and 3e - Schwartz's Hierarchy

Figure 12 demonstrates means and standard deviations for Schwartz's dimension hierarchyegalitarianism. Question 3b rating hierarchy yields a mean of 2.97 (st. dev. 1.78) on the scale from 1 to 7 where score 1 indicates the value is not important and score 7 signifies the value is highly important. The results indicate a low score of hierarchy. Question 3e measuring egalitarianism scores a mean of 5.73 (st. dev. 1.53) suggesting high egalitarianism. Questions 3b and 3e produce matching results as hierarchy and egalitarianism represent opposite ends of the same dimension. Please note that hierarchy and egalitarianism need to yield opposing results when looking at Figure 12.





#### 3.4.2.5 Question 4 – Consumer Ethnocentrism

Figure 13 shows means and standard deviations for consumer ethnocentrism from question 4. All statements considered, question 4 yields an average mean of 5.57 (average st. dev. 1.91) on the scale from 1 to 7, which indicates a relatively high score of consumer ethnocentrism.

Figure 13. Means and Standard Deviations for Consumer Ethnocentrism



#### 3.4.2.6 Question 5 – Domestic Buying Behaviour

Figure 14 illustrates means and standard deviations for domestic buying behaviour from question 5. All in all, question 5 produces an average mean of 3.31 (average st. dev. 1.33) on the scale from 1 to 5, which indicates a medium high score of domestic buying behaviour.

### Figure 14. Means and Standard Deviations for Domestic Buying Behaviour



### 3.4.2.7 Question 6 – Foreign Buying Behaviour

Figure 15 shows means and standard deviations for foreign buying behaviour. All in all, question 6 produces an average mean of 2.28 (average st. dev. 1.21) on the scale from 1 to 5, which indicates a medium low score of foreign buying behaviour.

Figure 15. Means and Standard Deviations for Foreign Buying Behaviour



3.4.2.8 Question 7 - Domestic Buying Behaviour in Wine Product Category

Figure 16 demonstrates means and standard deviations for domestic buying behaviour in wine product category. All statements considered, question 7 yields an average mean of 3.68 (average st. dev. 1.31) on the scale from 1 to 5, which indicates a medium high score of domestic buying behaviour in wine product category. The result is slightly higher than the score for domestic buying behaviour for all products with a mean of 3.31 (average st. dev. 1.33).

*Figure 16.* Means and Standard Deviations for Domestic Buying Behaviour in Wine Product Category



3.4.2.9 Question 8 - Foreign Buying Behaviour in Wine Product Category

Figure 17 illustrates means and standard deviations for foreign buying behaviour in wine product category. Altogether, question 8 results in an average mean of 1.85 (average st. dev. 1.08) on the scale from 1 to 5, which indicates a very low score of foreign buying behaviour in wine product category. The score is obviously lower than the one for foreign buying

behaviour for all products with an average mean of 2.28 (average st. dev. 1.21). This denotes that buying behaviour varies for different product categories.





3.4.2.10 Question 9 - Domestic Buying Behaviour in Milk Chocolate Product Category

Figure 18 shows means and standard deviations for domestic buying behaviour in milk chocolate product category. Finally, question 9 yields an average mean of 2.23 (average st. dev. 1.25) on the scale from 1 to 5 indicating a medium low score of domestic buying behaviour in milk chocolate product category. The result is obviously lower than the score for domestic buying behaviour for all products with a mean of 3.31 (average st. dev. 1.33) and even lower than the score of domestic buying behaviour in wine category with a mean of 3.68 (average st. dev. 1.31). This verifies that buying behaviour varies according to the product category.

*Figure 18.* Means and Standard Deviations for Domestic Buying Behaviour in Milk Chocolate Product Category



#### 3.4.2.11 Question 10 - Foreign Buying Behaviour in Milk Chocolate Product Category

Figure 19 illustrates means and standard deviations for foreign buying behaviour in milk chocolate product category. Altogether, question 10 results in an average mean of 2.70 (average st. dev. 1.46) on the scale from 1 to 5, which indicates medium low foreign buying behaviour in milk chocolate product category. The score is slightly higher than the one for foreign buying behaviour for all products with an average mean of 2.28 (average st. dev. 1.21) and significantly higher than the score for foreign buying behaviour in wine product category with an average mean of 1.85 (average st. dev. 1.08). This signifies that buying behaviour indeed varies for different product categories.

### *Figure 19.* Means and Standard Deviations for Foreign Buying Behaviour in Milk Chocolate Product Category



### **3.4.3 Exploratory Factor Analysis**

The purpose of executing exploratory factor analysis is to merge several inter-correlated variables into generic fundamental variables. To be more precise, exploratory factor analysis reduces the number of variables into underlining factors (Habing, 2003). Exploratory factor analysis is performed on all variables included in the research to minimise the number of operating variables. The following section presents the results of each exploratory factor analysis performed.

#### 3.4.3.1 Question 1 – Hofstede's Power Distance

Table 9 represents factor loadings for Hofstede's cultural dimension power distance. One factor is extracted, due to sufficiently high factor loadings of each of the four items. It can be concluded that the items measuring the same construct load fairly well into one single factor.

Cronbach's Alpha is the most commonly used measure of internal consistency and therefore reliability of the scales (Santos, 1999). It ranges from 0 to 1, where the higher the score, the more reliable the scale is. According to Nunnaly (1978), 0.7 is the lowest acceptable Cronbach's Alpha coefficient. As can be grasped from Table 9, the internal consistency of the scale (0.627) falls slightly below the required level of 0.7 leading to a conclusion that the level of internal consistency of the scale is likely not high enough.

Item	<b>Factor Loading</b>	Cronbach's Alpha	
People in higher positions should make most decisions without consulting people in lower positions. (Q1a)	0.700		
People in higher positions should avoid social interaction with people in lower positions. (Q1b)	0.690	0.627	
People in lower positions should not disagree with decisions made by people in higher positions. (Q1c)	0.733	0.027	
People in higher positions should not delegate important tasks to people in lower positions. (Q1d)	0.656		

Table 9. Factor Loadings and Cronbach's Alpha for Hofstede's Power Distance

3.4.3.2 Question 2 – Hofstede's Collectivism

Table 10 represents factor loadings for Hofstede's cultural dimension collectivism. One factor is extracted, due to sufficiently high factor loadings of each of the four items. It can be concluded that the items measuring the same construct load fairly well into one single factor. The internal consistency of the scale (0.676) falls slightly below the required level of 0.7 leading to a conclusion that the level of internal consistency of the scale is likely not high enough.

Table 10. Factor Loadings and Cronbach's Alpha for Hofstede's Collectivism

Item	<b>Factor Loading</b>	<b>Cronbach's Alpha</b>
Individuals should stick with the group even through	0.520	
difficulties. (Q2a)	0.520	
Group success is more important than individual	0.752	
success. (Q2b)	0.732	0 676
Individuals should only pursue their goals after	0 777	0.070
considering the welfare of the group. (Q2c)	0.777	
Group loyalty should be encouraged even if	0.772	
individual goals suffer. (Q2d)	0.772	

3.4.3.3 Questions 3a, 3c and 3d - Schwartz's Conservatism

The constructs conservatism and autonomy represent opposite ends of the same dimension. For the purpose of statistical analysis in SPSS, the scores for affective and intellectual autonomy are reversed, to enable direct comparison to conservatism. Table 11 represents factor loadings for Schwartz's cultural dimensions conservatism and affective and intellectual autonomy. It is not possible to extract one factor, as the item measuring conservatism does not yield a sufficiently high factor loading (at least 0.4). Nevertheless, the items measuring affective and intellectual autonomy load fairly well into one single factor. The internal consistency of the scale (0.676) falls slightly below the required level of 0.7 leading to a conclusion that the level of internal consistency of the scale is likely not high enough.

Table 11.	. Factor Loadings	and Cronbach'	s Alpha for	Schwartz's Conservatism	
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Item	Factor loading	Cronbach's Alpha
Conservatism (Q3a)	/	
Affective Autonomy (Q3c)	0.872	0.676
Intellectual Autonomy (Q3d)	0.870	

3.4.3.4 Questions 3b and 3e – Schwartz's Hierarchy

Originally, the items in questions 3b and 3e measure opposing concepts. For the purpose of exploratory factor analysis in SPSS the scores for question 3e (egalitarianism) are reversed to enable direct comparison to hierarchy. Table 12 represents factor loadings for Schwartz's cultural dimensions egalitarianism and hierarchy. One factor is extracted, because of sufficiently high factor loadings of each of the two items. It can be concluded that the items measuring the same construct load fairly well into one single factor. The internal consistency of the scale (0.404) represents the lowest Cronbach's Alpha in this study, indicating that it is very likely not high enough. However, Cronbach's Alpha coefficient is probably inaccurate due to a very low number of items (only 2) in the scale.

Table 12. Factor Loadings and Cronbach's Alpha for Schwartz's Hierarchy

Item	<b>Factor loading</b>	Cronbach's Alpha
Egalitarianism (Q3e)	0.792	0.404
Hierarchy (Q3b)	0.792	

### 3.4.3.5 Question 4 – Consumer Ethnocentrism

Table 13 represents factor loadings for consumer ethnocentrism. One factor is extracted, due to sufficiently high factor loadings of each of the four items. It can be concluded that the items measuring the same construct load fairly well into one factor. A sufficient internal consistency of the scale (0.743) is achieved as Cronbach's Alpha exceeds the required level of 0.7.

Table 13. Factor Loadings and Cronbach's Alpha for Consumer Ethnocentrism

Item	<b>Factor Loading</b>	Cronbach's Alpha
We should purchase products made in Slovenia		
instead of letting other countries get rich off us.	0.668	
(Q4a)		
Slovenians should not buy foreign products, because		
this hurts Slovenian business and causes	0.826	0.742
unemployment. (Q4b)		0.743
It may cost me more in the long run but I prefer to	0.776	
support Slovenian products. (Q4c)		
Only those products that are unavailable in Slovenia	0.736	
should be imported. (Q4d)		

3.4.3.6 Question 5 – Domestic Buying Behaviour

Table 14 represents factor loadings for domestic buying behaviour. One factor is extracted, due to adequately high factor loadings of each of the three items. It can be concluded that the items measuring the same construct load very well into one single factor. An exemplary internal consistency of the scale (0.907) is achieved as Cronbach's Alpha more than exceeds the required level of 0.7.

Table 14. Factor Loadings and Cronbach's Alpha for Domestic Buying Behaviour

Item	<b>Factor Loading</b>	<b>Cronbach's Alpha</b>
Mostly I try to buy brands of domestic companies. (Q5a)	0.915	
I take time to look at labels in order to knowingly buy domestic-made products. (Q5b)	0.932	0.907
I shop first at retail outlets that make special effort to offer brands of domestic products. (Q5c)	0.911	

3.4.3.7 Question 6 - Foreign Buying Behaviour

Table 15 represents factor loadings for foreign buying behaviour. One factor is extracted, due to adequately high factor loadings of each of the three items. It can be concluded that the items measuring the same construct load very well into one factor. A sufficient internal consistency of the scale (0.744) is achieved as Cronbach's Alpha exceeds the required level of 0.7.

Item	<b>Factor Loading</b>	Cronbach's Alpha
I like the idea of owning foreign-made products. (Q6a)	0.797	
My quality of life would improve if more imported goods were available. (Q6b)	0.829	0.744
I find imported goods more desirable than domestically produced products. (Q6c)	0.815	

3.4.3.8 Question 7 - Domestic Buying Behaviour in Wine Product Category

Table 16 represents factor loadings for domestic buying behaviour in wine product category. One factor is extracted, due to adequately high factor loadings of each of the three items. It can be concluded that the items measuring the same construct load very well into one single factor. An exemplary internal consistency of the scale (0.880) is achieved as Cronbach's Alpha more than exceeds the required level of 0.7.

#### Table 16. Factor Loadings and Cronbach's Alpha for Domestic Buying Behaviour in Wine Product Category

Item	<b>Factor Loading</b>	Cronbach's Alpha
Mostly I try to buy wine brands of domestic companies. (Q7a)	0.880	
I take time to look at labels in order to knowingly buy Slovenian wine. (Q7b)	0.934	0.880
I shop first at retail outlets that make special effort to offer brands of domestic wine. (Q7c)	0.884	

3.4.3.9 Question 8 - Foreign Buying Behaviour in Wine Product Category

Table 17 represents factor loadings for foreign buying behaviour in wine product category. One factor is extracted, due to adequately high factor loadings of each of the three items. It can be concluded that the items measuring the same construct load very well into one single factor. An exemplary internal consistency of the scale (0.821) is achieved as Cronbach's Alpha more than exceeds the required level of 0.7.

 Table 17. Factor Loadings and Cronbach's Alpha for Foreign Buying Behaviour in Wine

 Product Category

Item	<b>Factor Loading</b>	Cronbach's Alpha
I like the idea of owning foreign-made wine. (Q8a)	0.877	
My quality of life would improve if more imported wine was available. (Q8b)	0.896	0.821
I find imported wine more desirable than domestically produced wine. (Q8c)	0.806	

3.4.3.10 Question 9 - Domestic Buying Behaviour in Milk Chocolate Product Category

Table 18 represents factor loadings for domestic buying behaviour in milk chocolate product category. One factor is extracted, due to adequately high factor loadings of each of the three items. It can be concluded that the items measuring the same construct load very well into one single factor. An exemplary internal consistency of the scale (0.949) is achieved as Cronbach's Alpha more than exceeds the required level of 0.7.

 Table 18. Factor Loadings and Cronbach's Alpha for Domestic Buying Behaviour in Milk

 Chocolate Product Category

Item	<b>Factor Loading</b>	<b>Cronbach's Alpha</b>
Mostly I try to buy milk chocolate brands of	0.034	
domestic companies. (Q9a)	0.934	0.949
I take time to look at labels in order to knowingly	0.973	
buy Slovenian milk chocolate. (Q9b)		
I shop first at retail outlets that make special effort to	0.951	
offer brands of domestic milk chocolate. (Q9c)		

3.4.3.11 Question 10 - Foreign Buying Behaviour in Milk Chocolate Product Category

Table 19 represents factor loadings for foreign buying behaviour in milk chocolate product category. One factor is extracted, due to adequately high factor loadings of each of the three items. It can be concluded that the items measuring the same construct load very well into one single factor. An exemplary internal consistency of the scale (0.873) is achieved as Cronbach's Alpha more than exceeds the required level of 0.7.

Table 19. Factor Loadings and Cronbach's Alpha for Foreign Buying Behaviour in Milk Chocolate Product Category

Item	<b>Factor Loading</b>	<b>Cronbach's Alpha</b>
I like the idea of owning foreign-made milk chocolate. (Q10a)	0.924	
My quality of life would improve if more imported milk chocolate was available. (Q10b)	0.884	0.873
I find imported milk chocolate more desirable than domestically produced milk chocolate. (Q10c)	0.872	

#### **3.4.4 Hypotheses Testing**

The correlation research enables researchers to analyse connections between two variables (Weathington, Cunningham, & Pittenger, 2012, p. 246). Pearson correlation coefficient is used as a measure of strength and direction of relationship between two variables (Fisher, 2010, p. 234). Its goal is to draw the line of best fit across the data of two variables, where Pearson correlation denotes how far away the data points are from the line of best fit. When positive correlation is identified, increase of values in one variable causes an increase in values of the other one. However, in case of negative correlation, an increase of values in one variable will decrease the values of the other variable. When no tendency is identified for values to move in a certain direction if applying changes in the other variable, zero correlation is acknowledged. The correlation not only varies in direction, but also in strength (between 0 and 1) (Fisher, 2010, p. 237). The closer the correlation coefficient is to 1, the stronger is the relationship between the variables (Greener, 2008, p. 62).

# $H_{1A}$ : A positive correlation is expected between Hofstede's cultural dimension power distance and consumer ethnocentrism.

Pearson's correlation coefficient is not significant in this case as the significance value of 0.081 exceeds the maximum threshold of 0.05, meaning that there is probably no statistically significant correlation between Hofstede's power distance and consumer ethnocentrism. This indicates that changes in one variable do not significantly affect the other variable. It can be concluded that the research **failed to find support for hypothesis H**<sub>1A</sub>, as no characteristics about the relationship between Hofstede's dimension power distance and consumer ethnocentrism are found in the sample data.

# $H_{2A}$ : A positive correlation is expected between Hofstede's cultural dimension collectivism and consumer ethnocentrism.

Pearson's correlation coefficient is significant, meaning that a statistically significant correlation between Hofstede's collectivism and consumer ethnocentrism is found. Pearson's correlation equals to 0.282 indicating a weak positive correlation. It can be determined that there is a less than 0.01% chance that the relationship found with Pearson correlation is coincidental. It can be concluded that **hypothesis**  $H_{2A}$  is confirmed as a weak positive significant relationship has been discovered between Hofstede's dimension collectivism and consumer ethnocentrism.

# H<sub>1B</sub>: A positive correlation is expected between Schwartz's cultural dimension hierarchy and consumer ethnocentrism.

Pearson's correlation coefficient is not significant as the significance value of 0.151 exceeds 0.05, which indicates that there is no statistically significant correlation between Schwartz's hierarchy and consumer ethnocentrism. It can be concluded that the research **failed to find support for hypothesis H**<sub>1B</sub>, as no characteristics about the relationship between Schwartz's dimension hierarchy and consumer ethnocentrism are found in the sample data.

# $H_{2B}$ : A positive correlation is expected between Schwartz's cultural dimension conservatism and consumer ethnocentrism.

Pearson's correlation coefficient for conservatism is significant, meaning that there is a statistically significant correlation between Schwartz's conservatism and consumer ethnocentrism. Pearson's correlation coefficient is 0.239 demonstrating a weak positive correlation. There is a less than 0.01% chance that the relationship found with Pearson correlation is coincidental. The **hypothesis**  $H_{2B}$  is confirmed as a weak positive significant relationship between Schwartz's value dimension conservatism and consumer ethnocentrism is found.

# $H_{3A}$ : A positive correlation is expected between consumer ethnocentrism and domestic buying behaviour.

Pearson's correlation coefficient is significant, which indicates that there is a statistically significant correlation between consumer ethnocentrism and domestic buying behaviour. Pearson's correlation equals to 0.584 showing a moderate positive correlation. There is a less than 0.01% chance that the relationship found is coincidental. It can be concluded that **hypothesis**  $H_{3A}$  is confirmed as a moderate positive significant relationship has been discovered between consumer ethnocentrism and domestic buying behaviour.

# $H_{3B}$ : A negative correlation is expected between consumer ethnocentrism and foreign buying behaviour.

Pearson's correlation coefficient is significant, meaning that there is a statistically significant

correlation between consumer ethnocentrism and foreign buying behaviour. Pearson's correlation equals to -0.157 indicating a weak negative correlation. There is a less than 1.5% chance that the relationship found is coincidental. It can be concluded that **hypothesis**  $H_{3B}$  is confirmed due to a weak significant negative relationship between consumer ethnocentrism and foreign buying behaviour.

## $H_{4A}$ : A positive correlation is expected between consumer ethnocentrism and domestic buying behaviour in wine product category.

Pearson's correlation coefficient is significant, indicating a statistically significant correlation between consumer ethnocentrism and domestic buying behaviour in wine product category. Pearson's correlation coefficient equals to 0.559 demonstrating a moderate positive correlation. A less than 0.01% chance is presumed that the relationship found is coincidental. It can be concluded that **hypothesis**  $H_{4A}$  is **confirmed** as a moderate positive significant relationship has been discovered between consumer ethnocentrism and domestic buying behaviour in wine product category.

# H<sub>5A</sub>: A negative correlation is expected between consumer ethnocentrism and foreign buying behaviour in wine product category.

Pearson's correlation coefficient is significant, meaning that there is a statistically significant correlation between consumer ethnocentrism and foreign buying behaviour in wine product category. Pearson's correlation equals to -0.147 indicating a weak negative correlation. It is determined that there is a less than 2.3% chance that the relationship found is coincidental. It can be concluded that **hypothesis**  $H_{5A}$  is confirmed as a weak negative significant relationship has been discovered between consumer ethnocentrism and foreign buying behaviour in wine product category.

# H<sub>4B</sub>: A negative correlation is expected between consumer ethnocentrism and domestic buying behaviour in milk chocolate product category.

Pearson's correlation coefficient is significant indicating a statistically significant correlation between consumer ethnocentrism and domestic buying behaviour in milk chocolate product category. Pearson's correlation corresponds to 0.190 demonstrating a weak positive correlation. A less than 0.3% chance is assumed that the relationship found is coincidental. The analysis confirms the existence of a relationship between variables, but the direction of the relationship is contradicting (positive) to the expected one (negative). It can be concluded that the research **failed to find support for hypothesis H<sub>4B</sub>**, as a weak positive relationship has been discovered between consumer ethnocentrism and domestic buying behaviour in milk chocolate product category opposed to the expected negative relationship between the two variables.

# H<sub>5B</sub>: A positive correlation is expected between consumer ethnocentrism and foreign buying behaviour in milk chocolate product category.

Pearson's correlation coefficient is significant, indicating a statistically significant correlation between consumer ethnocentrism and foreign buying behaviour in milk chocolate product category. Pearson's correlation equals to 0.237 demonstrating a weak positive correlation. There is a less than 0.01% chance that the relationship found is coincidental. It can be concluded that **hypothesis**  $H_{5B}$  is confirmed as a weak positive significant relationship has been discovered between consumer ethnocentrism and foreign buying behaviour in milk chocolate product category.

Figure 20 visually presents a summary of hypotheses testing in this study. Seven out of ten hypotheses are confirmed.



Figure 20. Summary of Hypotheses Testing

### **3.5 Interpretation of Results**

Both genders are equally represented in this study, and among 240 respondents, 50.4% are male and 49.6% female. The average age in the study is 37 (st. dev. 5.46) years. The major part of the respondents (40.8%) achieved high school education. 35% of 240 participants are employed in a non-managerial position. Most of the respondents (37.1%) live in a small city or village with less than 10,000 inhabitants. The furthermost represented region is Savinjska (64.6%). The average number of household members in the study is 3.2 (st. dev. 0.76). Moreover, 66.3% of the respondents in this study estimate their monthly income as average compared to the Slovenian average. The external validity or generalizability of this study is likely not achieved, due to too many students in the sample, nonsufficient representation of older population, and dominance of respondents from one single region. This denotes that the results of the study cannot be generalised on the total population and on other situations (Greener, 2008, p. 38). Nevertheless, considering the size of the sample (240), this study still provides some insight into the characteristics of Slovenian consumers.

Question 1 about power distance measured according to the theory of Geert Hofstede produces a low Hofstede's power distance score. This indicates that the respondents of the study see themselves as equal to the other members of their society. According to Hofstede (2014), the respondents are expected to have an extremely egalitarian mind-set with a decentralised distribution of power. Also, the respondents believe people in positions of power do not lead, but coach their subordinates. Nevertheless, the results are contradictory to the Hofstede's measurement of power distance in Slovenia, where the country has scored 71 on the scale from 1 to 100, denoting a moderately high score of power distance (Hofstede, 2014). One of the following reasons can be assumed: (1) the respondents of this study do not reflect Hofstede's sample, (2) the respondents in this study are mainly young adults with the average age of 37 (st. dev. 5.46) and a more modern and egalitarian point of view, (3) the majority of the respondents do not work in positions of power and therefore possess an opinion of a more equal society, (4) the measuring instrument was inappropriate as the reliability and internal consistency of the scale was not achieved (Cronbach's Alpha only 0.627).

Question 2 measuring collectivism according to Hofstede's cultural model reveals a relatively high score of Hofstede's value dimension collectivism. This indicates that the respondents of this study define their self-image in terms of "we" rather than "I" (Hofstede, 1991). They are expected to show long-term loyalty, commitment and responsibility to the group they belong to. The results indicate that they put their groups' interests before their own. These conclusions are in line with Hofstede's results for Slovenia where the score of individualism is 27 out of 100, indicating a very low individualistic and high collectivistic society (Hofstede, 2014).

Question 3a about the value dimension conservatism measured according to Shalom Schwartz's theory, shows a relatively high score of conservatism. The result is in line with the expectations, because Hofstede's score for collectivism from question 2 produces similar results. The respondents from this study likely consider themselves as highly embedded in the group and find purpose in life through group interactions in shared life with other group members (Schwartz, 1999). Questions 3c and 3d measuring Schwartz's value dimensions affective and intellectual autonomy indicate a rather high score of autonomy. These results are in contradiction with the results from question 3a, implying that the respondents perceive themselves as autonomous individuals seeking for purpose in life by being unique (Schwartz, 1999). The questions 3a, 3c, and 3d are supposed to measure two ends of the same dimension, which they fail to do. For that reason, exploratory factor analysis failed to extract one single factor. The likely reason for contradicting results could be the inappropriateness of the measuring instrument. The assumption is based on the fact that reliability and internal consistency of the scale was not achieved (Cronbach's Alpha only 0.676).

Questions 3b and 3e about value dimension hierarchy and its opposite end egalitarianism indicate low hierarchy and accordingly high egalitarianism. The results suggest that the respondents in this study oppose unequal allocation of power in the society and act on their

selfish interests that increase equality, liberty and social integrity (Schwartz, 1999). What is more, the respondents are expected to recognise others as their equals. The results are in accordance with Hofstede's power distance scores from question 1 that indicate low power distance.

Some main characteristics regarding cultural value orientation can be deducted from the research. The respondents of this study score low on Hofstede's power distance, equally low on Schwartz's hierarchy and high on egalitarianism, indicating that they are reluctant towards centralised social power. The respondents score high on Hofstede's collectivism and Schwartz's conservatism indicating a collectivist society in which the members define their self-image in terms of "we" rather than "I" (Hofstede, 1991). However, contradicting result occurs with medium high autonomy that indicates a complete opposite perception of self and the society. The characteristics of the respondents are thus not clearly outlined. It can be assumed that the reason for the discrepancy lies in the inappropriateness of the measurement instrument, as none of the variables measuring cultural values managed to achieve a high enough reliability and internal consistency of the scale (all Cronbach's Alphas below 0.7). The respondents might not have seen the two anchors of the same dimension as opposite. Unfortunately, the pretesting of the measurement instrument on ten regular consumers failed to reveal this inconsistency.

Question 4 measuring the concept of consumer ethnocentrism indicates relatively high consumer ethnocentrism. The results suggest that the respondents in this research find the purchase of foreign-made products inappropriate and immoral, as it damages the domestic economy (Shimp & Sharma, 1987).

Question 5 measuring domestic buying behaviour indicates a medium high score of domestic buying behaviour. The respondent is expected to buy a domestic product instead of the foreign one even in case the foreign product is cheaper and of better quality.

Question 6 about foreign buying behaviour indicates medium low foreign buying behaviour. This result indicates that the tendency of the respondents to buy foreign-made products instead of the domestic ones is relatively low. Generally, the respondents do not feel their quality of life increases dramatically by owning foreign-made products.

Question 7 regarding domestic buying behaviour of wine forms an average mean of 3.68 (average st. dev. 1.31) on the scale from 1 to 5, indicating medium high domestic buying behaviour in wine product category. The results denote that the respondents prefer to buy Slovenian wine opposed to the wine of foreign origin. Accordingly, they actively seek for Slovenian wine brands and intentionally buy in stores that offer wine of Slovenian origin. The results are in accordance with the expectations, as 82% of wine sold on the Slovenian market in market year 2012/13 was of domestic origin (Statistical Office of the Republic of Slovenia, 2013).

Question 8 measuring foreign buying behaviour of wine results in an average mean of 1.85 (average st. dev. 1.08) on the scale from 1 to 5, and suggests a very low score of foreign buying behaviour in wine product category. Such result designates that the respondents do not find pleasure in owning foreign-made wine and do not believe buying it will improve their quality of life. The score for foreign buying behaviour of wine with an average mean of 1.85 (average st. dev. 1.08) is obviously lower than the one for foreign buying behaviour in general with an average mean of 2.28 (average st. dev. 1.21). This denotes that buying behaviour varies for different product categories which is in accordance with previous studies by Cattin, Jolibert and Lohnes, 1982 (in Usunier & Lee, 2005, p. 293), as well as Eroglu and Machleit, 1989 (in Usunier & Lee, 2005, p. 293) that both verify the consumers' tendency to judge different product categories in a different manner.

Question 9 about domestic buying behaviour of milk chocolate forms an average mean of 2.23 (average st. dev. 1.25) on the scale from 1 to 5 demonstrating medium low domestic buying behaviour in milk chocolate product category. The result implies that the respondents do not put much effort into finding domestically produced milk chocolate nor do they actively seek for stores that offer such chocolate. The expectations about the outcome of the analysis are met, as 83.2% of milk chocolate sold on the Slovenian market in 2009 was of foreign origin (Ac Nielsen d.o.o., 2009). The result for domestic buying behaviour of milk chocolate with an average mean of 2.23 (st. dev. 1.25) is obviously lower than the score for domestic buying behaviour in general with a mean of 3.31 (st. dev. 1.33) and even lower than the score of domestic buying behaviour indeed varies by product category as previously suggested by Cattin, Jolibert and Lohnes, 1982 (in Usunier & Lee, 2005, p. 293), as well as Eroglu and Machleit, 1989 (in Usunier & Lee, 2005, p. 293).

Question 10 measuring foreign buying behaviour of milk chocolate results in an average mean of 2.70 (st. dev. 1.46) on the scale from 1 to 5, which denotes a medium low score of foreign buying behaviour in milk chocolate product category. This implies that the respondents do not find significant value in owning foreign-made milk chocolate products. The result is not in accordance with the expectations of a high foreign buying behaviour of milk chocolate. Nevertheless, the score of foreign buying behaviour of milk chocolate with an average mean of 2.70 (st. dev. 1.46) is slightly higher than the one for foreign buying behaviour in general with an average mean of 2.28 (st. dev. 1.21) and significantly higher than the score for foreign buying behaviour in wine product category with an average mean of 1.85 (st. dev. 1.08). This signifies that buying behaviour indeed varies for different product categories as beforehand suggested by Cattin, Jolibert and Lohnes, 1982 (in Usunier & Lee, 2005, p. 293), as well as Eroglu and Machleit, 1989 (in Usunier & Lee, 2005, p. 293).

The empirical research fails to find support for hypothesis  $H_{1A}$ , as no characteristics of the relationship between Hofstede's power distance and consumer ethnocentrism are found on the sample data. The findings are in accordance with previous research by Yoo and Donthu (2005) that also found the relationship between power distance and consumer ethnocentrism

statistically insignificant. Furthermore, empirical research fails to find support for hypothesis  $H_{1B}$ , as no characteristics of the relationship between Schwartz's dimension hierarchy and consumer ethnocentrism are found on the sample data. Possible reasons for failing to confirm hypotheses  $H_1$  could lie in (1) the inappropriateness of the measurement instrument and unreliability of the scale (Cronbach's Alpha 0.627 for Hofstede and 0.404 for Schwartz) or (2) absence of the relationship between cultural dimension hierarchy and consumer ethnocentrism in the first place.

On the contrary, hypothesis  $H_{2A}$  is confirmed as a weak positive relationship has been discovered between Hofstede's dimension collectivism and consumer ethnocentrism among the respondents of this study. The results are in accordance with previous research by Sharma, Shimp and Shin (1995), Yoo and Donthu (2005), Triandis, Bontempo and Villareal (1988), Shankarmahesh (2006), and Gurhan-Canli and Maheswaran (2000) which also verifies the existence of a positive relationship between Hofstede's collectivism and consumer ethnocentric. It can be concluded that the respondents with a higher collectivism (high individualism) to be less consumer ethnocentric. Moreover, hypothesis  $H_{2B}$  is confirmed as a weak positive relationship is discovered between Schwartz's dimension conservatism and consumer ethnocentrism. It can be concluded that the respondents with a higher conservatism and consumer ethnocentrism. It can be concluded that the respondents with a lower score of collectivism (high individualism) to be less consumer ethnocentric. Moreover, hypothesis  $H_{2B}$  is confirmed as a weak positive relationship is discovered between Schwartz's dimension conservatism and consumer ethnocentrism. It can be concluded that the respondents with a higher conservatism score tend to be more consumer ethnocentric and the ones with a lower conservatism score to be less ethnocentric.

Both Hofstede's and Schwartz's cultural models successfully predict one out of two relationships between cultural dimensions and consumer ethnocentrism. It is concluded that neither of the models has better predictive power of the relationship. The result is in contradiction with previous research that indicates higher validity of Hofstede's model (Magnuson, Wilson, Zdravkovic, Zhou, & Westjohn, 2008).

The hypothesis  $H_{3A}$  is confirmed as a moderate positive relationship is discovered between consumer ethnocentrism and domestic buying behaviour. The results suggest that ethnocentric respondents are inclined to display higher levels of domestic buying behaviour. The results are in line with previous studies confirming that ethnocentric consumers tend to purchase domestic rather than foreign-made products (Cleveland, Laroche, & Papadopoulos, 2009; Dmitrovic, Vida, & Reardon, 2009; Rawwas, Rajendran, & Wuehrer, 1996; Sharma, Shimp, & Shin, 1995; Vida, Dmitrović, & Obadia, 2008; Herche, 1992). The same assumption is made for hypothesis  $H_{4A}$  regarding domestic buying behaviour of wine.  $H_{4A}$  is confirmed as a moderate positive relationship is discovered between consumer ethnocentrism and domestic buying behaviour in wine product category. The respondents are proven to score higher on domestic buying behaviour in certain product categories where Slovenian producers hold a very high market share, such as the wine sector. Consumers actively seek for Slovenian wine and intentionally buy wine of Slovenian origin. The research proves that the respondents score higher on domestic buying behaviour of wine than on domestic buying behaviour in general. On the other hand, this research fails to find support for hypothesis  $H_{4B}$  studying the link between consumer ethnocentrism and domestic buying behaviour of milk chocolate. Even though the Slovenian milk chocolate market is dominated by foreign players (Ac Nielsen d.o.o., 2009), this study reveals an unexpected weak significant positive relationship between consumer ethnocentrism and domestic buying behaviour of milk chocolate product category opposed to the expected negative relationship between the two variables.

The hypothesis H<sub>3B</sub> is confirmed as a weak significant negative relationship is discovered between consumer ethnocentrism and foreign buying behaviour. It can be assumed that the respondents with a higher consumer ethnocentrism tend to score lower on foreign buying behaviour. The same assumption applies to hypothesis H<sub>5A</sub> regarding consumer ethnocentrism and foreign buying behaviour of wine, because the Slovenian wine market is dominated by Slovenian players (Statistical Office of the Republic of Slovenia, 2013) and the consumers are expected to find little satisfaction in buying imported wine. H<sub>5A</sub> is confirmed, because a weak significant negative relationship is discovered between consumer ethnocentrism and foreign buying behaviour in wine product category. Moreover, hypothesis H<sub>5B</sub> studying the link between consumer ethnocentrism and foreign buying behaviour of milk chocolate is confirmed, because a weak significant positive relationship is discovered between the two variables. This finding suggests that the respondents with higher consumer ethnocentrism score lower on foreign buying behaviour of milk chocolate. Thus, the respondents find value and increased quality of life by buying imported milk chocolate. It is also indicated that the respondents score lower on the foreign buying behaviour of milk chocolate than on the foreign buying behaviour in general, showing that the differences exist among the various product categories. The results are in line with previously conducted research by Balabanis and Diamantopoulos (2004), Cattin, Jolibert and Lohne, 1982 (in Usunier & Lee, 2005, p. 293), Eroglu and Machleit, 1989 (in Usunier & Lee, 2005, p. 293), Evanschitzky, Wangenheim, Woisetschläger and Blut (2008), Herche (1992), Sharma, Shimp, and Shin (1995) stating that consumers with the same level of consumer ethnocentrism evaluate different product categories from the same country differently.

#### **3.6 Suggestions and Recommendations**

The results of empirical research imply that collectivistic consumers tend to be more consumer ethnocentric and consequently score higher on domestic buying behaviour. Accordingly, Slovenian companies should adjust their marketing strategies to benefit from this advantage on the domestic market. As domestic products are more desired in the eyes of Slovenian consumers that are inclined to protect the domestic economy, Slovenian companies should emphasise domestic origin of their products. By doing so, they would ensure that the consumer is indeed informed about the Slovenian origin and has the opportunity to act consumer ethnocentric and therefore give precedence to the domestic product over the foreign alternative. Specifically wine producers should feel inclined to take advantage of the ethnocentric tendencies Slovenian consumers display when buying wine. It is beneficial for Slovenian wine producers to emphasise the origin of wine and by doing so enhance the sales. Quite the opposite, foreign wine producers will likely not benefit from highlighting the foreign country of origin.

Foreign firms entering the Slovenian market with miscellaneous goods are generally speaking in inferior position as Slovenian consumers are negatively inclined towards foreign buying behaviour and usually do not seek to improve the quality of their lives by purchasing foreignmade goods. Foreign companies should perhaps localise their products, partner with Slovenian suppliers or use Slovenian components/ingredients for their products to appeal to the consumers and communicate the image of a domestically produced good. On the other hand, they could focus their marketing strategy into changing the opinions of the consumers by creating a favourable foreign country image. If choosing this strategy, they are advised to highlight the outstanding quality, design and focus on the desired life style to be achieved by the acquisition of the good in question. Nonetheless, foreign firms might have an advantage in certain product categories, such as milk chocolate. Foreign buying behaviour for milk chocolate is medium low in Slovenia implying that foreign milk chocolate producers might still in some cases benefit from marketing the country-of-origin attribute and suggesting high quality of foreign made chocolate, as consumers believe that foreign made chocolate offers more value added. It can be assumed that Slovenian consumers display higher levels of foreign buying behaviour for certain product categories for which there are no strong domestically produced alternatives, or they are simply perceived as better quality or perhaps as symbols of a desired lifestyle. In such instances, foreign competition holds an important advantage that should be emphasised by clearly stating the country of origin and by underlining the lifestyle or status benefits the ownership of the product brings.

### **3.7 Implications for Further Research**

The empirical analysis conducted in this research paper provides some valuable insights into cultural values, consumer behaviour, consumer ethnocentrism, as well as domestic and foreign buying behaviour. The results likely cannot be generalized to the population in total, but the research still offers some important assumptions about Slovenian consumers. The goal of the research was to draw some conclusions about cultural values, where the research reveals that the respondents score low on power distance, and high on collectivism. What's more, the marketing practitioners should note that Slovenian consumers score relatively high when it comes to consumer ethnocentrism. The study suggests that collectivism indeed positively correlates with consumer ethnocentrism, but fails to find support for a correlation between power distance and consumer ethnocentrism. It is not possible to determine a better predictive power of either of the two dimensional models (Hofstede's and Schwartz's) in terms of the relationship between different cultural values and consumer ethnocentrism as both of the models successfully predict one of the two relationships in this study. The research discovers a medium high score of domestic buying behaviour and a medium low score of foreign buying behaviour of Slovenian consumers. Additionally, it verifies that consumer ethnocentrism correlates with domestic and foreign buying behaviour. Finally, this research paper proves that buying behaviour indeed varies according to the product category.
Further research is needed to investigate the predictive power of Hofstede's and Schwartz's dimensional models in more detail and include other cultural dimensions that are not used in this particular research, such as uncertainty avoidance. What is more, the research can involve other cultural models, for example GLOBE Project. The reliability and internal consistency of the scales were limited as only seven out of 11 variables produced sufficient Cronbach's Alphas. On this notion, a revised measurement instrument might improve further research on the topic. The conducted study could also be upgraded on a larger sample of Slovenian consumers. Assuring satisfactory representation of all age groups and country regions would likely yield more reliable results as the insufficient representation of older age groups 55-64 years and 65+ years and an overwhelming representation of students in this sample slightly altered the results in favour of the younger participants. Further research could also extend across borders and provide cross-cultural comparisons between consumers from different countries. Such research would benefit international companies that export into several different countries and provide them with insight into cultural characteristics of consumers on different markets. Moreover, domestic and foreign buying behaviour research can be extended by studying product groups other than wine and milk chocolate. Adding different product groups could provide better insight into how consumer ethnocentrism varies according to the product category in question. Additional implications can be drawn about the image of various Slovenian products abroad, such as the image of Slovenian wine or milk chocolate in foreign countries.

#### CONCLUSION

This research paper offers a valuable overview of cultural dimensions from several major authors. Useful insights into cultural values of the respondents are provided, indicating a low score of Hofstede's power distance, low Schwartz's hierarchy and high egalitarianism. This implies that the respondents show reluctance towards centralised social power and see the members of their society as equals. The respondents score high on Hofstede's collectivism and Schwartz's conservatism indicating a collectivist society in which the members define their self-image in terms of "we" rather than "I". However, contradicting results occur in cultural dimension autonomy, where the respondents score relatively high, demonstrating a contrasting perception of self and the society. The cultural characteristics of Slovenian consumers are thus not clearly defined, most likely due to the inappropriateness of the measurement instrument.

Slovenian consumers in this study score relatively high on consumer ethnocentrism. The results suggest that the respondents find the purchase of foreign-made products inappropriate and immoral, as it damages the domestic economy. The relationships between cultural values and consumer ethnocentrism have only partly been confirmed. Hofstede's collectivism and Schwartz's conservatism are discovered to have a weak significant positive correlation with consumer ethnocentrism. An increase in collectivism/conservatism reflects in an increase in consumer ethnocentrism. However, no characteristics of the relationship between cultural dimension hierarchy (both Hofstede's and Schwartz's) and consumer ethnocentrism are found in the sample data.

Both cultural models (Hofstede's and Schwartz's) provide good predictability of value dimension collectivism/conservatism, but fail when it comes to power distance/hierarchy, which is in accordance with previous research where collectivism was the cultural dimension with the best consumer ethnocentrism predictability. Accordingly, it is impossible to declare a better predictive power of either of the two models, even though previous research suggests a better predictive power of Hofstede's model.

This research confirms the existence of relationship between consumer ethnocentrism and domestic and foreign buying behaviour. The study yields a medium high score of domestic buying behaviour and a medium low score of foreign buying behaviour, indicating that the respondents favour Slovenian products over the products of foreign origin. It can also be concluded that the respondents do not feel their quality of life increases radically by owning foreign-made products. Regarding the purchase of wine, the respondents of the study appear to show high predisposition towards domestic buying behaviour. On the other hand, milk chocolate product category reveals an inclination of the respondents towards domestic as well as foreign buying behaviour. Nonetheless, the study verifies that buying behaviour varies according to the product category.

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APPENDIX

## TABLE OF APPENDICES

1
8
14
16
22

### Appendix A: Questionnaire in Slovene Language

Študentka Adela Požežnik v okviru magistrske naloge na Ekonomski fakulteti Univerze v Ljubljani opravljam raziskavo na temo kulturnih vrednot slovenske družbe ter potrošniških teženj po nakupu slovenskih proizvodov. Anketa je anonimna in vam ne bo vzela več kot 10 minut časa.

1. Spodnje trditve se nanašajo na vaše mnenje o tem kakšna bi morala biti slovenska družba. V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se ne	e Deloma se	Neodločen/a	Deloma se	Popolnoma
	strinjam	ne strinjam	sem	strinjam	se strinjam
	1	2	3	4	5
Ljudje na višjih položajih bi					
hrez posvetovanja z ljudmi na	0	0	0	0	0
nižjih položajih.					
Ljudje na višjih položajih bi se					
morali izogibati druženju z			0		0
ljudmi na nižjih položajih.					
Ljudje na nižjih položajih ne bi					
smeli nasprotovati odločitvam	0	0	0	0	0
ljudi na višjih položajih.					
Ljudje na višjih položajih ne bi					
smeli zaupati pomembnih nalog	0	0	0	0	0
ljudem na nižjih položajih.					

2. Spodnje trditve se nanašajo na vaše mnenje o tem kakšna bi morala biti slovenska družba. V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se ne strinjam 1	Deloma se ne strinjam 2	Neodločen/a sem 3	Deloma se strinjam 4	Popolnoma se strinjam 5
Posamezniki naj držijo s skupino tudi v težkih obdobjih.	0	0	0	0	0
Skupinski uspeh je pomembnejši od uspeha posameznika.	0	0	0	0	0
Posamezniki naj sledijo svojim ciljem le ob istočasnem upoštevanju dobrobiti skupine.	0	0	0	0	0
Kolegialnost je potrebno	0	0	0	0	0

	Sploh se Deloma		Neodločen/a	Deloma se	Popolnoma se striniam
	lic strinjani 1	2	3	4	5 strinjani
spodbujati, tudi če pri tem trpijo					
cilji posameznika.					

3. Kako pomembna je vsaka izmed spodnjih vrednot za vas osebno kot vodilno načelo v vašem življenju? Ocenite pomembnost vrednot na lestvici od 1 (popolnoma nepomembna) do 7 (zelo pomembna).

	Popolnom nepomemb	a na					Zelo pomembna
	1	2	3	4	5	6	7
Konservativizem –	0	0	0	0	0	65	0
ohranitev tradicije		0		0		0	0
Hierarhija –	0	0	0	0	0	0	0
razporeditev ljudi po slojih		0		0		0	0
Afektivna avtonomija –							
prepuščanje užitkom,	0	0	0	0	0	0	0
uživanje v zanimivem			0	0		0	0
življenju, čustvena blaginja							
Intelektualna avtonomija–							
pripravljenost in sposobnost	0	0	0	0	0	$\odot$	0
razmišljati s svojo glavo							
Egalitarna usmerjenost –	0	0	0	0	0	0	0
enakost vseh ljudi			0			0	

4. V kolikšni meri se strinjate s spodnjimi trditvami? Ocenite vsako od njih na lestvici od 1 (sploh se ne strinjam) do 7 (popolnoma se strinjam).

	Sploh	Ne	Deloma	Neodločen/a	Deloma	Strinjam	Popolnoma
	se ne	strinjam	se ne	sem	se	se	se
	strinjam	se	strinjam		strinjam		strinjam
	1	2	3	4	5	6	7
Mi, Slovenci, ne smemo							
dopustiti, da druge države	0	0	0	0	0	0	0
bogatijo na naš račun.							
Slovenci, ki kupujejo							
izdelke izdelane v tujini,	0	0	0	0	0	0	0
škodijo gospodarstvu in	0				0		
povzročajo brezposelnost.							
Čeprav je dolgoročno to							
dražje, raje kupim	0	0	0	0	0	0	0
slovenske izdelke.							

	Sploh	Ne	Deloma	Neodločen/a	Deloma	Strinjam	Popolnoma
	se ne	strinjam	se ne	sem	se	se	se
	strinjam	se	strinjam		strinjam		strinjam
	1	2	3	4	5	6	7
Uvažati bi morali le							
izdelke, ki v Sloveniji	0	0	0	0		0	
niso na voljo.							

5. Naslednje trditve se nanašajo na vaše vedenje pri nakupu **KATERIH KOLI PROIZVODOV**. V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se	Deloma se N	leodločen/	a Deloma se	Popolnoma
	në strinjam	ne strinjam	sem	strinjam	se strinjam
	1	2	3	4	5
Večinoma poskušam kupovati	6	0	65	63	6
proizvode slovenskih znamk.					
Vzamem si čas, da pogledam					
oznake na proizvodih z	~	0	~	~	~
namenom, da zavedno kupim			0		
slovenske proizvode.					
Kupujem v trgovinah, ki se					
posebno trudijo vključiti v svojo	~	_	~	~	~
ponudbo proizvode slovenskega			0		
porekla.					

6. Sledeče trditve se nanašajo na vaše vedenje pri nakupu **KATERIH KOLI PROIZVODOV**. V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se	Deloma se N	leodločen/	a Deloma se	Popolnoma
	ne strinjam	ne strinjam	sem	strinjam	se strinjam
	1	2	3	4	5
Všeč mi je, da imam v lasti	6	0	65	0	6
izdelke tujega porekla.		0			
Kvaliteta mojega življenja bi se					
izboljšala, če bi bilo na voljo več	0	0	0	0	0
uvoženih izdelkov.					
Uvoženi izdelki se mi zdijo bolj					
zaželeni kot izdelki slovenske	0	0	0	0	0
proizvodnje.					

7. Naslednji sklop trditev se nanaša na vaše vedenje pri nakupu **VINA**. V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se ne strinjam	Deloma se ne strinjam	Neodločen/a sem	Deloma se strinjam	Popolnoma se strinjam
	1	2	3	4	5
Večinoma poskušam kupovati	0	0	0	0	0
vina slovenskega porekla.					
Vzamem si čas, da pogledam					
oznake na vinu z namenom, da			0		
zavedno kupim slovensko vino.					
Kupujem v trgovinah, ki se					
posebno trudijo vključiti v	0	0	0	0	0
svojo ponudbo vina					
slovenskega porekla.					

8. Naslednji sklop trditev se nanaša na vaše vedenj pri nakupu **VINA**. V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se	Deloma se	Neodločen/a	Deloma se	Popolnoma
	ne strinjam	ne strinjam	sem	strinjam	se strinjam
	1	2	3	4	5
Všeč mi je, da imam v lasti vina	0	0	0	0	0
tujega porekla.					
Kvaliteta mojega življenja bi se					
izboljšala, če bi bilo na voljo		0	0		0
več uvoženih vin.					
Uvožena vina se mi zdijo bolj					
zaželena kot vina slovenske			0		0
proizvodnje.					

9. Naslednji sklop trditev se nanaša na vaše vedenje pri nakupu **MLEČNE ČOKOLADE.** V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se ne strinjam	Deloma se ne strinjam	Neodločen/a sem	Deloma se strinjam	Popolnoma se strinjam
	1	2	3	4	5
Večinoma poskušam kupovati					
mlečno čokolado slovenskih	0	0	0	0	0
znamk.					
Vzamem si čas, da pogledam					
oznake na mlečnih čokoladah z	0	0	0	0	0
namenom, da zavedno kupim			0		0
slovensko mlečno čokolado.					
Kupujem v trgovinah, ki se					
posebno trudijo vključiti v svojo	0	0	0	0	0
ponudbo mlečno čokolado					
slovenskega porekla.					

10. Naslednji sklop trditev se nanaša na vaše vedenje pri nakupu **MLEČNE ČOKOLADE**. V kolikšni meri se strinjate z njimi na lestvici od 1 (sploh se ne strinjam) do 5 (popolnoma se strinjam)?

	Sploh se ne strinjam	Deloma se ne strinjam	Neodločen/a sem	Deloma se strinjam	Popolnoma se strinjam
	1	2	3	4	5
Všeč mi je, da imam v lasti					
mlečno čokolado tujega	0	0	0	0	0
porekla.					
Kvaliteta mojega življenja bi se					
izboljšala, če bi bilo na voljo			0		0
več uvoženih mlečnih čokolad.					
Uvožene mlečne čokolade se mi					
zdijo bolj zaželene kot mlečne	0	0	0	0	0
čokolade slovenske		0		0	
proizvodnje.					

11. Ali ste državljan/ka Republike Slovenije?

- 🔘 Da
- 🔘 Ne
- 12. Spol:
- O Moški
- 🔘 Ženski
- 13. Vpišite letnico rojstva:
- 14. Kakšna je vaša najvišja dosežena formalna izobrazba?
- 🔘 Osnovna šola ali manj
- Poklicna šola (2 ali 3 letna strokovna šola)
- 💿 Štiriletna srednja šola
- 🔘 Višja šola
- 💿 Visoka šola prva stopnja
- 🕒 Univerzitetna izobrazba ali bolonjska druga stopnja (bolonjski magisterij)
- Znanstveni magisterij ali doktorat
- 15. Kakšen je vaš status trenutne zaposlitve?
- 🔘 Gospodinja ali delo na kmetiji
- Samozaposlen
- Zaposlen vodilni položaj
- Zaposlen ne-vodilni položaj
- 🔘 Nezaposlen
- 🔘 Upokojen
- 🔘 Se še šolam
- O Drugo: \_\_\_\_\_

16. Vaše stalno prebivališče (kjer preživite vsaj 3 dni v tednu) je:

- Veliko mesto (nad 100.000 prebivalcev)
- Srednje veliko mesto (med 10.000 in 100.000 prebivalcev)
- O Manjše mesto, vas (do 10.000 prebivalcev)

## 17. V kateri regiji prebivate?

- 🔘 Pomurska regija
- 🔘 Podravska regija
- 🔘 Koroška regija
- 🔘 Savinjska regija
- 🔘 Zasavska regija

- Spodnjeposavska regija
- Jugovzhodna Slovenija
- Osrednjeslovenska regija
- 🔘 Gorenjska regija
- 🔘 Notranjsko-kraška regija
- 🔘 Goriška regija
- 🔘 Obalno-kraška regija

18. Koliko oseb živi v vašem gospodinjstvu?

19. Kako bi opredelili mesečni dohodek vašega gospodnjstva v primerjavi s slovenskim povprečjem?

Podpovprečen

Povprečen

Nadpovprečen

#### Odgovorili ste na vsa vprašanja v tej anketi. Hvala za sodelovanje.

#### **Appendix B: Questionnaire in English Language**

I, student Adela Požežnik, am conducting a research about Slovenian cultural values and consumer tendencies for the purchase of Slovenian products as part of the master thesis at Faculty of Economics at University of Ljubljana. The survey is anonymous and will not take more than 10 min of your time.

1. The statements below refer to your opinion about what should Slovenian society be like. To what extent do you agree with them on the scale from 1 (strongly disagree) to 5 (strongly agree)?

	Strongly disagree	Partly disagree	Neither agree nor disagree	Partly agree	Strongly agree
	1	2	3	4	5
People in higher positions should make					
most decisions without consulting people	0	0	0	0	0
in lower positions.					
People in higher positions should avoid					
social interaction with people in lower	0	0	0	0	0
positions.					
People in lower positions should not					
disagree with decisions made by people in	0	0	0	0	0
higher positions.					
People in higher positions should not					
delegate important tasks to people in	0	0	0	0	0
lower positions.					

2. The statements below refer to your opinion about what should Slovenian society be like. To what extent do you agree with them on the scale from 1 (strongly disagree) to 5 (strongly agree)?

	Strongly disagree	Partly disagree	Neither agree nor disagree	Partly agree	Strongly agree
	1	2	3	4	5
Individuals should stick with the group even through difficulties.	0	0	0	0	0
Group success is more important than individual success.	0	0	0	0	0
Individuals should only pursue their goals after considering the welfare of the group.	0	0	0	0	0
Group loyalty should be encouraged even if individual goals suffer.	0	0	0	0	0

3. How important for you personally is each of the values below as a guiding principle in your life? Evaluate the importance of values on a scale from 1 (not important) to 5 (very important).

	Not important						Very important
	1	2	3	4	5	6	7
Conservatism –	0	0	0	0	0	0	0
Preservation of Tradition		0	0	0		0	
Hierarchy –							
Arrangement of Individuals	0	0	0	$\odot$	0	0	0
According to Social Class							
Affective Autonomy –							
Self-indulgence, Enjoyment	0	0	0	0	0	0	0
of Exciting Life, Emotional			0	0		0	
Wellbeing							
Intellectual Autonomy-							
Readiness and Ability to	0	65	0	0	0	0	0
Think with Ones' Own			0		0		
Head							
Egalitarianism –	0	0	0	0	0	0	0
Equality of All People		0					

4. To what extent do you agree with the statements below? Evaluate them on the scale from 1 (strongly disagree) to 7 (strongly agree).

	Strongly	Disagree	Partly	Neither agree	Partly	Agree	Strongly
	disagree		disagree	nor disagree	agree		agree
	1	2	3	4	5	6	7
We should purchase							
products made in Slovenia	0	0	0	0	0	0	0
instead of letting other						0	0
countries get rich off us.							
Slovenians should not buy							
foreign products, because	0	0	0	0	0	0	0
this hurts Slovenian business			0			0	0
and causes unemployment.							
It may cost me more in the							
long run but I prefer to	0	0	0	0	$\odot$	0	0
support Slovenian products.							
Only those products that are							
unavailable in Slovenia	$\odot$	0		0	$\odot$	0	0
should be imported.							

5. The following statements refer to your behaviour when purchasing **ANY PRODUCTS**. To what extent do you agree with them on a scale from 1 (strongly disagree) to 5 (strongly agree)?

	Strongly disagree	Partly disagree	Neither agree nor disagree	Partly agree	Strongly agree
	1	2	3	4	5
Mostly I try to buy brands of domestic companies.	0	0	0	0	0
I take time to look at labels in order to knowingly buy domestic-made products.	0	0	0	0	0
I shop first at retail outlets that make special effort to offer brands of domestic products.	0	0	0	0	0

6. The following statements refer to your behaviour when purchasing **ANY PRODUCTS**. To what extent do you agree with them on a scale from 1 (strongly disagree) to 5 (strongly agree)?

	Strongly disagree 1	Partly disagree 2	Neither agree nor disagree 3	Partly agree 4	Strongly agree 5
I like the idea of owning foreign-made products.	0	0	0	0	0
My quality of life would improve if more imported goods were available.	0	0	0	0	0
I find imported goods more desirable than domestically produced products.	0	0	0	0	0

7. The following statements refer to your behaviour when purchasing **WINE**. To what extent do you agree with them on a scale from 1 (strongly disagree) to 5 (strongly agree)?

	Strongly disagree 1	Partly disagree 2	Neither agree nor disagree 3	Partly agree 4	Strongly agree 5
Mostly I try to buy wine brands of domestic companies.	0	0	0	0	0
I take time to look at labels in order to knowingly buy Slovenian wine.	0	0	0	0	0
I shop first at retail outlets that make special effort to offer brands of domestic wine.	0	0	0	0	0

Strongly Partly Neither agree Partly Strongly disagree disagree nor disagree agree agree 1 2 3 4 5 I like the idea of owning foreign-made 0  $\bigcirc$ 0 0 wine. My quality of life would improve if more 0 0 imported wine was available. I find imported wine more desirable than 0  $\bigcirc$ ۲ 0 domestically produced wine.

8. The following statements refer to your behaviour when purchasing **WINE**. To what extent do you agree with them on a scale from 1 (strongly disagree) to 5 (strongly agree)?

9. The following statements refer to your behaviour when purchasing **MILK CHOCOLATE**. To what extent do you agree with them on a scale from 1 (strongly disagree) to 5 (strongly agree)?

	Strongly disagree 1	Partly disagree 2	Neither agree nor disagree 3	Partly agree 4	Strongly agree 5
Mostly I try to buy milk chocolate brands of domestic companies.	0	0	0	0	0
I take time to look at labels in order to knowingly buy Slovenian milk chocolate.	0	0	0	0	0
I shop first at retail outlets that make special effort to offer brands of domestic milk chocolate.	0	0	0	0	0

10. The following statements refer to your behaviour when purchasing **MILK CHOCOLATE**. To what extent do you agree with them on a scale from 1 (strongly disagree) to 5 (strongly agree)?

	Strongly disagree 1	Partly disagree 2	Neither agree nor disagree 3	Partly agree 4	Strongly agree 5
I like the idea of owning foreign-made milk chocolate.	0	0	0	0	0
My quality of life would improve if more imported milk chocolate was available.	0	0	0	0	0
I find imported milk chocolate more desirable than domestically produced milk chocolate.	0	0	0	0	0

11. Are you a citizen of Republic of Slovenia?

- O Yes
- 🔘 No

12. Gender:

- Male
- Female
- 13. Write your year of birth: \_\_\_\_\_
- 14. What is your highest achieved formal education?
- Primary school or less
- Professional school (2 or 3 years)
- High school (4 years)
- Higher school
- University degree (1st Bologne level)
- University degree or 2<sup>nd</sup> Bologne level (Bologne masters)
- Doctorate
- 15. What is your current employment status?
- Housewife or farmer
- Self-employed
- Employed managerial position
- Employed non-managerial position
- Unemployed
- Retired
- Student
- Other: \_\_\_\_\_
- 16. Your place of living (where you spend at least three days a week) is:
- Big city (more than 100,000 inhabitants)
- Medium sized city (between 10,000 and 100,000 inhabitants)
- Small city, village (less than 10,000 inhabitants)
- 17. What region do you live in?
- Pomurska region
- Podravska region
- Koroška region
- Savinjska region
- Casavska region
- Spodnjeposavska region

Southeast Slovenia

- Osrednjeslovenska region
- Gorenjska region
- O Notranjsko-kraška region
- Goriška region
- Obalno-kraška region

18. How many people live in your household?

19. How would you define the monthly income of your household compared to Slovenian average income?

Below average

O Average

O Above average

You have answered all the questions in the survey. Thank you for your cooperation.

# **Appendix C: Descriptive Statistics**

Demog	graphic Characteristics	Frequency	%
C l	Male	121	50.4
Gender	Female	119	49.6
	18-24	45	18.8
	25-34	107	44.6
	35-44	29	12.1
Age Groups	45-54	34	14.2
	55-64	17	7.1
	65+	8	3.3
	Primary school or less	3	1.3
	Professional school (2 or 3 years)	12	5.0
	High school (4 years)	98	40.8
T	Higher school	27	11.3
Level of Education	University degree (1 <sup>st</sup> Bologna level)	36	15.0
	University degree or 2 <sup>nd</sup> Bologna level	51	22.5
	(Bologna Masters)	54	22.3
	Doctorate	10	4.2
	Housewife or farmer	4	1.7
	Self-employed	14	5.8
	Employed – managerial position	26	10.8
Employment Status	Employed – non-managerial position	84	35.0
Employment Status	Unemployed	17	7.1
	Retired	14	5.8
	Student	80	33.3
	Other	1	0.4
	Small city or village (less than 10,000 inhabitants)	65	27.1
Place of Living	Medium sized city (10,000 – 100,000	86	35.8
Thate of Living	inhabitants)	00	55.0
	Big city (more than 100,000 inhabitants)	89	37.1
	Pomurska region	4	1.7
	Podravska region	8	3.3
	Koroška region	4	1.7
	Savinjska region	155	64.6
	Zasavska region	4	1.7
<b>.</b> .	Spodnjeposavska region	6	2.5
Region	Southeast Slovenia	5	2.1
	Osrednjeslovenska region	31	12.9
	Gorenjska region	5	2.1
	Notranjsko-kraška region	5	2.1
	Goriška region	4	1.7
	Obalno-kraška region	9	3.8
Howeshold Meash	1 member	18	7.5
nousenoid Members	2 members	38	15.8

# Table 1. Descriptive Statistics

	3 members	71	29.6
	4 members	67	27.9
	5 members	30	12.5
	6 members	9	3.8
	7 members	5	2.1
	8 members	0	0.0
	9 members	1	0.4
	10 members	1	0.4
Monthly Income	Below average	45	18.8
	Average	159	66.3
	Above average	36	15.0

# **Appendix D: Means and Frequencies**

Table 2. Frequencies, Percentage, Means and Standard Deviations for Hofstede's Power
Distance

Q1	People in higher positions should make most decisions without consulting people in lower positions.		People in higher positions should make most decisions without in lower positions.People in lower positions should not disagree with decisions by people in higher positions.People posi in lower positions should not disagree with decisions by people in higher positions.People posi 		People in h positions sh not deleg important ta people in lo position	igher hould ate sks to ower s.		
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	136	56.7	211	87.9	131	54.6	126	52.5
2 – Partly disagree	51	21.3	19	7.9	63	26.3	77	32.1
3 – Neither agree nor disagree	8	3.3	0	0.0	11	4.6	15	6.3
4 – Partly agree	35	14.6	7	2.9	30	12.5	19	7.9
5 – Strongly agree	10	4.2	3	1.3	5	2.1	3	1.3
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
	1.88	1.25	1.22	0.71	1.81	1.12	1.73	0.98

# Table 3. Frequencies, Percentage, Means and Standard Deviations for Hofstede's Collectivism

Q2	Individuals s stick with the even throu difficultion	should group igh es.	Group succ more impo than indivi success	ess is rtant dual	Individuals s only pursue goals aft considering welfare of group.	should their er g the the	Group loy should b encouraged e individual g suffer.	alty be even if goals
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
1 – I totally disagree	6	2.5	13	5.4	13	5.4	22	9.2
2 – I partly disagree	12	5.0	20	8.3	27	11.3	44	18.3
3 – I am undecided	12	5.0	34	14.2	47	19.6	40	16.7
4 – I partly agree	63	26.3	79	32.9	86	35.8	91	37.9
5 – I totally	147	61.3	94	32.2	67	27.9	43	17.9
agree								
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
	4.39	0.97	3.92	1.16	3.70	1.15	3.37	1.23

Q3a,c,d	Conserv	vatism	Affective A	Autonomy	Intellectual A	utonomy
	Frequency	%	Frequency	%	Frequency	%
1 – Not important	13	5.4	12	5.0	9	3.8
2	13	5.4	6	2.5	1	0.4
3	20	8.3	18	7.5	3	1.3
4	53	22.1	41	17.1	4	1.7
5	72	30.0	45	18.8	13	5.4
6	36	15.0	56	23.3	59	24.6
7 – Very important	33	13.8	62	25.8	151	62.9
	Mean	SD	Mean	SD	Mean	SD
	4.66	1.58	5.14	1.66	6.30	1.33

# Table 4. Frequencies, Percentage, Means and Standard Deviations for Schwartz's Conservatism

# Table 5. Frequencies, Percentage, Means and Standard Deviations for Schwartz's Hierarchy

Q3b,e	Hier	archy	Egalita	arianism
	Frequency	%	Frequency	%
1 – Not important	65	27.1	8	3.3
2	48	20.0	5	2.1
3	43	17.9	10	4.2
4	37	15.4	21	8.8
5	21	8.8	36	15.0
6	13	5.4	58	24.2
7 – Very important	13	5.4	102	42.5
	Mean	SD	Mean	SD
	2.97	1.78	5.73	1.53

## Table 6. Frequencies, Percentage, Means and Standard Deviations for Consumer Ethnocentrism

Q4	We show purchase pro made in Slo instead of le other countr rich off t	ld oducts venia etting ies get us.	Slovenians s not buy for products, be this hurts Slo business and unemploym	should reign cause venian causes nent.	It may cos more in the run but I pre support Slov product	t me long efer to venian s.	Only tho products the unavailabl Slovenia sho importe	se at are e in uld be d.
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	17	7.1	28	11.7	13	5.4	35	14.6
2 – Disagree	9	3.8	41	17.1	29	12.1	40	16.7
3 – Partly disagree	13	5.4	33	13.8	33	13.8	20	8.3
4 – Neither agree nor disagree	19	7.9	25	10.4	21	8.8	15	6.3
5 – Partly agree	47	19.6	56	23.3	69	28.8	48	20.0
6 – Agree	54	22.5	18	7.5	40	16.7	41	17.1
7 – Strongly agree	81	33.8	39	16.3	35	14.6	41	17.1
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
	5.32	1.80	4.04	1.97	4.52	1.77	4.20	2.11

## Table 7. Frequencies, Percentage, Means and Standard Deviations for Domestic Buying Behaviour

Q5	Mostly I try to buy brands of domestic companies.		I take time to look at labels in order to knowingly buy domestic-made products.		I shop first outlets tha special effor brands of d produc	at retail at make t to offer omestic cts.
	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	20	8.3	38	15.8	35	14.6
2 – Partly disagree	29	12.2	49	20.4	43	17.9
3 – Neither agree nor disagree	40	16.7	39	16.3	43	17.9
4 – Partly agree	99	41.3	78	32.5	75	31.3
5 – Strongly agree	52	21.7	36	15.0	44	18.3
	Mean	SD	Mean	SD	Mean	SD
	3.58	1.24	3.13	1.37	3.23	1.37

Q6	I like the idea foreign-mad	a of owning e products.	My quality o improve imported ge availa	f life would if more bods were able.	I find import more desira domestically produc	ted goods ble than produced cts.
	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	73	30.4	110	45.8	75	31.3
2 – Partly disagree	60	25.9	59	24.6	62	25.8
3 – Neither agree nor disagree	61	25.4	37	15.4	37	15.4
4 – Partly agree	32	13.3	27	11.3	55	22.9
5 – Strongly agree	14	5.8	7	2.9	11	4.6
	Mean	SD	Mean	SD	Mean	SD
	2.39	1.21	2.01	1.15	2.44	1.27

## Table 8. Frequencies, Percentage, Means and Standard Deviations for Foreign Buying Behaviour

 Table 9. Frequencies, Percentage, Means and Standard Deviations for Domestic Buying

 Behaviour in Wine Product Category

Q7	Mostly I try to brands of compa	to buy wine domestic mies.	I take time to look at labels in order to knowingly buy Slovenian wine.		at retail at make at to offer lomestic e.	
	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	17	7.1	28	11.7	39	16.3
2 – Partly disagree	10	4.2	19	7.9	33	13.8
3 – Neither agree nor disagree	28	11.7	39	16.3	50	20.8
4 – Partly agree	76	31.7	68	28.3	53	22.1
5 – Strongly agree	109	45.4	86	35.6	65	27.1
	Mean	SD	Mean	SD	Mean	SD
	4.04	1.17	3.69	1.34	3.30	1.42

# Table 10. Frequencies, Percentage, Means and Standard Deviations for Foreign BuyingBehaviour in Wine Product Category

Q8	I like the idea foreign-ma	a of owning ide wine.	My quality o improve imported v availa	f life would if more wine was able.	I find import more desira domestically wind	ted goods ble than produced e.
	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	112	46.7	146	60.6	134	55.8
2 – Partly disagree	45	18.8	42	17.5	43	17.9
3 – Neither agree nor disagree	47	19.6	36	15.0	47	19.6
4 – Partly agree	29	12.2	12	5.0	12	5.0
5 – Strongly agree	7	2.9	4	1.7	4	1.7
	Mean	SD	Mean	SD	Mean	SD
	2.06	1.19	1.69	1.01	1.79	1.03

Table 11. Frequencies, Percentage, Means and Standard Deviations for Domestic BuyingBehaviour in Milk Chocolate Product Category

Q9	Mostly I try to buy milk chocolate brands of domestic companies.		I take time to look at labels in order to knowingly buy Slovenian milk chocolate.		I shop first outlets tha special effor brands of d milk choo	at retail t make t to offer omestic colate.
	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	83	34.6	93	38.8	101	42.1
2 – Partly disagree	65	27.1	62	25.8	55	22.9
3 – Neither agree nor	42	17.5	41	17.1	40	16.7
disagree						
4 – Partly agree	34	14.2	30	12.5	32	13.3
5 – Strongly agree	16	6.7	14	5.8	12	5.0
	Mean	SD	Mean	SD	Mean	SD
	2.31	1.26	2.21	1.24	2.16	1.25
Q10	I like the idea foreign-m choco	a of owning ade milk late.	My quality o improve imported mil was ava	f life would if more k chocolate ilable.	I find import more desira domestically milk choo	ted goods ble than produced colate.
-----------------------	---------------------------------------	----------------------------------	--	---	---	--
	Frequency	%	Frequency	%	Frequency	%
1 – Strongly disagree	71	29.6	111	46.3	57	23.8
2 – Partly disagree	38	15.8	34	14.2	30	12.5
3 – Neither agree nor	55	22.9	42	17.5	41	17.1
disagree						
4 – Partly agree	35	14.6	22	9.2	61	25.4
5 – Strongly agree	41	17.1	31	12.9	51	21.3
	Mean	SD	Mean	SD	Mean	SD
	2.74	1.45	2.28	1.45	3.08	1.48

# Table 12. Frequencies, Percentage, Means and Standard Deviations for Foreign Buying Behaviour in Milk Chocolate Product Category

## Appendix E: Hypotheses Testing Output

	Correlations		
			Consumer
		Power Distance	Ethnocentrism
Power Distance	Pearson Correlation	1	.113
	Sig. (2-tailed)		.081
	Ν	240	240
Consumer Ethnocentrism	Pearson Correlation	.113	1
	Sig. (2-tailed)	.081	
	Ν	240	240

## Table 14. Hypothesis $H_{2A}$ Output

	Correlations		
			Consumer
		Collectivism	Ethnocentrism
Collectivism	Pearson Correlation	1	.282**
	Sig. (2-tailed)		.000
	Ν	240	240
Consumer Ethnocentrism	Pearson Correlation	.282**	1
	Sig. (2-tailed)	.000	
	Ν	240	240

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 15.	Hypothesis	$H_{1B}$	Output
-----------	------------	----------	--------

Correlations			
			Consumer
		Hierarchy	Ethnocentrism
Hierarchy	Pearson Correlation	1	.093
	Sig. (2-tailed)		.151
	Ν	240	240
Consumer Ethnocentrism	Pearson Correlation	.093	1
	Sig. (2-tailed)	.151	
	Ν	240	240

## Table 16. Hypothesis $H_{2B}$ Output

_	Correlations		
		Conservatism	Consumer
			Ethnocentrism
	Pearson Correlation	1	.239**
Conservatism	Sig. (2-tailed)		.000
	Ν	240	240
	Pearson Correlation	.239**	1
Consumer Ethnocentrism	Sig. (2-tailed)	.000	
	Ν	240	240

lati

\*\*. Correlation is significant at the 0.01 level (2-tailed).

### Table 17. Hypothesis $H_{3A}$ Output

#### Correlations Domestic Buying Consumer Ethnocentrism Behaviour 1 .584 Pearson Correlation Consumer Ethnocentrism Sig. (2-tailed) .000 Ν 240 240 .584 Pearson Correlation 1 Domestic Buying Behaviour Sig. (2-tailed) .000 Ν 240 240

\*\*. Correlation is significant at the 0.01 level (2-tailed).

#### Table 18. Hypothesis H<sub>3B</sub> Output

#### Correlations

		Consumer	Foreign Buying
		Ethnocentrism	Behaviour
	Pearson Correlation	1	157*
Consumer Ethnocentrism	Sig. (2-tailed)		.015
	Ν	240	240
	Pearson Correlation	157 <sup>*</sup>	1
Foreign Buying Behaviour	Sig. (2-tailed)	.015	
	Ν	240	240

\*. Correlation is significant at the 0.05 level (2-tailed).

## Table 19. Hypothesis $H_{4A}$ Output

	Correlatio	ons	
		Consumer Ethnocentrism	Domestic Buying Behaviour - Wine Product Category
	Pearson Correlation	1	.559**
Consumer Ethnocentrism	Sig. (2-tailed)		.000
	Ν	240	240
Demostic Dening Debasion	Pearson Correlation	.559**	1
Wine Product Category	Sig. (2-tailed)	.000	
	Ν	240	240

\*\*. Correlation is significant at the 0.01 level (2-tailed).

## Table 20. Hypothesis H<sub>5A</sub> Output

Correlations			
		Consumer Ethnocentrism	Foreign Buying Behaviour - Wine Product Category
Consumer Ethnocentrism	Pearson Correlation Sig. (2-tailed)	1	147 <sup>*</sup> .023
Foreign Buying Behaviour	N Pearson Correlation	240 147 <sup>*</sup>	240 1
Wine Product Category	Sig. (2-tailed) N	.023 240	240

## Correlations

\*. Correlation is significant at the 0.05 level (2-tailed).

## Table 21. Hypothesis $H_{4B}$ Output

		Consumer	Domestic Buying
		Ethnocenthshi	Denaviour - Ivilik
			Chocolate Product
			Category
	Pearson Correlation	1	.190**
Consumer Ethnocentrism	Sig. (2-tailed)		.003
	Ν	240	240
Domestic Buying Behaviour -	Pearson Correlation	.190**	1
Milk Chocolate Product	Sig. (2-tailed)	.003	
Category	Ν	240	240

\*\*. Correlation is significant at the 0.01 level (2-tailed).

#### Correlations

		Consumer Ethnocentrism	Foreign Buying Behaviour - Milk Chocolate Product Category
Consumer Ethnocentrism	Pearson Correlation	1	.237**
	Sig. (2-tailed)		.000
	Ν	240	240
Foreign Buying Behaviour -	Pearson Correlation	.237**	1
Milk Chocolate Product	Sig. (2-tailed)	.000	
Category	Ν	240	240

\*\*. Correlation is significant at the 0.01 level (2-tailed).