Attitudes Towards Globalization in an Emerging (Dominican Republic) Versus a Developed (U.S.A.) Market

MICHAEL CHATTALAS, Fordham University, USA
YANELY REYES, Goldman Sachs, USA

This exploratory study examines the effects of consumer ethnocentrism, collectivism and level of economic development on attitudes towards globalization. Further, the study explores the levels of consumer ethnocentrism and collectivism in the Dominican Republic, a country that has received scant attention in the literature. Empirical support was found for the hypotheses that individuals showing higher levels of consumer ethnocentrism and collectivism exhibit less favorable attitudes towards globalization. In addition, support was established for the hypothesis that individuals in an emerging market (Dominican Republic) had less favorable attitudes towards globalization than those in a developed one (U.S.A.). The research and practical implications are discussed.

[to cite]:


[url]:

http://www.acrwebsite.org/volumes/14090/la/v2_pdf/LA-02

[copyright notice]:

This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Attitudes Towards Globalization in an Emerging (Dominican Republic) versus a Developed (U.S.A.) Market

Michael Chattalas, Fordham University, USA
Yanely Reyes, GoldmanSachs, USA

This paper employs a survey of subjects in the developed economy of the U.S.A. and the emerging economy of the Dominican Republic (representing the largest Caribbean and a major Latin market with a population of 9 million and a GDP per capita, adjusted for purchasing power parity of $8,217) to explore the effects of consumer ethnocentrism, collectivism and level of economic development on an individual’s attitude towards globalization. Further, the study explores the levels of consumer ethnocentrism and collectivism in the Dominican Republic, a country that has received scant attention in the literature.

In this research, we define attitudes towards globalization as a respondent’s degree of favorability toward the phenomenon of worldwide integration resulting from a variety of activities including cross-border transactions across the factors of production. Consumer ethnocentrism—widely measured by the CETSCALE—refers to the attitudes pertaining to the appropriateness and morality of purchasing foreign (or imported) products (Shimp and Sharma 1987). This study explores the relationship between consumer ethnocentrism and attitudes towards globalization, as manifested beyond physical products and into the worldwide integration of labor, services, capital, ideas, information and technology. It is thus hypothesized that:

H1a: Individuals with a higher level of consumer ethnocentrism exhibit less favorable attitudes towards globalization.
H1b: Individuals in the Dominican Republic exhibit a higher level of consumer ethnocentrism than those in the U.S.

Individualism—collectivism describes a culture’s relative emphasis on the individual versus the larger collective (Hofstede 2001). Hofstede’s (2001) empirical findings show that the United States is a low-collectivist culture, while Latin-American countries are high-collectivist nations. A higher level of in-group identification drives more negative out-group attitudes (Hewstone et al. 2002). This implies that higher levels of collectivism would have a negative effect on the acceptance and adoption of foreign products, labor, services, capital, ideas, information and technology that result from globalization. It is thus hypothesized that:

H2a: Individuals with a higher level of collectivism exhibit less favorable attitudes towards globalization.
H2b: Individuals in the Dominican Republic exhibit a higher level of collectivism than those in the U.S.

The effect of the level of economic development of a country on attitudes towards globalization is also explored. Econometric evidence suggests a positive relationship between economic development and favorable attitudes towards globalization (Agenor 2004). A reason why globalization may not be favored by individuals in emerging countries is that in the earlier stages of market development they may not be participating in the movement fully enough to allow its economic effects to benefit them (Yusuf 2001). It is thus hypothesized that:

H3: Individuals in an emerging economy exhibit less favorable attitudes towards globalization than those in a developed one.

Data was collected by administering a survey of undergraduate and graduate university students in the United States (n=95, mean age=24.6 years) and the Dominican Republic (n=79, mean age=23.1 years). The survey instrument was first written and formatted in English for use in the U.S.A. and then back-translated into Spanish for use in the Dominican Republic. A total of seven questions (α=0.72) were employed to examine attitudes towards globalization (see Table). Since to the best of our knowledge, the construct has not been previously measured in the consumer behavior literature, we employed a seven-item measure drawing from studies published in the political science (Shulman 2002) and international economics (Hiscox 2006) literatures. The seventeen-item CETSCALE (α=0.95) was employed to measure consumer ethnocentrism (Shimp and Sharma 1987). Finally, the sixteen-item collectivism scale (α=0.85) was adopted from Singelis et al. (1995).

In order to test H1a and H2b, the median split method was employed to divide the entire sample (n=174) into two discreet groups for each of the variables of consumer ethnocentrism and collectivism. In support of H1a, the ANOVA found a significant difference (F=62.145, p=0.0001) when comparing attitudes toward globalization between low-ethnocentrics (n=277) and high-ethnocentrics (m=3.97). Further, regression analysis found that consumer ethnocentrism was a significant predictor of attitudes toward globalization (B=.531, t=11.04, p=0.0001).

H2a was also supported (F=20.327, p=0.0001), with the findings showing that high-collectivists exhibited less favorable attitudes towards globalization (m=3.80) than low-collectivists (m=3.11). Further, regression analysis found that collectivism was a significant predictor of attitudes toward globalization (B=.391, t=4.02, p=0.0001).

In addition, H3 was supported (F=51.215, p=0.0001), with the findings showing that respondents in the developing country (Dominican Republic) exhibited less favorable attitudes towards globalization (m=4.02) than those in the developed country [U.S.] (m=2.93). In support of H2b, Dominicans (n=78, m=5.68) showed a higher level of collectivism (F=75.356, p=0.0001) than U.S. respondents (n=93, m=4.73). Finally in support of H1b, Dominican respondents manifested a higher level (n=79, m=3.99) of consumer ethnocentrism (F=113.844, p=0.0001) than that observed in the U.S. (n=95, m=2.37).
Overall, the empirical findings provided support for all three hypotheses. These exploratory results represent an initial attempt in the consumer behavior literature to grasp the construct of attitudes towards globalization, comparing an emerging with a developed market. Given that the study involved the comparison of means across countries, further studies should take the issue of measurement invariance into consideration (Steenkamp et al. 1998). Addressing some of the study’s limitations, future research in the consumer behavior domain should develop and psychometrically test a scale of the attitudes towards globalization construct.

Future studies should also examine attitudes towards globalization and its marketing-related antecedents and consequences in more emerging markets at various levels of globalization. Such broader studies will ultimately enable tests for potential mediation effects, allowing for a more clearly delineated set of causal relationships among the constructs of consumer ethnocentrism, collectivism and attitudes toward globalization. Additional moderator variables that could be explored include country level of marketing orientation, awareness and perceived globalness of global products, availability and relative quality of domestic competitors and products. Finally, there is a need to revalidate the CETSCALE, given the changes in the international trade environment in the more than twenty years since the scale’s development.

In an era of increasing globalization the findings provide insight to corporations looking to globalize their marketing activities or outsource. In particular, they suggest that multinational corporations, especially in the globalization domains beyond the exchange of goods, face initial opposition if spreading into early or middle emerging economies, such as that of the Dominican Republic. Finally, more favorable attitudes towards globalization could lead to higher consumer adoption of standardized advertising messages thus further enabling transferable marketing practices.

References
Economist Intelligence Unit (2007), November 7.
Friedman, Thomas L. (2005), The World is Flat: a Brief History of the Twenty-first Century, New York: Douglas & McIntyre Ltd.