DOMESTIC CONSUMPTION BEHAVIOR AMONG YOUNG CONSUMERS OF KARACHI

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Abstract

Several past research studies have been done on country of origin and consumer ethnocentrism, however, many issues in this domain still remain unsolved (Dmitrovic & Vida, 2010). One of those issues is the empirical exploration of consumer choices in the emerging markets like Pakistan, where consumers even after having high levels of consumer ethnocentrism still prefer to opt for imported/foreign products, especially when the target audience is of young individuals. This research study focuses on the domestic consumption behavior of Pakistani consumers. The research was based on mixed methodology. For study-1, purposive sampling of 453 samples was done and data was collected using questionnaire based on 5 points Likert scale. Data analysis was done using SPSS and AMOS. For study-2, 5 in-depth interviews were conducted. Overall model analysis resulted in dropping of 1 construct. Hypotheses linked with remaining constructs were tested. Out of three remaining hypotheses, one alternate hypothesis was rejected. Testing of cognitive and affective mechanism for young Pakistani consumers was done and it was observed that this set of consumers use cognitive mechanism instead of affective which was opposite of the past research studies done on emerging markets (Hansen, 2005; Vida & Reardon, 2008). Companies should firstly develop local alternatives to provide consumers with options, secondly work on enhancing the relative quality perception for domestically produced products, either through the use of influencers or more importantly through Co-Creation, which increases the relevance of domestic produce by involving the end users themselves.

Keywords: Domestic Consumption, Relative Product Quality, Domestic Product Appraisal, Product Evaluation, Product Judgment, Consumer Ethnocentrism, Consumer Behavior.

JEL Classification: M310, C310

Introduction

In times of economic downturn and failing economies, attitudes of consumer ethnocentrism,
patriotism tend to emerge (Anastasiadou, 2014), especially in markets that comprise of sensitive consumers known for having high levels of ethnocentric tendencies. Pakistan is currently facing an extreme level of economic crisis with its import bill reaching an astounding $5.6 billion in January 2018, which is a record in itself, with increasing deficit gap of $21.5 billion (Rana, 2018; Trading Economics, 2018). Purchase and preference of imported products is one of the reasons for economic downturn and loss of local industry which in turn also creates unemployment (Anastasiadou, 2014; Anastasiadou & Florou, 2012). On insistence of Pakistan Business Council (PBC) and seeing the dire need for promotion of locally produced products, the newly elected government has started a campaign “Buy Local, Support Pakistan” in order to encourage domestic consumption (Express Tribune, 2018). Moreover, Pakistani consumers are observed to have high levels of consumer ethnocentrism (Salman & Naeem, 2015) and patriotism, which should enable them to prefer domestic consumption rather than opting for imported products in order to support the local economy.

Past studies suggest that consumers having high levels of consumer ethnocentrism tend to prefer and purchase domestic products/services even in cases when the quality of domestically produced products/services is lower while price charged for them is higher in comparison to imported products/services (Siamagka & Balabanis, 2015).

Even though a lot of research has been done on consumer ethnocentrism and country of origin of products in link with the consumer’s preference for local or foreign products, however, many issues still require exploration and empirical testing. One of those issues is the affective, cognitive and normative nature of consumer choices especially in emerging markets (Dmitrovic & Vida, 2010) like Pakistan. This research aims at identification of differential effects (conceptual side) of consumer ethnocentrism, patriotism and relative product quality in light of affective, normative and cognitive nature (theoretical side) of consumer choices amongst young consumers towards the consumption of products produced domestically.

Literature Review

Consumer Ethnocentrism (CE)

Consumer ethnocentrism is a construct widely used in research when international marketing (Sharma, 2015) and consumer animosity (Klein, Ettenson, & Morris, 1998) are under consideration. (Shimp & Sharma, 1987) defined CE as consumer’s belief of morality and appropriateness while opting to purchase foreign products. Indicating that consumers having high levels of CE tend to avoid the purchase of foreign products, moreover they at many times tend to belittle individuals who purchase foreign products instead of giving preference to local product (Sharma, 2015). Despite being a significant variable in the domain of foreign vs domestic product evaluation, CE is rarely tested on affective, cognitive and normative choices of consumers (Dmitrovic & Vida, 2010; Sharma, 2015). When domestic products are not available to consumers then highly ethnocentric consumers
show favorable attitude towards foreign products, interestingly this favorable attitude is stronger for products originating from countries which have similar culture to that of one’s own home country (local country). Therefore, being a product from culturally similar country plays an important role when dealing with high ethnocentric consumers (Watson & Wright, 2000). Elder consumers who are very patriotic tend to depict high levels of CE. More importantly, ethnocentric consumers are found to be more critical of foreign products and tend to evaluate foreign products negatively while demeaning their quality (Fernández-Ferrín, Bande-Vilela, Klein, & del Río-Araújo, 2015). Kalicharan (2014) also observed that in certain countries consumers preferred locally manufactured products because of their high levels of ethnocentrism which created a need in those consumers to protect their local economy through purchase of domestically produced products.

**Relative Product Quality (RPQ)**

Definition of relative (perceived) product quality is different than that of the term product quality. RPQ is different from the objective quality evaluation of a product and is based more on consumer’s subjective thoughts, perceptions and experiences formed after the use of a product (Zeithaml, 1988). Product quality in literature is taken as a multidimensional construct (Vida & Reardon, 2008), measured through; workmanship, prestige, value for money, functionality, appearance, design, reliability and durability (Dmitrovic & Vida, 2010; Lu Wang & Xiong Chen, 2004; Vida & Reardon, 2008). Products having origins in developed countries are often considered to have higher quality in consumer minds, reason for such a belief is that consumer consider developed countries to have technological advancement which is far better, having competitive edge in comparison to consumers’ country of resident (under-developed or transitioning country). Hence, country-of-origin is an external cue used by consumers as indicator of quality. Moreover, it was observed that if during promotion of a product, attributes other than country-of-origin are highlighted then companies can create an image of better quality in consumer minds, diminishing the link between country-of-origin of the product and consumer’s biasness (Kalicharan, 2014). In mature consumer markets, notion of preference for domestically produced products is highly accepted. Moreover, in these markets domestically produced products are perceived as better or equal in quality to the products from developed and recently developed countries (e.g. South Korea). While products originating from emerging markets or products having unknown origins are listed lowest in quality hierarchy (Lu Wang & Xiong Chen, 2004; Yelkur, Chakrabarty, & Bandyopadhyay, 2006). Contrarily, research findings from some emerging markets suggest that differences of quality perceived by consumers between products originating from transitional and western countries may be one of the most influential factors resulting in purchase of foreign products (Dinnie, 2004; Reardon, Miller, Vida, & Kim, 2005).

**Patriotism (PAT)**

Loyalty and attachment to one’s country/nation without showing hostility towards other
countries and nations is called patriotism (Balabanis, Diamantopoulos, Mueller, & Melewar, 2001). Patriotism is defined conceptually as concern and love one has for their country. Moreover, it is an attachment an individual has with local symbols of the country (Vida & Reardon, 2008). Patriotism is the commitment and readiness to sacrifice for one’s country/nation (Druckman, 1994). Fernández-Ferrín et al. (2015) observed that consumers who were very patriotic tend to show higher levels of consumer animosity, CE and great concern for local economy due to which they prefer purchase and consumption of domestically produced products. Kalicharan (2014) observed in certain countries even though consumers perceived the quality of local products to be inferior but still purchased locally produced products because of their high level of patriotism.

Figure 1: Conceptual Framework

Consumer preferences while opting for products is credited to CE. Moreover, CE helps in explaining consumer’s biasness towards domestically produced products, however, CE is found to be dependent upon the country-of-origin of a product and product category (Balabanis & Diamantopoulos, 2004). Rybina, Reardon, and Humphrey (2010) observed that high levels of CE increased the levels of purchase of domestic products in Kazakhstan, while reducing purchase of imported products.

Josiassen, Assaf, and Karpen (2011) found, levels of CE in different demographics differs, e.g. older consumers show higher levels of CE, while younger consumers show lower levels. Alternatively, an interesting point to note was that older consumers did not let their CE stand in their way of making product judgment. Older consumers depended more heavily upon their past experience with the product rather than their ethnocentric feeling towards the foreign nation and foreign products. This finding is supported by the crystallized abilities theory, which states that consumers solve a problem based upon their experience and learning (Sorce, 1995). Contrastingly, younger consumers did not rely upon their experience but used available information about the product to make product judgments and purchase decision. Moreover, females tend to be more ethnocentric in comparison
to males. While, income levels have no significance effect on ethnocentric tendencies of consumers (Josiassen et al., 2011). Contrarily, He and Wang (2015) found that CE has a negative association with reference to imported products however, this is not same for the purchase of domestic products. 

$H_1$: Consumer ethnocentrism is positively related to domestic consumption

Vida and Reardon (2008) categorized CE as a normative and affective construct and observed that such constructs have strong influence on consumer’s domestic consumption in comparison to rational construct (e.g. relative product quality). Consumers having high levels of CE prefer domestic products over imported ones. Highly ethnocentric consumers tend to evaluate domestically produced product as a product having high quality. Dmitrovic and Vida (2010) found that highly ethnocentric consumers positively evaluated the quality of the domestically produced products and show domestic bias.

$H_2$: Consumer ethnocentrism is positively related to relative product quality (RPQ)

Vida and Reardon (2008) categorized patriotism as a normative and affective construct and observed that such constructs have stronger influence on consumer’s domestic consumption in comparison to rational construct (e.g. relative product quality). Consumers who are very patriotic tend to prefer domestic products rather than the imported ones. Contrarily, Klein et al. (2006) found that in transitioning and developing countries consumers tend to perceive local products as the ones having low or poor quality and may opt for a trade-off between product quality and feelings of patriotism. Similarly, Batra, Ramaswamy, Alden, Steenkamp, and Ramachander (2000), found that consumers who perceive it is moral and appropriate to purchase imported products when local products are of lower quality and/or local alternatives are not available, tend to opt for foreign products.

$H_3$: Patriotism is positively related to domestic consumption

Rybina et al. (2010) found that patriotism has a positive association with CE, which leads toward higher levels of domestic consumption. Balabanis et al. (2001) found that patriotism has great influence over CE and influences the response of consumers towards local product purchase. Moreover, the effects of patriotism on CE and consumer’s domestic purchase behavior vary from country to country. Culture plays a vital role in effectiveness of constructs like patriotism and consumer ethnocentrism. For Turkish consumers patriotism played an important role in shaping CE.

$H_4$: Patriotism is positively related to Consumer ethnocentrism

Vida and Reardon (2008) categorized RPQ as a cognitive construct and observed that cognitive constructs (rational constructs) are weaker variables for making judgment about quality of a product and domestic consumption. Batra et al. (2000) observed that consumers who evaluate foreign products higher in terms of quality tend to avoid purchase of local products and vice versa, therefore, positive product evaluation towards local products may yield preference of local products and there is a positive association between product evaluation and consumer purchase behavior.

$H_5$: Relative product quality (RPQ) is positively related to domestic consumption
Theoretical Grounding

Affective Nature of Patriotism

Affective, normative and cognitive mechanisms linked with consumer purchase choice has been used in this research (Dmitrovic & Vida, 2010) in a holistic manner (Pharr, 2005). It is proposed that consumer’s choice of DC is directly influences by CE, where DC is a conative dimension which is driven by CE, a normative dimension, while RPQ is a cognitive dimension (Dmitrovic & Vida, 2010; Vida & Reardon, 2008).

In past studies patriotism’s influence on DC has been tested through CE (Vida & Reardon, 2008), this study tested the direct influence of patriotism as well on DC highlighting the affective nature of patriotism.

Normative Nature of Consumer Ethnocentrism

According to operationalization it is observed that CE has affective (emotions) dimension elements in it (e.g. sense of identification and feelings of attachment towards a group) as well as cognitive (think/thought) dimension which triggers thoughts and concern in ethnocentric consumers about a potential threat of foreign products and their invasion of local economy. However, the impact of normative dimension seems to be more influential and prevalent since it guides consumer’s actions and consumer choice in light of economic welfare for one’s country (Pecotich & Rosenthal, 2001).

Methodology

Population and Sampling

Karachi being a metropolitan city of Pakistan provides a mix of consumers from different backgrounds. It is believed that 90% of the people residing in Karachi are migrants from various backgrounds, hence a mix of consumer mindsets, backgrounds, lifestyles can become part of the sample. The current population of Karachi is approximately 15.4 million (World Population Review, 2016). Karachi also has the highest literacy rate (Karachi Metropolitan Corporation, 2018). Purposive sampling technique was used for this research, respondents selected were between 18-25 years of age, since the topic and scope of this research is concerned with the identification of purchase behavior of young (millennials) consumers. Young consumers are targeted because currently Pakistan has the largest youth population in the world having a potential to impact the buying trends in emerging and international markets (UNDP, 2018).

The sample size for this research was 453. A total of 500 questionnaires were floated via email and social networking websites. Out of which 453 useable questionnaires were received. The
sample size of 453 was appropriate for the data analysis through Structural Equation Modeling (SEM) as per the criteria given by (Kline, 2015; Wolf, Harrington, Clark, & Miller, 2013).

Since patriotism construct was dropped, a qualitative research based on semi-structured interviews was conducted to identify what the consumers actually perceive about the link between patriotism and domestic consumption. 5 young consumers (18-25 years) were selected for this part of research.

The research model comprises of four variables namely, domestic consumption having 4 items, consumer ethnocentrism having 5 items and relative product quality having 4 items taken from Vida and Reardon (2008), while patriotism had 6 items taken from Kosterman and Feshbach, (1989). The items for each variable were based on 5-point likert scale, having 1 as strongly disagree and 5 as strongly agree. For semi-structured interview questions, a guideline was taking from the quantitative questionnaire mentioned earlier.

**Data Analysis and Results**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D.</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>α</th>
<th>AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Product Quality (RPQ)</td>
<td>2.76</td>
<td>0.70</td>
<td>-0.13</td>
<td>-0.13</td>
<td>0.691</td>
<td>0.50</td>
<td>0.80</td>
</tr>
<tr>
<td>Domestic Consumption (DC)</td>
<td>2.93</td>
<td>0.89</td>
<td>0.03</td>
<td>-0.69</td>
<td>0.825</td>
<td>0.55</td>
<td>0.82</td>
</tr>
<tr>
<td>Consumer Ethnocentrism (CE)</td>
<td>3.47</td>
<td>0.86</td>
<td>-0.28</td>
<td>-0.85</td>
<td>0.789</td>
<td>0.51</td>
<td>0.80</td>
</tr>
<tr>
<td>Patriotism (PAT)</td>
<td>4.61</td>
<td>0.56</td>
<td>-1.46</td>
<td>1.14</td>
<td>0.912</td>
<td>0.62</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Note: RPQ, DC, CE and PAT are the codes used by the researchers from this point onwards, S.D.=Standard Deviation, AVE=Average Variance Explained, CR=Composite Reliability.

Table 1 shows data normality. All the values of skewness and kurtosis being within the range of ± 2.0 confirms that the data is normal (Gravetter & Wallnau, 2014). The questionnaire used was adopted from past published research studies, therefore there was a need to re-establish the reliability of the questionnaire. Table 1 shows the Cronbach values for the current research study.

Since all the values of AVE are greater than 0.5 and all the CR values are greater than 0.70, therefore it can be stated that convergent validity exists (Carlson & Herdman, 2012). Cronbach’s alpha value greater than 0.6 falls under the acceptable range while value greater than 0.7 is considered good (Gliem & Gliem, 2003; Leech, Barrett, & Morgan, 2005). Table 1 shows that all the Cronbach’s values are within the acceptable range.
Since all the KMO values are above 0.5 this means that the sample size was sufficient for this research (Hair Jr, Black, Babin, & Anderson, 2013). Table 2, further shows correlation matrix, which was used to identify the strength of relationship between the respective variables. All the relationships shown in the correlation matrix are positive except the relationship between PAT and RPQ, indicating that young consumers do not link patriotism with relative product quality, further being patriotic makes the consumers to evaluate the product’s quality more sternly. Similarly, it is also observed that in the young consumer segment PAT has a weak correlation with DC and CE. Which implies that young consumers do not link patriotism with the purchase of domestic products nor do they link patriotism with consumer ethnocentrism? In case of CE the analysis shows a moderate relationship with all the variables, namely; RPQ, DC and PAT. This implies that the level of consumer ethnocentrism has a moderate influence on consumer’s relative judgment of product quality (RPQ) and on domestic consumption (DC) and vice versa. In case of RPQ a moderate relationship exists with DC and CE. Implying that consumers use RPQ as a cue to opt for domestic products.

Summarized results of discriminant validity are shown in Table 2. Since the values in the diagonal (square of variance explained) are greater than all the values below the diagonal (square of each pair of correlation), therefore it is an indication that the data analyzed fulfills discriminant validity requirements (Hair Jr et al., 2013; Thomas, Silverman, & Nelson, 2015).

Table 3

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Low</th>
<th>&gt;200 (.05)</th>
<th>&gt; 0.90</th>
<th>&gt; 0.95</th>
<th>&gt; 0.9</th>
<th>&gt; 0.95</th>
<th>&gt; 0.95</th>
<th>&lt; 0.05</th>
<th>&gt; 0.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>χ2</td>
<td>0.062</td>
<td>0.031</td>
<td>43459 (.05)</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>0.986</td>
<td>0.998</td>
<td>0.000</td>
</tr>
<tr>
<td>χ2/df</td>
<td>5.525</td>
<td>11.98</td>
<td>315 (.05)</td>
<td>0.993</td>
<td>0.994</td>
<td>0.994</td>
<td>0.940</td>
<td>0.994</td>
<td>0.963</td>
</tr>
<tr>
<td>HOELTER</td>
<td>2.034</td>
<td>2.034</td>
<td>854 (.05)</td>
<td>0.995</td>
<td>0.998</td>
<td>0.998</td>
<td>0.978</td>
<td>0.998</td>
<td>0.986</td>
</tr>
<tr>
<td>NFI</td>
<td>0.446</td>
<td>0.446</td>
<td>3897 (.05)</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>0.994</td>
<td>1.000</td>
<td>0.931</td>
</tr>
<tr>
<td>CFI</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>GFI</td>
<td></td>
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<tr>
<td>AGFI</td>
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<tr>
<td>IFI</td>
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<tr>
<td>TLI</td>
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<td></td>
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<tr>
<td>RMSEA</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>PCLOSE</td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

Link of factors with their respective items and their alignment with the theory was done using CFA (Hair Jr et al., 2013), the results are summarized in Table 3.
After individual SEM was carried out no construct was dropped. RMSEA, PCLOSE and HOELTER of three constructs were falling within the acceptable range, however RMSEA and PCLOSE value for DC did not fall within the desired range but other indices were found to be fit for the said construct.

Figure 2: Latent Model

Table 4
Overall Model Fit Results after Overall Regression

<table>
<thead>
<tr>
<th></th>
<th>( \chi^2 )</th>
<th>( \chi^2/df )</th>
<th>HOELTER</th>
<th>NFI</th>
<th>CFI</th>
<th>GFI</th>
<th>AGFI</th>
<th>IFI</th>
<th>TLI</th>
<th>RMSEA</th>
<th>PCLOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>7.971</td>
<td>1.328</td>
<td>715 (.05)</td>
<td>0.986</td>
<td>0.996</td>
<td>0.994</td>
<td>0.980</td>
<td>0.997</td>
<td>0.991</td>
<td>0.027</td>
<td>0.764</td>
</tr>
<tr>
<td>Criteria</td>
<td>Low</td>
<td>Low</td>
<td>&gt; 200 (.05)</td>
<td>&gt; 0.90</td>
<td>&gt; 0.95</td>
<td>&gt; 0.9</td>
<td>&gt; 0.50</td>
<td>&gt; 0.95</td>
<td>&gt; 0.95</td>
<td>&lt; 0.05</td>
<td>&gt; 0.05</td>
</tr>
</tbody>
</table>

Table 5
Overall Regression Results

<table>
<thead>
<tr>
<th>LV</th>
<th>Relationship</th>
<th>D.V</th>
<th>SRW</th>
<th>SE</th>
<th>CR</th>
<th>( P (&lt;0.05) )</th>
<th>FT( \text{Reject/Reject Null Hypo} )</th>
<th>FT( \text{Reject/Reject Alt. Hypo} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPQ</td>
<td>DC</td>
<td>0.662</td>
<td>.294</td>
<td>3.255</td>
<td>0.001</td>
<td>Reject</td>
<td>FTR\text{Reject}</td>
<td></td>
</tr>
<tr>
<td>CE</td>
<td>DC</td>
<td>-0.254</td>
<td>.229</td>
<td>-1.392</td>
<td>0.164</td>
<td>FTR\text{Reject}</td>
<td>Reject</td>
<td></td>
</tr>
<tr>
<td>CE</td>
<td>RPQ</td>
<td>0.710</td>
<td>.108</td>
<td>5.735</td>
<td>0.000</td>
<td>Reject</td>
<td>FTR\text{Reject}</td>
<td></td>
</tr>
</tbody>
</table>
The model became a good fit after dropping PAT construct the summarized results of overall SEM model are presented in Table 4.

Table 5 shows the summarized results of overall SEM standardized regression weights. The results show that RPQ has a significant positive effect on DC and the alternate hypothesis is accepted. Similarly the analysis showed that CE has a positive significant effect/influence on RPQ. While, CE has no significant effect/ influence on DC. Since the construct PAT was dropped from the model therefore, its hypotheses were not substantiated. A detailed discussion on the above analysis results are presented in discussion section.

After the analysis PAT construct was dropped from the model, hence the two hypotheses linked to PAT construct were also dropped from being tested. The final model remained with three constructs, and three hypotheses. Out of those three hypotheses only two hypotheses were substantiated. 

\[ H_1: \text{Consumer ethnocentrism is positively related to domestic consumption (Rejected)} \]
\[ \text{SRW} = -0.254, \text{CR} = -1.392, p = 0.164 > 0.05 \]

\[ H_2: \text{Consumer ethnocentrism is positively related to relative product quality (RPQ) (Fail to Reject)} \]
\[ \text{SRW} = 0.710, \text{CR} = 5.735, p = 0.000 < 0.05 \]

\[ H_3: \text{Relative product quality (RPQ) is positively related to domestic consumption (Fail to Reject)} \]
\[ \text{SRW} = 0.662, \text{CR} = 3.255, p = 0.001 < 0.05 \]

**Discussion**

**Quantitative Analysis Discussion**

\[ H_1: \text{The analysis revealed that consumer ethnocentrism in case of young consumers does not influence the domestic purchase and consumption behavior. Which is opposite of what Haque, Rahman, and Haque (2011) found in their study on young Malaysian consumers. Similar findings were observed by Vadhanavisala (2014). On the other hand (Song, 2012) found that young Chinese consumers preferred to purchase foreign products over domestic products. Moreover, in many research studies done on Chinese consumers it was found that Chinese consumers preferred to purchase locally produced products if they perceived the locally produced products to be at par with the foreign products in terms of quality or were a cheaper alternative to their foreign counter parts (Mueller, Wang, Liu, & Cui, 2016). These findings are in line with the research findings of this study. The results of research study at hand revealed that consumer ethnocentrism does not influence consumers’ domestic consumption. This finding is inconsistent with some of the past research studies (e.g., Balabanis & Diamantopoulos, 2004, 2011; Steenkamp & Jong, 2010) while consistent with other research studies (e.g. Mueller et al., 2016; Song, 2012).} \]

\[ H_2: \text{The analysis revealed that consumer ethnocentrism does in fact influence positive evaluation of domestically produced products. Consumers scoring high on ethnocentrism tend} \]
to evaluate domestic products more favorably (John & Brady, 2011; Klein et al., 1998; Watson & Wright, 2000). Highlighting the role of consumer ethnocentrism in raising the perceived quality of the local products and consumer’s desire to try out locally manufactured products companies most often use the tagline of “made in”, “local made” and “local ingredients used” to attract ethnocentric consumers (Siamagka & Balabanis, 2015). Similar tactic of local ingredients used is being used by a local burger joint in Pakistan known as The Burger Shack (TBS/tbs), TBS uses the tagline “Our Beef is 100% Fresh & Pakistani” on its paper bags and packaging material, targeting the ethnocentric side of the local consumers. Such cues often provide consumers with an idea of quality and gives them a sense of pride the manufacturers feel in highlighting the quality of their products and ingredients used.

\( H_3: \) More importantly the most significant factor in purchase and consumption of locally (domestically) produced products was found to be the consumer’s relative perceived quality of the locally produced products. If consumers perceive that the quality of domestically produced products is high or as per the quality of their foreign products then it is more likely for them to purchase and consumer those products. Similar findings were observed by Mueller et al. (2016) in case of young Chinese consumers. On the other hand Vida and Reardon (2008) observed that even though RPQ was a significant determinant of domestic purchase and domestic consumption however, in comparison to patriotism and ethnocentrism it was relatively weaker, implying that consumers tend to favor subjective utility over objective one.

The applicability of using CE in emerging markets is often challenged since these countries (including Pakistan) tend to have limited number of domestically produced product options (Vida & Reardon, 2008). Some researchers have also argued that in such economies the consumers are tend to make tradeoffs normative (affective) mechanism such as rational considerations (e.g. quality) and nationalism (Klein, Ettenson, & Krishnan, 2006; Lu Wang & Xiong Chen, 2004). Alternatively some researchers have also raised questions about CE’s applicability in developed countries e.g. Netherlands is a developed country however, in some product categories the country does not even have locally made products and hence the use of CE would fall under a question mark of ambiguity (Vida & Reardon, 2008).

**Qualitative Analysis Discussion**

The patriotism construct was dropped from the overall SEM model during the analysis which means that when discussed about patriotism’s positive link with domestic consumption, no such link is found in case of young Pakistani consumers. Consumers falling in the age group of 18-25 years identified themselves as high on patriotism. However, they did not consider patriotism to be the reason for purchase and consumption of domestically produced products. Hence, the entire construct was dropped during the analysis as it did not fit in the model applicable to the under consideration target audience. This finding is inconsistent with the past literature in which researcher studies (Alekam, Nik
Mat, & Djermani, 2017; Dmitrovic & Vida, 2010; Vida & Reardon, 2008) found that patriotism was a factor that influenced actual purchase of consumers. Qualitative responses were also taken from a group of consumers falling in the same age group to get in depth knowledge about the link between patriotism and domestically produced products. Similar pattern was found in the qualitative responses. The consumers did not link patriotism as the reason to purchase domestically produced products and their use (consumption). Moreover, through qualitative research is was found that consumers often mix ethnocentrism, patriotism and nationalism with each other however, all three are distinguished constructs, having different operational definitions and context of usage (Archard, 2013; Blank & Schmidt, 2003; Mummendey, Klink, & Brown, 2001).

The overall conclusion of the findings from the interviews was that young consumers do not see the purchase of foreign products as an unpatriotic gesture. Moreover, they believe that purchase of local products by an individual does not prove that the person is patriotic. They further link the purchase of local products with the lack of availability of locally produced products that they need or desire and hence they have to opt for foreign products. Young consumers also believe that if an individual as financial means to purchase foreign products then they should. They also link the purchase of foreign products with the enhancement of ones living standard and claim that wanting to improve one’s standard through the purchase of foreign products does not mean the person is unpatriotic. From the responses received it was concluded that consumers have a perception of low quality towards the locally produced products and are hesitant to try them, hinting towards the dogmatic personality of the consumers. However, they seemed interested in the purchase of local products if they are endorsed by someone they get inspired (influencer) by. Significantly, young consumers do not see any link between the purchase of local products and patriotism.

**Conclusion and Recommendations**

Since the entire construct of patriotism was dropped from the model, it can be concluded that when the government is trying to use buy Pakistani campaign to influence consumers to purchase locally manufactured products then using the feelings of patriotism might not be effective. Similarly the feelings of consumer ethnocentrism even though high in Pakistani consumers (Salman & Naeem, 2015) same as patriotism, does not influence the young consumers to prefer, purchase and use locally produced products. Therefore, domestic companies and domestic producers need to identify other means of tapping into Pakistani consumers, an example of it can be observed from what tbs (See Appendix B) is doing through the usage of ethnocentrism, patriotism with the consumer’s relative quality perception about the local beef as a high quality product. The use of relative quality cues is an important factor to create interest of consumers to try, purchase and prefer domestically produced products. Even when government is trying to tap into the emotional side of Pakistani consumers the impact of that campaign may not be long lasting since the results of this research state that young Pakistani consumers use cognitive mechanism (knowledge processing of product information) rather than the affective (normative) mechanism which is opposite of the findings of (Vida & Reardon,
2008). While, Hansen (2005) observed that consumers use both the affective and cognitive mechanism simultaneously while making decisions however, this was not the case for young Pakistani consumers when faced with a decision to opt for domestically produced products. Since young Pakistani consumers are found to be using cognitive mechanism therefore, the local manufacturers need to develop a better communication message inculcating more information about the product (features, origin, ingredients, specialty etc.) and create an enhanced relative quality perception in the consumer minds. Firstly Pakistan needs to start producing local alternative of products to flood the market with alternatives which currently are very scarcely found. Secondly, the local companies can use the help of influencers in creating an enhanced relative quality perception. Lastly, the companies can use the concept of Co-Creation with the consumers in order to develop products having the most relevance for the consumers, creating a sense of ownership in the consumers and generating heightened relative quality perception and preference for co-created products. One of the greatest examples of Co-Creation successes includes Lego (Iglesias, 2018).

**Theoretical Contribution**

This research has tried to advance the theoretical domain of consumer ethnocentrism research and articulate the difference of consumer preference in young consumers from emerging markets employing affective, normative and cognitive dimensions of consumer buying behavior towards domestic consumption (He & Wang, 2015; Vida & Reardon, 2008).

The dropping of patriotism variable from the model may point that young consumers tend to show cognitive processing and opt for products that they consider will better solve their problems in terms of quality and long term benefit. This finding was opposite of the results Vida and Reardon (2008) observed, where the strength of patriotism variable was far more significant in comparison to CE and RPQ both. Further the dropping of patriotism variable along with the insignificant vale of CE à DC relationship shows that young Pakistani consumers tend to use cognitive mechanism more instead of affective mechanism which is a significant trait in some emerging markets like Malaysia (Haque et al., 2011), Indonesia (Sari, Mizerski, & Liu, 2017), Turkey (Sandıkçı & Ekici, 2009) etc.

**References**

case of Greece students. In 3rd International Conference on Quantitative and Qualitative Methodologies, Athens (pp. 52–57).


