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ETHNOCENTRISM AMONG YOUNG CONSUMERS ON ALCOHOLIC BEVERAGES MARKET – CASE STUDY*

Summary: Despite a growing level of consumer cosmopolitanism and openness to benefit from foreign products, consumer ethnocentrism seems to influence strongly the way consumers behave. Consumer ethnocentrism refers to consumer perceptions that buying foreign-made products is inappropriate and may be harmful for national business and employment. At the same time, the issue of consumer ethnocentrism is relatively uncharted on alcoholic beverages market. Therefore, the aim of this article is to investigate the level of consumer ethnocentrism on alcoholic beverages market. The research is based on an on-line survey among 180 young adult consumers of alcoholic beverages which was a case study for preliminary assessment of the influence of consumer ethnocentrism on consumer choices on this market.

Keywords: consumer behaviour, alcoholic beverages market, consumer ethnocentrism.

JEL Classification: D11.

Introduction

Despite a growing level of consumer cosmopolitanism and openness to benefit from foreign products, consumer ethnocentrism seems to influence strongly the way consumers behave. Consumer ethnocentrism refers to consumer perceptions that buying foreign-made products is inappropriate and may be harmful for national business and employment.

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Globalization very quickly changes the way that consumers perceive particular brands, free movement of goods and people eliminates the barriers for international exchange. Therefore, as the consumers go global, and their choices have a huge impact not only at local level, but also on global environment, consumer ethnocentrism may be a key point in creation of company's marketing strategy.

Moreover, it seems that especially young consumers are open to try new foreign products, the international background they are gaining since their childhood decreases a perceived foreignness of products and make them valuable consumers on the global market.

The aim of this paper will be then to investigate the level of consumer ethnocentrism on alcoholic beverages market. The research will consist of an online survey among young adult consumers of alcoholic beverages and will allow to assess the influence of consumer ethnocentrism on consumer choices on this market.

1. Consumer ethnocentrism – notion and characteristics

Along with dynamic changes on the market like globalization of markets or development of modern technologies, there can be observed several new trends in consumer behaviour. One of the answers to flood of international products on national markets is development of consumer ethnocentrism [Szromnik, Wolanin-Jarosz, 2014, p. 3]. Ethnocentrism as a term have evolved since early XX century when in social sciences it was understood as perception of nation of ethnic group as the central point of interest and care, while the other groups were depreciated. It could be divided either into national pride and patriotism or on the other hand discrimination of different social classes, religions, etc. [Angowski, Lipowski, 2014, p. 18]. In social sciences there are three types of ethnocentrism: aggressive, mild, and fundamental [Figiel, 2004]. Aggressive is the one which is dominated by own values and there is lack of respect and acceptance for value of the others. Mild ethnocentrism can be observed while there is limited depreciation of others' values, while fundamental is the most natural one, when a person naturally identify oneself with the group and its' values. Social ethnocentrism is a basis for further development of it into economic ethnocentrism, trade ethnocentrism and finally consumer ethnocentrism.

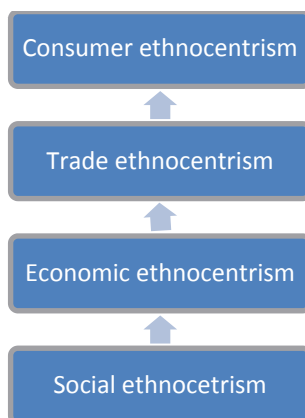


Figure 1. Ethnocentrism pyramid

Source: Based on: [Szromnik, Wolanin-Jarosz, 2014, pp. 3-4].

As mentioned before and presented on the Figure 1, there is an ethnocentrism pyramid, according to which after social ethnocentrism, there can be observed economic, trade, and consumer one. Economic ethnocentrism can be defined as preferences of the national programmes oriented on own nation, own economic thought, internal market, national enterprises and companies over international ones [Bogle, 2009]. Only national ideas, concepts or technologies are worth being implemented. By national it means that they are proposed either by national companies or national citizens. All ideas, decision-making processes, capital, technologies or brands which came from abroad are depreciated and exterminated [Szromnik, Wolanin-Jarosz, 2014, p. 4].

Trade ethnocentrism appears when there is a strong emphasis on social identification of companies' owners. Hypermarkets, shops, service providers' nations of origin are being exposed in order to determine purchasing decision.

Finally, consumer ethnocentrism can be defined as fully-aware consumer preference to purchase local or national products over international ones, which is determined usually by economic, emotional or moral impacts [Zalewska, 2011]. Ethnocentric consumers for rational and economic reasons prefer national products due to its lower price. However, much more often described reasons of ethnocentric attitudes consider moral and emotional reasons. Ethnocentric consumers, due to moral reasons, choose to buy national products in belief that otherwise they will damage national economy or harm national entrepreneurs or farmers. Emotionally engaged ethnocentric consumers believe that they support their nation and demonstrate truly patriotic features by supporting and therefore integrating with local producers [Sajdakowska, 2003]. What is more, several ac-

tivities can be identified, which influence development of consumer ethnocentrism, among which [Sajdakowska, 2003]:

- marketing communication campaign organized by consumer organizations,
- marketing communication campaigns organized by companies which underline their regional roots or quality of their local products,
- governmental and non-governmental organizations' support of national products by system of certificates,
- initiation and support of social movements for local SMEs which develop local products,
- events and contests which present regional traditions, goods, and services,
- promotional campaigns for national brands.

Above mentioned actions influence consumer ethnocentric attitudes, due to the fact that such a consumer cognitive elements (beliefs) as well as affective elements (emotions) are in a very close relationship. Thus, ethnocentric consumer attitude is composed of three elements: awareness of product features guaranteed by country of origin, emotional attitude towards this country, and inclination to behave in certain way towards goods of familiar origin. These three elements are crucial to understand ethnocentric consumer, who fully aware choose one product (national one) over another (international one), due to above mentioned emotional and cognitive reasons.

2. Alcoholic beverages market in Poland

Alcoholic beverages market in Poland is quickly changing nowadays. There can be observed a strong shift to softer or flavoured alcohols, as well as support for local producers. Consumers started to discover whiskey as well as flavoured liqueurs what influence the widening range of flavours from hazelnut to different types of fruits. It stopped to be a niche market and become an important market share. According to statistics, average Pole drinks 10,3 litres of alcohol annually [Hurt&detal, 2016]. In 2013 consumers spent on alcoholic beverages reached out 41,1 billion zloty (around 10 billion euro) in which beer had 47% share and vodka 30,7%. The third place was occupied by wine [Hurt&detal, 2016]. Beer is the most popular alcoholic beverage among Poles [KPMG, 2014]. There are 73% of adult Poles who drink it at least several times a year, which stands for 23 million consumers drinking beer on daily basis [Siemieniako et al., 2011]. Almost 88% of adult Poles drink vodka from time to time during the year which creates a big market segment. There is a broad statistic about alcoholic beverages consumption in Poland presented in the Table 1.

Table 1. Consumption of alcoholic beverages in Poland in 2014

Alcoholic beverage	Consumed at least once a year	Consumed several times or regularly
Beer	88%	73%
Wine	76%	45%
Fruit wine	48%	12%
Cider or Perry	40%	11%
Mead	27%	4%
Vodka	79%	43%
Liquers	69%	19%
Whiskey	51%	21%
Brandy	39%	8%
Rum	28%	3%
Gin	28%	4%
Tequila	21%	2%
RTD	35%	7%

Source: Based on: [KPMG, 2014].

According to above mentioned table, Polish consumer is discovering different types of alcohols. Even though vodka is on the second place while analysing seldom consumption during the year, wines seem to surpass it in terms of regular consumption. While making purchasing decisions regarding vodka consumers tend to focus on brand, while when making these decisions regarding wines – consumers tend to focus on country-of-origin or taste (sweet, dry, colour). It differentiates both market segments significantly. Whiskey constitutes a growing market segment, with more than 50% of seldom drinkers and 21% of regular one. Liqueurs and ciders are also a segment with growing potential. Cider boomed during last year, due to a support from local communities and governments, when apples were banished from exporting to Russia, it was considered as positive for economy to purchase apples-connected goods [Rombelski, 2015].

There are several major trends concerning alcoholic beverages market in Poland which can be observed. First of all, almost one third of Polish customers admit that they try to choose alcohols of exceptional quality usually picking the premium ones. As a result, there is a boost of special beers segments which are fermented in an unusual way, along with the wines and whiskey market. Furthermore, Polish customer is very open for innovations and new products, what resulted in boost of flavoured or honey-based beers market, beer mixtures or liqueurs. Last but not least, more and more consumers demonstrate willingness to get to know more about alcoholic beverage they drink, including its history, origin or way of producing. It can be concluded that Polish consumers tend to be

very open-minded when it comes to alcoholic beverages, more and more aware of what they want and what they drink and increasingly care about quality of their drinks [KPMG, 2014].

3. Methodology

For the purposes of this paper, at the beginning, data from secondary sources, both Polish and English, was collected. On the basis of a literature query, a questionnaire for quantitative research was created. Information from primary sources was collected in the first place through nationwide direct surveys conducted using the questionnaire method using a questionnaire as a research tool. Questionnaires were carried out on a sample of 180 people which enables a case study analysis. Studies were conducted from April to June 2016, with the questionnaire available with the link on [surveymonkey.com](https://www.surveymonkey.com).

The study was based on the paradigm of functionalism, which assumes that reality can be described in a quantitative way using dependent and independent variables, mathematical models and the methodology of quantification [Zawadzki, 2013, pp. 14-15]. The knowledge acquired during the study, according to this paradigm, was objective in nature [Babbie, 2003, pp. 61-62]. The data collected during the survey was subjected to control and systematization, which in turn enabled preliminary description, as well as analysis of the consumer ethnocentrism. In order to analyse and present results, the IBM SPSS Statistics 24.0 software for statistical data analysis was used. In order to determine the structure of the studied dataset, it was proposed to use descriptive statistics.

4. Research results discussion

Studies of consumer ethnocentrism have attracted significant attention from researchers all over the globe since the seminal work of Shimp and Sharma [1987], who created the concept of ethnocentrism to suit the marketing discipline by developing the concept of consumer ethnocentricity. They introduced the term consumer ethnocentric tendencies to represent beliefs held by (American) consumers about the appropriateness, indeed morality of purchasing foreign made products [Mavondo, Tan, 1999, p. 1]. The respondents of their open-ended survey were requested to express their opinions of whether it was right and appropriate for American consumers to purchase products manufactured in foreign

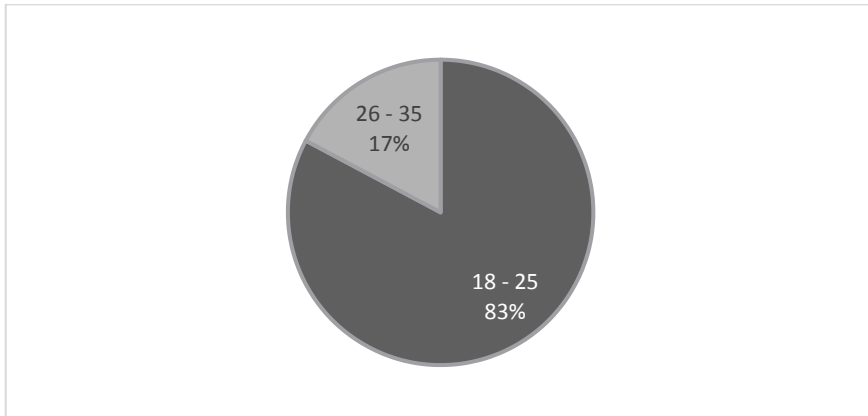
countries. The final form of the scale consists of 17 items reflecting the ethnocentrism dimension and ranging from strongly agree = 7, to strongly disagree = 1. Item scores were summed to form an overall score ranging from 17 to 119 [Taborecka-Petrovicova, Gibalova, 2014, p. 248].

The CETSCALE is the most popular scale for measuring consumer ethnocentrism, however it concentrates on the ideological aspect of consumer ethnocentrism, which connects the preferences towards national products with patriotism. Therefore, for the purposes of this study, the SCONET scale has been used. The SCONET seems to be free from the ideological motivation and measures general opinions and behaviours. The scale consists of 7 items, ranging from 1 = strongly disagree, to 4 = strongly agree [Maison, Baran, 2014, pp. 5-6].

The aim of this paper was to investigate the level of consumer ethnocentrism on alcoholic beverages market among young consumers in Poland. As a case study in this article, the authors focus on the Generation Y. Considering the particular situation in Poland, mainly taking into account the fall of the socialist system in 1989, the Polish Ys' were born more or less between 1980 and 2000. They were then growing up at the time of a political and socioeconomic transformation. As a result, Poles have become global citizens in a world dominated by a very expansive, lively, and dynamic capitalism, full of controversies and suffering from a serious crisis. Modern capitalism brought to Poland the ideology and culture of consumption, which this younger generation was, in a way, naturally growing into, unaware of the fact that there are alternatives to the apotheosis of a wealthy and pleasurable life [Maison, Baran, 2014, p. 16]. The Y generation thinks global, is open to new products, however no matter where they have emigrated, they seem to be somehow attached to the place they have been born. Young consumers have a huge impact on the alcoholic beverages market as they are not afraid of trying new tastes, therefore it is important to examine the approach of those young consumers towards national and foreign products.

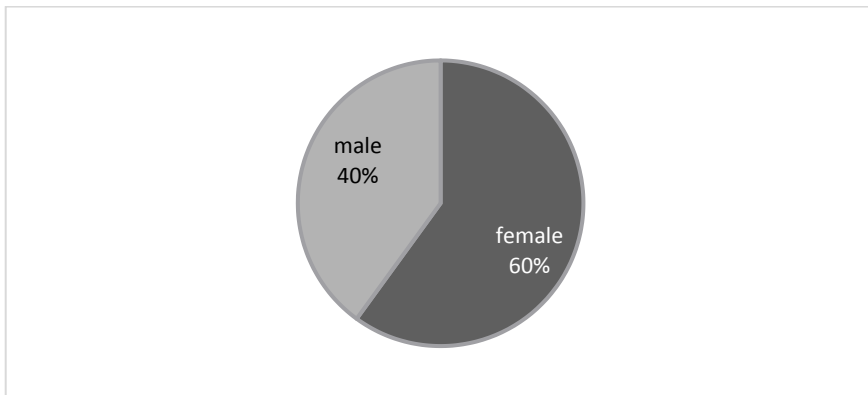
The research has been performed via an on-line survey, which was published in social media and on various thematic forums. The research sample included 180 respondents aged from 18 to 35. The majority of respondents was between 18 and 25 years old.

Figure 2. Respondents by age



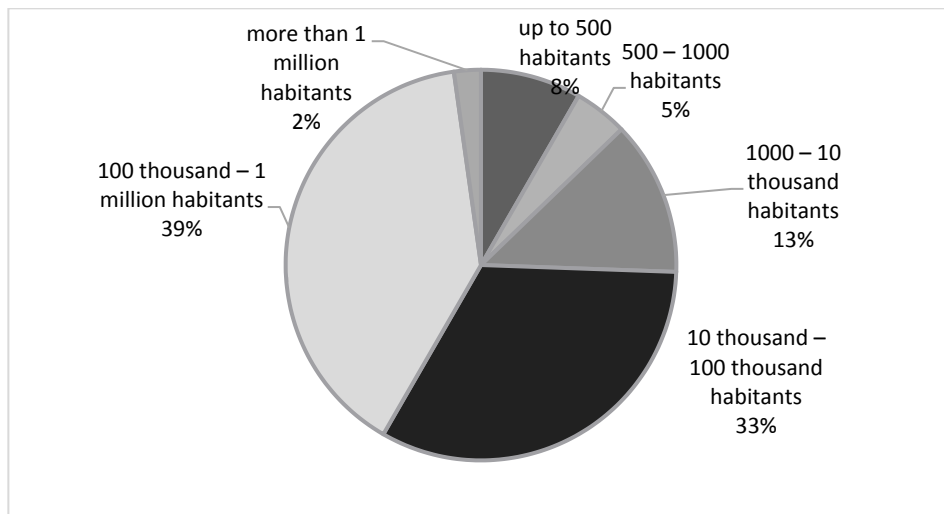
The majority of respondents were female (60%).

Figure 3. Respondents by gender

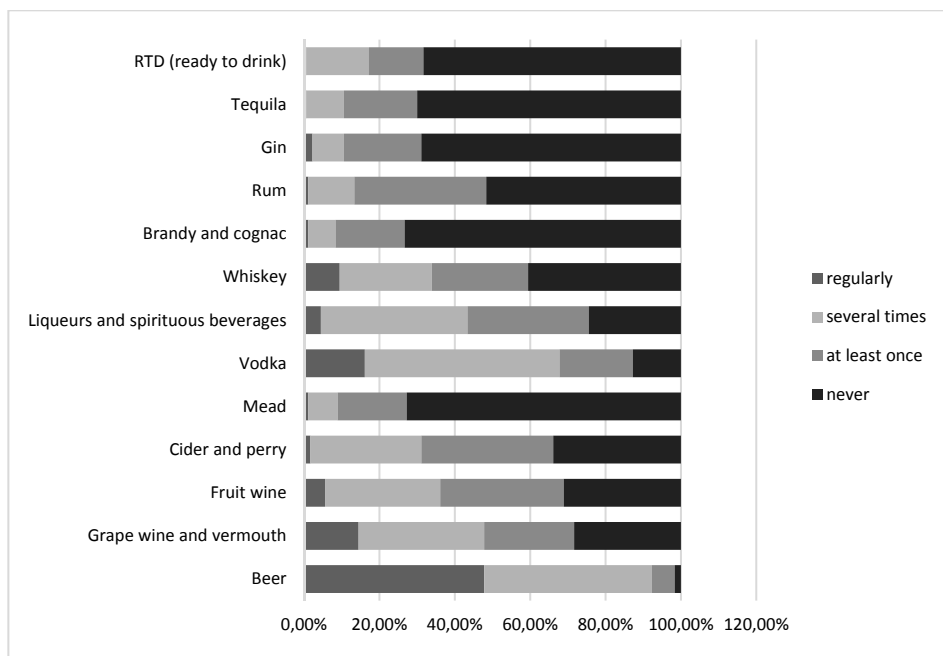


128 out of 180 respondents were students, among them 33% had long-term employment, while 13% were working temporarily.

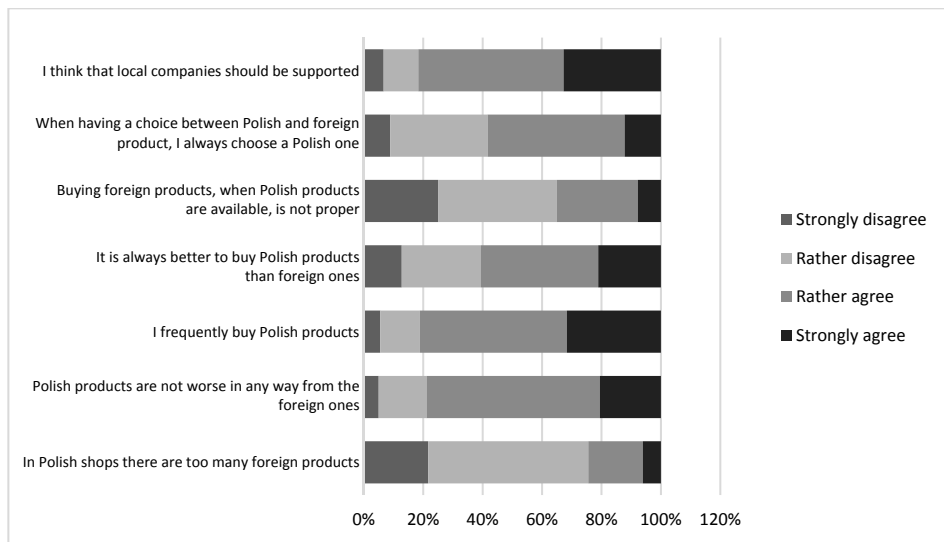
The majority of respondents were living in a city of 100 thousand to 1 million habitants (39%) and 10 thousand – 100 thousand habitants (33%) – Figure 4.

Figure 4. Respondents by place of living

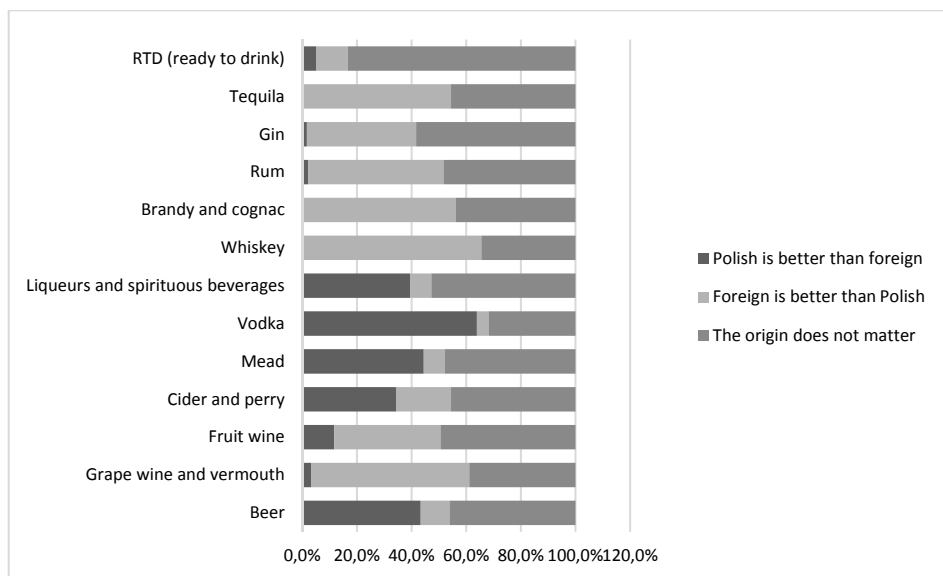
Regarding the consumption of alcoholic beverages, the respondents were asked, how frequently they were consuming each of the listed alcoholic beverages within last 12 months. It appears that the most frequently the respondents were consuming beer as about 98% of respondents confessed they were drinking beer within last 12 months (48% – regularly, 44% – several times, 6.1% – at least once). The second most frequently consumed beverage was vodka, which was chosen by 87% of respondents (16% – regularly, 52% – several times, 19% – at least once). The third most popular alcoholic beverages were grape wine and vermouth, about 72% of respondents were drinking grape wine and vermouth more than once (14% – regularly, 33% – several times, 24% – at least once). Also, liqueurs and spirituous beverages, as well as fruit wine and cider and perry have been chosen by the respondents several times within last 12 months. The least frequently the respondents were consuming Brandy and cognac, mead and tequila. The majority of respondents have confessed they have never tried those beverages. The Figure 5 presents further details regarding the consumption of alcoholic beverages among young consumers.

Figure 5. Consumption of alcoholic beverages within last 12 months

Regarding the consumer ethnocentrism on alcoholic beverages market (Figure 6), the respondents in majority agreed that the local companies should be supported by buying their products. Moreover, when having the choice between Polish and foreign products, the respondents generally agreed that they would buy the Polish ones. The respondents did not agree however that buying foreign products is not proper, a huge part of respondents strongly disagree with this statement. On another hand the respondents agreed that it is always better to buy Polish products than the foreign ones. Also, the majority confess they frequently buy Polish products and think that Polish products in general are not worse than the foreign ones. The respondents, however, disagree that in Polish shops there is too many foreign products. These results show that consumers appreciate local brands on alcoholic beverages market, however they are also open to the products from abroad.

Figure 6. Consumer ethnocentrism on alcoholic beverages market

During this research, also the attitude towards foreign and local products have been examined (Figure 7). The highest score has been noted for vodka – 64% of respondents agreed that a Polish one is better than a foreign one. Similar situation has been observed for mead (44%), although it is not a popular drink, a huge part of respondents associates this beverage with Poland. In this case however for the majority of respondents the country of origin does not matter. Also, the beer (43%) was considered by many respondents to be better when originated from Poland, but again for the majority the country of origin does not matter. The respondents have indicated on another hand that the foreign whiskey is better than a Polish one (65%), as well as grape wine and vermouth (65%). They assessed also foreign brandy, cognac, tequila, and rum to be definitely superior over Polish products. Finally, the country of origin seems to not matter at all for RTD drinks (83%), gin (58%), liqueurs and spirituous beverages (53%), and fruit wine (49%).

Figure 7. Consumer preferences regarding the country of origin

It seems that in general the level of consumer ethnocentrism among young consumers on alcoholic beverages market is moderate. The respondents generally agree with the majority of statements provided by the SCONET scale (Figure 6). The answers, however, are usually “rather agree”, which demonstrates that consumers are not definitely sure about their preferences. The attitudes towards foreign brands depend on the type of alcoholic beverage. It seems that some products are associated strongly with Poland, for example vodka, while some of them definitely with foreign countries, like whiskey or brandy. What is surprising, is that relatively often consumers indicate some Polish beverages as better, even if in general they have been assessed to never been consumed.

Conclusions

This case study might be a basis for assumption that Polish consumers of alcoholic beverages have changed throughout last years. They can be described as innovative, open-minded, more demanding and conscious of what their alcoholic beverages choices are. The taste of Polish consumer is changing, vodka consumption is quickly decreasing, while beers as a leaders, wine, whiskey, ciders and liqueurs are winning the market share.

The ethnocentrism of young consumers on alcoholic beverages market seems to be moderate. They appreciate Polish beverages, think that they should support local producers and that it is generally better to buy Polish products. Those young consumers, however, purchase also foreign products and do not mind that there is so many foreign products on the market, what is more they do not find anything wrong in purchasing them. The level of ethnocentrism depends also on the type of beverages. Consumers generally agree that Polish vodka is better than a foreign one, a huge part of consumers prefer Polish beer and mead, however in many cases, the country of origin does not matter and consumers like equally those originated from Poland and from abroad. This prove that Y generation is very open to international products and they constitute a great target market for international producers.

This short study complements current literature on consumer ethnocentrism in two ways. First of all, it focuses on analysis of alcoholic beverages which seems uncharted industry in this context. Finally, it extend current studies by providing a unique insight into genuine level of consumer ethnocentrism among young adults. However, this research has several limitations, primarily it only investigates 180 respondents, which is a small sample and can only be a basis for case study perspective. Study focused on Polish market, future research thus may wish to validate the findings across different context and countries. Study results might be used for theoretical, but also practical purposes. Results provide unique insight for managerial decisions, especially for segmentation strategy. However, in order to gain broader perspective combination of other methods, like interviews, might be used in the future research.

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ETNOCENTRYZM WŚRÓD MŁODYCH KONSUMENTÓW NA RYNKU NAPOJÓW ALKOHOLOWYCH – STUDIUM PRZYPADKU

Streszczenie: Pomimo rosnącego trendu kosmopolityzmu konsumenckiego i otwartości na nowe, zagraniczne marki i produkty etnocentryzm konsumencki wciąż wpływa na sposób zachowania się konsumentów na rynku. Etnocentryzm konsumencki odnosi się do przekonania, że zakup produktów zagranicznych jest niewłaściwy oraz może mieć negatywne skutki dla rodzimej gospodarki i firm. Etnocentryzm konsumencki na rynku napojów alkoholowych jest wciąż słabo zbadany. Stąd celem niniejszego artykułu jest

identyfikacja i charakterystyka poziomu etnocentryzmu konsumentckiego na rynku napojów alkoholowych wśród młodych osób. W badaniu wykorzystano wyniki badań ankietowych wykonanych wśród 180 konsumentów, które stanowiły podstawę studium przypadku do analizy wpływu etnocentryzmu konsumentckiego na wybory konsumentów na rynku.

Keywords: zachowania konsumentów, rynek napojów alkoholowych, etnocentryzm konsumentcki.