

Relationship of Buy Local Campaigns with Consumer Ethnocentrism and Brand Equity: The Case of the Fruit Trade in Bulawayo Zimbabwe

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Abstract: The importance of buy local campaigns in influencing consumer ethnocentrism has increased globally and regionally. Firms nowadays use consumer ethnocentrism as a strategic tool to increase domestic brand equity. However, the success of buy local campaigns in influencing consumer ethnocentrism and domestic brand equity have been mixed with both failures and successes being observed. Furthermore, many researchers have focused on developing countries in Asia and Europe and there is a dearth in literature on African cases. As a result, the purpose of this paper is to clarify whether the buy local campaign have a relationship with consumer ethnocentrism and domestic brand equity in the fruit industry in Bulawayo-Zimbabwe before further research to establish causation is done. The study data was gathered from 150 consumers in Bulawayo using a structured questionnaire survey. Qualitative data was also gathered through interviews. The data was analysed using Analysis of Variance (ANOVA), Regression and Correlation Analysis. The empirical findings show that buy local campaigns have a strong positive relationship with consumer ethnocentrism and domestic brand equity in the fruit trade in Bulawayo- Zimbabwe. Consumer ethnocentrism has a reasonably strong positive relationship on domestic brand equity. The study tests hypotheses in relation to the fruit industry in Zimbabwe and the results could be extrapolated to other industries in Zimbabwe although caution needs to be taken. The results may provide players in the fruit industry on how to position their products for a competitive advantage although causation needs establishment through further research using Structural Equation Modelling.

Keywords: Buy local campaigns, Consumer Ethnocentrism, Correlation, Domestic Brand Equity, Fruits, Linear Regression.

1. INTRODUCTION

The wind of globalization has swept away consumer ethnocentrism and domestic brand equity as consumers prefer international products which have proved to be competitive as compared to local products [1]. This propensity to consume foreign products has resulted in serious ripple effects to domestic economies such as increase in unemployment, stunted industrial growth, depreciating tax bases for governments and increasing trade deficits for countries [1]. Local seller are geared to promotion of consumer ethnocentrism and domestic brand equity. In nations experiencing low consumer ethnocentrism as evidenced by high trade deficits, buy local campaigns have been used as a way of boosting consumer ethnocentrism [13]; [4]. However, scholars such as [9] and [14] argue that buy local campaigns have been implemented with success in some places whilst in some countries they were not successful. In Zimbabwe, the relationship between consumer ethnocentrism and brand equity is not clear. What is clear is that there is low consumption of some local fruit products hence fruit sellers are using buy local campaigns to restore consumer ethnocentrism and brand equity so that local

employment can be saved. However, one is inclined to pose the following research question. Is there a relationships between buy local campaigns and consumer ethnocentrism and domestic brand equity in the fruit trade? If an experiment to establish causation is being planned, is it worth it as it more expensive?. Hence this study sought to determine the extent of the relationship between buy local campaigns, consumer ethnocentrism and brand equity. Research questions in the fruit trade: are the buy local campaigns related to consumer ethnocentrism? Are the buy local campaigns related to brand equity? Is consumer ethnocentrism related to brand equity?

Hypothesis:

H₁ Buy local campaigns has no positive relationship with consumer ethnocentrism

H₂ Buy local campaigns has no positive relationship with brand equity

H₃ Consumer ethnocentrism has no positive relationship with brand equity

2. METHODOLOGY

[2]; [8] show that data collection methods for primary data can be in the form of using either a survey, experiments or observation. They noted that the method chosen to obtain data depends on the objective of the research, the data source and the cost. This study largely adopted the survey research design with reference to buy local campaign, consumer ethnocentrism and brand equity. A pre-test was done before the questionnaire was used to collect data. A group of 15 consumers were used to pre-test the instrument as supported by [6]. Validity of the research instrument and construct validity were done [6]. Discriminant validity of the instruments was assessed using exploratory factor analysis (EFA) which is a condensation of variables that work together and exhibit overlapping measurements [3]. The Cronbach's alpha was used to measure internal consistency in this study. The lowest acceptable level for Cronbach's alpha was 0.70 ([4]. The Cronbach alpha was calculated using SPSS for the pilot study with 15 questionnaires and the results were satisfactory, above 0.70. Participants were randomly selected. Participation was voluntary and confidentiality of information was observed. The relationship of the buy local campaigns on consumer ethnocentrism and brand equity and influence of consumer ethnocentrism on brand equity was analysed using Pearson product moment correlation and regression. Pearson product moment correlation can be used to measure correlation but the correlation may not mean causation [6]. Ethnocentrism was measured using the consumer ethnocentric tendencies scale (CETSCALE) [11]. Brand equity measured using performance, value, social image, trustworthiness and commitment [5].

3. RESULTS AND DISCUSSION

The response rate was high (76%) because the study used a questionnaire with likert scales which are fairly easy to answer.

The Kolmogorov-Smirnov indicates normality of a distribution and a significant value of more than 0.05 indicates normality [7]. The buy local awareness, brand equity and consumer ethnocentrism indicate values above 0.05 and therefore indicates that all the variables are distributed normally as also shown table 1 below.

TABLE 1: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Buy Local Campaign	.079	111	.085	.969	111	.012
Brand Equity	.076	111	.134	.975	111	.034
Consumer Ethnocentrism	.072	111	.200*	.984	111	.216

A product moment correlation of 0.851 was observed between the consumer ethnocentrism and the buy local campaigns in table 2 below. This means that there is a strong positive correlation between consumer ethnocentrism and the buy local campaigns. In other words it could be that consumers are using the country of origin as buying cue for fruits. The findings are consistent with those of [13]; [12]; [10]. [13] found out that the buy local campaigns had a positive impact on consumer ethnocentrism and in turn domestic brand equity. He studied 760 consumers in Sri Lanka to examine the relationships using Structural Equation Modelling. [12] found out that consumer ethnocentrism had an impact on domestic brand equity. He studied 313 fresh meat buyers in Lithuania to examine relationships using

regression/correlation analysis. [10] found that firms successfully encouraged Slovaks to buy local through a study of 211 non-students and 209 students at shopping malls in Banská Bystrica.

TABLE 2: Correlation of buy local campaigns and consumer ethnocentrism

Correlations		Buy Zimbabwe Campaign (BLC)	Consumer Ethnocentrism (CE)
BLC	Pearson Correlation	1	.851**
	Sig. (2-tailed)		.000
	N	111	111
CE	Pearson Correlation	.851**	1
	Sig. (2-tailed)	.000	
	N	111	111

BLC-Buy Local Campaign, BE – Brand Equity

An R squared value of 0.829 was observed in table 4.5 above meaning that 82.9 % of the variance of consumer ethnocentrism (dependent variable) was explained or attributed to the buy local campaigns.

TABLE 3: Correlation of buy local campaigns and brand equity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.851 ^a	.819	.818	1.68786	.819	528.772	1	109	.000

A product moment correlation R of 0.597 in table 3 was observed between the buy local campaigns and brand equity. The result are significant at $p < 0.01$ and this indicates a reasonably strong positive correlation between the buy local campaigns and domestic brand equity. The could be supported by the findings of [10].

TABLE 4: Correlation of buy local campaigns and brand equity

		Buy Zimbabwe Campaign (BLC)	Brand Equity (BE)
BLC	Pearson Correlation	1	.597**
	Sig. (2-tailed)		.000
	N	111	111
BE	Pearson Correlation	.597**	1
	Sig. (2-tailed)	.000	
	N	111	111

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

BLC-Buy Local Campaign, BE – Brand Equity

An R squared value of 0.356 was observed in table 5 meaning that 35.6% of the variance of brand equity (dependent variable) was explained or attributed to the buy local campaign. This answers the research question that are buy local campaign correlated to domestic brand equity in fruit trade in Bulawayo-Zimbabwe? The buy local campaign could influence brand equity.

TABLE 5: Regression buy Zimbabwe campaign and brand equity

R	R Square	Adjusted Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
.597 ^a	.356	.351	16.54703	.356	60.378	1	109	.000

A product moment correlation of 0.565 in table 6 was observed between the consumer ethnocentrism and domestic brand equity. This indicated a reasonably strong positive correlation between the consumer ethnocentrism and domestic brand equity. The results are consistent with the findings on [9] who found that Cause Related Marketing (CRM) campaigns had a relationship with brand perceptual dimensions in Iran.

TABLE 6: Correlations of brand equity and consumer ethnocentrism

		BE	CE
BE	Pearson Correlation	1	.565**
	Sig. (2-tailed)		.000
	N	111	111
CE	Pearson Correlation	.565**	1
	Sig. (2-tailed)	.000	
	N	111	111

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

BE- Brand equity and CE – consumer ethnocentrism

An R squared value of 0.319 was observed in table 7 meaning that 31.9% of the variance of brand equity (dependent variable) was explained by consumer ethnocentrism. Consumer ethnocentrism therefore influences domestic brand equity.

TABLE 7: Regression brand equity and consumer ethnocentrism

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.565 ^a	.319	.313	17.01777	.319	51.137	1	109	.000

4. CONCLUSION AND RECOMMENDATION

The purpose of this paper is to establish the relationship of the buy local campaigns with consumer ethnocentrism and brand equity in the local fruit trade. The limitations of the study where time and funds to cover other cities in the country. The research enjoyed the advantages of a survey in that it is effective in terms of time and cost. A total of 150 consumers was randomly interviewed. These were chosen using multi stage sampling (cluster and random sampling). The data was analysed using Analysis of Variance (ANOVA), Regression and Correlation which is relatively simple to use. Regression cannot establish causation in de facto analysis study designs. In light of the above it can be concluded: buy local campaigns have a positive correlation with consumer ethnocentrism, buy local campaigns have a positive correlation with brand equity and consumer ethnocentrism has a positive correlation with domestic brand equity. However, causation is not established. The research is useful to academics in this area willing to do further research using Structural Equation Modelling to establish causation. The research is useful academics/researcher to evaluate the effect of the buy local campaign on the actual purchase.

ACKNOWLEDGEMENT

Success is never the product of one person. Special thanks goes to interviewees. I appreciate their relentless effort. I would also wish to acknowledge my family for its support.

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