

PATRIOTISM, COSMOPOLITANISM, CONSUMER ETHNOCENTRISM AND PURCHASE BEHAVIOR IN KAZAKHSTAN

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Abstract. *The purpose of this research is to analyze the influence of consumer ethnocentrism and its antecedents - patriotism and cosmopolitanism on consumer domestic and foreign buying behavior in the emerging economy of Kazakhstan. This country poses an interesting question as to how the effects of attitudes and purchase behavior differ in the once controlled regime after receiving independence from a dominant regime. These different attitudes likely affect international integration of Kazakhstan into the global economy. As expected, consumer ethnocentrism leads to high consumption of domestically produced goods and to the lower level of consumption of imported products. Patriotism has a significant positive effect and cosmopolitanism has a significant negative effect on ethnocentric attitudes of consumers in the country studied. The findings of the present study suggest that Kazakhstan seems to have a strong negative link of cosmopolitanism on ethnocentric attitudes and overall, this country seems to have the promise of becoming integrated into the global economy. Managerial implications of the findings are considered and directions for the future research are indentified.*

Key words: *ethnocentrism, patriotism, cosmopolitanism, transitional economies, global integration*

Introduction

Transitional economies provide a goldmine of opportunities for the academic researchers and the practitioners alike, as many of the business-related theories developed largely in the Western world are just now being tested in these emerging markets. Up until recently, the prevailing assumption was that such theories and their usage had universal applicability; however, more recent research done by cross-cultural scholars had proved

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that assumption wrong (Welsh et al., 1993). Moreover, the most recent understanding in the scholarly community holds that there are significant differences between cultures, which justifies the scientific novelty of taking an existing theory largely tested elsewhere and applying it to the country-specific content.

The last two decades have witnessed a significant transition for the countries of the former Soviet Union from centrally planned government-controlled economies towards the free enterprise system characteristic of the economically advanced nations. Importantly, the contribution of these countries towards global wealth has been steadily increasing, spearheaded by Russia and Kazakhstan, the two largest countries within the Commonwealth of Independent States (CIS), both in geography and economy.

Kazakhstan, which is a government-dominated transition economy, is also counted as emerging market economy. Hoskinson and co-authors identified 64 emerging economies divided into two groups, where the 13 transition economies in the former Soviet Union represented a separate group (Hoskinson et al., 2000). While originally lacking stable macroeconomic environment and legal infrastructures which characterize the developed nations, a modern-day Kazakhstan achieved a relatively stable political and business environment. Despite being one of the most sparsely populated countries in the world, it has become very influential in the Central Asia region during the last decade. Coussy (2009) offered a typology of emerging countries which characterized such economies as firstly, being latecomers to development, and secondly, challenging economies of developed nations while, thirdly, attaining growth rates of about 10%. Finally, Crittenden and Crittenden also added that these emerging markets are developing into “regional economic powerhouses... and the nations [are] becoming active players in world affairs” (2010, p. 11). As such, Kazakhstan fits the characteristics of emerging market very well. First of all, Kazakhstan has received independence from the dominant Soviet regime in just the last two decades and as such is considered a “latecomer to development”. Secondly, its economy has been continuously growing and stabilizing as a result of economic and political reforms; thus, the country is becoming an important business player in terms of contributing to global wealth as well as becoming a strong and stable market for international goods consumption. With its 2008 GDP per capita of \$8,500, it was characterized by the World Bank as an upper middle economy (World Bank, 2008), which is an important indicator of consumers’ ability to purchase foreign goods. As of 2008, the country’s exports and imports accounted for 57.2% and 36.9% of GDP, respectively. Imports have been increasing steadily during the last decade, except in 2009, due to the global financial crisis. Nevertheless, 2009 imports were stated at \$28.8 billion, placing Kazakhstan at 58th position in the world with major imports consisting of machinery and equipment, metal products, and foodstuffs (CIA Fact Book, 2010). Thirdly, the country’s real GDP growth from 2000 to 2007 was on average of 10% with economy being primarily resource-dependent. Although it has been affected in the recent years by the financial crisis, it appears to be on the road to recovery (World Bank, 2010). The notable factors to consider for its potential are the country’s massive deposits of crude oil and natural gas, rich mineral resources including iron, coal, cop-

per, zinc, titanium, gold, silver, and uranium, and strong agricultural output. Lastly, for the year 2010, Kazakhstan has been chosen to perform OSCE Chairmanship (OSCE, 2010); this function undoubtedly strengthens Kazakhstan's political hand not only in the Central Asia region but also in global affairs. As such, being a latecomer to the development, having a strong economic growth of 10% annually prior to the recent financial crisis, and becoming an active global player, Kazakhstan represents an acceptable subject in a study of how a business theory developed in the Western world is tested in an emerging economy.

The present study analyzes how the behavior of local consumers in Kazakhstan, a former Soviet totalitarian regime country, affects the international economic integration of this transitional economy. The purpose of the paper is to examine the impact of consumer ethnocentrism, patriotism, and cosmopolitanism on consumer willingness to buy domestic and foreign goods in Kazakhstan. Previous studies have largely ignored former Soviet Central Asian republics engaged in transition from socialist command economies to market economies (Akimov & Dollery, 2008). However, the transitional economies of all CIS countries, and not only Russia, are important to consider in the overview of globalization because they have a large market potential. The Theodore Levitt's classic article about the globalization of markets argues that "regardless of how much preferences evolve and diverge, they also gradually converge and form markets where economies of scale lead to reduction of costs and prices" (Levitt, 1983, p. 102). For Levitt, uniformity in human tastes creates opportunities for companies to offer globally standardized goods. However, Mooij & Hofstede (2002) suggested that consumer behavior in global marketplace will not be homogeneous due to cultural differences. Numerous studies examining consumer behavior and ethnocentrism are limited to Europe, the USA, and selected Asian countries. The transitional economies of the CIS countries have not been researched while these countries raise an interesting question as to the differential effects of attitudes and purchase behavior between the once dominant regimes versus the controlled regime.

The case of Kazakhstan is of special interest to researchers because contrary to transitional economies of former Soviet bloc (Eastern Europe in particular), Kazakhstani population exhibits cosmopolitan purchasing behavior. The authors posit that this difference is attributed to historical ethnic diversity and lack of quality domestically-produced goods in the region.

1. Ethnic diversity and undeveloped industry as foundation of cosmopolitanism in Kazakhstan.

Prior to the break-up of the Soviet Union in 1991, very few people had heard of Kazakhstan, despite of its impressive land size and richness in natural resources. This is attributed to the history of the nation, which for thousands of years had been comprised out of Turkic nomadic tribes before coming under domination of the Russian Empire in mid-eighteenth century, and becoming a part of the Soviet Union in the twentieth

century. This nomadic lifestyle largely precluded the emergence of certain institutions and customs associated with Islam despite the Arab conquests of the country of the tenth century (Michaels, 2001), as well as the development of the industries.

During the past two hundred years, settlers from other areas have been arriving to Kazakhstan. Originally, peasants from European Russia were moving in search of fertile areas, and by 1897, Slavic population of Kazakhstan reached nearly 16 percent (Lewis et al., 1976). During the early Soviet years, party and state activists comprised from representatives from the USSR's European territories were sent to Kazakhstan and other Central Asian territories to convey the Bolshevik ideology to the region's population and to lead the social and economic revolution in the region, which resulted in change to sedentary lifestyle for Kazakh tribes. During the Stalin regime thousands of families who were perceived as threat to the system were sent to Kazakhstan, and many of the war evacuees had remained in the region after the World War II. In the 60s, through the Moscow's hard push to cultivate Kazakhstan's "virgin lands", many people (mostly Slavs) were settled in the area, which further contributed to diluting the percentage of Kazakhs. As a result, at the present time, Kazakhs constitute 55 percent of the total population whose ethnic diversity is represented by more than 120 nationalities (Dave, 2004; UN Office for the Coordination of Humanitarian Affairs, 2010). A positive relationship between the ethnic diversity and cosmopolitan outlook has been documented in academic literature (Phillips & Smith, 2008); thus, the authors would also expect higher tendencies towards cosmopolitanism in Kazakhstan population.

Another very important factor contributing to consumer cosmopolitanism in Kazakhstan is poorly developed domestic industries in the region. While in general people might say that they prefer domestically produced goods, the availability of such products of the quality they prefer is limited. In Kazakhstan, quality of products, even though improving, has remained far behind the quality actually demanded by the consumers.

2. Theoretical Conceptual Framework

2.1. Consumer Ethnocentricity and Consumer Purchasing Behavior

As international trade activities are growing, many researchers studied consumer ethnocentrism to better understand consumers' behavior (e.g. Shimp & Sharma, 1987; Chasin et al., 1988; Han, 1988; Netemeyer et al., 1991; Hersche, 1992, 1994; Moon, 1996; Kucukemiroglu, 1999; Watson & Wright, 2000; Kaynak & Kara, 2002; O'Cass & Lim, 2002; Baughn & Yaprak, 1996; Wang & Chen, 2004; Vida & Reardon, 2008). An individual's intention to purchase foreign goods versus domestic goods is central to the consumer ethnocentricity, defined as the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign made products (Shimp & Sharma, 1987) and "ethnocentrism gives the individual a sense of identity, feelings of belongingness, and an understanding of what purchase behavior is acceptable or unacceptable to the group" (p.280).

Ethnocentric consumers do not intend to buy foreign-made goods, since they think it is harmful to the domestic economy. Foreign presence may have negative competition effects on domestic firms (Lutz et al., 2008). It would disadvantage domestic producers, increase unemployment, and worsen economic conditions in the home country. Kaynak & Kara (2002) suggested that “the consequences of consumer ethnocentricity include overestimation of the quality and value of domestic products and underestimation of the virtues of imports, a moral obligation to buy domestic products, and intense preference for domestic products” (p.934).

Granzin & Painter (2001) studied patterns of influences on domestic purchasing behavior that is defined as an individual’s purchase-related behavior in support of the domestic economy. The impact of a product’s country-of-origin was studied in the consumer behavior and international marketing literature (e.g., Peterson & Jolibert, 1995; Bilkey & Nes, 1982; Parameswaran & Pisharodi, 1994; Piron, 2000). Kucukemiroglu (1999) found that non-ethnocentric consumers tended to have significantly more favorable beliefs, attitudes and intentions regarding imported products than ethnocentric consumers. Thus, based on this existing body of previous research, the following hypothesis is proposed:

H1a: Ethnocentric attitudes of consumers have a positive effect on Domestic Purchase Behavior in Kazakhstan.

There are alternative explanations for the effect of ethnocentric attitudes on the purchase of imports, particularly in emerging economies like Kazakhstan. Suphellen & Rittenburg (2001) studied Polish consumers and found that in a situation where foreign brands were considered superior than domestic ones, ethnocentric consumers evaluated the domestic brands favorably, but did not express negative evaluations for the foreign ones. The findings in Good & Huddleston’s article pertaining to Russia (1995) stated that the novelty of imported goods was a factor in Russian consumer behavior, as well as the lack of raw materials to produce many consumer products. In Kazakhstan, similarly, local producers were unable to interpret the consumer demand and produce goods of desired quality thus leaving the population little other choice but to purchase foreign goods.

Alternatively, Shimp and Sharma (1987, p. 280) defined ethnocentrism as the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign made products. While most of the research in this stream focuses on attitudes toward domestic purchase, Klein et al. (1998) and Balabanis and Diamantopoulos (2004) both suggest that the CE constructs appear to be more capable of explaining consumers’ positive bias toward home products rather than negative bias against foreign products, pointing out the weaknesses of ethnocentrism in providing specific insights regarding consumer aversion toward a foreign country. However, they find that in each case, CE has a negative effect on foreign purchase. Thus, we hypothesize that after two decades of free market economy, Kazakhstan will tend to track behavior more predominant in standard models of CE, rather than the opposite as proposed by Good & Huddleston (1995).

H1b: Ethnocentric attitudes of consumers have a negative effect on Foreign Purchase Behavior in Kazakhstan.

2.3. Patriotism and Cosmopolitanism

Sharma et al. (1995) extended their original work on the measurement of consumer ethnocentrism by proposing a model that examined why and under what conditions this phenomenon occurs. New constructs of patriotism and openness to foreign cultures were added to the model as antecedents to individual ethnocentricity. Applied to economic consumer behavior, patriots support domestic producers as a part of their duty to their country (Han, 1988). Consumers consider their choice of purchasing domestic goods as having a powerful impact on their own country. They show favoritism for products from their own country, thus reaffirming loyalty to their own country.

The former Soviet regime highly discouraged patriotism or allegiance to individual states within the Union. One might assume that one of two things would happen following the break up of the Soviet Union – either the consumers would have a newfound sense of patriotism or less isolationist attitudes or the suppression of these would continue. These different attitudes should thus affect both integration into the international economy as well as success individually. Specifically, the former Soviet Union consisted largely of the dominant regime (Russia) with most other areas being controlled regimes (e.g., Eastern Europe, Baltics, and Central Asia) where “all officially recognized Soviet nationalities were supposed to have their own nationally defined ‘Great Traditions’ that needed to be protected, perfected, and if need be, invented by specially trained professionals in specially designated institutions’ (Slezkine, 1994, pp. 466-67). Even the territory of Kazakhstan was formed by Soviet border-makers according to the “ethno-linguistic factor of a native nationality” (Soucek, 2000, p.216). The national demands were severely suppressed under the Stalin regime with little release under Khrushchev and Brezhnev. The process of disintegration initiated by Gorbachev resulted in further national disclosure of Kazakhstan. By the early 1990’s enough members of the Kazakh nation were conscious of themselves as members of that nation (Hale, 2009). The government began the process of building patriotism among citizens of newly independent Kazakhstan and found strong mass support for “unionist nationalism” (Hale, 2009). The Nazarbayev’s “Kazakhization” campaign elevated the titular language to the state of the official language to revitalize Kazakh culture wrought by Russian domination (Dave, 1996). In addition to changing street names, issuing mass media and other publications in the state language, the government revised the history to “ethnicize the past of Kazakhstan” (Suny, 2001, p. 882). The new “ethnic history” stressed the suffering of people living on the territory of Kazakhstan during sedentarization, collectivization, and repressions (Schatz, 2000). Despite the number of the projects and propaganda campaigns aimed to prioritize Kazakh ethnic identity over others in Kazakhstan (Rancier, 2009), Kazakhstani leaders always emphasized the importance of patriotism, peace and friendship among all nationalities living in a country. Patriotism in general terms is the love for or devotion to one’s country. Thus, the case of Kazakhstan illustrates a newfound sense of patriotism in a country formerly dominated by Soviet patriotism.

Cultural openness on the part of a consumer implies a passive exposure and acceptance and no rejection of foreign culture and people (Sharma et al., 1995). Watson &

Wright (2000) reported that individuals with high ethnocentrism had more favorable attitudes towards products from culturally similar countries and thus were more willing to purchase these products than the ones coming from the culturally dissimilar countries. Further, Vida & Fairhurst (1999) reported significant differences in consumer ethnocentrism across the four countries in Central Europe. They confirmed a significant impact of cosmopolitanism on the intensity of consumer ethnocentric tendencies.

A number of replication studies in other contexts proved the same sources of ethnocentrism (de Ruyter et al., 1998; Javalgi et al., 2005). Nevertheless, there was disagreement on antecedents of ethnocentricity found in other studies. Balabanis et al. (2001) investigated the patriotism, nationalism, and internationalism as antecedents of consumer ethnocentrism in Turkey and the Czech Republic. They found a significant effect of patriotism and nationalism, but an insignificant effect of internationalism on consumer ethnocentric tendencies. Other studies have produced confusing results on the impact of cultural openness or related constructs used in the literature (e.g., cosmopolitanism, internationalism, global mindedness) on ethnocentrism (Suh & Kwon, 2002). As previous research produced conflicting results on the sources of consumer ethnocentrism, this study aims to re-examine the role of patriotism and cosmopolitanism in shaping consumer attitudes towards purchasing of domestic and foreign products. Thus, it is hypothesized that:

H 2. Patriotism has a positive effect on Consumer Ethnocentricity in Kazakhstan.

H 3. Cosmopolitanism has a negative effect on Consumer Ethnocentricity in Kazakhstan.

3. Methodology

The focus of the study is purchasing behavior and consumer ethnocentrism in transitional economy of Kazakhstan. In less than two decades, GDP per capita in this country reached the level of relative prosperity and the ability of their consumers to have relatively significant purchasing power – at least to the point where they can support the import of more than basic goods. This country represents the two of the three highest GDP per capita countries in the CIS. Students from three local universities were surveyed. College students were chosen as subjects, based on several factors: a) relative homogeneity of extraneous influences (Burgess & Steenkamp, 2006; Strizhakova et al., 2008), b) relatively high exposure to global commerce (Gidley, 2002; Kjeldgaard & Askegaard, 2006) and c) relatively high exposure to multiple languages/cultures. The final sample included 372 students. There was a bias toward younger, educated people due to the university sampling locations. There were more female (61.28%) than male (38.72%) respondents. Because the sample was taken from students at university, the average age of the respondents was slightly over 20 years. Approximately nine percent reported their family income to be above average relative to the rest of the population in Kazakhstan. The respondents also reported having traveled to an average of three countries outside of their home country.

Construct measures for this research were derived from existing literature (Granzin & Olsen, 1998; Keillor et al., 1996; Parameswaran & Pisharodi, 1994; and Yoon et al.,

1996). All measures used have been proven psychometrically sound in cross-cultural contexts. CETSCALE, for example, has been previously used and validated in various cross-cultural contexts (e.g. Lindquist et al., 2001; and Good & Huddleston, 1995). For this study, the five-item version of the original scale was utilized to measure consumer ethnocentrism. Seven-point Likert-type scales (1 = strongly disagree to 7 = strongly agree) were utilized for the individual scales to measure the five constructs. In the process of translation and cross-cultural adaptation of the research stimuli and questionnaire (scale items), we followed the guidelines for conducting international consumer research by Craig & Douglas (1999).

Reliability of the scales was established using Cronbach's Alpha (see Table 1). All alpha values are "respectable or better", i.e. higher than .7 (DeVellis, 2003).

TABLE 1. Measures

Construct/Items	Reliability
Patriotism (PATRIOT) (Adapted from Keillor et al., 1996) 1. Being a Kazakhstani citizen means a lot to me 2. I am proud to be a Kazakhstani citizen 3. When a foreign person praises Kazakhstan, it feels like a personal compliment 4. I feel strong ties with Kazakhstan	.931
Cosmopolitanism (Cosmo) (Adapted from Yoon et al., 1996) 1. I like immersing myself in different cultural environments 2. I like having contact with people from different cultures 3. I would enjoy travelling to foreign countries for an extended period of time 4. Getting information and news from around the world is important to me	.878
Ethnocentricity (CET Scale) (Adapted from Shimp & Sharma, 1987) 1. Kazakhstani products, first, last and foremost 2. A real Kazakhstani citizen should always buy Kazakhstan-made products 3. Kazakhstani citizens should not buy foreign products, because this hurts the Kazakhstan's business and causes unemployment 4. It may cost me in the long-run, but I prefer to support Kazakhstani products 5. Kazakhstani consumers who purchase products made in other countries are responsible for putting their fellow Kazakhstani citizens out of work 6. Only those products that are unavailable in Kazakhstan should be imported	.870
Domestic Purchase Behavior (BuyDom) (Adapted from Grazen & Olsen, 1998) 1. I try to buy mostly domestic brands 2. I take time to look at labels in order to knowingly buy more domestic brands 3. I shop at retail stores that make a special effort to offer domestic brands	.808
Foreign Purchase Behavior (BuyFor) (Adapted from Grazen & Olsen, 1998) 1. I like the idea of owning foreign products 2. My quality of life would improve if more imported goods were available 3. I find imported goods more desirable than domestically produced products	.766

The validity of each of the scales was tested with confirmatory factor analysis (CFA) (Joreskog & Sorbom, 1993). Convergent validity was tested by examining the t-values of the Lambda-X Matrix (Bagozzi, 1981). Ranging from 7.32 to 19.36, all values were well above the 2.00 level specified by Kumar et al. (1992), indicating high convergent validity. Discriminant validity was examined by setting the individual paths of the Phi Matrix to one and testing the resultant model against the original (Gerbing & Anderson, 1988). The high D-squared statistics (Joreskog & Sorbom, 1993) implied that the confirmatory factor model fit significantly better than the constrained model for each construct.

Measure invariance was tested with Confirmatory Factor Analysis (CFA) using multi-group analysis in LISREL 8. Configural invariance is established by the consistent pattern of significant loadings between countries and the fit of the CFA. Full metric invariance was not established, nor expected (Steenkamp & Baumgartner, 1998). As suggested by Horn (1991, p.125) and Steenkamp & Baumgartner (1998), metric invariance is “a condition to be striven for, not one expected to be fully realized.” In fact, Horn et al. (1983) and Steenkamp & Baumgartner (1998, p.81) consider metric invariance as scientifically unrealistic. In academic research, the inability to specify full metric invariance occurs even in relatively limited two and three country groups (Laroche et al., 2004; Mavondo et al., 2003). Since the object of this research is not to compare means of measures across countries, scalar invariance assessment was not assessed (Steenkamp & Baumgartner, 1998, p. 80).

4. Results

The estimation and t-test results for Kazakhstan are shown in Figure 1.

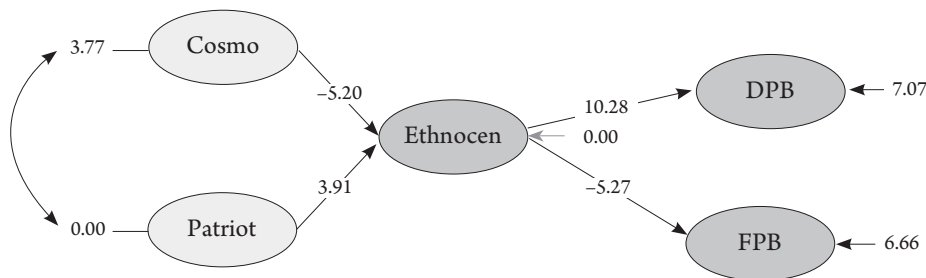


FIGURE 1. Kazakhstan Results (t-values)

As indicated below in Table 2, the overall fit of the model is acceptable. As could be expected given the sample size, the Chi-Squared statistic was significant. The other performance measures suggest that our model describes the data well within acceptable limits, as shown in Table 2. The RMSEA was below the 0.08 cutoff values suggested by Browne & Cudeck (1993). In addition, the CFI is above the commonly recommended 0.90 limit (Lichtenstein et al., 1992).

TABLE 2. Model Fit

Model Fit Measures	
Chi-Squared	456.97, df=147
RMSEA	.076
CFI	.95
NFI	.93
RFI	.95

The hypotheses are tested by examining the individual structural paths of the model (Table 3).

Table 3. Hypotheses Results

Hypotheses	Linkage	Est (t-value)	Result
H1a:	CET → BuyDom (+)	0.66 (10.28)	Supported
H1b:	CET → BuyFor (-)	-0.34(5.27)	Supported
H2:	Patriot → CET (+)	0.22(3.91)	Supported
H3:	Cosmo → CET (-)	-0.30(5.20)	Supported

5. Discussion and Conclusions

Based on the findings of this research and extensive analysis of the literature on consumer ethnocentrism, the following conclusions can be made in respect to the role of consumer ethnocentrism, patriotism and cosmopolitanism in transitional economy of Kazakhstan. First, as expected, consumer ethnocentrism leads to high consumption of locally produced goods and to the lower level of consumption of foreign made products. Second, patriotism has a significant positive effect on consumer ethnocentrism. Lastly, cosmopolitanism has a significant negative effect on ethnocentric attitudes of consumers in the country studied. It appears that patriotism has marginally blossomed into negative effect toward foreign goods in Kazakhstan. However, the opposite appears to be true regarding the effect of cosmopolitanism. Contrary to remaining isolationist, Kazakhstan seems to have a strong negative link of cosmopolitanism on ethnocentric attitudes. Historically, people living on the territory of the current Republic of Kazakhstan led a nomad's life. Traditionally, strangers were treated as honorable guests. Later, during the Soviet regime, numerous workforces from all other republics were moved to the vast territories of Kazakhstan to explore natural resources and develop agriculture. These facts can provide insights on the cosmopolitanism of Kazakhstani population and openness to foreign cultures and foreign products. Our findings suggest that consumers' experience of traveling abroad, living in other countries and exposure to different cultures in general can reduce resistance to buy foreign made products and even stimulate consumers' intentions to purchase imported goods.

Interestingly, while the experience of other economies in transition supports greater pull towards consumer ethnocentrism (Good & Huddleston, 1995), Kazakhstan's his-

torical ethnic diversity contributed towards less ethnocentric attitudes for its consumers. However, there have been several very important developments in this country recently, which might increase consumer ethnocentrism in the region. First of all, it is the announcement of the government strategy on entering 50 most competitive economies in the world within the next ten years (Nazarbayev, 2006). The government support of domestic goods production and strive to increase the competitiveness of domestic goods against foreign-made goods are expected to increase ethnocentric attitudes of the country's consumers.

Secondly, it is the government strategy to enter World Trade Organization as a mechanism of economic growth, the strategy which is in the process of implementation through various political and economic reforms directed at increasing the specialization and competitiveness of domestically produced goods. These reforms are most obvious in the area of support for the development of entrepreneurship and small and medium enterprises (SMEs) and internal demand for goods.

Lastly, it is the formation of the new customs union between Kazakhstan, Russia, and Belarus signed into effect January 2010. While the union's political and economic benefits are still being debated, its implications for the preference of domestic versus foreign goods consumption cannot be doubted.

Thus, overall, Kazakhstan seems to have the promise of becoming integrated into the global economy. These findings are supported by economic statistics. According to the World Bank, Kazakhstan GDP growth rate in 2007 was 8.9 percent, with foreign direct investments of 10 percent of the GDP. Kazakhstan's real trade growth (in constant 2000 U.S. dollars) averaged 10.3 percent over the 2005–07 period (World Bank, 2010).

The results of the present study demonstrate the relationship of consumer ethnocentrism and its antecedents - patriotism and cosmopolitanism to consumer buying behavior. However, it is hard to conclude that ethnocentrism is the only factor accounting for the purchase intention. The impact of ethnocentrism on consumer attitudes and behavior depends on contexts such as consumer characteristics and values, type of product, its quality, availability and alternatives on the market, competitive environment, as well as general economic and even political situation in a country. Future research might consider these factors to determine why consumers select domestic or foreign made products. The country of origin effect (COO) and relative product quality perceptions of domestic goods versus foreign products could be important determinants of consumer behavior (Kaynak et al., 2000). The other limitation of this study is that price of domestic vs. imported goods was not controlled. It is hard to determine whether consumers purchase domestic goods because they have high ethnocentric attitudes or because the domestic goods are simply cheaper than imported ones. Finally, a more sophisticated sampling procedure can help to study the relationship between ethnocentrism and consumer characteristics.

The study has practical significance for companies marketing consumer goods. Ethnocentricity can be used to segment the market for specific domestic and foreign products and services. The managerial implication is that foreign firms should assure domestic con-

sumers that purchasing of their products would not disadvantage domestic producers and worsen economic conditions in the home country. Foreign firms just entering domestic markets can select joint ventures as an entry mode to overcome consumer resistance toward foreign made products. The paper contributes to the understanding by international and global companies the local markets of Kazakhstan, favoritism for domestic products, and possible resistance for the purchasing of foreign goods by local consumers. As for the theoretical significance, the paper applies the western scales to transitional economy of Kazakhstan. It will be of interest to compare the results of this study with similar findings from other countries at different stages of economic development.

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