

# **Consumer Product Perceptions Within Emerging Markets: The Product Adoption Process and Consumer Ethnocentrism**

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*The general acceptance of globalization and free trade across most national governments has led to the massive proliferation of foreign goods across the globe within the past few decades. As a result, the consumer adoption of imported products has been researched extensively; however, the bulk of these studies have focused on developed countries, leaving less developed and emerging countries vastly unexplored compared to their developed counterparts. Using Mexico to represent an emerging market with high levels of consumer ethnocentrism, this study examines the relationships among consumers' attitudes toward imported products, their behavioral intentions, and consumer ethnocentrism within the product adoption process framework. The results provide evidence of positive direct effects of attitude and behavioral intention towards imported products. The hypothesis that the product adoption process leads to purchase intention was also supported; however, there was insignificant evidence to support the proposed moderating effect of consumer ethnocentrism upon this product adoption process and purchase intention relationship.*

*Keywords: imported products, product adoption, consumer ethnocentrism, purchase intention, Mexico*

## **INTRODUCTION**

This research examines the effects of the attitudes and behavioral intentions toward products on the product adoption process, the effects of this product adoption process on purchase intention, and the moderating role of consumer ethnocentrism of the product adoption process-purchase intention relationship among emerging market consumers when adopting imported products. The study specifically examines these relationships among consumers from Mexico, a country recognized as an emerging market by many reputable sources of international economic information. It extends the current knowledge surrounding the attitude formation and behavioral intentions toward imported products while investigating consumer ethnocentrism, the stages of the product adoption process, and their relationship with purchase intention.

## LITERATURE REVIEW

Product adoption is often associated with consumers' intentions to purchase or use a particular product (Lambrecht, Seim, & Tucker, 2011). This intention has been described as finding the right tool for a specific purpose (Zenobia & Weber, 2011) or as the stage where consumers fully embrace an innovation (Kitchen & Panopoulos, 2010; Rogers, 1995). Consequently, viewing product adoption as a continuous process rather than a simple binary decision of adoption or non-adoption is essential (Hussein, Ennew, & Kortam, 2012).

Various theories and models have been applied to comprehend adoption, such as the Theory of Reasoned Action (Fishbein & Ajzen, 1975), the Diffusion of Innovation Theory (Rogers, 1995), the Technology Acceptance Model (Davis, 1989), and the Industrial Adoption Process Model (Ozanne & Churchill, 1971). However, none of these existing theories or models offers a comprehensive explanation of the adoption process of imported products and furthermore, some researchers contend that a holistic and enriched customized approach is required when analyzing the adoption process (Panopoulos & Sarri, 2013).

In short, past research typically does not specifically identify the unique steps or components that constitute how consumers adopt imported products. Additionally, the available adoption definitions in the literature do not entirely encompass the factors and considerations that consumers weigh when making decisions about their purchases. Consequently, to address these gaps, we have incorporated additional elements from consumer buying behavior to formulate the proposed adoption process for imported products.

## CONCEPTUAL FRAMEWORK

Our conceptual framework posits that consumers' attitudes toward the product and their behavioral intentions toward the product will directly influence their product adoption process (i.e., PAP), subsequently affecting their intention to purchase the product. Additionally, we suggest that consumer ethnocentrism (i.e., CET) serves as a moderator, thus imparting an interactive effect upon the relationship between the product adoption process and purchase intention.

To clarify our interpretation of the constructs being studied, an attitude represents evaluations and feelings toward target behavior or an object in question (Fishbein & Ajzen, 1975; Ajzen & Fishbein, 1977). Research has shown that attitudes influence positively or negatively consumers' responses toward products (Ajzen & Fishbein, 1980; Andreassen & Streukens, 2013; Bagozzi, 1992; Plewa et al., 2012). Behavioral intention has been defined as the individual's subjective probability of performing a specific behavior or the likelihood of users to use a product depending on the perceived consequences of acting according to those intentions (Fishbein & Ajzen, 1975; Bobbitt & Dabholkar, 2001; Wu & Wang, 2005).

Over the years, the definition of product adoption has taken upon several distinct but related meanings among researchers (Hussein, Ennew, & Kortam, 2012; Kitchen & Panopoulos, 2010; Lambrecht, Seim, & Tucker, 2011). For this research, the product adoption process is defined as the different stages that consumers go through from product selection, evaluation, and acceptance. Selection consists of choosing a product, among several options, to satisfy a motive holding the motive constant while varying the product options (Blumer, 1969; Zenobia & Weber, 2011). Evaluation consists of judging how well a product satisfies a motive resulting in emotional responses (Zenobia & Weber, 2011) and product acceptance results from the consumers' impression that the product it is doing what it's intended to do (Meuter et al., 2000).

Purchase intention is formed under the assumption of a pending transaction and is commonly considered an indicator of actual purchase (Chang & Wildt, 1994). The acceptance of products culminates with a purchase intention, which is the customers' intent to purchase a specific product (Summers, Belleau, & Xu, 2006). Generally, if a product (imported or domestic) is low in acceptance, customer purchase intention is also expected to be low and vice versa. Thus, consumers evaluate product attributes, accept or reject a product, and then finally make their purchase decision (Wang et al., 2013).

Consumer ethnocentrism refers to the consumer's belief that buying foreign products will potentially reduce domestic jobs and subsequent economic damage (Shimp & Sharma, 1987). Therefore, domestic

consumers who are ethnocentric would consider the purchase of foreign goods as inappropriate, immoral, and unpatriotic. Over the past few decades, CET has received widespread interest by academic researchers and is posited to have various types of influence upon the consumer's purchase decision process, particularly with regards to their preferences for domestic products vs. imported products (e.g., Carter & Maher, 2015; Klein, 2002; Maher, Clark, & Maher, 2010; Sharma, 2011). Good and Huddleston (1995) found that as the country's stage of economic development rises from a poor domestic economy to an intermediate level of economic growth, CET becomes more prevalent among its citizens. Based on our understanding of these constructs of interest and the findings from previous studies, four hypotheses are posited to test our theoretical framework using consumers from the emerging market of Mexico by evaluating their attitudes and purchase intentions toward imported products.

*H<sub>1</sub>: Mexican consumers' attitudes toward imported products have a direct and positive effect upon their product adoption process (i.e., PAP).*

*H<sub>2</sub>: Mexican consumers' behavioral intentions toward imported products have a direct and positive effect upon their PAP.*

*H<sub>3</sub>: The PAP, composed by product selection, evaluation, and acceptance, has a direct and positive effect upon imported products' purchase intention among Mexican consumers.*

*H<sub>4</sub>: Consumer ethnocentrism moderates the PAP-purchase intention relationship.*

## **METHODOLOGY**

### **Research Design**

In this study, we adopted a quasi-experimental, cross-sectional between-subjects design based on Campbell and Stanley's (1971) framework. This design allowed us to comprehensively investigate the product adoption process that guides consumers' purchasing decisions. It facilitated precise operationalization and yielded distinct groups by combining three key manipulations. The first manipulation consisted of changing the source of origin for the product, thus allowing us to denote changes in consumers' attitudes and intentions towards imported or domestic products. Secondly, we differentiated between developed and emerging markets to focus primarily on emerging markets by assessing Mexican consumers' attitudes and intentions. Thirdly, we identified countries with products that varied based on the product's country market development level, associating Italian and Japanese products from developed markets and Chinese and Mexican products from emerging markets. These manipulations were created to simulate real-world settings that consumers may encounter during their product adoption journey.

The choice of products and countries in our research adhered to specific criteria. First, we selected products that would be relevant to our participants. Second, the product category needed to include both domestic and imported brands, as recognized by the participants. Third, the countries selected as product manufacturers were well-regarded for their production in these categories. These three parameters led us to choose the product category of shoes for this study, a product that is commonly used and varies drastically with regards to price, quality, and country association.

Consequently, we identified three distinct groups that are referred to as "scenarios" for methodological clarity. Scenario 1 consists of consumers in Mexico and imported shoes from China, while Scenario 2 consists of consumers in Mexico and imported shoes from Italy. Scenario 3 is comprised of consumers in Mexico and domestically manufactured shoes. This strategic design allowed for a comprehensive examination of the complex dynamics surrounding product adoption and decision-making processes across various scenarios.

## Sample

We collected data through a non-random quota sampling method, resulting in 362 participants hailing from the emerging market, Mexico. Surveys were distributed across six distinct regions within the country. This meticulous approach, encompassing diverse regions within the participating country, allowed us to create a more comprehensive and representative sample. It was instrumental in ensuring that the study could effectively capture a wide spectrum of geographic, political, and commercial backgrounds for a richer analysis.

A self-administered questionnaire was employed to capture data from individuals willing to participate in the study. We utilized multiple items adapted from robust measures used in previous research. All instruments were evaluated on a seven-point Likert scale anchored between “strongly disagree” (1) and “strongly agree” (7). The wording in the items was slightly altered to fit the purposes of this research study. The questionnaire was originally created in English and translated into Spanish for the participants in Mexico using the double translation procedure.

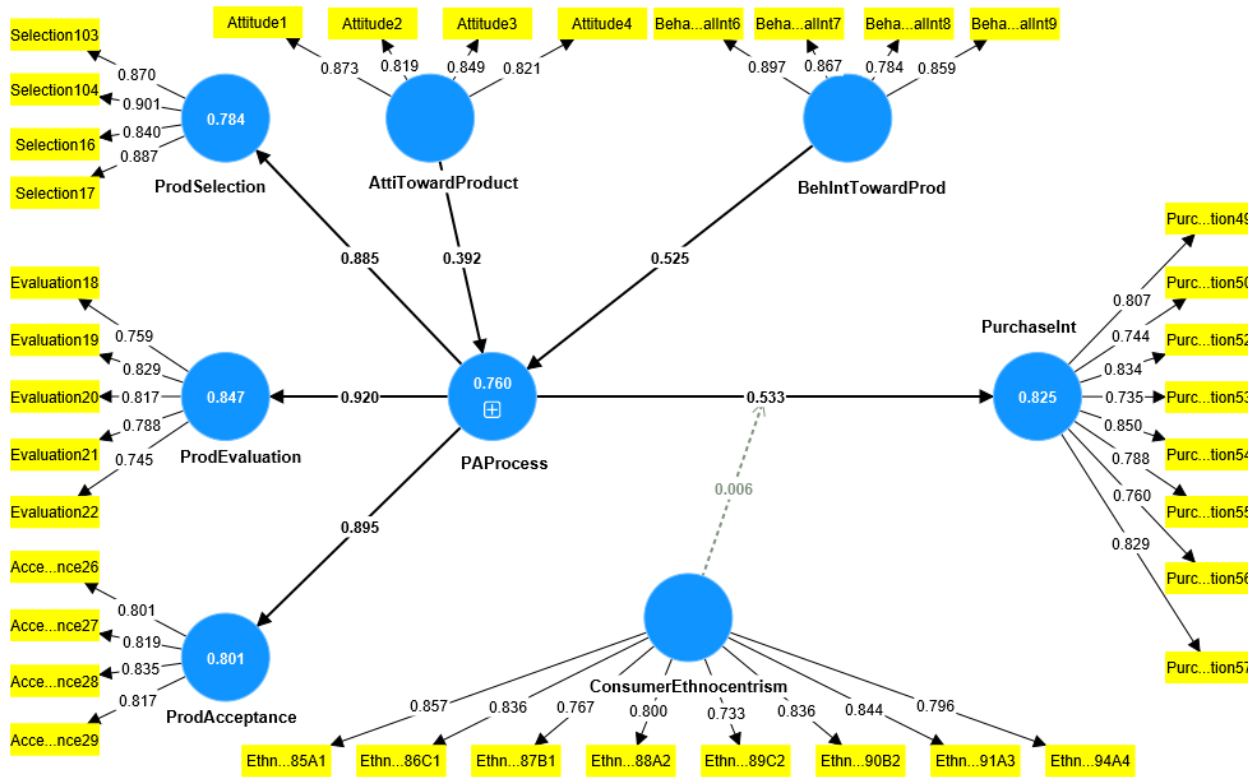
## RESULTS

Partial least squares structural equation modeling (PLS-SEM) “is the preferred method when the research objective is theory development and prediction” (Hair, Ringle, & Sarstedt, 2011, p. 143). PLS-SEM maximizes the explained variance of latent constructs by estimating partial model relationships through an iterative sequence of ordinary least squares (i.e., OLS) regressions. Confirmatory composite analysis (i.e., CCA) was used to assess our model. CCA for reflective constructs includes a process that involves an assessment of the item loadings, composite reliability, average variance extracted (i.e., AVE), discriminant validity, nomological validity, and predictive validity (Hair, Howard, & Nitzl, 2020). When the measurement model was assessed, all item loadings were above 0.7 and statistically significant.

Composite reliability values ranged from 0.83 to 0.93 and are above the recommended thresholds (Hair et al., 2021). The AVE for all constructs ranged from 0.55 to 0.76 exceeding the threshold of 0.50 indicating that our model achieved convergent validity (Hair et al., 2019). Discriminant validity was supported using the heterotrait-monotrait (i.e., HTMT) method. All ratios among reflective constructs were below 0.85 and the confident intervals did not include a zero or one (Henseler, Ringle, & Sarstedt, 2015), which means that our constructs differ from each other.

The nomological validity for the relationships between the constructs in our model is supported by previous literature (Ajzen & Fishbein, 1980; Baker & Churchill, 1977; Cronin, Michael, & Hult, 2000; Davis, Bagozzi, & Warshaw, 1989; Dodds, Monroe, & Grewal, 1991; Jones, Mothersbaugh, & Beatty, 2000; Rao & Monroe, 1988; Schillewaert et al., 2005; Sharma, 2014; Vasquez-Parraga & Alonso, 2000; Wang et al., 2013). Structural model evaluation follows a comprehensive six-step procedure, encompassing the examination of multicollinearity, path coefficients and their significance, R<sup>2</sup> values explaining the total variance in endogenous constructs, f<sup>2</sup> effect sizes of exogenous constructs, Q<sup>2</sup> for endogenous constructs, and out-of-sample prediction, following the PLSpredict methodology (Hair, Howard, & Nitzl, 2020). Our model was assessed for multicollinearity among constructs and all variance inflation factor (VIF) results were below 3.0 indicating that multicollinearity did not influence the results (Hair et al., 2019). Then, the path coefficients and their statistical significance were assessed using PLS bootstrapping procedure where 5,000 samples were used to produce bias-corrected confidence intervals. Figure 1 graphically represents the PLS-SEM path coefficients, R-squares, and item loadings for our full model.

**FIGURE 1**  
**PLS-SEM STRUCTURAL MODEL**



Hypothesis 1 (the attitudes toward imported products have a direct and positive effect on PAP among Mexican consumers) was supported with a positive path coefficient of 0.39 ( $p < .00$ ). Hypothesis 2 (behavioral intentions toward imported products have a direct and positive effect on PAP among Mexican consumers) was supported with a positive path coefficient of 0.52 ( $p < .00$ ). Furthermore, these two constructs explain 76% of PAP's total variance. Hypothesis 3 (the PAP, composed by product selection, evaluation, and acceptance, has a direct and positive effect on imported products' purchase intention among Mexican consumers) was supported with a positive path coefficient of 0.53 ( $p < .00$ ). Using the orthogonal moderation approach, the path coefficient between the interaction term and purchase intention measured 0.01 and was not significant and therefore did not support Hypothesis 4 (consumer ethnocentrism moderates the PAP-purchase intention relationship). However, the results supported a direct relationship between CET and purchase intention with positive path coefficients of 0.45 ( $p < .00$ ). Full results from the path analysis are shown in Table 1.

**TABLE 1**  
**PLS-SEM PATH COEFFICIENTS**

Path	Effect	Hypothesis	Support
<b>Direct Effects</b>			
Attitudes – PAP	.392 ***	H1	Yes
Behavioral Intentions – PAP	.525 ***	H2	Yes
PAP – Product Selection	.885 ***	-	-
PAP – Product Evaluation	.920 ***	-	-
PAP – Product Acceptance	.895 ***	-	-
PAP – Purchase Intention	.533 ***	H3	Yes
CET – Purchase Intention	.420 ***	-	-
<b>Indirect Effects</b>			
Attitudes – PAP – Purchase Intention	.209 ***	-	-
Behavioral Intentions – PAP – Purchase Intention	.280 ***	-	-
<b>Moderating Effect (Orthogonal Approach)</b>			
CET x PAP – Purchase Intention	.006 <i>ns</i>	H4	No

\*\*\* $p < .01$ ; \*\* $p < .05$ ; \* $p < .10$

The next step of structural model evaluation involves explained variance. Purchase intention has an  $R^2$  of 0.82. The PAP showed an effect size which contributes to the  $R^2$  results of purchase intention. The effect size was positive and meaningful at 0.54 (Cohen, 2013). The last two steps include assessments for out-of-sample prediction. The first step is to review the Q2 metric for endogenous constructs resulting from the blindfolding approach. Values greater than zero provide a baseline indication that the model had in-sample predictive power (Hair, Howard, & Nitzl, 2020). Our model showed high predictive power by using PLSpredict to assess out-of-sample prediction power (Shmueli et al., 2019). None of the endogenous indicators' prediction errors for the market. The RMSE method were higher than those generated from the linear regression model alternative (Hair, Howard, & Nitzl, 2020).

## DISCUSSION

This study attempts to shed light into understanding the product adoption process of consumers from an emerging his has been an underdeveloped area of study over the years since most research has focused more intently on consumers' purchase decision process from more industrialized countries. It has been noted that as the consumer markets from developed countries become saturated with products, companies must turn to alternative markets in order to seek new customers within less competitive market environments. While it may impose additional risks for companies to enter these less-competitive markets, they oftentimes consist of underserved consumers aspiring to emulate their counterparts from the more-developed countries by buying and displaying products as a signal of wealth and wellbeing. Under positive circumstances, a company that is the first to enter and service a market will attempt to establish a pioneer advantage and create a strong customer base before other companies enter that market with their competing products.

We also investigated the potential moderating role of consumer ethnocentrism between the product adoption process and purchase intention. Firms engaged in foreign market entry that understand how the consumers make product adoption decisions will be able to create more effective and persuasive marketing strategies upon entering that foreign market with their products and services. For example, consumers that come from a more ethnocentric society tend to exhibit a higher degree of national pride, cohesion, and community with their fellow countrymen. This results in them having more empathy with regards to

domestic employment conditions, stronger loyalty towards products and brands from within their country, and a general disregard or lack of support for companies and brands from outside countries. However, this phenomenon does not mean that all is lost for foreign companies wishing to enter markets with highly ethnocentric consumers. For example, a foreign company can choose a foreign market entry strategy that is more palatable for these types of consumers, such as creating a joint venture with a local company or manufacturing the product on that country's soil and employing the locals to work at the plant. Either of these actions may help the foreign company appear more local or domestic to the consumers to help overcome their ethnocentric tendencies and thus, becoming more accepting of the firm and its products.

This paper is relevant to educators teaching global marketing, researchers studying consumers' product adoption process within emerging markets, and practitioners interested in entering foreign markets with their products and services. While it attempts to shed light upon the effects of CET upon the purchase adoption process of consumers from emerging markets, more research is needed to fully understand the conditions whereby CET has the most effect in consumer decision-making. A broader random sample of consumers from various countries would benefit this study and provide group comparisons to help us assess consumer differences across varying nationalities and CET levels. Also, the addition of other country-related variables (e.g., consumer animosity towards countries, world mindfulness, and country-of-origin image) within this conceptual framework may add value in understanding the interplay among these variables as it relates to how consumers choose and adopt products when making purchase decisions among foreign and domestic product choices.

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