Analysis of Russian Values

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Directed Study

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Abstract

Many efforts have been made to understand consumer behavior, trying to find how different consumer values affect purchases. One prominent theory is the existence of "Consumer Ethnocentrism" , a personal bias towards buying "national" (local) products instead of "foreign" products (imports or foreign-owned). Our study will analyze the results from a value survey conducted in Russia and the United States, to determine what variables affect Ethnocentrism, or furthermore, if there exists an empirical transition between different value measuring systems. We have notably found that a country's culture is not directly related to ethnocentrism, since different groups in a given country have different value systems, of which only a limited set of values are a reflection of the culture.

1. Introduction

Various instruments have been developed to comprehend consumer behavior through the understanding of national culture, values and beliefs. These instruments have been tested and applied primarily in developed economies. However, validation of the same instruments in emerging economies is not fully available and in some cases inexistent. Due to the scarcity of consumer behavior studies in such countries, knowledge of the dominant value systems and the degree of consumer ethnocentrism is limited.

This study intends to explore and contribute to the lack of information and understanding of Russia, an ex-communist regime that is going through cultural, political and economical change with a market that presents many long-term opportunities for multinational firms. By understanding the Russian dominant values and contrasting these findings with those of a developed economy such as the United States, it may be possible to develop a valid measure of consumer ethnocentrism that will be useful to understand Russian consumer receptiveness to imported goods, as well as Russian perceptions of domestic products.

We will presently review the research literature in an attempt to craft hypothesis that will reflect the findings that we are expecting from the Russian data. We will summarize conclusions from both historical and empirical research, in an attempt to predict how Russian values and ethnocentricity have evolved until the present day. First, we will review the methods to study value systems, after which we will attempt to draw conclusions about the possible evolutions of values in a post-communist country. Secondly, we will see how globalization raises issues of ethnocentricity, and predict a pattern of ethnocentric behavior for the Russian demographics. Finally, we will analyze the implications of a communist past for ethnocentrism, and suggest what values may be related to communist ideals. Once the hypotheses have been drawn, we will proceed to analyze the statistical data.

2. Review of existing literature

A. Methods for analyzing value systems

Values are defined as abstract beliefs about desirable goals that transcend specific behavior (Schwartz & Bilsky 1990; Schwartz 1992) giving them a strong influence on people's cognitive processes (Schwartz 1992). In particular Schwartz and Bilsky (1987) identified five main features of values that are used as a common background for research on values. Values are (1) concepts or beliefs (2) that are desirable end states; (3) they transcend specific situations (4) and guide the evaluation of people, behavior and events, and finally (5) they are ordered in relative importance.

If values are prescriptive for attitudes and behavior, the measurement of values is an important tool for understanding and explaining human behavior. Theorists have proposed several instruments for measuring values. Among these, the most famous are probably the Rokeach Value Survey (RVS) (Rokeach 1973), the List of Values (LOV) (Kahle 1983) and the Schwartz Value Inventory (SVI) (Schwartz 1992).

The Rokeach Value Survey (RVS) (Rokeach 1968) is designed to measure two types of values: terminal and instrumental. Terminal values constitute the desirable end-states of existence or the goals that a person would like to achieve during his or her lifetime (e.g., an exciting life, national security). Instrumental values are the preferable modes of behavior or means of achieving one's terminal values (e.g., independent, being ambitious). In the RVS, subjects are asked to rank order each value as to its importance as a guiding principle in their lives. The test is separated in two constructs of 18 values, one construct for each value type.

The List of Values (LOV) (Kahle 1983) reduces the Rokeach's list from 18 to 9 and only includes terminal values. In essence, the goal of the LOV is to measure which values are central to people in their daily lives. This instrument was developed primarily from a theoretical base of values from Feather (1975), Maslow's hierarchy of values (1954) and Rokeach's 18 terminal values (1973).

Finally, the Schwartz Value Inventory (SVI) (Schwartz 1992) contains ten motivational domains. These domains reflect either an individualistic or a collectivistic interest dimension, or both, and they can be grouped into two dimensional structures composed of four higher order dimensions (openness to change, self-enhancement, conservation, self-transcendence) that are basic and bipolar.

Using these methods, we can measure the impacts of different variables on the values. For example, research using these three methods seems to indicate that two groups with different experiences through their formative years will have different value priorities. As a result, older age groups will tend to place great importance on materialistic values (physical sustenance and safety). As we move from older to younger groups, the emphasis appears to shift from materialistic to post-materialistic values (belonging, self-expression and quality of life). We can also draw theories regarding the

impact of contextual changes in the same values, in an attempt to predict the results or at least to be able to explain them.

B. The evolution of values in a post-communist nation

The central claim of modernization theory is that economic development is linked with coherent and, to some extent, predictable changes in culture and social and political life. There are, however, divergent opinions about the cause-and-effect relationships of such changes. Scholars from Karl Marx (1859) to Daniel Bell (1973, 1976) have come up with the conclusion that economic development will change cultures pervasively. According to them, economic and political forces will cause traditional values to decline and modern values to take the place. On the contrary, scholars from Max Weber (1958) to Samuel Huntington (1993, 1996) have claimed that values have an enduring and autonomous impact on society. They believe that traditional values persist despite economic and political changes. These diverging findings indicate that there may be different outcomes from different contexts. Further empirical research is required to determine when each one of these two situations are likely to happen.

Scholars like Inglehart and Baker (1999) obtained some valuable results. They divided all countries that they have surveyed into cultural zones, and ranked them on two dimensions of cross-cultural variation. Their findings suggest that once established, cross-cultural differences and religious beliefs combined become part of a national culture, a collective mental programming transmitted to the people via educational institutions and mass media. The nation thus retains a key unit of shared experience, independently of globalization, since its educational and cultural institutions forge the values of all its citizens. This persistence of distinctive value systems shows that culture is path-dependent, i.e. it has an enduring effect that preserves certain behavioral patterns. For example, despite the fact that established religious institutions are losing the allegiance of their followers, there is a growing interest in spiritual concerns at the individual level in post-modern societies, clearly showing that the value for spiritual salvation remains present.

Countries in some cultural-zones, for example, historically protestant and catholic zones, share very similar value systems, while others, especially those in ex-communist zones, have diverse systems. They mainly fall into two groups: those that experienced economic and social collapse; and those that made a successful transition to market economies. Russia represents the former group and China is a representative of the latter group. Although China is an anomaly in the ex-Communist zone which deserves further research for accurate analysis, survey results in Russia and other ex-communist countries show the following evidence: although the people in these countries used to be favorable to secularization, the collapse of Communism has given rise to pervasive insecurity and a return to religious beliefs. It would be possible to build a model of this effect and test it against new survey data.

C. Consumer Ethnocentrism

Consumer ethnocentrism, a particular case of general ethnocentrism, is a powerful determinant of consumer preferences in terms of purchasing domestic and foreign products. Influenced by the consumer's positive and/or negative attitudes towards other countries and thus has an impact on consumer behavior and import purchases (Sharma et al., 1995). For example, societies with high consumer ethnocentrism are less favorable towards foreign products and consequently, less likely to purchase imported goods, even though they might be cheaper and/or of better quality than domestic products.

Shimp and Sharma (1987) have developed a CETSCALE consisting of 17 items to measure ethnocentric tendencies of consumers. This scale was used (by WSU's Center of International Business Studies) to conduct a study in Russia. Based on the results of the study, this scale will allow us to predict consumer behavior and attitudes of Russians towards the purchase of foreign goods. For example, it is expected that high ethnocentric tendencies will be related to lower imports.

Consumer demographics, such as income or education levels, have a significant influence on consumer ethnocentrism (Shimp, 1984; Good & Huddleston, 1995). Research in this field has shown that women, older and less educated people (who are more conservative and patriotic) tend to be more ethnocentric in terms of their consumer behavior. We assume to find similar results in the Russian study.

D. Ethnocentrism in a post-communist nation

From a historical standpoint, the post-communist economic developments are likely to be rich of contrasts concerning societal issues. A whole population has had to embrace the loss of direction from a central government, leading to the dismemberment of the Soviet Union and the reorganization of many social realities. During the next decade, Russian "Nouveaux Riches" have gained a reputation of being uneducated large spenders, traveling through Europe for entertainment opportunities. But this group constitutes a minority, those lucky enough to end in a favorable situation when the economy shifted from communist to a free market. But the term "free" in this case would rather mean unregulated and "free-for-all", at least in the first few years after the collapse. This would mean the rise of a parallel economy and a reduction of interpersonal trust, since everybody is basically left to "fend for themselves".

More than a decade after the opening of the Berlin wall there are likely to be some previous cultural values ingrained within the new culture. Therefore we can wonder whether or not the values of the post-communist regime are tainted with communist value dimensions. Hofstede described the Communist value dimensions although he did not originally have data for soviet Russia. In a subsequent study, he described (geert-hofstede.com) the Russian regime as follows, arguing that Communism exacerbated to higher values the Power Distance and Uncertainty Avoidance dimensions. Note however

that the fifth dimension, Long Term Orientation, is missing. A possible explanation would be that the data was collected before Hofstede defined this new dimension.
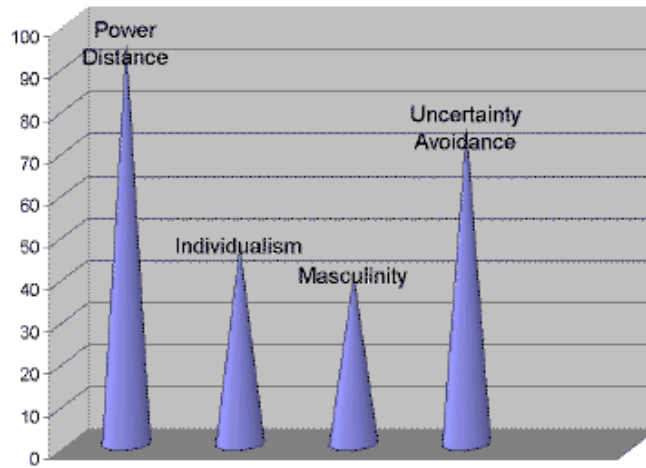
Russian Value Dimensions according to Hofstede
Source: http://international-business-etiquette.com/besite/russia.htm

It would be useful to find a translation mechanism from Ethnocentrism and the RVS to Hofstede's cultural dimensions. We can theorize how each variable translates into different value dimensions, and then apply them to country data and compare with previous studies from Hofstede.

Communist governments are, in all historic occurrences, promoters of ethnocentrism as a mechanism for social harmony and personal selflessness in benefit of the country. If this was the case, then we could expect a correlation between Hofstede's Communist values and ethnocentrism. But it could also be that a group with no Communist values would have a high ethnocentrism as a reflection of their wish/drive to rebuild their own country through national efforts; whereas another group may still subscribe to Communist values but only as a moral guidance to navigate through the world. The first would happen in a context where the loss of identity from the fall of communism drove parts of the population to search for meaning through their past history, re-igniting nationalism (or at least ethnocentric) feelings (Searle-White, 2001).

High	Localists	Communists	
Low	*Globalists*	*Socialists*	
Ethnocentrism	**Low**	**High**	**Communism**

However, after more than ten years of capitalism, and the advance of communication technologies, it is likely that Russian individuals have gained a new awareness of the global reality in which they live. Thus, it is likely that we will not find a strong relation to communist values.

E.   The impact of globalization

The fall of communism is unlikely to be the only factor that affects Russian consumer values. The world is increasingly becoming more integrated as barriers of trade fall and communication technology improves. Therefore, the last few decades have seen a rise of two different types of behavior, one that could be called "local", or national oriented, and "global", or national-independent.

Many factors affect these attitudes, and each one of them is definable and measurable.

Ethnocentrism, the tendency to judge the customs of other societies by the standards of one's own culture, is functional for a society because it is easy for its members to judge others and feel superior. It also has the benefit of promoting solidarity, as any society can cooperate when comparing itself favorably to those outside of their own national boundaries. However, many sociologists find ethnocentrism to be more dysfunctional than functional as it can be a source of conflict and inequality. For example, a major cause of international conflict comes from highly ethnocentric societies that create feuds through self-created and self-fulfilling prophecies. Ethnocentrism is also used as an excuse for one group to treat another in a disrespectful manner, creating a strong "us vs. them" mentality that creates misunderstanding by deforming the social reality.

Patriotism affects local and international relations. It is people's allegiance to their own country, the depicting pride in the nation. Nationalism, on the other hand, is more closely associated with supporting the resources of a country. The two terms are closely related since both of them signify devotion and loyalty to one's nation. However, Nationalism tends to be associated with negative behaviors (xenophobia, racism) while patriotism is more closely related to positive behaviors ("national team" spirit, service to one's country).

A discriminating factor may be that nationalism rejects foreign interpretations of values, whereas patriotism may not be related to ethnocentric values. For example, a person who acts based on foreign values in the interest of her or his own country remains a patriot, in spite of the diverging values (although the person may not be recognized as a patriot by its country nationals if they disagree with the value system).
As a result, Nationalist sentiments are likely to be related to high ethnocentrism, while Patriotic sentiments may be independent of ethnocentrism. On the other hand, people with high ethnocentrism may experience a drive to be patriotic without necessarily rejecting foreign values.

In contrast, cosmopolitanism recognizes the rights and values of human beings as members of humankind irrespective of state or national boundaries. A cosmopolitan would regard the whole world as a native land and would have no national prejudices. These people consider themselves citizens of the world. Instead of identifying themselves with one particular nation, they open their arms to other cultures and customs and believe in a "one world" society. However, this does not mean cosmopolitans are

oblivious to local concerns or ethnocentric values (Cannon and Yaprak): they can be distinguished by "parochial" and "global" cosmopolitans, the former being more ethnocentric than the latter as he or she is concerned with local ties.

Finally, Internationalism is the belief that people of different nations are equal and there is opportunity for collaboration amongst their members. Internationalism is in opposition to nationalism because it broadens its range for economic justice. It emphasizes the global structure of society and is partial to the requirements of the greater world.

Hofstede's dimensions, the CETSCALE, and the RVS could serve a purpose in identifying some of the drives for each one of these "-ism"s, and the values associated with them. Hofstede's method provides a "snapshot" of the culture for comparison with other cultures. Later, Triandis correlated the dimension with horizontality and verticality to explore the issue further. His study discriminated four separate clusters demonstrating that verticality (an authoritarian or hierarchic culture) can be both present in individualistic and collectivist societies. Based on this study, we can logically deduce logical drives for ethnocentrism appearing in every one of the four clusters, albeit for different reasons. As a result, it appears that Hofstede's dimensions of verticality and collectivism alone are not a good predictor of CET. However, we could probably measure it by identifying auto- and hetero-stereotypes, in other words the culture's stereotyping of itself and other societies, respectively. We can summarize examples of ethnocentric drives in a table, showing that every case can give birth to ethnocentrism:

Dimensions	Examples of ethnocentric drives
Collectivism + Verticality	Authoritarian culture established by force and anti-foreign propaganda. Ethnocentrism desired by the elites.
Individualism + Verticality	Lack of collectivism (no perceived group) can create an increase of the perceived foreign threat, and the high focus on competition can drive locals to perceive themselves better than foreigners.
Collectivism + Horizontality	Herd behavior can create a blind following of the elites, which in turn may not have foreign interests and reject foreign values.
Individualism + Horizontality	Contrasting this culture with others would show that it provides more freedom and equality, which may result in an image that it is the "right way" and may create "righteous" behavior aimed to challenge foreign values.

There are several historical examples of these ethnocentric drives. For example, the perceived French xenophobia is an indicator of a certain level of ethnocentrism that may still be present in older generations, which resulted in 17.8% of voters favoring an ultra-nationalistic candidate for the second half of 2002 presidential election (the other candidate won by 82.2%, albeit not considering blank votes). In a similar way, there are several examples in which the behaviors of South American democracies' elites ultimately bring economic ruin, albeit the blame of different elite groups are for different reasons (Harrison and Hungtinton, 2000).

In light of this dimension, we can wonder if Hofstede has any strong relation with CET or its higher concept, Cultural Ethnocentrism. However, it is possible that the value dimensions encompass values that are common to both high and low ethnocentric groups, or furthermore that Ethnocentrism in different cultures results from different particular values. If this is true, then values associated to high and low CET would tend to be very dissimilar between countries.

Logic Tree: cause and effect relationships of different –isms.
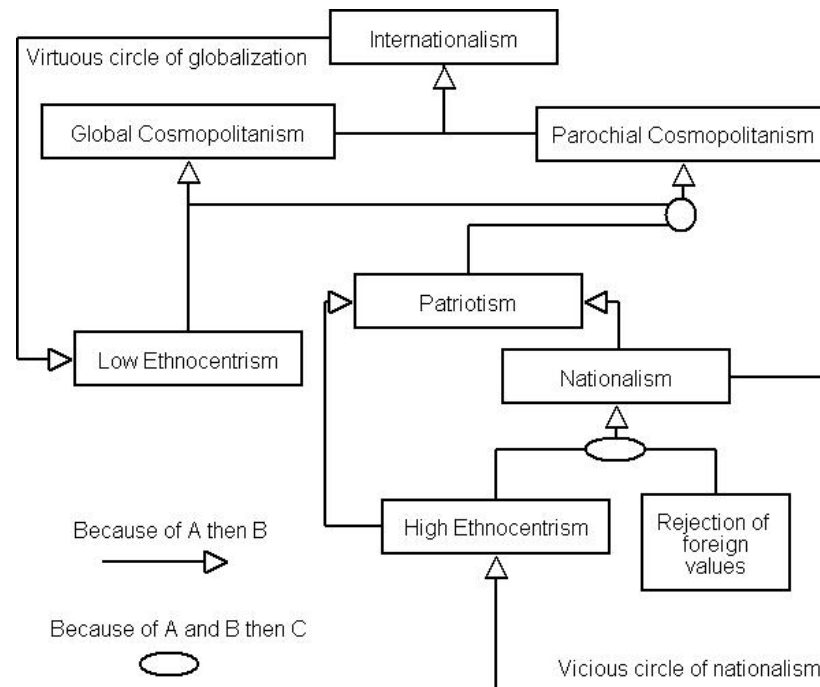
If the relationships on this tree, described logically, correspond with real transitions, then it would mean that nationalist sentiments might worsen in time as foreign values are increasingly rejected. Similarly, exposure to international elements and an acceptance of foreign values may drive an increasing tendency to accept globalization. Given that these two concepts seem to be very discriminate, and practically opposite, we can understand how each side might see the other as an undesirable extreme, and for example, it explains how nationalists can easily play on some of the "scares" of globalization to promote their ideals.

Ethnocentrism, patriotism, and nationalism have evolved because of the functional need for solidarity in a society. Cosmopolitanism and internationalism have developed in order to strengthen those needs on a larger scale around the world. All five concepts could drive local and global attitudes in different ways. Nonetheless, all are essential in a universal structure. Ethnocentrism is thus a major component in the studies of values of a country; however, it also has an influence on consumer behavior. These influences are of primary interest for marketing. Therefore, studying Consumer Ethnocentrism Tendencies (CET) can yield implications for drawing marketing plans concerning specific markets.

F.   Hypothesis in light of this review

From our previous analysis on existing literature, we see that some issues are recurrent in many countries. Also, the particularities of Russian history can be taken into account to search for further insights. These allow for some theoretical implications that we can test against our existing body of data. Therefore, we can propose the following hypothesis:

H1: Russian contextual factors such as trade and demography will affect or be affected by values and ethnocentrism that exist in the Russia society.

H1a: Lower imports indicate high ethnocentrism.

H1b: Age is positively correlated with ethnocentrism.
H1c: Female gender is positively correlated with ethnocentrism.
H1d: Education is negatively correlated with ethnocentrism.
H1e: Urbanity is negatively correlated with ethnocentrism.

H2: The fall of communism will have an (enduring) impact on Russian consumer values and ethnocentrism.

H2a: There will be a permanence of Communist values in the new society, because of the natural inertia of the cultural collective mental programming.

H2b: Russia has experienced "*devolution* of *stagnant* expectations", as post-communism insecurity drives an increase in religious beliefs, which in turn will drive a decrease of desirability of modernity.

H3: Consumer Ethnocentrism in different countries will be a result of different values, particular to each society.

H3a. Low and High Russian CET groups will each have different value priorities than American groups.

H3b. Low and High CET groups for a given country will have some common value priorities, because of their shared culture.

H3c. Hofstede's dimensions will not be strongly correlated to CET.

3. Testing our hypothesis

A.   Methods of analysis

For each country, we have three different sets of data: the CETSCALE, the RVS, and demographic information. This has allowed the use of slightly different techniques to verify or reject each hypothesis.

There are different ways of using the data. We started by combining the data into factors, based on previous research, to observe what trends could be identified. Since there are many factors and entering each one of them manually is very error-prone, we have created SPSS Syntax files (macros) to automatically calculate the relevant factors. We were then able to automatically generate the same factors for each set of data.

We believe that these factors are more accurate to analyze the data because they are calculated for each individual respondent. The results of their analysis are still valid since they are simply, in mathematical terms, a change of variable that allows looking at one given construct at the same time. We have designed each factor as a percentage value, which indicates the amount of influence that the factor has in the population.

We apply the same formula applied to each factor so that they are all standardized and compared between them. Because we know the minimum and maximum value for each variable, we know the MIN and MAX values of their SUM. We can therefore convert them into a percentage value:

$$\text{MIN} \leq \text{SUM (variables)} \leq \text{MAX}$$

Thus:
$$0 \leq (\text{SUM - MIN}) \leq (\text{MAX} - \text{MIN})$$

And:
$$0 \leq (\text{SUM} - \text{MIN}) / (\text{MAX-MIN}) \leq 1$$

However, the above formula has to be slightly modified: in the data, all variables are encoded with a nomenclature that assigns the lowest value to the most important element, and the highest value to the least important. Since we want our factor to reflect the percentage of importance, we need to reverse this relationship. The final formula is thus:

$$\text{Factor} = 1 - \frac{(\text{SUM} - \text{MIN})}{(\text{MAX-MIN})}$$

For the CETSCALE, we know from previous research that all of its questions are strongly correlated, which we confirmed by correlating our set of data. We have therefore calculated a CET score per respondent as a factor encompassing all of the respondents' answers. We assumed that every question is of equal weight for the score.

The RVS Factors were calculated in a similar way. We had a long series of factors from previous research, but without any information about the weight of each variable

composing the factors (the loadings). Therefore, we have assumed an equal weight for each variable of the RVS as well.

We have also created factors for Hofstede's dimensions. Since our source documents contain factor loading information for each value, we were able to add to the formula the weights of each individual variable. If these factors prove accurate, then it will result in a translation mechanism between the RVS and Hofstede's dimensions.

The SPSS section of our appendix shows the exact SPSS formulae used for each type of the three above-mentioned factors (Appendix B).

B.   Analyzing contextual data (H1)

In order to show some relation between imports and consumer ethnocentrism, we needed data collected from Russia and United States at two different points in time. For the United States several studies have been made to measure consumer ethnocentrism. However, for the ex-communist regimes throughout Eastern Europe and the Soviet Union, the historical information is very limited and in some cases non-existent.

However, we have found a 1992 cross-cultural comparison of consumer ethnocentrism in the United States and Russia, which was conducted to contribute to the lack of knowledge of consumer behavior in Russia (Durvasula, Andrews & Netemeyer 1997). In their study, university students served as sample and a multivariate analysis of variance was used to accept or reject their predictions on consumer ethnocentrism. The results from this 1992 study are going to be used as the basic point to compare the ones from the current study. In addition, the data source for national imports of goods and services was the world development indicators 2001 from the World Bank. We therefore use the mean values on the CETSCALE in 1992 and 2002 and the corresponding quantity on national imports for the same years to draw conclusions based on the trends observed.

In regards if the demographics, we have described several relationships between each of the variables and the CET. Since we have a CET score per respondent, we can compute the mean CET for each category of demographic data (gender, age, etc.).

C.   Hofstede's cultural dimensions (H2a and H3)

As mentioned earlier, we have calculated Hofstede dimensions factors, calculated from values of the RVS. These factors are based on findings from previous research (Hofstede and Bond, 1984), which conducted an exploratory factor analysis to determine clusters of values relevant to each Hofstede dimension. The paper was very accurate in the sense that it provided weights for each variable in each dimension, so we can create a translation mechanism between both survey systems.

Once we have determined the right translation formulas, we intend to apply them to our Russian and American data, and compare the results with existing Hofstede information on Russian and American cultures (geert-hofstede.com). Mainly, we will use the USA values as a control group. In other words, for a given dimension, we will compare with previous information on the USA, and if the results are similar, then we will be confident enough to trust the score on the same dimension for the Russian data. On the other hand, if one dimension does not verify with previous American data, then we will not be able to confidently conclude about that particular score for the Russian data.

D. Constructing models with factor analysis (H2b)

To accept or reject hypothesis H1b, we can create factors and look at the underlying statistics. We will regroup variables under three different factors: the "security" factor will attempt to measure the importance of feeling secure (in all aspects). Similarly, the "religious" value will be composed of those values that are likely to be associated with religious practice. Finally, the "modern" factor is composed of values that go with a modern way of life and aspirations. Once we have found the correct model for each one of these three factors, we can look at the correlation between them to conclude.

We can thus sub-divide the hypothesis in three distinct parts:

Part 1: Pervasive insecurity is more likely to drive a return to religious beliefs in Russia than in the United States. In other words, a stronger positive correlation between "security" values and "religious" values will exist in Russia compared to the United States, and the "security" factor mean will have higher value for Russia.

Part 2: The return of religious beliefs is more likely to lead to a rejection of modern values in Russia than in the United States. In other words, a stronger negative correlation between "religious" values and "modern" values will exist in Russia compared to the United States, and the "religious" factor mean will display a higher value for Russia.

Part 3: Pervasive insecurity is more likely to lead to a rejection of modern values in Russia than in the United States. In other words, a stronger negative correlation between "security" values and "modern" values will exist in Russia compared to the United States, and the factor means will display a lower value for Russia.

We first observed the three factors using value clusters described in Rokeach 1968, 1973 (see Appendix C, Model 1). However, while viewing these clusters, we disagreed with some of the values in each factor. There were certain values that we felt were not representative of the factors. Therefore, we decided to create our own model for which we chose values that we thought best described the variables that we intended to test for our hypothesis (see Appendix C, Model 2).

Secondly, we ran a confirmatory factor analysis for both models (Russia) to determine which model had a better fit. After comparing some key indicators in our results (e.g. chi-square, critical ratio of regression weights, squared multiple correlation, fit indices, etc.) we were able to conclude that our own model was actually more adequate for analysis. Hence we used our model to conduct a confirmatory factor analysis for both Russia and the United States.

E.   CET-to-RVS Model (H3)

To explore H3, we will attempt to describe a set of value rankings relevant to low and high ethnocentric groups for each society. For this approach, we have followed a graphical method. First, we created SPSS syntax (macros) to generate graphs showing the mean CET score for each value ranking. By looking at the resulting graphs, we could determine for each value what ranking displayed the highest and lowest mean CET (when multiple rankings had the same mean CET, we chose the lowest ranking). All the rankings were summarized into a table, and for each value the distances between the two rankings were calculated, to display how much divergence in values exist between the low and high CET populations.

The resulting data allows not only the comparison of which values are more important for each group, but also what values are strongly discriminate between groups (i.e. much more important for one group, and almost irrelevant for the other), and which values are important for both groups. These common values are obviously a function of culture rather than CET alone.

Finally, we will run a correlation between the Hofstede factors and the CET factor. If we previously validated (at least some of) our translated dimensions, then we could have an insight on the relationship (or lack thereof) of a population CET and its Hofstede scores.

4. Discussion of findings

A.   Demographics and context (H1):

The Durvasula, Andrews & Netemeyer study (1992) found out as predicted that the U.S. sample had a considerably greater mean value on the CETSCALE than the Russian sample. With a sample of 144 respondents, the U.S. CETSCALE was found to have a mean value of 50.24% with a standard deviation of 0.2285. The Russian sample with a sample of 60 respondents had a mean value on the CETSCALE of 32.02% with a standard deviation of 0.1247. The current study (2002) on the same countries displayed different results. In fact, in this case the Russian sample had the greater mean value on the CETSCALE. This number was found to be 40.92% with a standard deviation of 0.1778, compared with U.S. mean value of 29.03% and standard deviation of 0.2008. Without considering the imports numbers and assuming that there is homogeneity of respondents across the two cultures and the two studies, we can observe that the US has become less ethnocentric in its consuming behavior, while Russia has walked towards the opposite direction.

For the Russian case, an emerging economy that has gone through a great deal of cultural, political and economical changes, a less ethnocentric behavior should be expected. This behavior is due to the increasing exposure to global mass media, technological change and, in general, marketing activities that might trigger their expectations. They, therefore, are likely to become more accepting of foreign values, which might lead to more cosmopolitan and less ethnocentric behavior (Ger and Belk 1996).

However, the results show that the Russian people, although more exposed to cosmopolitan ideas, are a little more ethnocentric. These results could be explained by looking at what the country has gone through the past decade. With its territory reduced by a quarter and its population more ethnically homogeneous, Russia has been in a process of consolidation under a potent force of nationalism (Tuminez, 1997). According to the study conducted by the Carnegie Corporation of New York in 1997, within the most resonant strand of nationalism in Russia there are two sets of ideologies that have been influencing the minds of the Russian citizens: One of them is the "ethnocentric statism" that argues that Russia should restore its former great power with a more ethnically defined Russian base. The other one, the "civic statism", rejects communism and searches to reconcile democracy with strong patriotism. These conflicting ideologies could serve as an explanation for the values found in the Russian CETSCALE, and would show that Nationalism is not necessarily a direct driver of ethnocentrism.

When we take into account the data on national imports, we confirm our initial predictions that there is an inverse relationship between imports and ethnocentrism. The mean value on the CETSCALE for US went down as previously discussed while the imports increased from 643,752 to 1,163,621 millions of dollars. In the Russian case the total imports, in billion of US dollars, have decreased from 50.5 to 44.9 until 2000 and just recently they have gone up to 60.9. This finding confirms our hypothesis H1a.

When analyzing demographics, age fails to display a strong correlation, and a more close analysis of the data shows that the less ethnocentric groups are the "mid-aged" (25 to 35 years old) for both Russia and the United States. The younger groups are the most ethnocentric, while the older groups are highly ethnocentric as well.
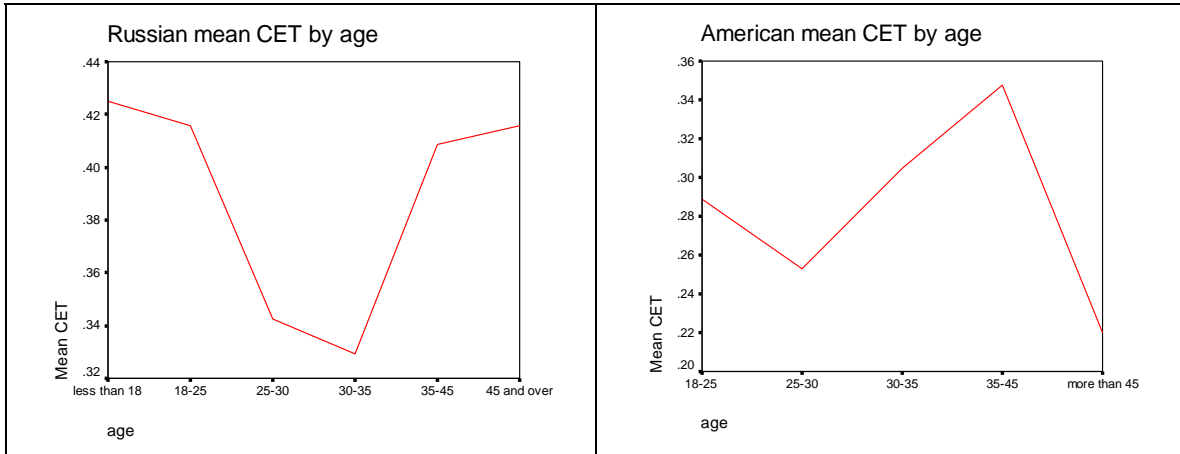
We see two possible explanations: on one hand, it could be that CET is tied to a generation, in other words, an individual born at a certain point of time has a fixed CET level and it would not tend to change. On the other hand, CET could vary with age as life's experiences make an individual more prone to follow or ignore ethnocentric values. Both explanations may apply simultaneously as well. In any case, hypothesis H1b is rejected.

The results for gender in both countries displayed that, contrary to our expectations, women are actually less ethnocentric than men. Furthermore, the spread between the means of each group is slightly more marked in the American sample than in the Russian sample (by 5%). Furthermore, if we do scatter plots of each sample (shown in Appendix part A), it seems clear that in Russia, women's values are more converging than those of men for both populations, while in America the convergence seems to be more marked for men. This could be a reflection of the fact that, according to Hofstede, America ranks higher in the "masculinity" dimension than "Russia", and so it is likely than the US the values of men are more segregated from the values of women than what is the case in Russia. In any case, we can safely reject hypothesis H1c as well.

However, plotting the influence of education in mean CET yields the expected results. In the US the response marked "other" displays the highest level of ethnocentrism. We will assume that it has been a response bias: it is likely that a respondent that graduated from high school and may not still have a university degree would rather answer "other" than "high school" in her or his answer sheet. This would imply that the answer "other" would have different meanings in Russia and in the US. If this assumption holds, then both countries exhibit a clear negative correlation between years/level of education and CET. We therefore confirm hypothesis H1d.

Finally, the influence of urban living on CET is the most straightforward result: it is blatantly clear from the graph that urban dwellers are much less ethnocentric than rural dwellers, although this result may be mitigated by the fact that there are not many rural respondents in each data. However, assuming the sample is valid we can accept hypothesis H1e.

In light of these findings, we will accept the overall hypothesis H1, although with the reservation that age and gender are not strong predictors of CET.

B. Confirmatory Factor Model results (H2b)

The path coefficient from the security factor to the religious factor values was positive for both countries, but insignificant for the United States. This basically confirms that there is a stronger positive correlation between security and religious values in Russia, as proposed in Part 1, suggesting that religion in Russia is likely to bring a sense of security.

The path coefficient from the religious factor and the modern factor was negative for both countries. The results indicated a stronger correlation of both variables in the United States. This does not comply with Part 2, which states that a stronger negative correlation between religious values and modern values will exist in Russia compared to the United States. This would mean that Russia is more accepting of modern values than expected. It could be that the rejection of modern values never happened since the spiritual relief found in religion might have immediately offset the sense of insecurity.

The path coefficient from the security factor to the modern factor had a negative correlation for both countries. Both coefficients reflected a very strong correlation between the two variables. The results for Russia signified a stronger correlation than for the United States. This result would tend to suggest that modernity might be perceived as threatening in both countries. However, since we found little correlation between religion and modernity, this might imply that the modernity is threatening to other traditional values besides religion.

In addition to the confirmatory factor analysis, we also conducted a bivariate correlation analysis for each of the two variable sets (described in Parts 1, 2, and 3), and found the results to be consistent. Furthermore, to compare the importance of each factor separately, we chose value clusters from Rokeach 1968, 1973 that would best describe our three variables (modern, religious, and security values). We then computed the grand mean for each of the factors, as shown in the following table.

Russia			U.S.A	
mean	*std dev.*		*mean*	*std dev.*
		Modern Values		
47.35%	0.111	*Self-Actualization*	52.28%	0.111
45.85%	0.147	*Personal Gratification*	47.20%	0.149
48.97%	0.127	*Hedonism*	49.53%	0.147
		Religious Values		
47.89%	0.161	*Compassion*	47.14%	0.162
53.04%	0.197	*Aesthetics*	38.69%	0.234
46.21%	0.145	*Social Harmony*	44.07%	0.155
		Security Values		
46.46%	0.168	*Security 1 (personal)*	51.25%	0.233
58.64%	0.179	*Security 2 (context)*	52.08%	0.152
63.36%	0.207	*Security 3 (dimension)*	50.40%	0.178

RVS values composing each factor

Self-Actualization: sense of accomplishment, world of beauty, inner harmony, self-respect, wisdom

Personal Gratification: comfortable life, exciting life, sense of accomplishment, pleasure, social recognition

Hedonism: comfortable life, exciting life, happiness, pleasure, social recognition

Compassion: cheerful, forgiving, helpful, loving

Aesthetics: world of peace, world of beauty

Social Harmony: world of peace, equality, freedom, national security, salvation

Security 1 (personal): family security, salvation

Security 2 (context): world of peace, happiness, national security

Security 3 (dimension): world of peace, family security, national security

As can be observed from this table, modern values are slightly more important in the United States, whereas religious and security values are clearly more important in Russia. Based on the above results, we can infer that the means announced in Parts 1, 2, and 3 of our hypothesis are valid.

Interestingly, the "personal security" factor has less importance than the rest for Russia, and is even less important than in the US. Although this may appear as an anomaly at first sight, it may be a result of the resurgence of religious values, and personal security (as a function of "salvation") may be further taken "for granted" (and therefore perceived as less important). However, the remaining two factors, including an all-encompassing "security dimension", are much more important in Russia.

One reason for why Russia places so much importance on security values may be linked to the collapse of communism. During that period, as previously mentioned, insecurity levels in Russian society rose, leading Russians to concentrate more on religious values to restore inner and outer security. This, in turn, is more likely to make people less susceptible to modern values, as they seek comfort in traditional values, which they can identify with. However, these traditional values may not be focused towards the individual.

In light of these results, we could say that there is not currently a "devolution of stagnant expectations", i.e., a resurgence of traditional values, in Russia. However, it may be because the fall of communism occurred more than ten years ago, and so Russian societies may be embracing more modern values than before. In either case, it seems that currently Hypothesis H2b does not hold.

C.   RVS-to-Hofstede Model Results (H2a)

Computing the means of each Hofstede factor has shown that for the US, two dimensions (Power Distance and Uncertainty Avoidance) correspond to the previously described scores. However, masculinity seems to be lower than expected, and individuality does not match at all (the previous value is 90%, our factor yields a result lower than 50%). Thus we cannot rely on the Individuality factor, and should exercise care using the Masculinity factor. On the other hand, it seems that the Power Distance index (PDI) and the Uncertainty Avoidance Index (UAI) correspond, so they should be applicable to the Russian data.

United States	Predicted Value	Factor Mean	Factor Std. Dev.
Power Distance	40%	41.15%	0.116
Individualism	*90%*	*45.82%*	0.170
Masculinity	60%	49.18%	0.114
Uncertainty Avoidance	50%	51.15%	0.121

Russia	Past Value	Factor Mean	Factor Std. Dev.
Power Distance	*90%*	*41.28%*	0.119
Individualism	45%	48.77%	0.171
Masculinity	40%	48.20%	0.131
Uncertainty Avoidance	*70%*	*50.81%*	0.129

Interestingly, the PDI and UAI happen to be the values that Hofstede describes as most prominent for Communist ideals. Therefore, if our assumptions hold true, it would mean the communist cultural influences have receded considerably in the last ten years, which could be expected if the population is increasingly accepting foreign values.

The four factors have been correlated to CET, however no significant correlation has been found. If our assumptions hold, then this would mean that Hofstede and ethnocentrism are not directly related. This is possible since CET is a sub-set of higher cultural constructs (Economic Nationalism), it would thus suggest an independence (although not complete) of culture towards consumer behavior. This is of particular interest since many political militants raise the survival of traditional cultures as one argument against globalization. However, if this finding is true, then it would mean that a culture, even a traditional one, can survive and coexist with a consumer culture; both cultures could be deeply ingrained in the society. The United States constitutes a good

example of this: even if most people would follow a consumerist culture, there are definite cultural groups that can be identified (by religion, heritage, generation, etc.).

However, it could be possible that the translation model is wrong, or even that the factors described by Hofstede do not hold as much as expected. These findings only constitute preliminary but promising steps.

Nevertheless, hypothesis H2a, which argued a permanence of communist values in Russia, does not hold. Since we cannot confirm hypothesis H2b either (see above), we will conclude by rejecting the overall hypothesis H2.

D.   CET-to-RVS Model Results (H3)

Once all the values were ranked for both groups and countries, we found very interesting results. First, in order to limit the amount of information, we are only considering the values that are the most important, i.e. having a RVS score of 1 to 5 over 18. Since these rankings are based on means, there is more than one value per score.

Some values are common for both low and high CET groups. In other words, for one given country, these values were important for both groups and the rankings had very little divergence between the groups. The remaining values are important for low and high CET groups as well; however they display a very large divergence of ranking between groups. We are only considering in this category values which rankings differ by more than 12 ranks in the RVS scores, obviously meaning that if one values is important for a group, it is almost irrelevant for the other group (comparatively, of course).

	Russia	**United States**
Common instrumental values	forgiving imaginative self-controlled	courageous
Common terminal values	*world of peace (1)*	pleasure
Low CET instrumental values	helpful loving responsible intellectual	broad-minded intellectual
Low CET terminal values	happiness pleasure inner harmony	sense of accomplishment equality
High CET instrumental values	clean	clean
High CET terminal values	social recognition world of beauty wisdom	world of peace family security

(1): This value is out of our cut-off criteria for the High CET group by one rank, however we chose to include it because it is in range for the Low CET group and is the most significant common terminal value.

These results provide some further insights in the relationships between values and the Hofstede system, and even helps explain why our Hofstede translation factors did not provide any significant correlations with the CET. It appears that some cultural aspects are prominent in both low and high CET group, which is to be expected since it would not be the "ethnocentricity" of the group that drives the ranking. Also, when comparing values important for the same group between two countries, we find very different results. This seems to be a function of culture as well, indicating that the values that "ignite" ethnocentrism (or the opposite) would be different for every country.

Notably, there are two instrumental values that are the same for the same CET group in both countries: "clean" for high groups, and "intellectual" for low groups. The finding for the low ethnocentrism group seems logical since we would expect intellectual groups to be informed and make purchasing decisions based on more information than just the country of origin of a product. However, for the high ethnocentrism group, it is hard to see any correlation from CET and the "clean" value, unless there is a relationship with Freud's development theories regarding a fixation on cleanliness. Specifically, this value seems to correspond with the Freudian "anal stage", which "is characterized by a focus on activities related to elimination" (which in this case would be elimination of foreign products). However, this is a very far-fetched conclusion for the small amount of data that we have.

Still, in light of these results, we can safely confirm hypothesis H3a, H3b and H3c, confirming the overall hypothesis H3 which argues the existence of different ethnocentric drives for each different culture.

4. Summary and conclusions

First of all, we have once again confirmed the relationship between Consumer Ethnocentrism and a drop in imports, using historical data. This finding is a modest but relevant contribution to the literature on the CETSCALE method.

Secondly, we have found that demographic indicators are not always correlated to CET in the way that the theory would expect. This would tend to indicate that CET is not a variable that is fixed for a given individual for a lifetime, but rather varies with time, and probably social trends.

Thirdly, it seems that the fall of communism fails to have an enduring impact on the present Russian CET and values. One explanation could be that the communist regime has given way to democracy ten years ago; however, it is also likely that the regime has been brought down precisely because of a social rejection of it. Furthermore, we do not have enough data to further explore how much ethnocentrism is a predictor of other constructs such as patriotism or nationalism. Upcoming studies could measure these constructs separately and then run tests with existing CETSCALE results.

Finally, we have proposed a translation mechanism from the RVS values to Hoftsede's dimensions. We cannot expect a perfect numerical fit; however the results on Individuality seem too extreme to be a function of standard error. Furthermore, if the model holds, then there would be very little correlation between CET and Hofstede's dimensions. Future researchers could gain insights by making three separate surveys in a given country: one for RVS, one for Hofstede dimensions, and one for CET, in order to be able to accurately compare the systems within a similar population. Then the results could be compared, and exploratory factor analysis could be made, to see if previous findings hold ground or constitute a type II error (i.e. accepting an hypothesis when it should be rejected).

However all of our results should be viewed in light of the "opportunity" samples drawn in each country. While MBA students are consumers in their respective countries, they may not be representative of the general population at large. For example, it can be possible that different segments of the population may have higher CETSCALE scores that the students sampled. Therefore another possibility for further study would be repeating the survey for a more randomly selected population. In this respect, we noticed that several answers were missing for the RVS, whereas the respondent completed the CETSCALE. Completing the RVS is rather time-consuming, so a new study could maybe explore the possibility of running the RVS survey with a new media or a modified set of answers, easier to complete.

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B.   Online documents

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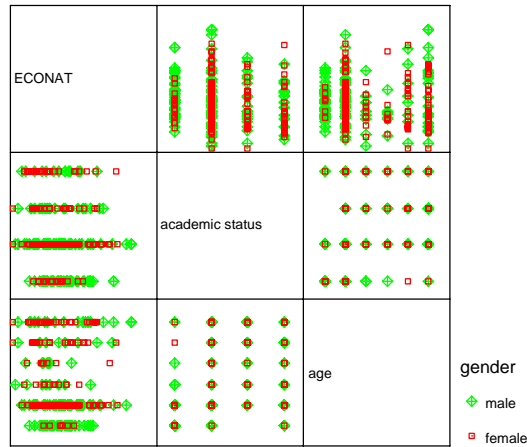http://eiop.or.at/eiop/teste/2002-002a.thm

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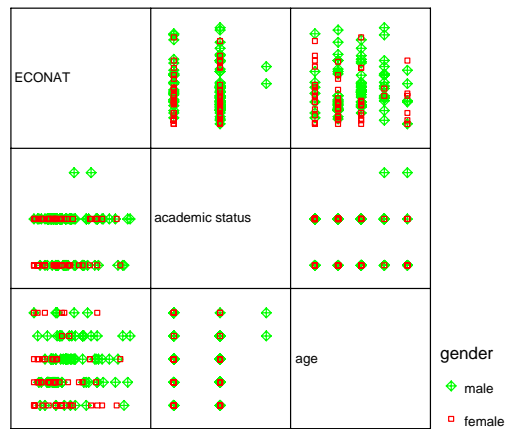
Appendix

A.   Demographic Data

Plotting CET values for Russia

ECONAT: left/top = small Academic status: left

Women seem to be less ethnocentric than men, and women seem to display a more significant convergence of ethnocentric tendencies

Plotting values for the US

In this graph men seem to display a higher convergence than women in values. Data from Geert Hofstede's website shows that the US is more masculine-oriented (~68%) than Russia (~35%), so the observed difference in the two scatter plots seem are in concordance with data for former studies.

B. SPSS Syntax for Factor Calculation

CETSCALE Score Factor

```
COMPUTE CET =
1 - (
        (
         SUM(var00001,var00002,var00003,var00004,var00005,var00006,
            var00007 var00008,var00009,var00010,var00011,var00012,
            var00013, var00014,var00015,var00016, var00017)
        - 17
        )
        /(
           17*7-17
         )
     ).
EXECUTE.
```

RVS Factors

```
COMPUTE selfactu =
1 - (
        (
          MEAN(set2v3,set2v5,set2v10,set2v15,set2v18)
         - 1
        )
        /17
     ).
EXECUTE.
```

Hofstede Dimensions

```
COMPUTE #maxval = 18.
COMPUTE #nterm = 5.
COMPUTE #factsum = 0.92+0.88+0.86+0.83+0.74.
COMPUTE #Xsum = 0.92*set2v14+0.88*set3v6+0.86*set3v3
                   +0.83*set2v16+0.74*set3v10.
COMPUTE #min = #factsum.
COMPUTE #max = #factsum * #maxval.
COMPUTE #pdi = ((#Xsum-#min) / (#max - #min)).
COMPUTE HOFpdi = 1 - #pdi.
EXECUTE.
```

Misc. Graphs and Plots

```
GRAPH
/TITLE='Consumer Ethnocentrism Tendency'
/HISTOGRAM(NORMAL)=cet .

GRAPH
/TITLE='Impact of Age on Consumer Ethnocentrism'
/LINE(SIMPLE)=MEAN(cet) by set4v1.

GRAPH /LINE(SIMPLE)=MEAN(cet) by set3v5.

EXECUTE.
```

C. Models for confirmatory analysis

Model 1: based on factors found in previous research

New Model Factor	Previous Factors	RVS components
Security Perception Factor	Security 1 (personal)	family security
		world of peace
	Security 2 (context)	salvation
		national security
Religious Beliefs Factor	Virtuousness	freedom
		happiness
	Compassion	cheerful
		forgiving
		helpful
		loving
Modernization Factor	Self-Actualization	sense of accomplishment
		world of beauty
		inner harmony
		self-respect
		wisdom
	Personal Gratification	comfortable life
		exciting life
		pleasure
		social recognition

Model 2: based on our own estimations:

New Model Factor	RVS components
Security Perception Factor	family security
	world of peace
	national security
Religious Beliefs Factor	salvation
	forgiving
	helpful
	loving
Modernization Factor	sense of accomplishment
	world of beauty
	inner harmony
	wisdom
	comfortable life
	exciting life
	pleasure
	broad-minded