THE INFLUENCE OF ETHNICITY ON CONSUMERS' PURCHASE PATTERNS IN THE CONTEXT OF BOSNIA AND HERZEGOVINA

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The aim of this study is to establish the importance of ethnicity in consumers' perception of the country image, product quality and its influence on willingness to buy products originating from different countries. The study was conducted using a stratified sample of the population from Bosnia and Herzegovina (B&H) by the questionnaire method. The propositions were tested by the multiple regression models with socioeconomic, demographic and ethnic characteristics in the function of independent variables with the consumer ethnocentrism as a control variable.

The measurement scales of country image, quality perception and willingness to buy were treated as dependent variables. Analysis showed the high importance of ethnicity as predicting variable in the specific research context of B&H. The main contribution of this study is in providing better insight into subcultural aspects of consumers' purchase patterns. Marketing implications of the study refer to the possibility of creating specific marketing approaches depending on the country of origin and ethnicity of target consumer groups.

Keywords:

Ethnicity

Country image

Ethnocentrism

Product quality

Willingness to buy

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I. INTRODUCTION

The globalization of consumption, as well as globalisation of consumer behaviour, is perceived as a universal process whereas global capitalism is held responsible for the destruction of regional and local cultures (Burton, 2009). However, more recent researches in cross cultural context show that, regardless of the globalization processes that enable the standardization; there are significant factors that can have equally limiting effect on the success of standardized marketing activities (Balabanis *et al.*, 2001). Some of these factors are culturally conditioned and some of them are conditioned by the disparity in the level of countries' economic development, which provide differences between consumers in the international environment (Laroche *et al.*, 2003).

Ethnicity is one of the most important subculture in contemporary international marketing perspective (Burton, 2009). Ethnic complexity of nation states in Europe and elsewhere is more dynamic and differences in cultural and ethnic identities become more visible and therefore the need for better insight into interplay of ethnicity and consumption (Jamal, 2003). The term ethnicity has experienced unexpected popularity in scientific interpretations of social changes in the United States of America. These changes are seen as the end of the *up-rooting* or *melting pot* social paradigm as well as revival of the *in-rooting* social process (Vrcan, 1999). Almost on the same time in the heart of Western Europe, the ethnic issue also came in different ways. Current immigration issues put in the forefront questions relating to the right of citizenship, the position of new ethnic minorities and the question of the establishment and functioning of a multicultural society (Čičak-Chand, 1998.) From the other hand, post-communist countries of Europe were under the socioeconomic and political changes. Political changes in the most of European transition countries bring the reaffirmation of 'old' and formation of 'new' ethnic-nations and the processes of building the new nation-states (Županov, 1999, p. 173).

The more intensive migration, as one of the consequences of the liberalization contributes to the ethnic heterogeneity and at the same time stimulates the acculturation processes. Acculturation processes create of micro-cultural consumer segments (Vida *et al.*, 2008). The micro-cultural forms certainly contain elements of national culture but simultaneously develop their own, unique dispositional patterns and behaviour (Steenkamp, 2001). Therefore, cultural aspects of consumer behaviour should bee observed with more understanding, and instead of national culture, smaller cultural components should be taken in consideration (Douglas and Craig, 2006). These cultural elements can be defined at the level of ethnicity which is a strong basis for the entire cultural identity (Douglas and Craig, 2006). However, regardless the fact that the growth of international business provides higher interest in cross-cultural research, there are certain constraints that significantly limit insights into consumer preferences and behaviour in the international environment. Burton (2009, 2) states that there is a great disparity in the number of academic researches in developed and underdeveloped countries. "Understanding the impact of globalization on developing countries is significantly limited because the great majority of cross-cultural studies were conducted in developed countries, where the highly developed countries were often in the focus of analysis". Considering the above mentioned research context, as a less developed and multiethnic state Bosnia and Herzegovina (B&H) presents an interesting research environment (Vida et al., 2008).

II. COUNTRY OF ORIGIN AND CONSUMER ETHNOCENTRISM IN THE CONTEXT OF FOREIGN VS. DOMESTIC PURCHASE ORIENTATION

The concept of consumer ethnocentrism implies that certain consumers evaluate products from the perspective of their group membership and their own cultural discourse but not based on the products country image (Myers, 1995). Consumer ethnocentrism represents the tendency of attachment to domestic products in comparison with to those that are manufactured abroad (Nielsen and Spence, 1997). Influence of country of origin or *made in* concept is widely defined as any impact, positive or negative that the country of origin can have on the process of product selections or subsequent behaviour (Samiee, 1994). Although many studies have proven that country image, as well as consumer ethnocentrism affects perceptions of imported products, the relationship between these two concepts is not sufficiently explored (Liu *et al.*, 2007). The concepts of consumer ethnocentrism and country of origin image are inevitably linked to the fact that both rely on the existence of consumer awareness of products' origin.

The impact of consumer ethnocentrism in relation to the country of origin was first discussed by Shimp and Sharma (1987). They concluded that the concept of consumer ethnocentrism and CETSCALE, as a measurement instrument for consumers ethnocentric tendencies, offer a useful tool for the study of the country of origin effect. Olsen *et al.* (1993) listed the country of origin effect as one of the most important mediator of consumer ethnocentrism. Samiee (1994) treated the consumer ethnocentrism as one of the antecedents of country of origin evaluation process.

Consumer ethnocentrism is often wrongly equated with the country of origin, although these two concepts are distinct and independent of each other (Shankarmahesh, 2006). Consumer ethnocentrism is a general tendency, in contrast with the country of origin effect as a specific image of individual country in consumers' perception (Herche, 1992). Olsen *et al.* (1993) suggest that consumers may be under the impression of a complete emotional experience of some particular country. On the other hand, consumer ethnocentrism is under the influence of overall emotional experience of home country as well as under the normative pressure that consumers feel towards the purchase of home made products. "The normative aspect is universal characteristic of consumer ethnocentrism" (Olsen *et al.*, 1993, 308).

The interaction between consumer ethnocentrism and country of origin may be dependent on the specific characteristics of the country of origin (Liu *et al.*, 2007). Sharma *et al.* (1995) also cite that historical connections as well as the existing political and economic relations between countries could be strong direct moderators of consumer ethnocentrism. From the other hand, consumer ethnocentrism, also may moderate the country of origin effect on the products quality perception (Steenkamp *et al.*, 2003). "Accordingly, consumer ethnocentrism as basically affective and normative construct can be inverted as a reference to the evaluation of the country of origin, which is, basically, a cognitive construct" (Shankarmahesh, 2006, 167). The results of most studies confirm that consumer ethnocentrism is better predictor of domestic purchase behavior rather than imported products behavior (Balabanis and Diamantopoulos, 2004).

III. CONCEPTUAL FRAMEWORK: SUB CULTURAL VARIABLES AS A FACTOR OF FOREIGN VS. DOMESTIC BUYING PATTERNS

The consumer ethnocentrism impact on buying behaviour of foreign products implies an image, which individuals or groups have in relation to the symbols that belong to other groups (Booth, 1979). In accordance with this thesis, ethnocentric consumers will have a particular tendency to refuse people, symbols and values that they perceive as culturally different while, on the other hand, intra-cultural objects will be associated with pride, a sense of identity and belonging

(Herche, 1994). Accordingly, ethnocentrism as consumer concept indicates tendency to better evaluation of domestic products than the products originating from any other country (Reierson, 1966).

In the last two decades, have been an increasing number of studies dealing with cross-cultural analysis of consumer behaviour. In this broader research context certain number of studies deals with intra-cultural variations of consumer ethnocentric tendencies within cultures. Empirical results of intra-cultural analysis of consumers' ethnocentric tendencies are ambiguous. For example, some studies found no difference on the level of ethnocentric tendencies among ethnic groups within the same country (Prion, 2002). On the other hand, there have been studies in which ethnicity has shown as a significant predictor of the level of consumer ethnocentric tendencies (Cutura, 2006; Cutura, 2011). Zarkada-Fraser and Fraser (2002) study established differences in the degree of ethnocentric tendencies between Australians of Greek descent and other Australians, where the Australians of Greek origin showed a significantly lower level of ethnocentric tendencies from their countrymen. These inconsistencies in intra-cultural studies of consumer ethnocentrism suggest that relations between investigated dimensions are more complex than initially seemed (Vida *et al.*, 2008).

Heslop *et al.* (1998) confirmed in a study of Canadian consumers that ethno-cultural ties influence the perception of products originating from four out of five studied countries of origin. In addition, it turned out that Francophone Canadians expressed a strong commitment to local products, while Anglophone Canadians showed equal tendency to domestic products and to products originating from Great Britain. The authors conclude that the perspective of cultural belonging for the Anglophone Canadians is expanded from Canada to United Kingdom. The same was found in a later study that was also conducted in Canada (Laroche *et al.* 2003). Obviously, the perception of a country's image is imbued with emotional, symbolic and autobiographical components (Verlegh and Steenkamp, 1999). Therefore, it is reasonable to set the following hypothesis:

H1. Ethnicity has significant impact on perception of the image of the considered countries of origin.

Some studies of consumer ethnocentrism in B&H found differences in level of consumer ethnocentrism across the ethnic groups (Brkić and Čorbo, 2008; Cicic *et al.*, 2005; Cutura, 2006; Čutura, 2011; Vida *et al.*, 2008). Cicic *et al.* (2005) proved that the ethnic groups in B&H differ in perception, regarding to understanding what actually domestic product is. The study showed that Serbs, besides of products made in B&H, as domestic consider products from Serbia and as well as Croats consider products from Croatia. As in studies in Canada (Heslop *et al.*, 1998, Laroche *et al.*, 2003) in the case of consumers in B&H, ethno-cultural ties with the certain country of origin conditioned products perception. An emotional and symbolic connotation of a country's image in consumers perception is transferred to objects associated with a particular country. Beliefs about products from specific countries of origin are deeply rooted in the country's image (Heslop *et al.*, 2008). Also, cultural motivation encourages buying of products from ethnically related countries (Laroche *et al.* 2003, 233). From the above the following hypotheses stem:

H2. Ethnicity has significant impact on products evaluation from considered countries of origin.

H3. Ethnicity has significant impact on willingness to buy products from considered countries of origin.

IV. METHODOLOGICAL FRAME

Total sample was 1000 respondents. Respondents were randomly selected from a households' sample, twice as stratified by region and size of settlements. The following table shows the main characteristics of the respondents (Table no.1).

TABLE 1. SOCIOECONOMIC, DEMOGRAPHIC AND ETHNIC CHARACTERISTICS OF THE SAMPLE

Total		1000
Gender	Male	48,0%
	Female	52,0%
Age	15-29	26,0%
	30-44	24,0%
	45-59	21,0%
	60+	29,0%
Education	Primary school	47,0%
	Secondary school	46,0%
	High education level	7,0%
Ethnicity	Bosniaks	54,0%
	Croats	9,0%
	Serbs	35,0%
	Others	2,0%

Source: Author calculation

Chi-square test was used to test the differences in socioeconomic and demographic characteristics across the sub-samples by ethnicity (Vida *et al.*, 2008). Analysis of sub-samples showed that there was no statistically significant difference between respondents who belong to different ethnic groups by: age (x^2=5,083;df=4;p=0,279), gender (x^2=0,510;df=4;p=0,973), income (x^2=6,846;df=4;p=0,144) or by educational level (x^2=6,846;df=4;p=0,144). Accordingly, it is fully justified to treat ethnicity as an independent variable in the following analysis.

A. Research frame

Data was collected by the questionnaire technique in respondents' households. The degree of agreement or disagreement with the list of statements was measured by Likert-type scale of five degrees. The country of origin is operacionalized dominantly trough the economic image dimensions (Verlegh and Steenkamp, 1999). Basic analytical framework for researching the impact of consumer ethnocentrism is used from study of Shimp and Sharma (1987), including CETSCALE of 17 items. Scale of willingness to buy is taken from study of Lumpkin *et al.* (1985) in purpose of measuring the general consumer orientation towards products from considered countries. The products evaluation scales are operacionalized as perceived quality, therefore as a complete consumer assessment of the excellence and superiority of products from considered countries of origin (Zeithaml, 1988).

I. THE ANALYSIS OF MEASUREMENT SCALES

Weighted factor based scales were built and Cronbach's Alpha was used as a tool for scales reliability assessment. The following table shows the results of the scales reliability testing, the marginal value and standard deviation for each scale, as well as the range of scale scores (Table no. 2).

TABLE 2. LEVEL OF SCALES RELIABILITY, MARGINAL VALUE, STANDARD DEVIATION AND RANGE OF SCALE

Factor-based scale Label	Cronbach's Alpha	M	s	Min.	Max.
CETSCALE	0,96	38,22	9,23	17	85
Willingness to buy products originating from B&H	0,90	7,94	2,11	2	10
Willingness to buy products originating from Croatia	0,90	5,89	2,30	2	10
Willingness to buy products originating from Serbia	0,93	5,99	2,32	2	10
Willingness to buy products originating from Slovenia	0,91	5,81	2,12	2	10
Willingness to buy products originating from Italy	0,94	5,44	2,14	2	10
Willingness to buy products originating from Germany	0,92	6,03	2,24	2	10
Perceived country image of Germany	0,80	12,33	2,36	3	15
Perceived country image of Slovenia	0,83	11,45	2,46	3	15
Perceived country image of Italy	0,83	11,08	2,53	3	15

End of Table 2.

Perceived country image of Serbia	0,86	9,90	2,93	3	15
Perceived country image of Croatia	0,86	10,64	2,62	3	15
Perceived country image of B&H	0,78	10,42	2,68	3	15
Perceived quality of products originating from B&H	0,91	7,70	1,94	2	10
Perceived quality of products originating from Slovenia	0,87	7,55	1,89	2	10
Perceived quality of products originating from Croatia	0,87	7,30	1,77	2	10
Perceived quality of products originating from Serbia	0,90	6,84	2,01	2	10
Perceived quality of products originating from Germany	0,84	8,03	1,81	2	10
Perceived quality of products originating from Italy	0,86	6,93	1,79	2	10

Source: Research results

The measurement scales had satisfactory results of reliability test, which finally confirms them as valid instruments to measure attitudes, perceptions and preferences of respondents. The greatest value in the reliability testing has a CETSCALE ($\alpha=0.96$) which again confirms its reliability as a standardized instrument for measuring the degree of consumers ethnocentric tendencies in research environment of B&H.

V. ANALYSIS AND FINDINGS

Multiple regressions were used to estimate the interval of variance in dependent variables, based on linear combinations of dummy independent variables. Standardized regression coefficient beta (β) and t-value were used to determine the significance of the predictors. The following table shows statistically significant results of regression model with CETSCALE as a dependent variable in combination with set of socioeconomic and demographic as independent variables in the function (Table no. 3).

TABLE 3. REGRESSION MODEL WITH CETSCALE AS DEPENDENT VARIABLE IN THE FUNCTION

Statistically significant predictors of consumer ethnocentrism		β	t
Ethnicity	Croats	-0,343	-9,683
	Serbs	-0,317	-8,916
Household income		-0,175	-5,074
R^2 = 0,454	F=58,454; p=0,000		

Source: Research results

According to regression analysis, ethnicity and household income have negative impacts on of consumers ethnocentrism scale score. Croats, followed by Serbs, show statistically significant less ethnocentric tendencies in comparison with Bosniacs as a referent group in the model. Also, respondents with higher incomes from the ones with lower incomes show significantly stronger ethnocentric tendencies. The variable of ethnicity showed up as the most important predictor of consumer ethnocentrism in the case of this study.

Multiple linear regression models were also used for the hypotheses testing. Independent variables were socioeconomic, demographic characteristics and ethnicity. CETSCALE has been added as the control variable within the set of independent variables (Balabanis and Diamantopoulos, 2004). The following table shows statistically significant results of regression analysis of B&H image scale, evaluation and willingness to buy products of B&H origin as independent variables in the functions (Table no. 4).

TABLE 4. REGRESSION ANALYSIS WITH B&H'S IMAGE SCALE, EVALUATION AND WILLINGNESS TO BUY PRODUCTS ORIGINATING FROM B&H

Statistically significant predictors in evaluation of country image of B&H		β	t
Ethnicity	Serbs	-0,170	-4,315
R^2 =0,190	F=4,711	p=0,000	
Statistically significant predictors in evaluation of products from B&H		β	t
CETSCALE		0,375	10,789
Ethnicity	Croats	-0,220	-6,381
R^2 =0,503	F=76,395	p=0,000	
Statistically significant predictors of willingness to buy products from B&H		β	t
CETSCALE		0,529	15,713
Ethnicity	Croats	-0,145	-4,316
	Serbs	-0,092	-2,750
R^2 = 0,606	F=131,131	p=0,000	

Source: Research results

All model parameters are satisfactory. The largest proportion of variance explained is in the products evaluation scale. Socioeconomic or demographic variables were not showed as a statistically significant. The variables of ethnicity and consumer ethnocentrism are the most important predictors. The following table shows the results of regression analysis with Croatian image scales, evaluation, and willingness to buy products originating from Croatia as dependent variables in the functions (Table no. 5).

TABLE 5. REGRESSION ANALYSIS WITH CROATIAN IMAGE SCALES, EVALUATION AND WILLINGNESS TO BUY PRODUCTS ORIGINATING FROM CROATIA

Statistically significant predictors in evaluation of country image of Croatia		β	t
Ethnicity	Croats	0,264	7,001
	Serbs	-0,115	-3,061
R^2 =0,313	F=36,887	p=0,000	
Statistically significant predictors in evaluation of products from Croatia		β	t
Ethnicity	Croats	0,182	4,338
	Serbs	-0,215	-5,189
R^2 =0,329	F=10,860	p=0,000	
Statistically significant predictors of willingness to buy products from Croatia		β	t
Household income		0,091	2,197
Ethnicity	Croats	0,328	8,032
	Serbs	-0,105	-2,603
R^2 = 0,394	F=16,458	p=0,000	

Source: Research results

All regression models in the table above have satisfactory parameters. The highest proportion of variance explained is in the scale of willingness to buy Croatian products. The importance of ethnicity dominates. The following table shows the results of regression analysis with Serbian image scales, evaluation, and willingness to buy Serbian products of origin as dependent variables in the function (Table no. 6).

TABLE 3. REGRESSION ANALYSIS WITH SERBIAN IMAGE SCALES, EVALUATION AND WILLINGNESS TO BUY PRODUCTS ORIGINATING FROM SERBIA

Statistically significant predictors in evaluation of country image of Serbia		β	t
Ethnicity	Serbs	0,293	7,987
$R^2 = 0,293$	F=63,786	p=0,000	
Statistically significant predictors in evaluation of products from Serbia		β	t
Ethnicity	Serbs	0,333	8,157
CETSCALE		0,212	5,125
Household income		-0,122	-2,925
$R^2 = 0,367$	F=13,931	p=0,000	
Statistically significant predictors of willingness to buy products from Serbia		β	t
Ethnicity	Serbs	0,406	10,225
Household income		-0,166	-4,086
$R^2 = 0,424$	F=19,687	p=0,000	

Source: Research results

All three models in the table are reliable. The same as in the previous two set of regression models, the most significant predictor is ethnicity. Also, the largest proportion of variance explained is for the scale of willingness to buy products imported from Serbia. The following table shows the results of regression analysis with Slovenian image scales, evaluation, and willingness to buy Slovenian products of origin as dependent variables in the function (Table no. 7).

TABLE 3. REGRESSION ANALYSIS WITH SLOVENIAN IMAGE SCALES, EVALUATION AND WILLINGNESS TO BUY PRODUCTS ORIGINATING FROM SLOVENIA

Statistically significant predictors in evaluation of country image of Slovenia		β	t
Ethnicity	Serbs	-0,145	-3,805
$R^2 =0,145$	F=14,481	p=0,000	
Statistically significant predictors in evaluation of products from Slovenia		β	t
Ethnicity	Serbs	-0,175	-4,172
Household income		0,174	4,096
$R^2 =0,283$	F=13,931	p=0,000	
Statistically significant predictors of willingness to buy products from Slovenia		β	t
Ethnicity	Croats	0,119	2,716
Household income		0,113	2,553
$R^2 = 0,174$	F=2,851	p=0,007	

Source: Research results

All three models are reliable. In all three models significant predictor is ethnicity. The largest proportion of variance explained is for the scale of products evaluation. It is interesting to note that average of variance proportion, based on the observed set of independent variables, is quite less for the models with scales connected with Slovenia compared to previous regression analysis related to B&H, Croatia and Serbia as the countries of origin. The following table shows the results of regression analysis with German image scales, evaluation, and willingness to buy German products of origin as dependent variables in the function (Table no.8).

TABLE 8. REGRESSION ANALYSIS WITH GERMAN IMAGE SCALES, EVALUATION AND WILLINGNESS TO BUY PRODUCTS ORIGINATING FROM GERMANY

Statistically significant predictors in evaluation of country image of Germany		β	t
Ethnicity	Serbs	-0,172	-4,555
R^2 =0,172	F=20,747	p=0,000	
Statistically significant predictors in evaluation of products from Germany		β	t
Household income		0,123	2,728
Ethnicity	Serbs	-0,102	-2,383
	Croats	0,088	2,026
R^2 =0,204	F=3,901	p=0,000	
Statistically significant predictors of willingness to buy products from Germany		β	t
Household income		0,150	3,437
Ethnicity	Croats	0,145	3,378
R^2 = 0,244	F=5,664	p=0,000	

Source: Research results

All models are reliable and the highest proportion of variance explained is in the model with the willingness to buy German products. In all three models, ethnicity is appeared as significant predictor variable. The following table shows the results of regression analysis with Italian image scales, evaluation, and willingness to purchase Italian products of origin as dependent variables in the function (Table no. 9).

TABLE 9. REGRESSION ANALYSIS WITH ITALIAN IMAGE SCALES, EVALUATION AND WILLINGNESS TO BUY PRODUCTS ORIGINATING FROM ITALY

Statistically significant predictors in evaluation of country image of Italy		β	t
Ethnicity	Serbs	-0,087	-2,287
R^2 =0,087	F=5,230	p=0,023	
Statistically significant predictors in evaluation of products from Italy		β	t
Ethnicity	Croats	0,085	1,941
R^2 =0,159	F=2,339	p=0,023	
Statistically significant predictors of willingness to buy products from Italy		β	t
Ethnicity	Croats	0,139	3,187
Household income		0,106	2,407
R^2 =0,200	F=3,721	p=0,001	

Source: Research results

Ethnicity and income are the most important predictors in these models who show satisfactory level of reliability. Generally, the lowest proportion of variance explained is in the models with scale connected with Italy as a country of origin. The following table shows the summary of the analysis in accordance to the hypotheses testing statistic (Table no.10)

TABLE 10. HYPOTHESES TESTING

Summary of analysis	Confirmation/Rejection of hypotheses
Ethnicity has a significant impact on country image perception in all of six regression models.	H1 is confirmed
Ethnicity has a significant impact on products evaluation from considered countries of origin in all of six regression models.	H2 is confirmed
Ethnicity has a significant impact on willingness to buy products from considered countries of origin in all of six regression models.	H3 is confirmed

Source: Research results

All hypotheses were confirmed because the ethnicity has been shown as the significant predictor of image of the considered countries, but also as a significant predictor of evaluation and willingness to buy products from all of six countries of origin.

VI. DISCUSSION

The overall analysis indicates the dominance of ethnicity in consumers' purchase patterns considering: country image evaluation, product evaluation and willingness to buy. However, there are some differences in the regression results across the observed countries of origin. Namely, the largest proportion of variance explained is in the models related to B&H as a country of origin. Consumer ethnocentrism is showed as most important variable in the models related to B&H. In other regression analysis, in relation to the other countries, CETSCALE appears only in two cases, while in others, variable of ethnicity has a dominant importance. Based on the overall regression analysis, it can be concluded that within the set of socioeconomic, demographic and ethnic variables, consumer ethnocentrism does not have a negative effect on evaluation or willingness to buy products from imported countries of origin. Given the relatively small proportion of variance in the regression models with scales of Slovenia, Germany and Italy, it can be assumed that the market variables largely explain the variance in the product evaluation and willingness to buy products originating from these countries. On the other hand, ethnicity has the greatest impact on highest proportions of variance in the regression models with scales of Serbia and Croatia.

In all nineteen regression models, ethnicity was significant predictor variable. Therefore, it seems that ethnicity is a very important sub-cultural variable in the research context of B&H. Ethnicity determines domestic product orientation as well as foreign product orientation. Bosniaks and respondents with lower incomes and lower education level, showed the highest degree of ethnocentric tendencies and therefore, the greatest preference towards domestic products. Croats are, in average non-ethnocentric, prone to a better evaluation of the image, products and greater willingness to buy Croatian products. Croats show the lowest degree of evaluation and willingness to buy for domestic products. As the lowest ethnocentric group, Croats are characterized by higher tendency towards imported alternatives in general. Serbs show lower degree of country image evaluation for B&H, Croatia, Germany and Slovenia, and the higher degree regarding the evaluation of Serbia's image. So, Serbs, in average, have the lowest tendency towards imported alternatives, except for Serbian products. Serbs also show lower evaluation and willingness to buy for domestic products.

In the context of these results, to some extent, can explained previous mentioned ethnically conditioned perception of Croatian and Serbian products as domestic in case of B&H (Cicic *et al.*, 2005). In the interpretation of this kind of results should not be neglect that during former Yugoslavia, products from Croatia, Serbia and Slovenia, indeed were domestic products. Consumers in B&H have buying these products for a long time gaining loyalty that cannot be easily changed. Also, consumers' perception of products originating from the neighbouring countries can be partly explained by the actual socio-economic relations between the countries of former Yugoslavia. For example, a lot of citizens of B&H are economically dependent of, either transfers or any working activity in the neighbouring countries, especially in Croatia and Serbia. Therefore, the perception of products from Serbia and Croatia as domestic is in the accordance with the functioning of consumer ethnocentrism, which generates a sense of common welfare, but this time with the country where the income is realized and makes consumers loyalty divided between home country and working country. Sharma *et al.* (1995) also see the historical connections as well as the existing political and economic relations between countries as potentially moderators of consumer ethnocentrism. However, it can't be said that described perception of neighbouring countries and their products will not vary over time. Vida and Dmitrovic (2001) have found less familiarity with Slovenian brands among younger consumers in the region of former Yugoslavia. The above is explained by weaker emotional ties of younger

generations towards the former common country. Therefore, the advantages based on traditional economic relations can significantly vary in the long term (Vida and Dmitrovic, 2001).

In the case of this study there is no explicit explanation for the appearance of ethnicity as a predicting variable in case of Germany and Italy as a countries of origin. It can even be partly understood in the context of theoretical frame that treats a country image as a complex construct that evoke wide-ranging consumers reactions (Heslop *et al.*, 2008). But also, it should be considered that the group perception is under the strong influence of socialization process as well as of group experience in some specific social and historical context which also can be a defining element of overall perception of any entity, including the country image.

However, the overall analysis confirms importance of ethnicity in purpose of better estimation of marketing research implications. Further research should provide more precise knowledge about sub-cultural determination of country of origin perception and subsequent behaviour, especially in the societies affected by rapid social changes.

VII. CONCLUSION

In the context of society of B&H, ethnicity is an important factor of overall consumer orientation towards both the domestic and the imported products. So, based on the overall results of this study, there are several conclusions about the characteristics of consumers in B&H based on ethnicity. In average, Bosniaks are ethnocentric and tend to better evaluate and purchase local products. The Croats, in average, are non-ethnocentric and at the same time polycentric, relatively showing a greater tendency towards imported products. Polycentrism is an attribute which is determined by a relatively high level of acceptance of imported products and in general, it is a characteristic of non-ethnocentric consumers (Vida and Damjan, 2000). On the other hand, Serbs are, in average, low ethnocentric, without any signs of polycentrism, which is expected in the case of consumers with low ethnocentric tendencies, but in a way unicentric or oriented towards Serbian products.

Sheth and Paravatiyar (2001, 21) consider the inevitable trend that: "In an economy without borders differences within countries exceed the differences between countries. Therefore, it may be an advantage to observe different market segments within the country but globally". Thus, the established differences between ethnic groups in B&H can be treated as a segmentation base in terms of international marketing for identification of ethnocentric and polycentric consumers in a wide regional context. The results of this study showed that ethnicity is an important factor of perception of the images of considered countries of origin. Since the image of a country can be determined through emotional and symbolic connotations, the economic dimensions are not sufficient to explain the country of origin effect on consumers' buying patterns. It is interesting to note that image of B&H is also influenced by ethnic characteristics of consumers. The reasons why perception of image of B&H varies across the ethnic groups are beyond the scope of this paper. However, perception of home country image may be conditioned by different reactions of ethnic groups on the same social, economic and political reality. Perception of organic or home country image is a result of living in a country, and it is strongly influenced by expectations of different audiences derived from the individual position as well as from social networks of shared values and collective identities (Kurtić, 2009).

The results of this study confirm the thesis that the existence of several multiethnic states in the European region represents a major challenge from the standpoint of international marketing (Vida *et al.*, 2008). Among other influences, identification of consumers with a specific nation,

specific culture or ethnic sentiments, obviously, can be reflected in the consumer behaviour, whether expressed through consumer ethnocentric orientation, or through a greater tendency towards imported alternatives (Hershe, 1994). Therefore, the treatment of a whole market of European countries as homogenous leads to a simplification of reality, and the standardization of marketing is possible, but exclusively associated with specific product categories and marketing segments formed across cultural and national boundaries (Rojšek, 2001).

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