

3<sup>rd</sup> AIEAA Conference

“Feeding the Planet and Greening Agriculture: Challenges and opportunities for the bio-economy”

Alghero, 25-26/6/2014

**DOMESTIC FOOD PURCHASE BIAS: A CROSS-  
COUNTRY CASE  
STUDY IN GERMANY, ITALY AND SERBIA**

**Mauritz Bosbach**

**Ornella W. Maietta**

**M.A. Hannah Marquardt**

University of Naples Federico II

# Presentation outline

- the aim of this paper;
- the methodology;
- the questions and the variables;
- the tobit regression;
- the results.

# Aim of the present study

To analyse which are the motivations for a domestic purchase intention of food on the basis of three country samples.

Output variable = **domestic purchase intention**

Explained by:

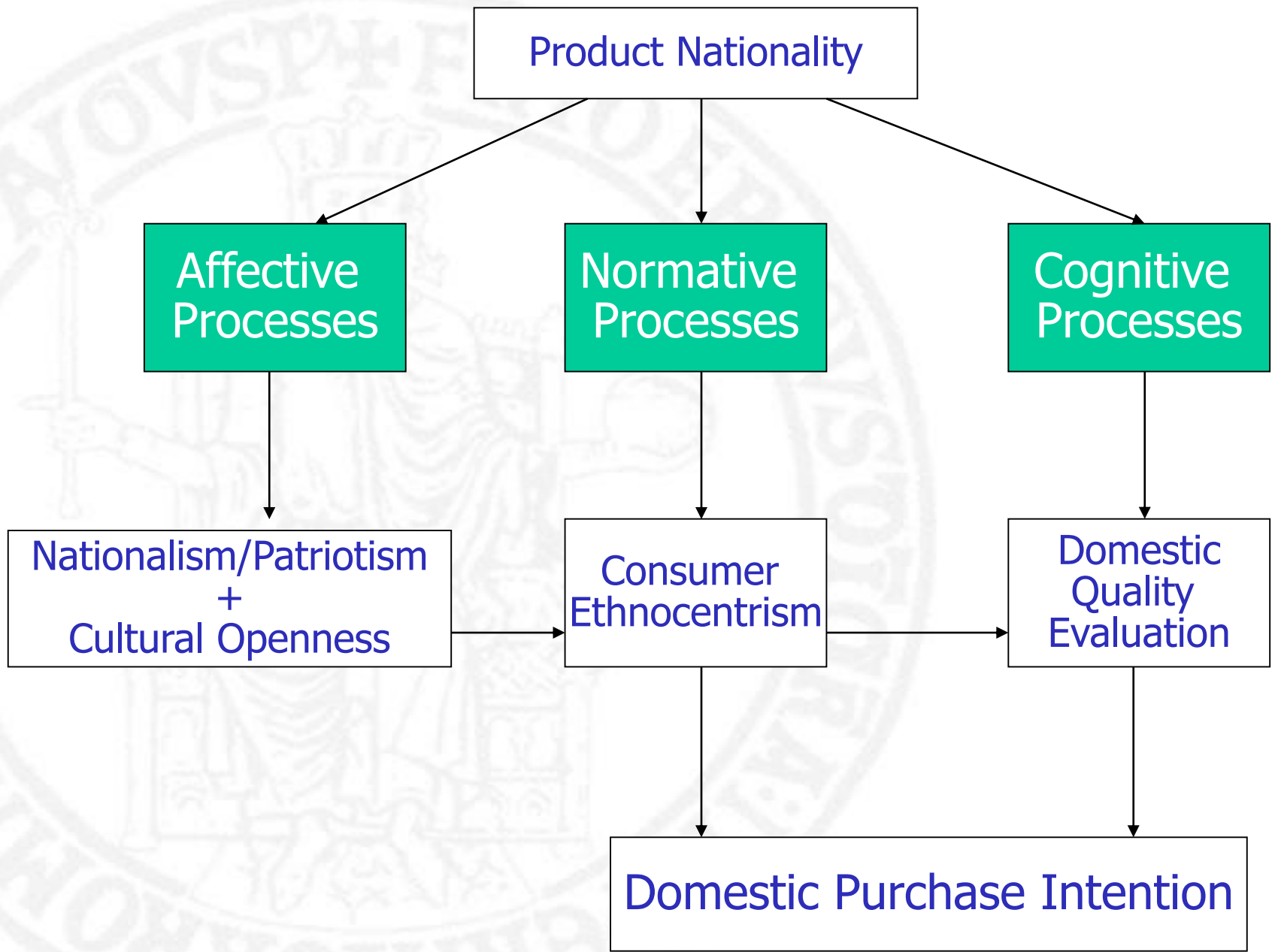
- domestic quality evaluation
- consumer ethnocentrism
- nationalism/patriotism
- openness to other cultures
- trust

## A mixed-mode survey method

- online interviews
- face to face interviews on daily food market spots and malls in main cities

## Questions

All items are measured on a five-point Likert format (1=strongly disagree, 5=strongly agree)



# Domestic Purchase Behavior

based on Grazin&Olsen's (1998) scale of consumer helping behavior

express „purchase behavior in favor of domestic foods in that consumers take the time to identify the domestic origin of either products and brands or retail outlets that stock them“ (Dmitrovic &Vida 2009)

## Questions

1. Mostly, I try to buy German/Italian/Serbian-made products
2. Mostly, I try to buy brands from German/Italian/Serbian companies
3. I take the time to look on labels so I can buy German/Italian/Serbian food
4. I shop first at retail stores

# Domestic Quality Evaluation

based on Parameswaran and Pisharodi's general product attribute scale (2002)

it measures consumer judgments of intrinsic quality attributes of domestic food

## Questions

1. German/Italian/Serbian food is better
2. German/Italian/Serbian food satisfies my taste requirements
3. German/Italian/Serbian food is safe
4. Good value for the money

# Consumer Ethnocentrism

based on a reduced version of the CETSCALE (Shimp and Sharma, 1987)

adjusted for food related issues, consumers express their agreements about believes considering the duty to support their national or domestic economy by rejecting imported food products

## Questions

1. Germans/Italians/Serbiens should not buy foreign products, because this hurts German/Italian/Serbian business and causes unemployment
2. Only those products that are unavailable in Germany/Italy/Serbia should be imported
3. Buy German/Italian/Serbian food products. Keep Germany/Italy/Serbia working.
4. A real German/Italian/Serbian should always buy German/Italian/Serbian-made products
5. We should purchase products manufactured in Germany/Italy/Serbia instead of letting other countries get rich of us.



# Nationalism/Patriotism

Patriotic and nationalistic attitudes are measured using scales from Kosterman and Feshbach (1989) and Sampson and Smith (1957)

## Questions

1. I love my country
2. I am proud to be German/Italian/Serbian
3. The first duty of every young German/Italian/Serbian is to honor the national history and heritage.
4. Foreigners should not be permitted to come into Germany/Italy/Serbia if they compete with our own workers

# Cultural Openness

based on the cosmopolitan scale by Jane and Etgar (1977) and Cannon (1994)

defined as the extent to which individuals enjoy contacts and information about other cultures, diverse cultural environment and people

## Questions

1. I like to travel to different places
2. I like to have contacts with people from different cultures
3. I often feel like an outsider in my community
4. I enjoy experimenting with many different kinds of food
5. I like immersing myself in different cultural environments
6. Foreigners do not leave me uncomfortable

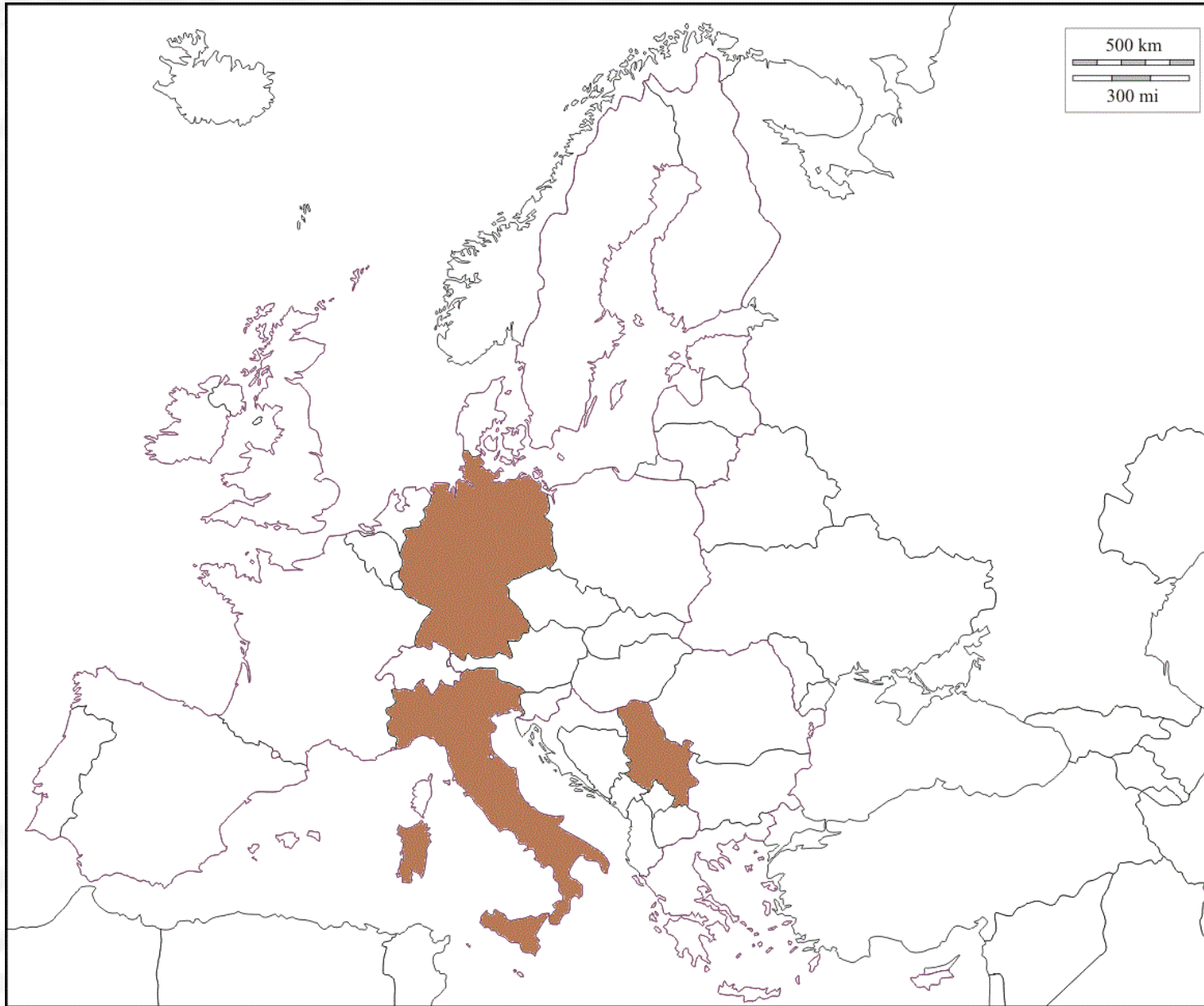
# Trust

adopted from the comparative analysis 'EU: Trust in Food' (Poppe and Kjærnes 2003)

## Questions

1. I trust traditional food more than new product on the market
2. Safety directives reduce diversity of taste
3. Certifications are not reliable
4. You can't trust official certifications
5. Home-made food is of best quality

# The choice of the countries



# The sample

|                       | GERMANY | ITALY | SERBIA | TOTAL     |
|-----------------------|---------|-------|--------|-----------|
| Sample size           | 238     | 259   | 222    | 719       |
| <b>Gender %</b>       |         |       |        |           |
| Male                  | 40      | 43    | 39     |           |
| Female                | 60      | 58    | 61     |           |
| <b>Age %</b>          |         |       |        |           |
| 14-34 y               | 58      | 59    | 59     |           |
| 35-90 y               | 42      | 41    | 41     |           |
| <b>Education %</b>    |         |       |        |           |
| Non-graduated         | 35      | 33    | 48     |           |
| Graduated             | 65      | 67    | 52     |           |
| <b>Monthly income</b> |         |       |        |           |
| Under € 2000          | 47      | 59    | 36     | Under €   |
| €2001-3000            | 21      | 22    | 40     | € 301-450 |
| €3001-...             | 32      | 19    | 24     | €451-2500 |

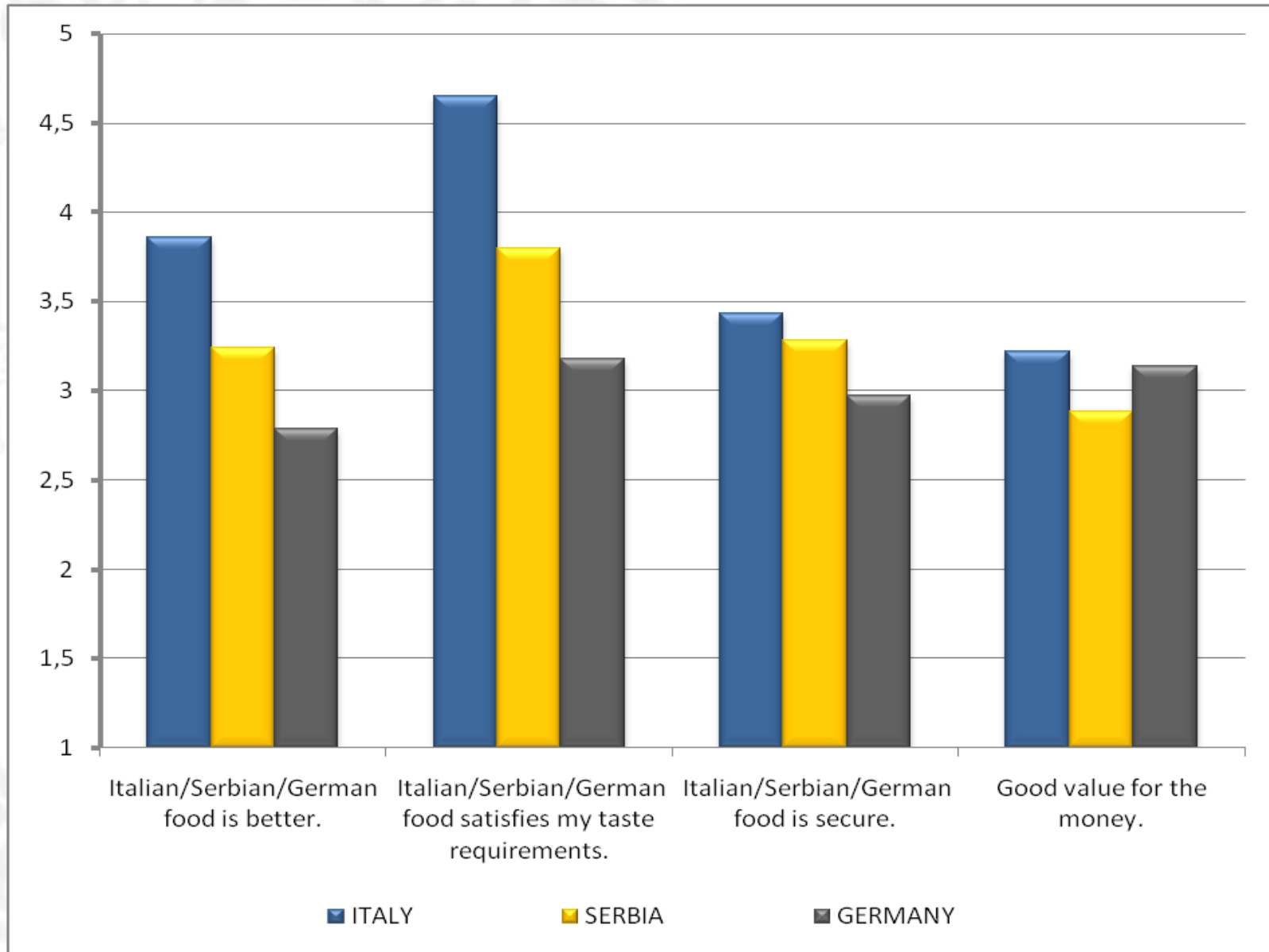
# The average by countries

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| Variables                   | Germany | Italy | Serbia |
|-----------------------------|---------|-------|--------|
| Domestic Purchase Behavior  | 3.1     | 3.7   | 2.8    |
| Domestic Quality Evaluation | 3.0     | 3.8   | 3.3    |
| Consumer Ethnocentrism      | 2.0     | 2.9   | 3.0    |
| Trust                       | 3.1     | 3.2   | 3.0    |
| Nationalism/Patriotism      | 2.3     | 3.2   | 3.1    |
| Cultural Openness           | 2.8     | 3.0   | 3.2    |

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# Domestic Quality Evaluation



# The endogenous tobit regression

Dependant variable: Domestic Purchase Behavior

Instrumented: Domestic Quality Evaluation

Instruments: Individualism grade  
Uncertainty avoidance grade

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| Variables                   | Germany | Italy | Serbia |
|-----------------------------|---------|-------|--------|
| Individualism grade         | 67      | 76    | 25     |
| Uncertainty avoidance grade | 65      | 75    | 92     |

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# The instrumented variable

## Domestic Quality Evaluation

| Variables                             | Coef.        | P> z | Coef.        | P> z |
|---------------------------------------|--------------|------|--------------|------|
| Consumer Ethnocentrism                | <b>0.22</b>  | 0.00 | <b>0.21</b>  | 0.00 |
| Trust                                 | <b>0.35</b>  | 0.00 | <b>0.36</b>  | 0.00 |
| Nationalism/Patriotism                | <b>0.20</b>  | 0.00 | <b>0.20</b>  | 0.00 |
| Cultural Openness                     | 0.03         | 0.62 | 0.05         | 0.48 |
| Woman                                 | -0.04        | 0.43 | -0.02        | 0.72 |
| Age                                   | <b>0.00</b>  | 0.07 | <b>0.00</b>  | 0.01 |
| Education years                       | 0.00         | 0.47 | 0.00         | 0.52 |
| Income                                |              |      | 0.07         | 0.12 |
| Southern Germany                      | -0.17        | 0.14 | -0.16        | 0.16 |
| Eastern Germany                       | -0.10        | 0.41 | -0.08        | 0.49 |
| Northwestern Germany                  | <b>-0.25</b> | 0.02 | <b>-0.24</b> | 0.03 |
| Northern Italy                        | 0.07         | 0.48 | 0.05         | 0.60 |
| Central Italy                         | <b>0.16</b>  | 0.09 | <b>0.16</b>  | 0.10 |
| Individualism grade                   | <b>0.07</b>  | 0.01 | <b>0.09</b>  | 0.00 |
| Uncertainty avoidance grade           | 0.01         | 0.84 | 0.02         | 0.77 |
| Constant                              | 0.63         | 0.32 | 0.43         | 0.52 |
| N. Obs.                               | 719          |      | 675          |      |
| Wald test of exogeneity               |              |      |              |      |
| chi2(1)                               | 13.94        |      | 14.47        |      |
| Prob > chi2                           | 0.0002       |      | 0.0001       |      |
| Test of excluded instruments (on OLS) |              |      |              |      |
| F( 2, 704)                            | 13.12        |      |              |      |
| Prob > F                              | 0.000        |      |              |      |

# The dependant variable

## Domestic Purchase Behavior

| Variables                   | Coef.        | P> z | Coef.        | P> z |
|-----------------------------|--------------|------|--------------|------|
| Domestic Quality Evaluation | <b>1.91</b>  | 0.00 | <b>1.71</b>  | 0.00 |
| Consumer Ethnocentrism      | -0.11        | 0.29 | -0.05        | 0.54 |
| Trust                       | -0.29        | 0.10 | -0.21        | 0.19 |
| Nationalism/Patriotism      | <b>-0.37</b> | 0.00 | <b>-0.34</b> | 0.00 |
| Cultural Openness           | 0.06         | 0.60 | 0.05         | 0.65 |
| Woman                       | 0.15         | 0.11 | 0.14         | 0.14 |
| Age                         | <b>0.01</b>  | 0.01 | <b>0.01</b>  | 0.00 |
| Education years             | -0.01        | 0.59 | 0.00         | 0.75 |
| Income                      |              |      | <b>-0.12</b> | 0.09 |
| Southern Germany            | <b>0.55</b>  | 0.00 | <b>0.52</b>  | 0.00 |
| Eastern Germany             | <b>0.38</b>  | 0.05 | <b>0.34</b>  | 0.06 |
| Northwestern Germany        | <b>0.48</b>  | 0.01 | <b>0.42</b>  | 0.01 |
| Northern Italy              | 0.22         | 0.28 | 0.26         | 0.15 |
| Central Italy               | -0.03        | 0.89 | 0.01         | 0.95 |
| Constant                    | -1.69        | 0.02 | -1.43        | 0.02 |
| N. Obs.                     | 719          |      | 675          |      |

# Some concluding remarks

In our three-country study:

- Domestic Quality Evaluation is the main direct driver of Domestic Purchase Behavior.
- Among the socio-economic determinants, income is negative and weakly significant, age is positive and significant.
- Nationalism/Patriotism, Trust and Consumer Ethnocentrism codetermine Domestic Quality Evaluation.
- Cultural Openness is not significant.
- Among the national cultural drivers, Domestic Quality Evaluation is strongly influenced by Individualism.