# ACCULTURATION TO THE GLOBAL CONSUMER CULTURE AND ETHNIC IDENTITY: AN EMPIRICAL STUDY IN IRAN

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#### ABSTRACT

## Acculturation to the Global Consumer Culture & Ethnic Identity: An Empirical Study in Iran

Globalization is a phenomenon that was always present through different market trades. However, the evolution of technology mixed with open market frontiers has lead to a change in the communication systems, product circulation and movement of population for economic, social, political, ecological or leisure reasons. These trends have influenced behaviors of population and their exposure to other cultures, habits and consumer behaviors. In fact, consumer behavior theorists and marketing managers had to adapt to these important changes infusing a balance of "global consumer culture" and "ethnic identity" while experimenting resistance at the national, regional and local levels. Should they standardize, adapt or use a combination of methods to achieve success? How should they proceed? How should they adapt?

The Middle East is particularly an interesting context to answer some of these strategic questions. More precisely, Iran offers an interesting perspective to investigate the relationship between acculturation to global consumer culture (AGCC) and Ethnic Identity (EID) with consumer behavior. Are Iranian more materialists or oriented towards their own culture and identity when it comes to buying products-services?

Following a series of empirical studies in different countries, this particular study investigates the relationship between AGCC and EID with materialism (MAT), ethnocentrism (CET), and demographics. The results indicate the negative relationship between AGCC and EID, and positive impact of both on MAT. While, not enough evidences are found to accept CET and AGCC relation, the positive influence of EID on

CET was founded. The Ethnic Identity (EID) seems to be the greater influencer on Materialism, Global Consumer Culture and Ethnocentrism.

Among indicated products categories, food, global and local, was the only culturally bound product. The reason for this claim was the significant influence of Ethnic Identity on local food and significant impact of AGCC on global foods. However, both constructs (AGCC and EID) have a positive influence on luxury products, clothing and appliances consumption, asserting that these categories are not culturally bound products.

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## **DEDICATION**

To Mothers of Iran who give their life and love, patiently and kindly... who lost their children for freedom.

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#### **Chapter One**

#### Introduction

Seven hundred years ago the great Sheik Saadi said that all human beings are like different parts of a whole body because they came from the same origin, if one part is in pain the rest cannot be fine. In fact, with a world that is so interconnected, the analogy of Saadi resonates clearly. Not only news and media but also products and services have benefited from this transformation and intensification of relations between individuals across countries. Global communications surpasses physical states where the notion of "borders" and "frontiers" become obsolete. As an example, if in Montreal you can video or call friends and family in Iran or in any other parts of the world exchanging thoughts, perceptions and news.

Furthermore, WTO regulations compel countries to cut their tariffs and help the free market all over the world. Hence, the information, products, and services are transforming and spreading conveniently and these exchanges are impacting not only companies, but more profoundly, societies and individual customers around the world.

Saadi and many other philosophers from the past, already talked about "globalization" indicating the need to unitize and perceive the world as a whole interconnected system. The wisdom of these philosophers is now more obvious, particularly in our daily life where we feel connected even if at distance. For business expanding across countries, is equivalent to "integrate other embassies" respecting local customs while importing other behaviors, products and way of doing business. In particular, marketers need to recognize which cultural aspects are globalizing, which ones remain resolutely local, and where a hybridization of the two occurs. Therefore, one of the big challenges for marketers of international companies is to overcome the cultural obstacles, understand value structures, and know the limitations and boundaries in the new markets.

Culture is an important shaper of consumer behaviour. Indeed, culture plays an undeniably strong role in affecting behaviours of consumers around the world. However, in academia relatively little research (Hallab, 2009; Salehi-Sanghari and Foster, 1999; Hadjikhani & Johanson, 1996; Kaikati, 1979) has empirically examined the cultural impacts of globalization on marketing-related outcomes. We cannot over simplify the situation and relay on the assumption that all cultures are similar nor can we conclude that the world's consumers are increasingly resembling a single unit sets the stage for marketing failure. In international marketing books and articles, most studies focus on America, with a minor content on Europe and Japan. We are missing valuable knowledge on the Middle East. The Middle East represents a vast, growing market of increasingly wealthy consumers; a market for which many companies have yet tried to tap. Part of the reason is the lack of empirical research Middle East. Hence, there is an undeniable need for shedding some light to the mysterious one thousand and one night's part of the world.

#### **Globalization and Context**

Globalization becomes a phenomenon affecting all human beings' life around the world.

People are enjoying different perspective by eating foods from different countries,
learning different languages, consuming other's countries products and experimenting
different behaviours and customs through traveling around the globe.

There as idiom in Persian called as double sided sword that is very suitable for this situation. Consumers have the benefit of choosing among huge variety of products from different countries and companies can expand their markets to where ever they want. However, at the same time dealing with different cultures, values, and norms become a dominant problem for international corporations. Marketing managers should learn about new markets, develop an appropriate strategy, find a suitable communication channels, and convey interesting messages. They have to segment the new markets based on that market's attributes, find the target market, and promote the products in a optimum way for that market's consumers. Therefore, one of the marketing challenges is to understand the culture of the new and potential markets and decide upon "standardization", "adaptation" or a "combination of both".

#### Standardization:

Some researchers (Levitt, 1983; Quelch and Hoff, 1986; Ghoshal, 1987) have defined the global marketing mix strategy. Some argue to develop standard marketing mix across national markets others believe in adapting the marketing mix to the national market culture and attributes. The strategic approach that the company will take will influence all marketing activities such as branding, advertising, pricing, and promoting. Levitt (1983)

argues that despite of focusing on customizing the products locally; companies should define global standards for their product in order to be competitive in international markets. When companies decide to standardize their marketing mix regardless of the cultural differences, product, price, advertising, and other marketing activities will be the same in all countries. The presumption of the companies that choose to standardize their marketing mix is present although there may be some differences in cultures; basic human needs are irrelevant to these cultural dissimilarities. Hence, domestically successful product can be prosperous internationally. The markets are homogenous and the profitable approach in one country will lead to success in the others as well. The advantages of this approach are, economy of scale, conveying and spreading the home country image around the world, alteration cost minimization, fast delivery and easy to stock, and at the end cutting manager's time and efforts (Levitt, 1983; Buzzell, 1986; Buatsi, 1986).

#### Adaptation:

Some scholars suggest adapting the product and marketing mix in order to become successful in new markets. The presumption here is although needs are similar around the world, cultural differences will influence purchase behavior substantially. Hence, in order to be prosperous in the new market, marketing managers should understand dissimilarities between cultures and adapt their efforts and strategies to the new culture (Dauglas & Wind, 1987; Kotler, 1985). After investigating through the cases of failure, scholars realize that products should be adapted to the taste, condition, and culture of the new market (Karmen & Sommers, 1967). For example, McDonalds introduced different products that match with local taste such as McArabica in Lebanon, offering wine with

regular meal in France, and adding Pasta to the menu in Italy. Understanding the cultural unique taste is time consuming and costly for companies. Furthermore, by adapting the product to each market, economies of scale cannot be achieved in all cases.

#### Adaptation and Standardization:

Choosing between the two extreme of spectrum, adaptation or standardization, is slowly being replaced by a combination of both strategies (Szymanski et al., 1993). In order to have advantages of both methods, lower costs from standardization and adapting the product to the cultural difference, the companies decide about the degree of standardization and adaptation in their marketing strategy. In other words, they choose "to how and to what extent" they want to mix the two strategies. Marketing managers take into account social values, ethnic identity and culture as part of the consumption behavior when buying foreign product and thus the need to build an adaptation/standardization approach (Laroche et al., McCarty et al., 2007; Viswanathan & Dickson, 2007). Cleveland (2007) introduces a model to portray the relationship and the impact of the individual level of ethnic identity and the degree of being acculturated to global consumer culture on consumer behavior. This model is helpful to understand when/where to standardize, and when/where to adapt, and when/where/how to combine both. The results of this model are helpful for marketing managers of international companies who want to introduce their product in out of their national borders.

Cleveland and Laroche (2007) introduced a model of acculturation by global consumer culture (AGCC). This model contains the measurable dimensions for AGCC. Bicultural models of cultural adaptation to the "local" culture must be considered in addition to the

"global". At first, this model was tested in eight different countries and in four continents (Cleveland, 2007). These countries were Canada (in North America), Mexico and Chile (in South America), Sweden, Greece, and Hungary (in Europe), India and South Korea (in Asia). Sobol (2008) further evaluated the model in Netherland and Hallab (2009) tested it is Lebanon. Overall, there is a combination of EID/AGCC affecting consumer behaviours: culture is situationally operant; people swap between identities depending on the context. Thus, different combinations of AGCC/EID predict different behaviours (e.g., local foods vs. Clothing, vs. Appliances, vs. Luxuries, etc.).

Understanding the fact that not all people adapt themselves equally with globalization around the world is one of the important contributions of these studies. Therefore, marketing managers cannot always rely on the assumption that the cultures in different countries are similar.

Since the revolution in 1980, very limited academic research has been conducted in Iran. Iran economy suffers from sanctions as well as lack of communication with other countries. During the presidency of Mohammad Khatami the relationship between Europe and economy improved incrementally but after his time this relationship have not been continued in an constructive was. Mainly, China and Russia have become important business partners with Iran, instead of Europe in the last six years. However, the country is in transformation process and after June 2009 presidential election in Iran younger generation is struggling to change the face of the country in the world's mind (Dehbashi, 2009). Besides, Iran is a powerful country in the Middle East and very rich by natural resources. Oil and gas, minerals, and related industries are important sources for empowering the country and make it considerable market for international corporations.

This research is helpful for international companies that want to choose Iran as their target market. And more over, it shed some light on consumer behaviour and more opportunity for researchers who want to investigate about this wonderful and ancient country. Furthermore, the results are important to evaluate and validate the model introduced by Cleveland and Laroche (2007). In addition to AGCC ad EID, the level of materialistic view point (MAT) as well as ethnocentrism (CET) are evaluated as well as the impact of EID and AGCC on MAT and CET.

#### Iran History

In this research Iran history is divided in to three sections, Iran pre-Islam, Iran post-Islam, and Iran after 1979 revolution. It should be mentioned here that unfortunately, Iran was attacked by several countries during its long and sad history. In each of these massive wars, many of the written documents were destroyed or burned. Namely, Alexander the Great and Arabs are well-known in the history of the country for burning many documents from pre Islam history. Therefore, researchers who work on this topic mainly rely on Greek famous history documentations, written by Herodotus as well as some pictures of important and historical events and orders that Iranian kings engraved on stone in the mountains.

#### Iran History Pre-Islam

This era is divided to four main dynasties:

*The Acheamenid:* Acheamenids ruled the country from 550 to 330 B.C. it was first founded by Cyrus the Second. The empire homogenized various cultures and background

form Egyptian to Parthian, who spoke different languages and worshiped different gods. In (330 B.C) Alexander attacked them and occupied the country (Dandamaev, 2004).

*The Seleucid:* Alexander and Seleucus are known as the founders of this monarchy The Greek origin of the founders was a strong reason for abandoning Iranian culture and language. However, Iranians fought and kept their own culture for decades.

*Parthian Empire:* From 247 B.C to 224 AD founded by Arsaces, Parthian or Arsacid Empire emerged as the biggest power in the east. The Silk Road made the country as bridge between Rome to China (Bivar, 1983).

Sassanid Empire: This dynasty is the last pre-Islam empire in Iran, founded by Ardashir in 224 A.D and ended in 651 A.D with Yazdegerd the Third. It encompassed Iran, Iraq, Syria, Afghanistan, part of Turkey, south west of Pakistan, Armenia, Georgia, Azerbaijan, Dagestan, and even some parts of India.

#### Iran history Post-Islamic

After occupation of the country by Arabs, for two centuries, there is no written or saved documentation about people and their situation existed. Some researchers call this period as "two century of deathly silence" (Katouzian, ).

During this time, Iran was ruled by two Arab central governments: Umayyad and Abbasid Caliphate. However, in 820 A.D *Tahirid Dynasty*, the first independent Iranian monarchy after Islam, took over the most parts of Iran until 872 A.D. Followed by them, several monarchies had come and gone including *Saffarid*, *Samanid* who retrieved Persian hand writing and language, the *Buyid* monarchy, The *Ghaznavids*, The *Seljuq* 

who ruled from Hindu Kush to Anatolia and from central Asia to Persian Gulf, and *Khwaraz Shah Dynesty*. Mongols were the next outsiders who attacked Iran by force and with blood sheds. For almost hundred years, they were the central Iranian government. *Safavid* had the country's control for more than two hundred years and their main impact was to change Iran from Sunni Muslim to Shi'a, making it a unique country in the Middle East. After Sassanid, it was the first originally Iranian dynasty.

*Qajar* dynasty was the next powerful and long lasting monarchy in Iran from 1794 to 1925 that were originally Turkmens. During their time, not only they did not expand the country but also lost Azerbaijan, Daghestan, and eastern Georgia in favor of Russia. In 1906, intellectual Iranians requested to have a parliament and independent judiciary, as well as decreasing the king's authority. By order of Mazafaredin Shah (king of that time), the first Parliament started to work on the same year.

Pahlavi Dynasty: Reza Pahlavi, an army colonel overthrow the last Qajar king and founded the Pahlavi Dynasty. Although he had a lack of knowledge and academic education, he made a revolution in the country. By announcing Tehran as the capital, he established a centralized, strong government. He provided public education, health care, national railway, judiciary, and transportation system for all Iranians. During the Second World War, although Iran did not get involved, Reza Shah was fan of Germany and announced it in semi private places. Those actions led the allied powers, Britain and Soviet Union, to occupy Iran and force him to leave the country. He died in July 1941 in Johannesburg in South Africa.

Mohammad Reza Pahlavi replaced his father in September 1941. He is the last Iranian King and, in February 1979, Pahlavi Monarchy and kingdom in Iran were terminated as a result of the revolution. The Shah is credited with modernizing Iran's appearance to the outside world, with the emancipation of Iranian women to participate in social and political activities. He established OPEC and introduced himself as Guardian of Persian Gulf. He changed Islamic calendar to Imperial calendar from Cyrus birthday as a beginning, instead of Mohammad's journey from Mecca to Medina. Furthermore, he gave women the permission to vote and divorce. All of these laws and movements were not well received by the Iranian clergy, who became permanent enemies of Shah. He left the country in January 16<sup>th</sup>, 1979 to Egypt and died shortly thereafter

#### Iran after Revolution in 1979

As mentioned above, the Shah left Iran in 1979. Khomeini arrived from France on February 1979. He proposed a new constitution and a new government. He was Ayatollah (God Figure on earth) and based on Shia rules, he claimed that the government should be under supervision of the elected Ayatollah of the time, known as supreme leader. People can elect the parliament members, the president and also the group of ayatollahs who control and elect supreme leader, known as group of elite.

As a first step, he asked other opposition parties to join and collaborate. However, in less than 3 years all of those parties were ousted, expelled, or otherwise gravely punished. After revolution, Iran first cabinet with Dr. Bazargan as the prime minister, tried to build the relationship and keep the friendship with all of the countries around the world including US. However after less than one year on 4<sup>th</sup> of November 1979, hard liner

Iranian university students attacked US embassy in Tehran and took all of the embassy employees as hostages for returning the Shah to Iran. Bazargan, Prime Minister of the time and all cabinet members resigned to show their objections. On the other hand, Khomeini supported students' action. The hostages were released after one and half year after Shah died.

Furthermore, in September 1980, Iraq attacked Iran. The war of attrition just started and Iran as a country in international sanctions was forced to be involved in an unequal war while Europe and the USA supported Iraq. In 1988, the war was ended and Iran signed the ceasefire agreement raised by the UN. Few months after Khomeini died and a new supreme leader, Ayatollah Khamenhee, was introduced to Iranians.

The opposition is not recognized in Iran orany non Islamic political party has an authority to be active inside the country. Besides, among active Islamic political parties in the country, there are many implicit borders and lines that should not be crossed. In other words it is not very well accepted to be in the opposite side and to be even softly against a simple matter.

According to Milani (2009), since religion and politics inextricably mixed in Iran, every form of opposition is taken to represent a lack of faith and disrespect to Islam. In his book, Moslem (2009) indicates that the ideological differences among various parties have been increased gradually so far. He asserts that since Khomeini, the founder of the Islamic republic concept, had many paradoxes in his books, speeches and actions, it is very hard for his followers to be consistent and follow the same guideline. He believes

there are four distinct political parties in Iran: Traditional/conservative Right, The modern Right, Left and Neo-fundamentalists.

Moslem indicates that these groups are more faction than being a political party. The reason is they are unofficial, their views are changing constantly, and each faction has its own interpretation of constitution. Hence, it is very hard to make a permanent change inside Iran government even if it is about very simple issue.

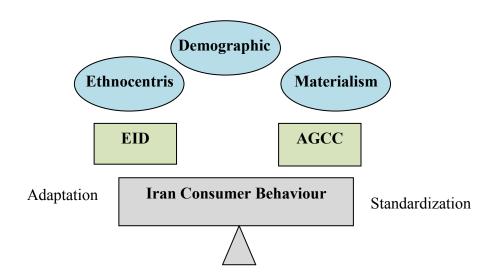
#### **Research Objectives and Questions**

The objectives of this research are to show the extent to which Iranian consumers are acculturated to AGCC, the extent to which traditional Iranian identity is adhered to, and how these cultural forces combine to affect Iranian consumption behaviour over different product category contexts. In addition, the purpose of this research is to focus on the interaction of AGCC and EID and to see how it affects consumption behaviour. It also examines the links of AGCC and EID to materialism and consumer ethnocentrism.

Demographic variables (age, gender, income level, and educational level), which are commonly part of both domestic and international market segmentation strategies, will be evaluated with AGCC, EID, MAT, and CET. The impact of EID and AGCC on consumer behaviour in Iran is represented in Figure 1 indicating the moderating effects of materialism, ethnocentrism, and demographic variables. The model indicates the weight balance between adaptation and standardization marketing approach.

Figure 1.1

The impact of EID and AGCC on consumer behaviour in Iran with moderating effects of CET, MAT, and Demographic variables



In terms of research questions, this study seeks to find answers for:

- What are GCC dimensions in Iran?
- How Iranian people are acculturated by global consumer culture?
- What is the relationship between AGCC and IEID (Iran EID)?
- Which consumer behaviours are positively/negatively associated with AGCC and/or IEID?
- How does AGCC affect CET and MAT?
- How does IEID influence MAT and CET?
- How do demographic variables such as gender, age, educational level, and income related to AGCC and IEID?

- How do demographic variables such as gender, age, educational level, and income related to MAT and CET?
- How does AGCC affect different products consumption?
- How does IEID affect different products consumption?

#### Chapter 2

#### **Theoretical Background**

Globalization opened the doors to new markets but also presents challenges related to the need to interact with new customers from varied cultures. The globalization genie was released from the lamp, now the problem is to find the way to deal with it and not being destroyed by it. In the beginning, the promise of globalization was a great expansion in the number of potential consumers; however, effectively attracting and serving them remains a big challenge for marketers of the twenty first century. On the other hand, the severity of competition leads small and big corporations to expand their horizons to not only cover national and local markets but also motives them to think bigger and try to satisfy customers from all over the world.

The notation that people are becoming more homogenous and the values and beliefs are similar around the world is tenuous. Therefore, understanding that how people in different countries adapted themselves to globalization is becoming very crucial. This topic has only recently attracted empirical attention. Defining a structure about how and in what extend people are adapted themselves to globalization will be very helpful for marketing mangers of international companies. In this section the theoretical background of the model constructs that introduced by Cleveland and Laroche (2007) about how

people are being acculturated by global consumer culture is reviewed, alongside an overview of the debates concerning the impact of globalization on culture.

#### **Globalization:**

Robertson (1990) quotes from Polybius, who lived in second century BC, in his *Universal History* to show how Roman Empire reshaped and changed the world. Polybius believed: "Formerly the things which happen in the world had no connection among themselves .... But since then all events are united in a common bundle" (p.21).

Even though the idea of unitization was untouched until recently, some scholars and philosophers referred to this concept in their writings since long time ago. For instance, Hobhouse (1906) asserted that "humanity is rapidly becoming physically speaking, a single society" (p.21).

Globalization was in force during the British Empire. The modern form is more comprehensive and technology/communications-based. Robertson himself (1990) considers globalization as a recent phenomenon. In other words, he perceives a very strong relationship between modernism and postmodernism with globalization. He denotes that to achieve the goal of globalization and unitization, series of developments needed to be done to structure the world as a whole such as spread of capitalism, developing media system, and etc. His positive attitude towards globalization stems from his belief that the phenomenon increases the level of civilization, social, ethnic, regional and more importantly self-consciousness among human beings.

Milward (2003) provides a more tangible and practical definition: a concept that represents the transformation and reallocation of products, capital and human resources around the world to overcome resource scarcities, as well as increase efficiencies. He believes that in today's world, it is virtually impossible to live in isolation. According to him, when by global transportation system and media such as internet, distances are meaningless, and people can talk and chat from around the globe, everything seems to be interdependent to each other.

By the same token, Tomlinson (1999) calls globalization as a "complex connectivity" (p.1), of interdependent networks that shape our current lives. Along with Robertson, Tomlinson believes that globalization causes the modern culture and is deeply rooted in modernity so he considers culture as a dimension of globalization.

On the other hand, de Mooij (2004) dissents about reports of convergence, by challenging the idea of increasing homogeneity in technology, media, interests, values, and lifestyles between nations is becoming dominant in the academic literature and textbooks in her point of view. However, she believes that while the convergence of lifestyles might be the case in some countries in Europe or North America, it is generally not the case in the rest of the world. She further expands her claim by saying that the convergence is happening in the macro level in countries not in micro levels or daily lives of the people. According to de Mooij (2004), culture has the most significant impact on consumer behavior, consumption differences, and brand preferences. For her, culture is not part of the globalization process, but is an independent construct that impedes globalization. Her

theory is that once physiological, housing and durable good needs are met, discretionary funds will tend to be spent on culturally preferred goods.

The answer to the question that whether globalization has a superior impact on culture or consumer behavior is not clear-cut. Although in de Mooij's perspective, the cultural influence on purchase behavior is higher than the homogenous and unitized global culture that other academics refer to. For instance, Tomlinson (1999) on the other hand goes one step further stepped even further, subsuming culture with the globalization process and introduces culture as a dimension of the complex construct of globalization phenomenon. There are many examples in this area and the debate is still ongoing.

There is general agreement in most studies and definitions that called inert connectivity; the world today is heavily connected; physical boundaries and distances cannot limit the flow of information. It is very hard to isolate a country and its people inside the borders. This is not about technology, politics, economy, social behavior, people or any major aspect of life per se. Essentially, it appears as though the whole system is merging to a greater or lesser extent.

Hence, it can be argued that globalization is inevitable in this era due to the global transmission of products, services and media, as well as the relative ease of international travel and migration, result in an ever-accelerating exchange of ideas and information across national frontiers. Furthermore, it can be concluded that culture and globalization process interact each other in complex ways. Thus, it is very important to understand the nature of this interaction.

#### **Culture:**

Abstract and pure definition of culture is not easy while it cannot be separated from other macro environmental factors such as political, technological, linguistics, economical, and educational factors. There are many definitions that have been given about culture in literature by scholars with various backgrounds and viewpoints. The terminology is vague and complex to define, notwithstanding the many attempts made by scholars to articulate a precise definition.

Williams (1983) describes culture as one of the two or three most complicated words in English language. For Soares et al. (2007), culture is "the complex whole which includes knowledge, belief, art, morals, custom and any other capabilities and habit acquired by man as a member of society" (p. 277). Hofstede (1981) defines culture as "the collective mental programming of the people in an environment. Culture is not a characteristic of individuals; it encompasses a number of people who were conditioned by the same education and life experience" (Luna and Gupta, 2001, p. 46). Hofstede uses the term "software to mind" based on an analogy to computers that are programmed by software. Since this mind software is rooted in a person's social environment, obviously this software varies from one environment to another. He (1991) articulates his point by saying that: "cultures are to society what personality is to individuals" (p.74). De Mooij (2004) reinforces this idea by indicating that culture belongs to society. It includes beliefs, attitudes, norms, rules and values rooted in the people who speak the same language and live in the same period.

Sekaran (1983) believes that it is neither feasible nor beneficial to draw lines between cultural and other mentioned macro level factors; "Culturally normed behavior and patterns of socialization could often stem from a mix of religious beliefs, economic and political exigencies and so on. Sorting these out in a clear-cut fashion would be extremely difficult, if not totally impossible" (Sekaran, 1983, p. 64).

Fowles (1996) perceives culture as an invisible construct that visualizes itself in symbols, objects and practices. Swidler (1986) defines culture as a "symbolic vehicle of meaning, including beliefs, ritual practices, art forms and ceremonies, as well as informal cultural practices such as language, gossip, stories, and ritual of daily life" (p. 274). She refers to the ongoing debate between anthropologists and sociologists about the definition of culture. By referring to some definitions in both areas she mentions that anthropologists perceive culture as individual knowledge of living in the society while sociologists do not believe the culture as everything people should know to become a useful person in society, nor as the whole part of people's social life. She argues that, in order to explain culture, value is defined as the strong link between culture and actions. Scientists do not believe that values shape and organize people actions. Swidler perceives that actions are integrated through an assembly of interests and values called "strategies of action" (p. 276). To her, culture is the "cause" for developing such strategies.

Even though one might believe that values are not the only engine in people's action, they are fundamental parts of culture. The results of numerous studies strongly indicate that social values have a significant impact on purchase behavior and preferences in the

market. It is very important for marketing managers to understand the new market's culture and values in order to become successful in that market.

Notwithstanding the debate on the definition of culture, most scholars agree on three important characteristics of culture. First, culture is learned not inherited, and the learning will starts at a very early age. Second, culture contains many interrelated factors. Third, culture is a "software" shared among group members as it is perceived to be accepted by them (Hofstede, 1986).

As it can be understood from shared notions, there are researchers in different fields that they wanted to define culture from their view point. This fact shows that culture has impact on many aspects of life, such as sociology, anthropology, business, psychology, education, and many other areas. Even though there is no coherent, consistent, and accepted definition of culture among many scholars, some characteristics are common in many of these descriptions. For instance, the fact that culture can be reflected through actions, behaviour, shared values in the society, symbols, language and mythological stories can be understood throughout many of definitions of culture.

#### Cultural Dimensions:

Among many models and studies done in order to introduce cultural dimensions, Hofstede's (1984) and Schwartz's (1994) culture dimensions' model have been used by many researchers and referred the most. The Hofstede's model introduces a four-dimension cultural value ranking model. In his model, cultures can be distinguished by four scales. The dimensions are more like the two extremes points of one scale, and the

more a culture is related to each pole, the more it is far from the other side. Hence, his model helps to rank and score each culture by the following defined items:

#### Individualism versus Collectivism

By this dimension, it is possible to rank a culture according to how people support and are being supported by others in a society. Individualism is the extreme side of the scale and represents the ultimate care for one's self or immediate family members only. While on the other side, collectivism represents the care among a group and society members.

#### **Large versus Small Power Distance**

The power distance points to the distance that society members have to power sources. It shows how power is distributed unequally. The larger the degree, the more inequity exists.

#### **Strong versus Weak Uncertainty Avoidance**

This dimension presents how people avoid ambiguity and how they try to reassure themselves by maintaining strict beliefs and faith. This item shows the degree of ideology and religious believes among society members.

#### **Masculinity versus Femininity**

"Masculinity stands for a preference in society for achievement, heroism, assertiveness, and material success. Its opposite, Femininity, stands for a preference for relationships, modesty, caring for the weak, and the quality of life." (Hofstede, 1984, p 5).

Schwartz (1992) introduces the Value Survey (SVS) which has recently attracted the attention of scholars in the area of social and cross cultural studies. The following presents the ten individual values and their motivational goals:

**Power:** refers to social power, wealth, and authority over people and resources. Or in other words, this dimension represents the degree of control an individual has over others, based on social status and prestige.

**Achievement:** represents the importance of personal success in one society. In other words, the system promotes the specified individual competency and announced it as success.

**Hedonism:** demonstrates the values of society for personal sense of pleasure and the accepted norms for enjoying of life.

**Simulation:** refers to the variance of life styles in a society. How differently people choose their own path of life.

**Self-Direction:** presents the authority to choose owns path in life and the acceptability of creation, exploration and curiosity.

**Universalism:** relates to the level of equity, world peace, social justice, and environmental protection in a society.

**Benevolence:** demonstrates the helpfulness, honesty, forgiveness, loyalty, and responsibility among individuals in a society.

**Tradition:** refers to the level of personal devotion to the traditional culture or religion. How humble, moderate, devoted and respectful for traditions is each person.

**Conformity:** shows the norms and level of accepted violation, and hurting others.

**Security:** the degree of harmony, safety and stability of the society, family and national security are shown in this dimension.

### **Consumer Behaviour:**

One the most important part in the marketing is to understand what are the consumer's needs and wants and to offer the product based on this understanding. It is critical for companies to identify the customer's behaviour, and to predict the outcomes in order to design marketing and even corporate strategies. According to Hoyer (2007), consumer behaviour: "Reflects to the totality of consumer's decision with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and idea by human decision making unites over time" (p. 3).

Consumer behaviour has four important characteristics:

- 1. Consumer behaviour is not only the buying behaviour and it is not just about the purchase. Any type of product acquisition such as renting, leasing and etc, is part of the consumer behaviour. Furthermore, the usage of the product, or in other words when, how and why the product is being used by a customer, is part of the consumer behaviour as well.
- 2. It should be tested through time: consumer behaviour is a dynamic process, hence when a product is acquired by consumer during the acquiring process as well as after using the product the consumer behaviour should be evaluated.

- 3. Consumer behaviour includes many people: the concept is not about one individual. With consumer behaviour it could be understood that who, how, when, where, how much and how often a product is being purchased.
- 4. Consumer behaviour involves different emotions: anger, hope, disappointment, regret, and etc can affect consumer decisions. In consumer behaviour it is important in investigate these emotions and their impact on purchase behaviour.

### Consumer Behaviour and Culture:

Cultural factors and values influence people's decision. Thus, it is understandable that culture has a strong impact on consumer behaviour. And moreover, the effect of culture on consumer behaviour is so ubiquitous that this concept has led many scholars to check the impact over and over (Schiffman and Kanuk, 2007). There are many examples in regards to cultural effect on consumption. For instance, Americans like big and convenient cars, Japanese rather small and fuel efficient vehicles. In France, McDonalds adapted their famous menu to the French appetite by introducing smaller burgers.

Henry (1976) indicates that culture is one of the basic drivers that affect consumer behaviour. Values are a fundamental part of culture, and thus, affect the process for choosing products. Therefore, culture acts as an exogenous variable in marketing, especially in segmentation efforts and long term aggregated consumption forecasting.

As Levitt (1983) suggests, an international or even national corporation might decide to find similar consumers across the nations and try to satisfy the same need in all of them. Nevertheless, this direction depends on the assumption of homogeneity of cultures or

subcultures. There are many international companies in the market that did not adapt their product based on the culture and followed Levitt's strategy. A famous example here is Coca Cola. The taste of the beverage is identical around the world. However, there are many examples support otherwise. Many international companies failed because they neglected to adapt their product to the culture and the socioeconomics of the new market. The following model was defined by Roth (1995):

National Culture: Power distance Uncertainty Avoidance individualism **Brand Image Product Performance Strategy** Market Share Functional Sensory **Market and Firm Condition Regional Socioeconomics** Market Experience Modernity **Competitive Problems** Marketing Mix Problems

Figure 2.1: Culture and Consumer Behaviour Model

The model is based on Hofstede's (1984) cross-cultural value system. It shows the moderating impact of national culture on product performance in the market.

Kacen and Lee (2002) quote from other researchers and notice growing interests in the relationship of consumer behaviour and culture in an increasingly globalized market.

According to them, the culture influences purchase pattern heavily.

#### **Acculturation:**

Acculturation will start in a time that a person should decide to be adapted to either of the cultures or both of them when being exposed to a new and originally different culture (Redfield et al, 1936). According to Padilla (1980), acculturation is: "Culture change that is initiated by the conjunction of two or more autonomous cultural systems. It is a complex interactional process involving both the members of the cultural group undergoing change and members of the host culture" (p.17).

In general acculturation stands for the level of individual acceptance of the new culture. It is important for many research areas to realize how people confront the changes in their culture and how they accept the new culture. The need to adapt to another culture will rise usually in the emigration process, and some studies have been done in this area (Berry, 1976; Rouhparvar, 2000; Papirova, 2004).

According to Berry, acculturation has three stages:

- 1- Contact: physical or symbolic contact between cultures.
- 2- Conflict: it may not happen all the time but in some cases, conflict may rise between cultures after contact phase.
- 3- Adaptation: Berry (1976) believed this phase is inevitable after the second stage.

In this area, Laroche et al. (2002) define acculturation as the level of adapting behaviours and learning the skills that enable immigrants to function within the host culture. The higher the level, the more people is acculturated. Along with emigration, globalization and mass communication provide reasons for investigation cultures confrontation. Berry (1990) also denotes that acculturation has two aspects:

- 1- The level of dependence to the culture of origin
- 2- The intensity of relationship with the host culture

Consumer acculturation is part of the whole concept of acculturation. In other words, it means to what extent the consumption behaviour is adapted to a certain culture (foreign or global). Homogeneity or heterogeneity of cultures is hard to distinguish as the two are interchangeable. Hence understanding the process becomes more crucial for marketing managers and companies seek the new opportunity outside

## **Ethnic Identity:**

There is a moment in life that a person asks "who am I?" The answer refers to the concept of Ethnic Identity. The self description is related to the group that the person belongs to. Children learn it from their parents, and it is a concept that is passed on inside the family according to many researches in this area.

Knight et al. (1993) gives a very comprehensive description about ethnic identity: "is a construct or set of self-ideas about one's own ethnic group membership. The emphasis in defining ethnic identity is on knowledge about one's own ethnic group and the sense of self as a member" (p. 33).

Ethnic Identity is a complex and multidimensional psychological construct. According to Knight et al. (1993), the dimensions are as follows:

- 1. Ethnic self identification: This construct points to the distinguishable and ethnical label that people identify themselves with.
- 2. Ethnic constancy: refers to the level of awareness that a person has in regards to the ethnic characteristics that make him/her distinguishable from others. These characteristics are permanent and unchangeable such as skin color.
- 3. Ethnic role behaviour: this construct measures the level of knowledge a person has about his/ her role and responsibility in the ethnic group s/he belongs to. For instance how much does a person know about his/ her role (as a wife, husband, and etc.) responsibilities according to the group values and norms.
- 4. Ethnic knowledge: this dimension is referring to the level of information that people have about their ethnic culture, for instance how much they know about their ceremonies, customs or traditions and etc.
- 5. Ethnic feeling and preference: this construct measures construct is measuring people's feeling and preferences about their ethnic culture, whether they are proud, indifferent, or embraced about it.

Romanucci-Ross et al. (2006) calls ethnic identity as a source of conflict and a psychological boundary that acts like an obstacle in the way of unitization process of the human beings. Nagel (1994) also considers ethnic identity as a psychological boundary in people's mind that acts as distinction line between who is in or out of the group. In light of studies conducted in this area, he suggests that the more society tries to decrease the level of distinction between ethnic groups and provides homogenous society; the group's

tendency to separate themselves from each other will be arisen. This cycle is not only supported by the members of a specific group but by the other groups' members as well. Therefore, he suggests that the ethnic identity or boundary is not only supported by individuals and other group members but also reinforced by other groups or outsiders.

Furthermore, de Mooij (2004) points out that even though in academia scholars believe on the high degree of cultural homogeneity in the world more than ever before, in reality people do not act as a homogenous society with a unitized culture. Along with Knight et al (1993), she calls identity as the idea that one has about him/herself, color, race, language, culture, and origin.

In general, people want to distinguish and categorize themselves and others to separate ethnical (or other sort of) groups based on certain attributes such as color, origin, and etc. Each of these ethnic groups has norms, values and traditions and ethnic identity refers to the level of knowledge that the person has about his/her ethnic group, for instance norms, values, traditions, ceremonies, customs.

### **Ethnic identity and Acculturation:**

By investigating the impact of f ethnic affiliation on acculturation, Penaloza (1994) realizes that the ethnic affiliation and level of acculturation are negatively correlated to each other. However, Hui et al. (1992) conclude, by taking some immigrants as referral, that it is possible that an individual becomes acculturated by a host culture, without however losing one's own ethnic identification. This is also introduced in migration psychological researches as biculturalism.

Webster (1994) considers ethnic identity and acculturation as the same construct since he identifies some similar factors in both of them such as language, food, and preferences.

The relationship between ethnic identity and acculturation was portrays by Berry (1990) as follows:

**Table 2.1: Ethnic Identity and Acculturation Matrix** 

Maintain ethnic culture origin				
Acculturated by new group	YES	NO		
values and culture				
YES	Integration	Assimilation		
NO	Separation	Marginalization		

Integration: keep some part of one's culture when adopting some of the host culture as well.

Separation: keep his/her original culture and avoid learning or acquiring the host culture.

Assimilation: involve and learn the host culture and forget his/her original culture during the time.

Marginalization: the one who is rejected by the host culture and has no intention to keep the original culture.

## **Acculturation to Global Consumer Culture:**

By studying and considering all researches that have been done about national culture and globalization, it is still hard to draw a conclusion and roughly analyze the role and impact of each construct on people or, in a smaller scale, on consumers. There is no clear

cut line between global and national role in shaping the day to day way of life. Tradition, with all its weight and strong ties, and the whole world out there are pushing people towards themselves. There is also no black or white conclusion in academic studies, and sometimes even the results contradict each other

For instance, de Mooije (2004) admits that cultures are not homogeneous and people in their first and second level of needs are becoming more heterogeneous so far. She calls this a new paradigm culture while many other researchers call it globalization. She notes that people will go back to their origin and ethnicity rather than being attracted by unitization concept.

By the same token, Sharma (1989) suggests that ethnicity has a negative impact on foreign product purchases. Furthermore, Berry (1990) develops a model about how people react upon facing a new culture. According to his model, the level of accepting and adopting the new culture varies from total adaptation through time to denying the new culture and maintaining the culture of origin.

Padilla (1980) denotes that acculturation starts by the incremental shift from standard behaviors of members of one cultural group toward another cultural group. Hence, the process of being acculturated is not a gradual or sudden change. It has a very slow pace, so much so that it cannot even be seen and understood. Therefore, it is not easy to assess the process of being acculturated by global culture and whether it has been favorably accepted or not by people in different parts of the world. However, it is important for scholars to understand this process. Based on cross cultural studies, ethnicity has a strong

relationship with acculturation and globalization. Thus, this construct should also be included in the researches in this area.

Cross cultural researchers introduce acculturation models in the cases of migration and the way that emigrants deal with host culture (Berry, 1990; Laorche et al, 2004; Laroche et al, 2005; Penaloza& Gilly, 1999; Penaloza, 1994; Kang & Kim, 2009). On the other hand, this research tries to shed some light on the relationship of globalization and ethnic identity. The main purpose of this paper is to provide and test a model to see how people react upon the world unitization, how they adapt themselves to the global culture and what role national culture plays in this process.

However, some of the existing models are not comprehensive. For instance, Gupta and Luna (2001) introduce a model to clarify the impact of culture on consumer behavior but the relationship between globalization was not clear enough. However, in terms of cross cultural and investigating the effects of cultures on each other and on consumer behavior, the findings of the paper were very interesting.

Cleveland and Laroche (2007) propose a model to investigate "how individuals acquire the knowledge, skills, and behaviors that are characteristic of a nascent and deterritorialized global consumer culture" (p. 25). The model was evaluated in eight countries and in four continents (Cleveland, 2007). The countries include: Canada, Chile, Mexico, South Korea, India, Sweden, Greece, and Hungary. Sobol (2008) completed the study in Netherland and Hallab (2009) in Lebanon. They both tested the validity of model. In the present study, the model is now tested in Iran.

Six dimensions were introduced to reflect the impact of acculturation to the global consumer culture. One dimension was excluded from the model called OPE (Openness to to and desire to participate in the global consumer culture). Although two questions about this construct were included in the questionnaire, further analysis does not show those variables to be able to form a distinct construct therefore, researchers decided to eliminate this dimension form AGCC model.

### 1- Exposure to global and foreign mass media (GMM).

Technology becomes an instrument to provide and introduce new medium and connect people all around the world. It has become very easy to watch Hollywood movie, listen to the most recent popular song, and read the news from personal smart phone. People can watch, listen and talk over every subject they want to through Internet, satellite TV, and radio. In terms of media, it is possible to say that people have become homogeneous in many parts of the world. In other words, many people can watch the same TV show, listen to the same music, or read the same news while they live in different countries and speak different languages. Furthermore, people talk to each other through Internet, social network websites, personal weblogs or websites, or in different forums. They communicate and support each other, give information and guide their fellows around the world. They share their feelings and express themselves. They share their cultures and learn from each other.

In Iran, National TV and Radio is managed and owned by the government. There is no private channel or TV, and it is illegal to have one inside the country. Furthermore, it is illegal to watch satellite TV and channels offered by other countries. However, many

families use satellite in their home and watch it in their leisure time. According to the Cultural Commission in Iran Parliament, 5.4 million illegal satellite dishes are active all over the country. According to the research conducted by Rezai et al (2010) among Iranian high school students, the popularity of watching satellite depends on the gender of the students, the male group having higher tendency to watch those program than female. And more over, the social class, family income, and living in rural area or urban environment do not make a significant difference in watching satellite instead of governmental TV channels.

However, these estimates are not accountable when having satellite dish is illegal and considered to be a crime. Thus, it is possible that many people who have satellite in their home do not want to declare it in any study.

# 2- Exposure to and use of the English language (ENG).

English is the main language in the world and is becoming an increasingly dominant language in different areas such as technology, academy, diplomacy, and entertainment industry (Cleveland, 2007). Although as de Mooij (2004) indicates that the demand for local language in Internet is gradually raising, the modern world uses English as its "lingua franca".

In Iran, learning English starts in grade six for all students, after high school and during graduate study in university, academic English especially for each major is one of the core courses, and it is mandatory to pass them for all students. Along with those programs, many foreign language institutes offer more material and facilities to learn English and other foreign languages such as French, Dutch, Spanish, and even Chinese.

# *3- Exposure to marketing activities of multinational corporations (EXM).*

The necessity of finding new markets around the world forces mass international corporations to spread their signs, logos, and messages all over the places. Marketers try to learn different cultures and check their brand's meaning in different languages to convey positive messages.

Iran is a big market with 70 million consumers. The country becomes a very good target market for European and Chinese companies. However, due to the mutual sanctions between Iran and the US, international companies with American origin do not communicate with Iran. In 2007 and 2008, imports to Iran increased from 41,722,646,067 US\$ to 48,438,819,813 US\$. According to the news, the import rate is increasing; however the government has not published more up to date rates since 2008. Based on Islamic Republic of Iran Customs Administration (IRICA) website, results and statistics show that United Arab Emirates has the highest import dollar amount to Iran and Germany, China, Switzerland, and France are respectively the next five countries that have the highest imports to the country.

Although Coca Cola, McDonalds, Ford and other US companies are not active in Iran, many other brands such as Giorgio Armani, Benetton, BMW, Kia, Nestle and many other international brands are very active and popular in Iran.

### 4- Social interactions through travelling (TR).

Traveling, migration and interaction with other countries and people is a very important factor in people's life. International traveling has become very easy and convenient with long distance international flights. However, Iran has the second lowest visa restriction

index score in the world and its citizens need to apply for visa for almost all countries based on Henley & Partners global ranking in 2010.

On the other hands, this restriction did not stop Iranians from applying for emigration, tourist visa, or even claiming asylum in different countries. According to some unofficial estimation, around 5.5 to 6 million Iranians live, work, or study outside of Iran.

# 5- Cosmopolitanism (COS)

Cosmopolitanism is about openness to other cultures and differences between cultures. A cosmopolitan is neither a tourist nor a visitor of many countries. It is possible that an individual never leaves his/her local area but respects other cultures and, as Hannerz (1999) puts it, thinks globally. Cosmopolitanism is a mind set or way of thinking. Hence, physical relocation and visiting many countries do not necessarily affect the level of cosmopolitanism among people.

Iranian people have a long history of communication with different cultures and countries. However, after the revolution in 1980, the Iranian government faced many fluctuations in its relationship with countries. During his presidency, Mohammad Khatami suggested the idea of dialogue among civilizations; on the other hand, Mahmud Ahamdinejad, the current Iranian president, even denied holocaust, leading to gradually decrease the level of diplomatic relationship with other countries.

On the other hand, neither of the above mentioned approaches should affect Iranians cosmopolitanism. In this research, this concept is being tested to see how Iranians react upon cultural differences.

6- Self-identification with the global consumer culture (IDT)

The model introduced by Laroche and Cleveland assessed individual opinion about AGCC. Each person has a perception about his/her level of being GCC. This idea is more likely to be close to reality and will help researchers to categorize each subject.

## **Ethnicity:**

Ethnicity is, on the other hand, a different concept. According to Laroche et al. (2002): "A multidimensional index of ethnicity was adopted from the work of Kim et al. (1989), who found that language usage and ethnic identification are reliable measures of the strength of ethnic affiliation" (p. 237).

Therefore, it is comprehended that the ethnic identity is a part of the more comprehensive construct of ethnicity. For instance, Eriksen (2002) defines ethnicity as a result of social interactions between groups. He notes that it has political, organizational and symbolic aspects. Furthermore, Hartmann and Cornell (2007) perceive ethnicity as an index which is based on irrational interest calculation and subjective feeling of group members about the sense of belonging together.

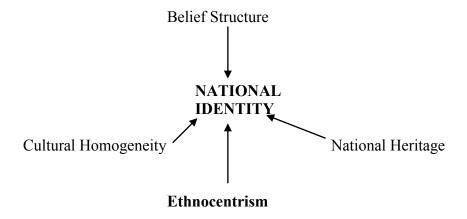
### **Ethnocentrism:**

Since the WTO restriction of tariffs rate and the increasing Presence of international companies worldwide, researchers found implicit and hidden barriers among people to purchase foreign products. One of these obstacles is consumer ethnocentrism (Sharma et al., 1987). It is a risky decision to enter new markets, and it is even harder to enter markets that are culturally different from the parent company. Therefore, cultural studies

while difficult are crucial for international firms to shed some light on the characteristic of these new markets. There are many different characteristics making cultures different and distinguishable. According to Clark (1990), it is possible to limit all of those unique items to a few basic and core traits and call them "national identity".

Keillor et al (1997) define national identity as a "sense of a culture" or as a set of characteristics that makes one culture stands out from others and makes it unique and distinguished. He also defines the following model for national identity:

Figure 2.2: National Identity Model



According to Sharma (1987), ethnocentrism was defined and introduced in social researches and literatures in the beginning of twentieth century. Sumer (1906) defined the concept as: "The view of things in which one's own group is the center of everything, and all others are scaled and rated with reference to it . . . . Each group nourishes its own pride and vanity, boasts itself superior, exalts its own divinities and looks with contempt on outsiders" (Shimp and Sharma, 1987, p. 280). According to some studies in this field,

ethnocentrism is rooted deeply in human natures and it is not only a sense among the people in a country, but a sense that might exist even among the people in a same group.

#### Iran

The model is tested in Iran therefore, in this section of this research related information about the country, ethnic groups, and traditions and ceremonies are presented. Iran is located in the central Eurasia and western Asia, with 1,648,195 km2. The eastern side of the country has a shared border with Pakistan and Afghanistan. In the north, Iran is bordered by Armenia, Azerbaijan and Turkmenistan. Iraq and Turkey are Iran's neighbours in the West and North West respectively. By going to the south, one reaches the water of Persian Gulf and Oman Gulf. Tehran is the capital of Iran and, with a population of 7,705,036, is the largest city of the country. Mashhad, Isfahan and Tabriz are following big cities in Iran. Based on 2006 census, Iran's population is 70,495,782. The following table divides the population based on different criteria:

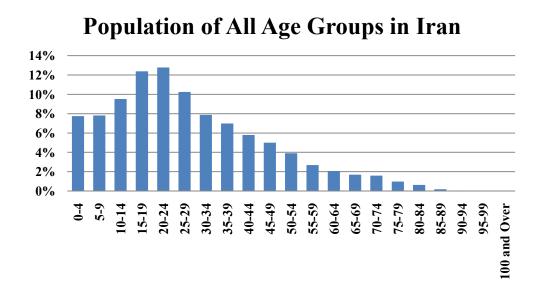
**Table 2.2: Iran Population** 

	Whole	Male	Female
Whole	100.00%	50.88%	49.12%
Urban	68.46%	50.93%	49.07%
Rural	31.39%	50.77%	49.23%

# Age:

The graph bellow presents population percentages by age group.

Figure 2.3: Population of Age Groups in Iran



# Literacy in Iran

The results of Iran population census in 2006 about literacy are presented in the table below:

**Table 2.3: Literacy in Iran** 

	Literate	Non Literate
Whole	84.61%	15.39%
Urban	88.93%	11.07%
Rural	75.20%	24.80%
Male	88.74%	11.26
Female	80.34%	19.66%

Hence, 84% of the whole population is literate in Iran.

### Ethnic groups in Iran:

Iran is a country of different ethnic groups: Fars, Kurds, Turks, Lors, Bakhtiari, Balouches, Arabs, and Persian. Each of them has a different language, traditions, music, mythology, and cloth. However, Iran is assumed to be a unique concept, and no division and distinction between different ethnic groups are accepted by law. It is even forbidden to ask the ethnic origin of the people in national census, academic and non academic researches and questionnaires. Hence, there is no rough estimation about the population of each of these ethnic groups. Furthermore, during a very long history, most of these groups were mixed together and there is no standard available to demarcate and separate each group from the other.

#### Kurds:

Kurds are an ethnic group that scattered in four countries: Iran, Iraq, Turkey, and Syria. They have their own language, Kurdish, and their own culture, music, dance and costumes. They live mainly in the north west of Iran. Kurdish people are generally Sunnite Muslims but some of them have other religions such as Shia Muslims, Izadiani, Ahle Hagh, Christian, and Jewish. They are mainly spread in four provinces in Iran and their population is between 6.5 to 7 millions. With one tenth of the whole country population, however, the Kurdish provinces in Iran are not very rich.

## Turks (Azari):

After Persians, this ethnic group is the biggest group in Iran. They speak in Turkish or Azerbaijani. And they have their own music, dance and folkloric songs. They are scattered in most parts of the country, and it is estimated that 15 million people or 22% of

the whole population in the country speak their language. Almost all of them are Shia Muslims and two powerful and rich provinces, East Azerbaijan and West Azerbaijan are occupied by them. And instead of Kurds who are not very powerful in politics, Turks are very highly involved in the political system in Iran. They played a very active role in Iran history.

#### Arabs:

Arabs represent another ethnic group in Iran. All of them live in the south of Iran and all of them are Shia Muslims. South of Iran is very well known for its oil; however this part of the country is very poor and still suffers from many damages that occurred during the Iran and Iraq war, during 1980 to 1988.

### Lors:

It is hard to call Lors as a very distinct ethnic group in Iran. Although they have their own music, songs, mythology and dance, their language is considered to be an accent according to Persian Literature Academy. This ethnic group mainly lives in west and south west of Iran with a population of 3 to 4 million. All of them are Shia Muslims and are divided to two main groups: Lor and Bakhtiari.

#### Balouch:

This ethnic group is mainly Sunnite Muslims, and they live in the south east of Iran near Pakistan and Afghanistan. Most of them live in the provinces of Sistan and Balouchestan, which are counted as the poorest province in Iran. Their population is estimated to be around 1 to 2 million.

#### Persian:

The biggest and the most powerful ethnic group in Iran are Persians. They have most of the political and financial sources in the country. As mentioned before, in Iran, distinction between ethnic groups is not accepted, but no one can hide the many injustices led by unwritten laws against other ethnic groups. Stereotyping, ridiculing and sometimes humiliating other ethnic groups are unfortunately very popular among Iranians, especially Persians. There are also many small ethnic groups in Iran, but since they are so many, we will not go through them separately.

#### Traditions and customs

Except for the Seleucids, the dominant religion of Iran was Zoroastrianism. The main Zoroastrian religion structure was based on three important issues: Pendar Nik / Good thoughts, Goftare Nik / Good words, Kerdare Nik / Good deeds.

Along with Zoroaster, Mani was known as an Iranian prophet in the Sassanid time. He tried to make a link between Christianity, Zoroastrianism and Judaism. There must be much more about this glorious time but unfortunately, as mentioned earlier, all of them were destroyed by outsiders.

Arabs attacked Iran in (651 A.D) and occupied Iran for hundreds of years. They forced Iranians not to speak in their own language (Farsi). However after three hundred years, Firdausi, a well known Iranian poet, wrote a masterpiece, Shahnameh (Kings Story), in Persian and asserted in this book that he wanted to give a second life to this language. The mythological values, beautiful poems, and fantastic stories narrated about Iran culture (pre-Islam) have endorsed this claim. This book contributed largely to preserving

Iranian values, customs, and even ceremonies like Eyde Norouz, and prevented them from being destroyed or forgotten. Homer's Iliad and Odyssey is very close to this masterpiece.

Along with Firdausi, Hafez, Saadi, Moulavi, Attar, and Khayyam are globally well known Iranian poets who helped to make Persian language safe from several attacks by foreigners. Besides, Iranian philosophers like Mulla Sadra, Mir damad, Avicenna, Khayyam, and many other pioneers in philosophy not only increased the quality and level of knowledge inside Iran but also had an undeniable impact on the whole world.

With such a long history of civilization, Iranians have many religious and non religious ceremonies and celebrations. Non religious ceremonies are not Islamic and rooted in the pre-Islamic era. During 1400 years, governments and kings and political system tried to prohibit these ceremonies. Although some of them are not very popular now, some like Eyde Nourooz and Charshanbeh Souri are celebrated not only in Iran but also among Iranians all over the world.

Iranian calendar is based on the rotation of the earth around sun. Each year is divided to 12 month and four seasons. Each month has 30 (6 months in fall and winter) or 31 (6 months in spring and summer) days. Each year has 365 days and 6 hours but each four years the year is 366 days. Each month belongs to one Zoroastrian god or goddess and one day in each month is dedicated for celebrating that god/goddess. Mehregan and Tirgan are popular ceremonies in Iran. Mehregan is in the first month of fall and Tirgan is in the first month of summer. Along with these two celebrations, the very first night of the winter called the longest night of the year is very important in Iranian families.

Another non religious celebration is Charshanbeh Souri. In the very last Tuesday night of the year, Iranians kindle seven fires in front of their houses and jump over all of them. The most important Iranian celebration is Eyde Nourooz. It is in the first day of the spring and the first day of the year in Iran. Although the years are counted based on the Islamic moment of Prophet Mohammad's journey from Makah to Medina (two cities in Saudi Arabia), the very first year of spring is the New Year time.

Recently Valentine day has become popular among youth and they celebrate this day by giving gifts to their loved ones. It is interesting to know that Iranians have a day of Sepandarmazgan (Zoroastrian day of love) which is three days after Valentine day is popular among intellectual Iranians who want to preserve pre-Islamic culture. Recently even some groups of Iranians celebrate Christmas as well.

#### Islamic Ceremonies

Iranian people also have Islamic ceremonies such as Ramadan, Mohammad Prophetic mission's date, Eyde Ghorban, Ashoura, and death or birthday of holey Shia Imams. Among them Ashoura, the date that Prophet Mohammad grandson and his family were killed by an Umayyad Caliphate, is very popular and celebrated by many Iranian families.

Although pre-Islamic ceremonies are not supported by Iran's current government, people eagerly try to celebrate them. Some rumors are even circulated to change the New Year date from Eyde Nourooz to one of the Shia's ceremonies, Eyde Ghadire Khom, the date that Prophet Mohammad introduced Imam Ali as his successor; however this recommendation never obtained any support in the society.

## Chapter 3

## **Construct Descriptions and Research Model**

In previous chapter, we talked about globalization and how people adapt themselves or react to global culture. We also described Iran as an ancient and critical country as it is now. The goal of the research is to show how Iranian people are acculturated by the global consumer culture (AGCC) and how Ethnic Identification (EID) affects the process of adaptation and acculturation. According to the researches in this area, the effect of materialism (MAT), ethnocentrism (CET), demographic attributes, and consumption behavior in Iran also will be assessed on AGCC and EID.

#### **EID and AGCC**

In her book, De Mooij (2004) asserts that there although there are evidences of convergence in consumption culture, it cannot be concluded that markets are homogenous in general. According to her, people in most parts of the world are attached more to their own cultures or subculture than to what academic scholars call globalization. By refusing the concept of global village, she denotes that people are becoming more motivated to protect and assert their native culture than before and even calls the era as culture era.

Alden et al. (2006), on the other hands, go in to more detail in this area and based on literature in the area of globalization and consumer behavior, hypothesized that consumer's attitude towards globalization could be divided in to four groups as:

- Assimilation/homogenization/convergence: the group of consumers who substitute
  their local culture's symbols and values by globalized/westernized symbols and
  values is falling in this category.
- 2) Separation/polarization: this group is including people who rather to consume their local products rather than foreign brands and products.
- 3) Hybridization/creolization/glocalization: the group of consumers who balanced their purchase behavior between foreign and local products belongs to this category.
- 4) Lack of interest/marginalization: this group includes the group of consumers who are indifferent about the origin of the product and care about the functionality of the goods they want to purchase.

According to this categorization it can be perceived that origin of the product and consumer is related to the consumption decision. Cleveland (2007) by introducing a model for AGCC and ethnic identification draws a line between these two constructs. By analyzing the gathered data in eight countries, he realizes that EID and AGCC as separate constructs are correlated and affecting consumer behavior in those countries. Sobol (2008) and Hallab (2009) also found the negative relationship between AGCC and EID in Netherlands and Lebanon and their findings support the validity of Cleveland's model.

Iran's history shows that people are very attached to their values. Many outsiders attacked the country for at least 4000 years of written history and at the end, foreigners

accepted the culture. Iranians fought for their language and traditions although they also learned and applied some values from other countries but they kept unique aspects of their own culture during thousands of years. Thus in this research, we assumed that Iranians will have a higher level of IEID (Iranian Ethnic Identification) than AGCC and, AGCC and EID should be negatively related to each other.

H1: AGCC and Iranian EID (IEID) are negatively related to each other.

#### Ethnocentrism

In a globalized world, international companies want to sell their products to many countries. However, a hidden barrier of this interaction according to Sharma et al (1987) is consumer ethnocentrism. After doing a concise literature review about the concept, they note that ethnocentrism was defined and introduced in social researches and literatures in the beginning of twentieth century. Each country has a unique culture and even subcultures these days and in order to become successful in the new market, it is crucial for companies to identify these distinguished attributes.

Scholars consider that ethnocentrism is rooted deeply in human natures. Furthermore, ethnocentrism is not a sense among a people of one country, but a sense that might exist even among a group of people. Marketing wise, ethnocentrism reflects itself when there is resistance among citizens of a country to buy foreign products in order to support national goods. There might be many reasons for this behaviour. Some scholars point to the unemployment rate in the country and apart from the quality of the national products; people want to support their own industries (Sobol, 2008).

After the Iranian revolution, international sanctions forced people to consume Iranian products. During the Iraq and Iran war, the government could not afford to import unnecessary products; thus, there was no competition and choices left for Iranians. After 1989, the doors of the country opened slightly and new products and brands came to the market. Iran tried to join WTO in the request was rejected by the organization in 2001. In 2005, the new request sent by the government and since now, no decision has been made about it by WTO<sup>1</sup>.

Furthermore, government put high tariff for foreign products expect national industries to satisfy citizen's needs so far. The general policy is to give national companies time and opportunity to increase the quality and be able to compete with international same products. On the other hand, generally speaking, people are more willing to purchase foreign products if they can afford the price. Thus the hypotheses here are:

H2a: CET is negatively related to AGCC.

H2b: CET is positively related to IEID.

#### Materialism

The Oxford English Dictionary defines materialism as "devotion to material needs and desires, to the neglect of spiritual matters; a way of life, opinion, or tendency based entirely upon material interests." Belk's article (1984) about materialism and consumer behaviour is one of the most cited researches in this area. According to his definition, materialism is "The importance a consumer attaches to worldly possessions. At the highest level of materialism, such possessions assume a central place in person's life and are believed to provide the greatest source of satisfaction and dissatisfaction" (p265).

<sup>1</sup> http://www.wto.org/english/thewto\_e/acc\_e/a1\_iran\_e.htm

Along with Belk, Richins (1987) defined the concept as "the idea that goods are means to happiness; that satisfaction in life is ... achieved by possession and interaction with goods"(p352). At the end Wright (1993) considered materialism as "the belief that life satisfaction can come from acquiring possessions" (p159).

Iranian culture values pride, honesty and maintains a social high position in their interpersonal relationship and interacting with outsiders. Furthermore, family has very high value in this culture, and individual success brings honour to the family or vice versa (Vreeland, 1975). Possessions are considered as a success in Iran in general as a modernizing country. Thus, materialism is part of Iranian culture. On the other hand, generally, people are religious in Iran and in Islam, none materialistic point of view is advised and asserted many times. Hence, materialism is perceived to be a part of the culture but should not be admitted. However, new generation and modernized citizens seem to care less about traditional beliefs and value modern culture more. Materialism is a part of the modern behaviour therefore:

H3a: Materialism is positively related to AGCC.

H3b: Materialism is negatively related to IEID.

# **Demographics**

Adapting to new culture or in other words acculturation related to demographic attribute such as age, gender, educational level and etc. Sobol et al(2008), Hallab et al(2009) in Netherland and Lebanon respectively, show that acculturation, ethnocentrism, ethnic identity, and materialism have relationships with demographic variables. Furthermore, research done by Rouhparvar (2000) and Jalali (1982) showed that age and gender have an impact on Iranian emigrants' acculturation in the US.

Age

Among many studies on acculturation, the results are generally consistent with the fact that age affects negatively on the level of adaptation with new culture (Burnam et al., 1987; Carey & Sodowsky, 1988). Older people are more reluctant to change their values and beliefs while young generation adapt rapidly to new culture. They have higher resistance to change as well as more attachment to traditions. However, by exposing to new media such as internet, and satellite, traveling outside of the country and meeting new people, youth have higher chance for acculturation with global culture. Rouhparvar (2000) finding also shows that lower age brings less stress during the process of emigration among Iranians in the US. Thus it is perceivable that the level of ethnic identity (EID) and ethnocentrism (CET) related to respondents' age positively. This means that, the higher the age, the higher the level of CET and EID should be. Older generation tends to emphasis on their ethnic origin and values (Sharma et al., 1995; Sobol, 2008; Hallab, 2009). Materialism is also related to modern and global culture, thus the reverse relationship between age and MAT is among this research hypothesis.

H4a: Age is negatively related to AGCC.

H4b: Age is positively related to IEID.

H4c: Age is positively related to CET.

H4d: Age is negatively related to MAT.

Gender

Greton, Coleman, and LaFormboise (1993) investigated through personal variables' impact on bicultural competency development and the results showed gender and gender role have significant affect on bicultural competency.

Rouhparvar (2000) and Jalili (1982) described accurately the gender role in Iran, by

indicating the fact that inside the country Iranian women have limited right in compare to

men. Male citizens can ask for divorce based on many reasons while the options for

female are very limited. The presumption is that the man/father is the head of the family

and decisions are made by him. Inside the family, boys will learn to be aggressive and to

play the main role, while girls will learn how to compromise with boys and others, to be

discrete and quite.

The society expected role for women in Iran is to become housewives, although young

generations break most of these taboos. By taking to account that there are many "not

announced" restrictions, the possibility of traveling and seeing the world for women is

lower than men in Iran. Even though the increasing trend of women employment and

education is undeniable, there still is significant percentage of female citizens whose

main income source is from their husband's salary. Thus, it is hard for them to act

materialistically, independently and autonomously.

The presumption is female citizens have more positive relationship with ethnic identity

and ethnocentrism than men. And more over, since nearly 13% of Iranian women are

employed, the socioeconomic power in the family belongs to men. Therefore, Iranian

women are not economically independent from men they have lower purchasing power.

Hence, the presumption here is women are less materialistic than men in Iran.

Furthermore, it is assumed that Iranian women are less acculturated than men.

H5a: Men show higher levels of AGCC than women

H5b: Men show lower levels of EID than women

H5c: Women are more ethnocentric than men.

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H5d: Women are less materialistic than men

Education

The results of many studies done in the area of acculturation supported the notion that

there is a positive relationship between the level that a person is acculturated and the

level of his/her education and income (Cleveland, 2007; Hallab, 2009; Sobol, 2008;

Burnam et al. 1987; Padilla & Olmedo, 1978). However, Mendoza undermines the effect

of educational level on acculturation and indicated that demographic variables are good

for predicting group trends.

In general in Iran among middle class families, educational level is very important and

admitting in university becomes one of the most important parts of the young generation.

After finishing high school, students will attend to national university entrance exam

called "concour". The competition is very harsh due to limited universities capacity.

Therefore, attendances have hard time preparation and the position they get in the exam

in compare to others, is assigning them in a certain school and major. The idea is

education help people to widen their horizons and become more adoptable. In this

research the presumption is educational level and acculturation has positive relationship

and reinforces each other. However, the negative relationship between educational level

and ethnic identity is going to be examined as well as ethnocentrism.

H6a: Level of education is positively related to AGCC

**H6b:** Level of education is negatively related to IEID.

**H6c:** Level of education is negatively related to ethnocentrism.

H6d: Level of education is negatively related to materialism.

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Annual Family Income

Socioeconomic status of an individual is considered to be important factor that impact the

acculturation process (Colemanet al, 1993). Cleveland (2007) and Hellab (2009)

indicated the positive impact of family income on AGCC and the negative influence on

EID. The reason could be the more purchasing power of the people with high income.

They are able to travel around the world, learn English, and have access to more media

than the people with lower income.

The average urban family annual income in Iran in 2003 was 39202427 Rial, which is

equal to 3920 US\$. The average of annual family expenses in 2003 is also announced as

40989000 Rial, or 4098 US\$<sup>2</sup>. Hypotheses in this section are:

H7a: Income level is positively related to AGCC.

H7b: Income level is negatively related to Iranian EID

H7c: Income level is negatively related to Ethnocentrism.

H7d: Income level is positively related to Materialism.

**Consumer Behaviors** 

According to wise Dumbledore in Harry Potter, "Our choices define us." The shirt that

we wear at work, the school we go to, the breakfast we had in the morning, the major we

choose for our education, the person who we married and many other of our preferences

reflect our personality and shape our personality in long term. To understand a culture, it

is critical to know individual preferences in daily life. As mentioned before culture is

considered to be affective factor in consumer behavior. In order to understand how

Iranians are acculturated with global consumer culture, investigating their product

<sup>2</sup> http://www.aftab.ir/statistics/income/root/1382 root3 .php

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choices is a smart short cut. In other words, an individual's levels of acculturation to the global culture or conversely the level of dependency to his/her identity reflect itself on consumption behaviors (Laroche et al., 2005; Shim & Chen, 1996; Kim & Kang, 2001; Choe, 1984; Xu et al., 2004; Vida et al., 2006; Wilson, 2006).

In order to achieve higher efficiency in results it is better to asked about the products with more cultural weight. Hence, the items in the questionnaire categorized as follows: *Food and beverages:* the frequency of traditional and foreign foods and beverages are asked in the questionnaire. Locally used and produced products are called culturally bound products and non local or global products are called non-culturally bound products. One of the best categories to reflect the difference in consumption pattern of non vs. culturally bound products is traditional and nontraditional food. For instance, pizza, fast food and burgers are considered to be non-culturally bound products while Iranian food such as Kebab is categorized as culturally bound products. Hallab (2009), Sobol (2008), and Cleveland (2007) also used the same pattern in order to investigate through AGCC and EID model in Lebanon, Netherland, and other countries. Likewise, many researchers in the area on consumer behavior and cross cultural studies, introduced foods as an evidence for understanding the level of cultural attachment (Hallab, 2009; Cleveland, 2007; De Mooij, 2004; Penaloza, 1994).

Clothing is another category that is indicated by researchers for cultural attachment investigation (Hallab, 2009). However, as of Reza Shah, the founder of Pahlavi monarchy, wearing traditional clothes for different ethnic origins are not very popular and generally in day to day life people obey the western fashion, except for women who

should wear scarf and long and loose coat or Chador if they prefer. Hence, there are no culturally bound products for clothing in Iran.

As a result, global food products are expected to be more influenced by AGCC than by IEID.

H8a: Behaviors associated with local food products are more strongly influenced by IEID than by AGCC.

H8b: Behaviors associated with global food and global clothing products are more strongly influenced by AGCC than by IEID.

*Technological/Electronic Products:* 

Another set of products tested in this research are electronic goods such as cell phone, digital camera, laptop, and etc. Most of these products are introduced not long ago and consuming them shows the adaptability of people to the current technology. These products are part of the modern life style. Although cars are not electronic but becoming an important good in today life of a modern person. Hence, it included in this category as well. Recently laptops and cell phones become not only the way of communication with others but also a tool to make changes. The cell phones during 2009 June election protests and personal computer became the channel to send the news from Iran to the world. This model was used by the Egyptians in their protests against President Hosni Mobarak in 2011. This shows the importance of technology in the life of people in the 21st century.

Luxury Products:

Iran is a reach country with different natural resources such as oil and gas. Many famous brands occupied Iran's street in big cities. United color of Benetton, Giorgio Armani,

Louis Vuitton, and many other luxury brands sell their products to rich Iranians. The materialistic acculturated by global culture customers are the best target for such a brands. On the other hands, most of the religions do not advise to spend the money on luxury but pay more attention to the inner life of own. With a religious government and a long history of traditions, probably not all of people in Iran approve purchasing those expensive products. Hence, in compare together AGCC has more positive influence on purchasing luxury products than EID. Cleveland (2007), Sobol (2008), and Hallab (2009) investigated this category and the results in their researches support this hypothesis.

Therefore, the assumption can be articulated as follows:

H8c: Technological/electronic product consumption strongly affected by AGCC in compare with IEID.

H8d: Luxury product consumption strongly affected by AGCC in compare with IEID.

# **Chapter Four:**

# Methodology and Questionnaire Design

The final questionnaire with 109 questions in 7 pages in English format and 8 pages in Persian format was sent to Iran for data gathering phase. The questionnaire commenced with the cover paragraph explaining the questionnaire and the way to respond to the questions.

Questions were divided into four parts, the first on contained Acculturation to Global Consumer Culture (AGCC), Ethnic Identity (EID), Materialism (MAT), and Ethnocentrism (CET) questions including, Exposure to and Use of the English Language (ENG), Social Interactions Through Travelling (TRV), Exposure to Marketing Activities of Multinational Corporations (EXM), Cosmopolitanism (COS), Self-Identification with the Global Consumer Culture (IDT), Identified with and Desire to Maintain Iranian Culture (IDMC), Traditional Iranian Family Structure (FAM), MAT and etc. the second part included the items that investigate through Iranian culture and values, such as CET, FAM, Exposure to Global and Foreign Mass Media (GMM), and Local Iranian Media Usage (LMU). In order to avoid raising the sensitivity about the questionnaire, by taking to account the special Iran situation, the questions about the degree of exposure to US media were changed to western media usage. European and Asian media exposure items were maintained as originally articulated. Part one and two used one to seven point Likert scales where one denoted from "1" in strong disagreement to "7" strong agreement.

The third part investigated through consumer behavior in Iran with 47 questions. The corresponding measurement for each product category was identically one to seven point Likert scales. However, the extreme points (1 and 7) were varied based on the nature of the products that have been tested. For instance, local or global food consumption frequency was from never (1) to daily (7), while the luxury product consumption period must be longer from never (1) to several time per year (7).

Part four contained demographic questions, including, country of origin (Iranian and other), age (9 age groups specified from 0 to 19 until 60 and over), gender (Male or Female), family size (from one to six), employment status (contains seven conditions including, full time employment, part time employment, fulltime student, student and employed, unemployed, house work and retired), annual income level (eight category starting from 500\$ to over 6000\$ per month), marital status (including single, married, divorced, and widow), educational level (6 options including, less than high school, high school, diploma, college, undergraduate university degree, and master or PHD university degree), and for those who study now, whether they live with family or not, and whether their program is undergrad, master, or PHD.

#### **Translation**

The official language in Iran is Persian (Farsi). Therefore, the final questionnaire language was administered in Persian. The English version was first translated to Farsi. Another translator independently back-translated the Persian version to English. The process helped research team to find the errors in translation and improve it in the final version of questionnaire.

#### **Measuring Instrument**

Acculturation with Global Consumer Culture (AGCC) scales

Cleveland and Laroche (2007) defined AGCC as a model to investigate "how individuals acquire the knowledge, skills, and behaviors that are characteristic of a nascent and deterritorialized global consumer culture" (p. 25). They conceptualized the AGCC model in 2007 by testing the model in eight countries. Sobol (2008) retested the model in Netherland followed by Hallab (2009) in Lebanon. By inheriting from Laroche and Cleveland (2007), 32 observed variables measured 6 domains of AGCC construct:

- 1- Self-ascribed identification with Global Consumer Culture (IDT): with 6 variables
- 2- Cosmopolitanism (COS): with 4 items
- 3- Global mass media usage (GMM): investigating the extent of Iranian's familiarity and usage of American, European, and Asian mass media with 4, 2, and 3 items respectively.
- 4- Exposure to marketing activities/messages of multinationals (EXM): with 3 variables
- 5- Frequency of international travelling (TRAV): with 4 items
- 6- Use of the English language (ENG): with 4 variables
- 7- openness to the global consumer culture (OPE): with 2 items

As mentioned earlier OPE dimension is eliminated from the model since the results of preliminary analysis show that two items belongs to OPE in the questionnaire are not able to form a distinct dimension for further model analysis. Therefore, AGCC construct is formed by six dimensions, GMM, ENG, TR, IDT, EXM, and COS. Laroche and

Cleveland (2007)AGCC model including items and dimensions are presented in appendix B.

Ethnic Identity (EID) Scales

The EID dimensions developed Cleveland and Cheng (2009) was adapted from past literature (Hirschman, 1981; Mendoza, 1989; Laroche et al., 1990, 1996, 1997a, 1997b, 1997c, 1998; Penaloza, 1994; Berry, 1997; Hui et al., 1998; Kim, 2001). Dimensions of EID model were included:

- Local Country Language Use
- Local Media Usage / Exposure
- Local Interpersonal Relationships
- Self-Identification and Pride
- Desire to Maintain Own Culture
- Local Customs, Habits and Values
- Family Structure and Sex-Roles

The items related to each dimension are available in appendix C. In this research for IEID (Iranian EID) model three dimension from the constructs described above was drew and mentions below:

- 1- Identified with and desire to maintain Iranian culture (IDMC): calculated by with 8 observed variables
- 2- Traditional Iranian family structure (FAM): measured by 4 items
- 3- Local Iranian media usage (LMU): calculated with 6 variables

The reasons for eliminating four of the dimensions mentioned above (local language usage, Local Interpersonal Relationships, Self-Identification and Pride, Local Customs, Habits and Values) are: firstly, in Iran there is no other official language except for Persian popular among people, secondly, since revolution in 1979 not many people from other countries are coming to Iran and there is very limited interaction between Iranians and the rest of the world.

#### MAT Scale

Richins (2004) introduces a model to measure materialism, with nine items (available in appendix D). For this research five of them were chosen and presented below:

- Buying things gives me a lot of pleasure.
- The things I own say a lot about how well I'm doing in life.
- I like to own things that impress people.
- I'd be happier if I could afford to buy more things.
- I try to keep my life simple, as far as possessions are concerned. (reversed)

The items evaluate internal feelings as well as the external feedbacks about personal belongings. Four items introduced by Richins (2004) were eliminated since the questionnaire would be long and increase the element of fatigue between respondents.

## CET Scales

Shimp and Sharma (1986), as the most cited scholar in defining the impact of ethnocentrism on consumer behavior, by using Churchill's model, define a set of observed variables to measure CET construct. Among those defined items (appendix E), three of them were chosen for this research in order to avoid long questionnaire:

- We should purchase products manufactured in Iran instead of letting other countries get rich off of us.
- A real Iranian should always buy Iranian- made products.
- Iranian should not buy foreign products, because this hurts Iranian business and cause unemployment.

#### Consumer Behavior:

In order to understand the level of acculturation to GCC in Iran their consumption behavior was tested in the following categories:

## **Table 4.1: Products Category for Consumer Behavior:**

#### Local foods:

Baghala Polo

Ghormeh Sabzi

Chelo Kabab/ Joojeh Kabab

Mahi

Fesenjoon

Tea

Dough

Abgoosht

Eat traditional Iranian meals?

Eat traditional Iranian snacks? (koko, kotlet, shami)

Visit traditional Iranian restaurants?

#### **Global Foods:**

Pizza

**Energy Drinks** 

Coffee

Beer 0%

Visit restaurants that offer other Asian countries? (Chinese, Indian, Japanese...)

Visit restaurants that offer European Food? (Italian, French, Greek...)

Visit restaurants that offer American style fast-food meals?

## **Table 4.1: Products Category for Consumer Behavior (continued):**

## **Clothing:**

Blue Jeans

**Running Shoes** 

**Business Suite** 

Make Up (applies for females only) / Neck Tie (applies for males only)

### **Electronics/ Appliances:**

Personal Stereo (Walkman, iPod)

Washing Machine

Microwave

Vacuum Cleaner

CD/DVD Player

Personal Computer

Video Game Console (PlayStation, Nintendo)

Dishwasher

Automobile

**Television Set** 

Digital Camera

#### Luxury:

**Boxed Chocolates** 

**Expensive Cosmetics** 

Fragrance (Perfumes/Colognes)

Jewellery

Antique Furniture

Fur or Leather Coats

These categories were adopted from Cleveland (2007). He proposed 70 sections for consumer behavior analysis. Some of the product categories introduced by Cleveland (2007) such as personal care products were further tested by Hallab (2009) and Sobol (2008) and show no significant changes between different countries and has no significant impact on AGCC. Hence those products were eliminated in this study. Furthermore, the products in this research were adapted to Iranian culture especially in food section.

#### **Data Gathering**

Tehran, with a population of over eight million and as Iran's capital, was chosen as the place for data gathering for this research. The main reason was the huge population and being one the best place that has the most variety of social, educational, economical levels among its people.

In this stage the questionnaire was sent to Tehran, the capital of Iran. The high rate of migration from other cities in to Tehran makes this city as center of trade, education and leisure. There are four the best and highly competitive public universities in the city: Tehran University, Sharif University, Poly Technique University, and Iran University of Science and Technology. There are many private and high quality universities in Tehran other than those mentioned above, governmental and public/private companies in the city as well that generate jobs and opportunity for people. The other big cities in Iran such as Isfahan, Mashhad, and Tabriz also have high population and lots of opportunities but since Tehran contains most of those qualities in the cities mentioned above. Hence, in this research, the data gathering was done in Tehran. Among universities located in Tehran, Iran University of Science and Technology is the biggest and oldest public university with over 9900 students in 14 engineering schools from all over the country. Therefore, this university was chosen for gather data for this research.

The questionnaire and detailed instruction were sent to current and former students of via email with confidentiality assurance. After a few weeks, a reminder email was sent to the email recipients and among 303 received emails 298 questionnaires were approved for further analysis. The response rate was 98% (n=298/303).

#### **Sample Characteristics**

The sample was 41% female. Forty-three percent of respondents reported working full-time, 4% reported part-time employment, 36% reported full-time student status (2% not working, and 34% working part-time), 14% reported being unemployed, with 2 and 1 percent reported retirement or homemaker status respectively. The median age was 26 years, with 23% of the sample aged 20 or less, 57% between 21 and 30 years, 17% between 31 and 40 years, and only 3% aged 41 years and above. Median family size was between 3 and 4 persons (ranged as follows: 20% two or fewer, 48% 3-4 persons, and 32% 5 or more). Median monthly family income (the conventional measurement in Iran) was somewhere in the \$1000-\$1499 range (\$US equivalent), distributed as follows: 13% <\$500/month, 11% \$500-\$699, 24% \$700-\$999, 24% \$1000-\$1499, 16% \$1500-\$2499, 9% \$2500-\$3999, and 3% ≤\$4000. 58% of the sample was single, with 39% married, 1% divorced, and 2% widowed.

#### **Chapter Five**

### **Analysis the Results**

In order to analyze the data and test hypotheses, SPSS and EQS were employed. After reliability test with Cronbach's alpha, in the first step Exploratory Factor Analysis (EFA) will be done by SPSS for AGCC, EID, MAT, and CET.

In the next step for each mentioned factors Confirmatory Factor Analysis (CFA) with EQS software is done. In the last step based on Structure Equation Modeling (SEM) the factors is be analyzed. After testing the final model the hypotheses that were articulated in the last chapter are assessed for support (Gerbing & Anderson, 1988).

#### Analysis of Result (I): Multivariate Analysis with SPSS

Exploratory Factor analysis and Reliability Analysis for AGCC and EID:

In this step EFA method has been used in order to Check the psychometric properties of AGCC and EID dimensions that defined by Cleveland and Laroche(2007). It gives the opportunity to revise the introduced constructs, purify data, and conduct the reliability analysis with Cronbach's alpha. Exploratory factor analysis will use to define the data set in the more meaningful fashion by using latent variable instead of a set of observed

variables and it help to check the theory behind the hypothetical construct that introduced by the researchers.

## AGCC Exploratory Factor Analysis:

In order to do analysis with the use of SPSS program, 27 items that were measured through seven points Likert Scale, analyzed by EFA method. The extraction method that used here was principle component and the rotation method was direct Oblimin. Here, AGCC is defined by six constructs, Self-Identification with the GCC (IDT), Cosmopolitanism (COS), Exposure to Marketing Activities of Multinational Corporations (EXM), Global Mass Media Exposure (GMM), English Language Usage (ENG), and Social Interactions and Travel (TR). In addition, question numbers 30 in the TR was reversed coded variable.

Each of these constructs reflect one aspect of AGCC hence, there should be correlations between those constructs. The reason for using Oblimin rotation instead of other methods such as Varimax is because Oblimin allows correlation between constructs and therefore it lets the rotation angle to be changed and thus are not restricted to be orthogonal. In the first attempt, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy index was 0.810. This index is used to compare the magnitudes of the observed correlation coefficients to the magnitudes of the partial correlation coefficients factors (Fabrigar & Wegener, 1999). Furthermore, Bartlett test of sphericity was 3819.05 (p<.001, 378 df). These three indices showed that using EFA is appropriate with this data set.

It is possible to introduce eight factors, when the cutoff point is all eigenvalues above one (Fabrigar & Wegener, 1999). In this stage, the items with cross loadings on two factors

(above 0.4) and items with poor loading (less than 0.4) on all factors should be eliminated for the next attempt of EFA. Hence, when item 24 (ENG2) has high loading in both factor 5 and 7, and item 9 (OPE2) and 7 (OPE1) have poor loading on all factors, these items are therefore eliminated. In the second round of analysis, the total variance explained was 67.6% and seven factors met the above one eigenvalue cut off point. There is no cross loading or poor loading. Therefore, it is considered to be the final solution. Table 5.1 describes loading of each variable on all dimension.

**Table 5.1: AGCC Construct Dimensions Pattern Matrix of Factor Loadings:** 

		Rescaled						
				Compone	nt			
	1	2	3	4	5	6	7	
IDT1	.120	.186	002	669	.172	030	102	
IDT2	.020	.203	.127	519	200	276	.191	
COS1	010	.014	.829	.005	036	.049	.094	
COS2	048	.205	.668	.101	.218	.011	.031	
COS3	.048	040	.829	010	053	010	.081	
EXM1	.071	026	.150	097	.003	.001	.736	
COS4	.065	008	.807	003	048	073	034	
ENG1	.314	163	146	.060	.154	681	.179	
ENG3	.043	.068	.081	042	167	705	030	
ENG4	048	033	.005	.020	.055	829	132	
TR1	.123	.539	.342	.003	.028	097	.092	
TR2	006	.804	138	311	079	037	068	
TR3	205	.325	.081	012	.485	302	.143	
TR4	.142	.678	.263	.078	001	.044	008	
GMMUSA1	.808	.200	146	.078	058	058	.169	
GMMUSA2	.330	.285	038	.240	.023	083	.662	
GMMUSA3	.804	.219	027	.058	.000	004	.068	
GMMUSA4	.482	.008	012	241	.206	001	.301	
IDT3	.013	054	119	756	022	.101	.166	
GMMASIA1	.164	099	.102	009	.686	.185	310	
GMMASIA2	.055	.121	236	.038	.639	.052	.206	
GMMASIA3	014	157	.109	095	.738	119	.037	
EXM2	.060	212	.171	282	.046	.137	.669	
GMMEUROP1	.738	214	.248	133	.017	059	016	
GMMEUROP2	.716	100	.138	202	.082	096	073	

As shown in the table above all items related to latent variable, Global Mass Media Exposure (GMM), did not have high loadings on one factor. Three items, 45, 46, and 47 are observed variables related to Asian media exposure were loaded heavily in one factor. On the other hand, items 39, 40 and 41 explained American media exposure and items 50 and 51 related to European media exposure, show high loadings on another factor. Therefore, instead of one GMM construct in general that includes Asian, American, and European media exposure, two latent variables; GMMEAST and GMMWEST are introduced here. GMMWEST is including European and American Media and GMMEAST stands for Asian Media exposure. Table 5.2 presents the correlation coefficients among all AGCC dimension (the original SPSS output in Appendix F):

**Table 5.2: Component Correlation Matrix for AGCC Dimensions:** 

Component	GMM				GMM		
	West	TR	COS	IDT	EAST	ENG	EXM
GMM West	1.000	.107	.191	222	.181	193	.354
TR	.107	1.000	.136	045	.044	238	.174
COS	.191	.136	1.000	073	.075	124	.116
IDT	222	045	073	1.000	045	.080	203
GMM EAST	.181	.044	.075	045	1.000	054	.089
ENG	193	238	124	.080	054	1.000	146
EXM	.354	.174	.116	203	.089	146	1.000

Based on the table above, the highest correlation are between Exposure to Marketing

Activities of Multinational Corporations (EXM) and Global Mass Media Exposure

(GMM WEST). By taking to account that, Iranian citizens' communication channel with

western and European culture is usually limited to satellite illegal dish (which is even popular in the small rural areas), global media is the best way for Iranians to be exposed to international companies marketing activities. Therefore, there is a strong correlation between GMM WEST and EXM. The correlation coefficients between ENG and other factors except for IDT, is surprisingly negative.

#### Reliability Analysis:

For each construct in the model the reliability test are done. Cronbach's Alpha measures internal consistency of each constructs. Table below presents the results of AGCC's factors reliability test.

**Table 5.3: Reliability Coefficients for AGCC Dimensions:** 

actor	Number of observed	Cronbach's Alpha
	variables	
IDT	3	0.612
COS	4	0.851
GMM	9	0.824
EXM	4	0.666
ENG	4	0.739
TR	4	0.692
AGCC	28	0.888

#### EID Exploratory Factor Analysis:

EID (Ethnic Identification) can be determined through composition of local language usage and local media usage (LMU), self identification and desire to maintain own culture (IDMC), and family structure and sex roles (FAM). The results of KMO and Bartlett Test (df=136 and PValue= 0.001) for sphericity show the appropriateness of conducting EFA with the amounts of .849 and 2684.33 respectively. In the first EFA

round four factors have an eigenvalues above one by using Oblimin rotation method. Those factors explained 66.19% of the variability. The results of the first exploratory factor analysis attempt shows that variable LMU4 should be eliminated due to high cross loadings on factor one and factor four. In the second EFA attempt, four factors demonstrate acceptable loadings and they can explain 66.320% of the total variance. Table below demonstrate factor loadings.

**Table 5.4: EID Construct Dimensions Pattern Matrix of Factor Loadings:** 

	Rescaled						
		Con	nponent				
	1	1 2 3					
IDMC1	.847	006	.001	049			
FAM1	.613	.026	.190	.030			
FAM2	062	.871	.002	.043			
FAM3	.003	105	.147	.580			
IDMC2	.314	.185	051	.498			
IDMC3	.735	.127	.109	.045			
IDMC4	.939	073	045	139			
FAM4	004	.897	053	008			
IDMC5	.875	017	147	.107			
IDMC6	.052	.093	026	.737			
LMU1	.097	.208	.310	.473			
IDMC7	.718	089	.082	.214			
LMU2	105	.043	.875	.051			
LMU3	.065	153	.771	.171			
LMU5	001	.041	.687	.124			
LMU6	.205	.120	.712	401			
LMU7	.047	143	.829	.071			

All items loaded over 0.4 on only one latent variable hence, attributes thus this EFA solution is accepted as the final one for EID. The following table presents the correlation among factors (the original SPSS output in Appendix G):

**Table 5.5: Component Correlation Matrix for EID Dimensions:** 

Component	IDMC	FAM	LMU	4
IDMC	1.000	.126	.356	.296
FAM	.126	1.000	.014	.129
LMU	.356	.014	1.000	.230
4	.296	.129	.230	1.000

The correlation between LMU and IDMC is the highest among four factors. There are four observed variables that have high loading on factor number four:

- It is highly preferable to marry someone from one's own culture. (QA14 FAM)
- I always celebrate Eyde Norooz and other traditional Persian special celebrations (event). (QA15 IDMC)
- Iranian children should learn about Iranian history from their parents. (QB7 IDMC)
- I like to listen to Iranian music. (QB8 LMU)

Based on the information these items convey about people's attitudes and their cultural beliefs I will label this construct as **Iranian Customs (ICTM).** 

#### EID Reliability Analysis:

The following table presents Cronbach's Alpha index for each dimension in order to test the reliability of the items. The indices were computed by SPSS software.

**Table 5.6: Reliability Coefficients for EID Dimensions:** 

Factor	Number of observed	Cronbach's Alpha
	variables	
FAM	6	0.739
IDMC	2	0.899
LMU	6	0.868
ICTM	4	0.651
EID	18	0.871

According to the results the reliability of the dimensions are acceptable when all of them are above 0.7 except for the new dimension ICTM. However, the overall reliability of EID, 0.871, is good.

*Reliability for CET and MAT:* 

This table presents the Cronbach's Alpha index for CET and MAT.

Table 5.7: Reliability Coefficients for MAT and CET Dimensions:

Factor	Number of observed variables	Cronbach's Alpha
CET	3	0.870
MAT	4	0.639

Among questions in MAT construct, variable 16 was reversed coded item. After applying the change in responses however, by including this question in the MAT construct the Cronbach's Alpha index is bellow 0.6, this item was dropped from the factor. Thus, instead of 5 variables MAT is defined by four items.

## Dimensions and Constructs Descriptive Analysis

To measure the relationship between demographic variables (age, gender, educational level and income level) and AGCC and EID, the mean score of each construct was calculated by using SPSS. The table below shows descriptive indicators AGCC and the related constructs:

Table 5.8: Description Analysis of Mean Scores for AGCC and its Dimensions:

	MAX	MIN	MEAN	VARIANCE	STD .DEVIATION
IDT	1	6	3.12	1.90	1.38
COS	1	7	5.56	1.49	1.22
EXM	1	7	3.72	2.110	1.453
GMMWEST	1	7	3.85	1.20	1.53
GMMEAST	1	6.3	2.14	0.63	1.09
ENG	1	7	2.90	1.95	1.40
TRV	1	7	4.44	2.34	1.53
AGCC	1	6	3.67	.640	.800

Also the following table shows the same descriptive indices for EID:

Table 5.9: Description Analysis of Mean Scores for EID and its Dimensions:

	MAX	MIN	MEAN	VARIANCE	STD .DEVIATION
IDMC	1	7	5.60	1.42	1.19
FAM	1	7	5.52	2.57	1.60
ICTM	1	7	5.62	1.38	1.17
LMU	1	7	4.88	1.70	1.31
EID	1.93	7	5.41	0.68	0.83

For MAT and CET also the same indicators were calculated:

Table 5.10: Description Analysis of Materialism and Consumer Ethnocentrism's Mean Scores:

	MAX	MIN	MEAN	VARIANCE	STD .DEVIATION
MAT	1	7	4.68	1.67	1.29
CET	1	7	3.54	2.49	1.58

#### Confirmatory Factor Analysis:

To evaluate the model by Laroche and Cleveland (2007) the Structural Equation Model (SEM) approach is employed. In order to test this model, Confirmatory Factor Analysis (CFA) should be done and the items and factors that were assessed by using EFA in the previous step should be evaluated by CFA method first. Usually CFA is an appropriate method when researchers have a theory behind their data analysis and hypothetical model. In order to do the confirmatory factor analysis EQS software package has been used. Furthermore, Elliptical Maximum Likelihood is used in order to capture most of the variability in data set. (Haskard et al., 2007)

## Confirmatory Factor Analysis for AGCC:

The main purpose of this analysis is to check the relationship between observed and latent variables (items and factors). In order to conduct CFA test the loading of the first observed variable related to a certain construct is considered to be one and fixed but other observed variables are free. (Byrne, 1995)

The first order factors of AGCC were assessed prior to evaluating the postulated 2nd order factor structure. CFI (comparative fixed index), over 0.9, and RMESA (the root mean squared error of approximation), less than 0.07, demonstrate the appropriateness of the analysis and the model. Since in this research, the data set is large it will cause the chi square to be significant anyways. Hence, although it is an important index to check the fitness of the model in this research it is not play a significant role. (Byrne, 1995)

In Exploratory Factor Analysis over several iterations, four observed variables are dropped due to a poor fit (less than 0.4). Firstly, based on the results of EFA in the model variables 24, 9, and 7 are not a part of the CFA analysis. To reach the optimum first order solution for AGCC, model was been run several times. In the first round, one response (case number 94) had a high kurtosis and was eliminated. Because of poor psychometric properties, in the next step variables 2, 40, 28, and 50 are dropped. The table below summarizes the changes in goodness of fit indices.

Table 5.11: First Level AGCC Dimensions Fitness Indices:

Round	Eliminated case/variable	CFI	RMSEA
First	0		
Second	Case 94	0.874	0.096
Third	Variable 2	0.881	0.094
Fourth	Variable 40	.905	0.082
Fifth	Variable 28	0.918	0.079
Sixth	Variable 50	0.928	0.071

The results show that by eliminating variables2, 40, 28, and 50 as well as case 94, the fitness of the model is improving. Therefore, in the following steps those variables should not be included in further analysis.

## Confirmatory Factor Analysis for Second level AGCC:

After dropping variables 2, 40, 28, and 50 the second level model for AGCC was run. The results demonstrated an acceptable fit with the CFI index equal to 0.941 and RMSEA equal to 0.070. Hence, based on cut off point defined by Bentler and Kim (2006) it seems there is no need to modify the model or rerun it again. All the lambdas  $\lambda$ s are significant (at 0.05) the table below presents the results for each factor:

**Table 5.12: Dimension Coefficients for Second Level AGCC Construct** 

Factor, Items	Loading (EFA)	Path (λi)
IDT		
I pay attention to the fashion worn by people in my age group that live in other countries.	-0.669	0.591
I can identify with famous international brands.	-0.519	Eliminated
Advertising by foreign brands has strong influence on my clothing choice.	-0.756	0.634
COS		
I like to observe people of other culture to see what I	0.920	0.046
can learn from them.  I find people from other cultures stimulating.	0.829 0.668	0.846 0.603
	0.008	0.003
I enjoy exchanging ideas with people from other cultures and countries.	0.829	0.86
I am interested in learning more about people who live in other countries.	0.807	0.801
ENG		
The songs I listen to are almost all in English.	0.681	0.681
I feel very comfortable speaking in English.	Eliminated	Eliminated
Many of my favorite shows on Satellite television are in English.	-0.705	0.394
Many of the books that I read are in English.	-0.829	0.574
TR		
I prefer spending my vacation outside Iran. I have traveled extensively outside my home	0.539	Eliminated
country.	0.804	0.97

Table 5.12 Dimension Coefficients for Second Level AGCC Construct (continue)				
Factor, Items	Loading (EFA)	Path (λi)		
When traveling I like to immerse myself in the culture of the country that I am visiting.	Eliminated	Eliminated		
While vacationing I would prefer to stay in Iran rather than visiting another country.	0.678	0.701		
EXM: Many of the TV commercials I see are placed by				
foreign companies  I often watch western satellite television.	0.736 0.662	0.767 Eliminated		
When I am watching TV I often see advertisement for products that are from outside of my country.	0.669	0.736		
GMMWEST				
Some of my favorite actors are from Hollywood.	0.808	0.818		
I enjoy watching Hollywood movies. I enjoy listening to music that is popular outside of	0.804	0.791		
Iran.	0.482	0.729		
I enjoy watching European film.	0.738	Eliminated		
Some of my favorite actor/actress is from Europe. GMMEAST	0.716	0.679		
Some of my favorite actor/actress is from Asian countries.	0.686	0.559		
I often watch other Asian satellite television.	0.639	0.549		
I enjoy listening to music that is popular in other Asian countries.	0.738	0.697		

The correlations between AGCC dimensions are presented in table 5.9 below the results are significant on 0.05 level:

Table 5.13. Correlation between AGCC dimensions

	IDT	COS	EXM	ENG	TRV	GMMWEST	GMMEAST
IDT	1						
	NOT						
COS	SIG	1					
EXM	0.55	0.33	1				
		NOT					
ENG	0.26	SIG	0.37	1			
TRV	0.23	0.41	0.33	0.38	1		
GMMWEST	0.50	0.28	0.64	0.67	0.43	1	
	NOT	NOT	NOT	NOT	NOT		
GMMEAST	SIG	SIG	SIG	SIG	SIG	NOT SIG	1

The highest correlation here is between ENG and GMMWEST, which very understandable. GMMWEST or being exposed to western media needs to have a good knowledge of English language since most of the movies and satellite channels are in English. GMMEAST does not have a significant correlation with AGCC dimensions. In Iran watching satellite channels belong to Turkey, Arabic countries, and Iranian channels are popular among Iranian families specially those who have lack of English knowledge. Hence, being exposed to the Asian media does not necessarily affect AGCC level in Iran.

Confirmatory Factor Analysis for EID:

In order to do CFA analysis for EID construct, the items that were eliminated based on Exploratory Factor Analysis result should not be included in CFA analysis as well. Hence, LMU4 should be eliminated from EID model and ICTM should be added to the hypothesized EID model. To evaluate the model fitness, CFI and RMSEA indices are assessed. In the first step the first level model is being tested.

Confirmatory Factor Analysis for First Level EID:

By putting the variables in the model and running it with EQS in the first attempt CFI and RMSEA show a very good fit with 0.95 and 0.071 respectively. Therefore, the model is acceptable with all observed variables.

Confirmatory Factor Analysis for Second Level EID:

After running the second level model for EID, RMSEA and CFI show acceptable fit with the amounts of 0.075 and 0.944 respectively. All the lambdas  $\lambda s$  are significant in 0.05 level and the table below presents the results for each factor:

**Table 5.14: Dimension Coefficients for EID Construct:** 

	Loading	Path
Variables	(EFA)	(\lambda i)
IDMC		
I consider it very important to maintain my		
Iranian culture.	0.847	0.772
The acquisition Iranian family value is		
desirable.	0.613	0.732
Although I believe that I might acquire some		
elements of another culture(s), it is important		
for me to hold on to my Iranian culture.	0.735	0.818
I fill very proud to identify with the Iranian	0.020	
culture.	0.939	0.793
I consider Iranian culture rich and precious.	0.875	0.784
If I was to live elsewhere, I would still want to		
retain my Iranian culture.	0.718	0.809
FAM		
Sons and daughters should be granted the same		
privileges in family.	0.871	0.745
Both men and women have an equal right to		
work if they so desire.	0.897	0.794
ICTM		
I always celebrate Eyde Norooz and other		
traditional Persian special celebrations (event).	0.498	0.662

	Loading	Path
Variables	(EFA)	(\lambda i)
Iranian children should learn about Iranian		
history from their parents.	0.737	0.488
I like to listen to Iranian music.	0.437	0.702
LMU		
The movies/videos that I watch are always in		
Farsi.	0.875	0.727
The television programs that I watch are always		
in Farsi.	0.717	0.853
The magazines that I read are always in Farsi.	0.687	0.652
The internet sites that I visit are always in		
Farsi.	0.712	0.579
Most of my favourite TV shows are in Farsi.	0.829	0.881

Table 5.15 shows the correlation (in 0.05 level) between EID dimensions:

**Table 5.15: Correlation Coefficient between EDI dimensions** 

	IDMC	FAM	LMU	ICTM
IDMC	1			
FAM	NOT SIG	1		
LMU	0.47	NOT SIG	1	
ICTM	0.63	0.36	0.41	1

The highest correlation is between IDMC and ICTM. Means that the identified with and desire to maintain Iranian culture and Iranian customs are correlated highly (0.63).

Customs and traditions are part of the culture therefore; willingness to save and preserve the culture and having tendency to Iranian customs seems to be in a same direction.

#### Latent construct measurement model:

In this stage all constructs were considered and the final model was evaluated by EQS.

Constructs including AGCC, EID, MAT and CET and their relationships was examined.

In the last steps some variables were being eliminated in order to achieve the better fitness of the model. Thus, in this step those items were not being included in the model analysis as well. Those items were, Item 2 related to IDT, variable 13 with MAT, items 15 and 35 related to ICTM construct, variables 24 and 25 with ENG construct, items 28 and 29 related to TRV, variable number 40 related to GMMWEST and item 48 with LMU.

The model was run several times and the results of CFI and RMSEA for each attempt and the eliminated variable were shown in the table below:

Table 5.16: Fitness Indices for AGCC, EID, MAT, and CET SEM Model:

	CFI	RMSEA	Chi Square	df	Adjusted Chi Square	Variable
First Round	0.886	0.072	10693.35	820	13.04	
Second Round	0.891	0.072	10480.43	780	13.44	11
Third Round	0.894	0.072	10198.11	741	13.76	6
Fourth Round	0.888	0.072	10366.40	722	14.36	31

Based on the above mentioned indices by eliminating variable 11 form the model the CFI index improved by 0.05, adjusted Chi square by 0.4, and RMSEA remained unchanged. Hence, by eliminating item 11 model fitness indices improved slightly. After excluding variable 6 from the model RMSEA index remained unchanged, CFI increased by 0.03 as well as for adjusted Chi square by 0.3. However, by eliminating item 6 from the model only two items will be kept in MAT construct. By stepping further and excluding variable 31 CFI decreased by 0.06, adjusted Chi square increased by 0.6, and RMSEA still remained unchanged.

According to the literature (Bentler & Kim, 2006), it is better for each construct to at least have 3 observed variables. Furthermore, by taking to account that eliminating variable 31 the CFI index not only improve but also decrease, therefore, it was decided to keep variables 31 and 6 in the model. Hence, the fitness indices for this model are: CFI = 0.891, RMSEA = 0.072, and adjusted Chi square = 13.44. All the  $\lambda$  s becomes significant in the final solution except for item 31. Table below shows the results (significant in 0.05 level):

Table 5.17: Path Coefficients for EID & AGCC Structure Equation Model

	Factor, Items	Path (λi)	ξ
	IDT		
	I pay attention to the fashion worn by people in my age group that live in other countries.	0.72	0.549
	I can identify with famous international brands. Advertising by foreign brands has strong influence on	eliminated	
	my clothing choice.	0.51	
	COS I like to observe people of other culture to see what I can learn from them.	0.82	
	I find people from other cultures stimulating.	0.60	0.201
AGCC	I enjoy exchanging ideas with people from other cultures and countries.  I am interested in learning more about people who live in other countries.	0.87	0.391
	ENG	0.73	
	The songs I listen to are almost all in English.	1.00	
	I feel very comfortable speaking in English.  Many of my favourite shows on Satellite television are	eliminated	0.568
	in English.	eliminated	
	Many of the books that I read are in English.	0.44	
	TR		
	I prefer spending my vacation outside Iran.	0.97	0.508
	I have traveled extensively outside my home country.	eliminated	

	When traveling I like to immerse myself in the culture of the country that I am visiting.	eliminated	
	While vacationing I would prefer to stay in Iran rather		
	than visiting another country.  EXM	0.70	
	Many of the TV commercials I see are placed by foreign companies  I often watch western satellite television.	0.83 Eliminated	0.669
	When I am watching TV I often see advertisement for products that are from outside of my country.	0.69	
	GMMWEST		
	Some of my favourite actors are from Hollywood.	0.85	
	I enjoy watching Hollywood movies. I enjoy listening to music that is popular outside of	0.80	0.903
	Iran.	0.72	
	I enjoy watching European film.	Eliminated	
	Some of my favourite actor/actress is from Europe.	0.68	
	GMMEAST Some of my favourite actor/actress is from Asian countries.	0.56	
	I often watch other Asian satellite television. I enjoy listening to music that is popular in other Asian countries.	0.58	0.291
	IDMC	0.07	0.271
	I consider it very important to maintain my Iranian culture.	0.77	
	The acquisition Iranian family value is desirable. Although I believe that I might acquire some elements of another culture(s), it is important for me to hold on	0.68	
	to my Iranian culture.	0.81	
EID	I fill very proud to identify with the Iranian culture.	0.80	
1	I consider Iranian culture rich and precious.  If I was to live elsewhere, I would still want to retain my Iranian culture.	0.77 0.79	0.599
	FAM	0.17	0.577
	Sons and daughters should be granted the same privileges in family.	0.86	
	Both men and women have an equal right to work if they so desire.	Not Sig.	Not Sig

	ICTM It is highly preferable to marry someone from one's own culture.	0.46	
	I always celebrate Eyde Norooz and other traditional Persian special celebrations (event).  Iranian children should learn about Iranian history from their parents.	eliminated 0.49	
	I like to listen to Iranian music.	eliminated	0.561
	LMU		
	The movies/videos that I watch are always in Farsi.	0.73	
	The television programs that I watch are always in Farsi.	0.85	
	The songs I listen to are almost all in Farsi.	Eliminated	
	The magazines that I read are always in Farsi.	0.63	
	The internet sites that I visit are always in Farsi.	0.59	
	Most of my favourite TV shows are in Farsi.	0.89	0.887
	MAT		
	I'd be happier if I could afford to buy more things.	0.86	
	I like to own things that impress people.	0.40	
MAT	The things I own say a lot about how well I am doing in life.  I try to keep my life simple as far as possessions are	eliminated	with AGCC =
	concerned.	eliminated	0.767 with EID =
	Buying things give a lot of pleasure.	0.75	0.434
	CET		
CET	We should purchase products manufactured in Iran instead of letting other countries get rich off of us A real Iranian should always buy Iranian- made products.	0.79 0.86	with AGCC Not Significant
	Iranian should not buy foreign products, because this hurts Iranian business and cause unemployment.	0.85	with EID = 0.435

# **Hypothesis Testing**

The first assumption is indicating that the relationship between AGCC and EID is negative. Means that, the more people are acculturated by GCC the less ethnic identity

level they have. In order to test the validity of this assumption the correlation of AGCC and EID was examined by EQS software. The result was significant in 95% and it was equal to -0.612. Therefore, there was not enough evidence to reject this hypothesis, and according to the result, AGCC and IEID seems to have a negative impact on each other. H2a was about to the negative impact of AGCC on CET and IEID on MAT as well as positive influence of AGCC on MAT and positive impact of IEID on CET.

In order to check the validity of the hypothesis mentioned above, with SEM the impact of AGCC and EID on CET and MAT was measured. Table below presents the results of the analysis (significant on 0.05 level):

Table 5.18: Path Coefficient between AGCC and EID with CET and MAT

	AGCC SEM Coefficient	EID SEM Coefficient
CET	Not Significant	0.927
MAT	1.205	0.895

Therefore it can be concluded that enough evidence could not be found to support H2a which is predicted that there is negative relationship between AGCC and CET, since the relationship was not significant. Furthermore, the assumption about negative relationship between IEID and MAT is not acceptable when their relationship is positive. However, H2b and H3a are accepted. The results show that acculturation with global consumer culture do not have a significant impact on ethnocentrism while ethnic identity has a positive effect on CET in Iran.

On the other hand, as it was assumed, AGCC reinforces materialism positively and significantly. This finding is in line with Halbab (2009), Sobol (2008) and Cleveland (2007), suggesting that materialistic people are acculturated with global consumer culture more and vice versa. However, the positive SEM coefficient of EID shows the positive

relationship between EID and MAT and this cause the rejection of H3b. Halbab (2009) as well as Cleveland and Chang (2009) found out the similar result according to their own data, means that they realized that EID and materialism has a positive relationship. For countries with enrich culture and long history the family values, traditions and customs are important to majority of the people and it does not have any contradictory with materialistic view point. There are many people with materialistic view point and high ethnic identity level in Iran. People in the country have concern about their culture and history and they are proud of being recognized as an Iranian, however, at the mean time they have materialistic values.

### Demographic variables relationship with AGCC and EID

To measure the relationship between demographic variables (age, gender, educational level and income level) and AGCC and EID, the mean score of each construct was calculated by using SPSS and presented in table 5.8 to 5.10.

Age, AGCC, MAT, CET, and EID:

The presumption here is that age and acculturation with global culture would be negatively associated. The general idea behind this is, younger generation can find stronger bound with the outside world easier, and they can change and adapt themselves with modernity faster, and learn, use, and apply new technologies in their daily lives. Thus the assumption here is AGCC and Age has negative relationship.

The older generation wants to preserve their own culture and identity, their ethnicity is more important for them and they have higher unwillingness to change. Therefore, the assumptions are Age and EID as well as Age and CET are positively related.

Furthermore, I expect that Age and materialism has negative impact on each other. The idea here was that younger generation likes to spend more and values materialistic point of view since materialism is part of modernity.

To assess the validity of the above mentioned assumption for the correlation between AGCC, EID, CET, and MAT with Age of the responders were assessed.

Based on the results none of the correlations were significant on 95% level. Therefore, there is not enough evidence to accept H4 indicating that Age has an impact on AGCC, EID, CET or MAT.

Table 5.19: AGCC, EID, MAT, and CET's Correlation with Age:

	AGCC	EID	MAT	CET
	Not	Not	Not	Not
Age	Significant	Significant	Significant	Significant

*Income Level and AGCC, EID, CET, and MAT:* 

According to H7a, the higher income will increase the probability that an individual is being acculturated with the global consumer culture. Likewise, H7c asserts that the high income increase the possibility of being materialistic. On the other hand, in H7d and H7b indicate that the higher income level will affect ethnocentrism and ethnic identity in a negative way respectively. Therefore, the hypothesis is there are reverse relationship between income level and CET and EID. To test these hypotheses the correlations between AGCC, EID, CET, and MAT with SPSS are computed. The table below presents the results:

Table 5.20: AGCC, EID, MAT, and CET's Correlation with Income Level:

	AGCC	EID	MAT	CET
INCOME LEVEL	0.197 **	Not Significant	0.176**	-0.245**

(\*\* is significant in 0.01 level (2 Tailed))

The results show that AGCC and MAT have positive and significant correlation with Income level. This shows that in Iran people with higher income are acculturated more with global consumer culture and have stronger materialistic view point in compare to those who have lower level of AGCC. Furthermore, as it was assumed Iranians with higher income are less ethnocentric in compare with people with lower income.

However, EID does not have a significant relationship with income level. The reason might be because Iranian customs and traditions are popular among different group of Iranians and income level does not have impact on that.

Educational Level and AGCC, EID, CET, and MAT:

Based on the literature it is assumed that educational level and being acculturated with global consumer culture has positive relationship. In other words, the higher education will cause more openness and adaptation with global culture for Iranians. The perception is educated people want to spend more and become more materialistic. On the other hand highly educated people are assumed to be less ethnocentric and having lower level of ethnic identity. Hence, the hypotheses are EID and CET has negative relationship with educational level in Iran while, educational level has positive impact on AGCC and MAT. For testing the validity of these assumptions the correlation of educational level of

this sample with AGCC, EID, CET and MAT was computed with SPSS and the table below will present the results:

Table 5.21: AGCC, EID, MAT, and CET's Correlation with Educational Level:

	AGCC	EID	MAT	CET	
Educational Level	0.120*	Not Significant	Not Significant	Not Significant	

(\* is significant in 0.05 level (2 Tailed))

The results show that while education was positively related to AGCC, the relationships with MAT, EID, or CET and education were not statistically significant. Therefore, based on this research results, educational level does not reinforce materialistic view point positively. Iranian intellectuals do not value possessions and it is not very accepted among educated people to judge people's success with their belongings.

The assumption of negative relationship between CET and EID with educational level of Iranians also is not significant either. This outcome shows that Iranians value their traditions aside from their educational level.

Therefore, according to the results hypothesis H6a, indicating the positive relationship between AGCC and educational level, is acceptable. While the H6b, represents that EID and education are negatively related, H6c, assuming that materialism and education are positively related, and H6d, indicates the negative relationship between CET and educational level, cannot be accepted.

Gender, CET, MAT, AGCC, and EID:

The presumption here is gender is affecting the level of being acculturated by global consumer culture. The general idea is men can be acculturated better than women with GCC. Therefore, another assumption is men have less concerns on materialistic view point, ethnocentrism and ethnic identity than women.

The results of means difference T test of men and women for each construct had been presented in the following table to evaluate the hypotheses mentioned above:

Table 5.22: The Impact of Gender on AGCC, EID, MAT, and CET:

	Gender Female=123 Male=172	Mean	Std. Deviation	Std. Error Mean	T Test	P Value	
AGCC	Female	3.76	.88	.08			
	Male	3.58	.71	.05	1.88	0.06	
EID	Female	5.53	.89	.08	1.00	0.047	
	Male	5.34	.74	.06	1.99	0.047	
MAT	Female	4.73	1.41	.13	0.47	0.64	
	Male	4.66	1.20	.09	0.47	0.04	
CET	Female	3.72	1.57	.14	1 770	000	
	Male	3.39	1.55	.12	1.770	.080	

The results show that the hypothetical impact of gender on EID is the only relationship that seems to be valid by 95% significance level. Means that two group of female and male has different means in their ethnic identity construct and by looking at their means (5.53 for females and 5.34 for males) we can conclude that women in Iran value traditions and customs more than men. Therefore, there is not enough evidence to reject the hypothesis and we can conclude that Iranian women have higher EID than men.

Furthermore, the group of female had higher mean in ethnocentrism than male with 3.72 and 3.39 respectively. The T test results show that ethnocentrism between male and female are different with 90% significance level and female group has higher CET in Iran than male group. Thus, we cannot reject the assumption in alpha equal to 90%.

However, the results in AGCC are very interesting, and show that Iranian women acculturated better than men with GCC when the mean for female is 3.76 and for male group is 3.58. T test results are significant in 90% level; indicate that Iranian women are being acculturated by global consumer culture better than Iranian men. Hence, there is not enough evidence to accept the hypothesis for AGCC.

Another interesting result in the table above is the relationship between MAT and gender which is not significant in any level. In other words, gender does not have impact on materialistic view point in Iran.

Consumer Behaviour as a function of AGCC and EID:

In this section of data analysis the computed value for each construct considered to be an independent variable and each consumer behavior variable in each group is a dependent variable. Then sets of regression analysis have been done to see which construct affect which variable and how. In the following table the regression coefficients for all consumer behavior is presented. The products associated with EID and AGCC separately are the ones that became significant during the regression analysis and highlighted in the table:

Table 5.23: Regression Analysis for Consumer Behavior variables with AGCC and EID:

Consumer Behaviour	AGCC			EID			
	710	300					
	Coefficients 0.275	t 2.127	Sig. 0.03	Coefficients 0.388	t 3.124	Sig.	
Pizza FD1		0.725					
Baghala Polo FD2	0.096		0.47	0.385	3.043	0	
Energy Drinks FD3	0.221	2.166	0.03	-0.287	-2.92	0	
Coffee FD4	0.56	4.303	0	0.186	1.492	0.14	
Beer 0% FD5	0.733	5.142	0	401	2.925	0	
Ghormeh Sabzi FD6	0.081	0.74	0.46	0.504	4.796	0	
Chelo Kabab/ Joojeh Kabab FD7	0.054	0.495	0.62	0.347	3.299	0	
Mahi FD8	0.212	1.553	0.12	0.444	3.383	0	
Fesenjoon FD9	0.078	0.552	0.58	0.494	3.64	0	
Soft Drink FD10	-0.167	-1.23	0.22	-0.273	-2.09	0.04	
Tea FD11	0.191	1.397	0.16	0.531	4.039	0	
Dough FD12	0.025	0.218	0.83	0.467	4.254	0	
Abgoosht FD13	0.084	0.639	0.52	0.389	3.077	0	
Blue Jeans WEAR1	0.939	7.003	0	0.044	0.343	0.73	
Running Shoes WEAR2	0.578	4.949	0	0.138	1.23	0.22	
Business Suite WEAR3	0.197	1.267	0.21	0.558	3.786	0	
Make Up (females only)/Neck Tie (male) WEAR4	1.096	7.412	0	0.248	1.747	0.08	
Personal Stereo (Walkman, iPod) IMP1	0.56	5.191	0	-0.063	-0.49	0.62	
Washing Machine IMP2	0.04	0.436	0.66	0.537	6.149	0	
Microwave IMP3	0.563	4.328	0	0.313	2.503	0.01	
Vacuum Cleaner IMP4	0.058	0.648	0.52	0.577	6.681	0	
CD/DVD Player IMP5	0.406	3.324	0	0.456	3.868	0	
Personal ComputerIMP6	0.031	0.414	0.68	0.316	4.341	0	
Video Game Console (PlayStation, Nintendo) IMP7	0.339	2.272	0.01	-0.102	-0.87	0.39	
Dishwasher IMP8	0.376	2.583	0.01	0.578	4.133	0	
Automobile IMP9	0.196	1.872	0.06	0.588	5.838	0	
Television Set IMP10	0.507	4.776	0	0.398	3.858	0	
Digital Camera IMP11	0.293	2.632	0.01	0.69	6.454	0	
Boxed Chocolates PUR1	0.447	3.335	0	0.204	1.586	0.11	
Expensive Cosmetics PUR2	0.831	5.875	0	0.229	1.679	0.09	
Fragrance (Perfumes/Colognes) PUR3	0.475	3.702	0	0.352	2.852	0.01	
Jewellery PUR4	0.409	2.835	0.01	0.443	3.222	0	
Antique Furniture PUR5	0.338	2.371	0.02	0.352	2.576	0.01	
Fur or Leather Coats PUR6	0.569	4.185	0	0.256	1.971	0.05	

As a result, the products that impact AGCC level are:

Pizza, Energy Drinks, Coffee, Beer 0%, Ghormeh Sabzi, , Blue Jeans, Make Up (females only)/Neck Tie (male), Personal Stereo (Walkman, iPod), Microwave, Automobile, Dish washer, Television Set, Digital Camera, , Jewellery, Antique Furniture, Fur or Leather Coat, Expensive Cosmetics, Fragrance, Boxed Chocolate And the products that influence EID are:

Pizza, Energy Drinks (negative), Tea, Beer 0%, Ghormeh Sabzi, Mahi, Fesenjoon,
Baghali Polo, Chelo Kabab, Abgosht, Tea, Dogh, Soft Drink (Negative), Business Suite,
Make Up, Washing Machine, Personal Computer, Microwave, Microwave, Automobile,
Dish washer, Television Set, Digital Camera, Vacuum Cleaner, CD/DVD Player,
(negative), Automobile, Jewellery, Antique Furniture, Fur or Leather Coat, Expensive
Cosmetics, Fragrance

Consumer Behavior Hypothesis Testing:

Four assumptions were articulated to test the impact of AGCC and EID on different products:

H8a: Behaviors associated with local food products are more strongly influenced by EID than by AGCC.

H8b: Behaviors associated with global food and global clothing products are more strongly influenced by EID than by AGCC.

H8c: Behaviors associated with technological/electronic products are more strongly influenced by AGCC than by EID.

H8d: Luxury product consumption strongly affected by AGCC in compare with EID. In order to test the hypothesis the variables associated to different food consumption divided in to local and global food firstly. In the next step a series of simple linear regression evaluate the impact of AGCC and EID as independent variables on consumer behavior (local food, global food, clothing, appliances, and luxury products) as dependent variables.

The table below shows the coefficients for the regression equations between EID and AGCC with Food, Clothing, Appliances, and Luxury products.

Table 5.24: Regression coefficients for AGCC and EID with Consumer Behavior Variables:

	AGCC			EID				
	Coefficient	T Test	P Value	Coefficient	T Test	P Value		
Local Food	0.11	1.48	0.141	0.49	7.05	0.000		
Global Food	0.45	6.83	0.000	0.05	0.81	0.419		
Clothing	0.72	7.94	0.000	0.25	2.87	0.004		
Appliances	0.32	4.90	0.000	0.39	6.29	0.000		
Luxury Products	0.51	5.49	0.000	0.29	3.28	0.001		

According to the results AGCC does not have a significant impact on local food consumption. Likewise, EID and global food consuming does not related. The highest AGCC coefficient is for clothing, the reason is Iranians way of dressing is very similar to the global fashion and there is no local dressing code except for some ethnic groups such as Lors, Kords, and Arabs. These ethnic groups usually do not wear their traditional clothes in Tehran except for celebration occasions. As a result, it can be concluded that generally Iranians dress like other part of the world. Furthermore, it is interesting to mention that, EID has the highest coefficient in local food consumption regression

equation, showing the fact that the higher the ethnic identity the more local food consumption exists

The Pearson Correlation between EID and AGCC with Food, Clothing, Appliances, and Luxury products is presented in the following table as well:

Table 5.25: Correlation between AGCC and EID with consumer behavior variables:

	AGCC	EID
Local Food	0.054 (not sig)	0.37
Global Food	0.37	0.019 (not sig)
Clothing	0.41	0.12
Appliances	0.24	0.32
Luxury Products	0.29	0.16

All the correlation mentioned above are significant in 95% alpha level except for AGCC and local food as well as EID and global food. The results which is consistent with regression results in table 5.23 shows that the hypothesis that developed earlier about the impact of AGCC and EID level on global food and clothing and local food are all cannot be rejected. Hence, H8a and H8b are acceptable when, only AGCC has impact on global food and clothing usage likewise for EID and local food consuming.

The next hypothesis indicates that appliance and electronic products consumption have stronger relationship with AGCC in compare to EID. As it can be seen from the result this hypothesis cannot be accepted while EID and appliance usage have higher regression coefficient (0.39) in compare to AGCC (0.32). By the same token the correlation between EID and appliance product consuming is higher than AGCC and this product category when the amounts are 0.32 and 0.24 respectively. Hence, it can be concluded that H8c cannot be accepted.

In order to evaluate the last hypothesis, beta coefficients for AGCC and luxury product as well as EID and luxury product are 0.51 and 0.29 respectively. The correlation between AGCC and luxury product is 0.29 and the same indicator for EID is 0.16. Hence, the results show that there is not an enough evidence to reject the assumption that the luxury products are more affected by AGCC than EID. Thus, H8d is supported.

# **Summary of the Results:**

The results of this research are summarized in the table 5.22:

**Table 5.26: Summarizing the Results:** 

Hypothesis	Finding
	Supported: Significant negative correlation at 0.05
H1: AGCC $\rightarrow$ EID (-)	level
MATERIALIS	SM AND ETHNOCENTRISM
	Not Supported: Not significant negative SEM
H2a: CET → AGCC (-)	coefficient at 0.05 level
	Supported: significant positive SEM coefficient at
H2b: CET → EID (+)	0.05 level
	Supported: significant positive SEM coefficient at
H3a: MAT $\longrightarrow$ AGCC (+)	0.05 level
	Not Supported: significant SEM positive
H3b: MAT → EID (-)	coefficient at 0.05 level
D	EMOGRAPHICS
	Not Supported: Not significant negative
H4a: AGE → AGCC (-)	correlation at 0.05 level
	Not Supported: Not significant positive
H4b: AGE $\longrightarrow$ EID (+)	correlation at 0.05 level
	Not Supported: Not significant positive
H4C: AGE $\longrightarrow$ CET (+)	correlation at 0.05 level
	Not Supported: Not significant negative
H4d: AGE → MAT (-)	correlation at 0.05 level
H5a: MEN → AGCC	Not Supported: Not significant at 0.05 level
	Not Supported: Not significant at 0.05 level
H5c: WOMEN → CET	
H5d: MEN → MAT	Not Supported: Not significant at 0.05 level
	Supported: Significant positive correlation at 0.01
H6a: EDC → AGCC (+)	level
	Not Supported: Not significant negative
H6b: EDC → EID (-)	correlation at 0.05 level
	Not Supported: Not significant positive
H6c: EDC $\longrightarrow$ MAT (+)	correlation at 0.05 level
	Not Supported: Not significant negative
H6d: EDC → CET (-)	correlation at 0.05 level
	Supported: Significant positive correlation at 0.01
H7a: AFI → AGCC (+)	level
	Not Supported: Not significant negative
H7b: AFI → EID (-)	correlation at 0.05 level
H7c: AFI → MAT (+)	Supported: Significant positive correlation at 0.01

**Table 5.22 (continue): Summarizing the Results:** 

H7d:AFI → CET (-)	Supported: Significant negative correlation at 0.01 level							
CONSUMER PRODUCT								
H8a: Local food more influenced by EID	Supported: Significant positive regression coefficient							
H8b: Global food more influenced by AGCC	Supported: Significant positive and higher regression coefficient							
H8c: APL more influenced by AGCC	Not Supported: Significant positive but lower regression coefficient in compare with EID							
H8d: LUX more influenced by AGCC	Supported: Significant positive and higher regression coefficient							

### **Chapter Six**

#### **Discussion and Conclusion**

Markets are connected more than ever before. The doors are open and time after time the markets links become stronger. Free trade and none tariff regulation imposed by WTO, accelerate and simplified international business process. Besides, people have more information about other country's culture, traditions, products, and consumption through mass media, internet, and by traveling around the world. Recently the interaction between countries, culture and globalization process cause a new culture knowing as global consumer culture to be emerged. This culture is affecting many aspects of consumer behavior and product preferences (Bleck, 1996; Sobol, 2008; Cleveland, 2007; Hallab, 2009). Marketing managers of international companies should decide about the general direction of marketing activities, and the role of globalization and national culture of the new markets. They have to decide whether to standardize their activities in different countries, to adapt them to the local culture, or to use an optimum mixture of both, in advance. Therefore, in order to decide about the company's direction, it is very important for marketing managers to understand how and to what extent, people are being acculturated by globalization and global consumer culture. According to Berry (1960), acculturation is happening through the following process: integration, assimilation, separation, and marginalization.

The model introduced by Cleveland and Laroche (2007) is very coherent model considering the individual level of acculturation to global consumer culture and the impact of ethnic identity on GCC construct. According to the results of various researches in this area these two construct are separate and have interaction on one another (Kim et al., 2001; Laroche et al., 1993). In the other words, although people are being exposed to the global consumer culture, they have different degree of attachment to their own culture while they are interacting with global culture. In this research primarily the validity of this model was evaluated in Iran.

Since Iran revolution in 1980, this country became neglected in academia. Therefore, in this research Iran was chosen as the target to evaluate the validity of Laroche and Cleveland (2007) model. Hopefully, this research provides some basis for scholars who have interest about this strategic country by explaining history, culture, traditions and customs. Furthermore, the results might be interesting for industries who want to have business relationship with Iran. The level of AGCC in Iran shows that Iranians are exposed to global consumer culture as well as global mass media. The consumer behavior items indicate that Iranians are using new technologies, surfing internet, and like global fashion. Therefore, they can be potential customers for many globally famous products.

In addition in this research not only the interaction between AGCC and EID is considered, but also the moderating role of materialism and ethnocentrism on the model was taken in to account. In this step the main goal was to evaluate how the interaction between GCC and EID will affect materialistic and ethnocentrism values.

In addition, in this research the impact of GCC and EID on product consumption was also considered. The unique characteristic of this research that makes it distinguishable from many researches in the cross cultural studies is the fact that the data for this research is gathered from Iran. However, many researches in this area relied on data that gathered from emigrants that already exposed to a new culture. In order to evaluate the consumer behavior local and global products were included and the interactions between GCC and EID with the each product as well as group of product have been tested.

The interaction of EID and AGCC and its impact on consumer behavior is divided in to four options:

Consumption behavior is positively related to EID and inversely or non-significantly related to AGCC. This behavior calls "separation/segregation" according Berry (1997), "cultural resistance" by Mendoza and Martinez (1981) and "separation/polarization" by Alden et al. (2006).

Consumption behavior is positively related to EID and AGCC. This situation is called "integration" by Berry (1997), "cultural incorporation" by Mendoza and Martinez (1981), and "hybridization/ creolization/ glocalization" by Alden et al (2006).

The third situation happens when consumption behavior relates inversely/ negatively/ or non-significantly to EID and positively relates to AGCC. This type of behavior is called "assimilation" by Berry, "cultural shift" by Mendoza and Martinez, and "assimilation/ homogenization/ convergence" by Alden et al (2006).

AT the end, when the impacts of both EID and AGCC on consumption behavior are negative or non-significant, Berry and Alden et al. (2006) call it as "marginalization/deculturation".

Based on the results of this research the local food represents "separation/ segregation / polarization" when the impact of EID is positive and significant and AGCC's is non-significant. Global food consumption behavior in Iran can be considered as "assimilation/ homogenization/ convergence", since, AGCC has a positive influence on global food consumption and EID does not significantly affect consuming this category's products. In addition, clothing and luxury products represent hybridization/ creolization/ glocalization/ integration with higher and positive AGCC impact in compare with EID's with lower and positive regression coefficient, while Appliances consumption behavior also follows hybridization/ creolization/ glocalization/ integration with higher EID impact than AGCC's. Therefore, it is concluded that for local food consumption the adaptation, for global food standardization and for clothing and luxury product mix of adaptation and standardization with more emphasis on standardizing the marketing activities and for appliances mix of adaptation and standardization with more emphasis on adapting/localizing the marketing activities should be applied.

In addition, the results showed that lowest mean score is belong to ethnocentrism (3.54), followed by AGCC (3.67). The highest mean score however, is for EID (5.41) then MAT (4.68).

In Iran government has control over the media and tries to reduce the contacts of citizens with what it is called "outsider's cultural attacks". Therefore, not only TV but also

internet is under control (Dehbashi, 2009; Milani 2010; Brown& Sweetser, 2010). However, series of revolutions affecting all Middle East and Africa are conveying this message that so far even dictators are not in the safe side. The reason is a group of geniuses such as Tim Berners-Lee the inventor of World Wide Web or Mark Zuckerberg and his facebook. People are talking, chatting, put videos and pictures in the web and by one click the whole world can see what is going on in all countries. Although facebook and twitter are filtered in Iran, Iranians use anti filters and connect themselves with the world. Furthermore, they have satellite TVs at home, despite of legal issues, and watch CNN, BBC, Fashion TV, and etc. The low CET and slightly higher AGCC mean scores show that Iranians are open to new culture. The high EID mean score at the same time represents the importance of Iranian identity in heart and mind of the people in Iran. Therefore it can be concluded that Iranians are more bicultural. They like their own culture and open to new cultures as well. On the other hand, MAT mean score index is lower than what was expected. The reason is rooted on Islamic rules that are not in line with materialism view points.

Generally the outcomes represent the importance of culture in consumer behavior and show that although Iranians are open and welcoming to new cultures, they don't want to lose their unique Iranian culture.

#### **Chapter Seven**

### Limitation & Further Research & Managerial Implication and Conclusion

#### **Limitation and Further Research**

This study has some limitations. The most important one is, data has been gathered from university students who studied in bachelor or higher levels. This sample is not representative and the results cannot be generalized to the whole population.

The data has been gathered from university student in Tehran. Not only one city cannot represent the whole country, but also university students, as a young, talented, and up to date part of the society, are no sufficient for judging bout the population. Although the students may from different part of the country, they are studying an up to date techniques, they should surf the internet regularly, know other languages, read new articles, and working with new technologies more than others who are not in school. Furthermore, respondents' educational levels were higher than the whole society and according to the results there is significant relationship between this characteristic and AGCC, EID, CET, and MAT. Therefore, it is assumed that generally AGCC of the sample might be higher than of population.

As mentioned, the results were gathered from Tehran, the capital with nearly eight million people. Although the city itself is a mixture of different opinions, social and cultural levels, income and educational levels, but still it is not representative of all small

and large cities in Iran. The results might come differently if the data was gathered in west or south where the people are poor and traditional. In that case the EID and CET would be higher and AGCC and MAT would lower than the current results.

Hence, it is strongly advised to gather data from different groups, not just students, and consider other cities, not just Tehran. The results may be different in other cities. These outcomes can be very helpful for marketing managers who want to sell their product in Iran and want to decide about their target market. Most likely it is very beneficial to decide about different sets of products to be offered in different cities or region.

In addition, the constructs that were measured in this study, are intangible and thus, difficult to objectively measure (Cleveland, 2007). Furthermore, the model offered by Cleveland and Laroche (2007) recently has little to do with validation, rather, the convergence of studies reporting similar results. As a matter of fact, the results of this study show the validity of AGCC and EID model and along with Sobol (2008) and Hallab (2009) this research could be considered as good evidence to validate the scale and relating constructs such as materialism and ethnocentrism.

Additionally, the questionnaire with a hundred and nine questions increases the probability of fatigue among respondents. However, by sending the questionnaires via email instead of face to face interview such cases were decreased, since respondents could fill the questionnaire in different times, and among 303 questionnaires 298 of them were acceptable.

Moreover, some constructs such as religiosity were omitted from the study. Firstly, because Iran has a religious government and asking such questions might make people

suspicious about the origin of study so they might hide their feelings and might not select the true answer. Secondly, these kinds of questions might raise the government sensitivity as well and increase the chance of providing some problems for some researchers who were involved in this research and still live in Iran. Therefore, it was decided to omit this construct.

For future researches, it is advisable to consider more construct such as religiosity should be considered as well as more consumer behavior variables in variety of product categories. For instance, furniture as a product category, frequency of using the debit card instead of the actual bill, having weblog, facebook page, skype account, or website, frequency of going to cinema, live theater, or live concert, frequency of going to gym, swimming pool, skiing, or mountain climbing, having ADSL service for internet connection at home, as a luxury product carpet and silk carpet as well as antique fabrics (Termeh), and frequency of buying books are important product category for understanding the level of EID and AGCC among Iranian consumers.

Moreover, the data was gathered before June election 2009 and since then internet has became very popular and powerful channel to communicate with outside and inside of Iran (Dehbashi, 2009; Milani 2010). The assumption here is during the time, society is evolving and changing therefore, the individual AGCC and EID level should be change as well. It is recommended that the model is going to be tested again and after reasonable amount of time to show how people and view points are changing in Iran.

Since 1979 revolution in Iran many Iranian citizens emigrated or claimed asylum in different countries. Unofficial estimation indicates that nearly five million Iranians live

outside. One gap in the literature could be filed by doing the same research and gathering information from Iranians who live outside of the country and comparing the results of outside and inside of Iran. Rouhparvar (2000) evaluates the acculturation process among Iranians who live in California. However, in her study, she does not consider the impact of ethnic identity on acculturation process. Furthermore, she emphasizes on health problems associated with emigration and acculturation. Therefore, it is important to investigate the relationship between acculturation and ethnic identity and their impact on consumer behavior among Iranians who immigrated to countries outside of Iran.

### **Managerial Implication**

Iran is the one of the few non Arabic speaking countries in the Middle East. The country is very ancient with a long history with very rich natural resources. Although Iran government does not act very welcoming with outsiders and the dangers of having business with Iran is substantial, still many international companies want to do business with this country. Hence, the results of this research are applicable for those corporations that want to sell their products in Iran. Firstly, it might be hard to choose Iran as a target market due to the bad perception about the country around the world. The results show that Iranians are acculturated to global consumer culture and table below summarized the results of other studies that have been done by Cleveland (2007), Sobol (2008), Hallab (2009), as well as this study to present a better picture about AGCC level in Iran:

**Table 7.1: AGCC Mean in different countries:** 

	Iran	Canada	Mexico	Greece	South Korea	Hungry	India	Chile	Sweden	Netherland	Lebanon
Mean	3.67	4.61	4.28	4.26	4.04	4.2	4.53	4.25	4.28	4.54	4.39
Sample	298	241	231	276	137	332	177	113	245	247	429
STD.	0.8	0.55	0.57	0.6	0.57	0.61	0.67	0.61	0.65	0.56	0.85

Marketing managers can use the outcomes to segment their markets and find the appropriate strategy to approach their market segments.

The consumer behavior analysis in this research shows that foods can be considered as culture-bound products in Iran. However, clothing, luxury products, and appliances are not culture free products in Iran. Therefore, companies who try to import or produce products that categorized in foods in Iran, should adapt their product to the consumer taste and demand. On the other hand, lower adaptation is needed for global food, luxury product, clothing, and appliances.

Furthermore the results are useful for Iranian marketing managers that develop marketing strategy for Iranian consumers. The companies should consider the fact those educated and rich consumers have higher AGCC and lower EID. Therefore, being made in Iran will not provide sufficient reason to purchase Iranian products for this group of consumers. Iranian Marketing managers should find better and more logical ways to sell their products to this group of people than by just emphasizing in the fact that the product is made in Iran.

#### Conclusion

This research provided more validation for Laroche and Cleveland model (2007). In addition, the impact of culture on different product categories is considered and investigated. Furthermore, results showed that among product categories in this research, the only culturally bound category is local food while, global food, luxury products, appliances, and clothing are not culturally bound. Hence, higher adaptation should be employed by companies who deal with culture- bound products, when higher standardization is appropriate for culture free products. The results for luxury products, clothing, and appliances consumption in Iran show that these categories are culture free, while the same analysis in Lebanon (Hallab, 2009) show that clothing are culture-bound and EID level has negative impact on luxury product consumption. These differences highlight the importance of consumer behavior investigation in different countries. Hence this study will help international and national companies to understand the role of culture, global culture, and ethnic identity in different product consumption. Furthermore, the results will help them to define their marketing strategies more effectively and efficiently.

### **Appendices**

### **Appendix A: Final Questionnaires (English, and Farsi versions)**

### PART 1

Thank you very much for your cooperation. The statements on the first two pages of the survey describe some attitudes, opinions, and interests. We ask you to please carefully read through each and, on the scale of 1 ("strongly disagree") to 7 ("strongly agree"), to circle the number corresponding to your level of agreement or disagreement with the statement.

Please note that you should work at fairly high speed through the scales. That is no need to look back and forth through the pages, or to worry and puzzle over individual items. There is no "right" or "wrong" answers. We value your opinion and it is your first impression, your immediate feeling about the scale which counts. You should look at each scale as separate from the rest and answer each of them independently from the others.

QUESTIONS	Strongly Disagree			S	ngly		
	ועו	isag	1 66			Αg	gree
I pay attention to the fashion worn y people in my age group that live in other countries. (QA1 IDT)	1	2	3	4	5	6	7
I can identify with famous international brands.(QA2 IDT)	1	2	3	4	5	6	7
I'd be happier if I could afford to by more things. (QA3 MAT)	1	2	3	4	5	6	7
I consider it very important to maintain my Iranian culture. (QA4 IDMC)	1	2	3	4	5	6	7
The acquisition Iranian family value is desirable. (QA5 IDMC/FAM)	1	2	3	4	5	6	7
I like to own things that impress people. (QA6 MAT)	1	2	3	4	5	6	7
I think my life style is almost the same as that of people of my age-group in other countries. (QA7 OPE)	1	2	3	4	5	6	7
I like to observe people of other culture to see what I can learn from them. (QA8 COS)	1	2	3	4	5	6	7
I like the way that people in western countries dress. (QA9 OPE)	1	2	3	4	5	6	7
Sons and daughters should be granted the same privileges in family.	1	2	3	4	5	6	7

(QA10 FAM)							
The things I own say a lot about how well I am doing in life. (QA 11 MAT)	1	2	3	4	5	6	7
I find people from other cultures stimulating. (QA 12 COS)	1	2	3	4	5	6	7
I try to keep my life simple as far as possessions are concerned. (QA13 MAT)	1	2	3	4	5	6	7
It is highly preferable to marry someone from one's own culture. (QA14 FAM)	1	2	3	4	5	6	7
I always celebrate Eyde Norooz and other traditional Persian special celebrations (event). (QA15 IDMC)	1	2	3	4	5	6	7
I enjoy exchanging ideas with people from other cultures and countries. (QA16 COS)	1	2	3	4	5	6	7
Although I believe that I might acquire some elements of another culture(s), it is important for me to hold on to my Iranian culture. (QA17 IDMC)	1	2	3	4	5	6	7

QUESTIONS		Strongly Disagree				3.				Strongly Agree		
Buying things give a lot of pleasure. (QA19 MAT)	1	2	3	4	5	6	7					
Many of the TV commercials I see are placed by foreign companies(QA20 EXM)	1	2	3	4	5	6	7					
We should purchase products manufactured in Iran instead of letting other countries get rich off of us. (QA21 CET)	1	2	3	4	5	6	7					
I fill very proud to identify with the Iranian culture. (QA22 IDMC)	1	2	3	4	5	6	7					
I am interested in learning more about people who live in other countries. (QA23 COS)	1	2	3	4	5	6	7					

The following questions relate to English language usage in everyday life experiences. In this section please circle a number from one to seven, to indicate your level of agreement or disagreement with each statement. If you do not speak English at all please circle 1 for each response.

QUESTIONS		ron isag	· ·			S	trongly Agree
The songs I listen to are almost all in English. (ENG3)	1	2	3	4	5	6	7
Many of my favourite shows on Satellite television are in English. (ENG4)	1	2	3	4	5	6	7
I feel very comfortable speaking in English. (ENG5)	1	2	3	4	5	6	7
Many of the books that I read are in English. (ENG8)	1	2	3	4	5	6	7

The following questions are relates to travel experiences. If you have visited another country (that is outside of Iran), at least once, please take a few moment to indicate your level of agreement or this agreement with the following statements. If you have never been outside of Iran, please skip to the next section (PART2).

QUESTIONS		ron isag	•				Strongly Agree		
I prefer spending my vacation outside Iran. (TR1)	1	2	3	4	5	6	7		
I have traveled extensively outside my home country. (TR2)	1	2	3	4	5	6	7		
When traveling I like to immerse myself in the culture of the country that I am visiting. (TR3)	1	2	3	4	5	6	7		
While vacationing I would prefer to stay in Iran rather than visiting another country. (TR6)	1	2	3	4	5	6	7		

### PART 2

The following questions related to behavioral aspect of Iranian culture. Please circle a number from 1 to 7, to indicate your level of agreement and disagreement with each statement. And remember there is no "right" or "wrong" answers, it is your immediate feeling that counts. You should look at each scale as separate from the rest and answer each of them independently from others.

QUESTIONS	Strongly Disagree					Stron Agr	•
Both men and women have an equal right to work if they so desire. (QB4 FAM)	1	2	3	4	5	6	7
A real Iranian should always buy Iranian- made products. (QB2 CET)	1	2	3	4	5	6	7
I consider Iranian culture rich and precious. (QB6 IDMC)	1	2	3	4	5	6	7
Iranian children should learn about Iranian history from their parents. (QB7 IDMC)	1	2	3	4	5	6	7
I like to listen to Iranian music. (QB8 LMU)	1	2	3	4	5	6	7
If I was to live elsewhere, I would still want to retain my Iranian culture. (QB14 IDMC)	1	2	3	4	5	6	7
Iranian should not buy foreign products, because this hurts Iranian business and cause unemployment. (QB11 CET)	1	2	3	4	5	6	7

The following questions relate to exposure to various media types and media preferences. Please circle a number between 1 to 7, to indicate your level of agreement and disagreement with each statement.

QUESTIONS		ron			•	Strongly Agree					
The movies/videos that I watch are always in Farsi. (QM1 LMU)	1	2	3	4	5	6	7				
Some of my favourite actors are from Hollywood. (QM3 GMMUSA)	1	2	3	4	5	6	7				
I often watch western satellite television. (QM4 GMMUSA)	1	2	3	4	5	6	7				
I enjoy watching Hollywood movies. (QM5 GMMUSA)	1	2	3	4	5	6	7				
I enjoy listening to music that is popular outside of Iran. (QM7 GMMUSA)	1	2	3	4	5	6	7				
The television programs that I watch are always in Farsi. (QM10 LMU)	1	2	3	4	5	6	7				
Advertising by foreign brands has strong influence on my clothing choice. (QM11 IDT)	1	2	3	4	5	6	7				
Some of my favourite actor/actress is from Asian countries. (QM13 GMMASIA)	1	2	3	4	5	6	7				
I often watch other Asian satellite television. (QM14 GMMASIA)	1	2	3	4	5	6	7				
QUESTIONS	St	Strongly				Stro	ngly				
	Di	sag	ree			Agree					
I enjoy listening to music that is popular in other Asian countries. (QM16 GMMASIA)	1	2	3	4	5	6	7				
The songs I listen to are almost all in Farsi. (QM18 LMU)	1	2	3	4	5	6	7				
When I am watching TV I often see advertisement for products that are from outside of my country. (QM24 EXM)	1	2	3	4	5	6	7				
I enjoy watching European film. (QM27 GMMEUROPE)	1	2	3	4	5	6	7				
Some of my favourite actor/actress is from Europe. (QM28 GMMEUROPE)	1	2	3	4	5	6	7				
The magazines that I read are always in Farsi. (QM 33 LMU)	1	2	3	4	5	6	7				
The internet sites that I visit are always in Farsi. (QM 34 LMU)	1	2	3	4	5	6	7				
		2	3	4	5	6	7				

### **PART 3:**

We are getting closer to the end. The following statements describe various personal product experiences. Please read through and circle the number that best corresponds to your experience.

On a scale of 1 (never) to 7 (daily)...

## How often do you consume the following food and drink items?

QUESTIONS	No	ever	•			Da	ily
55)Pizza FD1	1	2	3	4	5	6	7
56)Baghala Polo FD2	1	2	3	4	5	6	7
57)Energy Drinks FD3	1	2	3	4	5	6	7
58)Coffee FD4	1	2	3	4	5	6	7
59)Beer 0% FD5	1	2	3	4	5	6	7
60)Ghormeh Sabzi FD6	1	2	3	4	5	6	7
61) Chelo Kabab/ Joojeh Kabab FD7	1	2	3	4	5	6	7
62)Mahi FD8	1	2	3	4	5	6	7
63) Fesenjoon FD9	1	2	3	4	5	6	7
64) Soft Drink FD10	1	2	3	4	5	6	7
65)Tea FD11	1	2	3	4	5	6	7
66)Dough FD12	1	2	3	4	5	6	7
67)Abgoosht FD13	1	2	3	4	5	6	7

# On a scale of 1 (never) to 7 (often)...

## How often do you wear the following items?

QUESTIONS	No	ever	•			Oft	ten
68Blue Jeans WEAR1	1	2	3	4	5	6	7
69Running Shoes WEAR2	1	2	3	4	5	6	7
70Business Suite WEAR3	1	2	3	4	5	6	7
71Make Up (applies for females only) WEAR4	1	2	3	4	5	6	7
72Neck Tie (applies for males only) WEAR5	1	2	3	4	5	6	7
73Blue Jeans WEAR6	1	2	3	4	5	6	7

# On scale of 1 (not at all essential) and 7 (very essential)...

## For you how essential are the following products?

QUESTIONS	N	ot a	t all	ess	enti	ial	Very	essential
74Personal Stereo (Walkman, iPod) IMP1	1	2	3	4	5	6	7	
75Washing Machine IMP2	1	2	3	4	5	6	7	
76Microwave IMP3	1	2	3	4	5	6	7	
77Vacuum Cleaner IMP4	1	2	3	4	5	6	7	
78CD/DVD Player IMP5	1	2	3	4	5	6	7	
79Personal ComputerIMP6	1	2	3	4	5	6	7	
80Video Game Console (PlayStation, Nintendo) IMP7	1	2	3	4	5	6	7	
81Dishwasher IMP8	1	2	3	4	5	6	7	
82Automobile IMP9	1	2	3	4	5	6	7	
83Television Set IMP10	1	2	3	4	5	6	7	
84Digital Camera IMP11	1	2	3	4	5	6	7	

# On a scale 1 (Never) to 7 (<u>Daily</u>),

## How often do you...

QUESTIONS		ot a	t all				Very essential
Watch Television? ACT1	1	2	3	4	5	6	7
Use Cell phone? ACT2	1	2	3	4	5	6	7
Use a personal computer? ACT3	1	2	3	4	5	6	7
Use (surf) the Internet? ACT4	1	2	3	4	5	6	7
Send email (electronic mail)? ACT5	1	2	3	4	5	6	7
Send text messages with a cell phone? ACT6	1	2	3	4	5	6	7
Use an automatic banking machine? ACT7	1	2	3	4	5	6	7
Eat traditional Iranian meals? ACT8	1	2	3	4	5	6	7
Eat traditional Iranian snacks? (koko, kotlet, shami) ACT9	1	2	3	4	5	6	7
Visit traditional Iranian restaurants? ACT10	1	2	3	4	5	6	7
Visit restaurants that offer other Asian countries? (Chinese, Indian, Japanese) ACT11	1	2	3	4	5	6	7
Visit restaurants that offer European Food? (Italian, French, Greek) ACT12	1	2	3	4	5	6	7
Visit restaurants that offer American style fast-food meals? ACT13	1	2	3	4	5	6	7

# On a scale 1 (Never) to 7 (Several times per <u>year</u>),

# How often do you purchase the following?

QUESTIONS	N	evei	· S	eve	ral	tim	e per year
Boxed Chocolates PUR1	1	2	3	4	5	6	7
Expensive Cosmetics PUR2	1	2	3	4	5	6	7

Fragrance (Perfumes/Colognes) PUR3	1	2	3	4	5	6	7
Jewellery PUR4	1	2	3	4	5	6	7
Antique Furniture PUR5	1	2	3	4	5	6	7
Fur or Leather Coats PUR6	1	2	3	4	5	6	7

PART 4

We are almost finished. The last section asks for some back ground information, which is very important to enable us to classify the answers we receive. Please be assured that your own responses will remain strictly confidential and will be used only to analyze statistically the data from our entire set of respondents. Thank you very much for your cooperation.

What was y	our country	of birth? [BIR	TH] Iran		Other		
You are? [S	SEX]		Female	<u> </u>	Male		
Your age is	: [AGE]						
0-19 years	S	30-34 years		45-49	9 years	_	
20-24 years	S	35-39 years		50-59	9 years		
25-29 years	3	40-44 years		60 or more	e years		
Your family	y size is: [FA	MILY]					
	1	2	3		4	5	6
<i>What is you</i> [EMPLOY]		nployment stati	us? Choos	se the <u>one</u> op	tion that b	est describ	es you.
	Employed f	ull time	Employ	yed Part time		Full time	student

Unemployed
[INCOME] USE LOCAL CURRENCY HERE!!
Between 500\$ to 700\$ per month
Between 1000\$ to 1500\$ per month
Between 2500\$ to 4000\$ per month
Over 6000\$ per month
Married Divorced Widowed
ation attained: [EDUCATION]
High School (completed)
College
Masters or Ph.D. University Degree
please describe your current situation (if you are not , UNV2, UNV3]
No Master PhD

Thank you again for your cooperation! ©

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	1	2	3	4	5	6	7
CD/DVD	1	2	3	4	5	6	7
	1	2	3	4	5	6	7
Play Station	1	2	3	4	5	6	7
	1	2	3	4	5	6	7
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## Appendix B: Cleveland & Laroche(2007), The Acculturation to the Global Consumer

## Culture (AGCC) Scales

#### **Self-Identification with Global Consumer Culture (IDT)**

- The way that I dress is influenced by the advertising activities of foreign or global companies.
- Advertising by foreign or global brands has a strong influence on my clothing choices.
- I pay attention to the fashions worn by people in my age-group that live in other countries.
- I try to pattern my lifestyle, way of dressing, etc. to be a global consumer.
- I like reading magazines about the fashion, décor, and trends in other countries.
- I prefer to wear clothing that I think is popular in many countries around the world rather than clothing traditionally worn in my own country.
- I actively seek to buy products that are not only thought of as 'local'.
- I identify with famous international brands.

## **Cosmopolitanism (COS)**

- I am interested in learning more about people who live in other countries.
- I like to learn about other ways of life.
- I enjoy being with people from other countries to learn about their unique views and approaches.
- I enjoy exchanging ideas with people from other cultures or countries.
- I like to observe people from other cultures, to see what I can learn from them.
- I find people from other cultures stimulating.
- I enjoy trying foreign food. \*
- When traveling, I like to immerse myself in the culture of the people I am visiting.
- Coming into contact with people of other cultures has greatly benefited me.
- When it comes to trying new things, I am very open. \*

#### **Exposure to Marketing Activities of Multinational Corporations (EXM)**

- When I am watching TV, I often see advertising for products that are from outside of my country.
- Ads for foreign or global products are everywhere.
- In my city, there are many billboards and advertising signs for foreign and global products.
- It is quite common to see ads for foreign and global products in local media.
- When I read a newspaper, I come across many advertisements for foreign or global products.
- The magazines that I read are full of ads for foreign of global products.
- When I am watching television, it seems that the number of advertisements for foreign brands is quite high, when compared to the number of advertisements for local brands.
- I often watch TV programming with advertisements from outside my country.
- When shopping, I am often exposed to foreign or global brands.
- Many of the TV commercials I see are placed by multinational corporations.

## Appendix B (continued): Cleveland & Laroche(2007), The Acculturation to the Global

#### Consumer Culture (AGCC) Scales

#### English Language Usage / Exposure (ENG)

- I feel very comfortable speaking in English.
- I often speak English with family and friends.
- I speak English regularly.
- My parents and I never communicate in English. (reversed)
- Many of the textbooks and articles that I read are in English.
- Many of my favorite shows on TV are in English.
- I prefer to watch English language television that any other language I may speak.
- The songs I listen to are almost all English. \*

# **International Traveling Frequencies and Experiences (TRAV)**

- While vacationing, I would prefer to stay in my country, rather than visit another country. (reversed)
- I prefer spending my vacations outside of the country that I live in.
- Visiting foreign countries is one of my favorite things.
- I often think about going to different countries and doing some traveling.
- I have thus far visited two or more other countries.
- I feel at home in other countries.

#### **Global Mass Media Exposure (GMM)**

- I enjoy watching Hollywood films at the theatre. \*
- I enjoy watching Hollywood movies that are in English. \*
- Some of my favorite actors/actresses are from Hollywood.
- I enjoy listening to music that is popular in the United States.
- In general, I do not like American television. (reversed)
- I like to read magazines that contain information about popular Western celebrities. \*
- I enjoy reading American magazines.
- I often watch American television programs.
- I like the way that Americans dress. \*

#### **Openness to and Desire to Emulate GCC (OPE)**

- I think people my age are basically the same around the world. For example, a 20-something in Russia is basically the same as a 20-something in the U.S., Sweden, or anywhere else.
- I think that my lifestyle is almost the same as that of people of my age group in other countries.
- I think my lifestyle is almost the same as that of people of my social class in other countries.
- I would rather live like people do in the United States. \*
- When traveling abroad, I appreciate being able to find Western products and restaurants.

\* Deleted items after Confirmatory Factor Analysis.

To be measured by one to seven Likert scales.

#### Appendix C: The Ethnic Identity (EID) Scale

## **Family Structure and Sex-Roles**

- The acquisition of (local culture) family values is desirable.
- Children should strive to achieve independence from their parents. (reversed)
- Sons and daughters should be granted the same privileges. (reversed)
- It is highly preferable to marry someone from one's own culture.
- The authority of parents over children is to be limited. (*reversed*)
- Both men and women have an equal right to work if they so desire. (reversed)

## Local Media Usage / Exposure

- The movies / videos that I watch are always in (local culture language).
- The newspapers that I read are always in (local culture language).
- The television programs that I watch are always in (local culture language).
- The magazines / books that I read are always in (local culture language).
- The radio programs that I listen to are always in (local culture language).
- The Internet sites that I visit are always in (local culture language).

#### **Desire to Maintain Own Culture**

- I consider it very important to maintain (my own culture).
- I believe that it is very important for children to learn the values of (my own culture).
- It is very important for me to remain close to (my own culture).
- Children of (my own culture) should learn about (home culture) history from their parents.
- Although I believe that I might acquire some elements of another culture(s), it is important for me to hold on to (my own culture).
- If I was to live elsewhere, I would still want to retain (my own culture).

#### **Local Country Language Use**

- I speak (local culture language) regularly.
- I always speak (local culture language) with other family members.
- The songs I listen to are almost all in (local culture language).
- Many of my favorite television shows are in (local culture language).
- I feel very comfortable speaking in (local culture language).
- I always speak / spoke (local culture language) with my parents.
- I mostly carry on conversations in (local culture language) everyday.
- I prefer to watch (local culture language) television over any other language I may speak.
- I mostly speak in (local culture language) at family gatherings.
- I always use the (local culture language) with my friends.
- Many of the books I read are in (local culture language).
- In general, I speak in (local culture language).

#### Appendix C: The Ethnic Identity (EID) Scale

# **Local Interpersonal Relationships**

- I have many (members of my local culture group) with whom I am very close.
- Most of my friends are (members of my local culture group).
- I get together with (members of my local culture group) very often.
- Most of the people at the places I go to have fun and relax are (members of my local culture group).
- Most of the people that I go to parties of social events with are (members of my local culture group).
- I like to go to places where I can find myself with (members of my local culture group).

#### **Self-Identification and Pride**

- I am very attached to all aspects of the (local culture).
- I feel very proud to identify with the (local culture).
- The (local culture) has the most positive impact on my life.
- I feel most comfortable in the (local culture).
- I consider the (local culture) rich and precious.
- I feel very much a part of the (local culture).
- I consider myself to be a (member of the local culture).

#### Local Customs, Habits and Values

- I always celebrate (local culture) holidays.
- I like to celebrate birthdays and weddings in the (local culture) tradition.
- I like to cook (local culture) dishes / meals.
- I like to eat (local culture) foods.
- I like to listen to (local culture) music.
- Participating in (local culture) holidays and events is very important to me.

# Appendix D: Ethnocentrism Scale (Shimp and Sharma, 1987)

- 1. American people should always buy American-made products instead of imports.
- 2. Only those products that are unavailable in the U.S. should be imported.
- 3. Buy American-made products. Keep America working.
- 4. American products, first, last, and foremost.
- 5. Purchasing foreign-made products is un-American.
- 6. It is not right to purchase foreign products, because it puts Americans out of jobs.
- 7. A real American should always buy American-made products.
- 8. We should purchase products manufactured in America instead of letting other countries get rich off us.
- 9. It is always best to purchase American products.
- 10. There should be very little trading or purchasing of goods from other countries unless out of necessity.
- 11. Americans should not buy foreign products, because this hurts American business and causes unemployment.
- 12. Curbs should be put on all imports.
- 13. It may cost me in the long run but I prefer to support American products.
- 14. Foreigners should not be allowed to put their products on our markets.
- 15. Foreign products should be taxed heavily to reduce their entry into the U.S.
- 16. We should buy from foreign countries only those products that we cannot obtain within our own country.
- 17. American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.

# Appendix E: Materialism Scale (Richins, 2004)

- 1. I admire people who own expensive homes, cars, and clothes.
- 2. The things I own say a lot about how well I'm doing in life.
- 3. I like to own things that impress people.
- 4. I try to keep my life simple, as far as possessions are concerned. (reversed)
- 5. Buying things gives me a lot of pleasure.
- 6. I like a lot of luxury in my life.
- 7. My life would be better if I owned certain things I don't have.
- 8. I'd be happier if I could afford to buy more things.
- 9. It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.

**Appendix F: Correlation Coefficients for AGCC Dimensions:** 

**Component Correlation Matrix** 

Component	1	2	3	4	5	6	7
1	1.000	.107	.191	222	.181	193	.354
2	.107	1.000	.136	045	.044	238	.174
3	.191	.136	1.000	073	.075	124	.116
_ 4	222	045	073	1.000	045	.080	203
5	.181	.044	.075	045	1.000	054	.089
6	193	238	124	.080	054	1.000	146
7	.354	.174	.116	203	.089	146	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

**Appendix G: Correlation Coefficients for EID Dimensions:** 

**Component Correlation Matrix** 

Component	1	2	3	4
1	1.000	.133	.371	.283
2	.133	1.000	.024	.143
3	.371	.024	1.000	.229
4	.283	.143	.229	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

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