

Consumer ethnocentrism in Paraguay

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Abstract

Purpose – This paper aims to understand Paraguayan consumer behavior within the context of consumer ethnocentrism.

Design/methodology/approach – Applying a non-experimental, cross-sectional design, the research surveyed 396 middle- and upper-class Paraguayan consumers between April and June 2022. The survey instrument included the consumer ethnocentrism CETSCALE and demographic data.

Findings – Multivariate statistical results indicate that traditional demographic antecedent variables including gender and household size and as well as novel antecedent variables including bilingualism, acculturation, and religiosity are all related to ethnocentric tendencies of Paraguayan consumers.

Originality – This research contributes to the scarce existing literature that explains Latin American consumers' attitudes towards domestic and foreign-made products. It is the first to study consumer ethnocentrism in Paraguay.

Practical Implications – The findings of this study may be used to design more effective marketing campaigns promoting local industries and products. For example, retailers may choose to point out the unique local features of their products when targeting bilingual and female consumers.

Keyword: *consumer ethnocentrism, Paraguay, South America*

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Etnocentrismo del consumidor en Paraguay

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Resumen

Propósito - El objetivo es comprender el comportamiento del consumidor paraguayo en el marco del etnocentrismo del consumidor.

Diseño/metodología/enfoque - Se aplica un diseño no experimental y de corte transversal. Se encuestó a 396 consumidores paraguayos de clases media y alta entre abril y junio de 2022. El instrumento de la encuesta incluyó el CETSCALE de etnocentrismo del consumidor y datos demográficos.

Hallazgos - Los resultados estadísticos multivariados indican que las variables antecedentes demográficas tradicionales, incluyendo el género y el tamaño del hogar, así como las nuevas variables antecedentes, tales como el bilingüismo, la aculturación y la religiosidad, están relacionadas con las tendencias etnocéntricas de los consumidores paraguayos.

Originalidad - Esta investigación contribuye a la escasa literatura existente que explica las actitudes de los consumidores latinoamericanos hacia los productos de fabricación nacional y extranjera. Se estudia por primera vez el etnocentrismo del consumidor en Paraguay.

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Implicaciones prácticas – Las conclusiones de este estudio pueden utilizarse para diseñar campañas de marketing más eficaces que promuevan las industrias y los productos locales. Por ejemplo, los comerciantes pueden optar por destacar las características locales únicas de sus productos cuando se dirigen a consumidores mujeres y bilingües.

Palabras clave: etnocentrismo del consumidor, Paraguay, Sudamérica

JEL: D12, M31, O54

I. Introduction

Land-locked Paraguay, nestled between Argentina, Brazil, and Bolivia in South America, has a long history of political and commercial insularity. Indeed, Paraguay's first international trade policy after independence in the early 19th century was that of near autarky—intentional removal from the international trade system. For a large part of the country's history, isolation, self-reliance, and despotism were recurrent themes in the Paraguayan experience (Williams, 1979). These themes have been coupled with major wars, with all of Paraguay's neighbors eliciting a fierce national patriotism. More recently, a democratic opening begun in 1989 has transformed the Paraguayan economy and perhaps society to engage South America and beyond more fully and interdependently (Mandl, 2021).

This tension between historical isolation and contemporary engagement may manifest itself in patterns of Paraguayan consumer behavior associated with product origin. Such patterns and beliefs are often displayed in household consumption practices—the acquisition, use, and disposition of products. In this research paper, the focus is on the acquisition of products (i.e., goods and services) by Paraguayan consumers, in part, based upon the national origin of the product.

One major trade association in Paraguay, *Unión Industrial Paraguaya* (UIP) [Paraguayan Industrial Union] through its youth branch, has since 2014 introduced annual buy Paraguay campaigns to re-center consumer attention toward locally made products. UIP's "Buy Paraguay" movement is in response to the increasing availability of and competitive pressures from foreign goods in Paraguay, a condition that has severely impacted local producers.

The UIP initiative highlights the tension between an inward versus an outward consumer emphasis. In 2020, UIP Joven contracted a survey of 1,200 adult Paraguayans about their insights into Paraguayan made and branded products (UIP Joven, 2020). A slight majority of respondents (55%) reported that they were satisfied with Paraguayan made products, while less than half (43%) were proud of products from Paraguay. The same survey recorded when Paraguayan products were of sufficient quality, about half (54%) of the consumer respondents would consider purchasing the Paraguayan product if available.

Latinobarómetro, a Chilean non-profit public opinion survey organization that conducts annual surveys across Latin America, considered two novel questions in its 2020 survey that reflect public opinion and product origin. Based upon its nationally representative survey of 1,200 adult Paraguayans, Latinobarómetro found that 65.4% of Paraguayans preferred national goods over imported goods provided that the products were of the same price (Latinobarómetro, 2023). Yet, fewer than half of responding Paraguayans (43.8%) believed that domestic products were of higher quality than imported products.

Outside of these two 2020 surveys, there is little existing information concerning Paraguayan consumer preferences about product origin. Our study is a foundational step forward in filling this knowledge gap concerning Paraguay based upon rigorous social science research methods.

In essence, we seek to better understand whether Paraguayan consumers are generally nativist, pluralistic, or indifferent in their consumption orientation. We do this through the lens of consumer ethnocentrism using a survey of 396 middle- and upper-class Paraguayans undertaken in 2022. We also employ a novel set of independent variables in the study of consumer ethnocentrism including bilingualism, acculturation, religiosity, and foreign experiences among other variables.

The remainder of this article flows as follows. Section 2 provides a brief overview of the Paraguayan national context to situate our study. Section 3 reviews the pertinent literature and develops our conceptual model and associated hypotheses. Section 4 describes our data, descriptive statistics, and methodology. Section 5 presents our research findings, including a discussion of the results. The last section concludes the paper inclusive of managerial and public policy implications, and avenues for future research.

II. The Paraguayan national context – a brief overview

Paraguay is a small, open, and middle-income economy in South America with a population of approximately 7 million people. About one-third of the population lives in the greater capital area of Asunción and adjoining Department of Central. Gran Asunción, as this region is known, is the hearth and political and economic heartland of the country (Mandl, 2021).

For much of the 2000s, Paraguay has experienced robust economic growth, especially for the years 2004 to 2017, where GDP grew at an annual rate of 4.5% (Borda and Caballero, 2020). More recently, the droughts of 2019 and 2022, and the global COVID-19 pandemic have stalled the economy. The post-Covid years of 2023 and 2024 have seen economic activity rebound, perhaps returning the nation to the economic growth trajectory experienced at the beginning of the century. As a middle-income country with a per capita income of \$13,630 (US, PPP adjusted), the distribution of national income is highly skewed (World Bank, 2022a). A quarter of the population lives below the poverty line and the country ranks 105th on the 2021 Human Development Index (UNDP, 2022). High levels of poverty are connected to high rates of economic informality in Paraguay; informal work arrangements account for about two-thirds of all employment and about one-third of national output (Pisani and Ovando Rivarola, 2019).

The political history of Paraguay is a tumultuous one. From independence to 1989, authoritarian leaders and governments ruled Paraguay. Two major wars with neighbors were fought. From 1864 to 1870, Paraguay fought Argentina, Brazil, and Uruguay in the War of the Triple Alliance. This total war decimated much of the Paraguayan population and economy, with the victors occupying Paraguay's capital of Asunción for nearly a decade at war's end. In partial retribution, Argentina and Brazil seized about one-quarter of Paraguayan territory (García, 2012); present-day Paraguay is about the size of California (157,048 square miles). In the early twentieth century, the Chaco War (1932-1935) with Bolivia rebuffed Bolivian irredentist claims and incursion into Paraguay.

The nationalist military dictatorship of Alfredo Stroessner dominated the latter half of 20th century Paraguay (1954-1989). From this time, close ties were maintained with Taiwan that persist to the present. Paraguay remains one of the few countries to recognize Taiwan over mainland China. Such diplomatic recognition excludes direct Paraguayan trade with mainland China, but not the reverse (Pisani and Masi, 2022). The transition from authoritarianism to a more open democratic republic began with the ouster of Stroessner in 1989 and continues in fits and starts up until the present time (Borda and Masi, 2021).

The Paraguayan economy is dominated by agro-exports (soya, beef), hydroelectric power generation (i.e., Itaipú and Yacyretá dams), and a large informal sector (Banco Central del Paraguay, 2022a). Paraguay is a low tax country with a 10% value added tax, generally low tariffs, and low income and corporate tax rates (under 10%). Because of low taxation and relatively high levels of public corruption¹, government services and infrastructure reflect a lack of investment reducing national competitiveness and seriously weakening public welfare. The manufacturing sector has a limited role in the economy, though a nascent maquiladora sector provides some diversification and formal employment (Alderete, 2022; Borda and Caballero, 2020). Because of its limited manufacturing, the Paraguayan marketplace is replete with foreign goods. Foreign goods comprise about 10% of national consumption in an economy where consumption contributes three-quarters of GDP (Banco Central del Paraguay, 2022b).

MERCOSUR (Mercado Común del Sur [South American Common Market]) was founded in 1991 to create a free trade area among Argentina, Brazil, Paraguay, and Uruguay (later admitting additional associate members). MERCOSUR represents 80% of South American GDP with widespread Paraguayan participation. Paraguayan exports to the trade bloc include agricultural products (e.g., soya, soybean oil, corn, wheat, beef, and flour) and hydroelectric power. Imports from bloc members include chemical products, rubber, plastic and machinery and equipment. Within the MERCOSUR framework, free trade agreements have been signed with Canada, Chile, Egypt, Israel, India, Mexico, the EFTA (the European Free Trade Association) and the European Union (Ministerio de Hacienda, 2021).

Demographically, Paraguay is a young country with a median age of 27 years and 27% of the population between the ages of 15 and 29. Such a youthful population reduces the dependency of the working aged vis-à-vis the elderly and children providing a potential short term “demographic bonus” to the labor force and more generally the economy (DGEEC, 2016a). Paraguay is also an officially bilingual nation with both Spanish and Guaraní as official languages. The latest census (2012) available at the time of this writing revealed 82% of Paraguayans as bilingual with Guaraní predominating in rural zones and Spanish in urban areas (DGEEC, 2016b).² Infused into the national identity are waves of immigrants from the late 19th and 20th centuries including those from France, Spain, Germany, Italy, Japan, and Korea, and to a lesser degree immigrants from Poland, Russia,

1 According to Transparency International, Paraguay ranks 128 of 180 countries with a corruption perceptions index score of 30 (Transparency International, 2022). This indicates a high level of corruption.

2 The most recent Paraguayan census was undertaken in November 2022, the results of which are not yet fully available.

Austria, Switzerland, Syria, and Eastern Europe (Benitez Martinez, 2010). Most Paraguayans are Catholic (88%) with about 10% Evangelical or Protestant contributing to a relatively conservative society (U.S. Department of State, 2021). Notable is the presence and economic contribution of Mennonite colonies (Mandl, 2021).

III. Literature review and conceptual model

Consumer ethnocentrism is an offshoot of the foundational country-of-origin (COO) literature introduced by Schooler (1965) in his study of consumer product bias in Central America. The interest in the bias associated with national product origins continued to be studied; the work by Bilkey and Nes (1982) found manufactured goods originating from developing economies were less desirable than manufactured products coming from developed countries. The “Made in ...” label on goods identifies where the product is made and may serve as a salient product attribute (Peterson and Jolibert, 1995). In part pushed and promoted by “buy local” movements attempting to create and activate sympathetic consumers (Skotnicki, 2021), these early COO studies led to enhanced considerations in how to measure consumer bias (or signals) related to national product origin.

Consumer ethnocentrism entered the international marketing literature with the publication of Shimp and Sharma’s initial research in 1987 conducted in the USA. Consumer ethnocentrism was originally defined as “the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products” (Shimp and Sharma, p. 280). Consumer ethnocentrism stresses moral suasion in support of one’s own economy and workers. Consumer ethnocentrism is operationalized by Shimp and Sharma’s CETSCALE (consumers’ ethnocentric tendencies), a multi-item psychometric scale. Early on, the CETSCALE proved a reliable survey instrument across national settings (Netemeyer, Durvasula, and Lichtenstein, 1991). The CETSCALE has been described as a “robust and cross-culturally invariant” psychometric measure (Balabanis and Siamagka, 2021, p. 2).

In a more general view, Balabanis and Siamagka (2021, p. 2) succinctly interpret consumer ethnocentrism as “the moral obligation of people to support and protect the domestic economy by buying domestic products”. Shimp and Sharma’s 1987 article has generated over 4,600 citations, according to Google Scholar, indicating the continued resonance of research related to consumer ethnocentrism counting more than 200 research studies that make use of the CETSCALE (Balabanis and Siamagka, 2021). The most studied nations are the USA, China, India, and Russia. The least studied countries are in Africa (Kibret and Shukla, 2021) and South America (Balabanis and Siamagka, 2021).

The nations in South America where notable research using the CETSCALE has been published include Brazil, Chile, Colombia, and Peru. Missing from this group is Paraguay, the country of focus in this research. Beyond geography, we consider novel antecedent variables and a unique moderating variable to extend the work on consumer ethnocentrism. These elements are developed below.

III.I Antecedents

Previous research has noted the importance of gender, civil status, household size, language use, acculturation, religiosity, and foreign experiences as significant and established antecedents in the formation of consumer ethnocentrism (see for example Bahaee and Pisani, 2009a; Bailey and Gutierrez de Pineres, 1997; Bizumic, 2019; Chowdhury et al., 2019; Das and Mukherjee, 2020; Fischer et al., 2022; Good and Huddleston, 1995; Neese and Davis, 2017; Pentz et al., 2017; Pisani, 2010; Sharma, Shimp and Shin, 1995). The directionality of influence of these antecedents, however, is often mixed and likely dependent upon the national context observed. Also muddying the results in many CE studies is the non-randomness of sample acquisition.

For example, in a study of bicultural Asians in the US, Chowdhury et al. (2019) found less acculturated Asian immigrants into the US were less consumer ethnocentric. However, their measure of acculturation was simply naturalization as US citizens. Mixed findings persist for most demographic variables with foreign experiences most often robustly observed as being positively related to consumer ethnocentrism. We suggest that national contexts, such as that in Paraguay, are unique and as such should be approached with the focal national setting in mind.

Based upon our intimate knowledge and understanding of the national context of Paraguay and the state of consumer ethnocentrism research, we develop the following hypotheses centered on gender, civil status, household size, language use, acculturation, religiosity, and foreign experiences including travel and foreign living. Our targeted Paraguayan sample reduced variability in age, education, income, occupation, and residence, hence these variables are not included in our study. This reduced variability is related to the fact that this limited group in Paraguay has both the greatest potential numerical interaction with imported products (mostly, by standards of purchasing power) and the capability to buy either local or foreign products. We include a moderator variable focused on the “Buy Paraguayan” (*Paraguayo Como Vos*) campaign promoted by UIP.

III.I.I Gender

Household shopping for everyday goods is typically the purview of females in Paraguay. This follows from a more conservative and chauvinistic (*machista*) culture. Price signals among foreign and domestic products are clearly visible, oftentimes with an array of low-priced local goods available in Paraguay. As such, Paraguayan women are more exposed to product choices. Thus,

- **H1a.** *Paraguayan Females are more likely to exhibit higher levels of consumer ethnocentric tendencies than their male counterparts as measured by the CETSCALE.*

III.I.II Civil Status

We suggest that single Paraguayans may be less encumbered by other household members and as such more carefree and less retrained in their consumer ethnocentric feelings. Thus,

- **H1b.** *Paraguayan singles are more likely to exhibit lower levels of consumer ethnocentric tendencies than their married or once married counterparts as measured by the CETSCALE.*

III.I.III Household Size

Typically, lower income and rural households have larger number of persons and multiple generations living in Paraguayan households. This characteristic of lower income households seems to have further strengthened during the Covid pandemic as many family members returned to family households under economic insecurity worldwide (WIEGO, 2020). In Paraguay, nearly one-fifth of the population changed residence in 2020 because of the pandemic (World Bank, 2022b). In addition, because of economic uncertainty, households with more members may have been required to stretch their resources even further than usual, requiring greater exposure to less expensive domestic products. Thus,

- **H1c.** *Paraguayan households with more persons living together are more likely to exhibit higher levels of consumer ethnocentric tendencies than households with fewer members as measured by the CETSCALE.*

III.I.IV Language Spoken at Home

Paraguay is unique among Latin American nations in that an indigenous language, Guaraní, is the most widely spoken language in the country. Bilingualism—Spanish and Guaraní—is common among Paraguayans. While not absolute, Guaraní is the first language of rural Paraguay and the working class (and, as already noted, also represents an official language of the country along with Spanish). Spanish is the dominant language for urbanites, is widely spoken among the educated class, and is extensively used in the Asunción metropolitan area. The use of Guaraní at home is also connected to lower household incomes and economically vulnerable and price sensitive households (Pisani and Ovando Rivarola, 2019). Hence,

- **H1d.** *Paraguayans with stronger language ties to Guaraní (bilingualism) are more likely to exhibit higher levels of consumer ethnocentric tendencies as measured by the CETSCALE.*

III.I.V Acculturation

Acculturation within society is a relatively new variable in the study of consumer ethnocentric tendencies. Paraguay has received various waves of immigration over its history, such as Mennonites and Southern Europeans in the early 20th century and Brazilians in the latter half of the 20th century. Within families, customs and traditions may influence individuals' current decisions. If the family has foreign origins, family and formal upbringing may be further biased to their external origins through social clubs and schools that encourage the customs, traditions, and language of their immigrant past. Formed from sociological literature, we employ the generation score measure as a proxy for acculturation. This parsimonious measure of acculturation is found to be robust in Hispanic settings in the US (Richardson and Pisani, 2017; Pisani, 2022).

The generation score considers up to three generations of familial lineage (respondent, respondent's parents, respondent's grandparents) and is constructed based upon birth location (after Richardson and Pisani, 2017). Each generation is awarded up to 4 points, allocated as follows: if the respondent was born in Paraguay, a score of 4 points is observed, if the respondent was born outside of Paraguay, a score of 0 points is observed. For each parent born in Paraguay, a score of 2 points is awarded, otherwise 0. For each grandparent born in Paraguay, a score of 1 point is awarded, otherwise 0. The point range for the generation score spans from 0 to 12. We suggest stronger birth ties to Paraguay will result in greater ties to Paraguay, resulting in higher levels of consumer ethnocentrism. Hence,

- **H1e.** *More acculturated Paraguayans as computed by the generation score will exhibit higher levels of consumer ethnocentric tendencies as measured by the CETSCALE.*

III.I.VI Religiosity

Paraguay is a traditional and deeply devout Catholic country. The strong connection to Catholicism is evident in everyday life; religious leaders are influential, churches are seemingly omnipresent, Christmas and Easter are revered religious holidays. Nonetheless, churchgoing in Paraguay may be irregular, illustrating degrees of religiosity as measured by frequency of church attendance. We suggest that higher incidence of church commitment through church attendance (i.e., religiosity) is associated with a more conservative world view. There is important research showing the relationship between conservatism and ethnocentric consumption. In the case of Turkey, the study by Altinkas and Tokel (2007), for the Polish consumer (Supphellen and Rittenburg, 2001) and for the French case (Javalgi, Khare and Gross, 2005) all support this connection. Thus,

- **H1f.** *Greater religiosity among Paraguayans as measured by church attendance results in higher levels of consumer ethnocentric tendencies as measured by the CETSCALE.*

III.I.VII Foreign Experiences

Foreign experiences expose and connect different peoples, places, and cultures. A continuum of foreign encounters may include temporary visits to other countries for pleasure or business or longer stays through lived lives abroad. Such experiences provide a window and an openness into others. Hence,

- **H1g.** *More traveled Paraguayans as measured by the number of countries visited will exhibit lower levels of consumer ethnocentric tendencies as measured by the CETSCALE than less traveled Paraguayans.*
- **H1h.** *Paraguayans who have lived and/or worked abroad will exhibit lower levels of consumer ethnocentric tendencies as measured by the CETSCALE than Paraguayans who have never lived or worked abroad.*

III.II Moderating variable

Potentially moderating the antecedent variables above are knowledge of and familiarity with the *Paraguayo Como Vos*³ [Buy Paraguay] campaign. Most places have “buy local” movements often directed by local chambers of commerce and government policymakers to promote local businesses, development, and employment (Han, 1988; Saffu et al., 2010). Environmentalists and consumer interest groups working to reduce carbon emissions and product footprints also foster buy local movements. These movements, such as the *Paraguayo Como Vos* campaign, may influence and harden consumer ethnocentric tendencies. This influence may also extend to consumption consideration of foreign products reframing consumer ethnocentric tendencies.

“*Paraguayo Como Vos*” [literally “Paraguayan Like You”] is a registered trademark of the Unión Industrial Paraguaya⁴ (UIP) and was introduced in 2015 by the youth branch of the UIP (UIP Joven). At its start, the goal of the *Paraguayo Como Vos* [Buy Paraguay] campaign was to raise public awareness of the quality, competitiveness, and economic benefits of purchasing local products and spur local employment. Prominent partners in the campaign include the major supermarket chains (present in over 100 supermarkets) and retailers, which display and promote the *Paraguayo Como Vos* product tag, and scores of major Paraguayan manufacturers. The *Paraguayo Como Vos* campaign is refreshed and recharged each year with the addition of new retailers, trade associations, and government officials as well as seasonal secondary catchphrases (“*Consumo Orgullo*” [“Proud Consumption”] in 2018 and “*Nuestro Origen, Nuestro Orgullo*” [“Our Origin, Our Pride”] in 2021). The promotional emphasis of the *Paraguayo Como Vos* campaign takes place in the urban heartland of Paraguay, particularly the Asunción metropolitan area. Thus,

- **H2.** *Familiarity of the Paraguayo Como Vos campaign will moderate consumer ethnocentric tendencies as measured by the CETSCALE.*

III.III Conceptual model

Building upon the consumer ethnocentrism literature and our present study, the model in Figure 1 conceptualizes our study of the antecedent and moderator variables toward consumer ethnocentric tendencies in Paraguay. The explanatory chain model begins with a set of antecedent variables that enable the formulation of consumer ethnocentrism. In the formulation process, the antecedents may be moderated by familiarity of the *Paraguayo Como Vos* campaign. The model provides a pictorial overview of our study.

3 The primary sources for this section are derived from the UIP annual reports, available at uip.org.py.

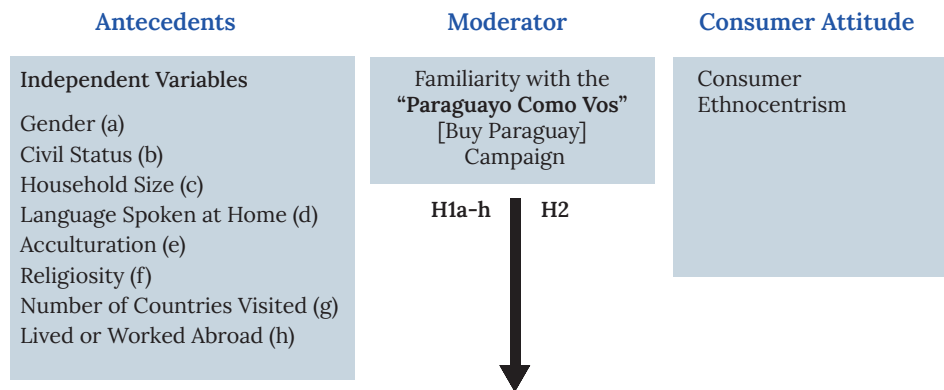
4 The UIP was founded in 1936 and is the primary trade association representing the industrial sector in Paraguay.

IV. Data, descriptive statistics and methodology

IV.I Data

The data for this study derives from our survey of 396 Paraguayan consumers, conducted between April 8 and July 1, 2022.⁵ Recruitment of survey respondents was facilitated by several Paraguayan institutions of higher education with graduate programs, alumni groups, and organizations.⁶ The targeted respondent group was middle- and upper-class, graduate students (e.g., MBA, DBA, 5th year undergraduate students, *diplomado* bridge programs), and professionals to reflect a mature urban middle- and upper-class consumer that has the greatest potential numerical interaction (by population size, maturity, and purchasing power) with imported products and the decision and capability to buy local versus foreign products. While our sample is a purposive one, this is the first academic study to explore consumer ethnocentrism in Paraguay.

Figura 1 Conceptual model of consumer ethnocentrism in Paraguay



Source: Authors' own model

⁵ In all, 486 respondents attempted the survey and 396 completed the survey in its entirety. Where sections of the survey were completed, the responses are kept intact and left missing when incomplete. In a few cases where one or two questions are missing from a multi-item scale, imputed missing values were entered. Imputed values were rare and fewer than five responses per reported scale were adjusted accordingly (or less than one percent per scale). Fully incomplete responses were eliminated.

⁶ Specific universities, groups and organizations included: AGI - Asociación de Graduados de INCAE (Instituto Centroamericano de Administración de Empresas)-Paraguay, CADEP (Centro de Análisis y Difusión de la Economía Paraguaya), EDAN (Escuela de Administración de Negocios), EducationUSA-Paraguay, Fulbright Association of Paraguay (in partnership with the US Embassy), Fundación MAE - UC (Maestría en Administración de Empresas - Universidad Católica), Instituto Desarrollo, UIP (Unión Industrial Paraguaya), Universidad Americana, Universidad Autónoma de Asunción, UCA (Universidad Católica "Nuestra Señora de la Asunción"), Universidad Columbia, and Universidad Paraguaya Alemana.

The survey was administered in person and online using an online platform (i.e., Qualtrics) to record responses. The survey instrument was constructed in English and translated into Spanish by a bilingual researcher and back-translated as instructed by Brislin (1980) using questions focused on the Paraguayan consumer environment, including the CETSCALE as well as demographic information. A small pilot test in early 2022 permitted minor adjustments for wording clarification. The survey generally took respondents about 20-25 minutes to complete.

A single psychometric scale was utilized in this study. The original 17-question CETSCALE developed by Shimp and Sharma (1987) was employed and adapted to the Paraguayan context and serves as the dependent variable (see Appendix for the English wording).

IV.II Descriptive statistics

Here we report our sample descriptive statistics for the variables displayed in our conceptual model. Note that our target sample is to be representative of the highly educated, career-climbing urban middle- and upper-class mostly residing in the metropolitan capital area of Asunción rather than Paraguayans generally. By gender and civil status, our sample reflects a nearly even split between women and men and those married or single (see Table 1). The average household size is 4.4 persons. Our survey respondents overwhelmingly use Spanish at home, though about one-fifth utilize Guaraní or a language other than Spanish at home. Our respondents are more heavily Spanish speaking because of the Spanish-dominated educational system.

Tabla 1	Descriptive statistics
Variables	Value
Independent	
Gender	Female=56.9% Male=43.1%
Civil Status	Single=58.2% Married/Living Together=37.8% Divorced/Separated/Widowed=4.1%
Household Size-Mean Number of Persons (std. dev.)	4.4 (2.7)
Language Spoken at Home	Guaraní and Spanish=17.0% Spanish=80.4% Other=2.6%
Acculturation-Mean Generation Score (std. dev.)	10.4 (2.9)
Religiosity- Church Attendance	More than once per Week=7.4% Weekly=14.6% 1-2 Times per Month=21.7% 1-2 Times per Year=36.1% Never=20.2%
Source: Authors' analyses.	

Tabla 1	Descriptive statistics
Foreign Travel-Mean Countries Visited (std. dev.)	9.7 (15.9)
Foreign Living	Yes=42.7% No=57.3%
Moderating	
Paraguayo Como Vos-Familiarity	Familiar=42.5 Unfamiliar=57.5
Dependent	
CETSCALE – Mean Score	55.1
Source: Authors' analyses.	

Not often thought of as a country of immigrants, Paraguay does have a history of immigration. The decennial census of 2012 noted that 2.0% of the population had been born outside Paraguay. The yearly community survey (the *Encuesta Permanente de Hogares Continua* [EPHC]) provides estimates for a variety of variables including the birth location of the respondent mother. In 2020, 2.6% of nationally representative respondent mothers were born outside Paraguay. Blanc suggests that as many as 400,000 Brazilians, the most numerous immigrant group, live in Paraguay, known locally as *Brasiguayos* (Blanc, 2015). The generation score, a proxy for acculturation, averages 10.4 for our respondent group. This score indicates that on average one parent or two grandparents per respondent was born outside of Paraguay, suggesting some existing external familial ties and variation in acculturation.

Religiosity, measured by church attendance, shows about one-fifth of our sample attends church weekly, one-fifth attends one to two times per month, and one-fifth never attends church. The remainder attend church a couple of times per year. Roughly half of our sample attend church regularly, half do not. This is in line with religiosity observed by the Latin American Public Opinion Poll of Paraguayans from 2019 (AmericasBarometer, 2019).

Nearly one in five Paraguayans visited another country in 2019 (UNWTO, 2022). As a founding member of MERCOSUR, Paraguayans are permitted unfettered and easily accessible travel to Argentina, Brazil, and Uruguay with only their national identification card.⁷ A passport is required for Paraguayans to travel outside of MERCOSUR member countries. Our survey respondents have traveled widely, both within and outside of MERCOSUR. Many Paraguayans are on the move experiencing life outside of Paraguay. More than one in ten Paraguayans has emigrated abroad (UNICEF, 2022), primarily to send remittances home to family members or to study abroad. This outflow of Paraguayans is directed mostly toward Argentina and Spain with a substantial return

7 In 2021, the number one foreign travel destination for Paraguayans was Argentina (50.7%), followed by Brazil (13.6%), and the USA (12.9%) (Migraciones Paraguay, Ministerio del Interior, 2022).

flow (Arrúa and Bruno, 2018).⁸ Our survey respondents display an even higher penchant for living abroad, where four in ten have done so.

Regarding the *Paraguayo Como Vos* campaign, a substantial minority (42.5%) of our survey respondents was familiar with the campaign. This percentage is in line with the UIP Joven estimates of 35% to 40% at the national level, implying that the level of awareness observed in our sample matches that observed in the general population.⁹ Finally, the average CETSCALE score for our survey respondents is 55.1¹⁰, out of a possible score range between 17-119.

IV.III Methodology

We employ linear regression to determine the association between the set of independent (antecedent) variables and a single moderating variable with the CETSCALE as the dependent variable as shown in our conceptual model. Multiple regression allows for the simultaneous estimation of a set of independent variables with a single dependent variable. We build two models, first examining the independent variables (Model 1), and then adding the moderating variable in the full model (Model 2).

Variables for the multiple regression analyses are coded as follows: gender, female=1, male=0; civil status, single=0, married or once married=1; household size, number of persons; language spoken at home, Spanish only=0, bilingual (Guaraní/Spanish/other languages)=1; acculturation, generation score (range of 0-12); religiosity, never (or rarely) attends church=0, attends church (at least once a month) =1; foreign travel, number of countries visited; lived or worked abroad, no=0, yes=1; *Paraguayo Como Vos*, never heard of campaign (unfamiliar)=0, heard of campaign (familiar)=1; and consumer ethnocentrism, CETSCALE (range of 17-119). The reliability value for the CETSCALE psychometric scale is .912. This Cronbach alpha value is satisfactory given the generally acceptable threshold of .700 (Hair et al., 1995).¹¹

8 The outflow (752,963) of migrants from Paraguay greatly exceeds the inflow (160,500 migrants in Paraguay as of 2019, mostly from Brazil and Argentina) (United Nations, 2022).

9 A UIP Joven representative indicated to us that despite annual *Paraguayo Como Vos* campaigns, the UIP Joven have not yet formally evaluated their reach.

10 The CETSCALE score of 55.1 puts our sample toward the middle of consumer ethnocentrism studies around the world (Balabanis and Siamagka, 2021).

11 The CETSCALE for our sample of Paraguayan middle- and upper-class consumers is also unidimensional as is common among studies using the CESCALE (Jiménez-Guerrero et al., 2014).

V. Research findings & discussion

In this section we present and discuss our research findings. This entails the presentation of the results of our multivariate statistical analyses following our conceptual model. We present our findings according to the two models focused on the antecedent variables (Model 1), and then present the full model with the moderating variable (Model 2).

V.I Model 1

Model 1 reports the multiple regression results of the eight independent (antecedent) variables in association with the CETSCALE dependent variable. Women are significantly more likely to hold higher consumer ethnocentric levels than men resulting in a 6.550-point increase in the CETSCALE for women. Generally, in the literature, ethnocentric consumers (CE) are more likely to be female (Klein and Ettenson, 1999; Sharma et al., 1995), despite the fact that male consumers tend to be traditionally more conservative (and hence, indirectly, ethnocentric) than women (Fernández-Ferrín et al., 2015; Hofstede and Hofstede, 2005; Klein and Ettenson, 1999). These results also suggest that—on average—Paraguayan women continue to evaluate domestic products more favorably than imported products (Chrysochoidis et al., 2007; Durvasala et al., 1997).

We believe that price signals (whereby most of the basic local goods normally available along with their foreign counterparts tend to be priced lower than their foreign alternatives) and the fact that, in Paraguay, women continue to be more exposed to product choices than men play an important role in these results. Civil status was not significant indicating that this predictor variable was not associated with consumer ethnocentrism.

Opposite of our hypothesis, smaller households are less likely to hold consumer ethnocentric attitudes. This may result from smaller households in our relatively affluent sample having more disposable income and thus the enhanced ability to consume imported goods. Less likely, larger households in our sample may stretch incomes through the consumption of imported durable goods from low-price producers (e.g., China) that are less expensive than their domestic counterparts.

Bilingualism in Paraguay is most often understood as the use of Spanish and Guaraní in the home (though a small percentage of the population is also conversant in other languages, however, these other languages are seldom spoken extensively at home). Bilingualism at home is related to higher consumer ethnocentric levels compared to speaking Spanish only. This is in line with our hypothesis and with previous empirical studies which showed that the use of Guaraní language is associated with lower household incomes and economically vulnerable and price sensitive households (Pisani and Ovando Rivarola, 2019). This price sensitivity, in turn, is likely to have a significant impact on consumer ethnocentric tendencies; our personal observations suggest the preference for lower priced domestic products among Guaraní speaking consumers, regardless of the differences in quality between these and similar foreign products.

Tabla 2		Multiple regression models (CETSCALE = Dependent Variable)	
	Model 1 Independent Variables	Model 2 Full Model All Variables	
Variable	β	β	
Constant	44.804 \ddagger	44.539 \ddagger	
Independent Variables			
Gender (Female=1)	6.550 \ddagger	6.391 \ddagger	
Civil Status (Married=1)	2.421	2.678	
Household Size	.560*	.518	
Language Spoken at Home			
(Bilingual Household=1)	6.559 \ddagger	6.162*	
Acculturation	.593*	.600*	
Religiosity (Yes=1)	-1.286	-1.021*	
Number of Countries Visited	-.007	-.018	
Lived or Worked Abroad (Yes=1)	-2.754	-2.646	
Moderating Variable			
Paraguayo Como Vos (Familiar=1)	---	.460	
N	370	368	
Diagnostics			
F value	5.484	4.605	
R ²	.108	.104	
Adjusted R ²	.089	.081	
Durbin-Watson	1.886	1.904	
Model Significance	.001 \ddagger	.001 \ddagger	
[^] Represents significance at the *P \leq 0.10; \ddagger P \leq 0.05; and \ddagger P \leq 0.01 levels. Source: Authors' analyses.			

The degree of acculturation—as proxied by the generation score measure—is significantly and positively related to consumer ethnocentrism. This suggests that the stronger one's ties to Paraguay, the more inclined the person will be towards purchasing one's own country-made products and brands over imported ones. Although relatively new in the study of consumer ethnocentric tendencies, this variable has been previously used in studies focused on informality, class, and cul-

ture (Richardson and Pisani, 2017; Pisani, 2022). Religiosity and foreign experiences either through travel or living are not statistically significant in association with consumer ethnocentrism.

V.II Model 2

Model 2, the full model, adds the moderating variable of the buy Paraguay (or buy local) campaign of *Paraguay Como Vos*. The result is not significant. This suggests that the campaign may be having a trivial impact on raising public awareness of the quality of locally produced products, and hence, no real impact on the consumer ethnocentric tendencies of the Paraguayan surveyed respondents. The second model also changes two of the independent variables, household size is no longer significant, and religiosity becomes significant. In the case of religiosity, those who never or almost never attend church are less consumer ethnocentric (reducing the CETSCALE by 1.021 points) than those who attend church regularly. This result is in line with our hypothesis H1f.¹² That is, greater church attendance or religiosity is associated with higher levels of consumer ethnocentric tendencies suggesting more conservative Paraguayans are also more consumer ethnocentric.

Model diagnostics are reported at the bottom of Table 2. All the diagnostics are acceptable, and model 1 and model 2 explain 8.9% and 8.1% of the variance, respectively. Multicollinearity is not a problem, as only two variable pairs have a correlation higher than .5 (bilingualism and civil status at .68; gender and countries visited at .66) and the variance inflation factor (VIF) is below 1.3 for all variables.

¹² Full regression results (standard errors, standardized beta coefficients, t-statistics) are available by request from the authors. We also estimated a model interacting our moderating variable with the independent variables. No interaction effect was significant and is thus not further explored.

VI. Conclusion

In this study, we examined the Paraguayan consumer preferences about product origin through the lens of consumer ethnocentrism. Consistent with past research, we found evidence that antecedent variables including gender, and household size, as well as novel antecedent variables including bilingualism, acculturation, and religiosity are all related to ethnocentric tendencies of Paraguayan consumers. Furthermore, our results also show that the local buy Paraguay campaign (*Paraguayo Como Vos*) had no moderating effect on consumer ethnocentrism in Paraguay.

The results of this paper contribute to the existing, yet sparse, literature on explaining attitudes of Latin American consumers to buy domestic versus foreign products in the context of Paraguay. In particular, the variables of language use, acculturation, religiosity, and the buy Paraguayan campaign are all novel to this study and provide pathways for other studies of consumer ethnocentrism in alternative contexts. A better understanding of the antecedents may be useful for local producers who can take advantage of our findings to focus on developing products that best serve the consumer market segments that are particularly ethnocentric. Marketers as well as retailers, on the other hand, can appeal to language use and women through targeted advertisement and marketing. In this case, the knowledge of the directionality of the various antecedent variables may be used to increase the effectiveness of their marketing practices. For example, marketers may choose to point out the unique local features of their products when targeting language labeling on products and appeal to female consumers and the more religious.

At the national level, the proliferation of cross-border trade by an increasing number of the global firms on the one hand and the continuing integration of local markets into the regional markets on the other continue to represent a challenge for the local industry (Masi, 2016). The present study—as well as any subsequent studies based on Paraguayan consumer preference data—may prove instrumental in designing effective marketing campaigns promoting local industries and products. Our results show that the current buy local campaign (*Paraguayo Como Vos*) may require further refinement if it is going to impact consumer ethnocentric tendencies in Paraguay.

This study opens multiple dimensions for future research. For example, it has been shown that although local firms may take advantage of consumers' ethnocentric instincts by emphasizing the “domesticity” of their brands and adopting “buy national” campaigns, such approaches may prove counterproductive in presence of sizeable xenocentric segments within the overall market (Balabanis and Diamantopoulos, 2016).

Future research may extend the consumer ethnocentrism model as a predictor of subsequent consumer action in Paraguay with a focus on product purchase intentions. Such future research may build upon the present focus of consumer ethnocentrism as an end to one where consumer ethnocentrism is a means to enhanced knowledge. Such research may also consider specific consumer goods and products across a continuum of household needs and wants. Finally, to provide a more informed view of consumer dispositions toward domestic and/or foreign products or brands,

future studies could be conducted to also consider consumer's animosity-affinity (Balabanis et al., 2001). All these studies may provide additional insights to the marketers and retailers who wish to improve their cultural branding while marketing brands and items to Paraguayan consumers.

The main limitation of this research has to do with the sample, which is primarily composed of urban middle- and upper-class consumers. Although it is this group that currently has the greatest purchasing potential and the closest interaction with imported products, there is no doubt that as the country continues to grow so too will the diversity of its other classes and consumers across national regions. Therefore, a follow-up study should expand the sample to account for the full spectrum of Paraguayan consumers in order to offer more comprehensive results.

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Appendix

The 17-item CESCALE Adapted for Paraguay.

Answered on a 7-point Likert-type response scale (1 = strongly disagree, 7 = strongly agree).

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

Adapted from: Terrence A. Shimp and Subhash Sharma (1987), "Consumer Ethnocentrism: Construction and Validation of the CETSCALE," *Journal of Marketing Research*, 14 (August), 280-289.