

THE ROLE OF SOCIAL-PSYCHOLOGICAL FACTORS IN PURCHASING DOMESTIC PRODUCTS BY IRANIAN CONSUMERS

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Abstract

“Buy domestic” promotions in various countries often urge citizens to help domestic workers whose jobs are threatened by imports. To explain why purchasers might engage in buy domestic purchase activities, researchers develop and test a behavioral model about why people help distressed victims. The aim of this study was to investigate the role of factors underlying consumer choice of domestic vs. foreign products on a sample of consumers in Iran. For this purpose authors use multiple-group structural equation analysis of survey data from Iran to test the model that features seven explanatory constructs drawn from previous behavioral research. Empirical results confirmed the postulated that domestic punches costs, similarity and common fate have significant impact on consumer domestic purchase decisions. However, findings did not lend support for theoretical propositions related to ethnocentric, patriotism, social concerns. Implications for domestic economic are outlined in the conclusions.

Key Words: Iranian Goods, Patriotism, Ethnocentrism, Social concern, Responsibility, Conceptual Model,

1- Introduction

With ongoing trade liberalization, the globalization of markets, advances in communications and transportation technologies, and other facilitating factors, consumers are increasingly exposed to a wide array of imported goods (Chuushoo Kigyoo Cho, 1995; Craig and Douglas, 1996). This can lead to diversion of domestic demand from domestic goods and cause tendency towards foreign goods and consequently will reduce job opportunities. Although the role of governments in supporting domestic producers and increasing their competitiveness is important, but often this support imposes heavy costs on public spending and in most cases is not economically justified. For this reason, most countries Instead of public support for domestic producers, try to stimulate domestic consumers to buy locally manufactured

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goods. Implementation of such solutions by manufacturers and policy makers is not a new and unknown phenomenon. For example, the first 'Buy Australian' campaign was launched in 1923, and was followed by several similar campaigns (Elliott and Cameron, 1994). Other recent examples of 'buy national' campaigns ran in the UK, Egypt, and Malaysia. Creation of such slogans indicates that in addition to economic factors such as price and quality, social and psychological factors are effective in determining consumer preferences. Because of this reason in the past two decades researchers in the field of marketing have paid more attention to social and psychological factors of consumer preferences. Obviously the identification of these factors is essential for increasing consumer's tendency to domestic products and can be useful in implementing optimal economic, social and culture policies.

This study investigates the social and psychological factors that are effective in the purchase of domestic goods by Iranian consumers. For this purpose the data are collected by questionnaire and a structural model that includes seven variables which are effective directly and indirectly on the consumer's decision to purchase Iranian goods is estimated. In this study we first introduce the theoretical basis of model and review the literature and then analyze the model empirically. Finally conclusions and policy implication will be offered.

2- Literature review

This section discusses two major conceptual bases previous research has found relevant to understanding helping behavior, social identification and personal values. Social identification results from individuals' propensity to cognitively categorize persons into social groups and to perceptually, differentiate their own "in-group" from other groupings of persons (Brewer, 1979; Hogg, 1987; Hogg and Turner, 1987; Tajfel, 1981; Turner, 1991). Note that one's identification with a social group need not involve actual membership, but may derive simply from perceiving oneself as belonging to the same category as other persons (Turner, 1987). Persons tend to endorse in-groups and deprecate out-groups (Campbell and McCandless, 1951; Ray and Lovejoy, 1986). In fact, their deep-seated feelings of acceptance of in-groups and rejection of out-groups become internalized as personal values. Relations among in-group members are generally characterized by altruism and cooperation; that is, helping others is an intragroup phenomenon stimulated and abetted by psycho-logical group formation (Turner, 1987). Persons help in-group members because they associate the needs of other members with their own needs; the more salient they find the group and thus its needs, the greater their cooperation (Turner, 1987). Put otherwise, persons help those who are categorized as one of "our own" (Tajfel et al., 1971). Values such as ethnocentrism, patriotism, and social concern help define the salient in-group, those persons who are "our own" and who thus deserve assistance. However, membership in

the same nation or culture may be only a necessary, but not a sufficient, reason to be helped. The literature suggests who is really “our own” reflects two more specific and interrelated influences.

a. Similarity:

The first such indicator of who is “our own” is the helper’s perceived similarity with other positively valued in-group members (Hogg, 1987). Perceived similarity with other persons exerts a positive force toward favorable social categorization of these persons and thus serves to identify those who are particularly worthy of assistance. The more negative the situation (e.g., when costs of helping are high), the greater the similarity required to motivate helping (Hornstein, 1982). Here, the issue is whether consumers identify with the threatened Iranian workers by feeling similarly vulnerable to losing their own jobs.

b. Common fate:

The second indicator of who is “our own” reflects a stronger form of identification, the extent to which persons think they share with similar members of the in-group a common fate in a competitive situation (Rabbie and Horwitz, 1969). Here, the issue is whether consumers feel they share in any harm done to threatened workers.

In sum, persons’ tendency to engage in social categorization leads them to recognize in-group(s) and out-group(s). Values such as ethnocentrism and patriotism provide the basis for defining who is included in the in-group at a very broadly-defined level of inclusion; such as, all Iranians. Further, the value of social concern motivates a certain level of support for members of this broadly defined in-group. Functioning as members of the in-group, helpers’ perceived similarity and common fate with a more narrowly defined subset of in-group members (here, threatened American workers) enhances these helpers’ disposition to assist these victims.

In this section we review the previous studies that investigate determinants of purchasing domestic products versus foreign products. Earlier studies have demonstrated that country image can influence buyers’ perceptions and evaluations of both the product and its attributes (Kochunny et al., 1993; Nagashima, 1970; Strutton et al., 1994). According to these studies that known as Country-of-Origin studies, consumers’ perceptions about manufacturer country affects their purchase decisions. There are many studies in this field that we can mention, for instance Nagashima (1970), Kochunny et al (1993), Strutton et al. (1994), Ahmed et al. (2004), Hamzaoui and Merunka (2006) and Torres and Gutiérrez (2007). We can summarize the results of these studies as follows:

- In general, Perceptions about product of a particular country are different from country to country but not from region to region (Schooler and Sunoo, 1969; Bilkey and Nes, 1982; Cattin et al. 1982).
- Overall evaluations of products of one country are not affected by the consumers’ imagine of one particular product. But if some products, like cars for that country are the dominant product, buyers’ evaluations of that

product may affect their evaluations of other goods that manufactured in that country (Halfhill, 1980).

- In more-developed countries compared to less developed countries, consumers tend to consume domestic products rather than imported products, especially in competitive conditions of price and quality (Cordell, 1991). Of course well-known brands may reduce this interest (Cordell, 1992).
- The nationality of producers and manufacturers of goods that reflects the location of central company has stronger affect than brand (Tse and Gorn, 1993).

Some other studies have introduced the quality of products as main factor of consumers' decision making(Chao, 1993; Narayana, 1981; Reiersen, 1966; Strutton, et al., 1994; Wall et al.,1991) and mentioned that sometimes evaluation of quality of products is difficult and buyers for diagnosing the quality of products use some criteria such as location of production(Han, 1988) and in some rare cases the location of production is one of the main criteria for buyers(Wall and Heslop, 1986, Akaah and Yaprak, 1993).

However, the ideas about buyers' preferences are conflicting (Gaedeke, 1973), it is yet questionable if consumers consider the location of production as main criteria or the quality of productions is more important. In some studies, the features of buyers are considered as explanatory variables (Wall and Heslop, 1986). Researchers believe that some psychological factors such as individual's prior experience of product consumption (Johansson et al., 1985; Waheeduzzaman and Marks, 1989), personal norms(Johansson and Nebenzahl, 1987), ethnocentrism(Herche, 1992; Netemeyer et al., 1991; Shimp and Sharma, 1987) and religiosity(Bilkey and Nes, 1982; Kaynak and Cavusgil, 1983) are affect on buying products. All previous studies have emphasized on the three kind of explanatory variables:

1. Image of and preference for country; of manufacture or branding
2. attributes of certain products of interest
3. Individual characteristics of the actual or simulated purchasers, primarily demographics, but also certain individual-oriented psychological constructs.

In general, what is missing from this research is an organized consideration of a set of the socially-oriented influences that lead to purchase of products of domestic origin. In most studies the direct effects of variables on buying local products is discussed and the structural patterns that will lead to buying products, has been ignored (Han, 1988).

In this study we have tried to compensate these decencies and investigate the structural pattern affecting consumer purchase behavior. This model based on consumer incentives to assist victims of domestic products failure in the defeat against foreign competitors (such as unemployed labor force) and therefore this structural model is known as *helping model*. This section mentioned few existing studies in this field:

Granzin and Olsen (1998) using the structural helping model investigated the effect of socio-psychological factors including ethnocentrism, patriotism, social concern, responsibility toward Congener, feel common fate with compatriots and cost of purchasing domestic products on the behavior of American consumers and come to the conclusion that buying local products by American consumers has negative relationship with helping costs and positive relationship with responsibility. Granzin and Painter

(2001) using a similar model examines the behavior of consumers in buying local products in the two countries, U.S. and Portugal and have reached to similar results. Vida and Damjan (2001) Vida and Dmitrović (2001) investigate the role of factors underlying consumer choice of domestic vs. foreign products on a sample of consumers in Slovenia. They show that there is a strong relationship among the protectionism dimension of ethnocentric attitudes, familiarity with global brands and consumer domestic purchase decisions for the product categories examined in this study. Verlegh (2007) shows that in the Netherlands and USA, consumer ethnocentrism provides a motivation for preferring domestic goods over foreign alternatives. Dmitrovic et al (2009) examine behavioral manifestations of consumers' choice of domestic vs. foreign products in four transitioning post-war markets in the West Balkans. The model of helping behavior was tested using structural equation analysis. The results for all four country samples indicate that consumer ethnocentrism has affected domestic purchase behavior both directly and indirectly through domestic product appraisal. Noor ul Islam et al (2009) investigate the main reasons behind why Pakistani consumer prefer foreign made products and services to those which are made domestically. Result of their study shows that dimensions of the ethnocentrism variable are prevalent in the Pakistani market.

3- Model

In this section according to previous discussions we provide a model in which social groups means people with the same nationality and social identity means national identity. The proposed model represents a situation that involves victims (here, threatened Iranian workers) and potential helpers (here, Iranian consumers), where the latter aid the former by purchasing domestic products. Figure 1 presents the model, which features a proposed pattern of relationships among seven antecedent constructs and the single criterion construct, the flow of influence in the figure proceeds from left to right. This presentation treats each of the eight constructs in turn, and: (1) for each construct, first explains its nature, (2) for each endogenous construct, next presents the rationale for the proposed influences from antecedent constructs; and (3) for each endogenous construct, then presents a formal statement of these hypothesized influences.

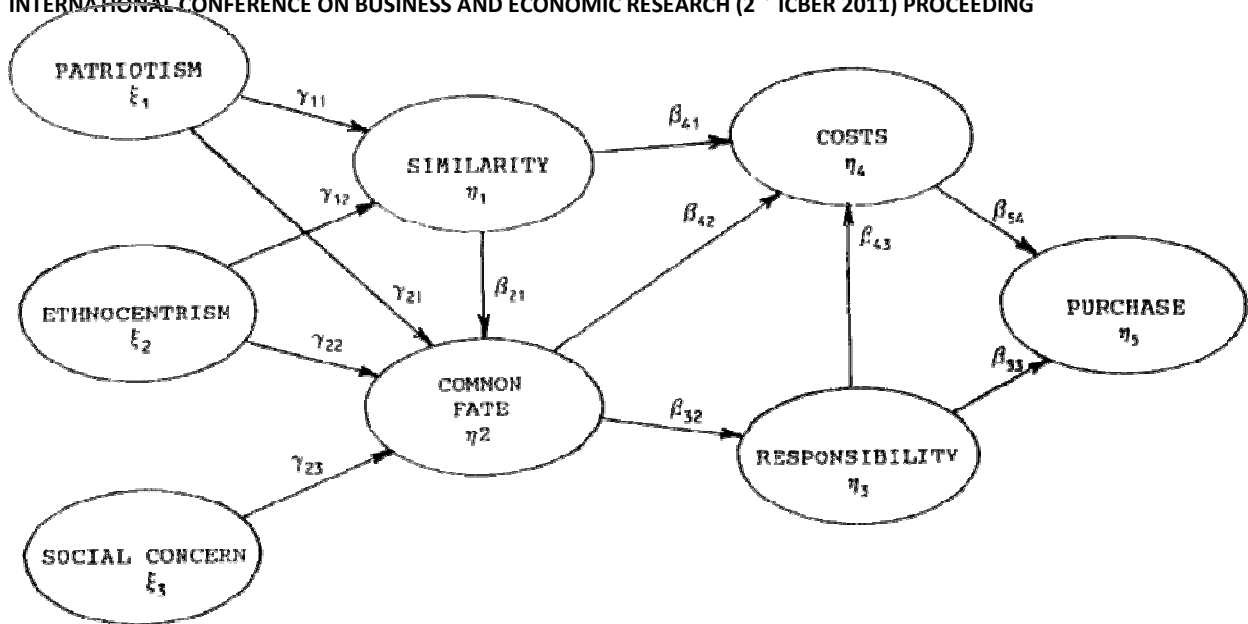


Figure 1. Model of the influences on purchase-related behavior in support of Iranian workers

Source: Granzin and Olsen (1998, p42)

The model contains three exogenous values constructs, ethno-centrism, patriotism, and social concern. Values such as ethno-centrism, patriotism and social concern are exogenous values that make individuals who are in the group, different from people who are not in the group. People who are in his group are worth to be supported, because they are the same race (ethno-centrism) or live within borders of his country (patriotism) or feel concerned about them (social concern)(Granzin and Olsen(1998), Verlegh(2007).

The model also contains two endogenous group identity constructs, similarity and common fate; represent group identity as a relatively specific and narrowly defined form of social identification. The values of ethnocentrism and patriotism supply bases for relatively broadly defined social categorizations (Forbes, 1985), creating a cognitive foundation for identifying threatened Iranian workers as worthy of help. In turn, similarity and common fate focus the influence of the three more general, societal-level values (that pertain to Iranian in general) by referring specifically to the threatened workers. These two group-identity constructs represent the extent to which the consumer-helper explicitly recognizes the threatened workers as worthy in-group members.

Similarity is helpers' perception of sameness or resemblance, of having certain characteristics or attributes in common with the victim. Here, it reflects a perceived likeness to the threatened workers in being similarly vulnerable to losing one's job. Researchers have found similarity to aid social categorization (Brewer, 1979), thus increasing arousal (Piliavin et al., 1981), stimulating a cooperative rather than a competitive orientation toward a like person (Taormina and Messick, 1983), and increasing one's disposition to understand the other's position; for example, the other's distress (Krebs, 1975). Previous studies further demonstrate that similarity plays a part

in the helping process (e.g., Batson et al., 1986), because persons favor their own kind versus others on almost every dimension of similarity-difference (Lerner and Meindl, 1981).

Common fate is a particular form of group identity that represents persons' feeling that some aspect of their destiny is tied to that of an identified collectivity of persons. It focuses on common outcomes rather than common characteristics and thus represents a closer form of identification than simple categorization into the same natural category (Kramer and Brewer, 1984). Common fate is the belief that outcomes will be shared and will be mutually detrimental or beneficial for all those at risk. It is perhaps best reflected in the phrase "United we stand, divided we fall." Common fate plays a role in the helping process because the strong group identification implied by a perceived threat (Piliavin et al., 1981) makes helpers more sensitive to the needs of victims (Batson et al., 1979). Based on above, we can consider two hypotheses about the relation of three exogenous values and two endogenous values:

H1: Greater similarity results from greater patriotism and greater ethnocentrism

H2: Greater common fate results from greater patriotism, greater ethnocentrism, greater social concern, and greater similarity

The model contains two endogenous cognitive/perceptual constructs, internalized responsibility and costs of helping. Responsibility represents persons' acceptance or rejection of an obligation to reduce distress—in the present context, by helping victims. Accepting this obligation internalizes responsibility, while assigning it to the recipient, to other immediate observers, or elsewhere externalizes responsibility. Recognition of a common in-group affects members' feelings and behavior toward other members. In the model, the influence of the broader, more basic values is translated into norms supportive of the threatened workers to the extent helpers identify with these workers. The more closely helpers identify with the victims, the more their relevant values translate into specific personal norms that indicate helping is appropriate. Thus, common fate channels the influence of ethnocentrism, patriotism, and social concern into the specification of appropriate helping behavior. On this basis, helpers who identify with the supposedly victimized workers would be more likely to accept the obligation to help them retain their jobs (Callero, Howard, and Piliavin, 1987; Latane and Nida, 1981).

H3: Greater (internalized) responsibility results from greater common fate.

Costs are the losses expected from behavior in a helping situation. The decision to help reflects helpers' assessment of the perceived costs of both helping and not helping. Lower costs of helping and higher costs of not helping; motivate helpers to assist a

victim (Batson and Flory, 1990; Latane and Darley, 1976). These costs vary with the degree and means of helping appropriate to a specific context (Eisenberg and Fabes, 1990). Scholars have suggested many costs of helping; for example, embarrassment or other psychological distress, time lost, money spent, feelings of inadequacy if help is ineffective, opportunity costs of time not used otherwise or rewards foregone (Piliavin et al., 1981),

Piliavin et al. (1981) justify a link from similarity to costs by arguing it is easier to empathize with similar victims and to judge whether help is actually needed and how to provide this help. Contrarily, a helper should hold lesser empathy for a dissimilar victim, consequently feeling lower costs of personal distress in not helping (Piliavin et al., 1981; Schroeder et al., 1988). A link from common fate to costs follows in parallel fashion. The feeling of “we-ness” increases when persons share common outcomes (Piliavin et al., 1981), which should decrease the perceived personal costs of helping a victim, both because helpers may feel better able to assist group members and because well-intentioned failure would be less embarrassing.

Costs moderate the impetus of responsibility toward helping. Schwartz and Howard (1981) stated that feelings of moral obligations are emotionally arousing, but this arousal is reduced when high costs are anticipated from helping. Simply put, the issue is one of whether the moral obligation outweighs the anticipated costs. In particular, internalizing responsibility makes escape more costly (e.g., through damage to one’s self-image), which implies greater internalized responsibility generates lower perceived costs of helping. Conversely, the costs of not helping (i.e., of ignoring the plight of the victim) may be decreased if helpers can reduce their own felt responsibility to help by such means as diffusing it to others (Latané and Darley, 1976), dissolving it (Piliavin et al., 1981), or derogating the victim (Batson et al., 1986).

H4: Greater costs of helping results from lesser similarity, lesser common fate, and lesser (internalized) responsibility.

The fourth section of the model is related to the local consumer decision to buy or not buy domestic products that is dependent on two internal variables: responsibility and cost of purchasing domestic goods. The consumer’s willingness to buy domestic products will be more if his sense of responsibility toward the threatened domestic work force is high or if the cost of buying domestic product is low (Granzin and Olsen, 1998).

H5: Greater purchase results from lesser perceived costs and greater (internalized) responsibility.

Conceptual models such as figure 1 have two distinct parts: structural part, which shows the relationship between latent variables and measurement division that shows the

relation between revealed variables and latent variables. Considering above relations and presented relations in figure 1, we can show the structure part as follow:

$$\begin{array}{lll}
 (3) & & (1) \\
 \eta_3 = \beta_{32}\eta_2 + \zeta_3 & \eta_2 = \beta_{21}\eta_1 + \gamma_{21}\xi_1 + \gamma_{22}\xi_2 + \gamma_{23}\xi_3 + \zeta_2 & \eta_1 = \gamma_{11}\xi_1 + \gamma_{12}\xi_2 + \zeta_1 \\
 (5) & & (4) \\
 \eta_5 = \beta_{53}\eta_3 + \beta_{54}\eta_4 + \zeta_5 & \eta_4 = \beta_{41}\eta_1 + \beta_{42}\eta_2 + \beta_{43}\eta_3 + \zeta_4 &
 \end{array}$$

Where; $\eta_1 \dots \eta_5$ respectively indicate the endogenous latent variables for similarity, common fate, responsibility, cost of purchasing domestic goods and purchase decision. $\xi_1 \dots \xi_3$, respectively indicate exogenous latent variables for patriotism, ethnocentrism and social concerns. The error of each equation in this pattern is shown by ζ . For measuring latent variables we have used revealed variables that provided in questions of questionnaires. In this study revealed variables of endogenous latent variables are shown by “y” and the revealed variables of exogenous latent variables are shown by “x”. The way of measuring revealed variables is provided in table (1) in appendix. Thus measurement of the pattern will be as follow:

- Measurements equation for endogenous latent variables

$$\begin{array}{llll}
 (9) & (8) & (7) & (6) \\
 y_4 = \lambda_{42}\eta_2 + \varepsilon_4 & y_3 = \lambda_{32}\eta_2 + \varepsilon_3 & y_2 = \lambda_{21}\eta_1 + \varepsilon_2 & y_1 = \lambda_{11}\eta_1 + \varepsilon_1 \\
 (13) & (12) & (11) & (10) \\
 y_8 = \lambda_{84}\eta_4 + \varepsilon_8 & y_7 = \lambda_{73}\eta_3 + \varepsilon_7 & y_6 = \lambda_{63}\eta_3 + \varepsilon_6 & y_5 = \lambda_{52}\eta_2 + \varepsilon_5 \\
 & & (15) & (14) \\
 & & y_{10} = \lambda_{105}\eta_5 + \varepsilon_{10} & y_9 = \lambda_{94}\eta_4 + \varepsilon_9
 \end{array}$$

- Measurements equation for exogenous latent variables

$$\begin{array}{lll}
 (18) & (17) & (16) \\
 x_3 = \lambda_{32}\xi_2 + \delta_3 & x_2 = \lambda_{21}\xi_1 + \delta_2 & x_1 = \lambda_{11}\xi_1 + \delta_1
 \end{array}$$

$$\begin{array}{ccc}
 (21) & (20) & (19) \\
 x_6 = \lambda_{63}\xi_3 + \delta_6 & x_5 = \lambda_{53}\xi_3 + \delta_5 & x_4 = \lambda_{42}\xi_2 + \delta_4
 \end{array}$$

In above relations ε and δ indicate measurement error of revealed variables and λ is the coefficient of latent variable in equation of revealed variable, where; the first index represents the number of revealed variable and the second index represents the number of latent variable.

4- Methodology

A structural equation analysis was conducted using the maximum likelihood method of LISREL 8 with the matrix of covariance's among the indicators of the constructs. The eight constructs was shown in figure 1, were measured using 6-point, Likert-type items anchored by "strongly disagree" and "strongly agree." Those items were developed by Granzin and Olsen (1991), Olsen and Granzin(1992), Olsen, Granzin, and Biswas(1993). Data came from a survey of 300 adult residents of Tabriz city.

5- Empirical analysis

As noted the data for empirical analysis and hypothesis testing of this study have collected by questionnaires. Totally 111 questionnaires out of sent questionnaires received and was usable in empirical analysis. Among received questionnaires 70 questionnaires were completed by men and 41 by women. The age and education distribution of individuals is presented respectively in figure 2 and 3.

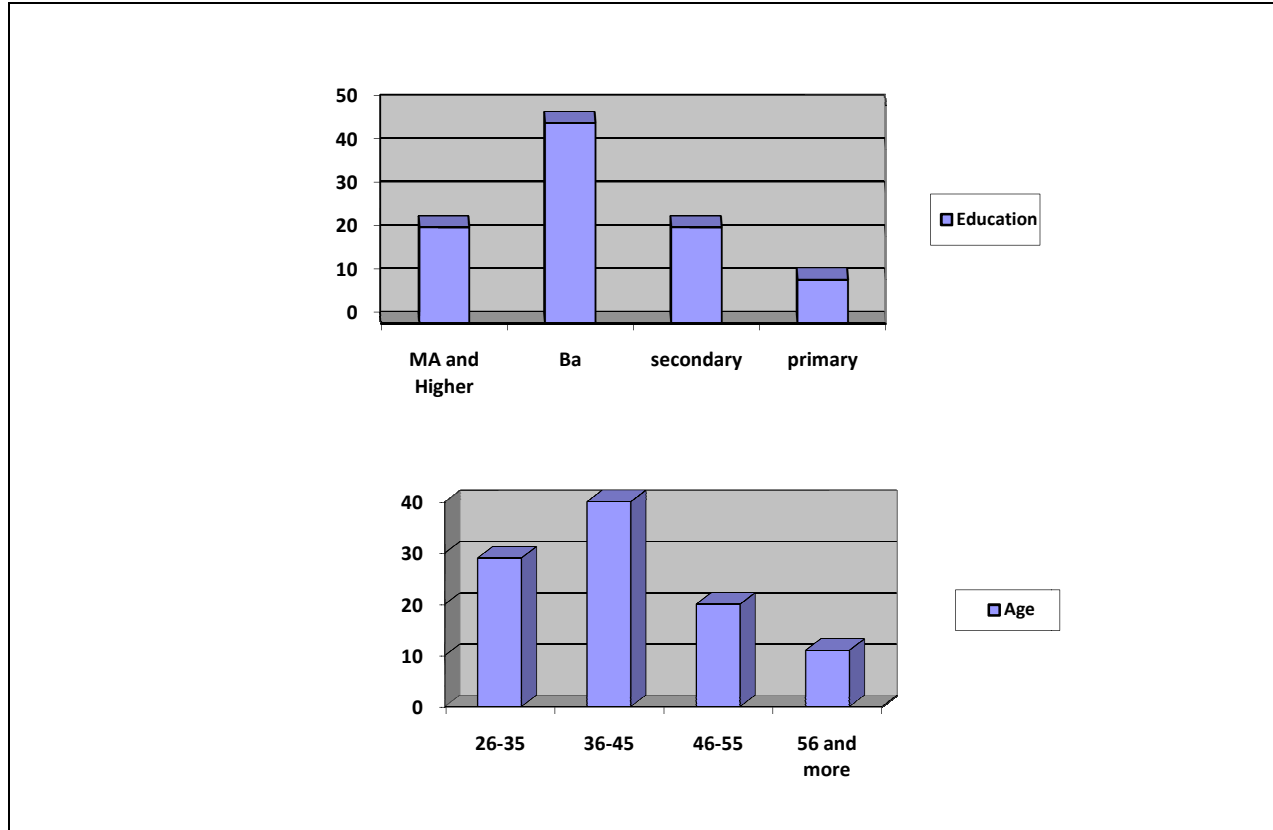


Figure2- Age and education distribution in in survey data

The first phase of data analysis in *Lisrel* software is estimation of variance-covariance matrix of revealed variables that is presented in table (2) in appendix. According to this table variable Y10 that indicates the willingness of individuals to purchase Iranian good is positively correlated with all revealed variables except Y9 that indicates the cost of purchasing Iranian good (due to quality and price of Iranian good). Given that the latent variables are not measurable and do not have a scale, we should choose one of revealed variables as index of appropriate latent variable and consider the scale of that revealed variable as scale of the latent variable, for this mean in *Lisrel* software the coefficient of latent variable in measurement equation of index revealed variable predetermined as one. After estimating variance-covariance matrix we should insert the matrix in "*Simplis*" portion of *Lisrel* software and define the structural equations and measurement relations that shown in relations 1 to 21, to estimate the results. The estimation results are presented in table (1). In this table the estimated coefficients are standardized. For estimating standardized coefficients the correlation matrix is used instead of covariance matrix. When we use covariance matrix for estimating coefficients then it is possible to interpret the sign of coefficients and we cannot compare the values but using standard coefficients makes possible to interpret the values. As can be seen the coefficient of each latent variable in one of measurement equations is starred, it

shows the revealed variable that is chose as a index variable to determine the scale of appropriate latent variable. While estimating, the coefficient of appropriate latent variable in specified equation is predetermined as one (not standardized coefficient λ) therefore the t-statistics for these coefficients is not reported. According to results in this tablet the coefficients of all measurement equations are significant, indicating the suitability of revealed variables for measuring latent variables. The reliability of most of variables is more than 0.70, indicating a good fit and shows that revealed variables are highly correlated with latent variables.

Table 1. Pattern Coefficients, t Statistics, and Reliabilities for the Measurement Model

Variable	Equation No.	Standardized Coefficient(λ)	t-value	Indicator Reliability(R_i)	Construct Reliability**
Similarity	6*	1.12	-	0.85	0.83
	7	1.10	2.79	0.53	
Common fate	8*	0.95	-	0.67	0.88
	9	0.82	4.17	0/87	
	10	0.84	6.09	0.91	
Responsibility	11*	0.49	-	0.79	0.58
	12	0.47	4.29	0.84	
Perceived costs	13	1.32	-	0.95	0.99
	14*	1.47	8.64	0.83	
Purchase	15*	1.56	-	1	1
Patriotism	16*	0.96	-	0.77	0.81
	17	0.91	2.18	0.76	
Ethnocentrism	18	0.75	-	0.78	0.73
	19*	0.82	9.86	0.69	
Social concern	20*	0.96	-	0.92	0.90
	21	0.95	4.25	0.86	

* Index for latent variable

** Construct Reliability is: $(\sum\lambda)^2 / (\sum\lambda)^2 + \sum(1-R_i^2)$

The results of structural equations estimation is reported in table (2). According to this table, responsibility has positive but insignificant effect on purchasing Iranian goods, while cost of purchasing Iranian good has negative and significant effect on purchasing Iranian goods. According to estimation of equation 2, common fate has negative and significant effect on cost of buying Iranian good but similarity and responsibility have insignificant effect on this variable. Estimation of equation 3 indicates that common fate has positive and significant effect on responsibility. Equation 4 estimation results also show that similarity and social concern have positive and significant effect on common fate while, the effect of patriotism and ethnocentrism is positive but not significant.

Finally, in equation 5, according to estimation results, patriotism and ethnocentrism don't have significant effect on similarity.

Results and findings relevant to each hypothesis are briefly given below:

Hypothesis 1 (Greater similarity results from greater patriotism and greater ethnocentrism.): a Regression analysis indicates the failure of the patriotism and ethnocentrism variables to explain similarity significantly.

Hypothesis 2 (Greater common fate results from greater patriotism and ethnocentrism): The estimated coefficients are not significant and this section of the second hypothesis is not acceptable.

Hypothesis 2 (Greater common fate results from greater social concern and greater similarity): Findings confirmed this prediction of second hypothesis.

Hypothesis 3 (Greater responsibility results from greater common fate): This hypothesis received considerable support from the regression analysis.

Hypothesis 4 (Greater costs of helping results from lesser similarity and lesser responsibility): Estimated coefficients are not significant and this section of hypothesis 4 is rejected.

Hypothesis 4 (Greater costs of helping results from lesser common fate): significant negative coefficient provides sufficient ground for accepting the hypothesis.

Hypothesis 5 (Greater purchase results from lesser perceived costs and greater responsibility): costs variable has negative and significant impact on purchase of Iranian goods and confirmed prediction of first part of this hypothesis. However coefficient of responsibility is positive but it is not significant, thus the second part of hypothesis 5 is not confirmed.

Table 2. Magnitude and Significance of Hypothesized Structural Relationships

Eq.No. /Dep.Var.	Exp. var.	Hypothesis	Standardized Coefficient	t-value
1 /Purchase	Responsibility	+	0.29	1.07
	Perceived costs	-	-0.94	-7.51
2/ Perceived costs	Similarity	-	-0.19	-0.78
	Common fate	-	-0.005	-3.22
	Responsibility	-	-0.25	-0.91
3 /Responsibility	Common fate	+	0.64	5.87
4 /Common fate	Similarity	+	0.37	2.99
	Patriotism	+	0.24	0.67
	Ethnocentrism	+	0.50	0.86
	Social concern	+	0.65	2.09
5 /Similarity	Patriotism	+	0.98	0.52
	Ethnocentrism	+	0.85	0.77

According to figure (1) and table (2), some variables have indirect effect on buying Iranian goods. In this section to clarify the effect of each variable on purchasing Iranian goods we decompose the reported coefficients in table (3). According to results, the cost of buying has the most significant impact on purchasing Iranian good and the direction of this effect is negative and according to expectations. Similarity, common fate and social concern have positive and significant effect on purchasing Iranian goods, but as can be seen the values of these coefficients are low. The other variables have insignificant effect on buying variable. Finally Chi-square statistic is used to test the goodness of fit. The obtained Chi-square equals to 76.26 and its Prob is 0.000 and indicate a good fit.

Table 3. Decomposition of cost and responsibility effect on purchasing domestic goods

Exp. var.	Hypothesis	Coeficiant	t-value
Responsibility	+	0.16	1.29
Perceived costs	-	-0.71	-5.09
Similarity	+	0.11	2.15
Common fate	+	0.65	2.73
Patriotism	+	0.22	0.37
Ethnocentrism	+	0.04	0.79
Social concern	+	0.16	0.51

6-Conclusion

With expanding economic globalization and increasing competition among producers in different countries, preserving the domestic market has become one of more important economic for countries. This issue is more critical for developing countries in compared to the developed countries because products of developing countries have often been lower competitiveness and against invasion of other countries products are more vulnerable. Therefore an increase in domestic consumer willing to domestic products and warning them about the consequences of failure domestic products in domestic market can be a strong deterrent against increasing domestic demand for foreign goods. This study tried to investigate the effects of some social and psychological variables on the purchase of Iranian goods. The results indicate that economic variables such as quality and price more than social and psychological variables are effective on the consumer's decision to purchase Iranian goods. The main reason for this result could be lack of attention to social and psychological variables in cultural - economic planning. Despite long history of schemes of encouraging consumers to buy domestic goods around the world, in our country, such programs have been marginalized and were not considered. Since the root of many economic problems lies in the cultural

issues, it seems that reinforcement of patriotism, social concern and cooperation sense among individuals in country will be useful in promoting development goals.

Besides the above factors, should be noted that one of the variables that influence purchasing domestic goods is the cost of purchasing. It is dependent to quality and price of goods. Therefore, economic policies that increase quality and reduce the domestic price of goods can increase the tendency of individuals to be domestic product. In this regard, reducing import tariffs and encouraging manufacturers to make products competitiveness could be beneficial.

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7-Appendix

Table 1- Indicators for Eight Constructs in the Model

Patriotism	X1	Patriotism and loyalty are the first and most important requirements of a good citizen
	X2	Iran may not be perfect, but the Iranian way has brought us about as close as people can get to a perfect society.
Ethnocentrism	X3	We should buy from foreign countries only those products that we cannot obtain within our own country.
	X4	There should be very little trading or purchasing of goods from other countries unless out of necessity.
Social concern	X5	We should all try to pay back our society for the good life we have here in the Iran.
	X6	I am concerned when I see that other Iranians are experiencing hard times.
Similarity	Y1	I am no different from the Iranian workers when it comes to possibly losing my job to imports.
	Y2	I'm in the same position as the other Iranian workers when it comes to the chance of losing my job to foreign competition.
Common fate	Y3	Failing to help Iranian workers hurts us all, not just some of us.
	Y4	We will all suffer if we don't work together to help Iranian workers.
	Y5	Our not helping Iranian workers will hurt everyone in this country.
Responsibility	Y6	I am obligated to do my part to improve the position of Iranian workers.
	Y7	I have a personal obligation to help threatened Iranian workers.
Costs	Y8	I give up too much if I only buy Iranian-made goods.
	Y9	I would have to sacrifice style or quality if I only bought goods made in the Iran.
Purchase	Y10	Mostly, I try to buy Iranian-made products. Mostly, I try to buy brands of I.R.I companies. I take the time to look on labels so I can buy more Iranian -made products. I take the time to look on labels so I can buy more brands of I.R.I. companies. I shop first at retail stores that make a special effort to sell Iranian -made products. I shop first at retail stores that make a special effort to sell brands of I.R.I companies

Table 2. Variance-Covariance matrix

Covariance Matrix						
	y10	y9	y8	y7	y6	y5
y10	3.153					
y9	-0.156	4.191				
y8	0.125	2.358	4.526			
y7	0.570	-0.339	0.481	2.968		
y6	0.737	-0.455	0.166	1.839	2.645	
y5	0.590	-0.306	0.009	1.069	0.545	2.976
y4	0.685	-0.134	0.083	0.930	0.628	1.570
y3	0.779	-0.247	-0.431	1.102	0.945	1.084
y2	0.123	0.354	0.150	0.363	0.180	0.949
y1	0.041	0.167	0.199	0.592	0.042	1.080
x6	0.221	0.731	0.718	0.277	0.876	0.458
x5	0.373	-0.285	-0.371	0.453	0.398	0.461
x4	1.664	-0.002	-0.194	0.638	0.651	0.303
x3	1.689	-0.147	0.260	1.007	0.494	0.733
x2	0.883	-0.409	0.011	0.462	0.275	0.426
x1	0.454	-0.824	-0.773	0.399	0.287	0.603
	y4	y3	y2	y1	x6	x5
y4	2.647					
y3	1.091	2.287				
y2	0.747	0.755	3.239			
y1	0.647	0.690	1.905	2.566		
x6	0.289	0.530	0.242	0.550	2.276	
x5	0.636	0.646	0.301	0.243	0.520	1.185
x4	0.389	0.813	0.265	0.153	-0.022	0.196
x3	0.574	0.954	-0.081	-0.051	-0.088	0.218
x2	0.140	0.417	-0.092	0.079	0.194	0.312
x1	0.483	0.575	-0.102	0.115	-0.095	0.462
	x4	x3	x2	x1		
x4	3.734					
x3	2.770	4.001				
x2	1.145	1.188	2.794			
x1	0.878	0.598	0.733	2.911		