

## THE ROLE OF ETHNOCENTRICISM IN CONSUMER BEHAVIOUR

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**ABSTRACT:** *Ethnocentrism is a concept evolved from Social Psychology. The concept has been introduced to marketing in the form of Consumer Ethnocentric Tendencies (CET) by Shimp and Sharma in 1987. From then on various studies have been conducted to analyse the effect on CET on Consumers' buying behaviour. Many of those studies were conducted in developed nations like USA or UK. The ethnocentric tendencies in consumers seems to have a considerable effect on their buying behaviours. This is very relevant in growing markets like India.*

### **Introduction:**

India has become lucrative market for foreign conglomerates. Many major MNCs like Coca Cola, P&G, PepsiCo and Nestle have already established their manufacturing and marketing bases in India eyeing the Indian consumers. According to the study by MGI (McKinsey Global Institute) India will emerge as the fifth largest consumer in the world by 2025. The blind obsession for the foreign products in late 1980 and early 1990 has reduced considerably in the recent years. Many Indian consumers prefer Indian manufactured products day by day. Thus in the present scenario for the international companies, it is not enough that they focus on the attention on quality and price alone. Careful research has to be done in the mentality of the customer regarding the procurement of the foreign goods. Their judgment of items is guided by monetary, social, nationalistic and energetic affections for the nation. Ethnocentrism is judging another society based the qualities and gauges of one's own way of life. Those people judge different gatherings in respect to their own particular ethnic gathering or culture, particularly with sympathy toward dialect, conduct, traditions, and religion. The blind obsession for the foreign products in late 1980 and early 1990 has reduced considerably in the recent years. Many Indian consumers prefer Indian manufactured products day by day. These ethnic qualifications and subdivisions serve to characterize every ethnicity's exceptional social personality. Ethnocentrism might be clear or inconspicuous, keeping in mind it is viewed as a characteristic proclivity of human brain research, it has added to a for the most part negative setting in ordinary life. Fundamentally, ethnocentric people consider their gathering as better than others. In that capacity, they see different gatherings from their own perspective point, and reject those that are distinctive and acknowledge those that are comparative (Netemeyer et al., 1991; Shimp and Sharma, 1987). This, thusly, gets from prior sociological hypotheses of in-gatherings and out-gatherings Ethnocentrism, it is reliably found, is ordinary for an in-gathering to an out-gathering (Jones, 1997; Ryan and Bogart, 1997). Buyer ethnocentrism particularly alludes to ethnocentric perspectives held by customers in one nation, the in-gathering, towards items from another nation, the out-gathering. Buyers might trust that it is not fitting, and even corrupt, to purchase items from different nations. Acquiring outside items might be seen as ill-advised on the grounds that it costs household occupations and damages the economy. Tried and true way of thinking proposes that purchasers pick imported items based upon their predominant quality. Nonetheless, at times, customers incline toward imported items whose quality is not better than that of neighborhood items. Appropriately, figures other than item quality) might clarify the marvel. A few variables have been recognized, for example, brand comprehensiveness (e.g. Steenkamp et al, 2003), buyer ethnocentrism (e.g., Shimp and Sharma, 1987; Herche, 1994; Klein, 2002), social openness, worldwide openness (e.g., Suh and Kwon, 2002), and item judgment (e.g., Han, 1988; Knight, 1999; Kaynak and Kara, 2002). The ethnocentric propensities in customers appears to considerably affect the on their purchasing practices. This is exceptionally important in developing markets such as India. India based companies like ITC, Parle Agro etc are growing their market base and product line day by day. India also boasts about the biggest cooperative success "AMUL" in the global market. Electronic goods industry also contains strong Indian players like Videocon, Micromax etc. The Indian companies are holding good against global players like Nestle, PandGetc in FMCG industry and Sony, LG etc in white goods industry. Conventional wisdom suggests that consumers choose imported products based upon their superior quality.

However, in some cases, consumers prefer imported products whose quality is not superior to that of local products. Accordingly, factors other than product quality) may help to explain the phenomenon. Several factors have been identified, such as brand globalness (e.g., Steenkamp *et al.*, 2003), consumer ethnocentrism (Herche, 1994; Klein, 2002), cultural openness (e.g., Sharma *et al.*, 1995), global openness (e.g., Suh and Kwon, 2002), and product judgment (e.g., Han, 1988; Knight, 1999; Kaynak and Kara, 2002).

The ethnocentric tendencies in consumers seems to have a considerable effect on the on their buying behaviours. This is very relevant in growing markets like India. India based companies like ITC, Parle Agro etc are growing their market base and product line day by day. India also boasts about the biggest cooperative success “AMUL” in the global market. Electronic goods industry also contains strong Indian players like Videocon, Micromax etc. The Indian companies are holding good against global players like Nestle, PandGetc in FMCG industry and Sony, LG etc in white goods industry.

Careful research has to be done in the mentality of the customer regarding the procurement of the foreign goods. Their judgment of items is guided by monetary, social, nationalistic and energetic affections for the nation.

### **Consumer ethnocentrism:**

Consumer ethnocentrism is a construct that has been evolved from the basic psycho sociological term ethnocentrism. Ethnocentrism refers to inclination among persons to distinguish amid various groups and look at one's own group from focal point (Sharma 1995, Jain and Jain, 2010). Ethnocentric persons view economic, political and social events from the perspective of their own group, consider their own way of life as superior to those of all other groups, evaluate other groups as being inferior, weak, dishonest with suspect and disdain members and artifacts of other groups (Sharma *et al.* 1995). Such a demeanor when shown by persons in the connection of utilization related exercises is alluded to as shopper ethnocentrism. According to the studies in Social Psychology an ethnocentric individual strongly accept the culturally 'alike' and reject the culturally 'unlike'. In Marketing literature for highly ethnocentric consumers, purchasing imported products leads to job losses, damages the economy, and is viewed as unpatriotic behavior (Shimp and Sharma, 1987). Ethnocentric shoppers have a affinity to assess profoundly that which has a place with their own particular gathering and debase what does not have a place with their gathering, hence prompting a predisposition in their assessments of and goal to buy nearby and outside made items (Shimp and Sharma (1987), Klein *et al.* 1998). Customer Ethnocentric Tendencies are characterized as the convictions held by buyers about the fittingness, to be sure ethical quality, of buying outside made items (Shimp and Sharma, 1987, p. 280). Klein *et al.*

### **Consumer Ethnocentric Tendencies:**

Consumer Ethnocentric Tendencies are defined as the beliefs held by consumers about the appropriateness and morality of purchasing foreign-made products (Shimp and Sharma, 1987, p. 280). Klein *et al.* (1998) found that consumer ethnocentrism is negatively related to foreign product judgment and willingness to buy foreign products. Balabanis and Diamantopoulos (2004) found that Consumer Ethnocentrism is positively related to consumer preferences for domestic products. Research in advanced economies shows that the degree of consumer ethnocentric tendencies varies according to demographic characteristics such as age, gender, educational level, income, product category etc For example, older people and females are generally more conservative and patriotic than younger people and males (e.g., Han, 1988; Keillor *et al.* 2001), and they strongly advocate local products (Bannister and Saunders, 1978).

In terms of ethnocentric tendencies, Sharma *et al.* (1995) found a considerable difference between male and female consumers but no significant difference between younger and elderly customers. The central tenet of CET is that consumers with higher CET distinguish domestic products from foreign/imported products and try to avoid buying foreign products Ethnocentric shoppers have a tendency to assess profoundly that which has a place with their own particular gathering and debase what does not have a place with their gathering, hence prompting a predisposition in their assessments of and goal to buy nearby and outside made items (Shimp and Sharma, 1987, Klein *et al.* 1998).

Customer Ethnocentric Tendencies are characterized as the convictions held by buyers about the fittingness, to be sure ethical quality, of buying outside made items (Shimp and Sharma, 1987, p. 280). Klein *et al.* Ethnocentrism is also defined as normative based beliefs that buying locals products is good for the country, whereas purchasing imported items is somehow deleterious to the economy, the country and fellow citizens. The literature empirically implies that ethnocentrism represents a negative disposition towards non-domestic markets, products and brands (Balabanis and Diamantopoulos (2008), Samiee *et al.* (2005)).

Ethnocentrism has been widely examined in the global marketing literature for its effect on consumer's evaluations of product and brand. Consumer ethnocentrism is construct principally with respect to a financial intention in residential nation predisposition and speaks to a regularizing conviction that it is wrong to purchase imported items and that buyers ought to rather bolster local organizations through the buy of local items (Shimp and Sharma 1987). The literature suggests that all the consumers are not equally ethnocentric. A number of socio-psychological factor (such as patriotism, conservatism, collectivism, cultural openness, animosity and world-mindedness) and demographic factors (such as gender, age, education and income) act as antecedents to consumer ethnocentrism (Shankarmahesh, 2006; Jain and Jain, 2010).

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Until late 1980, no specific scale existed for measuring ethnocentric sentiments as relevant to the domain of consumer behaviour and marketing phenomena (e.g. Sharma and Shimp, (1987) Luque-Martinez et al. (2000)). A couple instruments that existed around then were excessively non specific, making it impossible to be useful to quantify ethnocentric propensity common among customers. Shimp and Sharma (1987) made the pioneering attempt by developing a multi-item scale for measuring consumer ethnocentric tendency. Termed as CETSCALE, it is a 17-item scale which has been widely used in several past studies across countries (e.g., United States: Shimp and Sharma, 1987; Korea: Sharma et al., 1995; Austria: Rawwas et al., 1996; Turkey and Czech: Balabanis et al., 2001; United Kingdom: Bannister and Saunders, 1978; Japan, Nishina, 1990; China: Klein et al., 1998; United States, France and Mexico, Clarke et al., 2000; Malta: Caruana and Magni, 1996; Poland and Russia, Good and Huddleston, 1995; Durvasula et al., India: Bawa, 2004). The scale in its original as well as shortened form has been psychometrically found as a reliable and valid measure of consumer ethnocentrism.

### **Product Judgment:**

Product judgment is regarded as a consumer's evaluation of a product's overall attributes based on intrinsic (for example, quality, and durability) and extrinsic cues (brand, country of origin) (Rao and Monroe 1989, Josiassen 2011). Since consumers with high ethnocentrism underestimate the attributes of imported products while they overestimate the local ones (Sharma et al. 1995, Nijssen and Douglas 2004), CET may exhibit a prejudice against the foreign products in terms of their overall product judgment. Preferences for domestic versus foreign products are not solely motivated by economic concerns, such as price or reliability, but also by (positive/negative) feelings toward a particular country (Riefler and Diamantopoulos 2007; Verlegh 2007).

Imported Product Judgement seems to be influenced mainly by three factors; CET, Materialism and SNI. Former studies have found that nation ill will, including war and monetary, can prompt unwillingness to purchase items from the foreign nations (Shoham et al. 2006, Bahae and Pisani 2009, Huang et al. 2010). Huang et al. (2010) argued that, on the basis of Social Identity Theory, individuals aligning decisively with their in-group beliefs and values in general exhibit a kind of discrimination towards any of an out-group. Consequently, consumers with an ill will towards a particular nation typically have pessimistic mentalities towards the articles, individuals, thoughts or items from the assailant nation and hence have a tendency to be hesitant to purchase its items.

Materialism has been defined and used as both a cultural/collective variable and a personal value and attitudinal trait. Materialism refers to the centrally held consumer belief about the magnitude of possessions in one's life (for example, pleasure and happiness) (Belk 1985) or a mind-set or collection of attitudes regarding the relative importance of acquisition and possessions of objects in one's life (Richins and Dawson 1992, p. 307).

Materialism could be a significant factor for evaluation of foreign products because (1) intrinsically, consumer materialistic value has implications for consumption meanings, self-identity, life quality, life satisfaction, and well-being (Zinkhan 1994); (2) material products hold different importance and meanings to consumers with different strengths of materialistic value (Richins and Rudmin 1994); and (3) consumption of foreign products could be a desired channel of self-identity enactment, life quality enhancement, and pursuit of material possessions. This is especially the case for consumers in developing countries where foreign products are usually seen as superior to local ones and where the pursuit of economic growth and improvement of living standard are highly valued (Horn 2009). When consumers are increasingly exposed to foreign cultures and products, foreign products become synonymous with high quality, modern, luxurious, and prosperous (Zhou and Hui 2003, Hung et al. 2007), so that materialistic

consumers prefer to purchase foreign products.

Willingness to buy foreign products and Imported Product Judgement can be influenced by social and normative factors. One vital construct derived from such an experience is a consumer's SNI. SNI is defined as the predisposition to live up to the expectations of others (Bearden et al. 1989, Batra et al. 2001). Conforming to expectations of others can be driven by two motives: value expressive and utilitarian. Recent studies have observed more directly the effect of normative influence on global consumption value. For example, Alden et al. (2006) found that SNI is negatively related to global consumption orientation of South Korean consumers. As clarified by these authors, such negative relationship is because of: (1) the centrality of neighborhood society to self-idea turns the utilization of nearby social images (counting residential brands and items) into a component of self-check (Escalas and Bettman 2003); and (2) shoppers with higher SNI will probably adjust to such transcendent utilization standards. The above thinking can apply to eagerness to purchase imported items. SNI could upgrade the impact of hostility on ability to purchase outside items, when the aggregate standards and qualities are to acknowledge or keep away from items from the particular remote nation.

On the off chance that the aggregate standards support (demoralize) purchasing remote items from nation A, then buyers with more grounded SNI ought to be less eager to purchase items from the central outside nation because of their apparent aggregate standards. Consumers more susceptible to normative influence are more likely to be influenced by collective norms in their buying behaviour (Jin and Kang 2011).

### **Willingness to Buy:**

Willingness to Buy is defined as the decision to buy or physiological action that shows an individual's behaviour to purchase the product (Klien et al 1998). Despite the considerable proof on different direct effects of consumers' emotions, personal values, and social influences on their willingness to buy foreign products (Nijssen and Douglas 2004, Alden et al. 2006, Kwak et al. 2006), the extant literature is characterized by a scarcity of empirical testing of the potential interactive effect among these constructs. Actually, personal values and social influences, in recent studies, have been found to have certain indirect effects on consumers' evaluation and behaviour (Nguyen and Nguyen 2010, Li and He 2011, Sharma 2011). For example, Sharma (2011) indicates that, in the emerging countries such as China and India, the consumers' materialism can increase the effects of intangible product attribute on their purchase intention towards products from developed countries. Recent literatures presents with evidences for the interactive effects among animosity, materialism, and susceptibility to normative influence (SNI) on willingness to buy foreign products (Weiyue Wang, 2013). The paper explores how Materialism and SNI affect the consumers' willingness to buy products from foreign countries. Klein et al. (1998) proposed an animosity model of foreign product purchase intention. The model has two distinct antecedents: consumer ethnocentrism (CET) and country specific animosity. It is contended that CET prompts negative readiness to purchase remote items specifically and by implication through item judgment, whilst nation particular ill will directly affects eagerness to purchase (Klein et al. 1998, 2006).

Consumer Ethnocentrism (CET) speaks to purchasers' general faith in leaning toward household items to outside, while Animosity is the inclination towards a particular nation. Ill will alludes to remainders of antagonism identified with past or progressing military, political, or monetary occasions (Klein et al. 1998, p. 90). Animosity has two main dimensions; war animosity and economic animosity. War animosity is caused by the acts of aggression or warlike behaviour of a country arising from general historical events or military conflicts between two countries (Ang et al. 2004, Leong et al. 2008). Individuals with war animosity – also called stable animosity – need have a personal experience regarding the historical event (Ang et al. 2004, Leong et al. 2008). On the other hand, economic animosity refers to the feelings towards the economically dominant country as it has the economic aggression and an excessive influence on many local industries. Thus Willingness To Buy has Animosity as its antecedents along with CET.

Oberecker, Riefler, and Diamantopoulos (2008, p. 26) recently proposed the Consumer Affinity construct, which they define as a feeling of liking, sympathy, and even attachment toward a *specific foreign country* that has become an in-group as a result of the consumer's direct personal experience and/or normative exposure and that positively affects the consumer's decision making associated with products and services originating from the affinity country. They also propose that emotional attachment to the country cognitive beliefs about the country's ability to produce reliable, high quality, or fashionable goods affects the consumer's decision to buy products from the affinity country. Thus we can conclude that Consumer affinity positively affects consumers' Willingness To Buy products originating from the affinity country portraying the concept in contrast to Consumer Ethnocentrism.

The constructs of both consumer affinity and ethnocentrism are conceptually anchored on the difference between in- and out-groups having their theoretical roots in social identity theory (Tajfel 1982). Exploratory evidence shows that there are indeed ethnocentric consumers who indicated a specific interest in buying products from the affinity country merely because they liked the country (Oberecker, Riefler, and Diamantopoulos 2008, p. 36). Extant literature has not explicitly addressed this question. Consumer Ethnocentrism is associated with a negative bias toward Imported Products in general, whereas consumer affinity captures positive feelings toward a specific foreign country.

Consumer affinity has a stronger impact than consumer ethnocentrism on consumers' perceptions of risk associated with and Willingness To Buy products originating from the affinity country. The different antecedents of consumer ethnocentrism are studied extensively by Wang, Heb and Yan Lic (2008) and examine the moderating effects of Materialism and Susceptibility to Normative Influence on the effects of country-specific animosity on Willingness To Buy foreign products. Sharma (2011) indicates that, in the developing countries such as China and India, the consumers' materialism can increase the effects of intangible product attribute on their purchase intention towards products from developed countries. The reasons for selecting china are listed in the article among which most of them are true for Indian economy also. Due to liberal economic policies in 1990s the Indian market is no longer unattainable to the foreign companies.

However, differences exist between younger and older consumers. The article throws some clear insights the marketing strategies in Vietnam to promote local manufactured products to support its economy. The slogan "Vietnamese use Vietnamese products" is propagated to encourage ethnocentric behavior in Vietnamese people. Thus this article gives a glimpse of how consumers in emerging countries perceive foreign products and locally made products thus it can also applied in Indian economy.

Many global brands have established significant market share in India. In addition to ethnocentrism the paper also explores the effect of variables like materialism; the midway held customer conviction about the significance of belonging in one's life (for instance, joy and satisfaction) and Susceptibility to Normative Influence defined as the tendency to live up to the expectations of others.

Nguyen et al (2008) examines the effect of Consumer Ethnocentrism and cultural sensitivity on both Imported Product Judgment and intention to purchase local products in the context of a developing country— Vietnam. The results show that Consumer Ethnocentrism has a negative relationship to imported product Judgment and positively relationship to Intention to Purchase local products. The results also indicate that the impacts of Consumer Ethnocentrism on Imported Product Judgment and on intention to purchase local products are not different in terms of product categories, gender, income, and education levels.

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Alexander Josiassen (2011) introduces the concept of Consumer Disidentification (CDI) which is essentially the opposite of CET. The term Consumer Disidentification is adapted from the general sociological construct of national disidentification (Verkuyten and Yildiz 2007). National disidentification represents people's reactive and oppositional positions toward the country in which they live (Ogbu 1993, Portes and Zhou 1993). This article uses CDI to represent consumers' active rejection of and distancing from the perceived typical domestic consumer. Buyers with abnormal amounts of CDI don't relate to customers in the nation they live in and arrange themselves as not quite the same as the dominant part amass. Forerunners of CDI reach from solid distinguishing proof with religious, political, ethnic, age, and intrigue gatherings to saw negative generalizations connected with run of the mill residential buy and utilization examples to saw dismissal and depreciation by the lion's share bunch.

## **Conclusion**

The purchase of imported items might be seen as basically unpatriotic. Shoppers who hold solid ethnocentric convictions will probably assess remote items contrarily than the individuals who don't hold such convictions. The individuals who trust that it isn't right to purchase outside merchandise additionally have a tendency to see those products as lower in quality than local merchandise; ethnocentric customers pick local merchandise as a result of financial or good convictions, as well as in light of the fact that they trust that their own nation creates the best items.

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