

Research Article

Customers' Attitude and Perception about Ethnocentrism-application of Consumer Ethnocentrism Scale (CETSCALE)

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Abstract: In the Liberalized, Privatized and Globalized environment marketers have to understand the importance given by the customers in their purchasing process for domestic and foreign made products. Consumer ethnocentrism is very important in the consumer purchase decision making process. Consumers during the course of their purchase may give importance to whether the products are manufactured domestically or from other country. Objective of this study is to find out the customers opinion about the various features of ethnocentrism. Customers' perspective about foreign made products and products made in India were also studied. CETSCALE proposed by Terence and Subhash (1987) with some changes was used for primary data collection. Five hundred and forty four customers from Trichy and Thanjavur area were included for this survey. Results showed that reliability of the 'Consumer Ethnocentrism' scale was good and significant associations were there between age and place of residence of the customers and their opinion about ethnocentrism. Findings and suggestions of this study will be useful for the marketers to understand about the level of importance given by the customers for Indian made products and foreign products.

Keywords: Buying decision, CETSCALE, consumer behavior, ethnocentrism, foreign and domestic products

INTRODUCTION

Understanding customers is very vital for the survival and growth of any organization especially in the globalized environment. According to Shankarmahesh (2006), many countries conducted research and found out that consumer ethnocentrism was one of the most dominant obstacle in the world trade. Propensity of the consumer to prefer or not to prefer products which are manufactured in other countries is known as consumer ethnocentrism. Ethnocentric consumers perceive that economy of one country will be spoiled if people from one country buy products which are manufactured in other countries (Leon and Leslie, 2000).

Nowadays buyers in India can get products manufactured from other countries in Indian market places. Hence marketers have to understand the buyers' preferences towards products which are manufactured from other countries. The CETSCALE propounded by Terence and Subhash (1987) with some changes suitable for Indian conditions was used to collect data from customers of Thanjavur and Tiruchi area of Tamilnadu/India. Objective of this study was to find out the customers opinion about ethnocentrism and also their perspective about Indian made products and imported products. In the modified CETSCALE customers gave more prominence to the item "Only when there is a necessity we should allow trading or

purchasing of goods for other countries" and showed little concern for the item "Curbs should be put on all imports". Based upon the consumers opinion it can be inferred that reliability of the modified CETSCALE was good.

LITERATURE REVIEW

Consumer ethnocentrism was the resultant after the introduction in 1906 by Sumner (1906). According to Shimp and Sharma, ethnocentric consumers' feel that buying products manufactured in other countries may spoil the home economy; people lose their jobs; and it is not patriotic. In order to assess the quality of the product, consumers consider the country of origin, if they are not aware about the product (Johansson *et al.*, 1985). According to Huddleston *et al.* (2001) consumer ethnocentrism is used to distinguish those consumers who prefer products made in their countries with consumers prefer products made in other countries. Ethnocentric consumers believe that purchase of home made products will improve their countries economy (Kaynak and Kara, 2002). According to Durvasula *et al.* (1997), in order to have flourishing business enterprise marketers have to understand the mindset of consumers to products made in their countries and other countries. Consumers belonging to developed countries support products made in their country than imported products, Wang and Chen

(2004). In India consumer ethnocentrism is considered to have more nuances but in other countries it has one dimension (Anupam, 2004). According to Watson and Wright (1999) with regard to demographic profiles of ethnocentric consumers, education and income levels were low. In order to formulate and evaluate business policies, plans, strategies and budgets, nowadays business people are showing keen interest on consumer ethnocentrism (Mangnale *et al.*, 2011).

Patriotism, ethnocentrism and concern for their country's financial features, economy were high for females hailing from low income group Klein *et al.*, 1998). In order to learn about country-of-origin, CETSCALE and concept of consumer ethnocentrism can be used (Terence and Subhash, 1987). According to Pecotich *et al.* (1996), ethnocentrism can persuade the consumers' service quality perception. Tendency of the consumers to buy products made in their country is due to the fact that buying products made in other countries is not in favor of nationalism (Singh *et al.*, 2004). Consumer ethnocentrism is high for high involvement product and low for low involvement products (Li *et al.*, 2007). Consumer ethnocentrism is gaining momentum in developing countries because of the significance given by the consumers Abdul Razak *et al.*, 2002).

Objectives of the study:

- To find out the customers' opinion about various items of modified consumer ethnocentrism scale
- To ascertain the internal consistency of the modified CETSCALE
- To find out the association between demographic variables of the respondents and their opinion about consumer ethnocentrism

METHODOLOGY

Sample and data collection: In order to collect the primary data, Consumer Ethnocentrism scale-CETSCALE (17 items) propounded by Terence and Subhash (1987) with some changes suitable for Indian situation was used. To improve the effectiveness of the scale instead of seven-point scale, a five-point scale (Strongly agree-5 and strongly disagree-1) was used in the questionnaire. In order to get the opinion about the various aspects of consumer ethnocentrism, structured questionnaire was used 0.544 respondents from Trichy and Thanjavur/Tamilnadu area were included for primary data collection.

Hypotheses of the study:

Null hypothesis:

- There is no significant relationship between internal consistency of the modified CETSCALE and measurement of ethnocentric tendencies of Indian consumers.
- There is no significant relationship between the Gender of the consumers and their opinion about consumer ethnocentrism.

- There is no significant relationship between the educational qualification of the consumers and their opinion about consumer ethnocentrism.
- There is no significant relationship between the age of the consumers and their opinion about consumer ethnocentrism.
- There is no significant relationship between the place of residence of consumers and their opinion about consumer ethnocentrism.
- There is no significant relationship between the income of the consumers and their opinion about consumer ethnocentrism.
- There is no significant relationship between the gender of the consumers and their opinion about product quality.
- There is no significant relationship between educational qualification of the consumers and their opinion about product quality.

Data analysis was done with the help of the software package SPSS. Statistical techniques like descriptive analysis, ANOVA and Factor analysis were utilized to find out the respondents opinion about various aspects of consumer ethnocentrism. Relationship between demographic variables of the consumers and their opinion about consumer ethnocentrism was studied.

RESULTS AND DISCUSSION

As per the Table 1, 52% of the respondents are male and 48% of the respondents are female out of 544 respondents 0.39.2% of the respondents are qualified with SSLC/HSC, 30.3% of the respondents are qualified with UG degree and 19.5% of the respondents are qualified with PG degree. (55.3%) from urban area, 25.2% of the respondents from semi-urban area and 19.5% of the respondents from Rural area were included for this study. Mean, Std. deviation and reliability of the respondents are given in Table 2. Maximum mean value-3.62 is for the item Q3 and minimum mean value-3.25 is for the item Q14. Usage of Likert-types scale in research requires calculation of Cronbach's alpha reliability and consistency. For all 17 items of the modified Consumer Ethnocentrism scale, the average Cronbach's alpha value as per the Table 3 is 0.858, which is above the recommended value of 0.7 (George and Mallery, 2003). Moreover as per the Table 2 reliability value of the individual items of the scale is also ranging from 0.848 to 0.856, which shows the good consistency of the scale. Null hypothesis A has to be rejected.

According to Marcus and Svend (2006), KMO value of more than 0.7 is preferable. We can infer from the table it is 0.897. Bartlett's Test of Sphericity is also significant, because Chi-square (136) = 2.159E3, $p < 0.01$. From Table 2, it is clear that 13 out of 17 items of the modified consumer ethnocentrism scale are having factor loadings more than 0.50. As per the Table 2, with regard to communalities 72.2% of the variance

Table 1: Demographic profile of the respondents

Age (years)	(%)	Qualification	(%)	Monthly income (Rs.)	(%)	Gender	(%)	Place of residence
17-27	39.2	SSLC/HSC	28.5	Below Rs. 10000	9.3	Male	52	Rural 19.5
28-38	30.3	UG	27.6	Rs. 10001-30000	14.0	Female	48	Urban 55.3
39-49	19.5	PG	35.1	Rs. 31000-50000	40.0			Semi-urban 25.2
Above 50	11.0	Diploma	8.8	Above Rs. 50000	36.7			

Primary data

Table 2: Measurement of ethnocentrism using modified CETSCALE

Items	Mean	S.D.	Reliability	Extraction	Eigen values	Variance (%)	Factor loadings
Q1	3.410	1.1070	0.848	0.548	5.253	30.900	0.661
Q2	3.540	1.0260	0.850	0.631	1.226	7.210	0.771
Q3	3.620	0.9650	0.849	0.475	1.053	6.195	0.621
Q4	3.440	0.9940	0.849	0.426	1.020	5.999	0.570
Q5	3.310	1.0810	0.849	0.477	0.900	5.296	0.477
Q6	3.430	1.0750	0.848	0.492	0.869	5.110	0.588
Q7	3.460	1.1080	0.847	0.519	0.804	4.730	0.610
Q8	3.410	0.9760	0.849	0.425	0.746	4.387	0.450
Q9	3.500	1.0600	0.852	0.502	0.736	4.329	0.558
Q10	3.490	1.0670	0.856	0.722	0.703	4.135	0.819
Q11	3.420	1.0300	0.849	0.460	0.661	3.887	0.502
Q12	3.270	1.0370	0.853	0.716	0.580	3.413	0.767
Q13	3.300	0.9870	0.851	0.315	0.536	3.154	0.429
Q14	3.250	1.1180	0.856	0.582	0.509	2.991	0.668
Q15	3.330	1.0990	0.851	0.495	0.502	2.952	0.665
Q16	3.531	0.9986	0.851	0.314	0.481	2.828	0.413
Q17	3.420	1.0140	0.850	0.452	0.422	2.482	0.619

Computed data; S.D.: Standard deviation

Table 3: Reliability statistics

Cronbach's alpha	No. of items
0.858	17

Computed data

Table 4: KMO and Bartlett's test

Kaiser-Meyer-Olkin measure of sampling adequacy	0.897
Bartlett's test of sphericity	Approx. chi-square 2.159E3
	df 136
	Sig. 0.000

Computed data

Table 5: Rotated component matrix^a

Items	Component			
	1	2	3	4
Q1		0.661		
Q2		0.771		
Q3		0.621		
Q4		0.570		
Q5			0.477	
Q6	0.588			
Q7	0.610			
Q8	0.450			
Q9				0.558
Q10				0.819
Q11	0.502			
Q12			0.767	
Q13			0.668	
Q14				
Q15	0.665			
Q16		0.413		
Q17	0.619			

^a: Rotation converged in 7 iterations; Computed data

in item Q10 is accounted for and 31.4% of the variance in item Q16 of the modified consumer ethnocentrism scale is accounted for. As per the Table 2, with regard to percentage of variance, 30.9% of the variance first factor accounts for, 7.2% of the variance second factor

accounts for, 6.1% of the variance third factor accounts for, 5.9% of the variance fourth factor accounts for and it is clear that all the other factors are not significant (Table 4).

Rotated component matrix is given in Table 5. Factor 1 comprises of 6 items, factor 2 comprises of 5 items, factor 3 comprises of 3 items and factor 4 comprises of 2 items of the modified consumer ethnocentrism scale.

Eigen values against all the factors are given in Scree plot. With the help of Scree plot 4 factors having eigen values greater than 1 are retained (Fig. 1). This Scree plot graph is useful to know the number of factors to be retained.

As per the Table 6, it can be inferred that p values (Sig.) for hypotheses, B, C and F are above 0.05. Hence we have to accept the null hypothesis. Hence there are no significant associations between Gender, Educational qualification and income of the respondents and their opinion about consumer ethnocentrism scale. Because p values (Sig.) for hypothesis D and E are below 0.05 we have to reject the null hypothesis. Hence there are significant associations between age, place of residence of the respondents and their opinion about consumer ethnocentrism scale. With regard to product judgment scale, p value (Sig.) for hypothesis H is below 0.1, it can be inferred that there is a significant association between educational qualification of the respondents and their opinion about product judgment scale.

Results and implications: Findings and suggestions are given below based upon the statistical analysis.

Table 6: ANOVA

Particulars	Groups	S.S.	df	M.S.	F	Sig.	Decision
Gender of the respondent * Opinion about CETSCALE	Between groups	476.333	3	158.778	1.653	0.176	Accept null hypothesis B
	Within groups	51874.659	540	96.064			
	Total	52350.993	543				
Educational qualification of the respondent * opinion about CETSCALE	Between groups	311.510	3	103.837	1.077	0.358	Accept null hypothesis C
	Within groups	52039.483	540	96.369			
	Total	52350.993	543				
Age of the respondent * opinion about CETSCALE	Between groups	1204.587	3	401.529	4.239	0.006	Reject null hypothesis D
	Within groups	51146.406	540	94.716			
	Total	52350.993	543				
Place of residence of the respondent * opinion about CETSCALE	Between groups	892.437	3	297.479	3.122	0.026	Reject null hypothesis E
	Within groups	51458.556	540	95.294			
	Total	52350.993	543				
Income of the respondent * opinion about CETSCALE	Between groups	784.153	6	130.692	1.361	0.228	Accept null hypothesis F
	Within groups	51566.839	537	96.028			
	Total	52350.993	543				
Gender of the respondent * opinion about product judgment scale	Between groups	10.647	3	3.549	0.234	0.873	Accept null hypothesis G
	Within groups	8203.287	540	15.191			
	Total	8213.934	543				
Educational qualification of the respondent * opinion about product judgment scale	Between groups	113.606	3	37.869	2.524	0.057	Reject null hypothesis H
	Within groups	8100.328	540	15.001			
	Total	8213.934	543				

Computed data; S.S.: Sum of square; M.S.: Mean square

Scree Plot

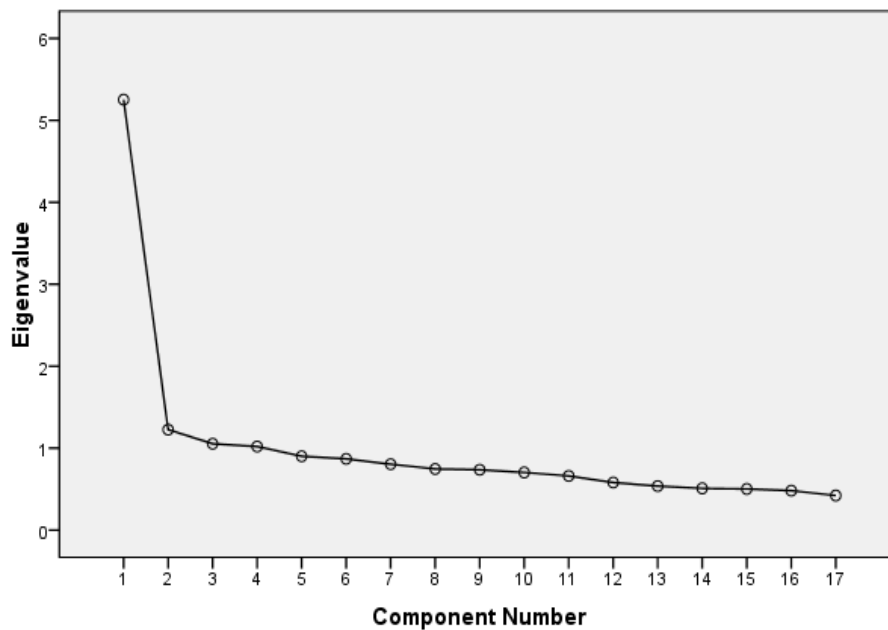


Fig. 1: Eigen values against all the factors in scree plot

As per the findings average Cronbach's alpha value for all the 17 items of modified CETSCALE is 0.858. This ensures the reliability of the modified CETSCALE, which is good enough to measure the consumer ethnocentrism. There are no significant relationships between certain demographic variables like gender, educational qualification, income and respondents' opinion about consumer ethnocentrism in the modified consumer ethnocentrism scale. But there is certain significant relationship between demographic variables like age and place of residence and respondents' opinion about consumer ethnocentrism in

the modified consumer ethnocentrism scale. When it comes to judging the qualities of the products, educated people are giving importance to high involvement products. But there is no gender discrimination with regard to judgment of the quality of the products. It is suggested to the marketers and manufacturers of products in India to follow suitable marketing strategies to sustain and thrive in the globalized environment. Government of India also has to curb certain imports in order to safeguard our country businessmen, inflation and our economy as a whole. Government of India can allow import from abroad only for products that are not

Table 7: Consumer ethnocentrism scale-CETSCALE

S. No.	The CETSCALE modified scale items##
Q1	People from India have to buy products made in India not to buy imported products
Q2	Products which are not available in India may be imported
Q3	In order to keep India as a vibrant country always buy products made in India
Q4	Always buy products which are made in India
Q5	Patriotism prevents me to purchase foreign made goods
Q6	Indians may be put out of their jobs if we buy products made by other countries
Q7	If Indians want to be true to their country they have to buy products made in India
Q8	We have to buy products made in India otherwise foreign countries may exploit us
Q9	Buying products made in India is always good for Indians
Q10	Only when there is a necessity we should allow business from foreign countries
Q11	If Indians buy products which are made in other countries it may create unemployment and spoil the Indian business
Q12	Only products which are not available in India can be imported
Q13	I always patronage Indian made products even though it may be costly
Q14	People from other countries are not be allowed to do business in Indian markets
Q15	In order to control the entry in the Indian markets, foreign made products may be charged with higher taxes
Q16	Indians can buy products made in other countries only those products which are not available in India
Q17	Those consumers who buy foreign made products are accountable for making their fellow Indians out of job

Modified scale items## (Renganathan *et al.*, 2013)

available in India and our scientists and technocrats are not aware and able to come out with the knowhow. In order to make public sectors in our country to compete with the multinational giants, our government has to ensure proper level playing field. Modified scale items of the Consumer ethnocentrism scale questionnaire is given in the Table 7.

CONCLUSION

Main aim of this research was to ascertain the customers' opinion about various aspects of modified consumer ethnocentrism scale and their judgment about the product. This study establishes and buildup an instrument of Consumer ethnocentrism from the point of view of respondents from Trichy and Thanjavur area of Tamilnadu. Data collected from respondents from Trichy and Thanjavur area of Tamilnadu was used to standardize the projected model (modified CETSCALE). For all 17 items of the modified Consumer Ethnocentrism scale, the average Cronbach's alpha value is 0.858 which is above the recommended value of 0.7. This confirms the reliability of the modified consumer ethnocentrism scale. Manufactures and marketers of India, in order to sustain and thrive in the globalized environment, have to formulate their marketing strategies as per the needs and expectations of the Indian customers. This type of study using consumer ethnocentrism scale will be of great help to the Indian manufactures and marketers to know about Indian people perception about Indian made products and imported products. In order to improve our falling Indian money value against US dollars and develop our Indian economy unnecessary imports have to be curbed.

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