

Ethnocentric tendencies among Indian consumers: An empirical study

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Abstract

The wave of globalisation has not only made the world one market but also given the advantage to the consumers to choose between domestic products and foreign brands to make their consumption basket. Also, technological innovations have almost removed the barriers and made things available from any part of the world at just the click of a mouse, thus further squeezing the domestic market. In this context, it becomes essential to assess the consumer preference for different types of domestic and foreign products in order to judge their level of Ethnocentrism i.e. preference of domestic products over foreign products. The present study is an effort to study the level of ethnocentrism among Indian consumers and also study the factors impacting their preferences over a range of products.

Keywords: Globalisation, economic integration, consumer ethnocentrism, domestic and foreign products.

Introduction

The wave of globalisation has made the world as one homogeneous market and made products of all countries available to everyone everywhere. The advent of technological innovations, especially the World Wide Web has further removed the barriers of distance and trade and narrowed the geographical distance between markets, the world over. This has enlarged the portfolio of goods and services at the disposal of the consumers and made more of foreign brands available to them (Wang and Chen, 2004)

India's global integration occurred in the year 1991 which opened the gates to many foreign brands to penetrate the Indian households as the gradual opening up of the Indian economy accelerated the growth of the multinational companies and their products. Out of the 500 multinational companies, more than 200 are currently operating in India (IBEF, 2013). Alongwith these foreign brands, a plethora of domestically manufactured goods are also found on retailers' shelves thereby creating a cut-throat competition among brands and countries of origin of brands.

Consumer Ethnocentrism – a conceptual framework

The concept of ethnocentrism finds its origin in the literature of psychology and sociology and it is found that William Graham Sumner was the first to coin the term 'ethnocentrism' and he explained it in purely sociological terms as a conflict between the in-groups and out-groups as "the view of things in one's own group is the centre of everything, and all others are scaled and rated with reference to it. Each group nourishes its own pride and vanity, boasts itself superior, exalts its own divinities and looks with contempt on outsiders".

The term ethnocentrism comprises of two words – 'Ethnic' meaning relating to national and cultural origins and 'Centric' which means focus. It means the beliefs held by consumers about the appropriateness or morality of purchasing foreign made products irrespective of the quality or price considerations, purely on nationalist feelings (Sharma et al 1995). The ethnocentric consumers prefer domestically produced goods over the foreign products as they believe that purchasing imported goods is wrong as it affects the domestic economy, causes job loss and hence is totally unpatriotic.

All consumers are not equally ethnocentric as the level of ethnocentrism is determined by a number of antecedents like demographic factors (age, gender and education) (Javalgi, Khare and Gross, 2005 and Jain and Jain 2013); socio-psychological factors (conservatism, cultural openness, collectivism etc) (Anderson and Cunningham, 1972 Sharma et al 1995, Javalgari and Khare, 2005), global mobility of the consumers (Howard, 2003, Shankarmahesh, 2006 and Sharma, Shimp and Shin 1995); the level of patriotism (Balbanias et al, 2001) and the political environment in the country (Shankermahesh, 2006).

Review of Literature

The term ethnocentrism refers to the cultural narrowness concept in which ethnically centred people accept those people or things which are culturally alike or same and reject those which are culturally different. One's own group or culture is centre of everything and is superior to all other groups & cultures and against one's culture or group, all other groups are judged (Sumner, 1906). It represents a tendency to see an individual's own group as the centre of the Universe, to interpret other social units from a group perspective and to reject those people who are culturally different, blindly accepting those who are culturally similar (Khan and Rizfi, 2008)

Consumers in developing countries are more ethnocentric than consumers in developed countries, Indian consumers hold highest level of ethnocentrism followed by Chinese, South Korean, American and Russian consumers hold lowest level of ethnocentrism (Gur and Lin, 2016)

In a study on American consumers about aptness and righteousness of purchasing foreign products, it was found that consumers in US considered buying of imported products wrong because of mainly three reasons, 1) it harms domestic economy 2) it causes loss of jobs 3) It is unpatriotic. Highly ethnocentric consumers feel that products from foreign countries are objects of contempt but non-ethnocentric consumers or less ethnocentric consumers feel that products should be evaluated on the basis of its features, characteristics and advantages it offers to consumers without giving much importance to its country of manufacture (Shimp and Sharma, 1987)

The level of ethnocentrism found in India matches that of US and other developed countries. Age, gender and educational level (Upadhyaya and Singh, 2006) and socio-economic status and quality consciousness (Bawa, 2004) have no impact on ethnocentric tendencies of Indians. Also, highly ethnocentric consumers make biased judgements because they over evaluate domestic products unreasonably with comparison to foreign products. Hence, consumer's ethnic sentiments & national identity also play an important role in decision making process (Naved and Raza). The Indian consumer likes domestic products and are little inclined towards foreign products, primarily because people treat the product on the basis of merit and ignore the "made in tags" (Singh and Kewlani, 2013)

The extent of ethnocentrism among Indian consumers is not that dominant that it leads to animosity for foreign products or some negative perception for foreign products (Garg and Jain, 2016). They only tend to have a more positive perception towards Indian products as compared to foreign products (Bandyopadhyay, 2014).

The perception of consumers regarding brand 'localness' or 'non-localness' affects the judgement of products functionality, social acceptability and desirability by evoking quality, imagery and affective connotations (Verlegh and Steenkamp, 1999).

Objectives of the study

- To determine the level of ethnocentrism among consumers in India.
- To find out the effect of various factors to which consumers pay attention while purchasing domestic or foreign goods.
- To find reasons for preference and non-preference for Indian goods.

Research Methodology

Keeping in view the objectives of the study, a questionnaire was designed after going through the literature related to the ethnocentric influences on consumer buying behaviour. The questionnaire was administered to 100 consumers of Ludhiana city. The questionnaire was designed based on the CETSCALE given by Shimp and Sharma and Likert's five point scale was used to get responses to the statements.

Data Analysis and Conclusions

The questionnaires were analysed and necessary data was inferred to draw conclusions about the level of ethnocentrism among the respondents from Ludhiana city. These have been tabulated as under:

Table 1 Demographic Profile of Respondents

		Male	Female
Age	Below 18	2	3
	18- 30	25	27
	30-45	15	13
	Above 45	8	7
Education Level	Illiterate	5	10
	Undergraduate	12	7
	Graduate	22	20
	Postgraduate	11	13
Marital Status	Single	24	20
	Married	26	30
Occupation	Student	15	19
	Employed	13	14
	Home-maker	0	13
	Business	22	4
Income	0-500000	10	15
	500000-1000000	25	23
	Above 1000000	15	12
Place of Residence	Urban	28	32
	Semi-Urban	12	10
	Rural	10	8

The above table shows that majority of the respondents (52%) are in the age group of 18-30 years, of which 25 are males and 27 are females. A total of 42 % of the respondents are graduate out of which 25 are males and 30 are females. Also, 48% of the respondents are having income between 5.00 Lakhs to 10.00 Lakhs per annum. Hence care has been taken to include respondents from all walks of life in order to have a representative sample.

The respondents shared that while buying a product they would choose a product on the basis of its merits rather than simply on the basis that it was an Indian product as 50 percent of the respondents shared that their preference would vary between Indian and Foreign products.

Table 2 Preference for Products

Response	No. of Responses	Percentage
Made in India	35	35%
Made outside India	15	15%

Depends on product	50	50%
Total	100	100%

Table 3 Preference for International products even if Indian products have same quality

Response	No. of Respondents	Percentage
Yes	18	18%
No	62	62%
May be	20	20%
Total	100	100%

Table 4 Preference for International products even if Indian products have same Price

Response	No. of Respondents	Percentage
Yes	15	15%
No	68	68%
May be	17	17%
Total	100	100%

Table no 3 and 4 above clearly highlight the ethnocentric tendencies of the Indian consumers as on the parameters of quality and price, 62 % of the respondents shared that they would always prefer Indian products if the Indian products and Foreign products had the same quality while incase of price 68 % of the respondents shared that they would always prefer Indian products if the Indian products and Foreign products had the same price. The reason for this preference of Indian products over foreign products is that majority of the respondents find Indian products are better than foreign products in terms of quality and also cheaper than their foreign counterparts (Mean 4.2 and 3.9) while very few respondents shared that they would do it to improve the Indian economy or to support Indian entrepreneurship.

The respondents also shared that while choosing a product, they give more importance to the factors of 'variety of designs' (mean 5.07) , 'status symbol' (4.92) followed by 'value for money' while 'comfort'(2.81) and 'easy availability of the products' (3.02) takes a back seat.

Table 5 Factors affecting the choice of Indian brands

Factors	Mean score	Ranking
Value for money	4.88	3
Status symbol	4.92	2
Comfort	2.81	7

Easily available	3.02	6
Reliability and durability	3.66	4
Price of the product	3.16	5
Variety of designs	5.07	1

Further, the respondents were to give their responses to statements on a 5 point likert scale of “Strongly Agree” to “Strongly Disagree”. The responses were evaluated with weights of 5, 4,3,2,1 where 5 was ‘strongly agree’ and 1 was for ‘strongly disagree’. Weighted means of responses was worked out and responses were drawn as under:

Table 6 Responses to various statements on the CETSCALE: Mean

S.No	Statement	Mean Score
1	Indians should always buy India made products only.	3.7
2	Indian products first, last, and foremost	3.4
3	Purchasing foreign made products is Un-Indian.	3.0
4	A real Indian should always buy Indian made products	3.2
5	It is not right to buy foreign products because it puts Indians out of jobs.	2.8
6	We should purchase Indian made products instead of letting other countries getting rich of us	3.2
7	We should import only those products which we cannot obtain in our own country.	3.6
8	Buy India made products-keep India working	3.8
9	Foreign products should be taxed heavily to reduce their entry in India.	3.0
10	There should be very little trading or purchasing of goods from other countries unless out of necessity.	2.9
11	Indians should not buy foreign made products because this hurts India’s business and causes unemployment.	3.4
	Aggregate Mean	3.27

The above table clearly shows that the respondents of Ludhiana are moderately ethnocentric as the aggregate score of the responses is 3.27. The respondents are strongly agree with the aspects of ‘Buy India made products-keep India working’ and ‘Indians should always buy India made products only’ while they disagree on the factors of ‘it is not right to buy foreign products because it puts Indians out of jobs’ and ‘there should be very little trading or purchasing of goods from other countries unless out of necessity’ thereby showing that the respondents are not against the purchase of foreign goods but feel that it should be done only to the limited necessary extent where Indian goods are not available.

Conclusion

With the increasing trend of globalisation, the competition between domestic and foreign firms has increased. The consumers are now exposed to variety of products and services both domestic and foreign. Sometimes consumers inevitably use foreign brands such as Apple, Nike, Sony etc but still they always have an inclination towards domestic brands such as Patanjali, Titan, Himalaya etc because they feel that domestic products have better quality and are cheaper than foreign products. It is found that people are more concerned about quality of product, price of product, reliability and durability rather than giving importance to status symbol. It is also seen that preference for domestic brands has increased because after globalization

domestic firms have increased their product quality and India is now playing an important role in the global arena. Not only old generation but young generation is also showing inclination towards Indian brands.

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