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
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 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.

Results and discussion:

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.

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              |
| 28-38           | 30.3 UG            | 14.0 Rs. 10001-30000     | 14.0       | Rural             |
| 39-49           | 19.5 PG            | 40.0 Rs. 31000-50000     | 40.0       | Urban             |
| Above 50        | 11.0 Diploma       | 36.7 Above Rs. 50000     | 36.7       | Semi-urban        |

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        | 0.558          |
| 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          |

Table 3: Reliability statistics

| Cronbach's alpha | No. of items |
|------------------|--------------|
| 0.858            | 17           |

Table 4: KMO and Bartlett's test

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

Table 5: Rotated component matrix

| Items | Component 1 | Component 2 | Component 3 | Component 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   |              |             |             |             |
| Q14   |              |             | 0.668       |             |
| Q15   | 0.665       |             |             |             |
| Q16   |              |             |             | 0.413       |
| Q17   | 0.619       |             |             |             |

*: Rotation converged in 7 iterations; Computed data

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

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...
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 build up 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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### 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   | Only products which are not available in India can be imported |
| Q12   | I always patronage Indian made products even though it may be costly |
| Q13   | People from other countries are not be allowed to do business in Indian markets |
| Q14   | Those consumers who buy foreign made products are accountable for making their fellow Indians out of job |

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