

INVESTIGATING THE IMPACT OF CONSUMER ETHNOCENTRISM AND BRAND PREFERENCES AMONG WORKING WOMEN

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Abstract

Consumers, today, have access to a wide range of products from both domestic and foreign markets. The perception and judgment of consumers towards products are influenced by a wide range of factors which also includes the country of origin of a product, referred to as Ethnocentrism. This study is an attempt to examine the effects of consumer ethnocentrism and the country of origin on brand image and product evaluation among working women in the state of Kerala. Data collected from 104 respondents, selected via stratified non-random sampling using a structured questionnaire was used for the purpose. The study concluded that there is a significant difference in consumer ethnocentrism among working women. However, there is no significant difference in consumer ethnocentrism between public-sector employees and private-sector employees.

Keywords: Consumer ethnocentrism, Brand image, Consumer perception, Kerala

INTRODUCTION

In today's interconnected world, consumers have access to a wide range of products from both domestic and foreign markets. The perception and judgment of consumers are influenced by factors such as brand image and the country of origin of a product. The origin of a product plays a crucial role in establishing a connection between consumer ethnocentrism and brand image. In many developing countries, consumers tend to prefer products that come from developed nations and have a strong brand image. Consumer ethnocentrism has a significant impact on purchasing decisions, particularly in different market contexts. Ethnocentric consumers believe that buying imported products can negatively affect the economy and employment opportunities within their own country. These consumers have distinct perceptions when it comes to product purchasing decisions, often attributing value to products based on the satisfaction derived from their consumption rather than their country of origin.

Ethnocentric individuals tend to judge other groups based on their own culture, particularly in terms of language, behaviour, customs, and religion. These ethnic distinctions and subdivisions help define the

unique cultural identity of each group. Consumer ethnocentrism affects both foreign and domestic markets, but its influence is stronger in the domestic market. Ethnocentric consumers have a sense of loyalty toward their home country and are reluctant to buy foreign products.

According to William G. Sumner, ethnocentrism refers to the view that one's own group is the centre of everything, and all other groups are evaluated in relation to it. This view can lead to pride, vanity, a belief in one's own superiority, and contempt for outsiders. People who grow up in a particular culture and absorb its values and behaviours develop a worldview that considers their own culture to be the norm. Due to this familiarity, it can be challenging for them to understand the behaviour of people from different cultures and view their actions from a different perspective. In marketing, consumer ethnocentrism refers to the preference for domestic products over foreign ones. For example, ethnocentric consumers in the UK may choose not to consume cars that are assembled in the UK by US firms.

The aim of this study is to examine the effects of consumer ethnocentrism and the country of origin on brand image and product evaluation. Brand image plays a crucial role in consumer purchasing decisions, and this study aimed to establish a connection between purchasing decisions and a strong brand image. Based on a review of existing literature, consumer ethnocentrism was found to significantly influence attitudes toward products and perceptions of product quality. Additionally, the country where a product is developed or manufactured is particularly important, especially when it involves a developed country. The research findings indicate that brand image is a better predictor of consumer perceptions and attitudes within an economy than consumer ethnocentrism. Establishing a strong brand image is crucial for the success of a company, and efforts should be made to create, develop, and maintain it. The research also showed that the country of origin is a better predictor of consumer perceptions and attitudes than consumer ethnocentrism. The study focused on comparing developed and developing nations in terms of their country of origin evaluations. Consumer ethnocentrism is particularly important in developing nations for predicting consumer perceptions and attitudes.

IMPORTANCE OF THE STUDY

Consumer ethnocentrism is known to have a negative impact on the evaluation of foreign products, attitudes towards foreign brands, and purchase intentions of non-local products. However, there has been limited research on the role of consumer ethnocentrism in the post-consumption stage, specifically when a product fails to meet consumer expectations. The main objective of this dissertation is to examine how consumer ethnocentrism influences post-purchase consumption emotions and complaint behaviours.

It is well-established that consumer ethnocentrism has a negative impact on consumers' intention to purchase foreign products, indicating that high levels of ethnocentric tendencies lead to unfavourable attitudes towards imported products. This study aims to analyse the role of consumer ethnocentrism as a potential basis for market segmentation and to identify product origin-sensitive groups. It also examines the relationship between regional ethnocentrism, local/regional identity, and the valuation and purchase of food products from a specific region.

SCOPE OF THE STUDY

The overall purpose of this dissertation is to investigate how consumer ethnocentrism affects post-consumption emotions and behavioural responses. To achieve this, the study combines five streams of marketing research, including consumer ethnocentrism, country of origin, cognitive appraisal, post-consumption emotions, and complaint behaviours, to explain the role of consumer ethnocentrism in customers' emotional and behavioural responses to product failure. The study addresses two key questions:

- (1) How do consumer ethnocentrism levels and country of origin influence different emotional and behavioural responses?
- (2) By distinguishing between the country of manufacture and country of origin for a brand, how do these two factors influence emotional and behavioural responses?

OBJECTIVES OF THE STUDY

To analyse consumer ethnocentrism among working women and gain a better understanding of acceptable consumer purchases as well as feelings of identity and belonging among individuals.

To examine the preference for domestic products based on nationalistic feelings.

To identify highly ethnocentric consumers who have a strong preference for purchasing domestic products, believing them to be superior to imported products.

To examine if ethnocentrism is influenced by factors such as financial independence and sector of employment.

HYPOTHESES OF THE STUDY

H0: There is no significant difference in consumer ethnocentrism among working women.

H1: There is a significant difference in consumer ethnocentrism among working women.

H0: There is no significant difference in consumer ethnocentrism between public sector employees and private sector employees.

H1: There is a significant difference in consumer ethnocentrism between public sector employees and private sector employees.

RESEARCH METHODOLOGY

Universe of the Study:

The population under investigation for this study is the working women in the state of Kerala.

Sample Size:

The sample size for this study is 110 respondents, focusing on the area mentioned above.

Sampling Method:

Stratified non-random sampling is adopted to select the samples for the study. The questionnaire consists of various question types, including ranking, multiple choices, and checklists.

Data Collection:

Primary data is gathered specifically for this study using structured questionnaires. Secondary data is collected from various sources.

REVIEW OF LITERATURE

Michael Boroian in 2020: In India, there are several ways to analyze the current presence of brands. The retail landscape is constantly changing, with the market evolving rapidly. Currently, the preferred approach for international luxury brands is to form partnerships with Indian companies, where the brand can have up to a 51% share. This allows the brand to have more influence over the activities of their Indian partner. Simultaneously, the Indian partner benefits from the brand's expertise in marketing and merchandising. This chapter examines the arrangements that contribute significantly to the growth of multi-brand retail, enabling companies like Saks Fifth Avenue and Sephora to operate in India.

Maya F Farah in 2021: The study explores the historical development of consumer ethnocentrism and consumer animosity to gain a broader understanding of these topics and identify potential future research questions. It identifies four research gaps in the existing literature: (a) a lack of systematic evaluations and comprehensive summaries in the field, (b) an overemphasis on quantitative research studies, (c) a scarcity of historical reviews, and (d) a lack of a shared understanding of the relationship between consumer ethnocentrism and consumer animosity.

Jose Manuel in 2021: Consumers in Western markets often express opposition to foreign-made products and their country of origin, especially when it comes to controversial countries and products. Consequently, Asian emerging countries and their manufacturing industries (e.g., apparel, toys, or chemicals) have become prime targets of anti-consumption in the West due to concerns related to political-economic, social, and environmental issues. Additionally, Western consumers' ethnocentric tendencies are reinforced by promoting domestic alternatives. This raises questions about the extent of consumers' knowledge about the country of origin and ethnocentrism and their significance in influencing consumer concerns, risk perceptions, and anti-consumption of products from controversial countries. This article sheds light on the influence of country-of-origin knowledge (both macro and based on usage experience) and consumer ethnocentrism on various risk perceptions and country-driven anti-consumption among Spanish consumers, specifically their reluctance to buy and own Chinese apparel products. The findings indicate that consumer ethnocentrism amplifies both psycho-social and performance risk perceptions, leading to reluctance to buy.

Nadir Gurer in 2022: The paper examines the current status of subsidies on major oil products (gasoline, kerosene, diesel, and fuel oil) in OPEC Member Countries to quantify their economic cost. It emphasizes the importance of reforming or gradually eliminating subsidies, which is a significant economic challenge faced by many Member Countries. The paper starts by providing a general definition and description of subsidies, followed by a brief discussion on key issues and potential benefits associated with subsidy reform/removal. It then presents estimations of subsidy levels in recent years and explores the implications of subsidies in terms of budget burden and lost revenues from potential exports. The paper argues that Member Countries should move towards internationally competitive prices for oil products, considering it an unavoidable development. This transition should occur gradually but with determination.

Hugo K.S Lamo in 2022: While various factors explaining differences in product quality across firms have been investigated, the impact of competition from foreign companies on domestic firms' product quality remains unclear. Despite receiving significant attention from the media and the public, particularly during the US-China trade war, the influence of foreign competition on product quality is not well understood. Our research addresses this important question by conducting a quasi-natural experiment in the US, where a reduction in import tariff rates serves as an exogenous increase in foreign competition for US firms. Using a difference-in-differences estimation to compare changes in product quality between treatment and control firms, our research reveals that increased foreign competition negatively affects the product quality of US firms. However, this negative impact is less pronounced for firms with ample operational resources and high research and development (R&D) intensity. Firms focusing on product differentiation rather than cost leadership strategies are also less affected by foreign competition. Overall, our research

demonstrates the detrimental impact of foreign competition on product quality and underscores the crucial role played by firms' operational resources and strategies in mitigating this negative effect.

DATA ANALYSIS AND FINDINGS

HYPOTHESIS TESTING I

H0: There is no significant difference in consumer ethnocentrism among working women.

H1: There is a significant difference in consumer ethnocentrism among working women.

@1Education * @4IndianshouldnotbuyforeignproductbecauseithurtsIndian Crosstabulation

Count

		@4IndianshouldnotbuyforeignproductbecauseithurtsIndian						Total	
		2	Neutal	3	Srongly disagree	5	1		
@1Education	2	5	3	1	5	0	0	1	15
@1Education	1	0	18	1	64	1	1	4	89
Total		5	21	2	69	1	1	5	104

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.060 ^a	6	.000
Likelihood Ratio	24.938	6	.000
N of Valid Cases	104		

INTERPRETATION: The above table shows the relationship between consumer ethnocentrism among college student. Chi-square table used to find out whether there is statistically difference between group means. In this table we can say that the significant value is 35.060 which is above 9.488. So we reject the null hypothesis .Therefore we can say that there is a significant difference in consumer ethnocentrism among working women.

perferencetowardsforeignones * productsmanufacturedinindia Crosstabulation

Count

		Productsmanufacturedinindia					Total
		Strongly disagree	disagree	neutral	agree	Strongy agree	
perferencetowardsforeignones	Strongly disagree	2	16	11	0	0	29
	Disagree	6	16	16	1	1	40
	Neutral	0	17	1	0	0	18
	Agree	0	3	0	0	0	3
	Strongy agree	1	6	2	0	0	9
Total		9	58	30	1	1	99

HYPOTHESIS TESTING II

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.474 ^a	16	.200
Likelihood Ratio	24.982	16	.070
Linear-by-Linear Association	1.865	1	.172
N of Valid Cases	99		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .03.

H0: There is no significant difference in consumer ethnocentrism between public sector employees and private sector employees.

H1: There is a significant difference in consumer ethnocentrism between public sector employees and private sector employees.

INTERPRETATION: The above table shows the relationship between consumer ethnocentrism among resident and non –resident. Chi-square test is used to identify the relationship among resident and non-resident. In this table we can say that the significant value is 20.474.which is below 26.296. Therefore we accept the null hypothesis.

FINDINGS, RECOMMENDATIONS, AND CONCLUSIONS

The findings represent the final results obtained from the research, while the recommendations are suggestions provided by the researcher based on those findings. The major findings, conclusions, and suggestions are summarized as follows:

The respondents consisted of 55.6% women working in private sector and 44.4% public sector.

Approximately 46.4% of the respondents came from rural regions, and 26.8% were from urban and semi-urban areas.

Most respondents held a neutral opinion regarding whether Indians should buy Indian products, with 23.2% disagreeing and 11.1% strongly disagreeing with the statement.

Around 43.4% of the respondents agreed that buying Indian products may have long-term costs but still preferred to do so.

33% had a neutral opinion on whether real Indians only buy Indian products, and 31.3% disagreed with the statement.

28.4% disagreed with the notion that those who purchase foreign products are non-Indian.

43% of the respondents placed neutral importance on Indian products over foreign ones.

33.7% of the respondents had a neutral attitude toward purchasing foreign products as substitutes for Indian products.

44.4% held a neutral opinion on the importance of manufacturing products in India instead of letting them be produced in other countries.

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