

Understanding The Relevance Of Consumers' Attitude Towards Purchase Intention And Product Judgment: Effects Of Consumer Ethnocentrism

Dr. R. Renganathan, R. Krishnadas

Abstract : Domestic production is essential for developed and developing countries to accomplish economic growth and meet their national objectives. Marketers have to construe the perspective of the domestic and foreign-made product buyers in their purchase process, particularly in the Liberalized, Privatized and Globalized ecosystem. The relevance of ethnocentrism may be considered during purchasing a product or evaluating the quality of products. The government of India has launched 'Make in India' initiative on September 25th, 2014 which covers 25 sectors of the economy. This study aims to bring out the consumer attitude towards local and goods produced from other nations in the Indian market. "CETSCALE (25 items) suggested by Shimp & Sharma (1987)" with few alterations appropriate to swadeshi context along with the purchase intention and product judgment was used. The survey was conducted with a structured questionnaire and responses were elicited from college students of Thanjavur, Tamil Nadu. Suggestions and findings of this study will be beneficial for the marketing community to comprehend the significance level given by the buyers for ethnocentrism. Consistency pertaining to 'Consumer Ethnocentrism' scale was upright and there is an important association among the innate place & educational qualifications of the college students and their view towards overall 'purchase intention' and 'product knowledge' which was demonstrated from the results.

Index Terms :CETSCALE, Consumer behaviour, Ethnocentrism, Product judgment, Purchase intention

INTRODUCTION

In the highly competitive atmosphere across the globe, marketers need to be aware of the tastes, preferences, and expectations of the purchasers for their endurance and development. Due to rapid changes in technology, buyers from developing countries like India can have access to products produced from other countries. Consumer ethnocentrism can be referred to "as the tendency of the consumer to favour or not to favour products which are manufactured other than their own country". According to J. Watson et.al., (2000), people with high intensity of consumer ethnocentrism have a propensity towards countries with a similar culture. In the international business, consumer ethnocentrism may be one of the important impediment based upon the research conducted across the globe, Shankarmahesh (2006). Thus the Indian marketers need to determine the buyers' eagerness towards products that are being traded into India from other nations. To collect primary data, a survey was conducted with the structured questionnaire, "Consumer Ethnocentrism scale – CETSCALE (25 items) suggested by Shimp & Sharma (1987)" with slight alterations were made to Indian situationalong with the purchase intention and product judgment was used. Responses were elicited from the college students Thanjavur, Tamil Nadu. Customers' opinion about ethnocentrism, the judgment of the product and their purchase intention were included in this study.

2. REVIEW OF LITERATURE

To understand consumer behaviour and attitudes, marketers and decision-makers have a better need than ever before due to increase in the competition in the national and global levels & availability of foreign products on account of globalization,

- DR. R. Renganathan, Professor, School of Management, SASTRA Deemed to be University, Thanjavur
- Email: renganathan@mba.sastra.edu
- R. Krishnadas, Full-Time Research Scholar, School of Management, SASTRA Deemed to be University, Thanjavur
- Email: r.krishnadas@sastra.ac.in

(Netemeyer et al., 1991). People with high intensity towards consumer ethnocentrism have propensity with respect to goods from other nations with the same culture, (J.Watson et. al., 2000). In international business, consumer ethnocentrism may be one of the important impediment based upon the research conducted across the globe, (Shankarmahesh, 2006). People may lose their jobs, they are not nationalistic, if they buy products imported from other countries, are the perspectives of ethnocentric consumers (Shimp & Sharma, 1987). Consumer ethnocentrism may be an obstruction for international trade, if it is not handled properly, Charles Makanyeza et. al., (2017). To sustain and excel in their business, marketers have to know the expectations of the consumers about the products which are made in their countries than imported, Durvasula et. al., (1997). Consumers' preferences of products based on the foreignness have to be considered by the marketers (Balabanis & Siamagka 2017). Consumer ethnocentrism creates the opinion of consumers that foreign-made products are inferior to the products manufactured in their country (Pennanen et. al., 2017). According to Klein and Ettensen (1998), for females belonging to the low-income group are more concerned about their country, its economy, and financial aspects and more ethnocentric. Renganathan et.al., (2013), opined that "to defend our country businessmen, inflation and our economy as a whole, Government of India has to restrain certain imports".

OBJECTIVES OF THE STUDY

- To ascertain the level of ethnocentric propensities amongst college students on the purchase of Indian made products.
- To analyse and empirically validate the modified CETSCALE.
- To examine the connotation between demographic characteristics (native place, educational qualification and family income) product judgment and purchase intention
- To analyse the effect of demographic characteristics like age,

number of siblings, native place, educational qualification and income of the family on customer ethnocentrism.

3. METHODOLOGY

Sample and data collection

"Consumer Ethnocentrism scale - CETSCALE (25 items) suggested by Shimp & Sharma (1987)" with slight changes appropriate to Indian scenario along with the purchase intention and product judgment was used to collect the primary data. In the questionnaire to get better efficacy 5 point scale (Strongly agree - 5 and strongly disagree - 1) was used. A structured questionnaire was used, to obtain the perspective of different aspects of consumer ethnocentrism, along with the purchase intention and product judgment. 275 college students studying engineering and management in Thanjavur, Tamil Nadu were included. The pilot study was done with 50 students. Out of 225 questionnaires administered, 200 corrected in all forms used for analysis.

4. DATA ANALYSIS AND INTERPRETATIONS

Table 1- Demographic details of the respondents

Age	17-20	21-24	25-28		Total
%	47.0	51.0	2.0		100.0
Gender	Male		Female		Total
%	57.3		42.7		100.0
Qualification	UG		PG		Total
%	66.0		34.0		100.0
Family income per month INR	10,000-30,000	30000-50000	50000-70000	Above 70,000	Total
%	30.0	19.0	29.0	22.0	100.0
Native place	Rural	Semi Urban	Urban		Total
Numbers	23.0	37.0	40.0		100.0
Number of siblings	No siblings	1	2-3	Above 3	Total
Numbers	20.0	63.0	15.0	2.0	100.0

Source: Primary data

Descriptive statistics

Demographic profile of the college students like age, gender, family income, native place and number of siblings and educational qualification are given in table 1.

Table 2 - Purchase Intention, Product judgment and Consumer ethnocentrism – Mean & Std.deviation

S.No	Factors	Mean	Std. Deviation
1	Purchase Intention I intend to purchase more products made by our country compared with my friends.	4.0700	.80520
2	I tend to purchase more products made by our country this year	3.8500	.69996
3	While buying Indian goods, I feel happy	4.2300	.80019
4	There is some excitement about shopping for things that are made from my country	3.9600	.95022
5	Product judgment Indian products are of good quality	3.8300	.70966
6	Indian Products are easy to use.	3.9300	.71249
7	Usually products which are made in India using state-of-art technologies	3.5300	.78241
8	Indian Products last for a longer time and they are reliable	3.3400	.88789
9	Indian products are good value for money	3.6300	.83462

1	Consumer ethnocentrism India citizens have to buy Indian products should not buy imported products	3.7200	.97280
1	Products may be imported if it is not available in India	4.0400	.66378
1	Citizens should always buy Indian products to make India as a powerful Nation	4.0700	.86536
1	Patriotism stops me to buy foreign-made goods	3.1800	1.00631
1	Purchasing products manufactured from foreign nations, may make Indians to lose their jobs	3.3800	1.03971
1	To be patriotic, Indians have to purchase Indian goods	3.1100	1.11540
1	Foreign countries may exploit us if we do not purchase products made in India	3.5600	1.09195
1	Purchasing Indian made products is always good for Indians	3.6600	.93206
1	Trade from other countries can be allowed only if there is a need	4.0400	.81345
1	If Indians purchase imported products it will lead to job cuts and affect the Indian traders.	3.5900	1.12616
2	I continuously support Indian made products irrespective of the price	3.2600	1.05735
2	People from other countries are not supposed to have their venture in India	3.0900	1.14387
2	Higher taxes should be levied for imported goods, to prevent the entry in India	3.7100	.99542
2	I like the initiative of the current Indian government towards made in India	3.8800	.84211
2	I am always for Indian products not for other products	3.4700	.95586
2	I always recommend others to buy Indian products	3.6700	1.00306

Source: Primary data

Table 2 deals with the mean & standard deviation of various characteristics of ethnocentrism. All the items of the constructs were measured on a 5 point scale, with the score 1 given to strongly disagree and score 5 given to strongly agree. As per the table 2, it is found that maximum mean value (4.23) was given to attribute "I feel happy buying Indian goods" and minimum mean value (3.09) was given to the attribute "People from other countries are not be allowed to do business in Indian markets".

Reliability analysis

SPSS is used to perform reliability analysis and to test the internal consistency of the questionnaire used in the study. The results are tabulated as follows:

Table 3 Cronbach's Alpha test

Dimensions	N of items	Cronbach's Alpha
Ethnocentrism , purchase intention & product judgment	25	.850

Source: Primary data

From the list 25 items of the improved Consumer Ethnocentrism scale, purchase intention and product judgment- based on the table 3, the average Cronbach's alpha value is .858, higher than the suggested value of 0.7.

Table 4 Native, Educational qualifications and Family income

Vs Opinion towards Overall 'Purchase intention' and 'Product judgment'

Demographic profile	Particulars	Pearson chi-square			Null hypothesis
		Value	df	Asymp.Sig. (2-sided)	
Native place	Purchase intention	49.411	20	.000*	Rejected
Native place	Product judgment	62.702	26	.000*	Rejected
Educational qualification	Purchase intention	25.695	10	.004*	Rejected
Educational qualification	Product judgment	33.870	13	.001*	Rejected

Table 5 Family income, Age Vs Opinion of the respondents towards Overall 'Purchase intention' and 'Product judgment'- One way ANOVA

Particulars		Sum of Squares	df	Mean Square	F	Sig.	Null hypothesis
Family income of the respondents* Purchase intention	Between Groups	44.220	4	11.055	2.228	.067	Accepted
	Within Groups	967.360	195	4.961			
	Total	1011.580	199				
Family income of the respondents* Product judgment	Between Groups	63.383	4	15.846	2.594	.038*	Rejected
	Within Groups	1191.097	195	6.108			
	Total	1254.480	199				
Age of the respondents* Purchase intention	Between Groups	26.517	2	13.258	2.651	.073	Accepted
	Within Groups	985.063	197	5.000			
	Total	1011.580	199				
Age of the respondents* Product judgment	Between Groups	93.756	2	46.878	7.956	.000*	Rejected
	Within Groups	1160.724	197	5.892			
	Total	1254.480	199				

Source: Primary data

- H₀₃ There is no significant relationship b/w educational qualifications of the students and their attitude towards 'purchase intention'.
- H₀₄ There is no significant relationship b/w educational qualifications of the students and their attitude towards 'product judgment'.

Based on the values of table 4, it can be inferred that all the significant values are below 0.05, which is lesser than 5%. Therefore, our results are statistically significant, we would accept the alternate hypothesis and reject the null hypothesis. It concludes that there is a significant association between native place and educational qualifications of the college students to their attitude about overall 'purchase intention' and 'product knowledge'.

(B) One way ANOVA

- H₀₅ There is no significant relationship between family income of the students and their attitude towards 'purchase intention'.
- H₀₆ There is no significant relationship between family income of the students and their attitude towards 'product judgment'.
- H₀₇ There is no significant relationship age of the students and their attitude towards 'purchase intention'.
- H₀₈ There is no significant relationship between age of the students and their attitude towards 'product judgment'.
- H₀₉ There is no significant influence 'purchase intention' and 'product judgment' on 'consumer ethnocentrism'

Based on the table 5, it is observed that there is a significant relationship among family income of the students and their attitude towards 'product judgment' and also there is a significant relationship among age of the students and their attitude to 'product judgment'. Hence null hypothesis is rejected. But there is no significant relationship among family income of the students and their attitude towards 'purchase intention' and also there is no significant relationship between age of the students and their attitude about 'purchase intention'. Hence null hypothesis is accepted

Table 6 .1 Model Summary of overall opinion about 'purchase intention' and 'product judgment' on 'consumer ethnocentrism'

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.366 ^a	.134	.125	8.02822

Source: Primary data

a. Predictors: (Constant), Product judgment, Purchase intention
 b. Dependent Variable: Consumer ethnocentrism
 As per the table 6.1, the R-value denotes the simple correlation and is 0.366, indicated a moderate degree of correlation between the independent variables (purchase intention, product judgment) and dependent variable (consumer ethnocentrism). The R² value indicated that 13.4 % (0.134) of the variance of dependent variable 'consumer ethnocentrism' is clarified by 'purchase intention' and 'product judgment'.

Table 6.2 Coefficients of overall opinion about 'purchase intention' and 'product judgment' on 'consumer ethnocentrism'

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
-------	-----------------------------	---------------------------	---	------

*=H₀ rejected at .05 significance level
 Source: Primary data

Hypothesis of the study

(A) Chi-square test

- H₀₁ There is no significant relationship b/w native place of the students and their attitude towards 'purchase intention'.
- H₀₂ There is no significant relationship b/w native place of the students and their attitude towards 'product judgment'.

	B	Std. Error	Beta		
(Constant)	30.950	4.853		6.377	.000
Purchase Intention	.652	.283	.171	2.308	.022
Product judgment	.875	.254	.256	3.448	.001

a. Dependent Variable: Consumer ethnocentrism

As per the table 6.2, it is found that, there is a significant influence of students' opinion about 'purchase intention' and 'product judgment' on 'consumer ethnocentrism'

5. RESULTS AND IMPLICATIONS

From the findings, the average Cronbach's alpha value for 25 items of modified CETSCALE along with purchase intention & product judgment as per the findings is 0.858. This makes certain that the reliability of the modified CETSCALE, along with purchase intention & product judgment which is sufficient to determine consumer ethnocentrism. There is no significant relationship among family income of the students and their attitude towards 'purchase intention' and also there is no significant relationship among age of the students and their attitude towards 'purchase intention' in the modified consumer ethnocentrism scale along with purchase intention & product judgment. There is a significant relationship among family income of the students and their attitude towards 'product judgment' and also there is a significant relationship among age of the students and their attitude towards 'product judgment'. There is a significant influence of college students' opinions about 'purchase intention', when it comes to consumer ethnocentrism and 'product judgment' on 'consumer ethnocentrism'. It is recommended to the manufacturers and marketers of Indian products to understand the expectations of buyers and use appropriate marketing strategies to uphold and flourish in the competitive ecosystem. Indian Government has to restrain foreign products to support the interests of the Indian economy. Products that are scarce and cannot be manufactured in India can be procured from other nations. In order to provide employment opportunities for the unemployed educated youth, the Government of India can safeguard the public sectors of India to compete with the MNCs.

6. CONCLUSION

The primary aim of the study was to determine the college students' views towards different facets of improved consumer ethnocentrism scale along with product judgment and purchase intention. This study has come out with a tool for Consumer ethnocentrism from the standpoint of Thanjavur area college students in Tamil Nadu. Information gathered from the respondents of Thanjavur district in Tamil Nadu was used to normalize the anticipated model (modified CETSCALE). 25 items of the modified Consumer Ethnocentrism scale, along with product judgment and purchase intention, the average Cronbach's alpha value is 0.858 which is higher than the suggested value of 0.7, which substantiates the reliability of the improved consumer ethnocentrism scale. Enterprises should understand the changing lifestyles, tastes, preferences, likes, and dislikes of customers to uphold and flourish in the competitive globalized ecosystem. The study of this nature will be certainly useful for marketers to comprehend the Indian buyers' perspective about imported and indigenous products. Indian Government should streamline the products from other countries to safeguard our

Indian money value and to strengthen the economy of India. Import policy is for ICs (Integrated Chips) not for PCS (Potato Chips)

REFERENCES:

- [1] Balabanis, G. & Siamagka, N.-T., 2017, 'Inconsistencies in the behavioural effects of consumer ethnocentrism: The role of brand, product category and country of origin', *International Marketing Review* 34(2), 166-182. <https://doi.org/10.1108/IMR-03-2015-0057>
- [2] Charles Makanyeza, Francois du Toit (2017). "Consumer ethnocentrism in developing countries: Application of a model in Zimbabwe". *Acta Commer.* Vol 17 n.1 Johannesburg 2017
- [3] Durvasula, S., J.C. Andrews and R.G. Netemeyer, 1997 .A Cross-cultural Comparison of Consumer Ethnocentrism in the United States and Russia. *J. Int.Consumer Market.*, 9 (4): 73-79.
- [4] John J. Watson, Katrina Wright, (2000) "Consumer ethnocentrism and attitudes toward domestic and foreign products", *European Journal of Marketing*, Vol. 34 Issue: 9/10, pp.1149-1166,
- [5] Klein, J. G., Ettenson, R., and Morris, M. D. (1998). The animosity model of foreign product purchase: An empirical test in the People's Republic of China. *Journal of Marketing*, 62(January), 89-100.
- [6] Netemeyer, R. G., Durvasula, S., & Lichtenstein, D. R. (1991). A cross-national assessment of the reliability and validity of the CETSCALE. *Journal of marketing research*, 320-327.
- [7] Pennanen, K., Luomala, H.T. & Solovjova, J., 2017, 'Analyzing the antecedents and consequences of consumer ethnocentrism amongst Russian food consumers', in C.L.Campbell (ed.), *The customer is not always right? Marketing orientations in a dynamic business world. Developments in Marketing Science: Proceedings of the Academy of Marketing Science*, pp. 741-749, Springer, Cham.
- [8] Renganathan, R., Balachandran, S., & Anand, V. V. (2013). Validation of Consumer Ethnocentrism Scale (CETSCALE): Structural Equation Modeling Approach. *International Research Journal of Finance and Economics*, 107, 120-129.