Ethnocentric Tendencies of Indian Consumers

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Abstract
This study explores the ethnocentric tendencies prevalent among Indian consumers and their impact on consumer behavior. Using a mixed-methods approach, data was collected through surveys and interviews from a diverse sample of Indian consumers. The findings reveal that ethnocentric attitudes, characterized by a preference for domestic products over foreign alternatives, significantly influence purchasing decisions across various product categories. Factors such as cultural identity, nationalism, and perceived product quality contribute to the manifestation of ethnocentric tendencies among Indian consumers. Additionally, demographic variables such as age, education, and income level exhibit varying degrees of influence on the extent of ethnocentrism observed. Understanding these ethnocentric tendencies is crucial for marketers and policymakers to develop effective marketing strategies and promote domestic products in the Indian market.
Keywords: Ethnocentric Tendencies, Indian Consumers, Consumer Behavior, Domestic Products, Marketing Strategies

Introduction

India's retail market witnesses a multitude of foreign and domestic products vying for consumer attention. To delve into how ethnocentrism influences Indian consumer attitudes towards foreign and domestic products, this study endeavors to unravel the factors underlying Consumer Ethnocentric Tendencies (CET) among Indian consumers and their impact on product/service preferences. The surge of foreign products flooding the Indian market has engendered a landscape where both domestic and foreign enterprises vie for market share. Given the escalating significance of international trade in a globalized context, the proliferation of foreign firms in developing nations like India is notable. The inability of domestic firms to compete effectively against foreign counterparts not only exacerbates unemployment but also diminishes discretionary income and stifles entrepreneurial prospects (Vida and Fairhurst, 1999). To thrive in this competitive milieu, it becomes imperative for both domestic and foreign enterprises to grasp consumer sentiments vis-à-vis domestic and foreign offerings.

To understand Indian consumers' attitudes toward domestic and foreign products, it is essential to critique the ethnocentric tendencies of Indian consumers. This study aims to understand antecedents of consumer ethnocentric tendencies (CET), the impact of ethnocentrism on attitudes of Indian consumers toward domestic versus foreign products. And to investigate the buying behavior of individual towards the purchase of international and domestic products.

Ethnocentric Tendencies

The term 'ethnocentrism' has its roots in sociology, representing the universal tendency for people to view their own group as the center of the universe and to reject people who are culturally dissimilar, while blindly accepting those who are culturally similar. In the consumer behavior context, ethnocentric tendency is the preference for domestic over foreign products.

Scope of the Study

The study aimed to analyze the Indian consumer's attitude to their domestic products over the international ones. The study also enables to understand the buying behavior of international products. It also covers their satisfaction level of buying international product. It also measures to assess the consumers perception and preference towards international products among Indian consumers.

Objective of the Study

- To measure the attitude of Indian consumers towards international products.
- To analyse the reason for using international products among Indian consumers.
- To ascertain the criteria of product evaluation in Indian consumers towards international products.
- To investigate the buying behaviour of individual towards the purchase of international and domestic products.
- To compare the purchasing intention of individual among different demographic groups.

Need of the Study

Consumer Ethnocentric Tendency is a concept that describes how consumer's attitude to their domestic products over the international ones. It is the belief that one's ethnic group is superior to another. It can also simply mean any culturally biased judgment. Hence the need of the study is to measure the ethnocentrism level of Indian consumers.

Limitation of the Study

- It is assumed that all the information of respondents may be unbiased.
- The sample size is limited to 300 so a large group cannot be taken into consideration.
- This study is limited to consumers who live in India

Significance of the Study

- This study will help to know about the attitude/ perception of Indian consumers towards international products.
- This study is important because it shows how we see one's ethnic group and how we feel about the differences in between.

Research Methodology
Statistical Tools Used

Statistical methods are used for the purpose of presenting the analyzed data in a simple form for the easy interpretation of information by the readers. Mostly, it is in the form of graphical representations. The statistical methods used in the study are pie diagrams and bar charts. The statistical tools used in the study are:

- Descriptive – percentage analysis and graphical representation
- Chi square analysis

- ANOVA
- Regression analysis
- Independent t-test

Review of Literature
Overview of Review of Literature

This chapter reviews the related available literature that will include all the articles related to the study ethnocentric tendencies of Indian consumers.

The important reviews from the literature are:

Anupam Bawa's (2004) research on 'Consumer Ethnocentrism: CETSCALE Validation and Measurement of Extent' focused on validating the CETSCALE and assessing the level of consumer ethnocentrism in India. The study also explored the relationship between socio-demographic factors and quality consciousness with consumer ethnocentrism. Using a descriptive research design, data were gathered from three sociodemographic groups. The findings indicated that the concept of consumer ethnocentrism in India differs from that in other countries.

Archana Kumar and Ann Fairhurst (2011) conducted a study titled 'Ethnocentric tendencies of Indian consumers: impact on preference for domestic versus foreign products.' This research aimed to investigate how ethnocentrism influences Indian consumer attitudes towards domestic and foreign products. The study explored socio-psychological and demographic antecedents of consumer ethnocentric tendencies, the impact of ethnocentrism on product attitudes, and the moderating effect of perceived economic threat. Data from 800 respondents across different regions were analyzed using CET scales and ANOVA. The study found that while age and gender did not significantly impact ethnocentrism, higher education correlated with lower levels of ethnocentrism.

Manish Das and Victor Saha (year) conducted a study on 'Consumer Ethnocentrism and Social Comparison in Rural India: Implications for Marketing Strategy.' This research aimed to assess the role of Consumer Ethnocentrism (CE) and Attention to Social Comparison Information (ATSCI) in shaping marketing strategies tailored for rural India. Data were collected from 177 rural consumers in Tripura, and analyzed using descriptive statistics, correlation, and regression. The findings suggested that rural consumers displayed openness towards foreign goods, with social comparison playing a crucial role in purchase decisions. Age and education emerged as predictors of ethnocentric tendencies, while gender influenced social comparison behaviors.

Fernández-Ferrín, P., & Bande-Vilela, B. (2013) conducted a research on 'Regional ethnocentrism: Antecedents, consequences, and moderating effects' This study presents the construct of consumer regional ethnocentrism, which relates to consumer opinions over whether or not it is acceptable and ethical to purchase products from other regions. Data were collected from 138 respondents. Descriptive statistics including one-way ANOVA was used for data analysis. The results support the aforementioned model and show that consumer ethnocentrism is an important factor regarding the intention to purchase not only foreign products but also nonregional products.

Gašević, D., Tomašević, D., & Vranješ, M. (2017) conducted a research on 'Key factors determining the ethnocentric tendencies of consumers in Serbia' The aim of this paper is to examine the influence and interaction of demographic characteristics of respondents in Serbia on consumer ethnocentrism. With nonparametric techniques and For data analysis and testing of hypothesis, Chi square test, Garett Ranking method and descriptive statistic have been used by the researcher. The results indicate that men are more ethnocentric than women, as well as persons with lower level of education than those with higher level of education.

Yogesh Upadhyay, Shiv Kumar Singh(2006) conducted a research on 'Preference For Domestic Goods: A Study Of Consumer Ethnocentrism'. The purpose of the study attempts to

assess consumer ethnocentrism in India against the backdrop of socio-demographic variables. It also intends to gauge the extent of ethnocentrism tendency in Indian consumers. The sample of the study is a non-probabilistic convenience sample, comprising 164 college and school students. For the measurement of consumer ethnocentric Tendencies, the 17-item CETSCALE developed by Shimp and Sharma (1987) was used.
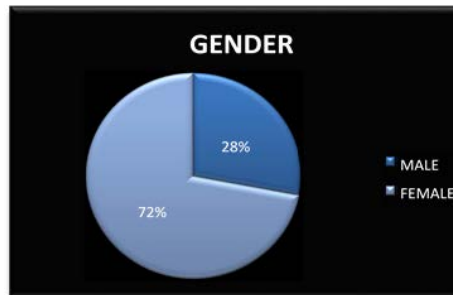
Data Analysis and Interpretation
Percentage Analysis
Gender

Classification based on Gender

S. No	Gender	No. of. Respondents	Percentage(%)
1	Male	67	28%
2	Female	172	72%

Classification based on Gender

Interpretation

From the above chart, it is evident that 28% of the respondents were Male and 72% of the respondents were Female
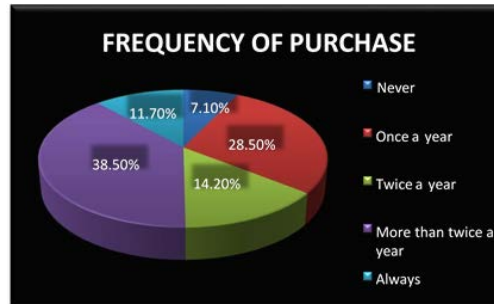

Classification based on Product Preference

Interpretation

From the above chart, it is concluded that 177 respondents which consists of 74% of the people prefer Indian products and the remaining 62 respondents consisting 26% of the people prefer imported products.

Frequency of Purchase

Classification based on Frequency of Purchase

S. No	Frequency	No. of Respondents	Percentage(%)
1	Never	17	7.1%
2	Once a year	68	28.5%
3	Twice a year	34	14.2%
4	More than twice a year	92	38.5%
5	Always	28	11.7%

Classification based on Frequency of Purchase

Interpretation

From the above chart, it is shows that 7% of the respondents never purchase imported products, 29% of the respondents buy once a year, 14% of the respondents buy twice a year, 39% of the respondents buy imported products more than twice a year and 12% of the respondents always buy imported products.

Reliability

Classification based on Reliability

S. No	Reliability	No. of Respondents	Percentage(%)
1	Yes	94	39.3%
2	No	26	10.9%
3	Maybe	119	49.8%
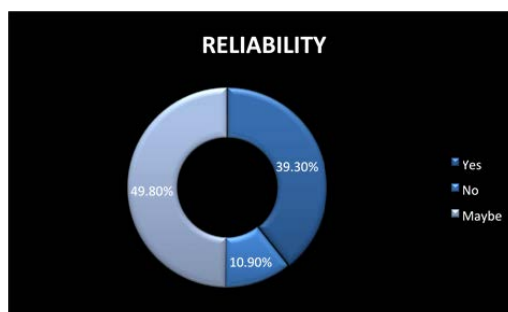
Classification based on Reliability

Interpretation

From the above chart, it is concluded that 94 respondents which consists of 39.3% of the sample have trust in imported products, the 26 respondents consisting 10.9% of the sample haven't gained trust in imported products and the remaining 119 respondents are in a neutral state.

Hypothesis Tests
Independent Sample t Test 1

Aim: To study the significant difference in preference of Indian consumer based on product evaluation of international product.

H1 - There is significant difference in preference of Indian consumer based on product evaluation of international product.

Difference in Preference of Indian Consumer based on Product Evaluation of International Product

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
□□□□□□□□	Equal variances assumed	.849	.358	-2.309	237	.022	-.24731	.10712	-.45835	-.03627
	Equal variances not assumed			-2.189	97.385	.031	-.24731	.11300	-.47157	-.02305

Interpretation

The above chart shows that hypothesis was tested under independent t-test method and there is a significant difference in the preference of Indian consumer based on product evaluation of international product of the respondents at t= -2.309 and p= 0.022 (p<0.05).

Independent t Test 2

Aim: To study the difference in buying behavior of Indian consumer based on demographic factor.

H2: There is significant difference in buying behavior of Indian consumer based on gender.

Difference in Buying Behavior of Indian Consumer based on Gender

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
□□□	Equal variances assumed	3.393	.067	-.292	237	.770	-.02898	.09916	-.22433	.16636
	Equal variances not assumed			-.263	99.474	.793	-.02898	.11003	-.24729	.18932

Interpretation

The above chart shows that hypothesis was tested under independent t-test method and there is no significant difference in buying behavior of Indian consumer towards international product based on gender at t= -0.292 and p= 0.770 (p>0.05).

Chi Square Analysis 1

Aim: To study the significant association between purchase intention of Indian consumer and age.

H3: There is significant association between purchase intention of Indian consumer and age.

Association Between Purchase Intention of Indian Consumer and Age

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	44.887[a]	16	<.001
Likelihood Ratio	47.639	16	<.001
Linear-by-Linear Association	15.653	1	<.001
N of Valid Cases	238		

a. 13 cells (52.0%) have expected count less than 5. The minimum expected count is 1.00.

Interpretation

From the above table, it is known that there is a significant association between purchase intention of Indian consumer and age as it is statistically significant at $p=0.001<0.05$. Thus the findings support the hypothesis and the table shows the chi-square value of 44.887 and it is significant at $p=0.001 (p<0.05)$.

Chi Squre Analysis 2

Aim: To study the significant association between reliability of international product and demographic factor.

H4: There is significant association between reliability of international product and income.

Association Between Reliability of International Product and Income

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11.436[a]	6	.076
Likelihood Ratio	11.341	6	.078
Linear-by-Linear Association	1.579	1	.209
N of Valid Cases	239		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.03.

Interpretation

From the above table, it is known that there is no significant association between reliability of international product and income as it is statistically significant at $p=0.076>0.05$. Thus the findings support the hypothesis and the table shows the chi-square value of 11.436 and it's significant at $P= 0.076 (p>0.05)$.

Anova Analysis 1

Aim: To identify the significant difference in the reason for using international products with respective to their preference.

H5: There is significant difference in the reason for using international products with respective to their preference.

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Difference in the Reason for using International Products with Respective to their Preference

ANOVA

Reason

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	21.936	2	10.968	14.016	<.001
Within Groups	184.672	236	.783		
Total	206.608	238			

Interpretation

The result in the above table shows that there is a significant difference in the reason for using international products with respective to their preference at F= 14.016 and p=0.01<0.05. This finding supported hypothesis and there is a significant difference in the reason for using international products with respective to their preference.

Anova Analysis 2

Aim: To identify the significant difference in product evaluation of international product based on employment status.

H6: There is significant difference in product evaluation of international product based on employment status.

Difference in Product Evaluation of International Product based on Employment Status

ANOVA

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	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.308	4	1.327	2.512	.043
Within Groups	122.044	231	.528		
Total	127.352	235			

Interpretation

The result in the above table shows that there is a significant difference in the product evaluation of international product based on employment status at F=2.512 and p=0.043(p<0.05). This finding supported hypothesis and there is a significant difference in the product evaluation of international product based on employment status.

Anova Analysis 3

Aim: To identify the significant difference in reason for using international product based on level of education.

H7: There is significant difference in reason for using international product based on level of education.

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Difference in Reason for using International Product based on Level of Education

ANOVA

Reason

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.818	4	1.205	1.397	.236
Within Groups	201.790	234	.862		
Total	206.608	238			

Interpretation

The result in the above table shows that there is no significant difference in the reason for using international product based on level of education at F=1.397 and p= 0.236>0.05. This finding unsupported hypothesis and there is no significant difference in the reason for using international product based on level of education.

Regression Analysis 1

Aim: To identify the significant relationship between buying behavior and purchase decision of Indian consumer toward international product.

H8: There is significant relationship between buying behavior and purchase decision of Indian consumer toward international product.

Relationship Between Buying Behavior and Purchase Decision of Indian Consumer toward International Product

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change
1	.550[a]	.303	.300	.57506	.303	102.904	1	237	<.001

a. Predictors: (Constant), Reason

Relationship Between Buying Behavior and Purchase Decision of Indian Consumer toward International Product

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.030	1	34.030	102.904	<.001[b]
	Residual	78.374	237	.331		
	Total	112.404	238			

a. Dependent Variable: □□□

b. Predictors: (Constant), Reason

Relationship Between Buying Behavior and Purchase Decision of Indian Consumer Toward International Product

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.840	.133		13.839	<.001
	Reason	.406	.040	.550	10.144	<.001

a. Dependent Variable: □□□

Interpretation
The above chart shows that the hypothesis was tested under linear regression method and it was significant at p=0.001, the first table shows R= 0.550 which is the correlation between the buying behavior and purchase decision of Indian consumer toward international product. The ANOVA table shows the F value of 102.904 is significant at p=0.001 and T = 13.839 and R square =0.303.

Findings
Findings Through Analysis of Questionnaire
Percentage Analysis Reveals the Following
- It is evident that 28% of the respondents were Male and 72% of the respondents were Female.
- It is concluded that 94 respondents which consists of 39.3% of the sample have trust in imported products, the 26 respondents consisting 10.9% of the sample haven't gained trust in imported products and the remaining 119 respondents are in a neutral state.

Hypothesis Testing
Independent T-Test Reveals the Following
- Based on the results of independent t-test, it is found that there is a significant difference in the preference of Indian consumer based on product evaluation of international product of the respondents at t= -2.309 and p= 0.022 (p<0.05).
- It found that there is no significant difference in buying behavior of Indian consumer towards international product based on gender at t= -0.292 and p= 0.770 (p>0.05).

Chi-Square Reveals the Following
- Based on the results of chi square, it is found that there is a significant association between purchase intention of Indian consumer and age as it is statistically significant at p=0.001<0.05 and the chi-square value of 44.887.
- It is known that there is no significant association between reliability of international product and income as it is statistically significant at p=0.076>0.05 and the chi-square value of 11.436.

Anova Reveals the Following
- Based on the results of ANOVA, it is found that there is a significant difference in the reason for using international products with respective to their preference at F= 14.016 and p=0.01<0.05.
- The result of the ANOVA analysis shows that there is a significant difference in the product evaluation of international product based on employment status at F=2.512 and p=0.043(p<0.05).
- The result of the ANOVA analysis shows that there is a significant difference in the reason for using international product based on level of education at F=1.397 and p= 0.236>0.05.

Regression Analysis Reveals the Following

- The result of the linear regression analysis showed that there is a significant relationship between the buying behavior and purchase decision of Indian consumer toward international product at R= 0.550, F=102.904 is significant at p=0.001 and T = 13.839 and R square =0.303.

Suggestion

- With the increasing globalization of world markets, giant multinational companies have begun competing with each others, rather than their domestic rivals, to enlarge their market.
- Today consumers are exposed to a big variety of products and services, both domestic and foreign. Consumers inevitably started using world brands. The introduction of such goods and services raised the concept of "country of origin" which might affect consumer purchase decisions.
- Since its competition driven market, Indian products should add new and innovative product to its product line with the latest technology.
- Findings of the study reveal that respondents feel that Indian products lack quality. Hence, measures can take to increase the quality otherwise people may switchover to other foreign products.

Conclusion

The dominance of international products in Indian consumers market has been rising and the popularity of Indian products has been declining. International product occupies a pre-dominant place in Indian market. Most Indian consumers nowadays prefer international products because Indian consumer feels international product are socially recognized and feel it is superior in quality. The findings of the study clearly reveal that the respondents are very much satisfied about international product. The main factor that influenced the respondents to purchase the international product is because they incorporates with latest technology. To tap the Indian consumers, the expenditure can be increased by improvising products with the latest technology. The present study concludes that people are more inclined international products because of its quality products, social recognition, marketability, and brand image.

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