International
Journal
of Advanced Research in Engineering& Management (IJAREM)
ISSN: 2456-2033 || PP. 15-22

Impact of Ethnocentrism on consumer purchase with reference to Apparels

Dr. Sarit Prava Das
Dean, ITM Business School, Navi Mumbai

Prof. Shatabdi S Das
Assistant Professor, ITM Business School, Navi Mumbai

Abstract: The purpose of this research is to analyze theimpact of country of origin (COO), perception of customers towards buying foreign products, ethnocentrism along with knowledge of foreign product among that population of India who has the maximum buying capacity (millennials). Ethnocentrism is a nearly universal syndrome of attitudes and behaviors. Behaviors associated with ethnocentrism include cooperation with members.Analysis interpreted from this research can be used to address the Indian market while targeting, segmenting, and positioning the product. India being a vibrant and developing nation has adapted to the changes from the wings of globalization. This has resulted to the change in behavior of the consumers; hence this study is being conducted to understand the ethnocentrism of the consumers of the Indian market. We show that ethnocentric behavior can emerge from a simple evolutionary model of local competition between individuals. When cooperating is relatively costly, ethnocentric behavior can even be necessary to sustain cooperation. This research is being conducted for the purpose to analyze how much are the Indian consumers loyal or devoted towards the Indian branded apparels. This study also aims to understand the antecedents that leads to attitudes of consumers toward foreign/domestic products.
Keywords: Attitudes, Spending Pattern, Consumer Purchase Preference, Country of Origin, Consumer Ethnocentrism, Purchase Intention, Foreign Product Knowledge

Introduction:

Indian brands have an emotional value in some regions of India.These brands have made an emotional connect with the customers and the citizens of India are more likely to be inclined towards the Indian brands.This leads to brand loyalty and a stable customer base. The average Indian consumer will pick the foreign brand for luxury apparel, but for mid to high end, he/ she will not show any affinity. The preference for foreign brands over local ones also shifts from region to region. Hence, the diversity of the country is to be tapped further in establishing further brand presence.This has always been observed that the demand of foreign and Indian brands is almost the same, whereas if we see the price, the Indian brands put up price keeping in mind the price sensitiveness nature of or Indian customers.

International clothing brands such as Puma, UCB, Wrangler, Levis, and others have already reached some level of maturity in developed countries. In order to continuously grow and adapt to the global market, they have expanded into developing countries like India. India being a growing country andthe country with good spending power for apparels, is the best possible target for the brands that are entering the competitive market. India has the highest margins in the apparel sector, and incidentally, the greatest contribution from any export sector is knitwear and woven wear. The growth of the apparel sector is prominent. People in urban regions of the country are significantly more brand conscious than before. Due to the increasing purchasing power of the middle class and a growing level of brand awareness, public policies, etc, these international brands have made a dent in the Indian market.

Indian brands such as Van Heusen, Allen Solly , Peter England, Planet Fashion (Aditya Birla Group- *Madura Garments*), Flying Machine, Spykar, Wills Lifestyle (*ITC*), Park Avenue (*Raymond Ltd.*) and others are well known and capture a decent chunk of the market.

Globalization has come up with new trends in businesses (Hitt et al., 2012). Today, the national economies are turning into global economies and the trend for free trade agreements is becoming more popular (Liu and Ornelas, 2013). Globalization has resulted in extending the business operations from local markets to international markets. Marketers are showing an increasing interest in understanding the factors affecting consumer behavior in purchasing imported goods (Klein et al., 1998). Globalization has changed the role of consumer ethnocentrism to a significant factor that influence on marketing (Caruana, 2005). In designing appropriate integrated marketing communication campaigns, consumer ethnocentrism and country of origin are considered as significant input factors (Pappu et al., 2006; Lee et al., 2003).

In developing local brands, rational appeal is the main focus of the consumers and the country of origin has a very little impact (Weerasiri and Dissanayake, 2010). It has identified that the customers in developing countries have negative attitudes towards their local products and products from developing countries. Further, they prefer products from developed countries (Ranjbarian et al., 2010). This is a major problem in building local brands in developing countries (Weerasiri and Dissanayake, 2010). In Sri Lankan context, government policy makers and professionals have identified that it is important to reduce imports to Sri Lanka for the purpose of saving the foreign currency. Sri Lankan government and nongovernmental bodies are also trying to motivate Sri Lankans to buy domestic products. Using various channels of communication, consumers are reminded and persuaded to buy local products to help the local economy. Government has imposed high taxes on imports to help local producers.

Literature Review:

Edi Purwanto (2014):

Investigated the effects of consumer ethnocentrism on perceived domestic product quality, the effects of consumer ethnocentrism on domestic product purchase intentions, and the effects of perceived domestic product quality on domestic product purchase intentions especially in Indonesia domestic market.

Soumava Bandyopadhyay (2014):

Investigated the effects of consumer ethnocentrism and country-oforigin perceptions on product evaluations by consumers in the emerging Indian market. A field study was conducted to measure consumer ethnocentrism and perceived images of India, the United States, Japan, and South Korea as countries, and evaluations of products from these countries. The study indicates that Indian consumers who are ethnocentric tend to have positive perceptions of their own country and domesticallymade products. It also revealed that the ethnocentrism, however, does not translate into any negative perceptions of the United States, Japan, and South Korea, or of products originating from these three countries

(Eagly 1978; Han 1988; Sharma, Shimp, and Shin 1995):

Similar findings report that women tend to be conservative, patriotic, and collectivistic, and be inclined to preserve group harmony, all of which lead to an increase in ethnocentric feelings.

(Basu and Maertens 2007):

At the time of India's independence in 1947, India had a literacy rate of just 18%, but it had risen to 60% by 2006. India's per capita income in the year 2008 has nearly doubled since the year 2000 (India's Per Capita Income 2009). In terms of GDP per capita, India ranked 90th among various nations in 1975 and rose to the 58th place by 2004. These statistics clearly indicate that Indian consumers' education and income level is on the rise. As education and income are negatively correlated to ethnocentrism, we expect similar findings from Indian consumers.

(Ahmed and d'Astous, 1995):

Household and organizational buyers' product perceptions, found empirical evidence that products from developed countries are perceived to be of higher quality than products from newly industrializing countries Similar results were found in a study of less developed countries like India, Uzbekistan, China (Zain and Yasin, 1997; Huddleston et al, 2001). These studies show a positive relationship between product quality and degree of economic development of the country of origin. The image of a country was found to be influencing product quality evaluation of the consumers/ customers.

(Damanpour, 1993; Elliott and Camoron, 1994; Wang and Chen, 2004):

The Country of origin effect research, mostly conducted in developed countries, has revealed that consumers have a general preference for domesticmade products over foreign products, particularly when information about the product is lacking.

Objectives:

- To analyze the customers knowledge about foreign brands
- To know the evaluation criteria of the customers to choose among Indian brand and Foreign Brand
- To analyze the consumer ethnocentrism towards Indian apparel brands
- To evaluate the factors that play the major role in influencing customers
- To know the reason behind customer ethnocentrism

Research Methodology:

The research methodology used is Descriptive research. A survey method is employed to collect information related to the demographic and behavioral variables of the respondents. The demographic factors such as age, gender wasstudied. The research also included other descriptive information such as the how the customers of India are attracted towards which kind of brands either the Indian ones or the international ones, the research is conducted to know the dedication of Indians towards Indian brands (Ethnocentrism). The survey was conducted through questionnaires whichincluded 8 highly structured and close-ended and multiple-choice questions and scaledrespondents.The sampling technique used is convenient sampling which is a part of non-probability sampling. The technique was chosen as convenient and saves time.Respondents who were easily available for survey were selected. The sample sizeincluded respondents of various age groups. The sample size for customers waschosen to be 85. This was considered sufficient to analyses and interpretthe data easily. After scrutiny of field data, the processing was done in SPSS 23. Theentire multi choice options were pre-coded before being entered the computer.

Data Analysis & Interpretation:

Question 1:

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	36	45.0	46.2	46.2
	Female	42	52.5	53.8	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

This above chart depicts the gender who has been chosen for the survey purpose. As per the statistics, it says 54% of the surveyed population is women, wherein 46% of the population surveyed is male. This has also been observed during the survey that women of the family are the maximum decision makers for the apparels of the family members. As they have said that they are the ones who choose the clothes for their family members, their opinions are highly recommended, and also that they highly prefer Indian brands, as that shows their dedication towards their country and also makes them feel they are contributing towards the GDP of the country. It is not that men do not decide, but the influencing characteristic of females are more in comparison to male as they spend more time with the family.

Question 2:

Age_Group					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20yrs	22	27.5	28.2	28.2
	20Yrs-30yrs	25	31.3	32.1	60.3
	31yrs-40Yrs	20	25.0	25.6	85.9
	41 and above	11	13.8	14.1	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

This data shows the age group who have been surveyed in order to analyze the consumer ethnocentrism while purchasing apparels, as the survey has been conducted in the mall, so the maximum people surveyed was from the age group of 20yrs to 30yrs, they have the maximum purchasing capacity, so they have been found the maximum in the mall. Then next highest is the age group below 20yrs, the maximum window shoppers and the most comparative group, that first compares the price and then decides what to buy, some of them have been found visiting with their parents also. Then the next is 31yrs to 40yrs, the parent's group who took their below 20yrs kids to the malls and others were also there. And the least population was from the age group of above 41yrs, assuming that their kids may buy things for them or are they tech-savvy using online portals to buys things easily and faster.

Question 3:

Frequency_to_visit_malls					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Weekly	8	10.0	10.3	10.3
	Fortnightly	16	20.0	20.5	30.8
	Monthly	38	47.5	48.7	79.5
	Only during festive seasons	16	20.0	20.5	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

The above-mentioned data states the frequency of the customers visiting the malls, i.e what is the time interval that they visit the mall again. So, the statistics says that the maximum repeat visit happens on monthly basis (49%), this can be predicted that they customers prefer bulk purchase, as they visit the mall after a month, but this also states that there is a monthly frequency of buying apparels amongst the customers. The second highest is fortnightly and only during festive season, this states that the ratio (41%) of customers who visit malls for the purpose of apparel purchase in every two weeks is equal to the ones who visit only during festive seasons, when there are offers given to the customers, the customers are very offers attractive and price sensitive. The least is the ones who visit the malls on a weekly basis (10%) but this shows that people of this region have the capacity to spend and thus they buy apparels on weekly basis.

Question 4:

Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	12	15.0	15.4	15.4
	Working	49	61.3	62.8	78.2
	Home Maker	17	21.3	21.8	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

Now, the occupation of the surveyed population is to be analyzed. The data says that the maximum of the surveyed population is working (63%), thus this also says that they have the expenditure capacity, thus they visit malls for the purpose of purchasing branded apparels. They are price sensitive but at the same time they are conscious about what are we spending a, is it worth that, etc. Then is the home makers (22%) they are the ones who manages the house, and thus the most influential group of the society. They regularly visit malls, for one or the other purpose and thus hey result in buying something. They are considered to be more ethnocentrism towards the Indian brands. The least population of the surveyed group states the students, as they visit the malls with their parents and thus they are not the direct buyers for the products purchased. They are also great influencers, as they are the trend setters for the society.

Question 5:

Which_brand_of_apparel_do_you_generally_prefer_buying					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Indian	45	56.3	57.7	57.7
	Global	29	36.3	37.2	94.9
	Nothing fixed	4	5.0	5.1	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

Out of the total surveyed population (58%), of them stated that they prefer buying Indian brands whenever they plan for a purchase, this means the Indian brands have already positioned themselves in the minds of Indian consumers, which is very well stated in this statistic when they say they prefer Indian brands generally. Then there are also few ones who said they would prefer global brands (37%) who said so not because Indian brands could not capture their mind but because they are oriented towards global brands above Indian brands. They might have some personal fascination that the Indian brands lacks in them. There is also a segment who can buy any brand irrespective of the price is to be affordable, they are not sure about what brand they generally buy (5%).

Question 6:

Which_brand_fascinates_you_the_most_among_this					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	United Colours of Benetton	12	15.0	15.4	15.4
	Allen Solly	18	22.5	23.1	38.5
	Peter England	17	21.3	21.8	60.3
	Wrangler	15	18.8	19.2	79.5
	Wills Lifestyle	16	20.0	20.5	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

This question deals with which brand fascinates the customer more amongst the listed brands, the highly rated brand is Allen Solly (23%) this means Allen Solly being an Indian brand part of Madura Fashions (Aditya Birla Group), this statistic shows that customers of India are inclined towards Indian brands as they are positioned in very customer friendly manner and also makes the customer feel proud to wear the brand from where they belong. The second most highly rated brand is Peter England (22%) this states that brands by Madura Fashion has captured a good space in consumers mind. Next is Wills Lifestyle (20%) by ITC has also been appreciated by the consumers as they have rated them also very well. The next is Wrangler (19%) which states there are Indians who buy global brands, and also UCB is supported by (15%) which shows that is also quite accepted by the consumers.

Question 7:

Which_factor_impacts_your_purchase_decision					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Quality	9	11.3	11.5	11.5
	Emotional Connect (Patriotism)	6	7.5	7.7	19.2
	Price	20	25.0	25.6	44.9
	Brand Loyalty	23	28.8	29.5	74.4
	Value Added Services	20	25.0	25.6	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

Here come the major influencers of the consumers decision making, the highly influencing factor is the Brand Loyalty, (29%) people from the surveyed population has rated it to be highly influencing factor. It means that the consumers are very much loyal to the brands they use and thus they choose brands that suit them not the brand which has low price. Now the next highly rated factor is Price (26%) and Value-Added Services (26%), this shows the price and the after-sale services such as CRM services, etc. influence the decision making of the consumers, both these factors have been given the second influencing factor rank by equal numbers of the customers. The next rated factor is Quality (11%) of the surveyed population has rated this factor as the influencing factor as quality is also important but the status symbol in todays life is stated by the brand and good brand gives good quality. The least influencing factor is the Emotional connect (8%) as this plays the least role in the decision making of the consumers purchase.

Question 8:

Would_you_prefer_paying_more_for_foreign_brands					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	19	23.8	24.4	24.4
	No	31	38.8	39.7	64.1
	May be	28	35.0	35.9	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

This data says that the maximum of the surveyed population directly refuses to pay high cost for the foreign brands if the same product is offered by the Indian brand, this is quite natural as (40%) of the surveyed population refuses to do that. There are some among the surveyed population who says they may spend more on the product to buy the global brand even if the same product is offered by the Indian brand at low comparative cost. These people (36%) of the surveyed population says they may spend more in order to buy a global brand and show the status symbol. The rest of the surveyed population (24%) has noted straight away that they will spend high cost to buy the same product which is offered by an Indian brand at an affordable price. This shows that the Indian market is the best market to grab the opportunity as they have a good expenditure capacity, and are also inclined towards their own countries brand.

Question 9:

Before_buying_you_look_up_to_which_country_is_it_made					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	7	8.8	9.0	9.0
	Agree	32	40.0	41.0	50.0
	May be or may be not (Sometimes)	19	23.8	24.4	74.4
	Disagree	16	20.0	20.5	94.9
	Strongly Disagree	4	5.0	5.1	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

This data states that do we ever look up to the manufacturing country of the product, what is the area of agreement that stands for the surveyed population before they buy any product.So out of the entire surveyed population (41%) agreed that they do give a look to which country is this apparel made from in maximum of their purchase, means is it Indian or Global, whereas (24%) said that they sometimes check not every time do they check the manufacturing country. Then (21%) of them says that they don't check that information. (9%) of the surveyed population states that they always check the name of the manufacturing country, as that makes them realize how oriented they are towards their own country and others. But (5%) of the completely denied to this fact and said they have never checked such things thus they state that that does not even matter to them while they make any purchase decision.

Question 10:

which_brand_gives_you_high_level_satisfaction_after_purchase					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Indian Brand	54	67.5	69.2	69.2
	Global Brand	24	30.0	30.8	100.0
	Total	78	97.5	100.0	
Missing	System	2	2.5		
Total		80	100.0		

This statistic finally declares the ethnocentrism of the consumers while buying apparels. So, the data tells us that (69%) of the surveyed population are inclined towards buying Indian brands as that gives them high level of satisfaction after they make a purchase of Indian branded product or service. But similarly, as the opposite side of the coin there are few such who says that the level of satisfaction is high when they purchase the global brands. So, there will be a difference in the perception of the consumers as all of them are not the same. But the point is the consumers of India are more inclined and Indian brand oriented, so they have a high level of ethnocentrism.

Findings:

- It was found that there is no significant relationship between education and consumer ethnocentrism. Finding of this research does not match with past findings. This may be because majority of the respondents were Post Graduate (68%). If people who completed just their schooling had been contacted and asked their opinions, then there would have been chances of getting some significant relationship between education and Consumer Ethnocentrism.

- The success of research depends on its findings, the findings of the present study are: The descriptive studies indicate that gender and occupation does have an impact on the purchase decision and ethnocentrism level of people. The hypotheses test proves that product attributes are important, and ethnocentrism just slightly impacts the decision making.

- The most important attribute, the brand loyalty then comes the price and then the patriotism of the consumers.

- Income level and consumer ethnocentrism have no significant relation. Many past studies found that there is negative relationship between income level and ethnocentric tendency. However, this study has found no significant relationship between income of consumer and his/her ethnocentric tendency

- The reason for nonsignificant relationship between Gender and Consumer Ethnocentrism may be a miss-proportionate sample. Demographic profile of the respondents‟ shows that only 38% of the respondents are females and rest respondents are males. Should it be proportionate sample, findings would have been different, and it might have had shown a significant relationship.

Conclusion:

Since cultural openness and ethnocentrism are negatively related, foreign retailers could target consumers who are more open to other cultures by touting their products’ global appeal. Foreign retailers could incorporate a global approach for packaging, branding and advertising strategies in order to appeal to culturally open Indian consumers. Indian retailers could redefine their position to appeal to consumers who are open to other cultures by projecting the Indian product/service brand into a Western context. For example, Shopper’s Stop, a leading Indian clothing retailer, carries well-known international brands such as FCUK, Pepe Jeans, and

Dior along with Indian brands such as Spykar, Blackberrys, and Vettorio Fratini in a shopping environment similar to those in developed countries. Collectivist consumers are more inclined to perceive that they firmly belong to the country by purchasing domestic products. As consumers with greater collectivism exhibit greater ethnocentrism, Indian marketers could market their products in such a way that it induces a collectivist feeling.

References:

[1]. Howard, D.G. 1989. Understanding how American consumers formulate their attitudes about foreign products. Journal of International Consumer Marketing 2, no. 2: 7–24. Huddleston, P., L.K. Good, and L. Stoel. 2001. Consumer ethnocentrism, product necessity and polish consumers' perceptions of quality.
[2]. Journal of International Business Studies 2: 71–80.
[3]. Tonberg, R.C. 1972. An empirical study of relationships between dogmatism and consumer attitudes toward foreign products. PhD diss., Pennsylvania State University.
[4]. Charles W. Richardson, Jr. (2012) "Consumer Demographics as Antecedents in the Animosity Model of Foreign Product Purchase" International Journal of Business and Social Science Vol. 3 No. 4
[5]. Sanjay K. Jain Reetika Jain,‟ (2013) Consumer Ethnocentrism and Its Antecedents: An Exploratory Study of Consumers in India, Asian Journal of Business Research Volume 3 Number 1