Research Paper

CONSUMER ETHNOCENTRISM AND ATTITUDE TOWARDS DOMESTIC AND FOREIGN RETAIL OUTLETS

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Abstract
The mall culture is at its growth stage in developing countries like India. Consumers prefer organized retail outlets situated in hi-tech state of art malls for shopping experience as well as high product value. This has also led to many international marketing researchers that were concerned with determining whether consumers are predisposed towards a preference for domestic products, as opposed to foreign products. This research aims to study the relationship between consumer ethnocentrism and consumer attitude towards domestic retail outlets as compared to foreign retail outlets. It is hypothesized that consumers with high levels of ethnocentrism would have more favorable attitudes towards retail stores of culturally similar country in comparison to stores from culturally dissimilar countries

INTRODUCTION
"Culture is the sum of all the forms of art, of love, and of thought, which, in the course or centuries, have enabled man to be less enslaved".   **Andre Malraux**
The trade worldwide has changed substantially both in terms of magnitude and orientation. This shift in the global trade has created enormous opportunities for industries in various sectors. The increased globalisation of today's business environment has also led to a renewed interest in the effect of a product's country of origin on consumer decision making (Papadopoulos and Heslop, 1993). In India especially with the entrance of foreign companies with wide range of competitive products, consumers have shown a shift in their shopping behavior. The foreign companies have also brought in change in the attitude of the Indian consumers and have renewed their interest and preference of Indian products and outlets.

In last few years it has been found that there is a tremendous shift in the retail formats from unorganised retails to organised retails. The emergence of organised retail undoubtedly gives consumers a wider choice of goods, more convenience, and a better shopping environment, among other benefits. The economic reform in India brought in with the liberalisation has dramatically changed the retailing industry, leading to the emergence of several retail outlets, local as well as international, in recent years.

A recent survey of consumer attitudes confirmed that consumers increasingly find today's retail environment confusing (Solomon). Assessing patronage change is particularly challenging because of the diversity of retail formats involved and a certain amount of patronage behaviour tends to be product specific (*e.g.,* food, apparel). Many studies worldwide have been conducted to study the level of consumer ethnocentrism and its relationship with the different types of product purchase. This study has been conducted to assess the relationship between the consumer ethnocentrism and the choice of retail outlets.

 The main objectives of the study were
(1) to study the relationship between the consumer ethnocentrism and the two age categories and its impact on choice of retail outlet,
 (2) to study the relationship between the consumer ethnocentrism and the two gender categories and its impact on choice of retail outlet,
(3) to study the level of ethnocentrism in the two age categories and (4) to study the level of ethnocentrism in the two gender categories.

2. Background and Rationale
Many studies in past have been conducted to study the concept of ethnocentrism and its relationship with the various factors related with consumer behaviour (Durvasula and Netemeyer, 1992; McLain and Sternquist, 1991; Shimp and Sharma, 1987; Sharma et al.,

1992; Netemeyer et al., 1991; Han, 1988; Chasin et al., 1988; Kaynak and Kara, 1996). La Tour and Henthorne (1990) indicated that lifestyle patterns of ethnocentric consumers were different from non-ethnocentric consumers.

In an another study conducted by Orsay Kucukemiroglu (1997), it was found that there is significant relationship between the lifestyle dimensions of Turkish consumers and their ethnocentrism levels.

The nomological validity tests conducted by Shimp and Sharma (1987) suggested that the consumer's beliefs, attitudes, purchase intentions and purchases are moderately predicted by the level of consumer ethnocentrism. Further, the study revealed that ethnocentrism is negatively correlated with attitude towards foreign products and purchase intentions.

Many research studies conducted in the field of ethnocentrism has indicated that the strength, intensity and magnitude of consumer-ethnocentrism do vary from culture/country to culture/country and also that ethnocentrism is a characteristic that is part of human nature (Mihalyi, 1984; Rushton, 1989; Herche, 1992).

Most of the researches conducted in this field have concentrated on the concept of country of origin effect that investigates the consumer's perception about the products sourced from particular countries (Roth and Romeo, 1992). The studies have revealed the impact of consumer's knowledge about a product's country of origin has over the perception and evaluation of the product (Bilkey and Nes, 1982; Han, 1990; Johanson etal., 1985; Cordell, 1992; Hong and Wyer, 1989; Thorelli et al., 1988; Wang and Lamb, 1983; Tse and Gorn, 1993; Papadopoulos et al., 1990).

Han (1989) indicated that the characteristics of nationalism among consumers influence the cognitive evaluations of the product that affects their purchase decisions. Also this has further implication over the consumer's perception as they evaluate the quality of their domestic products higher than that of the foreign products.

In a study conducted among the Korean consumers Sharma et al. (1992) found that the level of consumer ethnocentrism has very high influence over the product purchase decision when the product under consideration has very important role in the jobs and income of that economy. Westfall (1962) has suggested that lifestyle dimensions are very important while assessing the level of consumer ethnocentrism while it has also been accepted that demographic dimensions have broader acceptance worldwide and lend themselves easily to quantification and easy consumer classification.

Reardon et al. (2005) studied how ethnocentrism and economic development in transitional economies affect the formation of brand attitudes and attitude towards the ads. An important contribution to consumer research has been the development and limited international application of the CETSCALE, which is designed to measure consumers' ethnocentric tendencies related to purchasing foreign *versus* American products Shimp and Sharma (1987). It consists of 17 items scored on seven-point Likert-type formats and represents an accepted means of measuring consumer ethnocentrism across cultures/nations. In their study, Shimp and Sharma (1987) suggested several potential applications of the scale to population groups in countries dissimilar to the USA Netemeyer et al. (1991) and Kaynak and Kara [1996(a)] strongly recommended that researchers translate the CETSCALE into other languages and use it in other countries and regions.

It has been identified that although many researches have been conducted to identify the various aspects of consumer ethnocentrism. There is no study that has been conducted to study the level of consumer ethnocentrism and its relationship with the two important demographic variables namely: Age and Gender. The current paper attempts to explore the relationship between age, gender and consumer ethnocentrism and further its implication has been suggested for the choice of retail outlets among the consumers.

For assessing the above mentioned relationships, the following hypothesis has been formulated:
> **H01**: There is no significant difference between the retail outlet choice among young males and young females high on ethnocentrism

H02: There is no significant difference between the retail outlet choice among young males and middle-aged males high on ethnocentrism.

H03: There is no significant difference between the retail outlet choice among young females and middle-aged females high on ethnocentrism.

H04: There is no significant difference between the retail outlet choice among middleaged males and middle aged-females high on ethnocentrism.

H05: There is no significant difference between the retail outlet choice among young males and young females low on ethnocentrism.

H06: There is no significant difference between the retail outlet choice among young males and middle-aged males low on ethnocentrism.

H07: There is no significant difference between the retail outlet choice among young females and middle-aged females low on ethnocentrism.

H08: There is no significant difference between the retail outlet choice among middleaged males and middle-aged females low on ethnocentrism.

3. Research Methods and Design: The Study

The study is exploratory in nature and has been carried out to test the level of ethnocentrism that exists in the current scenario and its impact over the choice of retail outlet between domestic retail outlet and foreign retail outlet. It has a factorial design with 4 x 4 constitutions to ensure measurement of the impact of independent variables on the dependent variable. The independent variable of age has four levels:

(A) young adults high ethnocentrism (20-27 years of age),

(B) young adults low ethnocentrism (20-27 years of age),

(C) middle-aged adults high ethnocentrism (30-37 years of age), and

(D) middle-aged adults low ethnocentrism (30-37 years of age) and gender has four levels in terms of

(1) Male with high ethnocentrism,

(2) Male with low ethnocentrism,

(3) Female with high ethnocentrism, and

(4) Female with low ethnocentrism.

The dependent variable is choice of retail outlets.

The Sample

The sample consisted of total 300 respondents divided under eight categories:

1) Young Males high on ethnocentrism

2) Young Females high on ethnocentrism

3) Middle-aged Males high on ethnocentrism

4) Middle-aged Females high on ethnocentrism

5) Young Males low on ethnocentrism

6) Young Females low on ethnocentrism

7) Middle-aged Males low on ethnocentrism

8) Middle-aged Females low on ethnocentrism

Data Collection

Data were collected by administering revised ethnocentrism scale given by Shimp and Sharma (1987) containing seventeen items adaptable to countries with different cultural backgrounds. The items are measured using five-point Likert Scale ranging the response from strongly agree to strongly disagree.

Data Analysis

After collecting the data, the raw scores were tabulated for statistical analysis using SPSS. The 17-item CETSCALE designed by Shimp and Sharma (1987) was modified to fit the Indian context. Respondents rated the items on a five-point, Likert-type scale, yielding a potential minimum score of 17 and a maximum score of 85 for each individual. The 17 items were aggregated to form a total ethnocentrism score for each respondent. The mean ethnocentrism score for the sample was 51. The consumers that scored less than 51 were treated as low

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ethnocentric consumers while those who scored equal or more than 51 were treated as high ethnocentric consumers. On the basis of these results the sample was divided into four categories including the demographic variables of age and gender. After constituting the eight categories test of significance was used to arrive at the results of the study.

4. Results

H01: There is no significant difference between the retail outlet choice among Young males and Young females high on ethnocentrism.

Table - 1

Levene's Test for Equality of Variances		**z-test for Equality of Means**						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							lower	upper
.766	.390	**-.560**	25	.581	-1.4176	2.53287	-6.63413	3.79897

The value of p (sig 2 tailed) is more than 5% hence null hypothesis is not rejected. Thus there is no significant difference between the retail outlet choice among Young males high on ethnocentrism and young females high on ethnocentrism**. (z = 0.56)**

H02: There is no significant difference between the retail outlet choice among Young males and Middle-aged males high on ethnocentrism.

Table -2

Levene's Testfor quality of Variances		**z-test for Equality of Means**						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							lower	upper
.250	.622	**-3.789**	20	**.001**	-8.1795	2.15879	-12.68263	-3.67634

The value of p (sig 2 tailed) is less than 5% hence hypothesis is rejected. Thus there is significant difference between the retail outlet choice among Young males and Middle-aged males high on ethnocentrism. **(z = 3.8)**

H03: There is no significant difference between the retail outlet choice among Young females and Middle-aged females high on ethnocentrism.

Table - 3

Levene's Test for Equality ofVariances		**z-test for Equality of Means**						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							lower	upper
.374	.547	**-4.511**	24	**.000**	-13.0119	2.88456	-18.96534	-7.05847

The value of p (sig 2 tailed) is less than 5% hence hypothesis is rejected. Thus there is significant difference between the retail outlet choice among Young females and Middle-aged females high on ethnocentrism. **(z = 4.5)**

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H04: There is no significant difference between the retail outlet choice among Middle-aged males and Middle-aged females high on ethnocentrism.

Table - 4

Levene's Test for Equality of Variances		*z-test for Equality of Means*						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							lower	upper
.128	.725	**-2.327**	19	**.541**	-6.2500	2.68590	-11.87165	-.62835

The value of p (sig 2 tailed) is more than 5% hence hypothesis is not rejected. Thus there is no significant difference between the retail outlet choice among middle-aged males and middle-aged females high on ethnocentrism. **(z = 2.4)**

H05: There is no significant difference between the retail outlet choice among Young males and Young females low on ethnocentrism.

Table - 5

Levene's Test for Equality of Variances		*z-test for Equality of Means*						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of theDifference	
							lower	upper
.381	.543	**-.338**	25	**.738**	-.8500	2.51594	-6.03168	4.33168

The value of p (sig 2 tailed) is more than 5% hence hypothesis is not rejected. Thus there is no significant difference between the retail outlet choice among Young males and Young females low on ethnocentrism. **(z = 0.39)**

H06: There is no significant difference between the retail outlet choice among Young males and Middle-aged males low on ethnocentrism.

Table - 6

Levene's Test for Equality of Variances		*z-test for Equality of Means*						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							lower	upper
.003	.955	**-4.637**	24	**.000**	-12.8500	2.77102	18.56911	-7.13089

The value of p (sig 2 tailed) is less than 5% hence hypothesis is rejected. Thus there is significant difference between the retail outlet choice among Young males and Middle-aged males low on ethnocentrism. **(z = 4.9)**

H07: There is no significant difference between the retail outlet choice among Young females and Middle-aged females low on ethnocentrism.

Table - 07

Levene's Test for Equality of Variances		**z-test for Equality of Means**						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							lower	upper
.230	.637	**-4.396**	19	**.000**	-8.0714	1.83613	-11.91449	-4.22836

The value of p (sig 2 tailed) is less than 5% hence hypothesis is rejected. Thus there is significant difference between the retail outlet choice among Young females and Middle-aged females low on ethnocentrism. **(z = 4.39)**
H08: There is no significant difference between the retail outlet choice among Middle-aged males and middle-aged females low on ethnocentrism.

Table - 8

Levene's Test for Equality ofVariances		**z-test for Equality ofMeans**						
F	Sig	Z	Df	**Sig. (2-tailed)**	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							lower	upper
1.551	.229	**1.883**	18	**.076**	3.9286	2.08588	-.45371	8.31085

The value of p (sig 2 tailed) is more than 5% hence hypothesis is not rejected. Thus there is no significant difference between the retail outlet choice among Middle-aged males and Middle-aged females low on ethnocentrism. **(z = 1.88)**

5. DISCUSSION AND IMPLICATIONS
The purpose of the paper was to find a link between the level of ethnocentrism among the consumers, its impact over the preference of retail outlet and to find whether this relationship varies across the two important demographic variables; age and gender. For this research it was assumed that consumers high on ethnocentrism will choose domestic retail outlets while the consumers low on ethnocentrism will choose retail outlets of foreign origin. As many researchers including Wattson (1999) suggest that ethnocentric consumers will have more favourable attitudes toward, and be more willing to buy, products from culturally similar countries, in comparison to products from culturally dissimilar countries.

The test of mean applied over the responses received on the Shimp and Sharma (1987) standard scale resulted in categorising the respondents as having high levels of ethnocentrism if they scored in the top half of the CETSCALE or as having low levels of ethnocentrism if they scored in the bottom half of the scale.

The demographic characteristics of the two groups were compared to assess equality on those variables. Respondents with high levels of consumer ethnocentrism were more likely to be female as 52% of females as compared to 42% of males were in the category of high ethnocentrism. This suggests that as compared to males females are more likely to purchase from domestic retail outlets. While the comparison on the basis of age category reflected that Middle-aged consumers were higher on ethnocentrism as 64% of middle aged consumers were high on ethnocentrism as compared to young adults as only 27% of them were high on ethnocentrism. Thus it suggests that Middle-aged consumers will purchase products from domestic retail outlets while young adults may prefer foreign retail outlets for their purchases. These findings are consistent with past research (Good and Huddleston, 1995; Shimp and Sharma, 1987; Sharma et al., 1995).

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The application of t-test for finding the significant relationship in context of choice of retail outlets consumers make being high or low on ethnocentrism was applied on the eight categories divided on the basis of demographic variables of age and gender. The results of t- test suggests that male and female of similar age categories whether high on ethnocentrism or low on ethnocentrism will make similar kind of retail outlet choice decision. It implies that male and female of young adult age category and of middle-aged category high on ethnocentrism will choose domestic retail outlets for their purchase. The frequent shoppers those who shop in the neighbouring countries are mostly young, married, blue- collar consumers (Piron, 2002).

Similarly male and female of both the age categories low on ethnocentrism will prefer foreign retail outlet for their purchases. Many researches carried under different cultural context have supported the fact that almost all demographic variables are strong indicators of level of ethnocentrism and its impact over the choice of products (Dawson & Garland, 1983; Herrman & Breik, 1968; Darden & Perreault, 1976).

Also the results of significance test suggest that consumers of same gender group but different age groups were significantly different with respect to the retail outlet choice even if they were high or low on ethnocentrism. The results showed that males of both the age categories high on ethnocentrism were different from one another on the choice of retail outlets and the similar nature of result was found for the females of both the age categories when test of significance was applied on the gender basis. In a study that examined the relationship between consumer ethnocentrism and evaluations of foreign sourced products, Lantz and Loeb (1996) found that highly ethnocentric consumers have more favourable attitudes toward products from culturally similar countries.

A research on ethnocentrism confirmed that both national identity and nationalism are significant predictors of consumer ethnocentrism, and that ethnic affiliation has a direct effect on both consumer ethnocentrism and on domestic purchase bias (Vida, 2008).

The study has implications for further research as the level of ethnocentrism can be assessed in regions with different cultural background and also the impact of other demographic variables can be studied. The results of the study can also be used to design the marketing strategies by the domestic retailers to attract consumers low on ethnocentrism and similarly foreign retailers to attract consumers high on ethnocentrism

6. CONCLUSION
The retailers in India are having a tough time handling the customer walk ins due to the number of alternatives that is increasing day by day by the entry of foreign retailers. In such a situation many factors together play the role of attracting the customer to the retail outlet. Consumer ethnocentrism can help the marketers to judge the customer's choice just by knowing the relationship between the customer's demographic variable and their level of ethnocentrism.

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