CHAPTER 1

INTRODUCTION

The study of consumer ethnocentrism would be incomplete without a prior discussion of the concept of ethnocentrism. In fact, consumer ethnocentrism has its roots in the general concept of ethnocentrism that was introduced almost eighty (80) years ago by Sumner (1906). Then, Sumner had introduced it as a purely sociological concept to distinguish between in-groups (those groups with which an individual identifies) and out-groups (those regarded as antithetical to the in-group).

Later, ethnocentrism began to be used by researchers as a psycho-social construct with relevance to individual personality as well as to the general cultural and social analytic frameworks (Levine and Campbell 1972).

An ethnocentric person has come to connote one who views his or her own group as the centre of the Universe. He interprets other social units from the perspective of his own group. He also blindly accepts those who are culturally like himself (Booth, 1979; Worchel and Cooper 1979). To an ethnocentric person then, the symbols and values of his own ethnic or national group become symbols of pride whilst those of others become objects of scorn or even contempt.

In the extreme, ethnocentrism has reared its ugly head in the form of fascism and Nazism. Today, this extreme manifestation takes the form of Serb-ism, Croat-ism, Bosnia-ism, Tutu-ism and Hutu-ism! In a less extreme way, ethnocentrism took the form of the "ugly American" - that symbol of an uncaring, callous person with a superior attitude. In its benign form, ethnocentrism has manifested itself in organisations such as the American Peace Corp - handing out the largesse of a great nation to those "poor bastards" in the Third World!!

Definition of Consumer Ethnocentrism

While the concept of ethnocentrism has been around for a long time and has had ample opportunity to be examined and applied in many studies, the concept of consumer ethnocentrism is really quite new. It was first propounded by Shimp and Sharma (1987).
Whilst Shimp and Sharma themselves did not volunteer this as a definition, I present it as such because it is the best working explanation of the concept of consumer ethnocentrism. Accordingly, consumer ethnocentrism may be defined as:

"... the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products" (Shimp and Sharma 1987).

This concept, as developed by Shimp and Sharma, has been found to be equally applicable to European and Asian countries, namely, West Germany, France, Japan and South Korea (Netemeyer et al. 1991 and Subhash Sharma et al. 1995).

From this definition, we can see how consumer ethnocentrism is linked to the original concept of ethnocentrism. Both definitions are based on a "we versus them" paradigm. Of course, consumer ethnocentrism's perspective is from that of consumer buying behaviour.

In fact, the idea of morality in the definition introduces the notion of 'rightness' and 'wrongness' to this concept. It implies that the consumer ethnocentric person is doing the 'right thing'. However, this is only from the standpoint of the consumer ethnocentric person. On the other hand, the non-consumer ethnocentric person, ipso facto, would not feel guilty at all for buying a foreign product. This is because his moral make-up would predispose him to feel no guilt - and to be more open - to buying foreign products.

It would be interesting then, to try to identify what makes a person consumer ethnocentric or non-consumer ethnocentric in her consumption behaviour. Naturally, this must involve a multi-disciplinary psycho-social approach.

In propounding the concept of consumer ethnocentrism, Shimp and Sharma also developed a scale to measure it - the CETSCALE (Shimp and Sharma 1987). They emphasise that "We characterize the scale as a measure of tendency rather than attitude because the latter term (attitude) suggests a greater degree of specificity than the CETSCALE is intended to capture". Hence, the CETSCALE is a measure of consumer ethnocentric tendency which is the notion of a disposition to act in some consistent fashion toward foreign products in toto.

By this, we may infer that a consumer ethnocentric person may, when it comes to specific products, change his mind and buy that foreign product even though he may generally feel "anti" foreign products! That is, other factors may attenuate a person's consumer ethnocentric tendency and cause him to buy a foreign made product.
The CETSCALE is a unidimensional scale that measures consumer ethnocentrism. The validity of the scale was tested in four (4) regions of the contiguous United States, each with quite distinct consumption patterns (Shimp and Sharma, 1987). All four regions produced strongly correlated results to confirm the robustness of the CETSCALE as an instrument to measure consumer ethnocentrism (Shimp and Sharma, 1987). This robustness was further confirmed when the CETSCALE was tested on French, West-German and Japanese nationals who were studying in the United States (Netemeyer, Darvasula and Lichtenstein 1991).

Objectives of the Study
Consumer ethnocentrism is a relatively new concept worldwide. Bearing this in mind, and recognizing that this is probably the first attempt to study it in Malaysia, it is decided that the scope be restricted to a specific subset - graduate executives. This allows the study to be focused. By so doing, its findings may be used as a point of reference for further research.

To research consumer ethnocentrism alone would be insufficient. It would only be meaningful if the research is related to other aspects of consumer behaviour in the target group. This is done in relation to demographic data and attitude surveys of buyer intentions and opinions. In particular, advantage is taken of this research to survey attitudes on the national car, the Proton Saga/Wira.

The objectives of this research are:

1. To study if Malaysian graduate executives are consumer ethnocentric in their consumption tendencies;
2. To study relationships and associations between consumer ethnocentrism and
   a. Three (3) other constructs, namely, PATRIOTISM, CONSERVATISM and OPENNESS;
   b. Preference for Malaysian and/or foreign goods; and,
   c. The National Car; and,
3. To establish, by means of Multiple Regression Analysis, those variables that can predict the degree of consumer ethnocentrism in a graduate executive.

Accordingly, the scope of this research is:
1. Confined to Graduate Executives working in the Kuala Lumpur - Klang Valley; and,
2. Encompass the application of the CETSCALE to the target group; including collation of demographic data and other data on respondents' buying intentions and opinions.
Relevance of the Study
Ethnocentrism is a sociopolitical construct. It finds greatest appeal among students of these disciplines. Consumer ethnocentrism, however, addresses an issue that encompasses sociology, politics and more. It brings the study of ethnocentrism to bear on the study of consumer behaviour.

What we have here, then, is a relatively new field that offers exciting prospects. Consumer ethnocentrism may, for example, be applied to the study of the following:

1. Intra-country differences in consumption behaviour. For example, differences between the buying behaviour of Kelantanese Malays and Selangor Malays;
2. Consumption differences between neighbouring countries. For example, differences between Singaporeans and Malaysians; and,
3. Market segmentation studies. For example, to identify the degree of consumer ethnocentrism on parameters like income, race, sex, education, etc.

Hence, consumer ethnocentrism may be used as a tool to predict purchasing behaviour locally, across national boundaries and on an inter-sectoral basis. The relevance of consumer ethnocentrism extends beyond mere study of the phenomena. Its results may be used as a basis for distribution, production, packaging, pricing, and communications - in fact, the 4 P's of Marketing (McCarthy 1993).

McCarthy stresses that at the centre of the 4 P's is a very big 'C', which stands for the consumer. That is, the wants and needs of the consumer assume paramount importance. She is the raison d'etre for the 4 P's. Thus, the study of consumer ethnocentrism creates one more avenue that allows decision makers to peer into the minds of consumers and then, package the marketing mix accordingly, to satisfy those needs.

Organisation of the Study
The purpose of this research report is to study consumer ethnocentrism and consumer ethnocentric behaviour among graduate executives in Malaysia.

Chapter One (1) introduces the concept of consumer ethnocentrism and explains the objectives of this study. Its relevance to the Malaysian context, in terms of consumer behaviour, is discussed.

Chapter Two (2) reviews the literature on the subject and discusses the progress made in the study of this concept both in Malaysia and abroad.
Chapter Three (3) details the research methodology. It covers the design of the research instrument, data collection and the statistical techniques/procedures used. In effect, the *modus operandi*. It also raises the problem of defining what constitutes a Malaysian product.

Chapter Four (4) lays out the research results. It discusses the findings and offers the researcher's inferences. There were many tests conducted on the data. Their results are grouped into sets for convenience and clarity.

Chapter Five (5) rounds up the research study with a conclusion. It also discusses the implications of the findings to decision makers in business and government, and ends with a critique of itself discussing its own limitations and offers suggestions for future research.