CHAPTER 5

CONCLUSION

This chapter shall discuss the conduct of the research, revisit key findings, present a summary of its limitations and implications to the private and public sector. It concludes with some recommendations for future research.

Overview of the research
This research set out to study consumer ethnocentrism among graduate executives. The target group is narrowly defined. The reason for doing this is that, this study, after researching a small and well defined group, may be used as the basis for wider ranging research in the future.

The unit of analysis is graduate executives. Given the limitations of the study, these are graduate executives living and working in Kuala Lumpur. They are selected at random from the private and government sector.

The method of data collection is self-administered questionnaires using the drop-off method. Completed questionnaires are collected by way of follow-up visits. Respondent anonymity is ensured by using unmarked questionnaires. In addition, questionnaires are bundled together at random at the point of collection.

The research instrument employs the consumer ethnocentrism scale (cetscale) which is developed by Shimp et al. (1987). Apart from the mandatory collection of respondent data, the questionnaire is also designed to collect data on respondents' perceptions and attitudes to the consumption of local and foreign products, quality of local and foreign products, buying preferences of respondents' vis-a-vis local/foreign products and Proton, the national car.

Data is collected over a period of three (3) weeks. Data entry, purification and analysis takes another three (3) weeks. In all, from inception to final report, this research takes six (6) months to complete.

Major Findings
A significant finding is that the average consumer ethnocentrism score among graduate executives is 65.37. The median score is 65.0. Hence, graduate executives are average in their consumer ethnocentrism tendencies. This is confirmed by the small kurtosis (-0.26) and skewness (-0.035) values of the consumer ethnocentrism distribution. Kurtosis and skewness values of ± 1.0 is considered excellent for psychometric purposes. We may say that the distribution is quite 'normal'.

However, there are significant differences in consumer ethnocentrism from the perspective of ethnicity. In fact, the mean scores are quite divergent. Malays are the most consumer ethnocentric (76.14), followed by the Chinese (61.03) and Indians (60.77). From this, it may be inferred that Malays are more consumer ethnocentric than the national average whilst Chinese and Indians are less consumer ethnocentric than the national average.

As expected, the higher the level of income (family) the lower a person’s consumer ethnocentrism. This seems to have something to do with having more money to spend on foreign goods. But the effect of income is only apparent from the RM5,000 and above level. Graduating from abroad also reduces one’s consumer ethnocentrism. This implies that direct exposure to foreign cultures makes one receptive to things that are foreign. On the other hand, having rural and semi-rural beginnings makes one strongly consumer ethnocentric. We may attribute this to the rural social environment that tends to be more conservative.

Consumer ethnocentrism does not seem to be affected by a person’s age, marital status, sex, professional background (science or arts), management level or type of organisation (government or private sector). However, variables like age, management level and sex deserve a second look. One would expect, for example, that a senior manager would generally be less consumer ethnocentric than a junior executive. Given the rapid pace of development today, perhaps the converse is true? Sex, especially, should be re-examined because it has turned up as a significant predictor variable in the multiple regression model. It is interesting to note that government executives are no different from private sector executives in terms of consumer ethnocentrism but they differ significantly from executives working in multinational organisations. The international exposure that multinational organisations afford their executives must really make a difference.

From the basket of products chosen (shoes, car tyres, clothes, movies and fruits), a definite lower level of consumer ethnocentrism is observed among those who prefer foreign products. This is most obvious in the case of car tyres (P = 0.00). Imported car tyres (Pirelli and Michelin) are to a car owner (especially a man!), what a pair of Dior sunglasses are to a woman. There seems to be an implied link between snobbery and low consumer ethnocentrism. This link is worth checking out.

Travel abroad seems to lead to low consumer ethnocentrism. The cut-off point seems to be about six (6) times before the effect sets-in. At the other extreme, persons who have never travelled abroad are quite consumer ethnocentric (mean score 76.29; sample mean 65.37).

Consumer ethnocentrism also seems to affect one’s perception of the quality of local products. People with lower mean scores seem to think that local products are lower in quality than foreign products. Or is it the other way around? That is, does a lower quality in local products also lower one’s consumer ethnocentrism - Thus pre-disposing one to find foreign products more appealing? Hence, those who think that Malaysian goods are of better quality are also significantly more
consumer ethnocentric. And, those who think that foreign goods are better in quality are also significantly less consumer ethnocentric. We should note however, that these consumer ethnocentric Malaysians were a very small minority. That is, only nine (9) respondents (4.2%) say that Malaysian goods are better in quality. Those who say that foreign goods are better number ninety-nine (99) respondents (46.3%). The rest of the respondents are indifferent (41.1%). Hence, although we may be happy that there are some Malaysians who may be quite consumer ethnocentric and prone to support Malaysian industry, we must remember that this research indicates that they are a small minority. The current surplus of imports over exports in the economy also points to this. Many of the imports are for consumer electronics, clothes and food. These are products that are also locally produced.

The buying decision (or decision making point) seems to be the moment when consumer ethnocentrism is felt the strongest. This must be because the point of decision is that point when one feel's the opportunity cost of the decision. Respondents are asked to indicate which one they would buy if Malaysian goods are about the same price as foreign goods. The group that would buy Malaysian goods achieve the highest consumer ethnocentrism score. The group that would buy foreign goods score lower; But as a percentage of respondents, the buy Malaysian group is the smallest - Thirty (36) respondents (16.8 %); and the buy foreign group is sixty-five (65) respondents (30.4 %). The outstanding and recurring observation that results is that there are consumer ethnocentric Malaysians but they are the minority. A clear majority prefer foreign goods.

The national car, Proton, warrants serious attention. Almost 60% of the respondents say that they will not buy the national car if foreign cars are competitively priced. This 60% are also significantly lower in consumer ethnocentrism. And only 29.8% of the respondents believe that the car has good overall quality. The dilemma is how to make the average executive feel more consumer ethnocentrism towards the national car. Lower the price? Improve the quality? Or, both? The saving grace is that those who buy the national car are significantly more consumer ethnocentric. The national car, Proton Saga/Wira, is heavily protected by the Government by way of heavy taxes on the import of other cars. Unfair as it may seem, it is a necessary step in the direction of Vision 2020. Given the state of consumer ethnocentrism among graduate executives (they are the main market for the national car), one can only shudder at the thought of what would happen if there is free and open competition. The earlier section has confirmed that graduate executives are not exactly too enthusiastic about the national car, and that given a choice, a great majority would buy foreign makes.

Through the use of multiple regression, some predictors of consumer ethnocentrism have been identified. They are race, travel abroad, education (local or foreign degrees) and sex. However, they can only account for 20% of consumer ethnocentrism among graduate executives in Malaysia. For this model to be useful, more predictors must be identified. As it stands, this model is weak.
Implications of the Findings
This research observes that Malaysian Graduate Executives are generally not consumer ethnocentric. This is a very serious implication. It does not augur well for local industry. In fact, if this observation is true, then much of the government's efforts to create a developed nation by the year 2020 may come to nought. This is because consumption of local produce forms one of the mainstays of growth into the future.

Consumer ethnocentrism as defined implies a certain irrational bias towards the produce of one's own country. That is, even if a foreign good is better in quality or even cheaper, one should buy Malaysian simply because one is a Malaysian. Irrational or not, this is quite a necessary 'investment' for the future development of the country. Consumption of Malaysian goods today pays for the development of Malaysia tomorrow. If Malaysians are not proud of their nation's produce, who will be? And, if we are not prepared to be 'irrational' and support Malaysian products, we have only ourselves to blame when, sometime in the future, we find ourselves swamped by Korean and Japanese products.

From a marketing perspective, the findings of this research imply that foreign goods will continue to enjoy a good run in Malaysia. Exporters in foreign countries (and Malaysian importers) can, taking the details of this research, fine tune their marketing communications and product features, and price strategy to exploit the propensity to consume foreign goods among Malaysian graduate executives. This strategy will mainly benefit local importers and foreign exporters by contributing to the outflow of foreign exchange.

Lastly, two (2) issues arise that prompt serious thinking about the study of consumer ethnocentrism in Malaysia. Essentially, these two (2) issues are, what constitute the antecedents of consumer ethnocentrism in Malaysia; and what constitute the moderators of consumer ethnocentrism in Malaysia. The study of consumer ethnocentrism and its related fields in Malaysia can identify these antecedents and moderators. By identifying these antecedents and moderators, we add to the arsenal of consumer bahaviour modification knowkdge. This would make consumer ethnocentrism a practical marketing tool.

In this connection, two (2) questions that come to mind are:
1. Just how are Malaysians Consumer ethnocentric?
2. Are there Consumer ethnocentrism differences between the Malays, Chinese and Indians?
Local manufacturers, to exploit consumer ethnocentrism, need to re-think their strategy. The modern consumer has many choices. Gone are the days when Henry Ford could afford to say, ‘You can have any colour you like for the model T-Ford - as long as it is black!!!’. The key word is quality. The strategy then should be to go for the long haul and invest in R&D for world class manufacturing to produce consistent quality for every niche market and every price range. The Japanese do it - so can Malaysians.

For the government, low consumer ethnocentrism is worrisome. It translates into loss of foreign exchange. The current services deficit comes to mind. Malaysians would rather use Singapore than Port Kelang; Buy re-insurance through Lloyds than go through local agents; And buy foreign cars than buy the national car. The crux then is how can the government make Malaysians more consumer ethnocentric? The answer is quality.

Television campaigns to extoll consumer ethnocentrism would make us the laughing stock of the world. They amount to nothing. The recent car-pooling campaign is a prime example of such futility. What is needed is incentives in concrete terms, like tax, financing and other rebate incentives for manufacturers to invest in quality; and for Malaysian consumers to support local produce. Businessmen are not in business for charity - they are in it for the money. That is the bottom line.

But the one guaranteed method of ensuring that consumer ethnocentrism grows in this country is to cultivate a culture of excellence in the school system. This is a very long term effort and the fruits would only be seen in a generation's time. Japan and Germany are good examples where children are taught the value of appreciating excellence in whatever they do. Children should be taught the virtue of producing excellence and to expect excellence from others. In one generation's time, Malaysia should see a generation of young adults for whom excellence is the norm and not the exception. All it takes is political will from the government.

Suggestions for Future Research
This research has contributed to the study of consumer ethnocentrism in Malaysia. As a preliminary peek into this field of consumer behaviour, we are confronted with an observation that Malaysian graduate executives are not as consumer ethnocentric as we would expect them to be. We have observed that the consumer ethnocentric group are really a small minority of the sample population.

We have also observed that there are significant differences in consumer-ethnocentrism between the Malays, Chinese and Indians. And, various parameters have been found that correlate to consumer ethnocentrism.

This research is restricted to graduate executives only. Imputing these findings to the general population should be done with great care, or not at all. In addition, this research is done in the Klang
Valley. It would have been better (more accurate) if random nationwide samples are obtained.

Future research should be conducted on a wider scope. This should obtain data that would cut-across a wider spectrum of the populace. This should include people of different working classes, races, religion and geographical locations.

Religion is inadvertently left out of this research. Although it is easy to classify all Malays as Muslims, it is not the same with the Chinese and Indians. It would be interesting to see if religion has an influence on consumer ethnocentrism in Malaysia.

The central issue that must be addressed in the future is:

- Why aren't Malaysians proud of their nation's products?

Or, better still, how can we instill greater nation consciousness in Malaysians and make them consumer ethnocentric. How do we appeal to the 'better side' of Malaysians to support Malaysian products? Perhaps future research should try to identify those factors that can cultivate consumer-ethnocentrism. Given the current state of our country's development, there is certainly an urgent need for consumer ethnocentric consumption - not 'blind ethnocentrism' but 'logical ethnocentrism'!!

Future research should aim to improve on the regression model and improve its predictive capability. Such a model would be a good basis for market test studies, sales projections and even product testing.

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