

A STUDY ON CONSUMER ETHNOCENTRISM TOWARDS ORGANIZED RETAIL OUTLETS IN CHENNAI

Dr. R. Ganapathi

Assistant Professor, Directorate of Distance Education, Alagappa University, Karaikudi. Tamil Nadu.

ABSTRACT

The economic reforms in India brought in with the liberalization has dramatically changed the retailing industry, leading to the emergence of several retail outlets, local as well as international, in recent years. The analysis shows that the female consumers, older people, post graduates and consumers belong to middle income groups are more ethnocentric toward organized retail outlets. The results indicate that both patriotism and salience are positively and moderately associated with consumer ethnocentrism towards organized retail outlets. Meanwhile, both conservatism and animosity are positively and weakly correlated with consumer ethnocentrism towards organized retail outlets. The results show that patriotism, conservatism, salience and animosity are positively and significantly influencing the consumer ethnocentrism towards organized retail outlets.

Key Words: Correlation, Ethnocentrism, Regression, Retail Outlets.

INTRODUCTION

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 globalization 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. In India especially with the entrance of foreign companies with wide range of competitive products, consumers have shown a shift in their shopping behaviour. 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 unorganized retails to organized retails. The emergence of organized retail undoubtedly gives consumers a wider choice of goods, more convenience, and a better shopping environment, among other benefits. The economic reforms in India brought in with the liberalization has dramatically changed the retailing industry, leading to the emergence of several retail outlets, local as well as international, in recent years. In the present day competitive markets in India, international marketers need to keep in mind that focus on quality, price and other objective considerations alone would not be able to guarantee success in gaining consumer acceptance of their products. Therefore, the present research is attempted to study consumer ethnocentrism towards organized retail outlets in Chennai.

METHODOLOGY

Among the different market centers in Tamil Nadu, the Chennai city has been purposively selected for the present study. The consumers of organized retail outlets are selected for the present study by adopting random sampling technique. The data were collected from 300 consumers of organized retail outlets through pre-tested, structured questionnaire. In order to understand the socio economic characteristics of consumers of organized retail outlets, the frequency and percentage analysis have been carried out. In order to examine the difference between socio-economic characteristics of consumers and ethnocentrism, the t-test and ANOVA test have been employed. The correlation analysis has been applied to examine the relationship between consumer ethnocentrism socio-psychological antecedents. In order to examine the influence of socio-psychological antecedents on consumer ethnocentrism, the multiple linear regressions has employed.

RESULTS AND DISCUSSION

SOCIO-ECONOMIC CHARACTERISTICS OF CONSUMERS

The socio-economic characteristics of consumers of retail outlets were analyzed and the results are presented in Table 1. The results show that about 64.00 per cent of consumers are males and the rest of 36.00 per cent of consumers are females.

The results indicate that about 48.67 per cent of the consumers belong to the age group of 31-40 years followed by 21-30 years (21.66 per cent), 41-50 years (18.67 per cent) and 51-60 years (11.00 per cent). It is clear that the majority of the consumers (51.33 per cent) are graduates followed by post graduates (32.67 per cent), higher secondary (12.00 per cent) and professionals (4.00 per cent). It is observed that about 46.33 per cent of the consumers belong to the monthly income group of Rs.20,001-Rs.30,000 followed by Rs.30,001-Rs.40,000 (31.00 per cent), Rs.10,001-Rs.20,000 (13.34 per cent) and Rs.40,001-Rs.50,000 (9.33 per cent).

TABLE 1, Socio-Economic Characteristics of Consumers

Particulars	Number of Consumers (n = 300)	Per cent
Gender		
Male	192	64.00
Female	108	36.00
Age Group		
21-30 years	65	21.66
31-40 years	146	48.67
41-50 years	56	18.67
51-60 years	33	11.00
Educational Qualification		
Higher Secondary	36	12.00
Graduates	154	51.33
Post Graduates	98	32.67
Professionals	12	4.00
Monthly Income		
Rs.10,001-Rs.20000	40	13.34
Rs.20,001-Rs.30,000	139	46.33
Rs.30,001-Rs.40,000	93	31.00
Rs.40,001-Rs.50.000	28	9.33

SOCIO-ECONOMIC CHARACTERISTICS OF CONSUMERS AND ETHNOCENTRISM

In order to examine the difference between socio-economic characteristics of consumers and ethnocentrism was analyzed by employing t-test and ANOVA test and the results are presented in Table 2. The results show that the mean value of ethnocentrism for female is higher than male consumers which indicate that the female consumers are more ethnocentric than male consumers toward organized retail outlets. The t-value for gender of consumers and ethnocentrism is 3.86, which is significant at one per cent level indicating that there is a significant difference between gender of consumers and ethnocentrism towards organized retail outlets.

TABLE 2, Socio-Economic Characteristics of Consumers and Ethnocentrism

Socio-Economic Characteristics	Particulars	Mean	t – Value / F - Value	Sig.
Gender	Male	22.48	3.86	0.01
	Female	25.30		
Age Group	21-30 years	25.14	4.14	0.00
	31-40 years	26.02		
	41-50 years	22.98		
	51-60 years	28.16		
Educational Qualification	Higher Secondary	24.12	4.72	0.00
	Graduates	25.18		
	Post Graduates	28.10		
	Professionals	26.26		
Monthly Income	Rs.10,001-Rs.20000	23.34	4.38	0.00
	Rs.20,001-Rs.30,000	26.98		
	Rs.30,001-Rs.40,000	24.06		
	Rs.40,001-Rs.50,000	25.42		

The results indicate that the mean value of ethnocentrism for consumers belong to the age group of 51-60 years is higher than other age groups of consumers, which show that the older people are more ethnocentric than middle aged and young consumers toward organized retail outlets. The F-value for age of consumers and ethnocentrism is 4.14, which is significant at one per cent level showing that there is a significant difference between age of consumers and ethnocentrism towards organized retail outlets.

It is observed that the mean value of ethnocentrism for consumers have the educational qualification of post-graduation is higher than consumers of other educational qualifications, which indicate that the post graduates are more ethnocentric than consumers of other educational qualifications toward organized retail outlets. The F-value for educational qualification of consumers and ethnocentrism is 4.72, which is significant at one per cent level revealing that there is a significant difference between educational qualification of consumers and ethnocentrism towards organized retail outlets.

It is apparent that the mean value of ethnocentrism for consumers belongs to the monthly income of Rs.20,001-Rs.30,000 is higher than consumers belong to other monthly income groups which show that consumers belongs to the middle income group are more ethnocentric than consumers belong to other monthly income groups toward organized retail outlets. The F-value for monthly income of consumers and ethnocentrism is 4.38, which is significant at one per cent level indicating that there is a significant difference between monthly income of consumers and ethnocentrism towards organized retail outlets.

RELATIONSHIP BETWEEN CONSUMER ETHNOCENTRISM SOCIO-PSYCHOLOGICAL ANTECEDENTS

The relationship between consumer ethnocentrism socio-psychological antecedents was analyzed by applying correlation analysis and the results are presented in Table 3.

TABLE 3, Relationship between Consumer Ethnocentrism Socio-Psychological Antecedents

Socio-Psychological Antecedents	Correlation Co-efficient
Patriotism	0.43**
Conservatism	0.38**
Saliency	0.56**
Animosity	0.31**
Ethnic Pride	-0.13
Openness to Foreign Culture	0.18

Note: ** indicates significant at one per cent level.

The results show that the correlation co-efficient between consumer ethnocentrism and patriotism and consumer ethnocentrism and saliency are 0.43 and 0.56 respectively which are significant at one per cent level. This indicates that both patriotism and saliency are positively and moderately associated with consumer ethnocentrism towards organized retail outlets. The results indicate that the correlation co-efficient between consumer ethnocentrism and conservatism and consumer ethnocentrism and animosity are 0.38 and 0.31 respectively which are significant at one per cent level. This reveals that both conservatism and animosity are positively and weakly correlated with consumer ethnocentrism towards organized retail outlets.

INFLUENCE OF SOCIO-PSYCHOLOGICAL ANTECEDENTS ON CONSUMER ETHNOCENTRISM

In order to examine the influence of socio-psychological antecedents on consumer ethnocentrism, the multiple linear regressions has employed and the results are presented in Table 4. The consumer ethnocentrism is considered as dependent variable and socio-psychological antecedents are considered as independent variables.

TABLE 4, Influence of Socio-Psychological Antecedents on Consumer Ethnocentrism

Socio-Psychological Antecedents	Regression Co-efficients	t - Value	Sig.
Intercept	1.126**	5.120	.000
Patriotism	.436**	4.857	.000
Conservatism	.332**	4.743	.002
Saliency	.524**	3.986	.000
Animosity	.310**	4.104	.001
Ethnic Pride	.102	1.265	.426
Openness to Foreign Culture	-.116	1.318	.519
R ²	0.68	-	-
Adjusted R ²	0.65	-	-
F	13.563	-	0.00
N	300	-	-

Note: ** Significance at one per cent level

The results indicate that the coefficient of multiple determinations (R²) is 0.68 and adjusted R² is 0.65 indicating the regression model is good fit. It is inferred that about 65.00 per cent of variation in dependent variable (Consumer Ethnocentrism) is explained by the independent variables (Socio-Psychological Antecedents). The F-value of 13.563 is significant at one per cent level indicating the regression model is good fit. The results show that patriotism, conservatism, saliency and animosity are positively and significantly influencing the consumer ethnocentrism towards organized retail outlets at one per cent level.

CONCLUSION

The present study finds considerable variations present among consumers in their ethnocentrism towards organized retail outlets in Chennai. The female consumers, older people, post graduates and consumers belong to middle income groups are more ethnocentric toward organized retail outlets. The results indicate that both patriotism and salience are positively and moderately associated with consumer ethnocentrism towards organized retail outlets. Meanwhile, both conservatism and animosity are positively and weakly correlated with consumer ethnocentrism towards organized retail outlets. The results show that patriotism, conservatism, salience and animosity are positively and significantly influencing the consumer ethnocentrism towards organized retail outlets.

The organized retail outlets are interested in operating in the consumer goods market in Chennai, for instance, can bifurcate the Chennai consumers into two broad segments: one comprising of consumers who are ethnocentric and opposed to the foreign retail outlets, and the other one comprising of less or non-ethnocentric consumers who are not inherently biased against foreign retail outlets. Insights about the background characteristics of consumers in these two market segments can be helpful to the organized retail outlets in deciding about their target market segments and evolving appropriate positioning and marketing mix strategies. Marketers of domestic retail outlets might find it beneficial to focus upon less ethnocentric consumers as their target market.

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