

CONSUMER ETHNOCENTRISM, ATTITUDES AND INTENTION TO PURCHASE: BANGLADESHI EVIDENCE THROUGH APPLICATION OF STRUCTURAL EQUATION MODELING (SEM)

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Abstract

The purpose of study is to investigate attitudinal differences between local and foreign made products among Bangladeshi consumers. Additionally, the paper investigates degree of consumer ethnocentrism in the Bangladeshi market and test empirically, through structural equations modeling, the association between consumer ethnocentrism, attitudes and purchase intentions. The findings in the study revealed that Bangladeshi consumers surveyed for the purpose of this study are moderately ethnocentric. For the majority of product category and respective attribute tested significant differences were found between consumer attitudes toward local and foreign made products. Structural path results confirmed significant associations between consumer ethnocentrism, attitudes and purchase intention. In terms of practical implication the findings provides understanding for foreign firms in terms of what their scenario are when they consider Bangladeshi market and also add tremendous value for both multinational and local companies while formulating marketing strategy in countries belonging to transitional economies.

Keywords: Consumer Ethnocentrism, Consumer Attitudes, Purchase Intention, Structural Equations Modeling.

Introduction

With the spirit of globalization which is a phenomenon in the 21st century success or failure of any business entity largely relies on understanding and meeting the needs of customers (Czinkota, Ronkainen & Moffett, 2000). This has become a real challenge with the notion of consumer ethnocentrism, which relies in the assumptions that buying foreign made products can be viewed as unpatriotic and may challenge the domestic economy (Klein, 2002). Though ethnocentrism is a global phenomenon many researches have concluded the fact that the degree of ethnocentrism varies from one country to another depending on where the study took place (Javalgi, Khare, & Gross, 2005)

Today's world trade environment has been characterized with more market grouping, free trade agreement, and global cooperation followed by a significant drop in formal barriers like tariff, quota, and red tapes (Hill, 2004, pp. 173). This relaxation of foreign trade policies have brought consumers around the world closer toward foreign made products/services than ever before. As a result, customers' attitudes toward foreign products have been a subject of considerable interest and research in international business for decades (Wang & Chen, 2004). Previous studies relating to the country-of-origin effect (COO) have confirmed the fact that consumers have tendencies to prefer domestic over foreign made products especially if they lack information about those products (Damanpour,

1993; Elliot and Camoron, 1994). As per the study by Shimp and Sharma (1987) it has been confirmed that the tendency of consumers to be ethnocentric largely depends on the beliefs about the appropriateness and moral rightness of purchasing foreign products. Ethnocentric consumers prefer domestic goods because they believe that products from their own country are the best (Klein, Ettenson, & Morris., 1998). The more a consumer places importance on whether or not a product is made in his/her country, the higher the ethnocentric tendency will be (Huddleston et al., 2001). While investigating the consequences and impact of ethnocentrism, researchers have hypothesized that certain variables have an effect on the relationships between consumer ethnocentrism and attitudes and in turn, attitudes and purchase intention (Javalgi et. al, 2005). Consequently, our aim in the study is to use this concept and investigate the attitudinal differences between local and foreign made products and the degree of ethnocentrism among Bangladeshi consumers. Additionally, the paper investigates empirically, through structural equations modeling, the association between consumer ethnocentrism, attitudes towards foreign made products and purchase intention.

Literature Review

Consumer ethnocentrism

Shimp and Sharma (1987) explained "consumer ethnocentrism" as a domain-specific sub-set of ethnocentrism. An extension of ethnocentrism concept

“consumer ethnocentric tendency (CET)” indicates a general tendency of customers to avoid and to reject the imported products irrespective of products attributes concerned like price, quality etc, mainly due to nationalistic reasons (Shankermahesh, 2006). It is note worthy to mention that consumer ethnocentrism may result in overestimation of the domestic product attributes and quality in general and under estimation of the quality of foreign products (Sharma et al., 1995). Many researches have successfully concluded that consumers in the developed countries have general tendency to prefer products manufactured in their country (Bilkey & Nes, 1982; Samiee, 1994). But this statement can be challenged by the findings that people from developed countries tend to be less ethnocentric than their counterparts in developing and emerging nations (Sharma et al., 1995; Lindquist et al., 2001). This is probably due to the fact that consumers’ evaluation of the quality of foreign/imported products will influence their purchase preference. As a result the impact of willingness to buy domestic/foreign products will be different in developing and developed countries (Wang & Chen, 2004).

Attitudinal differences between local and foreign product attributes

The term “attitude” is frequently used in describing people and explaining their behavior which basically indicates a persistent tendency to feel and behave in a particular way toward some object (Fishbein & Ajen, 1975; Fazio et al., 1989). It was argued from Kinra (2006) study that national reputation for products vary from country to country as a result, consumers generalize their attitudes and opinions in term of their level of familiarity and background with that country. In addition, product attributes like “technological superiority”, “product quality”, “value for money”, “status and esteem”, and “credibility of Country of Origin” of a brand play significant roles (Kinra, 2006). This country of origin (COO) found to be a significant factor and primary cue for consumers in evaluating new products depending on their expertise under several conditions (Maheswaran, 1994) as oppose to other product related attributes (Kinra, 2006). Here, it is noteworthy to mention that consumers’ perception of products’ country of origin are based on three components as far as the standard attitude model is concerned namely “cognitions” indicating the knowledge about a specific product, “affect” indicating favorable/unfavorable attitude, and “conative” indicating actual purchase of a foreign brand (Papdoupoulos et al., 1993).

Also research has shown that people from developed, more modern nations, tend to be less ethnocentric than their counterparts in developing and emerging nations (Lindquist et al., 2001; Sharma et al. 1995). Groups from developing nations and groups from developed nations are different also (Hult & Keillor, 1999). Here it can be mentioned as an example that low income consumers with lower level of educational qualification emphasize on physical attributes of the products whereas higher income people with higher educational qualification emphasize on augmented attributes of the products (Keynak and Kara, 1998).

Consumer attitudes and purchase intention

Understanding consumer attitude has always been a subject of interest as there are growing evidences that it influences purchase behavior especially when the product is high involvement in nature (Sharma et al., 1995; Watson & Wright, 1999; Kaynak & Kara, 2002). Marketers are convinced that attitude surely influences consumers’ purchase (Fishbein & Ajen, 1975; Fazio et al., 1989). As per the study of Klein et al., (1988) attribute judgments are assumed to influence purchase but most research on consumers’ evaluation of foreign products has not measured purchase intention or decision directly. But general impression drawn from the study by Clark et al., (1990) concludes that customers’ enduring behavior as a pattern and personality characteristics are extremely important to customers and strategic decision making.

As mentioned earlier that consumers in the developed countries prefer products from their home country (Bilkey & Nes, 1982; Samiee, 1994). Research have pointed out the fact that highly ethnocentric consumers sometimes overestimate domestic product while underestimate imports and feel a moral obligation to buy domestic products (Shimp & Sharma, 1987; Netemeyer et al., 1991; Sharma et al., 1995). Consequently, Huddleston et al. (2001) study reveals that the influence of consumer ethnocentrism on willingness to buy domestic products will vary from developed to developing countries.

Hypothesis development

Consumer ethnocentrism and attitudes towards local/foreign products

Previous studies indicate that attitudes towards foreign products vary from country to country ranging from developing to the developed (Javalgi et al., 2005; Kinra, 2006). One of the key factors that will affect customers’ attitudes toward local and foreign products is definitely ethnocentrism. Findings from previ-

ous studies states that the more ethnocentric consumers, the more the consumer will be against importing foreign goods (Sharma et al., 1995; Watson & Wright, 2000). Sharma et al. (1995) study shows negative relationship between consumer ethnocentrism and attitude towards foreign products in a more developed country. Further, Klein et al. (1998) study in transitional country found consumers with strong ethnocentric beliefs evaluated foreign products negatively than those who did not hold such beliefs. In addition, Javalgi et al. (2005) study found negative association between consumer ethnocentric tendency and attitudes toward importing of foreign products in France. From the discussions it may be articulated that associations between consumer ethnocentrism and attitude towards foreign products were tested in transitional and developed countries. However, testing such relationship in a least developing country (LDC) setting is yet to be explored therefore we propose that:

H1: Consumer ethnocentric tendency and attitudes towards foreign products is negatively associated in Bangladesh, a least Developing country (LDC).

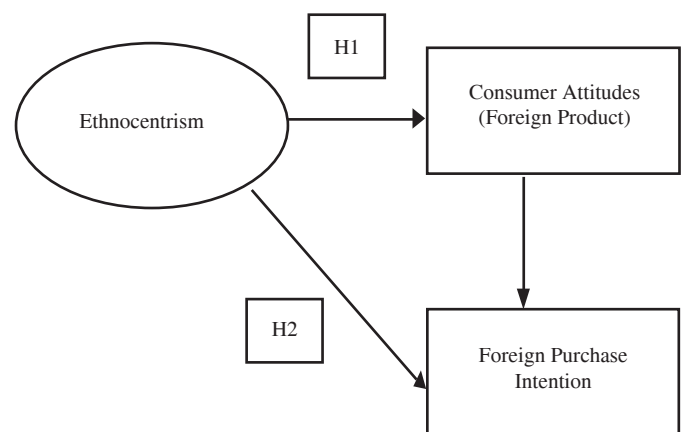
Consumer ethnocentrism and purchase intention Studies related to consumer ethnocentrism integrated the construct in models of consumer decision making by empirically investigating antecedents and identifying the moderating factors that reduce the ethnocentrism effect on purchase intention (Han, 1988; Sharma et al., 1995). Researchers have hypothesized that certain variables have an effect on the relationships between ethnocentrism and attitude and in turn, attitude and purchase intention (Javalgi et al., 2004). These variables include product necessity, product serviceability, country-of-origin, and consumer animosity (Sharma et al., 1995; Huddleston et al., 2001). On the other hand, Han (1988) and Herche (1992) in their studies found empirical support for a positive relationship between CET and purchase intention of domestic products. Klein et al. (1998) also found significant statistical evidence for the direct negative link between consumer ethnocentrism and willingness to buy (WBD) foreign products (considering the word “WBD” interchangeably taken as ‘purchase intention’ in some studies). Further, Zarkada and Fraser (2002) also found negative associations between consumer ethnocentric tendency and support for foreign retail outlets. Therefore, from the above discussion we propose that:

H2: Consumer ethnocentrism and purchase intention towards foreign made products are negatively associated in a LDC such as Bangladesh.

Attitude towards local/foreign products and purchase intention

It is noteworthy to mention that attitude would not be important to marketers if it had not been shown to influence the purchase intention of consumers (Fishbein and Ajzen, 1975; Fazio et. al., 1989). This relationship proved to be pivotal when the product categories are “highly involved” (Keynak & Kara, 2002; Sharma et al., 1995; Watson & Wright, 2000). Klien et al. (1998) found significant and positive association between consumer evaluation of local products and purchase intentions. Javalgi et al. (2005) study conducted among French consumers revealed that attitude toward importing products from any country can be expected to influence the decision to purchase a foreign product. Now when we undertake this study to test association between attitude towards local and/or foreign products and purchase intentions among Bangladeshi consumers we must keep in mind that only 10 percent population live in urban areas and nearly 80 percent depends on agriculture for livelihood compared to most developed countries (Kucukemiroglu, 1999). But it is also true that Bangladesh is religiously, ethnically, linguistically, and socially extremely homogenous (Kochanek, 1993). This homogeneity will invariably be beneficial for this study in order to generalize findings while testing any proposition concerning consumer attitude towards local or foreign made products and purchase intention. Therefore, against these backdrops we propose that:

Figure 1 The conceptual model



H3: Attitude toward foreign product is positively associated with purchase intention of imported products.

Based on the conceptual framework presented in this section, Figure 1 illustrates the conceptual model and the hypothesis that are to be tested.

Methodology

Participants and procedure

A survey was conducted on a sample of 255 consumers, out of which 245 completed and usable responses were obtained. Probability sampling using a multi-stage cluster-sampling method was used to select a representative sample of consumers in the city of Dhaka representing as a cluster identical to other major growing cities in Bangladesh. Respondents were selected from different region covering major residential areas including north, south, east, west and central part of the city. Households were selected through systematic random sampling. Respondents chosen were all adult members of the household and with age above seventeen years.

The sample consisted of 66.9 percent male and 33.1 percent female respondents. In terms of age, 42.7 percent of the respondents were between 17 and 25, 25 percent between 26 and 33, 17.7 percent between 42 and 50 and 6.8 percent above 50 years. Majority of the respondents in the sample, 54.7 percent, had income range below 10000 Bangladeshi Taka (BDT) per month. 18 percent had income range between 10000 and 20000 (BDT), 14.7 percent between 20000 and 30000, 4.1 percent between 30000 and 40000 and 8.6 percent above the income range of 40000. The sample comprised of different professional people including 42.9 percent students, 6.9 percent housewives, 30.6 percent private service holders, 2.4 percent government employees and 17.1 percent businessmen. As far as level of education was concerned majority of the respondents were well educated with 2 percent of respondents having secondary school certificate, 31.2 percent having higher secondary certificate, 56.3 percent having graduation degree and 11.4 percent with post graduation degree. Overall the sample is a good representation of the urban people living in Dhaka city and by the nature and characteristics if it described so far we can infer that majority of the respondents would be able to express their opinion regarding local and foreign made products thus providing a good representation of the population under study.

Personal face to face interview were conducted at consumers homes by students recruited from North South University, Bangladesh with bilingual ability and were well trained before conducting the interviews. In cases where respondents were unable to fill in the questionnaire by themselves the interviewer filled in the responses via listening to the respondent's verbal responses, however, in rest of the cases the respondents filled in the questionnaire by themselves.

Measurement instruments

A quantitative survey comprising of 41 items was administrated in order to empirically investigate the degree of consumer ethnocentrism, consumer attitude towards local and foreign made products and purchase intention. Degree of consumer ethnocentrism (CE) among Bangladeshi consumers was measured using the reduced and validated 10 item CETSCALE (Shimp & Sharma 1987; Martýnez et al. 2000; Lindquist et al. 2001). To measure differences between attitude towards local and foreign made products a seven point semantic differential scale was used where respondents were asked to describe their opinion, 7 (indicating most positive) and 1 (indicating least positive), about various consumer products and its attributes relating to "value for money", "technicality", "quality", "credibility of country of origin" and "status and esteem". The product attributes chosen in this study is similar to the ones used in previous studies by Kinra (2006) and Watson and Wright (2000). Consumer products chosen were mostly non-durable items due to the fact that very few local durable products/brands are available in the Bangladeshi market as alternative to foreign made durable products, thus making it difficult to compare differences in consumer attitudes between locally and foreign made durable products. Consequently, the study uses range of consumer product items having both local and foreign brand alternatives in Bangladeshi market such as shoes, ceiling fan, pen, soap, canned juice and potato chips/snacks.

In order to measure overall product attitude consumers were asked to indicate their opinion separately about local and foreign made products using a single item seven point differential scale with '5 as most favorable' and '1 as least favorable'. Product purchase intention was measured by asking single item question "what is the likelihood that you would buy product (X) from the following country (Y)" similar to that as used in Javalgi et al. (2005) study. The product items used to measure the purchase intention were pen, soap and shoes and countries mentioned were Bangladesh, India and Thailand. The final part of the survey also included various demographic questions.

Analysis and Results

Computing degree of Ethnocentrism

According to Hamim and Elliott (2006) the mean scale value of CETSCALE is taken as the indicator of the intensity of consumer ethnocentrism (CE) that is a higher mean scale value indicates higher CE among consumers. The total mean scale value of CE-

TSCALE using a 10 point reduced instrument for the current study is 46.52 among Bangladeshi consumers. Thus reflecting that Bangladeshi consumer are less ethnocentric in comparison to consumers from countries such as India (M=66.96, SD= 16.41), USA (M=52.92, SD= 16.37), New Zealand (M=62.21, SD=25.79), Poland (M= 69.19), Korea (M=85.07) and Indonesia (M=74.50) (Upadhyay & Singh 2006; Good & Huddleston 1995; Sharma et al. 1995; Watson & Wright 1999; Hamim & Elliott 2006) and more ethnocentric in comparison to consumers residing in countries such as Great Britain (M=30.29, SD=9.47), Japan (M=40.10, SD=17.3) and Sweden (M=38.40, SD=18.5) (Hult et al., 1999; Baumgartner, 1998).

Attitudinal differences

Differences in consumer attitudes toward local and foreign made products reveal some interesting findings. Table I illustrate the attitudinal difference between local and foreign made product across a various range of consumer products attributes. Surprisingly, only in the case of ‘value for money’ attribute there is no significant difference between consumer attitude towards locally manufactured and foreign made pen (5.33:5.37; p=0.670). The reason behind it may be due to the fact that foreign branded pens available in the Bangladeshi market is similarly priced as that of local brands of pen that are currently available. However, from the findings it can be reflected that consumers still evaluates foreign made pen more favorably in terms of technical aspects, quality, and status and esteem.

Interestingly, significant differences are found between consumer attitudes toward local and foreign made products across all the consumer products and its attributes considered for the purpose in this study. Further, from the mean ratings of local and foreign made products it is revealed that Bangladeshi consumers are significantly more favorable towards majority of foreign made product in comparison to local alternatives. These findings are quite contradictory with the results found in the study done by Kinra (2006) in Indian market considering the fact that Bangladesh and India are neighboring countries and lot of similarities exist as far as consumer behavior pattern is concerned among these two countries. Kinra’s study found insignificant difference in attitude towards local and foreign made brands in respect to “value for money” attribute with items such as shoes, shampoos and ice creams. Further, in terms of “credibility of country of origin” there was also no significant difference between mean ratings between shoes, ice creams

and cold drinks. Whereas in the Bangladeshi market

Table I Product attributes differences between local and foreign made products

Attribute/ Product	Locally made (Mean rating)	Foreign made (Mean rating)	t-value	P value
<i>Value for money</i>				
Shoe	4.46	5.34	7.025	0.000**
Ceiling fan	4.97	5.62	5.074	0.000**
Pen	5.33	5.37	4.270	0.670(NS)
Soap	4.78	5.61	6.343	0.000**
Canned juices	4.54	5.74	11.08	0.000**
Potato Chips	4.57	5.55	8.309	0.000**
<i>Technicality</i>				
Shoe	4.11	5.32	9.111	0.000**
Ceiling fan	4.60	5.59	10.07	0.000**
Pen	4.76	5.50	7.397	0.000**
Soap	4.53	5.60	8.865	0.000**
Canned juices	4.36	5.72	12.02	0.000**
Potato Chips	4.26	5.44	10.57	0.000**
<i>Quality</i>				
Shoe	4.44	5.38	7.097	0.000**
Ceiling fan	4.69	5.99	4.337	0.000**
Pen	4.96	5.57	5.544	0.000**
Soap	4.72	5.72	7.489	0.000**
Canned juices	4.45	5.66	9.858	0.000**
Potato Chips	4.59	5.39	7.618	0.000**
<i>Country of Origin</i>				
Shoe	4.46	5.30	6.181	0.000**
Ceiling fan	4.62	5.54	8.486	0.000**
Pen	4.91	5.58	6.540	0.000**
Soap	4.54	5.76	9.919	0.000**
Canned juices	4.24	5.87	13.821	0.000**
Potato Chips	4.46	5.50	9.733	0.000**
<i>Status and Esteem</i>				
Shoe	4.48	5.73	9.951	0.000**
Ceiling fan	4.92	5.67	6.427	0.000**
Pen	4.88	5.77	6.955	0.000**
Soap	4.64	5.98	10.409	0.000**
Canned juices	4.24	5.94	13.562	0.000**
Potato Chips	4.58	5.75	10.229	0.000**

Note: *significant at p < 0.05; ** significant at p < 0.01; NS = not significant

it is observed that respondents studied in this paper are less ethnocentric and have the tendency to significantly evaluate most foreign alternate products and brands in favorable way than local made ones. Therefore, the next section of this study empirically investigates whether degree of consumer ethnocentrism have an impact on attitude towards foreign products and purchase intention in a least developing country (LDC) such as Bangladesh.

Measurement model

Before running a full structural equation model (using Amos 7 software) to test the association between ethnocentrism, attitude towards foreign product and foreign purchase intention (based on the hypothesis developed previously) confirmatory factor analysis (CFA) was carried out on individual constructs where

necessary (Wang & Chen, 2004; Nguyen, 2007; Wong & Merrilees, 2007). In order to test construct validity fit indices like overall model chi-square (χ^2), the goodness of fit index (GFI), the adjusted goodness of fit index (AGFI), confirmatory fit index (CFI), the Tucker-Lewis Index (TLI), root mean square (RMR) and root mean square of approximation (RMSEA) values were used (Hair et al., 1998; Chan and Cui, 2004). Ethnocentrism in this study was treated as the first order latent factors and 10 items describing it were considered as the observed variables. Internal reliability of the 10 item CETSCALE showed good results: cronbachs alpha (internal reliability) = 0.94, however, results from confirmatory factor analysis (CFA) indicated a poor fit of the model with the data under study thus showing lack of construct validity of the 10 item reduced scale: χ^2 (245) =270.68, (p=0.000), GFI=0.785, AGFI=0.663, CFI=0.895, TLI=0.865 and RMR= 0.163, RMSEA= 0.166. Therefore, the 10 item CETSCALE was purified further and finally 5 items were retained for the study resulting in all item-to-scale values to be over 0.8 and overall reliability of 0.934. Further, CFA results showed evidence of construct validity of the 5items measurement model as the fit indices reflected adequate model fit with the data: χ^2 (245) =6.635, (p=0.249), GFI=0.989, AGFI=0.968, CFI=0.998, TLI=0.997 and RMR= 0.034, RMSEA= 0.037 (Hair et al., 1998; Wang and Chen, 2004).

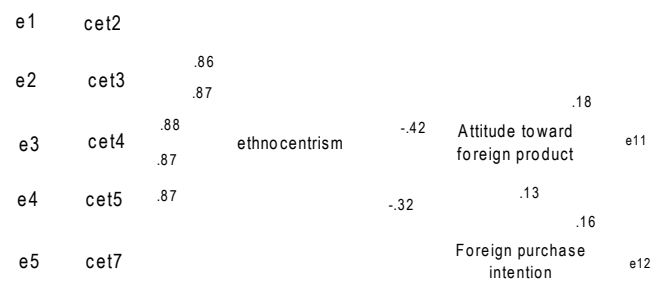
The overall attitudes of consumers towards foreign product and foreign purchase intention are treated as the observed variables in the overall structural model. The purpose of doing so was to achieve more reliable estimates and better structural model adequation. As overall foreign product attitude of consumers was measured using a single item question of testing its validity as a measurement model did not arise. The other observed variable foreign purchase intention was obtained by aggregating average scores of the three different product categories (pen, shoe and soap) originating from the two mentioned foreign countries (India and Thailand).

Structural equations model

The structural equation model was treated next as shown in Figure 1 using the maximum likelihood method (ML) as the results of MLE correspond to events that are likely to happen based on the observed variance-covariance matrix (Cherrier & Munoz 2007). Fit indices from the structural equation model shows value of GFI=0.966, AGFI=0.927, CFI=0.985, TLI=0.975 and RMR= 0.048 and RMSEA= 0.075. The chi-square value of the overall model with sam-

ple size of 245 is 30.612 and p=0.004 (less than ac-

Figure 2 The structural equations model



ceptable p- value of 0.1), however, according to Hair et al. (1998) chi-square test becomes sensitive and its significance test becomes less reliable as the sample size becomes more than 200. Therefore, considering the fact that this study comprises of sample size more than 200 (n=245) and other fit measures reflecting good and acceptable values the overall structural equation model can be inferred as acceptable and good model fit with the data under study (Hair et al. 1998, Nguyen 2007; Cherrier & Munoz 2007; Wong & Merrilees 2007).

Table II shows the unstandardized path estimates, critical ratio (standard error) and p values. Consumer ethnocentrism accounted for 18 percent variance in explaining attitude towards foreign product both which in turn accounted for 16 percent variance in foreign purchases intention. All the path (unstandardized) estimates as shown in Table 2 have critical ratios (equivalent to t values) over acceptable value of 1.96 (Hair et al. 1998, Nguyen 2007). As predicted by H1 the first order latent ethnocentrism construct is a significant and negative predictor of attitude towards foreign owned products. Therefore, indicating that an incremental unit change in ethnocentrism among

Table II Structural path (unstandardized) estimates for the proposed model

Hypotheses		Estimate	C.R. (S.E)	p-value
H1	Ethnocentrism Foreign Product Attitude	-2.88	6.88 (0.42)	0.000
H2	Ethnocentrism Foreign Purchase Intention	-0.172	4.74 (0.04)	0.000
H3	Product Attitude Purchase Intention	0.102	1.99 (0.05)	0.047

Bangladeshi consumers results in 0.288 unit decrease in their attitudes toward foreign product. This is consistent with the findings from previous studies (Klein et al., 1998; Zarkada & Fraser, 2002). In addition, H2 is also supported meaning that ethnocentrism significantly and directly predicts foreign purchase intention

of consumers reciprocally. Furthermore, the results indicate that H3 is also supported in our study thus providing some evidence that purchase intention is significantly and positively determined by what sort of attitude consumers in developing country have towards country specific products/brands.

Discussion

The findings revealed that the total mean scale value of CETSCALE for the respondents in this study 46.52. This suggests Bangladeshi consumers show less ethnocentric tendency when it comes to foreign purchase decision. Consequently, it was further revealed that significant attitudinal differences existed between local and foreign made products that were tested in this study. For majority of the non durable products considered for this study consumers in Bangladesh found better and distinct edge of foreign products over local ones in terms of attributes such as “value for money”, “technicality”, “quality”, “country of origin” and “status and esteem”. The only exception was “pen” where consumers found no significant differences between local and foreign product alternatives in terms of “value for money” attribute. Even though these findings are consistent with the results found in other studies (see Watson & Wright, 1999; Kinra, 2006) but interestingly, in the case of Bangladesh consumers are giving significant lower mean ratings for majority of the non durable local products/brands available in the market.

The construct and predictive validity of the ethnocentrism instrument was found from the overall model fit indices and concomitant variation between the first order latent construct of consumer ethnocentrism tendency and its consequences respectively. Further, the overall structural equations model showed acceptable fit indices indicating good model fit to the data. Results from structural equations modeling confirmed significant and negative association between consumer ethnocentrism and attitude towards foreign product. Direct and significant negative association was found between ethnocentrism and foreign purchase intentions. Therefore, providing evidence that attitudes towards and intentions to purchase foreign and/or local products are significantly determined by what degree of ethnocentric tendency exists among Bangladeshi consumers. In addition, path between foreign product attitude and purchase intention was found to be significant and positive. As a result accepting all hypotheses set out in the structural model.

Managerial implication

Consumer ethnocentrism has now been under study around the world for quite some time. But as we mentioned before most of those studies have been conducted in the developed countries as opposed to the least developed or developing countries except India where some interesting studies have been conducted in the last decade. But it is quite interesting to explore that given the fact of many similarities among Indian and Bangladeshi consumers in terms of culture, society, life style, economic status, values, consumer behavior; there is significant difference between consumer ethnocentrism in these two countries even though both of them are developing nations (with Indian economy rising much faster than Bangladesh). We found mean scale value of CETSCALE in this study 46.52 among Bangladeshi consumers whereas in India it is 66.63 implying quite high score (Good & Huddleston 1995; Hamim & Elliot 2006; Upadhyay & Singh 2006). However we must appreciate the fact that India is a multiethnic society whereas Bangladeshi consumers are extremely homogeneous in terms of religion, ethnicity, language, and race. But this does not provide a fair understanding why Bangladeshi consumers are less ethnocentric comparing to other countries from developing and developed groups.

This finding can easily convince many that foreign MNCs are in an advantageous position when they enter into Bangladeshi market as opposed to local manufacturers. Local manufacturers, per se, have to battle against this soft but very powerful non-tariff barrier call “Lower Ethnocentrism” in Bangladesh which usually results in poor consumption of domestically produced products. But does it mean that foreign firms have a blanket guarantee in market dominance in Bangladesh? The answer will be no because in this age of globalization nothing is guaranteed. Trends can change dramatically over time. So, we feel that our findings in this study will provide a fair understanding for foreign firms in terms of what their scenario are when they consider Bangladeshi market. Also the findings of this study will throw a big challenge to our local firms trying to be a major player into Bangladeshi market about how to tackle this phenomenon of low consumer ethnocentrism to battle their minds off to uplift the image of domestically made products and build consumer confidence thus providing a platform to local companies operating in Bangladesh in their marketing strategy formulation.

Limitation and future research

There are few limitations that can be identified in this

study. First, the research sample even though was large but did not necessarily represent all consumers in the Bangladeshi market. Due to time and resource constraint the study was carried out in the capital city of Bangladesh only. Therefore, similar future research can be carried out in other major cities in Bangladesh including large rural consumers to cross validate the results found in this study. Second, the study empirically provides evidence of concomitant variation between degree of consumer ethnocentrism and its consequences. Future may investigate the antecedents of consumer ethnocentrism in developing countries. Finally, the study emphasis on the ‘measurement’ aspect of consumer ethnocentrism in terms of a mean rating score. The study, however, don’t reflect on why Bangladeshi consumer are less ethnocentric. Therefore, in order to investigate and explore the reasons for such behavior or consumers attitudes qualitative research techniques may be applied.

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