The Role of Ethnocentrism in Higher Students Behavior to Consume (The Study of Made in China Fashion Products in Bandung)

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Abstract-Sharma (1987) pointed out that ethnocentrism is more concerned with blindly accepting to his own group and tends to reject things that are outside the group. Based on that definition, this research purpose is to study the consumer ethnocentric tendency of Higher Education Students in Bandung toward Chinese fashion product. This study shows that 53.2% Students in Bandung had high ethnocentrism attitude. The associations between ethnocentrism and the perception of quality fashion products made in China is negative; It means that invasion of Chinese products will not be strongly affected the existence of Indonesian fashion. However, there is one thing to be aware for fashion business in Indonesia, namely the price. This research shows that in spite of ethnocentrism, price is still a major consideration in terms of buying made in China fashion products, since there is a positive relationship between perceptions of price and the intention to buy made in China fashion products. Based on this research, a University as a social development institution could enhance this ethnocentric tendency through curriculum or programs. For example makes an anthropology or nationalism subject in their curriculum as a requirement.

Keywords: Nationalism, Consumer Ethnocentric Tendency, ACFTA, perceived on price, perceived on quality, and purchase intentions.

I. INTRODUCTION

Practitioners and academicians in Indonesia have variety opinions regarding the trade relations between ASEAN and China, especially with the increasing of cooperation between China and ASEAN through ACFTA (ASEAN-China Free Trade Area). Some practitioners and academicians see the negative impact of the ACFTA enactment in Indonesia, and the others see positive impact.

The enactment of ACFTA is one of political or economic factors that will influence a company strategy development. (Kotler and Keller, 2009; David, 2004; and Craven, 2003).

The authors convinced that one of the essential marketing strategies is focused on consumer behavior. Thus, a phenomenon in the business environment will be a threat or an opportunity depends on how consumers respond to the event, in this case is the invasion of Chinese products to Indonesia as a result of the enactment of ACFTA. Therefore, in facing the phenomena or events in the environment, the business organization should understand the impact of the events or phenomena on consumer in order to understand consumer behavior.

Schiffman and Kanuk (2000), Peter and Olson (1999), Assael (1998), and Zaltman and Wallendorf (1979), reveal the consumer behavior model which provides an overview of cultural or social role in influencing consumer behavior, one of the sociological concepts that influence behavior consumers is ethnocentrism, it is psychology constructs which is relevant for individual personality systems analysis as well as with wider analysis of socio-cultural framework (Shimp and Sharma, 1987).

Sihombing (2005) validates Shimp and Sharma’s (1987), CETSCALE (Consumer Ethnocentric Tendency Scale), and found that CETSCALE (Consumer Ethnocentric Tendency Scale) reduced version has negative relations with attitude and intention to buy foreign brand products. On the other hand, several studies in the field of consumer behavior reveals the perception of product attributes is the antecedent of a consumer attitude, such as research of Garbarino and Johnson (1999), Pritchard, et al. (1999), and Eggert and Ulaga (2002). The attributes of these products can be either the quality or price.

The third point that motivates this research is the issue of nationalism which is currently often used as a basis for promoting a product, for example Pertamina advertising "Lucky nation, we are lucky." Maspion with the slogan "Love the made in Indonesia products," and a shoe-making in the center of Bandung Cibaduyut shoe industry, branding her shoes "JK ( Jusuf Kalla ) ", the name of former Indonesia Vice President.

Referring to the three points, the aims of this research are:

1. Examining the existence of ethnocentrism in the Indonesian consumer behavior, especially in order with the implementation of ACFTA and concerning to
the invasion of Chinese fashion products. Considering that the fashion sector is globally expected to have significant potential market, which is valued at 1.7 trillion U.S. dollars, or about 3 times the GDP of Indonesia which is about 540 billion U.S. dollars (Kompas, 19 November 2010 : 18). Students are selected because they are parts of society that are regards as member society who knows more understand the existence of the industry in Indonesia or Bandung. In addition, research Zulganef, Nursjanti, and Garniwa (2007) show that there is Opinion Leader in Fashion products, which indicates that this product is quite popular among students; in terms of dissemination information that better compared to other products (i.e. political product).

2. Recognized the impact of ACFTA enactment to Indonesia Through understanding the existence of ethnocentrism, especially the industries whose products are face to face (head to head) with made in China products

The authors reveal the background and problems through a research model on Figure 1

Figure 1. Research Model

Perceived on Nationalism

Intention to buy Chinese fashion

Ethnocentrism

Perceived on Chinese fashion product quality

Perceived on Chinese fashion price

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

A. Intention and Ethnocentrism

Dharmmesta (1998:91) describes the intention in the Theory of Planned Behaviour (TPB) variables as: "Catcher" or intermediary for the motivational factors that have impact on a behavior, illustrate how hard someone dared to try, demonstrating how much effort a person planned to do, and most closely associated with subsequent behavior.

Referring to the intention expressed by Dharmmesta (1998), then understanding the intention is the beginning for understanding the consumer behavior. In this study, the authors’ investigation is focus on the variable of intention to purchase Chinese products.

Research of Garbarino and Johnson (1999), and Eggert and Ulaga (2002) reveal the role of intention in purchasing a product which found that buying intention is consequence of trust and commitment. On the other hand, this study focuses on investigation of ethnocentrism as an antecedent for intention to buy Chinese fashion products.

Ethnocentrism is an attitude that sees the difference between his own group (in-group) with another group (out-group) (Schiffman and Kanuk, 2000). Fishbein and Ajzen (1975) and Ajzen (1988) revealed that intention is a consequence of the attitude or a tendency toward an object or behavior. Referring to the term of attitudes proposed by Fishbein and Ajzen (1975), Ajzen (1988), and the term of ethnocentrism proposed by Schiffman and Kanuk (2000) and Shimp and Sharma (1987), which suggests that ethnocentrism is more concerned with blindly accepting to his own group (in this case, Indonesian) and tends to reject things that are outside the group, then the first hypothesis of this research is:

H1: Ethnocentrism positively influences the intention to purchase made in China fashion products.

Kotler and Keller (2009) suggest price as the major determinant of buyer choice, and consumers are “price takers” and accept prices at “face value”. The suggestion shows that price is an important consumer’s consideration to purchase and it could be a major determinant of buyer intention to buy. Economically, It means that the higher the price the lower the intention to buy. In spite of that, price can see as a result of consumer evaluation, meaning that price is a perceived value and it can be considered as an attitude, consequently, the second hypotheses of this study is:
H2: Bandung higher student’s perceived price negatively influences the intention to purchase Chinese fashion products.

B. Ethnocentrism
Schiffman and Kanuk (2000), Peter and Olson (1999), Assael (1998), and Zaltman and Wallendorf (1979), explain one of the sociological concepts that influence consumer behavior, it is ethnocentrism, which is an attitude that sees the difference between his group (in-group) and other groups (out-group). Ethnocentrism has become psychological construct that are relevant to the personality as well as extensive analysis of socio-cultural framework (Shimp and Sharma, 1987). Thus become an interesting variable in consumer behavior since it is adopted from the field of sociology. It can be seen from some studies that investigate the role of ethnocentrism in the context of consumer behavior, including John and Brady (2009), Horn (2009), and Nien Hsu (2008), Sihombing (2005), and Maheswaran (1994).

John and Brady (2009) examined the relationship between product consumption patterns package (consumable packages), i.e. products that are packaged with a good identity so consumers can know the origin, content and product materials (labeling), and consumption of non-product -package (non-consumable packages), i.e. products that are not given the identity of the packaging at all, with CET Mozambique-African community, they found that the packaged products and comes from South Africa are more vulnerable than the non-package products. They also found that products of non-package more influenced by consumer ethnocentrism than the packaging of products, particularly products originating from South Africa.

Research of Nien Hsu (2008) on consumer behavior in Taipei and Shanghai revealed that ethnocentrism has a strong influence on the brand selection (preference) in the country. The results of this study indicate that there are different patterns between consumer ethnocentrism in the sub-cultures of different Chinese communities. Research of Maheswaran (1994) toward consumer experts (expertise) and consumer beginners (novices) showed that the State of origin (country of origin) has a strong relationship with the consumer evaluation of product attributes.

Research of John and Brady (2009), Nien Hsu (2008), and Maheswaran (1994) give an idea that ethnocentrism has a strong influence on the selection (preference) of a product, so that it can be estimated that ethnocentrism will also affect consumer perceptions of product quality and price of China-made fashion products, such influence will be negatively given the ethnocentrism is oriented attitude towards their own culture or group. Therefore the third hypothesis (H3) and fourth (H4) of this research are:

H3: Ethnocentrism negatively influences the Bandung Higher student’s perceived quality of Chinese fashion products

H4: Ethnocentrism negatively influences the Bandung Higher student’s perceived price of Chinese fashion products.

C. Nationalism
Some companies in Indonesia use issues of nationalism which is currently used as a basis for promoting a product, for example Pertamina, a national oil company which promote her product as “lucky we are, is lucky nation,” Masipon with the slogan “love the made in Indonesia products,” Dhompet Dhuafa, a non-government organization for a charity writes advertisement “tithe for my nation”, Minister of Tourism and Culture of Indonesia on an Indonesian television broadcasting, states “known your country” and a shoe-making in the center of Bandung Cibaduyut shoe industry is brands his shoes as "J-K (Jusuf Kalla) " the former vice president of Indonesia. Besides that, there are several products using Indonesian names though the principal of those products is not come from Indonesia, such as: Toyota Kijang, Mitsubishi Kuda, and Daihatsu Ceria. The advertisement and brand names show that the issue of nationalism or original characters of Indonesian through product brand names explains that it is important to understand the consumers’ attitude toward nation (nationalism).

Those attitudes conform to the term of nationalism attitude stated by some researchers, such as Cleveland et. al (2009). John and Brady (2009). And Hsu and Nien (2008) which point out that consumer prefer to domestic products than foreign products.

Stanford Encyclopedia of Philosophy further reveals that nationalism can be defined as the attitude owned by a nation when they care about the identity of their nation. Nevertheless it is possible that Indonesian consumers to deal with the dilemma between selecting products that are not qualified, higher prices, with nationalism, given the resulting products of other Country is cheaper and better, for example bead crafters Trowulan price is ranges from 12 to 50 thousand rupiah, while Chinese products only 10 thousand rupiah. (http://berita.liputan6.com/ekbis/).

The authors suggest that the term of nationalism defined above is correspond to the term of ethnocentrism, in order that, it can be predicted that the higher the nationalism the higher the ethnocentrism. Referring to the logical consequences of the nationalism and ethnocentrism, then the fifth hypothesis (H5) of this research is formulated as follows:

H5: Nationalism positively influences the Ethnocentrism tendency of Bandung Higher Student toward Chinese fashion products.
Maheswaran (1994) found the relationship among country of origin with consumers' evaluation toward product attributes. On the other hand, Nakata and Sivakumar (1996) through literature review producing several proportions related with the relationship between national culture and the development of new products.

Referring to the term of nationalism stated by Stanford Encyclopedia of Philosophy, the nationalism is someone attitude in connection with national identity and actions connected to the achievement of self-determination. Maheswaran (1994) reveals the relationship between country of origin and evaluation toward product attributes, proposition of Nakata and Sivakumar (1996) concerning the relationship between national culture and the development of new products, and attitude theory (Schifffman dan Kamuk, 2000). Referreing to the several research, so the sixth hypothesis (H6) of this research is formulated as:

H 6: Nationalism negatively influences the Bandung Higher student's intention to purchase Chinese fashion product

D. Product Quality, Price, and Ethnocentrism

Kotler and Keller (2009:169) quotes the American Society for Quality Control which reveals that the quality of the overall features and characteristics of products or services associated with the ability to satisfy customer needs. While Cheng and Tam (1997) cites the meaning of quality of some researchers which expressed meaning of quality as excellence, value, fitness for use, conformance to requirements, defect avoidance, and meet or exceeds customers' expectations. On the other hand, Parasuraman (1996:145), quoting Lewis and booms in the field of quality of service, that service quality is a measure of the extent of services provided in accordance with customers' expectations. Barnes and Cumby (1996: 178) reveal the relationship between product quality and costs, especially in services. They reveal that to produce good quality service, we need a high cost. Referring to the understanding proposed by Barnes and Cumby (1996), it can be expected that the quality of services associated with product price, so it can be said that if the quality of products is good, the price would be high. In order that, consumers will face the choice of quality products with high prices or products with less or no quality with low price. However, research of Riesz (1978) reveals the negative relationship between price and product quality on the products of non-durables, while the durable products have a positive relationship between quality and price of the product. However, research of Riesz (1978) revealed that the overall aggregate analysis of products (durables and non-durables) shows the relationship between positive price-quality products.

Referring to Riesz (1978) suggestion and the relationship between price and quality products of Barnes and Cumby (1996), then the seventh hypothesis (H7) of this research is:

H7: Bandung Higher student's perceived quality positively influences her perceived on price of Chinese fashion products

III. Research Design

This research approach is explanatory, while the method used is a survey method and the unit of analysis is Higher students in Bandung. Data were collected using convenience sampling technique, by distributing questionnaires to the student of Bandung. The data analysis technique used was analysis of the average frequency of respondents' answers to the question of ethnocentrism to detect the presence of ethnocentrism and structural equation modeling to analyze the relationship among variables studied.

The questionnaires were distributed to Private Universities students in Bandung, the total distributed questionnaires were 500 exemplars. The returned questionnaires were 410 exemplars (response rate is 82%)

IV. Result

Ethnocentrism Identification

The lower ethnocentrism tendency response is 46.8%, the rest is 53.2% which represent the average response of the higher ethnocentrism tendency. It means that most respondents have a high tendency ethnocentrism attitude.

A. Data Fit Model

To test the hypotheses of this study, the data is conducted into two stages, namely overall analysis of the model, and structural analysis, i.e. analysis of the relationships contained in the model. (Anderson and Gerbing, 1988; Hair, et al., 1995).

Table 5.1 CMIN/DF

<table>
<thead>
<tr>
<th>Model</th>
<th>NPA</th>
<th>CMIN</th>
<th>D</th>
<th>F</th>
<th>P</th>
<th>CMIN/DF</th>
</tr>
</thead>
<tbody>
<tr>
<td>MODEL ALTERNATIVE</td>
<td>84</td>
<td>1208.2</td>
<td>69</td>
<td>6</td>
<td>.00</td>
<td>1.736</td>
</tr>
<tr>
<td>Saturated model</td>
<td>780</td>
<td>.000</td>
<td></td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>Independence model</td>
<td>39</td>
<td>1673.9</td>
<td>74</td>
<td>1</td>
<td>.00</td>
<td>2.259</td>
</tr>
<tr>
<td>Zero model</td>
<td>0</td>
<td>7390.5</td>
<td>78</td>
<td></td>
<td>.00</td>
<td>9.475</td>
</tr>
</tbody>
</table>

Tables 5.1 and 5.2 are the results. They show that the value of Cmin / DF is 1.736 which is located between 1 and 5; RMR = 0.187, GFI = 0.837; and AGFI = 0.817. This illustrates that the model under study is fit to the data.

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Table 5.2. RMR, GFI, AGFI, dan PGFI

<table>
<thead>
<tr>
<th>Model</th>
<th>RMR</th>
<th>GFI</th>
<th>AGFI</th>
<th>PGFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALTERNATIVE MODEL</td>
<td>.187</td>
<td>.837</td>
<td>.817</td>
<td>.746</td>
</tr>
<tr>
<td>Saturated model</td>
<td>.000</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence model</td>
<td>.270</td>
<td>.773</td>
<td>.762</td>
<td>.735</td>
</tr>
<tr>
<td>Zero model</td>
<td>.347</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

### B. Structural Analysis

Table 5.3 showing the relationships between variables analyzed. The table shows that 3 of the 7 hypothesized relationships are significant at the level of confidence 0.05, namely:

- The positively influences of Nationalism to Ethnocentrism
- The negatively influences of Ethnocentrism to the quality of products perceived by Bandung Higher Students
- The positively influences of product quality to product price

On the other hand, 2 of 7 The relationship is significant at the 0.1 confidence level, namely:

- The positively influences of product price perceived by Bandung Higher Students to intention to buy
- The negatively influences of ethnocentrism to intention to buy

While the not supported hypotheses are:

- The influence of ethnocentrism to the price perceived, and The influence of nationalism to the intention to buy

### Tabel 5.3. Regression Weights

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETHNOCENTRISM</td>
<td>0.519</td>
<td>0.106</td>
<td>4.898</td>
<td>**</td>
</tr>
<tr>
<td>PRODUCT QUALITY</td>
<td>-0.308</td>
<td>0.099</td>
<td>-3.117</td>
<td>0.002</td>
</tr>
<tr>
<td>PRODUCT PRICE</td>
<td>0.379</td>
<td>0.152</td>
<td>2.495</td>
<td>0.013</td>
</tr>
<tr>
<td>ETHNOCENTRISM</td>
<td>-0.011</td>
<td>0.038</td>
<td>-0.284</td>
<td>0.776</td>
</tr>
<tr>
<td>NATIONALISM</td>
<td>0.018</td>
<td>0.048</td>
<td>0.379</td>
<td>0.705</td>
</tr>
<tr>
<td>PRODUCT PRICE</td>
<td>0.73</td>
<td>0.423</td>
<td>1.725</td>
<td>0.085</td>
</tr>
<tr>
<td>ETHNOCENTRISM</td>
<td>-0.113</td>
<td>0.068</td>
<td>-1.653</td>
<td>0.098</td>
</tr>
</tbody>
</table>

### V. Conclusion and Discussion

The study shows some things that need to be discussed, namely:

1. This study showed that 53.2% Higher Students in Bandung have high ethnocentrism attitude. It shows that most of the Indonesian Students recognize that there are differences between the Indonesian people (in-group) with other nations (out-group) in this case the Chinese as a fashion producer.
2. Refer to the first point above, it can be expected that the Indonesian Students perceive Chinese products are different with Indonesia products, and different attitudes are strong enough to withstand the influence of invasion of Chinese-made fashion products. The relationship between ethnocentrism with the perception of quality fashion products made in China is negative; it is shows that the higher the attitude of ethnocentrism students of Bandung, the lower the Bandung Students Perception On made in China fashion products quality. So it can be expected that if students in Bandung were given the option to choose the similar of Chinese products and domestic products, they will choose domestic product.
3. The supporting first hypothesis: there is a negative relationship between ethnocentrism and the intention of the students in Bandung to purchase made in China fashion products shows that the higher trend of students' ethnocentrism in Bandung, the lower the students' intention to buy made in China products. The existence of ethnocentrism in the Bandung Students as described in point 1 illustrates that domestic producers do not have to worry about invasion of Chinese products. This is consistent with the relationship between ethnocentrism and the perception of the quality of Chinese products (Hypothesis 3).
4. There is one thing to be noted by the business actors in Indonesia in the term of Chinese products invasion, that is the pricing problem. This research shows that price is still a major consideration in terms of buying fashion products made in China. Operational price as something positive "The price of made in China fashion products is more valuable than the products made in Indonesia," It means that the cheaper the price perceived by the students, the stronger the intention of Bandung Students to buy made in China fashion products. In addition, these conditions also shows that price is still an important consideration in buying made in China fashion products. It can be said that the price and ethnocentrism are two main variables considered by the Bandung Students in buying made in China fashion products.
5. Structural analysis shows that there are two main paths of Bandung students' mental processes in considering the purchase of made in China fashion products:
   a. The first pathway that showed the main considerations of Price: Nationalism \( \rightarrow \) ethnocentrism \( \rightarrow \) perceptions of the quality \( \rightarrow \) intention to purchase fashion products made in China. The statistical estimation is: 0.044
   b. The second pathway that showed the main considerations ethnocentrism: Nationalism \( \rightarrow \) ethnocentrism \( \rightarrow \) Intention to buy fashion products made in China. The value of statistical estimation is: 0.0519 x 0.113 = 0.059

Two process mental paths mentioned shows that Ethnocentrism plays an essential role in mediating the relationship between nationalism with the intention to purchase Chinese fashion products. However, prices can also be a major consideration but not so alarming, because the path is longer relative price considerations with the estimated value is lower (0.059 vs. 0.044)

6. Nationalism has positive relationship with Ethnocentrism, this shows that the level of consumer trends in addressing Chinese products have associations with attitudes towards nationalism, this shows that students of private universities in Bandung is still concerned about the existence of the Indonesian people, especially the presence in the economic field, especially the survival of products produced by the Indonesian.

7. Product quality has a positive relationship with product price. This is shows that the better fashion products made in China, then the product is perceived cheaper. Although ethnocentrism affects the perception of made in China fashion products quality, but the quality will still be influential on the price perception of fashion products made in China.

VI. Recommendations
1. This research shows that the existence of ethnocentrism in Indonesia, especially students in Bandung is relatively not so large, that is 53.2% of the total respondents. The Universities as a social development agent need a campaign or makes a national movement to promote the importance of consuming made in Indonesia products.
2. This research shows that price and ethnocentrism are two main considerations of Students in Bandung in buying made in China fashion products. This shows that the higher the nationalism, the higher the ethnocentrism that is inside of Students in Bandung. Therefore, to stem the invasion of fashion products made in China, the campaign or campaigns about nationalism or love campaign on Indonesian products by Indonesia universities is need to improve, such as the campaign of "love the Indonesia products," or from Maspion " we are lucky, nation is lucky " from Pertamina needs to be reinforced and reproduced by the other campaigns.
3. The first point shows that the better the perceived quality of Chinese products the more expensive the products (the positive relationship between product quality and the price of Chinese fashion products). This suggests that product quality is importance in student’s consideration, although the quality is influenced by ethnocentrism.
4. Another thing that needs to be considered by the manufacturers of domestic products that competition issue with Chinese fashion products is price, since this research shows that price is still a major consideration in addition to ethnocentrism. The high economic cost that is often a major problem in the production of goods in Indonesia needs to be repaired.
5. To prevent an invasion of Chinese products, there should be policies that make the Indonesian products have better quality than Chinese products.
6. The relationships between nationalism, ethnocentrism, and intention to purchase illustrate that Indonesia Universities or higher educational institutions need to enhance either nationalism or ethnocentrism to prevent Indonesia fashion industry from Chinese fashion products invasion, for example with anthropology or nationalism subjects in universities or higher educational institution curriculum.

VII. Limitations and Further Research
1. This research was conducted only in Bandung and limited at 4 Universities only; it will not generally represent all students in Bandung. Consequently, there should be research with broader respondents e.g. involving students of other towns in Indonesia, and involving another part of Indonesia citizens, such as: employees, the women of Household, or the Manager.
2. Perhaps some students are not likely able to evaluate made in china fashion products, since it was not asked whether they have ever / never consume made in China fashion products. However, this limitation is not so alarming, considering that substantial ethnocentrism presented by students in Bandung who demonstrate the difference between Indonesia and China.

References


