

Did Beliefs and Attitudes Influence Consumer Ethnocentrism Towards Domestic Products? Empirical Evidence of Klang Valley Petronas Petrol Station

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Abstract

The concept of consumer ethnocentrism is used here to show that culture influences the perception of individuals or groups when they buy products or services. Though many studies have recognized the importance of culture in consumer decision-making, few have examined the significant role of culture in influencing consumer buying decision. Thus, the purpose of this study is to examine how the roles of consumer beliefs and attitudes affect the level of consumer ethnocentrism towards the purchase of domestic products concentrating on Petronas petrol stations in Klang Valley from the customers' perspective. A self-administered questionnaire was distributed at Petronas Petrol Stations in Klang Valley area. The results indicated that the most significant factor influencing consumer ethnocentrism was belief followed by attitude and both belief and attitude had moderate and positive relationships with consumer ethnocentrism toward Petronas Petrol Stations in Klang Valley area.

Keywords: Attitudes; Beliefs; Consumer ethnocentrism; Purchased intention; Culture.



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1. Introduction

The concept of consumer ethnocentrism views that culture influences the perception of an individual or group when buying products or services. According to Petrovicova (2014), defining ethnocentrism as a tendency of individuals to see their cultural group as proving the norms for acceptable behaviours and preferences. Therefore, consumer ethnocentrism is viewed as a negative attitude or perception of a person towards a foreign product but a positive attitude towards domestic products. This means, the customers will choose their own country products' rather than products produce by other countries owing to their culture. Nonetheless a study by Teo *et al.* (2011) and Shahrinaz *et al.* (2017) demonstrated that customers who are more ethnocentric will tend to buy the domestic products rather than foreign products. It is probably because these customers are more familiar with the products or services produced in their own country and also, they want to support their country's local products. But a study by Teo *et al.* (2011) suggested that consumers would also tend to buy foreign products if those countries have similar culture. In addition, He and Wang (2015) had argued that culture was one of the factors that influence consumers to reject foreign made products. Therefore, beliefs which is one of the elements that make culture, may explain whether consumers prefer foreign made products to local ones. Given the above problems, this study aims to investigate how the roles of consumer beliefs and attitudes affect the level of consumer ethnocentrism towards the purchase of domestic products concentrating on petrol stations owned by Petronas, a Malaysian oil and gas company, located in Klang Valley area from the customers' perspective.

2. Literature Review

2.1. Beliefs

A study by Leatham (2006) argued that there are some things that we "just believe" and other things that we "more than believe – we know." Those things we "more than believe" are referred to as knowledge and those things we "just believe" referred to as belief. Therefore, belief is what we believe and knowledge is something that we know. The difference between belief and knowledge can be defined by seeing belief as something related to uncertainty, either in relation to other parts of an individual's belief/knowledge or in relation to what others claim to believe/know (Österholm, 2010). So, belief can also see as a mental representation of an attitude positively oriented towards the likelihood of something being true (Primmer and Justin, 2018). Basically, belief refers to what the consumer believes and feels when buying the products and not what they know about the product. Hence a consumer buying behavior is said to be influenced by consumer beliefs when the consumers' decision to buy a produce is attributed to experience. Unlike knowledge that looks at something from many perspectives, beliefs focus on only one of the consumer beliefs. A study by Anuar *et al.* (2012) suggested that consumers with ethnocentric tendencies, which may be influenced by beliefs, have a tendency to evaluate domestic products favorably.

2.2. Attitudes

An attitude is a mental and neural state of readiness, organized through experience, exerting a directive or dynamic influence upon the individual's response to all objects and situations with which it is related [Allport \(1935\)](#). In relation to that, [Krech et al. \(1962\)](#), define an attitude as a person's enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea. Interestingly, consumer ethnocentrism towards domestic products has also been linked to the attitude of consumers. Studies by [Albarracín et al. \(2005\)](#) and [Petrovicova \(2014\)](#) for instance, reports that consumer ethnocentrism is positively correlated with patriotic and conservative attitudes of consumers but negatively correlated with cultural openness. [Kucukemiroglu \(1999\)](#) posits that patriotic emotions affect attitudes toward purchase intentions on products. In other words, consumers evaluate their own domestic products more favorably than foreign products. Thus, consumers that have a positive attitude towards their own country will have a high tendency to buy domestic products than foreign products. It is therefore obvious they are patriotic toward their country leading to the purchase of domestic products instead of foreign products. In a sense, when the consumers show a positive attitude towards domestic products is high therefore it will help to generate the potential of the domestic products to go global. In developing countries, imports are usually more expensive and more scarce than local products and thus making domestic products more desirable than foreign products [Batra et al. \(2000\)](#). That is, the product's quality and the country's economic situation or status will affect the attitude of consumer towards the domestic products. Thus, consumers are likely to become more ethnocentric in terms of their purchasing behavior.

2.3. Consumer Ethnocentrism

According to [Booth \(2014\)](#), the concept of ethnocentrism represents the universal tendency that people differ in their views about a certain group as the center of universe and to accept a person who is culturally like themselves and reject a person who is culturally dissimilar. Various scholar has been studied the influence of ethnocentrism in the preference for products and brands such as, [Nguyen et al. \(2008\)](#); [Upadhyay and Singh \(2006\)](#); [Supphellen and Gronhaug \(2003\)](#); [Acharya and Elliott, \(2003\)](#), [O'cass and Lim \(2002\)](#) and [Huddleston et al. \(2001\)](#). [Zafer Erdogan and Uzkuurt \(2010\)](#) point that ethnocentrism refers to the tendency of individuals to view their cultural group as a proving norm for acceptable behavior and preference. That is, consumers who have high ethnocentrism level would have a high tendency to be influenced by their respective cultures in their buying decisions. For example, the consumer group is biased against foreign products and in favor of domestic products because of their perceptions of foreign culture as dissimilar. [Vida and Reardon \(2008\)](#) asserted that the three major component of consumer ethnocentrism are cognitive component, affective component and normative component. Cognitive component means that the individual typically perceives products from one country as being superior to products from another country. Affective component can be explained as an individual love of their country and their sense of belonging and emotional attachment to it. Normative component means that an individual feels a sense or moral obligation towards buying products from their own country than from foreign countries. The works of [Petrovicova \(2014\)](#) and [Anuar et al. \(2012\)](#) suggested that consumer beliefs and attitudes are positively correlated with preference for domestic products than foreign products.

3. Research Methodology

The scale of measurement that used in this study is a five-point Likert-type scale and Consumer Ethnocentrism Scale (CETSCALE) which is a seven-point Likert-type scale. A sample was selected using purposive sampling which is simple random sampling using G-Power 3.1.9.2. The number of predictors being tested was three, therefore 77 respondents was the minimum requirement for this study. A total of 200 questionnaires were returned from 250 that were distributed to the targeted respondents at Klang Valley.

3.1. Findings of the Study

3.1.1. Demographic Profile

A majority of the respondents were male. In terms of age, 45% of the respondents were in the 41 years and above, 30% were 31-40 years old, 20% were 21-30 years old and 5% were 18-20 years. In term of race, 34.0% of the respondents were Malay followed by 26.0% Chinese, 7.0% Melanau and 5.5% Bidayuh, while 4.5% were Iban and the remaining 3% were other races. In terms of occupation, 38% were employed in the government sector while another 31.5%, 26%, 4.5% were private sector and self-employed and other occupation respectively. Practically all of the respondents have completed at least secondary education whereby 60% of them were bachelor's degree/professional holders and another 28.5% were certificates/diploma holders. In terms of income, 36% of the participated respondents generated a monthly income between RM 3001-RM 4000 and 64.4% had an income of less than RM3000.

Research Objective 1: *To determine the relationship between consumer beliefs and consumer ethnocentrism in Malaysia towards the purchase of petrol at Petronas petrol stations in Klang Valley.*

In this section, the correlation between each of the items in the questionnaires were computed and addressed. The correlation values more than 0.5 are considered acceptable in the literature for further analysis. To measure the strength of correlation coefficient, if the r-value are between 0.71 to 1.00 indicate there is a strong relationship or high correlation, between 0.41 to 0.70 indicate there is a moderate correlation, and lastly between 0.01 to 0.40 indicate variables are weak or have a low correlation.

Table-1. Correlation Analysis

	Beliefs	Attitudes	Consumer Ethnocentrism
Belief	1	.615**	.663**
Pearson Correlation		.000	.000
Sig. (2-tailed) N	200	200	200
Attitude	.615**	1	.580**
Pearson Correlation	.000		.000
Sig. (2-tailed) N	200	200	200
Consumer Ethnocentrism	.663**	.580**	1
Pearson Correlation	.000	.000	
Sig. (2-tailed) N	200	200	200

Table 1 displays the correlations among belief, attitude and consumer ethnocentrism. The correlation coefficient values range from 0.58 to 0.66 and this indicates a moderate positive relationship between belief, attitude and consumer ethnocentrism. This result is consistent with previous studies (Anuar *et al.*, 2012; Petrovicova, 2014). Anuar *et al.* (2012) concluded that consumers with a high level of ethnocentrism tend to evaluate domestic products favorably.

Research Objective 2: To examine the relationship between consumer attitudes and consumer ethnocentrism in Malaysia towards the purchase of petrol at Petronas petrol stations in Klang Valley.

The regression model considered consumer ethnocentrism as the dependent variable and consumer beliefs and attitudes as the independent variables. A multiple regression analysis was subsequently conducted to evaluate the relationship between the dependent variable and independent variables.

Table-2. Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
(Constant)	.373	.302		1.235	.218
Beliefs	.760	.100	.493	7.611	.000*
Attitudes	.385	.090	.277	4.278	.000*
$R^2 = 0.487$	Adjusted $R^2 = 0.482$		F value = 93.532		$Sig F = 0.000$

As referring to table 2, R-square indicated that 48.7% of the level of consumer ethnocentrism towards the Petronas petrol stations in Klang Valley area can be predicted from consumer beliefs and attitudes. Therefore, from this result, there are still 51.3% of other factors that may influence the level of consumer ethnocentrism toward consumers' preference on domestic products. As shown by table 2, consumer beliefs have the most significant impact on consumer ethnocentrism followed by consumer attitudes. In other words, it provides empirical evidence for the influence of consumer beliefs and attitudes on the level of consumer ethnocentrism toward consumers' preference on domestic products. This result is consistent with previous research (Petrovicova, 2014) which concluded that consumer beliefs and attitudes are positively correlated with preference for domestic products than foreign products. Therefore, the Petronas petrol stations in Klang Valley can consider belief, attitude and consumer ethnocentrism to be part of its marketing strategies to influence consumer purchase decision.

4. Conclusion and Future Research

The findings suggest that consumer beliefs and attitudes play important roles on the level of consumer ethnocentrism particularly on consumer intention to buy domestic made products from consumer's perspective at the Petronas petrol station in Klang Valley. Indeed, the findings in this study are consistent with a previous study by Petrovicova (2014). This implies that consumer beliefs and attitudes as one of the important factors that influence consumers' decision to purchase domestic products. For this reason, it is important that marketing strategist specialising in producing domestic made products to incorporate consumer beliefs and attitudes in formulating their marketing activities to influence consumer purchase decision. This study has some limitations therefore it is recommended to consider other possibilities to be taken into account for future research. To gain a more comprehensive picture of how other factors other than belief and attitude that will influence the ethnocentric tendency of consumers toward purchasing domestic products, therefore, it is suggested that researchers further investigated other factors such as lifestyle, religiosity and willingness. In addition, this study only focuses on the customers of Petronas petrol stations in Klang Valley and hence, the results cannot be generalized to other firms producing domestic made products or services in Malaysia. For this reason, further studies should consider examining other industries such as banking industries or airline industries to obtain a more detailed look. Finally, it is suggested researchers further investigated consumers' actual behavior by using interview methods in their future studies.

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