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### Consumer ethnocentrism: The case of the intentions of consumers to buy Chinese clothing products in Hanoi city

<sup>1</sup> Le Thi Hai Ha, <sup>2</sup> Nguyen Thi Anh Tram, <sup>3</sup> Pham Thi Thuy Van, <sup>4</sup> Nguyen Thi Kim Thanh

<sup>1, 2, 3</sup> University of Labor and Social Affairs, Vietnam

<sup>4</sup> Faculty of Economics and Management, Electric Power University, Vietnam

Corresponding Author: **Le Thi Hai Ha**

#### Abstract

Consumer ethnocentrism orients customers to the belief that buying foreign products is not appropriate and ethically unjust, because those behaviors do harm to the domestic economy and are one of the causes of unemployment (Shimp & Sharma, 1987) <sup>[8]</sup>. This research was conducted to measure the consumer ethnocentrism of the intentions of consumers to buy Chinese clothing products in Hanoi city. Data were collected through a survey with 223 consumers in Hanoi. With this data, we have used Cronbach's Alpha

analysis to identify and measure ten (10) attributes of consumer ethnocentrism of the intentions of consumers to buy Chinese clothing products in Hanoi city. The results showed that consumer ethnocentrism of the intentions of consumers to buy Chinese clothing products in Hanoi city is highly appreciated by respondents. Based on the findings, some recommendations are given for the Vietnamese consumers' intention to buy Chinese garment products and domestic textile and garment firms in Vietnam.

**Keywords:** Consumer Ethnocentrism, Intention to Buy, Garment Products, Textile and Garment Firms, Marketing

**JEL Classification:** M31, M10

#### 1. Introduction

Consumer behavior is a popular topic for studies in the marketing industry. Researchers always want to explain customers' behaviors, regarding how the behaviors can be observed, where customers usually want to go, how often and how much customers often make their purchases, what brands and suppliers they are interested in, and at which quantity customers often buy.

Consumer ethnocentrism orients customers to the belief that buying foreign products is not appropriate and ethically unjust, because those behaviors do harm to the domestic economy and are one of the causes of unemployment (Shimp & Sharma, 1987) <sup>[8]</sup>. Consumer ethnocentrism generally results in discouragement to buy foreign products of any country.

In terms of products, the origins of products can be classified into (i) Domestic products, which are produced within the border of the country, and (ii) Foreign products, which are produced in other countries. Researchers' main concern is the factors relevant to consumers' feelings or affections with the country of origin of the product, in which consumer ethnocentrism is one of the concepts that receives a great deal of attention.

In recent years, garment products greatly contribute to the development of Vietnam's socio-economy. However, marketing and distribution are a weakness of Vietnam's textile and garment industry.

Challenges in exporting are an opportunity for Vietnamese textile and garment enterprises to revise their approach to the domestic market with seriousness. Vietnam is in the top 10 textile and garment exporters of the world, but it still cannot establish dominance in the domestic market. So far, only about 1/3 of Vietnam's textile and garment products are consumed domestically. According to a statistic by Vinatex, Vietnamese textile and garment enterprises only account for 30% of market shares; foreign products account for 30% of the market shares, 20% of which originate in China; the remaining 40% belongs to private retail tailors across the country, the majority of whom are in rural areas.

In the clothing market, Chinese goods is an outstanding competitor with its low price, varieties, rapid changes, and acceptable quality. Besides, Chinese clothing products exist in the Vietnamese market with a large trade deficit. Buying and using Chinese clothing is also a common behavior for Vietnamese consumers. This paper is organized as follows. Section 1 is the introduction; section 2 is the consumers' ethnocentrism theory; section 3 is the literature review, which focuses on presenting the latest literature about the result of study previous. The next section presents the research methodology; the results are explained in the fifth section, as well as discussed. In the sixth section, the conclusion and discussions are presented.

## 2. Consumers' ethnocentrism theory

Liberalization and globalization's effects have been spreading far and wide across the world. In international trade, there is a growing concern for non-tariff barriers as an attempt to decrease the number of tariff and non-tariff barriers. One of the most significant forms of non-tariff barriers is consumer ethnocentrism (Shimp & Sharma, 1987; Shankarmahesh, 2006)<sup>[8, 6]</sup>.

Consumer ethnocentrism was developed from a more general concept, which is ethnocentrism. Summer (1906)<sup>[9]</sup> is one of the first researchers to define ethnocentrism: The common opinion of members of one collective is absolute, and any opinion of other groups is considered unimportant. In other words, ethnocentrism refers to the tendency that an individual undervalues other collectives and ethnicity based on the viewpoints of their own collectives or ethnicity. Ethnocentric individuals often nurture their own pride, and idealize the values, cultures, and people of their own ethnicity, while they depreciate other collectives' values and standards (Le Vine & Campbell, 1972)<sup>[3]</sup>.

Shimp & Sharma (1987)<sup>[8]</sup> suggested that the term "consumers' ethnocentrism" can be used to refer to the beliefs of consumers (US) about the appropriateness and morality of consuming foreign products. The core of this definition is the assumption that buying foreign products is wrong and irresponsible to other citizens and to the national economy because of the consequences of buying foreign products to the domestic economy, which include unemployment and stunted growth of domestic businesses. Ethnocentric consumers are more inclined to consume domestic products (goods that are made in the country). According to Shimp & Sharma (1987)<sup>[8]</sup>, consumers' ethnocentrism has been revised in comparison to other relevant concepts such as patriotism, political and economic conservatism, and dogmatism.

To summarize, consumers' ethnocentrism refers to the tendency in which consumers are biased toward the goods of internal goods (or home country) and against external groups (or foreign countries), making them avoid imported products due to ethnicity matters. Non-ethnocentric consumers evaluate products based on price, quality, and other relevant characteristics. Ethnocentric consumers, however, consider buying imported goods as wrong, because it could cause harm to the country's economy.

## 3. Literature review

Ethnocentrism was first coined by Summer (1906)<sup>[9]</sup> (as cited in Shimp & Sharma, 1987<sup>[8]</sup>). This concept says that a person's group is superior, and other groups' opinions are unimportant. Each group prefers to grow its own pride and idealize its group while depreciating other groups.

Shimp and Sharma (1987)<sup>[8]</sup> defined consumers' ethnocentrism as the concept specifically suited to suit the study of marketing and consumer behavior (Sharma *et al.*, 1995)<sup>[7]</sup>. Consumer ethnocentrism is considered the only form of ethnocentrism that acknowledges consumers' beliefs about the moral standard of buying foreign products. (Shimp and Sharma, 1987)<sup>[8]</sup>. In other words, consumer ethnocentrism indicates the tendency of consumers to discriminate between domestic and foreign products and avoid foreign products for ethnicity reasons. Even when consumers do judge a product based on its features (price, quality, functions), consumer ethnocentrism could incline consumers to refrain from buying imported goods to avoid harm to the country's economy (Shimp & Sharma, 1987)<sup>[8]</sup>. Shankarmahesh (2006)<sup>[6]</sup> summarized previous research and came to the conclusion that consumer ethnocentrism mostly affects consumers to avoid buying imported goods (and buy domestic products). Besides, while reviewing models of research on consumers' behaviors of buying foreign and domestic products, it is noticeable to the author that researchers use multiple concepts to describe this major effect of ethnocentrism on consumers such as intention to buy, attitude towards buying foreign products, willingness to buy foreign products.

Tho *et al.* (2008)<sup>[10]</sup> investigated the effect of consumer ethnocentrism and cultural sensitivity on the value of foreign products and domestic consumption trends in the context of a developing country - Vietnam. The result shows that consumer ethnocentrism has a negative impact on the evaluation of imported goods and a positive effect on the intention to buy domestic products. Besides, cultural sensitivity has positive effects on the values of foreign products.

Nguyen & Tambyah (2011) [5] examines the antecedents and consequences of consumer behaviors in Vietnam's transitioning economy. Both quantitative (focus group and in-depth interviews) and qualitative (surveys) approaches are employed in this study. The result shows that traditionalism and consumer ethnocentrism negatively affect

consumer consumption status.

On the foundation of previous studies and experts' opinions, we design a framework for assessing the influence of ethnocentrism on the intentions of consumers to buy Chinese clothing products in Hanoi city (see table 1):

**Table 1:** Attributes of consumer ethnocentrism of the intentions of consumers to buy Chinese clothing products in Hanoi city

Code	Scales	Sources
CNDT1	Should only import goods that Vietnam does not have	Mai (2015) [4] (Citation: Shimp & Sharma (1987) [8])
CNDT2	Vietnamese products are the best	
CNDT3	Buying foreign products means you are not Vietnamese	
CNDT4	Buying foreign products is wrong.	
CNDT5	A real Vietnamese should only buy made-in-Vietnam products	
CNDT6	We should buy made-in-Vietnam products instead of enriching other countries	
CNDT7	Vietnamese should not buy foreign products, because it harms the economy	
CNDT8	Even when buying Vietnamese products can cause potential harm to my interests in the long term, I will still support Vietnamese products	
CNDT9	We should only buy foreign products when there is no Vietnamese alternative	
CNDT10	Vietnamese consumers who use foreign products should be responsible for Vietnamese people's unemployment	

**4. Methodology**

Stratified random sampling was employed as the sampling method for this research. In this method, the authors classified the responses based on geographical criteria. Each stratum corresponds to a district in Hanoi city. In each stratum, the authors located major markets and malls and surveyed consumers that purchased at those markets or malls.

Data collection took place at locations according to a plan, and the surveyor distributed questionnaires to consumers who are willing to answer. To reach the desired sample size of 250 observations, the authors surveyed 250 consumers. Among collected questionnaires, blank answers were removed before data entry. Therefore, the number of answers that were used for analysis was 223, accounting for 89.3% of the total distributed questionnaires.

The authors filtered questionnaires, cleaned data, encoded vital data in the questionnaire, entered data, and analyzed

data by using SPSS version 18. Next, the data was analyzed in the following order: Analyze the reliability of the scales with Cronbach's Alpha coefficient.

**5. Result**

Consumer ethnocentrism: The case of the intentions of consumers to buy Chinese clothing products in Hanoi city has been measured by the Cronbach's Alpha. Results of testing Cronbach's alpha of consumer ethnocentrism are presented in Table 2 below. The results also show that 10 attributes of Consumer ethnocentrism variables have Cronbach's Alpha coefficients that are greater than 0.6, and are less than the common Cronbach's Alpha coefficient (0.927); the correlation coefficients of 10 attributes are greater than 0.3. So, 10 attributes of the consumer ethnocentrism are statistically significant (Hoang & Chu, 2008; Hair *et al.*, 2009) [2, 1].

**Table 2:** Results of Cronbach's Alpha Testing of Attributes

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
CNDT1	23.09	56.916	.701	.921
CNDT2	23.00	58.626	.619	.925
CNDT3	23.53	56.322	.819	.915
CNDT4	23.44	56.374	.844	.914
CNDT5	23.09	58.340	.723	.920
CNDT6	23.16	57.812	.687	.922
CNDT7	23.01	57.653	.749	.918
CNDT8	22.56	60.825	.560	.928
CNDT9	23.09	57.005	.712	.920
CNDT10	23.20	56.558	.791	.916
Cronbach's Alpha = 0.927				

## 6. Discussion and conclusion

Over the years, garment products have significantly contributed to the economic and social development in Vietnam. According to the textile industry development plan of the Ministry of Industry and Trade, by 2020 the textile industry would become one of the key industries which were export-oriented and could meet the high demand of consumers, create more jobs for workers and be more attractive to foreign investors in Vietnam (Van *et al.*, 2021)<sup>[11]</sup>.

Clothing is an essential type of product that meet the needs of consumers not only in Vietnam but also around the globe. However, this industry has not received sufficient attention and has not accelerated development in Vietnam's domestic market. Meanwhile, Chinese clothing products are a major competitor for Vietnamese enterprises in the domestic market. To succeed in the market, under favorable conditions, enterprises need to understand their competitors as well as customers' attitude toward their products. Therefore, this research result can help clothing businesses and producers to design efficient marketing solutions in order to stimulate consumers' intention to buy and use products of the domestic clothing industry.

The more ethnocentric consumers are, the less likely is their attention to buy Chinese products. A consumer with ethnocentrism would be more aware of the negative effect of buying foreign products on the domestic economy, which discourages them to buy foreign products in general and Chinese clothing in particular.

In the segment of low and medium - priced goods, domestic manufacturers are being dominated by sources of imported goods into the Vietnamese market, mainly by quota, especially Chinese garment products. It is increasingly difficult for domestic firms in this segment to compete with products imported from another home country. Therefore, in the low and medium price segment, garment suppliers in Hanoi city and Ho Chi Minh city need to ensure more product quality, variety of types and designs, more competitive prices than Chinese garment products, and at the same time standardize the retail distribution system so that consumers can easily buy products when they need (Van *et al.*, 2021)<sup>[11]</sup>

In conclusion, based on the previous results and discussion, it is clear that there is a high level of Consumer ethnocentrism, so the departments in these textiles and

garment firms must make more efforts to raise awareness of the importance and effectiveness of Consumer ethnocentrism as well as raise awareness. Consumers need to buy the products made in Vietnam.

This study provides contributions from a theoretical standpoint, as it provides an explanation of Consumer ethnocentrism, as well as its impact on intention to buy garment products, and can also help researchers in their future research. Field applications of this study may exert on other textile and garment firms and the organizing practices as well. It highlights a positive and convincing dimension.

The current study has some limitations, including the focus on consumer ethnocentrism, and the focus on consumers in Hanoi, where future research can make comparisons with other area or other countries. Also, the current study is limited by the limited literature on the topic within Vietnam.

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