



## Cultural Studies on Ethnocentrism and Image of Country of Origin in the Context of Purchase Intentions

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### A B S T R A C T

The objective of this research is to ascertain the influence of consumer ethnocentrism and the perceived image of a country's products on the purchasing intentions of Indonesian consumers with respect to goods originating from China. The conceptual framework of the study was formulated on the premises of ethnocentrism theory, product image perceptions, and the determinants of consumer purchase intent. This research is a qualitative descriptive research using in-depth interviews with 10 informants. The results of the study reveal that consumer ethnocentrism is attached to the purchase of domestic goods with the assumption that the goods are of high quality and have very competitive price competition with foreign goods. In Indonesia, the people already have a stigma that goods originating from China are indeed cheap. The perception of product image plays a significant role in shaping the intention to purchase imported goods from China. Indonesian enterprises have the opportunity to harness consumer ethnocentrism by designing marketing strategies that foreground nationalistic aspects, highlighting the national identity and features of domestically sold products. These strategies can be deployed as overt messages to increase the efficiency of communication or to enhance the positioning of the company's image. This study has limitations, including a small number of informants and an exclusive focus on products from China, which may not reflect the perceptions of the entire Indonesian consumer population or be applicable to products from other countries. This opens opportunities for further research with more informants and products from various countries for a broader understanding of consumer ethnocentrism and country-of-origin image.

### INTRODUCTION

Indonesia, recognized as the most extensive archipelagic nation globally, boasts a population of approximately 266.7 million individuals dispersed throughout its sprawling archipelago. This demographic diversity and significant population size position Indonesia as a prime target for international trade, attracting attention from multiple countries eager to tap into its considerable consumer market potential. The strategic geographic location of Indonesia, coupled with its varied consumer base, further amplifies its attractiveness as a destination for

global trade initiatives, underscoring the country's pivotal role in the international economic landscape.

The extensive historical trajectory of commercial and cultural interactions, coupled with bilateral economic collaboration between Indonesia and China, constitutes one of the most robust and profound relational dynamics. Nonetheless, this relationship is characterized by its sensitivity, attributable to a multitude of political and historical determinants (Auliady, & Farlian, 2018).

Indonesia, known as the largest archipelagic nation in the world, has a population of approximately

266.7 million people spread across its vast archipelago. This demographic diversity and significant population size make Indonesia a prime target for international trade, attracting attention from multiple countries eager to explore its substantial consumer market potential. The strategic geographic location of Indonesia, combined with its diverse consumer base, further enhances its appeal as a destination for global trade initiatives, highlighting the country's crucial role in the international economic landscape.

The extensive history of commercial and cultural exchanges, along with bilateral economic collaboration between Indonesia and China, represents one of the most robust and profound relationship dynamics. However, this relationship is marked by its sensitivity, due to a variety of political and historical factors (Auliady, & Farlian, 2018). Building on this background, the aim of this research is to investigate the influence of Indonesian consumer ethnocentrism and the perceived image of products from China on the purchasing intentions of Indonesian consumers, within the context of these nations' substantial and intricate relationship.

Through the lens of ethnocentrism theory, product image perceptions, and determinants of consumer purchase intent, this study seeks to deepen understanding of how national cultural perspectives shape consumer behavior towards products based on their country of origin. This exploration is particularly pertinent given the unique position of Indonesia in global trade and its historically nuanced relationship with China, offering insights into the interplay between national identity, economic dynamics, and consumer choice in the international marketplace.

Indonesia has ascended to the status of being among China's principal trading associates within the ASEAN framework and has achieved a position within the top six of China's global trading partnerships (Tantri et al., 2022). The appeal of Chinese merchandise to Indonesian consumers is on an upward trajectory, marked by the importation on a grand scale of various items including electronics, fashion items, cosmetics, medical supplies, food ingredients, accessories for women, and gadget peripherals (Sindonews, 2022).

The image of the country of origin encapsulates consumer perceptions, reflecting their beliefs concerning a nation's economy, culture, population, and products (Laroche et al., 2005). This image partially contributes to the formation of an overall product image, aiding buyers in evaluating attributes such as price, quality, durability, and associated risks when acquiring products originating from a specific country (Koschate-Fischer, 2012).

Previous studies indicate that consumer evaluations of foreign-made products can manifest as either positive or negative, evidencing a country-of-origin effect observed across both developed and developing nations (Bilker & Nes, 1982). Typically, products originating from developing countries are perceived as less reliable and of inferior quality compared to those from developed countries. Presently, the label "Made in China" has achieved global visibility. In a departure from earlier negative perceptions towards Chinese merchandise, China, as the foremost exporter globally and the second-largest

economy following the USA, has diversified its industrial sectors aiming to consolidate its appeal among global consumers. With the progression of market expansion, there is a concurrent necessity for the enhancement of product quality and brand reputation.

Purchase intention is integral to the behavioral aspect of consumer attitudes towards consumption. It plays a crucial role in the comprehension of consumer behavior, serving as a precursor to the final decision to purchase. Kinnear and Taylor (2016) describe purchase intention as a component of the behavioral facet of consumer attitudes towards consumption, denoting the inclination of individuals to undertake actions that lead up to the actual fulfillment of a purchase. This concept highlights the importance of assessing consumer intent as a key indicator of potential buying activities, offering valuable insights into the processes that influence consumer decisions.

The escalating dynamics of globalization and debates surrounding free trade have heightened the interest of foreign nations in Indonesia, exemplified by the influx of international food products seeking to exploit the lucrative opportunities within the Indonesian market. This trend underscores the global economic shifts that position Indonesia as a significant player, attracting international businesses aiming to navigate and benefit from its expansive and diverse consumer base.

Various factors can influence consumer purchase intention, one of which is consumers who still adhere to ethnocentrism. A tendency to limit communication and not engage with different cultures will result in ineffective cross-cultural communication. Communication becomes effective when the message conveyed aligns with what is desired. Society may hold ethnocentric views, but flexible ethnocentrism, which can provide accurate perceptions and reactions to reality, is essential (source: [www.kompasiana.com](http://www.kompasiana.com)).

Regarding product purchases, people prioritize the country of origin (Anggi, 2015). However, there is a need to increase Indonesian consumers' ethnocentrism to enhance their purchase intention for domestic products. Global domestic enterprises employ protectionist measures, or economic nationalism, as a strategy to impede the influx of international merchandise. This shift towards preference for locally manufactured goods has garnered significant scholarly interest. The notion of consumer ethnocentrism, as delineated in academic investigations, encapsulates the proclivity of consumers to select products or services contingent upon their country of origin (Hammond & Axelrod, 2006).

Consumer ethnocentrism posits that the acquisition of foreign-produced merchandise is perceived as an act of disloyalty, potentially detrimental to the national economy (Balabanis et al., 2002). Faced with competition from Chinese imports, numerous Indonesian manufacturers have adopted promotional slogans such as "love Indonesian products" and "using Indonesian goods is patriotic," aiming to appeal to consumers' nationalistic sentiments, a core aspect of consumer ethnocentrism.

Perlmutter (1969) delineated ethnocentrism as a characteristic identified at the individual level, which was subsequently integrated into the study of International

Business (IB) to extend to analysis at organizational and corporate levels. This emphasizes the urgency of an analytical approach that spans the spectrum from individual to organization in studying ethnocentrism (Powell, Lovallo, and Fox, 2011). The necessity for an interdisciplinary approach that facilitates conceptual adaptation of ethnocentrism across various levels challenges the premise that organizational behavior can be directly derived from individual dynamics (Whetten et al., 2009; Powell et al., 2011).

Consumer ethnocentrism is characterized by the conviction in the moral righteousness of favoring domestically produced goods over those manufactured abroad (Shimp & Sharma, 1987). Consumers exhibiting high degrees of ethnocentrism view the acquisition of imported goods as improper, attributing it to detrimental impacts on local manufacturing and a deficiency in national loyalty.

Extensive empirical investigations into consumer ethnocentrism across various global customer segments in relation to imported merchandise have been documented (Diamantopoulos et al., 2019). However, the scope of such research within Indonesia is relatively constrained, a situation ascribed to the prevailing notion of Indonesian consumers' inclination towards international goods.

Additionally, the distinctive historical relationship between Indonesia and China has led to the ascension of Chinese products as primary competitors to Indonesian firms. Consequently, this exploratory and qualitative research endeavor seeks to delineate the contours of consumer ethnocentrism, elucidate consumer perceptions of national products, and examine propensities towards the acquisition of Chinese merchandise.

This study's outcomes could significantly contribute to theoretical advancements by providing insights into how ethnocentrism and country-of-origin perceptions influence consumer behavior in a culturally and economically diverse context such as Indonesia. Understanding these dynamics can enrich existing models of consumer decision-making and purchase intentions, particularly in markets characterized by significant foreign competition.

Furthermore, the findings of this research could offer valuable guidance for marketing strategists and policymakers. For businesses, particularly Indonesian firms facing competition from Chinese products, these insights can inform the development of marketing strategies that effectively leverage nationalistic sentiments and country-of-origin image to enhance consumer engagement and loyalty. By understanding the nuances of consumer ethnocentrism and perceptions of product origin, companies can tailor their messaging and product positioning to better meet the preferences and values of Indonesian consumers.

Additionally, this study could help address practical challenges in the Indonesian market by suggesting ways to navigate the complexities of consumer preferences in a market flooded with foreign goods. Policymakers and trade organizations might use the research findings to formulate policies that support local industries while managing trade relations in a way that

balances economic benefits with consumer welfare and national identity preservation.

By shedding light on these areas, the research not only advances academic knowledge but also offers practical insights that can contribute to more informed decision-making among businesses and policymakers in Indonesia's dynamic market environment.

## METHODS

The focus and objective of this research aim to uncover (1) consumer ethnocentrism, (2) perceptions of national products among consumers, and (3) tendencies to purchase Chinese goods. This investigation adopts a qualitative methodology, defined as a research process that yields descriptive data, manifesting either in textual or verbal formats, sourced from the subjects or participants serving as informants for this study (Moleong, 2018). The selection of student informants for this study was based on specific criteria tailored to the research objectives, which aim to explore the influence of consumer ethnocentrism and country-of-origin perceptions on purchasing decisions. Students were chosen because their purchasing habits are diverse and they are generally more receptive to new market trends, making them a valuable demographic for assessing attitudes towards both domestic and imported products across various categories like electronics, fashion, and cosmetics.

The participants are a mix of individuals aged between 18 to 25 years, a demographic known for its active engagement in consumption and openness to international brands, thus aligning well with the study's focus on consumer behavior towards foreign goods. Additionally, the inclusion of students from various educational backgrounds, ranging from social sciences to technology, helps diversify the insights and opinions captured, ensuring a broader perspective on the influence of product origin on consumer preferences.

The choice of 10 individuals as informants was determined through a consideration of qualitative research norms, where the emphasis is on depth rather than breadth of data. This sample size is considered sufficient to achieve the objectives of the study by allowing for detailed exploration of individual perspectives while remaining manageable for in-depth analysis. However, it is acknowledged that this sample size may limit the generalizability of the findings. The study's focus on a specific subgroup of consumers might not represent the broader population's views, thus affecting the ability to generalize the findings across a wider audience. Nonetheless, the insights gained are expected to provide valuable implications for understanding the targeted demographic's purchasing behavior.

The qualitative approach enables a deeper exploration of the subjective experiences and perceptions of the informants regarding their attitudes towards products based on their origin, especially focusing on Chinese goods in comparison to domestic products. To analyze the qualitative data collected from interviews, we will utilize comprehensive transcription followed by a series of coding techniques. Initially, open coding will break down the data into manageable units, identifying

emerging themes and patterns. This is followed by axial coding to establish connections between categories, and selective coding to pinpoint the core themes that represent the essence of the data.

Thematic analysis will further refine these themes, identifying common patterns and differences that reveal how perceptions of foreign products, particularly those from China, influence Indonesian consumer purchasing behaviors. These systematic and in-depth analysis techniques ensure the extraction of valid and reliable conclusions, offering valuable insights into effective marketing strategies that consider factors like consumer ethnocentrism and product image.

By analyzing the gathered data, the research seeks to discern patterns and themes within the informants' responses. These findings are anticipated to enhance comprehension of how consumer ethnocentrism influences market dynamics, especially amidst globalization where the interaction between domestic and international products grows more intricate. Additionally, the investigation aims to explore the differences in perceptions of quality, value, and identity tied to national products in comparison to Chinese goods as perceived by the informants.

Ultimately, the findings of this research are expected to offer valuable implications for marketers, policymakers, and scholars interested in consumer behavior, international marketing strategies, and cultural studies. By shedding light on the factors that drive consumer preferences and purchase behaviors in a globalized market, this study aims to provide actionable insights for developing more effective marketing and branding strategies that resonate with consumer values and cultural identities.

## RESULTS AND DISCUSSION

This investigation seeks to assess the impact of consumer ethnocentrism, an attribute that encapsulates the spiritual or nationalistic fervor associated with the procurement of imported goods. Ethnocentrism, a sociological term, describes a group's sense of superiority and preference for its own kind (Narang, 2016). The study of consumer consumption patterns, initially introduced by Shimp & Sharma (1987) focusing on the United States market, is characterized as the convictions held by American consumers about the suitability and, to an extent, the ethical considerations involved in purchasing products manufactured abroad (p.280).

The interaction between country image, product image, and consumer ethnocentrism plays an important role in shaping consumer preferences. Country image refers to the reputation, representations, and stereotypes associated with products from a particular country (Wang et al., 2012). This can have a significant impact on consumers' perceptions of product quality and their purchasing behavior. Product image, on the other hand, relates to the perception of a particular product and its attributes, such as design, innovation, and workmanship

(Aiello et al., 2014). Consumer ethnocentrism, namely the belief that domestic products are superior to foreign products, can also influence consumer preferences (Wang & Chen, 2004). For example, if consumers have a positive country image of a particular country that is known to produce high-quality products, they may be more likely to view products from that country as having superior quality.

Consumer ethnocentrism refers to the belief and preference of individuals for domestic products over foreign ones (Wang & Chen, 2004). This preference is often rooted in nationalistic and patriotic sentiments, as well as concerns about the impact of foreign products on the local economy (Zeugner-Roth et al., 2015). Consumer ethnocentrism is a belief system that promotes the superiority of domestic products and discourages the consumption of foreign goods. Previous research has shown that consumer ethnocentrism significantly influences consumer behavior, particularly in relation to preferences for domestic versus foreign products (Jurić & Worsley, 1998).

One key aspect of consumer ethnocentrism is its influence on attitudes towards imported goods. These attitudes often include seeing imported goods as morally objectionable and harmful to the national economy (Zeugner-Roth et al., 2015). This belief system can shape consumer behavior by influencing purchase decisions and brand choices (Wang & Chen, 2004). Consumer ethnocentrism is not only a personal belief but also influenced by various factors. These factors can include cultural similarities between the consumer's own culture and that of the exporting country, the level of economic development in the exporting country, and the individual's level of cultural identity and patriotic sentiments (Zeugner-Roth et al., 2015).

Individuals exhibiting elevated levels of consumer ethnocentrism are inclined to view the consumption of imported goods as incorrect and morally objectionable, citing detrimental effects on the national economy and a lack of patriotism. Such consumers may deem the utilization of foreign products as ethically unacceptable, potentially leading to employment losses among local workers (Narang, 2016). Consequently, those identified within the highly ethnocentric category demonstrate a preference for domestic goods, alongside exhibiting diminished positive perceptions towards international products and brands (Narang, 2016; Hoang et al., 2022).

This phenomenon culminates in evaluations of nations and their merchandise not being predicated on an objective analysis of the information at hand but rather on entrenched stereotypical perceptions of those countries. For example, a study conducted by Luis-Alberto et al. (2021) utilized neuroimaging to investigate the inclinations of Spanish consumers towards products made in Spain, the United States, and China.

Findings from this study indicated that products originating from the consumer's own country are likely to engender a sense of satisfaction and are generally favored over foreign-made items. Nonetheless, the presence of ethnocentric attitudes is contingent upon the availability of

domestic products or those produced within the country (De Nisco et al., 2016).

In the realm of international marketing, consumer ethnocentrism serves as an instrument to foster economic nationalism, characterized by the eschewal of foreign-made goods in favor of domestically produced ones. Individuals exhibiting pronounced levels of consumer ethnocentrism are predisposed to eschew the acquisition of imported goods, display hesitancy towards purchasing products from specific nations, and harbor adverse perceptions regarding those countries, albeit accepting the procurement of goods from alternative international sources.

Consequently, it is plausible to infer that individuals with heightened ethnocentric attitudes might perceive the image of a country or its products unfavorably, a standpoint not grounded in objective evaluation but rather influenced by stereotypes and preconceived notions regarding that nation (De Nisco et al., 2016). Such a predisposition underscores the impact of ethnocentrism on international consumer behavior, suggesting that deeply ingrained cultural attitudes can significantly alter the marketability and acceptance of foreign products.

This phenomenon highlights the importance for international marketers to understand and navigate the complex web of consumer ethnocentrism. Crafting strategies that either mitigate these biases or appeal to the nationalistic sentiments of consumers could be essential for success in global markets. Addressing or leveraging these perceptions requires a nuanced approach, one that considers the cultural, historical, and social contexts influencing consumer attitudes towards products from different countries.

Roth & Diamantopoulos (2009) conceptualize the country image as an inclusive construct, capturing perceptions created by a blend of elements including the level of economic and political development, historical events and connections, cultural and traditional structures, as well as the degree of technological proficiency and industrial advancement. These components collectively contribute to the cognitive perceptions held regarding a specific country (Roth & Diamantopoulos, 2009).

This holistic view of country image suggests that it is not merely a superficial label, but rather a deeply rooted construct informed by a nation's comprehensive profile. The multifaceted nature of country image underscores its significance in the global marketplace, influencing not only international trade relations but also consumer preferences and behaviors. As such, the way a country is perceived on the global stage can have profound implications for its businesses and products, potentially affecting their competitiveness and appeal in foreign markets. Understanding the nuances of country image, therefore, becomes critical for policymakers, marketers, and businesses aiming to enhance their international presence and navigate the complexities of global consumer dynamics effectively.

Roth & Diamantopoulos (2009) along with other scholars, recognize the significance of country image within the context of product origin, alternatively termed as the country of origin effect. Li et al. (1998) articulate

country image as the collective perceptions consumers hold regarding various nations and the products manufactured within these territories. The concept "country image of products" more precisely encapsulates the essence of country image with respect to the origin of products. Hence, the terms "country-of-origin effect" and "product country image effect" are often utilized interchangeably to describe this phenomenon (Al-Sulaiti & Baker, 1998).

The country of origin is recognized as a pivotal indicator of product quality, impacting both the perceived risk associated with a product and the intention to purchase (Laroche, 2005). It exerts a considerable effect on consumer perceptions regarding product attributes and their propensity to engage in purchasing activities (Ashill & Sinha, 2004). Empirical research has robustly corroborated the assertion that the country of origin fosters a specific country image, significantly contributing to the recognition and awareness of products and brands emanating from said country (Laroche, 2005).

Country image is defined as including beliefs, descriptive, inferential, and informational perceptions related to a specific country (Martin & Eroglu, 1993). Studies on the effect of the country of origin show that there is a bias related to the country of origin present in all types of products, affecting a wide range of categories, applicable in both developed and developing nations, and influencing both individual consumers and institutional buyers (Leonidou et al., 2007).

Perceptions of country image and product image play a crucial role in influencing consumer behavior and purchasing decisions. The country of origin image refers to the overall perception and reputation that consumers have of a specific country (Kaynak et al., 2000). This perception is based on various factors such as the country's political stability, economic strength, cultural associations, and historical reputation. Product image, on the other hand, refers to the perception that consumers have about a particular country's products (Hong-mei & Wang, 2010). Consumers often associate certain attributes with products from specific countries. For example, products made in Japan may be perceived as high-quality and technologically advanced, while products from Italy may be associated with luxury and craftsmanship. These perceptions of country image and product image have a direct impact on consumer behavior and purchasing decisions (Vijaranakorn & Shannon, 2017).

Consumers tend to prefer products from countries with a positive country image and a strong product image. They believe that products from these countries are more reliable, trustworthy, and of higher quality (Laroche et al., 2005). This can lead to an increased likelihood of purchasing products from these countries. Additionally, perceptions of country and product image can also influence brand attitude and subjective norm, which are important factors in consumer decision-making (Lee & Tai, 2006).

The overarching country image is posited to exert a direct impact on the trust consumers place in products and an indirect effect on the product's acceptance potential (De Nisco et al., 2016). According to findings by Laroche et al. (2005), consumer attitudes towards purchases are shaped by the country image and product image beliefs, irrespective of the degree of familiarity with products

originating from a given country. Thus, it is inferred that the country of origin engenders perceptions of the country image based on consumers' values and biases towards that nation, thereby influencing the perceived image of products or brands emanating from said country.

The concept of purchase intention originates from the more expansive idea of "intention" as outlined in behavioral theories, particularly within the Theory of Planned Behavior (TPB) introduced by Ajzen (1991). Within this framework, intention is conceptualized as the predisposition or capability of an individual to engage in a specified act (Ajzen, 1991). Correspondingly, in the context of international commerce, the purchase intention towards foreign products encapsulates the consumers' readiness to acquire and utilize such items (Narang, 2016).

In the field of marketing, the concept of purchase intention is utilized as a prognostic tool to forecast future purchasing behavior, indicating the likelihood or predisposition of potential customers to engage in the act of purchasing (Teng & Chen, 2018). This metric is instrumental in understanding consumer behavior, allowing marketers to tailor their strategies effectively to align with consumer needs and preferences, thereby enhancing the probability of successful transactions.

## 1. Ethnocentrism

**Table 1.** Research Findings on Ethnocentrism

Question 1: Should local products always be the primary choice when shopping?	Answer: Consumers prefer products that are cheap and of good quality.
Question 2: Is prioritizing the purchase of Indonesian goods whenever possible important?	Answer: As long as the product is of good quality and comes with a reasonable price, whenever possible, the purchased goods should ideally be produced by domestic companies.
Question 3: Even if I may incur a slight loss, I will always support and choose to buy domestic products whenever possible.	Answer: It's not a problem to incur a slight loss if it means buying domestically-made goods.
Question 4: Should Indonesians support and buy Indonesian products; if not, we will only enrich foreign countries.	Answer: It depends on the type of product; once again, consumers prioritize goods that are both quality and affordable.
Question 5: Indonesians should avoid buying imported goods as it will harm the domestic economy and increase unemployment.	Answer: Ideally, products in Indonesia should have good quality and competitive prices so that people choose to buy domestically-made goods.

Source: Data processed in 2023

The research presents empirical support for the notion that consumer ethnocentrism significantly influences the preference for domestic products, contingent on the presumption that these products are of superior quality and competitively priced relative to their foreign counterparts. This phenomenon suggests that ethnocentric tendencies in consumption serve as an impediment to the acceptance of imported goods, driven by a predilection for domestic merchandise.

This effect is notably pronounced in contexts where the importing country has strained relations with the exporting nation. Specifically, despite the substantial trade exchanges and the prevalent acceptance of Chinese goods within Indonesia, a persistent anti-China sentiment prevails among Indonesian consumers, attributed to the intricate political and historical ties between the two nations. These observations align with findings from prior research conducted by Suh & Kwon (2002).

In the context of this research, previous findings by Leonidou, Katsikeas, and Samiee (2002) indicating the significant contribution of consumer ethnocentrism in advancing preferences for domestic products and enhancing export performance, serve as a foundation to further explore how national cultural values strengthen consumer ethnocentrism. Dinnie (2015) illustrates the importance of nation branding initiatives in influencing consumer ethnocentrism, an aspect that will be revisited to clarify how such initiatives support preferences for domestic products.

Analysis by Papadopoulos and Heslop (2014), presenting the influence of consumer ethnocentrism on the perception of products from different countries, indicates that these perceptions are significantly shaped by factors of ethnocentrism. This research aims to integrate such perspectives to understand the impact of consumer ethnocentrism on the acceptance of foreign products. Roth, Diamantopoulos, and Sharma (2011), who found that effective corporate branding efforts can strengthen consumer ethnocentrism and enhance brand resonance, become the focus of analysis to identify how branding strategies can be optimized to enhance the influence of ethnocentrism on purchasing behavior.

The investigation conducted by Ahmed, d'Astous, and Ahmed (2018), which elucidates the detrimental influence of consumer ethnocentrism on intentions to purchase and delineates the mediating capacity of consumer cosmopolitanism, lays the groundwork for examining the potential of cosmopolitanism to counteract the negative ramifications of ethnocentrism. Furthermore, the study undertaken by Nguyen and Nguyen (2020), demonstrating that ethnocentrism among consumers exerts a favorable effect on the propensity to acquire locally produced goods, particularly in individuals with elevated levels of knowledge, will be scrutinized further to elucidate the interplay between consumer knowledge and ethnocentrism.

Furthermore, the research by Good, Hudders, and Vermeir (2019) on how consumer ethnocentrism can motivate sustainable consumption behaviors related to domestic products, will be integrated to assess how

ethnocentrism can encourage sustainable consumption of domestic products.

The findings imply that domestic corporations have the opportunity to leverage the nationalist mindset or ethnocentric tendencies of consumers as a strategic advantage, promoting the adoption of products/services provided by local suppliers over those that are imported. Utilizing consumer ethnocentrism as a competitive marketing tool against imported goods represents a viable strategy.

On the contrary, importers and international firms are compelled to adopt strategies that minimize the association of their products with their country of origin, particularly in cases where the originating country is viewed unfavorably by the local populace. This involves the development of global brands that are largely disassociated from countries perceived negatively by the target market.

Consequently, the strategic implications of these findings for international marketing and trade policies are profound. For domestic businesses, the cultivation of a marketing narrative that resonates with nationalistic sentiments and ethnocentric preferences can serve as a potent mechanism to bolster domestic market share and consumer loyalty. This approach necessitates an emphasis on the local provenance of products, highlighting their quality, value, and contribution to the national economy, thereby aligning with the ethnocentric inclinations of the consumer base.

For foreign enterprises and exporters targeting markets characterized by strong ethnocentric attitudes, the challenge is to navigate these predispositions effectively. This may involve innovative branding strategies that transcend national origins, focusing instead on universal values, quality standards, and global citizenship. Such strategies could involve partnering with local businesses or engaging in corporate social responsibility initiatives that contribute positively to the host country's societal and economic well-being, thus mitigating the negative biases associated with foreign products.

The role of policymakers in shaping the landscape in which these dynamics unfold cannot be understated. Regulatory frameworks and trade policies that encourage openness and fair competition, while also protecting domestic industries and promoting quality standards, can help balance the interests of domestic and foreign stakeholders. Educating consumers about the benefits of a diversified market, including the introduction of foreign innovations and the enhancement of product choice, can also temper ethnocentric biases, fostering a more inclusive and dynamic economic environment.

The study findings have strategic implications for marketers, businesses, and policymakers in navigating the complexities of consumer ethnocentrism and country-of-origin perceptions. For marketers and businesses, the challenge is to understand and leverage these consumer biases towards crafting strategies that emphasize the value of local products, without dismissing the benefits that foreign products bring to the market. This entails promoting the quality, cultural relevance, and economic benefits of Indonesian products to appeal to ethnocentric

preferences, while also acknowledging and integrating global innovations that can enhance product offerings and consumer choice.

For policymakers, the findings underscore the importance of creating regulatory frameworks and trade policies that strike a balance between openness to global markets and the protection of domestic industries. Policies should aim to foster fair competition, protect consumers, and ensure that domestic products can compete effectively on quality and innovation. This involves not only tariffs and trade barriers but also investment in domestic capabilities, such as R&D and quality standards, to elevate the competitiveness of Indonesian products.

Moreover, education campaigns that inform consumers about the benefits of a diversified market can help mitigate overly ethnocentric biases, promoting an economic culture that values both local and foreign products for their contributions to consumer choice and innovation. By doing so, policymakers can help cultivate a more inclusive economic environment that supports both domestic growth and global integration.

## 2. Country Products

**Table 2.** Research Results on Country Products

Question 1: Imported products from China come from well-known brands.	Answer: Products imported by China, especially for fashion and accessories, are not from well-known brands.
Question 2: Are imported products from China using modern technology?	Answer: I'm not sure about the use of technology in those products, as the tendency is to buy Chinese goods at a low price.
Question 3: Are imported products from China of high quality and durable?	Answer: The items we buy from China are of high quality and durable.

Source: Data processed in 2023

This research substantiates the notion that commodities sourced from China are regarded as cost-effective by consumers. In the Indonesian context, there exists a widespread assumption that products emanating from China are economically accessible. The perception of a product's image significantly impacts the inclination to purchase imported merchandise from China. Such findings are supported by earlier scholarly work, which has established a correlation between a positive perception of a country's product image and favorable consumer attitudes towards its products.

The positive correlation between product image perception and consumer preference significantly impacts the consumer decision-making process, leading to a heightened preference for products originating from specific countries (Hsu et al., 2017). This insight suggests an opportunity for importers targeting domestic markets and exporters to foreign countries to undertake strategic initiatives designed to alter the perceived image of their products within their target export markets.

By implementing such strategic measures, these entities can effectively shape consumer perceptions and preferences, ultimately improving the market competitiveness of their products on a global scale. This approach underscores the importance of strategic branding and marketing efforts in overcoming potential barriers posed by consumer ethnocentrism and leveraging the dynamics of global consumer behavior to achieve market success.

### 3. Purchase intention

**Table 3.** Research Results on Purchase Intentions

Question 1: Do you support importing products from China?	Answer: Not necessarily, perhaps only for certain products, especially if they are significantly cheaper compared to products available in Indonesia.
Question 2: If possible, would you buy imported goods from China?	Answer: Not necessarily, we only buy items if they are cheaper to import from China.
Question 3: Would you buy products imported from China if you needed a specific item?	Answer: Yes, as long as the item is of good quality and cheaper.
Question 4: Would you inform your family and friends about the good and positive characteristics of imported products from China?	Answer: If the item is of good quality and good, it will certainly be recommended.

Source: Data processed in 2023

Product image is conceptualized as the overall perceptions that consumers develop through the portrayal or assessment of products originating from a particular country, or the complete set of beliefs that consumers possess regarding products from that country (Parameswaran, 1994). While the image of the country may pique customer interest in purchasing when they are not acquainted with its products, the product image tends to exert a more substantial direct influence (Wang, 2012). Once buyers are acquainted with a distinct product image from an overseas country, they will evaluate the product's quality directly based on their understanding of product details, such as exceptional craftsmanship, outstanding design, and robust durability, which serve as the foundation for their decision-making process.

The analysis within this research context reveals that product image significantly impacts consumer purchasing choices. Consumers with favorable views of a product image from a particular country are more inclined to select products, predicated on the belief in their satisfactory quality, design, and longevity. This highlights the critical need for deploying effective marketing tactics to cultivate a positive and robust product image, notably for products that are sourced from international locations.

Furthermore, research findings related to purchase intentions indicate that consumers in Indonesia tend to consider price and quality as the primary determinants in choosing imported products, especially from China. This decision is influenced by the product image that has been formed in consumers' perception, highlighting the importance of implementing marketing strategies that can emphasize aspects of quality and competitive pricing to attract buyers.

Therefore, initiatives to strengthen the product image through marketing and branding strategies become crucial, not only to stimulate purchasing interest but also to build trust and loyalty of consumers towards the product. Effective marketing strategies must be able to communicate the value and quality of the product explicitly, as well as adjust the approach with an understanding of local consumer perceptions and preferences. This requires a comprehensive understanding of market dynamics and consumer needs, as well as the ability to effectively communicate the added value offered by imported products.

This ethnocentric bias among consumers can lead to significant implications for international market dynamics and the strategies of multinational corporations. Given the tendency of consumers to prioritize domestic products due to ethnocentric beliefs, companies operating in foreign markets may encounter barriers to entry and challenges in achieving market penetration. Such a scenario necessitates that businesses adopt culturally sensitive marketing strategies that resonate with the local consumer base, potentially by emphasizing local values, collaboration, or benefits to the domestic economy.

The phenomenon of consumer ethnocentrism underscores the importance of understanding and addressing consumer perceptions and attitudes in international marketing efforts. It suggests that fostering a positive country image and associating foreign products with high quality or unique benefits could mitigate some of the negative impacts of consumer ethnocentrism. Additionally, policymakers and trade organizations might need to consider the role of consumer ethnocentrism in shaping trade policies and international relations, aiming to promote a more open and inclusive market environment that encourages the exchange of goods across cultural and national boundaries while respecting consumer preferences and ethnocentric tendencies (Narang, 2016).

Within the National Cultural Perspective framework, the influence of consumer ethnocentrism on perceptions of domestic and foreign products is unmistakable. Consumers exhibiting high degrees of ethnocentrism are prone to appraise local products more favorably, perceiving them as superior regarding quality, authenticity, and congruence with cultural norms, motivated by profound national pride and allegiance. In contrast, those with lower ethnocentrism levels demonstrate greater receptivity towards international products, judging them based on the merits and quality they present (Powell et al., 2011). This dynamic highlights the pivotal role of consumer ethnocentrism, shaped by national cultural values, in affecting the purchasing decision-making process.

The outcomes of this study offer actionable insights for enterprises and policy makers engaged in the import sector. Drawing from the research findings, a series of recommendations are presented for Indonesian firms to strategically incorporate consumer ethnocentrism within their marketing and communicative efforts. Initially, Indonesian entities are advised to leverage consumer ethnocentrism by orchestrating marketing initiatives that highlight nationalistic themes in consumption, for instance, campaigns that advocate for "Love Indonesian products" or "Using Indonesian products boosts domestic income". Subsequently, it is proposed that cohesive messaging strategies be formulated, accentuating national identity and the intrinsic attributes of products marketed domestically, utilizing these elements as overt communications to improve the efficacy of messaging or to strategically delineate the corporate brand.

Moreover, it is essential for Indonesian companies to create marketing narratives that not only celebrate domestic products but also educate consumers on the economic and social benefits of supporting local industries. By fostering a deeper understanding of how consumer choices can contribute to national prosperity, businesses can further solidify the foundation of consumer ethnocentrism. This approach encourages a sense of communal responsibility and pride, thereby potentially increasing consumer loyalty and preference for domestically produced goods.

Additionally, it is recommended that companies engage in transparent and ethical marketing practices, ensuring that the promotion of nationalistic sentiments does not inadvertently lead to xenophobia or the denigration of foreign products. Instead, the focus should be on the positive aspects of supporting the local economy and the quality of Indonesian products, thereby creating a balanced and inclusive marketing strategy that respects global diversity while championing domestic offerings.

Through these strategic measures, Indonesian businesses can effectively harness consumer ethnocentrism to enhance their competitive edge, while policymakers can consider regulations and incentives that support local industries and promote a sustainable economic environment that values domestic production and consumption.

## CONCLUSIONS

The main findings of this research indicate that consumer ethnocentrism influences the purchase of domestic products based on the assumption that these items are of high quality and priced very competitively compared to imported goods. Specifically in Indonesia, there is a stigma that products originating from China are considered cheap. The perception of product image plays a significant role in shaping the intent to purchase imported goods from China. It suggests that Indonesian domestic products may capitalize on consumer ethnocentrism as a strategic asset to allure customers by appealing to nationalistic sentiments and leveraging the adverse impact of China on Indonesia's economic and political relations as a competitive edge against Chinese manufacturers.

The investigation highlights the potential for Indonesian enterprises to harness this ethnocentric bias by emphasizing the significance of supporting domestic industries in order to mitigate the economic dominance of Chinese products. By promoting the consumption of locally manufactured goods, Indonesian companies can foster a sense of national pride and economic solidarity among consumers, potentially curbing the market penetration of foreign products.

This strategic approach not only aims to elevate the preference for Indonesian products but also to strengthen the national economy by reducing reliance on imports. In doing so, it is imperative for Indonesian businesses to ensure the quality and competitiveness of their products to genuinely appeal to the ethnocentric preferences of consumers, thereby achieving sustainable growth and market resilience in the face of global competition.

Promoting the consumption of locally manufactured goods fosters a sense of national pride and economic solidarity among Indonesian consumers. This strategy not only aims to enhance the preference for Indonesian products but also strengthens the national economy by reducing reliance on imports. By prioritizing the quality and competitiveness of local products, Indonesian businesses can tap into the ethnocentric preferences of consumers, achieving sustainable growth and market resilience amid global competition.

Emphasizing the consumption of domestic products cultivates a collective identity and pride in Indonesia's capabilities, reinforcing the bond between consumers and the national economy. This sense of unity and pride can motivate consumers to prefer local products, recognizing their role in supporting domestic industries and contributing to job creation. Moreover, prioritizing local goods can lead to a reduced trade deficit, as it decreases the need for imported goods, thus bolstering economic independence and stability.

Ultimately, this approach not only supports the growth of Indonesian businesses but also contributes to a stronger national economy. By aligning consumer behavior with the broader goals of economic development and national well-being, Indonesia can enhance its economic sovereignty and resilience in the global market.

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