

Study of Cultural Preservation and Protection of Cultural Values through Ethnocentricity of Domestic Products

Budi Suryowati

Universitas Trilogi,

Management Study Program

Jl. Trilogi/STEKPI Campus No.1, Kalibata, Jakarta 12760, Indonesia

Info Artikel

Keywords:

Ethnocentric, Nationalism, Protectionism, Socioeconomic Conservatism, Ultra-Nationalism

ISSN (print): 1978-6387

ISSN (online): 2623-050X

Abstract

Globalisasi influence human behavior in the sphere of life. Changes in people's behavior include lifestyle, one of which is the desire to use foreign products. This study wanted to determine how ethnocentric consumers were among Trilogi University students, who numbered 2,289. To assess consumer ethnocentrism use CETSCALE as a measure. With the Structural Equation Modeling (SEM) method, the results showed that their opinions on ethnocentricism in the form of protectionism, socio-economic conservatism, and ultra-nationalism affected the unwillingness to buy foreign products, and opinions about nationalism did not affect the unwillingness to buy foreign products.

Author Correspondence:

Budi Suryowati

budisuryo@trilogi.ac.id



1. Introduction

Globalization forms relationships between people or nations in different parts of the world through trade, investment, tourism, and culture. Globalization in the financial sector affects trade between several free countries. On the other hand, globalization has also caused changes in people's behavior, for example in the social, economic, and cultural fields. Changes in people's behavior include lifestyle. Globalization affects lifestyle, although not exclusively positively. Globalization also hurts people's way of life. Therefore, understanding the mind of consumers is a challenging task, especially when considering the consumption of imported products. Wicklethwait, Wooldridge in the book *A Future Perfect: The Challenge and Promise of Globalization* (2008), Globalization affects people's behavior in all areas of life. Changes in behavior brought about by globalization can affect everyone positively and negatively. So let's hope people can choose which ones are good to apply in life. Clothing if you pay attention to ranging from jeans, T-shirts, suits, and evening dresses to formal wear, cannot be separated from the influence of globalization around you. Rice food is a staple food, especially in Indonesia. But due to globalization, people

are familiar with spaghetti, hamburgers, and pizzas consumed by Westerners. Food from Korea such as kimchi, then ramen and shu-shi from Japan. Values or norms become unwritten rules, but society respects them. However, with globalization, some values blend with new values from outside. As a national-minded and intelligent society, it is better to continue to cultivate the values and traditions of the nation's personality. Quoting the Cambridge Dictionary, ethnocentrism is the belief that people, customs, traditions, races, or nationalities are far superior to others. Shimp and Sharma (1987) use the term consumer ethnocentrism to describe consumer beliefs about moral conformity in purchasing foreign products. This concept plays an important role in determining consumer attitudes and behavior toward foreign products.

In Indonesia, there are many circulating foreign products, which are popular from various categories including Apple, Samsung, Zara, Uniqlo, Nike, Adidas, Honda, Yamaha, H & M, Starbuck Coffee, and cosmetic products including L'Oreal Paris, Nyx, Maybelline, Mac, Estee Lauder, Saint Yves, Shiseido, SK-II, The Body Shop, Clinique, Victoria Secret, L'Occitane, La Prairie, Elizabeth Arden, and so on. From <https://www.liputan6.com/bisnis/read/503609/produk-lokal-dan-asing-yang-paling-banyak-dibeli-orang-indonesia> sources (uploaded, October 24, 2021), Indonesians use the following types of locally branded products: 1. Instant Noodles (100%), 2. Tissue paper (94%), 3. Cigarettes (89%), 4. Milk (77%), 5. cosmetics and skin care (49%), 6. bottled water (37%), 7. soft drinks (4%). Types of foreign-branded products used by Indonesian employees: 1. watches (100%), 2. perfume (100%), 3. cars (99%), 4. mobile (98%), 5. clothing (95%), 6. sportswear (81%), 7. jewelry (76%), and 8. shoes or leather bags (49%). Research related to ethnocentric consumers, among others, was conducted by Kaplan and Topku (2015), the results of which showed that consumer ethnocentrism is negatively related to the desire to buy foreign products, and the assessment of domestic products does not have a significant moderating effect in this relationship. In contrast, world-mindedness is not related to willingness to buy foreign products, but the assessment of domestic products has a significant moderator role in the relationship between world-mindedness and willingness to buy foreign products. Han & Guo's (2018) study found that CET value has a moderate effect on consumer purchase intent for foreign brands while strongly influencing consumer purchases of domestic brands. Gen Z Emirati consumers are substantially ethnocentric and prefer domestic products/services over foreign goods. There was no significant influence of gender and education on the ethnocentric tendencies of Generation Z consumers. Emirati Potluri, R. M., Johnson, S., & Gopalakrishnan, P. (2020). Consumers with a high level of ethnocentrism have an attitude that prefers local products to consumers who are committed to where they live. However, when it comes to effective local product purchases, consumers who have a strong

commitment to their place of life tend to buy more local products than consumers with high levels of ethnocentrism. (Yildiz et al., 2018)

This study wanted to determine how ethnocentric consumers were among Trilogi University students, who numbered 2,289.

2. Research Method

The operational variables of the study are Ethnocentrism and Attitude towards local products as independent variables and Commitment of consumer purchasing behavior towards local products as related variables. To assess consumer ethnocentrism use CETSCALE as a measure. Furthermore, modeling the influence of attitudes on technosociopreneurship interests using the Structural Equation Modeling (SEM) method.

Data Collection

The participants in this study are all Trilogi University Jakarta students. Populasi in this study refers to all Trilogi University Jakarta students, a total of 2,289 students. spread across 13 study programs. In this study, the number of samples taken was 230 and the sampling technique used was probability sampling with a type of simple random sampling.

The questionnaires have been sent to students using Googleform. The questionnaire is closed, and each question has a predetermined answer.

Research Variables

Research variables refer to research conducted by Stela CAZACU (2016) Nationalism

N1	Indonesians should always buy products made in Indonesia rather than imported products
N2	Buy products made in Indonesia, hire Indonesians
N3	Products made in Indonesia are first, last, and foremost
N4	It's always best to buy products made in Indonesia
N5	It may cost me in the long run, but I prefer to support Indonesian products

Conservatism Sosio-economy

S1	We should only buy products from abroad that we cannot get at home
S2	There should be very little trade or purchase of products from other countries except out of urgent need
S3	Only products that are not available in Indonesia must be imported
S4	We should buy products made in Indonesia instead of letting other countries get rich from us

Protektionisme

P1	Indonesians should not buy foreign products as they damage existing Indonesian businesses and cause unemployment
P2	Restrictions must apply to all imported products
P3	Foreigners are not allowed to bring their products to the Indonesian market
P4	Foreign products must be subject to heavy taxes to reduce the entry of these products into the Indonesian market
P5	Indonesian consumers who buy products made in other countries are responsible for the loss of Indonesian jobs

Ultra-Nasionalisme

U1	Buying foreign-made products is not by the personality of the Indonesian nation
U2	It is not correct to buy foreign products because it causes Indonesians to lose their jobs
U3	True Indonesians must always buy Indonesian products

The desire to buy foreign products

W1	I feel guilty when buying overseas products
W2	I never buy products from abroad.
W3	I avoid buying foreign products as much as possible
W4	I don't like the idea of owning foreign products
W5	I will feel guilty if I buy overseas products

Variable measurement scale

The measurement scale uses the Likert scale. The rating received the lowest score on a scale of 1 and the highest score of 5.

Starting from the highest and lowest scores, there are several class 5 categories whose range is by the average perception of respondents as follows.

Table 1 Range of respondents' answer scales

Scale range	Information
1,00-1,80	Strongly Disagree
1,81-2,60	Disagree
2,61-3,40	Nervous
3,41-4,20	Agree
4,21-5,00	Totally Agree

Analysis and Modeling

Evaluation of measurement models or external models is used to evaluate the model's validity and dependability. The construct-building indicators' (variables) convergent and discriminant validity are used to examine the validity of reflective indicators. Meanwhile, the reliability test of reflective indicators is assessed with combined reliability and Cronbach alpha. However, the use of Cronbach's alpha to test construct reliability provides a smaller value (underestimation), so it is recommended to use composite reliability to test construct reliability. (Imam Ghozali, 2015). After the evaluation is carried out, the cell continues to be an analysis factor Ethnocentrism, Attitude towards local products, and Commitment of consumer purchasing behavior to local products

Evaluation of structural models / internal models to determine the influence of Ethnocentrism factors and attitudes towards local products on the commitment of consumer purchasing behavior to local products. The evaluation of structural models or internal models is constructed using r-squared and path coefficients.

3. Results

1. Nasionalisme Trilogi University Students

Overall, student nationalism is shown by the average respondents' answers to statements related to nationalism of 4.15 out of a scale of 5. According to KBBI, in this study, nationalism is an understanding (teaching) to love the nation and country, which is reflected in love for Indonesian products.

Socio-economic Conservatism

Conservatism is one of the political philosophies that support traditional values (<https://nasional.kompas.com/read/2022/06/11/01000061/apa-itu->

konservatisme). Socioeconomic conservatism in this study refers to the view of continuing to support the existing social and economic conditions in our country. In terms of Socio-economic

2. Conservatism Trilogi University students showed that they have socioeconomic conservatism with an average score of or answer to the statement on Socio-economic Conservatism 4.10 out of a scale of 5.

3. Protectionism

Protectionism in this study refers to how students perceive the protection of local products from foreign products. Students support the protectionism of local products with a score of 3.43 out of a scale of 5.

4. Ultra-Nasionalisme

Ultrationalism is an "extreme nationalism that promotes the interests of one country or society above all else. Overall, Trilogi students showed mediocre ultrationalism with a score of 3.33 out of a maximum scale of 5

5. Interest in Buying Foreign Products

Overall, Trilogi students are hesitant in their buying interest in foreign products.

6. Ethnocentric and Interest in Buying Foreign Products Trilogi Students

To determine whether ethnocentrism in the form of nationalism, socio-economic conservatism, protectionism, and ultra-nationalism influences the interest in buying foreign products, an analysis is carried out using the Partial Least Square-Structural Equation Model (PLS-SEM) with the help of Smart PLS 3.0 software.

Evaluation of PLS- SEM Outer Model

External models are evaluated by determining the model's validity and dependability. Convergent and discriminant validity are used to check for validity against variable-forming indicators (constructs). Reliability tests were conducted using composite reliability and Cronbach's alpha. 22 indicators from five constructions were tested.

Convergent Validity

The outcomes of first data processing, external loading values or correlations between constructs and variables initially do not meet convergent validity because there are indicators with loading factor values below 0.70. There are 4 indicators with loading factors less than 0.7, N2, N5, P2, and S1 as a result, these must be omitted, and the following test includes only 18 signs. Further processing resulted in a loading

factor value greater than 0.70 (satisfies the convergent validity requirements), allowing us to infer that all variables in this study are valid.

Average Variance Extracted

For validity tests using the Average Variance Extracted (AVE) method, the AVE value of a good model must be greater than 0.5 (Hair et al., 2017). The results of AVE variable Nationalism 0.702, Protectionism 0.627, Socio-economics Conservatism 0.571, Ultra-Nationalism 0.705, and Willingness to buy foreign products 0.708 show that each variable has met the criteria with an AVE value greater than 0.5.

Discriminant Validity

The Fornell-Larcker Criterium of discriminant validity reveals that the root of the AVE construct of Nationalism (N) is 0.838 higher than the correlation between the construct of Nationalism (N) and other constructs. This outcome is also seen in other constructs.

Composite Reliability

The output composite reliability results for the constructs of Nationalism, Protectionism, Socio-economics Conservatism, Ultra-Nationalism, and Willingness to buy foreign products above 0.7 so that the construct is declared reliable. (Ghozali & Hengky, 2015)

Inner Model Evaluation

The inner model is a structural model that examines the amount of impact between latent variables via bootstrapping calculations. The criteria of R-Square value and significance value are used in the evaluation. Figure 1 shows the results of the diagram path.

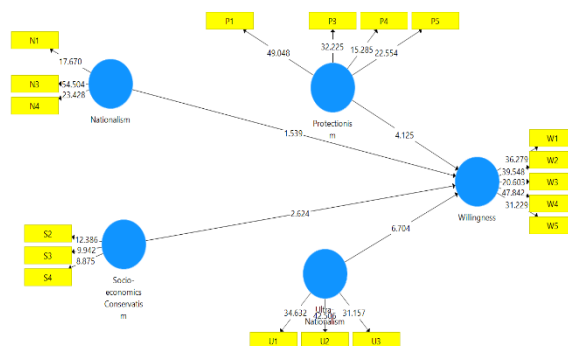


Figure 1 Path diagram of bootstrapping results

Coefficient Determination

Internal model estimation is seen from the R-squared value and path coefficient. The R-squared value obtained in this study is 0.450 which indicates an interest in

buying foreign products that can be explained by ethnocentrism (Nationalism, Protectionism, Socio-economics Conservatism, and Ultra-Nationalism) of 45% of other variables outside the model account for the remaining 55%..

Path Coefficient

The importance of the influence of Nationalism, Protectionism, Socio-economics Conservatism, Ultra-Nationalism, on buying foreign products by looking at the value of parameter coefficients and statistical t-significance values in Table 2

Table 2 Ethnocentric Significance and Interest in buying foreign products

	Original Sample	Sample Mean	Standard Deviation	T Stat	P Values
Nationalism -> Willingness	0,073	0,072	0,048	1,539	0,124
Protectionism -> Willingness	0,326	0,315	0,079	4,125	0,000
Socio-economics Conservatism -> Willingness	-0,134	-0,129	0,051	2,624	0,009
Ultra-Nationalism -> Willingness	0,464	0,471	0,069	6,704	0,000

Source : primary data 2022, processed

Of the 5 ethnocentric variables owned by Trilogi University students, there is 1 variable that does not affect the interest in buying foreign products, namely Nationalism. While Protectionism, Socio-economics Conservatism, and Ultra-Nationalism affect interest in buying foreign products

4. Discussion

The results of testing this hypothesis prove that Nationalism has no effect on the interest in buying foreign products of Trilogi students. The opinion that Indonesians should always buy Indonesian-made products instead of imported products, Indonesian-made products are first, last, and foremost, always the best to buy Indonesian-made products, has no effect on the guilt if buying foreign products.

The results of testing this hypothesis prove that protectionism has a positive effect on the buying interest of Trilogi students' foreign products. The higher protectionism showed by the opinion that Indonesians should not buy foreign products because it harms existing businesses in Indonesia and causes

unemployment. Foreigners are not allowed to import their products to the Indonesian market. Heavy taxes should be imposed on foreign products to reduce the import of products to the market. The Indonesian market and Indonesian consumers who buy products made in other countries are responsible for job losses in Indonesia increasingly affecting the interest in buying foreign products. They will feel guilty if they buy foreign products, will never buy foreign products, avoid buying foreign products as much as possible, do not like the idea of owning foreign products, and feel guilty if they buy foreign products

The results of testing this hypothesis prove that socioeconomic conservatism negatively affects the buying interest of Trilogi students' foreign products. With the increasing opinion that there should be very little trade or purchase of products from other countries except for urgent needs, only products that are not available in Indonesia should be imported, we should buy products produced in Indonesia instead of letting other countries get rich from us then it will further increase the guilt of buying foreign products.

The results of testing this hypothesis prove that ultra-nationalism has a positive effect on the buying interest of Trilogi students' foreign products. The more students have the opinion that buying products from abroad does not match the personality of the Indonesian nation, it is not true that buying foreign products because it will make Indonesians lose their jobs and true Indonesians must always buy products made in Indonesia will further increase the desire not to buy foreign products. They will feel guilty if they buy foreign products, will never buy foreign products, may avoid buying foreign products, do not like the idea of owning foreign products, and will feel guilty if they buy foreign products.

5. Conclusions and Suggestions

Conclusion

This study concludes that Ethnocentrism shown by socio-economic conservatism, protectionism, and ultra-nationalism influences the interest in buying foreign products of Trilogi students while nationalism has no influence on the interest in buying foreign products of Trilogi students.

Suggestion

Advice needs to maintain or improve their understanding of socio-economic conservatism in terms of purchasing products from other countries except because of urgent needs, especially products that are not available in Indonesia that must be imported and we must buy products made in Indonesia. Maintain or increase protectionism that Indonesians should not buy foreign products, support that foreigners should not bring their products to the Indonesian market and that foreign

products should be subject to high taxes to reduce the entry of these products into the Indonesian market. Maintain and increase ultra nationalism by reducing buying foreign-made products.

Academic advice can add other variables that have the potential to be considered in the interest in buying foreign products.

6. References

- Ajzen, Icek (2006). Constructing a TPB questionnaire: Conceptual and methodological considerations. Retrieved 15.09.2013, from. <http://www.uni-bielefeld.de/ikg/zick/ajzen%20construction%20a%20tpb%20questionnaire.pdf>
- Ghozali, I., & Latan, H. (2015). Partial least squares concepts, techniques and applications using the smartpls 3.0 program for empirical research. Semarang: UNDIP Publishing Agency.
- Hair, J., Hult, G., Ringle, C., et al. (2017) A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM). 2nd Edition, Sage Publications, Thousand Oaks.
- Han, C.M., & Guo, C. (2018). How Consumer Ethnocentrism (CET), Ethnocentric Marketing, and Consumer Individualism Affect Ethnocentric Behaviour in China. *Journal of Global Marketing*, 31(5), 324-338.
- Javalgi, R.G., Khare, V.P., Gross, A.C. and Scherer, R.F. (2005). An application of the consumer ethnocentrism model to French consumers. *International Business Review*, Vol.14 No.3 pp 325-344
- John Micklethwait, Adrian Wooldridge (2008). A Future Perfect: The Challenge and Promise of Globalization Random House Publishing Group, 10/12/2008 - 416
- Potluri, R. M., Johnson, S., & Gopalakrishnan, P. (2020). An exploratory treatise on the ethnocentric tendencies of Emirati Gen Z consumers. *Journal of Islamic Marketing*, 2018. <https://doi.org/10.1108/JIMA-07-2020-0197>
- Shimp, T.A., & Sharma, S. (1987). Consumer Ethnocentrism: Construction and Validation of the CETSCALE, *Journal of Marketing Research*, Vol 24 No 3, 280-289
- Topçu, U. C., & Kaplan, M. (2015). Willingness to Buy Foreign Products about Ethnocentric Tendencies and Worldminded Attitudes of Consumers. *Procedia - Social and Behavioral Sciences*, 207, 157-164. <https://doi.org/10.1016/j.sbspro.2015.10.166>
- Upadhyay, Y., & Singh, S. K. (2006). Preference for Domestic Goods: A Study of Consumer Ethnocentrism. *Vision: The Journal of Business Perspective*, 10(3), 59-68. <https://doi.org/10.1177/097226290601000306>

Study of Cultural Preservation and Protection of Cultural Values through Ethnocentricity of Domestic Products

Yildiz, H., Heitz-Spahn, S., & Belaud, L. (2018). Do ethnocentric consumers really buy local products? *Journal of Retailing and Consumer Services*, 43(February), 139–148. <https://doi.org/10.1016/j.jretconser.2018.03.004>