

The Impact of Consumer Boycott, Ethnocentrism and Patriotism in Malaysia

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Abstract: The study of consumer attitudes towards foreign made products has become a hot topic discussed by researchers in the field of international business, international marketing and consumer behavior. This was not surprising because of globalization and trade liberalization has become a global issue that is often discussed not only at national level but also at international level. Since, the establishment of the WTO and GATT, many issues and problems concerning trade and international business has been discussed and fine-tuned to get the most effective formula to seek justice for all the dependencies between each other. The current study conducted to get a sense of this issue from the perspective consumers in Malaysia. Malaysia's consumer negative attitude towards foreign made goods made will be identified and be given attention. Do patriotic attitude, ethnocentric attitude and boycott tendency will directly affect the product judgment and purchase willingness to be answered from the current study.

Key words: Consumer boycott, consumer ethnocentrism, consumer patriotism, product judgment, purchase willingness

INTRODUCTION

There are various studies on the negative or positive preferences of consumers with respect to foreign goods (Balabanis and Diamantopoulos, 2004; Zafer and Uzku, 2010; Knight, 1999; Rezvani *et al.*, 2012; Watson and Wright, 2000). Thus, this research will explore the current knowledge on this issue in the context of Malaysian consumers' toward foreign made product. The variables are consumer boycott, consumer ethnocentrism and consumer patriotism on the product judgment and purchase willingness of foreign made product. International marketers and producers should be concern with negative stigma related to their country that would affect other countries' consumers to purchase the product produced by them. The reputation and relationship of the government need to be preserve so that it will not indirectly create a negative perception of the consumers. The government should avoid from being involved in any action that might create controversy that possibly bring negative image thus in turn would affect the willingness to purchase products produced in their country. Consumers nowadays are aware of the consequences of their own consumption. Therefore, they are becoming more willing to put pressures to make an organization or a country that involved in controversial issues to push them to behave more ethically (Vogel, 1987). A study conducted by Klein (Klein *et al.*, 1998) reported that military events, economic or diplomatic disputes would

heighten the antagonism of the "victim" nation's resident and it will negatively affect the willingness to purchase the products produce by "enemy" nation. The model proved that even though the event was occurred long time ago during the World War 2, it still play a prominent role in geopolitical socialization throughout the nation. Seeing that internationalization and globalization of the products, internal marketers and producers should realize that the controversial policies undertaken by their government or country might affect their international activities. Thus, they should be more careful and cautious before expanding their business and investing huge sum of investment cost in foreign countries.

Consumer boycott: Boycott is a tool that forms consumer behavior. John and Klein (2003) mentioned that a boycott occurs when a number of people abstain from purchase of a product, at the same time as a result of the same egregious act or behavior but not necessarily for the same reasons. Friedman (1999) elaborates that this egregious behavior can be either directly impact the wellbeing of the boycotter or can cause harm or injustice to a third party. In that case, consumers participate in boycotts in order to express severe dissatisfaction with a company or country's actions and/or policies (Braunsberger and Buckler, 2011). In another perspective, the researchers intend to analyze the boycott of foreign products in general rather than boycotting of goods from a particular country or company. There are several previous studies

that focus on the boycotting of foreign made product in the international marketing and consumer behavior study such as Albayati *et al.* (2012), Altintas *et al.* (2013), Braunsberger and Buckler (2011) and Rask (2008). The issues such as brutally slaughtered baby seal in Canada (Braunsberger and Buckler, 2011), French nuclear testing in South Pacific (Ettenson and Klein, 2005) and religion issues (Fazal, 2011) will spark the boycott movement by the consumers not only to the specific organization but also to a nation as a whole. As mentioned by Livingston, the purpose of boycott is to highlight issues that affect societies ranging on environmental to human rights including political controversy. Through boycott, consumers use their purchasing power by choosing not to buy as a way to protest against unacceptable behavior or policy undertaken by a government or a country (Fazal, 2011). Altintas *et al.* (2013) claims that a little research relating boycotting of foreign products in developing country and its classification as a measurement model. In that case, the researcher intends to study about the several focused on consumer boycott. The current study envisioned to explore the effects of consumer boycott on foreign product judgment and purchase willingness of foreign made products.

Consumer ethnocentrism: A seminal research conducted by Shimp and Sharma (1987), defined consumer ethnocentrism as the belief of consumers about the appropriateness and morality of purchasing foreign-made products. More recently, consumer ethnocentrism defined as the consequences of consumer ethnocentricity include overestimation of domestic products or underestimation of imports, a moral obligation to buy domestic products and preference for domestic products (Cumberland *et al.*, 2010). The current trend of study on consumer ethnocentrism, the researchers focused on several issues to improve the loopholes. They are envisioned to identify the profile of consumer based on their attitudes on consumer ethnocentrism, a kind of consumer segmentation based on ethnocentric attitude; explore the severity effects of consumer ethnocentrism on foreign product judgment, purchase willingness and actual purchase behavior as well as investigates the roles of mediators on the relationship between consumer ethnocentrism with purchase willingness.

The study of consumer ethnocentrism is a field of great importance in the international marketing and consumer behavioral literature (Lajevardi *et al.*, 2014; Guerrero *et al.*, 2014). Generally, most of the published articles are from the viewpoint of consumers from developed nations. Conversely, there are limited numbers

of research on consumer ethnocentrism in Malaysia. Among the few, a research found that ethnocentrism is one of the important determinants for consumer intention to buy European products (Tabassi *et al.*, 2012).

In the light of the above, most of the consumer ethnocentrism studies found to be negatively related to product judgments (Eren, 2013). Similarly, it also has a negative impact on intention to purchase foreign made products (Zafer and Uz Kurt, 2010; Tabassi *et al.*, 2012; Li *et al.*, 2012). Thus, in the current study, the researcher will also be exploring the effects of consumer ethnocentrism on foreign product judgment and purchase willingness of such products.

Consumer patriotism: Patriotism is another construct that have captured the attention of researchers in consumer behavioral study. Survey results show a strong positive response by consumers to patriotic pleas (Chen, 2009) but the causes of the phenomenon and its underlying consumer characteristics are still poorly understood (Zarkada and Fraser, 2002). Government and manufacturers in many countries always urge consumers to purchase locally made products. The campaign such as “Belilah Barangan Buatan Malaysia” (Buy Malaysian Made Products) was started in 1980s and continues until today. Furthermore, patriotism appeals are not only found in developing countries like Malaysia, Thailand and Indonesia but also commonly seen in developed countries such as the US, the UK, Australia and New Zealand. Patriotism is a value and the values are basic, abstract, stable and enduring beliefs about what is preferable, right, fair, just or desirable (Kalish and Collier, 1981). Values also provide general standards for judging correctness of actions that extend beyond specific situations. Because of their general in nature, values cannot guide persons to a definite behavioral choice in a particular context. Rather, values influence behavior indirectly by providing a basis for the development of more-focused personal norms. In this respect, patriotism is relates to the loyalty to one’s country (Kosterman and Feshbach, 1989). In the light of consumer behavioral study, consumer patriotism has a significant effect on purchase intention of purchasing domestic against foreign made products (Spillan and Harcar, 2013). It shows that the origin of the products have associated with patriotic emotions in purchase intention and willingness. Furthermore, the purchase of foreign products can be seen as just unpatriotic (Darling and Arnold, 1988). On the whole, the current study on consumer patriotism proposed to identify the profile of consumers based on their attitudes on consumer patriotism as well as to explore the effects of consumer patriotism on foreign product judgment and purchase willingness.

Product judgment: Consumers will normally evaluate the products and make choices based on the product cues. Knowledge and information of the product cues will be utilized in order to estimate the worth of willingness to pay for any particular products. Product cues such as country of origin, country of manufacturer and brand image are example of product cues used by the customers to develop judgments or perceptions towards a product. However, the art of consumerism is more than the products cues. Emotional values like patriotism, nationalism and ethnocentrism are also proved to have an impact on the judgment of products from abroad. For example, emotional value was found to influence the evaluations of foreign and local brands (Kumar *et al.*, 2009). A foreign product judgment refers to a consumer's attitude towards foreign goods in general and the interaction of quality judgements based on country of origin in general. From this definition, it can be assumed that boycott tendencies, ethnocentric and patriotic attitude would affect consumers' product judgment and purchasing behavior towards foreign made product. However, some studies have shown that consumers gave high evaluation to products made abroad than locally manufactured products in terms of technology advancement, quality, status symbol and fulfillment (Kumar *et al.*, 2009). Moreover, the consumers always give a good evaluation to products produced by developed countries against goods produced by developing countries. For example, a study conducted by Leonidou found that consumer perception of the US-made goods will often better than what come from China (Leonidou *et al.*, 2007).

Purchase willingness: The acceptance of foreign products does not necessarily denote the willingness to buy them. There are many factors that contributed to the consumers' willingness to buy foreign-made goods. These include price, quality, workmanship, design and reliability (Darling and Arnold, 1988). At the present time, consumers are knowledgeable and able to judge what is best for every cent they spent. Therefore, the advancement of information technology, the availability of gadgets and the convenience of the Internet such information is at the fingertips. In general, the definition of purchase willingness is linked to a purchaser's intent to purchase a product. Scholars define purchase willingness as personal action tendencies according to brand (Rezvani *et al.*, 2012). As mentioned above, it is not only about quality perception, price, country of origin, brand and so on but it will go beyond that factors. Consumers with different attitudes may have different willingness toward purchasing foreign made products.

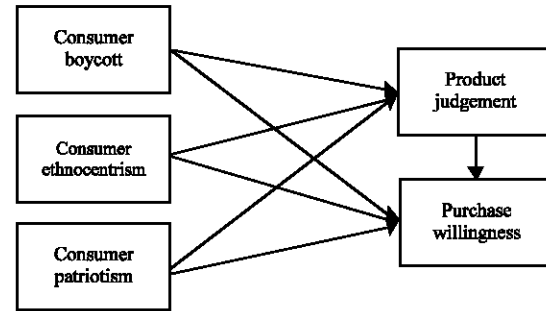


Fig. 1: Conceptual framework

Emotional factors such as consumer boycott (Braunsberger and Buckler, 201; Mrad *et al.*, 2013); consumer ethnocentrism (Eren, 2013; Kuncharin and Mohamed, 2014) and consumer patriotism (Chen, 2009; Chen, 2011) will surely worth to be studied to understand them more (Fig. 1).

Hypotheses:

- Hypothesis 1: there is a negative relationship between consumer boycott and product judgment
- Hypothesis 2: there is a negative relationship between consumer ethnocentrism and product judgment
- Hypothesis 3: there is a negative relationship between consumer patriotism and product judgment
- Hypothesis 4: there is a negative relationship between consumer boycott and purchase willingness
- Hypothesis 5: there is a negative relationship between consumer ethnocentrism and purchase willingness
- Hypothesis 6: there is a negative relationship between consumer patriotism and purchase willingness
- Hypothesis 7: there is a positive relationship between product judgment and purchase willingness

MATERILAS AND METHODS

The current study will be conducted using the survey approach with a multiple choice questionnaire requiring respondents to give fixed responses to the statements asked. The survey design will help the researchers to achieve the objectives and purposes of why the research has been conducted. In the current research, the data will be collected using a survey method. A survey approach is selected mainly because it can provide the most flexible means of obtaining data from respondents. The data collection process will be carried out in several stages ranging from the development of questionnaire,

Table 1: Number of items in variables

Variables	No. of Items	Sources
Demographic	8	N/A
Consumer Boycott	5	Altintas <i>et al.</i> (2013)
Consumer Ethnocentrism	6	Klein <i>et al.</i> (1998)
Consumer Patriotism	4	Han (1988)
Product Judgment	6	Klein <i>et al.</i> (1998)
Purchase Willingness	5	Bamber <i>et al.</i> (2012)

identification of states, areas and location for questionnaire distribution in this research. There will be four region in Malaysia for the current research, i.e., North, Central, South and East Coast). The data in this study will be collected for about one month period. It would be a self-administered and drop-off method of survey where no interview was involved but short briefing to the respondents about the questionnaire will be conducted. A non-probability sampling technique using a quota sampling method was chosen for this research. In the quota sampling method, two-stages are involved. The first stage consists of developing control categories of population elements. In second stage, sample elements are selected based on convenience or judgement (Malhotra, 2004). The purpose of using quota sampling is to ensure that certain characteristics of the population sample will be represented. It is also to ensure that various subgroups in the population are included in the study. The questionnaire is organized in to six sections: demographic (8 items); consumer boycott (5 items); consumer ethnocentrism (6 items); consumer patriotism (4 items); product judgment (6 items) and purchase willingness (5 items). Generally, measurement of construct is adapted from previous studies. These measurements have gone through some deliberate modifications and changes to make it suitable and applicable in the current research setting. In total there will be approximately 1000 questionnaires will be distributed to the four regions in Peninsular Malaysia and targeted to have at least 60% of respond rate.

RESULTS AND DISCUSSION

Plan for data analysis: In the current study, Smart Partial Least Squares (PLS) Version 3.0 and SPSS Version 20 will be uses to analyze the data and hypotheses testing. The SPSS statistical analysis is use for data entry, data cleaning, missing value imputation analysis as well as descriptive analysis and the PLS-SEM is use for structural equation modelling in testing the hypotheses. The PLS-SEM is appealing when the research objectives are focused on prediction and explaining the variance of key target construct. It is going to be in two sub-models, i.e., measurement and structural model. The measurement model estimates the latent variables as a weighted sum of

its manifest variables. The structural model estimates the latent variables by means of simple or multiple linear regressions between the latent variables estimated by the measurement model (Table 1).

CONCLUSION

Local consumer attitudes toward foreign made products are very important to international marketers and producers. Negative attitudes arising from emotional perspective, to some extent affects indirectly to local consumer acceptance of foreign-made goods. To bring products to new target market involved huge efforts and investments and of course, international marketers looking for returns and profits. But if these negative factors are not fully understood by the marketers, of course losses will emerge. Understanding the consumer boycott, consumer ethnocentrism and consumer patriotism will give a bit of space to international marketers to better understand local consumers and formulate the best strategy to win their hearts. Hopefully, the findings in the current research will help foreign operators and marketers as well as local distributors to get along with the current trend in the market where information and campaign can be spread out faster than ever.

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