



## The Effect of Ethnocentrism and Patriotism on Consumer Preference (Special Reference to Handloom Products in Sri Lanka)

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### Article Information

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To Cite This Article:

Costa Y.K.H.D., Fernando P.I.N., Yapa U.A.S., (2018), The Effect of Ethnocentrism and Patriotism on Consumer Preference (Special Reference to Handloom Products in Sri Lanka), *Journal of Management and Tourism Research*, Vol I Issue II, pp.1-20, [http://www.uwu.ac.lk/wp-content/uploads/2018/JMTR\\_I2\\_cH1.PDF](http://www.uwu.ac.lk/wp-content/uploads/2018/JMTR_I2_cH1.PDF)

Keywords:

Consumer Ethnocentrism,  
Consumer Patriotism,  
Consumer Preference,  
Consumer Ethnocentrism  
Tendency Scale.

### Abstract

Practitioners in marketing impulse of understanding consumer behaviours than before. Recent studies showed that consumer's enthusiasm towards foreign brands was declining. One explanation for such changes may be patriotic, nationalistic or ethnocentric behaviours of consumers. Therefore, the objective of this study was to identify the effect of ethnocentrism and patriotism on consumer preference for handloom products with special reference to western province Sri Lanka. A sample of 150 consumers was randomly selected who bought handloom products from handloom outlets in Western Province. Multistage sampling technique was applied for the study. Primary data were collected through a questionnaire. Regression, correlation techniques and Statistical Packages for Social Science version 23.0 software were used to analyse the data. The result revealed that the ethnocentrism and patriotism have positive effect on consumer preference for handloom products. Further, findings conclude that handloom consumers in Western Province ethnocentric to domestic handloom products according to the Consumer Ethnocentric Tendency Scale. This study recommends handloom manufacturing firms to develop their marketing strategies using nationalism promotional strategy and remind consumers to have a sense of ethnocentrism.

### Introduction

Purchasing a locally made product is a one way to show ethnocentrism and patriotism to the country. Consumer Ethnocentrism (CE) is a concept that affects consumer evaluation of domestic and foreign product (Cumberland, 2010). Ethnocentrism consumers turn to overestimate and support domestic products and at the same time underestimate and avoid foreign products. Further, the level of consumer ethnocentrism exhibit consumer product preferences (Wel, C. A. C., Alam, S. S., & Omar, N. A., 2015). Learning consumer's level of ethnocentric tendency helps businesses to achieve the corporate goals and objectives in the target markets.

Consumer Patriotism (CP) is also a key socio-psychological determinant that impacts consumer purchasing behaviour towards products of both domestic and foreign origins (Balabanis, G., Diamantopoulos, A., Mueller, R. D., & Melewar, T. C., 2001). It means consumers tend to express love and support toward consumer's own nation, without having a defensive feeling toward another country. Therefore, it is essential to understand consumers' preferences. There is an impact on consumer's ethnocentrism (CE) and consumer's patriotism (CP) emotions on consumer purchase intention (Nadiri and Tumer, 2010). However, the results have been different depending on the characteristics of consumers (Renko, N., Crnjak Karanović, B., & Matić, M., 2012).

Nowadays, locally produced handloom products are famous among Sri Lankan (Industry Capability Report, 2015). Handlooms can be considered as an appropriate case to study because, some consumers unlike the modern mechanized products. Like older generation purchasing local products like handloom, handicrafts products to express attachment with culture to the extent of ethnocentrism. Younger generation consider these products as a hybrid expression of modernity and tradition. In Sri Lanka, the apparel industry has

been the largest gross export earner. (Dheerasinghe, 2009). In the apparel industry, the handloom industry is one part of it and the total value of exports in the handloom sector was US \$ 1.16Mn. in the year 2016. Sri Lanka's local market for handloom products generally includes curtaining, furnishing, towelling, table linen, bed linen, sarongs, and sarees. At present, the local market is expanding rapidly.

Nation begins to play the significant role for individuals when they become emotionally attached to their homeland, and when they feel motivated to support it, even by identification with it (Druckman, 1994). Globalization has come up with new trends in businesses (Silili, EP, & Karuharathna, A C, 2014). Nowadays, Sri Lanka, there is a trend to buy domestic handloom products rather than imported products (Industry Capability Report, 2015). Handloom products are produced locally, therefore consumers willing to buy these products rather than imported. In Sri Lanka, study conduct to identify CE on youngsters purchase intention of domestic products concluded that there is a positive relationship between CE and purchase intention of domestic products (Silili, EP, & Karuharathna, A C, 2014). CE as a strategic tool for developing domestic brand equity found that CET has a strong impact on the domestic brand (Wanninayake, W. M. C. B., & Dissanayake, D. M. R., 2012). Therefore, domestic marketers have the responsibility of generating CE tendencies within their target customers

through branding strategies (Wanninayake, W. M. C. B., & Dissanayake, D. M. R., 2012). Studies show radical changes in the behaviour of consumers. The enthusiasm for foreign brands is declining. It is especially visible in the case of food. One explanation for such changes may be patriotic, nationalistic or ethnocentric tendencies among consumers and their fear for foreign capital domination in the economy (Balabanis, G., Diamantopoulos, A., Mueller, R. D., & Melewar, T. C., 2001)

Consumer needs and wants leads to long-term benefits to the business (Kotler & Keller, 2009) From the literature survey suggested that consumers' ethnocentric tendencies depend on the degree of the development of a country. The original concept of consumer ethnocentrism has appeared in developed countries where consumers generally positively evaluated the quality of domestic products (Lu Wang, C., & Xiong Chen, Z., 2004). Previous research has shown that the same concept is applicable in the context of developing countries (Das, M., 2015). Therefore, this study is conducted to identify the effect of ethnocentrism and patriotism on consumer preference for Handloom Products in western province. This study is a novel venture in the Sri Lankan context. Hence this research is focusing on the following research problems

- What is the ethnocentric behaviour of the handloom consumers?
- How ethnocentrism effect on consumer preference for handloom Products?
- How patriotism effect on consumer preference for handloom Products?

## Literature Review

### Consumer Ethnocentrism (CE)

The concept of Consumer Ethnocentrism has been gain from the ethnocentrism concept in sociology, which was introduced by sociologist William Sumner in 1906. In the early eighties, a study showed that buying foreign products can cause high emotional involvement especially when it comes to national security (Crawford and Lamb, 1981). With that argument concept of ethnocentrism going apart from psychological and social frameworks, and it was recognized in the field of marketing as a significant factor in consumer purchasing decisions. In Cambridge Dictionary, ethnocentrism is defining as "a belief that the people customs, and tradition of your own race or nationality are better than those of other races".

Consumer ethnocentrism is defined as "a belief held by customers about the appropriateness, indeed morality of purchasing the foreign-made product and the loyalty of consumers to the products manufactured in their home country" (Shimp and Sharma, 1987). Furthermore, it indicates that consumer ethnocentrism may result in an overestimation of the attributes and overall quality of domestic products and an underestimation of the quality of foreign products. Since purchasing a locally made product is one way to show consumers ethnocentrism and patriotism. Moreover, CE makes a psychological force that generates consumer preferences for domestically-made products and reduces consumers' intentions to purchase foreign goods (Cicic, Brkic and Praso-Krupalija, 2003). Consumer ethnocentrism has a direct and negative impact on consumer's purchase intention of foreign products. These indicate that high ethnocentric tendencies lead to unfavourable preferences towards lower purchase intentions for foreign products. Therefore, consumers refuse to buy foreign products because they consider that buying foreign products are harmful to the national economy and cause unemployment. CE can predict consumers' preference to buy locally manufactured products instead of foreign products and that the ethnocentric tendencies are better predictors of purchase behaviour than demographic and marketing mix variables (Herche, 1992).

The construct of consumers' ethnocentrism builds on the presumption that the consumers' ethnocentric emotions will have significant effects on purchase intentions. However, the results have been different depending on the characteristics of consumers and countries. The degree of consumer ethnocentrism varies between individuals according to demographic and economic factors (Vassela, M. C., Fountain, P. D., & Fountain, U. K., 2010). The stronger and individual's consumer ethnocentrism, the more likely one is to own domestic made products and/or intend to purchase domestic made products.

### Consumer Patriotism (CP)

Patriotism refers to strong feelings of love and devotion towards one's own country, without a corresponding hostility towards other nations (Balabanis, G., Diamantopoulos, A., Mueller, R. D., & Melewar, T.C, 2001). In the literature, according to an argument, it indicates that patriotism is similar to nationalism. Even though patriotism and nationalism both involve positive feeling towards one's nation, nationalism represents the detrimental facet of a positive in-group evaluation. Patriots have high levels of love and loyalty for their own country, these are not necessarily related to how they feel about foreigners (Kosterman & Meshach, 1989). And they do not exhibit the extremities of nationalism (Balabanis, G., Diamantopoulos, A., Mueller, R. D., & Melewar, T. C, 2001). Patriotism has a strong influence on willingness to buy foreign and domestic products (Han, 1998). Patriotism affects consumer product selection and plays an important role in choosing between domestic and foreign products (Martinez, 2000). Moreover, the study indicated that CP has a positive effect on ethnocentrism (Shimp and Sharma, 1987). Previous study is also providing evidence for the relationship between patriotism, cosmopolitanism and the ethnocentric tendency (Rybina, L., Reardon, J., & Humphrey, J, 2010). Further, highly patriotic consumers have a positive preference towards cultures which are similar to their own culture, while they have a negative attitude toward the others (Watson and Wright, 2000). Consumers' high patriotic emotions often trigger consumption bias against imports when qualities of the products are comparable to those produced domestically (Meas, (2014)). In the extreme, domestic products, even with lower quality, are chosen over foreign imports (Wall and Heslop; Sharma, Shimp and Shin, 1986).

### Ethnocentrism and Patriotism concepts in Sri Lanka

The most important issue is investigating the current degree of consumer ethnocentrism in Sri Lankan customers and to identify to what extent consumer ethnocentric feelings of the customers could internally stimulate customers to select domestic products in the country. Present scenario some domestic companies are supported to buy domestic products rather than imported. Currently voluntary peoples' organization named "Mawbima Lanka Padanama" has been established as a non-profit organization with the purpose of promoting local brands among Sri Lankan customers. It has introduced a unique slogan: "Ganna Ape De" and the Surya Singha logo for labelling domestic brands for increasing the volume of sales of local brands rather than imported products. Now, 30 companies including 120 brands under 52 product categories have only taken the accreditation for using the "Ganna Ape De" motto and the Surya Singha logo (Mawbima Lanka Padanama, 2017).

However, in Sri Lanka, the multinational brands perform aggressively better than the local brands except in very few scenarios. Customers have the psychological perception that foreign products have better quality and performance in Sri Lanka (Wanninayake, W. M. C. B., & Dissanayake, D. M. R., 2012). Study focused on the relationship between CE and consumer impulsiveness, found that the ethnocentric tendency, the impulsiveness, and the stimulation to make buying decisions are above the average in the Sri Lankan context (Wanninayake, W. M. C., & Chovancová, M., 2012). The relationship between consumer ethnocentrism and Sri Lankan youngsters' purchase intention of domestic products is positive (Silili, E.P. and Karunarathna, A.C, 2014). It identified the lowest income level shows a significant impact on the relationship between CE and purchase intention of domestic products. Further, it concludes male youngsters' impact is high than female youngster's in Sri Lanka.

With the impact of globalization, many businesses are searching methods to expand their market globally. Consumers prefer locally made products rather than foreign made products to show their love to the country in some countries. But in sometimes, the consumer might forgo their ethnocentrism and patriotism to get the best value of their money (Wel, C. A. C., Alam, S. S., & Omar, N. A., 2015). The availability of choice might change the consumer's mind. Thus, in Sri Lankan case although Sri Lanka is producing their own handloom products, there are quite a number of Sri Lankan prefer to buy imported handloom products from foreign countries like India, Pakistan as compared to domestic handloom products.

### Consumer Preference

The consumer decides what to purchase, from whom to purchase, why to purchase, from where to purchase, and how much to purchase depend on different factors (Sheth, J. N., Newman, B. I., & Gross, B.L., 1991). To build a successful business marketer need to understand the like and dislike of customers. There, the marketer needs to know when and how much quantity of goods and services, a consumer may purchase, so that he/she may store the

goods or provide the services according to the likings of the consumers (Kumar, V. I. S. W. A. N. A. T. H. A. N., & Shah, D., 2004). In this sense, the consumer becomes the leader the market. Preference is a concept that used in the social sciences and economics. It expects a real or imagined "choice" between alternatives and the possibility of rank ordering of these alternatives, based on happiness, satisfaction, gratification, enjoyment, utility they provide (Huang, Z., Lu, X., & Duan, H., 2012). Therefore, the success of any company or product promotion it is very important to identifying consumer product preference criteria's. "It is very difficult to identify the exact reasons why a consumer purchase and prefers one product or service over another one" (Kotler & Keller, 2009).

Consumer demand is rapidly changing and the desires of them are considered to be the centre of modern marketing. Hence the study of consumer behaviour becomes a necessity. According to most researchers' argument, it can be concluded that the study of consumer preference is highly important to businesses (Kotler & Keller, 2009). Most of the time consumer purchase decision is based on their emotional beliefs. Therefore, nowadays it is important to have the better awareness of consumer buying preference.

**Conceptual Frame Work**

With the aim of determining the effect of ethnocentrism and patriotism on consumer preference for handloom products the following conceptual framework is developed.

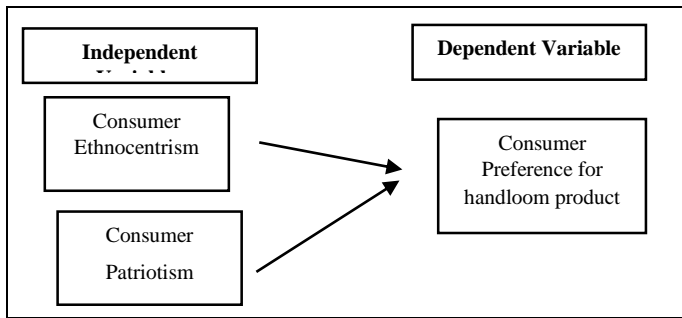


Figure 1: Conceptual Framework

Source: Developed based on Che Aniza, (2012)

The above conceptual model has enabled the testing of hypotheses as follows;

- H1: Consumer ethnocentrism has a positive effect on consumer preference for Handloom Products.
- H2: Consumer patriotism has a positive effect on consumer preference for Handloom Products.

**Research Methodology**

**Population and Sample**

In Sri Lanka, handloom industry is clustered, particularly in the Western, Eastern, North Western and Southern Provinces. The Western Province has a major share followed by the Eastern Province and Central Province (Industry Capability Report, 2015). Therefore, this research mainly conducts with special reference to Western Province in Sri Lanka.

In this study population refers to all the handloom products consumers in Western I Province. First Western province divided into 3 districts and from each districts (Colombo=60, Kalutara=31 and Gampaha district=59) sample select from proportionately to the current population (population, 2017=5821710). Research sample size has consisted of 150 consumers of handloom products in the Western province. The handloom outlets in Western province 18 outlets selected to the sample conveniently.

$\left. \begin{array}{l} \text{No of handloom consumers} \\ \text{from each district} \end{array} \right\} = \frac{\text{Population of each district} \times 150}{\text{All population in Western Province}}$
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Figure 2: Sample Size from each District

**Data Collection Sampling Technique**

In this study primary data were collected through a self-developed questionnaire which was filled by respondents in the sample. A total of 180 questionnaires distributed to the respondents and asked to complete the questionnaire. 158

completed questionnaires were received and only 150 (94%) were considered useable for the study and the analysis.

Secondary data were collected from sources such as journal papers, research publications, annual reports related books and the internet. Multi-stage sampling technique is applied to choose the sample in the research. By proportionately sample size is selected. Sample respondents were selected by using convince sampling method from each selected districts.

**Measurement Scale Development**

**Consumer Ethnocentrism**

Consumer ethnocentrism was measured by the Consumer Ethnocentric Tendency Scale (Shimp and Sharma, 1987). They were the first researches who developed an effective instrument for measuring the ethnocentric tendencies (CETSCALE) of consumers purchase decision. Through work, they proved that consumer ethnocentrism can measure, explain and provide answers to why and to what extent consumers prefer locally manufactured products instead of foreign. They characterized the scale as a measure of "tendencies" rather than "attitudes" because it also includes the explanation of consumer decisions to buy "the most appropriate product". It can be concluded that CETSCALE is a successful predictor of consumers' beliefs, purchase intentions, and decision. This scale has been mostly used to measure consumer ethnocentrism tendencies in many research studies within developed and in the developing countries (Luque-Martinez, T., Ibanez-Zapata, J. A., & del Barrio-Garcia, S, 2011). Other scales have been suggested and tested to measure ethnocentrism, but CETSCALE has become the commonly used instrument to measure consumer ethnocentrism (Chrysochoidis, 2007).

In this research, CETSCALE is adapted to measure the ethnocentrism behaviour of Sri Lankan handloom consumers. Some items of the standardized item of CETSCALE are dropped and some others are merged with each other so as to create it with Sri Lankan context. Accordingly, the CETSCALE is modified to have fourteen questions. The scale is designed in five rating Likert Scale with 1 (Strongly Disagree) and extend to 5 which represent strongly agree.

**Consumer Patriotism**

Patriotism measure using four items scale (Kosterman and Feshback's, 1989). Reduced versions of Kosterman and Feshback's scale have shown good psychometric properties (Rocha, C.M., & Fink, J.S., 2000). A sample patriotism item is 'I love my country'.

Dimensions and Indicators of Independent variable presented following Table 2.

**Table 2: Operationalization of Independent variables**

Dimension	Indicators	Measurement and Source
Consumer Ethnocentrism	1. Consumer's encouragement for local producers.	5-point Likert scale,
	2. Consumer preference for foreign products, when products are not locally produced.	Questionnaire Source-CETSCALE,
	3. Keep Sri Lankans working	Consumer
	4. Consumer preference for local products, when locally and foreign produced alternatively.	Ethnocentric Tendencies Scale (Shimp and Sharma, 1987)
	5. The real Sri Lankan behavior of buying locally manufactured products.	
	6. Purchasing foreign product is "lack of concern" for country.	
	7. Purchased local products instead of letting other countries get rich off us.	
	8. Consumers attitude about very little purchasing of foreign products.	
	9. Consumers attitude about hurt Sri Lankan businesses and unemployment.	
	10. Consumers cost in short run and support to Sri Lankan producers.	
	11. Consumers attitude about allowed to put foreign products in the local market.	
	12. Putting tax to reduce entry of product to market	
	13. Consumers attitude about import products, that cannot produce locally.	
	14. Foreign products buying consumers and their responsibility for putting fellow Sri Lankan out of works.	
Consumer Patriotism	1. Emotionally attachment to country and emotionally affected by its action.	5-point Likert scale
	2. Commitment to the Sri Lanka.	Questionnaire Source-
	3. Feel of great pride in the land.	(Kosterman and Feshback's, 1989)
	4. Feel of Sri Lankan flag being flown, I feel great	(Luque-Martinez,Han, 2000,1989)
	5. Part of identity	
	6. Buy Sri Lankan-made products instead of imports.	

Dimension and Indicators of Dependent Variables presented following Table 3.

**Table 3: Operationalization Dependent variable**

Dimension	Indicators	Measurement and Source
Consumer preference	1. Satisfaction	5-point Likert scale
	2. Frequency of Purchasing	Questionnaire Source- (Bakewell and Michelle, 2003)
	3. Availability	
	4. Volume	
	5. Recommendation	

**Cronbach's Alpha Reliability Test Analysis**

**Table 1: Reliability Test**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
<b>.859</b>	.870	25

First, the pilot test was conducted by using twenty handloom products consumers. Reliability of the questionnaire was tested by the Cronbach's alpha value based on the pilot survey. The test will be significant when alpha value

results from more than 0.7 (Santos, 1999). It assures the reliability of the questions in the questionnaire. Twenty handloom products consumers were used to testing the reliability test. The alpha coefficient for the 25 items is 0.859. It suggested that the items have relatively high internal consistency and validity (Table 1).

**Data Administration and Data Analysis**

Data analysis was carried out using the data statistical package for Social Science (SPSS) version 23.0 software. The ethnocentric behaviour of the handloom consumers in Western province was analysed by using descriptive analysis and cross tabulations methods. Multiple linear regression analysis used to ethnocentrism and patriotism effect on consumer preference for handloom Products. Accordingly, the following regression model was developed for this study.

$$CF = a + \beta E + \beta P + \epsilon$$

CF=Consumer Preference     $\beta E$ =Consumer Ethnocentrism

$\beta P$ =Consumer Patriotism    a=Constant

$\epsilon$ =error term

Further regression equation was tested for the assumption of normality test (Kolmogorov-Smirnova (KS) test), Durbin-Watson (D-W Test), Variance Inflation Factor (VIF) and for the assumption of homoscedasticity.

**Results and Interpretations**

**Profile of the Sample**

In order to analyse the sample profile, descriptive analyse was used and the results are summarized in Table 5. As per the table, the highest contribution (61%) is indicated by the female in the sample. According to the range of the age distribution, the highest portion (41%) of the sample is contributed by first age category (18 -34 years). The marital status composition of the sample shows 59% respondents were representing the married category. According to the range of the income distribution, the highest portion (40%) of the sample is contributed by middle-income Rs.35000/= - 50000/=. The educational qualification level of the respondents shows 42% of the represents secondary education category. Most of the respondents are representing the government sector it represents 28% of the sample. According to the figure, clothes shows the heights percentage 58% and other product and shoes shows the 4% and 3% least preference respectively.

**Table 5: Frequency and Percentage of Sample Profile (N=150)**

Profile of the Sample	Categories	Frequency	Percentage %
Gender	Male	59	39
	Female	91	61
Age (years)	18 -34	62	41
	35 -45	47	31
	46 -60	28	19
	Above 60	13	9
Marital Status	Single	61	41
	Married	89	59
Monthly Income (Rs)	Bellow 15000	24	16
	15000-35000	30	20
	35000-50000	60	40
	Above 50000	36	24
Education Level	Primary	07	05
	Secondary	64	42
	University	55	37
	Post Graduate and Above	24	16
	Current Profession	Student/Non-Employed	33
Government		42	28
Private		38	25
Self-Employed		23	16
Retired /Other		14	09

Handloom	Clothes	87	58
Product Usage	Accessories	12	08
	Cushions, Bedsheets	40	27
	Shoes	05	03
	Other	06	04

According to the mean and standard deviation which were derived by analysing the field information, patriotism reflects the highest mean value. The lowest mean value reflects the ethnocentrism.

**Table 6: Mean and Standard deviation of independent variables.**

	Ethnocentrism	Patriotism
Mean	3.6042	3.8644
Std. Deviation	.54870	.71768

### Ethnocentric Behaviour of the handloom consumers

The level of consumer ethnocentric tendencies for domestic handloom products of Sri Lanka is measured with the 17 item Consumer Ethnocentric Tendencies Scale (CETSCALE) (Shimp and Sharma, 1987). Some items of the standardized item of CETSCALE are dropped and some others are merged with each other so as to create it with Sri Lankan context. Finally, 14 items were used for the current research study. The level of ethnocentrism and the reliability of the CETSCALE are shown in Table 7. Overall, the Cronbach Alpha coefficient of 0.860 can be considered a reasonably high- reliability coefficient. Hence, the scales are reliable since all the values exceed the 0.70 rule (Mangnale, V. S., Potluri, R. M., & Degufu, H., 2011). Accordingly, the following items are designed in five-point Likert scale.

**Table 7: Ethnocentric behaviour of consumers**

CETSCALE based ethnocentrism items	Reliability	Standard Deviation	Individual Mean	Group Mean
Q1	.851	.947	3.96	3.59
Q2	.832	.939	3.26	
Q3	.860	1.567	2.87	
Q4	.853	.623	4.03	
Q5	.847	1.094	3.59	
Q6	.844	1.161	3.23	
Q7	.847	1.052	3.85	
Q8	.852	1.017	3.99	
Q9	.849	.974	3.62	
Q10	.843	1.010	3.35	
Q11	.847	.818	3.96	
Q12	.855	.922	3.71	
Q13	.845	1.032	3.57	
Q14	.847	1.157	3.35	

Source: SPSS output from field information researcher developed

The individual mean represents the mean response of all target respondents to the given item and the group mean indicates the aggregate mean of all target respondents to all items all together. In other words, the group mean is mean of the individual mean, which is used in this context represent the behaviour of customers (Aynadis, 2012). Since all the questions are worded positively, any response below the median (neutral) shows that the target respondent is not willing to compromise his/her interest towards international handloom products. On the other hand, if the mean of response of target respondent is greater than the median point, the customer perceived to be ethnocentric, who has a serious concern of buying domestic handloom products than imported or international handloom products.

With this logic, the above table shows that the group mean is 3.59, which means the customers are ethnocentric. (There are nine individual means in this table greater than the median point). Ethnocentric customers are customers who are influenced by the presence of domestic products. Unlike the non- ethnocentric customers, ethnocentric customers are biased to buy domestic handloom

products, even by compromising the important product attributes like quality, price, durability and so on, to benefit their nation by buying national products.

### Correlation Coefficient Analysis

This study used the Pearson Correlation which was computed through bivariate correlation in order to identify the relationship between the CE and consumer preference, CP and consumer preference for handloom products.

**Table 8: Correlation between independent variables and dependent variable**

Dimension	Pearson Correlation	P-value	Null Hypothesis( H0)	Alternative Hypothesis( H1)
CE	.547	.000	Rejected	Accepted
CP	.494	.000	Rejected	Accepted

The relationship between CE and consumer preference identified that the value of Pearson correlation is 0.547, which implied that there is an average positive relationship. The significance of P-value 0.000, it was implied that the test is highly significant. Hence it rejects the null hypothesis (H0) and accepts the alternative hypothesis at the 95% confidence level.

The relationship between CE and consumer preference identified that the value of Pearson correlation is 0.494, which implied that there is a weak positive relationship. Since the significance of P-value 0.000, it was implied that the test is highly significant. Hence it rejects the null hypothesis (H0) and accepts the alternative hypothesis of there is a weak positive relationship between CP and consumer preference for handloom products (H2) at the 95% confidence level. According to above Table 8, it can be identified the highest relationship is having with consumer ethnocentrism and consumer preference.

### Multiple Regression Analysis

The researcher has done multiple linear regression analysis in order to identify the impact of the variable. According to the collinearity diagnostic VIF values (CE=1.686, CP=1.686), all VIF values are less than 10. All the tolerance values (CE=.593, CP=.593), are more than 0.01. Therefore, there is no multicollinearity problem in regression results.

**Table 9: Model summary of regression analysis**

Figure	Value
R	0.740
R Square) R <sup>2</sup> (	0.547
Adjusted R Square	0.528
Standard error of the Estimate	0.448

R-squared is a statistical measure of how close the data are to the fitted regression line. It is also known as the coefficient of determination. The R Square of the model is represented as 0.547 (table 9). Therefore, it can be identified that there is 45.3 percent of the unexplained variation in this model by independent variables. However, 0.547 is high value and it is significant, the reason is the explained variation is higher than the unexplained variation. Adjusted R Square value is adjusted for the number of variables included in the regression equation. This is used to estimate the expected variation in R Square that would not generalize to the population because the model is over-fitted to the data set by including too many independent variables. According to table 9 (0.528) adjusted R Square value is lower than the (0.547) R Square value, it indicates that the regression equation may be over-fitted to the sample and limited generalizability. The standard error of estimation is 0.448 represents that model is fitted well (mean value of consumer preference 3.7227 > standard error of estimation).

**Table 11: Analysis of Variance for Multiple Linear Regression**

Model	Sum of Squares	Degree of freedom	F	Sig.
Regression	12.617	1	63.242	.000b
Residual	29.526	148		
Total	42.143	149		

Source: SPSS Output from Field Information

As per the following Table 11, P value is 0000. Therefore, the statistical evidence of the model supports to accept that the model is fitted well (P value < 0.05). The total sum of square means out of total how much explained by regression and how much explained by residual. It is revealed that out of 42.143 sum of squares, 12.617 of variation can be explained by regression and 29.526 of variation of dependent variable consumer preference explained by residual. That emphasizes there are more factors towards the preference of handloom products rather than the researcher identified factors. Further, it can be confirmed since F calculated value is 63.242. It suggests that most of the variance is explained by the model because the calculated F value is greater than Table F value (F table value < F calculated value) .P value 0.000, which is less than 0.05, suggests that overall, the model applied can statistically significantly predict the dependent variable consumer preference. It concludes that the overall model applied can be significantly predicting the dependent variable consumer preference.

Further according to tested Normal Q-Q Plot, many residuals are distributed close to the line, therefor residuals are normally distributed. Results are more valid. And according to the mathematical approach P value of Kolmogorov-Smirnova (KS) is 0.2, the result is insignificant.

The Durbin-Watson value that tests for autocorrelation in the residuals from a statistical regression analysis (Garson, 2012). Durbin Watson test (2.096) the value is between 1.5 and 2.5, therefor residuals are independent. These values are suitable to run a regression analysis.

Using the scatter plot, researcher tested standardized residual against standardized predicted value. In plot, residuals are randomly distributed without having any predictable pattern. Therefor variance of the residual is constant. Regression result is free from heteroscedasticity problem. Model is highly valid.

**Estimating the Regression Model**

**Table 12: Multiple Regression Analysis**

Model	$\beta$ Coefficients	Standard Error	T value	Significance Value(P Value)
Constant	1.811	.0243	7.450	.0000
CE	0.530	.0067	7.953	.0000
CP	0.366	0.053	6.912	0.000

As per table 12, the constant  $\beta_0$  coefficient is 1.811. The P value of the constant is 0.000 and it denotes that statistically significant at 0.05 levels of significance.  $\beta_0$  coefficient value of CE states that if CE increased by one-unit, while other variables remain constant consumer preference increases by 0.530 units. Positive values of beta coefficients of CE represented that CE has a positive effect on consumer preferences. It can be further clarified that there is a significant relationship between CE and consumer preference (P value 0.000 < 0.05). Therefore, null hypothesis H0 was rejected and alternative hypothesis H1 was accepted. Hence there is a significant relationship between CE and consumer preference for handloom products.

The coefficient value of CP states that if CP increased by one-unit consumer preference increases by 0.366. It can be further clarified that there is a significant relationship between CP and consumer preference (P value 0.000 < 0.05). Therefore, null hypothesis H0 was rejected and alternative hypothesis H1 was accepted. Hence there is a significant relationship between CP and consumer preference for handloom products. According to the above information, multiple linear regressions model can be manifested as follows by using the above information.

$$CF = a + \beta CE + \beta CP + \epsilon,$$

Therefore, the regression equation can be elaborated as,

$$CF = 1.811 + 0.530 CE + 0.366 CP + \epsilon$$

- Where,
- CF=Consumer Preference
- a=Constant
- $\beta$ CE=Consumer Ethnocentrism
- $\beta$ CP=Consumer Patriotism
- $\epsilon$ =error term

As per the above equation, the constant is 1.811.  $\beta_0$  coefficient value of CE states that if CE increased by one unit CF increases by 0.530.  $\beta_0$  coefficient value of CP states that if CP increased by one unit CF increases by 0.366.

**Conclusion and Recommendation**

According to the CETSCALE Sri Lanka handloom consumers are found be ethnocentric to the domestic handloom products, who care about their role in their country’s development through their purchase of domestic handloom products. Furthermore, high ethnocentric customers displayed a high tendency to buy local handloom products than foreign handloom products. Further, it was found that higher the CE, higher the consumer preference. Ethnocentric consumers perceive that purchasing foreign-made products is wrong due to the hurt Sri Lankan businesses, it causes to the local economy damaged, creating unemployment and in this study, it is at an average level.

Research find that there is a positive relationship between consumer ethnocentrism and consumer preference (Wei, C. A.C., Alam, S. S., & Omar, N. A., 2015) and there is a weak positive relationship between CP and consumer preference for handloom products. Consumers with highly ethnocentric attitudes perceive that purchasing foreign-made products is wrong due to the damage to the country and it causes to the local economy, i.e. creating unemployment (Shimp and Sharma, 1987).Moreover, the patriotic behaviour of consumer’s, idea to support to the Sri Lankan handloom producers as to demonstrate allegiance to the country, emotionally attached to the country at law level, cause to this relationship.

Moreover, CE and CP have significant positive effect on consumer preference for handloom products in Sri Lanka. The highest effect is having with CE. Ethnocentrism can be a major factor of consumer’s domestic handloom product preference; patriotism can be a possible resistance for Sri Lankan to purchase foreign handloom products.

**Implications for knowledge**

Very few studies were conducted with a focus on South Asian countries excluding India about consumer Ethnocentrism. Therefore, the findings of this study have made a considerable value addition to the existing theories and scientific knowledge relating to consumer ethnocentrism. Furthermore, previous researchers have commonly noted that highly ethnocentric customers negatively evaluated imported products. According to the findings of the present study, CE and CP have a significant and positive impact on the handloom products preference and this is conceptually consistent with previous literature. (Balabanis, G., Diamantopoulos, A., Mueller, R. D., & Melewar, T. C, 2001)

Results of this study are important for managerial decision making of business organizations that produce domestic handloom products for Sri Lankan consumers. Domestic handloom products marketers should use this relationship in marketing their products to the local market. They can apply this relationship in their integrated marketing communication campaign to attract consumer ethnocentric target groups and consumer patriotic target group for their products. This adds a competitive edge to their product categories when competing with the imported handloom products.

**Recommendations and suggestions.**

The handloom manufacturing firms can use nationalism promotional strategy to influence customers to have a sense of ethnocentrism and patriotism. These firms cannot bring the sense of ethnocentrism and patriotism only through nationalism promotion; they should also try their best to satisfy the local customers by narrowing the gap between local and foreign handloom products. Further the government should promote consumers to, Buy Sri Lankan products to keep reminding Sri Lankan about the importance of Ethnocentrism and Patriotism in their buying decision making. The support from Sri Lankan to buy Sri Lankan made the product will not only support the survival of Sri Lankan domestic market but also will support the development of the Sri Lankan economy.

Furthermore, If Sri Lanka had a long history of manufacturing of handloom, there are only a few outlets available to local consumers. With that, the convenience of finding handloom products is very low. Therefore, more outlets and stores can be established in Sri Lanka. Now a day there is a growing trend for using handloom products, but the handloom products prices were very expensive. To overcome this issue handloom products prices should be reasonable. When determining the price for the product, it is better being aware the income of the specific target group. Producers can make separate pricing

strategies for each product. The quality of the local handloom products should be also improved to attract persons who are addicted to foreign products. More often handloom products like sarees are plain, because of that creative new designs and more varieties of handlooms help to attract more consumers. Most of the time handloom products were marketed to high-income, local consumers and foreigners. Therefore, marketing strategies should be expanded to local low-income consumers. Therefore, increasing awareness regarding the handloom products is crucial.

### Direction for Future Research

Future researchers can test how demographic factors effect on consumer preference for products in different settings with different samples on with ethnocentrism and patriotism. In addition to that, the research in terms of the CE and CP effect on services remains rather scarce in the context of Sri Lanka. For this reason, future researchers examining this area should focus more on the services industry, in order to be able to determine if the findings from the product sector could be applied for services as well. Furthermore, the role of marketing communication strategies in developing CE and CP can be investigated in further researches.

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