

An Analysis of The Cultural Orientation Antecedents towards Malaysian Consumption Behaviour

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Abstract

Purpose – The main aim of this study is to examine the relationships between Cultural Orientation (CO) variables that influence the consumption of foreign made products among Malaysian consumers. Cultural orientation variables consist of Ethnocentrism (Etn), Xenocentrism (Xen), and Cosmopolitanism (Cos). **Design/methodology** – A quantitative survey was administered in which questionnaire has been adopted as the instrument for this study. Selected Malaysian consumers were the population for this study and a total number of 122 prudently selected samples were analyzed. The analysis of the study is using the Statistical Package for Social Sciences (SPSS) Software. **Findings** – This study concluded that CO variables such as Xen and Cos examined in this study were significant and demonstrated positive relationships. Meanwhile Etn demonstrated a non-significant relationship with the consumption of foreign made products among Malaysian consumers. **Practical implications** – The study will add an insightful empirical finding to the existing literature in the context of cultural orientation and foreign made products consumption. The results can assist governments, businesses, and consumers to enhance the understanding on the importance of cultural orientation especially in the multicultural markets.

Keywords: Cultural Orientation, Ethnocentrism, Xenocentrism, Cosmopolitanism, Consumption Behavior

Introduction

The soaring phenomenon of globalization in the world today had led the business participants to integrate into one global market which eventually creating a real single universal community consisting of people from various cultural background. Due to extensive influence

of globalization in every aspect of consumer's life, the consumer's values especially in Asian market as well as in developing countries seem to go through rapid transformation as it had in the past (Kim et al., 2002). Therefore, the consumer's needs and wants regarding the product selections may also be altered and this has become the challenge especially in defining the socio-economic condition of the market (Lee and Nguyen, 2017). The socio-economic conditions of the market such as income, mobility, media access are all significant in affecting consumer's behavior. With greater access to foreign made products, more consumers tend to choose these foreign products despite the prices (Balabanis and Diamantopoulos, 2016). According to Walsh et al (2009), evidence shows that consumer decision making styles vary across cultures.

Prince et al (2016) stated that the generalized concept of consumer centricism comprises of three bases of identity which are "*here*" (consumer ethnocentrism), "*there*" (consumer xenocentrism, and "*everywhere*" (consumer cosmopolitanism). This study is conducted due to little research had been done to further explain the cultural orientation impact on the consumer's preferences in purchasing foreign made goods especially in multicultural and emerging markets. For instance, consumer xenocentrism has been a neglected construct in the international marketing literature (Bartsch et al., 2016). According to Gaur et al (2015), there is a constant demand for further investigation due to limited understanding on consumer xenocentrism despite growing interest in research related to consumer's buying intention. There is also lack of empirical research on cosmopolitanism which make it challenging to determine which side had the correct point of view. Cleveland et al (2009) stated that the application of cosmopolitanism in the literature has been mainly theoretical with inadequate empirical research on the consumer cosmopolitanism antecedents or outcomes. According to Akram et al (2011), although ethnocentrism is not generalized across different regions or countries, it remains as an important tool to study the consumer preferences of both foreign and local goods. Based on previous research, there is a lack of focus on consumers of diverse ethnicities and most of the studies were conducted at developed countries. This study aims to examine the relationships between ethnocentrism, xenocentrism, and cosmopolitanism and the consumption behavior of Malaysian consumers.

Literature Review

Consumers are shaped to some extent by the environment in which it influences the consumer behaviors (Blackwell et al., 2006). Bennet (2009) defines consumer behavior as the dynamic interaction of affect and cognition, behavior, and environmental events, by which human being conduct the exchange aspects of their lives. For instance, Kumar and Kim (2008) mentioned that consumers may intend to purchase products which have right features, quality, or emotional benefits. This is due to the fact that consumer behavior experiences continuous changes in idea, perceptions and activities. According to Brassington and Pettitt (2000), consumer behavior is different from one person to another, depending on buying choices which influenced by habits and choices which altered by psychological and social drivers that eventually affect the purchase decision process.

According to Edmonton (2008), cultural orientation can be defined as a basis of differences among cultures such as self-identity, interpersonal relationships, communication and resolving conflicts. It is also an inclination to think, feel, or act in a way that is culturally determined. According to Yoo et al (2000), purchase intention can be defined as consumer

practice of remaining loyal to the same brand. Purchase intention reflect the consumer's intention to consume products based on their feelings and attitudes (Engel et al., 1995). Batra, Ramaswamy, Alden, Steenkamp and Ramachander (2000) mentioned that the preference for foreign products has not restricted to a single product category and this tendency to consumer foreign goods can mostly be found in developing and emerging economies as well as developed countries (Balabanis and Diamantopoulos, 2016).

The concept of ethnocentrism was first introduced by Gumpłowicz in the 1870s and developed by William G. Sumner in the 1906s. Ethnocentrism defined as "a view of things in which a group other than one's own is the center of everything" (Sumner, 1906). Consumer ethnocentrism is considered as a form of protectionism at the consumer level that eventually threatening the entry of international firms in foreign markets, affecting trade as well as causing consumer perception bias (Feurer et al., 2016). He and Wang (2015) stated that people with strong cultural affiliation will tend to consume domestic products to appreciate their cultural values. Wei (2008) stated that males have higher ethnocentrism score than female and respondent from rural areas have higher score than those from urban areas. Based on a study conducted by Sheikhepoor et al (2019), the level of xenocentrism among consumers in Iran is low indicating the existence of ethnocentrism, however, there is significant difference between the amount of xenocentrism based on age and marital status. Based on previous research findings, the first research hypothesis is as follows:

H1. Ethnocentrism positively influence consumption behavior

Xenocentrism was first introduced in the early 1950s by Kent and Burnight. Kent and Burnight (1951) stated that xenocentric are those who prefer a society other than their own for example, the pioneers of xenocentric construct applied to the second and third generation Americans with strong cultural ties to their land of ancestry. Stier (2010) stated that xenocentrism refers to a consumer's preferences for imported goods and rejecting one's domestic goods with the perception that imported goods are superior compared to the domestic ones. According to Ganbold and Gantulga (2021), xenocentrism is one of the key backgrounds in understanding consumer behavior for both domestic and imported products on global scale especially with the growth of world economies. Camacho et al (2020) stated that xenocentrism of Latin American consumers has a positive direct effect on purchase intentions, perceived product quality, and product attitudes by measuring the xenocentrism using the XSCALE. Based on previous research findings, the first research hypothesis is as follows:

H2. Xenocentrism positively influence consumption behavior

Cosmopolitanism relates to a plurality of cultures (Hannerz, 1990) and sometimes inspired by a post-colonial perspective (Bhabha, 1993). According to Leung et al (2015), consumer cosmopolitan orientation can be defined as the attitudinal and value orientations of individuals who immerse as part of the globalized world. Oberecket et al (2008) stated that consumers that are high in cosmopolitanism as being neutral or indifferent towards foreign products and therefore, their "conscious openness" makes them eager to try products that are not the cultural norm. Beck and Sznajder (2010) mentioned that cosmopolitanization happens "from within" and by understanding cosmopolitanism as a consumer orientation has implications for understanding consumption of culturally distant goods (Caldwell et. al., 2006). There are two major attributes in the cosmopolitan orientation which are (i) cultural

openness: people likely to engage in connecting with people, places, and experiences from diverse culture and (ii) paradigm of justice: people recognize that all human beings are equal regardless of their nationalities, cultures, or religion (Leung et al., 2015; Cleveland et al., 2009; Roudometof, 2005). Purwanto (2016) found that consumer cosmopolitanism has a positive and significant impact on perceived foreign product quality and foreign purchase intentions of Indonesian consumers. This is supported by Parts and Vida (2011) stated that cosmopolitanism has a direct and positive effect on foreign product consumption behavior. Based on previous research findings, the first research hypothesis is as follows:

H3. Cosmopolitanism positively influence consumption behavior

Methodology

This study adopted a quantitative survey design to examine the antecedents of cultural orientation and consumption behavior among selected Malaysian consumers. To achieve the research objectives, a non-probability sampling which is convenience sampling has been applied. Malaysia proves a meaningful location for this study since it has been exposed to both eastern and Western influences for a very long time and therefore, selected Malaysian consumers have been selected as the sample for this study. This quantitative study is using primary data source which is questionnaires to gather data input. The development of preliminary measurement items is based on previous research studies and modifications were made to tailor the actual environment of this study. Scales are measured with a five-point Likert scale. The participants were asked to fill out the online survey. Self-administered questionnaires using the web-based sampling technique were distributed and a total of 122 samples carefully selected for this study. By using SPSS, this study employs linear regression analysis.

Results

The objective of this study is to examine the relationships between the consumption behavior of Malaysian consumers and the antecedents of cultural orientation such as ethnocentrism (Etn), xenocentrism (Xen), and cosmopolitanism (Cos). The questionnaires were distributed via online platform and 122 were accepted for the analysis. The analysis is conducted using SPSS to find results such as descriptive analysis, correlation analysis, and regression analysis.

For the demographic analysis, 22.1 percent from male respondents and 77.9% from female respondents. 77 percent of the respondents were unmarried, and 23 percent were married. As for the occupation 60.7 percent from the respondents were students, 32.8 percent were employed, 2.5 percent is business and 4 percent were others. For the education qualifications, 71.3 percent is undergraduate, 19.7 percent is postgraduate, and the remaining is others.

Table 1

Descriptive Analysis

Descriptive Statistics

	Mean	Std. Deviation	N
MEANDV	3.9624	.59661	122
Xen	3.8492	.70386	122
Etn	3.6557	.69817	122
Cos	3.8443	.66333	122

For the descriptive analysis, mean is the average of all numbers in a data set. From this study, the highest mean is Xen which is 3.8492, followed by Cos which is 3.8443 and the Etn with 3.6557.

Table 2
Correlation Analysis
Correlations

		MEANDV	Xen	Etn	Cos
Pearson Correlation	MEANDV	1.000	.809	.251	.630
	Xen	.809	1.000	.171	.669
	Etn	.251	.171	1.000	.374
	Cos	.630	.669	.374	1.000

For the correlation analysis, Xen is the highest with 0.809, followed by Cos with 0.630 and finally Etn with 0.251. Correlation coefficients measured the strength of the relationship between two variables. Variable with magnitude between 0.7 and 0.9 indicate highly correlated meanwhile correlation coefficient with magnitude between 0.5 and 0.7 indicate moderately correlated. For this study, Xen is considered as highly correlated, Cos is moderately correlated and Etn is weakly correlated.

Table 3
Regression analysis
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822 ^a	.675	.667	.34434

a. Predictors: (Constant), Cos, Etn, Xen

b. Dependent Variable: MEANDV

R-squared or coefficient of determination measures how close the data are to the regression line. Based on the result above, it indicates that an r-squared of 67.5 percent of the variation in the output variable is explained by the input variables. Since r-squared value $0.5 < r < 0.7$, this value is considered moderate effect size.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.077	3	9.692	81.743	<.001 ^b
	Residual	13.992	118	.119		
	Total	43.069	121			

a. Dependent Variable: MEANDV

b. Predictors: (Constant), Cos, Etn, Xen

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.954	.226		4.227	<.001
	Xen	.606	.060	.714	10.057	<.001
	Etn	.071	.049	.083	1.463	.146
	Cos	.109	.068	.121	1.599	.112

a. Dependent Variable: MEANDV

From the result above, F test is 81.743 which means the higher the F value, the better the regression model. The t-value for Xen is 10.057, followed by Cos with t-value of 1.599, and finally Etn with 1.463. T-value which is more than 2 or less than -2 is acceptable, therefore, from this result, it shows that Xen is highly significant than the other two variables.

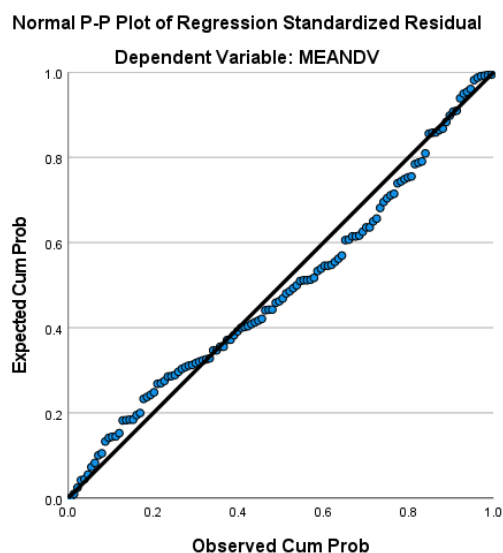


Figure 1 : Normal P-P Plot analysis

The P-P Plot is used to judge whether the variables distribution is consistent with a specified distribution. According to Chambers et al. (1983), it is a graphical technique to assess the distribution of a data set. Based in the above figure, it shows that the line is diagonal and straight in a normal probability plot, which means, it indicates that the data is normally distributed.

Hypothesis Test 1

Hypothesis tested by establishing a relationship between Eth and CB that generates correlation analysis of 0.251 indicates a non-significant relationship between the variables. The result shows that ethnocentrism has non-significant relationship with consumption behavior among respondents. Findings from a study by Sanjay and Reetika (2013), which supported by Bawa (2004) indicate that Indian consumers as being moderately ethnocentric. Based on a finding by Camacho et al (2021), consumer ethnocentrism appears to be a non-determinant of online shopping in a pandemic scenario in Colombia which has the similar cultural dimension as Malaysia.

Hypothesis Test 2

In order to test hypothesis, there is a relationship between Xen and CB. The correlation analysis is 0.809 indicating a significant and positive relationship. The finding shows that Xen has significant relationship with Malaysian's consumption behavior. A study conducted by Ganbold and Gantulga (2021), also reveal that xenocentrism has positive effect on the purchase intention towards imported products among Mongolian consumers. This is supported by Sharma et al (2006) which stated that Asian consumers prefer foreign made products. According to findings by Venugopal et al (2022), xenocentrism has a positive influence on purchase intention and considered as a valid construct for assessing the purchase behavior of consumers in Malaysia.

Hypothesis Test 3

To test the hypothesis, there is a relationship between Cos and CB. The correlation coefficient shows 0.630 indicating a moderately positive relationship between these two variables. This is supported by Purwanto (2016) through his findings as well as (Parts and Vida, 2011).

Conclusion

This study aimed to analyze the influence that cultural orientation variables have on the consumption behavior of selected Malaysian consumers. The findings supported all the hypothesis using the correlation analysis for Xenocentrism and Cosmopolitanism except for Ethnocentrism. Xenocentrism is found as having a strongest positive relationship with consumption behavior among respondents. Despite pandemic Covid-19, Malaysian consumers still prefer to purchase foreign products. The goal of this study is to provides deeper insight on how the constructs selected for this study will interact with consumers of different cultural orientation background. According to Josiassen (2011), this contribution of knowledge is essential for firms to understand their segmentation, targeting, and positioning efforts.

MNCs and businesses have the additional benefits in attracting local consumers since the appreciation of foreign products is there among Malaysian. As for local producers and businesses, more engagements in research and development, innovations, and marketing strategies can help to encourage local consumers to purchase locally made products. Klein (2002) stated that marketers should consider the consumer xenocentrism when making decisions on branding, since consumers in developing countries prefer to purchase domestic products while consumers in developed countries prefer foreign products (Alden et al., 2013). Thus, domestic players should try to engage in joint ventures with foreign companies to gain competitive advantage. Kaynak and Kara (2000) stated that local counterparts should emphasize on improvement of the quality, appearance, and product design to satisfy the consumers' needs. Hence, there will be increment in the local product offerings and less dependency towards foreign products. The government has a key role in encouraging local consumers to purchase local products through on-going campaigns and advertisements to boost the pride and confidence in local products.

This research study contributes to knowledge about cultural orientation since there were limited and not sufficient research studies on this area. The limitation of this study is that, it combines both respondents from urban and rural areas. Therefore, researchers can segregate and make comparison in future studies. Another limitation of this study which allows the

opportunities for future researchers is, they can focus on a specific product category as well integrate a bigger and more diverse sample.

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