

## Consumer Ethnocentrism and its Impact on Consumer Buying Behaviour in Emerging Markets: Evidence from the Central India's Two-Wheeler Market

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**Abstract— Purpose:** Consumer ethnocentrism (CE) is a major factor in determining what people buy, particularly in developing nations like India where consumer psychology is strongly rooted in national identity and economic independence. This study examines how consumer ethnocentrism (CE) affects consumer purchasing decisions in emerging economies, specifically focusing on the two-wheeler sector in Central India. It aims to understand how brand choices between domestic and foreign two-wheeler manufacturers are influenced by ethnocentric ideas. The study also emphasizes how lifestyle choices, generational viewpoints, and urban-rural disparities affect CE.

**Design/Methodology/Approach:** This study examines the ways in which cultural identity, nationalism, social and economic factors, and post-purchase rationalization influence consumer decisions using a conceptual framework based on the CET-SCALE and supported by secondary data and existing literature. The study compares the preferences of two-wheeler brands both domestically (Hero, Bajaj, TVS), which are frequently favoured for patriotic reasons, and globalized (Honda, Yamaha, Suzuki), which are Japanese and European brands that are occasionally seen as status or reliability symbols, especially in central India. **Findings:** The findings indicate that customer ethnocentrism has a significant effect on brand choice, especially early in the decision-making process. However, ethnocentric bias can be overcome by functional criteria like product quality and service reliability. Furthermore, these ethnocentric tendencies in the CE-behavior interaction are frequently moderated by post-purchase experience and after-sales care. **Practical Implications:** The study provides useful information for policymakers and marketing managers who want to better position domestic businesses in ethnocentric sectors. Additionally, it offers overseas businesses strategic communication strategies that emphasize local relationships, employment, and CSR actions in order to lessen resistance associated to CE. **Value of Research:** This research adds to the scant literature on CE in India's automobile industry, particularly in tier II cities. This helps to close a critical gap between consumer psychology and purchasing behavior by placing CE in a dynamically changing emerging market. It also establishes the foundation for empirical validation through primary research.

**Keywords:** Consumer Ethnocentrism, Patriotic Buying Behaviour, Indian two-wheeler consumers, CET Scale



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### INTRODUCTION

The Indian two-wheeler market is one of the largest and most dynamic in the world, characterized by a wide variety of domestic and foreign brands competing for consumer attention. In such a competitive scenario, understanding what influences consumer buying

behaviour becomes essential for marketers and policymakers alike. Among the various psychological and cultural factors, consumer ethnocentrism (CE) has gained increasing attention. CE refers to the belief that purchasing domestic products is a moral or patriotic duty, while buying foreign goods may harm the local

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economy (Shimp, 1987). This belief system influences not only product evaluations but also brand preferences and purchase decisions.

In India, where national pride and self-reliance have strong cultural and political foundations especially after initiatives like “Make in India”—the relevance of CE has intensified. Domestic two-wheeler brands such as Hero MotoCorp, Bajaj Auto, and TVS often benefit from this sentiment. Conversely, foreign brands like Honda, Yamaha, and KTM must manage a complex matrix of performance expectations, aspirational appeal, and perceived national loyalty. Moreover, socio-economic background, education level, lifestyle, and geographical setting (urban vs. rural) significantly shape the extent to which CE affects buying behavior.

This study aims to explore how CE influences the purchase of two-wheelers in India, considering both attitudinal and behavioral dimensions which lead to emotional (or nationalist) and logical approaches. By reviewing existing literature and incorporating real-world insights, the paper seeks to uncover patterns and contradictions in consumer preferences.

## REVIEW OF LITERATURE

Consumer ethnocentrism (CE) is defined as the belief that purchasing foreign products is wrong or unethical, harming one's domestic economy and being unpatriotic (Shimp, 1987); (Netemeyer, 1991). It's usually measured using the CETSCALE (Shimp, 1987). The concept of Consumer Ethnocentric Tendencies (CET) has been widely studied since its introduction by Shimp and Sharma in 1987 (Joseph, 2019)

Studies in India consistently show that higher education and income are associated with lower ethnocentric tendencies, while age and travel experience also play a role. Cultural constructs such as patriotism, collectivism, and openness to other cultures further shape CE (Yadav, 2024)

Rural vs. Urban Divide: (Das, 2017)) found rural consumers in Tripura displayed openness toward foreign products, with CE and social-comparison factors operating independently.

Consumer ethnocentrism significantly influences purchasing behaviour in emerging markets, particularly in India. Studies reveal that Indian consumers exhibit moderate ethnocentric tendencies, characterized by a preference for domestic products over foreign alternatives (S, 2024) (Sanjay K. Jain, 2013). Factors such as cultural identity, nationalism, and perceived product quality contribute to these tendencies (S, 2024). Demographic variables like age, education, and income level also play a role in shaping ethnocentric attitudes (S, 2024) (Sanjay K. Jain, 2013). Research in Turkey and Colombia demonstrates that consumer ethnocentrism inversely affects willingness to buy foreign products (Zeren, 2020).

Lifestyle dimensions moderate ethnocentric tendencies, indicating different segments respond differently (Spillan, 2007). Studies show purchase decisions hinge on price, fuel efficiency, brand reputation, and after-sales service (Shakya, 2025)

An ethnocentric consumer likely prefers Indian brands (Hero, TVS, Bajaj) over Japanese or European brands—driven by economic and patriotic bias. CE is linked with COO (Country of Origin) perceptions: high CE consumers tend to favour domestically made products over foreign ones (Balabanis, 2001) (Saridakis, 2016). In two-wheelers, Indian-made bikes are seen as more appropriate purchases (though research specifically on bikes remains limited)

Gender, social comparison norms, and brand image influence CE among Indian consumers. Urban consumers may be more influenced by global image and peer recommendations, while rural buyers may lean towards patriotic or locally-trusted brands. (Das, 2017) Poor after-sales service for Indian brands can also erode ethnocentric bias.

## RESEARCH GAP:

The CET scale developed by (Shimp, 1987) is unable to address Indian buying sentiment and Indian Market Scenario. In India various movements like Make in India, Digital India, Start Up India, Vocal for Local and Atmanirbhar Bharat are expected to shape the customer sentiments and impact the buying behaviour of Indian consumers. Substantial research was not found to enlighten these impacts. Hence, the researcher has aimed at modifying the CET scale, test its significance and apply it to find out these impacts.

## METHODOLOGY

Research design consists of both, empirical research as well as exploratory research. Empirical research was carried out using a blend of close ended and open-ended questions in a questionnaire for collecting primary data specific to the research area. Exploratory research was carried out through review of literature where in various research papers and articles were reviewed.

The questionnaire was constructed using the CET Scale (Consumer Ethnocentrism Tendencies scale) suggested by Shimp and Sharma (Shimp, 1987) using a 5-point Likert scale. However, some modifications are made in it by the researchers considering the Indian market (Refer to Annexure 1). The original scale was developed for American Consumers and has been tested and universally validated by the authors.

Two-wheeler consumers are considered as a representative of Indian market for the research as the decision for buying a two-wheeler involves lot of planning, thoughtful evaluation and selection process. Brand value has a strong impact and the consumers are mostly aware about which brands are foreign and which are Indian ones. A survey was conducted in Central India wherein, stratified random sampling method was

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used with a sample frame of major demographic parameters. After data validation sample of 125 respondents was used for the analysis.

### Objectives of research

Research was aimed to find out the major reasons which lead to consumer ethnocentrism through open ended

question so that the answers are unbiased, impact of national issues and national movements as well as the emotional and logical impact on purchase of two-wheelers in India. Secondary aim was to test the modified CET scale to find out if the constructs are significant and the statements in the constructs are interrelated leading to clear outcomes.

### Data Analysis & Findings

Questionnaire was primarily based on Modified CET scale with slight modifications in CET scale prescribed by Shimp and Sharma (Shimp, 1987)

Demographic Parameter		Frequency	Percentage
Gender	Male	88	70.4%
	Female	37	29.6%
Age	20 to 35 yrs.	92	73.6%
	35 to 50 yrs.	17	13.6%
	> 50 yrs.	16	12.8%
Education	Graduate	58	46.4%
	Post Graduate	56	44.8%
	PhD/Professional	11	8.8%
Occupation	Business/ Self Employed	28	22.4%
	Service	67	53.6%
	Non-earning	30	24.0%
Total Sample (n)		125	

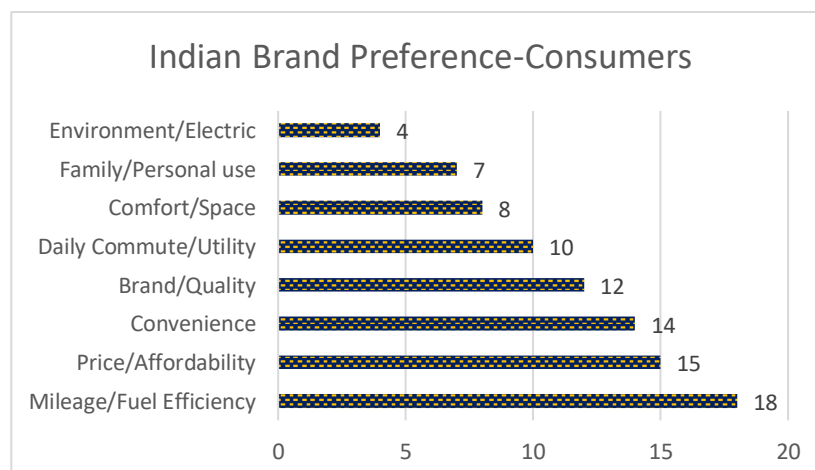
**Table 1: Sample distribution of demographic parameters**

Two-wheeler brand purchased in last 5 years	Not purchased	35	28.0%
	Foreign brand	39	31.2%
	Indian brand	51	40.8%

**Table 2: Brand preference in last 5 years (2020-2025)**



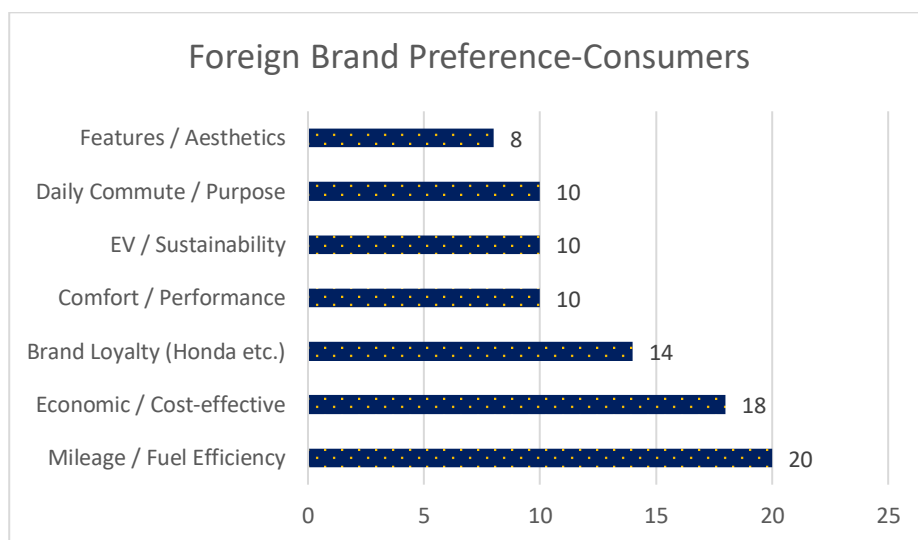
**Image 1: Word Cloud: Consumers' who preferred Indian Brand**



**Graph 1: Factors mentioned by consumers who preferred Indian Brand**



**Image 2: Word Cloud: Consumers' who preferred foreign brand**



**Graph 2: Factors mentioned by consumers who preferred foreign Brand**

A textual analysis was performed on responses gathered from open-ended questions to identify the key factors influencing the purchase decisions of Indian and foreign two-wheeler brands. Mileage, fuel efficiency and price were common factors for both types of two-wheeler brands. Foreign brand seekers however mentioned some different factors such as aesthetics, features, brand loyalty while Indian brand seekers emphasized on family use/ personal use and convenience as different factors. Apart from these 2-3 factors no such significant difference was found.

#### Modified CET Scale:

##### Testing of the constructs of Modified CET scale. (P., 2023)

Logical Influence	Cronbach's Alpha
We have good Indian options available in two wheelers so no need to buy foreign brands	0.94
Indian two wheelers are equally good or better than many foreign brands	0.91
I prefer Indian two wheelers because they are better in mileage and after sales service	0.87
Indian two wheelers are economical and value for money products	0.9
Indian Two wheelers are better suitable for Indian Road conditions	0.88

**Table 3: Testing of the correlation within the construct: Logical Influence**

Patriotic / emotional Influence	Cronbach's Alpha
Buying Indian two wheelers will help in boosting my country's economy	0.86
As an Indian I must buy only Indian two wheelers and not the imported ones	0.87
We should deliberately purchase Indian two wheelers rather than foreign brands	0.81
We should make a sacrifice for the nation and buy only Indian two wheelers only	0.81
Foreign brands should have higher taxes and duties so that people do not buy	0.83

Foreign brands should not be allowed in Indian market	0.82
People who buy foreign brand scooters are enemies of our own economy	0.86

**Table 4: Testing of the correlation within the construct: Patriotic/ emotional Influence**

Modified CET scale has two separate constructs for testing emotional and logical impact. It was found that the inter-class consistency was significant in both the constructs as the value of Cronbach's Alpha was more than 0.9 in Logical construct and more than 0.8 in Patriotic or emotional construct. Thus, the Modified CET scale was tested and found to be significant.

Demographic Parameter	rs Value	Correlation
Gender (Male, Female)	0.112	Very weak, positive
Age Groups (20-35, 35-50, >50)	0.114	Very weak, negative
Education (Graduate, PG, PhD/ Professional)	0.03	Very weak, positive
Occupation (Professional/Business, Service, Non-earning)	0.191	Very weak, positive

**Table 5: Correlation between demographic parameters and ethnocentrism**

Demographic parameters such as gender, age, education and occupation found to have very weak correlation with ethnocentrism. With Age group, the correlation was found to be negative also. It signifies that consumers of higher age group tend to purchase foreign brands like Honda while youngsters prefer Indian brands such as TVS. It indicates further need of research in this aspect.

Other Impacts	Mean	Median	Mode	Standard Deviation	Kurtosis	Skewness
'Vocal for Local' Impact	3.08	3	4	1.261	-0.95886	-0.2754
'Make in India' Impact	3.696	4	5	1.321	-0.41771	-0.84965
Realization after Covid-19	3.264	4	4	1.350	-1.13575	-0.37407

**Table 6: Impact of national issues/ movements on ethnocentrism – Descriptive statistics**

National movement 'Make in India' has a mild positive impact while 'Vocal for Local' has a weaker impact on buyers. The realization after Covid-19 that only Indian brands should be considered, has found a significant impact over buying intentions of consumers.

Indifference	Mean	Median	Mode	SD
I am indifferent about Indian or foreign brand scooters	2.896	3	4	1.243
If there were no good Indian brands in two wheelers then I would have thought about other foreign brands	3.304	4	4	1.252
Logical Construct	Mean	Median	Mode	SD
Good Indian options are available, need not buy foreign brands	3.34	4.00	4.00	1.37
Indian two wheelers are equally good or better than many foreign brands	3.34	4.00	4.00	1.23
Indian two wheelers are economical and value for money products	3.47	4.00	4.00	1.19
Indian Two wheelers are better suitable for Indian Road conditions	3.54	4.00	4.00	1.24
I prefer Indian two wheelers - better in mileage and after sales service	3.24	3.00	4.00	1.26
Emotional / Patriotic Construct	Mean	Median	Mode	SD
Buying Indian two wheelers will help in boosting my country's economy	3.86	4.00	5.00	1.30
As an Indian I must buy only Indian two wheelers and not the imported ones	3.08	3.00	4.00	1.41
We should deliberately purchase Indian two wheelers than foreign brands	2.97	3.00	4.00	1.35
We should make a sacrifice for the nation and buy only Indian two wheelers	2.73	3.00	4.00	1.23
Foreign brands should have higher taxes and duties so that people do not buy those products	2.78	3.00	3.00	1.25
Foreign brands should not be allowed in Indian market	2.35	2.00	2.00	1.14
People who buy foreign brand scooters are enemies of our own economy	2.12	2.00	1.00	1.13
Impact of national issues and movements	Mean	Median	Mode	SD

I support "Vocal for Local" Campaign of Government of India and prefer not to buy foreign brand scooters	3.08	3.00	4.00	1.26
We should support "Make in India" campaign by preferring Indian Products wherever possible	3.70	4.00	5.00	1.32
After Covid-19 Pandemic, I realized that one should support only Indian organizations	3.26	4.00	4.00	1.35

**Table 7: Descriptive Statistics for responses to various constructs**

Most of the responses show central tendency. Logically, respondents prefer Indian brands as they better suitable to Indian road conditions. Respondents quite strongly believe that buying Indian brand will help in boosting Indian economy but disagree with the statements such as foreign brands should not be allowed in Indian market and further that foreign brand purchasers are enemies of our own economy. People do not agree to such extreme ethnocentric approach. Overall tendency of respondents is that they agree with the statement that Indian two-wheelers are better in mileage and after-sales service, which is indicative towards moderation effect in buying decision. Respondents are however enough ethnocentric to support the Make in India movement promoted by the Government.

## CONCLUSION AND FURTHER SCOPE FOR RESEARCH:

Based on the survey conducted with the limited sample and a confined Tier-II city of Central India, it has been observed that people marginally prefer Indian brand (40.8%) over foreign brands (31.2%), while a slight tendency towards ethnocentrism was observed, purchasing behaviour was not strongly driven by it. Respondents refrained from extreme responses to emotional construct and did not show much impact of national issues and movements. Modified CET scale was consistent in both the major constructs and can be used is further research on ethnocentrism.

To achieve a more complete and definitive understanding, this research should be expanded to include comparisons between urban and rural consumers, and also across Tier-I, Tier-II, and Tier-III cities. This initial study serves as a crucial starting point for deeper investigations into Indian consumer ethnocentrism.

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