

**Major Research Project**  
**on**  
**A Study on Consumer Ethnocentrism in India**

**Submitted by**  
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2K21/DMBA/113

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# **CERTIFICATE**

This is to certify that Mr. Shashvat Shori has completed the project titled “A Study on Consumer Ethnocentrism in India” under the guidance of Dr. Vikas Gupta as a part of Master of Business Administration (MBA) curriculum of Delhi School of Management, New Delhi. This is an original piece of work and has not been submitted elsewhere.

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# DECLARATION

I, Shashvat Shori, student of Delhi School of Management, Delhi Technological University hereby declare that the Project Dissertation Report on A Study on Consumer Ethnocentrism in India submitted in partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) is the original work conducted by me. I also confirm that neither I nor any other person has submitted this project report to any other institution or university for any other degree or diploma. I further declare that the information collected from various sources has been duly acknowledged in this project.

Shashvat Shori

# **ACKNOWLEDGEMENT**

In this momentous occasion, I seize the opportunity to convey my heartfelt gratitude to all those who have stood by me steadfastly during the course of this MBA project. Their unwavering support, invaluable constructive criticism, and friendly counsel have been instrumental in shaping this work. I extend my sincere appreciation to them for generously sharing their authentic and insightful perspectives on various aspects related to the project.

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Furthermore, I would like to express my profound gratitude to my professors who have provided me with the requisite facilities and conducive conditions for the successful completion of my MBA project.

# EXECUTIVE SUMMARY

This study aims to examine the impact of consumer ethnocentrism on the perception and consumption of Khadi India products on the Indian market. The purpose of the study is to provide Khadi India and other domestic brands seeking to capitalise on the potential advantages offered by consumer ethnocentrism with valuable insights, allowing marketers to develop more effective strategies for promoting domestic goods and services.

India, one of the world's largest and fastest-growing economies, offers a unique opportunity to examine the role of consumer ethnocentrism in influencing consumer preferences and consumption patterns. In recent years, the Khadi India brand, which represents traditional Indian crafts, textiles, and village industries, has experienced a surge in popularity. Government initiatives promoting the brand as a means of bolstering rural economies and preserving indigenous skills and craftsmanship, as well as consumer preferences for eco-friendly and sustainable products, have contributed to Khadi India's revival.

The scope of the study is limited to individuals in the Delhi NCR area who are familiar with Khadi India products. Although the findings may not be directly applicable to other markets or product categories, the insights gained from this research can contribute to a better understanding of consumer ethnocentrism in emerging markets and serve as a valuable reference for future research in this area. Analysis of the 105 respondents revealed a nearly equal distribution of males and females, as well as a majority of respondents in the age range of 18-29. The majority of respondents held at least a bachelor's degree and reside in urban areas. Moreover, students constituted a significant majority of respondents, followed by working professionals and retirees.

A multiple regression analysis was conducted to examine the relationship between various attitudes towards purchasing Indian-made products by taking statements from the CETSCALE and the dependent variable was selected as “Consumer’s Preference for Khadi”.

Significant predictors in the model include attitudes favouring the import of only unavailable products, purchasing Indian-made products to support the Indian economy, purchasing Indian products to prevent other countries from benefiting at India's expense, the belief that it is always preferable to purchase Indian products, and the desire to heavily tax foreign products to reduce their entry into the Indian market. The positive values of the coefficients (B) indicate a positive relationship between these predictors and Khadi, implying that individuals with these attitudes are more likely to favour or support goods made domestically. These findings can assist Khadi India and other domestic brands in developing effective marketing strategies that capitalise on consumer ethnocentrism and promote the growth and success of domestic products in the face of increasing competition from foreign goods.

Understanding the role of consumer ethnocentrism in the Indian market is crucial, given India's rich and diverse cultural heritage, which has influenced consumer preferences and expectations. Moreover, the government's efforts to promote domestic industries and preserve traditional craftsmanship have fostered the growth of domestic brands such as Khadi India. By leveraging the power of consumer ethnocentrism, Khadi India and other national brands can not only strengthen their market position but also contribute to the country's economic growth. Therefore, marketers should carefully tailor their marketing strategies and communication messages to address the distinct needs and preferences of various consumer segments, ensuring that their domestic products appeal to a broad range of potential customers.

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# **CHAPTER 1**

## **INTRODUCTION**

Consumers in today's increasingly globalised world are exposed to a diverse range of products and services originating in many nations. This unparalleled access to foreign goods has not only broadened customers' options, but has also sparked discussions about the significance of supporting local firms and maintaining cultural heritage. As a result, consumer ethnocentrism has arisen as an important element influencing consumer behaviour and preferences. Consumer ethnocentrism refers to customers' preference for native products over imported ones, which is motivated by a sense of national pride and a desire to support their country's economic well-being.

India, as one of the world's largest and fastest-growing economies, presents a unique opportunity to study the role of consumer ethnocentrism in shaping consumer preferences and consumption patterns. In recent years, the Indian market has experienced an influx of foreign brands and products, resulting in increased competition for domestic companies. Against this backdrop, the Khadi India brand, which epitomizes traditional Indian crafts, textiles, and village industries, has witnessed a resurgence in popularity. Khadi India not only symbolizes the Indian freedom struggle but also serves as a testament to the nation's commitment to self-reliance and sustainable development.

The revival of Khadi India has been fuelled in part by government initiatives promoting the brand as a means to bolster rural economies and preserve indigenous skills and craftsmanship. Additionally, consumer preferences for eco-friendly and sustainable products have contributed to the renewed interest in Khadi India. However, the extent to which consumer ethnocentrism plays a role in shaping the perception and consumption of Khadi India products remains largely unexplored. This study aims to investigate the influence of consumer ethnocentrism on the perception and consumption of Khadi India products in the Indian market.

Understanding the role of consumer ethnocentrism in the context of the Indian market is particularly important, as India has a rich and diverse cultural heritage that has shaped consumer preferences and expectations. Furthermore, the Indian government has adopted



various policies and initiatives to promote local industries and protect the nation's cultural heritage. As such, consumer ethnocentrism may play a significant role in determining the success of domestic brands like Khadi India in the face of increasing competition from foreign products.

This research project seeks to delve deeper into the relationship between consumer ethnocentrism and the perception and consumption of Khadi India products. By examining this relationship, the study aims to provide valuable insights for Khadi India and other domestic brands seeking to capitalize on the potential advantages offered by consumer ethnocentrism. The findings of this study will contribute to a better understanding of the factors influencing consumer behavior in the Indian market, thus enabling marketers to develop more effective strategies for promoting domestic products and services.

## **1.1 Background**

Consumer ethnocentrism stems from the broader concept of ethnocentrism, which is defined as the belief in the inherent superiority of one's own ethnic group or culture. Shimp and Sharma (1987) coined the term "consumer ethnocentrism" to characterise the tendency of customers to prefer home items over international alternatives due to feelings of national pride, loyalty, and a desire to support local companies. Numerous research have been undertaken since then to better understand the impact of consumer ethnocentrism on consumer behaviour in a variety of cultural and economic circumstances.

In the Indian context, the importance of preserving traditional crafts, skills, and industries has been an integral part of the nation's cultural and economic development. The Khadi India brand, which represents traditional Indian textiles and village industries, has played a crucial role in promoting self-reliance, self-sufficiency, and sustainable development. The brand has its origins in the Indian freedom struggle, led by Mahatma Gandhi, who saw Khadi as a symbol of resistance against British colonial rule and as a means to empower rural communities.

Over the years, the significance of the Khadi India brand has evolved to encompass not only its historical and cultural associations but also its potential to contribute to the nation's economic growth and development. The Indian government has consistently promoted the brand through various initiatives, such as the establishment of the Khadi and Village Industries Commission (KVIC) in 1956, which aims to support and develop Khadi and village industries across the country.

In recent years, the Khadi India brand has experienced a resurgence in popularity, driven by a growing interest in sustainable, eco-friendly, and socially responsible products among consumers. Additionally, the Indian government has launched several campaigns and initiatives to further promote the brand, highlighting its benefits for the environment, rural development, and employment generation.

While the role of consumer ethnocentrism in shaping preferences for domestic products has been studied in various markets, there is limited research specifically examining its impact on the Khadi India brand. Given the unique historical, cultural, and economic significance of the brand in the Indian context, understanding the role of consumer ethnocentrism in shaping consumer preferences and purchasing decisions for Khadi India products is crucial.

Therefore, the background of this study is focused on the intersection of consumer ethnocentrism, the historical and cultural significance of the Khadi India brand, and the contemporary trends and initiatives that have contributed to its resurgence in popularity. By examining these factors, this research seeks to provide a comprehensive understanding of the context in which consumer ethnocentrism may influence the preference for Khadi products.

## **1.2 Problem Statement**

The degree to which customer ethnocentrism influences perceptions and purchases of Khadi India goods is largely unknown. While prior studies have looked at the impact of customer ethnocentrism on preferences for local goods in general, there has been little study on the Khadi India brand specifically. This research aims to close this gap by

investigating the influence of consumer ethnocentrism in developing preferences for Khadi India goods, as well as the underlying explanations for these choices.

### **1.3 Objectives of the Study**

The primary objectives of this study are as follows:

- To assess the level of consumer ethnocentrism among the respondents and its influence on their preference for Khadi India products.
- To identify the key factors that drive consumer ethnocentrism, such as cultural identity, patriotism, and exposure to foreign products, and their influence on the purchasing behaviour of Khadi India products.
- To provide valuable insights for Khadi India and other domestic brands in crafting effective marketing strategies to harness the power of consumer ethnocentrism.

### **1.4 Scope of the Study**

The scope of this study is limited to the individuals based in Delhi NCR region, towards those who have an awareness about Khadi India products. The findings of this study may not be directly applicable to other markets or product categories. However, the insights gained from this research can contribute to a better understanding of consumer ethnocentrism in emerging markets and provide a valuable reference for future research in this area.

## **CHAPTER 2**

### **LITERATURE REVIEW**

Alam, M. A., Roy, D., Akther, R., & Hoque, R. (2022) examines the influence of consumer demographic attributes on ethnocentrism and its moderating effect on choosing domestically produced household electronic goods in the context of Bangladesh. This study is one of the few that examines the consumers' ethnocentrism and attitudes toward electronic products produced in a developing country. The researchers found that demographic attributes of age, occupation, and education level influence favourably toward choosing electronics products produced in Bangladesh. However, respondents assigned the lowest weight on the “prestigious to buy domestic product” dimension, which contradicts showing a positive attitude toward domestic electronic brands. The study provides several managerial implications for local manufacturers. Domestic marketing managers should take advantage of prevalent ethnocentric tendencies by studying the demography of the domestic people. The authors suggest future studies in Bangladesh should use a larger sample size with people selected from different age groups, and psychosocial factors, like religious tendencies, should be considered as possible moderating factors.

Anusuya, D., & Banurekha, M. (2016) have noted that in today's technologically advanced world, customers' tastes and preferences change just as quickly, making it imperative for businesses to be on the cutting edge of innovation and to have a strong grasp of the evolving desires and requirements of their clientele. Moreover, companies are focusing more on the rural segment these days, developing products to meet the unique needs of customers based on market segmentation. The tastes of Khadi and Village Industrial consumers are diversifying and changing. Rural and urban KVI product development is dependent on a deep understanding of consumer behaviour and the underlying currents and cross-currents that shape their opinions and preferences. This study sought to determine consumer preferences for Khadi and Village Industrial products, as well as examine the factors that influence consumer preferences for Khadi and Village Industrial products and determine consumer satisfaction with these products. With the help of percentage analysis, chi-square analysis and ranking technique; the authors suggested large scale advertising, introducing new varieties of products and colours to suit the customer's preference and even educating the people about the

Gandhian ideology & Khadi products. They also recommended providing subsidies to increase production and therefore sales.

Karoui, S., & Khemakhem, R. (2019) have looked at consumer ethnocentrism (CE) in developing countries, with an emphasis on Tunisia, by studying moderators such product country of origin (COO) and conspicuous consumption (CC) on the link between CE and willingness to purchase domestic goods (WBD). Using a questionnaire, the authors use a positivist epistemological method to gather information from 152 residents in Sfax, Tunisia. According to the study's findings, the strength of the connection between CE and WBD is less pronounced in developing nations than in developed ones, and this is due to the moderating effects of COO and CC. The authors provide suggestions for local businesses, governments, and future studies based on the findings, all of which they believe may help forecast and explain consumers' attitudes and behavioural intentions when choosing between imported and native items in developing nations. The authors urge further research into the moderating effects of psychosocial characteristics like religious inclinations because of the study's shortcomings, which include a small sample size and restricted regional coverage.

Keith, K. D. (2019) explored the idea of ethnocentrism, a human trait with widespread prevalence and origins in one's culture or ethnic background. Keith investigates the nature of ethnocentrism, its causes, and potential remedies. He sheds light on the complexities of ethnocentrism and its substantial role in generating cross-cultural disparities, intercultural conflicts, and unfavourable stereotypes by assessing a number of biological and psychological views. Keith discusses the possible effect of education and associated factors on individual degrees of ethnocentrism, acknowledging the need of such an understanding for effective intergroup interactions. To understand the ethnocentric constraints of our cultural and scientific knowledge and to seek strategies to lessen ethnocentrism among people, his study adds to the larger efforts in cross-cultural psychology.

Ma, Q., Abdeljelil, H. M., & Hu, L. (2019) have looked at the ways in which consumers' ethnocentrism and cultural familiarity influence their choice for certain brands. Event-related potential (ERP) was employed in the research to find psychological and physiological indicators of consumer ethnocentrism. Chinese respondents' preferences for company logos were found to be significantly influenced by the recommender's race, with

logos suggested by members of the subjects' own ethnic group being more highly valued than those recommended by members of other ethnic groups. In addition, respondents acquainted with Chinese culture showed no preference for in-group vs out-of-group suggested logos for brands, suggesting that cultural familiarity mitigated consumer ethnocentrism. The research shows that neuroscience techniques like ERP have the potential to complement more conventional approaches to the study of customer ethnocentrism in international marketing.

Nautiyal, V. (2020) has stated that Khadi is India's Freedom Fabric. Khadi is more than a fabric; it is an ideology that has aided India in achieving independence. Khadi, on the other hand, became unpopular among the masses after independence and fell out of favour. After the 1990s, celebrity Indian designers were the first to bring Khadi to the runway. As a result, the author used this study to examine Khadi as a commodity during Independence to a Luxurious Product in modern times in terms of Brand Identity. The study's data was primarily gathered from a variety of published research papers and articles. The study found that in today's scenario, designers are more eager than ever to use Khadi in their ensembles, and the fabric has won praise from wearers for its comfort. By projecting Khadi as a luxury product, it is exposed to a new niche market opportunity. Khadi fabric, which was once a symbol of Gandhian ideology, is now in the midst of a commercialization phase. Khadi's popularity has risen over time, but it has also evolved in terms of its core and peripheral identities. The fabric that was once made for and by the poor is now made by the poor for the wealthy.

Padmasani, Dr. (Mrs.), Muruganadan, S., & Yazhini, M. (2012) had looked into people's attitudes and satisfaction with Khadi products, as well as to compared rural and urban consumers. Apart from Fishbein's Multi-Attribute Attitude measurement model, statistical tools such as ANOVA, paired t-test, and correlation analysis were used. The results of this study show that Khadi shoppers in both rural and urban areas have a favourable opinion toward Khadi items, demonstrating a link between contentment and attitude. The authors suggest the policymakers in the Khadi and Village Industries (KVI) sector to adopt a single strategy for the entire market, without distinguishing between rural and urban areas, in order to boost Khadi product sales. Furthermore, this study also reveals that youthful customers had a higher attitude score than older customers, both in rural and urban areas. As a result, Khadi products may be promoted as fashionable and

intrinsically valuable in order to attract the attention of the new and fashionable generation of this century, encouraging them to discover the beauty of Khadi and support it as a fabric of our tradition.

Shimp, T.A., & Sharma, S. (1987) This study aimed to explore consumer ethnocentrism, a concept that highlights the importance of the "country of origin" (COO) label in influencing buying behavior. The authors noted that understanding consumer attitudes towards both domestic and imported products is particularly relevant in Oman, where diversification strategies are being implemented to promote locally produced products. It focused on constructing and validating the Consumer Ethnocentric Tendencies Scale (CETSCALE), a tool designed to measure consumer ethnocentrism. The authors employed various methods, such as exploratory factor analysis, to develop the CETSCALE and assess its reliability and validity. The study found that the CETSCALE effectively captured consumer ethnocentrism and provided valuable insights into how consumers' attitudes towards domestic and imported products are influenced by their ethnocentric tendencies. The researchers emphasized that understanding consumer ethnocentrism and its impact on buying behaviour is essential for policymakers and businesses to formulate more effective marketing strategies and national "buy local" campaigns. As Oman seeks to diversify its economy and promote local products, comprehending the attitudes of Omani consumers towards domestic and imported goods becomes even more critical for the success of these initiatives.

Sivasakthivel, Dr.E.K. (2021) had looked at people's familiarity with khadi items and their characteristics in the research region. The research used primary data gathered through interviews with 384 residents of the Nagapattinam area. The author used a variety of statistical methods, including mean, standard deviation, coefficient of variation, and the Chi-square test. The survey found that respondents knew a great deal about where to get khadi goods, the longevity of khadi products, and the quality of khadi products, as well as the factor, the way of utilising khadi products, and how khadi stores aid village and small enterprises. The lowest degree of knowledge was found for the pricing of khadi goods, followed by the material used to create them, the capacity to compare khadi goods to other goods, and the place where the goods were produced. The author concludes by recommending that residents of the study region increase their knowledge of khadi goods

to promote the development of the khadi and village industries and the creation of new jobs.

Spielmann, N., Maguire, J. S., & Charters, S. (2018) had aimed to develop a theory of product patriotism that explains how consumers construe their national identity through consumption of nationally iconic products. The study proposes a typology of four virtual national identity positions that consumers may occupy relative to their stocks of cultural capital, relational orientation towards the nation, and situational contingencies. The study emphasizes that product patriotism is distinct from previous research that focuses narrowly on positive forms of nationalistic consumption or segments consumers based on nationalistic or patriotic traits. The research also identifies managerial implications for firms selling products with high symbolic value, governments, and non-profit organizations that depend on national identity to market their products and services. The authors suggest a differentiated framework for the marketing of nationally symbolic products, where firms should inform themselves about how the national identity is defined by those living in the nation, consider the level of attachment consumers may or may not have toward the nation, and measure their attachment to products that are instrumental in the definition of national identity. The study also proposes future research on different modes of product patriotism that entail socially-patterned conceptions of national identity and how consumers' national identity is maintained through the consumption of nationally-iconic products. Additionally, the research suggests that the study can be extended to expatriates' and global nomads' consumption of national symbols and that a scale measure for product patriotism can be developed.

Tantray, S. (2018) had offered a thorough analysis of the causes and effects of consumer ethnocentrism (CET), as well as the roles that mediating and moderating factors could play in these relationships. As one of the "cross-currents" of globalisation that national enterprises use to dilute international competition, CET is examined in this study together with the growth of non-tariff barriers in a globalised society. In order to provide readers a complete picture of CET in today's globalised world and to add to the body of marketing knowledge, the author gives an integrated framework and thorough summary tables. The report outlines several potential directions for further study in the field, such as an examination of CET in the service sector and the effect of globalisation on consumers' perceptions of high-tech goods. For both tiny domestic nations and multi-nationals, it



recommends researching the efficacy of "buy local" campaigns and the native image promotion approach. The study also suggests looking at domestic concerns inside countries to better comprehend the local economy and consumer markets there. In short, this report provides important insights into consumer behaviour and marketing in emerging nations and points the way for more study in this area.

Yoo, J. J., & Lee, W.-N. (2019) have looked at how consumers' long-term and fleeting activation of national identity affect their reactions to patriotic ads. The research looks at how the activation of national identity affects consumer reaction to patriotism-themed commercials in various cultural settings, as well as how cultural differences in the amount of chronic national identification affect consumer reaction to such ads. The results imply that consumers' cultural preferences influence their reactions to patriotically oriented advertisements via the medium of their chronic degree of national identification. As a result of their stronger sense of national identity, Korean consumers—who tend to be more collectivistic than their American counterparts—react positively to patriotically oriented advertisements. Moreover, the study found that consumers' evaluation of the patriotism-themed ads significantly increased regardless of cultural background when national identity was made salient through an identity prime, though this effect was significantly stronger among Korean consumers than among American consumers.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

This research project employed a quantitative approach to investigate the factors that influence the preference or support for domestically produced goods in India. A comprehensive methodology was developed to collect demographic data and to analyse preferences of consumers using regression analysis to present the findings. For regression analysis, the dependent variable was Consumer's Preference for Khadi and for the independent variables, the CETSCALE developed by Shimp and Sharma (1987) was adapted to questions relating to India.

Google Forms was used to conduct an online survey with a representative sample size of 105 people. The questionnaire was designed to capture demographic information, attitudes towards purchasing Indian-made products as well as preference towards Khadi products. The demographic variables included gender, age, education, area of residence, and occupation.

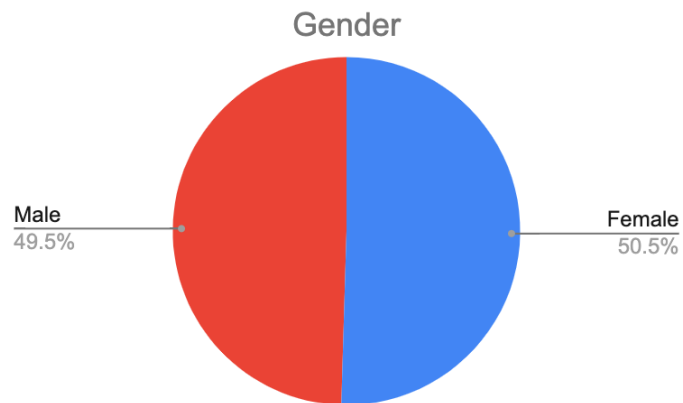
Pie charts were used to illustrate the demographic data so that the features of the sample could be quickly grasped. This allowed for a clear understanding of the respondents' backgrounds and facilitated the interpretation of the results. In addition to the pie charts, multiple regression analysis was conducted for which the rest of the data was imported into IBM SPSS software for analysis to examine the relationship between the attitudes towards purchasing Indian-made products and the dependent variable, Consumer's Perception of Khadi.

The multiple regression analysis aimed to identify significant predictors of the relationship between the level of consumer ethnocentrism and the consumer's preference for Khadi India. The model's goodness of fit was assessed through the R Square and adjusted R Square values, while the significance of individual predictors was evaluated using the coefficients table. The use of regression analysis enabled the investigation of complex relationships between multiple variables and provided insights into the factors driving Consumer Ethnocentrism among Indian consumers.

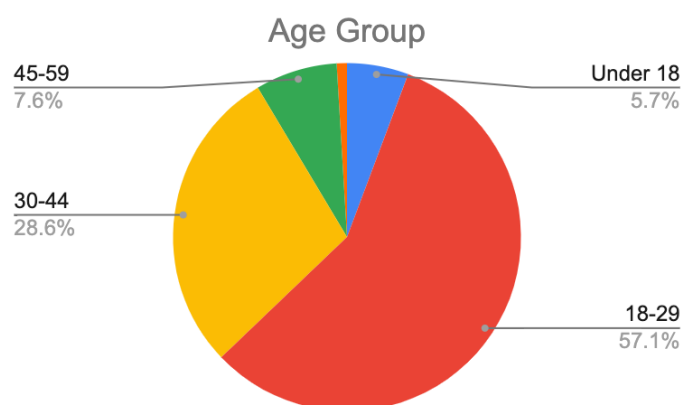
## CHAPTER 4

### ANALYSIS, DISCUSSION AND RECOMMENDATIONS

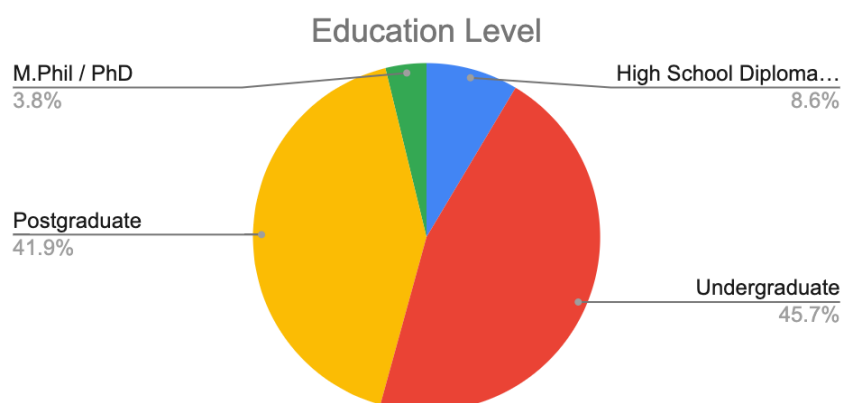
#### 4.1 ANALYSIS OF DEMOGRAPHIC DATA



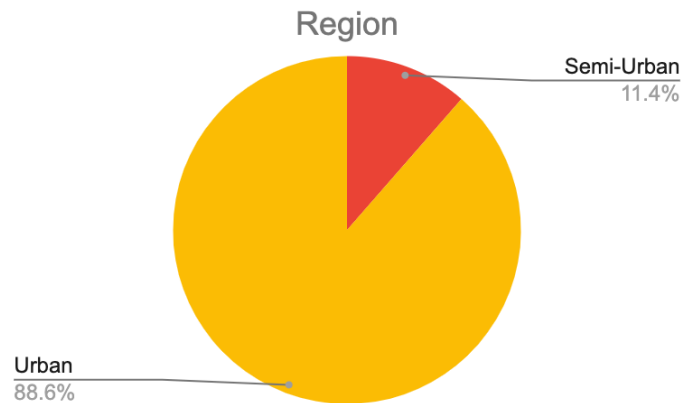
In the analysis of the 105 respondents, a nearly equal distribution of gender was observed, with 49.5% identifying as male and 50.5% as female. This balanced representation ensures that the perspectives of both genders are adequately considered in the study.



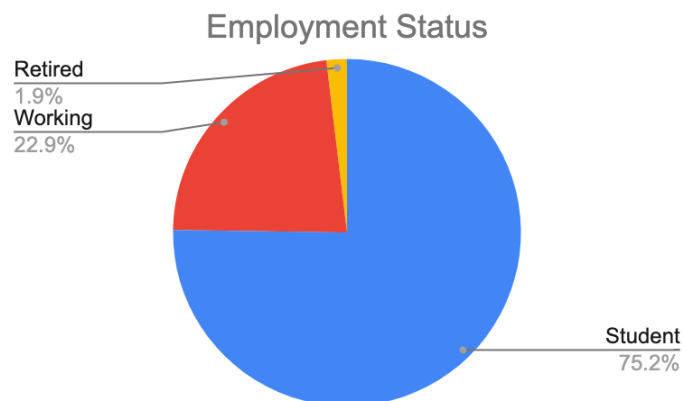
Among the respondents, the majority (57.1%) belonged to the 18-29 age group, followed by the 30-44 age group (28.6%). The 45-59 age group constituted 7.6% of the participants, while 5.7% were under 18, and a small percentage of 1% were aged 60 and above. This distribution highlights the prominence of younger age groups within the sample, providing valuable insights into their perspectives and preferences.



Among the respondents, 45.7% had completed their undergraduate degree, while 41.9% had obtained a postgraduate degree. A smaller proportion, 8.6%, had completed their Class 12/High School Diploma, and 3.8% held an M.Phil/Ph.D. This distribution demonstrates that the majority of participants in the study had higher levels of education, with a significant number having completed at least a bachelor's degree.



According to the data collected, it was found that 88.6% of the respondents were from urban areas, while 11.4% belonged to semi-urban areas. This suggests that a majority of the respondents were from urban areas.



The majority of the respondents were students, accounting for 75.2% of the total sample, followed by working professionals representing 22.9% of the sample, while retired respondents were the smallest group, representing only 1.9%.

## 4.2 REGRESSION ANALYSIS

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.838 <sup>a</sup>	.703	.678	.2482

a. Predictors: (Constant), We should buy from foreign countries only those products that we cannot obtain within our own country, It is always best to purchase Indian products, Foreign products should be taxed heavily to reduce their entry into India, Only those products that are unavailable in the India should be imported, We should purchase products manufactured in India instead of letting other countries get rich off us, Buy Indian-made products. Keep India working, Indian people should always buy products made in India instead of imports, Indians should not buy foreign products, because this hurts Indian business and causes unemployment

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.787	.305		2.577	.011
	Indian people should buy products made in India instead of imports	.040	.028	.133	2.493	.027
	Only those products that are unavailable in the India should be imported	.255	.038	.429	6.702	.000
	Buy Indian-made products. Keep India working	.200	.039	.351	5.130	.000
	We should purchase products manufactured in India instead of letting other countries get rich off us	.226	.046	.325	4.929	.000
	It is always best to purchase Indian products	.049	.021	.144	2.345	.021
	Indians should not buy foreign products, because this hurts Indian business and causes unemployment	.010	.054	.103	1.182	.004
	Foreign products should be taxed heavily to reduce their entry into India	.142	.023	.350	6.059	.000
	We should buy from foreign countries only those products that we cannot obtain within our own country	.058	.042	.081	2.377	.032

a. Dependent Variable: Consumer's Preference for Khadi

In this multiple regression analysis, the values from CETSCALE were taken as independent variables and Khadi-related statements were taken as the dependent variable. The regression analysis aimed to investigate the relationship between the level of consumer ethnocentrism and the consumer's preference for Khadi India.

The model has a good explanatory power, as indicated by the R Square value of 0.703. This means that 70.3% of the variation in Khadi can be explained by the predictors included in the model. The adjusted R Square, which is considered to be better, is 67.8%, demonstrating that the model has a good fit.

The coefficients table presents information about the relationship between each independent variable and the dependent variable (Consumer's Preference for Khadi). The statements in this regression model have a with p-value < 0.05 :

- Indian people should buy products made in India instead of imports
- Only those products that are unavailable in India should be imported
- Buy Indian-made products. Keep India working
- We should purchase products manufactured in India instead of letting other countries get rich off us
- It is always best to purchase Indian products
- Indians should not buy foreign products, because this hurts Indian business and causes unemployment
- Foreign products should be taxed heavily to reduce their entry into India
- We should buy from foreign countries only those products that we cannot obtain within our own country

The statements above have positive values of the coefficients ( $\beta$ ) indicating a positive relationship between these statements and consumer's preference for Khadi India, suggesting that people with these attitudes are more likely to prefer or support domestically produced goods.



## **CHAPTER 5**

### **LIMITATIONS**

The current study had several limitations that should be noted. For starters, the research was conducted in a relatively brief period of time, which may have influenced the depth and breadth of the analysis. Second, the sample size was limited to 105 respondents, the majority of whom lived in Delhi NCR's urban areas. This geographical limitation may have influenced the findings' applicability to other parts of India..

Additionally, the study relied on self-reported data collected through Google Forms, which might be subject to response biases, such as social desirability or recall bias. Moreover, the sample was predominantly composed of individuals with higher education levels, which may not accurately represent the broader population's views and attitudes.

To overcome these limitations, future research could expand the scope to include participants from various states and union territories across India, encompassing rural, semi-urban, and urban regions. Furthermore, considering a larger and more diverse sample that represents different educational backgrounds, age groups, and socioeconomic statuses would contribute to the generalizability and robustness of the findings.

## **CHAPTER 6**

### **CONCLUSION**

By concentrating on the demand for Khadi India products, this study sheds light on the tastes and attitudes of Indian customers towards items made in India. The study's findings on Indian customers' tastes and mindsets are really helpful. The research shows that consumer ethnocentrism plays a major impact in the formation of Indian customers' preferences for local items. This leaning is motivated by sentiments of patriotism, cultural identification, and economic self-interest. The results from this research has illustrated that attitudes favouring the import of unavailable products, purchasing Indian-made products to support the Indian economy, purchasing Indian products to prevent other countries from benefiting at India's expense, the belief that it is always best to purchase Indian products, and the desire to tax foreign products heavily in order to reduce their entry into the Indian market are significant contributors to the preference or support for Khadi and other domestical goods.

The findings of the study highlight the necessity for marketers of domestic products and policymakers to consider these factors when designing marketing strategies and policy measures to promote the consumption of domestic products in the Indian market. The purpose of the study was to determine how to increase the consumption of domestic products. By understanding the significant factors driving consumer preferences, marketers can tailor their promotional campaigns and product offerings to resonate better with the target audience, emphasizing the benefits of supporting local industries and the economic advantages of consuming domestic products. Similarly, policymakers can devise incentives and regulations that encourage the production and consumption of domestic goods, while striking a balance with international trade to ensure that the market remains competitive and consumers have access to a diverse range of products. This balanced approach can help foster a sense of national pride and economic growth, while also promoting the sustainable development of domestic industries in the face of global competition.

Leveraging the power of consumer ethnocentrism and tailoring marketing strategies to address the unique needs and preferences of different consumer segments, Khadi India and other domestic brands can strengthen their market position, contribute to the overall

economic development of the country, and preserve the rich cultural heritage of the country. To do this, businesses may take advantage of customer ethnocentrism and develop marketing plans that cater to certain demographic groups. Policymakers need to minimise unintended outcomes like trade conflicts by striking a balance between actions to support local businesses and those taken to maintain a level playing field.

Ultimately, gaining an understanding of consumer ethnocentrism and finding ways to capitalize on it is essential for the development and success of domestic industries such as Khadi India. Domestic brands can capitalize on the growing preference for products made in India by appealing to the sense of national pride, cultural identity, and economic considerations of Indian consumers. By highlighting the unique craftsmanship, traditional techniques, and sustainable production methods inherent in the domestic products, brands can differentiate themselves from foreign competitors and showcase the added value of supporting local industries. Furthermore, engaging in corporate social responsibility initiatives that benefit local communities and the environment can strengthen the connection between consumers and domestic brands. This strategic approach will not only boost the country's economy but also contribute to cultural preservation and social development for generations to come, creating a lasting legacy of pride in Indian-made products and a sense of unity among the population.

## **CHAPTER 7**

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