



Consumer Ethnocentrism in Indian Air-Conditioner Market: A Social Identity Theory Perspective

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Abstract

This study contributes to the theory of consumer ethnocentrism by empirically examining its role in the Indian market. The study has been conducted on Indian Millennials using the well-established CETSCALE to capture ethnocentric behaviour. The study's findings show that CETSCALE is a unidimensional variable in India. Social identity theory has been used to explore and validate the results. The scale explains 75% of the variance through four key constructs toward ethnocentric behaviour of Indian millennials. This paper is of value to marketers interested in the rapid rise of home electronic appliances in India. The product used for this study is an air-conditioner. Multinational companies can use this study to strategically respond to entering the Indian market. Further theoretical and practical implications are presented with potential for future research.

Keywords Consumer ethnocentrism · Consumer durable · Foreign product · Air conditioner · Consumer ethnocentric tendency scale · CETSCALE · Social Identity Theory

Introduction

Overseas multinational corporations (MNCs) face challenges in the acceptance of their products due to competition from national products. Firms must comprehend the changing dynamics of competitiveness (Ajitabh & Momaya, 2004). Further, understanding consumer behavior is essential for marketers to strategically enter the Indian market. Hence, consumer ethnocentrism (CE) has been widely studied to understand the attitude of millennial towards home electronic appliances such as air-conditioners in India.

Ethnocentrism revolves around the attitude of consumers to go towards local products. Although CE has been widely studied in developed nations, its origin rests in the USA and developing economies (Shimp & Sharma, 1987).

India presents a unique scenario for the consumer durables market (IBEF, 2019). This study is centered on a specific appliance product that is air-conditioner where competition in local and foreign products is moderately high. Local brands constantly compete against international brands based on various parameters. Furthermore, Supphellen and Rittenburg (2001) claim that purchasing domestic or foreign items entails considerable personal and social costs. Consumer decisions regarding domestic and foreign products consider some relevant costs. These costs are generally associated with collective compliance (i.e., the nation), such as economic, social, and personal compliance. International players are persistently seeking opportunities in developing economies due to their large size and potential markets. Moreover, the strategic outlook for low-cost strategies helps gain market share and competitiveness (Momaya & Ajitabh, 2005). Consumers then make decisions based on the net costs of purchasing foreign goods. For CE to emerge in a certain behaviour, such costs must be overcome. Overcoming costs is a consequence of attitude's strength (Byrka, 2009; Kaiser et al., 2010).

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Developing nations favor imports from developed nations because of social status and pride (Kumar & Paul, 2018; Wang & Chen, 2004a, 2004b). We investigate whether CETSCALE's notion of consumer ethnocentrism applies to an emerging economy, such as India, where imports are likely to be preferred over native items. General disposition tests, such as the CETSCALE used to measure CE, are geared toward general stimuli, such as local or foreign products in general rather than individual brands, to discriminate between general and specific (Fishbein & Ajzen, 2005). Local consumer identities, on the other hand, are continually negotiated by global consumer culture trends (Cleveland & Bartch, 2019; Strizhakova & Coulter, 2015).

Developed nations represent an ever-shrinking part of the global economy (Wilson & Purushothaman, 2003). However, developing nations have tremendous opportunities for global products. Considering the shift from developed nations to developing countries, global managers need to examine the attitudes towards foreign products in emerging countries. CE provides a reasonable explanation as to why consumers evaluate domestic products and services more favourably than their foreign counterparts. CE has been defined as "the belief held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products" (Shimp & Sharma, 1987).

To measure CE, (Shimp & Sharma, 1987) developed, tested and validated the Consumer Ethnocentric Tendency Scale (CETSCALE), a 17-item scale. The items in this scale are 5-points Likert-type statements, indicating higher ethnocentric tendencies for higher summated scores. The CETSCALE is the most widely used scale for measuring CE in marketing studies around the world. This scale is designed to disclose why some consumers gauge domestic products more favourably than foreign products. The CETSCALE is extensively used by researchers in Western countries who want to test 'tendency' that refers to a general notion of disposition to act in a particular homogeneous fashion towards foreign products. This scale has high reliability and validity in developed countries such as the USA, France, Germany and Japan (Netemeyer et al., 1991). CETSCALE is a valuable tool for marketing managers to understand consumers' tendencies related to the perception of foreign versus locally made products and services.

With changing generational boundaries, businesses are rapidly adapting to evolving customer behaviour patterns (Deloitte, 2018; Gera et al., 2021; Jain et al., 2020; Park et al., 2014; Yotova, 2017). One way to analyse this behavioural pattern is to engage actively with the next generation of consumers. Globally, businesses are increasingly shifting their focus on a new and alluring segment of buyers i.e., Generation Z. Gen Z is a new potent influencer overshadowing their parental generation-Millennials and grand-parental Generation X (McKinsey & Company, 2018). Verma (2020)

defines Gen Z'ers as those born between 1995 and 2012, raised in the digital world and displaying some unique qualities. First, Gen Z is redefining politics, culture, religion and consumer behaviour as they choose experience over career, skills over earnings, share everything online over being introverts as compared to their parents or earlier generations. Second, they grew to 472 million in India in 2019, and account for 32% of the global population. Gen Z is thus increasingly inspiring and influencing purchase decisions and hence is highly attractive to any marketer.

The expectations of Indian consumers have increased, because of the high penetration of MNCs in India since 1991 (Singh & Wagner, 2019). However, we are optimistic about studying the Indian market using CETSCALE to determine whether consumers' attitudes and national brands have an edge over foreign products. This topic has been studied in developing nations (Garmatjuk & Parts, 2015; Huddleston et al., 2001). However, India is an exception, in which this topic is under-researched. Further, the study is conducted on a single product, an air-conditioner (AC), making it product-specific and market-applied. The impact of demographic characteristics such as gender on CE has not been studied extensively in the literature because it is generally not found to be significant (Bahae & Pisani, 2009; Mangnale et al., 2011). However, few studies support the role of gender in the formation of CE (Acikdilli et al., 2018; Prince et al., 2020). With increased globalization and more women joining the workforce, Indian women's attitude towards CE needs to be assessed (Kumar et al., 2011). The results of the study will be useful for global managers to understand Indian consumers' attitudes towards international brands. Given previous dynamics, we aim to explore the CE tendencies of Gen Z towards AC in India. The objectives of this study are twofold. First, to determine the existence of ethnocentric tendencies for AC among Indian Gen Z. Second, to provide empirical evidence on how gender influences CE tendencies.

This paper comprises four main sections. The first section opens with a discussion on the Indian consumer durables and CE. The second section provides a literature review of CE and the factors that affect it. The third section provides an explanation of the methodology adopted to test the proposed hypotheses. The fourth discusses the results of the analysis, followed by discussions and their implications.

Literature Review

Consumer ethnocentrism was explored through social identity theory. Previous research has been reviewed from the perspective of CE and the factors influencing it. Conversely, Zeugner-Roth et al. (2015) mentioned the distinctness between the home country group and foreign country group, explaining it through Social Identity Theory Tajfel

(1974). Building upon this theory, the authors support the notion that consumer ethnocentrism will disfavor foreign products and favor home country products (Cheah et al., 2016; Huang et al., 2010).

CE Conceptualization

The word ethnocentrism was first coined by Sumner (1906) describing it as “the technical name for the view of things in which one’s group is the hub of everything, and all others are scaled and rated concerning it”. Ethnocentrism is also associated with pride, arrogance, belief in one’s own group’s supremacy, and disdain for outsiders (Sumner, 1906). Hence, one’s own community fosters pride and vanity, exalts accomplishments, boasts superior and casts contempt on outsiders. This manner of thinking is natural and an inherent natural aspect of human existence, although others argue that it is not (Shankarmahesh, 2006).

Results from country-of-origin (COO) studies indicate consumers’ preference for domestically produced products. This varying level of domestic preference has been conceptualised as ‘consumer ethnocentrism’ (Altıntaş & Tokol, 2007). CE presents researchers with an understanding of how consumers prefer local products, highlighting CE tendencies (Watson & Wright, 2000). Research has established CE as a global attitude, but the degree to which it influences consumer behaviour varies from country to country (Akbarov, 2021; Javalgi et al., 2005). In a globalized world, the consumer purchasing decision process has become highly challenging as consumers choose between domestic and imported goods (Dmitrovic et al., 2009). CE is critical to the marketing discipline because of its strong influencing power affecting consumer behaviour.

CE: Antecedents and Consequences

Consumer ethnocentrism has certain characteristics considered by consumers facing globalization. Shimp and Sharma (1987) described the specific properties of CE as a tendency rather than a particular attitude. It is motivated by a concern for one’s own country and the possible damage that imports may pose to oneself and fellow citizens. CE implies a moral element in that buying imported goods is seen as unpatriotic and apathetic to the plight of fellow citizens put out of work. It is considered inelastic in terms of price and other product-related characteristics. As a tendency, it is assumed to be ingrained during early childhood, similar to other behavioural habits. Thus, the summation of individual tendencies has consolidated into CE. Consequently, the factors influencing consumer attitudes and their perceptions are categorised as work loss, unpatriotic conduct, product availability, and impairment to the economy.

To summarize the antecedents and consequences of CE, many studies have been conducted in developed and emerging markets. An integrated literature review by Shankarmahesh (2006) included 37 earlier studies conducted in countries such as Australia, Britain, France, Mexico, New Zealand, Hong Kong and the USA. This review identified four antecedents. First, socio-psychological factors include patriotism, materialism, collectivism, and cultural openness. Second are economic environmental factors such as the level of economic development, capitalism, and personal financial situation. Third are political factors, such as political propaganda, leader manipulation, and political history. Fourth, demographic characteristics such as age, gender, income, education, race, and social class, all indicate an effect on the consumer’s disposition to foreign products. Similarly, Mangnale et al. (2011) identified two significant components of CE, namely cultural and economic. Cultural elements are mostly concerned with everyday activities such as clothes and religious symbols. The cultural ethnocentrism component expresses the belief that one’s own cultural rules and views are distinct from those of other communities and foreign cultures. The economic ethnocentrism component is associated with the belief that foreign communities should be seen as economic competitors and, thus, should be limited in their ability to influence the consumers’ economy and market.

The consequence of CE tendencies is whether they contribute to domestic rather than foreign product purchases. Research has established mixed results regarding the relationship between CE and outcome variables in terms of attitude and intention to buy. Studies conducted in developed countries reflect CE tendencies favouring the consumption of domestic products (Balabanis & Diamantopoulos, 2004; Shimp & Sharma, 1987). However, contrasting results have been reported regarding this association in developing countries (Cheng Lu Wang & Chen, 2004a, 2004b; Bahae & Pisani, 2009; Wise, 2017; Karoui & Khemakhem, 2019; Tang et al., 2021). Researchers concur on more research in developing countries on consumer buying intentions to address the gap in the international marketing literature (John & Brady, 2011; Pentz et al., 2017).

Research Methodology

The study is conclusive in nature and intended to achieve the stated goals. Descriptive analysis establishes the frequency with which something occurs or the relationship between variables, thus advancing the study’s goals (Churchill & Iacobucci, 2010). The exploratory study of Gen Z’s CE is a significant move towards a better understanding of how various types of buyers compare domestic and foreign products.

Sampling

This is a cross-sectional study in which information is gathered only once over a period of days, weeks, or months (Sekaran, 2003). Data were collected over a span of three weeks in December 2020. Population for this study comprised students enrolled in Masters in Business Administration (MBA) program. This population represents Gen Z, mostly born between 1995 and 2010, and falling in the age bracket of 20–25 years (McKinsey & Company, 2018). Respondents' selection were based on non-probability convenience sampling. A total of 250 questionnaires were distributed among MBA students from premier B-schools in Delhi NCR, Haryana and Rajasthan, resulting in 218 usable responses. These states were selected as northern India has the greatest market revenue share for ACs because of the region's climatic conditions and developing industrial sector (EFY, 2019). In addition, migration from across India in search of employment has transformed Delhi NCR into a cosmopolitan zone, representing a heterogeneous population and cultural diversity (Sharma & Sharma, 2021).

Data Collection

Data were collected from participants using an online link. A self-designed questionnaire was constructed using Google Forms. Keeping in view of the unprecedented situation of COVID-19, this Google Form was shared on WhatsApp numbers and email ids of the targeted population. The questionnaire was divided into two sections. The first part was designed to measure the participants' CE tendencies. The 17-item CETSCALE measure developed by Shimp and Sharma (1987) was adopted and adapted to determine the level of CE. The researchers used a five-point Likert-type scale (1 = strongly disagree to 5 = strongly agree) to indicate the strength of the instrument, with air-conditioners as the product category. The second part was designed to collect the participants' demographics. The ideal sample size was calculated to be 5–10 times the items mentioned in the questionnaire (Malhotra, 2010). We took the sample size to be ten times the number of items in the self-designed questionnaire.

Douglas and Nijssen (2003) warn against borrowing scales across borders without first checking their properties and applicability in contexts other than those in which they were developed. As a result, using the collected data, we investigated the CETSCALE's reliability and validity in India. Factor analysis was used to determine the variation described by the available data, based on the study needs.

Data Analysis

Descriptive statistical methods were used to summarise the demographic data. For the CE component, this study used Principal Component Analysis (PCA) approach for Exploratory Factor Analysis (EFA), which is particularly useful for learning basic factor-analytic procedures and terminology (Fabrigar & Wegener, 2011; Gorsuch, 1988). A data matrix's dominant patterns can be extracted using PCA. The matrix results were described in detail in the form of a series of score and loading plots (Wold et al., 1987). Generally, un-rotated solutions are difficult to decipher. Consequently, the axes are rotated, which are normally orthogonal or oblique (Gable & Wolf, 2012). The method of orthogonal rotation (Varimax) identifies variables that are uncorrelated. Varimax was extremely useful for rotating the variables and obtaining proper extraction. Confirmatory factor analysis was conducted after the different factors were established using reduction techniques. The validity and results are then clarified and discussed.

Results

Table 1 presents the sample demographics. The demographics show that the female respondents represented more than half (52.3%) of the sample, with male and the rest (47.7%). The majority (76.1%) of the respondents were between the age of 20 and 30 years, 4.1% were below 20 years and 19.8% were above 30 years. It was further reported that 34.9% of respondents' households owned AC from Indian companies, 46.8% owned AC manufactured by an international company, and 18.3% were having ACs from domestic as well as international companies. Among the Indian brands, Voltas, Videocon, and Blue Star were mentioned by the majority of users, whereas among foreign brands, Hitachi, Daikin, Carrier, and LG were the preferred brands.

Table 1 Demographic and socio-economic analysis of respondents

Group (<i>n</i> = 218)	Variable	Percentage (%)
Gender	Male	47.7
	Female	52.3
Age	Below 20	4.1
	20–30	76.1
	30 and above	19.8
Air-Conditioner -Use	Domestic co	34.9
	International co	46.8
	Both	18.3

Reliability

Cronbach alpha was used to assess the overall scale and construct reliability. The Cronbach's alpha value for the sample's ethnocentrism scale was 0.913, as shown in Table 2. According to Burgess and Steenkamp (2006), a Cronbach's alpha of more than 0.6, represents a valid collection of measures of the underlying construct.

The statements under each construct were identified using EFA. The factorability of the data was investigated using two statistical measures: Bartlett's Test of Sphericity and the Kaiser–Meyer–Olkin Estimate of Sampling Adequacy

(KMO). For factor analysis, Bartlett's Test of Sphericity must be relevant at $p < 0.05$ (Malhotra, 2007; Tabachnick & Fidell, 2007). The Bartlett's Test of Sphericity in this study was $p = 0.000$, indicating that the EFA was sufficient. A KMO value of 0.879 indicated that the data were sufficient for sampling.

Considering all the four constructs together, as shown in Table 3, the total variance explained is 75%. Trade-related factors explain 21.7% of the variance followed by patriotic factors, which constitute 21.3% variance. The third important factor is ethnocentric, which is an affinity towards Indian products explaining 18.8% variance. Finally, employment (related to home country), explain 13.3% variance.

Table 2 Reliability analysis of factors

Factor	Score
Trade Restriction Factors	0.899
Patriotic (country preference)	0.911
Ethnocentric (Home country products)	0.901
Unemployment	0.819
All Factors	0.913

Validity

The scale was developed to measure the most significant factors that could be calculated (Fisher Jr, 2007). Most statements in the questionnaire were extracted and adapted for India from the established CETSCALE developed by Shimp and Sharma (1987). Data were obtained from three Indian

Table 3 Dimensions of CETSCALE

Factors	Factor Loadings- β	Mean	Stand Deviation	Eigenvalue	a 0.913
Factor 1 – Trade related					
Just such goods that are not available in our own country can be purchased from other nations. (I16)	0.866	3.50	0.994	3.7	0.899
If it is necessary, there should be very little trade or importing of commodities from other nations. (I10)	0.829	3.36	0.971	21.7%	
Imported goods can only be those that are not available in India. (I2)	0.794	3.47	1.047		
Foreign products should be taxed heavily to reduce their entry into the India. (I15)	0.761	2.27	0.961		
Curbs should be put on all imports. (I12)	0.743	2.85	0.967		
Factor 2—Patriotic – Indian Products					
Purchasing foreign-made products is un-Indian.(I5)	0.889	2.27	0.961	3.6	0.901
It is not right to purchase foreign products. (I6)	0.881	2.24	0.921	21.3%	
Purchasing Indian goods is still a good idea. (I9)	0.804	2.90	1.007		
We should not encourage foreigners to sell their products on our markets. (I14)	0.804	3.51	1.036		
A real Indian should buy Indian-made products. (I7)	0.772	2.68	1.129		
Factor 3-Ethnocentrism (Home country products)					
It may cost me in the long-run but I prefer to support Indian products. (I13)	0.903	3.63	0.792	3.1	0.911
Indians should not buy foreign products, because this hurts Indian business and causes unemployment. (I11)	0.829	3.26	1.007	18.8%	
Rather than allowing other countries to benefit from our use, we can buy goods made in India. (I8)	0.808	3.68	0.905		
Indian shoppers who buy goods manufactured in other countries contribute to the unemployment of their fellow countrymen. (I17)	0.776	3.01	1.091		
Factor 4 –Employment related					
Buy Indian-made products. Keep Indians working. (I3)	0.775	4.02	0.953	2.23	0.819
Indian products, first, last, and foremost. (I4)	0.800	3.51	1.036	13.3%	
Indian people should always buy Indian-made products instead of imports. (I1)	0.798	3.38	1.011		

states: Delhi NCR, Haryana, and Rajasthan, to include diversification and validity.

The relationship between the latent and observed variables was established using Confirmatory Factor Analysis (CFA). Validation of the constructs and discriminant validity is accomplished. The degree to which the constructs vary from one another is shown by discriminant validity. The Average Variance Explained (AVEs) of each construct was compared with the squared correlation (R²) of the paired constructs (Fornell & Larcker, 1981). This was done by squaring the maximum of the two correlation coefficients. This is referred to as Maximum Shared Variance (MSV). When the MSV of a pair of constructs is less than the AVE for each respective construct, discriminant validity is considered satisfactory (Hair et al., 2012). Convergent and discriminant validity were determined for the present analysis shown in Table 4. To produce proof of construct validity, all of these validities were calculated together (Trochim, 2006).

Confirmatory Factor Analysis

Confirmatory factor analysis uses the constructs of trade related, unemployment, patriotic and ethnocentric. Goodness of Fit statistics were as follows: $\chi^2/df=2.84$; RMR = 0.065; CFI = 0.919; TLI = 0.903 and IFI = 0.920. As shown in Fig. 1, the measurement model fits the data well, and the structures represent sufficient measurement properties for interpretation.

Demographic Analysis

We tested mean scores of trade-related factors, patriotic factors, employment factors and ethnocentric factors across male and female gender. This study was performed to understand whether previous studies conducted in other countries have similar results or are significantly different.

Testing of Hypotheses Using Independent T-test

H1: There is a significant mean difference between ratings of trade-related factors across gender.

We find there is no significant difference in the ratings of trade-related factors across gender based on the results

Table 4 Convergent and discriminant validity measures

Factors (Scale –0.815)	Alpha	CR	AVE	MSV
Unemployment	0.911	0.915	0.730	0.297
Trade	0.899	0.902	0.648	0.297
Ethnocentric	0.819	0.828	0.620	0.294
Patriotic	0.901	0.904	0.657	0.206

of the independent *t*-test where $n=218$, and the sig value is 0.231 (p -value more than 0.05, the null hypothesis cannot be rejected). Further, for a total score of 20, the mean ratings of male were found to be 15.84, whereas those of females were 16.63. The Levene's test condition was satisfied.

H2: There is a significant mean difference between ratings of patriotic factors across gender.

There is a significant mean difference for patriotic ratings across genders since the value of p at the 5% level of significance is less than 0.05, which is 0.00, and the condition of Levene's test is satisfied. Women have been reported to be more patriotic, leading to an enhanced CE (Kumar et al., 2011).

H3: There is a significant mean difference between ratings of ethnocentric factors across gender.

Ethnocentric behaviour has been studied across gender using *t*-test and the results show that there is no significant difference in the ratings of males and females since the p value is 0.330 at the 5% level of significance and Levene's condition is tested with a sig value of 0.127. The ratings of males are 15.8 and females are 16.63 respectively, which means there is no difference in ethnocentric behaviour between males and females.

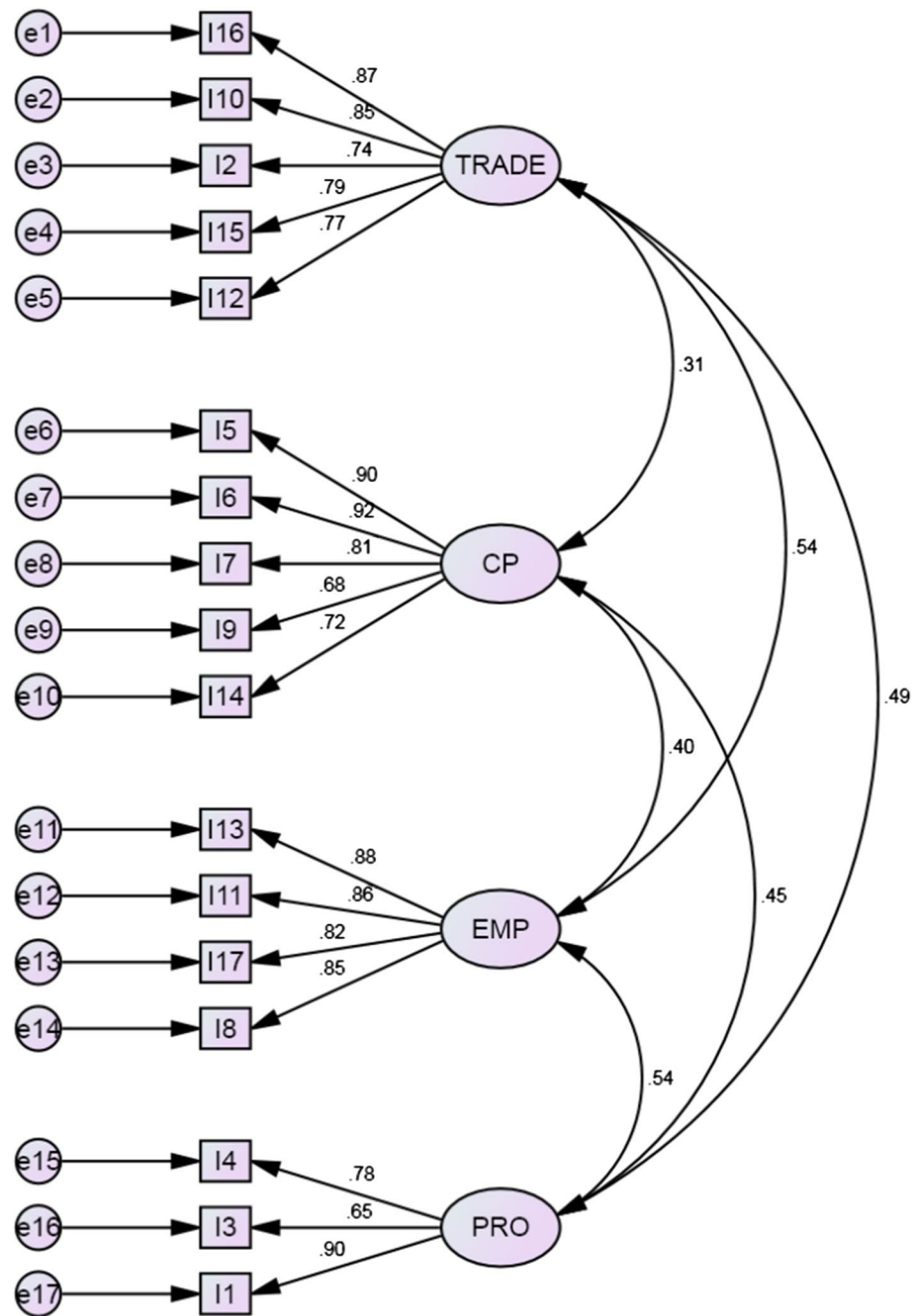
H4: There is a significant mean difference between ratings of employment factors across gender.

After applying an independent *t*-test on employment factors and gender, the condition of Levene's test is satisfied (0.096), and the p value is 0.257, which means that the null hypothesis cannot be rejected because p value is greater than 0.05. Therefore, there was no mean difference between males (11.07) and females (10.79), on a total score of 15. Hence, males and females do not have significant differences in employment-related situation in the country.

Discussion

With a population of more than 1.3 billion people, India is a competitive market with plenty of opportunities for multinational companies to expand. India is a member of the World Trade Organization (WTO), and the Indian government seeks to lower trade barriers in a systemic manner. This is consistent with the global trend of economies being more interconnected and borderless. As a result, multinational corporations are emerging in countries like India because of their enormous potential markets. Armed with the concept of internationalization, India is also gaining a foothold as a leading exporter of select goods to other countries. Thus, an understanding of CE should not be limited to developed

Fig. 1 A representative structural model based on confirmatory factor analysis



countries only (Chowdhury & Ibn Rahman, 2014). This research aimed to bridge this gap.

The aim of the study was to understand consumers' perceptions towards local brands in the home AC product category. In India, CE has more nuances than in developed countries (Kang & Mohan, 2012; Misra et al., 2018; Thomas et al., 2019). However, some studies have designated Indians as ethnocentric (Bawa, 2004; Upadhyay & Singh, 2006). This study presents interesting results and valuable insights into the scarcely researched area of CE in India. As revealed in the survey, the AC brand preference is strongly associated

with the ethnocentric behaviour of the consumer. The high degree of CE among Gen Z denotes that Indian-made products appear highly valued to a new breed of consumers, who are very well informed, strongly opinionated and hold moral decision-making when choosing a product over cost (Verma, 2020). According to the results, there is only a slight difference in preferences between domestic and international branded AC. These results might be noted by everyone who are prone to criticize Indians for their "craze" for imported products. This is because Indian consumers' level of CE is not less than that prevailing in other developed countries.

Thus, CE cannot be viewed as a phenomenon in the developed world alone. This study is supported by Ahmed et al. (2004) results, which indicate that the origin of a product is relevant in decision-making.

This study also has marketing implications as it highlights the role of CE in the Indian AC market, where both domestic and international brands compete for space. It supports previous research that suggests that international companies can effectively capture markets with ethnocentric customers (Deb & Roy Chaudhuri, 2012). This is possible because Indian consumers are perceived to gauge international brands on a higher status, better quality, reputed creditability, and futuristic technology than Indian brands (Kinra, 2006; Thomas et al., 2019). However, leveraging on CE results, domestic manufacturers should highlight Indian made perhaps with the 'Made in India' tag to capitalize on the consumers' inclination towards Indian brands, and thus boosting the economy.

Previous studies support the finding that females have higher CE levels than males (Balabanis et al., 2001; Chrysochoidis et al., 2007). However, there is no substantial difference between male and female patriotism scores in India. This study also confirms the multi-dimensionality of CETSCALE, in line with the results in Malaysia (Mavondo & Tan, 1999).

Implications of Study

Marketing managers can use the findings of this study to obtain a deeper understanding of consumers' attitudes toward imported and domestic goods as well as their intrinsic motivations for purchasing either imported or domestic products in the Indian market. Marketing professionals of home-based brands are suggested to emphasize their COO brands to gain the desired positive response. Furthermore, foreign marketing experts must consider the impact of CE and COO on brand evaluation when developing marketing strategies, such as forming joint ventures (JVs) with Indian partners to take advantage of the high CE and COO (Thomas et al., 2019).

Cost, income strata, and market segmentation are areas in which both foreign and Indian companies dealing with air-conditioners can develop strategies for positioning their products (Singh & Wagner, 2019). Brand promotion, after-sales service and quality stigma are important aspects of increasing market share (Thomas et al., 2019).

This research has implications for the public and the government, as CE has an impact on purchase intentions, but the actual purchase is happening due to the effect on the attitude held by purchasers towards foreign and Indian air-conditioners. Indian government has initiated a new movement "Made for India", which focuses on the localization

of foreign products for the Indian market. This is in sync with "Make in India" movement focusing on manufacturing and utilisation of India's talent and resources. Thus, this is a timely reminder for citizens to capitalize on patriotism in their decisions and attitudes while purchasing air-conditioners.

Limitations and Scope of Study

This study was limited to a single region of India, which is a vast and heterogeneous country. In future studies, more representative samples should be used in the study design. The sample population in this study was MBA students; thus, the results cannot be generalized to the larger Indian population. As the sample population is yet to establish their career, their CE tendencies may change over time with age and income. Additionally, while this study is limited to a specific product category, more research may be conducted to examine the effects of CE on other electronic gadgets. Other developing nations, such as Brazil, China and Mexico, with relevant AC markets can be considered for continued testing of CETSCALE.

Key Questions Reflecting Applicability in Real Life

1. What measures do multinational corporations use to overcome ethnocentrism in developing countries?
2. How ethnocentrism affects the competitiveness of emerging multinational enterprises (EMNEs), particularly from India?
3. In what contexts ethnocentrism can be product-specific in nature?
4. How can variance in ethnocentrism across regions in India or Europe be leveraged to improve competitiveness of a product or service?

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Author Contributions NG: study planning, data collection, data analysis, results and manuscript writing. SR: introduction, literature review, discussion, referencing and manuscript writing. JW: proofreading, manuscript positioning and strengthening.

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Data Availability The data that support the findings of this study are available from the corresponding author, upon reasonable request.

Code Availability The AMOS software has been used to derive the results.

Declarations

Conflict of Interest The authors report there are no competing interests to declare.

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