 CHAPTER 6

CONCLUSIONS & MARKETING IMPLICATIONS

This chapter is divided into two parts. The first part (section 6.1) deals with the conclusions arrived at after analysis, interpretation and discussion. The second part (section 6.2) presents marketing implications that can be suggested to both domestic as well as foreign firms planning to target the Indian consumer.

6.1 Conclusions

Consumer ethnocentrism has been studied by marketing researchers for the last two decades. The concept of consumer ethnocentrism and its measurement via the CETSCALE has added and given more insights to the literature on marketing and consumer behavior. The consumer ethnocentrism concept and the CETSCALE show promise as useful tools for understanding consumer behavior. It can improve understanding of how consumers and corporate buyers compare domestic with foreign-made products and how and why their judgments may be subject to various forms of bias and error (Nisbett & Ross, 1980; John, Scott & Bettman, 1986). Highly ethnocentric consumers are probably most prone to biased judgments by being more inclined to accentuate the positive aspects of domestic products and to discount the virtues of foreign-made items (Shimp & Sharma, 1987).

In India, in overall terms, the modified CETSCALE behaves just as a scale measuring consumer ethnocentrism should behave in terms of reliability and convergent validity. But, the concept of consumer ethnocentrism in all the seven occupational groups examined was not conceptually equivalent to that prevailing in US and other countries where the scale was found to be unidimensional. The results of EFA and CFA carried out to obtain better versions of the CETSCALE confirm the above contention. The results of present research are in agreement with
observations of previous studies carried out in India by Bawa (2004), Upadhyay & Singh (2006), Khan et al. (2007), and Khan & Rizvi (2008). In their findings, they too posited that the scale was not unidimensional in the Indian context. Nonetheless, this research provides practicing marketers as well as international researchers with a parsimonious refined CETSCALE for each of the occupational groups. This was necessary in light of the rapid pace of market globalization and expanding business opportunities in developing and expanding markets like India.

Also, the demographic variables fail to adequately explain the phenomenon of consumer ethnocentrism in few of the occupational groups. The variable age was found to be related to ethnocentrism in case of MBA Students and Defence & Police Personnel. Gender was found to be related to consumer ethnocentrism in case of Managers only, while significant differences were observed in levels of consumer ethnocentrism on the variable religion in case of Management Teachers and Managers.

None of the demographic variables was found to have a bearing on ethnocentrism in the sample of Engineers, Doctors and University Teachers. Also, the demographic variables income, SEC and education were not found to be related to ethnocentrism in any of the occupational groups. Overall, moderate levels of ethnocentrism were prevalent in occupational groups considered for the study with respect to the demographic variables. Bawa (2004) also observed that demographic variables fail to fully explain the phenomenon of consumer ethnocentrism in India. Upadhyay & Singh (2006) too in their study on India found that the ethnocentric tendency of Indians is not associated with their age, gender and educational level. Studies carried out in other parts of the world (Tongberg, 1972; Dornoff et al., 1974; Wang, 1978; Vida & Plassman, 1998) also concluded that the impact of age, gender and level of education on ethnocentric tendencies is insignificant.

The Big Five Personality traits could not explain the phenomenon of consumer ethnocentrism in the sample of Defence & Police Personnel, Doctors, Managers and University Teachers. However, two of the personality traits, viz., agreeableness and openness to experiences were negatively related to consumer ethnocentrism for the sample of Management Teachers and Engineers. Interestingly, all the five personality traits, viz., agreeableness, openness to experiences, extraversion,
emotional stability and conscientiousness were negatively related to consumer ethnocentrism for the sample of MBA Students. However, the relationship was not strong between the Big Five Personality traits and consumer ethnocentrism for any of the occupational groups. Kassarjian & Sheffet (1991) also found that out of many personality studies conducted in consumer research few could identify a strong relationship between personality and aspects of consumer behavior. They observed that some studies indicate no relationship and while vast majority of studies suggest that if a relationship does exist, it is so weak that it is of little practical value to the marketers. In their study, Marks & Tharp (1990) too used the CETSCALE to analyze the potential relationship between consumer ethnocentrism and consumer personality type and found no correlation between consumer ethnocentrism and the three types of personality established from applying the CAD-Scale (i.e. compliant, aggressive and detached).

Solomon (2007) explains that consumer behavior researchers have seen drawbacks in using personality characteristics to explain purchasing behavior, and therefore researchers have largely abandoned the use of personality measures after many studies failed to yield meaningful results. Kassarjian (1971) and Solomon (2007) gave some limitations of personality measures. They explained that many instruments originally intended to measure gross (overall) personality characteristics such as sociability, emotional stability, introversion or neuroticism have been used to make predictions about purchases of specific brands and may not be generalized for all the products or brands. Another reason that might be attributed to such results is that personality tests are often developed for specific populations (e.g. mentally ill people), and these test are then borrowed and applied to general population where their relevance is questionable. For example, the variables that lead to the assassination of a president, confinement in a mental hospital, or suicide may not be identical to those that lead to the purchase of a washing machine, a pair of shoes or a chewing gum. However, in general, the findings of the present research concur with those of the above cited studies. It also no doubt adds more substance to the existing literature and thus expands the body of knowledge on the subject.

Proceeding with the level of consumer ethnocentrism prevalent among these occupational groups, it must be pointed out here that significant differences were
observed between various occupational groups in terms of their behavior towards
domestic versus foreign products. For instance, the University Teachers were found
to be the most ethnocentric while the Management Teachers were the least
ethnocentric (*Please see Fig 5.1*). The reasons that might be attributed to such results
may be that the sample for University Teachers comprised those who did not possess
any professional education and were thus, perhaps, less open in their outlook. The
modified 6-item CETSCALE for this group had 5 items related to the patriotic
dimension (discussed in detail below) and it may be the prime reason for high levels
of ethnocentrism observed in this group.

Finally, while examining the CETSCORES, it was noticed that the Indian samples
exhibited CETSCORES comparable not only to the samples from developing but
also from developed nations (*Please see Table 5.6*). In their studies in India Bawa
(2004), Upadhyay & Singh (2006), and Khan & Rizvi (2008) arrived at similar
results. This challenges the viewpoint that consumer ethnocentrism is a phenomenon
of the developed world. All those who are prone to criticize the Indians for their
‘craze’ for foreign goods should make a special note of this finding.

**Macro-Dimensions of the CETSCALE**

Lindquist *et al.* (2001) classified the CETSCALE into four dimensions viz.
patriotism, product availability, employment impact and economic impact. Shimp &
Sharma (1987) stated that, “People who are highly consumer ethnocentric feel that
purchasing foreign products is wrong because it hurts the domestic economy, results
in loss of jobs, and is unpatriotic”. Two scale items namely, statements 2 and 16
(Table 6.1), can be said to be tied to “product availability”, though not so classified
by Shimp & Sharma. Hence, the 17 items of CETSCALE can be said to be linked to
four concepts viz. patriotism, product availability, employment impact and
economic impact. Thus, when scale refinement is performed to obtain better fitting
modified unidimensional scales in a particular market segment or group, these
dimensions can help us understand which particular dimension has more impact in a
particular market segment or group. The present study is unique in this sense as
analysis from the above perspective is being tried out for the first time in the
Indian context. The refined scales for each particular group (*Please see Table 5.1*),
present the items that were retained covering these four dimensions.

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Interestingly, the three dimensions viz. patriotism, economic impact and employment impact, were part of all the refined scale items in all the occupational groups. The finding of this research corroborate observations of Witkowski (1998) who pointed out that in general, “nascent ethnocentrism may be encouraged by internal factors such as economic recession, high unemployment, and rapid technological and organizational change and all of these factors seem to be especially powerful in some developing nations.” Surprisingly, the University Teachers were the only group where items related to the employment impact dimension were not retained. Also, the product availability dimension was not a part of the refined scales for some of the groups studied.

**Product Availability**

In the case of MBA Students, Defence & Police Personnel, Engineers and University Teachers’, the product availability dimension was not a part of the refined scale. As the University Teachers & Defence & Police Personnel were the most ethnocentric among all seven occupational groups, it can be assumed that irrespective of whether the item is locally available or not, they do not favor its import. Contrary to this, the product availability dimension may not have been retained in case of Engineers and MBA Students as they were not averse to buying foreign products and as such product availability dimension was not that relevant. For rest of the groups viz. Doctors, Managers and Management Teachers this particular dimension was a part of the refined CETSCALE.

**Patriotism**

Studies from various international markets indicate that under normal supply/demand conditions (when a wide range of domestic and foreign-made brands are available in any given product category), consumers will generally prefer domestic products, primarily due to their patriotic feelings (Han & Terpstra, 1988). It is to be noted that the most ethnocentric group among these occupational groups that is, the University Teachers had 5 items related to patriotic dimension out of the 6-items retained in the modified CETSCALE. As, Santosh Desai (CEO, Future Brands, India) says ‘The idea of self-consciously calling oneself Indian and with pride is a recent phenomenon’ (Kaushik, 2008). The Management Teachers who
were found to be least ethnocentric had 5 items related to patriotic dimension out of 12-items retained. These findings corroborate those of Ghose (2001b) in India who found that a sizeable number of respondents who were highly educated exhibited high ethnocentric tendencies. He further added that these respondents could be influenced by their patriotic feelings. Thus, it was expected that the patriotic dimension would be a part of the modified CETSCALE.

**Table 6.1: Macro Dimensions of CETSCALE**

<table>
<thead>
<tr>
<th>Items</th>
<th>Dimension</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement 1</td>
<td>Patriotism</td>
<td>Indian people should always buy Indian – made products instead of imports.</td>
</tr>
<tr>
<td>Statement 2</td>
<td>Product availability</td>
<td>Only those products that are unavailable in India should be imported.</td>
</tr>
<tr>
<td>Statement 3</td>
<td>Employment impact</td>
<td>Buy Indian-made products, keep India working.</td>
</tr>
<tr>
<td>Statement 4</td>
<td>Patriotism</td>
<td>Indian products, first, last and foremost.</td>
</tr>
<tr>
<td>Statement 5</td>
<td>Patriotism</td>
<td>Purchasing foreign made products is un-Indian.</td>
</tr>
<tr>
<td>Statement 6</td>
<td>Employment impact</td>
<td>It is not right to purchase foreign products because it puts Indian out of jobs.</td>
</tr>
<tr>
<td>Statement 7</td>
<td>Patriotism</td>
<td>A real Indian should always buy Indian-made products.</td>
</tr>
<tr>
<td>Statement 8</td>
<td>Economic Impact</td>
<td>We should purchase products manufactured in India instead of letting other countries get rich off us.</td>
</tr>
<tr>
<td>Statement 9</td>
<td>Patriotism</td>
<td>It is always best to purchase Indian products.</td>
</tr>
<tr>
<td>Statement 10</td>
<td>Economic Impact</td>
<td>There should be very little trading or purchasing of goods from other countries unless out of necessity.</td>
</tr>
<tr>
<td>Statement 11</td>
<td>Employment impact</td>
<td>Indians should not buy foreign products because it hurts Indian business and causes unemployment.</td>
</tr>
<tr>
<td>Statement 12</td>
<td>Economic Impact</td>
<td>Curbs should be put on all imports.</td>
</tr>
<tr>
<td>Statement 13</td>
<td>Patriotism</td>
<td>It may cost me in the long run but I prefer to support Indian products.</td>
</tr>
<tr>
<td>Statement 14</td>
<td>Economic Impact</td>
<td>Foreigners should not be allowed to put their products on our markets.</td>
</tr>
<tr>
<td>Statement 15</td>
<td>Economic Impact</td>
<td>Foreign products should be taxed heavily to reduce their entry into India.</td>
</tr>
<tr>
<td>Statement 16</td>
<td>Product availability</td>
<td>We should obtain from foreign countries only those products that we cannot obtain within our own country.</td>
</tr>
<tr>
<td>Statement 17</td>
<td>Employment impact</td>
<td>Indian consumers who purchase products made in other countries are responsible for putting their fellow Indians out of work.</td>
</tr>
</tbody>
</table>
**Employment Impact**

The Indian Economic Survey (2006-07) shows that unemployment continues to rise in India. The growth rate of 9.1 per cent is the highest for the economy, but at the same time, the unemployment scenario is the worst ever. The survey also confirms the structural changes the Indian economy is undergoing: from being agriculture-oriented to becoming services oriented. This means agriculture is becoming increasingly irrelevant to the GDP, the conventional mode of measuring the economy.

Thus, one may generally conclude that unemployment is likely to be of strong concern for the Indian consumer. Hence, it is expected that the CETSCALE items measuring this dimension would be part of the modified CETSCALE. In fact findings of the present study confirm this as employment impact was indeed part of modified CETSCALES in case of all occupational groups except University Teachers. As already discussed, in case of University Teachers the employment impact dimension may not have been retained owing to predominance of patriotism dimension.

**Economic Impact**

Another dimension considered was that of economic impact. Blackwell et al. (2003) posit that in addition to the important attributes of developing countries like high birth rates and strong population growth; low annual income is a reality in many of these markets. One can infer from this that consumers who are ethnocentric are concerned for the economic well-being of the nation. They fear that the entry of foreign firms will adversely affect the economy of their nation. The findings of present research also confirm this concern.
6.2 Marketing Implications

Researchers, academics and practitioners worldwide have acknowledged the role of consumer ethnocentrism in evaluating a consumers preference for a foreign made product. It is an established fact that marketers have tried to understand the role of ethnocentrism from time to time and on its basis appropriate marketing strategies have been developed. The insights gained may also facilitate practitioners to re-engineer their offerings keeping in mind the peculiar needs and preferences of the target market. The CETSCALE, an instrument for measuring consumer ethnocentric tendencies offers marketing managers a useful tool for better understanding how present and prospective customers feel about purchasing foreign versus Indian-made products. The scale has been offered as a market segmentation and positioning tool superior to that of demographic measures (Shimp & Sharma, 1987; Herche, 1992).

The understanding of consumer ethnocentrism provides useful decision framework for market analysis, target market selection within different markets, insightful market segmentation at different levels, designing of marketing mix, etc. By determining the levels of consumer ethnocentrism, more insightful segmentation guidelines could be developed for both local producers and foreign firms. For managers, the prevailing levels of ethnocentrism can help in identifying and targeting those consumers who are most likely to respond favorably to marketing communications which highlight domestic production facilities as also local themes. Further, this information can help international marketing managers to better understand how their offerings will be perceived in different segments of the global market, and to strategically target and position their exports accordingly. This information can also be of help to foreign firms in deciding plant locations, product development, advertising campaigns, etc.

In other words, the study of ethnocentric tendencies among consumers in a country has clear implications for marketers. If ethnocentric tendencies in a market are high, foreign manufacturers looking forward to expand in that market need to take note as they are bound to face a tough challenge. If the consumers are high on all the dimensions of ethnocentrism (viz. product availability, patriotism, economic impact, employment impact), it would indeed be a very difficult market to enter and would require careful crafting of marketing strategy.
However, a market with high ethnocentric tendencies need not be avoided by foreign firms. But extensive market research and well thought out communication and distribution strategies are necessary to manage and influence purchase intentions (Javalgi et al., 2005). On the other hand, if products are originating from overseas, and if one knows what consumers expect from imported products, perhaps their local counterparts may improve their quality, appearance, and design or new ones may be developed so that consumer needs are properly satisfied. If the level of consumer ethnocentrism is high, domestic marketers distributing imported products or having a plant abroad need to take note as they are also bound to face a tough challenge. Continuing with the discussion of the application of the CETSCALE, researchers have suggested other areas also where it can be applied.

**Market Entry Decisions**

Market entry decisions may be influenced by the extent of ethnocentrism. If consumers in a country exhibit low degree of ethnocentrism, a local subsidiary might be a suitable entry mode for a foreign firm (Ruyter et al., 1998). Consumers with low ethnocentric tendencies treat it as a non domestic firm and thus clamor for its products. Licensing, joint ventures or strategic alliances may be an appropriate mode to enter a country where ethnocentric tendencies are more prevalent as compared to countries where ethnocentric tendencies are not so prevalent. Strategy on these lines has been successfully adopted by Maruti-Suzuki*, Modi-Xerox, Tata Motors-Fiat, Mahindra-Renault, Tata-AIG, ICICI-Lombard, ICICI-Prudential, Bajaj-Allianz, Bharti-Walmart, Tata-BP Solar, etc. to enter the expanding and emerging Indian market.

**Regional Marketing & Segmentation**

As suggested by Shimp & Sharma (1987) CETSCALE can also be used for regional marketing and geographic segmentation. If regionalized marketing programs are more popular, then marketing managers would be receptive to administering the CETSCALE and using the results to customize communication programs to different regions. For example, if the respondents of Southern region in India are more receptive to regional languages, then companies should use regional language

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* Please see Appendix 3 for profile of companies.
rather than national language in their promotional campaigns and other media. The media applications may be in the form of regional magazines, local newspapers or broadcast advertising which may also be customized to the ethnocentric inclinations of specific geographic areas. Corporates like L’Oreal India Ltd., Tata Indicom, Mahindra & Mahindra, Amul have already taken note of it and are employing this as a marketing strategy. They advertise in regional language magazines and newspapers, which are a rich medium to reach out to mini metros and semi-rural areas. Nestle India Ltd. in its attempt to address the price conscious population living in smaller towns, semi-urban and rural areas used Rani Mukherjee, a popular Indian film actress, in its promotional messages. Even companies like LG Electronics India Pvt. Ltd., Maruti Udyog Ltd., and Idea Cellular Ltd., regularly advertise in Malayalam language daily Mathrubhumi to target the Kerala region (South India).

Global Strategies Vs Local Strategies

Ethnocentrism in target countries may negatively affect the implementation of a global marketing strategy as it has a common set of principles across all target countries. Many businesses try to standardize their global marketing mixes as far as possible for this leads to cost savings in product manufacturing, advertising, and distribution (Cateora, 1996). However, global strategies may not work effectively for a country where large ethnocentric segments exist. A more local responsive approach may be appropriate in such situations. This is all the more true in the context of branding strategies. Branding can be used to either emphasize the foreign origin of a product or concealing it.

Advertising strategies would also be influenced, as advertising should reflect the ‘domestic’ origin of the product (Ruyter et al., 1998). Ethnocentrism-pitched advertisements have been extensively used by local manufacturers, not only in the USA (Ettensohn, Wagmer & Gaeth, 1988; Granzin & Olsen, 1995; Harvey, 1993; Olsen, Granzin & Biswas, 1993), but also in many other countries like Australia, Japan, Korea (Black, 1995; Fields, 1990; Lee, 1997) to stave off the foreign competition. For example, in the Indian context, Pepsi has dovetailed their promotional messages to suit local tastes. It started off with the trend in the early 90s by adapting its international advertisement featuring Michael J Fox to one depicting
Aamir Khan, a male Indian actor and director, and Aishwarya Rai, a famous film actress and former Miss World.

**Impact on HR Policies**

Another application of consumer ethnocentrism can be in the corporate world. A high level of ethnocentrism among employees may force companies to hire domestic rather than foreign workforce, irrespective of qualification criterions (Sinkovics & Holzmüller, 1994). Companies might be forced to develop specific recruiting practices or training programs in order to cope with ethnocentrism if it exists in the organization. Companies could also periodically administer instruments such as the CETSCALE to feel the pulse of their employees. The same may be of immense help in proper management of employee-employer relations as also addressing career aspirations of the employees.

Another case can be that if the expatriates have an ethnocentric feeling, how will they cope in foreign nation? A classic example is the unique strategy adopted by Korean firms like LG & Samsung wherein they provide the highest level of comfort to their expatriate employees in India. It entails the creation of “Korean Villages” and that offer special services such as Korean speaking maids who can cook Korean food. This no doubt helps the Korean employees to adapt with a minimum of cultural shock to Indian living conditions and resulted in increased motivation and productivity. Thus, by understanding the prevailing ethnocentric tendencies in their expatriate employees, companies can offer better facilities.

**Application in Retail**

Shimp & Sharma (1987) argued that the CETSCALE could be of value to retail chains making store location decisions. For example, a chain specializing in local goods could measure the level of consumer ethnocentrism in areas where they plan to open new stores to determine the likelihood that consumers would respond favorably to the Indian made products and little favor to foreign made products.

The present study though primarily academic in nature, is expected to trigger a series of further studies, which may be helpful in developing appropriate marketing
strategies. However, the broad areas of marketing in which the findings of present study may be of help to practitioners are listed below:

i. **Development of promotional campaigns:** This may include the decision regarding the use of basic advertising theme/appeal for specific advertisement, decision regarding the execution style of the advertisement, the selection of media and media vehicles, decision regarding media scheduling etc. By knowing the magnitude of the ethnocentric tendencies of consumers belonging to one market segment, an advertiser would be able to determine whether messages that address sub-dimensions of ethnocentrism such as patriotism would be appropriate or not.

ii. **Segmenting the market:** Another area in which the findings of this study may prove to be of help to marketers is in market segmentation, particularly when the level of ethnocentrism is found to vary among various groups. Segmentation may not be based entirely on the groups, but it may also be used in conjunction with demographic and other variables.

iii. **Product design and development:** In case the research findings vis-à-vis the level of ethnocentrism point towards favorable attitude towards a domestic product or a foreign product, then, the studies should be undertaken to find out their preferences which may be taken as a basis for labeling the product as “Indian-made” or “Foreign-made”. Thus, such studies, as the current one, can be used as a prelude for undertaking consumer preference studies. Likewise, having this information could be of help in determining the situations in which the product's packaging should include the message of “made in (country of origin)”.

In the light of findings of this study it can be safely suggested that in order to increase the effectiveness of promotional campaigns, marketers must examine the level of ethnocentrism prevalent among various occupational groups. Most importantly, media and product segmentation plans might be adjusted in the light of differing CETSCORES across occupational groups. For example, knowing the magnitude of ethnocentric attitudes within a targeted market segment would indicate whether appeals to patriotism are appropriate. In this study, University Teachers and
Defence & Police Personnel were found to be the most ethnocentric groups. So, product information related to 'made-in India' tag needs to be highlighted for such occupational groups. This can be treated as an opportunity for domestic firms. On the other hand, the multinational firm's marketing strategy should be directed toward product quality and features, and away from the product's country of origin. Management Teachers and MBA Students could comparatively be easy target for multinationals as they are less ethnocentric.

Below is a summarized version of the suggested marketing strategies for the various occupational groups considered for the study. These strategies directly flow from the findings of present research. An attempt has also been made to present examples from the Indian market where similar themes are being employed.

**Suggested Marketing Strategies for University Teachers and Defence & Police Personnel**

As these groups exhibited highest ethnocentric tendencies, following marketing strategies could be suggested for domestic and foreign firms:

**Domestic Firms**

1. The domestic firms can target this segment by using themes such as 'made-in-India' and 'buy- Indian' in their promotional campaigns. Advertising themes should reflect the 'domestic' origin of the product. Domestic companies are already using slogans like 'The Real Spice of India' - MDH Masale, 'The Taste of India' – Amul, Voltas – India ka AC (India’s AC) to woo the target audience. In the automobile sector, tag lines like that of Bajaj – 'Hamara Bajaj' (Our Bajaj), Hero Honda - 'Desh ki Dhadkan' (India's Heartbeat) with respect to their scooter and motorcycle ranges respectively, Maruti-Suzuki using slogans like 'India Comes Home in a Maruti Suzuki', are all excellent examples in this context. There is no doubt that by following this strategy, they are trying to cash in on the Indianess factor.

    Another example can be cited is that of Nokia 1100 made-for-India advertisement. Rustic, uncomplicated and very down-to-the-roots
Indian, it explains how the Nokia 1100 cell-phone is tailor-made for the Indian environment. The commercial opens with a loquacious truck driver and his assistant getting ready for a journey. The assistant mistakenly leaves the phone hanging on the bumper and the mobile is braving dusty and bumpy roads. As the journey ends, the phone rings, and the assistant switches on its torch by accident. He asks, ‘Isme torch kyon hai?’ (How come there’s a torch in this?) The driver proudly explains: ‘Oye, raat ko bhi chalta hai.’ (It works in the night, too!). Here too the marketer is cleverly manipulating the Indianess factor.

In order to capitalize on the craze for Cricket as also heightened nationalistic sentiments and reach out to the target market during the Asia Cup 2008, Star Cricket & ESPN Sports TV Networks have been using the slogan ‘Ab waqt hai chillao josh se India India’ (It’s time to scream India India Aloud). The audience is shown draped in colors of the Indian National flag. These ads have been placed in national language (Hindi) and regional dailies as well as English papers. Other companies associated with it, and promoting the Indianess factor are Hero Honda, Airtel, Maruti Suzuki, etc.

2. Branding strategies too can be used to emphasize the domestic origin of the product. We have example of Indian auto major Maruti-Suzuki that emphasizes on the local origin of its brand by highlighting more on the name “Maruti” and not “Suzuki”.

Foreign Firms

1. The foreign firm’s marketing strategy should be directed toward product quality and features, but away from the product’s country of origin to target groups with high ethnocentric tendencies.

2. They can also highlight Indian culture, traditions and values so as to attract and connect with these groups. For example, in a recent television ad, Bharti Airtel tried to highlight the Indian cultural ethos and family values by showing grandfather - grandson reunion in a typical Indian village, and itself as the link between them. LG also frequently depicts festivals of India and their importance in promotional messages. Japanese auto giant Toyota also successfully employed this theme when it launched Qualis range of vehicles and later its successor Innova in India. It could successfully relate these vehicles with needs of large Indian families.
3. They can use modes such as licensing, joint ventures or strategic alliances to target this group. The same strategy has been followed by Maruti-Suzuki, Modi-Xerox, Tata Motors-Fiat, Mahindra-Renault, Tata-AIG, ICICI-Lombard, ICICI Prudential, Bajaj-Allianz, Bharti-Walmart, Tata-BP Solar, to enter the Indian market.

4. These firms can also show their concern for the country to target this segment. Samsung setup free repair camps as part of its relief mission in the tsunami affected parts of India in 2004. It also collected and distributed money and relief material in areas affected by the disaster. Nestlé India helps provide clean drinking water and educate children in schools to conserve this scarce resource. It also supports initiatives to create awareness about the right to education and encourages the communities around its factories to send their children to school. The employees have developed a special play ‘Let Us Go to School’ for this purpose. The company regularly conducts special programs for women to encourage adoption of good dairying practices. It also supports local schools, helps in the maintenance of public parks and green belts, facilitates blood donation camps and health awareness programs.

Suggested Marketing Strategies for Managers, Engineers and Doctors

These groups displayed moderate levels of ethnocentrism. The following marketing strategies can be suggested for them:

1. Both the domestic as well as foreign firms can offer products with good quality and features and may not focus much on their ‘made-in-India/foreign’ tags or themes related to country of origin/manufacturing type.

2. Promotional campaigns for this occupational group may include themes that revolve around the quality and features of product. For example, Raymond Apparel Ltd. (RAL) and Nokia’s focus on the quality and features of their products.
3. Both the domestic and foreign firms can emphasize on their brand names rather than where the product is manufactured.

4. The female Managers were found to be more ethnocentric than their male counterparts. Thus, products and promotional messages need to be customized according to the need and requirement of females. The companies should ensure that the media vehicles and promotional themes should revolve around them and should not neglect their preferences. For example, HUL’s product Dove – a beauty care product for women invariably shows working and professional women and not celebrities in its advertisement.

Suggested Marketing Strategies for Management Teachers and MBA Students

These two groups were the least ethnocentric among those studied. The following marketing strategies can be effective in their case:

1. Foreign firms can easily target these groups as they are low on ethnocentrism. These firms can even highlight their foreign origin to attract these groups. For example, IBM Daksh highlights the foreign brand name IBM and not on the domestic brand Daksh.

2. As this group exhibits comparatively low levels ethnocentrism, a local subsidiary might be a suitable entry mode for a foreign firm. Non-ethnocentric customers might perceive the company as being non domestic and hence are more likely to purchase its products. Perhaps this might be the reason why LG, Samsung and Nestle have their subsidiaries in India and are a success.

3. Domestic firms may improve their quality, appearance, and design or new product solutions may be offered so that consumer needs are properly addressed. They need not focus much on ‘made-in-India’ themes.

4. Domestic firms can highlight their concern for the country and consumers to target this segment. For example, steel giant SAIL (the Steel Authority of
India Limited) has initiated a Prevention & Control of HIV/AIDS programme titled “SAIL AIDS Control Programme” (SACP). Similarly, Apollo Tyres has launched the Apollo Tyres Health Care Centre and provides general and sex related health services.