

An Evaluation of the Degree of Consumer Ethnocentrism in Mauritius

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ETHNOCENTRISM

- Sociological concept (Sumner 1906)
- Tendency to regard one own's beliefs, standards and code of behaviour as superior to those of other societies

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CONSUMER ETHNOCENTRISM (CE)

- Beliefs by local consumers that goods produced locally are superior to imported products
- Highly ethnocentric consumers tend to protect local industry
- increased nationalism and heavy emphasis on cultural and ethnic identity

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CETSCALE

- Consumer Ethnocentric Tendencies Scale
- Shimp and Sharma 1987
- 17 items scored on 7-point Likert Scale
- Reliable Tested in France, Germany, Japan, USA

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Country-of-origin (COO)

- How CE affected the perceptions of Mauritians towards imported and local products and
- Investigating whether the COO impacts on perceptions of quality, value for money, status, esteem, etc.
- Country of manufacture or assembly
- Product design
- 'made in' concept
- COO effect
- Developed vs developing countries

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Background

- Globalisation
- Free trade
- Variety at competitive prices
- Exposure to foreign products

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Research on consumer behaviour

- Both domestic and foreign researchers
- Research in developing countries

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METHODOLOGY

- 6 objectives
- Literature search
- In-depth and expert interviews
- Min of Industry, Small and Medium Enterprises, Commerce and Cooperatives,
- SEHDA
- NWEC
- MCCI
- MMA

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METHODOLOGY (contd.)

- Questionnaire design
- General shopping habits
- CETSCALE (7- point labelled Likert Scale where 1 is strongly disagree and 7 is strongly agree)
- Lifestyle of Mauritian Consumers
- Importance of COO
- General views and opinions
- Demographics

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METHODOLOGY (contd)

- Pre-test
- “Curbs should be put on all imports’

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SAMPLE and SURVEY METHODS

- Convenience sample
- 500 questionnaires administered
- Personal interviews
- Telephone interviews
- Self-administration

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RESPONSE RATE

- 204 respondents
- 40.8%

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Profile of Respondents

- 51% Female & 49% Male respondents.
- 51.9% belonged to the age group 18-39 years.
- 62.3% were married with children.
- 61.8% lived in Urban region.
- 50% belonged to the Hindu & 25% to the Muslim community.
- 45.6% held Administrative, Managerial, Professional & Executive positions.
- 30.4% had completed secondary education & 27 % held an undergraduate degree.
- 34.8% had a gross monthly household income of Rs 10,001 – Rs 20,000.
- 28.4% were spending between Rs 5,001 – Rs 10,000 monthly on shopping.

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OBJECTIVE 1 AND RESULTS

- To evaluate the degree of CE in Mauritius
 - Buy-Mauritian-made products. Keep Mauritius working
 - We should purchase products manufactured in Mauritius instead of letting other countries get rich from us
 - Foreigners should not be allowed to put their products on our markets

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OBJECTIVE 1 AND RESULTS (contd)

- **CETSCALE Score = 3.28**
 - ✓ The consumption of imported products and brands was not considered as unpatriotic or non-nationalistic.
 - ✓ Nearly 95.1% of respondents preferred to buy imported products.
- Alpha: 0.9030

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OBJ. 2 AND RESULTS

- To examine the perceptions of Mauritian consumers towards imported products versus domestic products for different product categories.
- ✓ COO is an important decision-making factor in consumer decision affecting purchase behaviour of brands in the Mauritian market.
- ✓ 27% of respondents claimed they Always look for product COO. 31.9% Often & 33.3% occasionally. 7.8% Never

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OBJ. 3 AND RESULTS

- To examine if these perceptions differed for specific countries from which we import products

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Consumers' perceptions of products' COO

1-Very poor, 7-excellent

Developing Countries		Country of Origin Perceptions		
		Mean	SD	Rank
4	Malaysia	4.39	1.332	1
7	Indonesia	4.37	1.304	2
6	Egypt	4.33	1.199	3
1	Mauritius	4.25	1.396	4
3	China	4.25	1.455	5
2	India	4.20	1.276	6
5	Madagascar	3.44	1.298	7
Average Mean Score		4.17		

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Developed Countries		Country of Origin Perceptions		
		Mean	SD	Rank
¹⁰	United Kingdom	6.12	1.205	1
⁹	France	6.09	1.068	2
¹²	Australia	5.75	1.125	3
¹³	New Zealand	5.74	1.055	4
⁸	Singapore	5.43	1.173	5
¹¹	South Africa	5.42	1.129	6
Average Mean Score		5.76		

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Consumer's Choice of Best Producers

Products	Countries	% of Respondents
Foodstuff	South Africa	25.2
	Australia	17.8
	France	13.4
	France	25.2
Household Cleaning	Mauritius	17.3
	China	8.9
	France	50
Personal care	United Kingdom	22.3
	India	9.4

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Clothing/Garments	United Kingdom	26.5
	India	21
	France	19.5
Footwear	United Kingdom	35
	France	20.8
	China	13.7
Dairy Products	Australia	51.5
	New Zealand	35.1
	France	4
Jewelry	India	53.5
	France	11.5
	Egypt	8.5

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Table: Local Brands and Foreign Brands Purchase Preferences

Local Brand	% of Respondents	Foreign Brand	% of Respondents
Foodstuff			
Subana	48.5	Ceres	55.4
Maucob	40.2	LU/Tuc	50
Esko	34.3	Twisties	48.5
Sunny	24.5	Pringles	42.2
Poppies/Curlies	14.7	Bakers	40.2

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Household Cleaning

Javel	64.2	Ariel	50
Crest	63.2	Soupline	49.5
Duck	45.6	Monsieur Propre	39.2
Omo Bleue	21.6	Bonux	37.7
Cernol	11.8	Noble Care	3.4

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Personal Care

Blendax	54.4	Johnson	44.6
Lux	42.2	Nivea	44.1
Eve	32.4	Head & Shoulders	36.8
Malaica	31.4	Fair & Lovely	24.5
Smart	8.8	Belle Color	22.5

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Clothing/Garments

IV Play	43.6	Levis	36.8
Equateur	33.3	Marks & Spencer	26.5
Harris Wilson	30.4	Yves St. Laurent	26.5
Habit	22.1	Giorgio Armani	23
Island Style	16.7	Hugo Boss	22.1

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Footwear			
Bata	37.7	Nike	50
Kito	29.4	Adidas	32.8
Dodo	24.5	Paco	24
Island	22.1	Reebok	18.1
Style			
Napra	9.3	Caterpillar	17.6

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Dairy Products			
Yoplait	71.6	Kraft	74
Miko	43.1	Flora	39.2
Dairy	40.2	Sunny	28.9
Vale		South	
Vita	22.5	Meadow	25.5
		Lea	
D'Light	16.7	Plume	11.3
		Rouge	

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Jewelry (Manufacturers' Brands)			
Mikado	39.2	Bought Abroad	43.1
Poncini	26	Quest Net	17.6
Matikola	23.5		
Vendome Prestige	16.7		
Bijouvog	12.3		
Bijouchic	11.3		

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Respondents' perceptions of product dimensions- Mean rating for 13 countries

- Likert scale: 1-very poor, 7-excellent
- Price:
 - Lowest mean: UK, France
 - Highest mean: India, China
- Quality:
 - Lowest: Madagascar, Mauritius, India
 - Highest: UK, France, Australia

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➤ Design

- Lowest: Madagascar, Malaysia, Mauritius
- Highest: UK, France, Australia

➤ Branding

- Lowest : Madagascar, India, Mauritius
- Highest: UK, France, Australia

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➤ Status and Esteem

- Lowest: Madagascar, India, Mauritius
- Highest: France, UK, Australia

➤ Value for money

- Lowest: Madagascar, Mauritius, Indonesia
- Highest: UK, France, Australia

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Product dimensions differences bet. Mauritian and Foreign products- t test

- Developing countries:
 - Delivering better price and value for money than Mauritius (mean differences were sign., but in no way delivering better quality, design, branding, packaging and status and esteem, $p \leq 0.05$)
 - More influenced by imported products
- Developed countries:
 - Delivering better quality, design, branding, packaging, status and esteem and value for money (except for price) than Mauritius

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OBJ. 4 AND RESULTS

- To examine if there is a relationship between CE and demographic variables (social class, gender, age, education level, income level)
- ANOVA
- Significant relationship for age and gender

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LIFESTYLE AND CE

- Quality consciousness- Mean 4.76
- Comparison shopping- 4.45
- Brand consciousness- 4.43
- Price consciousness- 4.33

- Pearson Correlation $r = -.016$

- (sig=.824, accept null hypothesis- no significant rel. between lifestyle and CE)

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OBJECTIVE 5 AND RESULTS

- To relate attitudes towards foreign products/local products made in a joint venture/licensing agreement to the level of CE

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- Pearson correlation coeff. = - .274
- Accept alternative hypothesis ($p=0.00$)
- Weak negative correlation between CE and consumer attitudes towards products manufactured in a joint venture/licensing agreement.

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Objective 6 and results

- To identify homogeneous market segments sharing similar lifestyles, with CE as the focal construct
- Factor analysis with CETSCALE
- KMO measure of sampling adequacy= 0.830

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Types of buyers:

- Anti-foreign buyers
 - e.g. it is not right to purchase foreign products because it puts Mauritian people out of job
- Made in Mauritius Buyers
 - Mauritian products, first, last and foremost
- Nationalism Champions
 - There should be very little purchasing of goods from other countries unless out of necessity

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Other Hypotheses:

- Mauritian consumers will perceive the quality of products to be significantly different based on country of origin
- ANOVA
- Supported

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- Mauritian consumers will perceive the quality of products from various countries to be significantly different based on consumers' level of ethnocentrism.
- Pearson correlation
- Supported
- Weak negative correlation (-0.227)
- If CE increases, perceptions of quality of foreign products falls

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- As ethnocentrism increases, intentions to purchase domestic products versus imported products increases.
- Pearson correlation ($r = 0.238$)
- Supported

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DISCUSSION

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Factors Contributing to Low Levels of CE in Mauritius

- **Availability of Developed & Developing Countries Foreign Products.**
 - Open economy

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Economic Situation

- Purchasing power reduced drastically day by day.

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Consumers' Perceptions & Advertising Effect of Foreign Products

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Importation and Local Production

- Local products are mostly replicas & duplication of what is available thru imports.

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Erosion of Protection for Domestic Production

- In 2006/2007 budget, maximum duty on some imported products brought down from 55% to 30%.
- Over a 2 year period, maximum protection extended to local manufacturing sector gone down from 80% to 30%.
- While some products are only enjoying a 10-15% protection.

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Negative effects

- Increasing production costs,
- business closures,
- loss of jobs &
- loss of confidence among local operators.

- Process of tariff liberalisation leading to tariff cuts made foreign products more affordable to consumers.
- Dumping of foreign products on local market.

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Lack of Control Over the Flow of Foreign Products in the Domestic Market

- Strict compliance to Food Act, ISO & HACCP standards for local manufacturers.

- Preference to purchase jewelry abroad – Competitive price & no tax.

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Globalisation & Free Trade Policy

- E-commerce
- Mauritius being a member of the SADC, COMESA & IOR has to open its market to foreign products coming from the other members of these regional blocks.

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No Common Platform for Mauritian Made Products

- Very few fairs where only Mauritian products are exposed.
- Supermarkets & hypermarkets refuse to display & sell local manufacturers products.

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IMPLICATIONS

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- **The Call for Minimal Protection**
- Cutting duties will aggravate the unemployment situation & favour imports.
- **Need of Anti-Dumping Policies as Safeguard Mechanism**
- **Promoting Entrepreneurship & the Small and Medium Enterprise (SME) Sector**

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- **Sustainable Sensitisation Campaign in Favour of Mauritian Made Products**
- **Helping Local Manufacturers to Enhance Capability & Competitiveness**
- **Redefining the role of Mauritian Importers**
- ✓ Encourage partnership between local & foreign manufacturers

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CONCLUSION

- ❖ Mauritians exhibit low ethnocentrism.
- ❖ Consumer ethnocentrism does not figure as a priority for Mauritian consumers.
- ❖ Foreign brands were perceived to be more reliable & appreciated than domestic country brands.
- ❖ Brands made in developed countries enjoy more of positive perceptions.

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Mauritian Manufacturers Need:

- To improve product quality
- To offer competitive prices.
- To consider strategies of cooperation with credible foreign manufacturers.
- To develop strong brand images & enhance the COO image.
- To make use of state of the art technologies to raise brand equity of Mauritian products & break down the perception of inferiority.

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