

The Effect of Consumer Ethnocentrism on Purchase Intention of Females Towards Local Skincare Products: Evidence from Colombo District, Sri Lanka

Shanika Hansini Rathnasiri, Kawindu Lakruwan and Shashini Kaushalya Bulumulla*

Department of Marketing Management, Faculty of Management Studies,
Sabaragamuwa University of Sri Lanka
shashinibulumulla@gmail.com

Abstract - Sri Lanka has been facing consumer ethnocentrism, which can be seen as the tendency to prefer local products. The Sri Lankan skincare industry has a forecasted annual average growth rate of 4.4%, a pattern that can be explained by increased levels of awareness, the spread of e-business platforms and the increased disposable income. The current research is aimed at determining how consumer ethnocentrism affects the buying interest of the women consumers in the Colombo District in the context of locally made skincare products. The study adopts the quantitative design to examine the influence of diverse aspects of ethnocentrism, including insecurity, reflexiveness, habituation, cognition and prosociality, on the buying behavior of these local female buyers. An analysis on sample sizes of 317 participants was done, and the regression method was used to test the hypothesized assumptions. The results indicate a positive correlation between the dimensions which have been evaluated and the consumer purchase intention. These findings provide meaningful information to local skincare marketers regarding the possibility of exploiting ethnocentric values to increase product desirability, and such findings provide a theoretical framework for interpreting the dynamics of consumer behavior in a highly growing and developing economy. Further studies can be characterized by the enlargement of geographical areas and the implementation of comparative gender examinations.

Keywords: Consumer ethnocentrism, Local skincare products, Purchase intention

I. INTRODUCTION

Researchers have been puzzled by the multifaceted and intricate aspect of consumer behavior research. Constantly investigate the vast variety of elements that determine customer choice (Raman & Hu, 2024). Their preference for local products as compared to foreign-made products is one of them. The fact about international products has reached notice (Thoumrungrroje et al., 2024). Consumer ethnocentrism refers to consumers' belief it is right or moral to buy products made in their own country instead of buying foreign or imported goods. (Shimp and Sharma, 1987). This behavior is crucial in globalization where the local and foreign firms are competing fiercely in the global market. Not all customers want to buy products from big international companies. Even in a global world some people strongly prefer local products over foreign ones especially in developing countries where people often favor goods made in their own country (Chen & Wang, 2004). Developed countries that possess the notion that they are the most superior and reliable (Ranjbarian et al, 2016). This inclination implies that individuals in the developing markets tend to be more often prefer foreign products more to local products (Karoui & Khemakhem, 2019).

Ethnocentrism plays a significant role in the attitude of the people about products and in the end, it influences their purchasing decision (Thomas et al, 2019). Both local and foreign cosmetics industries in Sri Lanka are increasingly focusing on consumer ethnocentrism and its influence on buying behavior due to the high level of competition and increased demand (Maduwanthi and Nishmi, 2020). The skincare market in Sri Lanka

is expected to increase at a 4.4% between 2020 to 2026 due to the increasing skincare awareness, e-commerce and income (Wijesinghe, 2024). The report commissioned by the Real Sector Division - Economic Research Department, Central Bank of Sri Lanka (2021) stated that the skincare market in Sri Lanka will increase by 8.7% between the year 2021 and 2027 due to the changing lifestyles, rising incomes and the development of sales channels. Colombo is a cosmopolitan market, and the international skincare brands are very visible and attractive to the consumer. It has been unclear whether the perceived inferiority of local products can be overcome due to consumer ethnocentrism. Numerous brands offered in the world market position themselves as being custom-made to suit local skin types, making it hard to discern ethnocentric tastes (Kotler and Keller, 2016). Skewed drug knowledge and various medicinal plants are also proliferating the skin care and cosmetics products sectors in the country. Due to this, the market of ayurvedic and herbal products is growing in Sri Lanka and other countries (Export Development Board, 2021). Products and a demand towards consumer ethnocentrism and because it raises the local economy, the report of cosmetic and skincare industry in Sri Lanka reveals that 60% of consumers in Colombo use local products as opposed to imported substitutes on their skin (Karunaratne, 2022). Spa Ceylon, which is one of the most popular luxury Ayurveda brands, has become a well-known brand with a strong level of consumer trust in Sri Lanka and other countries because of its emphasis on natural ingredients of traditional origin (De Silva, 2021).

As the majority of studies on ethnocentrism concentrated on the scale of general consumer goods or electronics, few of them examined skincare as their subject and in most cases, in the context of the North American or European setting (Garmatjuk & Parts, 2015). While there is considerable research on this topic in developed countries (Shankarmahesh, 2006), a notable lack of studies exists in developing nations (Alam et al., 2022), despite changes in consumer habits in South Asia (Dewasiri et al., 2021). The CEESCALE model (Shimp and Sharma, 1987) is used to measure ethnocentric tendencies, and this paper reviews how ethnocentric attitudes of Sri Lankans affect their purchase intentions of local skincare.

This study provides three fascinating findings. It goes as far as discovering the importance of customer ethnocentrism on purchase intention and companies can make adequate modifications to their marketing strategies. Second, it facilitates researchers to synthesize prior knowledge base, trace tendencies and contribute to the progress of the field; consequently, it accompanies the trade establishment bodies and lawmakers, which perform the supporting role to the international trade agreements, exports and domestic market.

II. LITERATURE REVIEW

A. Ethnocentric Insecurity

The understanding of ethnocentrism is based on the fact that foreign products can weaken the native economy (Shimp and Sharma, 1987). Ethnocentric consumers also argue that imported goods harm the economic state in the country as they increase unemployment, boost debt and create imbalances in trade (Siamagka & Balabanis, 2015). Insecurity-related anxieties form a significant factor of buying behavior and ethnocentric attitudes development (Festervand and Sokaya, 1994; Witkowski, 1998). Ethnocentric insecurity has a crucial effect on the desire to purchase products in this country (Shan et al., 2017). Clients who are ethnocentric are especially vulnerable to perceived threats, which create

an ethnocentric insecurity where consumers promote local products in order to positively impact the local economy, which is again exaggerated by economic development of a country (Mullen et al., 1992). Hence, the following hypothesis is proposed.

H1: Ethnocentric Insecurity has an impact on the purchase intention of females towards Local skincare products in Colombo district, Sri Lanka.

B. Ethnocentric Reflexiveness

Ethnocentrism, which is usually based on instinct and ingrained, is created at a very early age, and tends to favor the local product over the international one (Siamagka & Balabanis, 2015). In making a decision between domestic and foreign products, these ethnocentric beliefs, which are unconscious can have a great influence on the ultimate decision. Surprisingly, Shan et al. (2017) reported that the intention to buy domestic products is not largely influenced by the reflexive thinking ethnocentric. Most of the ethnocentric tendencies are automatic and they work unconsciously (MacDonald, 2006). According to the Memory Theory, individuals spontaneously recollect long-term recollections which include ethnocentric attitudes when they come across a product of a foreign nature, then they respond instinctively and make an overall selection (Devine, 1989). Preconscious automatic responses affect ethnocentric purchasing behavior, as they make the consumer unaware of his or her prejudices and incorrect in the ability to rethink his/her thinking in accordance to socially acceptable standards (Bargh, 1989). Therefore, the hypothesis below is suggested.

H2: Ethnocentric Reflexiveness has an impact on the purchase intention of females towards local skincare products in Colombo district, Sri Lanka

C. Ethnocentric Habituation

Consumers develop beliefs about race as a result of regularly engaging in race-related behaviors, such as frequent purchases of household goods. Everyday interactions with family, school, and friends shape these ethnocentrism attitudes (Siamagka & Balabanis, 2015). However, research indicates that biculturalism can reduce ethnocentrism and influence purchasing decisions (Zolfagharian & Sun, 2010). Shan et al. (2017) found that ethnocentric attitudes significantly influence people's tendency to buy local products. Since ethnocentrism is learned from a young age, people attached with the ethnocentrism when they purchase local products (Shimp & Sharma, 1987). Research shows biculturalism can lower ethnocentrism levels (Zolfagharia & Sun, 2010). However, Poon et al. (2010) found that immigrants with cultural backgrounds similar to the host country have ethnocentrism levels as high as those born locally. Supporting this, evidence indicates that having dual ethnocentric identities in immigrant groups does not eliminate ethnocentrism (Zolfagharia et al, 2014). Hence, the following hypothesis is proposed.

H3: Ethnocentric Habituation has an impact on the purchase intention of females towards local skincare products in Colombo district, Sri Lanka

D. Ethnocentric Cognition

Ethnocentric cognition refers to the mental processes and attitudes consumers develop towards products based on nationalistic biases, often rooted in cultural and national identity. Consumer ethnocentrism manifests in the belief that buying domestic products is both economically and morally superior, however, purchasing international products is identified as a threat to the local economy (Shimp & Sharma, 1987). The bias discussed within the framework of culture is a result of cultural learning, as a consequence of which the consumers internalize the ideas of national loyalty, which, as a rule, is developed during the formative interaction with the family, school and the social environment in general (Vida & Reardon, 2008). Shan et al. (2017) discover that the ethnocentrism perceptions can play a key role in influencing the intentions of the consumers to buy the locally manufactured commodities. Ethnocentric thinking is not a passively occurring attitude, only but reinforced by repetitive behavioural patterns and society as a norm. As Siamagka and Balabanis (2015) show, consumer preference regarding local products preference might be formed through everyday cognitive reinforcement, which may include the use of media in the advertisement of local products or in the establishment of nationalistic advertising campaigns. Furthermore, Shan et al. (2017) argue that such ethnocentric attitudes strongly influence purchase behavior, leading consumers to favor domestic products. Thus, ethnocentric cognition remains a significant factor in the purchase behavior of consumers, especially in personal identity and cultural sectors. Hence, the following hypothesis is proposed.

H4: Ethnocentric Cognition has an impact on the purchase intention of females towards local skincare products in Colombo district, Sri Lanka

E. Ethnocentric Prosociality

High altruists tend to choose domestic brands. For example, Shan et al. (2017) found that ethnocentrism significantly impacts the tendency to buy local products in Greece and China, especially in the shampoo industry. Pro-sociality is defined as prioritizing national interests over individual interests, which is associated with patriotism and sacrifice for one's country (Siamagka & Balabanis, 2015). This type of prosociality can be quite altruistic, expecting something back without household income. Existence of profit, or indirect altruism, in which the availability of local resources enhances self-image. Hence, the following hypothesis is proposed.

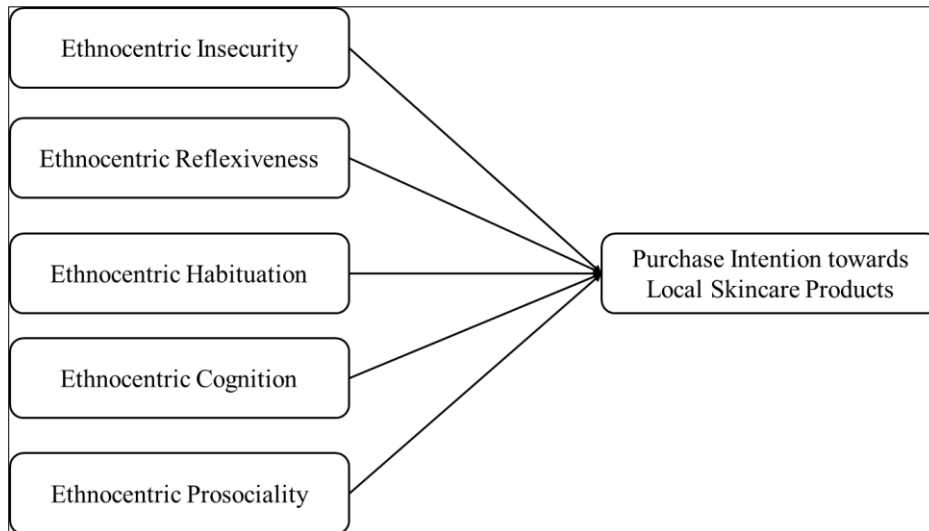
H5: Ethnocentric Prosociality has an impact on the purchase intention of females towards local skincare products in Colombo district, Sri Lanka

III. METHODOLOGY

Using positivist research philosophy along with a deductive research approach, this study has conducted minimal inference into the natural setting. A developed measurement scale adopted from Htet (2022) has been utilised to test the hypothesis. Before distributing the questionnaire, both the academic and industry experts reviewed the items for relevance based on their subject expertise. Then the research has conducted a pilot survey to assess the accuracy of the questionnaire. Two filtering questions were included to ensure the clarity and 30 participants were taken to measure the validity and reliability of the measurement scale. Utilising purposive sampling method, questionnaire was distributed among 384 females in the Colombo District who intend to purchase local skincare

products, which was following a cross-sectional study design. To measure data five-point Likert scale has been used and respondents' level of agreement was measured between the ranges of 1 = Strongly Disagree to 5 = Strongly Agree. When dealing with sample size, SPSS analysis has been identified as the perfect method for hypothesis testing. The conceptual framework of the study shown in Figure 1.

Figure 1. Conceptual Framework



Source: Adapted from (Htet, 2022).

IV. DATA ANALYSIS

In data collection, 336 responses were gathered. During the data screening process, 19 responses were removed to incompleteness of data. Therefore, the effective sample size for the study was reduced to 317. The researcher did miss value treatments, and no common outliers were found in the dataset. The study's final effective response rate is 82.55%. The majority of the respondents (61.51%) from the 26–35 years age group, indicating that the study primarily targets young to middle-aged adults and are full employed and purchase skincare products once a month (37.5%).

Table 1: Reliability and Validity

Variable	Cronbach's Alpha	KMO Values	Sig value of Bartlett's test
Ethnocentric Insecurity (EI)	0.783	0.695	0.000
Ethnocentric Reflexiveness (ER)	0.833	0.721	0.000
Ethnocentric Habituation (EH)	0.725	0.680	0.000
Ethnocentric Cognition (EC)	0.779	0.696	0.000
Ethnocentric Prosociality (EP)	0.727	0.594	0.000
Purchase Intention (PI)	0.723	0.628	0.000

Source: Survey data (2024).

Table 1 shows that the items in each construct show consistent internal reliability. All the constructs had a Cronbach's Alpha above 0.70, realising that reliability is accepted. All the KMO values are higher than 0.5 and Bartlett's test values are less than 0.05 for all the variables. Hence all the variables satisfy the validity and reliability requirements.

Table 2: Descriptive Statistics

Variable	Mean	Std. Deviation
Ethnocentric Insecurity (EI)	3.2290	1.00320
Ethnocentric Reflexiveness (ER)	3.1324	1.10521
Ethnocentric Habituation (EH)	3.2292	1.00876
Ethnocentric Cognition (EC)	3.2008	1.05205
Ethnocentric Prosociality (EP)	3.2145	1.03447
Purchase Intention (PI)	3.1798	0.88837

Source: Survey data (2024).

According to Table 3, all variables' mean values are greater than 03, which shows that all variables are at the level of acceptance. The standard deviation of all variables is less than 02. Hence, data can be considered less cluttered.

Table 3: The Model Summary table

Model	R	R Square	Adjusted R Square	Std. Error
5	0.842 ^a	0.709	0.705	0.483

Source: Survey data (2024)

According to Table 3, 71% of the variation in the dependent variable can be explained by the revised model, demonstrating its high explanatory power. After adjusting for related factors, the model explains 70.5% of the variation, indicating a satisfactory fit. However, about 29.5% of the difference is due to factors that were not examined in the study.

Table 4: ANOVA Table

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	176.874	5	35.375	151.711	0.000 ^b
Residual	72.517	311	0.233		
Total	249.391	316			

Source: Survey data (2024)

Table 4 indicates that the significance (sig) value is 0.000, indicating that the model is statistically significant at a 95% confidence level. The model demonstrates strong predictive power with an F-value of 151.711 and a mean square of 35.375 for the regression.

Table 5: Coefficient Table

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.567	0.102		5.550	0.000
EH	0.132	0.040	0.150	3.300	0.001
ER	0.260	0.044	0.324	5.856	0.000
EP	0.119	0.042	0.138	2.816	0.005
EC	0.164	0.047	0.194	3.457	0.001
EI	0.144	0.051	0.163	2.858	0.005

Source: Survey data (2024)

EH has the highest positive B value (0.260) and a significant p-value (0.000). EP has a significant p-value at 0.005, and EC has a p-value less than 0.05. EI has a p-value of 0.005, supporting the hypothesis that EI positively influences females' purchase intention. At 95% confidence interval, the unstandardized beta coefficient is not equal to zero and the p-value is less than 0.05. Hence, all five independent variables have a significant positive impact on females' purchase intention.

V.CONCLUSION

The current study examined how ethnocentrism affects the buying intentions of consumers of skin care products in Colombo District, in Sri Lanka. Using the CETSCALE tool, the research investigates key concepts such as ethnocentric insecurity, reflexiveness, habituation and cognition. Empirical evidence indicates that the positive relationship between each of the investigated variables and purchase intention is statistically significant. These findings demonstrate the relevance of considering collections of ethnocentric aspects in the skincare sector to achieve emotional bonding with ethnocentric

consumers. Brands engaged in skincare that operate in the local setting can be distinguished by using local ingredients, traditional methods of their production, adapting them to the local needs and using ethnocentric motives in their advertisements and communications. Consumer engagement can be enhanced through community-based programmes and loyalty programmes, whereas the pricing should be associated with the way consumers appraise locally produced goods and ethically manufactured products.

The research also has limitations, with the major ones being that it focuses on the district of Colombo and the cross-sectional type of the gathered data, which measures consumer behavior at any one given time. It is recommended that future research be conducted using longitudinal designs in order to track the development of ethnocentrism as well as extend the study to cover other product categories.

A. Managerial Implications

The paper highlights the importance of understanding consumer ethnocentrism in the skincare industry of Sri Lanka. Local skincare brands will be able to establish a strong emotional nexus with ethnocentric consumers by aligning brand position level with local values, traditions and heritage. The focus on using local ingredients and local customs and traditions, combined with the products being adapted to fit the local preferences, can help a brand stand out among competitors in the same market. This distinction is further strengthened through advertising campaigns that incorporate the introduction of ethnocentrism and storytelling through narratives. The involvement of consumers can be increased by community-based projects and loyalty programs, which can encourage consumers to choose local products. The pricing approaches must reflect the worth the consumers feel as they contribute to the production of local goods, hence highlighting the quality of local produce and ethical production methods. Local identity of a brand can be consolidated through strategic partnerships and collaboration and a good example of this would be to provide local skincare products in a hotel, spa and to achieve certifications like the Made in Sri Lanka.

B. Theoretical Implications

The present research utilizes the CEESCALE, which is a continuation of the CETSCALE, to examine the concept of ethnocentrism in a gender-specific setting, in this case, the target group of consumers, the female segment in Sri Lanka. The focus of consumer ethnocentrism studies has not included studies related to non-Western environment and the milk powder industry previously. The current investigation aimed at filling this gap, investigating the role of ethnocentric values in influencing the purchasing behaviour of female customers in the local skincare market, which is a field closely connected with the perception of self and cultural meaning. The results are that culture and economic factors might act in various ways across genders.

C. Limitations and Future Research Directions

There are some limitations associated with the exploration of ethnocentrism in Sri Lanka. The most prominent of them is its geographic scope on Colombo District which might restrict the generalization of the results to other areas and its narrow inclusion of exclusively female consumers, which may have been the presence of gender differences in ethnocentric behavior. The future research ought to include the male perspectives or carry out comparative gender research in order to explain the effects of ethnocentrism in both sexes. The cross-sectional design only captures the behavior of the consumers at a particular time and thus it does not determine any change in behavior of the consumer as

time goes by. Longitudinal studies might however track the development of ethnocentrism related to emerging economic circumstances or even policy intervention, though broadening the range to other product lines might discover ethnocentric preferences depending on product.

REFERENCES

- Alam, M. I., Yeasmin, S., Khatun, M. M., Rahman, M. M., Ahmed, M. U., Debrot, A. O., Ahsan, M. N., & Verdegem, M. (2022). Effect of mangrove leaf litter on shrimp (*Penaeus monodon*, Fabricius, 1798) growth and color. *Aquaculture Reports*, 25, 101185. <https://doi.org/10.1016/j.aqrep.2022.101185>
- Annual Report 2021 | Central Bank of Sri Lanka. (2021). <https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports/annual-report-2021>
- Bargh, J. A. (1989). Conditional automaticity: Varieties of automatic influence in social perception and cognition. *Unintended thought*, 3, 51-69.
- Chen, x. z., & wang, l. c. (2004). Consumer ethnocentrism and willingness to buy domestic products in a developing country setting: Testing moderating effects. *Journal of consumer marketing*, 391-400.
- De Silva, R. (2021). Spa Ceylon and the rise of Ayurveda in Sri Lanka. *Journal of Natural Products and Wellness*, 45-60.
- Devine, P. G. (1989). Stereotypes and prejudice: Their automatic and controlled components. *Journal of personality and social psychology*, 56(1), 5.
- Dewasiri, N. J., Rana, S., & Kashif, M. (2021). Editorial-theory building in marketing: rationalizing South Asian perspective. *South Asian Journal of Marketing*, 2(1), 1-4.
- Festervand, T. A., & Sokoya, S. K. (1994). Consumer ethnocentrism in a developing economy: A preliminary investigation.
- Garmatjuk, K., & Parts, O. (2015). Consumer ethnocentrism in Estonian skin care products market. *Procedia - Social and Behavioral Sciences*, 213, 610-615. <https://doi.org/10.1016/j.sbspro.2015.11.458>
- Han, C. M., & Guo, C. (2018). How consumer ethnocentrism (CET), ethnocentric marketing, and consumer individualism affect ethnocentric behavior in China. *Journal of Global Marketing*, 31(5), 324-338.
- Htet, A. T. (2022). EFFECT OF CONSUMER ETHNOCENTRISM ON PURCHASE INTENTION OF CONSUMERS IN MYANMAR TEXTILE MARKET. 127-135.
- Karoui, S., & Khemakhem, R. (2019). Consumer ethnocentrism in developing countries. *European Research on Management and Business Economics*, 25(2), 63-71. <https://doi.org/10.1016/j.iedeen.2019.04.002>
- Karunaratne, M. (2022). The impact of the "support local" movement on Sri Lankan consumer behavior. *International Journal of Consumer Ethnocentrism*, 298-312.
- Kotler, P., & Keller, K. L. (2016). A Framework for marketing management. *Marketing Management* (14th edition), 345.
- MacDonald, K. (2006). Psychology and white ethnocentrism. *The Occidental Quarterly*, 6(4), 2007.

- Maduwanthi, K., & Nismi, M. (2020, November 26). IMPACT OF CONSUMER ETHNOCENTRISM ON WILLINGNESS TO BUY DOMESTIC SKINCARE PRODUCTS IN SRI LANKA. <http://repo.lib.sab.ac.lk:8080/xmlui/handle/susl/2387>
- Mullen, B., Brown, R., & Smith, C. (1992). Ingroup bias as a function of salience, relevance, and status: An integration. *European journal of social psychology*, 22(2), 103-122.
- Poon, P., Evangelista, F., & Albaum, G. (2010). Attitudes of migrants towards foreign-made products: an exploratory study of migrants in Australia. *Journal of Consumer Marketing*, 27(1), 35-42.
- Raman, A., & Hu, K. (2024). Online purchases among consumers during the COVID-19 pandemic in Malaysia. *Online Journal of Communication and Media Technologies*, 14(2), e202414. <https://doi.org/10.30935/ojcm/14252>
- Ranjbarian et al. (2016). Consumer Ethnocentrism Tendency in Africa: A Literature Review. *Global journal of commerce and management perspective*, 97-106.
- Shan, Q., Meletios, I., Yannis, A., & Markos, H. (2017). Consumer Ethnocentrism Threatens Import Brands ?Empirical Evidence from China and Greece and Validation of CEESCALE. *British Academy of Management Conference 2017*.
- Shankarmahesh, M. N. (2006). Consumer ethnocentrism: An integrative review of its antecedents and consequences. *International marketing review*, 146-172.
- Shimp, T., & Sharma, s. (1987). Consumer ethnocentrism: Construction and validation of the CETSCALE. *Journal of Marketing Research*, 280-289.
- Siamagka, N. T., & Balabanis, G. (2015). Revisiting Consumer Ethnocentrism: Review, Reconceptualization, and Empirical Testing. *Journal of international marketing*.
- Sri Lanka Export Development Board - Sri Lanka Business Portal. (2021). Sri Lanka Export Development Board. <https://www.srilankabusiness.com/>
- Thomas et al. (2019). Effect of Ethnocentrism and Attitude Towards Foreign Brands in Purchase Decision. *Vision the jurnal of business perspective*, 1-12.
- Thoumrungroje, A., Diamantopoulos, A., & Scherer, N. C. (2024). Consumer xenocentrism when domestic products are better. *International Marketing Review*, 41(2), 490–513. <https://doi.org/10.1108/imr-01-2023-0007>
- Vida, I., & Reardon, J. (2008). Domestic consumption: rational, affective or normative choice?. *Journal of Consumer Marketing*, 25(1), 34-44.
- Wijesinghe, D. (2024, Jun 30). the morning. Retrieved from the morning: <https://www.themorning.lk/articles/vxSNAJ6yRfTK8WEaMEhO>
- Witkowski, T. (1998). Consumer ethnocentrism in two emerging markets:. *Advances in Consumer Research*, 258-263.
- Zolfagharian, M. A., & Sun, Q. (2010). Country of origin, ethnocentrism and bicultural consumers: the case of Mexican Americans. *Journal of Consumer Marketing*, 27(4), 345-357.
- Zolfagharian, M., Saldivar, R., & Sun, Q. (2014). Ethnocentrism and country of origin effects among immigrant consumers. *Journal of Consumer Marketing*, 31(1), 68-84.