



**CONSUMER ETHNOCENTRISM IN MALAYSIA TOWARDS
PETRONAS PETROL STATION: A CASE STUDY OF KLANG
VALLEY AREA**

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ABSTRACT

Since recent years globalization has opened and exposed local and foreign marketers to greater market opportunity and from that consumers around the world are exposed to a broad number of domestic and foreign brand choices that are easily available to them (Teo, Mohamad, & Ramayah, 2011). So, from that this study is will focus on consumer ethnocentrism and its effect on perception towards local brands (Teo et al., 2011). In this study the based on the dimensions of the Consumer Ethnocentrism towards Petronas Petrol Station in Klang Valley Area it will be investigated. The impact and relationship of these dimensions of Consumer Ethnocentrism towards Petronas Petrol Station in Klang Valley Area will also be analysed. The location of this study will be at Klang Valley Area, Kuala Lumpur, Malaysia so the result will not be generalized. This research will be using frequency statistics, descriptive analysis, reliability analysis, regression analysis, Pearson's correlation analysis and also One Way Anova analysis in answering the objective of the research. Recommendations also will be made based on the findings.

CHAPTER 1

INTRODUCTION

1.1 Introduction

What is customer ethnocentrism? Customer ethnocentrism means that one individual or group have their own perception or will continue to buy same products or services based on their own culture. According to (Petrovicova, 2014) contributes that “ethnocentrism refers to the tendency of individuals to see their cultural group as proving the norms for acceptable behaviors and preferences.” Consumer ethnocentrism also means that when people or person have negative attitude or perception to foreign product and have positive attitudes to domestic products. This means, they will choose their own country products than other countries products based on the culture they have. According to Kaynak and Kara (2002), the concept of consumer ethnocentrism expresses the effects of buying intentions with regard to products from the home country and from countries that are perceived to resemble or differ from it. Then, for marketing purposes expanded the concept and used it to represent the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made goods (Hat, 2016). This means, from the culture that they learn it not so good to buy or not appropriate when by the foreign products.

Researchers agree those customers that have ethnocentrism will more buying the domestic products than foreign products. This is because, they more familiar with the products or services of their country and also they want to support their local product. This is also because, they have been using the products a long time. Therefore, according to (Teo, Mohamad, & Ramayah, 2011) subsequent studies that were done in the west by Balabanis and Diamantopoulos (2004) and Chryssochoidis et al. (2007) highlighted that the level of consumer ethnocentrism varied among product categories. This means, customer will become ethnocentrism in some product categories. For example, like research that I will make about the customer ethnocentrism towards Petronas Petrol Station in the Klang Valley. So, from that, the scale that always use to measure customer ethnocentrism among people is CETSCALE which is (Teo et al., 2011) CETSCALE was developed and tested to measure consumers’ ethnocentric tendencies that are related to the