

## Degree of Consumer Ethnocentrism towards the Domestic and Foreign-Made Health Supplements (The Case of Ludhiana Market)

Thakur S<sup>1\*</sup>, Sharma K<sup>2</sup>, Manchanda M<sup>3</sup>

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<sup>1\*</sup> Shilpa Thakur, Assistant Professor, Department of Business Management, Punjab College of Technical Education, Ludhiana, Punjab, India.

<sup>2</sup> Kawalpreet Sharma, Assistant Professor, Department of Business Management, Punjab College of Technical Education, Ludhiana, Punjab, India.

<sup>3</sup> Muskan Manchanda, Assistant Professor, Department of Business Management, Punjab College of Technical Education, Ludhiana, Punjab, India.

Customer ethnocentrism continues to be a major issue in worldwide business and marketing, influencing customer behavior even in the face of expanding global consumer cosmopolitanism. Ethnocentrism, the belief in the superiority of one's own group, manifests itself in the marketplace when consumers perceive goods made overseas as improper, unethical, or detrimental to domestic industry. This study examines how consumer ethnocentrism influences purchasing decisions since direct consumption of health supplements suggests a higher perceived physical danger. Since ethnocentric sentiments vary depending on the product category and geographic area, a product- and region-specific approach is required. The Ludhiana market, representative of a South-East Asian transition economy, is the subject of this study in order to investigate consumer attitudes toward both imported and indigenous health supplements. The findings aim to shed light on the relationship between customer ethnocentrism and product perception, which will assist policymakers and businesses better understand purchasing trends in similar economies.

**Keywords:** Consumer Ethnocentrism, International Business, Buying Behaviour, Country of Origin Effect, Health Supplements Market, Ludhiana Market, Product-Specific Approach

Corresponding Author	How to Cite this Article	To Browse
Shilpa Thakur, Assistant Professor, Department of Business Management, Punjab College of Technical Education, Ludhiana, Punjab, India. Email: <a href="mailto:thakurshilpa462@gmail.com">thakurshilpa462@gmail.com</a>	Thakur S, Sharma K, Manchanda M, Degree of Consumer Ethnocentrism towards the Domestic and Foreign-Made Health Supplements (The Case of Ludhiana Market). Int J Engg Mgmt Res. 2025;15(2):219-226. Available From <a href="https://ijemr.vandanapublications.com/index.php/j/article/view/1754">https://ijemr.vandanapublications.com/index.php/j/article/view/1754</a>	

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## 1. Introduction

Consumer ethnocentrism is still a big problem in international business and marketing to better understand customer behavior, even as consumers are becoming more cosmopolitan. Ethnocentrism is the belief that one group of people is superior to another. Ethnocentrism is defined as the desire to increase the well-being of a group, fit in with the group, and pursue one's own identity. When consumers believe that buying products made overseas is wrong, unethical, and could hurt home businesses and jobs, they are exhibiting consumer ethnocentrism. One type of transferred economic behavior that influences consumers' perceptions, beliefs, and purchasing decisions toward both home and international goods is ethnocentrism. Ethnocentrism varies by product category and country, according to empirical study. This means that analyzing the problem of customer ethnocentrism requires an approach that is specific to both the product and the location. The ethnocentrism of customers has a variety of implications on how people view a product, as well as how they make judgments and act while buying various commodities, according to the product-specific approach. Customers are more sensitive to the place of origin when it comes to products like food, drinks, and other items that are consumed right away and whose use is more directly associated with bodily risk.

Health supplements represent a group of directly consumed commodities with a larger potential of bodily injury than other product categories, which is why they were chosen for this study. The outcome of a regionally specialized approach is the search for common tendencies among countries with comparable economies, histories, and/or cultures. For this study, the Ludhiana market was chosen as an example of a transition economy in South-East Asia. The essay addresses the scientific problem of consumer ethnocentrism in the health supplement industry in Ludhiana. This study aims to shed light on the relationship between customer ethnocentrism and perceptions of both native and foreign-made health products in the Ludhiana market. This study also seeks to understand how socio-demographic factors such as age, income, education level, and urban versus rural residency affect the degree of consumer ethnocentrism in the context of health supplements.

Early findings suggest that individuals with lower income and education levels tend to display stronger ethnocentric tendencies, often citing national loyalty and distrust in foreign production practices as key reasons for preferring domestic products. Additionally, the role of national identity and cultural pride emerges as a significant motivator in the consumption of locally produced health supplements. Consumers often associate native products with traditional values, local knowledge systems like Ayurveda, and greater alignment with their own dietary habits and health beliefs. Conversely, while some consumers view foreign-made supplements with suspicion, others associate them with scientific rigor, global standards, and innovation. This dual perception creates a segmented market where brand positioning must be carefully tailored. Local producers can capitalize on ethnocentric sentiments, while international brands need to build credibility through transparency, quality assurance, and local partnerships. Marketing communication, therefore, plays a pivotal role in influencing consumer attitudes. Messaging that emphasizes community welfare, economic patriotism, and traditional knowledge is more likely to appeal to ethnocentric consumers. Meanwhile, cosmopolitan consumers respond better to messages about technological advancement, clinical testing, and global certifications. In sum, this research contributes to a nuanced understanding of how consumer ethnocentrism functions in a dynamic urban setting like Ludhiana, particularly within a sensitive product category such as health supplements. The findings offer actionable insights for both domestic and international firms looking to navigate this complex market. Future studies could further investigate the impact of evolving consumer education and digital exposure on ethnocentric attitudes in similar transition economies.

## 2. Literature Review

**Subhash Sharma; (1987)** Proposed that consumer ethnocentric tendencies affect how people compare domestic and foreign-made products. Sharma emphasized that highly ethnocentric consumers tend to favor domestic goods by exaggerating their positive attributes while downplaying the quality and benefits of foreign alternatives. His work also introduced the CETSCALE, a measurement tool used to assess the

degree of consumer ethnocentrism, which has since been widely adopted in marketing research. Sharma suggested that businesses could use the CETSCALE to inform retail strategies, particularly in choosing store locations for companies selling foreign products.

**John J. Watson; (2000)** Explored the effects of country-of-origin on consumer product evaluations. His findings indicated that when no domestic alternative exists for a foreign product, consumer ethnocentrism plays a different role, as consumers may be forced to rely on imported goods. He further argued that foreign brands from culturally similar countries might have a strategic advantage in such cases, as consumers are more likely to accept products that align with their cultural values and preferences.

**Erdener Kaynak; (2002)** Conducted a study on Turkish consumers, finding that perceptions of product quality varied significantly based on the socio-economic and technological development levels of the manufacturing country. His research revealed a strong link between ethnocentric biases and consumer lifestyles, demonstrating that individuals with a more nationalistic mindset tended to favor domestic products, even when foreign options were objectively superior. His study contributed to the growing body of literature on cross-cultural consumer behavior and the role of ethnocentrism in purchasing decisions.

**Udo Fluck; (2003)** Took a broader cultural perspective, examining the paradox of ethnocentrism in the United States. His study suggested that despite the country's image as a "melting pot" of diverse ethnic backgrounds, American society has maintained a high degree of ethnocentrism. He attributed this to the historical emphasis on cultural assimilation through education, which promoted a single language, work ethic, and national identity. Fluck's research shed light on how ethnocentrism is not just a consumer behavior but also a deeply ingrained social phenomenon.

**Hammond; (2006)** Analyzed ethnocentrism using an agent-based evolutionary model, revealing that in-group favoritism and ethnocentric behaviors are evolutionarily stable strategies that promote cooperation. His study found that when cooperation is costly to individuals, ethnocentrism can serve as a mechanism to sustain group cooperation, even in competitive environments.

He also suggested that ethnocentric behaviors are reinforced in societies where institutions and social norms are weak, making in-group loyalty a key factor in economic interactions.

**Soumava Bandyopadhyay; (2010)** Conducted research in India and Bangladesh, focusing on consumer ethnocentrism in emerging markets. His study emphasized that as international marketers look toward the rapidly growing South Asian economy, understanding ethnocentric tendencies among consumers becomes crucial. His findings suggested that Indian and Bangladeshi consumers exhibit strong preferences for domestic products in certain categories, but foreign brands can still succeed by tailoring their marketing strategies to local cultural values.

**Archana Kumar; (2011)** Examined the socio-psychological and demographic antecedents of consumer ethnocentrism, particularly in India. Her study found that perceived economic threat played a significant moderating role in shaping attitudes toward domestic and foreign products. She suggested that foreign brands targeting Indian consumers should adopt global branding strategies while emphasizing collectivist themes in their advertisements to align with the cultural values of Indian buyers.

**Dr. Chandan Thakur; (2020)** Studied the shift in Indian consumer preferences regarding Chinese products. His research indicated that 40% of Indian consumers had actively boycotted Chinese goods, especially electronics, due to political tensions and nationalist campaigns. However, he also noted that 60% of Indian consumers continued purchasing Chinese products because of their lower prices, highlighting the tension between economic pragmatism and nationalist ideology.

**Ingrida Šmaižienė; (2014)** Examined consumer ethnocentrism in Lithuania, focusing on dietary supplements. Her study found that lower-income consumers exhibited stronger ethnocentric tendencies, leading to a preference for locally produced supplements. Interestingly, Lithuanian consumers perceived domestically made supplements as comparable in quality to those from economically advanced nations, suggesting that strong national branding could counteract the dominance of foreign brands.

**Seema Patel; (2015)** Noted that whey protein was no longer considered a mere byproduct of dairy processing but had become an essential nutrient for various consumer groups, including athletes, the elderly, and patients with metabolic disorders. Her study called for further research into the sensorial and allergenic properties of whey protein to expand its market potential.

**Rajneesh Tiwari; (2017)** Studied the effects of a high-protein meal replacement (HPMR) diet on overweight and obese Indians. His findings suggested that a three-month intervention combining HPMR with lifestyle changes resulted in significant weight loss, reduced abdominal obesity, and improved metabolic health. These results highlighted the potential for such diets to prevent conditions like diabetes and dyslipidemia in Indian consumers.

**Swapan Banerjee; (2018)** Provided a statistical analysis of India's dietary and nutraceutical market, predicting its value would reach ₹60,000 crores by 2020. However, he also warned about unethical marketing practices in the supplement industry, cautioning consumers against unsafe products. His study underscored the importance of transparent labeling and consumer education in ensuring safe dietary supplement consumption.

**Li Xin; (2019)** Explored the impact of consumer ethnocentrism on the purchase of Korean functional foods. His study found that while ethnocentric consumers were less likely to buy Korean products, factors such as brand image, health consciousness, and perceived product benefits positively influenced purchasing intentions. This suggested that Korean food brands could overcome ethnocentric resistance through effective branding and education.

**W.S. Harwood; (2020)** Investigated the misalignment between consumer and industry definitions of sustainability. His study found that consumers perceived plant-based alternatives to dairy products as more sustainable, despite industry efforts to promote dairy as an eco-friendly option. His findings emphasized the need for better marketing communication to educate consumers on the environmental impact of different food choices.

**Giuseppina Migliore; (2021)** Studied Italian consumer behavior during the COVID-19 pandemic. She found that Italian consumers became more ethnocentric during lockdowns,

preferring domestic and certified foods due to concerns about the safety of foreign products. Her research also highlighted a shift toward healthier eating habits, increased online shopping, and a growing emphasis on food labeling and transparency in decision-making.

### 3. Research Methodology

#### Research Objective

- To determine the level of ethnocentrism among Ludhiana's customers.
- To learn what Ludhiana customers want when purchasing dietary supplements.
- To understand how customer ethnocentrism in the nutritional market is impacted by income

#### Sampling Plan

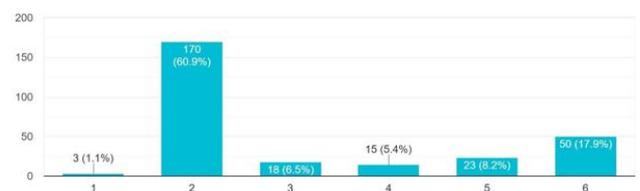
The study's sample size is 200. A study that is thought to accurately portray the participants is known as descriptive research.

#### Data Collection

To determine the level of ethnocentrism among urban consumers in the Ludhiana district, a reconnaissance survey of the research region was conducted. A thorough plan was created, pre-tested, and utilized in the field survey based on the data acquired at the district level.

### 4. Data Analysis and Interpretation

Do you agree Indians should not buy foreign supplements because it harms Indian business and causes unemployment?  
279 responses



**Figure 1:** Preference of Indians not to buy foreign supplements

#### Interpretation:

Sixty-eight percent disagreed with assertions, which received less than average acceptance from respondents. One may say that the respondents tended to disagree that purchasing goods from abroad is improper and could harm domestic companies and jobs.

Do you agree even if the price is higher, Indians should choose India-made supplements?  
279 responses

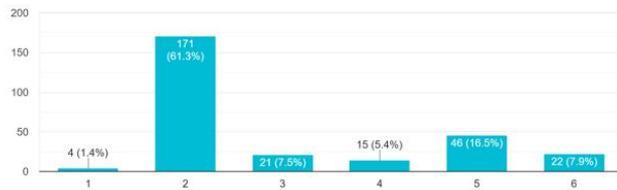


Figure 2: Price impact on buying of supplements

**Interpretation:**

68% of respondents disagreed with assertions, which received less than average support from the respondents. We will talk about this in our next questions. It is feasible to say that respondents are purchasing health supplements solely because the products are reasonably priced.

Do you agree that supplements manufactured in India are more natural?  
279 responses

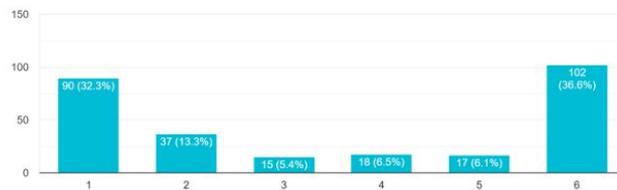


Figure 3: Quality of supplements in India

**Interpretation:**

Because 51% of respondents voted in favor of the products, the statements estimating consumers' opinions toward Ludhiana products received more approval from the respondents. This demonstrates that respondents have more good than negative opinions about Ludhiana items' dependability, naturalness, and costs.

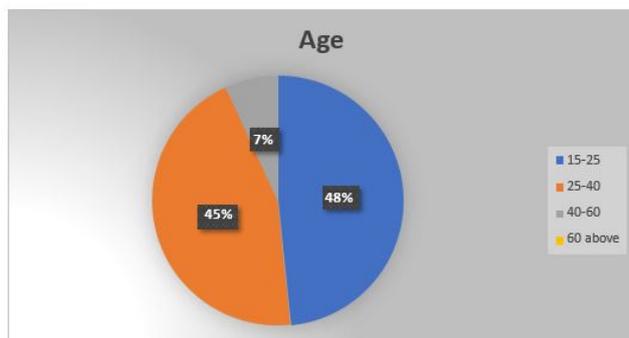


Figure 4: Age

**Interpretation:**

Only 7% of respondents are from the 40–60 age group, and the majority of them agreed with the question on a six-point scale, indicating a much larger predisposition toward ethnocentrism than the other categories. Respondents between the ages of 40 and 60 provided these responses.

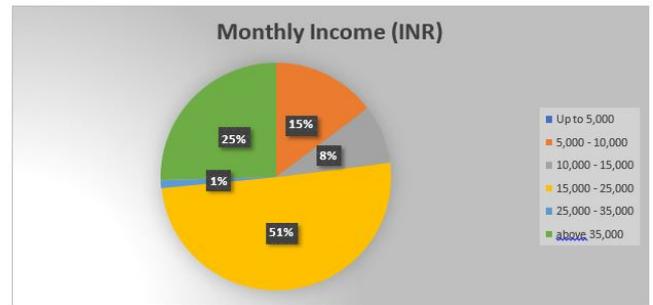


Figure 5: Monthly Income

**Interpretation:**

This demonstrates that low-income respondents believe that foreign goods are the main source of unemployment and the country's low per capita income.

Which pricing factor do you consider the most while making a purchase decision regarding supplements?  
279 responses

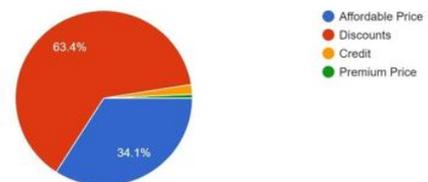


Figure 6: Pricing factor impact decision making

**Interpretation:**

According to research findings, the more ethnocentric a customer is, the more significant price-related considerations are for him or her when selecting dietary supplements. It has been determined that respondents are purchasing health supplements not because of the company's premium price, which is the least preferred factor for them, but rather because of the statistically significant positive correlation between the strength of consumers' ethnocentrism and the price-related factors: the offered discount (63.4%), large amount for reasonable price (34.1%), and credit (1.8%). which demonstrates that they are not purchasing health supplements to demonstrate their status.

Which brand factor do you consider the most while making a purchase decision regarding supplements?  
279 responses

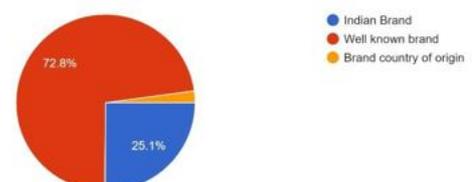
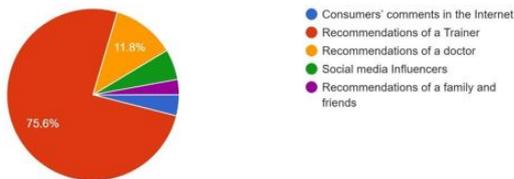


Figure 7: Factor of brand impacting purchase decision

**Interpretation:**

It has been determined that there is a statistically significant positive link between the degree of customer ethnocentrism and the significance of Indian brand names while making judgments about the purchase of dietary supplements. According to the research findings, the well-known brand of nutritional supplements is more significant than the Indian brand name in each of the four groups of respondents with varying degrees of ethnocentrism.

Whose recommendations influence your purchase decision severely?  
279 responses

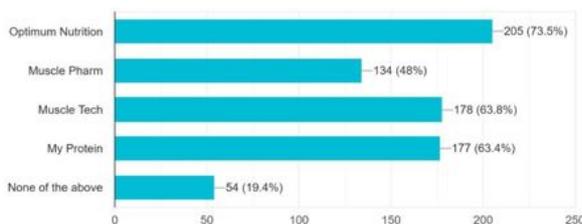


**Figure 8:** Recommendations influencing purchase decision

**Interpretation:**

Additionally, a statistically significant inverse relationship has been shown between the degree of consumer ethnocentrism and the significance of trainer and physician suggestions. The suggestions of trainers and doctors were similarly cited by the group of respondents with strong ethnocentrism as the most crucial consideration when selecting dietary supplements.

Which International brands are you aware of?  
279 responses



**Figure 9:** Awareness about International Brands

**Interpretation:**

Above all, we can conclude that quality is the primary reason why Ludhiana residents choose foreign supplements over Indian ones since they believe the latter are unreliable and do not provide satisfactory results. Since respondents did not rate them, other variables are unimportant and do not play a significant role in the decision to choose international brands over Indian ones.

What are your reasons for choosing International brands over Indian brands?  
202 responses



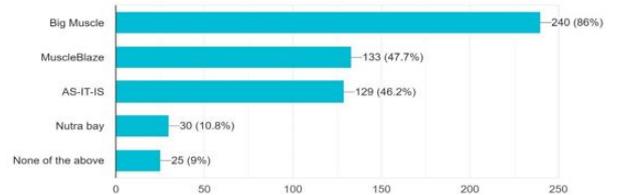
**Figure 10:** Preferences of Indian or International Brands

**Interpretation:**

One intriguing finding from this study is that Big Muscle Nutrition is the most well-known Indian brand and is even ranked higher than the global brand Optimum Nutrition.

240 respondents are familiar with this brand, demonstrating the effectiveness of Big Muscle Nutrition's influencer marketing. Big Muscle is well-known for its influencer marketing strategy, which involves paying bodybuilders and YouTube creators to endorse their products.

Which Indian brands are you aware of?  
279 responses



**Figure 11:** Awareness about Indian Brands

**Interpretation:**

According to this poll, only 9% of respondents are aware of Nutra Bay, making it the most unpopular brand. Even if there are just 72 respondents who prefer Indian companies over foreign ones, their choice is only based on the low cost of Indian goods, not on nationalism or ethnocentrism.

**5. Conclusion**

The dynamics of consumer ethnocentrism in Ludhiana, India, are examined in this study, with an emphasis on how it affects consumers' perceptions and purchasing decisions about dietary supplements. The results demonstrate that Ludhiana customers have a generally positive attitude toward imported goods and that overall consumer ethnocentrism is below average. Local goods are also seen favorably in terms of their naturalness, dependability, and quality, especially dietary supplements.

Consumer ethnocentrism and household income were found to be significantly inversely correlated, with lower-income groups showing more ethnocentric attitudes. Even when compared to items from culturally and economically similar nations, consumers with higher levels of ethnocentrism tended to overestimate the quality and safety of nutritional supplements created in Ludhiana. This calls for more research since it raises the possibility of some kind of regional bias or consumer antagonism. It's interesting to note that ethnocentric customers view locally created supplements similarly to those produced in highly developed nations like the US, Germany, and Japan. However, it was discovered that ethnocentrism levels were inversely connected with opinions toward dietary supplements from nations like France, the Netherlands, Belgium, and Switzerland. The main determinants of dietary supplement selection across all ethnocentric segments were product naturalness, price, and quality. But as ethnocentrism grew, customers viewed a wider range of elements as more important, including marketing messages, doctor or pharmacist recommendations, and the "Ludhiana" brand name. Even said, well-known international brands continued to have more sway than the Ludhiana label alone, even though those who were more ethnocentric were more drawn to a strong Indian brand identity. In response to this trend, several importing businesses have localized their brand strategies, adding packaging and marketing components unique to Ludhiana, in an effort to appeal to both cosmopolitan and ethnocentric consumer sectors. The results indicate that although Ludhiana's consumer ethnocentrism does not pose a significant obstacle to imports, it does have a subtle influence on how consumers perceive and make decisions, especially in the nutritional supplement industry. It is recommended that future research look into the causes of regional customer animosity and how local and national brand narratives might be best suited to counteract these feelings.

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