

Geographical Indicated (GI) Products of the Regional Ethnocentrism of Kerala Prudently Influences Consumer Behaviour

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Abstract

GI tagged products consists of agricultural and handicrafts products and are registered under the Geographical Indication Act of 1999. Kerala consists of 28 Gi tagged products, thereby having immense potential. Regional ethnocentrism is a noble concept developed by Shimp and Sharma in 1987. A 17 point “CETSCALE” was developed to measure ethnocentrism, and it holds a strong place in marketing literatures. By identifying the research gap, this study emphasises the influence of regional ethnocentrism towards the purchase of Geographical Indicated (GI) tagged products. A sample of 102 consumers was randomly chosen from the central zone of the state of Kerala. A reduced version of the six-point scale validated and introduced by Klein et al. 2006 and Fernández-Ferrín et al., 2019 was adopted in this study to examine the regional ethnocentrism towards GI Tagged products. Based on the findings, highly valuable suggestions were imparted to the producers to market regional geographical indicated products effectively. Regional ethnocentrism can be adopted as an appealing and victorious strategy, thereby enabling the smaller producers to survive in this globalised world of technology.

Key-words: Geographical Indicated (GI) Product, Regional Ethnocentrism, Marketing literature, “CETSCALE”, Consumer Ethnocentrism Tendency Scale.

1. Introduction

Globalisation converted the whole world into a single market, creating a wider range of consumers for domestic and international products. As an upshot, consumers have to make the utmost decision on purchase from varieties of foreign and Chinese products. Digital markets and the

introduction of innovative products created increased competition among the producers of traditional or regional products and foreign products. It is highly remarkable that consumers have a higher desire to purchase local products for a sustainable local community(Merle et al., 2016)(Henseleit et al., 2009). As per Section 22 and 23 of Intellectual Property Right, Geographical Indication are the tag given to local products having a specific geographical origin and protected under GI act of 1999. These products are highly regional products and linked to rural areas(Bowen, 2010). Consumer preferences and willingness to purchase these regionally made GI products are high (Dhamotharan & Selvaraj, 2013). Consumers are interested to purchase GI labelled products for a premium price than non GI products(Menapace et al., 2009). Consumer ethnocentrism is a more comprehensive psychological concept developed by Sumner(1906) on consumers having a significant belief in buying regional products and non-preference to buy foreign products(Shimp & Sharma, 1987). This concept is gaining a higher momentum in marketing kinds of literature. A 17 point CETSCALE was developed and validated to analyse the preference of consumers to purchase local products than foreign products. The “Country Of Origin” effect is one of the influential variables for the analysis of the purchase intention of local products(Bel, 2006). Thus, the paper analyses the influence of regional ethnocentrism towards the purchase of GI tagged products and to provide valuable suggestions to GI producers in the marketing of these regional products.

2. Geographical Indication Tagged Products in Kerala

Kerala is renowned with 28 Geographical Indicated products as per the GI act of 1999. These products are manufactured across a wide geographical area of Kerala from the south, north and central zone. The state comprises of 13 handicraft and 15 agricultural products as registered from April 2004 to 2021 under Geographical Registry. Karnataka and Kerala are the only states which are treasured with both handicraft and agricultural products, thus having immense potential for the export market and for the development of the state and central government.

(http://www.ipindia.nic.in/writereaddata/Portal/Images/pdf/GI_Application_Register_10-09-2019.pdf)

3. Review of Literature

Few works of literature on Geographical Indicated products, consumer and regional ethnocentrism are pinpointed below-

(Shimp & Sharma, 1987) developed the concept of ethnocentrism concept with 17 reliable CESTSCALE to understand the preference among the group of consumers towards regional products than foreign products. Ethnocentrism is a term on all specific groups along with the "Country Of Origin" effect. These groups have a higher preference for national products and will be more beneficial for a sustainable economy (Lantz and Loeb, 1996). (Burgess and Harris, 1999) pinpointed 14 identities that enabled South African consumers' preferences towards national products. Domestic country products are the general base for the consumers of the South African region. Regional ethnocentrism has to be given equal importance to national ethnocentrism. A study was undertaken with nine students to understand the obligation of the sample to buy the locally manufactured product (Siemieniako et al., 2011). (Van Ittersum, 2007) emphasis the emotional quotient towards the purchase of Geographical indicated products. It is an important consumer attitude that extends the literature from "COO" to branding and literature of marketing.

(Teuber, 2011) conducted a study to analyse the expectation and knowledge of 751 respondents towards regional geographical indicated product toward wine product. The majority of the sample was of the opinion that the gi products supported the local community and the cultural values (Guo, G., & Zhou, X. 2017) pinpointed te traditional products uniqueness and the way they are processed. These highly unique products have specific production method having higher commercial value. Ethnocentric consumers have a positive attitude towards domestic GI products; they preferably don't wish to purchase the imported goods of other countries. (Balabanis & Diamantopoulos, 2004). Consumer ethnocentrism studies enable the managers to develop a fruitful strategy for effective marketing of regional GI products. It is positively related to consumer purchasing (Watson, J.J. and Wright, K. 2000). (Fernández-Ferrín & Bande-Vilela, 2013) emphasised the importance of this ethnocentric concept towards marketing of gi products, The regional products have immense potential, but the effectiveness of marketing and more measures have to be developed to concentrate on the marketing of this in groups (Altıntaş & Tokol, 2007). Consumer ethnocentrism has significant importance in international marketing. Foreign country producers have to be high cautious regarding the difficulties they face in domestic markets. This concept has higher relevance in the marketing of GI tagged products and to develop effective marketing techniques to face the world competition in markets.

4. Statement of the Problem

Consumer ethnocentrism is a psychological concept and a major component to market the product more effectively. Major studies pinpointed the lack of government measures to promote authentic GI tagged regional products (Dr. Ruppall W Sharma & Shraddha kulhari, 2015). Consumer preference to buy GI products are high (Omplication et al., 2006), but a high compulsion to under the consumer ethnocentrism towards regional products than foreign products. Ethnocentric consumers always promote local products for the sustainable rural economy. (Fernández-Ferrín & Bande-Vilela, 2013). These consumer groups play a prominent role in creating local employment and for the survival of local producers and cooperative societies. Regional ethnocentrism of consumers on GI products will directly help the producers to market the product more effectively to this group. Thus this study focuses on ethnocentrism influence towards the purchase of these highly authentic and traditional products, thereby leading the producers to market these products more efficiently in this competitive world.

5. Scope of the Study

The study is focussed on regional ethnocentrism towards the Geographical Indicated product. For the purpose of the study, consumers from the central zone of Kerala were selected - Palakkad, Idukki, Trissur and Ernakulum. The suggestion of the study enables the producers of geographical indicated producers to effectively sell and do other marketing activities.

6. Research Gap

The majority of studies (Fernández-Ferrín et al., 2019) were concentrated on consumer ethnocentrism between domestic and foreign goods. There are no or very few studies on regional ethnocentrism towards Geographical Indicated products. These products are highly linked to rural areas and possess the characteristics due to the region. Thus this study identifies the gap and focuses on the influence of regional ethnocentrism towards the purchase of GI Tagged products.

7. Objectives of the Study

1. To analyse the influence of Regional ethnocentrism using the validated “CETSCALE” towards the purchase of Geographical Indicated products.

2. To evaluate the intention to purchase GI tagged products.
3. To provide valuable suggestion to the producers of GI tagged products to market the products effectively in this competitive world.

8. Hypothesis of the Study

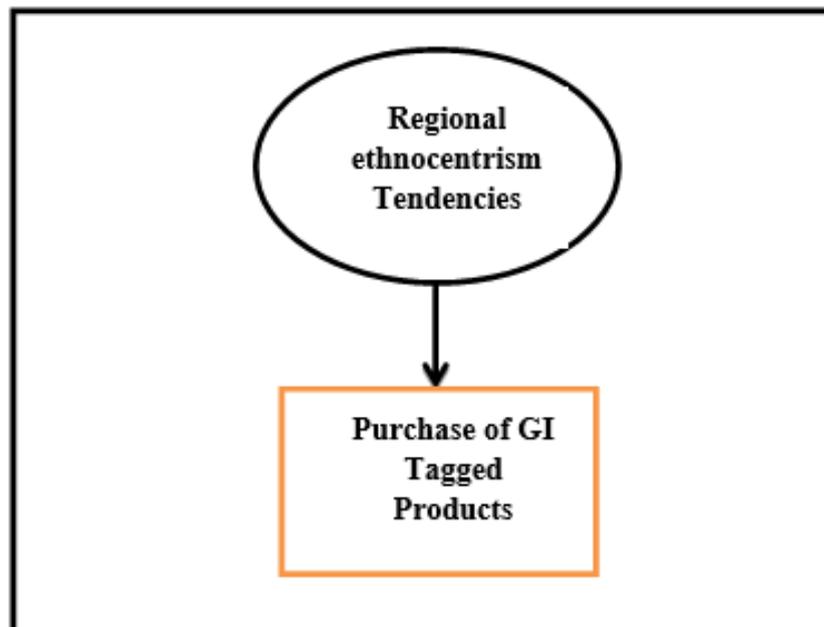
H₀-Regional ethnocentrism has no influence on the purchase of the Geographical Indicated (GI) tagged products

H₁-Regional ethnocentrism positively influences the purchase of Geographical Indicated (GI) tagged products.

9. Conceptual Model

The figure illustrates the model adopted for the study with the validated “CETSCALE” and to understand the influence of ethnocentrism towards the purchase of highly regional Geographical Indicated product.

Fig. 1 - Model of the study



10. Research Methodology

Sample design and size

Multi-stage sampling technique is adopted for this particular study. In the first stage, the Kerala state was selected. In the second phase, registered Geographical Indicated products of the central zone of Kerala-Palakkad, Trissur, Idukki, Ernakulum districts were chosen, comprising from agricultural to handicrafts products. In the third phase, consumers were randomly selected from these regions. A sample of 102 respondents was selected.

Scale and Measurement

“Cetscale”, developed by (Shimp & Sharma, 1987), consists of 17 point scale to measure consumer ethnocentrism. (Klein et al., 2006)(Fernández-Ferrín et al., 2019) employed a version of six indicator scale to measure the regional ethnocentrism. A Likert seven-point scale was used, ranging from “strongly disagree” to “strongly agree”.

Statistical tools

SPSS IBM Version 27 was applied for the study, and descriptive statistics including mean, median, and Standard deviation were applied for the study. One way ANOVA was carried out for hypothesis testing.

Sources of Data Collection

Primary data were collected from 102 consumers of Palakkad, Trissur, Idukki and Ernakulum districts using Google forms and interview. The secondary data includes articles, GI registry website, Working papers, Intellectual Property Rights (IPR) journals, Geographical Indicated Registry website, newspapers, online sources, reports of geographical indication portals, and various research papers.

11. Result and Analyses

Influence of Regional ethnocentrism using the validated “CETSCALE” towards the purchase of Geographical Indicted products

Table 1 - Regional Ethnocentrism towards GI tagged products

Variables	Median	Mode	Mean	S.D
Products from outside the state have to be purchased when GI equivalent products are not available.	4.00	4	4.51	1.50
GI products of Kerala comes first and foremost	6.00	6	5.67	1.32
A true Keralite should purchase GI products of Kerala than foreign products	6.00	7	5.58	1.57
Non-GI products are not preferred since it causes unemployment problems and other issues to the society	7.00	7	5.29	1.42
It cost long run, but I prefer regional GI product of Kerala	5.00	6	4.89	1.37
Consumers who purchase non-GI products are responsible for the job loss of fellow Kerala producers	5.00	5	4.61	1.62

Source: Survey Data (2021), N=102

INFERENCE - From Table 1, it can be inferred that mean scores vary and high on a “ 7 points Likert scale”.GI products of Kerala comes first and foremost have a high mean score of 5.67, and a standard deviation of 1.32, followed by “A true Keralite should purchase GI products of Kerala than foreign products “(M=5.58, SD=1.57). The lowest score (M=4.51 and SD=1.50) for “Products from outside the state have to be purchased when GI equivalent products are not available”.

Purchase Intention of GI Tagged Product among respondents

Table 2 - Purchase Intention of GI Tagged Product among respondents

Purchase intention	Frequency
Unintended	7 (6.86)
Neutral	29 (28.3)
Highly intended	66 (64)
TOTAL	102 (100%)

Source: Survey Data (2021), N=102

INFERENCE-From 102 consumers majority of them are highly interested in buying only GI tagged products. Less than half or only 7 respondents are unintended to purchase this regional GI tagged product.

Hypothesis Testing

H0-Regional ethnocentrism has no influence on the purchase of the Geographical Indicated (GI) tagged products.

H1-Regional ethnocentrism positively influences the purchase of Geographical Indicated (GI) tagged products.

Table 3 - One Way Anova Hypothesis Testing

Regional ethnocentrism variables	F value	Significance	Result As P<0.05 in all items, rejection of the null hypothesis
Products from outside the state have to be purchased when GI equivalent products are not available.	29.485	.001	
GI products of Kerala comes first and foremost	29.485	.000	
A true Keralite should purchase GI products of Kerala than foreign products	63.236	.003	
Non-GI products are not preferred since it causes unemployment problems and other issues to the society	30.762	.000	
It cost long run, but I prefer regional GI product of Kerala	26.972	.000	
Consumers who purchase non-GI products are responsible for the job loss of fellow Kerala producers	29.310	.000	

INFERENCE-From the analyses, it can be emphasised that the “significance value” is less than 0.05, that is, $P < 0.05$, therefore it can be highlighted that Regional ethnocentrism positively influences the purchase of Geographical Indicated (GI) tagged products.

12. Suggestions

Based on the findings, the following suggestions are provided to the producers of GI Tagged products.

1. Regional ethnocentrism positively influence the purchase of GI Tagged products, so the producers should provide the region and country of origin in the labels of the product
2. The product have to tagged with GI, which enables consumers to quickly identify and purchase the regionally authentic GI product
3. Marketers can highly concentrate on various functions of marketing like segmentation and positioning of the product while selling the GI Tagged products
4. Promotional techniques should clearly indicate the place of origin and the qualities of the product.

13. Conclusion

Regional ethnocentrism is an important component in marketing literature. GI Tagged products is produced by smaller co cooperative society and producers, highly linked to rural areas. Regional ethnocentric consumers believe in cultural values and promote the purchase of regional and authentic GI tagged products. With increased globalisation and digitalisation, smaller producers are facing heavy competition with foreign products. Thus this study provides valuable suggestions to the producers to effectively focus and market these regional oriented products, thereby leading to increased sales and development of the economy.

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