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Effects of Animosity and Allocentrism toward Consumer Ethnocentrism in Shaping Consumers' Willingness to Purchase: A Case Study on Consumers in Greater Jakarta (Jabodetabek Area) in Purchasing Malaysian Products

Maeyta Selli and Heri Kurniawan***

This paper aims to: (1) specify factors mediating the effects of consumer animosity towards the consumers' willingness to purchase imported products; (2) specify factors mediating the effects of allocentrism towards consumers' purchasing willingness on imported product; and (3) examine whether product quality comparison between domestic vis-à-vis imported products moderates the relationships between: (a) consumer animosity and consumers' willingness to purchase (b)ethnocentrism and consumers' willingness to purchase. A survey was conducted to 209 respondents that have bought Malaysian products in the past three months and lived in Jabodetabek (Jakarta, Bogor, Depok, and Bekasi) area. The result shows that ethnocentrism mediated the relationship between animosity and consumers' willingness to purchase; while it does not work as a mediator in the relationship between allocentrism and consumers' willingness to purchase. In addition, product quality comparison does not moderate the relationship between animosity and consumers' willingness to purchase as well as ethnocentrism and consumers' willingness to purchase. Interpretations, contributions, and implications for manager are also discussed.

Keywords: Malaysian product; consumer animosity; product quality comparison; consumer ethnocentrism; allocentrism.

Penelitian ini bertujuan untuk : (1) menjelaskan faktor-faktor yang memediasi pengaruh consumer animosity terhadap kemauan konsumen untuk membeli produk impor. (2) menjelaskan faktor-faktor yang memediasi pengaruh allocentrism terhadap kemauan konsumen membeli produk impor, dan (3) menganalisis apakah perbandingan kualitas produk antara produk domestik dan produk impor memoderasi hubungan antara: (a) consumer animosity dan kemauan konsumen untuk membeli, (b) ethnocentrism dan kemauan konsumen untuk membeli. Pengumpulan data dilakukan melalui survei pada 209 responden yang bertempat tinggal di daerah Jabodetabek (Jakarta, Bogor, Depok dan Bekasi) yang pernah membeli produk buatan Malaysia dalam tiga bulan terakhir. Hasil penelitian menunjukkan bahwa ethnocentrism memediasi hubungan antara animosity dan kemauan konsumen membeli. Namun di sisi lain, ethnocentrism tidak terbukti memediasi hubungan antara allocentrism dan kemauan konsumen membeli. Selain itu, perbandingan kualitas produk tidak memoderasi hubungan antara animosity dan kemauan konsumen untuk membeli. Perbandingan kualitas produk juga tidak terbukti memoderasi hubungan antara ethnocentrism dan kemauan konsumen untuk membeli. Interpretasi, kontribusi dan implikasi untuk para manajer juga dibahas dalam tulisan ini.

Kata Kunci: Produk Malaysia, *consumer animosity*; perbandingan kualitas produk, *ethnocentrism*, *allocentrism*

Introduction

The expansion of international trade today provides opportunities and interesting challenges to strategists and marketing managers. Those including the location of production,

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market penetration style, advertising, and promotional strategies that have significant effects on the survival of organizations engage in international business (Huang et al., 2010).

Research on the "country of origin" (COO) in recent years revealed that products produced by developed countries will be more in demand than products produced by developing countries (Ettenson, 1993; Jaffe and Martinez, 1995; Schooler, 1971, Wang and Lamb, 1983). This is due to the perception that products' quality of developed countries are better than those of developing countries. However the situation is now different; several recent studies revealed that there are several factors influencing consumers' interest in buying products – no longer depends only on the economic development status of the producing countries.

Research conducted by Nijssen and Douglas (2004) revealed that Dutch consumers are reluctant to consume products produced by Germany as a result of past history between the two countries during World War 2, although the products produced by the German have better quality. This shows the consumers' attitude in responding to products could be different due to bilateral disputes (Klein et al., 1998; Klein, 2002; Nijssen and Douglas, 2004; Ang et al., 2004). Meanwhile, research conducted by Shimp et al. (1995 in Huang et al., 2008) revealed that the high level of South Korean consumers' ethnocentrism makes them reluctant to buy products from other countries and prefer to consume domestic products as the form of their love for their country. This shows that the level of consumer ethnocentrism can also influence their consumption patterns since they prefer to consume domestic products than imported products (Verlegh, 2007).

Shankarmahesh (2006 in Huang et al., 2008) stated that social environment (family and friends) can influence consumer in buying domestic or imported products. This allocentrism theory appears in which the social environment (family or friends) who tend to choose local products than imported products can influence one's ethnocentrism towards domestic products (Shankarmahesh, 2006). On the other hand, a study conducted by Klein (2002) and Klein et al., (1998) found that influence of animosity in shaping consumers' interest to buy products depends on the quality of the products. Thus, although hatred or dislike of a country exists consumers will still probably buy the products if they find its quality is better.

Based on this fact, it becomes important to answer whether the evaluation of quality of both imported and local products have important role in moderating the relationship between consumer animosity towards consumers' buying interest, and also the relationship between consumer ethnocentrism and consumers' buying interest. So that, every business person can gain knowledge about the role of product quality in increasing consumers' buying interest. By applying the right strategy in executing the role of the products' quality, the business persons can win the competition in the era of the ongoing trade expansion today.

Based on the previous findings, this study aims to: (a) examine the effects of consumer animosity on consumer ethnocentrism; (b) examine the effects of allocentrism towards friends on consumer ethnocentrism; (c) examine the effects of consumer ethnocentrism on consumers' purchasing interest; (d) examine the role of products quality comparison (both local and imported products) in moderating the relationship between consumer animosity and consumers' buying interest, and (e) examine the role of products quality comparison in moderating the relationship between consumers ethnocentrism and consumers' buying interest.

Literature Review

Focus of the Study – Products from Malaysia

In his book "The Confrontation of Indonesia - Malaysia Dispute 1961-1963", JAC Mackie (1974) mentioned the relationship between Indonesia and Malaysia have lasted about 1,500 years. Along the way, arise less harmonious relationship between the two countries despite the historical record that both countries are known as the allied countries (Liow, 2010, in Chong, 2012). History records the dispute between Indonesia and Malaysia have taken place in the time of Sukarno, known as the "Confrontation" in 1962 (Holst, 2007). Some other conflicts arising in recent years include: breach of the border between the two countries and the issue of the

border dispute through Malaysia claims against Ambalat Block in 2005 and 2009 (Inayatullah, 2010), acts of violence committed against Indonesian Workers (TKI) working in Malaysia, up to the number of claims made by the Malaysian to Indonesian (Inayatullah, 2010).

Consumer Animosity

Riefler and Diamantopoulos (2006) said that tensions often arise between countries. Therefore, patriotism and love of country could be factors that influence consumers' attitudes toward products produced by other countries and their willingness to purchase the products (Han, 1988; Klein et al., 1998; Rawwas et al., 1996 in Riefler and Diamantopoulos, 2006). Thus indirectly, one's dislike to a country will affect their behavior towards the products produced by the country. Huang et al. (2010) said if consumers dislike or hate a state, they will refuse to consume products imported from that state.

Klein et al. (1998) defined consumer animosity as "remmants of antipathy related to previous or ongoing military, political, or economic events" that influences consumers' behavior to purchase certain products. Klein et al. (1998) added that this behavior arises because the exporting country has ever involved in military, political, or economic activities that was painful and hard to forget. Research conducted by Klein et al. (1998) and Klein and Ettenson (1999) revealed that consumer animosity and consumer ethnocentrism tend to have similarities since the concept carried by both is to avoid products from certain countries as a result of economic, political, and military problems. Jung et al. (Cui et al in 2002, 2001) exposed that consumer animosity is more likely to be negative against other countries. It is an action that is based on feelings and confidence in dealing with outside influences, especially against a particular hated country.

Meanwhile, consumer ethnocentrism is more focused on attitudes in choosing local products (in-group) compared to imported products (out-group) as a basis to sustain the national economy or of patriotism in protecting their country's interests (Cui et al. , 2001). Based on social identity theory, the conflict between Indonesia and Malaysia will increase the threat of outsiders (Malaysia) that will increase the sense of community as a whole in the country against the threat of the outside party (Grant, 1991; Schmitt et al., 2003). This behavior will finally increase negative attitudes towards objects, people, ideas, and products produced by the attacker country (Nijssen and Douglas, 2004). Based on this social identity theory, the Indonesian consumers who feel angry or have negative feelings towards Malaysia would assume Malaysia as a threat that will ultimately increase the Indonesian people reaction to prefer local products and avoid purchasing Malaysian products. Thus, the first hypothesis emerged in this study is as follows:

H1: Consumer animosity affects consumer ethnocentrism.

Allocentrism

Gamble (2012) interpreted allocentrism as a set of personal attributes in which an individual focus their attention and action in accordance with others in their environment than themselves. So when someone with allocentrism was facing a conflict between their personal interests and social groups, generally they would prefer to support the interests of the group (Gürhan-Canli and Maheswaran, 2000, in Huang et al., 2008). They tend to watch their actions in any social group, so it will indirectly increase ethnocentrism or sense of belonging to a social environment than those who have an idiocentrism tendency (De Ruyter et al., 1998; Shankarmahesh, 2006; Sharma et al., 1995).

One who has high tendency of allocentrism can share their similar identity with their close friends including their behavior in consuming local products, both local and imported products (Hui, 1988). In this study, allocentrism level on relationships with good friends is counted; since there are several common identities among friends including similar social identity as a part of being in the same country (Hui, 1988). Huang et al. (2010) indicated the higher levels of one's allocentrism towards friends will also increase the level of consumer ethnocentrism. Thus, the second hypothesis in this study is as follows:

H2: Allocentrism towards friends affects consumer ethnocentrism.

Consumer Ethnocentrism

Several studies explained that ethnocentrism has strong influence on consumers' buying interest for the products coming from various countries (Huang et al., 2010). Shimp (1984) defined consumer ethnocentrism as "*an individual's tendency to view domestically manufactured products as superior, and the belief that it is unpatriotic to buy foreign-made products due to adverse effect such behaviour may have on the domestic economy and employment.*" This behavior occurs based on thoughts that it is a mistake to buy foreign products since it could damage the local economy, causing unemployment, and is an unpatriotic stance to the country. Patriotism itself is strong feelings and loyalty that makes consumers prefer local products without counting others' special quality (Balabanis et al., 2001).

Consumer ethnocentrism implies how the attitudes and responses of consumers in finding the difference of local and imported products, although in the end they would be more likely to return to the local products (Shimp & Sharma, 1987). Various studies in the past revealed that ethnocentrism will affect the assessment of a product and the consumers' buying interest – where consumers will tend to buy local products than imported products (Shankarmahesh, 2006). Then, the third hyphothesis is as follows:

H3: Consumer ethnocentrism affects consumers' buying interest.

Several studies revealed that animosity is not positively correlated to the assessment of product quality (Klein et al., 1998; Klein, 2002; Nakos and Hajidimitriou, 2007). This shows that some consumers tend to not include their anger against a country into their decision in buying products produced by the country (Klein, 2002). Heslop and Papadoulos (1993) described the role of the Country of Origin (COO) as an important construct in influencing consumers' trust in the quality of a product, which in turn influencing consumers' buying interest. This happens if the country of origin of certain products does more in shaping consumers' perception towards the quality of the products, instead of the role of information on those products (Hong and Wyer, 1989; Huang et al in 1990., 2010).

Shoham et al. (2006) reported that consumers' buying interest and assessment of the products' quality is not affected by consumer animosity. However, assessment of the quality of goods and services may play an important role in driving the relationship between consumer animosity and consumer buying interest and also the relationship between consumer ethnocentrism on purchase decision. Referring to the case of the relationship between Indonesia and Malaysia, it can be said that Indonesian consumers will tend to choose local products instead of using goods and services from Malaysia although for Indonesian consumers, goods and services produced by Malaysia have better quality than goods and local services. So the fourth hypothesis state:

H4A: Products' quality comparison does not act as a moderating variable between consumer animosity in Greater Jakarta against Malaysia and consumers' buying interest.

On the other hand Thelen et al. (2006) and Verlegh (2007) stated that ethnocentrism does not always encourage consumers to choose local products compared to alternative choices of products coming from other countries. In fact some studies say that the evaluation of local products by consumers showed impartial state of the in-group view (Verlegh, 2007). As example, Balabanis and Diamantopoulos (2004) reported that the effects of the in-group could be more suitable to explain the positive consumer outlook (UK) on local products rather than consumers' negative views to alternative products from other countries. Another example, although consumers from Poland, Russia, and China are likely to have positive view on their local products, but does not mean they have a negative outlook on imported products, when imported products clearly showed better quality than local products (Klein et al., 2006). This makes it a possibility that consumer ethnocentrism which often makes a consumer extol local products cause the same consumer to prefer an alternative better-quality imported products (Verlegh, 2007).

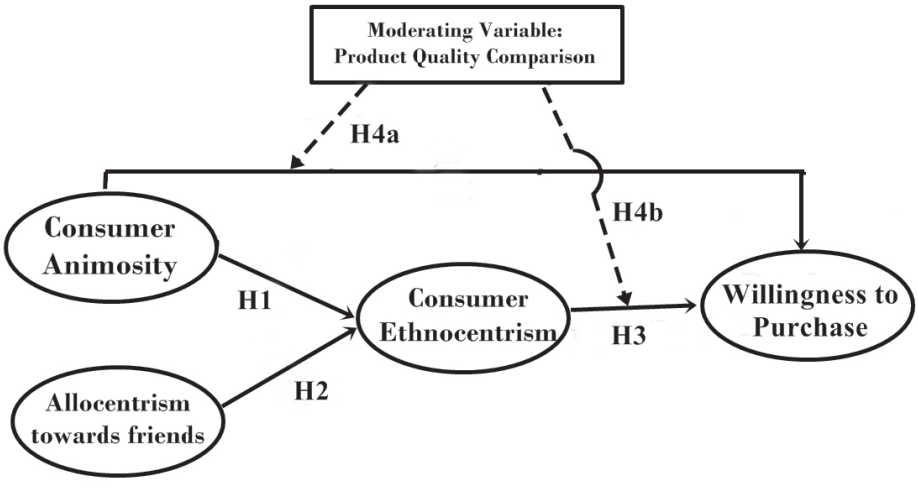

Figure 1. Graphical Representation of Moderation Effect and Moderation Fit

Consumers in Indonesia who have low levels of ethnocentrism tend to buy imported goods and services (eg, products from Malaysia) due to better quality. According to Huang et al. (2010) this occurs because of the existence of consumer ethnocentrism is less important than the quality of imported goods and services. Consumers who do not assume ethnocentrism as an important thing will put aside a sense of nationalism and will concern more on the quality of goods and services. On the other side, those who have a high level of ethnocentrism would be more difficult to be influenced by products' quality comparison (Balabais and Diamantopoulos, 2004; Supphellen and Rittenburg, 2001; Thelen et al., 2006). The last hypothesis states:

H4b: Products' quality comparison acts as a moderating variable between consumer ethnocentrism and willingness to purchase.

Research Method

This quantitative study applied a conclusive research design consisting descriptive research and causal research.

The drafted questionnaire containing some developed statements was pilot tested using judgmental sample of thirty respondents who lived in Jakarta and greater area (Jabodetabek) and who had consumed Malaysian products (that also produced locally): aviation services, banking services, and petroleum products.

The developed final instrument applied a-6 point Likert type scales (where 1 is "strongly disagree" and 6 is "strongly agree"). The Likert scale completes the semantic differential scale, so that respondents' answers will be able to be treated as interval scaled data (Ferdinand, 2006). The decision to execute a-6-point Likert type scales (even number) is to avoid a central tendency of respondents' answers: to choose the neutral option (Sahra, Shaver and Brown, 2009). Specifically, the final measurement variables are detailed as follows:

Product Quality Comparison. It is an overall assessment of products' quality produced by Malaysia. In these variables, the group of respondents who assume that local products were superior or better than products made in Malaysia was given the code 1. Meanwhile, for respondents who considered local products were inferior compared to products made in Malaysia was given a code 2.

The product quality comparison variable for the two countries was divided into two major groups based on the average value of the responses entered by all respondents. The use of average values is possible because a score above the average (mean) is considered high motivation and a score below the average value is considered low motivation (Ghozali, 2005). Division into two groups was carried out because previous studies showed that consumers with a certain level of animosity and ethnocentrism have a distinct tendency of forming purchase interest based on their view of the quality of local products (both superior and inferior local products) compared to imported products.

The first group (Coded 1), which consisted of 106 respondents answered that local products were superior compared to Malaysian products, while the second group (Coded 2) which con-

sisted of 103 respondents answered the opposite. The respondents were asked to give their assessments of the statements adapted from Klein et al (1988).

Consumers' Purchasing Interest. Buying interest was part of consumer behavior in consumption and in taking decisions before purchasing. Five indicators applied to measure respondent's buying interest used in this study were adapted from Klein et al (1998) and Nijssen and Douglas (2004).

Consumer Animosity towards Malaysia. It is an attitude statement that pose a different assessment of products from a particular country. Animosity scale was developed and validated by Klein (2002) in the United States and Klein et al. (1998) in China. There are 9 items on the first scale, but through trial questionnaires and interviews it was decided to use the 6-items animosity scale in this study.

Consumer Ethnocentrism. CETSCALE (Consumer Ethnocentrism Tendencies Scale) is a measuring instrument used to assess consumer ethnocentrism trends related to consumers' decision to purchase imported products compared to local products. To measure this concept, Shimp and Sharma (1987) developed a measurement instrument consisting of 17 questions that were formulated and validated in the United States. The variables that make up CETSCALE aim to reflect a sense of patriotism, products availability, the impact of the economy, and also the impact of employment that may appear on one's ethnocentrism.

Allocentrism towards Friends. IND-COL (Individualism-Collectivism) scale is a measurement scale developed by Hui (1998) and Hui and Yee (1999) to measure the level of one's allocentrism in a different social groups (either spouse, parents, relatives, neighbors, friends, to colleagues work). It is found that allocentrism affects positively on the measurement of the social environment preference towards a particular object. The IND-COL scale in this study are as follows:

In this study, the calculation of the minimum number of samples is the number of questions or items (36 questions) multiplied by 5 resulted in 180 respondents (minimum) required in this study (Wijanto 2008). During the process, 209 respondents were involved: 37 respondents answered by online (via facebook and Google Spreadsheet, while 172 answered directly through a-self administered survey).

Prior to draft questionnaire development, research was focused to get prior result in identifying the well-known goods and services imported from Malaysia that were also produced in Indonesia: involving 20 Indonesia consumers. The results showed that there were three research objects that can be developed in this study; those were aviation services, banking services, and petroleum products. Within the three product categories, amongst the competing brands/products available, there are brands/products produced by Indonesia and Malaysia, so that consumers can choose between Indonesian product or Malaysian product.

The primary data collection took place over a period of three months in Jakarta, Bogor, Tangerang and Bekasi area. The first two months were dedicated to develop and pre-test the questionnaire, and the rest was dedicated to collect data through a self-administered survey (70% were conducted by face to face survey,while the rest were conducted through the Internet).

Before executing further statistical test, certain computation were performed, including data preparation (in the pre-test stage). Hyman and Siera (2010) suggest pre test for the questionnaire before conducting the main survey. Furthermore, Malhotra (2007) mentioned that pre test (testing the questionnaire in a smaller sample of the total respondents) will be able to identify also eliminate potential problems.

Since all variables of the study were essentially perceptual, therefore they were subject to a respondent's filtering process that might cause inconsistency. To address the issue, Cronbach Alpha was executed for testing the internal consistency. The Cronbach Alpha test were done to measure the reliability of measurement items. Each variable will be considered as reliable if it has a minimum coefficient of Cronbach Alpha of 0,6 (Malhotra, 2007).

The validity test was also conducted to measure how well the indicators define the research construct (Hair *et al.*, 2006). This test were also executed in the pre test stage using Factor Analysis conducted with SPSS 20. In this study, the authors examime the following tables pro-

duced by Factor Analysis in SPSS 20: *Kaiser Meyer Olkin* (KMO), *Anti Image Statistc or Measurement of Sampling Adequancy* (MSA), also *Component Matrix* (*Factor Loading*). KMO and Anti Image statistic were essential pre-requirement for Factor Analysis. To pass the pre-requirement, Malhotra (2007) suggest a minimum score of 0.5 for each test as well as the result of Bartlett Test with score that should be less than 0.05. Upon satisfying pre-requirement for Factor Analysis, each indicator's factor loading in Component Matrix table must exceed 0,5 to indicate acceptable validity (Malhotra, 2007).

In addition to the descriptive statistics, this study employed Structural Equation Modeling (SEM) using LISREL 8.51 in order to test a series of simultaneous causal relations among variables. SEM also tests the measurement model as well as the structural model (Hair et al, 2006). According to Byrne (2010) and Hair, et. al (2009), SEM (known as covariance structure analysis or latent variable analysis) tests the structure of interrelationship that will be described through a series of equations that similar with the multiple regressions.

First step of SEM is to perform the CFA (Confirmatory Factor Analysis) to test whether or not the measured or observable variables as the indicators really represent a construct (Hair et al., 2009). The final CFA is resulted from several test results. First is the result of measurement model validity test: that is measured by the score of the t-value of Standardized Loading Factor (λ) of each variables observed (at significance level 5%, t value should be greater than 1.96) and the value of the Standardized Loading Factor (λ) that should be greater than 0.50 (Igbaria et.al, 1997). Second is the result of the measurement model's goodness of fit (checking the CMIN/df, RMSEA, GFI, CFI and AGFI). Third is the result of measurement model's reliabity test as discussed in Hair (checking the minimum value of Construct Reliabilty or CR that should be equal to or greater than 0.70 and Variance Extracted or VE that should be equal to greater than 0.50 to be concluded as a good reliability score).

After conducting CFA, the next step is analyzing the structural model: qualifying the overall model fit with some fit indices criteria (CMIN/df, RMSEA, GFI, CFI and AGFI). After analyzing the overall model fit, then the next step is to analyze causal relationship (by checking the significance of the coeficient structural equation path as well as the acceptance of the hyphotesis). If the score of the t-value is less than 1.96 means that the coeficient of structural equation path is not significant and the hypothesis is rejected. The last step is to analyze the coefecient of determination (R^2), that can be taken from the reduced form equation (Wijanto, 2008).

This research have two hypothesis: mediating and moderating hypothesis. The mediating hypothesis test whether or not the ethnocentism (variable) has the mediating role to the relationship between *consumer animosity* dan *allocentrism* to willingness to purchase. According to Huang *et al*., (2010) some references below are applied to this research to accept or reject the hypothesis tested:

1. If the *score of t-value* of both relationships are significant, so the hyphotesis will be accepted.
2. If the *t-value* of one relationship is significant while another relantionship is not significant so the hyphotesis will be rejected.

Meanwhile for the moderating hyphotesis, this research tested wheteher or not the *product quality comparison* variable moderated the relationship between *consumer animosity* to the *consumer willingness to purchase* also relationship between *consumer ethnocentrism* to the *consumer willingness to purchase*. In this research the moderating variable: *product quality comparison* was divided into 2 groups (Group 1: containing the consumers who perceived local products: Indonesian products are more *superior* to foreign products: Malaysian Products while Group 2: containing the consumers who perceived local products: Indonesian products are more *inferior* to foreign products: Malaysian Products) so the data processing would result in two scores of *t-value*. According Huang *et al*., (2010) the guidance for accepting or rejecting the hypothesis are as follow:

1. If the score of the *t-value* of both group are significant, meaning the variable (*product quality comparison*) is NOT significantly moderated.

Table 1 Characteristics of Research Sample

No	Criteria		Amount	Percentage
1	Sex	Female	132	63%
2	Age	< 25 years old	108	52%
3	Occupation	Private company workers	84	40%
4	Education	Bachelor / undergraduate	78	37%
5	Income per month	≤ Rp. 1,000,000 IDR	50	24%
6	Spending (expenditure) per month	> Rp. 3,000,000 IDR	55	26%

Table 2. Summary of Validity and Reliability Test Results

NO	Variable	Validity Criteria		Reliability Criteria	
		SLF	t-value	CR	VE
1	Product Quality Comparison	Valid	Valid	0,88	0,55
2	WP	Valid	Valid	0,91	0,68
3	CA	Valid	Valid	0,90	0,62
4	CE	Removal of CE2	Valid	0,90	0,43
5	AF	Valid	Valid	0,81	0,42

Table 3. The Structural Model Fit Analysis

GOF Measurements	Criteria	Score	Results
Absolute			
Goodness of fit Index (GFI)	≥ 0,90	0,78	Satisfactory fit
Root Mean Square Error of Approximination (RMSEA)	≤ 0,1	0,079	Good Fit
Root Mean Square Residual (RMR)	≤ 0,05	0,20	Good Fit
Relative			
Tucker-Lewis Index or Non Normed Fit Index (TLI or NNFI)	≥ 0,90	0,84	Satisfactory fit
Normed Fit Index (NFI)	≥ 0,90	0,77	Satisfactory fit
Adjusted Goodness of fit Index (AGFI)	≥ 0,90	0,73	Poor Fit
Relative Fit Index (RFI)	≥ 0,90	0,75	Poor Fit
Incremental Fit Index (IFI)	≥ 0,90	0,85	Satisfactory fit
Comparative Fit Index (CFI)	≥ 0,90	0,85	Satisfactory fit
Parsimonious			
Parsimony Goodness of fit Index (PGFI)		0,66	Good Fit

Source: Data analysis using LISREL 8.51

2. If one of the *t-value score* of both group is significant, meaning the variable (*product quality comparison*) is significantly moderated.

Results and Discussions

The results of pre test from 30 respondents provided a reduction of 5 items (indicators) of the initial questionnaire (41 indicators) including five variables: Product Quality Comparison, Consumers' Purchasing Interest (Willingness to Purchase), Consumer Animosity towards Malaysia, Consumer Ethnocentrism, Allocentrism towards Friends. The final questionnaire employed 36 valid items that were proven to be reliable and valid .

The descriptive statistics provided in table 1 shows the respondents' major characteristics of this study: female respondents were dominant (63% of the total respondents), while more than half of the respondents were under the age of 25 years with undergraduate education background and most respondents were private sector workers with monthly expenditure of more than 3,000,000 IDR.

Measurement model's goodness of fit (GOF) test results in this study indicated good results. Goodness-of-Fit Index (GFI) = 0.75, Root Mean Square Error of Approximation (RSMEA) = 0.076, Root Mean Square Residuan (RMR) = 0.12, Normed Fit Index (NFI) = 0.77, Comparative Fit Index (CFI) = 0.87, and Adjusted Goodness of fit index (AGFI) = 0.71. These indicators have exceeded the minimum requirement as described in Wijanto (2008). Table 2 present the summary of validity and reliability testing results. The result of the reliability and validity scores for every indicator on each construct also indicated a good reliability and validity. Only one indicator (CE2) that were removed from Consumer Ethnocentrism due to lack of reliability and validity .

Table 4A. Summary of Hypothesis Testing Results (Mediation Hypothesis) and Comparison with Huang (2010)

Hypothesis	Current Study	Huang (2010)
H1: *Consumer animosity* has a significant effect on consumer enthnocentrism	T Value of Path CA→ CE = 4,13 (hypothesis supported)	T value of Path CA→ CE = 3,49 (hypothesis supported)
H2: Allocentrism towards friends has a significant effect on consumer ethnocentrism	T value of path AF→ CE = 1.00 (hypothesis not supported)	T value of path AF→ CE = 7,55 (hypothesis supported)
H3: Consumer Ethnocentrism has a significant effect on W*illingness to Purchase*	T value of path CE→ WP = 2,43 (hypothesis supported)	T value of path CE→WP = 5,59 (hypothesis supported)
Conclusion (H1-H3)	1. *Consumer Ethnocentrism* mediated relationship between *consumer animosity* and *Willingness to Purchase.* 2. *Consumer Ethnocentrism* DID NOT mediate the relationship between *allocentrism towards friends* and *Willingness to Purchase*.	1. *Consumer Ethnocentrism* played as mediating variable between *consumer animosity* and *Willingness to Purchase* 2. *Consumer Etnosentrism* played as mediating variable between *allocentrism towards friends* and *Willingness to Purchase*

Table 4B. Summary of Hypothesis Testing Results (Moderation Hypotheses) and Comparison with Huang (2010)

Hypothesis	Current Study	Huang (2010)
H4a:Product Quality Comparisson DOES NOT play as moderating variable between Consumer Animosity in Jabodetabek towards Malaysian Product and Willingness to Purchase	Group 1 Path CA→WP T value = 4,81; Group 2 Path CA→WP T value = 3,14 Note: both groups have significant T values (indifference)	Group 1 Path CA→WP T value = 2,21 Group 2 Path CA→WP T value = 1,19 Note: Only one of the groups have significant T value
H4b: Product Quality Comparison plays as moderating variable between Allocentrism towards Friends and Willingness to Purchase	Group 1 Path CE→ WP T value = 2,03; Group 2 Path CE→ WP T value = 2,24 Note: both groups have significant T values (indifference)	Group 1 Path CE→ WP T value = 4,15; Group 2 Path CE→ WP T value = 4,59 Note: both groups have significant T values (indifference)
Conclusion	1. Product Quality Comparison DOES NOT moderate the relationship between Consumer Animosity toward Malaysian product and Willingness to Purchase. 2. Product Quality Comparison DOES moderate the relationship between Allocentrism towards Friends and Willingness to Purchase	1. Product Quality Comparison moderate relationship between Consumer Animosity toward Malaysian product and Wilingness to Purchase. 2. Product Quality Comparisson DOES NOT moderate the relationship between Allocentrism towards Friens and Wilingness to Purchase

Overall Model Fit

In this study, a linear model was constructed to test the interaction and the cause and effect relationships between variables within the model. With respect to the model fit analysis, Bagozzi and Yi (1988) and Joreskog and Sorbom (1989) recommended such indicators as chi-square value, goodness of fit index (GFI), adjusted goodness of fit index (AGFI), root mean square residual (RMR), root mean square error of approximation (RMSEA), normed fit index (NFI) and comparative fit index (CFI). The model fit analysis is as shown in Table 3.

According to table 3, Although the AGFI is rated below 0.9 (poor fit), and RMR is beyond 0,05 (poor fit), indicators such as GFI, NFI, CFI are all above the minimum criteria. In addition, the RMSEA standard value of below 0.1 is met (Joreskog and Sorbom, 1984; Bagozzi et all, 1989). Considering the aforementioned GOF statistics, the model can be considered as having a satisfactory fit results, or in another words, the overall model fit still exists. In summary, the structural model developed in this study has a good model fit.

Hypothesis Verification

According to the research model in figure 1, and results of hypothesis testing summarized in table 4A and table 4B, we can infer that the relationship between factors and their respective influence strenghs.

According to table 4A, the influence of consumer animosity towards ethnocentrism pro-

duced significant T-value (T= 4,13, p<0,05), thus it can be concluded that consumer animosity influence consumer ethnocentrism. Thus Hypothesis 1 is supported by the data and accepted. In other words, respondents who hold feeling of animosity towards Malaysian products and blamed Malaysia about the bilateral disputes between Indonesia and Malaysia (Inayatullah, 2010), were more likely to purchase national-made (local) products rather than products from the offending nation.

According to Social Identity Theory *theorical framework* , if there are some outgroup threats, it will be perceived as destructive to the in-group's identity, and thus it will indirectly increase consumer ethnocentrism. It is in line with study conducted by Nijssen dan Douglas (2004) in Huang *et al*., (2010). As the consequences, consumers prefer to avoid or choose not to buy Malaysian products (and choose to consume local products). The same findings were also reported by Klein *et al.* (1998), Klein (2002), Nijssen dan Douglas (2004), dan Ang *et al.* (2004) in Huang *et al*., (2010).

Unlike the level of consumer animosity which significantly affected the level of consumer ethnocentrism, allocentrism towards friends was not found to be significantly affecting consumer ethnocentrism (T = 1,00; p-value >0,05). Therefore, Hypothesis 2 was not supported.

The result indicated that the preferences for domestic/foreign products were not related to the social identity attached by consumer to their difference in-groups. In other words, parents and/or friends who are members of respondent's reference group have no crucial or significant role in shaping one's behavior in purchasing local/foreign made product. It is in line with the study of Huang *et al.* (2008). This result might come from the phenomena of *idiocentrism* (individualism) among consumers (Triandis 1989 in Huang *et al*. 2008) in Jakarta and Greater Area, which likely cause consumers to to care about themself more than their social environment. Shankarmahesh (2006) also disclosed that there is an indication that allocentrism impact toward consumer's ethnocentrism is more influenced by the consumers' cohort: younger people most likely to have a-lower enthnocentrism level other than elderly people.

Similar to finding on Hypothesis 1, the t-value of Hypothesis 3 was also found significant (T = 2,43, p<0,05), and thus supported. The result showed that consumer ethnocentrism has a significant impact on consumer's willingness to purchase. Therefore, it can be concluded that ethnocentrism leads consumers to prefer purchase of domestic over imported products (even if the imported products were cheaper and/or have better quality). Supphellen & Ritenburg (2001) also found that *consumer ethnocentrism* has a positive impact on the consumers' willingness to purchase local products.

Furthermore, the consumers' ethnocentrism has a different context with the consumer animosity. Consumers' ethnocentrism was also influenced by in-group identity (which has a direct and strong influence toward the consumers' attitude to buy imported products). It is totally different with "consumer *animosity*" which is much more influenced by *out-group*, so that it will develop an *in-group identity*.

In summary, according to results of hypothesis H1, H2 and H3, this study concluded that "consumer ethnocentrism" plays an important role as mediating variable between consumer animosity and willingness to purchase, while for the relationship between allocentrism towards friends and willingness to purchase, consumer ethnocentrism is not proven to be mediating variable.

This study also tested the structural models of the effect of product quality comparison as moderating variable of the two groups; **Group 1** in which **consumers assume local products are superior** to products from Malaysia, and **Group 2** in which **consumers consider the local products are inferior** compared to products from Malaysia.

The t-value of Group 1 was 4.81, while in Group 2 the resulting t- value was 3.14. Based on the results shown in both group, significant t values were observed (both t-value were > 1,96). However to conclude whether or not "Product Quality Comparison" significantly plays a role as a moderating variable in the relationship between Consumer Animosity and Willingness to Purchase local products, the result of t-value between Group 1 and Group 2 should be different: one should have a significant result and the reverse for the other result (Huang et all,

2010). It is also applied for testing the hypothesis H4b. In this study, the result is indifferent, so the "Product Quality Comparison" was not proven to play as moderating variable. Therefore, we can conclude that although Malaysian products (in general) were perceived as better than local products (after consumers comparing local products to Malaysian products), consumers still choose to consume local products due to some *animosities* toward Malaysia.

Meanwhile, the structural model with Product Quality Comparison modeled as a moderating variable on the relationship between consumer ethnocentrism and consumers' willingness to purchase resulted in significant t value for both groups (t –value for Group 1 = 2.03, and the t- value for Group 2 = 2.24 both have p-value <0,05). Using the same rule of thumb as the one used for testing hypothesis 4A, it can be concluded that hypothesis 4B was not supported by data and thus rejected. Shoham *et al.* (2006) and Huang et.al (2010) also found the same conclusion with this study, in which Product Quality Comparison does not play as a moderating variable on the the influence of Consumer Ethnocentrism towards consumers' Willingness to Purchase. Consumer ethnocentrism reflect consumers conviction regarding ethicality and appropriateness of consuming imported products (Shimp dan Sharma, 1987 in Huang *et al*., 2008). As the consequences, Indonesian consumers with a high ethnocentrism perceived that a real Indonesian citizen should only consume local products although imported products are more sophisticated and more reliable.

Conclusion

Based on the results of this study, there are four points need to be considered. First, Consumer ethnocentrism is a significant mediator on the relationship between consumer animosity and consumers' buying interest. In current study context (products from Indonesia vs. Malaysia), animosity of Indonesian consumers will increase their ethnocentrism. This will cause Indonesian consumers to develop perception that as Indonesian, they should buy Indonesian products. This will lead them to avoid purchasing products from Malaysia.

Second. previous studies (e.g. De Ruyter et al., 1998) indicate a strong relationship between allocentrism towards friends and consumer ethnocentrism, in which allocentrism will increase positive influence between consumer ethnocentrism and consumers' buying interest. However, this study found that allocentrism of consumers who lived in Greater Jakarta does not significantly affect the consumer ethnocentrism although consumer ethnocentrism significantly influences consumers' buying interest.

Third, the product quality comparison does not act as a moderating variable in the relationship between consumer animosity and consumers' buying interest. Although consumers in Greater Jakarta are faced with the reality of better-quality products from Malaysia, but the animosity towards Malaysia will make consumers keep buying local products than imported products from Malaysia.

Fourth. This research also shows that the products quality comparison does not moderate the relationship between consumer ethnocentrism and consumers' buying interest. This means that although consumers in Greater Jakarta are faced with the reality of better-quality products made in Malaysia, they will still keep choosing local products as the ethnocentrism plays significant role in buying decision.

Research Limitations and Direction for Further Research

This study had certain limitations, and thus the following suggestions are proposed. First, since the effects caused by consumer ethnocentrism is quite complex, therefore besides looking at consumer ethnocentrism, this stream of research can consider the use of other variables such as nationalism and patriotism, which probably have impact on consumer animosity. This is because nationalism is considered more competitive and aggressive (Druckman , 1994 in Balabanis , 2001).

Second, Research related to Country of Origin (COO) is generally associated with economic growth and how consumers have the ability to reach and access imported products. Further research can make comparison between consumers living in developed cities (i.e. those with high income and ease of access to get im-

ported products) and consumers living in small towns (i.e. those with lower income and limited access to get imported products).

Third, during the data processing stage, respondents needed to be divided into two groups. This study faced a problem whereby some items used to measure the research construct had to be removed due to insufficient number of respondents. In the future, research where respondents are divided into groups should aim to get sufficient number of respondents so that eliminating some items can be avoided and a more accurate result can be obtained.

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