THE EFFECTS OF CONSUMER RACISM, ETHNIC-BASED CONSUMER ETHNOCENTRISM AND ETHNIC-BASED CONSUMER ANIMOSITY ON MALAYSIAN MALAYS’ PRODUCT JUDGMENT AND WILLINGNESS TO BUY MALAYSIAN CHINESE PRODUCTS

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THE EFFECTS OF CONSUMER RACISM, ETHNIC-BASED CONSUMER ETHnocentrism AND ETHNIC-BASED CONSUMER ANIMOSITY ON MALAYSIAN MALAYS’ PRODUCT JUDGMENT AND WILLINGNESS TO BUY MALAYSIAN CHINESE PRODUCTS

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Universiti Utara Malaysia
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ABSTRACT

This thesis investigated the effects of consumer racism, ethnic-based consumer ethnocentrism and ethnic-based consumer animosity of ethnic Malaysian Malay consumers’ product judgment and willingness to buy Malaysian ethnic Chinese products. This thesis used a collection of familiar consumer products and brands to elicit generalized consumer response. Respondents were obtained through two approaches; social media platform and the traditional pencil-and-paper approach. The combined total usable respondents were 425. The hypothesized relationships between the constructs were analyzed through the partial least squares structural equation modeling approach (PLS-SEM). The results showed the constructs were distinct. There were three unsupported hypotheses with significant t-values, suggesting rather interesting findings. Consumer racism was found to have positive relationship on product judgment but not relationship with willingness to buy. The results also suggested that ethnic-based consumer ethnocentrism have negative impact on product judgment and but have positive relationship with willingness to buy, while ethnic-based consumer animosity have positive relationship with willingness to buy only. Future studies can use specific brands or products or product categories associated with a particular ethnic group. This thesis utilized a modified consumer racism scale suited to the Malaysian marketplace as according to the country’s historical aspects and operationalized both consumer ethnocentrism and animosity at subnational level or ethnic-based. The modified scale can be adjusted and be utilized in countries with similar historical background and/or multiethnic societies for future research.

**Keywords:** Consumer Racism, Consumer Ethnocentrism, Consumer Animosity, Consumer Behavior, Malaysia
ABSTRAK


Kata Kunci: Perkauman Pengguna, Etnosentrisme Pengguna, Permusuhan Pengguna, Kelakuan Pengguna, Malaysia
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<tr>
<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
</tr>
<tr>
<td>AVE</td>
<td>Average Variance Extracted</td>
</tr>
<tr>
<td>BBCD</td>
<td>Boikot Barangan Cina DAP</td>
</tr>
<tr>
<td>BCE</td>
<td>Before the Common/Current Era</td>
</tr>
<tr>
<td>BN</td>
<td>Barisan Nasional</td>
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<tr>
<td>CA</td>
<td>Consumer Animosity</td>
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<td>CBSEM</td>
<td>Covariance-based SEM</td>
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<tr>
<td>CET</td>
<td>Consumer Ethnocentrism</td>
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<tr>
<td>CETSCALE</td>
<td>Consumer Ethnocentrism Scale</td>
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<tr>
<td>COO</td>
<td>Country-Of-Origins</td>
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<tr>
<td>CR</td>
<td>Composite Reliability</td>
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<td>CR</td>
<td>Consumer Racism</td>
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<tr>
<td>DAP</td>
<td>Democratic Action Party</td>
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<tr>
<td>MAGERAN</td>
<td>National Operations Council</td>
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<tr>
<td>MCA</td>
<td>Malaysian Chinese Association</td>
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<td>MIC</td>
<td>Malaysian Indian Congress</td>
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<tr>
<td>NEP</td>
<td>New Economic Policy</td>
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<tr>
<td>OLS</td>
<td>Ordinary Least Squares</td>
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<tr>
<td>PAS</td>
<td>Pan-Malaysian Islamic Party</td>
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<tr>
<td>PJ</td>
<td>Product Judgment</td>
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<tr>
<td>PKM</td>
<td>Communist Party of Malaya</td>
</tr>
<tr>
<td>PKR</td>
<td>People's Justice Party</td>
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<tr>
<td>PLS MGA</td>
<td>Partial Least Squares Multi Group</td>
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<tr>
<td>PLS SEM</td>
<td>Partial Least Squares – Structural Equation Modelling</td>
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<tr>
<td>PMR</td>
<td>Penilaian Menengah Rendah</td>
</tr>
<tr>
<td>PR</td>
<td>Pakatan Rakyat</td>
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<tr>
<td>UMNO</td>
<td>United Malays National Organisation</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>VBSEM</td>
<td>Variance-based SEM</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>VIF</td>
<td>Variance Inflation Factor</td>
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<tr>
<td>WPKL</td>
<td>Wilayah Persekutuan Kuala Lumpur</td>
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<tr>
<td>WTB</td>
<td>Willingness to Buy</td>
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CHAPTER ONE

INTRODUCTION

This chapter introduces the three concepts which are the focus of this thesis; consumer racism, ethnic-based consumer ethnocentrism and ethnic-based consumer animosity, and their importance in consumer behavior and international business generally. These concepts are then related to the problem statement, research justification and research significance. The potential impact of this study to both the academic and real world/market is discussed at the end of the chapter.

1.1 General Background

In this era of globalization, the vast technological improvements and advancement have benefited both the consumers and businesses alike (Brynjolfsson & Hitt, 2000; Lituchy & Rail, 2000; Maher, Clark, & Maher, 2010). For businesses, these improvements have led to the establishment of new markets, contributing to larger territories as well as providing better access to resources, which perhaps can be translated to better profits (Petersen, Welch, & Liesch, 2002; Sakarya, Eckman, & Hyllegard, 2007; Kim, Min, & Chaity, 2015). However, crossing borders can also entail increase of competition among businesses. Hence, businesses not only need to sustain and defend themselves, but also to expand and grow their present territories and market shares (Sakarya et al., 2007; Kim et al., 2015). With the increase of new
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