

UKM Goes to Online: Ethnocentrism and Brand Image of Purchase Decisions with Customer Satisfaction as Intervening (Cimahi City Sibori Batik Case Study)

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Abstract: This study aims to determine the effect of ethnocentrism and brand image on purchasing decisions with customer satisfaction as an intervening variable. Design / methodology / approach: This research is a type of explanatory research and the technique used in this research is path analysis using SPSS 25 software. The primary data used are questionnaires and interviews with 100 respondents using incidental techniques. Findings: The results of the study concluded that ethnocentrism and brand image influence purchasing decisions through customer satisfaction as intervening variables. And simultaneously it also shows that ethnocentrism and brand image influence consumer satisfaction and purchasing decisions. The brand image variable has a greater influence on consumer satisfaction and purchasing decisions than the ethnocentrism variable.

Keywords: Ethnocentrism, brand image, customer satisfaction, purchasing decision

1. Introduction

The development of the current era of globalization has involved many business sectors in each country (Garmatjuk & Parts, 2015). Indonesia is also more open to world developments, participates in free trade and is increasingly open to the entry of products from outside countries (Indrawati, 2015). This has led to the development of culture in Indonesia which is currently mixed with foreign cultures which are considered more practical than local cultures. Changes in local culture that occur are the result of social processes such as acculturation and assimilation processes. Acculturation is an important concept for marketers who plan to sell products in various foreign or multinational markets (Schiffman & Kanuk, 2014). Currently, consumer ethnocentrism has been studied a lot in marketing. Consumer ethnocentrism is consumer belief about suitability or incompatibility when buying foreign-made products (Chang et al., 2011). Consumer-ethnocentrism greatly influences the normative attitude of consumers who believe that buying local products will be more beneficial than buying imported products (Erdogan & Zafer, 2010).

In the understanding of an ethnocentric consumer, purchasing foreign-made products is a mistake because it will worsen the domestic economy and cause a lot of unemployment in the country and does not reflect patriotism (Fakhramanesh & Sina, 2013).

Furthermore, several other studies show that consumers tend to perceive the quality of domestic products as better when compared to foreign products. Karoui and Romdhane (2019) discuss consumer ethnocentrism which is adapted from the general concept of ethnocentrism. It is a belief held by consumers when buying products about suitability, morality, and loyalty to state products. Today, consumer ethnocentrism has become a global event that occurs in every country. However, there are still inconsistencies, especially in terms of price and quality (Gendao & Marc, 2018).

The current development of globalization and the economy as well as the openness of the government to the entry of foreign products, without realizing it, affects people's thinking in consuming and has an impact on people's behavior in consuming. A new culture will indirectly emerge and influence society (Rahman & Khan, 2012). This needs to be considered, because it can cause a decrease in love for local culture and shape consumer purchasing patterns of local products to shift to foreign products, because of the many choices currently on the market. Indonesia as a developing country has consumers with generally consumptive characteristics, tend to be more interested and perceive foreign products as better in quality than local products. This is supported by the ease with which consumers can get imported products. Batik as one of Indonesia's cultural heritages has experienced many developments, one of which is Shibori. Batik itself in Indonesia is still classified as a Micro, Small and Medium Enterprise (UKM), one of which is Shibori Batik in Cimahi City, as an illustration, the price of Batik with natural dyes is higher, between Rp. 300,000 - Rp. 500,000, while those colored with a synthetic system cost around Rp. 125,000 (Borshalina, 2015).

There is not much valid data regarding the exact price of Batik sold in Cimahi City, but according to the Chairman of the Indonesian Batik Craftsmen and Entrepreneurs Association (APPBI) Komarudin Kudiya said the price of imported batik is lower than local (Indonesian) products: [//finance.detik.com/](http://finance.detik.com/), 2019). Based on this premise, the focus and problem formulations in this study are:

- 1) Does ethnocentrism affect consumer satisfaction?
- 2) Does Brand Image affect Customer Satisfaction?
- 3) Does ethnocentrism affect purchasing decisions
- 4) Does the brand image affect the purchase decision
- 5) Do Ethnocentrism and Brand Image influence purchasing decisions through customer satisfaction?

2. Literature Review

2.1. Consumer ethnocentrism

According to Akdogan (2012), consumer ethnocentrism is consumer beliefs about the suitability or incompatibility of buying foreign-made products. Ethnocentrism can influence consumer attitudes in purchasing products. In the understanding of an ethnocentric consumer, purchasing foreign-made products is a mistake because it will worsen the domestic economy, cause a lot of unemployment in the country and do not reflect patriotism (Qing et al., 2012). If someone has a positive attitude towards local products, it will influence purchasing decisions (Paul & Rana, 2012). However, according to Iglesias (2018), this purchase attitude cannot be realized if it is not based on the quality of the product itself. Balmer (2010) states that high quality can affect purchasing decisions. Referring to Saffu et al. (2010) shows that the ethnocentrism of consumers from the home country can influence the formation of attitudes towards purchasing.

2.2. Brand image

According to Kotler and Armstrong (2017), brand image is the consumer's perception of a company or its product that is in the minds of consumers. According to him, a brand image cannot be implanted in the minds of consumers quickly and through one media only, but must be conveyed to consumers through every available means of communication and disseminated continuously, without a strong image it is very difficult for a company to attract new consumers. to buy products from these companies and retain existing customers. The brand image itself is related to attitudes in the form of beliefs and preferences of a brand. Consumers who have a positive image of a brand will be more likely to make purchases of a product. According to Kotler (2017), the dimensions of brand image consist of brand identity, brand personality, brand association and brand attitude.

2.3. Customer satisfaction

According to Bin and Akram (2017), customer satisfaction is conceptualized as a feeling that arises after evaluating the experience of using a product. Meanwhile, according to Kotler and Keller (2017), satisfaction is the feeling of being happy or disappointed by someone that arises from comparing the product's perceived performance (or results) to their expectations. According to Kotler (2017), to determine the level of customer satisfaction, there are five main factors that must be considered by companies, including product quality, service, price or tariff, cost, and emotional.

2.4. Buying decision

The definition of purchasing decisions according to Schiffman, Kanuk (2014) is the selection of two or more alternative decision choices, meaning that someone can make a decision, there must be several alternative choices. To carry out the purchase decision process basically requires precision and accuracy in deciding to buy the product that the consumer wants. Meanwhile, according to Grohman (2013), purchasing decisions are consumer behavior, where they can illustrate a search to buy, use, evaluate, and improve their products and services. According to Kotler (2017), a purchase decision is a stage in the purchase decision-making process, where consumers actually purchase products. Decision making is an individual activity that is directly involved in obtaining and using the goods offered. There are 5 stages in the purchase decision, namely the introduction of a problem or need, information search, evaluation of alternatives, purchasing decisions and post-purchase behavior.

2.5. Conceptual framework

Based on the research objectives, theoretical foundations and previous research, a theoretical conceptual framework can be made as shown in Figure 1.

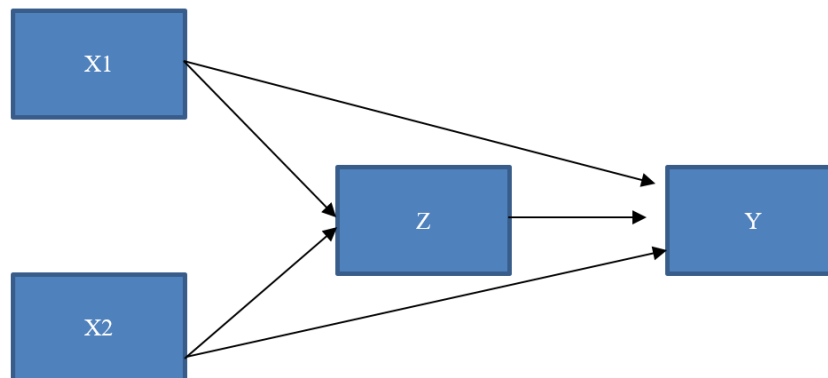


Figure 1. Conceptual framework

3. Hypothesis Development

3.1. The effect of ethnocentrism on consumer satisfaction

According to Schiffman, Kanuk (2014), Ethnocentrism is the tendency of consumers to like domestic products and are obliged to support domestic products, as well as the belief that purchasing foreign products (imports) will slow down the economy. According to Erdogan (2010), consumers will be satisfied if they use domestic products compared to foreign products.

H1. Ethnocentrism affects consumer satisfaction

3.2. The influence of brand image on customer satisfaction

Brand image is the perception or response from the public towards the company or product produced by the company. A brand image is a consumer's good or bad perception of a brand. Consumers tend to buy brands that are already well-known on the grounds that consumers feel safer against something that is already known and has reliable product quality. The research of Bin and Akram (2017) states that brand image affects consumer satisfaction

H2. Brand image affects customer satisfaction

3.3. The effect of ethnocentrism on purchasing decisions

Several studies have found that ethnocentrism has a strong influence on consumer attitudes towards products and affects product purchases (King & Chongguang, 2012). Several other studies even reveal that the country of origin of the product has a stronger influence than the brand name, price, and even product quality (Garmatjuk, 2015). Several studies have shown that ethnocentric consumers influence purchasing decisions.

H3. Ethnocentrism affects purchasing decisions

3.4. Influence of brand image on purchasing decisions

According to Kotler (2017), Brand image is closely related to attitudes in the form of brand beliefs and preferences. Consumers who have a positive image of a brand will be more likely to make purchases of a product. Indrawati (2015) states that brand image affects purchasing decisions.

H4. Brand image influences purchasing decisions

3.5. The effect of ethnocentrism and brand image on purchasing decisions with customer satisfaction as an intervening

According to Karoui (2019), if someone has a positive attitude towards local products, it will influence purchasing decisions. This decision is of course very closely related to the brand that is in the minds of consumers. A positive attitude towards the product and brand image will lead to consumer decisions so that

consumers have satisfaction in using the product. When the consumer is satisfied, he will make a repeat purchase.

H5. Ethnocentrism and brand image influence purchasing decisions with satisfaction as an intervening

4. Research methodology

This research is an explanatory research. This explanatory research is intended to determine the size of the relationship and influence between the research variables (Ghozali, 2016). A sample of 100 people was carried out incidentally, i.e. anyone who happened to meet the researcher at the same location and time could be sampled. The analysis of this research is Path analysis with the test tool using SPSS version 25.

5. Results and Analysis

Table 1. Respondents' responses by age

		Frequency	Percent
Valid	16-20 thn	2	1.3
	21-25 thn	38	38.7
	26-30 thn	24	22.7
	31-35 thn	21	20.7
	36-40 thn	14	10
	> 40 thn	1	6.7
	Total	100	100

Table 2. Based on gender

No.	Gender	Frequency	Percent
1	Men	29	31
2	Women	71	69
	Total	100	

The results of this study attempt to answer the hypothesis formulated by performing cross tabulation analysis, correlation test, determination, regression (simple and multiple) and significance tests (t test and F test). Based on the results of the tests that have been carried out, the following results are obtained:

Table 3. Hypothesis test results

No.	Hypothesis	Correlation	Determination	t count	Description
1	Ethnocentrism affects consumer satisfaction	0.286	8,2%	2,987	accepted
2	Brand image affects customer satisfaction	0.512	27,2%	6,150	accepted
3	Ethnocentrism affects purchasing decisions	0.327	13,9%	3,962	accepted
4	Brand image affects purchasing decisions	0.431	18,6%	4,735	accepted
5	Consumer satisfaction affects purchasing decisions	0.515	26,6%	5,953	accepted

Source: Data processed in 2020

Based on Table 3, it can be seen that the results of the t test (partial significance test) show that:

1. There is an influence between ethnocentrism on customer satisfaction, where t count (2.987) > t table (1.9845)
2. There is an effect of brand image on customer satisfaction, where t count (6.150) > t table (1.9845)
3. There is an effect of ethnocentrism on consumer decisions, where t count (3.962) > t table (1.9845)
4. There is an effect of brand image on consumer decisions, where t count (4.735) > t table (1.9845)
5. There is an effect of customer satisfaction on consumer decisions, where t (5.943) > t table (1.9845)

Table 4. Significance test results

No.	Hypothesis	Correlation	Determination	F count	Standardized	Description
1	Ethnocentrism and brand image affect customer satisfaction	0.545	28,7%	19,487	0,366	Ha accepted
2	Ethnocentrism and Brand Image and Consumer Satisfaction influence the	0.594	34%	16,520	0,366	Ha accepted

Purchasing Decision

Source: Data processed in 2020

Based on Table 4, it can be seen that the results of the F test (simultaneous significance test) show that:

1. There is an effect of ethnocentrism and brand image on consumer satisfaction, where $F \text{ count } (19.487) > F \text{ table } (2,698)$
2. There is an influence of ethnocentrism, brand image and customer satisfaction on purchasing decisions where $F \text{ count } (16,520) > t \text{ table } (2,698)$

Table 5. Path analysis test results

	Direct Influence	Indirect Effect	Total Effect
Ethnocentrism → customer satisfaction	0,129		
Brand Image → Customer Satisfaction	0,479		
Ethnocentrism → Purchase decision	0,211		
Citra Merek → Keputusan pembelian	0,170		
Brand Image → Purchase decision	0,366		
Ethnocentrism → customer satisfaction → purchasing decisions		$0,129 \times 0,366 = 0,047$	$0,129 + 0,366 = 0,495$
Brand image → customer satisfaction → purchase decision		$0,479 \times 0,366 = 0,175$	$0,479 + 0,366 = 0,845$

Source: Data processed in 2020

Based on Table 5, it can be seen that there is an increase in influence if the two variables (ethnocentrism and brand image) make customer satisfaction an intermediate variable. The direct effect of ethnocentrism on purchasing decisions, which was previously only 0.211, increased to 0.495, and the direct effect of brand image on customer decisions, which was previously only 0.170, increased to 0.845. These results prove that with customer satisfaction, customer perceptions of their loyalty will increase.

6. Discussion

The first hypothesis which states that there is an influence between consumer ethnocentrism on customer satisfaction has been proven. This is evidenced by the results of the research, the t value of 2.987 which is greater than the t table of 1.984 which indicates that ethnocentrism has a significant relationship with consumer satisfaction. The test results are reinforced by the calculation of the coefficient of determination which is 8.2 percent, which means that the variable customer satisfaction can be explained by the price variable of 8.2 percent. This result is also supported by Bin and Akram (2017) which states that ethnocentrism has an influence on consumer satisfaction.

The second hypothesis which states that there is an influence between brand image on customer satisfaction has been proven. This is proven through research with the results of the t value of 6.150 which is greater than the t table of 1.984 which indicates that brand image has a significant relationship with customer satisfaction. The test results are reinforced by the calculation of the coefficient of determination which is 27.2 percent, which means that the consumer satisfaction variable can be explained by the brand image variable by 27.2 percent. This result is also supported by research by Garmatjuk (2015) which states that there is an influence between brand image on customer satisfaction.

The third hypothesis which states that there is an influence between ethnocentrism on purchasing decisions has been proven. This is evident through the calculation of the t count value of 3.962 which is greater than the t table of 1.984 which indicates that ethnocentrism has a significant relationship with purchasing decisions. The test results are reinforced by the calculation of the coefficient of determination which is 13.9 percent, which means that the purchasing decision variable can be explained by the ethnocentrism variable of 13.9 percent. This result is also supported by research by Gendao and Marc (2018) which states that there is an influence between ethnocentrism on purchasing decisions.

The fourth hypothesis which states that there is an influence between brand image on purchasing decisions has been proven. This is proven through research with the results of the t value of 4.735 which is greater than the t table of 1.984 which indicates that brand image has a significant relationship with purchase decisions. The test results are reinforced by the calculation of the coefficient of determination which is 18.6 percent, which means that the purchasing decision variable can be explained by the brand image variable by 18.6 percent. This

result is also supported by the research of Karoui and Romdhane (2019) which states that there is an influence between brand image on purchasing decisions.

The fifth hypothesis which states that there is an influence between customer satisfaction on purchasing decisions has been proven. This is proven through research with the results of the t count value of 5.953 which is greater than the t table of 1.984 which indicates that customer satisfaction has a significant relationship with purchasing decisions. The test results are reinforced by the calculation of the coefficient of determination, which is 26.6 percent, which means that the purchasing decision variable can be explained by the consumer satisfaction variable of 26.6 percent. This result states that there is an effect of consumer satisfaction on purchasing decisions.

Likewise, the F test results obtained that there is an effect between ethnocentrism and brand image on customer satisfaction. This is proven through research with the results of the research that the F value count is 19.487 which is greater than the F table of 2.698 or 28.7 percent. As well as the influence between ethnocentrism, brand image and consumer satisfaction on purchasing decisions has been proven. This is proven through research with the results of the research that the F calculated value is 16.520 which is greater than the F table of 2.698 or 34 percent, which means that the purchasing decision variable can be explained by the ethnocentrism, brand image and consumer satisfaction variables.

7. Conclusion

7.1. Conclusion

Based on the results of research and discussion that has been carried out regarding ethnocentrism and brand image on purchasing decisions with consumer satisfaction as an intervening variable in the study of Batik Sibori, Cimahi City, the following conclusions can be drawn:

Ethnocentrism and brand image affect customer satisfaction. This result means that consumers are satisfied with domestic products when compared to foreign products, especially batik.

Consumer satisfaction has an influence on purchasing decisions. This shows that if consumers are satisfied, it will result in repeat purchases, especially if the product brand is already in the minds of consumers.

Hypothesis testing shows that purchasing decision variables can be explained by ethnocentrism, brand image and customer satisfaction.

7.2. Suggestions

The suggestions in this study are: 1) this research is conducted on SMEs, especially Batik Sibori in Cimahi City, this research does not rule out the possibility to be carried out on different SMEs and in different cities, 2) The quality of domestic products must be further improved, given that increasingly high business competition, 3) customer satisfaction must be the main goal for every business, so that in the future it can make repeat purchases.

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