Consumer Religiosity, Cosmopolitanism and Ethnocentrism in Indonesia:
Their Impact on Global Brand Preference and Purchase Intention toward Korean Cosmetics

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Keywords: cosmopolitanism, ethnocentrism, religiosity, Indonesia, global brand, Korean brand

Introduction: Indonesia holds a great potential for global retailers, with its world's fourth largest population and increasing purchasing power (Portell et al., 2019). Thanks to the popularity of Korean popular culture, Indonesian consumers' interests in Korean goods (Kim et al., 2013), cosmetics in particular, have increased (Korea Cosmetics Association, 2018). Despite the significant market opportunity for global retailers, there is limited prior research examining Indonesian consumers' global brand preference. This study employs the notion of consumer cosmopolitanism and ethnocentrism to explain the global brand preference. Consumer cosmopolitanism explains consumers' open-mindedness towards foreign cultures and ethnocentrism, consumers' negative bias against foreign products (Deb & Sinha, 2015). In addition, given that 87% of Indonesian population is Muslim, this study explores the role of religiosity as an antecedent of cosmopolitanism and ethnocentrism. Drawing from Festinger's cognitive dissonance theory (1957), this study seeks to examine a research framework that tests the effect of religiosity on cosmopolitanism and ethnocentrism, which in turn are expected to influence global brand preference and purchase intention toward Korean cosmetics.

Literature Review and Hypotheses: Consistent with cognitive dissonance theory (1957), consumers are likely hold compatible values and beliefs and behave in accordance with their value system. Religiosity, defined as "the degree to which a person adheres to his or her religious values, beliefs, and practices" (Worthington et al., 2003, p. 85), is posited to influence the adherents' value system. Religiosity was found to be positively related to conservation values (e.g., tradition) and negatively related to change values (e.g., openness) (Saroglou et al., 2004). This pattern of associations is consistent with ethnocentrism that found to be positively related to the conservation values (Balabanis et al., 2002). Thus, **H1**. Higher religiosity will lead to higher ethnocentrism.

On the other hand, the conservation values are inconsistent with cosmopolitanism, characterized by openness to and appreciation of different cultures. Cosmopolitan was found to be inversely related to values of conservatism and security (Cleveland et al., 2011). Thus, **H2**. Higher religiosity will lead to lower cosmopolitanism.

Ethnocentric Indonesian consumers are less likely to prefer foreign global brands and buy Korean cosmetics because doing so would contradict their value of supporting domestic brands. Ethnocentrism was found to be negatively related to preference for and purchase intention toward foreign products (Zeugner-Roth et al., 2015). Thus, **H3**. Higher ethnocentrism will lead to (a) lower global brand preference and (b) lower purchase intention toward Korean cosmetics.

Indonesian consumers with high cosmopolitanism are more likely to prefer foreign global

brands and buy Korean cosmetics, consistent with their value of engaging with diverse cultures. Cosmopolitanism was found to be positively related with preference for and purchase intention toward foreign products (Sousa et al., 2018). Thus, **H4**. Higher cosmopolitanism will lead to (a) higher global brand preference and (b) higher purchase intention toward Korean cosmetics.

Indonesian consumers who prefer global foreign brands are more likely to purchase Korean cosmetics, given the popularity of K-beauty and successful launches of Korean cosmetic brands in Indonesia (Kim et al., 2013). Therefore, **H5**. Higher global brand preference will lead to higher purchase intention toward Korean cosmetics.

Methods: Data were collected from 316 Indonesian female consumers aged 20 years or older living in Indonesia in January 2021 via a professional online survey firm that ensured diverse representation in terms of age, education, and income level. The following constructs were measured with scales adapted from previous studies: religiosity, ethnocentrism, cosmopolitanism, global brand preference, and purchase intention toward Korean cosmetics.

Results: Structural equation modeling was used to test the hypotheses. Experience with Korean cosmetics and visits to Korea—which could affect purchase intentions toward Korean cosmetics—were included as control variables. The results indicated an acceptable fit: χ^2=668.64(df=289), Normed χ^2=2.31, p=.000, CFI=.91, and RMSEA=.06. The findings largely supported the five proposed paths, except for H2 and H3b. Indonesian consumers' religiosity positively affected their ethnocentrism level (β= .35, t=5.33, p< .001), not their cosmopolitanism level, supporting H1 and rejecting H2. The negative influence of ethnocentrism was found only on global brand preference (β = -.13, t=-2.00, p< .05), not on purchase intention toward Korean cosmetics, supporting H3a and rejecting H3b. The cosmopolitanism positively influenced both global brand preference (β= .29, t=4.28, p< .001) and purchase intention toward Korean cosmetics (β= .23, t=3.73, p< .001), supporting H4a and H4b. Finally, global brand preference had a direct effect on purchase intention toward Korean cosmetics (β=.38, t=5.98, p< .001), supporting H5.

Discussion and Implication: The findings are consistent with the literature, supporting the effects of cosmopolitanism and ethnocentrism on global brand preference in Indonesia. Academically, by examining two notions together, this study revealed that the effect of ethnocentrism on global brand preference (β= -.13) was weaker than that of cosmopolitanism (β= .29). Ethnocentrism did not decrease purchase intentions toward Korean cosmetics, suggesting that ethnocentric Indonesian consumers may be still willing to purchase Korean cosmetics. Collectively, the findings show that highly studied concept of ethnocentrism may be less relevant now, potentially due to the impact of globalization and social media. Another academic contribution includes the confirmation of religiosity's anteceding role on ethnocentrism, which was explained with the cognitive dissonance theory. Managerially, it is suggested to examine consumers' religiosity level to gauge their ethnocentrism, especially in Muslim countries. The effect of cosmopolitism was robust in creating global brand preference and purchase intentions. Therefore, global retailers are suggested to target consumers with high cosmopolitanism for effective marketing programs. For future studies, it is recommended to validate the effect of religiosity in other cultures.

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