

ACKNOWLEDGEMENT

Praise to the Almighty God, who bestows his blessings, wisdom, and grace which allows the author to complete this thesis, with the title: “INFLUENCE OF CONSUMER ETHNOCENTRISM, LACK OF AVAILABILITY OF DOMESTIC PRODUCTS, PRODUCT NECESSITY ON SHOPEE USERS’ ATTITUDE TOWARDS FOREIGN PRODUCTS ON SHOPEE” on time. The writing of this thesis is to complete the Management study program and meet the criteria for a Bachelor of Management (S.M.) degree at Universitas Pelita Harapan.

The completion of this thesis cannot be separated from the guidance, support and prayers from many parties. Therefore, on this occasion, with all modesty and respect, the author would like to extend her sincere gratitude to all those who have enabled the author to complete this thesis, namely:

1. Dra. Gracia Shinta S. Ugut, M.B.A., Ph.D. as the Dean of Faculty of Economics and Business.
2. Mr. Niel B. Nielson, MA., Ph.D. as the Advisor of Faculty of Economics and Business.
3. Ms. Isana S.C. Meranga, S.P., M.M. as the Head of Management.
4. Ms. Jacquelinda Sandra Sembel, S.Pd., S.E. as the Head of International Business Concentration.
5. Ms. Cynthia Anna Wijayanti, S.E., M.Mktg. as the author’s academic supervisor as well as research paper supervisor, who has been dedicatedly

and patiently shared her knowledge and guided the author throughout the making of this paper.

6. All lecturers who have taught and shared their insights and experiences during the author's learning period at Universitas Pelita Harapan.
7. All employees and staffs of Business School who have assisted the author in her administrative tasks.
8. The author's parents and sisters who have always been there, sending the author never-ending prayers, encouragements and motivations that makes this thesis possible.
9. Stefani, Audrie, Brenda, Amel, Divine, Thelma, Kevin, Zivan, Jordy and all the author's friends who are always supportive to accompany, advise, and help the author in completing this study.
10. Countless parties who have helped the author enormously in completing this thesis, who couldn't possibly be mentioned one by one.

Finally, the author realizes that there are limitations in this study. Therefore, in order to enhance the quality of this research, critics and suggestions are very much appreciated. The author hopes that this study will be useful for many purposes and helpful to the reader.

Lippo Village, 27 November 2020

Celine Inestasya Maliso

TABLE OF CONTENT

| | |
|--|-------------|
| FINAL ASSIGNMENT STATEMENT AND UPLOAD AGREEMENT | ii |
| RESEARCH PAPER'S SUPERVISOR APPROVAL | iii |
| RESEARCH PAPER'S EXAMINER APPROVAL..... | iv |
| ABSTRACT..... | v |
| ACKNOWLEDGEMENT..... | vi |
| TABLE OF CONTENT..... | viii |
| LIST OF FIGURES | xi |
| LIST OF CHARTS | xii |
| LIST OF TABLES | xiii |
| CHAPTER I INTRODUCTION | 1 |
| 1.1 Introduction..... | 1 |
| 1.2 Research Background | 5 |
| 1.3 Research Question | 11 |
| 1.4 Research Purpose | 11 |
| 1.4.1 Theoretical Significance | 12 |
| 1.4.2 Practical Significance..... | 12 |
| 1.5 Research Writing Systematic | 13 |
| CHAPTER II LITERATURE REVIEW..... | 15 |
| 2.1 Consumer Behavior | 15 |
| 2.1.1 Global Consumer Behavior..... | 17 |
| 2.1.1.1 Consumer Ethnocentrism..... | 20 |
| 2.2 Global Supply Management (Global Trade)..... | 22 |
| 2.2.1 Digitally Enabled Global Trade | 25 |
| 2.2.2 Lack of Availability of Domestic Products | 26 |
| 2.3 Types of Products | 29 |
| 2.4 Types of Purchasing Behavior | 31 |
| 2.5 Product Necessity..... | 34 |
| 2.6 Consumer Attitude | 36 |
| 2.6.1 Consumer Attitude towards Global Brand..... | 38 |
| 2.7 Relationship between Variables..... | 39 |
| 2.7.1 Influence of “Consumer Ethnocentrism” towards “Attitude” | 39 |
| 2.7.2 Influence of “Lack of Availability of Domestic Products” towards “Attitude” | 41 |
| 2.7.3 Influence of “Product Necessity” towards “Attitude” | 42 |
| 2.8 Research Design (Conceptual Model) | 43 |
| 2.9 Related Previous Studies..... | 44 |
| CHAPTER III METHODOLOGY | 50 |
| 3.1 Research Objects..... | 50 |
| 3.2 Unit of Analysis | 50 |
| 3.3 Research Type..... | 51 |
| 3.4 Research Variables Operationalization..... | 52 |
| 3.5 Population and Sample | 56 |

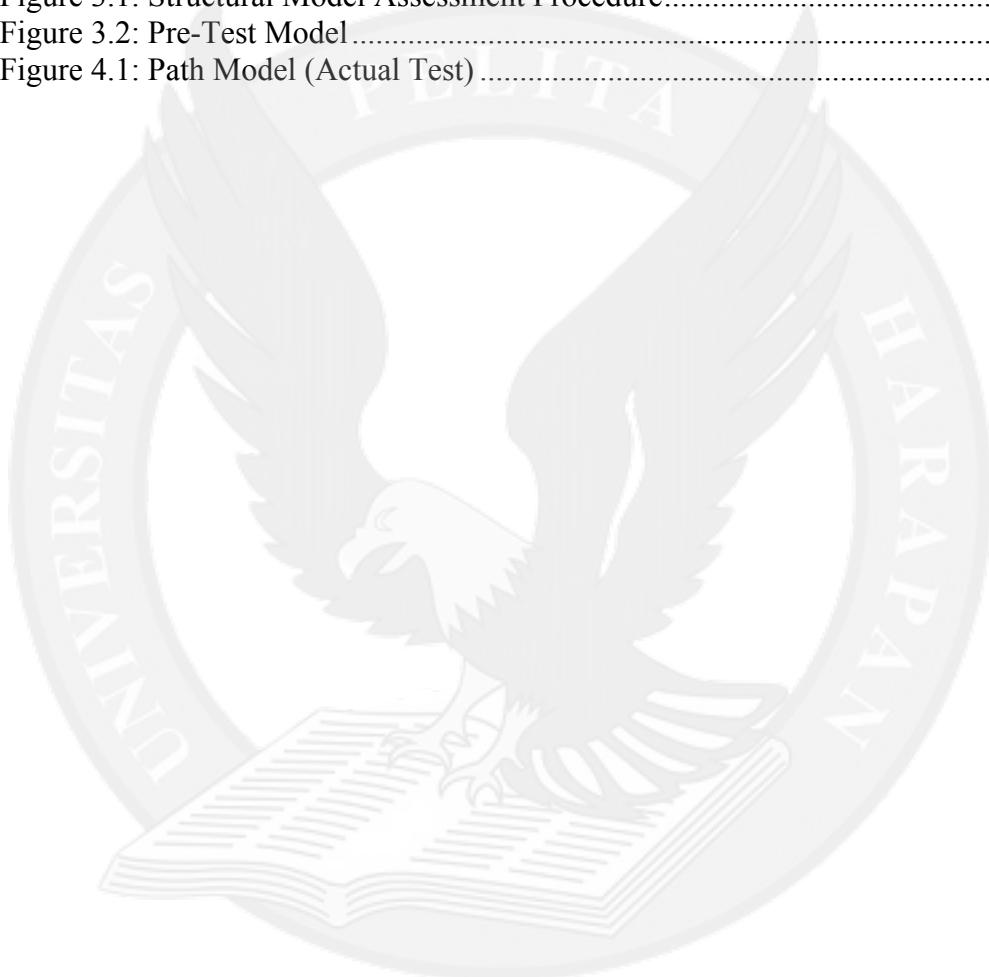
| | |
|---|------------|
| 3.5.1 Amount of Sample | 57 |
| 3.5.2 Sampling Method..... | 59 |
| 3.6 Data Collection Method..... | 62 |
| 3.6.1 Measurement Scale | 64 |
| 3.7 Data Analysis Method..... | 67 |
| 3.7.1 Partial Least Square – Structural Equation Model (PLS-SEM)..... | 68 |
| 3.7.1.1 Inner Model..... | 73 |
| 3.7.1.2 Outer Model | 76 |
| 3.8 Pre-Test..... | 76 |
| 3.8.1 Validity Test..... | 77 |
| 3.8.1.1 Convergent Validity..... | 79 |
| 3.8.1.2 Discriminant Validity..... | 80 |
| 3.8.2 Reliability Test..... | 81 |
| 3.8.3 Pre-Test Result..... | 82 |
| 3.8.3.1 Convergent Validity Pre-Test Results | 83 |
| 3.8.3.2 Discriminant Validity Pre-Test Results | 86 |
| 3.8.3.3 Reliability Pre-Test Results | 86 |
| 3.9 Hypothesis Test..... | 87 |
| 3.9.1 Direct Effect Hypothesis Test..... | 88 |
| CHAPTER IV DATA ANALYSIS AND DISCUSSION4..... | 89 |
| 4.1 Respondent Profile..... | 89 |
| 4.2 Data Analysis | 93 |
| 4.2.1 Descriptive Statistics..... | 94 |
| 4.2.1.1 Consumer Ethnocentrism | 98 |
| 4.2.1.2 Lack of Availability of Domestic Products | 100 |
| 4.2.1.3 Product Necessity..... | 102 |
| 4.2.1.4 Consumer Attitude | 104 |
| 4.2.2 Inferential Statistics | 106 |
| 4.2.2.1 Outer Model | 106 |
| 4.2.2.1.1 Convergent Validity Test Results | 107 |
| 4.2.2.1.2 Discriminant Validity Test Results | 112 |
| 4.2.2.1.3 Reliability Test Results | 114 |
| 4.2.2.2 Inner Model..... | 114 |
| 4.2.2.2.1 Coefficient of Determination (R^2)..... | 115 |
| 4.2.2.2.2 T-Statistics (Bootstrapping) | 116 |
| 4.2.2.2.3 Multicollinearity Test..... | 116 |
| 4.2.3 Hypothesis Test..... | 117 |
| 4.2.3.1 Direct Effect Hypothesis Test..... | 118 |
| 4.3 Discussion | 120 |
| 4.3.1 Consumer Ethnocentrism and Consumer Attitude | 122 |
| 4.3.2 Lack of Availability of Domestic Products and Consumer Attitude | 125 |
| 4.3.3 Product Necessity and Consumer Attitude | 127 |
| CHAPTER V CONCLUSIONS AND RECOMMENDATION | 129 |
| 5.1 Conclusion | 129 |

| | |
|----------------------------------|------------|
| 5.2 Managerial Implication..... | 129 |
| 5.3 Research Limitation | 134 |
| 5.4 Future Recommendations | 136 |
| REFERENCES..... | 139 |
| APPENDIX | |



LIST OF FIGURES

| | |
|--|-----|
| Figure 2.1: Model of Buyer Behavior..... | 16 |
| Figure 2.2: Three Levels of Products..... | 29 |
| Figure 2.3: Five Types of Perceived Risk..... | 32 |
| Figure 2.4: Maslow's Hierarchy of Needs..... | 35 |
| Figure 2.5: Research Design..... | 43 |
| Figure 3.1: Structural Model Assessment Procedure..... | 74 |
| Figure 3.2: Pre-Test Model..... | 83 |
| Figure 4.1: Path Model (Actual Test) | 107 |



LIST OF CHARTS

| | |
|--|---|
| Chart 1.1: Initial Survey Answer | 6 |
| Chart 1.2: Initial Survey Answer | 7 |
| Chart 1.3: Initial Survey Answer | 8 |
| Chart 1.4: Initial Survey Answer | 9 |



LIST OF TABLES

| | |
|--|-----|
| Table 2.1 Related Previous Studies | 44 |
| Table 3.1 Measurement Table (Conceptual & Operational Definition) | 52 |
| Table 3.2 Population Limitations in Research..... | 61 |
| Table 3.3 Average Variance Extracted (AVE) | 84 |
| Table 3.4 Outer Loading | 85 |
| Table 3.5 Fornell-Larcker Criterion..... | 86 |
| Table 3.6 Reliability..... | 87 |
| Table 4.1 Gender Percentage | 90 |
| Table 4.2 Age Percentage | 90 |
| Table 4.3 Profession Percentage | 91 |
| Table 4.4 Domicile Percentage | 92 |
| Table 4.5 Product Category Percentage..... | 93 |
| Table 4.6 Descriptive Statistic Summary..... | 94 |
| Table 4.7 Descriptive Statistic of Consumer Ethnocentrism | 98 |
| Table 4.8 Descriptive Statistic of Lack of Availability of Domestic Products.... | 100 |
| Table 4.9 Descriptive Statistic of Product Necessity..... | 103 |
| Table 4.10 Descriptive Statistic of Consumer Attitude | 105 |
| Table 4.11 Outer Loading | 108 |
| Table 4.12 Outer Loading Revised | 109 |
| Table 4.13 Average Variance Extracted (AVE) | 111 |
| Table 4.14 Average Variance Extracted (AVE) Revised | 112 |
| Table 4.15 Fornell-Larcker Criterion..... | 113 |
| Table 4.16 Heterotrait-Monotrait Ratio | 113 |
| Table 4.17 Composite Reliability and Chronbach's α | 114 |
| Table 4.18 Coefficient of Determination (R^2) | 115 |
| Table 4.19 T-Statistic & P-Value..... | 116 |
| Table 4.20 Variance Inflation Factor (VIF)..... | 117 |
| Table 4.21 Path Coefficients..... | 118 |
| Table 4.22 Key Features of Replicated Journals | 120 |
| Table 4.23 Key Findings of Replicated Journal..... | |