FOREIGN VERSUS DOMESTIC PRODUCTS IN CROSS-BORDER E-COMMERCE: A CONCEPTUAL FRAMEWORK

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ABSTRACT
We aim to add value to the ongoing inconsistencies by extracting models from past studies and building an overarching framework for understanding the purchase intentions of foreign and domestic products in the cross-border electronic commerce (CBEC) context. We review significant works in various disciplines and systematically extend abstractions from diverse models and theories toward iterative methods. We deconstruct and (re)construct them into the framework. We identify the importance of segmenting consumer engagement with global-local discourses and screen samples not engaging with the country of origin (COO) discussions. We pinpoint the significance of the underlying theories of social class, rational choice, social identity, COO, substitute versus complementary, schema, consumer culture, adaptive structuration, and the unified theory of acceptance and use of technology. We highlight the urgency of drawing from multidisciplinary approaches to acknowledge the complex relationship between constructs of product types, social class, ethnocentrism, informedness, benefits, perceived risks, and the purchase intention of domestic and foreign products. Researchers should refine models based on consumer segments and test the framework to examine its usability. Policymakers and international marketers can refine policies and strategies by incorporating the framework’s critical success factors. We fill the wide research gap in international marketing and information systems literature by offering an integrative approach that broadens our understanding of foreign versus domestic product controversies.

Keywords: Foreign, Domestic, Cross-Border E-Commerce (CBEC), Ethnocentrism, Conceptual Framework

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ABSTRAK

Kata Kunci : Produk asing, produk lokal, perdagangan elektronik lintas batas (Cross-Border E-Commerce), etnosentrisme, kerangka konseptual
INTRODUCTION

The COVID-19 pandemic worldwide has mandated the rising internet usage and electronic commerce (e-commerce) trend. Given the universality of mobile phones and globalization, international e-commerce will continue to play an increasingly dominant role even after the pandemic. Even during the Corona economic crisis, the world’s e-commerce sales boomed by approximately 11 percent annually (Dumanska et al., 2021).

International e-trading, also known as Cross-border E-Commerce (CBEC), provides small and medium enterprises (SMEs) the leverage to access broader markets. However, CBEC also exposes local SMEs to tighter regulations, local and global, four acculturation segments can exist to define consumer attitudes toward foreign versus domestic products. Domestic businesses blame CBEC for losing its market share (Tavengerwe, 2018). He shrinking domestic market and the economic downturn have resurrected consumers’ ethnocentric impulses at the cost of foreign products (Balabanis & Siamagka, 2017).

Many governments worldwide impose high duties and red tape on customs borders to protect local products, further sparking public debates on foreign versus domestic products. The biased preference for domestic products at the cost of foreign products, or vice versa, has become a more paramount debate than ever before (Balabanis & Siamagka, 2017). A critical question remains unresolved: How do shoppers behave according to foreign-domestic discourse, especially on CBEC platforms?

Extensive studies have confirmed contradictory findings in consumer behavior towards foreign vs. domestic products (Balabanis & Siamagka, 2017; Bhaskaran & Sukumaran, 2007; Herz and Diamantopoulos, 2017; Steenkamp and De Jong, 2010). Inconsistencies in study contexts and methodologies result in conflicting conclusions that impede model development. A more integrated approach incorporating customer characteristics and e-buying intention is urgently required (Bhaskaran & Sukumaran, 2007). We built this framework to fill the international marketing and information systems literature research gap.

The overarching understanding of consumer behaviors will shape the right course of policymaking and marketing strategies. Hence, we attempt to provide a model to explain the tendency of consumer behaviors toward foreign and domestic products in the CBEC context. The conceptual framework incorporates the complex relationship between the segments in foreign-domestic discourse behavior (Steenkamp and De Jong, 2010), product types (Davvetas and Diamantopoulos, 2016), social class (Aljukhadar et al., 2021), and consumer ethnocentrism (Balabanis and Siamagka, 2017) from international marketing literature. This model combines shoppers’ informedness, benefits, perceived risks (Han & Kim, 2019), and control variables (Venkatesh et al., 2012) from the information systems literature.

This study adds value to the ongoing controversies about foreign vis-a-vis domestic products in the ever-changing digital environment for stakeholders. It can also add considerations to the government’s decision. Because empirical data suggest that the influence of the mentioned elements on customer behavior is not uniform, expanding this field of research is critical, especially in the context of rapidly growing e-commerce.

This paper fills these gaps by examining variations in foreign-domestic discourse behavior and the factors contributing to variances in the purchase intention of foreign and domestic products. We begin with the introduction section, where we establish the urgency of this study. The following section gives a theoretical basis for variables. Following this section, we offer testable hypotheses and develop a comprehensive conceptual framework. We establish a robust conceptual framework by expanding abstractions (Creswell, 2012). Last, we highlight some summaries and discuss the theoretical and practical implications.

Approaches from international marketing literature

Consumer Culture Theory (CCT)

According to CCT, culture is a complex system with overlapping cultural groupings within globalization and market capitalism (Arnould & Thompson, 2005). Across the two cultures, local and global, four acculturation segments can exist to define consumer attitudes toward foreign versus domestic products, as described in Figure 1. The four segments are global, local, glocal, and marginalized consumers. Local consumers are those with a preference for domestic products, while global consumers prefer foreign products. Glocal (abbreviated from global and local) consumers purchase both foreign and domestic products.

The fourth segment is galalienated or marginalized consumers. They do not engage in foreign-domestic discourse (Berry et al., 1986; Steenkamp & De Jong, 2010; Strizhakova & Coulter, 2019). They neither care nor know about a product’s country of origin (Herz & Diamantopoulos, 2017). A state of galalienation happens when a consumer becomes culturally and socially alienated from the global and local culture. The rapid changes in consumer culture and unclear guidelines for interpreting these changes might cause this alienation (Steenkamp &
De Jong, 2010). This study emphasizes the importance of the marginalized consumer segment, as this segment might contribute to the inconsistencies of past studies.

Marginalized consumers in Russia account for 25 percent of consumers, as opposed to 0 percent in Brazil (Strizhakova & Coulter, 2019). The high percentage of marginalized consumers induces bias and results in inconsistent findings. Hence, we suggest that research should not include these marginalized consumers as samples. The mainstream research that discloses only two categories, local and global, without considering glocal and marginalized consumers will impair the holistic view of the consumer cultural approach. The two-circle Venn diagram in Figure 1 below describes the relationships between two groups of local and global product consumers.

**Figure 1** Two-Set Venn Diagram for Consumer Cultural Identity Engagement in Local-Global Discourses

In the universe of consumers, two sets in the Venn diagram are created and named local and global-oriented consumers. Glocal consumers are called intersections, representing overlapping areas of two sets. Samples should be members of any set, thus excluding marginalized consumers \((A \cup B)\). We refer to the combined nature of purchase intentions in the CBEC context, as illustrated in Figure 1 when we mean purchase intentions. When we designate them to a specific set of Venn diagrams above, we call these the purchase intentions of global (foreign) or local (domestic) products.

Past research has proposed the classification of global-local consumers. However, the interaction among the four segments is still unclear and needs further examination. Two, the four segments may build a taxonomy or a classification system of global-local consumers’ domain that underlies a good ground for scaling generalizations unbounded in space and time, leading to theoretical integration (Arnould & Thompson, 2005; Chopdar et al., 2018; Steenkamp & De Jong, 2010; Strizhakova & Coulter, 2019). Our study underpins the classification of global-local consumers and the significance of excluding marginalized segments in the study design.

**Country of Origin (COO) and Consumer Ethnocentrism (CET)**

COO or "made in" country (Hamin & Elliott, 2006) is the country in which the corporate headquarters of the corporation selling the product is located (Herz & Diamantopoulos, 2017). Much research on purchasing behavior concerning the COO of a product or service has yielded two radically opposed outcomes. Some argue that a COO significantly impacts buying patterns, while others argue that it does not. These inconsistent conclusions have restricted the findings’ replicability, theory development, and overall value to marketing practitioners (Bhaskaran & Sukumaran, 2007). COO is a crucial indicator for distinguishing domestic from foreign items and has a unique potential to activate ethnocentric attitudes. CET is triggered when customers contrast international or global brands with local alternatives, similar to COO effects, which show that the availability of country-specific information engages cognitive appraisal (Balabanis & Siamagka, 2017).

CET refers to the general propensity for people to see their ethnicity as the center of the world and to reject people from other cultures. CET also represents beliefs about the appropriateness of purchasing foreign-made or imported products. The CET idea can increase understanding of consumer-biased judgment related to the COO of a product (Shimp & Sharma, 1987). CET is the most commonly used variable in foreign vs. domestic products, attracting consumers to domestic products (Josiassen, 2011). Given the central importance of CET in contrasting...
foreign vs. domestic products and its significance in past studies, we underline its inclusion in the framework. Although some studies undermine its significance, we expect to replicate the mainstream findings in the CBEC context.

Social Identity Theory (SIT) and Schema Theory

SIT is one of the most influential and far-reaching theories of intergroup relations (Abrams & Hogg, 2012). The simple sense of belonging to two separate groups (a.k.a. “self-categorization”) is sufficient to favor the in-group to enjoy positive identities and discriminate against the out-group (Tajfel & Turner, 1979; Worley, 2021). Past studies used this theory to explain consumer behavior toward domestic and foreign products (Zeugner-Roth et al., 2015).

SIT provides conceptualization and explanation but no measurement. Consequently, applying this theory explains the distinct groups of purchasers of two types of products and their motives for purchasing the items from foreign or domestic producers. Past studies borrowed this theory from sociology to explain their hypotheses rather than their findings (Zeugner-Roth et al., 2015). We hope this underlying theory provides a rich causal explanation of our framework.

Schema theory refers to the “schema” or a cognitive structure from and through which a product complements relevant personal perceptions to suit consumer demands (Lai, 1994). For example, when a customer comes across a brand she recognizes as global, she may activate a “schema” that incorporates global brand supremacy. Furthermore, superiority beliefs will move from the product category schema to the brand, resulting in favorable responses. Thus, schema theory calls for category-specific global and local brand management tactics (Davvetas & Diamantopoulos, 2016).

Studies show ambiguous results for various product categories. We aim to either confirm that schema theory is unbiased across product types or eliminate this theory in further work in an online setting where product types, choices, and information are abundant. Choice overload might hinder consumers from building a solid schema.

SIT explains why potential buyers of foreign products are distinctive from those of domestic products and how they should be segmented. The schema theory explains why specifying product categories is imperative in defining foreign and domestic products. We facilitate both mandates in the proposed framework. We also expand the two segments into three segments inside the frame of purchasing intention.

Social Class Divide (SCD) Theory

Since the 1980s, the theory of social class, i.e., a consumer’s division in the social hierarchy, whether economic, cultural, or social capital, has characterized consumer behavior (Clarke et al., 2015). SCD is one of the most fundamental elements of social organization, which influences practically every aspect of our lives, including market-mediated consumption (Riley, 2017). With CET, the SCD variable directly affects international and domestic e-shopping (Aljukhadar et al., 2021).

The SCD theory explains that lower-class customers need more capital to obtain foreign language skills, international mobility experiences, and openness toward globalization, thus placing low trust in foreign products. Lower-class consumers are less likely to engage in a foreign cultural environment; thus, they have a more negative attitude toward global products (Aljukhadar et al., 2021).

Although we include the SCD concept to support other constructs and theories from previous studies, its operational measurement still needs to be standardized. We adopted the SCD measurement from a past study (Aljukhadar et al., 2021). We extend past studies on the influence of SCD on the CET level and purchasing intention for foreign and domestic products. We aim to confirm the applicability of SCD theory in understanding the drivers of purchasing intentions of foreign vs. domestic products.

Rational Choice Theory, Status Quo Bias, and Variety-seeking Behavior

In rational choice theory, consumers choose goods because they expect more significant benefits than perceived costs. Consumer prefers domestic goods because they give them more benefits than foreign products, or vice versa (Samuelson & Zeckhauser, 1988).

In behavioral economics, status quo bias challenges rational choice theory. Research shows that people can unreasonably disregard benefits, stick with the status quo, and exhibit consumer inertia due to informational and cognitive constraints. Status quo bias is more likely for customers encountering choice overload (Buturak & Evren, 2017), especially in online settings with abundant choices. Consumers might be irrational when they choose foreign (domestic) products that worked in the past because they consider them a safe and less challenging decision. Consumers are reluctant to switch their choices regardless of their benefits (Wang et al., 2013).
While the status quo bias mandates a non-switching behavior between product categories, variety-seeking behavior looks for changes from foreign to domestic products or vice versa, driven by hedonic motives rather than utilitarian consumption attributes (Burmeister & Schade, 2005). The three consumer behaviors help build up a comprehensive framework. We enlarge the scope of benefits and costs into motivation and perceived risks to understand consumer behavior's (ir)rationality in e-commerce.

We found that the effect of perceived benefits and risks on each group's purchasing intention of foreign and domestic products, which is more dominant, is obscure (Granzin & Painter, 2001; Rahmaningtyas et al., 2017; Vo & Kim, 2017). We hope to confirm this significant finding for both foreign and domestic product groups and contribute to the first of its kind to compare the results between the two groups. Further, we aim to prove the applicability of rational choice theory even in online settings with choice overload.

**APPROACHES FROM THE INFORMATION SYSTEMS LITERATURE**

**Adaptive Structuration Theory (AST)**

AST explains the dynamic link between the structures given by information technology (IT) and how users appropriate those structures (Rains & Bonito, 2017). Researchers have used AST in various areas of information technology (IT) (DeSanctis & Poole, 1994) based on Giddens' theory of structuration in 1984 (Lethbridge, 2003). Structures, or social structures, are rules and resources for human interaction. At the same time, structuration is the process of (re)producing social structures. An example of a structuration appropriation process is when consumers interact with an e-commerce platform and get the information they need to make decisions. The process of seeking information can be adaptive (Han & Kim, 2019) until product purchasing (Rains & Bonito, 2017).

The AST framework comprises social structures as input, social interaction as a process, and output. The social structure (translated into CBEC motivations or benefits), social interaction (IT usage to improve informedness), and output influence CBEC use and its corresponding purchase intention (Han & Kim, 2019). Informedness is the consumer’s condition of being informed by the CBEC. The earlier theory of rational choice supports the CBEC’s benefits. This theory adds a construct of using IT to get information (informedness) to build up rational buying intentions for foreign and domestic products.

We extended the concept of consumer informedness as a structuration process regarding specific products into global-local discourse, where we found contradictory results. The study on the association between consumer informedness and the purchase of foreign-domestic products is very limited in each group (Perbawaningsih et al., 2020), resulting in undecided findings and too little light to understand which is more crucial. We hope to contribute to the first study to compare the results between the two groups. Further, we expect to prove the applicability of AST even in the international marketing context.

**The Unified Theory of Acceptance and Use of Technology (UTAUT)**

UTAUT aims to explain user intentions to utilize an information system and subsequent usage behaviors. The theory was developed by reviewing and consolidating the constructs of eight previous models used to explain information system usage behavior, including the theory of reasoned action, the social cognitive theory, the motivational model, the theory of planned behavior, the technology acceptance model (TAM), the model of personal computer use, and the diffusion of innovations theory (Venkatesh et al., 2003; Venkatesh & Davis, 2000).

The UTAUT and TAM's perceived usefulness and perceived risk are antecedents to predicting online shopping behavioral intention and actual use behavior (Yakasai et al., 2021). Online shopping behavioral intention is affected directly by performance expectancy, effort expectancy, and social influence. Gender, age, and experience indirectly affect the behavioral intention of using a digital platform. Our framework signifies these constructs and adds segments to the shopping intention into foreign, domestic, and both products.

**Substitute and Complementary Products in Digital Business**

Products that may be substituted are interchangeable, whereas complementary items can be purchased together (Wang et al., 2018). Marketing efforts of a product can influence customer demand for "other products" in other categories. "Other products" refers to separate but related categories of items. Products are complements (substitutes) if decreasing (increasing) the price of one product leads to a rise in sales of another (Shocker et al., 2004).

People think products in today's digital environment are substitutes, yet research shows they complement one another. Facebook, for example, has been accused of substituting human connections since it replaces face-to-face conversation. However, research shows that Facebook functions as a complement to face-to-face engagement.
(Kujath, 2011). Another example, Uber, is a new means of transportation that people think is a substitute service for public transportation. Nevertheless, research shows that Uber is not a substitute for, but rather a complement to, expanding the reach and flexibility of public transportation (Hall et al., 2018).

We might assume foreign goods as substitutes for domestic products, where their rise in market share affects the decline of local goods’ market share. Thus, their impact is unfavorable due to globalization and localization attitudes toward the preference for global and local products. Nevertheless, foreign products are complementary, meaning that their existence in the market triggers growth in domestic product demand. Hence, the effect is favorable due to the glocalization attitude (Steenkamp & De Jong, 2010).

By including this concept, our framework can detect the relationship between the purchase intention of foreign and domestic products, whether substitute or complementary, in a context that can expand its usability. Adding new constructs from “glocal” consumers and creating a novel universe of purchase intention from three segments can better provide insight and empirical propositions for future research on hypothesizing substitute or complementary effects between foreign vs. domestic groups.

MODELS, THEORIES, AND CONCEPTS UNDERPINNING THE PURCHASE INTENTIONS OF FOREIGN VS. LOCAL PRODUCTS ON CBEC

The existing frameworks focused on only one or two underlying theories or models (Davvetas & Diamantopoulos, 2016; Micevski et al., 2019; Strizhakova & Coulter, 2019). This fact provides significant potential for our framework to expand its usability by providing integrative views on foreign vs. domestic products in the digital economy. We have reviewed various theories and seen how they fit together. The multidisciplinary theories acknowledge similar constructs and explain the relationships between them. These constructs are product types from schema theory (Davvetas & Diamantopoulos, 2016), social class (Aljukhedar et al., 2021), CET (Balabanis & Siamagka, 2017; Josiassen, 2011; Shankarmahesh, 2006; Strizhakova & Coulter, 2019), informedness, motivation/benefits, and perceived risks from information system literature (Han & Kim, 2019). Table 1 summarizes the models and theories and their contributions to building a comprehensive framework from the above section. It highlights the relevant core constructs related to those concepts and defines each construct extracted from the prior frameworks.

<table>
<thead>
<tr>
<th>No</th>
<th>Theories, Models, and Concepts</th>
<th>Contribution</th>
<th>Relevant Core Constructs (CET)</th>
<th>Definitions</th>
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<tbody>
<tr>
<td>1</td>
<td>Consumer Culture Theory (CCT) translates as a culture of consumption where consumer identities are manifested in four acculturation segments (Berry et al., 1986; Steenkamp &amp; De Jong, 2010; Strizhakova &amp; Coulter, 2019)</td>
<td>Our study underpins the classification of global-local consumers and the significance of excluding marginalized segments in the study design.</td>
<td>Marginalized/glialenated consumers</td>
<td>Consumers do not concern themselves with local or global discourse</td>
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<td></td>
<td>The country of origin (COO) concept mandates distinguishing products by their place of production (Hamin &amp; Elliott, 2006; Herz &amp; Diamantopoulos, 2017 (Balabanis &amp; Siamagka, 2017))</td>
<td>We expect to confirm the significance of CET related to the COO of a product.</td>
<td>Integrated/glocal consumers</td>
<td>Consumers integrate both global and local identities</td>
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<td></td>
<td>Social Identity Theory (SIT) underpins the creation of two distinct groups (Micevski et al., 2019; Zeugner-Roth et al., 2015)</td>
<td>We provide a rich causal explanation based on this underlying theory</td>
<td>Separated/local-oriented consumers</td>
<td>Consumers primarily consider local, home, or heritage culture</td>
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<td>3a</td>
<td>Schema Theory gives support to consumers who rely on their product category “schema” to form perceptions of global versus local brand superiority (Davvetas &amp; Diamantopoulos, 2016; Lai, 1994)</td>
<td>This theory underlines the importance of “schema” within product categories where we attempt to confirm or contradict it, especially in an</td>
<td>Assimilated/global-oriented consumers</td>
<td>Consumers have a robust acculturating group identity</td>
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<td>3b</td>
<td>Global Brand Superiority in the Category (GBSC)</td>
<td>Consumers primarily consider local, home, or heritage culture</td>
<td>Social Identity Theory (SIT)</td>
<td>An in-group is a social group in which a person psychologically identifies as being a member</td>
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<td></td>
<td>Marginalized/glialenated consumers</td>
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<td>A social group with which a person does not identify</td>
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<td></td>
<td>Integrated/glocal consumers</td>
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<td></td>
<td>Schemas/schemata are organized units of information about an entity based on prior experience to guide present understanding or action. GBSC refers to customers’ opinions that global brands are superior to local brands in a particular product category.</td>
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Table 1 Models and Their Relevant Core Constructs of Purchase Intention of Local vs. Foreign Products

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# Theories, Models, and Concepts

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<tr>
<td>4</td>
<td>Social Class Divide (SCD) Theory</td>
<td>The framework extends the influence of social class not only to CET but also to purchasing intention for foreign and domestic products.</td>
<td>High or low class based on objective or subjective measurements.</td>
<td>Social class is the consumer’s place in the social hierarchy, whether economic, cultural, or social capital</td>
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<td>5</td>
<td>Rational Choice Theory, Status Quo Bias, Variety-seeking behavior</td>
<td>Our framework underpins the future provision of empirical (ir)rationality findings for foreign and domestic products and compares them.</td>
<td>Perceived benefits include utilitarian benefits, hedonic benefits, and social benefits (S. S. Kim et al., 2005)</td>
<td>Perceived benefits are consumers’ subjective perception of gain from shopping for a product (Wang et al., 2013) and are viewed as CBECH motives directing consumers to achieve value (Han &amp; Kim, 2019)</td>
</tr>
<tr>
<td>6</td>
<td>The adaptive structuration theory (AST) framework comprises social structures, social interaction, and output. In the CBECH context, the social structures refer to the benefits that consumers expect to achieve by using e-commerce (Han &amp; Kim, 2019)</td>
<td>This study extends the concept of consumer informedness by combining the structuration process of information searching regarding particular products.</td>
<td>Purchase intention is output since it represents the behavioral outcomes of customers’ adaptive processes when they engage with the CBECH</td>
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<td>7</td>
<td>The unified theory of acceptance and use of technology (UTAUT) explains consumer intentions to use information technology (Venkatesh et al., 2003, 2012) and extends its applicability to predict online shopping intentions (Yakasai et al., 2021)</td>
<td>The study implements control variables from UTAUT, including age, gender, and experience, in addition to the concept of benefits and risks.</td>
<td>Age, Gender, Experience, Expected performance, Expected Effort, Social influence</td>
<td>Self-explained, coded as a continuous variable, Self-explained, coded as a 0/1 dummy variable, Experience, coded as a dummy variable, used ordinal values to capture the increasing user experience with the system, The extent to which a person feels that using the CBECH will assist her in achieving her goals, The degree of ease associated with using the CBECH, The extent to which a person believes influential individuals feel she should utilize the CBECH. A social motive is a buying habit that offers the customer a symbolic benefit in terms of social participation (Han &amp; Kim, 2019)</td>
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<tr>
<td>8</td>
<td>Substitute vs. Complementary. Lowering (raising) the price of a complementary (substitute) product leads to an increase in sales of another (Shocker et al., 2004)</td>
<td>Our framework detects the relationship between the purchase intention of foreign and that of domestic products, whether substitute or complementary.</td>
<td>Focal product, “Other products”</td>
<td>A focal product is a product under scrutiny in terms of buyer demand depending directly and indirectly on the marketing efforts in different categories, “Other products” are different products but related categories/types</td>
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In online purchasing of foreign and domestic products, purchase intention is most commonly used instead of purchase behavior (Akar & Nasir, 2015; Han & Kim, 2019; Mady, 2017). The reason is twofold. First, purchase
behavior includes purchase intention, while the contrary is not applicable. Past studies have used purchase intention in the research framework even though the articles they refer to are actual purchases.

Second, the purchase intention might be firm (Balabanis & Siamagka, 2017) but only sometimes carries on to the actual purchase (Herz & Diamantopoulos, 2017; Uncles & Sauraz, 2000). A consumer may say she intends to buy local products but has yet to buy them. The reasons might be related to product availability when she intends to buy local products that no longer exist. Another reason may be her ability to pay, which forces her to alter to cheaper options regardless of her initial preferences. Another possible reason may be her inability to accurately determine the COO of a product (Uncles & Sauraz, 2000). A past study found that in terms of actual purchases of foreign and domestic products, a consumer might deny her actual purchases to obtain an acceptable self-image. Respondents' dishonesty impairs research on the purchase of foreign vs. domestic products. The accurate purchase is sensitive and requires segmenting respondents to get the complete picture (Herz & Diamantopoulos, 2017).

A COMPREHENSIVE APPROACH TO DEVELOPING HYPOTHESES ON FOREIGN VERSUS DOMESTIC PRODUCTS RESEARCH

Researchers have long debated the antecedents of purchasing intentions of foreign versus domestic products with several conceptual models rooted in psychology, marketing, economics, and sociology. Our framework attempts to add to the model by using the points of view of information technology. Researchers commonly choose a model among diverse models and their corresponding constructs. They also choose a favorable model and ignore the contributions from other models (Venkatesh et al., 2003; Venkatesh & Davis, 2000). We should review all theories and models to synthesize and progress toward a more comprehensive and unified view of what drives the purchase intention of foreign and domestic products in the CBEC context.

We select and use the variables according to standard practice. We justify their inclusion according to their theoretical basis and empirical historical relevance. We adapt the nature of measurement and predict the positive or negative indications from past studies (Nielsen & Raswant, 2018).

The Effect of Consumer Ethnocentrism (CET) on Purchase Intention of Domestic Products

Since the 1970s, CET has been well-established as a marketing construct (Bearden et al., 2011). It tends to stimulate the purchase intention of domestic products and slash the purchase intention of imported or foreign products (Shimp & Sharma, 1987). Although past research on the COO needs to improve the theoretical underpinnings' insufficiencies and methodological deficiencies, the CET concept can still improve the understanding of biased consumer judgment.

Most research suggests that CET positively affects domestic purchasing behavior (Aramendia-muneta, 2016; Josiassen, 2011; Shankarmahesh, 2006). Few have demonstrated insignificant effects (Zeugner-Roth et al., 2015). Some research considers CET a moderating factor (Micevski et al., 2019). Hence, we propose the following hypothesis:

H1: The positive influence of CET on the purchase intention of domestic products will be moderated by a) social class and b) product type, such that the effect will be more substantial for upper social class and expensive product categories.

We attempt to fortify past studies' claims that product categories and SCD moderate the effect of CET on the purchase intention of domestic products. A past study found that CET improves domestic e-shopping intentions moderated by SCD. The higher the social class of a consumer, the higher her CET level, and the more likely she will buy domestic products (Aljukhadar et al., 2021). A previous study claims that product categories of expensive and socially visible products tend to moderate domestic purchases more than those of less expensive and privately consumed products (Balabanis & Siamagka, 2017).

The Effect of CET on Purchase Intention of Foreign Products

Most studies show that CET negatively affects foreign purchase behavior (Aramendia-muneta, 2016; Josiassen, 2011; Shankarmahesh, 2006). Few have shown insignificant effects (Zeugner-Roth et al., 2015). Another considers CET a moderating factor (Micevski et al., 2019).

A past study found that CET reduces foreign e-shopping intentions moderated by SCD. The higher the social class of a consumer, the less likely she will buy foreign products (Aljukhadar et al., 2021). Another study found an inconsistent interaction effect between product type and CET. For example, the interaction effect of shoes and CET significantly positively affects the purchase intention of foreign products. In contrast, the interaction effect of clothing and CET has an insignificant negative impact on the purchase intention of foreign products (Balabanis & Siamagka, 2017). Because of these inconsistencies, we propose the following hypothesis:
H2: The negative influence of CET on the purchase intention of foreign products will be moderated by a) social class, not by b) product type, such that the effect will be stronger for the upper social class.

The Effect of CBEC Motivation on Consumer Informedness in the CBEC Context

Consumer IT use of informedness consists of exploitative and explorative use of IT in the CBEC context. Exploitative IT use stresses efficiency and productivity and urges periodic seeking of information. Conversely, the explorative aspect emphasizes the search for new ideas to capture potential business chances and underscores the non-routine browsing of information. The CBEC motivations impacted IT use of explorative and exploitative informedness (Han & Kim, 2019). Hence, we present the following hypothesis:

H3: The CBEC motivation, including a) utilitarian, b) hedonic, and c) social perceived benefits, will exert a positive influence on consumer informedness in the CBEC context.

Each element of CBEC motivation may exert an ambiguous effect. Utilitarian motivations significantly affect consumer informedness (Soebandhi et al., 2019) or not (Han & Kim, 2019). Hedonic motives might substantially influence consumer informedness (S. Kim & Eastin, 2011) or not (Soebandhi et al., 2019). Social benefits are antecedents of consumer informedness (Han & Kim, 2019; S. Kim & Eastin, 2011; Wagner et al., 2016). We can contribute to enriching the literature on inconsistent findings.

The Effect of Consumer Informedness on Purchase Intention in the CBEC Context

Most studies associate consumer informedness and purchase intentions in the CBEC context without considering the COO of products (S. Kim & Eastin, 2011; Liebermann & Stashevsky, 2009; Ramadanty & Kartikasari, 2020; Soebandhi et al., 2019). We use the combined purchase intentions for the following H4, as explained in Error! Reference source not found.. Further, we detail H4 in foreign and domestic products separately. Hence, we put forward the following hypothesis:

H4: Consumer informedness will positively influence purchase intention of a) foreign and b) domestic products in the CBEC context.

Several studies found that consumer informedness positively influences the purchase intention of foreign or international products (Augusta et al., 2019; Han & Kim, 2019; Perbawaningsih et al., 2020; Wagner et al., 2016). However, we found an inconsistent effect of informedness on the purchase intention of domestic or local products (Afzali & Ahmed, 2016; Perbawaningsih et al., 2020). We expect to enrich the empirical results in this gap field.

The Effect of CBEC Motivation on Purchase Intention in the CBEC Context

Many studies associate motivations with purchase intentions without considering the COO of products (Gan & Wang, 2017; Liebermann & Stashevsky, 2009). We use the combined purchase intentions to hypothesize H5, as we did for H4. Further, we detail H5 into a) foreign and b) domestic products separately. Hence, we suggest the following hypothesis:

H5: In the CBEC environment, CBEC motives/benefits will positively impact the purchasing intentions of a) foreign and b) domestic products.

We discover that the effect of perceived benefits on the purchase intention of foreign products, as hypothesized by H5a, is significantly positive among Chinese consumers within the product category of conspicuous and inconspicuous products (Wong & Zhou, 2005). More studies have recorded the positive impact of perceived benefits on the purchase intention of domestic products (Granzin & Painter, 2001; Rahmamingtyas et al., 2017; Vo Kim, 2017).

The Effect of Perceived Risks on Purchase Intention in the CBEC Context

Nearly all studies associate perceived risks with purchasing intentions without considering the products' COO (Chiu et al., 2014; Gan & Wang, 2017; Liebermann & Stashevsky, 2009; Wang et al., 2013). These studies underpin H6. Further, we break H6 into a) foreign and b) local products separately. Hence, we offer the following hypothesis:

H6: Perceived risks will negatively influence the purchase intention of a) foreign and b) domestic products in the CBEC context.

A past study discovered that the effect of perceived risks on purchasing intention of foreign products, as hypothesized by H6a, is significantly negative among Malaysian consumers toward China-made products (Hashim et al., 2017). Similar findings corroborate this study among Indonesian consumers of overseas products offered by the country’s biggest CBEC platform (Silaban et al., 2020). Further, the negative effect of perceived risks on the purchase intention of local products underpins H6b (Rahmamingtyas et al., 2017). Table 2 details all hypotheses discussed in the previous sections based on relevant past studies.
<table>
<thead>
<tr>
<th>H#</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Results (Sign)</th>
<th>Moderator</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Consumer ethnocentrism (CET)</td>
<td>Purchase intention (PI) of domestic products</td>
<td>+</td>
<td>None</td>
<td>Aramendia-muneta, 2016; Josiassen, 2011; Shankarmahesh, 2006; Zeugner-Roth et al., 2015</td>
</tr>
<tr>
<td>H1a</td>
<td>Social class</td>
<td></td>
<td>None</td>
<td></td>
<td>Aljukhadar et al., 2021</td>
</tr>
<tr>
<td>H1b</td>
<td>Product type</td>
<td></td>
<td>None</td>
<td></td>
<td>Balabanis &amp; Siamagka, 2017</td>
</tr>
<tr>
<td>H2</td>
<td>CET</td>
<td>PI of foreign products</td>
<td>-</td>
<td>Irrelevant</td>
<td>Shankarmahesh, 2006</td>
</tr>
<tr>
<td>H2a</td>
<td>Social class</td>
<td></td>
<td>None</td>
<td></td>
<td>Aramendia-muneta, 2016; Josiassen, 2011; Zeugner-Roth et al., 2015</td>
</tr>
<tr>
<td>H2b</td>
<td>Product type</td>
<td></td>
<td>None</td>
<td></td>
<td>Balabanis &amp; Siamagka, 2017</td>
</tr>
<tr>
<td>H3</td>
<td>CBEC motivation</td>
<td>Consumer informedness</td>
<td>+</td>
<td>None</td>
<td>Han &amp; Kim, 2019</td>
</tr>
<tr>
<td>H3a</td>
<td>Hedonic motivation</td>
<td></td>
<td>NS</td>
<td></td>
<td>Soebandhi et al., 2019</td>
</tr>
<tr>
<td>H3b</td>
<td>Hedonic motivation</td>
<td></td>
<td>+</td>
<td>None</td>
<td>Kim &amp; Eastin, 2011</td>
</tr>
<tr>
<td>H3c</td>
<td>Social motivation</td>
<td></td>
<td>+</td>
<td>None</td>
<td>Soebandhi et al., 2019</td>
</tr>
<tr>
<td>H4</td>
<td>Consumer informedness</td>
<td>PI</td>
<td>+</td>
<td>None</td>
<td>Kim &amp; Eastin, 2011; Liebermann &amp; Stashefsky, 2009; Ramadanty &amp; Kartikasari, 2020</td>
</tr>
<tr>
<td>H4a</td>
<td>Utilitarian motivation</td>
<td>PI of foreign products</td>
<td>+</td>
<td>None</td>
<td>Soebandhi et al., 2019</td>
</tr>
<tr>
<td>H4b</td>
<td>Hedonic motivation</td>
<td>PI of domestic products</td>
<td>NS</td>
<td></td>
<td>Perbawaningsih et al., 2020</td>
</tr>
<tr>
<td>H4c</td>
<td>Social motivation</td>
<td>PI</td>
<td>+</td>
<td>None</td>
<td>Afzali &amp; Ahmed, 2016</td>
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<tr>
<td>H5</td>
<td>CBEC motives</td>
<td>Purchase intention</td>
<td>+</td>
<td>None</td>
<td>Gan &amp; Wang, 2017; Liebermann &amp; Stashefsky, 2009</td>
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<td>H5a</td>
<td>Utilitarian motivation</td>
<td>PI of foreign products</td>
<td>+</td>
<td>None</td>
<td>Wong &amp; Zhou, 2005</td>
</tr>
<tr>
<td>H5b</td>
<td>Hedonic motivation</td>
<td>PI of domestic products</td>
<td>NS</td>
<td></td>
<td>Granzin &amp; Painter, 2001; Rahmaningtyas et al., 2017; Vo Kim, 2017</td>
</tr>
<tr>
<td>H5c</td>
<td>Hedonic motivation</td>
<td>PI (full mediation)</td>
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<td></td>
<td>Han &amp; Kim, 2019; Soebandhi et al., 2019</td>
</tr>
<tr>
<td>H5d</td>
<td>Social motivation</td>
<td>PI</td>
<td></td>
<td>None</td>
<td>Chiu et al., 2014</td>
</tr>
<tr>
<td>H5e</td>
<td>Utilitarian motives</td>
<td>Perceived risk</td>
<td></td>
<td>None</td>
<td>Chiu et al., 2014</td>
</tr>
<tr>
<td>H5f</td>
<td>Hedonic motives</td>
<td>Perceived risk</td>
<td></td>
<td>None</td>
<td>Gan &amp; Wang, 2017; Soebandhi et al., 2019</td>
</tr>
<tr>
<td>H5g</td>
<td>Social motives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H6</td>
<td>Perceived risk</td>
<td>PI</td>
<td>-</td>
<td>None</td>
<td>Chiu et al., 2014; Liebermann &amp; Stashefsky, 2009; Wang et al, 2013</td>
</tr>
<tr>
<td>H6a</td>
<td>Hedonic motives</td>
<td>PI of foreign products</td>
<td>-</td>
<td>None</td>
<td>Chiu et al., 2014; Liebermann &amp; Stashefsky, 2009; Wang et al, 2013</td>
</tr>
<tr>
<td>H6b</td>
<td>Social motives</td>
<td>PI of domestic products</td>
<td></td>
<td>None</td>
<td>Gan &amp; Wang, 2017; Soebandhi et al., 2019</td>
</tr>
</tbody>
</table>

*NS stands for Not Supported

**Control Variables**

Control variables, or covariates, are essential to every study’s research design. On the one hand, these confounding factors may covariate with the independent variables, reducing the model’s explanatory strength. Accordingly, we must endeavor to rule out hazards to valid conclusions to ascertain how the independent variables behave. Incorporating theoretically or empirically significant control factors that are not the study’s target variables...
can clean up observed correlations between variables of interest (Nielsen & Raswant, 2018). On the other hand, adding covariates might lead to a less accurate interpretation of results if not done appropriately (Spector & Brannick, 2011).

Experience, gender, and age can affect purchase intention for local and global products. We select these covariates because of their potential impact on product choice, as the vast literature suggests (Han & Kim, 2019; Venkatesh & Davis, 2000; Wang et al., 2013). In addition, income and education can serve as covariates (Balabanis & Siamagka, 2017). Occupation and geographic location in the demographic section provide a proxy for objective SCD measurement (Adler et al., 2000; Clarke et al., 2015). However, they do not serve as covariates because of a lack of supporting literature.

A comprehensive conceptual framework on foreign versus domestic products research

To develop a comprehensive conceptual framework, we begin by reading extensively from various interesting multidisciplinary perspectives to build up the priority ground of this study. We venture into abundant elements that may affect the purchase intention of foreign and domestic items based on a gut feeling (Creswell, 2012) and popular literature. Once we establish the ground for this study, we systematically expand these abstractions toward iterative methods. We filter, select, and map data sources of multidisciplinary academic literature. We read intensively and categorize past articles by discipline and importance level based on impact factor and cite-link strength. We read and reread the selected papers until we can identify vital concepts. We deconstruct each concept by understanding its attributes, assumptions, and roles. Table 1 is the result of this phase. We continue constructing the framework by integrating the concepts and ensuring the abstracts of the framework are plausible and hypotheses testable. Table 2 shows the result of this stage. We synthesize concepts into a visual conceptual framework by reducing the number to a reasonable number of concepts that makes sense. We resynthesize, rethink, and validate the proposed framework (Jabareen, 2009).

We propose a framework developed from SCD theory, rational choice theory, SIT, COO, substitute versus complementary, schema theory, CCT, AST, and UTAUT. This framework fills the gap in integrative research from international marketing and information systems literature. The proposed conceptual framework, as described in Figure 1, combining the effects of these relationships, will determine the buying intention of foreign and domestic products as the ultimate dependent variable.

![Figure 1 Conceptual Framework and Hypotheses](image_url)
We remove measurement from our main explanations of study design because previous research has introduced these metrics (Aljukhadar et al., 2021; Davvetas & Diamantopoulos, 2016; Han & Kim, 2019; Shimp & Sharma, 1987; Steenkamp & De Jong, 2010; Strizhakova & Coulter, 2019; Zeugner-Roth et al., 2015). Putting measurements in this article will distract attention regardless of their importance, validity, and reliability.

DISCUSSIONS, IMPLICATIONS, AND LIMITATIONS

Discussions
Marketing scholars have discussed the critical success factors behind the purchase intention of foreign and domestic products from many perspectives and concepts, both within and outside the marketing field, including SCD theory, rational choice theory, SIT, COO, schema theory, and CCT. Consistent with past work on foreign versus domestic product research, we believe that consumer segmentation is a noteworthy predictor of the purchase intention of foreign and domestic products (Berry et al., 1986; Steenkamp & De Jong, 2010; Strizhakova & Coulter, 2019). These segments divide consumers regarding their attitude and culture towards global, local, glocal, or neither products. Herein, we have reviewed these four segments using various theories, shown in Figure 1. We have seen how these concepts fit together. The marginalized segment, consumers who do not engage with globalization-localization discourses, should be filtered out of the research as its consumption practices differ from those of other segments (Strizhakova & Coulter, 2019). The limitation of this segment might reduce inconsistencies in empirical findings (Balabanis & Siamagka, 2017) and improve theoretical development (Shankarmahesh, 2006).

In this paper, we have evaluated meaningful works in various disciplines and offer an overarching framework for understanding foreign and domestic products’ purchase intentions in the CBEC context. We pinpoint the importance of expanding beyond the typical scope of international marketing literature, including information system literature like substitute versus complementary in the digital economy, AST, and the UTAUTPast investigators believe that a single theoretical approach is insufficient to explain the complex relationships between foreign and domestic product purchase intention antecedents of purchase intention (Bhaskaran & Sukumaran, 2007; Shankarmahesh, 2006; Venkatesh et al., 2012). Our framework is not overly complex, so the constructs and their relationships are still apparent, easy to understand, practical, and based on solid foundations. The comprehensive framework increases our knowledge level by introducing fresh perspectives on international marketing knowledge in the digital economy.

We highlight the urgency of drawing from multidisciplinary theories to acknowledge the complex relationship between constructs of product types (Davvetas & Diamantopoulos, 2016), social class (Aljukhadar et al., 2021), CET (Balabanis & Siamagka, 2017; Josiassen, 2011; Shankarmahesh, 2006; Strizhakova & Coulter, 2019), shoppers’ informedness, motivation, and perceived risks (Han & Kim, 2019) on the online purchase intention of domestic and foreign products in the CBEC context. Future research should test this framework to examine its feasibility, validity, and reliability.

Besides the common understanding of theoretical underpinnings’ insufficiencies in the research of purchase intention of foreign and domestic products, methodological deficiencies also emerge as inhibitors of theoretical development in this area (Bhaskaran & Sukumaran, 2007; Shankarmahesh, 2006; Shimp & Sharma, 1987). Inconsistencies in study contexts and research methodologies result in conflicting conclusions. We outline our methodology to implement our framework for a consistent future research strategy.

Given the inconsistencies in the findings of the COO research, our framework can add value to the ongoing controversies and hope to resolve them. The research in this field is vital for theoretical development and policymakers and international marketing managers. The growing dominance of CBEC calls for a more comprehensive framework considering the interplay between international marketing and information systems literature.

Theoretical Implications and Limitations
We expect our framework to fill the theory gap outlined in Table 1. Our framework aims to confirm the significance of some constructs, such as product types, social class, CET, shoppers’ informedness, motivation, and perceived risks. We highlight the importance of including the theories underlying those constructs. These theories will help us understand the patterns behind each driver and let us estimate future results. Future implementation of these constructs and empirical evidence will help round up theoretical development and further expand the accuracy of the interplay between constructs, or even contradict the inclusion of a theory and shut it down for further study.
As we limit our framework to three segments of consumer culture: global, local, and glocal, and exclude the segment of marginalized consumers, our framework does not represent this type of consumer. Further study is needed to uncover this consumer category characteristic.

**Practical and Policymaking Implications and Limitations**

First, this study can help policymakers create an ecosystem and institutional system that boost consumer expenditure and further economic growth, a.k.a. GDP, by considering all the factors that stimulate purchase intention in the CBEC platforms without leaving local producers behind. The “just right” ecosystem will help investors thrive in today’s competitive business environment and further attract more investment expenditure to the country.

Second, in particular, we attempt to uncover the distribution of each segment in terms of purchase intention. There are four segments of consumer attitudes toward foreign versus domestic products, as described in Figure 1. Global consumers prefer foreign products, locals favor domestic products, and glocal consumers purchase both foreign and domestic products. In contrast, marginalized consumers do not engage in foreign-domestic discourse.

If global consumers dominate, we may call for nationalism-aware policies. We might suggest reducing discrimination against foreign products if local consumers are prevalent. If marginalized consumers are authoritative, we should advocate for education and socialization to engage in purchasing products on the CBEC platform. Suppose glocal consumers are leading; we might imply that balancing foreign and domestic products in the market is the “just right” measure. Given the circumstances, policymakers may disregard this recommendation without diminishing the importance of considering CCT in policymaking.

Third, this study may serve as a foundational resource for managerial decisions. Marketers can refer to this study to obtain management support to successfully sell products efficiently that critically spark purchase intention for local or global products. For CBEC platform developers, this study can contribute to synthesizing a customized set of usability heuristics or “rules of thumb” to improve the interface between the system and users. For example, we show that local consumers dominate the market. In that case, the interface should contain familiar local terms and metaphors from the real world to be embraced by local consumers. Increase the platform’s usability by understanding users’ background knowledge. We provide a valuable reference point for designing a comprehensive business model compatible with the updated cultural norms for business owners and investors.

**Conclusions**

The conclusions of the COO studies have been inconsistent. This study adds value to the continuing disputes in theory development and implicates practical decisions in government policies and commercial strategies. The rising dominance of CBEC necessitates the development of a comprehensive framework that considers the interaction, primarily between international marketing and information systems literature. We evaluate significant contributions in several fields and provide an overall framework for understanding the purchase intentions of foreign (global) and domestic (local) items in cross-border electronic commerce. Our paradigm recognizes the significance of segmenting consumer interaction with global-local discourses and excludes samples not engaged in the COO conversations. We identify the fundamental ideas of SCD, rational choice, social identity, COO, substitute vs. complementary, schema theory, consumer culture, AST, and the UTAUT. We also emphasize the importance of using multidisciplinary theories to recognize the complex relationship between product type constructs, social class, CET, shoppers’ informedness, motivation, and perceived risks on the online purchase intention of domestic and foreign products in CBEC. Our approach solves the integrated research gap in international marketing and information systems literature. It broadens our knowledge of the foreign vs. domestic product debate, particularly in the context of CBEC. Last, future research should put the framework to the test to confirm its usability.

**REFERENCES**


