

# Investigating the Effect of Consumer Ethnocentrism, Cosmopolitanism, and Relative Product Quality to Brand Preferences: An Insight from Generation Z in Indonesia

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## ABSTRACT

The development of the economy in the current globalization era is increasingly rapid. The business world in various industries has tight competition, including the makeup industry. The research aimed to explore Generation Z's preferences toward global brand makeup products in Indonesia. It applied a quantitative research with descriptive analysis. The data using a questionnaire distributed to 236 respondents were calculated using Partial Least Square (PLS). The results find that cosmopolitanism does not directly contribute to Generation Z's preferences for global makeup products in Indonesia or through relative product quality. Meanwhile, consumer ethnocentrism has a positive influence on Generation Z's preferences for global makeup products in Indonesia directly or through relative product quality. It also shows that the relative product quality of global makeup products in Indonesia positively affects Generation Z's preferences. The research findings provide insights for local makeup producers to improve their quality and compete more with global makeup products. Generation Z, as makeup consumers in Indonesia, prefers to purchase products based on quality. Buying global brand makeup products does not make them lose the spirit of nationalism towards their country. However, the research is only limited only to Generation Z as the samples in Indonesia. Therefore, there is an opportunity for different results if the research is carried out in other regions or with consumers from other generations.

**Keywords:** consumer ethnocentrism, cosmopolitanism, relative product quality, brand preferences, generation Z

## INTRODUCTION

The development of the economy in the current era of globalization is increasingly rapid. The business world in various industries has increasingly tight competition, including the makeup industry. The makeup industry has captured customers' attention and is in a phase of massive transformation due to technological expansion, such as introducing eco-friendly-based makeup (Simpson & Craig, 2018; Singhal & Malik, 2021). As the biggest population, women have supported the growth of the world economy through the cosmetic industry (Ahmad, 2018) as women are more impulsive than men (Khajemahmodabadi, Dadras, & Djoury, 2017).

Hence, beauty trends increasingly develop makeup products as it is no longer a desire but a necessity for women. The increase in the world's makeup industry also impacts people's lifestyles in Indonesia.

Ease of access to information, which is one of the impacts of globalization, makes information related to beauty trends be easily observed and followed. Beauty trends have become very popular among women in Indonesia, primarily Generation Z. In fact, ZAP Beauty Index throughout 2019 conducted an online survey of 17.889 women in Indonesia. It found that Generation Z dominated makeup consumers in Indonesia by 41,9%. Similarly, the census conducted by the Central Statistics Agency in 2020 showed that the majority of Indonesia's population was dominated

by Generation Z, namely the population with a birth year range of 1997 to 2012 (age of 10 to 25 years) as much as 27,94%, and for makeup users with an age range of 15 to 26 years (ZAP Beauty Index, 2019).

Generation Z is widely known as the digital generation because they have grown to depend on digital technology. Generation Z has high expectations and different responses to purchasing consumption. Supported by technological developments that make things more accessible online, including shopping, Generation Z is highly interested in shopping online. Time efficiency is the main reason that triggers Generation Z to shop online (Simangunsong, 2018). Generation Z is also known as the generation that easily adapts to Internet technology to be more careful and selective in shopping. This reason is one of the essential characteristics of Generation Z's preference which tends to become a market (Andriyanty & Wahab, 2019).

The high consumer interest has increased sales of makeup produced domestically and abroad. Ministry of Industry of the Republic of Indonesia in 2015 revealed that the makeup industry players in Indonesia experienced difficulties. It was due to the large number of imported makeup products, which had reached 60% of the domestic market of Rp15 trillion. However, in 2019, Indonesia experienced a growth of 7%. It was targeted to increase to 9% by 2020 (Kementerian Perindustrian Republik Indonesia, 2020).

At least three main fundamentals encourage the growth of the makeup industry in Indonesia. First, Indonesia's young population is enormous. Second, Indonesia's economic growth is good enough to support the industry. Third, social media has a significant contribution. Along with the increasing consumption of makeup, which is one of the impacts of trends in social media, various beauty products from abroad enter Indonesia. It makes consumers have their views on international makeup products.

There are also social factors that impact consumer preferences in determining purchasing decisions. According to Djamuddin and Nur (2017), Schiffman's decision-making theory states that external factors, like sociocultural factors, play a role. Cosmopolitanism and ethnocentrism are two sociocultural factors that are studied in the research.

Cosmopolitanism is a person's thinking that shows the openness of culture and products produced by other countries (Prince et al., 2020). There are two views regarding how consumers of cosmopolitanism can be measured. First, cosmopolitanism shows the extent of open-mindedness to cultures from other countries and respects the diversity brought, including products from various countries. This view positively indicates a tendency to consume foreign-made products. Second, cosmopolitanism holds an ethos of cultural openness. It has an intellectual attitude, accepts cultural differences, is willing to engage with others, and has a positive sense of competitiveness towards alternative cultures.

Cosmopolitanism is relevant to explain consumer preferences for foreign products. If a person's level of cosmopolitanism is high, the more excellent the opportunity to buy foreign products will be. According to Dessidianti (2015), cosmopolitanism positively and significantly affects relative product quality. Similarly, based on Parts and Vida (2013), this perception positively affects consumer preferences and purchase intentions for a product.

A high level of cosmopolitanism positively correlates with purchase intentions or consumer preferences for foreign products (Sousa, Nobre, & Farhangmehr, 2018). Cosmopolitanism consumers hold an ethos of openness to outside cultures (Prince, Yaprak, & Palihawadana, 2019). They have an intellectual attitude and accept cultural differences, are willing to engage with other people, and have a positive sense of competitiveness towards alternative cultures. In this context, Cosmopolitanism consumers support broader and uniform cultural narratives, hold universal aspirations, and tend to be less loyal when choosing local and global brands.

Much of the current literature pays particular attention to the relationship between Cosmopolitanism and consumer behavior. Cosmopolitanism is an essential dimension of consumer behavior because it affects purchase intentions related to global products (Sousa et al., 2018). Cosmopolitanism can be a strategic issue for companies that want to market their products internationally by targeting consumers who have an open mind to diversity so they can accept the products offered. Cosmopolitanism consumers tend to show attitudes and purchase intentions towards global products (Han & Won, 2018). It can be said that the higher the level of consumer cosmopolitanism is, the more excellent the opportunity for these consumers to try global brand products will be. Similarly, if a person's level of cosmopolitanism is high, the greater the opportunity to choose global products will be (Parts & Vida, 2013). Therefore, cosmopolitanism has a direct and positive influence on foreign product purchase behavior.

Globalization has also affected the diversification of consumer perceptions about a product, its origin, and the location where the product is produced. This perception is better known as relative product quality. Relative product quality is defined as the consumer's assessment of the competitive advantage of overall product quality (Souiden, Ladhari, & Chang, 2018).

Several researchers have discussed the consequences of cosmopolitanism by relating it to consumer behavior, such as ethnocentrism and materialism (Cleveland, Laroche, & Papadopoulos, 2009). Consumer ethnocentrism refers to consumers who believe buying foreign products can cause damage to the local economy and increase unemployment. According to Dessidianti (2015), consumer ethnocentrism is a human psychological behavior that represents how consumers view local products as pride and identity compared to global products. Consumer ethnocentrism also describes

a point of view that becomes a reference for most everything (Abdelwahab, Jiménez, San-Martin, & Prodanova, 2020; Khan, Ashraf, & Malik, 2019). So, it can be interpreted that consumers with high ethnocentrism will tend to reject the purchase of global products and prefer to buy local products. A highly ethnocentric consumer argues that buying imported products can be considered unethical. It damages the domestic economy and increases unemployment (Xin & Seo, 2019). However, according to Shu and Strombeck (2017), some consumers consider local brands less attractive due to their connection with local culture. Consumer ethnocentrism is negatively related to consumer preferences for foreign products (Kilders, Caputo, & Liverpool-Tasie, 2021). Some literature also finds a negative relationship between cosmopolitanism and consumer ethnocentrism (Vida & Reardon, 2008). However, there is a positive relationship between consumer ethnocentrism to consumer preference through actual purchasing (Abd Ghani & Mat, 2017).

As a developing country, Indonesia has a phenomenon that generally views global products' quality as above local products. This thinking can differentiate one product from another because global brands get more benefits or interest from consumers compared to local brands. However, in recent years consumer interest in local makeup products has increased. It is evident from the Top Brand Award survey that local products occupied several top positions in various product categories, namely Wardah blush at 26,3% in 2019, Wardah lipstick at 25,8% in 2020, and Marcks powder at 21,5% in 2021. Consumer ethnocentrism is not only a driver of the moral obligation to buy but also a determinant of product perception of local products (Teng, 2020).

The preference for local products over global products has been the subject of great interest in consumer behavior. In practice, consumer ethnocentrism is a construct that can explain why consumers value local products more than global products. Demographic characteristics, such as education, income, and social class, influence an individual's level of consumer ethnocentrism (Sousa et al., 2018).

Consumer ethnocentrism has a decisive role in consuming local products but has a low contribution to the consumption of imported products. Thus, consumer ethnocentrism can positively affect buying behavior for local products (Aramendia-Muneta & Reardon, 2016). However, the research results related to consumer ethnocentrism may vary depending on each country and category of the population. It is found that consumer ethnocentrism among young Indonesian consumers shows low returns (Purwanto, 2016). This result indicates that the level of perception among young consumers in Indonesia regarding the quality of local products is still low. Consumer ethnocentrism also reduces the positive effect of consumers' intentions to choose global products through brand quality. Perceptions of global product

quality mediate the relationship between consumer ethnocentrism and purchase choices (Diamantopoulos et al., 2019). Consumer ethnocentrism negatively influences consumer preferences for global products (Ortega-Egea & García-de-Frutos, 2021). It is also found that consumer ethnocentrism has a negative effect on willingness to buy global products (Erdogan & Burucuoglu, 2016).

Quality is a totality of characteristics and features of a product or service that can meet needs, both implicitly and explicitly (Lin, 2019). Relative product quality, commonly referred to as perceived quality, plays an essential role in determining consumer preferences for global products because they are synonymous with better quality. According to Djamuddin and Nur (2017), relative product quality is a positive consumer perception of a product. Consumers can buy local products if they consider them to be of good quality, and vice versa. Relative product quality is the main factor influencing consumer preferences in purchases regardless of local or imported products. So, it can be said that consumers' intention to buy local and global products will be influenced by perceived quality. Previous research also shows that most consumers are interested in information related to their country of origin before making a purchase (Wang & Chen, 2004). However, relative product quality also depends on the progress status. Compared to products made by local producers, consumers in developing countries are more likely to buy products made by countries with more advanced technology and higher quality (Wang & Chen, 2004). Relative product quality with consumer preferences produces a positive relationship (Djamuddin & Nur, 2017).

Based on the previous studies and literature reviews, the researchers propose several hypotheses as follows:

- H1: Cosmopolitanism has a significant positive effect on the relative product quality of global brand makeup by Generation Z in Indonesia
- H2: Cosmopolitanism has a significant positive effect on Generation Z's preferences for global brand makeup in Indonesia
- H3: Consumer ethnocentrism has a significant negative effect on the relative product quality of global brand makeup by Generation Z in Indonesia
- H4: Consumer ethnocentrism has a significant negative effect on Generation Z's preferences toward global brand makeup in Indonesia
- H5: Relative product quality of global brand makeup has a significant positive influence on Generation Z's preferences in Indonesia
- H6: Cosmopolitanism has a significant positive effect on Generation Z's preferences toward global brand makeup in Indonesia through relative product quality
- H7: Consumer ethnocentrism has a significant negative effect on Generation Z's preferences toward global brand makeup in Indonesia through relative product quality



Several previous studies have used four variables: cosmopolitanism, relative product quality, consumer ethnocentrism, and consumer preferences (Djamuddin & Nur, 2017; Dessidianti, 2015). They have been conducted on Generation Y consumers who are more inclined towards global brand clothing and in Surabaya. Those studies have similar results that relative product quality significantly affects Generation Y's preferences. However, other hypotheses from the two studies show different results. The tendency of less consistent research results related to cosmopolitanism, relative product quality, consumer ethnocentrism, and consumer preferences make this topic interesting to be studied more deeply.

However, studies related to these variables with research on makeup are still lacking in Indonesia. The research uses Generation Z as the subjects who are currently using global brand makeup products. Generation Z is chosen as the research subject because they are considered more relevant to the development of beauty trends and social media. The research is conducted to determine the preferences of Generation Z in Indonesia for global brand makeup products. This understanding is expected to be a reference or additional information for local makeup manufacturers to compete with global makeup products.

## METHODS

The quantitative approach applied is descriptive and explanatory research. The relationship between variables is analyzed using Partial Least Square (PLS) analysis with SmartPLS 3.0 software. The research design to be carried out can be seen in Figure 1.

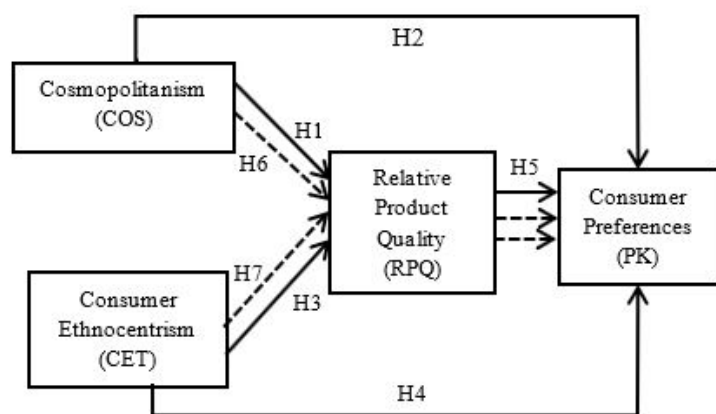


Figure 1 Conceptual Model

The research uses the population from Generation Z as the consumers of makeup products in Indonesia. The sample is Generation Z, aged 15 to 26 years, who have or are currently using global brand makeup products. The research is a non-probability sampling category using a purposive sampling technique, in which the researchers have

determined the criteria for selecting the sample. The characteristics of the sample used as the criteria for the research are makeup consumers who have or are currently using global brand makeup products with an age range of 15 to 26 years and Indonesian citizens. A closed questionnaire is used because the researchers have provided answer choices for each statement. All indicators and variables are measured using a Likert scale of 1 to 5.

According to Hair Jr, Hult, Ringle, and Sarstedt (2017), the sample size in the Partial Least Square (PLS) method should be 100 or more. The sample measurement guidelines depend on the total indicators used for all latent variables. The number of samples is multiplied by the number of indicators with a guide value of 5-10. In the research, there are 23 indicators, and the remaining 21 indicators are based on the final outer model with a total of 236 respondents. The indicators can be seen in Table 1 (See Appendices).

Next, validity measurement is carried out using the Average Variant Extracted (AVE) method for each indicator with a value of more than 0,5 to be declared feasible or valid. Meanwhile, composite reliability is needed to test the reliability value of each variable used. A variable can be declared reliable if it has a larger value than 0,70 (Hair Jr et al., 2017). Then, Cronbach's alpha is also used to strengthen the reliability test with composite reliability. If each variable has a larger Cronbach's alpha value than 0,70, it can be said to be reliable.

## RESULTS AND DISCUSSIONS

Based on the research questionnaire distributed to 236 respondents, 93,6% are 19–23 years old, and 98,3% are female. Most of the respondents have a high school education and are currently students with a monthly income of less than Rp1.000.000,00. Then, most respondents make purchases of makeup products within 1–3 months with an estimated average expenditure to purchase products around Rp100.000,00 to Rp500.000,00. Respondents mostly use powder products with 64,3% and Maybelline as the most frequently purchased global brand makeup product category.

Cosmopolitanism is measured using five statement items. Those statements are tested for validity and reliability. The average value of the cosmopolitanism variable is 4,27, so it can be categorized as very good. This finding explains that Generation Z, as makeup consumers in Indonesia, is very open-minded toward foreign products and cultures.

Next, consumer ethnocentrism is also measured using five items from statements number. However, it has only four statement items that meet the validity and reliability tests. The mean score for consumer ethnocentrism is 3,29, so it is included in the neutral category. The result reveals that Generation Z, as makeup consumers in Indonesia, does not always buy local and global makeup products.

Moreover, relative product quality is measured with six items. Based on the calculation results of the average value of the relative product quality, which is 3,44, it can be categorized as good. It means that as makeup consumers in Indonesia, Generation Z agrees regarding positive perceptions of the quality of global brand makeup products.

Similarly, consumer preference has six statements. However, only five statements meet the validity and reliability tests. Based on the calculation results of the average value of the consumer preference, which is 2,86, it is included in the neutral category. The data explain that Generation Z, as makeup consumers in Indonesia, does not have a certain tendency to prefer local or global makeup products. The results can be seen in Table 2 (See Appendices).

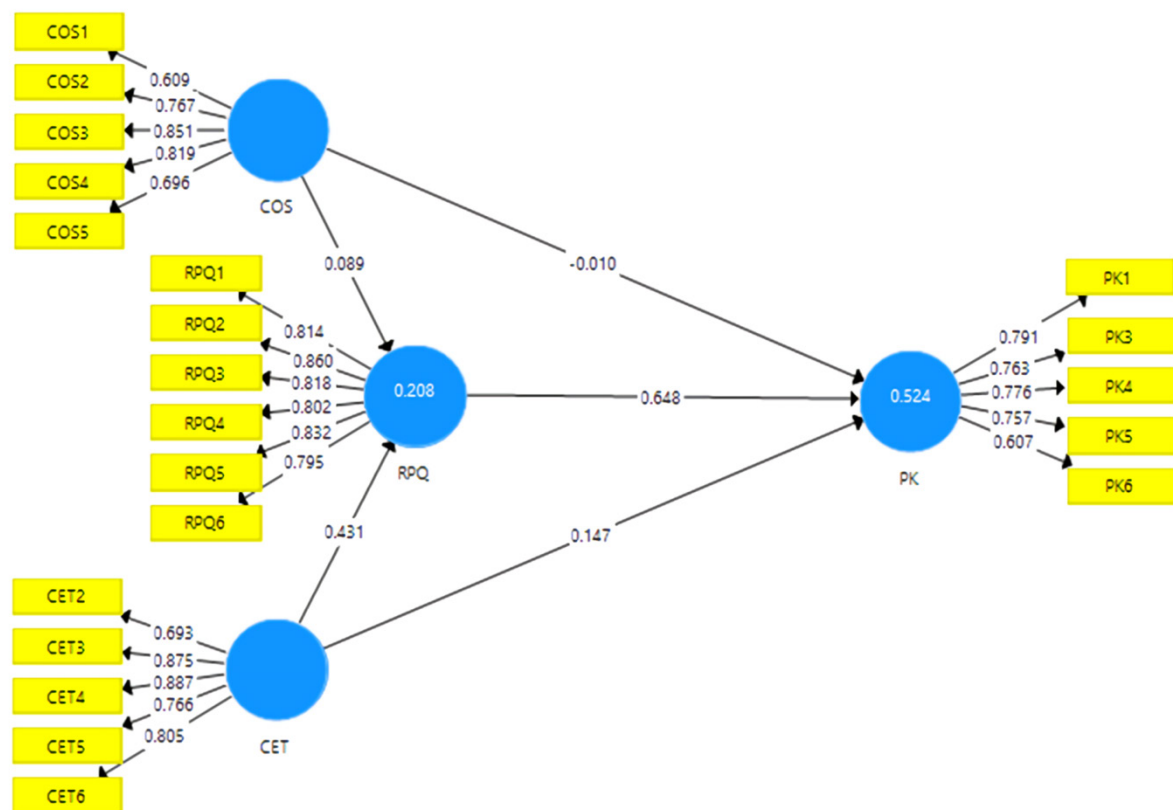
Next, convergent validity is measured by the value of the outer loadings or loading factor, which is the correlation between indicators and variables. The research uses a reflective measure of 0,6 as shown in Table 3 (See Appendices) and Figure 2. It is known that each variable has larger outer loading values than 0,6 so that all indicators can be declared feasible or valid to use.

Another calculation for convergent validity

can be measured using the Average Variant Extracted (AVE) method for each indicator with a larger value than 0,5 so that it can be declared feasible or valid (Moy, Cahyadi, & Anggraeni, 2020). Based on Table 4 (See Appendices), it is known that the AVE value of cosmopolitanism is 0,568. Meanwhile, the value for consumer ethnocentrism is 0,653. Then, the value of relative product quality is 0,673. The value of consumer preference is 0,550. This statistical report shows that all variables are valid.

Composite reliability is needed to test the reliability value of each variable used. A variable can be reliable if it has a higher value than 0,70 (Wijaya et al., 2021). Table 5 (See Appendices) shows that the composite reliability value is 0,866 for cosmopolitanism, 0,903 for consumer ethnocentrism, 0,925 for relative product quality, and 0,859 for consumer preference. So, these variables are reliable.

Next, Cronbach's alpha is used to strengthen the reliability test results with composite reliability. The variable can be reliable if each variable has a larger Cronbach's alpha value than 0,70 (Chung, Park, & Nahm, 2018). Based on Table 5 (See Appendices), it is known that the value of Cronbach's alpha is 0,809 for cosmopolitanism, 0,867 for consumer ethnocentrism,



Note: Cosmopolitanism (COS), Consumer Ethnocentrism (CET), Relative Product Quality (RPQ), and Consumer Preference (PK). (Source: Primary Data Processed, 2022)

Figure 2 Outer Loading Weights

0,903 for relative product quality, and 0,798 for consumer preference. Hence, all variables are reliable.

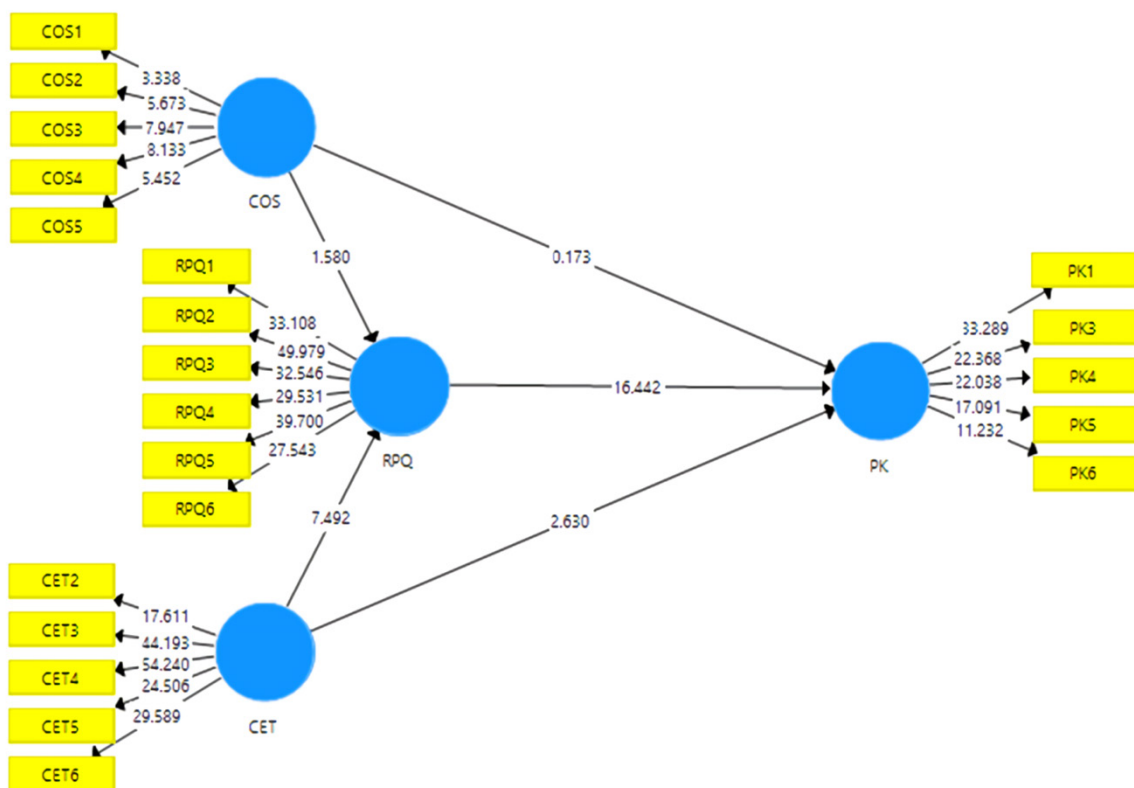
A test is needed to determine the multicollinearity of each variable by looking at the correlation value between the independent variables. If Variance Inflation Factor (VIF) has a smaller value than 3–5, the model is free from multicollinearity. Based on Table 6 (See Appendices), the value of cosmopolitanism to relative product quality has an inner VIF value of 1,033 and to consumer preference of 1,043. The value of consumer ethnocentrism to relative product quality is 1,033, while for consumer preference, it is 1,268. The value of relative product quality to consumer preference is 1,262. All variables in the research have smaller VIF values than 3–5, so they do not violate the multicollinearity assumption test.

Path coefficient evaluation is needed to determine how strong the independent variable's influence on the dependent variable is. The most significant path coefficient is shown by the effect of relative product quality on consumer preference, with 16,442. The second biggest influence is consumer ethnocentrism on relative product quality, with 7,492. Then, the third position is consumer ethnocentrism on consumer preference with 2,630. It is followed by cosmopolitanism on the relative product quality with 1,580. The minor effect is the effect of cosmopolitanism on consumer preference, with 0,173. Based on the results of the description, all variables in this model

have a positive path coefficient value. Therefore, it can be concluded that the greater the path coefficient value of the independent variable on the dependent variable is, the stronger the influence between these variables will be. Figure 3 shows the inner model calculation.

Coefficient determination (R-squared (R<sup>2</sup>)) shows how many exogenous variables (independent) in the model can explain endogenous variables (dependent/bound). The inner model is tested by considering the value of R-squared (R<sup>2</sup>), which is the Goodness of Fit. It is needed to show how influential the independent variable is on the dependent variable. There are several categories: ≥ 0,67 in a suitable category, 0,33–0,67 in the moderate category, and 0,19–0,33 in the weak category. It shows R-squared value = 1-[(1-0,524)(1-0,208)] = 0,62. These results mean that the model can explain the phenomenon of consumer preference by 62%, while other variables explain the remaining 38%. These results can be interpreted that the research has met the Goodness of Fit quite well.

Next, hypothesis testing in the research is carried out by paying attention to t-statistics and p-values. The hypothesis is accepted if the p-value is smaller than 0,05 (Fathoni, Indrayani, Indrawan, & Yanti, 2021). If t-statistics (Ts) is bigger than the t-table (Tt), the effect is significant (Panuntun & Djamil, 2021). Table 7 (See Appendices) provides the summary statistics for hypothesis testing.



Note: Cosmopolitanism (COS), Consumer Ethnocentrism (CET), Relative Product Quality (RPQ), and Consumer Preference (PK).

(Source: Primary Data Processed, 2022)

Figure 3 The Result of Inner Model

Cosmopolitanism does not have a significant effect on relative product quality. The t-statistics value of cosmopolitanism on the relative product quality is smaller than the t-table, which is 1,580 with a p-value of 0,115. The result reveals that the perception of the quality of global brand makeup products is not influenced by open-mindedness to the diversity of cultures and products from other countries. The result differs from previous research by Purwanto (2016) and Dessidianti (2015), stating the significant positive effect of cosmopolitanism on relative product quality. Generation Z in Indonesia does not think global brand makeup products always have better quality than local makeup products. They tend to think objectively in determining product quality. Generation Z as consumers are very open to global culture, but it does not make them have a good perception of global products. They can also consider purchasing local products if they feel better quality. Following the thinking of consumers in developing countries, they do not have a wrong view of local products, primarily if they have used them for a long time (Kinra, 2006).

Similarly, cosmopolitanism also does not have a significant effect on consumer preference. The t-statistics value of cosmopolitanism on consumer preference is smaller than the t-table, which is 0,173 with a p-value of 0,863. It indicates that consumer preference for global brand makeup products is not influenced by open-mindedness to cultural diversity and products from other countries. The result is in line with research by Djamuddin and Nur (2017) that cosmopolitanism has no significant effect on consumer preference. However, the result is different from the research of Parts and Vida (2013) and Dessidianti (2015) regarding a significant positive effect of cosmopolitanism on consumer preference. Generation Z as makeup consumers in Indonesia is dominated by students with an income of less than Rp1.000.000,00 per month. This situation is in line with cosmopolitan consumers in developing countries. This generation thinks it is better to buy local products with lower prices but good quality for personal use and global brands with higher prices for public consumption. Even though the country's consumers have become more cosmopolitan, they do not necessarily shape buying behavior that crosses the boundaries of their local culture. Open-mindedness to global cultural diversity does not make Generation Z choose global brand makeup products.

Moreover, consumer ethnocentrism has a significant positive effect on relative product quality. The t-statistics value of consumer ethnocentrism on the relative product quality is greater than the t-table, which is 7,492 with a p-value of 0,000. Consumers can play the role of global citizens and be also comfortable with their local culture. Consequently, they become more bi-cultural with their consumption (Cleveland et al., 2009). According to Kim, Chun, and Ko (2017), consumer ethnocentrism positively impacts brand evaluation. Therefore, it is strongly connected to the increase in relative product quality.

However, the result is different from previous research by Erdogan and Burucuoglu (2016) that consumer ethnocentrism has a negative effect on global product assessments. Consumers with low ethnocentric levels will tend to use objective information related to product quality. The level of consumer ethnocentrism of each individual varies depending on the extent to which the individual has been influenced by globalization (Aramendia-Muneta & Reardon, 2016). Consumers in developing countries do not necessarily have the same level of attachment to local products. Empirical evidence explains that Generation Z as makeup consumers in Indonesia do not have a high ethnocentric tendency. They evaluate products based on their quality, especially if the makeup products have received good reviews from beauty influencers. Consumers are willing to buy local products as they perceive a high quality towards them (Maghfiroh & Iriani, 2021).

The research also indicates that the variable consumer ethnocentrism has a significant positive correlation with consumer preference. The result is in line with research by Djamuddin and Nur (2017) regarding a significant positive effect of consumer ethnocentrism on consumer preference. Consumers can continue to enjoy global products without leaving the culture of their country. However, the research shows the opposite finding of the research of Kilders et al. (2021) and Erdogan and Burucuoglu (2016). They have mentioned that consumer ethnocentrism has a negative influence on consumer preference for global products. In developing countries, consumer ethnocentrism evaluates the quality of imports to a certain extent when associated with industrialized countries with developed economies (Wang & Chen, 2004). However, Generation Z as makeup consumers in Indonesia do not tend to have a high level of ethnocentrism, so they still buy global brand makeup products if they feel good quality. Consumers with low levels of ethnocentrism tend to be more objective regarding quality in choosing products than consumers with high levels of ethnocentrism. The significance and strength of ethnocentrism also depend on how consumers perceive the product's country of origin.

Next, the result shows that relative product quality has a significant positive effect on consumer preference. The finding is consistent with Djamuddin and Nur (2017) and Dessidianti (2015) about a significant positive influence of relative product quality on consumer preference. The research interprets that a high level of relative product quality will also increase the preference of Generation Z as consumers towards global brand makeup products. Consumers can quickly get information related to a product through objective reviews from beauty influencers. Consumers can have a favorable view of makeup products if a product has a good review. Consumption of products is also determined by comparing the perceived quality of local products with global products. The assumption that global products have good quality will undoubtedly drive consumers



to choose and purchase these products.

Next, the research shows that cosmopolitanism does not significantly affect consumer preference through relative product quality. Relative product quality does not mediate between cosmopolitanism and consumer preference. Consumer preference for global brand makeup products is not influenced by open-mindedness to cultural diversity and products from other countries through product quality evaluation. The result is different from previous studies by Akram, Merunka, and Akram (2011) showing perceived brand quality as a mediator in the relationship between perceived brand globalness and consumers' purchase intention. The result shows that Generation Z as consumers are very open to global culture, but it does not make them always have a good perception of global products until they decide to choose them. Consumers can also consider purchasing local products if they feel the products have better quality. Moreover, many local makeup products have increased the quality that can compete with global makeup products but with relatively lower prices. So, it increases consumer preference for local makeup products.

Last, Consumer Ethnocentrism has a significant positive effect on consumer preference through Relative Product Quality. The research indicates relative product quality mediating between consumer ethnocentrism and consumer preference. The research outcome is contrary to previous studies by Diamantopoulos et al. (2019). Consumer ethnocentrism depends not only on a country's culture but also on the quality of the domestic product (Kinra, 2006; Yen, 2018). The respondents' answers explain that consumer ethnocentrism is not a priority in determining product choices as consumers agree to buy global brand products even though they have concerns about their country of origin. The finding is supported by Kinra (2006). Consumer ethnocentrism is not a priority if consumers agree to buy foreign products despite a high spirit of nationalism. Consuming global products does not mean that one is unpatriotic or non-nationalist.

## CONCLUSIONS

The research has identified that cosmopolitanism does not directly contribute to Generation Z's preferences for global brand makeup products in Indonesia or through relative product quality. However, consumer ethnocentrism contributes positively to Generation Z's preferences for global makeup products in Indonesia directly or through relative product quality. Similarly, relative product quality positively affects Generation Z's preferences for global brand makeup products.

Makeup consumers in Indonesia have promising open-mindedness towards global cultural diversity but it is not a determining factor for their preferences. Generation Z, as makeup consumers in Indonesia, tends to assess products based on the quality they feel. Buying global brand makeup products does not

make them lose the spirit of nationalism towards their country. So, local makeup manufacturers can improve the quality of their products to be more competitive with global brands. Product promotion also becomes considering factor. The addition of local elements in product packaging can be an interesting promotional alternative for Generation Z to highlight the Indonesian archipelago side further.

As the research only uses respondents from Generation Z as makeup consumers in Indonesia, the research has a limited number of respondents. Thus, it opens opportunities for different results if the research is carried out in other regions and consumers with other generations. Moreover, it is also limited to the category of makeup products, so it has the opportunity to give different results for other products. Lastly, the research uses four variables, which have not fully shown a complete correlation to Generation Z's preferences.

The trend of inconsistent research results makes research related to cosmopolitanism, ethnocentrism, consumer preferences, and relative product quality need to be studied more deeply. Further researchers can use the materialism variable and local research products. Future researchers can also cover different generations so that they can better show how influential these variables are in different cases. The addition of the number of samples can also strengthen the results of further research.

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## APPENDICES

Table 1 Variables and Indicators Used in the Research

Variable	Item	Code
Cosmopolitanism (Cleveland et al., 2009; Riefler & Diamantopoulos, 2009)	They enjoy exchanging ideas with people from other cultures or countries.	COS1
	They are interested in learning more about people living in other countries	COS2
	It is nice to be among people from other countries to learn about their unique views and approaches	COS3
	It is good to observe people from other countries to see what can be learned from them	COS4
	They are interested to learn the way of life from people in other countries	COS5
Consumer Ethnocentrism (Shimp & Sharma, 1987; Klein, Ettenson, & Morris, 1998)	Indonesian products are the most important products	CET1
	Indonesians should always buy makeup products made in Indonesia	CET2
	Indonesia does not have to bring in imported makeup products because they can harm local producers and cause unemployment	CET3
	People should buy local makeup products and should not let other countries get rich because of the money we spend on their products	CET4
	Only makeup products that are not available in Indonesia need to be imported	CET5
	Indonesian consumers who buy imported products are responsible for their fellow Indonesians who have lost their jobs	CET6
Relative Product Quality (Klein et al., 1998; Wang & Chen, 2004)	Global makeup products are produced with care and with fine workmanship compared to local brand makeup products	RPQ1
	Global makeup production generally has good and attractive quality compared to local brand makeup products	RPQ2
	Global makeup products show a very high level of technological progress	RPQ3
	Global makeup products usually show very clever use of color and design	RPQ4
	Global makeup products seem to be quite durable and can be used for a long time compared to local brand makeup products	RPQ5
	Global makeup products usually represent a high value compared to local brand makeup products	RPQ6
Consumer Preference (Ismail, Masood, & Tawab, 2012)	Global makeup products have better quality than local brand makeup	PK1
	I consider where the makeup product is produced when I buy it	PK2
	If the price of global and local makeup products is the same, I will choose global brand makeup products	PK3
	I buy global brand makeup products to be accepted in certain social groups	PK4
	I use global brand makeup products to keep up with the latest trends	PK5
	My family and friends are my references in choosing global brand makeup products	PK6

(Source: Data processed, 2021)

Table 2 The Result of Average (Mean)

Items	Mean	Items	Mean	Items	Mean	Items	Mean
COS1	4,31	CET2	3,58	RPQ1	3,23	PK1	3,04
COS2	4,34	CET3	3,29	RPQ2	3,33	PK3	3,25
COS3	4,23	CET4	3,28	RPQ3	3,63	PK4	2,25
COS4	4,33	CET5	3,56	RPQ4	3,68	PK5	2,45
COS5	4,16	CET6	2.75	RPQ5	3,25	PK6	3,30
				RPQ6	3,50		
<b>Cosmopolitanism</b>	<b>4,27</b>	<b>Consumer Ethnocentrism</b>	<b>3,29</b>	<b>Relative Product Quality</b>	<b>3,44</b>	<b>Consumer Preference</b>	<b>2,86</b>

Table 3 The Result of Outer Loadings

<b>Before Adjustment</b>		
<b>Variable</b>	<b>Indicator</b>	<b>Outer Loading Value</b>
COS	COS1	0,609
	COS2	0,767
	COS3	0,851
	COS4	0,819
	COS5	0,696
CET	CET1	0,604
	CET2	0,693
	CET3	0,875
	CET4	0,887
	CET5	0,766
	CET6	0,805
RPQ	RPQ1	0,814
	RPQ2	0,860
	RPQ3	0,818
	RPQ4	0,802
	RPQ5	0,832
	RPQ6	0,795
PK	PK1	0,791
	PK2	0,578
	PK3	0,763
	PK4	0,776
	PK5	0,757
	PK6	0,607
<b>After Adjustment</b>		
<b>Variable</b>	<b>Indicator</b>	<b>Outer Loading</b>
COS	COS1	0,609
	COS2	0,767
	COS3	0,851
	COS4	0,819
	COS5	0,696
CET	CET2	0,693
	CET3	0,875
	CET4	0,887
	CET5	0,766
	CET6	0,805
	RPQ	RPQ1
RPQ2		0,860
RPQ3		0,818
RPQ4		0,802
RPQ5		0,832
RPQ6		0,795
PK	PK1	0,791
	PK3	0,763
	PK4	0,776
	PK5	0,757
	PK6	0,607

Note: Cosmopolitanism (COS), Consumer Ethnocentrism (CET), Relative Product Quality (RPQ), and Consumer Preference (PK).

(Source: Primary Data Processed, 2022)



Table 4 The Result of Average Variant Extracted (AVE)

<b>Construct Reliability and Validity</b>	<b>Average Variant Extracted (AVE)</b>	<b>Results</b>
COS	0,568	Valid
CET	0,653	Valid
RPQ	0,673	Valid
PK	0,550	Valid

Note: Cosmopolitanism (COS), Consumer Ethnocentrism (CET), Relative Product Quality (RPQ), and Consumer Preference (PK).  
(Source: Primary Data Processed, 2022)

Table 5 The Result of Composite Reliability

<b>Construct Reliability and Validity</b>	<b>Composite Reliability</b>	<b>Cronbach's Alpha</b>	<b>Description</b>
COS	0,866	0,809	Reliable
CET	0,903	0,867	Reliable
RPQ	0,925	0,903	Reliable
PK	0,859	0,798	Reliable

Note: Cosmopolitanism (COS), Consumer Ethnocentrism (CET), Relative Product Quality (RPQ), and Consumer Preference (PK).  
(Source: Primary Data Processed, 2022)

Table 6 The Result of Collinearity Statistics (VIF)

<b>Collinearity Statistics (VIF)</b>	<b>COS</b>	<b>CET</b>	<b>RPQ</b>	<b>PK</b>
COS			1,033	1,043
CET			1,033	1,268
RPQ				1,262
PK				

Note: Cosmopolitanism (COS), Consumer Ethnocentrism (CET), Relative Product Quality (RPQ), and Consumer Preference (PK).  
(Source: Primary Data Processed, 2022)

Table 7 The Result of Direct Effect in Hypothesis Test

Path Coefficient	Original Sample	T-Statistics (Ts)	T-Table (Tt)	Result	P-Value	Information	Hypothesis
COS→RPQ	0,089	1,580	1,97	Ts<Tt	0,115	Not Significant	H1 is rejected
COS→PK	-0,010	0,173	1,97	Ts<Tt	0,863	Not Significant	H2 is rejected
CET→RPQ	0,431	7,492	1,97	Ts>Tt	0,000	Significant Positive	H3 is rejected
CET→PK	0,147	2,630	1,97	Ts>Tt	0,009	Significant Positive	H4 is rejected
RPQ→PK	0,648	16,442	1,97	Ts>Tt	0,000	Significant Positive	H5 is accepted
COS→RPQ→PK	0,058	1,592	1,97	Ts<Tt	0,112	Not Significant	H6 is rejected
CET→RPQ→PK	0,279	6,923	1,97	Ts>Tt	0,000	Significant Positive	H7 is rejected

Note: Cosmopolitanism (COS), Consumer Ethnocentrism (CET), Relative Product Quality (RPQ), and Consumer Preference (PK).