

PURCHASE BEHAVIOR OF DOMESTIC VERSUS GLOBAL BRANDS: IN CASE OF CLOTH, TEXTILES AND FOOTWEAR IN SRIKAKULAM TOWN

Dr Koppala Venugopal¹, Dr Saikrishna Vadrevu², Dr Sabyasachi Dey³, Tutika V.V.M. Raju⁴

¹ Professor and Head, Department of MBA, Aditya Institute of Technology and Management Tekkali, Srikakulam District, A.P

² India, Managing Partner Propbricks Consultants Hyderabad, India,

³ Assistant Professor, School of Management, Centurion University of Technology and Management, Odisha, India,

⁴ Assistant Executive Engineer Panchayat Raj Engineering Department Government of A.P., Seethampeta, Srikakulam District, A.P.

¹koppala71@gmail.com, ² vadrevumail@gmail.com, ³ sabyasachi.dey@cutm.ac.in, ⁴ aeprseethampeta@gmail.com

Abstract

Extensive operations of global brands with modern strategies resulted into the successful journey with a substantial customer gain has created predetermined thoughts of consumers associated with visual impact, prestige association, price tiers, variable quality, consumer characteristics and country of origin which are the independent variables of this study aiming to examine the relationship with consumer purchasing choice among local and global brands. Both descriptive and exploratory research design with quantitative approach has been carried out with a stratified random sampling technique determined with a sample size of 388. A standard questionnaire was distributed backed up with cross sectional research along with multi-stage sampling. Data collected has been analyzed with regression analysis where the variance in influencing the purchase choice by different variables on three products i.e. cloth, shoes and textile were interpreted and there by the conclusions and recommendations were forwarded to the beneficiaries with management implications. This paper niceties the particular factors influencing the purchasing behavior in comparison with foreign and domestic brands of shoes, cloth and textile.

Key words: Purchase behavior, Globalization, Country of Origin, Local brands

Introduction

The transition from the domination of domestic market to global market has been the outcome due to the contribution of globalization that has empowered the operations of organizations spreading worldwide (Solomon, Marshal & Stuart, 2008). Besides environmental factors, consumer behavior of the respective territory which determines the purchase behavior influences significantly on nation's growth and development (Kotler, 2003). Though there have been innumerable reasons to be fantasized towards global brands, the value added elements with utmost consideration such as higher prestige association (Hawkins, Best, & Coney, 1995), user and usage imagery (Mullen, 1995), and price tiers of different brands (Hawkins, Best, & Coney, 1995) are found stimulating the pace of honoring global brands.

Contrary economic conditions among different nations lead to controversies with respect to the preferences of developing and developed countries' consumers towards global and local brands and the quality products or services supplied by the developed countries challenges the variable quality of developing countries labeled as consumer nationalism products (Hong & Wyer, 1989; Papadopoulos et al., 1990; Usunier, 1993). Other authors like Bhaskaran and Sukumaran (2007) emphasized on the country of origin (COO) which has an extreme importance on consumers' choice behaviour from developing countries (Cordell, 1992) and have strong

influence on ethnocentrism wherein the place of manufacturing is highlighted (Opoku & Akorli, 2009). Further studies established the trends topped up to the attention of academicians and practitioners on how it effects on purchase behavior.

Price differences and comparisons as one of the extrinsic cues decide the purchase behaviour of developing nations' consumers since their nature is economic centric. Pricing determinants versus ethnocentric values has been the exhilarating debate and majority concluded in favor of COO (Opoku & Akorli, 2009). Besides all the above essentials, consumer characteristics in line with social-cultural factors such as social system, personality and belief since the importance is imperatively observed through the researches of Johansson, Douglas & Nonaka (1985) and relating its variables in concern with the fifth marketing mix element called MADE-IN along with product, price, distribution and promotion. The so called influencing variables such as cultural, social, personal and psychological factors as addressed by Kardes, Cronley & Cline (2008) and age, life cycle, economic and occupational conditions stated by Solomon et al. (2008) which make the consumer preferences vary over their lifetime and therefore lead to attract the marketers to capture the changes of the consumers' characteristics carefully. It is well experiential for the past twenty years that the increase of locally made products and services in India has been established with the consistent competencies of quality, technology and appeal. Although certain studies (Cordell, 1992) stated that the preference of underdeveloped countries' consumers for domestic products is weaker enough and most favorable to global brands as well.

Consumer in India is also changing its responses because of globalization, and technology advancement. Obviously, consumer perception toward countries, cultures and their products keeps on changing therefore the issue is still interesting and important to academics and practitioners in the fields of international marketing and consumer behavior (Josiassen & Harzing, 2008). In addition, most studies have been conducted in large industrialized countries where a range of domestic alternatives or brands are available. Furthermore, analyses of changes in consumption patterns and consumption trends due to the changes of demographic and socioeconomic factors (particularly income changes) are very important and applicable for policy modeling purposes. Having an accurate analysis and good estimates of demand for local products helps projection of the future development of the sector in India.

This study projects Indians' preference for imported products to locally manufactured ones with particular reference to consumers in Srikakulam town. The present study focuses on demographic factors affecting consumer behavior towards domestic and foreign made products with particular reference to shoes, clothing, and textiles among consumers in Srikakulam town. These products were selected because of there has been an increase in consumption trends of these products among consumers and the prevalence of both local and foreign brands of these products in the market.

Objectives of the Study

The objective of the study is

- To examine determinants of consumers' purchase behavior of domestic and foreign made products with particular reference to the consumers in Srikakulam town.
- To assess the impact of visual impact, prestige association, price tiers, variable quality, consumer characteristics and country of origin on consumers' purchasing behavior of foreign and local made cloth, shoes and textile products.

Conceptual Framework

The major objective of the present study was to investigate whether demographic and personal characteristics have significant associations with the consumers' purchasing behavior. The independent variables were sex, age, respondent's education, marital status, Occupation, and Income. The dependent variables were consumers' choice of buying shoes, clothing, and textile products. The proposed conceptual framework in Figure 1 portrays a study to explore the influence of demographic and personal characteristics on the consumers' purchasing behavior.

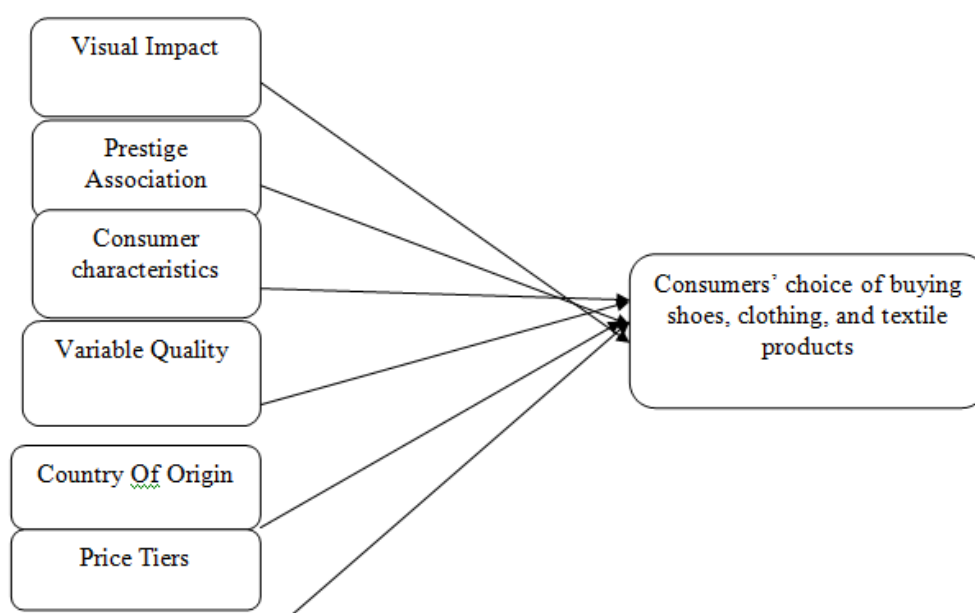


Figure 1 Conceptual framework of the research

Research Methodology

The study was carried out with a descriptive cross-sectional descriptive survey design survey research used to achieve the stated goal. This research is both explanatory and descriptive. For the fundamental study, researchers have preferred quantitative approach for achieving the purpose of the study. The target population consisted of consumers of shoes, clothing, and textiles. Considering the purposes of this study, representative samples were selected. In view of the information needed for the study, and the nature of the population, the study adopted probability sampling techniques to select consumers of shoes, clothing, and textiles products. The selection of customers was done by using convenience sampling of non-probability sampling technique. Based on the table developed by Krejcie & Morgan (1979), for the population of more than 10, 000, it is determined to 388 respondents as a size of sample population.

The self-administered questionnaire contained two sections. Section one included demographics of respondents, such as gender, age, education, position, service years, income, and marital status. Section two contained the major variables of the study in order to comprehend consumers' behavior, attitudes, and preferences of products in line with the variables established i.e. visual impact, prestige association, price tiers, variable quality, consumer characteristics and country of origin. The measures were developed based on literature and empirical studies congregated on the topic. Regression analysis was espoused to measure the impact of independent variables on the purchase behavior of foreign and local brands. The assumptions of multiple regression analysis were tested and met in the current study that included linearity, measurement, normality, outliers, and multicollinearity in the data.

Regression Analysis and Interpretation

A regression analysis, to determine impact of Independent variables i.e. Visual Impact, Prestige Association, Consumer Characteristics, Variable Quality, Country of origin (COO), and Price tiers and dependent variable on consumers' choice of purchasing shoes, clothing, and textile products is detailed in three models for each of the consumers' choice of obtaining shoes, clothing, and textile products displayed in Tables 1, 2, and 3.

4.1 Regression Analysis on consumers' purchasing behavior for shoes products

Firstly, multiple regression analysis was conducted on consumers' purchasing behavior for shoes products. Table 1 displays the result of multiple regressions on consumers' purchasing behavior for shoes products.

Table 1: Factors influencing consumers' purchasing behavior for shoes products

Variables	B	SE	β
Visual Impact	-.012	.108	.007
Prestige Association	.134	.081	.126
Consumer Characteristics	-.114	.110	-.074
Variable Quality	-.260	.056	-.292***
Country of origin (COO)	.143	.042	.209**
Price tiers	.106	.031	.186**
R=.384			
R Square = .148			
Adjusted R Square=.133			
F=(6, 350) =10.102			
*p<.05, ** p < .01, ***p<.001			

Source: Survey result, 2019

Table 1 elaborates the entire model having a significant effect on consumers' purchasing behavior for shoes products where $F(6, 350) = 10.102$ and $p = .001$. The independent variables in the model explained is 13.3% (R Square = .133) of the variance in consumers' purchasing behavior for shoes products. Among these variables, country of origin ($\beta = .209$, $p = .01$) and Price tiers ($\beta = .186$, $p = .01$) are the positive significant predictors of consumers' purchasing behavior for shoes products, while Variable Quality ($\beta = -.292$, $p = .001$) is a negative significant variable.

4.2 Regression Analysis on consumers' purchasing behavior for clothing products

Table 2 presents summary of multiple regressions on consumers' purchasing behavior for customers' choice of clothing.

Table 2 Factors influencing Consumers' Purchasing Behavior for Clothing Products

Variables	B	SE	β
Visual Impact	-.365	.133	-.167
Prestige Association	-.005	.100	-.004
Consumer Characteristics	.051	.136	.028
Variable Quality	-.080	.069	-.077
Country of origin (COO)	.024	.052	.030
Price tiers	.070	.039	.104
R=.203			
R Square = .041			
Adjusted R Square = .025			
F=(6, 350) =2.514			
*p<.05, ** p < .01, ***p<.001			

Source: Survey result, 2019

As exhibited in Table 2, the regression analysis shows that the entire model has a significant effect on consumers' purchasing behavior for clothing products, $F(6, 350) = 2.514$, $p = .001$. The independent variables in the model explained 2.5% ($R^2 = .025$), which is the variance in customers' purchasing behavior for clothing products. However none of these variables is statistically significant predictors of clothing. The finding indicates that only Price tiers ($\beta = .104$, $p = .074$) holds weak positive relationship. The findings portray that the independent variables show a low amount of variance in consumers' purchasing behavior for clothing products implies that these factors are considered to be the least forces having impact on consumers' buying behavior.

4.3 Regression Analysis on consumers' purchasing behavior for textile products

Finally, multiple regression analysis was conducted on consumers' purchasing behavior for textile products. Table 3 presents the summary of multiple regression on consumers' purchasing behavior for shoes products.

Table 3 Factors influencing consumers' Purchasing Behavior for Textile Products

Variables	B	SE	β
Visual Impact	.097	.114	.045
Prestige Association	-.114	.086	-.095
Consumer Characteristics	-.494	.117	-.282***
Variable Quality	-.310	.059	-.305***
Country of origin (COO)	.046	.045	.059
Price tiers	.132	.033	.203***
R = .509			
R Square = .259			
Adjusted R Square = .247			
F = (6, 350) = 20.419			
* $p < .05$, ** $p < .01$, *** $p < .001$			

Source: Survey result, 2019

The regression analysis shows that the entire model has a significant effect on consumers' purchasing behavior for textile products, $F(6, 350) = 20.419$, $p = .001$. The independent variables in the model explained 24.7% ($R^2 = .247$) of the variance in consumers' purchasing behavior for textile products. Among these variables, Price tiers ($\beta = .203$, $p = .001$) is a positive significant variable, while Consumer Characteristics ($\beta = -.282$) and Variable Quality ($\beta = -.305$, $p = .001$) are negative significant variables. Respondents focusing on price tiers significantly prefer more textile products. Positive values of the estimated coefficient indicated that respondents from high income levels significantly preferred more textile products.

Conclusions

Based on the results of the analysis of desk study and respondents' responses the following conclusions are drawn.

- Majority of the consumers' judgment of products is often influenced country of origin while purchasing products. More specifically, concerning to consumer preference towards shoes products, majority of respondents preferred both local and foreign brand shoes products, while regarding cloth products, respondents preferred foreign clothing products. With respect to the consumer preference towards textiles it was obvious that both domestic and internationally made cloth dominated the respondents' choice. In conclusion, consumers had preferences for foreign clothing and shoes products of both local and foreign

brands but with which the majority of respondents preferred foreign brands. The results suggest that consumers have a favorable bias towards imported foreign products from developed countries.

- The majority of respondents replied that price and quality would influence a lot and often, respectively on their purchase decision of products. Further, the results instituted that majority of consumers would prefer global brands to local brands; if both are priced same; a country of origin will be the more important element than price and other product associations.
- Analysis revealed that imported products were provided with better quality, fashionability, durability, variety and comfortability than domestic shoes. Consumers tend to rate the quality, fashionability, durability, variety and comfortability of foreign products more than domestic products and influence more on their choice highly. On the other hand, fashion, durability and quality were the main product features related to the consumers' preference for purchase of the domestic products. In conclusion, variety, fashion, and quality, were the main product features related to the consumers' preference for purchase of the foreign products. Regarding the preferences of domestic versus foreign products, consumers had a favorable bias towards foreign products.
- The regression analysis shows that the Country of Origin and Price tiers were positive significant predictors of consumers' purchasing behavior for shoes products, while Visual quality was a negative significant variable. The regression analysis also shows that Price tiers was a positive significant variable, while Visual quality and consumer characteristics were negative significant predictors of consumers' purchasing behavior for textile products.

Suggestions

The results suggest consumers have low demand for local shoes and clothing products which could provide useful feedback to management of the local companies for their strategic decisions. Thus it becomes important for management of local companies to be innovative in their approach to meeting customer requirement. In addition, the government shall assist the local firms in preparing strategies by giving exceptional qualitative products at reasonable price through subsidies and facilities to encourage them.

- The managers of local companies should improve the quality of products that make the most significant contributions on customer delight. In this regard, managers should scrutinize customers' responses in line with product attributes and factors which will help the business in modifying products and thereby meet consumers' needs and wants. A specific suggestion is forwarded for the improvement of brand image by promoting the product with Unique Selling Proposition which will show the maximum differential threshold to attract the customers and grade up the image.
- Since the study showed that consumption of products is significantly dependent on demographic and socioeconomic household characteristics, it implies that the management of local companies should pay more attention to the socio-economic factors that influence buyer's behavior such as income, education, and occupation circumstances. Local companies should design appropriate strategies through each of the significant factors highlighted.
- Locally made shoes are to be marketed by firms by making an emphasis on the country of Origin flavor since the importance on the local qualitative leather has been successful for decades and trending with blended fashions.
- Increased price of a global brand has been traditionally considered as the most qualitative product; hence, the pricing strategy of a local brand should be competitive enough to highlight the upgraded quality values of a local brand.

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