

# A Comparative Study On Consumer Trends Of Foreign and Local Clothing Brands In The Context Of University Students

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**Abstract:** In the face of globalization of market, the globe has become narrower in terms of culture and consumer behaviour. Many of the reputed global firms have transformed multinational strategies to global marketing strategies. In the face of these global trends, we are interested in knowing how Indian consumers are reacting to new business trends. The objective of this study was to find out the attitude of Indian University students towards local versus foreign clothing brand. The respondents were asked to evaluate a popular local Indian casual brand and an American brand (Levi's). The variable examined were emotional value, perceived quality, brand loyalty, brand association, overall brand equity, and purchase intention of local versus foreign brand. From our study it was found that foreign clothing brand (Levi's) is highly preferred over most popular local clothing brand on the emotional parameters taken. From the independent *t* test, it was clear that there is no gender bias in developing favourable attitude toward foreign clothing product. The finding of the study will encourage foreign retailers for successful entry into Indian marketplace.

**Keywords:** International marketing; Consumer behaviour; Attitude; Clothing products; t-test; chi-square test

## Introduction

In the face of globalization of market, the globe has become narrower in terms of culture and consumer behaviour. Many of the reputed global firms have transformed multinational strategies to global marketing strategies. The main thrust for globalization of market arose from Levitt. Levitt opined that the "global corporation" that has been created does not cater to local differences in taste. These differences were being overwhelmed by the ability of global corporation to market standardized products of high quality at a cost lower than that of the competitors. Levitt's main argument is that standardized marketing strategies lead to scale economics, cost reduction and better profits. The consensus emerging from country of origin research suggests that consumers use country of origin information to evaluate products.

Consumer is the King of market and all the marketing activities of all the business and industrial enterprises of today go around the habits, tastes, preferences, perception and attitudes of consumers. All efforts are being made to provide maximum satisfaction to maximum consumers. Goods and Services are produced according to the specifications of these needs and wants and these goods and services are distributed to the consumers at the right time and place through most suitable channels of distribution. Marketers have come to realize that no marketing efforts can be successful if the choices, tastes and attitudes of consumers are not properly considered. Therefore, they lay stress upon marketing research and study consumer behaviour. Further, a buyer purchases a product because of certain physical, social and economical forces creating a desire or a want for the product. A decision to buy a product is taken after passing through different stages. Need recognition is the first thing in the buying stages, which is followed by product awareness, interest, evaluation and intention, source of information, purchase and post purchase behaviour. A decision to buy a product of daily use may be taken in few seconds while the decision to buy a durable product is taken after critical study of

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many factors. According to recent survey by FICCI, India's rapid economic growth has set the stage for fundamental change among the country's consumers. There is discernible shift in consumer preference in favour of higher-end and technologically superior branded products. The demand is being spurred by increasing consumer awareness and preference for new models. The changing dynamics of consumer behaviour reflects that luxury goods are now being perceived as necessities with higher disposable incomes being spent on lifestyle products. A large number of domestic and multinational companies are already competing in the market and the challenges would force companies to be more dynamic to adapt the rapidly changing needs and incomes of the consumers. In recent years, consumers have shown inclination for foreign goods and Indian goods are also at par global standard.

In the face of these global trends, we are interested in knowing how Indian consumers are reacting to new business trends. The objective of this study was to find out the attitude of Indian University students towards local versus foreign clothing brand. The respondents were asked to evaluate a popular local Indian casual brand and an American brand (Levi's). The variables examined were emotional value, perceived quality, brand loyalty, brand association, overall brand equity, and purchase intention of local versus foreign brand. From our study it was found that foreign clothing brand (Levi's) is highly preferred over most popular local clothing brand on the emotional parameters taken. From the independent *t* test, it was clear that there is no gender bias in developing favourable attitude toward foreign clothing product. The finding of the study will encourage foreign retailers for successful entry into Indian marketplace. The rest of the paper is organized as follows: section 2 gives a review of literature; section 3 discuss about research method and material; section 4 deals with data analysis; and section 5 concludes this paper.

## **Review of Literature**

The country of origin effect (COO) has received considerable attention in international marketing research. Studies have found that COO information has stronger effects in less developed countries compared to developed countries. So, in order to develop effective marketing and communication strategies within and across national boundaries, marketers need to understand varying attitudes and perception of consumers towards products of clearly identifiable country of origin. In determining perception and attitude relevant to consumer acceptance of national and international goods and services, it would be extremely helpful for marketers to have meaningful and consistent measures that they could apply to various markets. To understand the effects of brand image and country of origin, researchers and marketers should be familiar with the buying behaviour of consumers. In fact perceived risk, experience, price and brand loyalty are the most important influence of purchasing decisions. This creates the opportunity for companies to increase the market share and profit if they have choices and innovative products. With this perspective the present study is a modest attempt to know the attitude of consumers towards Indian and Foreign brands which would help marketers to understand the buying behaviour of consumers and to formulate an appropriate marketing strategy. Shimp & Sharma (1987) developed CETSCALE to measure the construct of consumer ethnocentrism, and in a study of American consumers, they showed that ethnocentric tendencies are significantly negatively correlated with attitude towards foreign products and significantly positively correlated towards domestic products. These findings have been replicated by Netemeyer, Durvasula & Lichtenstein (1991) on a cross-national sample of Western European and Japanese consumers. However, in these studies respondents evaluated products from different developed countries that were largely comparable with respect to quality. The former Eastern bloc countries are quite different from the western markets. In these countries, western products tend to be preferred to domestic products due to their superior quality. For example, Papadopolous, Helsop & Beracs (1990) found that

Hungarians generally evaluated western products more positively than national products. Similar findings have been reported for Polish and Russian consumers (Ettenson 1993, Good & Huddleston 1995). Further a study of Australian consumers revealed that when a locally made product was perceived to be of inferior quality to the imported products, consumers generally preferred the imported products (Elliot and Cameron 1994). Kyanak & Kara (2002) investigated the product – Country images, lifestyles and ethnocentric behaviours of Turkish consumers. They found that Turkish consumers had significantly different perceptions of products attributes for the products coming from countries of different levels of socio economic and technological development. It lent support to earlier studies conducted in western countries and also indicates the robustness of ethnocentrism scale which was developed in USA to measure attitudes in advanced developing countries. Also results of the study revealed that there were several lifestyle dimensions apparent among the Turkish consumers, which were closely correlated to ethnocentric biases. Lee & Simon (2006) analyzed how consumers' perceptions on the quality of products are influenced by the marketing appeals of multi-national firms and by the country of origin effects. They presents finding derived from country of origin effect, corporate images, and its brand image and purchase intention survey conducted in Almaty, Kazakhstan, considered being a developing countries and transition economies. The findings suggested that the attitudes of consumers towards country of origin and corporate image exert a great deal of influence on their perceptions of product quality and purchase behaviour, the effect of certain country image appeals on the purchase behaviour and moderated by socio-economic and national cultural characteristics

### **Research Method and Material**

Data was collected on consumer preference, attitude and perception towards foreign and Indian brands and factors that they consider while purchasing the product through primary sources whereas visits were made to different libraries and departments to collect information on various related issues from secondary sources. Regarding the product selection most commonly used products have been chosen as it was not possible to include the whole range of durable products. Primary data were collected through questionnaire containing different close ended questions. To obtain the information from respondents, a detailed questionnaire containing two sections was prepared. In the first section questions were related to product ownership, brand preference, source of information and the factors that generally consumers keep in mind while purchasing product. The second part of questionnaire dealt with attitude of consumer towards Indian products and foreign products. To know consumer attitude, eight statements related to consumers attitude, perception, and expectations have been measured on six point scale. The questionnaire was prepared in English as area of study was Dibrugarh and field work was carried out in the month of September to December. The data collected has been edited on daily basis in order to verify the completeness and consistency of answer given. The collected data was coded, classified, tabulated and analyzed systematically. The universe of the study consisted of consumers residing in Dibrugarh town. The sample size was of 150 respondents identified on the basis of cluster sampling method and further their accessibility and convenience also taken into consideration. We have used frequency distribution of amount spent on clothing products in the past 12 months. To understand how brand loyalty relates to another variable gender male or female, cross tabulation analysis was carried out. Here we used hypothesis test to find out if brand loyalty is associated with any gender. We also use one sample statistics to know whether emotional value attached to foreign brands and have used t-test. In this study, a set of null hypotheses were proposed concerning no significant differences on perception of perceived quality, emotional value, brand loyalty, brand association, brand equity and purchase intention between local and foreign

brands between males and females. In many cases observations from two groups were not from independent samples. In that case paired sample test were used.

## **Data Analysis**

At first, a frequency distribution was obtained on the amount spent on clothing products in the past 12 months. This is depicted in table 1. 35 percent of the respondents spent below Rs. 5000 and 82.5 percent (cumulative percentage) of the respondents spent below Rs. 10,000 during past 12 months.

To understand how brand loyalty (low and high) relates to another variable gender (male and female), cross tabulation analysis was carried out. In this study, the null hypothesis was that the brand loyalty toward foreign brand is not associated with gender. The mean value of brand loyalty toward foreign clothing product (Levi's) was computed first and all the respondents whose score on loyalty were above the mean value (3.75) were considered highly loyal and labelled as 2. Respondents with scores less than the mean were considered as less loyal and were labelled as 1. Gender of respondents was coded as 1 for males and 2 for females. After generating the cross-tabulated data, chi-square test was conducted to determine whether there is association between gender and loyalty toward foreign brand. As shown in table 3. 90 percent of the males are highly loyal to foreign brands and 85 percent females fall into this category. As per the analysis result shown in table 4, it was found that the calculated chi-square statistic had a value of 0.229. Because it is less than the critical value of 3.841, the null hypothesis of no association could not be rejected at the 0.05 significance level. Therefore, we can conclude that the brand loyalty toward foreign clothing brand is not different for males and females.

In this study, we might be interested in knowing whether emotional value attached to foreign brand by the customers in the sample exceeding 3.5, the neutral value on a 6-point scale. Therefore, the null hypothesis was that the emotional value attached to the foreign brand by the customers is less than 3.5. The result of one sample statistics show that the mean is 4.3 (table 5) and the *t* statistics is significant ( $p < 0.001$ ; table 6). So, we reject the null hypothesis and accept the alternate hypothesis that emotional value toward foreign brand by university shoppers does not exceed 3.5.

In this study, a set of null hypotheses were proposed concerning no significant differences on perception of perceived quality, emotional value, brand loyalty, brand association, brand equity and purchase intention between local and foreign brands between males and females. Gender of respondent was codes as 1 for males and 2 for females. Independent sample *t* tests were carried out for the variable gender. Sample means for both groups were calculated for each of the variables as depicted in table 7. As referred in table 8 for all the variables, there were no statistically significant differences ( $p > 0.005$ ) in mean between males and females. Therefore, we cannot reject null hypothesis and conclude that both male and female perceive quality on perceived quality, brand loyalty, brand association, brand equity, and purchase intention for local as well as foreign brands.

In many cases it so happens that the observations from two groups are not from independent samples. For example, the same respondent may rate two different brands as is the case in this study. In that case, paired-sample tests are used. In the current study, a set of null hypotheses were proposed concerning there will be no differences of perception in term of (a) emotional values, (b) perceived quality, (c) brand loyalty, (d) brand association, (e) overall brand equity, and (f) purchase intention for local over foreign brand.

To test the above hypotheses, paired *t* tests were conducted between the foreign and local brands for all of the variables, i.e. emotional value, perceived quality, brand loyalty, brand association,

brand equity, and purchase intention. The results of these tests are shown in table 9 and 10. Significant differences ( $p < 0.05$ ) in mean values were found among the local and foreign brands for all the variables as shown in table 10. Hence, the null hypothesis was rejected.

## Conclusion

Foreign clothing brand (Levi's) is highly preferred over most popular local clothing brand on emotional value, perceived quality, brand loyalty, brand association, brand equity, and purchase intention. From the independent –sample t test, it was clear that there is no gender bias in developing favourable attitude toward foreign clothing products. The finding of the study will encourage foreign apparel retailers for successful entry into Indian marketplace.

The present study has several limitations too. Firstly, the variables examined in this study were measure by multiple items in the previous studies from where the scale items have been adapted. The results would have been more interesting if the variables would have been measured through multiple items. The sampling frame used for the study, though representative of population, accommodates only a defined stratum of Indian society. This obviously limits the scope of generalization of the study. The limited sample used for the study limits the scope of application of the results of study to broader consumer groups with varying interest.

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Amount	Frequency	Percent	Valid Percent	Cumulative Percent
500	1	2.5	2.5	2.5
1000	2	5.0	5.0	7.5
1500	1	2.5	2.5	10.0
2000	2	5.0	5.0	15.0
3000	4	10.0	10.0	25.0
3500	1	2.5	2.5	27.5
4000	3	7.5	7.5	35.5
5000	8	20.0	20.0	55.0
5500	1	2.5	2.5	57.5
6000	1	2.5	2.5	60.0
7000	2	5.0	5.0	65.0
7500	2	5.0	5.0	70.0
8000	2	5.0	5.0	75.0
8500	1	2.5	2.5	77.5
9000	2	5.0	5.0	82.5
10000	6	15.0	15.0	97.5
18000	1	2.5	2.5	100.0
Total	40	100	100	

Table 1: Amount spent by the respondents on clothing in the past 12 months

		Brand loyalty FB		
		1	2	Total
Gender	1	10.0%	90.0%	100%
	2	15.0%	85.0%	100%
Total		12.5%	87.5%	100%

Males=1; Females = 2

Table 2: Cross-tabulation analysis (Loyalty versus Gender)

	Value	DF Sig.	Asymp. (Two-sided)	Exact Sig. (Two-sided)	Exact Sig. (One-sided)
Pearson	0.229 <sup>a</sup>	1	0.633		
Chi-square continuity	0.000	1	1.000		
Correction <sup>b</sup> Likelihood	0.230	1	0.632		
Ratio Fishers				1.000	0.5000
Exact test Linear-by-linear	0.223	1	0.637		
Association number of valid cases	40				

<sup>a</sup>Two cells (50.0%) have expected count less than 5. The minimum expected count is 2.50

<sup>a</sup> Computed only for a 2 X 2 table.

Table 3:Chi-square test results

	Number	Mean	Standard Deviation	Standard Error Mean
Emotional value FB	40	4.30	1.181	0.187

Table 4: One-sample statistics

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Test Value = 3.5						
					95% Confidence Interval of the Difference	
	T	DF	Sig. (Two-tailed)	Mean Difference	Lower	Upper
Emotional value FB	4.284	39	0.000	0.800	0.42	1.18

Table 5: One-sample test with test value at 3.5

	Group Statistics				
	Gender	Number	Mean	Standard Deviation	Standard Error Mean
Emotional Value FB	1	75	4.25	1.209	0.270
	2	75	4.35	1.182	0.264
Emotional Value LB	1	75	3.65	0.988	0.221
	2	75	3.95	1.099	0.246
Perceived Quality FB	1	75	4.70	1.081	0.242
	2	75	5.15	1.182	0.264
Perceived Quality LB	1	75	3.60	0.821	0.184
	2	75	3.40	0.821	0.184
Brand Loyalty FB	1	75	3.75	1.209	0.270
	2	75	3.75	1.293	0.289
Brand Loyalty LB	1	75	3.20	0.894	0.200
	2	75	3.05	1.191	0.266
Brand Association FB	1	75	4.95	0.887	0.198
	2	75	4.40	1.095	0.245
Brand Association LB	1	75	3.70	1.380	0.309
	2	75	3.50	1.147	0.256
Brand Equity FB	1	75	3.60	1.273	0.285
	2	75	3.95	1.276	0.285
Brand Equity LB	1	75	3.30	0.923	0.206
	2	75	2.95	0.887	0.198
Purchase Intention FB	1	75	2.30	0.823	0.256
	2	75	2.95	0.887	0.198
Purchase Intention LB	1	75	3.30	0.923	0.206
	2	75	2.95	0.887	0.198

Gender as grouping variable coded "1" as male and "2" as female

Table 6: Group statistics for independent-sample test

		Group Statistics				
		F	Sig.	T	DF	Sig. (Two-tailed)
Emotional Value FB	Equal variance assumed	0.001	0.981	-0.265	38	0.793
	Equal variance not assumed			-0.265	37.981	0.793
Emotional Value LB	Equal variance assumed	0.074	0.788	-0.908	38	0.370
	Equal variance not assumed			-0.908	37.578	0.370
Perceived Quality FB	Equal variance assumed	0.049	0.827	-1.256	38	0.217
	Equal variance not assumed			-1.256	37.700	0.217
Perceived Quality LB	Equal variance assumed	0.023	0.880	0.771	38	0.446
	Equal variance not assumed			0.771	38.000	0.446
Brand Loyalty FB	Equal variance assumed	0.219	0.643	0.000	38	1.000
	Equal variance not assumed			0.000	37.829	1.000
Brand Loyalty LB	Equal variance assumed	1.530	0.224	0.450	38	0.655
	Equal variance not assumed			0.450	35.260	0.655
Brand Association FB	Equal variance assumed	1.836	0.183	1.745	38	0.089
	Equal variance not assumed			1.745	36.425	0.089
Brand Association LB	Equal variance assumed	0.043	0.342	0.789	38	0.096
	Equal variance not assumed			0.789	36.769	0.096
Brand Equity FB	Equal variance assumed	0.384	0.539	0.498	38	0.621
	Equal variance not assumed			0.498	38.000	0.621
Brand Equity LB	Equal variance assumed	0.056	0.213	0.543	38	0.206
	Equal variance not assumed			0.543	37.798	0.206
Purchase Intention FB	Equal variance assumed	0.087	0.769	-0.868	38	0.391
	Equal variance not assumed			-0.868	37.577	0.391
Purchase Intention LB	Equal variance assumed	0.000	1.00	1.222	38	0.229
	Equal variance not assumed			1.222	37.939	0.229

Gender as grouping variable

Table 7: Independent-sample test for all the variable examined in the study



		Mean	Number	Standard Deviation	Standard Error Mean
Pair 1	Emotional Value FB	4.30	150	1.181	0.187
	Emotional Value LB	3.80	150	1.043	0.165
Pair 2	Perceived Quality FB	4.93	150	1.141	0.180
	Perceived Quality LB	3.50	150	0.816	0.129
Pair 3	Brand Loyalty FB	3.75	150	1.235	0.195
	Brand Loyalty LB	3.13	150	1.042	0.165
Pair 4	Brand Association FB	4.68	150	1.023	0.162
	Brand Association LB	3.73	150	0.905	0.143
Pair 5	Brand Equity FB	3.60	150	1.257	0.199
	Brand Equity LB	3.15	150	0.893	0.141
Pair 6	Purchase Intention FB	3.78	150	1.271	0.201
	Purchase Intention LB	3.13	150	0.144	0.144

Table 8: Paired-sample statistics

		Paired Differences							
		Mean	Standard Deviation	Standard Error Mean	Lower	Upper	T	DF	Sig. Two-tailed
Pair 1	Emotional Value FB	0.500	1.553	0.245	0.003	0.997	2.037	39	0.048
	Emotional Value LB								
Pair 2	Perceived Quality FB	1.425	1.412	0.223	0.973	1.877	6.382	39	0.000
	Perceived Quality LB								
Pair 3	Brand Loyalty FB	0.625	1.444	0.228	0.163	1.087	2.737	39	0.009
	Brand Loyalty LB								
Pair 4	Brand Association FB	0.950	1.260	0.199	0.547	1.353	4.769	39	0.000
	Brand Association LB								
Pair 5	Brand Equity FB	0.450	1.319	0.209	0.028	0.872	2.157	39	0.037
	Brand Equity LB								
Pair 6	Purchase Intention	0.650	1.528	0.242	0.161	1.139	2.690	39	0.010

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	FB								
	Purchase Intention FB								

Table 9: Paired-sample tests: Means and their significance