

CHOICE OF FOREIGN SOUNDING APPAREL BRANDS-INFLUENCERS OF CUSTOMER MOTIVATION

ROHIT GOPINATH

FACULTY MENTOR- PROF A.V SHYAM



INTRODUCTION

- ❖ Globalization is an inevitable phenomenon that is leading the world towards becoming a single market or more commonly a global economy.
- ❖ With the world becoming a single market, globalization also has had a significant effect in helping organizations and companies worldwide to step out of their restricted domestic markets by themselves and to set up their operations across the globe with confidence and vigour, which is needed for an independent company.
- ❖ Emerging economies such as India and China have attracted very large number of retailers which present a wide selection of foreign sounding merchandise that are caused by expansion of national economics.
- ❖ Country of Origin has been defined as having a significant positive and negative effect that the country of manufacture will have on the decision making process of the customer as well as their subsequent purchase behaviour.

INTRODUCTION

MOTIVATIONS

UTILITARIAN

HEDONIC

WILLINGNESS TO PAY

CEILING PRICE

FLOOR PRICE

RATIONALE BEHIND THE RESEARCH

- On one hand, consumers seem to value and admire global brands and regard such brands as a status symbol.
- On the other hand, global brands are often criticized for threatening the local differences and imposing the Western cultures on our society, leading to a loss of cultural identity.
- This research aims to find out the motivations that influence a customer to purchase a foreign sounding brand for apparels using willingness-to-pay range.
- This project has also been undertaken to understand the buying behaviour patterns, attitudes towards global and local brands and preference for foreign brands.

LITERATURE REVIEW

➤ Brand equity is the commercial value that a consumer derives from his perception of a brand rather than the product or the brand itself. Brand equity is usually considered when customers willingly pay more for the same level of quality that is found in the product, mainly due to the attractiveness of the name attached to the particular product.

(Bello and Holbrook et al., 1995)

➤ Researchers believe that the customer's brand equity on the other hand focusses on how the customers perceive the brand in terms of the strength of brand image. Since brand provides value to the manufacturers, investors and retailers only if they ultimately provide value to the consumers.

(Hoeffler and Keller et al., 2003)

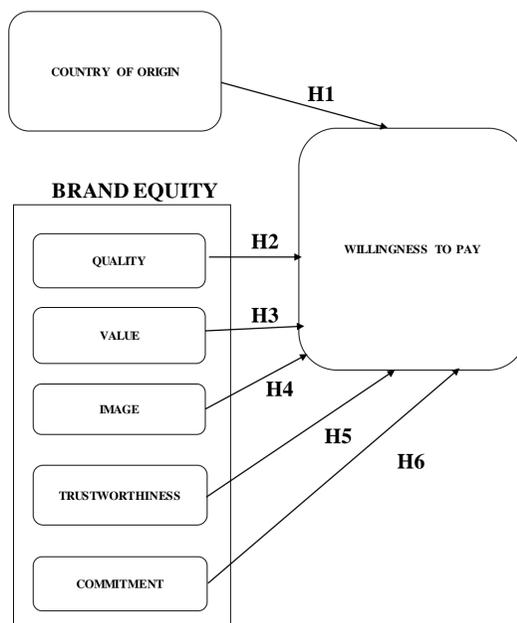
➤ Products from positive image countries are perceived to be positive and hence customers will have a favourable effect towards the brand from that country whereas products from negative image countries are perceived to be negative.

(Homburg, Koschate, and Hoyer et al., 2005)

RESEARCH QUESTION

What are the factors influencing the customer motivation towards purchasing an apparel with foreign sounding brand name?

CONCEPTUAL MODEL



HYPOTHESES

- H1: Country of origin effect has a positive influence on the customer's willingness to pay.
- H2: Quality has a significant positive effect on the customer's willingness to pay for foreign sounding brands.
- H3: Value has a significant positive effect on the customer's willingness to pay for foreign sounding brands.
- H4: Image has a significant positive effect on the customer's willingness to pay for foreign sounding brands.
- H5: Trustworthiness has a significant positive effect on the customer's willingness to pay for foreign sounding brands.
- H6: Commitment has a significant positive effect on the customer's willingness to pay for foreign sounding brands.

RESEARCH METHODOLOGY

- An online questionnaire was used for this study.
- A total of 113 respondents participated in the survey in which 72 were males and 41 were females. The respondents were spread across various age groups and income levels.
- Respondents chosen for the study were spread across the Tier I, Tier II and Tier III cities of India.
- Ordered Logistic Regression was used to analyse the model.

RESULTS

INDEPENDENT VARIABLES	ODDS RATIO	P-VALUE
QUALITY	1.72979	0.010
VALUE	1.1523	0.605
IMAGE	.460286	0.038
TRUSTWORTHINESS	1.15936	0.521
COMMITMENT	.716555	0.156
(PERCEIVED) COUNTRY OF ORIGIN	7.46025	0.000

ANALYSIS

➤ Quality, Image and Country of Origin have significant values which mean that these 3 variables are the most significant factors which influence the customers when purchasing a foreign sounding branded apparel.

➤ Quality has an Odds Ratio of 1.72979, which means when a customer is satisfied with quality of a foreign sounding branded apparel, he/she is 1.72979 times more likely to choose the next price level.

➤ The Odds Ratio of Image is .460286 which shows that when Image is given an importance by the customer, he/she is .460286 more likely to choose the next price level.

➤ Country of Origin (COO) has an Odds Ratio of 7.46025, which shows that when a customer who is satisfied by Country of Origin as a factor while purchasing a foreign sounding branded apparel is 7.46025 more likely to purchase for the next price level.

➤ A higher Odds Ratio for Country of Origin also shows that Country of Origin is influencing the customer motivation towards purchasing a foreign sounding branded apparel.

CONCLUSION

➤ From this study we have understood that Quality, Image and Country of Origin (COO) are 3 of the most important factors which the customer has on his mind when he walks into the retail store.

➤ Country of Origin has the highest influence for a customer while purchasing the foreign sounding branded apparels.

➤ Perceived Country of Origin can be used by the customer to perceive in his/her way which can be related to his/her perception of the country of manufacture and this can have significant influence of his/her purchase behaviour towards foreign sounding brands.

➤ This study in brand names recognized as foreign can be used by the retail sector to influence customers to increase their sales and attract more customers.