

CHOICE OF FOREIGN SOUNDING APPAREL BRANDS- INFLUENCERS OF CUSTOMER MOTIVATION

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Abstract-This study examines the understanding of the customer motivations to purchase foreign sounding branded apparels and the various factors that are involved. There is a substantial increase in competition globally and hence companies have started to strictly follow, service and cater to the needs of the local markets. These local companies have started to find themselves at a disadvantage since they are gradually losing their advantage over other companies that they worked hard to attain. This is because the purchase behaviour, attitudes and motivations of customers of different nations are beginning to meet on some global norms, habits and cultures.

Firstly customers seem to value and appreciate international brands and consider such brands as a symbol of status, reputation and prestige. Secondly international brands are very often denounced for threatening and putting the local customs and cultures at risk and forcing western traditions onto the society, which leads to a loss of cultural identity. These are some of the factors due to which this study was done in the first place. It was to find out the motivations that influence a customer to purchase a foreign sounding brand name in apparels segment. This project has also been undertaken to understand the buying behaviour patterns, purchase intention towards international or local brands and preference of purchase for foreign sounding brands. The paper shows that the attitude, quality perception and purchase intention of a consumer is significantly influenced by the usage of foreign sounding brand name. The Perception of a brand according to a customer has been influenced by the “Country of Origin” which play an important role. This study also shows that foreign sounding brand names can have an impact on the apparel segment when properly used and it can also increase the customer preference for a selected product and brand.

Keywords – Foreign sounding brand; Country of Origin; Apparels; buying behaviour; Brand equity

I. INTRODUCTION

Globalization is an unavoidable occurrence that is influencing countries all over the world to become a single market or more commonly called as a globalized economy. This process of globalization has benefited extremely in the transfer and exchange of information, goods, services, technical knowhow and also the understanding from which the barriers in international trade can be reduced. “This has led the world to join and converge into a single universal community or group which consists of people from different cultures, countries and regions thus resulting in the shrinkage of the world”(Holt et al., 2002). The world has started to change to a single market, where globalization has had a significant effect in helping organizations worldwide to step out of their restricted local markets by themselves and expand their operations all over the world with confidence and vigour, which is needed for an independent company. This can also largely lead to a shrink and decline in the significance in national boundaries and a detailed focus on what the customers actually demand, even if the customers are present in the very country in which the company exists on an entirely different region. “With the rapid increase in global competition, companies which are strictly adhering to and catering to the needs of the local markets and customers are finding themselves at a disadvantage because they are gradually losing the competitive advantage that they so much strived to achieve”(Wong and Merrilees et al. 2007).

Due to the expansion of the economy, Retailers who have a wide range of foreign sounding products have been allured by emerging countries like India and China. This emerging fashion has been observed in India from the time when globalization has changed the lifestyle, consumption habits and attitudes of Indian customers. The country’s increase in the economy has enabled the Indian customers to a large number of options to choose from. Based on the traditional and standard way of living, customer’s lifestyle has also been modified to a relatively prosperous and opulent means. The rise in education levels and the income levels have led to a higher purchasing power and a greater demand for foreign

products, thereby fulfilling the desire and need for a customer.“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”(*Elliott and Cameron et al., 1994*). This research gives an important information on how the Domestic Customers perceive foreign sounding brand name and their willingness to purchase the product in apparel segment.

Based on the emergence of the global brands, the response of the customers seem to vary among one another. These can actually lead to domestic retailers giving foreign names to their brand and products so as to attract the customers to purchase their product and increase their sales. Firstly customers seem to value and appreciate global brands and regard these brands as a symbol for status, reputation and prestige. This opportunity is not missed by domestic retailers which use this tactic in attracting customers. Secondly global brands are very often denounced for threatening and putting the local customs and cultures at risk and forcing western traditions on to the society, which leads to a loss of cultural identity. This however has not prevented retailers from using foreign brand names resulting in increase of sales.

Motivations are generally of two types: Utilitarian and Hedonic.

Utilitarian motivations are used by people for seeking useful or practical products which can be used primarily for basic needs. These products tend to be more useful and serviceable and hence purchased by people in plenty.

Hedonic motivation refers to those products which are used by people for seeking pleasure and enjoyment. These products are used for the luxury of the customer.

Willingness to pay (WTP) is the maximum price at or below which a customer will definitely buy if the customer is satisfied with the product. There are 2 types of prices: Floor and Ceiling prices

“**Floor price** is the price below which the consumer will definitely pay for the product”.

“**Ceiling price** is the price beyond which the consumer will not pay for the product”.

Due to the result of globalisation, products which are associated with a particular country are not considered to be of that particular country or considered to be a single country phenomenon. This is mainly due to the changes happening in the global environment which shows several products and brands emerging as a result of globalisation. Product associations to a particular country is making the customer difficult to identify the country of manufacture, as the aesthetics, design and the brand name associated with the particular product is being copied by local retailers to develop their own product in a similar way. Thus retailers are using this particular strategy as an advantage to attract customers by carefully modifying the brand names into foreign sound names.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Brand equity is considered to be the evaluator or analyser to check whether the brand is in good health. It is considered to be a fine step in brand management. Brand equity is the commercial value that a customer derives from his/her perception of a brand rather than his/her perception about the product or the brand itself.“Brand equity is usually considered when customers willingly pay more for the same level of quality by comparing the product and its competitors, mainly due to the attractiveness of the name attached to the particular product”(*Bello and Holbrook et al., 1995*). Foreign branding is a strategy used by the retailers which is mainly targeted towards influencing the brand image parameter of a brand equity thereby influencing the perception of a customer. “According to (*Kim et al., 1990*) who suggested that, a brand is the combination of thoughts, feelings, sensations, and associations that it evokes”. If a brand is able to influence the behaviour of the customer, it is said to have an equity or a value. This happens with the customer routinizing his purchase intentions, attitudes and purchase behaviour, since he was able to derive some commercial value from the brand that he wishes to purchase. “Brand equity is defined as the customer’s attraction towards the Local brand, keeping in mind their preference, purchase intention and choice among brands in a product category, that offers the same level of product benefits as which is perceived by the customers” (*Assael, 2001; Haddock and Huskinson, 2004*). Researchers believe that the brand equity of the customer focusses on how he/she perceives the brand in terms of the strength of his/her brand image(*Hoeffler and Keller et al., 2003*). The producers, investors and retailers give the value to the customers as they receive the value from the brand.

The (perceived) value of a brand from the customer’s point of view can be increased or decreased, as is the ability of the name of the country that acts in a similar way to the name of the brand. With the perception of customers towards countries such as Germany, USA or Japan, the products bearing the ‘made in Germany’ and ‘made in USA’ label are analysed more positively than products bearing the label ‘made in Bangladesh’. This is mainly due to the reputation of countries such as Germany and USA as the top manufacturers or exporters. The customer’s perception of a brand is influenced by the favourable effect that the Country of Origin has towards Brand Equity. Countries with favourable image have brands that are perceived to be positive and hence customers will have a favourable effect towards the brand from that country whereas branded products from negative image countries are perceived to be negative(*Homburg, Koschate, and Hoyer et al., 2005*). It also depends on the brand attitude of the customer towards the particular brand. For Example a branded apparel from France would be perceived to be of a higher quality whereas a branded apparel from Japan is perceived to be of lower quality according to the customer. Let us consider a country with a negative image that builds a wall and restricts from positioning themselves in the market whereas a country with a positive image enables business relationship, cooperation and trade.

In a similar way, an apparel product from a favourable country of origin or a customer perceiving it as the product from that particular country will always influence the customer in regard to willingness to pay for that particular product. A product from country 'A' will be analysed more favourably than a product from country 'B' by the customer but he/she may not be willing to purchase the product. In the same way, if the price is not acceptable to the customer, he/she may not purchase the product, even if the customer shows a higher indication of willingness to buy from country 'A'.

Retailers usually try to attract customers by using foreign sound brand names and this influences the customer to change their purchase decision based on the attitude the customer has towards a particular brand(*Miyuri and Bettman et al., 2005*). For example, when the consumer looks at an apparel from LA PASSION, the customer would generally believe that the apparel is from ITALY, and hence the general perception towards the particular apparel would be favourable, because ITALY is known for design, style and fashion and hence the customer perceives that the apparel product from ITALY would also be rich of these characters. Thus country of origin will definitely influence the customer's buying decision or purchase decision. There is a perception among the customers that the national brands and products which are sold in big retail stores or products that are of foreign origin have higher quality than competitor's products which are of similar price range. This shows that customers are willing to pay a higher price which are more for products bearing a foreign sounding name than for products which are produced locally or nationally or sound local.

A relationship between the brand and particular class of product involved is identified. This creates a quality perception in a customer's mind. If the overall quality and the superiority of the product is more while considering its intended purpose, then this would be defined as the customer's perception of a Perceived Quality. "Perceived quality is not just another brand association but it is an association that is elevated to the status of a separate level of brand equity"(*Nor Hazlin nor Asshidin, NurazariahAbidin, HafizzahBashiraBorhan, et al., 2012*). The loyalty to a particular brand which is represented by the intention of the customer to purchase the brand as the first choice is the Brand Loyalty as defined by several Researchers. The ability of a customer to invoke a country when the category of product is referred to as the Product category and association of a country. A relationship between "Country of Origin" and customer's brand equity is very important when Product category and association of country is considered to be of particular interest. According to (*Aaker et al., 1991*) and (*Keller et al., 1993*), "Country of origin is known to lead to associations or relationships in the minds of customers. For example, customers might associate the countries such as France and Spain with the intangible attributes "reliability" and "durability", to a different degree. These country of origin associations of customers could therefore influence the customerbased equity dimensions of a particular brand from a specific country".

A. COUNTRY OF ORIGIN AND WILLINGNESS TO PAY

[1] States that the perception of a customer and his/her evaluations of a product and research which serves as the cognitive, affective and normative associations is the informational reference as indicated by the Country of Origin. These associations influences the customer's attitude in such a way that a product belonging to a particular country of origin will act as indication of quality, risk and value perception which directly influences the customer during purchase. A product from Country A will be analysed more favourably by the customers than products from Country B, but the particular product from Country A may not be getting a price premium from the customer as he/she may not be willing to pay for it. Even though a product from Country A will be having a higher willingness and a much favourable effect from the customer, he/she may not purchase that particular product as he/she may find the price a bit too high. [2] States that purchase intentions of a customer and the product evaluations are more favourable in indicating a country of origin effect than price, which is a dependent variable, since intentions and evaluations are much safer as an outcome than price.

H1:"Country of origin" effect has a positive influence on the customer's willingness to pay.

B. BRAND EQUITY AND WILLINGNESS TO PAY

[3] States that Customer's willingness to pay prices reflect the ability of a brand to maintain a higher price than the competitor's prices. This makes the customer's willingness to pay higher prices, despite the status of the price within that particular product category which is important for all the brands available within that category. Loyal customers are also willing to pay more money for their favourite brands compared to the competitive brands because they have perceived such brands to be of higher quality. Thusbrand equity plays an important role in influencing thewillingness to pay for a customer of a particular brand.

Customer's willingness to pay will have a significant influence from Brand Equity, for foreign sounding brand names. Brand Equity is measured using 5 standard scales: Quality, Value, Image, Trustworthiness and Commitment.

[4] Say that all customers prefer higher to lower quality, but they may differ and make their own choice regarding willingness to pay for the preferred quality. Producers can manufacture any quality they like, despite the high quality products being much more costly to manufacture. This proves the following hypotheses:

H2: Quality has a significant positive effect on the customer's "willingness to pay" for foreign sounding brands.

[5] Says that emotional benefits such as Happiness, comfort and pleasure are enhanced, when customers of countries such as India, China and Brazil usually associate

with foreign brands having mnemonic meanings. It is said that a lot of customers purchase foreign brands to satisfy their emotional needs. The same brand is purchased again by the customer when he/she is provided with different options and he/she is satisfied and happy about the brand that he purchased. The customer's loyalty towards a particular brand increases when the value he/she derives from a particular brand will be related to favourable feelings he has towards that brand.

H3: Value has a significant positive effect on the customer's "willingness to pay" for foreign sounding brands.

[6] States that the image of the retail store will be positively linked to the brand name, when the strength of the brand name increases when the brand equity increases. This also shows that the (perceived) image of the retail shop is increased as the strength of the particular retail name is also increased. This makes a customer form a perception about the brand which has a significant effect with respect to its image. Hence the customer is willing to pay the particular price for the product.

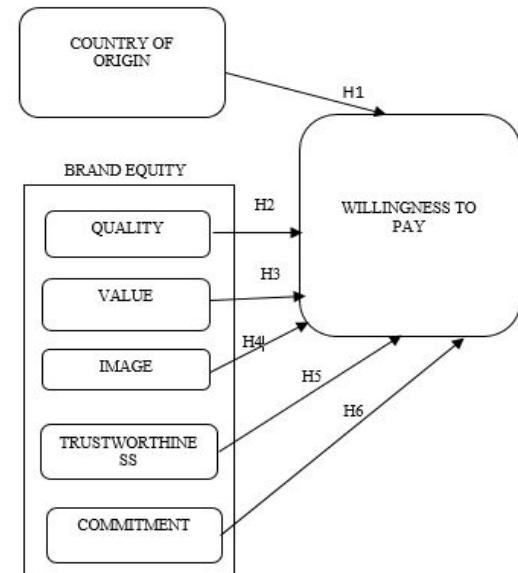
H4: Image has a significant positive effect on the customer's "willingness to pay" for foreign sounding brands.

[7] States that when an organization's action would be in the interest of the customer, then the credence that the customer places on an organization and its communicative message is defined as the Trustworthiness of a customer. A customer place a commercial value in the brand he/she trusts and in a similar way places a negative value in the brand he/she distrusts, then Trustworthiness is included as it negatively affect the willingness to pay for the customer.

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.

III. CONCEPTUAL MODEL



IV. RESEARCH METHODOLOGY

The data required for the study were primary in nature. The data have been collected from a total of 113 respondents.

Questionnaire Development

An online questionnaire was used for this study. Data regarding the age, gender and family income of the respondents were also gathered. Respondents chosen for the study were spread across the Tier I, Tier II and Tier III cities of India. Some of the Questions were asked on the level of importance a particular respondent give to each of the variables such as Quality, Value, Image, Trustworthiness, Commitment and Country of Origin while purchasing a foreign sounding brand. Each of the x variables are measured from 1 to 5 using the importance given by the respondents. If all the variables are satisfied according to their expectations, then the respondents give their willingness to pay for each foreign sounding branded apparel.

Data Description

A total of 113 respondents participated in the survey in which 72 were males and 41 were females. The respondents were of various age groups, gender and income levels and locations spread all over India.

TABLE I SAMPLE DESCRIPTION ACROSS AGE GROUP

AGE GROUP	TOTAL
>20	1
21-30	93
31-40	11
41-50	8
TOTAL	113

Ordered Logistic Regression was used to analyse the

model. Here the dependent variable or the y variable is willingness to pay which is a discrete measure. The price bands that are taken to measure the willingness to pay are of different price levels, hence ordered Logistic Regression is being used here.

Table II given below consists of results of the Ordered Logistic Regression.

TABLE II: RESULTS OF THE FACTORS INFLUENCING PURCHASE BEHAVIOUR OF CUSTOMERS PURCHASING FOREIGN SOUNDING BRAND NAME IN APPARELS.

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

Odds Ratio or OR Ratio (OR) represents the odds that an outcome will occur when a particular exposure happens and this is compared to the odds which happens in the absence of the exposure.

From Table II, we can see that Quality, Image and Country of Origin are the variables which are significant with P-value less than 0.05. Interpretation of Odds Ratio is such that, Quality has an Odds Ratio of 1.72979, which means when a customer is satisfied with quality of a foreign sounding branded apparel, he is 1.72979 times more likely to choose the next price level.

Taking image into consideration which has a p-value of 0.038. 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 a P-value of 0.000. It 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.

Other variables such as Value, Trustworthiness and Commitment have turned out to be insignificant as shown in Table II above.

V. 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.

The study shows that Quality, Image and Country of Origin has a significant influence for a customer while purchasing a foreign sounding brand name in apparel segment. Perceived Country of Origin has the highest influence for a customer while purchasing the foreign sounding branded apparels. Before purchasing, the Customer perceives the apparel to be of a particular country and this allows the customer to form an opinion of the brand and hence the purchase of the product. Perceived Country of Origin can be perceived by the customer 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.

Other factors such as Value, Trustworthiness and Commitment do have an insignificant p-value which shows that these factors don't influence the customer as the other 3 significant factors.

The study also gives us the reason for retailers choosing a foreign sounding brand name for their apparel. This study allowed us to find out the motivations of a customer while purchasing a foreign sounding branded apparel.

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

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