

CONSUMER ATTITUDE AND PURCHASE BEHAVIOR TOWARDS FOREIGN BRANDS

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ABSTRACT

This paper studies consumer attitude and purchasing behavior of different consumer regarding television, wrist watch, refrigerator, Car, washing machine. Data was collected on consumer preference, attitude and perception towards foreign and Indian brands and factors that they consider while purchasing. The study is exploratory in nature. To know consumer attitude, fifty five statements related to consumers attitude, perception, and expectations have been measured on five point likert scale.

Key words: Consumer Attitude, Buying Behavior

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INTRODUCTION

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 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 behavior 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.

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 behavior 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 behaviors 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 behavior, the effect of certain country image appeals on the purchase behavior and moderated by socio-economic and national cultural characteristics

DATA AND METHODOLOGY

Objectives

1. To measure consumers attitude towards foreign
2. To assess the consumers perception and preference towards foreign brand
3. To ascertain the criteria of product evaluation by consumers towards foreign brands

Hypothesis of the Study

H0= Their would be no significant effect of consumers attitude towards foreign brands

H1= Their would be significant effect of consumers attitude towards foreign brands

Methods of data collection

The present study is an exploratory in nature. A different method of data collection was applied to complete the survey work. 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 government offices 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. Only five products Television, Refrigerator, Wrist Watch, Washing Machine and Car have been selected. 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, fifty five statements related to consumers attitude, perception, and expectations have been measured on five point likert scale. The questionnaire was prepared in English as area of study was Delhi and Dehradun and field work was carried out in the month of September to December. Demographic information has been collected in the end of questionnaire. Efforts have been made to have proportionate representation of demographic profile of the respondents. 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 Delhi and Dehradun city. The sample size was of 500 respondents (250 from each city) identified on the basis of cluster sampling method and further their accessibility and convenience also taken into consideration.

Respondents Profile

Factors (Gender)	Number of Respondents	Percent
Male	300	60%
Female	200	40%
Factors (Age)	Number of Respondents	Percent
25-35	117	23.4%
36-45	235	47.0%
46-55	107	21.4%
56-65	41	8.2%
Factors (Occupation)	Number of Respondents	Percent
Businessman	65	13.0%
Government Employees	91	18.2%
Retired	21	4.2 %
Professional	246	49.2 %

Others	77	15.4%
Factors (Education)	Number of Respondents	Percent
Under Graduate	43	8.6%
Graduate	112	22.4 %
Post Graduate	345	69.0%
Factors (Income)	Number of Respondents	Percent
10,000- 20,000	127	25.4%
20,000-30,000	203	40.6%
30,000-40,000	75	15.0%
40,000 Above	95	19.0%

Source of Information

Buyer behavior is exposed to many external and internal stimuli in decision-making. It is very important to know the sources from where buyers come to know about the product. An individual's awareness about a particular brand has been evaluated through various sources, which persuade them in purchase decision. As seen in output, advertisements is the main source of information (73%) followed by newspaper(49%), relatives (31%), dealer and Shopkeeper(30%) respectively. Fair/exhibition and pamphlets were the least reliable source of information for respondents.

Table: 3.8 Source of Information

Factors	Responses(N)	Percent (%)
Relatives	153	31
Dealer/Shopkeepers	152	30
Newspaper	245	49
Advertisement	367	73

Fair/Exhibition	27	05
Internet	59	12
Pamphlets	27	05

Empirical Findings

The present study analyses the consumer attitude and their preference towards foreign brands.

The study focus on brand importance, reasons for using the particular brands and comparison of Indian products with foreign products.

Brand Importance

Brand plays an important role in consumers' decision making process and it is vital for the survival of any organization to have strong brand. It is noteworthy that a good majority (76%) of the people considers brand name while deciding about the product which confirms their reliance on branded product bears quality.

Table: 3.3 Brand Importances

Factors	Frequency (N)	Percent (%)
Most Important	107	21
Important	276	55
Uncertain	55	11
Not Important	62	13

Reasons for Using Foreign Brand

It was noticed that among the foreign brand users a good number of people (36%) use them because they had the view that foreign brands are superior in quality. About one fifth (19%) of the people think foreign brands give social recognition. Enhancements of personality (14%) reason was the least voted response for usage of foreign brands.

Table: 3.4 Reason for Using Foreign Brand

Factors	Frequency (N)	Percent (%)
Better after Sales Service	77	15
Superior in Quality	181	36
Enhancement of Personality	71	14
Social Recognition	95	19
Friends/Relative Influence	76	16

Brand Preference of Consumers

Regarding the brand preference of consumers for White goods it was observed that Samsung is the leading player followed by LG. Brands like Sony, Whirlpool, Electrolux, TCL, Philips, Onida, Videocon, Godrej, Kelvinator, Titan and BPL are also being used by consumers. Regarding four Wheeler, it was found that among the respondents less than one third (30%) of the respondents own it and Maruti is the leading brand followed by Santro and Indica,

Table: 3.5 Brand Preferenc

TV	N	Refrigerator	N	Wrist Watch	N	Washing Machine	N	Car	N
Samsung	129	L.G	149	Titan	225	L.G	178	Alto	57
L.G	107	Samsung	80	HMT	125	Samsung	125	Santro	35
Videocon	85	Whirlpool	75	Local	85	Onida	35	Indica	25
BPL	60	Videocon	75	Timex	65	Video-	67	Maruti	18

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Sony	43	Godrej	65			TCL	15	Wagan R	15
Onida	38	Electrolux	29						
Philps	23	Kelvinator	27						
TCL	15								
Total	500	Total	500	Total	500	Total	420	Total	150

Consumers' Attitude towards Indian Vs Foreign Brands

In a global market place, the competing position of firms is determined by many factors. One critical consideration that influences this position is the number of competing brands and their acceptance by customers. The developed nations constitute the biggest markets in the world, which annually import hundreds of billions of dollars worth of foreign products. In addition, there has been a proliferation of foreign brands that are manufactured or assembled and marketed in these nations by local and foreign based firms. Customers everywhere can choose from a set of brands that includes foreign manufactured or licensed products covering every conceivable product category from food, toys, and apparel to automobiles, computers, and industrial goods and many such brands have achieved enviable market positions. The marketing of such large number of foreign brands leads to the issue of whether customers are sensitive to and concerned about where products and brands are manufactured or originates.

To measure the attitude of consumers towards Indian vs. foreign brands in all fifty five attitudinal statements on the basis of country of origin, product performance, consumer ethnocentrism and considerations for foreign brands have been framed after their reliability test. Further mean score has been calculated of each statement and the following observations have been made

Consideration for Foreign Brands

It is observed that consumers hold positive opinion towards foreign made product. When they were asked about foreign brands ensuring guarantee, most of the respondent were agreed and also opined that foreign brands provide distinction and give value for money, but on the other hand they feel that foreign brands are overpriced. Consumers feel that owning foreign brands is no more remains status symbol and believe that foreign brand provide better after sales service, has more durability and incorporate latest technology.

S.N	STATEMENTS	SA	A	N	D	SD	Mean
1	Foreign brands are always over priced.	74	209	71	128	18	2.614
2	Foreign brands ensure guarantee.	62	226	63	131	18	3.366
3	Foreign brands provide distinction.	52	232	70	130	16	3.348
4	Foreign brands give value for money.	66	247	69	109	9	3.504
5	Owning a foreign brand is status symbol.	60	190	68	135	47	3.162
6	I can rely easily on foreign brands.	35	213	86	143	23	3.188
7	Foreign brands provide better after sales services.	59	193	91	144	13	3.282

8	I think foreign brands last long.	40	166	92	192	10	3.068
9	After sales services of foreign brands are satisfactory.	45	204	103	137	11	3.270
10	I would feel inferior if I don't have foreign brands.	59	130	70	162	79	3.144
11	Foreign brands incorporate latest technology.	116	272	35	69	8	3.383
12	Foreign brands provide prompt service.	43	200	90	160	7	3.224
13	Foreign brands always ensure quality.	64	200	77	144	15	3.308
14	I prefer to get relevant information about the product before buying.	184	261	15	39	1	4.176
15	I first look at Manufacture. name before buying	96	257	42	82	23	3.642
16	I would like to buy product which consume less electricity.	205	219	35	37	4	4.168

Finding & CONCLUSION

With the increasing globalization of world markets, giant multinational companies have begun competing with each others, rather than their domestic rivals, to enlarge their market. Today consumers are exposed to a big variety of products and services, both domestic and foreign. This race is seen everywhere, from automobiles we drive to the variety of products and to the services available to our homes. Consumers inevitably started using world brands such as Ford, Sony, MacDonald's, Nike and many others. The introduction of such goods and services raised the concept of "country of origin" which might affect consumer purchase decisions. While some consumers happily buy these product and services, some buy hesitantly. **Shimp and Sharma (1987)** defined beliefs about the appropriateness and morality of purchasing foreign made goods and services as "consumer ethnocentrism". More ethnocentric consumer tends to prefer home made products, based on morality they attach to the purchase of foreign made ones.

Consumers' opinions towards a specific country are shaped by level of that country's economic development, their education level, work culture and cultural similarities etc. Consumers may prefer foreign brands because of association of higher prestige. In general foreign brands have high prestige because of their relative scarcity and higher price compared to local brands. In this study consumers have shown positive opinion towards foreign made product. These finding are consistent with prior researches (for instances **Kapferer, 1997; Batra, 2000; Bearden and Etzel, 1982**). When consumers were asked about foreign brands ensuring guarantee, most of the respondent were agreed with that statements but they feel foreign brands are overpriced. They accept that foreign brands provide distinction and give them value for money. Customers' satisfaction and value delivery is the main aim of any business. If they match the expectations of consumers, it can be an advantage for the firms and it helps firms to develop strong brand loyalty and high customers' retention.

Country of origin is an important factor that affects consumer opinion towards product quality. People often in absence of information about product associate product quality by that country image. But according to the present study, consumers do not associate product quality with country image. It may be due to the fact that after globalization, Indian companies have raised their product quality and India is playing an important role in global arena. Indian products are gaining acceptance worldwide so there is a change in consumers' attitude towards Indian product

as well. After globalization gap between foreign and Indian product are narrowing down. People now are getting complete information about products so they like to go by product quality rather than country image. Product quality is the only consideration for consumers and in recent year due to globalization the Indian market is flooded by foreign companies and consumers is now exposed to variety of product. The product quality has improved due to cut throat competition between firms and people are now getting multiple choices.

Foreign brands have always been synonymous to status symbol in India. Foreign brands have been positioned in consumers mind in such a way that possession of it is related to prestige of a man. These brands due to their expensiveness and rare scarcity are not in the reach of a common man and that is what makes them consumers feel so. It is surprising to see in the present study also that consumers still feel owning these brands are status symbol. Consumer believe that foreign brand provide better after sales service and has long life as compare to ordinary products. Consumer seems to be agreeing with that foreign brands incorporate latest technology and provide quality products. They found foreign brand after sales service satisfactory.

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