

# Thai designer clothing brands in comparison marketing essay



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International brands – international and luxurious events such as grand openings and fashion shows.... using celebrities to promote their products and brands such David Beckham and H&M, Topshop with Kate Moss and collaboration such as H&M and Marni, Versace and Adidas and Stella McCarthy.

Local companies are aware of the globalism affecting purchase decision of consumers and therefore often give their local produced goods a foreign name to make them appear like global products (Ying, 2002)

## **Abstract**

Key words: Consumer Buying Behaviour, Consumer perception, Consumer preference, Local brands, International brands, Country of origin, Country of manufacture, Brand image.

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The purposes of this study are to explore and understand factors affecting customer buying behaviour, decision making process and consumer perceptions towards local and international apparel brands among Thai female consumers. Furthermore, the findings can act as essential information for brands and marketers whom can apply into their further marketing strategies. Prior to understanding the subjects of the study, accomplishments of secondary objectives were vital. The secondary objectives were to identify the factors which associates with global brands among Thai consumers; to highlight the factors which associates with Thai brands among Thai consumers; to determine the factors affecting the brand

image of Thai brands; to determine the process and factors affecting the buying behaviour and decision making of Thai consumers and to identify ways in which to solve issues that is affecting Brand image of Thai brands.

Furthermore, the information gathered for objectives of the study act to determine the two hypotheses: H1: Country of Origin and Made in plays a vital role in consumer's perceptions of brands and their buying behaviour and H2: Thai consumers are increasingly buying more Thai brands than International brands.

The study undertook a qualitative research by using the form of focus group to obtain relevant information and further understand decision making process and consumer perceptions when evaluating and making purchases. The study also offers limitations of the study and recommendations for future research.

## **Introduction**

With the recent globalization, it has contributed to the shrinking of global marketplace and therefore, an increased in global market competition with both international and local brands competing in the same marketplace (Roy and Chau, 2011), although, within the same product category, consumers will perceive international and local brands differently (Herche, 1992).

Therefore, it is crucial for brands to build and create positive perceptions within the mind of the consumers. Hence, consumers use brands as cues to make decisions to purchase or try products and to determine the performances and quality of products instead of researching for information (Ger et al., 1993). As many studies conducted in developing countries, they

have all concluded that some consumers prefer international brands due to symbolic meanings, status enhancing tools and provide the sense of being a part of the global consumer community (Kottak, 1990; Agbonifoh and Elimimian, 1999; Batra et al., 2000). This is especially in the case of apparel when it is related to conspicuous consumption and status revealing perception (Piron, 2000).

According to Yip (1995), increasing number of brands is adopting the global strategy in branding and the strategy is appealing to a growing segment of consumers worldwide with similar taste and preferences (Hassan and Katsanis, 1994) and therefore, there has been a shift from local brands to international brands in the recent years. This is echoed by Dogerlioglu-Demir and Tansuhaj (2011), due to the fact that integrated media, global images are in daily lives of consumers and brands are promoted globally, consumers are increasingly similar tastes in clothing, music, food and lifestyles.

Therefore, it is significant for brands and marketers to gain a depth understanding of consumer's perceptions and buying behaviour and why consumers especially in the developing countries do prefer international brands to local brands, in order for local brands to implement strategies and have a better opportunity in competing with international brands that are considered to have higher economic power.

This study is aim to understand consumer buying behavior and consumer perceptions towards international and local brands in apparel sector in Thailand. This sector of the market has been chosen due to the fact that there are increase numbers of Thai brands entering the local markets and

only a few have managed to go abroad. Furthermore, in the last decade International brands are also entering Thai market more than ever due to the growing demand which increases more competitions for local brands. This has provided the purpose of the study of Thai apparel industry.

## **Summary of Chapters**

### Chapter 1: Introduction

This chapter will introduce the dissertation and relevant subjects.

### Chapter 2: Literature Review

This chapter is the examination of existing studies and researches which has been conducted on the subjects that are significant to this study. The reviews of the literature are theories and concepts which discusses in this paper, literature are taken form journals, books and reports. It begins with an overview of a consumer buying behaviour and the process in which consumers make their decisions and factors influencing those decisions when purchasing Thereafter, there will be a review of literature regarding brand name, brand image, brand equity, local brands versus international brands, consumers perception and preference, Country of Origin and Country of Manufacture.

### Chapter 3: Overview of the Industry

The chapter is to provide the overview of current situation and history of apparel market in Thailand. Moreover, it will provide readers with general information of local and international brands which are currently operating in

the Thai market. Local brands will include both brands which are operating internationally and nationally.

#### Chapter 4: Research Methodology

This chapter will provide the readers with research methods which the researcher used to gather data required for the study. Primary data was collected through the use of qualitative research method of focus group discussion and secondary data through journals, reports and books.

#### Chapter 5: Analysis and Findings

This chapter used the data collected from the focus group discussion and in conjunction with secondary data and the researcher's own point of views. In additions, quotes from participants in the focus group are used to form a thorough analysis of the findings.

#### Chapter 6: Conclusions

This chapter will concluded the findings of the entire study, along with providing limitations of the study and recommendations for further research to be conducted.

### **Main Hypothesis/Research Questions**

Main hypotheses:

H1: Country of Origin and Made in label plays a vital role in consumer's perceptions of a brands and their buying behaviour

H2: Thai consumers are increasing buying more Thai brands

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## Topics and Questions:

There are increasing in number of local brands going international: Has the perception of local brands changed? What has changed?

However there are many of Local brands that have not gone international, what are your perceptions towards those brands?

1. 1. 1 And what do think are the reasons behind this, in comparison to brands that have managed to go abroad?

2. Does Country of Origin affect your buying behaviour and evaluating your purchases? For example, does the label ' Made in Thailand' make you perceive the product to be inferior in quality?

2. 1 For instance, international brands that have the label Made in Thailand, China or Vietnam influences your buying behaviour/ brand image or how you perceive the brand?

3. If a local brands have a similar strategy as Superdry, i. e. American brand with Japanese design and image: Would this work with Thai consumers and changes their buying behaviour and how they perceive Thai brands?

3. 1 Does widely available replicate clothing product in Thailand effect your decision in buying Local brands?

4. When you are going shopping would you say you are going to International brand rather than Local brand? Why?

5. If a product of a Local brand and International brand has a same or similar pricing, which brand would you choose? Why?
6. In your opinion, what are the positives and negatives factors of Thai brands affecting their brand image?
7. Do you agree that Buying behaviour of Thai consumers heavily affected by brand status and positive image of global brand names rather than actual quality of the products. Discuss
8. What information do you process when you decide to go shopping for new apparel/what questions and factors you think about prior to shopping?

## **. Aims & objectives**

Aims:

To underline and identify the reasons and the preferences of Thai consumers between local and global brands

To identify the factors playing key roles in determine the buying behaviour of local consumers towards local and global brands

Objectives

To identify the factors which associates with global brands among Thai consumers

To identify the factors which associates with Thai brands among Thai consumers



To determine the process and factors affecting the buying behaviour and decision making of Thai consumers

To identify ways in which to solve issues that is affecting Brand image of Thai brand

## **Literature Review**

In this chapter, the relevant theories, journals and reports who have tried to understand the key factors influencing consumer buying behaviour, consumer perceptions, brand image and country of origin effect will be reviewed and examine to provide a general background to current knowledge of key academic topics from key texts.

### **5. 1 Consumer Buying Behaviour**

Everyone is considered to be a consumer, we all required to consume and purchase products and services for our daily use according to our needs, preferences and economic power. Consumer behaviour is defined by Solomon and Rabolt, (2004), using one word; “ consumption” which occurs when individuals select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires. As definition suggests, the process starts well ahead of consumers set foot in the store. Consumers will go through phases of decision making process before making the final decision to purchase a product or a service. Therefore, it is vital for organisations to understand their customer’s thinking process and preferences, in order to satisfy the customers and maximise sales and profits. In order to understand the consumer behaviour, there are 5 key

questions which needed to be answer (see Fig. 1. 1), which can be done through consumer research.

### **Figure 1. 1: Key questions to understanding customers (Jobber, D., and Fahy, J., 2003)**

All the above of questions of who, how, what, where and when which influence consumers' purchases are all depending on internal factors such as attitudes, personality, perceptions, self-concepts and emotions; and external factors such as social class, cultural beliefs and group association (see Fig 1. 4).

Initiator: the person who begins the process of considering a purchase.

Information may be gathered by this person to help decision making

Influencer:

Decider:

Buyer:

User:

**Blackwell, R. D., Miniard, P. W. and Engel, J. F. (2000), Consumer Behaviour, Orlando, FL: Dryden, page 174.**

### **5. 1. 2 Fashion Consumer Decision Making Process**

There are 5 stages in the consumer decision making process model which consist of need recognition/problem awareness, information research, and evaluation of alternatives, purchase and post-purchase evaluation (Blackwell et al., 2000). However, Yurchisin and Johnson (2010) have included 2

additional stages into the process: use, care, storage and disposal in order to express the consumption process in apparel products (see Fig 1. 2).

However, this section will concentrate on the business model .....of decision making process

## **Problem recognition/Problem awareness**

This is the first stage in the consumer decision making process model.

According to Dunne and Lusch (2005) the problem recognition occurs when the consumer's desired state of affairs departs sufficiently from the actual state of affairs to place the consumer in the state of unrest so that he or she begins thinking of ways to resolve the difference or in another words, consumers enters the decision making process when they feel there is a need to enhance their lives in a certain way.

All consumers will come to a point where they feel there is a need to fulfil their needs or solve their problem. The most fundamental needs are physiological needs and our very survival depends on satisfying these needs (Blackwell et al., 2001) For example, if a consumer who is going on a skiing holiday, there will be a need to buy warm clothing to keep warm and provide protection against the cold weather, therefore, he or she does not get ill.

However, it does not mean that where there is a need or a problem, this will automatically trigger the consumers into advancing to the next stage in the decision making process, i. e. information search. This is due to the fact that current need or problem does not out weight the problem solving alternatives. For instance, a consumer may feel he or she needed a new shirt but the alternatives might provide a small difference in satisfaction,

therefore, no information search or purchase will take place and the decision making process stopped.

In addition, this stage can provide opportunities for the marketers to identify insights into consumers and implement marketing strategies. First, by identifying customer problems and act on the information such as easy iron shirts for busy businessmen or consumers who dislike ironing or hectic lifestyle. Moreover, fashion industry is a fast changing industry, therefore, this will act as a stimulus and lead to form a need for consumers to buy something newer, better and sooner than might otherwise have been necessary (Wolff, 2007). The use of media, for instances, fashion show, magazine and using celebrities to wear apparel from certain brands can also act as a power marketing tools as retailer and designers will want consumers to purchase new apparel by making consumers believing that apparel worn last year are no longer adequate.

## **Information Search**

As the problem or need have been identified and it is sufficiently strong, consumers will enter the second stage and searching for information available on the product or the service. There are two searches when seeking for information; internal and external search. Internal search consists of an attempt to scan information stored in memory to recall past experiences and/or knowledge regarding various purchase alternatives (Belch and Belch, 2004). For instance, when purchasing a new shirt, consumers may recall from the previous shirt purchases (e. g., Pink), where they were purchased (e. g., a department store, a website), how they performed (e. g. quality), and how they made you feel (e. g., attractive, <https://assignbuster.com/thai-designer-clothing-brands-in-comparison-marketing-essay/>

unhappy) (Yurchisin and Johnson 2010). In contrast, some consumers may have their usual or favourite brands or stores where they regularly return to.

If no solution is found from internal search then the engaging in external search will begin. External search would include sources such as friends, family, work colleagues or the marketplace.

This stage of the model has been enhanced by the advanced technology of internet, where they are easy access and wide range of websites providing reviews and information from experts and other consumers. At the end of this stage, consumers will have narrowed down their choices and build up an awareness set.

## **Evaluation of Alternatives**

At this stage, consumers have processed all information they have gathered and left small group of choices. Now, they will be in the stage where they use what it is known as 'choice criteria' to determine their final decision before making the purchase (Lake, 2009). There are 4 types of criteria which include technical, economic, social and personal aspects (see Fig 1. 3)

Choice criteria can be described as attributes and benefits a customer uses when evaluating products or services (Jobber and Fahy, 2003).

The purchasing process is depending on the degree of importance the product or a service is considered to be to the consumers, this can be classified as either a high involvement purchases where an extensive evaluation will be carried out or a low involvement purchases where there is likely to be less evaluation involved. The level of involvement is considered to be a core element in how consumers evaluate a brand.

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Laurent and Kapferer have proposed that there are four factors determining the involvement, as follows:.....

## **Purchase Decision**

This is the stage when the customers will have to make the decision to purchase products or services after evaluating all alternatives and comes to a conclusion. Belch and Belch (2004) stated that there

## **Post-Purchase Evaluation of Decision**

Customers will frequently experience in post-purchase concerns. All purchases will create doubts and questions for customers whether they have made the right decision in purchasing a particular products or services; this is commonly known as 'cognitive dissonance.' Hint, a purchase of the chosen product will means the refusal of a feature of the alternatives which the consumers may also have a preference for. The level of concern is usually occurring when there is a high involvement when evaluating the purchases. There are four mostly causes of cognitive dissonance such as the price of the purchase, a difficult decision where there are wide range of alternatives with similar features, when the decision is unchangeable and when the consumer is tend to have a high level of experience anxiety (Hawkins et al., 1989). Post purchase experience will likely play a key role in the consumers' future purchase of that particular products or services, therefore it is vital for the consumers to be satisfied from the purchase and for marketers to understand the concerns so they can solve and improve their products and services from any dissatisfaction arises.

## **Figure 1. 2 Decision making model**

### **5. 1. 3 Factors Influencing Decision Making Among Apparel Consumers**

During the consumer decision making process, there are other factors which will determine and affect their decision makings and behaviours apart from factors featured in their lives. There are two main factors which strongly influences their decisions (see fig 1. 4). Firstly, internal factors such as motivations, beliefs and attitudes, gender and personality, for example, a female customer purchased an expensive designer dress and showed to her outside of work place friends, in whom they can validate with the dress as they have the same personalities, beliefs. However, her colleagues at work have thought different due to their differences in personalities; beliefs or motives in making purchase decision or male colleagues will have a different view to the dress as they are different in gender. Secondly, external factors such as social class and culture. Culture – can be defined as “ the collective programming of the mind that distinguishes the members of one group or category of people from another (Hofstede, 2001). For instance, people from Western cultures (European countries) thrive on individualism where consumers are more likely to be satisfied with purchasing apparel which expresses their individuality or no one else has it. In contrast, people from Eastern cultures (China and Japan) thrive on collectivism where they stress on interdependence and therefore are most likely to be satisfied to purchase items which others wear. (Hofstede, 2001).

## **Figure 1. 4: Factors influence consumer buying behaviour**

### **5. 3 Local Brands versus International brands**

In many developing countries such as Thailand, local and international values cross paths in majority of consumers' daily lives. Therefore, it not unusual for the consumers to make a comparison and search for differences in features and benefits between local and international brands (Knight, 1999), moreover, the evaluations for local and international brands will be different by the consumers when making a comparison (Herche, 1992), for instance, quality and status.

Local brands are defined as ' brands that exist in one country or in a limited geographical area (Wolfe, 1991) while global or international brands are defined by Johansson and Ronkainen (2004) as ' a brand that is marketed under the same name in multiple countries with similar and centrally coordinated marketing strategies.'

Many literatures affirms that international brands are perceived as status-enhancers (Batra et al., 2000), provide superior in term of quality, more prestigious (Steenkamp et al., 2000), global myth and social responsibility (Herring, 2004), in comparison to local brands. However, an exploratory research Schuiling et al (2004)conducted in European countries, stressed that there are positive factors in the local brands where they benefits from brand equality and high brand awareness. Conversely, with the new advanced technology and communications in the modern world, information is now widely and easier become accessible to consumers worldwide which act can act as a marketing tool for local brands to gain market shares within



the sector. Furthermore, the understanding, connectivity, direct identification with consumers' own local traditions, customs and culture can act as advantages for local brands (Cayla and Eckhardt, 2007, Ger, 1999). The benefits of local brands are also echoed in the research by Holt et al (2003) who emphasizes on the fact that local brands are perceived to have a better value as international brands will have a much higher pricing strategies. This situation may be due the role in which consumer ethnocentrism plays in the mind of consumers. Consumer ethnocentrism is defined by Kinra (2006) as ' a psychological construct representing how consumers view products made in their own country markets as objects of pride and identity versus those from other country markets,' therefore, local brands are preferred by the consumers.

It was argued by Schuilling (2004) through the findings of his research which illustrates that local brands are perceived as ' down to earth' where they do not provide the sense of excitements, instead only fulfilling the basic needs and sense of tradition that associate with local cultures. This is very different in the developing countries and emerging markets where consumers are considered to be materialism (Dogerlioglu-Demir and Tansuhaj, 2011) and consequently, associates international brands with high social status and prestige (Li and Gallup, 1995) especially with the wealthy and young consumers because they like the ' international flair' within the international brands (Kapferer, 2002).

It is also an obstacle for local brands to compete with international brands due to the fact that local brands are largely produced and promoted locally with limited distribution, investment, and are generally available within the <https://assignbuster.com/thai-designer-clothing-brands-in-comparison-marketing-essay/>

country (Van Gelder, 2003), even with the e-commerce and modern technology.

## **5. 4 Consumer Perception and Preference for International Brands**

It has been demonstrated in 5. 3 the fact that international brands possesses the sense of high status, superior quality and high status (Batra et al., 2000), however, all these prestige are not considered to be the most critical factor in driving preference for international brands (Steenkamp et al., 2003), instead, brand globalness which are perceived by consumers have the capability to create consumer perceptions of brand superiority (Shocker et al., 1994). Many studies conducted have all come to similar outcomes where Country of Origin of international brands was an important aspect on affecting the consumer's preferences towards local and international brands (Verlegh and Steenkamp, 1999; Wang et al., 2004; Kinra 2006). Country of Origin will be discussed in more depth in the next part.

A study conducted by Steenkamp (2003) in South Korea and the United States was to obtain a further understanding into the consumer preference for local and international brands. The research implemented the three pathways which included: higher perceived quality, higher prestige and the psychological benefits, in order to understand the perceived brand globalness (PBG) and how this have effects on consumers' purchase likelihood (see fig 1. 5). The researcher came to the conclusion that the most intensify factor of PBG's effectiveness on purchase likelihood was through perceptions of superior quality and less relied on higher prestige and status. Han (1990) also added that the three pathways set by Steenkamp

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(2003), can directly affect the purchase likelihood and indirectly affect through brand quality and brand prestige.

## **Figure 1. 5 Conceptual model of Perceived Brand Globalness (Steenkamp et al., 2003)**

### **Country of origin**

There are other concepts which are playing a vital part in buying behaviours and attitudes towards both local and global brands worldwide, for instance, “Country of Origin and Made in label” (Koubaa, 2008).

Majority of the global brands has been well recognised and long-established identities where products are perceived to be high in status and quality.

BRAND IMAGE.? Therefore, this has further illustrates the obstacles which local brands faces to climb up the brand status and establishing themselves within the market. As Keller 1993 suggested that by conducting a research on brand image and its effect on buying behaviour will provide a core element in order for brands to prepare marketing mix issues and also act as crucial role in building long term brand equity. UNCLEAR

Further studies have also stressed that buying behaviour of consumers purchasing fashion products are heavily reflects of impulse buying. Fashion-oriented clothing impulse buying has been defined by Park (2006) as “person’s awareness and perception of fashion ability attributed to an innovative design or style or another words “ fashion-oriented impulse buying occurs when consumers see a new fashion product and but it because they are motivated by the suggestions to buy new products (Han et al., 1991) and brand image play a key role in determine that decision. HOW

DOES IMPULSE BUYING LINK TO BRAND IMAGE, OR IS IT A FACTOR IN ITS OWN RIGHT? TRY AND BE MORE PRECISE AND CAREFUL IN WHAT YOU SAY.

## **Brand name**

Brand names or trademarks can be used to determine the quality of the product and along with increasing competition in the market, this forces organisations to create and develop a brand name which is well known in order to provide a competitive advantage for the organisation. Furthermore, brand name can act as a powerful means of differentiation (Pappu et al., 1995) and differentiation is an essential competitive positioning strategy (Porter, 1990). Building a brand name will require a large investment from the beginning; therefore, organisations with large capital to invest in developing a brand will have an advantage as successful brand name can lead to many benefits if it is successful. However, it is time consuming and the process can require a number of years. In contrast, smaller organisations with small or minimal start-up capital may use to struggle when competing with competitors with larger capital but can now become successful in developing a well-known brand name due to the modern HERE BRAND NAME MOVES INTO A DISCUSSION ABOUT PROMOTION AND ADVERTISING. IS THAT THE ONLY ASPECT OF HOW YOU BUILD A BRAND NAME.? technology. A good example would be the use of social networks such as Facebook and Instagram with no operating costs in which can increase interest in the brand and this can now reach wider and larger market. Furthermore the followers from these social network sites can be seen as potential customers and will provide word of mouth and therefore free public relation within itself. In addition, previous researches has shown that even if the organisation spent

vast sums on advertising, this does not always justified or guaranteed by short term sales and the return in the investment can be translated into factors such as brand awareness, image and loyalty (Motameni and Shahrokhi, 1998).

## **Brand Image**

Brand image is defined by Keller (1993, p. 3) as “ the perceptions about a brand as reflected by the brand associations held in consumer memory.” To put it more simply, brand image is what comes to mind of the consumer when a brand name is mentioned. The importance of branding has been further stated by Keller (2008), “ The brand is one of the most important assets an organisation owns. Organisation with high brand equity achieves high perceptions of the brand by the customers, great loyalty by customers, less vulnerability to competitors’ marketing actions, high profit margins, less negative reaction by customers to price increases, higher support of middlemen, higher marketing promotion effectiveness, increasing licensing and brand extension opportunities.”

## **Brand Equity**

Keller (1998) believed that for any organisation to build a brand, building brand equity should be considered as a core element and this will provided advantages to the organisation. For instance, higher consumer preferences and purchase intentions will be as a result from high brand equity levels (Cobb-Walgreen et al., 1995), high stock returns (Aaker and Jacobson, 1994) and lower advertising to sales ratios (Sriram et al., 2007). Furthermore, brand equity can be developed from the confidence that consumers place in one brand over another (Kamakura and Russell, 1991). Many researchers  
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asserted that elements such as brand loyalty, brand awareness, perceived quality, brand association makes up the dimensions of brand equity (Shocker and Weitz, 1998; Aaker, 1991 and Yoo et al., 2000).

There are numerous of definitions of brand equity but it can be broadly classified into two categories; based on financial-perspective and emphasis the value of a brand to the organisation (e. g. Mahajan et al., 1990 and Simon and Sullivan, 1993). The second category is based on the consumer-perspective and explained as the value of a brand to the consumer (e. g. Aaker 1991 and Rangaswamy et al., 1993) (Pappu et al., 2005). Although, the most two recognised definitions of brand equity by Aaker (1991) and Keller (1993) have a different take, in term of its concept but both defined from a consumer perspective based on consumer's memory-based brand association.

Brand equity was defined by Aaker (1991, p 15) as:

“ A set of brand assets and liabilities linked to a brand, its name and symbol, that adds to or detracts from the value provided by a product or service to a firm and/or to firm's customers.”

Definition by Keller (1993):

“ the differential effect of brand knowledge on consumer response to the marketing of a brand.”

Moreover, Aaker's concept of brand equity sees it as a set of assets (or liabilities) with brand awareness, brand associations, perceived quality