

Competition between local and foreign products

Business



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One of the fastest-growing countries in the East. This results from unavoidable phenomena of globalization that bring together global companies becoming one market including in Malaysia. Consumers are presented with a variety of international brands such as Apple, Mercedes-Benz, and Role watches. Therefore, it increases the degree competition between domestic and foreign product. Generally, the competition Involves three distinct aspects such as the taste and preference, quality and price range. Foreign and local brands are occupying the local market competitively.

Customers' references for both brands differ in some ways and one of it is the brand personality. Asker, 1996 mentions that customers' preferences are subject to the emphasis of brand personality. For example, consumers are much more exposed to international brands as these products are Intensely advertised globally to make them more recognizable worldwide (Hassle, 2004). As compared to local labels; which only limited in stores, foreign labels are way desirable. Other than that, customers' preferences are subject to the location and environment where the products are available.

Both local and foreign merchandises have specific places as where to get heir products. For example, there are plenty of street stalls offering local foods meanwhile people will have to go to decent places for non-local ones. Customers who prefer more choices will most likely buy local ones. On the other hand, for those who are willing to spend a bit go for non-local ones because of the ambiance plus It Is more hygienic compared to street foods. Accessibility in which customers can reach those products also plays an important role in assisting consumers' decision.

There is easier access to get local brands compared to foreign brands. For example, customers can just go to their nearby small groceries shops to buy local products. Foreign products such as pasta or seasonal fruits Like apples are only available In supermarkets or hypermarkets. Practically, both products have their own uniqueness and strategies to meet customers' wants and preferences. Furthermore, quality Is also one of the aspects in the competitive markets between local products and foreign products.

Persona and Mediumistic have been competitors in term of safety and structure of the vehicle in an automotive industry for years. 'Ixia' were developed in Malaysia automotive manufacturer in the name of Persona 's company, while 'Mirage' developed In Japan automotive manufacturer named Mediumistic Motor company. Both cars share some similarity In terms of safety 's quality. It has 5 doors hatchback, point settable, antiknock system with electronic break-force distribution, brake assist, and SOFIA system.

Besides that, the differences of safety features for Ixia are dual airbags, solar and security window film and the key with integrated remote control. For Mirage, it has 7 airbags which include front and side bags for driver and passenger seats, side curtain bags over front and rear window and knee airbag for driver, usual suite of electronic safety system that consists of stability motorcar is rarely different. In this modern era, the facilities of the motorcar are getting more compact and it is fully equipped with modern design and technologies devices.

The inner design of Mirage is far more behind than Ixia in the new market arena. For instance, Ixia has touch screen DVD player with Bluetooth and Navigation system, the tissue component behind the front passenger seats as in its interior while the turning signal is located on the retractable mirror as its exterior compare to Mirage which only side mirror deflector, push start button and also smart key as its special features. Similarly, both cars have leather seat and leather-wrapped steering wheel.

Therefore, Persona Ixia has reached the value of quality where the price met the expectation of a product. The most noteworthy difference is the price between the local product and foreign product in Malaysia. Commonly, the price of foreign product is more expensive than the local product because it is imported from other places which involving shipping fee, money exchange and taxes for importing goods. For example, when we exchange Ringing to foreign money such as Singapore dollar, the Ringing value becomes lesser and causing the item has higher price in Malaysia.

According to Nikkei Official website 2014, there is an \$8 shipping fee will be charge per shoes. Other than that, Malaysia also charges higher tax on foreign product than local products. A motor vehicle is one of the examples that we can speak about. Lee (2013) mention that due to the reason on combination of high duties and tax cars plus decreasing loss from outflow of ringing to foreign country, Malaysia is one of the countries that has some of the highest car prices in the world. ENG (2013) said that there is a 65% to 105% excise tax, plus 10% sales tax was charged on motor vehicle in Malaysia.

It is obviously can be seen that the price plays major role in the competition between local products and foreign products in Malaysia. It is unquestionable, there is a strong competition between local and imported product that offered in our country. Therefore, Malaysian citizen should support the Government initiative through the 'Buy Malaysia Product Campaign'. The implementation of this campaign is to promote interest among the Malaysian consumer to purchase more local brands. In conjunction with that, it helps the local entrepreneurs to grow and compete in producing more quality and standardized product.

As a result, it boosts the domestic economy as we can export Malaysian product to another country, at the same time to promote our local products in the global market. One of the examples of successful Malaysian product is KIND, which invented greatest electrical home appliances and making millions of sales from exporting to over 50 countries (KIND, 2010). Hence, consumers should not underestimate our local products but build a positive perception and buy Malaysia made products.