

A Comparison of Effect Between Domestic versus Foreign Brands on Consumer Purchasing Decision in Ghana

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Abstract: To customers, brand means familiarity and credibility as they get to experience some contacts in their everyday life; therefore, they use the brands as an indicator to try or make a decision to buy new products. Moreover, brands are regarded as causal signs of determinants of product quality depends on if the intrinsic attributes and processes that truly determine quality. The study is to ascertain the reason why foreign brands of clothing are now being purchased more as compared to the domestic brands and the consumer perception about both types of brands. 130 questionnaires were designed and distributed to collect information from the respondents. The result indicated that, 58% of the respondents had a monthly income of \$100. Moreover, 6% of the respondents preferred local made cloth while 22% preferred both local and foreign brands and 46% preferred foreign brands. On the issue of affordability, it was realized that 49% said that the foreign branded cloths were expensive, 26% said that they were very expensive, 22% moderate and only 2% said that it was cheap. It was noted that 40% said that they strongly agree, 33% agreed, with only 2% disagreeing to the fact that foreign branded cloths are more durable than the locally branded clothing.

Keywords: Brands, Domestic, Foreign and Affordability

1 Introduction

The increase trend of globalization and advance technology in communication and transportation enable the consumers to access and be exposed to a great variety of products and services from other countries. Previous studies found that consumers often evaluate the products of foreign origin differently than they do to domestic products. To be specific, consumers in developed countries have a general preference for domestic made products over foreign products while consumers in developing countries are more likely to prefer foreign products than domestic ones ^[1] as they believed foreign products were more superior than domestic products in quality and using foreign products will impress others as they were associated with high fashion or high social status. Ghana is one of developing countries in Africa where a large number of products from various countries imported every year. Import value reaching 5.666 billion f.o.b. US dollars in 2006.

According to Ukpebor and Ipogah, a powerful brand will enhance a customer's attitude strength of the product association of a brand ^[2]. As claimed by Vranesevic and Stancec (, the importance of the brand can be seen primarily in its impact on consumers' choice and their loyalty through identifying and differentiating quality and origin, as well as creating additional values ^[3]. One of the innovation strategies is the powerful brand can capture customers' interest. Consumers especially in developing countries have certain expectation from the brands and tend to rely on brand as an indicator to purchase by default ^[4]. The clothing industry is one of the markets that consumers are facing various choices of foreign products and these products are seen to be popular for apparel consumers.

2 Literature Review

2.1 Brand

Brand is the name associated with one of more items in the product line that is used to identify the source of characters of the items ^[5]. Brand name has become an ordinary feature for every product available on the market nowadays. The specialty of each brand is its different value in the mind of the potential buyers. A strong brand image and reputation enhances differentiation and has a positive influence on buying ^[6]. Marketers see the significance of powerful brands and this is shown in all effort to build up a strong brand. Such familiarity and credibility in the mind of consumers, which creates value to the firm, can be enforced by the use of brand equity: brand awareness, brand loyalty, brand associations and perceived quality. Some of the foreign apparel brands may include Burberry, Monte Blanc, Armani, D & G, ECKO, etc. Some of the local brands in Ghana include Step-up, YMKT, local adinkra cloth, agbaga, kente, etc

2.2 Consumer behavior

Consumer behavior is the study of consumers as they exchange something of value for a product or service that satisfies their needs. The study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. Therefore, consumer behavior consists of not only buying but also thoughts and feelings people experience and the actions they perform, it involves environment influences such as comments taken from other customers, advertising, product appearances and packages and physical actions of the consumers.

2.3 Consumer decision making

The consumer decision making process consists of mainly five steps according to most researchers within the field. The steps included in the model are; need or problem recognition, information search, evaluation of alternatives, purchase and the post-purchase process. Consumer can skip the evaluation of alternatives when considering low involvement products.

According to Hawkins et al. there are more aspects than only decision making processes that affect consumer behavior which are external and internal influences [7]. External influences are social class and reference groups while internal factors are motivation, exposure, attention, perception and attitude.

3 Methodology

Local Ghanaian customers of three shopping malls in Ghana where both local and foreign apparel were being sold were randomly selected and asked to fill the questionnaire about their perception, preference and factors that stimulate their buying behavior when comparing local products to foreign products in the apparel industry in Ghana. The questionnaire was designed to collect information from the respondents. A Linkert scale was applied to ask respondents about their opinions and attitudes and to ask them to choose a position on a five-point scale between strongly agree and strongly disagree. Out of 130 questionnaires distributed, a total of 99 usable questionnaires were returned, giving a response rate of 76%. They were then subjected to reliability test to certify their credibility after which they were analyzed using Microsoft excel advanced analysis tools.

4 Results and Discussion

4.1 Affordability and preference

Out of the 99 responses received, nobody was strongly affiliated to the local brand, 6% preferred local made cloth, 22% preferred both local and foreign brands, 46% preferred foreign brands and 25% strongly preferred foreign branded cloths. The situation can also be explained due to the fact that the majority of the active cloth buyers were the youth and they are of the ages of 16 years to 30 years as well as some working class who are also between 30 years to 40. These people are exposed to foreign trends of clothing due to the numerous advertisements on the internet, tv, etc. these group also become self-conscious and have develop their own preferences and needs.

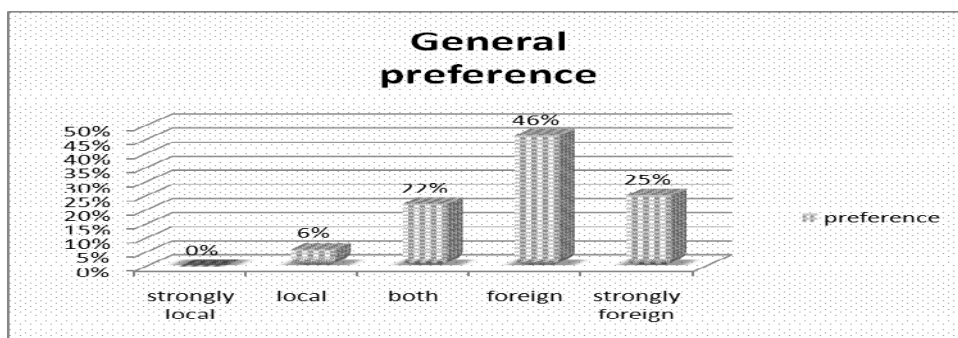


Figure 1 A Graph Showing Preference Pattern of Choice

On the issue of affordability, it was realized that 49% said that the foreign branded cloths were expensive, 26% said that they were very expensive, 22% moderate and only 2% said that it was cheap. The explanation may be because of the high percentage of the youth with monthly income of 0 - \$100. They have other needs as well as the need to be current with preference to their outlook. They therefore expressed their worries buy saying that the foreign brands were expensive and less affordable. It is also interesting to note that the majority of the people saying that the foreign brands were not affordable as compared to the local brands are the same people who highly prefer the foreign brands to the local

brands.

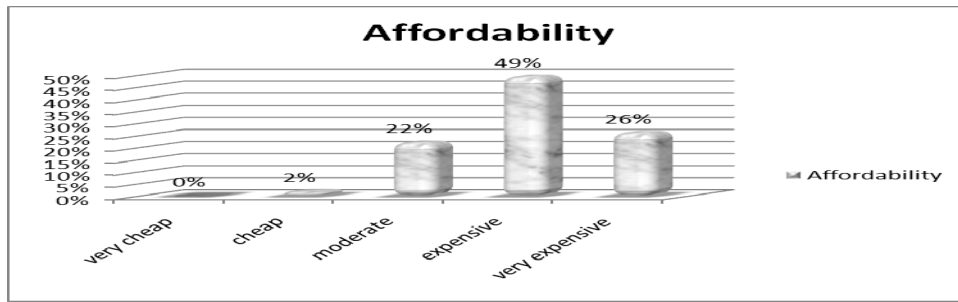


Figure 2 A Graph Showing Affordability Level of Foreign Brands

4.2 Factors affecting consumer decision making

It was noted that 40% said that they strongly agree, 33% agreed, with only 2% disagreeing to the fact that foreign branded cloths are more durable than the locally branded clothing. 42% and 34% also agreed and highly agreed respectively that the foreign clothing are of a higher quality as compared to the local made apparel. 39% and 22% agreed and highly agreed that the foreign clothing, though expensive, holds their value for the money paid.

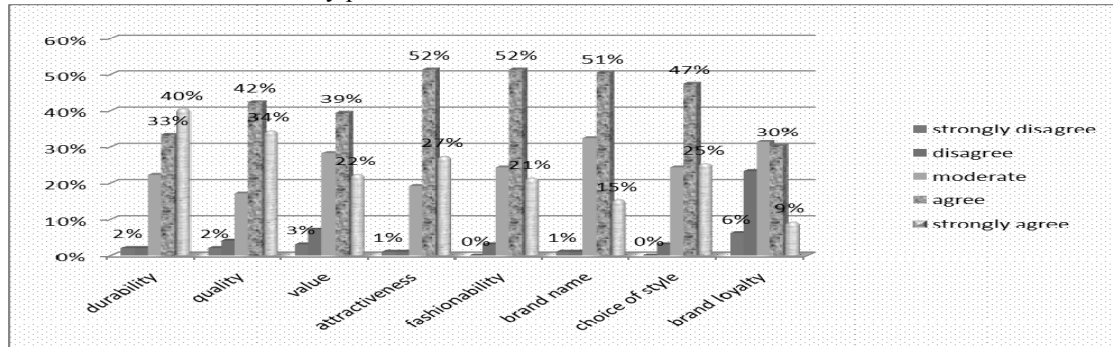


Figure 3 A Graph Showing Factors Affecting Consumer Decision Making

52% and 27% agreed and highly agreed that the foreign brands are attractive. 52% and 15% said that the foreign brands were fashionable. This is due to the fact that they are from technologically developed countries and hence their attractiveness as a result of use of state of the art equipment, latest technology, etc. in producing the apparel. There was a high agreement in the choice of style of the foreign brands as a result of a wide range of customizability, different styles of the same designer ware, different colours etc. as compared to the local brands who only deal in the same design and colour for everyone. However, it may be interesting to note that the respondents failed to agree on brand loyalty in Ghana. 9% strongly agreed, 30% agreed, 32 % were moderate that any brand is good for them, 24% disagreed and 6% strongly disagreed that they were brand loyal and only preferred a specific brand. This may be because of the numerous brands on the market and the youth who make up the bulk of the foreign branded cloths customers, prefer to use a variety of brands to suit their needs and also to experiment to know which design and apparel they need for the occasion and not the brand. They are therefore not brand loyal.

5 Conclusions

Ghanaian consumer perception and attitude towards foreign versus domestic apparel pointed out that Ghanaians distinguishes foreign apparel as the superior durability, quality, attractiveness, fashionableness, brand name and choice of style due to the fact that they are from technologically developed countries; better value for money, highly customizable, better quality and highly fashionable. Consequently, the consumers had a higher tendency to purchase imported apparel products also rated foreign brands higher than domestic products in quality and value. Ghanaian consumers' characteristic are quality-oriented who willing to buy high quality imported brands with the freedom to choose which brand and are not held down to particular brands.

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