COMPARATIVE ANALYSIS OF CONSUMER PREFERENCES BETWEEN INTERNATIONAL OVER LOCAL BRAND IN MANADO (CASE STUDY ON EVERBEST AND BUCCHERI)

ANALISA KOMPARATIF PREFERENSI KONSUMEN ANTARA INTERNASIONAL ATAS LOKAL MEREK DI MANADO (STUDI KASUS PADA EVERBEST AND BUCCHERI)

> by Yecika Glady Lumintang¹ Sifrid S. Pangemanan² Farlane S. Rumokoy³

¹²³Faculty of Economics and Business International Business Administration, Management Program Sam Ratulangi, University Manado

> E-mail: ¹gladdglady@gmail.com ²Sifrid s@gmail.czom ³princefarlent@gmail.com

Abstract: For 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 making decision to buy new product. Consumers especially in developing countries have certain expectations from the brands and tend to rely on brand as indicator to purchase by default. The shoes industry is one of the markets that consumers are facing various choices of international and local brand and these products are seen to be popular for consumers. The aim of this research is to analyze consumer preferences between International over Local brand in Manado measure by durability, country of origin, price, and style. This research is quantitative type of research, which uses primary data obtained through questionnaires and uses independent sample t-test as the analytical tool. The population of this research is peoples in Manado who has experience in Everbest and Buccheri brands, where the sample size is taken from 100 respondents who also has experience with both brands. The result from this research found that there is no significant difference between Everbest and Buccheri brands measured by durability, country of origin, price, and style. Everbest and Buccheri should more considering on the factors that influence the consumer buying behavior.

Keywords: comparative analysis, consumer preferences, shoes, international and local brand, everbest and buccheri.

Abstrak: Untuk pelanggan, merek berarti keakraban dan kredibilitas karena mereka dapat mengalami beberapa kontak dalam kehidupan sehari-hari mereka; oleh karena itu, mereka menggunakan merek sebagai indikator untuk mencoba atau membuat keputusan untuk membeli produk baru. Konsumen terutama di Negara berkembang memiliki ekspektasi tertentu dari merek dan cenderung bergantung pada merek sebagai indikator untuk membeli secara default. Industri sepatu adalah salah satu pasar dimana konsumen menghadapi berbagai pilihan merek internasional dan local dan produk-produk ini terlihat popular bagi konsumen. Tujuan dari penelitian ini adalah untuk menganalisis preferensi konsumen antara Internasional atas merek lokal di Manado yang diukur oleh daya tahan, Negara asal, harga, dan gaya. Penelitian ini merupakan jenis penelitian kuantitatif, yang menggunakan data primer yang diperoleh melalui kuesioner dan menggunakan independent sample t-test sebagai alat analisis. Populasi penelitian ini adalah masyarakat di Manado yang memiliki pengalaman dalam merek Everbest dan Buccheri, di mana ukuran sampel diambil dari 100 responden yang juga memiliki pengalaman dengan kedua merek tersebut. Hasil dari penelitian ini menemukan bahwa tidak ada perbedaan yang signifikan antara merek Everbest dan Buccheri yang diukur oleh daya tahan, Negara asal, harga, dan gaya. Everbest dan Bucccheri harus lebih mempertimbangkan faktor-fakto yang mempengaruhi perilaku pembelian konsumen.

Kata kunci: analisa komparatif, preferensi konsumen, sepatu, merek internasional dan local, everbest, dan buccheri.

INTRODUCTION

Globalization is a factor that leading and connected the entire world to become one universal market. Globalization has created the ability to purchase life changing goods for consumers. It has provided the flexibility of having many consumption alternatives at reasonable prices and created a slew of expectations moving forward. It has generated changes in societies and cultures across the world.

The easy marketing in the era of globalization will lead to many international products that enter a country and encourage consumers to buy products. Nowadays, every company that competes on the world market produced and distributed products to customers around the world by familiarized manufacturing of the country name that gave effect to the image on the product.

Consumers in the developed countries have a general inclination for their local made products because that are high quality over global products whereas consumers in undeveloped and developing countries are more likely to favor global products than local ones as they assumed global products are more superior than domestic products in quality performance and using global brands will electrify others as they are related with high style and fashion or high prestige issue (Wang, Siu and Hui, as cited in Ahmed, 2014). With the increasing availability of imported products in most national markets, consumers in developed countries have a general preference for domestic made products over foreign products (Bilkey and Nes, as cited in Garg and Jain, 2015).

Nowadays, human needs are more complex to be fulfilled. One of the requirements that must always be fulfilled is called primary needs. Shoes are one of the primary needs that humans must meet. Shoes products are now not merely used as footwear but are also part of lifestyle, character, and other functions. Fashion shoes need to be developed along with increasing demand, because middle class people not only choose clothing and food but are willing to pay more for a particular brand or design.

Regarding to the circumstance above, through this research will analyzed the comparison between that two brand (International and local) with the criteria that can influence consumer preferences to choose one of those brands to meet the consumer behavior. The criteria that the researcher used to analyze the factors influence the consumer preferences such as: durability, country of origin, price, and style. Based on the discussion above, this research will conduct with the title "Comparative Analysis of Consumer Preference Between International over Local Brand in Manado (Case Study of Everbest and Buccheri)".

Research Objectives

Based on the research problem, the objectives of this research are:

To determine if there any significant difference in consumer preferences based on durability, country of origin, price and style factors between International over Local Brand in Manado (case study on Everbest and Buccheri).

THEORETICAL FRAMEWORK

Marketing

According to Kotler and Armstrong (2008) Marketing is a process of planning and executing the perception, pricing, promoting and distribution of ideas, good and services to create exchange that satisfy individual and organizational goals. While McDaniel, Lamb, and Hair (2011) stated marketing entails processes that focus on delivering value and benefits to customers, not just selling goods services, and/or ideas.

Consumer Behavior

Schiffman and Kanuk (2004) defined consumer behavior as the behavior that consumers display in searching for, buying, using, evaluating and disposing of product and services that they expect will satisfy their needs.

Consumer Preferences

The concept of preferences comes from economic theory, with preferences defined as individuals 'utility' for consuming goods and services (Philips, Jhonson, and Mandala, 2002). According to Rajpurohit and Vasita (2011), preferences indicate choices among neutral or more valued option available. Consumer as an important factor in marketplace has a preference when their making a decision.

Durability

Durability refers to how long or the age of the concerned products survive before these products should be replaced. The greater the frequency of usage of consumers against products the greater durability of the product (Mullins et al., 2005).

Country of Origin

Country of origin has a larger effect on perceived quality than on attitude toward the product or purchase intention Verlegh and Steenkamp, as cited in (Dinnie, 2003).

Price

Price is the value that is put to a product or service and is the result of a complex set of calculations, research and understanding and risk taking ability (The Economic Times, 2017).

Style

Style is expression, it is the total combination of the way consumer dress, talk, move body, or do anything for that matter. Simply put, it is how consumer express our inner being outwardly, includes all of the consumer thoughts, emotions, interests, and values. Everything on the outside is merely a reflection of what is on the inside (Reeves, 2017).

Previous Research

Temesgen (2014) Determinants of Foreign Products' Preference Over Local Products: The Case of Shoes or/and Cloth Preference in Gondar Town, Ethiopia. The study been observed that Proud of and conformity to one's life styles had statistical significant positive association with preference of buying locally produced shoes and clothes.

Ismail, Masood, and Tawab (2012) Factors Affecting Consumer Preference of International Brands over Local Brands. The results suggest that most important factors that influence a consumer's final decision are the price and quality of the product in question. Since the consumers usually associate the price of the brand with its quality, a brand priced too low is generally perceived as a low quality product. Similarly, a product priced too high may not be affordable by many. Other factors that have an impact on the consumer preferences are: consumer ethnocentrism, country of origin, social status, price relativity with the competing brands and family and friends.

Frimpong (2011) A Comparison of Effect Between Domestic versus Foreign Brands onConsumer Purchasing Decision in Ghana. The result indicated that, 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.

Conceptual Framework

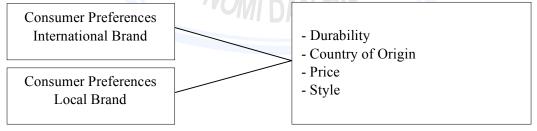


Figure 1. Conceptual Framework Source: Analysis Method (2018)

Research Hypothesis

The research hypotheses of this research are:

H₀: There is no any significant difference in consumer preference based on durability, country of origin, price and style factor between International over Local Brand in Manado (case study on Everbest and Buccheri)

H₁: There is any significant difference in consumer preference based on durability factor between International over Local Brand in Manado (case study on Everbest and Buccheri).

- H₂: There is any significant difference in consumer preference based on country of origin factor between International over Local Brand in Manado (case study on Everbest and Buccheri).
- H₃: There is any significant difference in consumer preference based on price factor between International over Local Brand in Manado (case study on Everbest and Buccheri).
- H₄: There is any significant difference in consumer preference based on style factor between International over Local Brand in Manado (case study on Everbest and Buccheri).

RESEARCH METHOD

Type of Research

The type of this research is quantitative research. Quantitative research is defined by (Bryman and Bell, 2005) that 'entailing the collection of numerical data and exhibiting the view of relationship between theory and research as deductive, a predilection for natural science approach, and as having an objectivist conception of social reality.

Place and Time of Research

The research will be in Manado City, North Sulawesi. The time of the research and preparation of a final report will be conducted from January 2018 – March 2018.

Population and Sample

The population of this research is peoples in Manado who has experience shopping in International and Local Brand. Due to the unknown number of the population, the technique used to determine the sample size is as follow:

$$n=Z^2/(4 (moe))^2 = (1.96)^2/(4 (0.1))^2 = 96.04 \approx 100$$

Based on the result above, the sample taken is using purposive sampling. The sample size of the research will be 100 respondents who has experience with Everbest and Buccheri.

Data Collection Method

The data used in this research consist of two types between primary data through questionnaires and secondary data taken from books, journals and relevant literature from library and internet to understand of theoretical support on this research.

Operational Definition of Research Variables

Consumer Preference defined as the subjective tastes that allow an International and local brandconsumers to rank various bundles of goods according to levels utility, or the total satisfaction of consuming a good or services.

Data Analysis Method Validity and Reliability

Validity for each variable is good where the values are above minimum level of 0.5. Reliability tests in this study using Cronbach's Alpha formula. If Alpha is less than 0.6 then it is unreliable.

Normality Test

The distribution of data with normal distribution pattern (data distribution is not skewed to the left or right). If the probability value > 0.05 then population is normally distributed.

Independent Sample T-Test

Horn (2008) stated the independent sample t-test evaluates the difference between the means of two independent or unrelated groups. That is, we evaluate whether the means for two independent groups are significantly different from each other. This *t-test* is to analyze the difference in behavior based on consumer preferences between international and local brandin terms of durability, country of origin, price and style.

RESULT AND DISCUSSION

Table 1. Validity Test

		Durabili ty	Country_of origin	Price	Style	Averag e
Durability	Pearson Correlatio	1	.632**	.648**	.547*	.842**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	100	100	100	100	100
Country_of_orig in	Pearson Correlatio	.632**	1	.649**	.688*	.888**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	100	100	100	100	100
Price	Pearson Correlatio	.648**	.649**	DAM	.507**	.820**
	n Sig. (2- tailed) N	.000	.000	100	.000	.000
Style	Pearson Correlatio	.547**	.688**	.507**	T I	.816**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	100	100	100	100	100
Average	Pearson Correlatio	.842**	.888**	.820**	.816*	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Source: IBM SPSS Statistic 22.0 output (2018)

Validity test results in Table 1 are stated valid. Because based on Pearson Correlation Value > 0.5 and the significant is < 0.05.

Table 2. Reliability Statistic

Cronbach's	N of
Alpha	Items
.862	4

Source: SPSS Output 22 (2018)

Reliability test result in the Table 2 the Alpha Cronbach has a value 0.862, it proves the data is reliable

Table 3. Normality Test

		Shapiro-Wilk			
Customers	Statistic	df	Sig.		
Durability	Everbest	.954	50	.059	
	Buccheri	.977	50	.419	
Country_of_origin	Everbest	.977	50	.420	
	Buccheri	.899	50	.074	
Price	Everbest	.953	50	.095	
	Buccheri	.954	50	.052	
Style	Everbest	.975	50	.375	
	Buccheri	.966	50	.159	

^{*.} This is a lower bound of the true significance.

Source: SPSS Output (2018)

Table 4. Group Statistic Result

		C		Std.	Std. Error
Customers	(P)	N	Mean	Deviation	Mean
Durability	Everbest	50	18.0000	3.15582	.44630
	Buccheri	50	18.2200	3.57023	.50491
Country_of_origin	Everbest	50	19.1000	2.95027	.41723
	Buccheri	50	19.0400	3.95877	.55985
Price	Everbest	50	19.3400	2.93890	.41562
	Buccheri	50	18.8000	2.98294	.42185
Style	Everbest	50	18.2000	3.03046	.42857
	Buccheri	50	19.0000	3.05059	.43142

Source: IBM SPSS Statistic 22.0 output (2018)

From table 4 shows that the mean of durability for everbest is 18.00 while mean of price for buccheri is 18.22, in mean of country of origin for everbest is 19.10 and mean of country of origin for buccheri is 19.04. While mean on price for everbest is 19.34 whereas mean of price for buccheri is 18.80. The last, mean of style for everbest is 18.20 and mean of style of buccheri is 19.00. From the result above shows the mean of everbest on country of origin and price are bigger than buccheri. While the mean of durability and style is buccheri bigger than everbest.

a. Lilliefors Significance Correction

Table 5. Independent Sample T-Test

		Levene's Test for Equality of Variances t-test for Equality of Means					ıns			
Std. Error Difference .67388						Sig. (2-	Mean	Interva	99% Confidence Interval of the Difference	
		F	Sig.	t	df	tailed)	Difference	Lower	Upper	
.67388 .69823	Equal variances assumed Equal	.917	.341	326	98	.745	22000	1.99024	1.5502	
	variances not assumed			326	96.545	.745	22000	1.99077	1.5507	
.69823 as .59220 Ec	Equal variances assumed Equal	1.492	.225	.086	98	.932	.06000	1.77419	1.894	
	variances not assumed			.086	90.597	.932	.06000	1.77716	1.897	
.59220 .60811	Equal variances assumed Equal	.358	.551	.912	98	.364	.54000	1.01567	2.0950	
	variances not assumed	是是	7	.912	97.978	.364	.54000	1.01568	2.0950	
.60811	Equal variances assumed	.126	.723	1.316	98	.191	80000	2.39746	.7974	
	Equal variances not assumed	¥ _		1.316	97.996	.191	80000	2.39746	.7974	

Source: SPSS Output, 2018

Discussion

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 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.

Comparison Consumer Preferences between Everbest and Buccheri on Durability

Definition of durability is the ability of a product to perform its required function over a lengthy period under normal conditions of use without excessive expenditure on maintenance or repair (Cooper, 1994). Durability is shows a measurement towards the product cycle, both technically and time. The results showed that there is no significant difference on consumer preference based on durability factors between international over local brand shoes by Everbest and Buccheri. By looking at the mean result from table 4, the mean value of durability in local brand (Buccheri shoes) is higher than international brand (Everbest shoes). It indicates that, durability in Buccheri is more affected by consumer, rather than Everbest. This finding discloses that durability in Everbest did not affects the customer equally. It is not a good result in fact, because the customer is not only the 100 respondents.

Comparison Consumer Preference between Everbest and Buccheri Based on Country of Origin

Country of origin can be defined as manufacturing country that has a big influence to make the perception of consumers to be positive or negative of a product (Cateora and Graham as cited in Garg and Jain, 2015).

Country of origin results showed that there is no significant difference of consumer preference based on country of origin factors between international over local shoes brand. Meaning country of origin of both Everbest and Buccheri brand still have the same or not much different or affected equally.

Comparison Consumer Preferences between Everbest and Buccheri Based on Price

A pricing strategy takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs amongst others. It is targeted at the defined customers and against competitors (The Economic Times, 2017). The results showed that there is no significant difference on consumer preference based on price between international over local brand (Everbest and Buccheri). By looking at the mean result from table 4.5, the mean value of price in Everbest is higher than Buccheri. It indicates that, price in Everbest is more affected by consumer, rather than Buccheri store.

Comparison Consumer Preferences between Everbest and Buccheri Based on Style

Style is versatile, if over time consumer build their wardrobe only with timeless pieces of garment and footwear a lot of them will match the rest and will be able to create a big number of outfits (Remus, 2013). The results showed there is no significant different on consumer preferences based on style factor between international over local brand. That mean the style by these two brand still have the same or not much different. They have good style to sell their product. Therefore this result equal with the previous findings of (Kaur, 2015) Style have a comparatively less significantly influence on consumer preferences in choosing an international brand.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the data analysis and discussion, the conclusion of this research as follows:

This empirical study enabled to identify the consumer preferences of Everbest and Buccheri shoes. It was helpful to show the behavior and preferences of the buyer towards international and local brand (Everbest and Buccheri shoes). In the condition of having a chance of buying only one among the two alternatives of brands (International and Local brand), majority of the respondents inclined to use Everbest brand. More than half of the respondents perceive those international brands are more qualified than local ones. Almost all of respondents consider the country of origin of Everbest brand for decision of buying. Perceived international brand quality has statistically significant association with its prefer ability in the market. The total of respondents, consider the function of the product for decision of buying. The place of manufacture of both shoes is also considered by the respondents as criterion for buying.

Recommendation

Recommendations of this research are:

- 1. Everbest and Buccheri should more considering on the factors that influence the consumer behavior. Having significant load of determining brand preference of shoes, which is less associated with products produced in local industries, should be enhanced. Since international brand are socially accepted and have become source of better prestige than local brand, awareness raising programs on the social and values of domestic brand should be promoted.
- 2. The results of this study can be used as a reference for the development and deepening of knowledge management marketing, especially consumer preferences.
- 3. The results of this study can be used as a reference for the development and deepening of knowledge management marketing, especially consumer preferences.
- 4. In this study examined only in terms of consumer preferences International over Local brand. While other factors that have not been revealed how much influence, hopefully in future studies may discuss other factors that have not been examined in this study.

REFERENCES

Ahmed, S. 2014. Bangladesh Consumers Purchase Intention toward Global Brands over Local Brands, *Journal of Developing Country Study*, Vol.4 (26), 1. Accessed from: http://www.iiste.org/Journals/index.php/DCS/article/viewFile/18173/19078 Retrieved on November 24, 2017

- Bryman and Bell. 2005. Quantitative Research. Research Methodology. New York. Oxford University Press. p.154.
- Cooper, T. 1994. Beyond Recycling: The longer life option. Whitechapel Road, London: The New Economics Retrieved November Foundation. p. 5. on 24. 2017 Accessed from: http://irep.ntu.ac.uk/id/eprint/24666/1/201125 7266%20Cooper%20Publisher.pdf
- Dinnie, K. 2003. Country Of Origin 1965-2004: Literature Review. Journal of Customer Behavior. Accessed from: http://www.brandhorizons.com/papers/Dinnie COO litreview.pdf Retrieved on November 26, 2017
- Frimpong, S. K. 2011. A Comparison of Effect Between Domestic versus Foreign Brands on Consumer Decision in Ghana. Retrieved on November 24, 2017 Accessed Purchasing http://www.pucsp.br/icim/ingles/downloads/papers 2011/part 3/part 3 proc 16.pdf
- Garg, S. K., and Jain, P. K. 2015. Effect Of Country Of Origin On Product Brand Names A Study Of Indian Market. 34th The International Conference. IIERp78. Accessed http://www.worldresearchlibrary.org/up/proc/pdf/57-144066038278-83.pdf Retrieved on November 24, 2017
- Horn, R. 2008. Online Courses: Understanding Independent T-Test. Northern Arizona University. Accessed from: http://oak.ucc.nau.edu/rh232/courses/EPS525/Handouts/Understanding%20the%20Independent%20t%2 %200Test.pdf Retrieved on November 24, 2017
- Ismail, Z., Masood, S., and Tawab, M. T. 2012. Factors Affecting Consumer Preference of International Brands Retrieved November 2017 over Local Brands. on 27, Accessed from https://pdfs.semanticscholar.org/8fc3/04c605b2c780d97af2b90f2336fb04103284.pdf
- Lemy, D. M., Bernarto, I., & Tulung, Joy Elly. (2013). Pengaruh Bauran Komunikasi Pemasaran Jasa Terhadap Proses Pengambilan Keputusan Mahasiswa Memilih Perguruan Tinggi Swasta di Sulawesi Utara. Jurnal Manajemen: Derema
- Kotler, P. and Armstrong, G. 2008. Principle of Marketing. 12th ed. Englewood Cliffs, NJ.: Prentice-Hall. Reve, Torger, TerjeLensberg and KjellGronhaug 1992. Oslo: Tan
- McDaniel. C. D., Lamb, C.W., and Hair ,.F. 2011. Introduction To Marketing.11thEdition. South-Western. Cengage Learning, International Edition, China
- Mullins, Orville, Larreche, and Boyd. 2005. Marketing Management: A Strategic, Decision Making Approach, 6th edition. McGraw-Hill.
- Philips, K. A. Jhonson, F. R. and Madala, T. 2002. Measuring What People Value: A Comparison of Attitude Preference Survey. Health Service Research. Accessed https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1464045/ Retrieved on November 24, 2017 .pp.1659-1679
- Rajpurohit, R.C.S. and Vasita, M.L. 2011. Consumer Preferences and Satisfaction Towards Various Mobile Phone Service Providers. Gurukul Business Review (GBR), Vol 7. Pp.1-11. Accessed from: http://gkv.ac.in/fwd/gbr-2011.pdf Retrieved on November 25, 2017

- Reeves, J. 2017. What is Style A Deeper Analysis. *Article*. Accessed from: http://www.kinowear.com/what-is-style-a-deeper-analysis/ Retrieved on November 25, 2017
- Remus, A. 2013. What is Style? The Difference Between Style and Fashion. *Article*. Accessed from: http://www.alexandru-remus.ro/en/what-is-style-the-difference-between-style-and-fashion/ Retrieved on November 25, 2017
- Schiffman, L. G. and Kanuk, L. L. 2004. *Consumer Behavior*, 8th Edition. Prentice Hall. Upper Saddle River, New Jersey
- Temesgesen, S.M. 2014. Determinants of Foreign Products Preference Over Local Products: The Case of Shoes or/and Cloth Preference in Gondar Town, Ethiopia. Accessed from http://www.iosrjournals.org/iosr-jhss/papers/Vol19-issue3/Version-3/G019335061 Retrieved on November 25, 2017
- The Economic Times. 2017. Definition of Pricing Strategy. Accessed from: http://economictimes.indiatimes.com/definition/pricing-strategies Retrieved on November 23, 2017
- Tulung, Joy Elly (2017). "Resource Availability and Firm's International Strategy as Key Determinants Of Entry Mode Choice." *Jurnal Aplikasi Manajemen-Journal of Applied Management* 15.1. http://jurnaljam.ub.ac.id/index.php/jam/article/view/916
- Tulung, Joy Elly dan Ramdani, Dendi (2016). "The Influence of Top Management Team Characteristics on BPD Performance". *International Research Journal of Business Studies*, Volume 8 Nomor 3, 155-166. http://irjbs.com/index.php/jurnalirjbs/article/view/1147
- Tulung, Joy Elly, and Dendi Ramdani.(2018) "Independence, Size and Performance of the Board: An Emerging Market Research." Corporate Ownership & Control, Volume 15, Issue 2, Winter 2018. http://doi.org/10.22495/cocv15i2c1p6

TONOMI DAN BISHIS