

What Influence Consumers Buying Global Brands? Empirical Evidence from Consumers in the Republic of Macedonia

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Abstract

In today's global markets it's very important to understand why consumers prefer to buy much more foreign brands than the local brands. This question is related why companies' moves toward global brands but meanwhile are consumers certain when they decide to buy such brands. This paper seeks to explain consumer perception regarding global brands. Also, this paper is important for reason that until now has little scientifically attention in country that we are going to make this investigation. As well, this study investigated the main factors that are important in consumer perspective and decision process when it comes to buy foreign brands than the local brands. Methodology that we have used in this research is quantitative and qualitative researches for the main reason that this study to be much more scientific. A total of 320 questionnaire responses were used to empirically test hypothesis for global brands. This study found that the motivation factors has a significant influence in the preferences for global brands, global brand attitude, brand judgment and brand feeling has positive effect in consumers decision for global brands.

Index terms: Brands, Global brands, Local Brands, Consumer perception



1. Introduction

Today we live and consume in the different way. Each of us, as a consumer is different in the contexts of choosing, drinking, buying, furnishing houses, travelling, studying or generally choosing services or products. Sometimes we have possibility to buy such things from the local producer or buying local brands but nowadays we have possibility in the market to buy such products or services offered from the global producers or global brands to satisfy our needs and wants.

As we know that 21 century is century of global brands. We use the right to say this word because everywhere in the world we could find the same name of products or services in the world. Global brands like Nike, Adidas, Volvo, Mercedes Benz, McDonalds, Sony, Samsung, Benetton, Gillette razors, Marlboro cigarettes are widespread in every country in the world. Million or billion of consumers buy and consume them every day or have possibility to touch them.

Understanding what motivate consumers buying foreign brands is very complex issues. This complexity is much more emphasizes in the emerging markets. Regarding this topic have been developed different models and articles that shed light on this topic. However, in recent years, this concept of foreign brands has been complicated due to rapid development of local brands. These developments could be in spite of rises technology, software programs and counterfeiting. On the other side what are factor that impact manager's decision going internationally. There are many factors that indicate these companies moving toward global markets. According to Bhardwaj et al. (2010) factors that encourage companies to explore new markets are advancement in technology,

growing GDPs, rising incomes, deregulation of multinational trade agreements, and converging preferences of consumers in developing nations. On the other side Alden et al. (1999) stated that expansion of global media, advances in the telecommunication (internet connection), increase feasibility in foreign travel and international investment are factor that indicate this phenomenon. As well, based in this context Holt et al.(2004) the reason that companies going globally could be counted as attractiveness of new markets and growing markets, the benefit of economies of scale and scope in research and development and production, removal and reduction of barriers between national borders in order to facilitate flow of services, goods, capital and labor.

We will give clear picture later on this case in spite to relevance of the research. The purpose of this paper is to study factors that influence Albanian consumers buying foreign brand or global brands versus local brands. Before we are going deeply about this topic first of all we must define and make difference between global and local brands.

2. Theoretical framework

Before we are going to give more information regarding this topic of global brands, we will explain some relevant concepts of brands. As we know that brands are very important asset of each companies worldwide. In the general way based in many books and articles as Keller (2003), Kepferer (1997) Tasci, Gartner, and Cavusgil, (2007) brand is powerful means of differentiation, and that differentiation is a significant competitive marketing strategy. A brand—understood to be “a name, term, sign, symbol, or design, or a combination of them, [that] is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors” (Kotler 1997, p.

443). After the definition of brand as marketing concept marketing manager's scholars have scrutinize this issues more deeply and they analyze differences between local and global brands. Zhang & Khare (2009) define global brands as the extent to which the brand is perceived by potential and existing customers as global and as marketed not only locally but also in some foreign markets. Despite the definition of the brand concept one important dimension is how consumers perceive global brands. All consumers around the world don't perceive global brand in the same way. Researchers and academics have found that global brands are related positively to perception of quality, prestige, esteem and in the emerging market to status (Holt, 2004; Steenkamp et al.2003; Johansen and Ronkainen 2005 and Batra et al.2000). As well as, brands provide companies opportunities to distinguish their product offerings and provide consumers with information about the product, particularly quality and self-identity characteristics (Özsomer & Altaras, 2008; Strizhakova et al. 2008a). Batra et al. (2000) argued that local brand is produced domestically for a specific national market and only they are able to buy in the particular region. According to Quelch and Jocz, (2009) global brands all bring with them social capital: consumption of GB appears to promote diversity and tolerance of foreign cultures and people and can help glue people together through shared experiences. Samuel and Douglas (2000), explains that global brands are those brands that have the following characteristics:

- Extensive geographic reach: available in all major markets and most minor ones.
- Perceived by consumers as global: awareness among consumers that the brand is sold throughout the world.

- Uniform positioning and image worldwide: brands such as, Coca-Cola, Rolex, Nike, Gucci, McDonalds, Mercedes-Benz, Marlboro, and Sony.

Based on the relevant literature review regarding brands, particularly in the global branding we have found important findings and, meanwhile we were motivated to build theoretical model which later in the present paper we'll use to complete questionnaire to the respondent.



Fig. 1 Factors that influence consumers buying global brands

3. Methodology

Multiple items were used to measure each dimension of motivation factors (**MF**: Brand name motivate to buy global brands, Country of origin Quality of products, Recommendation of friends Price of brands), global brand attitude (**GBA**: *Buying global brands is ethical compare to local brands Buying global brands is unethical compare to local brands Buying global brands cause damage for local brands Recommendation to someone buying global brands is unethical*), Brand judgment (**BJ**: *How favorable is your attitude toward global brands How well does global brands satisfy your needs*

How likely would you be to recommend global brands to others how good value are global brands?

Do you think that global brands are very different from the local brands), and brand feeling (BF: Global brands give you a feeling of warmth, fun, excitement, security, approval, self-respect). In this study there were 320 participants (N=320). The structured survey we have used to collect data from consumers'. Questionnaire consists of three parts. In the first part, participants were asked about their demographics characteristics. Second part, were all questions which are part of brand dimensions. Consumers were able to answer in 22 questions. After that, we have created new variables that we explained in the empirical part (results). As quantitative analysis we have used frequencies, descriptive statistics, and t-test in order to get real picture.

Tab. 3. One-Sample Statistics for brand dimensions

	N	Mean	Std. Deviation	Std. Error Mean
Motivation Factors	320	3.7313	.49400	.02762
Brand Judgment	320	4.2300	.45054	.02519
Brand Attitude	320	3.0391	.45576	.02548
Brand Feeling	320	4.2974	.43431	.02428

4. Results

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-23	73	22.7	22.8	22.8
24-35	135	41.9	42.2	65.0
36-45	82	25.5	25.6	90.6
above 46	29	9.0	9.1	99.7
5.00	1	.3	.3	100.0
Total	320	99.4	100.0	
Missing System	2	.6		
Total	322	100.0		

Tab.1. Age respondent frequency

Based on the frequency table for example, age of respondent as we can see that 22.7 percent have 18-23 year. Mainly, the age of respondent is 41.9 percent or (135) between 24-35 and 25.5 percent or (82) respondent belongs to 36-45 years.

Tab. 2. Gender of respondent

	Frequency	Perc.	Valid Percent	Cumulative Percent
Valid Ma.	156	48.4	48.8	48.8
Fem.	164	50.9	51.3	100.0
Total	320	99.4	100.0	
Missing Syst.	2	.6		
Total	322	100.0		

In the context of the gender, there are not any differences between male and female, in this case. From the table above we can conclude that 156 respondent or 48.5 percent were male and 164 or 50.9 of respondent were female, 32 % had a monthly income 250-350 Euros and 43.3 % had a monthly income 350-450 Euros.

In the table above, respectively one sample statistics the mean for motivation factors is 3.73 and standard deviation 0.494, brand judgment mean is 4.23 and standard deviation 0.45, regarding the brand attitude the mean is 3.03 and

standard deviation is 0.455 and finally, the mean for brand feeling is 4.29 and standard deviation is 0.434. It seems that there is not any difference in the mean and standard deviation.

Tab. 4. One-Sample Test for brands dimension and mean differences

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Motivation Factors	135.115	319	.000	3.73125	3.6769	3.7856
Brand Judgment	167.952	319	.000	4.23000	4.1804	4.2796
Brand Attitude	119.283	319	.000	3.03906	2.9889	3.0892
Brand Feeling	177.005	319	.000	4.29740	4.2496	4.3452

The proposed theoretical model that we have presented above seems that is significant. All the dimensions like Motivation factors, Brand Judgment Brand attitude and Brand feeling the p value is 0.000 ($P < 0.05$) and degree of freedom is 319 for four brand dimensions. From the result that we have, we can conclude that all these factors are very important and influence consumers to buy global brands in Macedonia.

5. Discussions and Conclusions

This research was aimed at understanding the consumer's perception to global brands, in the context of Albanian consumers. Based on the results obtained in this study, among all the factors that influence consumers buying global brands we could say that the main factor or brand dimensions that are important are. The four dimensions that have added and other variables to measure the relevance or impact in the consumer decision making for global brands are all significantly important. For all item the p value is 0.000 ($\text{sig. } 0,000 < 0,05$) This is good pint to emphasis for marketing managers, particularly for companies who are present of tend to go internationally must consider with the high seriousness all factors that we have reported in this research. Our results showed that all 22 variables were significant 0,000($\text{sig. } 0,000 < 0,05$). Overall, the results indicate

significant relationship between variables and the four main dimensions. In this study important part as well is limitation that should be noted, this will be good point for further research and relevant means for solving this gap in the field of branding, respectively in the global brands. As he have mentioned above that we have conducted this research only in the western part of Macedonia and mainly with the Albania consumers. It would be meaningful if the same topic we'll

Tab. 4. One-Sample Test for brands dimension and mean differences

conduct in the rest part of country and with other nationalities that live in Macedonia. However, future research need to incorporate other relevant factor that will explains consumers' preferences for global brands. To be much clear, variables that we have presented above they are not only those factors who determine consumers to buy global brands. However, we have selected only several factors that potentially could be factors that influence Albanian consumers in the Republic of Macedonia.

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