Factors Affecting Customer Preference between Global and Local brands for Sportswear Market in Pune

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Abstract - The purpose of this research is to investigate the buying preference of sportswear customers for local and global brand against the factors like quality, service, promotion & prestige. As none of the Indian sportswear brand is able to make place top 5 brands by revenue. This study Researcher will gather the information on why customers prefer multinational brands more than Indian brands. Scope of study will be limited to Pune city and sportswear users. Indian sports brand are catching up fast with international brands still there are lot of challenges and constrain faced by domestic brands. This research is focused on factors that are appropriate to the Indian environmental market factors in order to obtain accurate information. The research will study the factors influencing the brand preference in purchasing the product will help Indian brands to focus on those factors and further improve the market share in Indian market. The factors under the research would be Quality, Style, Price, Promotion & service quality. Descriptive analysis is used for analysis.

*Key words***:** *Brand preference, Quality, Service, Price*

I.   INTRODUCTION

The Indian sportswear market is growing at 15% per annum against the global market growing at rate of 5% in India. This opens a window of opportunities for Indian brand to penetrate the market and create own space.

The Indian sports and fitness goods market is projected to reach ₹380billion by 2023 at a CAGR of 9.0% during 2019-2023 five-year period. The market was valued at ₹226 million in 2017 Kunal Dhyani (2019). However, Indian brands are not able to make in top five brands.

TABLE I.   REVENUE OF TOP SPORTS BRAND

#Rank	Brand	Revenue in Cr. 2017	Revenue in Cr. 2018
1	Puma	₹958	₹1157
2	Adidas	₹1100	₹1132
3	Nike	₹807	₹828
4	Sketchers	₹282	₹440
5	Reebok	₹416	₹391

In Pune, sportswear brands such as Nike, Adidas, Reebok, Puma are popular multinational brands among sportswear consumers, whereas Shiv Naresh, Nivia, HRX, Proline are Indian origin brands. Sportswear has become a common and popular category among young people as it identifies them with a more relaxed lifestyle, greater versatility and comfort. This has prompted manufacturers like Nike and Adidas to start expanding their business particularly in Asia as it has the potential to give them higher volume of sales for their products. Many companies, especially those in the sportswear industry

Fitness brands are in the midst of a major transformation into lifestyle brands as they look to build loyalty and set themselves apart. They are not only providing the right gear to get in shape and participate in sports but are also motivating consumers to become more active Daniela Forte (2019).

The rising interest, awareness and people considering sport as profession has created opportunity for expansion in the business of sportswear industry in the country.

I. PROBLEM STATEMENT

Local Indian sports brand are growing and competing with global brands. However, they are not able to match the global brand in terms of revenue and market share. A study needs to be done on various factors are influencing the buying preferences of the customers. This will help local Indian brands to compete global brands.

II. LITERATURE REVIEW

The primary objective of this research is to understand consumer perceptions of global and local sports brands, A detailed review of factors as to why consumers in emerging markets prefer foreign brands over local brands. Several studies show that preference for international brand products over domestic ones seems to prevail among consumers in developing countries (Batra et al, 2000).

Consumers in developing economies appear to perceive that products from developing countries are of lesser quality and will result in higher levels of dissatisfaction (Okechuku and Onyemah, 1999: cited in Batra et al).

Puma is the leader in Indian sports market. Sketchers has the best growth rate and Reebok has nosedived. That effectively sums up the competition and performances in the Indian sportswear market during 2019. Kunal Dhyani (2019).

Despite competition from big MNC brands, Shiv-Naresh has grown into important niches of sportswear market with perseverance and clever strategy. Nivia Sports was established in 1934 as an Indian sports equipment brand, headquartered in Jalandhar (India) with manufacturing operations under Freewill Sports Pvt Ltd.

Factors Influncing buying behaviour

Lau et al. (2006) in his article mentioned that there were seven factors that influenced brand preference towards certain sportswear brands. The factors were brand name, product quality, price, style, store environment, promotion and service quality.

A. Brand Name

Famous brand name can disseminate product benefit and lead to higher recall of an advertised benefit than a non-famous brand name (Keller et al., 1998). There are many

unfamiliar brand names and alternatives available in the market place. Consumers may prefer to trust major famous brand names.

B. Social Status

This is important when those brands have only minor physical differences but for due to social setting where the brand can make a visible image about the consumer itself. On the other hand, fashion magazines and fashion press elaborate on the designer's collections to the full extent and thus reinforce better images to facilitate consumer recognition (Colborne, 1996).

C. Product Quality

Costumer prefers to by product with high quality for durability, feel and comfort while using the product.

Global brands focus more on product quality when are Indian brands focus more on Price point. Try to penetrate in Sportswear Market and capture the large price conscious customer product quality is compromised many times by local brands.

D. Price:

Price is probably the most important consideration for the average consumers. In Indian market there needs to be balance between price and quality as they affect each other. Average Indian customer would prefer value for money & well to do customer would prefer high quality and service, buyers falling in this segment makes major portion of sportswear customers.

E. Style:

Style is a visual appearance, which includes line, silhouette, and details affecting consumer perception towards a brand (Frings, 2005). According to Abraham and Littrell (1995), a composite list of apparel attributes has been generated and one of the conceptual categories is style. Consumers' judgment depends on the consumers' level of fashion consciousness; Global brands offers more variety of options to customers.

F. Promotion

Promotion is a component in marketing mix, which is a kind of communication with consumers. Promotion includes the use of advertising, sales promotions, personal selling and publicity. Advertising is a non-personal presentation of information in mass media about a product, brand, company or store. It greatly affects consumers' images, beliefs, and attitudes towards products and brands, and in turn, influences their purchase behavior (Evans et al., 1996). Advertisements can help establishing ideas or perceptions into consumers' minds and differentiating products against other brands. Many Indian brand competing with global brand are relaying on mouth publicity and do not spend sufficient money on promotion

G. Service Quality:

Quality of service pre and post sales are very import for customers to buy product of brand. In general perception global brand, maintain the service quality, which influence the customer decision to select the brand. In Store Salesperson performances stimulate bonding through trust among sales representatives and consumers and will affect consumers' perception towards the stores or brand (Cadogan& Foster, 2000; Leung &To, 2001). In online sales delivery of product

and replacement, services will determine the satisfaction of customer.

Conceptual model:

- As u can see in this model, four important factors effect on brand preference Ali Zareei and Peyman Ashtiani (2014). As shown in Fig 1

III. RESEARCH METHODOLOGY:

In this research, Qualitative method is used to analyses the factor affecting the buying preference. Self-administrated questioners were used for in-depth interview.

A. Sampling and Data collection

Active users of sportswear from age group from 18 – 45 were selected for data collection. Simple random sampling with snowball was used to select respondent from different area in city for data collection. Questioners were circulated to 250 users to get 200 completely answered instrument with sportswear users.

B. Research Instrument

Q1. Are you
a)   Male
b)   Female

Q2. Which age category are you?
a)   18 to 24
b)   25 to 35
c)   36 to 45
d)   45+

Q3. Do you purchase sportswear/ sports clothing?
a)   Yes
b)   No

Q4. Which brand you would prefer for sportswear?
a)   Global Brand
b)   Indian Brand

Q5. Which is your most preferred sportswear brand?
a)   Nike   e) Nivia

b)　　Adidas　　　　f)　shiv-Naresh
c)　　Puma　　　　　g)　Sketchers
d)　　Reebok　　　　h)　HRX
i)　　Proline　　　　j)　Other

Q6. What's your frequency of shopping in a certain year?
a)　　Often (every month)
b)　　Fairly Often (every 2 months)
c)　　Sometimes (every 6 months)
d)　　Rarely (every year to 2 years)
e)　　Never

Q7. Rank the most influential motive when you purchase a asports clothing item?

Factor	Global Brand	Indian Brand
Quality		
Service		
Prestige		
Promotion		
Style		
Price		

Q8. Please indicate your level of agreement with the statement that best for Global brand
Describes your feeling towards buying preferences (Note 1=strongly disagree,
5=Strongly Agree)
5 Point Likert Scale

Service

Disagree 11.51%
Nutral 20.00%
Agree 68.49%

■ Series2
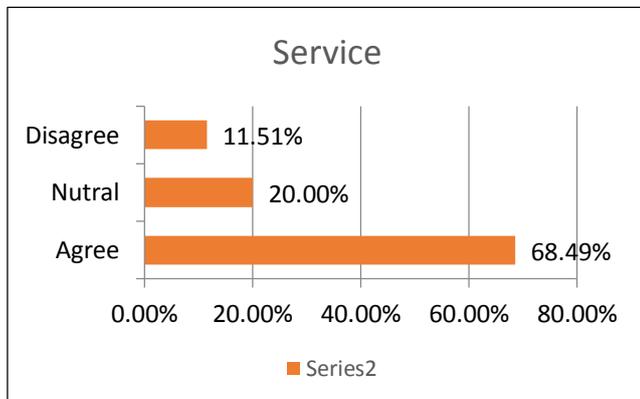
Factor	Question					
Quality	Does global brand are confirmable to wear	1	2	3	4	5
	Global brand are durable	1	2	3	4	5
	The size of global brand product fits in well	1	2	3	4	5
Service	The service quality of western and European brands is better than local.	1	2	3	4	5
	Global brand have good service level to maintain brand image	1	2	3	4	5
	I get replacement if apparel does not fit will if its global brand	1	2	3	4	5

Prestige	Global brand gives higher social status	1	2	3	4	5
	Global brand increases prestige in society.					
Promotion	Global brand have attractive adds	1	2	3	4	5
	Global brand offers discounts & communicates well	1	2	3	4	5
	Local brands don't have sufficient presence on social media	1	2	3	4	5
Style	Global brand have distinctive features	1	2	3	4	5
	Styles of the global brand are trendy and fashionable.	1	2	3	4	5
Price	Global brand provides value for money at reasonable price	1	2	3	4	5
	Global brand give option with wide range of products and price	1	2	3	4	5
	Local brand are more focused on price conscious customers	1	2	3	4	5

IV. Data Presentation & Analysis

A. Quality

According to the data collected, 73% of the people agree that global brand have superior quality that to Indian brand. Total 19% of the people are neutral in their view and don't find quality as that has different in global or local brand. Whereas 8% of the people claim that Indian brands have superior quality, then global brand.

Quality

8.00%
19.00%
73.00%

■ Agree ■ Nutral ■ Disagree
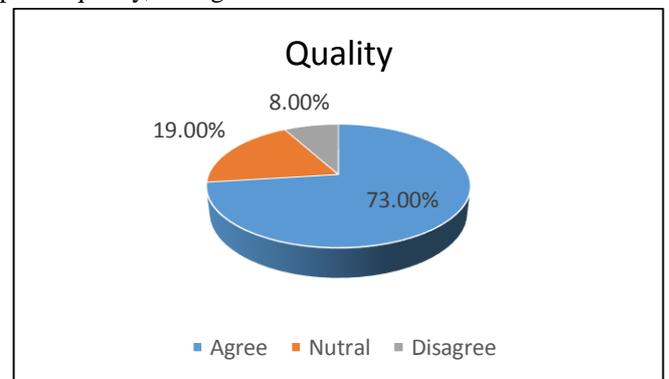
Fig 2

B. Service

According to the data collected, 68.5 % of the people agree that global brand have superior service that to Indian brand, Western and European brands provide better service. Total 19% of the people are neutral in their view and do not find service difference in global or local brand. Whereas 8% of the people claim that Indian brands have superior service, then global brand.

Fig 3

C. Social Status

According to the data collected, 56 % of the people agree that global brand gives higher social status. Total 28.5% of the people are neutral in their view that no difference is observed

in social status. Whereas 15% of the people claim that Indian brands gives higher social status then global brand.
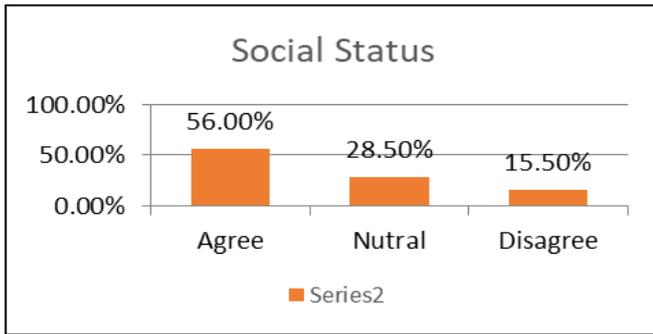

Fig 4

D. Style and Features

According to the data collected, 69 % of the people agree that global brand are more stylish. Total 23.5% of the people do not feel any difference is style in global and local brand. Whereas 8% of the people feel that Indian brands are more stylish.   Fig 5
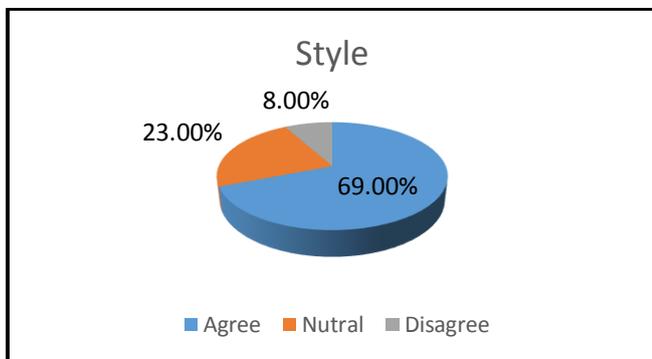

Analysis

Table 2 shows the mean score of attribute that affect the purchasing preferences. Some of the comparisons between the national brands and the store brands were statistically significant. Global sports brands received higher ratings in general, while store brands were mainly perceived as a low price alternative.

TABLE II.   MEAN OF GLOBAL AND LOCAL BRAND

Factors	Mean for Global Band	Mean Local Brand
Quality	4.98	3.24
Service	3.73	2.92
Promotion	3.04	3.54
Style	2.92	3.63
Price	3.02	4.52

V. CONCLUSION

Quality is a most important factor determining whether the consumers would go for global sportswear brand or Indian brand. Service offered by global brand is superior and more reliable which second factor that customers prefer global brand. People feel global brand offer more style option and features to customer due to which customer prefer global

brand. Social status factor is less important compared to other factors. On the other hand Indian brands offer low price option to customer that are price conscious.

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