

Consumer Perceptions of Brands in Pakistan's Denim Industry

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Abstract

The denim industry is the most growing industry in Pakistan, but customers in Pakistan do trust international brands with respect to quality rather than national brands. This study is based on customer perception towards Pakistan's national and international denim brands during decision making in the Faisalabad region. To understand the customer's needs and whether the customer prefers national or international denim brands is the purpose of this study. A descriptive study is conducted to find the perception of customers towards national and international denim brands in Faisalabad. Data is collected through a questionnaire from 100 people of age 16-24 in Faisalabad, where the sampling was conducted randomly. The research data was collected through a questionnaire in two famous city shopping malls and two universities because the target audience was largely the youth. Then, measurements were analyzed and interpreted using a percentage of respondents, and through tables and charts of the frequency distribution. The results confirm the importance of international denim brands over national denim brands in Pakistan's apparel consumer market. The study reveals that many demographic and purchase factors significantly influence preference of customers for buying a denim brand. The findings show that the price and quality of the product in question are the most significant factors that affect a consumer's final decision. Because the consumers typically associate the brand's price with its quality, a product that is priced too low is generally viewed as low-quality. Similarly, many may be unable to afford a product priced too high. Other factors influencing customer preferences include customer ethnocentrism, country of origin, social status, price rivalry with competing brands, and family and friends. The gap is filled by checking customer perception of denim brands in the area of Faisalabad. Different factors are studied to check customer perception towards national and international denim brands.

Keywords: Consumer preference, International brands, National brand, Denim, Marketing, Decision making

Introduction

“Denim” is a French word derived from the word “serge de Nîmes” (Arjun et al., 2013). Denim gained popularity in 1873. Around the middle of the 20th century, young people started wearing Denim. Traditionally the color used for Denim was blue. Initially, Denim was a fabric used for jeans production, but now it is used in the production of bags, boots, shirts, athletic shoes, Capri pants, dresses, hats, skirts, jackets, belts, and many other items for both men and women. 100% cotton twill is used in order to create comfortability in the fabric (Choudhury, 2017).

Nowadays, Denim is popular in fashion trends; fashion is not perfect without Denim. Denim is available in different varieties, in different looks and washes. Due to the latest technology, Denim has become a fashion symbol. Pakistan is the major denim manufacturer and exporter for the world. The first industry of Denim in Pakistan developed in Karachi in the year 1958. Many companies are now manufacturing fashion-oriented denims, drills, apparel-fabric, twills in Pakistan (Altaf, 2008).

Pakistan is doing denim business in both national and international markets. Denim brands in Pakistan are growing the industry. For brand management, it becomes a difficult task to know customers’ requirements and demands for nationally branded denim goods.

The purpose of this study is to find out the denim brands preferred by customers in Pakistan and to identify what factors influence customers while purchasing certain denim brands. This study also hopes to determine suggestions for local clothing brands who want to start their businesses in the future. Customer perception has never been studied regarding denim brands in Pakistan. This study was conducted on two international denim brands and nine national denim brands. In consideration of privacy, the actual names of the brands are not mentioned in this paper unless the parties/brands are willing to display their brand names openly.

Literature Review

Pich & Spry (2019) defined brand as “a product that is distinct in some way from the other products and it is designed to satisfy the similar necessity of the customer”. Brands are universal—they can penetrate every feature of life, whether financial, public, social, or even religious (Micheletti, 2003).

A brand can be defined by a unique symbol, a design, or a combination of both. A brand is used to distinguish a seller's product (Chernev, 2020). An advanced descriptive study was conducted in the US to determine attitudes and emotions towards brand equity of international luxury brands and it was found that people prefer international brands due to brand consciousness (S. W. Wang et al., 2018). The study of Ismail, Masood, & Tawab, (2012) found that people of Pakistan prefer international brands than local brands.

Schuiling & Kapferer (2004) conducted research in the European countries to check consumer perception regarding local and international brands through which it was found that people perceive value of products from their prices. Value is associated with the fact that prices of national brands are usually lower than those of international brands because they are produced at the national level, leaving consumers with perception that better value can be achieved through high prices (Deepak & Jeyakumar, 2019). Quality of the good is not the only benefit, but it is the perceived value given to the customer (Samudro et al., 2020). Ghaani Farashahi, Easter, & Annett-Hitchcock, (2018) conducted study to find the appearance and performance characteristics of denim jeans, as well as the relationships between price and product quality. It was found that trust is an important advantage for international brands because they have a unique relationship between the brand and the consumers, and it takes years to develop this relationship. Local brands are not more elastic than international brands in terms of their promotion activities (Kapferer & Bastien, 2012).

The effects of being a global brand are exclusively positive, although they provide managers with a clearer picture of positive worldwide perceptions (Mandler, 2019). According to Steenkamp (2020) consumers become very sensitive when buying international brands because the customers believe that the brand is advertised in different countries and thus recognized as an international brand around the globe. This observation occurs in two different ways. First, consumers realize through electronic media, newspaper or media advertisements, communication, or during travel to different countries that the same brand in their country is found in other countries. Secondly, as studied by (Appel et al., 2020), a brand may promote itself through different media channels, marketing advertisements, TV and newspaper advertisements, through celebrities in the advertisement that they are associated with the

brand, etc. It is suggested that customers would like international brands to show their reputation and high status (Pino et al., 2019).

There are several factors that influence the buying decision or preferences of a customer while they make any decision to purchase a national or international brand (Sultan et al., 2019). Culture is basically “a set of the observations, requirements, basic values and manners learned by a member of society from family and alternative vital institutions and is the primary reason behind a person's wants and behavior” (Hutchison, 2018). All societies have their own different culture that affects the buying behavior of consumers. The behavior of the culture varies from country to country (De Mooij, 2019). Every cultural cluster will be divided into teams, consisting of individuals with common life experiences and things, additionally referred to as subcultures (House et al., 2004) admire position, religion, and geographical areas. The main cultural issue for making the decision or buying any brand is people that are embedded among alternative variables: occupation, income, education, and wealth (Y. Wang & Yu, 2017).

Different studies are conducted in the consumer preferences area of Denim (Rahman et al., 2017). The groundwork was conducted considering fifty-five female respondents from Ahmedabad Town with the associate objective to see the factors touching choice, usage pattern and wardrobe analysis of denim jeans (Upadhyay & Ambavale, 2015) to check the nature of the fashion industry, and superior factors accounting for purchasing specific apparels by the consumers. Design and style were the second and first preferences of the Indian customers of apparel product rather than its brand name (Kumar, 2019).

Quality is the most important factor when a customer chooses a brand, national or international (Moliner et al., 2018). The perceived quality of the product is a very important factor in making the purchase decision. If the perceived quality of a brand is very good, customers will prefer to buy that brand, and if the perceived quality of the brand is not that good, the customer will not be willing to pay a premium for that brand (Iglesias et al., 2019).

Research Questions

- The reason for consumer preference of international over national Denim brands.

- The product attributes that are mostly considered by consumers when buying a brand.
- To find out the suggestions for future local clothing brands who want to start their clothing brand business in the future.

Methodology

This research is a descriptive study and more of a qualitative nature, and it is conducted to identify the reasons why customers prefer international denim brands over national denim brands when they visit the mall or store for purchases. The sample selected for this paperwork includes 100 customers of denim brands from the city of Faisalabad. The simple random sampling technique is used for conducting this research. The primary data was obtained using questionnaires with closed-ended questions; the Likert scale was used in most of the questions. Gender, age, monthly income, occupation, and education were included in the customer's profile. These questionnaires were distributed to collect data from students of the Institute of National Textile University and GC University as well as shoppers in the two malls. Twenty-five questionnaires were distributed in equal proportion to each university and shopping mall. We classified our population mainly according to gender. The findings were measured using frequency distribution and bar charts. In addition, the means of different factors that influence consumer preferences of National and International brands have been used to determine which factors consumers consider most when purchasing different brands. In addition to the questionnaire, expert interviews were also conducted. The primary objective of in-depth expert interviews was to provide help in the development of the main survey questionnaire. For this purpose, findings from the discussions have been summarized below.

Expert Interviews

Expert interviews were conducted to compare customer preferences for national and international denim brands.

An expert responded that "keeping eyes on trends is the most important factor in becoming the number one brand. One can't specialize in everything, but from my experience, the finishing of international denim brands is best, then the national denim brands. Washing properties are the best of the international brands of Denim. The durability and lifetime of international denim brands are higher than the national brands. The fabric

used by international brands is expensive and better compared to local Pakistani brands”.

The expert recommends that the national brand should improve the washing and finishing of the Denim to compete in the market because the international brands have fine finishing properties compared to Pakistan's local denim brands. In China, they have super-finishing machines, which can convert polyester fabric into one that feels like cotton.

A second expert interview was conducted from the manager of the other brand. He said, “The main purpose of Brand outlet is to generate the highest revenue by the selling of our products. Our focus is to satisfy the customer through every aspect. We have produced the garments according to the customer demand and customer body size. If some have greater waists, then we stitch the garment to specification. We sell the products after satisfying our customers. We prefer our customers to try our products according to their body style.”

Interviews related to Customer Loyalty

Intense competition and aggressive pricing on comparable products, along with the bombardment of promotional offers, can have far-reaching implications on customer loyalty. For this purpose, we conducted interviews with experts about customer loyalty.

A person says, “If you become loyal with your customers, they will stay loyal with your brand; if another brand offers a good product, then the customers will switch to the new brand.”

Another one says, “Twenty percent of customers drive 80% of the business. So, we must keep the focus on that 20% of customers rather than the 80% who drive just 20% of the business.”

In an interview related to the loyalty of the customers, an expert says that “Customers are loyal unless they get a bad experience. Loyalty depends on how customers associate themselves with the brand. We give loyalty cards to the customers to make them loyal.”

Findings

In the questionnaire, different scales were used for gathering the data. Gender, age, monthly income, occupation, and education are included in the customer profile. We collected data from the customers of denim jeans.

Question #1 : Attribute toward wearing Denim brands?

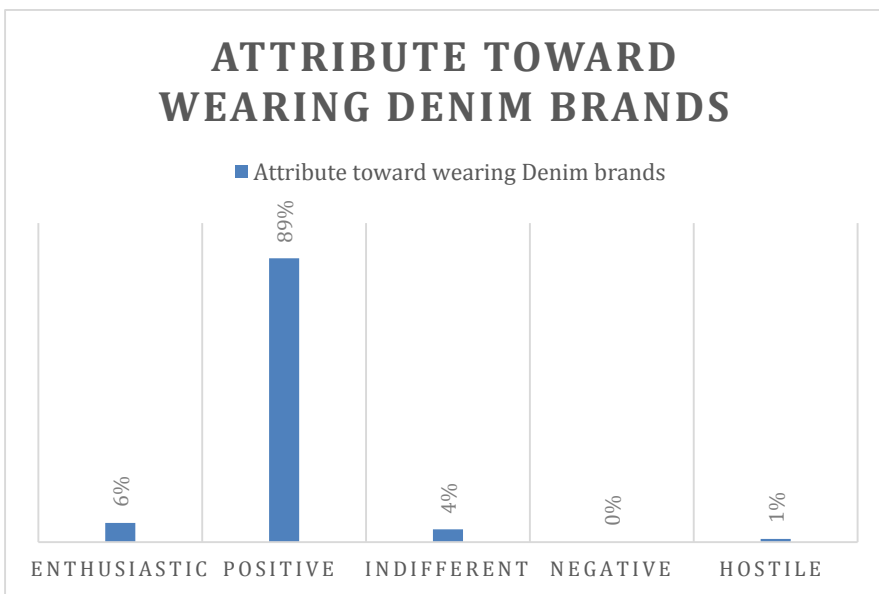


Figure.1 Attribute toward wearing Denim brands

According to the data collected, 6 customers' attribute is enthusiastic, while 89 customers have a positive attribute toward wearing denim brands. All the data are indicated in the above pie chart.

Question # 2: Which brand of Denim do you prefer most?

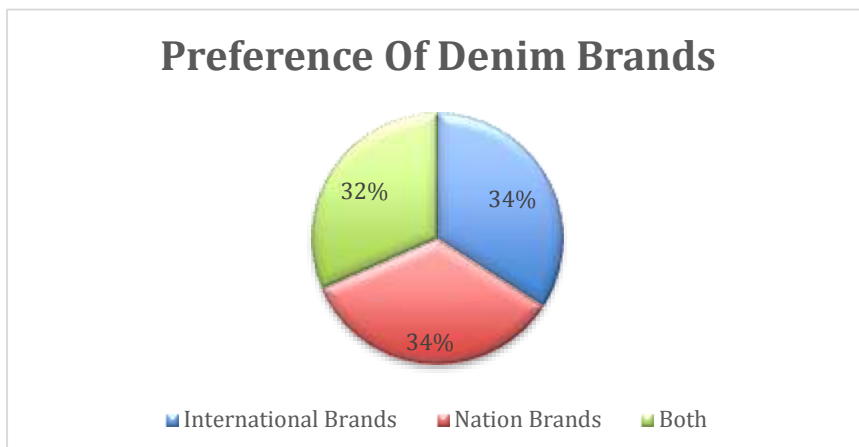


Figure.2 Preference of Denim Brands

According to the data collected from the questionnaire, 34% of the 100 customers prefer international brands, and 34% of them also prefer national brands. 32% prefer both national and international brands.

Question # 3: If an international brand and a national brand are priced the same, would you prefer the international brand?

The purpose of this question was to evaluate how important the price factor was, where consumer prefers to purchase the domestic brand or international brand in the same price range. The results showed that 84% of consumers prefer international brands, whereas 16% would purchase domestic ones.

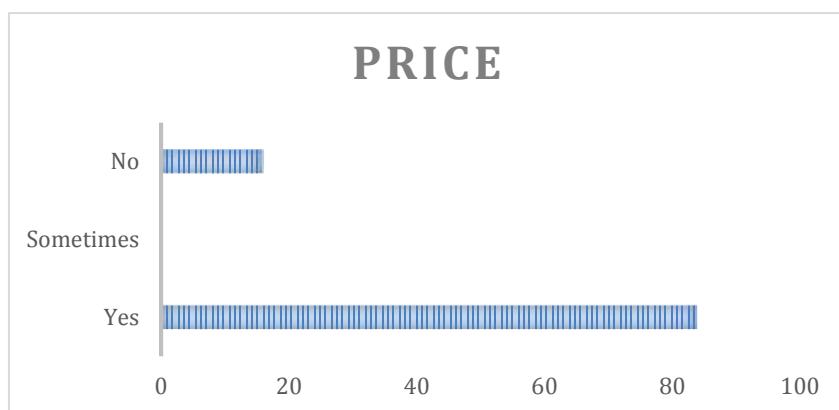


Figure.3 Price

Question # 4: Which one of the following is the most important reason to prefer Denim brand?



Figure.4 Important reason to prefer Denim Brands

There are several factors included in the perception of a customer purchasing a brand; for this purpose, we created a question regarding preferences when buying denim brands. According to the data collected regarding this question, the most favorite is comfort, followed by fabric.

Question # 5:How frequently you buy denim brands?

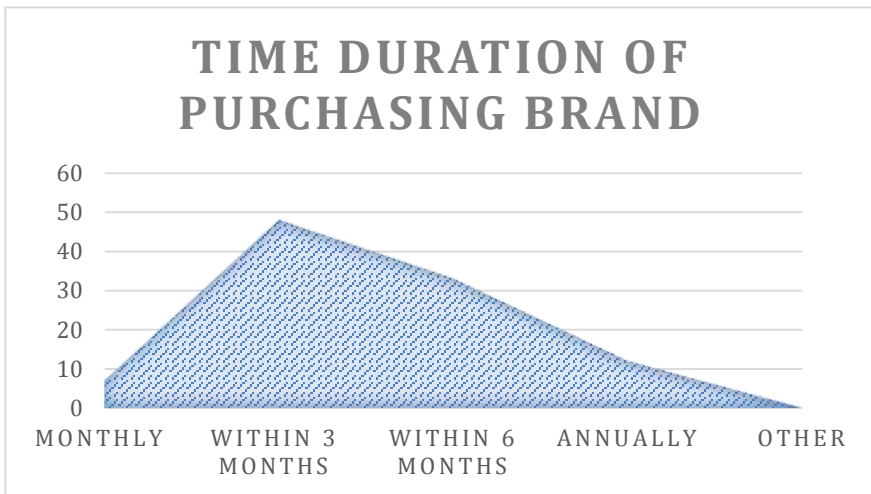


Figure.5 The time duration of purchasing Brand

Most of the people purchased denim brands within three months.

Discussion and Implications

This study deals with customers' perception of Pakistani people towards local denim brands and international denim brands. We used two international and about nine national brands for this research. The study reflects that many demographic factors and other purchase pattern factors have a significant influence on the customer's preference for buying a specific denim brand. The majority of people prefer both national and international brands.

The issue with international brands is the higher price they charge, but people who are quality-conscious pay higher prices for the product, as people perceive that international brands are the symbol of prosperity. Some people use copies of brands from a local market instead of buying the original brand product. People in Asia like to wear Denim, especially the youth in Pakistan. Quality is an essential tool that increases customers,

but high prices are also an issue. People in Faisalabad want high quality product with a low price. Product sale becomes frequent during sales. Opinion of friends and social media advertisements are also considered to purchase denim jeans. People were asked about the preference of customer's brands if the price of national or international denim brands is the same. People responded with preference of international brands which shows quality and price both influences purchasing decisions. According to customer's response, comfort, quality and price are the factors that come first with style coming behind in that order.

Conclusion

The study reflects that many demographic factors and other purchase pattern factors have a significant influence on the customer's preference for buying a denim brand. The result shows that people prefer international brands because they feel that the quality of the national brands is not better than the international brands and the lifespan of national brand jeans is shorter than international brands. According to the ranking by customers, comfort and quality prevail in the first position, while fabric, price, and style respectively fill out the successive ranks. Average people prefer to buy denim brands within three months. Finally, it can be concluded from the research that it is very important to know the customer's needs, wants, and demands, buying behavior process, and requirements properly. The brand developer should develop and place the products according to the customers.

The national brand must improve the washing and finishing of Denim to compete in the market because the international brands have the finest finishing properties as compared to Pakistan's local denim brands. In China, they have the superfinishing machines; these machines can convert polyester fabric to cotton. Lessons can be learned from their successes – national brands should conduct more customer research and modify the product to better meet customer demand.

Future Directions and Limitations

This research is conducted for the first time in Faisalabad. In the future, this type of research should be conducted in other cities of Pakistan or in the whole country of Pakistan. The future researchers should increase the brands and the sample of the population. In the future, new contexts,

locations, and/or cultures should be added to re-evaluate and increase the factors.

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