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Indian consumers' brand equity toward a US and local apparel brand

Indian consumers' brand equity

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Abstract

Purpose – The purpose of this study is to examine effects of gender, need for uniqueness, and attitudes toward American products on dimensions of brand equity for a US and local apparel brand in the Indian market.

Design/methodology/approach – Three dimensions of brand equity are evaluated based on the respondents' shopping experience related to the selected US and local apparel brands. Data are collected from a convenience sample of college students in India.

Findings – The empirical tests show that, for a US apparel brand, there are direct and indirect effects of Indian consumers' gender, need for uniqueness (NFU), and attitudes toward American products on three dimensions of brand equity: perceived quality, brand loyalty, and brand associations with brand awareness. For local apparel brands, these effects are found for only one brand equity dimension: perceived quality.

Research limitations/implications – The study uses only one US apparel brand, which may limit the generalization of the findings to all product categories and countries.

Practical implications – US marketers need to improve Indian consumers' attitudes toward American products through marketing and promotional campaigns. On the other hand, Indian marketers should overcome the negative relationship between Indian consumers' attitudes toward American products and their quality perception toward a local apparel brand.

Originality/value – Little attention has been given to individual differences in evaluating the three dimensions of brand equity. By assessing brand equity based on the individual characteristics of gender, need for uniqueness, and attitudes toward American products, results of the study can help marketers to obtain more specific knowledge of brand equity about a target consumer group and thus enable them to plan and implement well-suited strategies for improving their brand equity.

Keywords Gender, Attitudes, Brand equity, Consumers, India

Paper type Literature review

Introduction

The recent globalization has led to increased international market activities, with many foreign brands competing with local brands in host countries. Consumers have different perceptions toward foreign and local brands, even within the same product category (Herche, 1992). This is especially true in the case of developing countries such



as India, where foreign brands are preferred over local brands ([Agbonifoh and Elimian, 1999](#)). In such countries, some consumers prefer foreign brands because of symbolic meanings that these brands convey ([Kottak, 1990](#)). This preference is more common when the foreign product is related to conspicuous consumption and perceived as status-revealing, as in the case of clothing ([Piron, 2000](#)).

India is opening up its retail market to foreign companies and will see an influx of foreign brands in the coming years ([Mukherjee and Patel, 2005](#)). The success of foreign and local brands in the Indian market will depend largely on how these brands are perceived and used by Indian consumers. A few studies have been conducted on Indian consumers' preferences between local brands and various foreign brands ([Batra et al., 2000](#); [Kinra, 2006](#)); however, these studies did not investigate how Indian consumers perceive US brands versus local brands available in India. Although [Kumar et al. \(2009\)](#) examined Indian consumers' perception between US and local brands, their study did not employ brand equity as a major construct.

In today's competitive retail environment, the concept of brand equity is an important source of strategic intelligence for marketers. Brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong attitude, and unique brand associations in the memory ([Kamakura and Russell, 1991](#)). Perceptions of experiential products (e.g. clothing) are highly influenced by brand attributes and image, which can make significant contributions to a brand's equity ([Aaker, 1991](#); [Yoo and Donthu, 2001](#)). [Aaker \(1991\)](#) suggests several approaches to assess the multidimensional value of brand equity, one of which is to assess equity from a consumer's perspective. Adapting this approach, this study examines the impact of gender, consumers' need for uniqueness, and their attitudes toward American products on brand equity of a US and local apparel brand in the Indian market. Understanding brand equity will enable marketers to diagnose why one brand is considered to be superior over another brand.

Literature review

Brand equity

Brand equity is the added value endowed to a product as a result of past investments in the marketing of the brand. Added value of a brand is created in the mind of consumers as a result of perceived performance on various marketing dimensions ([Keller, 1998](#)). Further, brand equity develops from the confidence that consumers place in one brand over another ([Kamakura and Russell, 1991](#)). This confidence leads to value for both the firm and the customer ([Aaker, 1991](#)). The advantages that a brand with higher equity enjoys are increased brand loyalty, premium pricing, and lower advertising-to-sales ratios ([Keller, 1998](#); [Sriram et al., 2007](#)).

Brand equity has been considered as a multidimensional construct ([Aaker, 1991](#); [Keller, 1993](#); [Washburn and Plank, 2002](#); [Yoo et al., 2000](#)). [Aaker \(1991\)](#) proposes brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets as dimensions of brand equity. Similar dimensions are suggested by other researchers; brand loyalty and brand associations are identified by [Shocker and Weitz \(1988\)](#); brand knowledge, composed of brand awareness and brand image, by [Keller \(1993\)](#). Among various suggestions, perceived quality of brand, brand loyalty, and brand associations with brand awareness are popularly accepted as common dimensions of brand equity ([Aaker, 1991](#); [Yoo et al., 2000](#)).

Perceived quality is defined as a consumer's evaluation of a brand's overall excellence based on both intrinsic cues (e.g. performance, durability) and extrinsic cues (e.g. brand name, warranty) (Kirmani and Baumgartner, 2000). When consumers perceive a brand to be of high quality, they are more likely to purchase the brand over competing brands, pay a premium price, and choose the brand (Netemeyer *et al.*, 2004).

Brand loyalty is defined as a tendency to be loyal to a particular brand such that the consumer intends to purchase the brand routinely and resists switching to other brands (Yoo *et al.*, 2000). Thus, brand loyalty encourages a customer to pay a premium price, develops a barrier to entry for other brands, and protects the brand against intense price competition (Lassar *et al.*, 1995).

Brand associations with brand awareness (BABAs) form a specific brand image because what is linked in memory to a brand builds "a set of associations, usually in some meaningful way" (Aaker, 1991, p. 109). BABAs relate to the likelihood that a brand name will come to mind when the consumer is making a purchase decision and the ease with which it does (Rossiter and Percy, 1987). Using Aaker's (1991) conceptualization of brand equity from a consumer's perspective, this study incorporates the three dimensions of brand equity – perceived quality, brand loyalty, and BABAs – to measure brand equity of a US and local apparel brand in the Indian retail market.

Consumers react to marketing efforts differently between a branded product and an unbranded product, which can be attributed to brand equity (Yoo and Donthu, 2001). Besides, differences in consumer response may arise from individual characteristics because they influence cognitive and affective components, which in turn influence behavior (Holbrook and Hirschman, 1982). It is likely that Indian consumers' perceived quality, brand loyalty, and BABAs are influenced by their gender, need for uniqueness, and attitudes toward American products. Therefore, these individual characteristics are incorporated in this study. Gender is demographic information, and need for uniqueness is an inherent personality trait (Tian *et al.*, 2001). On the other hand, attitudes are overall evaluations and are learned over time (Wells and Prensky, 1996).

The relationships among gender, need for uniqueness, attitudes toward American products, and the three dimensions of brand equity are of interest to this study. First, gender influences both need for uniqueness and attitudes toward American products. Second, need for uniqueness (inherent traits) influences attitudes toward American products (learned traits). Third, attitudes toward American products influence how Indian consumers evaluate particular US and local brands and form brand equity of the brands.

The Indian consumer market

India used to be a closed economy due to government laws that restricted entry of foreign companies; in recent times, this restriction has been loosened. In addition to the regulatory change, the rapidly growing economy has made India an attractive market for foreign companies. The Indian retail industry has grown substantially and the \$250 billion industry is expected to double by the year 2010 (Field, 2005). Although India's retail industry is largely made up of mom-and-pop stores and the branded retail accounts for only 3 percent of the total retail market, India's branded retail sector is forecasted to grow at 25-30 percent a year over the next four years ("The retail industry", 2006). Traditional markets are making way for new formats such as department stores,

hypermarkets, and specialty stores that carry branded goods. Western-style malls have begun appearing in the Indian market, introducing the Indian consumer to an unparalleled and unique shopping experience ("The retail industry", 2006).

Apparel, as one of the most important segments of the Indian retail industry, constitutes 39 percent of the total organized retailing sector (Mohan and Gupta, 2007). Unorganized formats comprised of small traditional shops selling unbranded apparel and next-door tailors occupy 75 percent of the apparel retail industry ("Bird of gold", 2007). Consumer preference toward apparel has shown an increasing shift from tailored ethnic apparel towards ready-made Western-style garments ("Bird of gold", 2007). It has been acknowledged that Indian consumers are price-conscious shoppers and may value price over quality, style and brand names ("Bird of gold", 2007). However, Indian consumers are willing to pay a premium price and accept a product in any form if it is a foreign brand irrespective of country of origin (Mital and Swaminathan, 2005).

The rapidly expanding middle class consumers in India, with their increasing purchasing power, constitute the primary market for branded foreign apparel. Foreign brands, which were expensive and were available only to the rich in India, are available to the middle-class Indian consumer today (Kumar *et al.*, 2009).

Foreign marketers have the advantage of offering brands that appeal to status-seeking Indian customers, whereas local marketers have an advantage of having good knowledge of their customers. In this retail setting, foreign marketers need to thoroughly understand Indian consumers. Furthermore, foreign retailers need to adapt their strategies to better serve local tastes, preferences, fit, and price satisfaction because localization of foreign brands is critical in building strong brands (Delong *et al.*, 2004). On the other hand, local marketers need to strengthen their brand perception in Indian consumers' minds. Both foreign and local marketers are challenged to develop strong brand equity for their own brands.

Hypotheses development

Some individuals conform with a society's group norms; others strive to differentiate themselves by rebelling against social norms. Individuals in the latter case tend to express their desire for differentiation through their product purchases (Simonson and Nowlis, 2000). This tendency is described as consumers' need for uniqueness, defined as an enduring personality trait by which consumers pursue dissimilarity through products and brands in an effort to develop a distinctive self and social image (Tian *et al.*, 2001). Several individual characteristics that lead to need for uniqueness were identified in the previous literature. Individuals with a strong need for uniqueness tend to be independent, high in risk-taking, novelty seeking, and masculine. On the contrary, conformity, social anxiety, and femininity have been negatively related to need for uniqueness (Tepper and Hoyle, 1996).

Previous research suggests that females are more likely to conform to group norms than males (Eagly and Chrvala, 1986). This gender difference is due to the fact that females are traditionally expected to be selfless, more concerned about others, and have a desire to be one with others, while males are expected to be assertive and have an urge to master over others (Eagly and Chrvala, 1986). In India, females are still expected to maintain traditional gender roles and wear traditional Indian clothes (e.g. sari, salwar-kameez) as both formal and daily clothing ("Sizing up what India wears", 2006). It can be interpreted that Indian females are expected to conform to

social norms and thus standing out of the crowd is viewed as breaking the traditional gender norm. Hence, we posit that:

H1. The need for uniqueness will be greater for Indian males than for Indian females.

Studies have found that gender differences exist in patriotism, ethnocentrism, and evaluation of domestic versus foreign products; females tend to be more conservative, more patriotic, and more ethnocentric than males, resulting in females rating domestic products more favorably (Han, 1988; [Vida and Fairhurst, 1999](#)). In India, females tend to wear traditional Indian clothes more than Western clothes because they are still expected to adhere to traditions. In such a situation, Indian females may not have chances to experiment with foreign products, which reduce their opportunity to develop positive attitudes toward American products. Further, Mohan and Gupta (2007) found that Indian males are distinctly more brand conscious than Indian females. Based on these arguments, we hypothesize that:

H2. Attitudes toward American products will be more positive for Indian males than for Indian females.

Consumers express their uniqueness by possessing and displaying original, novel, and unique consumer products and brands (Kron, 1983). Clothing and accessories are well known products that express one's individuality (Solomon, 2003). India, being a conservative country in the past, considered the entry of foreign brands to corrupt the traditional society. This limited entry of foreign brands into local markets made them scarce and accessible only to the affluent ([Batra et al., 2000](#)). This scarcity has increased the interest and yearning for foreign brands over local brands among Indian consumers ([Batra et al., 2000](#)). American products and brands, in particular, are perceived to be attractive to Indian consumers who associate them with modernity, individuality, and nonconformity to traditional values ([Bar-Haim, 1987](#)). Wearing American apparel brands may be viewed as a means by which to set one's self apart from others, thereby enhancing one's uniqueness. Thus:

H3. Indian consumers' need for uniqueness will be positively related to their attitudes toward American products.

Past research has found that perceived quality is significantly influenced by the country of origin of the product ([Maronick, 1995](#)). Indian consumers perceive foreign brands of cars, television sets, and jeans to be of a higher quality than domestic branded goods ([Kinra, 2006](#)). Similarly, the quality of products from developed countries (e.g. USA and Japan) was perceived to be high by Uzbek consumers ([Zain and Yasin, 1997](#)). Also, [Kumar et al. \(2009\)](#) found positive effects of Indian consumers' attitudes toward American products on perceived quality for US brands.

Research has also shown that consumers in economically less developed countries tend to view domestic products as inferior in quality when compared to foreign products ([Cordell, 1992](#)). For example, consumers in Eastern European countries perceived their domestic brands of cars, TV, and dresses/shirts to be inferior in quality to Western brands ([Zain and Yasin, 1997](#)). Also, [Kinra \(2006\)](#) found that Indians rated the quality of Indian apparel brands much less positively than that of foreign apparel brands. Similarly, [Kumar et al. \(2009\)](#) found negative effects of Indian consumers'

attitudes toward American products on perceived quality for local brands. Hence, we posit that:

H4a. Indian consumers' attitudes toward American products will be positively related to their perception of a US apparel brand's quality.

H4b. Indian consumers' attitudes toward American products will be negatively related to their perception of a local apparel brand's quality.

Consumers' positive attitudes towards brands determine brand loyalty; positive attitudes, in general, lead to great loyalty (Petty and Krosnick, 1995). Researchers have stated that for consumers in less developed countries, country image or attitude toward a country plays a significant role in influencing their purchase behavior (Lin and Sternquist, 1994). This is because consumers in less developed countries do not have enough information and experience with purchasing foreign brands (Zhang, 1996).

Brand loyalty towards local brands has been studied as well. Shen *et al.* (2003) revealed that Chinese consumers' positive attitudes toward US apparel significantly influenced their intentions to purchase US garments. Based on this review, we hypothesize that:

H5a. Indian consumers' attitudes toward American products will be positively related to their loyalty toward a US apparel brand.

H5b. Indian consumers' attitudes toward American products will be negatively related to their loyalty toward a local apparel brand.

Brand associations with brand awareness (BABAs) have direct effects on consumers' product choice (Aaker and Day, 1974). According to Alden *et al.* (2006), consumers' formation of positive attitudes toward global brands is heavily influenced by exposure to media or cultural influences from foreign countries. Indian consumers who have developed positive attitudes toward American products may have been exposed to American cultural influences via media such as American movies, American television shows, and American magazines resulting in a high level of awareness toward US apparel brands. On the contrary, these consumers' inclination to favor American products may reduce their awareness and associations about local brands. In fact, the ready-to-wear clothing industry in India has been dominated by traditional clothing for females and custom-tailored clothing for males. Indian clothing brand names are just slowly emerging (Prayag, 2004). Taken together, Indian consumers' awareness of local apparel brands may be lower, if they have more positive attitudes toward American products. Thus:

H6a. Indian consumers' attitudes toward American products will be positively related to their BABAs for a US apparel brand.

H6b. Indian consumers' attitudes toward American products will be negatively related to their BABAs for a local apparel brand.

Methods

Data collection and sample

Data were collected from a convenience sample of college students from a variety of majors, enrolled at a prominent state university in Mumbai, India. College students

were deemed appropriate for this study, given that they represent a critical consumer group for casual apparel brands (Beckett, 2007; Moore and Ascione, 2005). In addition, college students are more homogeneous than general adult consumers because the effects of potential demographic factors (e.g. age and education) are minimized (Peterson, 2001). Homogeneous samples ensure better theoretical predictions and thus appear to be desirable for theory-driven model testing (Calder *et al.*, 1981). In a classroom setting, students in multiple classes were asked to complete the self-administered questionnaire on a voluntary basis. The final sample contained 411 usable responses. Respondents were between 19 and 30 years old; the mean age was 22 years. More males (64 percent) responded to the survey than females (36 percent). Respondents' average expenditure for clothing in the past 12 months was approximately Rs. 5,200 (equivalent to \$117).

Brand selection

Three dimensions of brand equity (i.e. perceived quality, brand loyalty, and BABAs) were evaluated by the respondents based on their shopping experience related to the selected US and local apparel brands. Prior to administering the survey, a focus group interview was conducted to select a US and a local apparel brand to be used in the study. The criterion for selecting the US apparel brand was that it should be familiar to the student population from which the sample was recruited. From the focus group interview, Levi's was identified as the most popular US apparel brand among Indian college students. On the other hand, the focus group did not find any single local apparel brand that matches Levi's in its brand image, familiarity, or purchase frequency. Thus, respondents were asked to refer to "the most popular casual local brand" for the local apparel brand.

Measures

The questionnaire was designed to measure three individual characteristics – gender, need for uniqueness, and attitudes toward American products – and three dimensions of brand equity – perceived quality, brand loyalty, and brand associations with brand awareness (BABAs). The same corresponding items were used for measuring three dimensions of brand equity for Levi's and local apparel brand. All items, except gender, were measured on a 6-point Likert-type scale, anchored by "strongly disagree" (1) and "strongly agree" (6).

Need for Uniqueness was measured with fifteen items adapted from Tian *et al.* (2001). Three items were adapted from Shimp and Sharma (1987) to measure attitudes toward American products. Three dimensions of brand equity were based on Yoo *et al.* (2000) who derived scale items of perceived quality from Dodds *et al.* (1991); those of brand loyalty, from Beatty and Kahle (1988); and those of brand associations with brand awareness, from Rossiter and Percy (1987) and Srull (1984).

Results

Two-step structural equation modeling (SEM) analyses were used for validating the measurement models and testing proposed hypotheses (Anderson and Gerbing, 1988). AMOS graphics version 6.0 was used to analyze the data and parameters were estimated using maximum likelihood method. Measurement and structural models were constructed for each brand.

Measurement model

Following Tian *et al.*'s (2001) suggestion, need for uniqueness (NFU) was conceptualized as a second-order construct consisting of three first-order factors: creative choice counterconformity, unpopular choice counterconformity, and avoidance of similarity. However, unpopular choice counterconformity dimension was eliminated because an internal reliability was less than the minimum criteria of 0.60 (Bagozzi and Yi, 1988). Thus, the final second-order factor model consisted of two dimensions. The second-order factor model satisfactorily fitted the data: χ^2 (26) = 82.37; χ^2 /df ratio = 3.17; GFI = 0.96; CFI = 0.95; RMSEA = 0.07. All first-order and second-order factor loadings were significant ($p < 0.001$), demonstrating convergent validity. An averaged measure of each dimension of NFU was computed as an observed variable for the NFU latent variable.

The final measurement models for both US and local apparel brands consisted of five latent variables with 12 observed variables (Table I). The measurement model fits were good: for Levi's, χ^2 (40) = 106.68; χ^2 /df ratio = 2.67; CFI = 0.96; GFI = 0.96; RMSEA = 0.06; and for local brand, χ^2 (42) = 107.47; χ^2 /df ratio = 2.56; CFI = 0.96; GFI = 0.96; RMSEA = 0.06.

Tests for convergent and discriminant validity were conducted for evaluations of construct validities of the latent variables. The convergent validity can be assessed by three measures: factor loadings, composite reliability, and the average variance extracted (AVE). For both Levi's and local brands, all factor loadings were significant ($p < 0.001$). The composite reliabilities of the latent variables ranged from 0.74 to 0.82 for Levi's brand and from 0.70 to 0.83 for local brand. The AVEs for all latent variables were greater than the threshold value of 0.50 (Fornell and Larcker, 1981) except for BABAs for local brand (.48). Discriminant validity was assessed by examining whether the AVE was larger than the shared variance (i.e. squared correlation coefficients) between all possible pairs of latent variables (Fornell and Larcker, 1981). Evidence for discriminant validity was found for all latent variables (Table II). Thus, it was confirmed that all measures for both US and local brands have construct validities.

Structural model and hypotheses testing

The structural models consist of one exogenous variable (gender) and five endogenous variables (NFU, attitudes toward American products, perceived quality, brand loyalty, and BABAs). Gender was notated as a dummy variable. The structural models appeared to fit the data well: for Levi's, χ^2 (51) = 130.58; χ^2 /df ratio = 2.56; CFI = 0.95; GFI = 0.95; RMSEA = 0.06; and for local brand, χ^2 (54) = 126.10; χ^2 /df ratio = 2.33; CFI = 0.95; GFI = 0.96; RMSEA = 0.06.

The results of hypotheses testing are illustrated in Figure 1 (Levi's) and Figure 2 (local brand). *H1* tested whether males have stronger NFU than females. Contrary to the expectation, females had a stronger NFU than males did ($\gamma_{11} = 0.13$, $p < 0.05$ for Levi's; $\gamma_{11} = 0.15$, $p < 0.01$ for local brand), not supporting *H1*. This contrary finding can be explained with several arguments. It has been argued that individuals who want to distinguish themselves from others use fashion clothing as a means of differentiation and a desire for differentiation is related to fashion innovativeness (Park, 1998; Piamphongsant and Mandhachitara, 2008). In general, females are more likely to be fashion innovators or early adopters (Beaudoin *et al.*, 2003). Probably,

Latent constructs	Scale items	Standardized estimate		<i>t</i> -value		Composite reliability	
		<i>n</i>	Values for local brand	<i>n</i>	Values for local brand	<i>n</i>	Values for local brand
Need for uniqueness	Creative choice counterconformity	0.63	0.99	10.37*	28.46*	0.79	0.81
	Avoidance of similarity	0.96	0.62	13.14*	14.25*		
Attitudes toward American products	I prefer American products over domestic products	0.93	0.92	20.60*	20.33*	0.82	0.83
	American products are of higher quality than domestic products	0.61	0.64	13.10*	13.54*		
	Given a choice, I buy American-made rather than domestic products	0.76	0.77	16.35*	16.59*		
Perceived quality	Be reliable	0.91	0.74	12.52*	11.31*	0.79	0.71
	Be durable	0.69	0.74	10.94*	12.17*		
Brand loyalty	I am loyal to this brand	0.73	0.71	14.59*	13.75*	0.74	0.70
	This brand is my first choice among competing brands	0.79	0.76	15.51*	12.75*		
Brand associations with brand awareness (BABA)	I can recognize this brand among other competing brands	0.68	0.50	13.84*	9.6*	0.75	0.72
	I am aware of this brand	0.67	0.70	13.19*	14.11*		
	I can quickly recall this symbol or logo of this brand	0.78	0.83	15.57*	16.18*		

Note: *Significant at $p < 0.001$

Table II.
Discriminant validity

	1		2		3		4		5	
	<i>n</i>	Values for local brand	<i>n</i>	Values for local brand	<i>n</i>	Values for local brand	<i>n</i>	Values for local brand	<i>n</i>	Values for local brand
1. Need for uniqueness		<i>0.66</i>		<i>0.69</i>						
2. Attitudes toward American products	0.03	0.05	<i>0.61</i>	<i>0.62</i>						
3. Perceived quality	0.01	0.00	0.04	0.02	<i>0.65</i>	<i>0.55</i>				
4. Brand loyalty	0.23	0.00	0.06	0.00	0.12	0.20	<i>0.58</i>	<i>0.54</i>		
5. BABA	0.02	0.01	0.02	0.00	0.13	0.26	0.31	0.36	<i>0.50</i>	<i>0.48</i>

Notes: Entries in italics show the average variance extracted by the construct; Off-diagonal entries represent the variance shared (squared correlation) between constructs

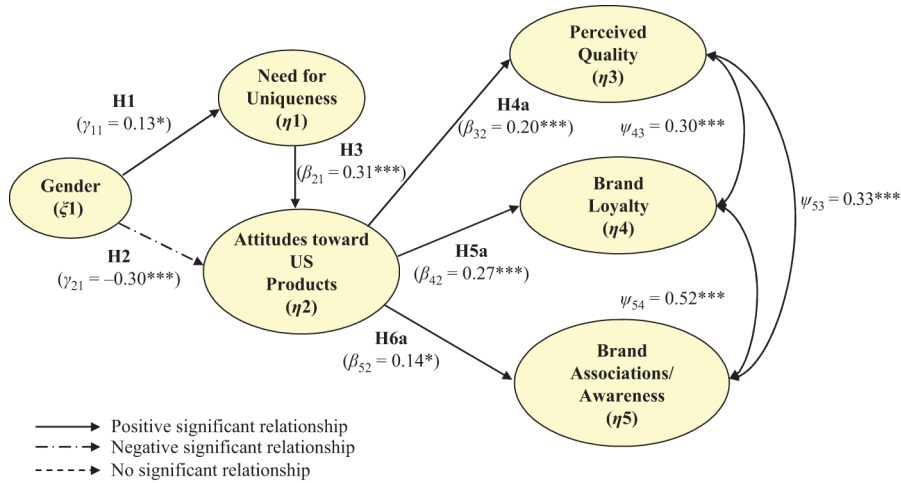


Figure 1. Final structural model and hypothesized path test results: Levi's brand

Notes: Gender (0 = male, 1 = female). * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

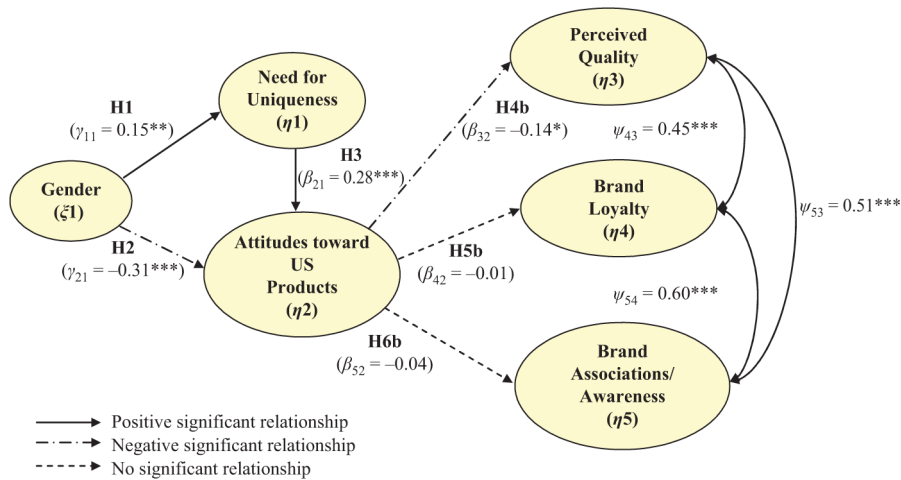


Figure 2. Final structural model and hypothesized path test results: local brand

Notes: Gender (0 = male, 1 = female). * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Indian females want to wear new fashions and this might have stimulated them to have a stronger need to be unique through their clothing choices.

H2 examined whether attitudes toward American products differed by gender. Our results showed that the path from gender to attitudes toward American products was significant ($\gamma_{21} = -0.30, p < 0.001$ for Levi's; $\gamma_{21} = -0.31, p < 0.001$ for local brand). The signs of the estimated coefficients indicated that Indian males were more likely to exhibit positive attitudes toward American products than Indian females. This finding supported H2. The significant positive effect of NFU on attitudes toward American

products ($\beta_{21} = 0.31, p < 0.001$ for Levi's; $\beta_{21} = 0.28, p < 0.001$ for local brand) supported *H3*. This positive relationship suggests that US brands, relative to widely available domestic products, may be perceived as meeting the need of Indian college students who seek to be unique (Batra *et al.*, 2000).

H4a was supported by the significant positive effect of attitudes toward American products on perceived quality ($\beta_{32} = 0.20, p < 0.001$) for the US brand. Support for *H4b* was also found for the local brand with the negative effect of attitudes toward American products on perceived quality ($\beta_{32} = -0.14, p < 0.05$). Indian consumers with more positive attitudes toward American products considered the US apparel brand to have higher quality, recognized or recalled it better, and were more loyal to it, compared to those with less positive attitudes toward American products.

The results indicated that the effect of attitudes toward American products on brand loyalty was positive ($\beta_{42} = 0.27, p < 0.001$) for the US brand, supporting *H5a*. For the local brand, the effect was not significant ($\beta_{42} = -0.01, p = 0.84$), not supporting *H5b*. As proposed in *H6a*, attitudes toward American products were positively related to BABAs ($\beta_{52} = 0.14, p < 0.05$) with respect to the US brand. However, no significant effect was detected for the local brand ($\beta_{52} = -0.04, p = 0.51$). Thus, *H6a* was supported, whereas *H6b* was not. Indian consumers with more positive attitudes toward American products recognized or recalled the US apparel brand better, and were more loyal to it, compared to those with less positive attitudes toward American products. Contrary to the expectation, Indian consumers' attitudes toward American products did not influence their brand loyalty and BABAs for the local apparel brand.

Conclusions and implications

The purpose of this study was to examine the impact of Indian consumers' individual characteristics on three dimensions of brand equity for a US and a local apparel brand. Using a consumer-based perspective of brand equity, this study demonstrates that Indian consumers' gender, need for uniqueness (NFU), and attitudes toward American products have significant effects on three brand equity dimensions (i.e. perceived quality, brand loyalty, and BABAs) for a US apparel brand while these individual characteristics have an impact on only one brand equity dimension (i.e. perceived quality) for a local brand.

This study regarding individual characteristics and brand equity makes an important contribution to the existing body of knowledge in brand equity. In previous studies, brand equity has been understood in its linkage to marketing activities (Faircloth *et al.*, 2001; Yoo *et al.*, 2000), whereas scant research assessed brand equity based on individual characteristics such as gender, need for uniqueness, and attitudes toward American products. By assessing brand equity in terms of these individual characteristics, marketers can obtain more specific knowledge of brand equity about a target consumer group and thus can plan and implement well-suited strategies for improving their brand equity. The disparate culture results in individual differences in terms of consumer perceptions, preferences, and behavior across countries (Dawar and Parker, 1994). For this reason, knowing how consumers form brand equity of a specific brand is especially important in a foreign market (i.e. Indian market).

This study also holds valuable strategic implications for both US and Indian marketers. Based on the finding that NFU positively influences three brand equity

dimensions for a US apparel brand through attitudes toward American products, US marketers could focus on the unique aspects of a US apparel brand in order to appeal to Indian consumers. Advertising messages could highlight that wearing a US apparel brand enhances consumers' self- and social-images and thus meets their desire to be unique and different from others. In addition, US marketers could launch a new line of clothing that showcases the latest fashions and display clothes in an innovative way ("A rivet-ing store", 2005). These efforts may be more effective with younger Indian females who have higher NFU than Indian males.

The results of this study also illuminate the importance of attitudes toward American products in the formation of brand equity for both US and local apparel brands. US marketers need to improve Indian consumers' attitudes toward American products through marketing and promotional campaigns for building and strengthening brand equity for their brands. Especially, Indian females' mean score of attitudes toward American products ($m = 2.89$) was much lower than that of males ($m = 3.47$). Thus, it is recommended that US marketers employ aggressive marketing strategies to improve Indian females' attitudes toward American products. For example, advertisements can feature US apparel brands endorsed by Indian celebrities or reference groups. On the other hand, Indian marketers should overcome the inverse relationship between Indian consumers' attitudes toward American products and their quality perception toward a local apparel brand. First, Indian marketers need to reshape their consumers' attitudes toward local brands through marketing and promotional campaigns. Quality improvement of local products and advertising campaign conveying this message may alter Indian consumers' perceived quality as well as their attitudes toward local brands. For quality improvement of local brands, Indian marketers also should invest more in research and development and employ more sophisticated quality management. Second, because image and reputation of retail stores can signal high product quality (Dawar and Parker, 1994), Indian marketers should endeavor image- or reputation-enhancing efforts.

No impact of attitudes toward American products was found on brand loyalty and BABAs for a local brand. Indian marketers can encourage their consumers to be more loyal to local apparel brands by providing good fit, ease of care, high quality with reasonable price, and improved services. In addition, investment in advertising could allow Indian consumers to be more aware of local apparel brands.

Although the results of this study are probably of interest to all foreign companies considering marketing to the Indian market, this study used only one US apparel brand, which may limit the generalization of the findings to all product categories and countries. Therefore, it would be worthwhile to replicate this study using other product categories and foreign brands. The findings of this study should be interpreted with caution due to the limitation of sampling. Because college students were recruited from one university, future research should recruit sample from different universities and further from other generational groups to provide findings that are more generalizable to the consumer population in India. Finally, because no single local brand comparable to Levis' brand was identified, three dimensions of brand equity for the local brand were measured with reference to the most popular casual local brand that came to the respondent's mind. Thus, caution should be taken when applying the results to a specific apparel brand in India.

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