

# BUYING LOCAL BRANDS: FACTORS INFLUENCING CONSUMERS ACTUAL PURCHASE BEHAVIOR

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## ABSTRACT

*The study empirically investigates the important antecedents: intention, patriotism, trust, family and government support to actual purchase of local brand in the Republic of Yemen. Though a lot of attention is given to study the relationship between key drivers in enhancing actual purchase and intention, patriotism, trust, family and government support. Still, there is a considerable confusion about how this relationship is developed and where it is directed. Each of the construct was measured in 7- point Likert scale ranging from 1 strongly disagree to 7 strongly agree, where actual purchase has 6 items, intention has 8 items, patriotism has 11 items, trust has 8 items, family has 8 items and government support has 8 items.*

*Four hundred self-administered questionnaires were distributed to target respondents among education specialists in Aden, Southern Province, and Northern Sana of Yemen. 252 questionnaires were completed and returned, the response rate was 63%. The data were analyzed using Structural Equation Modeling (SEM) through AMOS 21. The goodness of fit indices of the revised structural model indicates adequate fit (GFI: 0.956, CFI: 0.984, RMSEA: 0.033, Ratio: 1.274, P-value: 0.066). The regression parameter estimates show three significant relationships between intention and patriotism ( $\beta=0.244$ ,  $P\text{-value}> 0.002$  and  $C.R=3.039$ ), intention and family ( $\beta=0.692$ ,  $P\text{-value} = P < .001^{***}$  and  $C.R=7.668$ ), actual purchase and intention ( $\beta = 0.786$ ,  $P\text{-value} = P < .001^{***}$  and  $C.R = 6.904$ ). The results show that purchase intention is positively related to consumer patriotism and family. In addition, the results also indicate that the impacts of purchase intention of the actual purchase are significant. These results are discussed in the context of improving domestic product brand in the Republic of Yemen.*

**Keywords:** Actual Purchase of Local Brand, Patriotism, Family, Government Support

## I. INTRODUCTION

Existing literature reported that in the developing countries, foreign brand purchasing is associated with quality and prestige, while purchasing of local brands is associated with ethnocentrism and patriotism (Aleka et al., 2012; Kaynak & Kara, 2002; Ozsomer, 2012; Sklair, 1994; Wang & Chen, 2004; Zhou & Hui, 2003). The importance of brand purchasing analysis has been recognized by many researchers, and contemporary literature is now rich with studies at the national level with the goal to understand what motivates consumers purchasing local and foreign brands (Bhardwaj et al., 2010; Oszomar, 2012; Villar & Segev, 2012; Zhou, Yang & Hui, 2010). For example, it was found that in the developed countries, consumers prefer local brands over foreign brands, while the developing countries the situation is diametrically opposite (Batra et al., 2000; Frimpong, 2008; Kumar et al., 2009; Zafar et al., 2004).

In the Republic of Yemen, growth of consumption, actual purchase of local brand and foreign brand created a sense of importance to develop the local Yemen brands. However, the few existing studies of the actual purchase

of local brand in the Republic of Yemen demonstrated the lack of positive actual purchase towards local brand. For example, in line with the general findings regarding brand perceptions in the developing world, the local of Yemen brands are often considered inferior in terms of quality (Bhuian, 1997; Sohail, 2004). Further, Natto (2013) argued that the local brands face difficulties connecting with the Yemeni consumers, there are few local entrepreneurs who could enhance the positive perceptions about Republic of Yemen brands and the vast majority of Yemen businesses offer foreign-made products. In other words, Republic of Yemen companies, by the products and brands they offer, is psychologically shaping Republic of Yemen consumers' preferences to foreign brands.

Republic of Yemen lifted many barriers to trade and the presence of international companies on the domestic market, which further strengthened the recognition of foreign brands by the consumers. The continuing interest of foreign companies in the Republic of Yemen market today is determined by the country's stable growth both market and economy wise. As of 2012, Republic of Yemen ranked 30th in terms of population. Not surprisingly, researchers have noted continuing strong rise of consumerism within Republic of Yemen society (Chu, & Pedram, 2013; Rahman, 2012).

## 2. PROBLEM STATEMENT

Despite the importance of actual purchase local brand analysis demonstrated in the available literature, there is a clear lack of research focusing on Republic of Yemen market in local brand. Moreover, the available studies were conducted with the focus on foreign brand preferences, thereby leaving out the factors that could drive preferences for the local products (Bhuian, 1997; Sohail, 2004). As a result, while giving some useful insights into the acceptance of foreign brands in general, the available literature on Republic of Yemen does not provide sufficient discussion of the local brand preferences Al-ekam et al., (2012). Lack of attempts to identify what factors could drive consumer demand for the local brands. The current study aims to fill this gap in knowledge. By building an empirical model, the study will attempt to uncover the specific factors that could be associated with purchasing of domestic brand products in Republic of Yemen. Studies investigating customer preferences of local brands have been conducted in various national settings. Literature search revealed studies of local brand preferences in Bangladesh (Kaynak et al., 2000), Canada (Follows & Jobber, 2000), China (Kwok et al., 2006), Turkey (Oszomar, 2012), United Kingdom (Morven et al., 2007). While not exhaustive, the empirical evidence in these studies suggested that the patterns of brand preferences differed between the developed and developing countries.

Specifically, consumers in the developed countries favored local brands, while consumers in the developing markets preferred brands associated with the foreign countries. Studies also suggested a number of factors that could be important in understanding motivation behind purchases of local brands. Among these factors are patriotism, family and friends, perceived behavioral control, and trust (Alekan et al., 2012; Antonia et al., 2009; Dmitrovic et al., 2009; Han, 1998). Further, most of these studies used intention as a dependent variable. Yet, there is a general agreement today that actual purchase should be considered because it reflects to a greater extent the degree of brand preferences (Alekan et al., 2012; Dmitrovic et al., 2009; Morven et. al., 2007).

## 3. RESEARCH OBJECTIVES

The main objective of this study is to investigate the influence of patriotism, trust, family and government support on intention and actual purchase of local brand in the Republic of Yemen. Basically, the specific objectives are:

1. To examine the direct effects of purchase intention, patriotism, trust, family and government support on actual purchase toward local brand in the Republic of Yemen.
2. To examine the direct effects of patriotism, trust and family on purchase intention.

#### 4. LITERATURE REVIEW AND HYPOTHESIZE

Based on the theory of planning behavior Ajzen's (1991) TPB, four predictors of intention to purchase local brands in Republic of Yemen and of actual behavior leading to purchase are selected. These predictors are patriotism, trust, family, and government support. These four factors influence a person's intention. In addition to a person's intention influencing the actual purchase of local brand, the four predictors all directly impact the decision. The relationships between the variables are discussed subsequently.

##### 4.1 INTENTION AND ACTUAL PURCHASE

The relationship between intention and actual behavior is one of the central in the TPB (Ajzen, 1991). Purchase intention is defined by Ajzen and Fishbein (1980) as the consumer's readiness and willingness to purchase a product. Actual purchasing behavior is defined as involvement in the purchase and use of a product (Fishbein & Ajzen, 1975). The relationship between intention and actual purchasing behavior, the two has been tested empirically and confirmed by many studies investigating the purchasing behavior of consumers (Alekam et al., 2012; Marie et al., 2009; Morven et al., 2007; Yoo & Donthu, 2005). The relationships between consumer intentions and actual purchase of local brands have also been found confirmed positive by studies focusing on local brand preferences (Alekam et al., 2012; Klein et al., 1998; Marcel et al., 2001). Therefore, this study presented the following hypothesis:

**H1:** Purchase intention of local brands in Republic of Yemenis positively related to actual purchasing.

##### 4.2 GOVERNMENT SUPPORT

Government support is a relatively unexplored, yet important factor influencing purchases of local brands. A study by Antonia et al. (2009) showed that government policies supporting and promoting local businesses could influence stronger consumer response. Further, (Alekam et al., 2012; Gary and Knight., 1999) noted that governments could be interested in the reduction of foreign brand influence in the domestic market because stronger demand for local products drives the domestic economy. Government support for local brands, according to (Alekam et al., 2012; Gary and Knight., 1999), could be expressed through favorable economic policies towards local companies and through raising consumer awareness of the local products. In the context of the Republic of Yemen, government support could become a strong element influencing consumer decisions. This is because the country has been actively seeking to diversify its oil dominated economy, and this process inevitably involves development of new industries and internal markets.

Within the TPB, government support can be considered a form of control belief, which is tied to the perceived behavioral control antecedent. PBC definition usually includes two elements: self-efficacy, or confidence in one's ability to perform behavior; and facilitating conditions, or the presence of resources and environment helping perform the behavior (Ajzen, 1991). Government support relates to the latter: it creates the environment where local brands can be more visible and desirable for purchase. This was confirmed by several empirical studies, which found that specific government policies expressed through PBC factor could have positive relationships with purchases of local brands (Antonia et al., 2009; Marie et al., 2009; Margaret & Thompson, 2001; Morven et al., 2007). Based on these findings, this study presented the following hypotheses:

**H2:** Government support is positively related to actual purchase of Republic of Yemen domestic brands.

##### 4.3 TRUST

Trust is generally defined as the trustor's belief that trustee will meet the expectations without exploiting the position of trust (Pavlou & Fygenson, 2006). With reference to consumer behavior research, trust refers to