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**Research Paper** 



# Customer Buying Behavior towards Branded Dresses a Cross-Cultural Analysis of India and Iraq

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#### Abstract

Currently, the market for branded dresses has been increasing its positioning in the international markets, thus generating greater confidence in the minds of consumers and in the buying process. The market share of these products is increasing, and the presence is increasingly wide in the different categories of consumption. However, this growth has different degrees of development depending on each country, although the cross-cultural research around consumer buying behavior towards branded dresses. Trying to help cover this research gap, the main objective of the present study is to evaluate the consumer behavior on the trend of buying branded dresses through of an analysis in two different countries (India and Iraq), becoming a contribution for the business and academic environment in research on private label in the at international level. This study will adopt a secondary research approach and utilize data collected from secondary sources like past literatures, journals, articles, etc.

Keywords: Branded Dresses, Consumer behavior, Cross-cultural Analysis.

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### I. INTRODUCTION

The market for branded and luxury dresses has been growing strongly during the last decades. This trend has had an important impact on companies and the different markets, becoming a phenomenon for commerce where traditional markets have dominated manufacturer brands (Pandian et al., 2012). The influence that clothing brands are exerting on the consumer behavior and new consumer trends, makes this research relevant in the business field, as it offers us some guidelines and reasons to explain what has been the biggest structural change that has affected the mass consumer sector in recent years.

The growth of clothing brands has been attributed to numerous factors such as the economic crisis, changes in consumer habits, new consumer trends derived from social awareness and ecological, among others. Several studies suggest that business cycles and economic recessions contribute to a greater extent to the increase in market share and popularity of clothing brands (Rajput et al., 2012), this being one of the most important reasons to explain the increase in demand, but not the only one. In this context, the objective of this work is to analyze the influence of certain variables - price, quality and innovation - in the branded clothes purchase decision process. The choice of these variables is due to the fact that they have been decisive in the promotion of branded clothes in Europe, where the market penetration in value already represents 35.6% (Karthikeyan et al., 2013). Without However, the cross-cultural component is also introduced in order to have a more perspective extensive information on the purchasing behavior associated with the branded clothes. Thus, the present investigation has been carried out in three countries that present significant differences, both in culture and in indices of economic growth, in Indiaand Iraq.

To achieve the proposed objective, the work has been structured in various stages. First of all, it offers an overview of the importance of branded clothes in international trade, to later see its presence in the Indian and Iraqi markets. Second, it takes a tour of the most relevant literature, to know which are the main variables that affect the purchasing behavior of branded clothes. The work ends with the conclusions and limitations of the research.

# II. LITERATURE REVIEW

Branded clothes are defined as those products manufactured by a certain industrialist that are offered to the consumer public, under the name or brand of the distributor or retailer, who is also who performs their marketing functions (Kumar, 2017).

If the economic context in Europe has favored private label brands, on a global scale, the impact of the economic environment on private label brands has played a marginal role. By doing a comparison between markets, there is a slow but steady progress of private label brands. Such progress is mainly a consequence of the use of private labels by retailers in a increasing number of categories, a phenomenon that has been constant in the last two decades. And in the extent to which distributors continue to promote their own brands, the growth it will surely continue (Rajput et al., 2012).

The engine that has driven the growth of branded clothes can vary depending on the country. Authors like Zeb et al. (2011) have defined three generic aspects that explain the phenomenon. First refers to the concentration that the retail market has had in the last decade and the scope international of the same; turn the opening of big discount stores that dominate several markets. An example of this process is the change that the market has experienced in Indian retail, in which the traditional commercial format has been gradually replaced by the supermarket and even hypermarket. Together with this, an integration process has been developed vertical that has allowed retailers to develop their own brands, boosting the commercialization of branded clothes.

Branded clothes were created in the 1960s in the United States, where certain generic products with very simple and no-name labels that only described the product or the corresponding raw materials (salt, sugar, coffee, etc.) and in which their low price stood out. Later, in India, Aditya Birla Group developed something similar, using packaging and white packaging and that is why they began to be called "white marks". Equal way they were proliferating in other countries such as the United Kingdom, Switzerland and Germany, countries in which there are a large presence of branded dresses today. It is important to clarify that these products, generics or brands white, did not follow any market code and their success was based strictly on price. In In this context, there are various stages that can be distinguished in the evolution of branded clothes (Kumar, 2018), starting with the first generation of private labels until the creation of different clothing brands to supply various segments. In any case, Zeb et al. (2011) identify four main branded clothes: a) generic brands that are the traditional "unbranded" products that are they sell at very low prices; b) Copies that are imitating trademarks of the manufacturer's trademarks -who have been a leader in the category; c) Premium brands that can be divided into two types, Premium light, which are superior products but at lower prices than clothes manufactured and marketed by local brands and Premium-price; d) Innovative in value which, being the most recent category, are normally distributed by "Hard discount" discount establishments or retailers of big size. Here medium / high quality products are combined at low prices.

It can be inferred that part of the success of the branded clothes has been due, in the beginning, to the price differential, achieving exponential growth in sales of these products. However, at present, the increase in quality levels, not only in the content of the products but also in the quality of the service loaned by retailers, it makes the spread with locally manufactured dresses shorter, in fact in many in these cases, it is the manufacturing companies themselves who use their production capacity to produce the branded clothes. Therefore, the component that has been added recently to try to explain the phenomenon of branded clothes is innovation. In this regard, retailers have gained confidence in creating and production of these brands and that is why there has been a greater proliferation of them every time.

Manufactures Association (2013) in Europe, the article "Howbusinesscycles contributes toprivatelabel success" of the magazine Journal of Marketing has shown that there is a high probability that the growth of branded clothes in the next few years will be even greater. All this is due to the relationship that exists between economic cycles of a country and the decision-making of the consumer in the purchase process. Thus, it is known that a consumer in a crisis environment can easily decide to go to buy a branded clothes, instead a Once this economic cycle is over; it is assumed that the consumer will buy locally manufactured non-branded dresses again. Nevertheless, this is not exactly the case, since after the recovery of each economic cycle there is a percentage of consumers who in the end do not decide to buy manufacturer brands again. This would explain the cumulative increase in branded clothes market share over time (Sivakavitha and Selvasundaram, 2020).

# III. FINDINGS AND ANALYSIS

When it comes to consumers, the literature emphasizes defining their profile and behavior. To clarify the profile of the consumer, most studies are based on socio-economic traits. Hence, to define behavior, the psychographic profile of the consumer is studied.

### 3.1 Socio-demographic variables

As Dulal and Islam (2018) point out, there is little empirical generalization about the characteristics of the buyer of branded dresses, that is, there are no conclusive results regarding the socio-economic variables demographic. In any case, it should be noted that all the studies that analyze them are based on panels of consumers, studying variables such as age, income level, educational level, family size, income level, presence of children in the home, etc. For example, the study by Kumar (2017) shows that, although with significant variations across regions in Europe, Asia, Latin America and North America, the purchase of branded clothes tends to be higher when the income level is lower and when the family size is greater, although the differences are not very marked.

Regarding the level of income, those who state to be more receptive to branded clothes are households with average income. In contrast, consumers with low and high income levels are less receptive. In relation to the level of studies, as Islam et al. (2014) points out; there is a positive relationship between education and buyers of branded clothes. One possible reason for this result is that more educated consumers are probably more informed about quality. With regard to family size, several studies reflect a proportional relationship between the size of the home and propensity to buy branded clothes. Thus, the larger the size of the family, the greater the propensity to buy. Subramaniam et al. (2014) finds that geographic areas populated by larger families are more prone to buying branded clothes. Regarding the number of children in the household, Rajput et al. (2012) observe that the number of children in a household negatively affects loyalty to branded clothes in you teach positioned in quality and services while the effect is positive when the teach has a more aggressive positioning in prices.

#### **3.2** Psychographic variables

It must be taken into account that the psychographic profile of a consumer is made up of a multitude of nuances and features, among which can be highlighted according to the following: Concern for value, concern for prices, innovation, perception of quality, loyalty to branding, smart shopper, impulsiveness, planning, information search. In this sense, and According to the literature review, the aspects that consumers highlight the most are the concern about saving, which is simplified in one of the study variables of our research, the price, as well as the concern for quality. To these aspects another variables can be added such as innovation or search for variety.

#### Price

Kotler and Armstrong (2003) define that "the price is the amount of money that is charged for a product or service". And "in broader terms, a price is the sum of values that consumers give to change in the benefits of having or using the product or service".

When the consumers of mass consumption products are analyzed, it must be admitted that the taking of decisions in the purchasing process is complex, because there are many variables that influence this process, but highlights that price is considered the most influential attribute at the time of taking the decision. In this context, the price analysis can be carried out from two different points of view: a) manufacturer or retailer perspective; b) consumer perspective. On the manufacturers' side (of the locally manufactured non-branded dresses) or retailers (of branded clothes), "the pricing policy allows companies to segment markets, define products, create incentives for consumers, and even send signals to competitors" (Upadhyay and Joshi, 2014). Furthermore, "various investigations show that prices and promotions have a strong influence on the market share of various product categories".

From the consumer's perspective, "on many occasions the price is used as an indicator of the quality of goods, the idea of association between high prices and superior quality goods, versus low prices with inferior quality " (Upadhyay and Joshi, 2014) Since the beginning of the branded clothes, the price has been considered the main variable for the design of the marketing-mix strategy. Compared to brands of manufacturers, branded clothes are traditionally perceived as lower in price and quality. Currently, that perception in relation to price versus quality is changing, branded clothes try to maintain a certain price differential with respect to the leading manufacturer brand, but the lower price does not lead to a reduction of the quality level in the same proportion and the positioning in value.

The specific characteristics of the branded clothes allow distributors to have more room to act about the price than locally manufactured non-branded dresses. "The main advantage that branded clothes has over locally manufactured non-branded dresses when it comes to develop their pricing strategy is that they have cost advantages that allow them to have a higher margin of action when acting on the price" (O'cass and Frost, 2002). Therefore, thanks to this competitive cost advantage, branded clothes can act more flexibly on prices against locally manufactured non-branded dresses. Various previous researches on consumer behavior towards branded clothes has shown that price sensitivity is the most important factor in the purchase decision of the branded clothes products. Tirmizi et al. (2009) conclude that there is a positive correlation between the price sensitivity

of consumers and the propensity to buy branded clothes products. This proposition will be studied in the present investigation, taking as reference the three countries under analysis inIndiaand Iraq.

#### Quality

Quality can be understood in terms of satisfaction of needs. Thus, Armstrong and Kotler (2003) define quality as "the set of aspects and characteristics of a product and service that are related to their ability to satisfy the expressed or latent needs of the consumers."Just as the price is relevant in the branded clothes purchasing process, the quality is being an essential variable for the choice of branded clothes purchases. As Kim et al. (2007) show, While price is obviously important to consumers, the perception of quality is both tangible as intangible it can be even more so. This means that consumers are just as demanding about to the perception of quality in both branded clothes and locally manufactured non-branded dresses. However, it must be borne in mind that Currently, the success of this quality positioning is not only achieved by applying different market strategies, but also by the valuation that distributors make of the consumers of how they perceive this quality 4 and the effort that companies in this sector are performing in "marketing", being reflected in a merchandising policy, in the presence of these brands in new categories, their capacity for innovation and good communication within the This translates, in terms of results, that the branded clothes is having a positive evolution in terms of quality, positioning itself at levels equal to or even above the locally manufactured non-branded dresses.

Chea et al. (2016) defines perceived quality as "the result of a global evaluation process of a product that integrates the information provided by a set of objective attributes of the product and whose importance, as informative inputs in the evaluation process, is given by a set of factors of a situational and personal nature".

Perceived quality is for many authors a key indicator of brand capital, since it is usually associated with variables such as price or consideration, among others. It is important to mention that the Perceived quality and perceived value represent different dimensions. Perceived quality has a connotation more related to the prestige and recognition of the brand, while the value Perceived refers more to the functional values and utility received from buying and using the brand (Upadhyay and Joshi, 2014) . In this sense, this research will try to verify the proposition that establishes "if the existence of a greater difference in the perception of quality between branded clothes and locally manufactured non-branded dresses is negatively related to the consumption of branded clothes" and this from a cross-cultural perspective (India and Iraq).

#### c) Innovation

In the literature there are many definitions of innovation, although this study going to focus on the which describes innovation as "creating new value for the consumer and for the company achieved through a process of change of one or more dimensions of the business system", concluding that innovation is the creation of value in any type of product, whether new or not (Aghekyan-Simonian et al., 2012).

Innovation is an attribute that is currently having a great weight in the strategies followed by the locally manufactured non-branded dresses and in the strategies employed by the new generation of the branded clothes. It is known that, from the At the beginning of the existence of the branded clothes, the competition between locally manufactured non-branded dresses and branded clothes was based on the qualityprice, although at present it has to be added to this competition the influence of innovation on these variables Product innovation acts as a driver for the growth of branded clothes, in an economic outlook of recession, being no less important than the price and quality attributes. Currently, for distributors, use a strategy of quality or price does not entail as many limitations as applying an innovation strategy. This is due to that carrying out one of these strategies requires a large investment in research and development, thus as well as specialized personnel. It also requires fixed development and launch costs such as creating advertising and business plans that often make innovation profitable capable of being launched in more than one country and these capacities are not usually own of a distributor.

In short, innovation is currently a decisive factor for the branded clothes for which it should be analyzed more exhaustively, since this variable is an attribute that influences both the perception of the brand and the perceived quality as well as the consumer's behavior in the face of a process of purchase. The latter is because consumers need to see something that is different in order to be persuaded to change their shopping habits or to spend money that is not planned or does not enter their budget The benefits that a consumer can seek through innovation are related to with the search for variety and impulsiveness. In any case, there are currently few academic studies that support the importance of innovation in consumer behavior, making it necessary to advance in this line of research In this sense, Ahamed and Ravi (2012) point out the difficulty of making a prediction between innovation and consumer behavior around branded clothes, since its results point to the absence of a significant relationship between both variables. However, there are also studies that consider that the innovative nature of consumers is positively associated with the purchase of branded dresses, thus becoming a less routine and monotonous activity (Aghekyan-Simonian et al., 2012). In addition, product innovation is considered to be a fundamental variable for the growth in times of recession, both for the branded clothes and

for the locally manufactured non-branded dresses, being as important as the price, quality or promotion to increase sales (Buil et al., 2007) From this perspective, the branded clothes must find its strategic position that benefits all product categories to have the opportunity to be different and move away from the imitation of locally manufactured non-branded dresses, and thus be able to satisfy the desires of the Taking into account the previous contributions, in this investigation it will be analyzed whether the innovation has some kind of effect on the behavior of the consumer of branded clothes and this taking into account takes into account the cultural and economic differences of the three countries under study inIndia and Iraq.

#### **IV. CONCLUSION**

As Rajput et al (2012) point out, branded clothes will continue to increase their market share in the most of the countries in which they are offered. Therefore, knowing the consumers most prone to their Purchase is important, as are the variables that affect branded clothes consumption. In this way, it will be interesting to conclude by summarizing the most important points highlighted throughout the investigation. Thus, the study reveals that the highest level of development of branded clothes has occurred in India, where there is a higher frequency of purchase of branded clothes in proportion to the other countries analyzed. Both India and Iraq are in an initial stage of development of this type of brand, since that the frequency of purchase is much lower than that presented in India and the respondents still they present a high level of ignorance about branded clothes.

If someone sticks to the variables that influence the choice of branded clotheshe or she can make a first approximation, from this study. In relation to the price, it can be concluded that, although the total of the sample of the three countries analyzed have a clear tendency towards identifying the difference in price between branded clothes and locally manufactured non-branded dresses, there is still a percentage of Iraqi consumers who have responded that there is no a clear difference. This may be due to the level of ignorance that still exists in this country about of the branded clothes and it's positioning in terms of price in this market.

Finally, it can be said that the growing popularity of branded clothes and their increased participation in trade are very present on the international scene, but it must be taken into account that their Development is presented with differences in each country, influenced both by socio-demographic factors, economic and consumer behavior aspects. In this sense, it would be advisable continue to deepen the behavior of branded clothes from a cross-cultural perspective, developing studies within the framework of other countries or incorporating new study variables in the three countries analyzed in the present research in context to India and Iraq.

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