Common local, unique global? - The motivation to choose between local and global products

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Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.

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Abstract:

This study investigates a special motivation of consumers to choose between local and global products. We tested need for uniqueness of our respondents and if the global or the local products deliver the promise of speciality for those who do not want to be 'another brick in the wall'. In addition, the moderating role of price sensitivity has also been examined.

We carried out a standard questionnaire survey among university students about fashion products. Based on the answers of 202 respondents, we conclude that the consumers who seeks for the uniqueness in products tend to prefer global brand instead of the local ones. We could not prove the moderating effect of price sensitivity on this relationship.

Keywords: need for uniqueness, preferences towards global products, price sensitivity

Track: Consumer Behavior

1. Introduction of Paper

We live in an increasingly competitive world where the key to competitiveness often lies in differences. Anything that is different demands uniqueness hence we often find individuals who put extra shopping efforts in order to be unique relative to the mass. Likewise, local companies may attempt to instil the sense of uniqueness in the mind of their target customers through Mass Customization (MC) strategy. Problem arises to local companies when this sense of uniqueness is translated by prospective customers as owning global products. Imported products are always perceived to be either limited in circulation or produced in limited quantities hence an important ingredient to uniqueness. Therefore, following this logic, customers with high need for uniqueness tend to be in favour of anything that is global. With the exception of local products with certain rarity often become an alternative to derive uniqueness.

This research attempts to explore the relationship between need for uniqueness and customer's preference towards global and local products in Hungary among Hungarians. The researchers also wish to highlight some practical implications that could be very useful to local business practitioners. Moreover, the role of price sensitivity as a moderator in the relationship is also discussed in this research.

2. Literature Review

The theory of uniqueness has been used to explain why consumers have different shopping preferences or unconventional choices relative to the mass (Snyder & Fromkin, 1980). The preoccupation to look for new, unique and scarce products are seen an attempt to develop a distinctive self (Tepper & Hoyle, 1996). The idea is that consumers tend to compare and evaluate their similarity or dissimilarity with others, often through products they buy. In this regards, consumers with high need for uniqueness tend to reject majority influence (Imhoff & Erb, 2009).

Snyder and Fromkin (1977) viewed the desire to be unique as "*a positive striving for abnormality relative to other people.*" Their work serves as a foundation to many researchers in the topic of consumers' need for uniqueness.

Tian et al. (2001), whose work built upon the work of Snyder and Fromkin (1977), defined consumers' need for uniqueness as:

> *"The trait of pursuing differentness relative to others through the acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one's self-image and social image."*

They further distinguished three dimensions in order to measure the need for uniqueness, namely Creative Choice Counterconformity, Unpopular Choice Counterconformity and Avoidance of Similarity.

According to Imhoff & Erb (2009), need for uniqueness is defined as:

> *"(a) a psychological state in which individuals feel indistinguishable from others and (b) motivates compensatory acts to reestablish a sense of uniqueness."*

Prior research have dichotomized consumers into high versus low need for uniqueness (NFU) of which the two groups were reported to exhibit different purchasing attitudes and behaviors (Roy & Sharma, 2015). For instance, those with high need for uniqueness (NFU) are more likely to engage in unusual shopping preferences or activities in order to compensate for the perceived lack of personal uniqueness (Burns & Warren, 1995). Consumers with high NFU tend to make unconventional reasons to justify their spending hence are more likely to make unconventional choices (Simonson & Nowlis, 2000). Moreover, advertising which employs scarcity or rarity appeal (e.g. limited editions) is reported to be more effective to consumers with high NFU (Roy & Sharma, 2015).

Shopping new, unique, sometimes scarce products are not the only way consumers express their uniqueness. It's been reported that tattooing and body piercing are also some forms of expression of uniqueness in the appearance domain (Tiggemann & Golder, 2006; Tiggemann & Hopkins, 2011; Swami, 2011). Being unique in appearance is often linked to positive mental health, such as greater self-esteem and subjective well-being (Şimşek & Yalınçetin, 2010; Swami, 2011). Moreover, consumers are more likely to deviate from the mass in product domains that are seen as symbolic of identity (e.g. hairstyles, fashion or music taste), partly in order to avoid communicating undesired identities (Berger & Heath, 2007).

Consumers' NFU are seen as cultural bound and may vary across differing situations and persons (Snyder, 1992; Ruvio, Shoham, and Makovec-Brenčič, 2008). For instance, attitudes towards uniqueness tend to be more favorable for members of individualist cultures, such as in Western countries (Snyder, 1992; Yeniyurt & Townsend, 2003). Whereas the quest for uniqueness through self-enhancement is low in a collectivist culture due to cultural restrictions (Kurman, 2003).

There are several ways by which companies can take advantage from consumers' NFU, such as through Mass Customization (MC) strategy by which company's products are tailored to suit individual customers' aesthetic and functional fit (Franke & Schreier, 2008). Some studies suggested that consumer expressions of uniqueness may be exhibited through the acquisition of luxurious global products as they give a sense of exclusivism, rarity or specialness to consumers (Park, Rabolt, and Sook Jeon, 2008; Kumar, Lee, and Kim, 2009). Local manufacturers may employ brand names that sound foreign in hope that consumers would perceive them as global products. Hungarian consumers, like for many other Eastern-European ones, the Western-European products contributed to their identity for decades before joining the European community due to its scarcity in these markets and played as a tool for self-differentiation. This approach subconsciously remained strong in their attitude when they evaluate products with different country-of-origin (Malota, 2001), therefore we postulate that the need for uniqueness has still a positive influence on the preference towards the global products.

> *H1: Need for Uniqueness has positive influences on the Preferences towards Global Products.*

Nevertheless, in the process of evaluating brands for their global (or local) appeal, price sensitivity should moderate consumers' need for uniqueness (Winit, Gregory, Cleveland, and Verlegh, 2014). The need for uniqueness through the acquisition of scarce products or products that only few people own have been classified as a form conspicuous consumption (Gierl & Huettl, 2010; Nguyen et al., 2015). Conspicuous consumption is a facet of a larger construct namely compensatory consumption. In this regards, local brands can also signal uniqueness and originality (Özsomer, 2012). Local brands might a viable alternative in the pursuit of uniqueness, especially to consumers with high NFU who cannot compete with others by way of acquiring imported and expensive products to express their uniqueness. People who incline towards local brands are should be more price sensitive (Rojsek, 2001).

> *H2: The relationship between Need for Uniqueness and Preferences towards Local Products is moderated by Price Sensitivity. The more price sensitive a consumer is, the less strong is the effect of Need for Uniqueness on Preference for global product.*
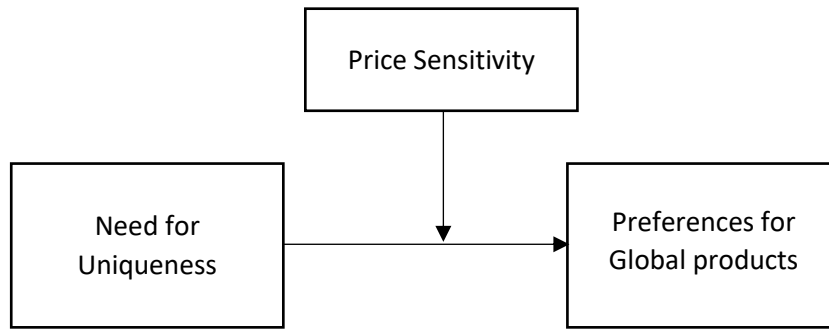
Figure 1. Theoretical Framework

3. Methodology

To test our hypotheses, we conducted a survey among university students distributing them the link to the questionnaire and, finally, 202 of them administered it. To measure the concepts above we relied on the referred scales from the literature but we adapted them to the nature of our research. To be a bit more specific, we measured concepts in context of the fashion products (see the scale items below).

We measured *NFU* with the measure developed by Kelly Tian and her co-authors. We used items of two dimensions of the original three, namely the *counterconformity* and the *avoidance of similarity*. We also reduced the number of items due to time constrains and we held 3-3 items out of the original 11 and 9 ones, respectively. For the preference towards global products, we adapted the scale applied by Jill Gabrielle Klein and her co-authors. Finally, we also adapted the *price sensitivity* scale of Donald R. Lichtenstein and co-authors (1988).

Responses to the items have been measured by five-point rating scales capturing agreement with the statements and anchored by "Strongly Agree" (5) and "Strongly Disagree" (1).

	N	Mean	Std. Deviation	Cronbach α
I'm often on the lookout for new fashion products or brands that will add to my personal uniqueness	202	2,72	1,182	
Often when buying fashion products, an important goal is to find something that communicates my uniqueness	202	3,14	1,161	0.728
I often think of the things I buy and do in terms of how I can use them to shape a more unusual personal image	202	3,11	1,055	
The more commonplace a fashion product or brand is among the general population, the less interested I am in buying it	202	3,08	1,171	
As a rule, I dislike fashion products or brands that are customarily purchased by everyone	202	3,41	1,203	0.800
I avoid fashion products or brands that have already been accepted and purchased by the average consumer	202	3,26	1,290	
I choose Hungarian fashion products whenever I can (r)	202	3,07	1,203	
I prefer global fashion products to Hungarian ones	202	3,08	1,045	0.735
Global fashion products represents what I need to more extent than the Hungarian ones	202	2,96	1,085	

Table 1. Descriptive statistics for the items used

4. Results

Structural equation modelling (SEM) has been run using AMOS 22 software to test the hypotheses. The model fits the data quite well (GFI: 0,959, CFI: 0.97, RMSEA: 0.55). The results show that both dimensions of NFU have significant effect on Preference towards Global Products (Sig. = 0.032 and 0.015). The higher the need for uniqueness, the more probably consumers prefer the global products/brands.
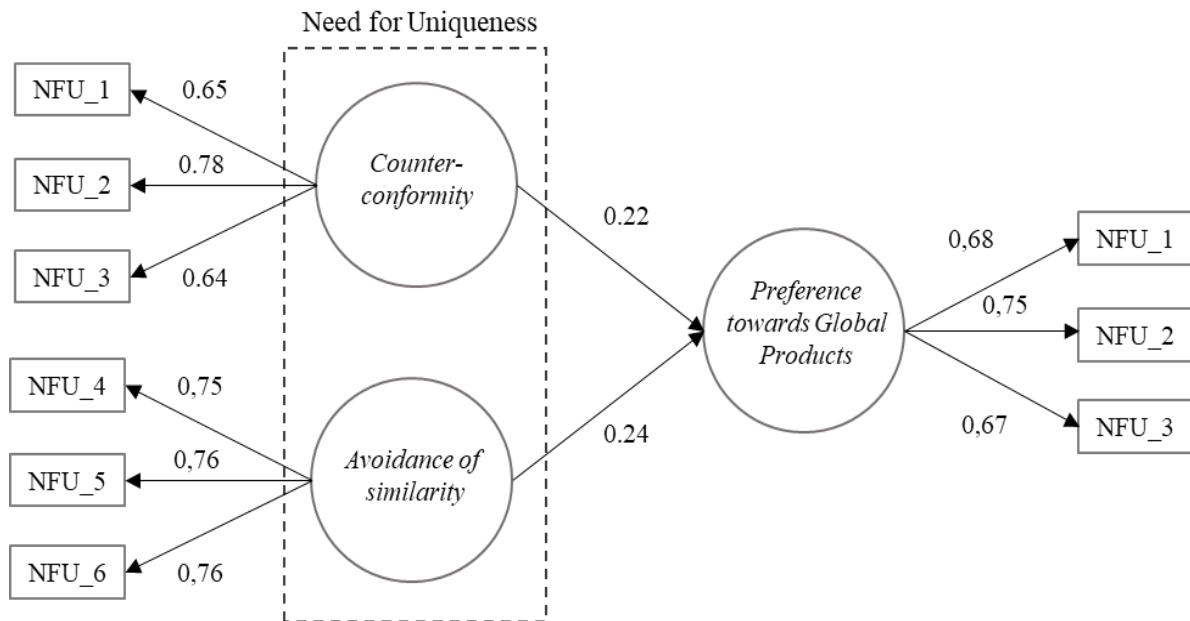

Figure 2. Theoretical Framework

In the next phase, we tested the moderating effect of price sensitivity with multi-group analysis (MGA). Based on the price sensitivity data and the factor score derived by the confirmatory factor analysis, we split the respondent into two groups. In the nested model of the MGA we followed the procedure suggested by Milfont and Fisher (2010) to test the invariance of the measurement model and then to compare the parameters of the structural model of the two groups. After we restricted the measurement parameters to be equal in pairs in both groups, and let the model estimate the regression weights freely, we checked the fitness of the model. The CFI fit index dropped from 0.959 to 0.946, and the RMSEA' value increased from 0.039 to 0.044. Although the former one is beyond the cut-off value recommended by Chen (2007), the author suggests that both changes should be higher than the threshold developed by simulation. As it is not the case we cannot conclude that the relationship between the NFU dimensions and the Preference towards Global Products are different in the two groups (price sensitive vs non price sensitive respondents), because the model let to constrain this parameter to be equal and still fits the data. Our null hypothesis regarding the moderating effect of price sensitivity should be rejected.

5. Discussion

The opponents of globalisation often criticise the process itself as it repress the local cultures. Nations try to protect their special characteristics of their own identity and spend resources to

keep original customs, symbols or rituals. The unique flavour of local culture could provide opportunity for the members of societies, who are motivated to express their unique individual identity to their environment, to distinct themselves from others. However, as the results show, consumers turn to the global markets and brands if they seek tools that helps them to differentiate themselves. Local governments and leaders of local societies should be more innovative how to strengthen the communities with the protections of traditions and, in the meantime, how to help local enterprises to serve the members of societies with attractive, progressive and unique products and solutions based on the attributes of local cultures.

The research has many limitations, especially the sample we used but support further research projects to reveal this field as contradictory mechanisms and effects provide interesting research questions.

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