

# Convenience and Shopping Products, Global Brands or Local Brands (An Empirical Study of Consumer Market Options in Surabaya)

Endang Siswati<sup>1\*</sup>, Siti Rosyafah<sup>2</sup>, Wanda G.P.A. Hidayat<sup>3</sup>

<sup>1,2</sup>Senior Lecturer, Faculty of Economics, University of Bhayangkara Surabaya, 60231 Jawa Timur, Indonesia

<sup>3</sup>Ph.D candidate, Post Graduate School, Airlangga University, 60118 Surabaya Jawa Timur, Indonesia

\*Email: endang@ubhara.ac.id

## Article Info

Volume 83

Page Number: 1681 - 1687

Publication Issue:

May - June 2020

## Abstract:

This research was carried out in Surabaya by observing 110 respondents for one month, and aims to find out and describe the description of consumers in Surabaya on the consumption of convenience products and fashion products, global brands and local brand products. This study uses a qualitative descriptive approach, data collection techniques used are observation, interviews, and documentation. After the data is obtained from the field, it is analyzed using qualitative data analysis techniques by analyzing all data, then reducing, categorizing, and interpreting. The results showed that of 110 consumers in the city of Surabaya consuming convenience products and shopping products from global brand products 2.3% smaller than local brand products. The results of this discovery are almost the same as those of R. Michelle., & Deshpande. 2013, which found that basically both global brand products and local products have approximately the same quality with an almost balanced comparison, the quality of local brand products is also not inferior to global brand products. This finding is different from Kussudyarsana's (2016) discovery that global brand products are preferred over local brand products, on the grounds that global brands are identified by consumers with quality products.\

**Keywords:** *convenience products, shopping products, global brands, local brands, consumer markets*

## Article History

Article Received: 11 August 2019

Revised: 18 November 2019

Accepted: 23 January 2020

Publication: 10 May 2020

## Introduction

In an advanced life characterized by globalization as it is currently happening, competition is very high, changes occur so fast, consumer tastes change very quickly to follow these changes. Various foreign products easily enter a region or country. We all live in an era of globalization where the borders of a country are very narrow. Likewise in the business world, currently growing and developing in the era of globalization supported by advances

in information and communication technology, a business can market its products to various parts of the world. Product is anything that can be offered to the market to satisfy a customer's wants or needs, including physical goods, services, experiences, events, people, places, property, organizations, information, and ideas (Kotler & Keller, 2009). Products from one country can be marketed to other countries easily with higher quality products and are not seldom sold at competitive prices ranging from low prices to the most expensive brands

compared to local products, so consumers are interested in buying them. In the fierce competition, domestic products must ultimately improve the quality of their products to improve competitiveness in the market so that consumers still choose domestic products. Therefore, a company is required to be more creative in understand people's behavior so that the products offered can be accepted by market, (Rozaq & Soni 2018). Some studies include Qianpin Li Consumers may trust products from certain countries, e.g., Emerging markets, of lower quality. They may have feelings of hostility, or hostility towards certain countries and therefore 'boycott' their products. Similarly, consumers may have a strong sense of patriotism and pride in domestic products and consider it wrong, almost immoral to buy foreign products. BangkitYudhaSena (2015) there are differences in consumer perceptions of local and non-local brands, where brand image and brand attitude towards local brands are better than non-local brands. While the effect of perceptions of origin of non-local brands on consumer attitudes is only significant on non-local brands. For this reason, researchers are interested in researching global brand products or local brand products. The consumer market choice in Surabaya for convenience products and fashion products. The purpose of this research is to find out and describe the description of consumers in Surabaya on the consumption of global brand products and local brand products.

## LITERATURE REVIEW

*Products*, the definition of a product according to Tjiptono 2015, from the point of view of a producer or marketer of a product is anything that a producer can offer to be considered, requested, sought, used, and or consumed by the market as a fulfillment of the relevant needs or wants. Based on the consumer's perspective the product is everything that a customer receives from an exchange with a marketer. According to Kotler & Keller, 2009, the definition of a product is anything offered to the market to satisfy a desire or need, a product can be in the form of physical goods, services, experiences, events, people, places, property, organizations, information, and ideas. The products in this study are products in the

form of consumer goods that are used daily by end consumers. Goods are physical tangible products, so they can be seen, touched / touched, felt, held, stored, transferred and subjected to other physical treatment. Product classification according to Tjiptono 2015, based on tangibility namely:

### 1. Goods.

Goods are physical tangible products, so they can be seen, touched / touched, felt, held, stored, moved, and experienced other physical treatment. In terms of the durability of goods there are two kinds, namely:

1.1 Non-durable goods are tangible goods which are usually consumed in one or several times of use, or have an economic age under normal conditions of use less than one year. The goods are consumed in a short time so that the frequency of purchases often occurs, so the right strategy is to provide goods in many locations.

1.2 Durable goods are tangible items that can usually last a long time with a lot of usage, or the economic life under normal use conditions is one year or more. Non-durable goods require maximum personal selling and service compared to non-durable goods.

### 2. Services

Services are activities, benefits or satisfaction offered for sale. Intangible inseparable, variable, and perishable services. For example repair shops, beauty salons, courses, hotels, educational institutions, and others. Consumer Product Classification, namely product classification based on who the consumer is and for what the product is consumed. Based on these criteria products can be divided into final consumer products and business products.

*Consumer products* are products that are consumed for the benefit of end consumers themselves, namely individuals and households, not for business purposes. The consumer products are generally classified into four types, namely:

2.1 Convenience products, which are goods and services in general, have a high purchase frequency (often purchased), are needed in an immediate time, and only require a minimum (very small) effort in comparison and purchase. The keys to success in marketing convenience products include: location, convenience, ease of transaction, visibility. Convenience products are divided into 3 groups: Staples are products that consumers buy regularly or regularly such as soap, toothpaste, shampoo, laundry, rice, eggs, instant noodles, gasoline and so on.

Impulse products are products that are purchased without prior planning or efforts to find it. Impulse products are usually displayed in many places scattered so that consumers do not bother looking for them, for example: chocolate, candy, snacks, magazines, car or motorcycle wash. Usually an impulse product is installed near the supermarket payment counter.

Emergency product is a product that is purchased when there are specific needs that are urgent or unexpected. Example: umbrellas, raincoats, tire patches, and medicine.

2.2 Shopping products are products that are in the process of selecting and purchasing compared to consumers among the various alternatives available. Comparison criteria include: price, quality, color, and model. Shopping products consist of two types, namely:

2.2.1 Homogeneous shopping products are shopping products that consumers perceive are similar in terms of quality but are significantly different in price. Thus consumers try to find the lowest price by comparing prices in one store with prices in other stores.

2.2.2 Heterogeneous shopping products are shopping products whose aspects or characteristics are considered more important by consumers than the price. In other words consumers perceive it

differently in terms of product quality and features.

2.3 Specialty products are products that have characteristics and or brand identification that are unique to a particular group of consumers, so they are willing to make a special effort to buy them. Generally, the types of specialty products consist of luxury goods with specific brands and models.

2.4 Unsought product, is a product that is unknown to consumers, or even if it is already known, in general has not thought about buying. There are two types of Unsought products, namely:

2.4.1 Regularly Unsought product is a product that actually already exists and is known to consumers but does not occur to buy it.

2.4.2 New Unsought product, is a product that is completely new and completely unknown to consumers. For example products from innovation and new product development.

The definition of consumer products in this study are convenience products and shopping products consumed by consumers, namely students of Bhayangkara University for a certain period of time, namely for one month.

*Global Brand Products*, according to (2017) Theodore Tri Andy Wenas, global brand products and local brand products have almost the same quality, it's just that consumers prefer products with global brands due to fulfillment of prestige that can improve their social status. In addition, global brand products are recognized and believed to have superior quality due to better raw materials and trustworthy because they are widely known throughout the world. This is reinforced by Kussudyarsana (2016) who found that global brands are preferred over local brands, at least among certain consumer segments. Global brands are usually identified with better quality. This is supported by technology, capital, good human resources and modern

management so that they are able to produce quality products.

R. Michelle., & Deshpande. 2013, said Basically both global brand products and local products have more or less the same quality, only consumers prefer products with global brands that are in accordance with differences in fulfillment of prestige that can improve their social status. Besides that, global brand products are better than others. The quality of local brand products is also not inferior to global brand products. In terms of quality, it can compete with global brand products and the models are also quite up to date. In addition, the production process used by local brand products is mostly manual, so quality control of the products required is very limited. However, returning to customers in Indonesia, where on average they prefer global brand products based on perceptions that have been implanted, and also the experience and reasons for the prestige of those products that create their own pride when using global brand products. What is meant by global brand products in this study are products manufactured by companies originating from foreign countries or investors from the foreign country.

*Local brand products* are domestic products, are goods or services including design and engineering produced or carried out by companies that invest and produce in Indonesia, in which the production or work process is possible to use imported raw materials or components. What is meant by local brand products in this study are domestic products whose investors come from within the country. Ken Sudarti (2013), in increasing interest in buying local brands through customer ethnocentrism. One of the variables that influence the interest in buying local brands is ethnocentrism. The more ethnocentric a consumer is, the more interested he is in buying a local brand. However, this is different from Nijssen & Co (1999) if they are

internationally oriented because they are manifested in an interest in overseas travel, they tend to be ethnocentric and negatively evaluate foreign products. According to Julianingias et al (2016), that between global products and local products, namely between Maybelline products and Wardah (in their research), there were no significant differences in influencing purchasing decisions. While Kussudyarsana(2016), Consumer perceptions of local brand products and foreign brand products in the hedonic and utilitarian product categories, that there are differences in the significance of price perceptions between local and foreign brands. Here there are significant differences between foreign products and local products, which foreign products are perceived to be higher in quality and price by consumers than local brand products.

*Consumer markets*, according to Pride, Hughes & Kapoor (2017), are market groups of individuals or organizations, or both who need products in certain categories and who have the ability, willingness, and authority to buy these products. People or organizations must want a product. They must be able to buy products by exchanging money, goods, or services for it. They must be willing to use their purchasing power. They must be socially and legally authorized to buy products. Understanding of the consumer market according to Pride, Hughes & Kapoor (2017), which is a market consisting of buyers and / or household members who intend to consume or benefit from products purchased and who do not buy products to make a profit. Whereas consumer purchasing behavior is defined as behavior that refers to purchasing products for personal or household use, not for business purposes. The definition of the consumer market according to Kotler & Keller (2009), namely companies that sell mass consumer goods and services such as soft drinks, cosmetics, air travel, athletic shoes, and equipment, spend a lot of time trying to build a

superior brand image. Much of the strength of a brand depends on the development of a superior package and product, ensuring its availability and supporting it by using reliable communications and services.

### METHODOLOGY

This study uses a qualitative descriptive approach, by observing 110 respondents for one month, during the time span is recorded and documented what consumer products are used by respondents as data. As respondents in this study were students who lived in the city of Surabaya. Data collection is taken from primary data sources through interviews, observations and documentation conducted on respondents who have been determined, and secondary data. After the collected data is analyzed using qualitative data analysis techniques by analyzing all data, then reducing, categorizing, and interpreting.

### RESEARCH RESULT AND DISCUSSION

This research was conducted in the city of Surabaya with 110 sources observed for one month, in the period what convenience products and shopping products consumed by the resource persons, the following data were obtained for one month:

**Table 1.** Percentage of Use of Global Products and Local Products for One Month

No	Name	% Global Product	% Local Product
1	Kiky, handy, elfa, viol, diniA, ays, tsabi	60	40
2	Rizki, siti, tito, faldi, aris	40	60
3	Rose, galu, iman, novi	30	70
4	Dicky, adit, dimas,	57	43

	lutfi, vita		
5	Novi, Hamzah, fani, hida, reti, tira	33	67
6	Khadija, dimasA, kris, novel, fajar	50	50
7	Anis, salwa	67	33
8	Dony, hergi, warda, nala, soni	54	46
9	Savi, aji, nurul	38	42
10	Bagus	35	65
11	Debo	46	54
12	Dini, dita	20	80
13	Anggi, emi	27	33
14	Lyna	78	23
15	Heiz	82	18
16	Elis	49	51
17	Deffry, faid, ayu, nur, nila	65	35
18	Ardhi, dandy	56	44
19	Izza	64	56
20	Ainun	19	81
21	Amel, maria	68	32
22	Riski	58	42
23	Regina, nur	74	26
24	Arya, nafa, kurni, mila, wahyu	47	53
25	Aulia, wido	37	63
26	Uma	89	11
27	Vera, afid	70	30
28	Hani	61	39
29	Arin	51	49
30	Un, anis, siti	48	52
31	Nita, dio, ninus	32	68
32	Silvi, febri, robia	42	58
33	Ega	39	61
34	Ayu, wati	41	59
34	Elva, zaki, ratri	55	45
36	Sinti	73	27

37	Anik	52	48
38	Dewi	75	25
39	Fahri, mae	62	38
40	Fani	34	66
41	Grisce	69	31
42	Adji	74	26
43	Retno, patris	28	72
44	Rizal, rendi	53	47
45	Ais	46	54
46	Reza	15	85
47	Army	16	84
48	Mei	13	87
49	Erdi	45	54

Source: primary data observations

From table 1 above it can be seen that the average use of global brand products in one month is 48.84%, from the average percentage that some 56 people use global products above average. The use of local brand products on average per month is 51.16%. From the average it can be seen that the number of people who use local products is above the average in a one month period of 51 people. So it can be seen that Surabaya people consume more local products than global products with a difference of 2.32%. This means that in an increasingly modern era, the people of Surabaya still choose to consume local products, the lifestyle of the people of Surabaya is still not fully oriented globally, although the difference is small. Associated with the discovery of Ken Sudarti (2013), One of the variables that influences the purchase of a local brand is the attitude of ethnocentrism, the more ethnocentric a consumer is, the more interested he is in buying a local brand. But according to Nijssen & Co (1999), if they are internationally oriented then they tend to be ethnocentric and negatively evaluate foreign products, in other words it cannot be concluded that the Surabaya community represented by students of Bhayangkara

University in Surabaya has an ethnocentrism attitude because they are interested in buying products local brand.

The findings of Julianingtias et al (2016), that between global products and local products there is no significant difference in influencing purchasing decisions. This is in line with the results of this study that there is a very thin difference of only 2.3% more local brand products consumed compared to global brand products. The findings in this study are in line with the results of the research of R. Michelle., & Deshpande. 2013, which found basically that both global brand products and local brand products have more or less the same quality, namely with a nearly balanced comparison. Besides that, it could also be caused by other reasons, namely the quality of local brand products is also not inferior to global brand products, R. Michelle., & Deshpande. 2013. However, this is different from Kussudyarsana (2016) who found that global brand products are preferred over local brand products, on the grounds that global brands are identified by consumers with quality products.

**CONCLUSION**

Consumers in the city of Surabaya consume convenience products and shopping products from global brand products smaller than local brand products with a very small difference of 2.3%. Surabaya city consumers are still interested in local products. The main consideration is the issue of price, besides that it is caused by global brand products and products with local brands that have more or less the same quality.

**SUGGESTION**

For entrepreneurs of local brand products, it is an opportunity to increase the amount of production as well as a challenge to improve the quality of its products to maintain consumers in the city of Surabaya. The government can take strategic steps to encourage productivity of local products.

## REFERENCES

- [1] TjiptonoFandy. (2015). Marketing Strategy. 4<sup>th</sup> Edition. Andi Offset. Yogyakarta
- [2] Kotler & Keller.( 2009) Marketing Management. Erlangga. Jakarta
- [3] Pride, Hughes & Kapoor. (2017). Introduction to Business . 11<sup>th</sup> Edition. SalembaEmpat, Jakarta
- [4] Kussudyarsana .(2016). Consumer perceptions of local and foreign brands in the hedonic and utilitarian product categories. Benefit. Management Journal and Business. Volume 1. No 1.
- [5] YuwanJulianingtias,Suharyono, and YusriAbdillah.(2016). Comparative analysis of global brand products and local brands related to the marketing mix and its effect on purchasing decisions.Business Administration Journal (JAB) Vol. 37 No. 2
- [6] Ken Sudarti.(2013).Increased interest in buying local brands through customer ethnocentrism. <http://jurnal.unimus.ac.id>
- [7] Qianpin Li, Consumer Attitudes towards Foreign Products: an Integrative Review of its Origins and Consequences. PhD candidate, Edith Cowan University, Perth, Australia.
- [8] Edwin J. Nijssen, Susan P. Douglasand Paul Bressers.(1999).Attitudes Toward The Purchase Of Foreign Products: Extending The Model.
- [9] BangkitYudhaSena (2015)the influence of the origin of local brands and nonlocal brands on consumer attitudes (Study onJ.Co dan Dunkin Donuts). Journal of Atmajaya University, 3(5), 23-34.
- [10] Theodore Tri Andy Wenas (2017)Difference between consumer brand preference on local brand products and global brand products.PERFORMA: Jurnal Manajemen and Start-Up Bisnis Volume 2, Number 5, pp. 117-121
- [11] Nelson, R. Michelle., & Sameer, Deshpande. (2013). The Prevalence of and Consumer Response to Foreign and Domestic Brand Placement in Bollywood Movies, Journal of Advertising, Vol. 42, No. 1, p. 1-15.
- [12] Fauzi Abdul Rozaq&Harsono Soni (2018) The Effect of Brand Image and Service Quality on Customer Satisfaction and Loyalty of Iphone users in Surabaya. RJOAS, 7(79) . 10.18551/rjoas.2018-07.28