

**Does local brand bias exist? The exploration  
of the impact of local brand bias on  
consumer decision-making in a diverse,  
developed South-East Asian Country.**

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## Dedication

Firstly, I dedicate this thesis to my mom and dad, Penelope and Gerard Nunis, who believed in my potential right from the start and who allowed me to grow to nurture and pursue my love for continuous education throughout my life.

I also dedicate this thesis to the love of my life, Jerrid Huff, who kept me going every step of the way and who never wavered in his love, patience or belief in me.

My special thanks to my besties, who were my cheerleaders throughout this rollercoaster ride. You know who you are.

## Acknowledgements

Yes, I actually signed up for this. In fact, I made a request to my then boss, Mr Jeffery Tan, telling him that I would like to continue my studies and, if possible, try to see whether my company, the Singapore Institute of Management (SIM), would consider sponsoring me although I am not an academic but have ambitions to be one. I am so blessed as I received the sponsorship. However, at the time, I could not find any highly regarded university that had the flexibility that I needed. After managing to get an extension, I received not one but three letters of offer.

Why the University of Canberra? Apart from the fact that I liked their programme and had the flexibility of studying via distance learning through PSB (many thanks to PSB!), I was ecstatic when Professor Raechel Johns found my research exciting and agreed to be my primary supervisor. It has been a ridiculously difficult journey but it always is when you are pursuing your dream. Through every module, I met wonderful professors who shared their experiences and taught me many things beyond the textbook, and to those I express my utmost gratitude.

With each step, I had to face my challenges but I was not alone as I had support not only from my family, my love, and my cheerleaders, but also from my rock based in Canberra, Professor Raechel Johns who guided, cheered, and mentored me as I pushed on. There were tough times and good times (such as whenever we celebrated when she came to Singapore) and am pleased to have a supervisor I can call my friend. Finally, thank you again SIM for believing in me and for helping me to pursue one of my greatest dreams!

## Abstract

This research investigates whether local brand bias exists in Singapore. It aims to better understand how and why Singaporeans' perceptions change when it is revealed to them that the brands that they had assumed were foreign were actually local brands; whilst also addressing how the country of origin effect affects the consumer decision-making process of Singaporeans. The research also explores whether there are varying levels of consumer ethnocentrism among male and female Singaporeans. Singapore tends to be a paradox, as discussed within this thesis, as Singaporean consumers do not necessarily react to the country of origin effect or to consumer ethnocentrism like their developed country counterparts; in fact, this research shows that Singaporean consumers make assumptions about the country of origin for many products instead of accurately researching it. Earlier research in the field of consumer ethnocentrism has emphasised the fact that higher levels of consumer ethnocentrism exist in developed countries versus that of developing countries; however, the way Singapore tends to differ from other developed nations is intriguing. Furthermore, limited research has explored Singaporeans' perception of imported and local products. Thus, this thesis discusses how the country of origin effect, consumer ethnocentrism effect, and conspicuous consumption effect affect how Singaporeans respond to local brands and suggests reasons why Singaporeans defer to their other developed country counterparts.

From a practical standpoint, this research can assist local entrepreneurs, businesses, and marketers to determine better means to entice local Singaporeans to buy local as

well as to better understand their local markets. Based on the researcher's interpretivist approach, qualitative data was manually collated through 40 in-depth interviews with Singaporean consumers of different age groups. These were followed by five in-depth interviews with Singaporean business owners and one Singaporean business management representative. Furthermore, three in-depth interviews with Singaporean marketing experts ranging from health care to fast-moving consumer goods were conducted. The data collected provides a holistic view for this study, with various perspectives. The findings provide empirical support that shows that there is local brand bias among Singaporeans. However, the bias is on varying levels depending on the products or services. The consumer decision-making process is rather complex and is further complicated by the variances in brand loyalty and how loyalty is developed for local brands. The findings indicate that most Singaporeans, although demonstrating pride in some Singaporean brands, did not believe that Singaporean brands had much of a chance to become a premium brand. It was indicated that heritage brands, that is, brands that have a sense of local flavour and rekindle a sense of nostalgia among the locals, are the most favoured among local brands as well as most trusted among local consumers. Many interviewees expressed frustration at having felt 'cheated' when they learnt that some of their favourite brands were actually local brands with foreign names. However, Singaporean consumers wanted the local businesses to find the balance between finding the right brand names that still keep the Asian essence so as not to be seen as being a Western brand for example, the luxury hospitality Singaporean brand The Banyan Tree which is internationally revered. Consequently, one of the suggested ways to influence Singaporeans to support local businesses was to capitalise on heritage and local culture and infuse it

into brands. Other theoretical implications from the findings of this research thesis are discussed as well as various future potential research possibilities. The thesis also derives guidelines for Singaporean and Singapore-based marketers, Singapore business owners, and Singaporean entrepreneurs to better enable them to identify their potential markets by maximising their promotion of consumer ethnocentric appeal to entice Singaporean consumers to buy and support local.

Ultimately, this thesis explores the reasons as to why local brand bias exists; why local companies feel that local brand bias exists and yet are unable to give the local consumers what they want in spite of claims of knowing what their local customers want; why local consumers are not more supportive of local businesses; why consumer gender plays a role in being a local brand champion; and why Singaporean consumers are deemed as being too demanding when willing to pay for some local mass products and high prices for local premium products especially when they feel a sense of pride towards these local brands. Finally, this research both supports and adds to the existing literature in understanding the country of origin effect, conspicuous consumption, and consumer ethnocentrism in a developed Asian country like Singapore that has different cultural aspects that alter how the above three listed factors are or can be affected.

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## 1. Introduction

### 1.1 Background to the research

The key objective of this thesis is to provide an understanding of whether local brand bias exists in Singapore and, if so, what local businesses and/or marketers can do to increase the popularity of the Singapore brand by leveraging on country of origin effect, consumer ethnocentrism, and conspicuous consumption. In chapter one, the researcher provides an overview of the research study chapters that will be presented, including the introduction to the field of study and the rationale for undertaking this study. There will also be a discussion pertaining to the country selected for the thesis and the research question will be introduced.

### 1.2 Research problems

#### 1.2.1 Globalisation

Going back about three or more decades, consumers had a much more limited choice of products to choose from compared to the present. Research in the 1980s and 1990s indicated that there was an inclination towards local products as consumers at the time lacked sufficient product knowledge regarding foreign products at the time (Roth & Romeo, 1992; Wall & Heslop, 1986). However, this started to evolve as international businesses seeking to find new markets, brought with them a wider range of product choices (Levitt, 1983). As the marketplace became more modernised, an influx of consumer demands arrived, with the Internet opening up even more options with online shopping not just locally but on a global scale (Chintha & George, 2012). Globalisation brought with it as many opportunities as it did challenges to the 21<sup>st</sup>

century marketer as it unified the world markets (Bhagwati, 2004; Levitt, 1983; Chintha & George, 2012). This meant that multinational companies could infiltrate and make their presence felt in various host countries. This also meant that the multinational companies started their attempts to monopolise a majority of the host country's market (Muhamad & Tazeem, 2011; Wall & Heslop, 1986; Klein, Ettenson, & Morris, 1998), considerably increasing competition. Starbucks is a good example of a multinational company monopolising a share of any of their host country's market. As of 31 December 2017, there were more than 28,000 Starbucks outlets globally according to their Web site (Starbucks, 2019). The introduction of online shopping did not make things any better for many of the brick-and-mortar companies too, regardless of whether they were local or foreign brands. Branding is integral to any organisation, regardless of whether they operate offline, online, or via a blended mode (Aaker, 2002; Armstrong, Kotler, & Da Silva, 2007).

### 1.2.2 Branding

Branding is key to marketing. According to Farquhar (1989), branding was initially introduced by the ancient Egyptian brick makers who identified their bricks by marking them. This was later picked up by the Greeks and the Romans and in due time it reached North America where branding was used as a means of quality signals and legality reasons, due to the growth of cattle farming (De Chernatony & McDonald, 2003). To date, the purpose for branding has evolved and it has become an important part of a business strategy as it contributes to business success in the market (Aaker, 2002; Wong & Merrilees, 2007). Brand management is given top priority as more companies understand that they need to approach branding by looking at it as the

vital key in a company's strategy as building a successful brand can potentially increase not just profit margins but also market share (Aaker & Joachimsthaler, 2002; Wong & Merrilees, 2007). A strong brand cannot be duplicated and a strong brand helps companies develop long-lasting relationships with their consumers (De Chernatony & McDonald, 2003; Armstrong, Kotler, & Da Silva, 2007). Marketers know that both brand loyalty and price are key influencers when consumers go through their decision-making processes to buy a product (Chintha & George, 2012; Banwari, 2017). Previous research has explored the decision-making process or purchasing behaviour in different retail environments (Engel, Blackwell, & Miniard, 1995; Banwari, 2017), whereas other research conducted tends to focus more on developing or developed countries in the West (Hanzaee & Aghasibeig, 2008; Nicosia, 1968; Sproles & Kendall, 1986).

Consumer decision-making characterises how a consumer makes product related decisions about products to buy, like, or reject. Understanding how the consumer makes decisions helps the marketers to better understand how to segment their various markets (Sproles & Kendall, 1986; Sproles, 1985; Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001). Assuming that the consumer is favourable to the product, the consumer decision-making model provides an understanding of the reasoning. Similarly, if the product is not desired, an understanding of the process that the target market goes through can provide useful insights for development of the brand and its products (Belk R. F, 2012; Nicosia, 1968). Marketers also understand the importance of brand awareness which is closely linked to brand loyalty too (Aaker, 2002). Brand awareness acts as the initiation interactive point between brands and

the consumer (Aaker & Joachimsthaler, 2002). There is evidence that brand awareness and consumer brand loyalty are inter-related (Engel, Blackwell, & Miniard, 1995; Aaker & Joachimsthaler, 2002) and there is also evidence within this thesis that it was not always the case that brand awareness necessarily included knowing where the brand originated from, that is, the country of origin. Local marketing professionals, business owners, entrepreneurs, and managers must take heed as they need to understand and know the importance of brand awareness when it comes to promoting their local brands, especially since there are many stronger foreign brand competitors which can result in lower loyalty investment and change in purchase behaviour (Chaudhuri & Holbrook, 2001; Kotler & Armstrong, 2018). An understanding of consumer decision-making, therefore, is key to strategic planning not just for international businesses but equally for local businesses (Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001). Marketers and academics are even more intrigued to find out about the attitudes and decision-making processes of these consumers, especially since there is minimal research available that focusses on Singaporean consumers (Nakos & Hajidimitriou, 2007; Muhamad & Tazeem, 2011).

### 1.2.3 Consumer ethnocentrism and the country of origin effect

Local or domestic brands compete with foreign brands in the marketplace. Their strategies need to work towards enticing consumers to buy local products instead of imported products. Though there are other marketing alternatives available, the literature suggests that local marketers tend to use consumer ethnocentric branding to appeal to the local consumers (Wanninayake & Chovancova, 2009); however, this is not particularly apparent in the Singaporean market. Ethnocentric consumers tend

to prefer buying local goods as they feel that their locally produced products are far more superior to foreign produced goods (Klein J, 2002). Consumer ethnocentrism results in consumers more positively relating to domestic products and reacting more negatively when it comes to buying foreign imported or produced products (Shimp & Shin, 1995; Shimp & Sharma, 1987; Verlegh & Steenkamp, 1999). Consumer ethnocentrism looks at consumers' moral judgement and considers their national pride when it comes to purchasing products produced overseas. Marketers know that combining cultural identity and an increased sense of national patriotism and tapping into consumer ethnocentrism might be an excellent tactic to use in order to increase local brand loyalty (Muhamad & Tazeem, 2011; Wall & Heslop, 1986). In fact, according to Shimp and Sharma (1987), consumer ethnocentrism can be an important motivational push for consumers to purchase domestic products.

Research has shown that globally most consumers determine and evaluate their product purchases by basing it on the product's country of origin (Hong & Wyer, 1989; Supanvanij & Amine, 2000). Consumer perceptions of the country of origin effect can affect their evaluation of products which thereby affects their decision to purchase, especially since the country of origin effect varies based on the product category (Knight & Calantone, 1999; Piron, 2000). The product's country of origin effect in comparison to other factors is of interest to marketers and researchers alike as both groups find that knowing the product's country of origin helps them to strategise more effectively, hence helping businesses gain a bigger market segment not just locally but potentially globally as well (Engel, Blackwell, & Miniard, 1995; Hong & Wyer, 1989). Organisations can even adjust their branding strategies to strengthen their brand

image. They can, for example, brand their product to elicit imagery of a country that has a strong country of origin effect for a particular product category, a good example of which is Samsung (Armstrong, Kotler, & Da Silva, 2007). For instance, Samsung built a name for themselves not just within South Korea but globally as well. A Samsung mobile phone, namely the S10 series that was released in 2019, broke pre-order records not just within South Korea but also in both the United States of America and the United Kingdom, and is expected to sell anything between 40 to 45 million mobile phones in 2019 alone (Campbell, 2019). Most country of origin effect studies to date have looked at service-oriented economies in the West and minimal studies focussing on the East, let alone South-East Asia where Singapore is located (Balabanis, 2004; Hong & Wyer, 1989; Clarke, Owens, & Ford, 2000; Verlegh & Steenkamp, 1999). Theoretical models and frameworks were developed by social scientists in one type of environment and that may not necessarily apply elsewhere (Hofstede, 1980) and that is the key purpose of this study—to provide a greater understanding of the impact of the country of origin effect in contemporary Singapore.

#### 1.2.4 Country, industry, and consumer context

There are obvious differences between developed and developing countries in terms of the economy, technology use, perception of values, and attitudes towards consumption. There are conflicting views on whether Singapore is considered a developing or a developed country; however, given its many firsts on various important global lists, Singapore definitely has first-world country status (Koh, 2011). According to a United Nations report in 2014, Singapore is classified as a developing country (DPAD of the UN/DESA, 2014). In another article, the author has a similar take

and states that Singapore has been classified as a more advanced developing country rather than a developed country (Wilson, 2000). As the researcher of the current study viewed Singapore from an economic standpoint for this thesis, Singapore will be considered as a developed country based on its transportation, technology, and infrastructure sectors, amongst others. Singapore is deemed a developed country according to various sources (Crossman, 2016; Trendingtopmost.com, 2017; EDB, 2017; US. NEWS, 2017). Some definitions state that a developed country is defined when the country's industry has become a post-industrial society meaning that the service sector economic output outweighs the manufacturing sector (Crossman, 2016), and Singapore falls under this bracket (SPRING, 2017; Koh, 2011). Thus, for the purpose of this thesis, Singapore will be deemed a developed nation.

Domestic firms use ethnocentric means to increase brand biasness toward their brands (Wanninayake & Chovancova, 2009). Consumers who are ethnocentric tend to prefer buying local goods as they feel that their locally produced products are far superior to foreign produced goods (Klein, 2002). According to Wall & Heslop (1986), concern for morality arises and that tends to lead to consumers preferring to purchase local products, even if there is a chance that its quality might be inferior in comparison to foreign products, due to their inherent need to support their country. Another key point to note is that when it comes to consumption behaviours, research looks at the consumers' desire to purchase luxury goods (Piron, 2000). In Asia, in particular South-East Asian countries like Indonesia, Malaysia, and Singapore, consumers are willing to pay high prices for luxury goods, which shows that these consumers tend to be motivated by the social aspect rather than economic reason for purchase (Nicosia,

1968; Mason, 1981). When it comes to linking the findings to consumer ethnocentrism and purchasing behaviourism, it may not be feasible to generalise, as there is a difference between how consumers of developed and developing countries approach consumer ethnocentrism and purchasing behaviourism. There are two perspectives, however. There are consumers who are proud of their decision to support local brands, while there are other consumers (many who tend to be of the upper class) (Chan, Chen, Wang, & Zheng, 2000; Chiou, 2015) who want to show the great divide between themselves and the middle and lower classes by buying imported goods, in particular, branded imported luxury goods (Belk, Ger, & Lascu, 1993). Conspicuous consumption refers to consumers who purchase expensive items in order to display their wealth, class, and income instead of making purchases that are of a real necessity (Veblen, 1994). It also suggests that purchases that are 'seen' must signal a certain higher level status, while purchases that are used privately are not required to be of a high status; for example, buying a Rolls-Royce car instead of a Suzuki car to show one's affluence, while using no-brand or cheap products at home. Conspicuous consumption usually affects developed or developing countries that have a vast difference between the extremely wealthy social groups and the poorer social groups. Those who engage in conspicuous consumption want to portray their higher social status as they feel that it makes them stand out from the majority (Mason, 1981). In a country like Singapore, both consumer ethnocentrism and conspicuous consumption tend to co-relate as in most cases because there is positive association as they deem their local products to be of higher value in comparison to those from developing countries. Furthermore, Singapore has a relatively large divide between its socio-economic groups and over the years, the divide is increasing (Quora, 2017; Reporter H.A, 2019; Struble, 2018).

Country of origin effect is affected to a certain extent by globalisation as it has complicated consumers' evaluations and perceptions towards products, regardless of whether they are local or foreign, as they now have a wider range of products to choose from (Clarke, Owens, & Ford, 2000). The country of origin effect research has grown due to a greater interest in this area as it influences how consumers react to the products after finding out where the products originated from (Speece & Nguyen, 2005; Verlegh & Steenkamp, 1999). Consumers tend to evaluate their products before making their purchase and feel that certain countries tend to be more popular choices when it comes to some products (Banwari, 2017; Batra, Alden, Steenkamp, & Ramachander, 2000); for example, cars from Germany have a higher appeal factor in comparison to cars made in Russia or China (Damanpour & Heslop, 1993). These stereotypes are likely to affect the product or brand choices that Singaporeans make as they may categorise these goods either in a positive or negative light, depending on how much they believe in the stereotype (Morganosky & Lazarde, 1987; Knight & Calantone, 1999).

### 1.3 Justification for the research

The research findings and implications presented in this thesis can be used for academic research and for practical business purposes. The primary purpose of this thesis was to understand the Singaporean consumer's decision-making style and how they perceive and react to the country of origin effect. As a professional doctorate thesis, practical implications were critical and deemed as the most important purpose, while theoretical implications are also provided.

Singapore was the country selected for the study, due to its unique culture as well as its financial and economic status, having grown extensively in a short period of time to become not only one of the world's richest countries but also one of the world's key economic players (Freedom, 2017; Industry, 2016; SPRING 2017). Understanding how Singaporeans perceive their own country's brands when they make their consumer decisions will aid not only Singaporean businesses but also marketers and academics alike to better understand their consumer psyche. More broadly, this research will provide an understanding of how international marketers and local brands can promote to consumers within Singapore and potentially, abroad.

It was also essential to understand how and why Singaporeans' perceptions changed when they found out that the brand names that they assumed were foreign ended up being local; and to determine why and how Singaporeans' perspectives might change when they found out that foreign-sounding brands were merely well-packaged local products. This research, therefore, contributes to the growing body of academic literature in this space especially since currently there is minimal research about the relationship between the Singaporean brands and the Singaporean consumers. The thesis-derived guidelines for local marketers and entrepreneurs to better enable them to identify potential markets that could help to promote ethnocentric appeals to entice locals to support and buy local. These implications will be discussed in detail in the discussion chapter.

In addition to the practical contributions outlined above, the thesis theoretically researches Singaporean consumer decision-making styles and how Singaporean consumers perceived and reacted to the country of origin effect. Adding to the

growing body of literature in this space which currently has minimal research pertaining to Asia, let alone Singapore, the thesis provides an understanding as to how and why Singaporeans' perceptions potentially change when they find out that the brand names that they assumed were foreign were actually local brands. The conclusion of this thesis provides future potential research ideas for researchers; and in terms of practical implications, the thesis derives guidelines for Singaporean or Singapore-based marketers, business owners, and entrepreneurs to better enable them to identify potential markets that can help to promote ethnocentric appeals to entice Singaporean consumers to support and buy local.

#### 1.4 Motivation for the research

The researcher had identified a need for this research through her job as an editor for a senior management magazine. Having spoken and met with numerous senior managers of various local companies varying from small to medium enterprises to larger companies, the need became apparent. More often than not, many business owners had expressed issues faced with expanding their consumer base locally. They all perceived that it is a brand bias against local products; however, some who had better luck with local consumers also argued this. The researcher noticed the gap in the literature pertaining to local bias and decided to explore further, especially in terms of consumer ethnocentrism, country of origin effect, and most importantly, how to use this research to help these local businesses too.

#### 1.5 Research methodology

Researchers must determine which research method is the most appropriate for the study's research question. Both qualitative and quantitative research methods refer

to the technique, instruments, data gathering methods, and interpretation of the data collected (Ghauri, 2010). Although either quantitative or qualitative methods are feasible for this research paper as the researcher could carry out surveys and use hypothetical reasoning or opt to carry out face-to-face interviews to better understand the participants with more depth (Belk R. F, 2012). Robert (2003) defined qualitative research as 'collecting and interpreting information about some phenomenon, with a concern for quantities' (Belk R. F, 2012; Ghauri, 2010; Sproles & Kendall, 1986). The researcher's stance is an interpretivist approach and therefore, the researcher employed qualitative methods. Qualitative research was deemed the most appropriate as it provides a richer understanding of consumer behaviour, as qualitative research puts light on the human being's thoughts, needs, attitudes, and desires.

For this research, in-depth interviews were utilised. In-depth interviews are done face-to-face and on a one-to-one basis. The interviews intend to uncover needs, explanations for particular behaviours, motives, emotions, and so forth in greater depth. These interviews can be done either in a structured or partially structured way (phenomenology) and can last up to 90 minutes. For the face-to-face interviews, they can be recorded either on audio or video (depending on the level of comfort of the participants) and then later transcribed for analysis. An option of having the in-depth interviews done via Skype or telephone were feasible as some participants travel a lot and may want to partake in the research yet were unable to meet face-to-face. The interviewees were divided into three groups: local consumers, branding and marketing experts who understand the Singapore and even Asian markets, and local

businesses. The researcher carried out the interviews in this way so as to achieve a more holistic view as the research will show viewpoints from the consumers' perspective, local companies' perspective and from the neutral ground, which are the viewpoints from the branding and marketing experts.

There are key points to note when it comes to ethical issues when approaching potential participants for the in-depth interviews (Belk R. F., 2012; Sproles & Kendall, 1986). As a researcher, it is imperative that all willing participants have an understanding of what the research is about and that they are treated fairly when participating in the research (Belk R. F, 2012; Sproles & Kendall, 1986). The University of Canberra's high ethical stance was upheld and ensured that the research would in no way negatively impact the participants who have so graciously decided to share their time. The list of interview questions and means of advertising for participants were discussed in detail via the University of Canberra's ethics process. A summary brief as well as a participant consent form was also drafted. After the Ethics committee granted approval to proceed with this research, the fieldwork began. The data collection process was carried out over a period of the third quarter of 2018 and some in the first quarter of 2019. The researcher sought interviewees via various channels ranging from the social media platforms, recommendations from friends or even friends of friends, and via posters around the workplace. After all the interviews were completed, which were a mix of in-depth face-to-face interviews as well as Skype interviews, transcription and tabulation of information commenced. About 40 consumers, five local companies, and three marketing experts were interviewed either face-to-face or via Skype. Being qualitative answers in nature, the researcher focussed

more on their opinions and perspectives as to how they viewed various brands as well as their ability to recall local brand names. The total amount of time taken to conduct the interviews, transcribe the recorded interviews, as well as to tabulate the results took a period of approximately six months. The results are discussed in greater depth in the findings chapter.

## 1.6 Research questions, aims and objectives

The broad research question for this study is ‘how does local brand bias impact consumer decision-making in a diverse, developed South-east Asian country?’ The research also addresses an additional research question, that is: ‘how does the country of origin effect affect the consumer decision-making process of Singaporeans?’ According to the earlier discussion, the research problem is further addressed by the following sub-questions:

- 1) What is the average Singaporean consumer’s consumer decision-making style?
- 2) How does the average Singaporean consumer react to the country of origin effect?
- 3) Do Singaporeans perceptions change when they find out that the foreign sounding brand names are actually local brands? Why and how do they react?
- 4) Does gender play a role in conspicuous consumption in Singapore and if so, how?
- 5) How can local marketers, businesses, and entrepreneurs better identify their potential markets in Singapore?
- 6) How can local marketers, businesses, and entrepreneurs entice Singaporeans to support and buy local products by tapping on ethnocentric appeal?

## 1.7 Structure of the thesis

This thesis is organised into six chapters, followed by a reference list. In the current chapter, chapter one, the researcher introduced the research by providing an overview of the research study chapters that will be presented, covered an introduction to the field of study and provided a brief summary of the other chapters. Chapter one also clarified the research questions and set the research aim, both of which led to providing answers to the focus and justification of the research questions.

Chapter two delves into the theoretical foundation of the thesis as the researcher reviews the extensive literature available that covers branding, consumer behaviour, consumer decision-making, country of origin effect, globalisation, Singapore as a consumer country, consumer ethnocentrism, and so forth to ensure a better overview of the foundations related to this study. When reading the literature for the literature review, it was apparent that the country of origin effect, consumer ethnocentrism, and conspicuous consumption would play key roles when it came to developing interview questions not just for the consumers, but also for the local businesses as well as the branding and marketing experts. With the literature review, the research gaps were identified therefore providing the reasons for the need for this study.

Chapter three introduces the methodology used in detail. It provides theoretical understanding and justification of the method selected. The research design and the researcher's philosophical standpoint for this study will be further elaborated on. The sample selection, the research process that included more information about the reliability and validity of the face-to-face interview questionnaire design, the data analysis, sampling and survey procedures, and even the ethical considerations while

carrying out the research, will be highlighted in this chapter. The third chapter also elaborates on the objectives that were investigated and highlights the limitations that could have possibly hindered the research.

Chapter four discusses the analysis of the findings. The demographic profiles of all the consumers, branding and marketing experts, as well as the local businesses, will be discussed in depth and further elaborated in this chapter. The results from all the interviews, regardless of whether they were done face-to-face or via Skype, will be further elaborated and the findings presented. The pilot study will be discussed and explained in this chapter for a better understanding as to why some changes were made prior to the official interviews.

Chapter five delves into further discussions of the findings and the researcher will provide some possible recommendations, not just for future research in this area but also in terms of how the local businesses can improve their branding processes or techniques based on some of the findings from the research. Hence, suggestions for both potential academic research and marketing guidelines for local practitioners and businesses will also be proposed in this chapter.

The final chapter, chapter six, will conclude the thesis with an overarching summary and way forward.

## 1.8 Summary

Chapter one has provided a brief overview of the overall thesis. It also introduced not just the country of focus, Singapore, but also discussed the country of origin effect,

globalisation, consumer decision-making, and consumer ethnocentrism. The Singaporean consumers' decision-making style appears to differ from that of other countries in the West where current research on consumer ethnocentrism has been carried out. Singaporean consumers' perception and acceptance to the country of origin effect towards local brands will be further analysed and discussed in this thesis. Little is understood or even known about Singaporean consumers' attitudes towards local brands. Even less research is available about Singaporean consumers' reactions when they find out that foreign sounding brand names are actually local brands. Thus, this research seeks to explore how the country of origin effect affects the consumer decision-making processes of Singaporeans as well as determine whether local brand bias exists in Singapore. Guidelines will be derived for local marketers, entrepreneurs, and business owners to better enable them to identify their potential markets and promote ethnocentric appeals to entice local Singaporeans to support and buy local brands. Furthermore, a contribution to the literature will be developed through this study. A thorough literature review is compiled in chapter two to better explain and evaluate the available research in this area.

Does Local Brand Bias Exist?

## 2. Literature review

### 2.1 Introduction

The previous chapter (chapter one) introduced the research problem for this study – does local brand bias exist in Singapore and what can local businesses and/or marketers do to increase the popularity of the Singaporean brand by leveraging on the country of origin effect, consumer ethnocentrism, and conspicuous consumption? This research problem was then further broken down into six sub-research questions that were derived from the literature gaps that will be further addressed by the findings. The objective of chapter two is to explore the current literature available and define the gaps to show its relevance to the research carried out for this thesis.

According to the American Marketing Association, a “local brand is a brand or product or business that is marketed (distributed and promoted) in a relatively small and restricted geographical area” (IntuitM Digital Marketing Solutions, 2019). A brand’s success is dependent on the businesses understanding of their consumer, regardless of whether it is a local brand or a foreign one (Aaker, 2002). Hence, understanding consumer behaviour is important component for both marketers and businesses alike (Engel, Blackwell, & Miniard, 1995). While a lot of literature exists that discusses branding, marketing, and consumer behaviour, currently, there appears to be limited research that focusses on how the average Singaporean consumer makes their consumer decisions and perhaps more importantly, how they perceive their own country’s brands in general. Their reactions, and reasons for them, relating to the

country of origin effect and consumer ethnocentrism effects in Singapore, has also received limited attention.

The theoretical basis for this thesis is consumer behaviour. Understanding consumer behaviour plays a significant role in marketing as understanding the way consumers make consumption decisions assists companies to identify any potential business opportunities that have not been met (Engel, Blackwell, & Miniard, 1995). Consumer behaviour can be affected by three key factors: psychological, personal, and social factors (Armstrong, Kotler, & Da Silva, 2007). Psychological factors relate to how a consumer responds to a marketing message and interprets it based on their perceived perceptions and attitudes which are derived through each individual's unique thought process. Personal factors can be based on one's gender, culture, and so forth and these factors can influence how consumers make their decisions when making a purchase. Finally, the social factor which is deemed the most important factor as it affects how consumers respond to marketing and derive their decisions to make a purchase or not. Social factors are determined by a diverse range of social influences like social class which looks at education levels or income to an affiliated group that the consumer is part of (Engel, Blackwell, & Miniard, 1995; Armstrong, Kotler, & Da Silva, 2007).

The Singaporean consumers' perceptions of Singaporean brand names as well as brand acceptance of local brands both play key roles in the research that was conducted. Understanding how Singaporean or Singapore-based marketers as well as Singaporean entrepreneurs and business owners understand and identify their target markets that could potentially lead to consumer ethnocentric appeals to entice

Singapore consumers to buy local and support local is another area of focus for this research. Given the current economic uncertainty (De Silva, 2018; Ho, 2019; Kit, 2017; Min, 2016) various businesses (both large local ones and multinational ones) are reportedly going bankrupt or ceasing trading, while on the other extreme numerous Singaporeans, especially among the Generation Y groups and the Millennials, have decided that now is the time for them to follow their entrepreneurial ambitions by starting their own businesses (Tan, 2019). It is more important now than ever for Singaporean marketers, entrepreneurs, and business owners to work towards finding ways to keep the Singapore economy strong by finding ways to keep their businesses strong within the home country, Singapore (Kotler & Armstrong, 2018; Shimp & Sharma, 1987). Shopping and supporting smaller local businesses has started to pick up a little as it is now considered trendy amongst the hipsters who are generally made up of the younger Singaporeans (Chiou, 2015).

Hence, understanding the behaviour of Singaporeans, Singapore's culture in greater depth, as well as uncovering the various make-ups of the Singaporean consumer, are crucial to better understanding why and how the country of origin effect affects the decision-making process as well.

## 2.2 Globalisation

Globalisation can be traced back to as far as the third millennium BC and though larger scale globalisation came to practice in the 1820s, it was really in the 19<sup>th</sup> and early part of the 20<sup>th</sup> century that globalisation grew. However, it became defined by its current meaning only in the 1970s (Chanda & Froetschel, 2012) and was used to depict a new commercial reality (at the time) and was even deemed as an unstoppable

force with many claiming that globalisation was something that was inevitable (Levitt, 1983; Saval, 2017). Globalisation has greatly affected consumerism, especially in terms of its impact on cultural, social, environmental, and technological aspects (Chintha & George, 2012; Martens & Raza, 2009) and the economic impacts of globalisation allows countries to trade with each other easily due to the minimised trade barriers (Bhagwati, 2004). Communication streams are more effective between countries especially with the constant improvements made to the Internet and with the introduction of social media (Chintha & George, 2012; Kotler & Armstrong, 2018). With the vast improvements in transportation, globalisation became inevitable as businesses were able to transport large masses of goods globally too (Chanda & Froetschel, 2012; McLellan, 2005). Given that most countries are able to trade freely with each other due to the numerous free trade agreements that have been signed to date, consumers now have a wider range of options to choose from in terms of products and services (Bhagwati, 2004; McLellan, 2005). With the continuous development in technology, it was inevitable for consumers to become spoilt for choice as their demands and expectations have increased and, yet, due to increased product availability, they want to pay the lowest prices possible which in turn has impacted on how consumers spend and behave (Kotler & Armstrong, 2018).

Globalisation allowed for organisations to trade internationally at a much more economical rate, something that was deemed to be a good thing back in the 1980s (Levitt, 1983; Saval, 2017). For wealthier countries, manufacturing plants would be established in countries in which it was more economical to do so (Bhagwati, 2004) based on labour costs. For example, Ford (United States of America) looked to

Thailand and Indonesia to put their cars together and by doing so, the Americans either had to accept much lower salaries if they wished to continue working for Ford or end up losing their jobs (Saval, 2017). Saval (2017) also states that mainstream economists as well as politicians continue to uphold the benefits that globalisation brings them without so much as considering the possibility of any political backlash. In the ever changing global climate, there have been various effects on strategising in terms of marketing and market segmentation as trade will always need to be adaptable, especially since economic data and analytics have proven that economic growth and prosperity are heavily due to globalisation (Bhagwati, 2004; Chintha & George, 2012; Martens & Raza, 2009; McLellan, 2005).

On one hand, globalisation has increased the interconnection between economies and, at the same time, changed most of the countries in various aspects ranging from social and cultural standpoints. A good example is how McDonald's introduced hamburgers and french fries to Asia hence changing the Asian diet significantly and providing a Western option for dinner versus an Asian staple like noodles (Chintha & George, 2012; Martens & Raza, 2009; McLellan, 2005). With the improvements in science, technology, transportation, and communications, globalisation brought with it as many opportunities as it did challenges to the 21<sup>st</sup> century marketer (Bhagwati, 2004; Wolf, 2004). Globalisation leads to a need for an integration of processes and strategies in order to match the increase of homogenisation of consumers' needs and wants (Levitt, 1983; Wolf, 2004; Chintha & George, 2012). Globalisation also means a uniformity of world markets as multinational companies could infiltrate and make their presence felt in various host countries and start to monopolise the host country's

market (Muhamad & Tazeem, 2011; Wall & Heslop, 1986; Klein, Ettenson, & Morris, 1998). The major reason for multinational companies' growth is due to globalisation as many multinational companies invest heavily in factories and farms globally in order to maximise their dollar (Chinta & George, 2012; Wolf; 2004). By doing so, these multinational companies have found ways to maximise their dollar; in other words, they spend the least amount of money on creating their products yet sell the maximum amount of products on a global scale (Klein, Ettenson, & Morris, 1998; Chinta & George, 2012; Wolf; 2004). The multinational companies that search for lower manufacturing costs have an impact on countries in terms of job security since they can always pull out of the countries that they have outsourced to once they find somewhere else where they can maximise their money further. They can also harm their own countries' job creation prospects as they are investing elsewhere instead of helping their own people keep their jobs (Bhagwati, 2004; Chintha & George, 2012; McLellan, 2005).

Local companies feel that their brands are being threatened with the influx of multinational companies and need to find ways to better understand their consumers, especially since their consumers' decision-making processes have become much more complex due to the availability of a wider range of products among other factors (Belk, Ger, & Lascu, 1993; Bhagwati, 2004; Waters, 2000). Local marketers needed to recognise the differences and similarities among their consumers' behaviour that was and continues to be greatly impacted by globalisation (Bhagwati, 2004; Waters, 2000). More so today than ever, marketers and researchers need to understand consumer

attitudes and the decision-making process as globalisation and competitive threats have increased (Nakos & Hajidimitriou, 2007; Muhamad & Tazeem, 2011).

Given that globalisation gives consumers more flexibility and greater choice in products and prices, consumers have become more demanding (Chinta & George, 2012). This has occurred in parallel to increased Internet use, which has also resulted in more informed consumers (Armstrong, Kotler, & Da Silva, 2007; Digital Intelligence Briefing, 2019) who frequently seek out options, rather than simply being passive consumers. Being able to ship products globally and having to find the most cost-effective manufacturing countries has also greatly affected how consumers make their purchasing decisions (Banwari, 2017; Belk, Ger, & Lascu, 1993). Businesses need to determine a more standardised strategy to ensure that they are able to identify the right target market segments. (Banwari, 2017; Belk, Ger, & Lascu, 1993). However, consumers, marketers, and businesses have opposed standardisation as they feel that one's culture is an important influencer when it comes to consumer behaviour (Levitt, 1983; Belk, Ger, & Lascu, 1993). Kotler (1986) suggested that although there are circumstances when standardisation can be justified, it should be noted that many businesses tend to fail if they are not adaptable. However, pro-globalisation supporters suggest deciphering an international market segmentation method such as global market segmentation, though that too can introduce a slew of complexities as one tries to target consumer markets in many countries that have different traditions and cultures (Bhagwati, 2004).

With international business trade comes new opportunities, which also raises questions pertaining to ethical issues that global businesses tend to face. Solomon

(2016) defines culture as the pattern of human behaviour that is embodied in speech, action, and artefacts that allows for knowledge to be shared from one generation to another. Globalisation affects and can even effect how culture can change and even possibly lead to the possible dilution of a cultural identity (Balabanis, 2004; Chintha & George, 2012; Solomon, 2016). When a business decides to infiltrate a new country market by setting up their headquarters and/or branch offices globally or even sell their products globally, they need to consider various factors that range from uncertainty avoidance to individualism. These factors can possibly reshape a culture and affect consumer buying decisions just as they have the power to unite and divide when it comes to consumer and business relations, especially when the business is a foreign one (Doku & Asante, 2011). Since globalisation helps to expand consumers' choices, consumers may do more research before making their purchasing decision in order to get the best deal they possibly can (Doku & Asante, 2011; Kotler & Armstrong, 2018). Globalisation tends to take advantage of consumers; however, the down side is on the organisation's position, as the less consumers buy from one company in favour of another company, the results of that will impact jobs and cause businesses to shut down (Bhagwati, 2004). Another negative as highlighted earlier is in terms of a possible dilution of one's culture upon the adoption of a more Westernised culture and this is especially so since most businesses that tend to be more risk-adverse when it comes to globalisation are Western ones (Chintha & George, 2012; Bhagwati, 2004; Damanpour & Heslop, 1993). However, one has to acknowledge that there appears to be a much greater appreciation for diversity in culture than in comparison to previous decades, so one consideration for any local business is that once they feel confident enough with their local business market they

can consider stepping out of their comfort zone and taking a piece of the globalisation pie (Damanpour & Heslop, 1993; Martens & Raza, 2009). Globalisation to a certain extent led to the rapid development of Singapore within a few decades as Singapore's openness to globalisation allowed for further investment and trade. This then gave rise to Singapore's evolution in the areas of technology and manufacturing in the 1990s and paved the way for Singapore to be one of the top countries (technology and economic wise) in the world (Trendingtopmost.com, 2017; The World Bank, 2019).

### 2.3 Country in focus: Singapore

Because of its diversity in economic, political, religious, geographic size, and cultural terms, Asia has always fascinated people, especially during the time when merchants travelled via the highly used Silk Road Route that was very profitable to many rulers from all over the world (Armstrong, Kotler, & Da Silva, 2007; Wong & Ahuvia, 1998). In recent decades, some Asian countries such as Singapore started to develop at a faster pace in comparison to most of their counterparts in terms of globalisation, because of their openness to accept Western cultural influences or having higher or better educated citizens for example (Damanpour & Heslop, 1993; Fund, 2017; The World Bank, 2019). With the regulations on foreign investments (regardless of whether they were direct or indirect) loosening, an obvious surge was evident within Asia whereby countries like Singapore benefitted and resulted in an interesting twist on global business markets (Wilson, 2000; Baldwin, 2017). Numerous Asian businesses attempted to merge elements from their own culture together with some elements of Western influence. However, this mostly led to failure as business owners' mindsets were still stuck in traditional ways (Armstrong, Kotler, & Da Silva, 2007). *Guanxi* is the

Mandarin term for a business practice that is Chinese or even Asian *modus operandi* and refers to the connections that one has to facilitate new business deals and thus a businessman with a lot of *guanxi* is bound to have more business than someone who does not (Commisceo Global Consulting Ltd, 2016). Working with countries that tend to have contradicting cultures within themselves brings about interesting potential case studies and research opportunities, especially for the marketing researcher trying to maximise his reach to his target markets. Singapore is such a country with a melting pot of cultures (Tan, 2012; 3E Accounting, 2019) although Prime Minister Lee Hsien Loong seems to disagree as he is quoted in *The Straits Times* article published in 2017 as saying that “Singapore is not a melting pot, but a society where each race is encouraged to preserve its unique culture and traditions, and appreciate and respect that of others” (Salleh, 2017).

One aspect that is frequently debated is whether Singapore is a developing or developed country. According to a United Nations report back in 2014, the Development Policy and Analysis Division (DPAD) of the Department of Economic and Social Affairs of the United Nations Secretariat (UN/DESA, 2014) classified Singapore as a developing country. In another article, the author states that Singapore has been classified as being more of an advanced developing country instead of a developed country (Wilson, 2000). However, for this thesis, the researcher is looking at Singapore from an economic standpoint. Singapore is considered a developed country as its transportation, technology, and infrastructure, among other considerations, prove it to be and there are additional definitions of a developed country, one of which states that the developed country’s industry needs to be a post-industrial society whereby

the service sector economy outweighs the manufacturing sector, just like Singapore. Also, many align Singapore with the rest of the 'Asian Tigers' - Hong Kong, South Korea, and Taiwan – which are all considered developed countries or cities (Crossman, 2016; Baldwin, 2017; EDB, 2017). As of 2017, it was reported that Singapore had a gross national income of US\$54,530 per capita and Singapore continues to be recognised as one of the world's most competitive economies ever since it progressed from being a low-income economy to a high-income economy within a few decades (Baldwin, 2017; Crossman, 2016; EDB, 2017).

According to a Nielsen report, one third of Singaporeans preferred imported brands over local brands which was particularly high as the global average was about 40 per cent (Nielsen, 2016). It also deviated from what is expected in other developed countries where people greatly support and take pride in their local brands and products (Balabanis, 2004; Knight & Calantone, 1999). Although the scenario may not appear to be necessarily unique, the reason why some tend to be more supportive of local brands, especially in a cultural melting pot South-East Asian country like Singapore (which differs greatly from its counterparts within South-East Asia), needs to be considered. This gap in the literature will be crafted into the research problem and questions that will be discussed later in this chapter.

Many retail malls have experienced a high reduction in terms of patronage, hence affecting the Singapore economy in comparison to earlier years. According to reports, retail appears to be the most affected for reasons ranging from Singaporeans having less economic strength — many have been retrenched and have not been able to find a job — to Singaporeans looking towards the Internet and shopping online to make

their purchases (Shazni, 2016). However, Amazon.sg barely affected anyone in the local retail scene since its arrival to Singapore (Today, 2017). To date, retail has been the sector that has been one of the most heavily impacted in comparison to the rest of the industries (Kit, 2017; Trading Economics, 2019). Singapore's latest economic statistics for 2019 showed a growth of 1.2 per cent on a year on year basis in the first quarter of the year; however, this was lower than the previous quarter by 0.1 per cent. Also, Singapore's Ministry of Trade and Industry announced on 21 May 2019 that they expected Singapore's gross domestic product growth for the year to be between 1.5 to 2.5 per cent which is lower than the initial forecast which was between 1.5 to 3.5 per cent (Ministry of Trade and Industry, 2019). Major retail stores showed massive decreases in sales across the various retailers that included, but is not limited to, jewellery and watch specialist retailers, grocery retailers, and departmental stores. Shopping malls have seen a decline in rentals as well as early termination of rental spaces (Kit, 2017; Min, 2016; WorldCultureEncyclopaedia, 2017; Ministry of Trade and Industry, 2019). The rapid growth in E-commerce seems to be making a bigger impact year on year as their share of the market seems to be growing in comparison to the brick-and-mortar retailers (Kit, 2017; Min, 2016; WorldCultureEncyclopaedia, 2017; Ministry of Trade and Industry, 2019; Industry, 2016).

Singapore's position in the top 10 in numerous top countries listings that have to do with being Internet or technologically savvy is not surprising as at least 84 per cent of Singaporeans are online according to a report in 2018 (Singapore Business Review, 2018; Leskin, 2019; Business Insider, 2017; Solanki, 2019; Phillipott, 2019). Apart from being known for being technologically advanced and savvy, many Singaporeans are

also known for their love of food and shopping which is not just known within the country but also, based on the numerous articles online, internationally too (Chiou, 2015; Today, 2017).

Most brick-and-mortar stores are still relevant today and in order to stay relevant, many of them are blending the physical and digital shopping experience, a term recently labelled 'phygital'. This is defined as: "the blending of the physical and the digital which is a term that has been coined to describe an optimal in-store experience, neatly capturing the need for a more engaging and digitally-enhanced offline experience that brings the convenience, efficiency, and information-rich nature of online shopping to the in-store environment" (Digital Intelligence Briefing, 2019). One example of being 'phygital' in Singapore is the shopping malls' management that have taken to creating an application that allows shoppers to collect points that they can use to exchange for vouchers or gifts and also has a directory or map telling shoppers what is available at the mall. Shopping on one's mobile phone will continue to be a popular means not just for Singaporeans but for many around the world as consumers are becoming more tech savvy (Digital Intelligence Briefing, 2019). In Singapore, the arrival of Amazon.sg Prime was initially met with much excitement but that ended quickly as the Amazon Prime that is offered in Singapore is lacking in competitive pricing and an extensive product range. Also, there have been more complaints than compliments pertaining to the customer experience (Today, 2017). In fact, though many retailers feared that they would lose even more customers with Amazon.sg Prime launching in Singapore, there were many others who took this as a challenge. For example, local supermarket chain NTUC FairPrice introduced either free delivery

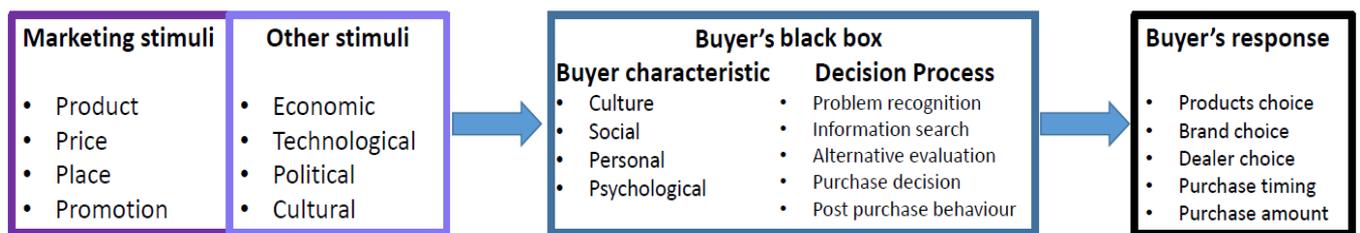
with a minimum spend of S\$39 or a pick-up option from a customer's nearest NTUC FairPrice branch at a specific time; all the customer needs to do is put the order online or via the NTUC Fairprice app and choose their preference (FairPrice, 2019). Working adults who have little time for grocery shopping have options like these and more, and avoid paying premium prices to have their groceries delivered to them as most supermarkets in Singapore have similar offerings as well. There are also numerous food warehouse businesses that have online presence as well so competition is rife.

Ultimately, with or without the introduction of Amazon Prime, the retail space continues to remain competitive, although it is obvious that the competition is declining albeit slowly (Digital Intelligence Briefing, 2019). With the varied reports in the media and given the dampening macro economic climate, Singaporeans' spending power is likely to decline and many more Singaporeans might end up having to be more price sensitive and opt for general brands versus premium brands or consider driving into Malaysia to do their grocery shopping since the Singapore dollar is currently three times stronger (Long & Business, 2019; Reporter, 2019; Industry, 2016). An interesting point to note about Singapore is that although Singapore ranks within the top 10 countries or cities for technology, there remains a number of Singaporeans (84 per cent are tech savvy as of January 2017) who have not gotten into the habit of using the Internet, let alone buying anything online, while there are some who may be tech savvy but are on the other side of the spectrum as they still prefer going to the brick-and-mortar shops; however, this may also be due to generational reasons (KPMG, 2017; Adobe; 2016; Staff Reporter, 2018; Digital Intelligence Briefing, 2019).

## 2.4 Consumer buying behaviour

In general, research on consumer behaviour examines the consumer’s decision-making process that leads to customers deciding on their purchases (Engel, Blackwell, & Miniard, 1995). These can be affected by brand loyalty whereby the consumer continuously buys a particular brand or product based on their sense of satisfaction upon purchase or it can be purchase decision that is led by either emotional reasons, which means that there were non-objective reasons for purchase, or rational motives, in other words, that there was a logical reason for making the purchase (Engel, Blackwell, & Miniard, 1995). Kotler and Armstrong (2018) highlighted that consumer behaviour could be shaped by social factors such as family or social status. The Kotler Model (Figure 2.1) depicts how personal and environmental factors like psychological, personal, social, and cultural reasons can also affect one’s purchase decisions as could marketing factors like product, pricing, promotions, and place.

Figure 2.1 The Kotler model



Source: Kotler, 1999

## 2.5 Consumer ethnocentrism

In 1906, William Sumner first defined the sociological phenomenon known to us today as ethnocentrism, the purpose of which was to differentiate one group from another. Ethnocentrism is the “technical name for the view of things in which one’s own group

is the centre of everything, and all others are scaled and rated with reference to it”, according to Sumner (1906). For consumer ethnocentrism, this tends to be a psychological concept as it refers to consumers believing that the products from their country are far superior than those that come from other countries (Balabanis, 2004). They may also feel that supporting products that come from another country makes them appear to be disloyal and unpatriotic, so domestic firms use ethnocentric means to increase brand biasness towards their brands (Wanninayake & Chovancova, 2009). Ethnocentric consumers tend to prefer buying local goods as they feel that their locally produced products are far more superior in comparison to foreign produced goods (Klein J, 2002). According to Wall & Heslop (1986), even if there is a chance that its quality might be inferior in comparison to foreign products, their ethnocentric concern for morality arises and that leads to consumers preferring to purchase local products, due to their inherent need to support their country.

Consumer ethnocentrism has been studied rather extensively as it influences consumer behaviour and businesses are trying to understand its implications better before they consider internationalising their businesses as failing to do so could possibly alienate potential customers (Muhamad & Tazeem, 2011). Companies also need to ensure that they understand what their foreign consumers’ culture, beliefs, and attitudes are before they decide to break into the country’s market as this will help the local consumers see them in a more positive angle (Huddleston, Good, & Stoel, 2001; Muhamad & Tazeem, 2011). Local businesses can demonstrate their understanding of ethnocentrism by ensuring that they are culturally sensitive to the locals when they market themselves. Another way is for local businesses to

demonstrate their understanding of the importance of consumer ethnocentrism by having locally infused advertisements that emphasises their pride of being a local business as well as employ more locals or local marketers to work for them (Shimp & Sharma, 1987; Shimp & Shin, 1995). This helps since consumer ethnocentrism plays a significant role in terms of convincing consumers into believing that there is a possible threat to their national well-being and a decline in jobs for locals if there is support for foreign brands due to the influx of imports. This is also when a sense of patriotism sets in (Shimp & Sharma, 1987; Shimp & Shin, 1995). The higher the level of importance that is placed on a locally produced product, the higher the consumer's ethnocentric attachment to the product (Huddleston, Good, & Stoel, 2001). In fact, consumer ethnocentrism is a conceptualised belief that buying foreign or imported goods is unpatriotic, disloyal, and even immoral as it affects the local economy hence increasing local unemployment (Shimp & Sharma, 1987; Klein, Ettenson, & Morris, 1998). Local businesses should use ethnocentrism to their advantage and find ways to appeal to the locals when they advertise or promote their products. Among the various reasons as to why the consumer ethnocentrism attitude exists, three key aspects are patriotism to one's country, unwillingness to buy foreign products and fear of how it may affect one's country economy (Sharma, 1995; Balabanis, 2004). Countries that have citizens who have various perceptions towards foreign goods hold strong to their patriotism, especially when their domestic brands are easily available. Should any consumer feel that the foreign goods are of lower quality in comparison to what is available domestically, they will then strongly support their domestic brands (Wanninayake & Chovancova, 2009). If the consumers feel that, due to their country's economic situation being relatively weak, there is a patriotic need to help improve

their country's economy, they will very likely support their domestic businesses and not purchase from businesses that can further weaken the local economy (Wanninayake & Chovancova, 2009).

Research from developed countries such as the United States of America states that their ethnocentric consumers underestimate imported products as they feel a subconscious patriotism to support local businesses by buying local products (Netemeyer & Lichtenstein, 1991; Shimp & Shin, 1995; Klein J, 2002; Shimp & Sharma, 1987). Research on consumer ethnocentrism has determined that there are four antecedents of consumer ethnocentrism: economic, demographic, psychological, and political (Huddleston, Good, & Stoel, 2001; Sharma, 1995). Economically, issues such as capitalism and developing national economies were points that were highlighted together with psychological issues such as patriotism, dogmatism, and even cultural openness. Age, demographic, gender, race, education, and social class were other issues that were highlighted as well as political aspects, any history of oppression, leader domination, and even propaganda (Han, 1989; Shankarmahesh, 2006). Rich empirical literature to date has examined consumer ethnocentrism, animosity, product judgements, and country of origin in the West and even in the more developed Asian countries; however, countries in South-East Asia have received little to no research attention (Nakos & Hajidimitriou, 2007). In fact, there has been little research pertaining to the variables that may affect consumers' willingness to buy domestic products and consumer ethnocentrism in South-East Asian and developing countries (Batra, Alden, Steenkamp, & Ramachander, 2000; Armstrong, Kotler, & Da Silva, 2007; Choe & Hyun, 2000). Therein the gap in the literature lies one of the

research questions: *How can local marketers, businesses, and entrepreneurs entice Singaporeans to support and buy local products by tapping on ethnocentric appeal?*

Consumer ethnocentrism has been used as a personality trait that enables marketers an opportunity to differentiate between consumer segments – those who prefer foreign products and those who prefer local products. Ethnocentrism, however, can vary depending on the type of country the consumers come from - for example, a developed country in terms of economy or even technology, versus a developing country (Huddleston, Good, & Stoel, 2001; Klein J, 2002; Nakos & Hajidimitriou, 2007; Muhamad & Tazeem, 2011). Research that determines and ranks countries based on their strength and power, called the Country Brand Index, and the country that the brands originated from or were designed in, are then ranked accordingly and pitted against the usual drivers like style or price (Futurebrand, 2017). Research to date shows that consumers in developed countries tend to feel that their local products are of superior quality in comparison to imported products from developing countries (Damanpour & Heslop, 1993; Han, 1989; Morganosky & Lazarde, 1987) while it is the reverse when it comes to consumers from developing countries (Roth & Romeo, 1992; Huddleston, Good, & Stoel, 2001; Chan, Chen, Wang, & Zheng, 2000). As consumers' own evaluation of their country (be it developing or developed), influences their level of ethnocentrism towards products, it also determines how they analyse the quality of the products. Many consumers in developing or newly developed countries, especially in Asia, deem foreign products, especially famous foreign luxury branded goods, as status symbols (Batra, Alden, Steenkamp, & Ramachander, 2000; Morganosky & Lazarde, 1987; Damanpour & Heslop, 1993; Belk, Ger, & Lascu, 1993;

Greatorrex & Mitchell, 1990). Most Asian brands, especially ones that originated from China, tend to have a negative connotation associated with them; however, those that come from Japan or Korea tend to have a more positive one (Choe & Hyun, 2000). According to the World Advertising Research Centre, Westerners tend to view most Asian brands as being of low quality hence the allotted lower price versus them trying to seek out a competitive advantage (Choe & Hyun, 2000; Foundation, 2017).

There are obvious differences between developed and developing countries in terms of economical, technological, perception of values, and attitudes towards consumption. When it comes to the findings concerning consumer ethnocentrism and purchase behaviourism, it may not be feasible to generalise between developed and developing countries, especially when product judgement and consumption come in to play. There are two perspectives because there will be consumers who are proud of their decision to support local products whereas there are other consumers, particularly in Asia, as mentioned earlier, who want to show the great divide between them which is buying foreign, luxury goods which they feel makes them appear to be of a higher social class (Belk, Ger, & Lascu, 1993; Armstrong, Kotler, & Da Silva, 2007; Wong & Ahuvia, 1998; Kotler & Armstrong, 2018). There is limited literature pertaining to these perspectives; however, they tend to focus more on the bigger Asian countries. Hence another obvious gap in the literature is to determine *how Singaporeans feel about their local products and should there be the need for Singaporeans to purchase luxury brands or brands of higher perceived value in order to show social divide; does this implicate Singaporeans' support for local brands?*

## 2.6 Country of origin effect and conspicuous consumption

### 2.6.1 Country of origin effect

Country of origin research became popular from the 1960s and, since then, there has been a lot of interest from business owners, marketers, and scholars alike pertaining to this field of study. Understanding the country of origin effect can further uncover whether there is any impact on how consumers perceive quality of a product at a higher regard and then compare it to their emotions towards their intention to purchase the product (Hong & Wyer, 1989; Han, 1989; Aboulnasr, 2006). The knowledge of today's consumers pertaining to the products or services has grown; hence having knowledge about the factors that can affect how they make their decisions is even more important than ever. Practitioners and academics alike will be able to better understand the consumer purchase intention from the perspective of the country of origin. Consumers have to consider many aspects when they wish to make a purchase - for example, design, brand, and price; however, the country of origin effect is something that researchers and marketers alike cannot ignore as it is an extrinsic factor that consumers use when evaluating products. There is ample literature available to prove its existence (though most approach this topic pertaining to Western countries) and focussing on dissimilarity as well as mutual options for consumers worldwide is why it is a possible success factor (Armstrong, Kotler, & Da Silva, 2007; Hong & Wyer, 1989; Knight & Calantone, 1999; Muhamad & Tazeem, 2011; Shankarmahesh, 2006). The country of origin effect also tends to be a high risk factor for international trade as it is a reflection of consumer intention and people's concern about where their products originated from and is a key factor that helps them evaluate and derive their decision to purchase (Supanvanij & Amine, 2000).

Varied cultures have also impacted and influenced the perceptions of consumers which then influence their evaluations of products that they wish to purchase (Aaker, 2002; Balabanis, 2004). Numerous factors affect this issue and this is where the country of origin effect plays an even more important role in the highly competitive market (Balabanis, 2004; Verlegh & Steenkamp, 1999). Many forget that countries compete for global attention and consumer behaviour is not spared either as the country of origin effect influences it too. Factors like stereotypes of a country and its people or culture, as well as preference of consumer origins, play an equally significant role when it comes to influencing purchase intention. External environmental factors including culture and the economy are sensitive to the consumers' decision-making process too (Al-Sulaiti & Baker, 1998; Batra, Alden, Steenkamp, & Ramachander, 2000; Balabanis, 2004).

Brand origination is even now more complex than ever before as there are cases whereby some international brands attempt to use local culture to enhance their appeal to the locals while some local brands do the opposite and seek to enhance themselves to appear more foreign-like. In the long run, this can result in a decrease in competition between local and global brands in emerging markets as the brands may confuse the local consumers to a point whereby all that matters to the local consumers is the quality and nothing else (Aaker, 2002; Balabanis, 2004); for example, one country could have designed a product, sent the design to another country to be manufactured or branded and so on. This leads to the possible question of which part of the origin should be highlighted - where it actually originated from or which country is deemed the strongest influencer (Armstrong, Kotler, & Da Silva, 2007; Piron, 2000).

Futurebrand's (2017) research has shown that it is where the product is perceived to be from that matters most, rather than specifically where it was manufactured or, even less so, where it was designed. This means that the made in label is what matters most, as it is the authenticity of the production versus the image portrayed by the brand that matters most to the consumer at the end of the day when the consumer decides on which item to purchase. An example of this is the sweatshop effect, that is otherwise known as a "small factory where workers are paid very little and work many hours in very bad conditions" (Cambridge Dictionary, 2019) and which back in 2012 damaged the brand image of numerous Italian luxury brands as the Italian government allowed for sweatshop conditions so that authenticity of where the goods originated from could be claimed whilst the brands continued to reap high profits (Hoskins, 2014; Bain, 2018). Upon finding out that the luxurious 'Made in Italy' labels were manufactured at the Italian sweatshops or by Italian workers who ran home workshops that received sweatshop equivalent pay, numerous consumers were disdained and decided to stop supporting the brands. This unwarranted move affected many luxury brand labels especially among the Italian ones that are in an already highly competitive market (Hoskins, 2014; Bain, 2018).

The country of origin effect is highlighted in most of the research because globalisation of the market has complicated consumers' evaluations to products, be it local or foreign (Al-Sulaiti & Baker, 1998; Clarke, Owens, & Ford, 2000). The country of origin effect research has grown due to a greater interest in this area as it influences how consumers react to the products (Speece & Nguyen, 2005; Verlegh & Steenkamp, 1999). Most consumers evaluate products and feel that certain countries tend to be

more popular choices when it comes to some products, for example, cars from Germany have a higher appeal factor in comparison to cars made in Russia or China. These stereotypes are likely to affect the product or brand choices that Singaporeans make as they may categorise these goods either in a positive or negative light, depending on how much they believe in the stereotype (Morganosky & Lazarde, 1987; Knight & Calantone, 1999; Chattalas, Kramer, & Takada, 2008). The country of origin effect (in a more positive light) can allow for better brand positioning that will help create strong associations in consumers' minds concerning the perception of the local products' brand image perception that is instrumental as a positioning element (Aaker, 2002; Aboulnasr, 2006; Hong & Wyer, 1989). The country of origin effect can potentially lead to consumers perceiving local brands as being of a higher value especially since Singapore has quite a good reputation overseas as well and so influences consumers into paying more premium prices for local brands (Mariutti & Engraci, 2014; Nielsen, 2016). In retail, the country of origin effect can be used as a determinant for consumers to decide what the quality or price of a product should be (Aaker, 2002; Clarke, Owens, & Ford, 2000). For example, buying a foreign brand television is deemed to be of higher quality and consumers are willing to pay a higher price, compared with a local-brand television. It is likely that the foreign brand would be far more respected hence its ability to draw a higher asking price (Nielsen, 2016). Attributes like these are important when fitting local products into various attributes that can classify their perceived strengths and weaknesses that will, in turn, determine purchase behaviour (Belk, Ger, & Lascu, 1993; Balabanis, 2004; Roth & Romeo, 1992; Chattalas, Kramer, & Takada, 2008). One of the biggest challenges faced by most Asian companies when they embark on the journey to become a global company is that

many people perceive Asian brands to be far less superior (Batra, Alden, Steenkamp, & Ramachander, 2000; Chattalas, Kramer, & Takada, 2008; Choe & Hyun, 2000; Speece & Nguyen, 2005). In international marketing, there has been research that shows the association between the country and consumer bias are correlated, meaning that if a consumer has a negative view of a country, then their perception will be skewed pertaining to the products that come out of the country too (Armstrong, Kotler, & Da Silva, 2007; Batra, Alden, Steenkamp, & Ramachander, 2000; Chattalas, Kramer, & Takada, 2008; Speece & Nguyen, 2005). To a certain extent, the countries' culture tends to be associated with the country's image that then extends out to the quality of goods (Speece & Nguyen, 2005; Steenkamp, & Ramachander, 2000). This may be why some brands give themselves foreign sounding names in order to convey the perception of artisanship or quality (Damanpour & Heslop, 1993). Therefore, one of the objectives of this research is to *determine Singaporeans' perceptions towards local brands and to find out why and how their perceptions change when they find out that the foreign-sounding brands are actually local brands*. This is particularly important because, despite mixed views, it has been concluded that economy-wise Singapore is deemed a developed country (Crossman, 2016; Trendingtopmost.com, 2017; EDB, 2017; US.NEWS, 2017), and perceptions of imported and local products vary, but the perception of imported goods is mostly superior to that of local products (Nielsen, 2016; Steenkamp, & Ramachander, 2000). This deviates from the traditional views in academic literature and must be understood (Balabanis, 2004; Chan, Chen, Wang, & Zheng, 2000; Klein, Ettenson, & Morris, 1998).

The influence that the country of origin effect has on product evaluation and purchase intention can have both a positive and negative effect on customer intention and it is dependent on how the buyers perceive the country that the product originated from (Wanninayake & Chovancova, 2009; Batra, Alden, Steenkamp, & Ramachander, 2000). Globally, companies can determine whether they wish to enter the competitive international market that therefore increases accessibility for consumers to buy international products. This is when the country of origin effect is even more significant as prior to this happening consumers only had the option of buying local (Balabanis, 2004). Consumers may also be using the country of origin effect as a halo effect factor by using it as part of how they assess a product which in turn has a considerable role as everyone has some sort of bias when they select products and the country of origin effect has a direct relation to purchase decision (Chan, Chen, Wang, & Zheng, 2000; Klein, Ettenson, & Morris, 1998; Clarke, Owens, & Ford, 2000). Varied understanding and perceptions of a country can also mean that those who perceive products originating from a particular country as being weak or lousy will feel that they were taking a higher risk if they were to make the purchase. Hence, this country image can make or break the potential sale and might even determine whether that country's domestic products are ready or good enough to be traded globally and actually be competitive on a global scale (Armstrong, Kotler, & Da Silva, 2007; Piron, 2000). First, local businesses need to find out if their brand is strong enough locally and figure out their potential markets which brings up another research question: *How can local marketers, businesses, and entrepreneurs better identify their potential markets in Singapore?*

### 2.6.2 Conspicuous consumption

With regards to consumption behaviours, research looks at the consumers' desire to purchase luxury goods in an attempt to show one's social level or prestige, and this is also known as conspicuous consumption (Piron, 2000). In Asia, in particular Indonesia, Malaysia, and Singapore, consumers are willing to pay high prices for luxury goods, which shows that these consumers tend to be motivated by the social aspect rather than economic reasons for purchase (Nicosia, 1968; Mason, 1981). Conspicuous consumption usually affects the upper social class in developing countries that have a vast difference between the extremely wealthy social groups versus the poor; however, in recent years the main group that is affected by conspicuous consumption tends to come from the middle class in developed countries together with the upper class (Ryu, 2015). Those who engage in conspicuous consumption may want to portray their higher social status, making them stand out from the majority (Mason, 1981; Ryu, 2015).

In some developed countries, both consumer ethnocentrism and conspicuous consumption tend to co-relate as in most cases where there is positive association, as they would deem their local products to be of higher value in comparison to those from developing countries (Balabanis, 2004; Ryu, 2015). However, there is a downside as conspicuous consumption could also negatively affect consumer ethnocentrism if the imported goods have a luxury, social status associated with them, so one perspective results in consumer ethnocentrism making locals feel that buying global is unpatriotic; however, those who wish to flaunt their higher social class would prefer buying higher-end luxury imports (Ger, Belk, & Lascu, 1993). The challenge comes

about when consumers have to face their feelings towards conspicuous consumption versus their feelings towards consumer ethnocentrism. Hence, buying local products and possibly rejecting imports nullifies the fact that the latter are important, much needed symbols for social status. Singapore's culture is similar to most parts of Asia in terms of the need to flaunt one's social status (Chan, Chen, Wang, & Zheng, 2000; Nielsen, 2016). Having 'face' means that one's level of prestige or social status is communicated to others so that their social standing is clear (Wong & Ahuvia, 1998). Having 'face' is linked to conspicuous consumption and Asians, in particular the Chinese, are known to place high importance on how others react to them, and this means that owning higher-end luxury goods is important as it reflects one's public persona (Yang, 1981; Wong & Ahuvia, 1998; Koh, 2011). This is particularly important because most developed countries tend to have stronger consumer ethnocentrism versus conspicuous consumption values (Piron, 2000; Wong & Ahuvia, 1998); however, *in a developed country like Singapore, if the consumer's conspicuous consumption values are stronger than his/her consumer ethnocentrism values then this deviates from the traditional views in academic research so the reasons need to be further researched and understood* (Greatorex & Mitchell, 1990; Armstrong, Kotler, & Da Silva, 2007).

A country's brand image is showcased through its international performance or global prominence based on various segments like economy, culture, stability, and so forth, whereas a company's brand image may be based on its interpretation by its consumers whomay seem to be somewhat distant from each other but are to a certain extent co-related (Mariutti & Engraci, 2014). A local based company may own a

majority market share locally due to its positive reputation; however, with the influx of international brands entering the highly competitive local market (this applies to most industries), especially after they know the potential of their own country image and how that influences consumer perception, the local companies may need to rethink how they present themselves to consumers (Aaker, 2002). If and where feasible, the country should find ways to help promote their own local brands not just locally but globally and possibly view it as a means to improve their or to be more precise, the country's own brand image in the process. A country and its people should work towards boosting the local economy by taking pride in their local brands, and a country that is already reputable for being one with high economic stability and safety can increase local brand image overseas by collaborating to promote the brands in order to further improve local economic conditions especially at home (Aaker, 2002). A country will be able to monitor its own local brand value by tracking to see how many of the country's top ranking local brands make it on *The Financial Times* list. If a small number or none of the country's top ranking local brands make the list, then it is necessary for the country to start finding ways to strengthen their brands and gain more traction.

For the local companies themselves, they need to work harder at building their brand by taking ownership and finding possibilities of collaborating with foreign brands when possible so as to improve their culture by diversifying themselves and becoming more innovative when developing products. Most importantly, the company must never lose sight of the importance of focussing on developing, building, and strengthening their brand as part of their global strategic move (Clarke, Owens, & Ford, 2000;

Armstrong, Kotler, & Da Silva, 2007). For both the country of origin effect and conspicuous consumption, the gaps in the literature contribute to the research questions on hand. Exploring the research will contribute towards answering the research question: *'how does the average Singaporean consumer react to the country of origin effect?'* and answering this question will add to the growing body of literature in this space, especially since there is limited research that exists pertaining to this at the moment, as well as answering *understanding how and why Singaporeans' perceptions change when they find out that brand names they assumed were foreign were actually local brands.*

## 2.7 Consumer decision-making

Consumer decision-making is a process that is of interest not just for marketers and business owners, but also for academics and policymakers as the process helps all the said groups to better understand how consumers think as well as how they came to the purchase decision and finally, how, where, and why they decided on the final product (Banwari, 2017; Choe & Hyun, 2000). A number of studies have shown that consumers' decision-making styles can be affected by culture and attitudes of the consumers (Hanzaee & Aghasibeig, 2008; McDonald, 1994; Hiu, Wang, & Chang, 2001). Decision-making styles can be influenced by peer pressure, family influence, or even societal influence (Nicosia, 1968; Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001; Evans, Christiansen, & Gill, 1996). Consumer shopping patterns differ depending on whether consumers are shopping based on their fulfilling their needs or their wants at the point in time (Baumeister, Clark, Kim, & Lau, 2017). Factoring in other important details like their social standing, economic situations, and

personalities can also affect their patterns as consumers are a diverse group. This influences purchasing behaviour. Some customers tend to favour the cheap or reasonably priced due to financial circumstances, while others may favour high-end, branded items; however, in Asia this may be more apparent, as conspicuous consumption tends to be higher in Asia (Chan, Chen, Wang, & Zheng, 2000; Armstrong, Kotler, & Da Silva, 2007; Choe & Hyun, 2000). An individual's personal shopping pattern is rather unique as it is determined by various factors such as quality, impulse buying, quality, price, and economic situation (Belk, Ger, & Lascu, 1993; Hiu, Wang, & Chang, 2001; Wong & Ahuvia, 1998; Sproles & Kendall, 1986).

Consumer decision-making also differs between initial and repeat purchases. With initial purchases, consumers have to use the more extensive problem solving process as many would want to make sure they get the best deal or best item within their affordability range (Sproles, 1985; Walsh, Hennig-Thurau, Solomon, 2016; Wayne-Mitchell, & Wiedmann, 2001). Consumers tend to set their buying patterns through extended decision-making when they make initial purchases too. Businesses understand the importance of developing consumers' loyalty as it costs less to attract repeat consumers than to attract new ones (Armstrong, Kotler, & Da Silva, 2007; Chan, Chen, Wang, & Zheng, 2000). With extended decision-making, there comes a higher level of purchase involvement since there is no prior information to evaluate the products or services (Walsh, Hennig-Thurau, Solomon, 2016). Consumers need a large amount of information pertaining to the various products and services in order to help them set their criteria for proper evaluation which can be quite a detailed, rigorous process (Engel, Blackwell, & Miniard, 1995). Extended decision-making might also

occur based on an emotional based evaluation, which means no evaluation or measurement of attributes. An example of such a case is whether to visit Bali for a vacation or take a roadtrip to Malaysia instead (Armstrong, Kotler, & Da Silva, 2007; Hawkins, Best, & Coney, 2001). It has also been suggested that the decision-making process stages need not necessarily be done in the stipulated order as consumers may need even more additional information pertaining to how to source and buy the product or service (Engel, Blackwell, & Miniard, 1995). Ultimately, 'thought and evaluation precede the act of purchase and use because of the importance of making the right choice' according to Engel et al (1995).

With the number of alternative products available, the consumer will be able to determine their choice after going through the consumer decision-making process and evaluation (Nicosia, 1968; Solomon, 2016). Limited decision-making is the final decision-making process when it comes to initial purchases (Nicosia, 1968). This is when minimal information research and evaluation prior to purchase is done due to the possibility of the consumer lacking the time, resources, or even motivation to carry out the extended decision-making process. The consumer can make the process less complex by reducing the variety and options available, hence reducing the evaluation criteria. For limited decision-making, consumers are likely to have already established their own set of criteria to help them when evaluating the brands and products within the category. Consumers are oblivious of the consumer decision-making process, let alone when they use the limited decision-making method; for example, if they recognise a brand that they are looking at purchasing or if they want to save some money and buy the cheapest brand available. Sometimes, it might be fleeting as they

want to try a new brand should they be in a 'let's take a chance and try it' mood and this is when brand switching occurs (Belk, Ger, & Lasca, 1993). However, Engel et al (1995) say that in order to use limited decision-making on initial purchases, one has to recognise how the need recognition actually leads to consumers' buying action so, in this sense, it is highlighted that extensive search and evaluation tend to be avoided as the purchase is not an important one or as important as perceived. If the product has a competitive advantage over other similar product brands, it might actually gain an advantage on the other choices as that is the stand out factor when the consumer is making a decision and that is how brand change happens (Engel, Blackwell, & Miniard, 1995; Nicosia, 1968).

Consumers' decisions are usually determined after they look at the various information available from the advertisements, technology, and other available formats that are pressurising them with reasons to pick a particular product or service (Kotler & Armstrong, 2018). Ultimately, with the first purchase or try of a new service, one is not necessarily certain as to how well it will work or perform. Consumers also have to face possible trade-offs when making a decision; for example, comparing safety features versus the amount that they are willing to spend when buying a new motorcycle or family car. However, there is research that shows that there are some cases whereby some attributes equate to different alternatives (Kotler & Armstrong, 2018; McDonald, 1994; Hiu, Wang, & Chang, 2001); spending an allotted sum on a product can result in decision-making regarding competing products. For example, deciding between purchasing a restful holiday and buying a new washing machine whose effectiveness is keeping one's clothes clean. This is an example of a

noncomparable choice outcome (Hanzaee & Aghasibeig, 2008; McDonald, 1994; Hiu, Wang, & Chang, 2001; Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001; Armstrong, Kotler, & Da Silva, 2007; Hiu, Wang, & Chang, 2001) where the consumer is not comparing brands, but entire product categories.

There are three possible outcomes that may determine the follow-up actions of the consumers: firstly, if the product satisfies the need or resolves the problem, then the consumers' pre-purchase expectations are met so the consumer's feelings tend to be neutral; secondly, if the product or service surpasses the pre-purchase expectations, a sense of satisfaction is guaranteed and there is a higher chance of consumer loyalty conversion; or thirdly, the opposite occurs if the final outcome is a negative or there is a dissatisfied consumer reaction towards the product or service (Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001; Armstrong, Kotler, & Da Silva, 2007; Hiu, Wang, & Chang, 2001). There are a few ways that the consumer can react to their dissatisfaction in the product. One way is if the consumer decides to do nothing; the second is for the consumer to boycott the business or brand in the future which means that the business has lost a potentially loyal customer and the consumer has to restart the process all over again; and the third is if the consumer seeks some form of compensation or refund from the business (Aaker, 2002). Research shows that should they wish to impress the consumer through this process, the chances are that the consumer will become more loyal than when they had been unhappy in the first place (Aaker, 2002; Banwari, 2017; Armstrong, Kotler, & Da Silva, 2007; Hiu, Wang, & Chang, 2001; Engel, Blackwell, & Miniard, 1995).

If it is a major purchase, another option is for the buyer to complain to the Consumers Association of Singapore (CASE) which is a local non-profit non governmental organisation that serves to protect consumers (CASE, 2017). Also, the consumer can decide to spread their dissatisfaction via word of mouth to everyone they know and this can be detrimental to the brand. There is a higher chance that consumers will not buy or patronise a brand that has upset someone that they know so this could potentially lead to a multiplier effect resulting in many more lost consumers for that particular brand (Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001; Armstrong, Kotler, & Da Silva, 2007; Hiu, Wang, & Chang, 2001). Brand or company loyalty can be seen almost like a reward to a business since the consumer remains loyal to that same brand over a period of time with repeated purchases (Aaker, 2002; Armstrong, Kotler, & Da Silva, 2007). Competitors will have to attract a consumer loyal to another brand and convince them as to why they should try their range of products instead (Hawkins, Best, & Coney, 2001). Limited brand loyalty could be another characteristic for a product category whereby a number of varied brands are deemed equal; for example, a bar of dark chocolate at a supermarket is the choice, regardless of the brand (Engel, Blackwell, & Miniard, 1995).

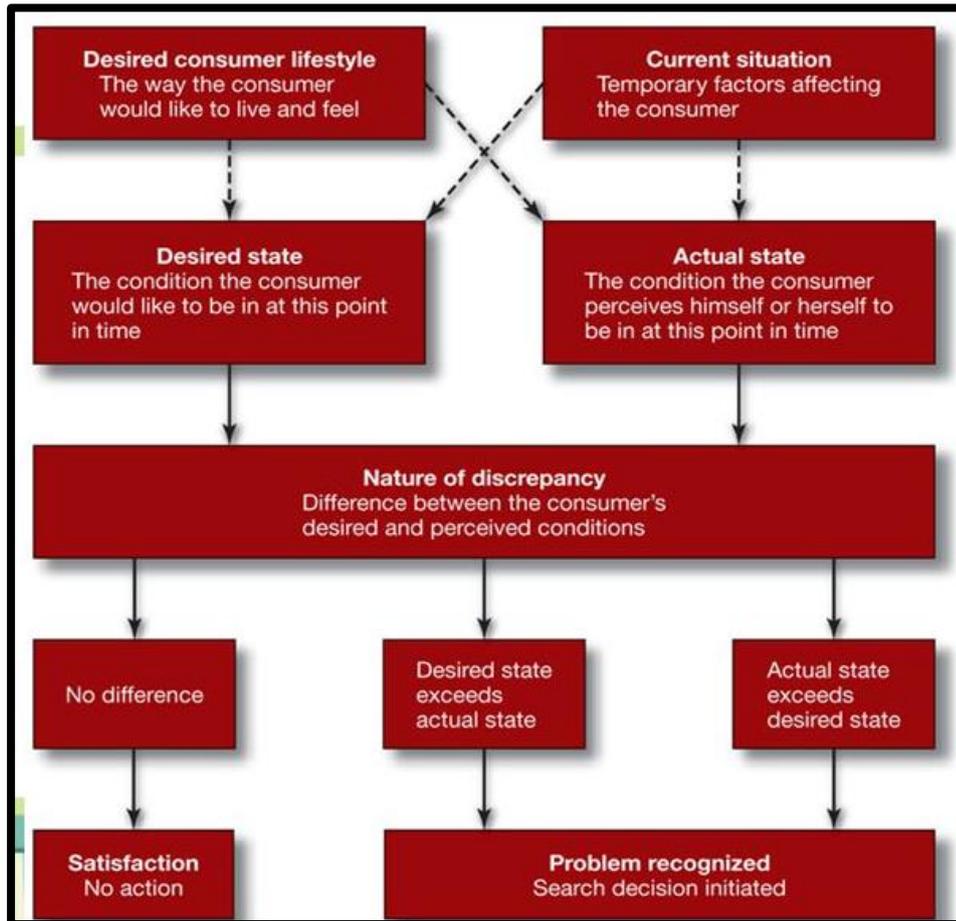
Loyalty to a brand or company occurs when consumers purchase the same item or even use the same service over a length of time as they are satisfied with the performance of the brand or item. It can be seen to a certain extent as a reward to the company as the consumer continues to support them more than once (Aaker & Joachimsthaler, 2002; Farquhar, 1989). Brand loyalty usually refers to consumers' personal preference towards the brand. For example, if a consumer is happy with

his/her Apple product like the iPhone, especially if service rendered after purchase and usage of the product is good, there is a high chance that the consumer will reward Apple with continued support and they might even purchase other items from Apple like the iPad or the iMac. Once the marketer or company gains brand loyalty, which is the ultimate objective of the business and marketer, it will be difficult to sway the consumer to a competitor's brand (Mason, 1981; Hawkins, Best, & Coney, 2001; Coothoopermal & Chittoo, 2017).

The need recognition stage is particularly important because without this stage whereby the consumer recognises a need or problem there will be no need for a decision to be made (Hawkins 2001). A definition of need recognition by Engel et al (1995) is: "perception of a difference between the desired state of affairs and the actual situation sufficient to arouse and activate the decision process", or in other words, consumers feel that there is a gap between their desired state versus their current state (Banwari, 2017; Baumeister, Clark, Kim, & Lau, 2017; Engel, Blackwell, & Miniard, 1995; Hawkins, Best, & Coney, 2001). This means that need recognition is heavily dependent on the gap between where the consumer is now and where they aspire to be (Banwari, 2017; Baumeister, Clark, Kim, & Lau, 2017; Engel, Blackwell, & Miniard, 1995; Hawkins, Best, & Coney, 2001). The need tends to be recognised if the gap meets or even surpasses its threshold; however, in most cases it does not require an immediate reaction (Banwari, 2017; Baumeister, Clark, Kim, & Lau, 2017; Engel, Blackwell, & Miniard, 1995; Hawkins, Best, & Coney, 2001). A good example is if a consumer feels thirsty (actual state) and would like a drink (need recognised) in order to quench his thirst (desired state). The consumer may also long for a cold beer but

there are no 7-ELEVEN outlets or any other minimarts that are allowed to sell any alcohol after 11pm so he would have to make do with a soft drink instead as it is almost midnight. See Figure 2.2.

Figure 2.2 The process of problem recognition



Source: Hawkins et al 2001

There are two factors that can influence the consumers' desire and speed at which they react to satisfying their need - if the need is of particular importance to the consumer then there is an urgency to fulfill it, and if it is within the consumers' affordability range, then it can be easily resolved (Banwari, 2017; Baumeister, Clark, Kim, & Lau, 2017; Engel, Blackwell, & Miniard, 1995; Hawkins, Best, & Coney, 2001).

There are also two types of need recognition styles amongst consumers which are the actual and desired states. An actual state example is when a portable battery pack runs out of power before the mobile is fully charged (Hawkins, Best, & Coney, 2001). An example of desired state is if the problem or need is for a new product or service that will hence make the consumer initiate the decision-making process.

Another important factor to highlight that affects consumer decision-making is culture. Culture has a strong impact on how consumers react to a brand or business as well as what they decide to purchase and how a society works as culture can affect attitudes and consumer behaviours as well as influence how a product is interpreted through marketing and advertising based on how the individual processes the messages mentally and emotionally based on their cultural lifestyle and environment (Engel, Blackwell, & Miniard, 1995; Kotler & Armstrong, 2018; Solomon, 2016). Marketers need to understand the importance of culture as they can use that as a means to further influence the consumers during their decision-making process and as a means to gauge the feedback that they get from consumers' for their products or services (Banwari, 2017; Baumeister, Clark, Kim, & Lau, 2017; Engel, Blackwell, & Miniard, 1995; Hawkins, Best, & Coney, 2001). Culture in this aspect is further defined as a compilation of the beliefs, values, and even customs that direct consumer behaviour of those within a society (Armstrong, Kotler, & Da Silva, 2007; Kotler & Armstrong, 2018). Beliefs and values are further defined as feelings that people within a society have towards items or possessions and within a country's culture there is an obvious presence of subcultures or cross cultures, especially since there will be a mix of locals and foreigners all of whom bring their own influences (Armstrong, Kotler, &

Da Silva, 2007; Kotler & Armstrong, 2018). Subcultures occur when individuals who have their own group of customs, beliefs, and values that differs from other members of the same society but yet still adhere to a certain extent to the larger society's values, beliefs, and behaviour patterns (Baumeister, Clark, Kim, & Lau, 2017). Cross cultural generalisation can be used to a certain extent when it comes to profiling consumers' decision-making styles. There have been various studies that span across the West and some studies in the East pertaining to this aspect; however, differences do exist based on the economic situations in a country, income levels of the citizens, the quality of the services and goods available, and the various perceptions of consumers (Batra, Alden, Steenkamp, & Ramachander, 2000; Greatedorex & Mitchell, 1990; Leo, Bennett, & Hartel, 2005). The balance of the equality among a country's citizens definitely plays a role in terms of the spending power and hence priorities on social needs will need to be looked at as well (Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001). Again, all aspects of culture can strongly influence how a consumer recognises a need and how they react to it. The influences of subculture and even cross culture, especially in a country and society like Singapore, are definitely present and the fact that various groups of people with similar beliefs, behaviour, and values adhere to the broader culture is something that marketers and businesses alike need to acknowledge and pay attention to (Armstrong, Kotler, & Da Silva, 2007; Baumeister, Clark, Kim, & Lau, 2017).

Consumer decision-making and consumer behaviour is truly multifaceted and why this area of study continues to intrigue academics, marketers, and business owners alike (Banwari, 2017). Research questions are not lacking, as the nature of how consumers

determine how they make their decisions and the need for prior knowledge before making a purchase are both instrumental to how consumers strategise their final decisions be it consciously or unconsciously (Baumeister, Clark, Kim, & Lau, 2017). Culture and prior knowledge or experience may actually influence the selection process, as highlighted earlier in this chapter. It is particularly interesting to understand why consumers have such difficulty when it comes to consumer decision-making and how to better understand how to skew them towards local brands and products which links back to a few of the research questions and the research problem as well (Coothoopermal & Chittoo, 2017).

To recap, consumer decision-making styles look at the path a consumer takes when making their product choices and has both affective and cognitive characteristics (Sproles and Kendall, 1986). Consumer decision-making has become more complex due to the influx of technology, globalisation, and wider range of choices when it comes to product selection (Balabanis, 2004; Sproles & Kendall, 1986). Singapore is a significant Asian country. It has topped numerous global lists ranging from the world's most expensive city for five consecutive years including 2019 (Batarags, 2019) as well as overtaking the United States of America for the number one ranking as the world's most competitive country in 2019 (Taylor, 2019), Singapore has limited research pertaining to this research field and therein lies the gap and hence the need to *research the average Singaporean consumer's decision-making style*. This knowledge will benefit researchers, marketers, and businesses alike, especially since there have been as many businesses that have failed as there are those which have succeeded in this highly competitive country (Cheok, 2018; Quek, 2019). In order to be successful,

especially in highly competitive Singapore, businesses need to analyse how their consumers make their decisions as well as better understand consumers' characteristics and motivations for purchase (Baumeister, Clark, Kim, & Lau, 2017; Coothoopermal & Chitto, 2017). Hence, the need to theoretically research the Singaporean consumers' decision-making styles and understand how and why Singaporeans' perceptions change as well as why and how their decision-making processes might be affected when they find out that brand names they assumed were foreign were actually local brands. This is reflected in the current gaps in the literature available to date.

## 2.8 Gender and their perception of the country of origin effect

Although the researcher used gender as one of the groupings when sourcing for interviewees, two areas that sparked interest while reading the literature was the relationship between gender and the country of origin effect as well as gender and its role in conspicuous consumption. Albeit that these are part of one of the research questions (RQ4), this was part of the bigger picture which was to understand the underlying question which was does local brand bias exist.

Interestingly enough, there was a gap in the literature in terms of the key focus on gender and the country of origin effect relationship as the researcher found limited literature that focussed on this apart from the key paper by Wall and Heslop (1986) that reported on how women had favoured domestic goods and were more optimistic about them in comparison to men who at the time were in higher level positions and had higher disposable income who favoured imported goods. Given that decades have passed since the paper was written, it was interesting to note that many others had a

minor focus on gender in comparison to the bigger picture. Understanding what might be conflicting results (what is perceived versus what actually is based on the research carried out), delving a little deeper into how the different Singaporean genders use the country of origin knowledge that they have can actually help shape how marketers and businesses alike can market their products based on those cues. Hence, the need to theoretically research the impact of gender and understand how the country of origin influences their decision-making choice. This is reflected in the current gaps in the literature available to date.

## 2.9 Overview of the gaps in the literature

The literature review and research will investigate the various consumer decision-making styles of Singaporeans that will be of interest to marketers, local businesses, and academics alike. Given that Singapore has an interesting culture and has grown extensively in a short period to become one of the world's key economic players, understanding how Singaporeans perceive local and foreign brands when they make purchases will help businesses and academics alike better appreciate the consumer psychology behind their consumer decision-making choices.

To date, the consumer decision-making process has been well documented in both marketing and consumer behaviour research. This helps provide marketers with a framework to determine how their consumers undergo their process of evaluation and selection amongst the various available alternatives and finally end up with a specific service or product that can fulfil their problem or need (Balabanis, 2004; Sproles & Kendall, 1986). Key influences that may be triggered during the consumer decision-making process have also been highlighted, providing implications for

marketers and researchers to take into consideration. In particular, differences in consumer behaviour processes occur due to environmental, societal, and even individual influences that can ultimately affect that final consumer decision-maker's choice. A theoretical understanding of the consumer decision-making process consists of five key steps that determine how the consumer moves from identifying the need or problem to his post purchase behaviour. While deciphering how most consumers pass through these stages in a relatively fixed, linear sequence, there are some aspects of the steps whereby there may be an alternative evaluation style when working towards the final purchase decision.

The impact of the country of origin effect has on buyers' intention to buy, as well as assessment and perception, has been heavily researched in the fields of consumer behaviour, business, and marketing for decades (Kabadayi & Lerman, 2011). Consumers tend to use the country of origin effect to evaluate the products that they wish to purchase in terms of performance or other attributes (Balabanis, 2004). Consumers tend to take the country of origin effect as an extrinsic approach and use that as a way to predict quality of goods or services (Kabadayi & Lerman, 2011). Pertaining to the research that will be carried out, an understanding of some of the cognitive, affective, and normative aspects of the country of origin effect in Singapore, especially in terms of Singapore's economic development, differences amongst the various consumers with regards to race, and some other factors that may come about when the research is carried out, will highlight how the country's brand image helps to constitute the stereotypes that Singaporean consumers buy into. This will help marketers and researchers to better understand the larger effect that the country of

origin effect actually has on perceived quality in comparison to the consumers' perceived attitude towards their purchase intentions, especially if little information is available about the country of origin. The country of origin effect and economic status of the country tend to be interrelated as research shows and thus proves to be another key element in this research. Furthermore, as there is little research available that looks at the emotional stance or even cultural symbolism and its link to the country of origin effect, this could be another possible gap to be discussed and researched on within this thesis. There is even less research available in terms of gender and its implications on the perceptions of the country of origin effect. Finally, by understanding the effects and importance of the country of origin effect and determining what is currently available theoretically, versus what is available pertaining to Singapore also leads to how this research can add to the growing body of literature in this space. There is limited theoretical research about the Singaporean's consumer decision-making styles and how they perceive and react to the country of origin effect.

There have been numerous research papers published over many years that discuss the country of origin effect, consumer decision-making processes, and the effects based on culture and society. However, many of them look at countries in the West, Middle East, or even Asian countries like Japan and China. Other research papers have looked at the generational decision-making styles of their country. There has been some mention of Singapore but not in great depth. Singapore was mentioned almost as a hindsight in a list of countries and, in fact, one paper looked specifically at sports related items (Armstrong, Kotler, & Da Silva, 2007; Belk, Ger, & Lascu, 1993; Chan,

Chen, Wang, & Zheng, 2000; Hanzaae & Aghasibeig, 2008). For the handful of papers that mentioned Singapore, Singapore was briefly mentioned in a few paragraphs and there was rather limited information as to how Singaporeans reacted to foreign let alone local goods (Armstrong, Kotler, & Da Silva, 2007; Belk, Ger, & Lascu, 1993; Chan, Chen, Wang, & Zheng, 2000; Hanzaae & Aghasibeig, 2008). Singapore is an important country economically on a global scale as it is a key financial centre, technological hub, major shipping hub, and centre of innovation, especially in the area of biotechnology (DPAD; UN/DESA, 2014; EDB, 2017). Apart from that, Singapore has a 'prudent macroeconomic policy and stable political and legal environment' which leads to its ability to sustain a strong, dynamic economy and is in second position in the world in terms of economic freedom (Freedom, 2017). The factors affecting their choices, their perceptions of local brands, effects of culture on their consumer decision-making process, and the country of origin effect and their impact on the decision to purchase have yet to be discussed. This highlights yet another gap in the available theoretical research available to date which has not further discussed reasons as to *how and why (if at all) Singaporeans' perceptions tend to change when they find out that the 'foreign' sounding brand names that they have always assumed were from other countries actually ended up being local brands*. More importantly, given that Western culture differs so greatly in comparison to Asian culture that alone is a fundamental reason as to why most consumer behaviour concepts cannot be applied to most Asian consumers. In fact, even within Asian countries, there are numerous cultural differences as well.

Finally, based on the theoretical research done and the research that was carried out, the practical implications that the thesis brings with it derive guidelines for both Singaporean and Singaporean based marketers and Singaporean entrepreneurs to enable them to identify potential markets that can help to promote ethnocentric appeals to entice locals to support and buy local as well as determine if gender has a role to play in determining whether males or females have stronger consumer ethnocentric or country of origin tendencies when buying products.

### 2.10 Summary

This chapter analysed the available literature pertaining to the various topics ranging from consumer decision-making to the country of origin effect and how the gaps in the literature help fundamentally address the research question and primary purpose of this thesis. To recap, the research question discusses how the country of origin effect affects the consumer decision-making processes of Singaporeans and adds to the growing body of literature in this space by focussing on an under-researched though important economical country. The thesis will also discuss the possibility of gender playing a role in terms of whether males or females are being supportive of the country of origin effect or having stronger consumer ethnocentrism attitudes towards local brands. This is essential for organisations seeking to improve their perceived quality and purchase value of their products and services as well as determining their target audiences.

Country image perception is important as highlighted earlier as consumers associate the country of origin with how consumers attach their perceptions and stereotypes to a specific country. By understanding how a country's brand image is perceived by

potential markets, especially in terms of national characteristics and economic background, marketers and business owners will better understand the level of the country of origin effect influence and how it can trace back to how products or services are assessed as well as how the decision-making processes will be affected especially by the consumers' perception of the features for products manufactured by certain countries. This can also be applied to understanding how Singaporeans develop brand images of a particular country through their perceptions and understanding of their country's brand image which therein leads to their stereotyped beliefs of the products that come from Singapore and will help marketers and businesses alike to better understand how to position their products and services and better decipher their target markets.

By understanding how and why Singaporeans' perceptions change when they find out that brand names they assumed were foreign were actually local brands, the researcher will provide suggestions not just for other potential research but also in terms of practical implications. The thesis will derive guidelines for Singaporean and Singapore-based marketers and Singaporean businesses to better enable them to identify potential markets that can help to promote ethnocentric appeals to entice locals to support and buy local. More of this discussion will be found in chapter five.

To summarise, this literature research chapter helps to define the thesis question: Does local brand bias exist in Singapore? as well as the Research Question: *How does local brand bias impact consumer decision-making in a diverse, developed South-East Asian country?*

According to the discussions throughout chapter two, the research problem will be addressed by the following research questions that have been derived from the gaps in the literature review as well as because limited research is available pertaining to the results of answering these questions:

- 1) What is the average Singaporean consumer's consumer decision-making style?
- 2) How does the average Singaporean consumer react to the country of origin effect?
- 3) Do Singaporeans' perceptions change when they find out that the foreign sounding brand names are actually local brands? Why and how do they react?
- 4) Does gender play a role in conspicuous consumption in Singapore and, if so, how?
- 5) How can local marketers, businesses, and entrepreneurs better identify their potential markets in Singapore?
- 6) How can local marketers, businesses, and entrepreneurs entice Singaporeans to support and buy local products by tapping on ethnocentric appeal?

## 3. Methodology

### 3.1 Introduction

Chapter one introduced the research questions and defined the outline for this thesis. An analysis of the extensive literature review relevant to the research questions was discussed and objectives were defined in chapter two. The overall research problem was developed based on chapter two's literature review. The purpose of chapter three, therefore, is to discuss and justify the methodology and design of the research in detail. This chapter provides an outline of the research paradigm; elaborates on the philosophical aspect behind the methodology used in the research; highlights the relationship between the theory and the research derived; and finally, discusses the methods used for collating the data and analysis. The research design and the researcher's philosophical standpoint for this study will also be elaborated in this chapter. The research process, the sample selection, the process of conducting the face-to-face interview questionnaire design, carrying out the data analysis, sampling, and survey will be further elaborated on together with the ethical considerations in this chapter.

After the chapter introduction in section 3.1, section 3.2 looks at the research paradigm, approach, and philosophy. Section 3.3 then discusses the research design and elaborates on the differences between qualitative and quantitative research, as well as justifies why qualitative research was the method used. Section 3.4 elaborates on the qualitative study by validating the soundness of the research. Section 3.5 delves into the qualitative research methods by looking at the data collection methods, tools,

and the sample size for the research. Section 3.6 discusses some of the limitations of the research and section 3.7 elaborates on the ethical considerations. Section 3.8 concludes this chapter with a summary of the entire chapter, which then leads into chapter four, the findings chapter, which discusses findings from the pilot study and the overall research study.

Before further elaborating on the methodological approach, the research question as well as the aim of the research will be recapped briefly. The aim of the thesis is to investigate what the Singaporean consumer's decision-making style is and if, how, and why Singaporeans' perceptions change when they find out that the foreign sounding brand names are actually local brands. The aim of the thesis is two-fold; first, the researcher aims to add to the limited literature that is available pertaining to Singapore and the country of origin effect, consumer ethnocentrism effect, as well as the conspicuous consumption effect. The study also explores whether gender influences the above factors, as literature suggests there is a relationship between gender and the country of origin effect (Ahmed et al, 2004; Kala & Chaubey, 2016; Berbel-Pineda, Placios-Florencio, Santos-Roldan, & Hurtado, 2018).

Second, the thesis makes a practical contribution. Through the findings it is anticipated that local marketers, businesses, and entrepreneurs will be able to better identify their potential markets in Singapore and help them find ways to entice Singaporean consumers to support and buy local products. To achieve these aims, the researcher had to ask what might be deemed probing questions. The following question was formulated as the thesis' primary focus, which is — how does the country of origin effect affect the consumer decision-making processes of Singaporean consumers. In

chapter two (the literature review), it was evident that current consumer behaviour related literature does not necessarily provide enough detailed insights on Singaporean consumers as most of the research mainly looked at consumers from the West or bigger Asian countries and it is through these gaps in the literature review that this thesis will address using the methodology outlined. In Table 3.1 the researcher provides a summary of the research project starting first with the research paradigm, approach and philosophy, followed by the research design that delves into the research methodology and finally, the validity and soundness of the research study. These aspects will be further elaborated on in this chapter.

**Table 3.1 Overview of research study**

<b>Research issue</b>	<b>Research study</b>
Discipline research is drawn from	Marketing (consumer behaviour research)
Epistemology	Interpretive
Methodology	Grounded theory
Sample	Three different sample groups: <ul style="list-style-type: none"> <li>• Singaporean consumers</li> <li>• Marketers who understand the Singapore market</li> <li>• Singaporean-owned businesses</li> </ul>
Validity/research soundness	Discusses the reliability and trustworthiness of the research

## 3.2 Research paradigm, approach and philosophy

### 3.2.1 Research paradigm

When researchers determine their research paradigm, they are determining the philosophical framework that influences how their research could possibly be conducted (Creswell & Poth, 2012). Gaining knowledge to find solutions or answers to issues that one wants in order to have a better understanding of the world is what

research is all about (Matthews & Ross, 2010). Research philosophy relates to how data should be gathered, used, or even analysed (Bryman, Bell, & Harley, 2019).

Philosophical assumptions are based on the set of beliefs that define the researcher's view of the world. The philosophical assumptions unveil why the researcher decided to use certain research strategies and empirical techniques for their research (Fisher, 2007; Saunders, Lewis, & Thornhill, 2015). The research paradigm helps the researcher decipher the nature and form of reality, what knowledge will be acceptable for the research, and what methods are most effective for conducting the research (Bryman, 2015; Bryman, Bell, & Harley, 2019). In fact, the research paradigm can be classified under three groups: methodology, ontology, and epistemology (Ghauri, 2010; Guba, Lincoln, & Lynham, 2017). Taking an ontological position alludes to the researcher's relationship with the reality of his or her research study (Lincoln & Guba, 1985; Guba, Lincoln, & Lynham, 2017). An epistemological stand in business research alludes to the relationship between the studied phenomenon and the researcher (Guba, Lincoln, & Lynham, 2017). Most importantly, the methods used to collect data as well as analyse data for research is what methodology is all about (Ghauri, 2010).

In Table 3.2 the four philosophical assumptions, namely, positivism, post-positivism, critical theory, and constructivism, which are the basic beliefs for each paradigm, are elaborated on further and matched with the related ontology, epistemology, and methodology paradigm (Guba, Lincoln, & Lynham, 2017; Saunders, Lewis, & Thornhill, 2012).

**Table 3.2 Basic beliefs of alternative inquiry paradigms**

<b>Issue</b>	<b>Positivism</b>	<b>Post positivism</b>	<b>Critical theory</b>	<b>Constructivism</b>	<b>Participatory</b>
Ontology	Naïve realism—‘real’ reality but apprehendable	Critical realism—‘real’ reality but only imperfectly and probabilistically apprehendable	Historical realism—virtual reality shaped by social, political, cultural, economic, ethnic, and gender values crystallised over time	Relativism—local and specific constructed realities	Participative reality—subjective—objective reality, co-created by mind and given cosmos
Epistemology	Dualist/objectivist; findings true	Modified dualist/objectivist; critical tradition/community; findings probably true	Transactional/subjectivist; value-mediated findings	Transactional/subjectivist; created findings	Critical subjectivity in participatory transaction with cosmos; extended epistemology of experiential, propositional and practical knowing; co-created findings
Methodology	Experimental/manipulative; verification of hypotheses; chiefly quantitative methods	Modified experimental/manipulative; critical multiplism; falsification of hypotheses; may include qualitative methods	Dialogic/dialectic	Hermeneutic/dialectic	Political participation in collaborative action inquiry; primacy of the practical; use of language grounded in shared experiential context

Source: (Guba, Lincoln, & Lynham, 2017)

The positivism paradigm lies within objectivism epistemology and refers to the methodological philosophy in quantitative research whereby the methods of natural sciences discover the study of social sciences (Lincoln & Guba, 1985). For over 400 years, positivism has been the dominant view and in order to achieve positivism, there was a heavy reliance on experiments or statistics as being the key scientific evidence used to determine what and how in truth a society operates. Through this philosophical theory, some of the knowledge tends to be based on the properties of natural phenomena and defended through its facts derived from scientific findings that thus shows how a society works (Guba, Lincoln, & Lynham, 2017). Though post-positivism has many similarities to positivism, post-positivism tends to take on critical realism from an ontological position and the methods used tend to be of the qualitative methods nature (Guba, Lincoln, & Lynham, 2017). An alternative to positivism is critical theory as it determines that in order to show the distinct differentiations between people, a different research approach should be taken, and there tends to be a more interactive relationship between the studied subjects and the researcher (Bryman, 2015). Finally, researchers who prefer the constructivism stance tend to gravitate towards ontological relativism as it shares a similar approach to that of critical theory, namely, the principle of subjectivism as the researcher and the subjects in question are linked through the findings and through the methods used to conduct the research that tend to be dialectical (Guba, Lincoln, & Lynham, 2017). Saunders, Lewis, and Thornhill (2012), however, advise researchers to regard these philosophies as a multi-dimensional set. Ultimately, there will always be a continued debate between the research approach taken and the type of research methods used;

however, as further elaborated in section 3.2.2, the researcher elaborates on the reasons for the decision on both research approach as well as research methods.

### 3.2.2 Justification of the research approach—interpretivist

The research approach chosen coupled with the researcher's philosophical stance should be seen as relevant to the research problem. Saunders, Lewis, and Thornhill (2012) have proposed that it can be difficult if a researcher tries to fit their research problem to a particular philosophical standpoint but it is still something that needs to be done so that the researcher can find their answers to their research question(s). Interpretivist researchers argue that reality can be understood only if it is done through the interpretation and intervention of reality. Studying phenomena in its natural environment is essential to the interpretivist philosophy (Guba, Lincoln, & Lynham, 2017). The current study aims to establish whether local brand biasness exists among Singaporean consumers and then, if that is the case, the researcher will determine whether local businesses and/or marketers can increase the popularity of Singaporean brand appeal by leveraging on the country of origin effect, consumer ethnocentrism, and conspicuous consumption. To reach the stated aims, the researcher started with the theory through an accumulation of knowledge in the areas of consumer ethnocentrism and globalisation and then developed questions for the research that will further elaborate on how Singaporean consumers react to the brands. The researcher has a natural preference towards an interpretivist approach and, coupled with the objective of the study, deemed the qualitative method the most appropriate to carry out the research. Consumer behaviour tends to shed light on the human being's thoughts, needs, attitudes, and desires, which in most cases are best

expressed through qualitative research (Bryman, Bell, & Harley, 2019; Ghauri, 2010). Robert (2003) defined qualitative research as ‘collecting and interpreting information about some phenomenon with a concern for quantities’. (Belk R. F, 2012; Kothari, 2006; Matthews & Ross, 2010). The interpretivist approach tends to be deeply rooted in the fact that in order to understand knowledge that is related to the social sciences, the methods used cannot be the same as how researchers use the methods in physical sciences (Hammersley, 2013). Researchers that are interpretivist tend to adopt a relativist ontology whereby multiple interpretations can be determined through measurement processes, as they tend to delve deeper into their understanding of the complexity of a phenomenon instead of merely generalising it (Creswell & Poth, 2012). Hammersley (2013) strongly advises interpretivist researchers to understand ‘the diverse ways of seeing and experiencing the world through different contexts and cultures’. It is important to note that during interpretations any bias should be avoided when studying people or events (Hammersley, 2013). One advantage is that the varying views of interpretivist use when studying phenomena can also be used to understand humans, events or objects at a deeper level and within a social context (Creswell & Poth, 2012; Hammersley, 2013). Most importantly, researchers can conduct their research by using a key methodology such as grounded theory (Creswell & Poth, 2012; Hammersley, 2013).

### 3.2.3 Research philosophy—grounded theory

Sociologists Glaser and Strauss (2012) identified grounded theory in 1967 and defined it as “the discovery of theory from data — systematically obtained and analysed in social research.” The main purpose of grounded theory is to further develop or

“ground” a theory within which the phenomena within the study occurs (Glaser & Strauss, 2012). However, according to modern day researchers like Creswell (2012) and Dey (1999) as well as Urquhart (2013), today’s understanding of grounded theory is very different and can be defined in the following 12 points:

- 1) The aim of grounded theory is to generate or discover a theory;
- 2) The researcher needs to set aside theoretical ideas in order to let the substantive theory emerge;
- 3) Theory focusses on how individuals interact with the phenomena under study;
- 4) Theory asserts a plausible relationship between concepts and sets of concepts;
- 5) Theory is derived from data acquired from fieldwork interviews, observation, and documents;
- 6) Data analysis is systematic and begins as soon as data is available;
- 7) Data analysis proceeds through identifying categories and connecting them;
- 8) Further data collection (or sampling) is based on emerging concepts;
- 9) These concepts are developed through constant comparison with additional data;
- 10) Data collection can stop when no new conceptualisations emerge;
- 11) Data analysis proceeds from open coding (identifying categories, properties, and dimensions) through selective coding (clustering around categories) to theoretical coding; and
- 12) The resulting theory can be reported in a narrative framework or a set of propositions (Urquhart, 2013).

The key thing to note is that the grounded theory method aims to generate theories that have relationships with the constructs (Glaser & Strauss, 2012). A researcher who

decides to use the grounded theory method needs to ensure that they can justify its use and use the method to help conceptualise social patterns within one's area of interest via a process of comparison (Urquhart, 2013). More importantly, the researcher needs to be clear on the theory that they want to generate that further and explain how society works and when the said goal emerges, the researcher needs to ensure that no methodological integrity was compromised during the process (Urquhart, 2013). To ensure that grounded theory is executed correctly and to minimise any negative feedback received, the researcher needs to ensure that there is strong rigour when carrying out interviews (more about this in chapter four) and no bias is introduced. Considering that this is the method that this researcher wishes to use, this is definitely something taken note of as precautions were taken prior to the carrying out of the interviews by checking the accuracy of the content prior to writing up the analysis (again, more of this in chapter four) (Dey, 1999). Also, due to workplace experience of the researcher (Editor of a senior management magazine), the researcher was able to identify whether the participant was the right person to interview for the research (Bryman, Bell, & Harley, 2019) which ensured that the data collected was relevant to the research question. Another positive aspect of using grounded theory is that the researcher was able to start analysing the data from the very first interview that was carried out, as there will likely be some interesting points that stand out to ground the theory (Dey, 1999). One slight issue that this researcher faced was that the researcher should not have any bias or preconceived ideas prior to carrying out the research or even when analysing the data (Glaser & Strauss, 2012). However, given that the researcher had to give a bit of the context of the research to get participants to sign off on the participation forms as part of the ethics requirement,

a brief summary was given to the participants to encourage them to participate in the research. However, conscious efforts were made by the researcher to ensure that the questions were worded appropriately and included neutral words to reduce bias. It was important to ensure that the questions were not perceived to be leading questions so that the participants would give answers that were not in any way influenced by any of the researcher's possible biasness or assumptions (Urquhart, 2013). Qualitative data analysis tends to be more time-consuming than quantitative analysis as more in-depth analysis is required. One way that this researcher overcame this challenge of dealing with the need of additional time for analysing the qualitative data was to find key highlights within the data from the various interviews that were obviously inter-related to back up the theory (Urquhart, 2013).

Deciding whether comments made by one participant would be strong enough to determine or support a theory or even contribute toward theoretical work was another thing to consider. It was, however, stated by Glaser: "one is enough if it is significant" (Glaser & Strauss, 2012). Also, knowing when the saturation point when carrying out the research was an important thing for the researcher to note (Glaser & Strauss, 2012). This proved to be rather challenging initially for the researcher who was new to using the grounded theory method to collate all the data and then starting and ending the analysis before finally coming to a conclusion. However, in spite of the challenges, the grounded theory method ended up being a powerful, effective, and interesting method to collate data and analyse the data, and, finally, to propose or develop interesting conclusions not just in terms of theory, but for practical use too as the grounded theory method tends to have straight-forward guidelines and strategies

for managing systematic inquiries that are instrumental in conducting qualitative research (Urquhart, 2013).

### 3.3 Research design

#### 3.3.1 Quantitative research versus qualitative research

Research has been described as an art whereby a systematic yet investigative method is used to find the necessary information or data required to answer the question or questions that might better enable one to understand the reasoning or logic in more depth (Ghuri, 2010). Various discipline researchers tend to have a preferred research method approach be it qualitative, quantitative, or for those who like the best of both worlds, the mixed methods approach for their research. The qualitative and quantitative researchers are on two ends of the spectrum, both sides frequently in conflict to determine which method is better. However, each method has both advantages and disadvantages, reinforcing the need for determining the method best suited for the research question.

Quantitative research tends to be used by researchers who lean more towards positivism, to test hypotheses, and analysing causal relationships between different variables (Bryman, Bell, & Harley, 2019). In order to show the results, charts, and graphs are used as well as key words like 'variables' or 'result' according to Bogdan and Biklen (2007). The researcher is able to become more familiar with the problem to be studied or the hypotheses to be tested in quantitative research and the numbers from the large sample size can then be crunched, quantified, and then summarised so that the final results can be presented through the use of statistical terms (Bogdan & Biklen, 2007).

There are statements made about qualitative research that claims it contributes minimally to knowledge advancement or it is a difficult method to use as it is not straightforward and very time consuming; however, to each researcher his or her own (Creswell & Poth, 2012). When selecting which method to use, the researcher reflected on the research paradigm, approach, and philosophy that ultimately led them to the qualitative method. The qualitative research method is used to collect information pertaining to the depth of human behaviours as it looks at the feelings, opinions, or reasons for one to act in a particular manner while always reflecting on the why behind the thick, detailed amount of descriptive research and finding meaning or making sense of the above (Bryman, Bell, & Harley, 2019). Although the quantitative method has numerous advantages, including the possibility of a larger sample size in a shorter period of time, qualitative researchers are generally more interested in delving deeper into understanding the 'whys' behind the answers given by the participants and getting more information pertaining to their experiences since most questions tend to be open-ended ones (Fisher, 2007). It has also been argued that information processing tends to be done more rigorously and researchers need to use the qualitative research approach in order to unravel issues pertaining to looking at the human experiences in a more holistic manner within specific environments – that is, the interpretivist approach (Hammersley, 2013; Belk R. F, 2012). Qualitative research can also be deemed as being surrounded by epistemological views and interpretive ways of understanding the human experiences as well as research methods (Denzin & Lincoln, 2002). The researcher leans towards a more interpretivist research approach or, in other words, research that provides a better understanding of each consumer's complexity in terms of their attitudes as well

as varied consumer traits (Brinberg & Lutz, 1986). Qualitative research also gives the researcher the ability to better understand different events or meanings people have during the face-to-face interviews that quantitative research methods cannot (Ghauri, 2010; Denzin & Lincoln, 2002); and some of this could be key in the data analysis as it will bring to the researcher's awareness some key information or details that could link back to what was answered during the face-to-face interviews which may have been too complex to put into words (Matthews & Ross, 2010).

### 3.3.2 Justification for using qualitative methods

This research was undertaken to understand whether there is local brand bias amongst Singaporeans, to further understand the Singaporean consumer culture and to gain a deeper insight into why Singaporean consumers react a certain way to local brands. By using qualitative data collection methods, the administering, testing, interpreting of data, and drawing upon the participants' perceptions, behaviour, and feelings will also give a clearer understanding for the marketing practitioners based in Singapore and local businesses to fine-tune how they market their products or services to attract the Singaporean consumer dollar more (Belk R. F, 2012; Engel, Blackwell, & Miniard, 1995; Kothari, 2006).

Using qualitative research, researchers tend to study respondents within their natural environment hence taking a more naturalistic approach to research by understanding it completely from various approaches (Lincoln & Guba, 1985). The researchers are able to uncover experiences that their participants had through qualitative research methods as the researcher will be able to dig deeper to better understand how certain

perceptions or ideas are shaped sometimes due to the aspect of culture (Creswell & Poth, 2012).

Observations during face-to-face interviews add greater depth for the results and, given that open-ended questions tend to be used in the face-to-face interviews, participants have freedom to answer the questions in any way instead of being stuck with rigid answers to pick from that may not necessarily be what they truly believe. Furthermore, some participants may even expand their replies and make the researcher consider other topics that were not thought of in the first place (Sekaran, 2003), a major advantage of qualitative research. Conversely, it is essential to note that without experience in interviewing, interviews and focus groups can be poorly undertaken (Creswell & Poth, 2012). For this study, the researcher is a trained journalist with significant experience in running interviews, and therefore was able to elicit appropriate information from the respondents.

### 3.4 Qualitative study soundness and validity

Soundness and validity are as important to qualitative research as they are to quantitative research, especially since transparency helps to reduce researcher bias too as the researcher needs to ensure that the study maintains not only trust but neutrality too (Bogdan & Biklen, 2007). In order to ensure that credibility and reliability are present in qualitative studies, researchers will need to adhere to some level of criteria to ensure that their findings are not just dependable but also transferable, confirmable, and credible in order to affirm that the research is sound and valid (Denzin & Lincoln, 2002).

Credibility in qualitative research boils down to the level of confidence the researcher has pertaining to the truth of the qualitative results given during the interviews as well as internal validity of the effectiveness of the researcher. Many deem trustworthiness to be the most important criteria in research especially since the researcher needs to demonstrate some level of truth in their findings. Other factors to be considered are: transferability, which relates to when the researcher is able to replicate the findings across similar situations or contexts; confirmability, which is determined by the level of neutrality within the research findings or results and that no bias or motivations have been suggested in any way by the researcher carrying out the interview; and dependability, which relates to whether the research study can be repeated by others and the results will be aligned with the researcher's first study or in other words, if a researcher wanted to replicate this research, are they able to obtain sufficient details and receive similar outcomes (Bryman, Bell, & Harley, 2019; Creswell & Poth, 2012). In order to ensure that this is a sound and valid piece of research, the researcher ensured that the above four criteria were carried out and tested through the initial pilot tests. Given the researcher's journalistic background made it easier to ensure that the answers given during the interviews were sound. Many of the interviewees are also of credible backgrounds as well and would not provide false answers that might be detrimental to their reputations.

### 3.5 Qualitative research methods—data collection methods, tools and sample size

#### 3.5.1 Data collection methods and tools

All the consumer, business owners, and marketing experts interviews took on average between one to 1.5 hours (60 to 90 minutes) each. Questions and examples were

prepared prior to interview; however, since they were semi-structured interviews there was the flexibility to adjust some of the questions as the interviews flowed and there were also opportunities for the researcher to follow up with further questions should it be deemed necessary. The questions were fine-tuned after going through the initial three pilot study runs for the face-to-face interviews to further ensure that the best, most effective set of questions was finally used for the official interviews. Prior to conducting the main interviews with the marketing experts, local business owners, and consumers, the researcher tested out the questions on three different respondents who varied in their ages: 24 year old, 40 year old, and 52 year old. This was to ensure greater representation across generations and no misinterpretation of the questions asked despite generation. These three respondents were informed prior to the interview, and verbally agreed to be 'test' subjects and that their responses would not be part of the actual research. This pilot study is further elaborated in chapter four. Finally, all sets of questions went through one final pilot test to ensure that they were easily understood and feasible within the timeframe stipulated for all the face-to-face interviews that was up to a maximum of 90 minutes. Most importantly, the pilot study would help to determine whether the questions would provide answers that were related to what the researcher was trying to determine.

The interviews were carried out only in English so participants had to ensure that they were able to communicate effectively in English. Some aspects of consumer ethnocentrism were derived from the CETSCALE that touched on consumers' willingness to purchase foreign products (Shimp & Sharma, 1987; Klein, Ettenson, & Morris, 1998; Sharma, 1995). However, questions were phrased so that only

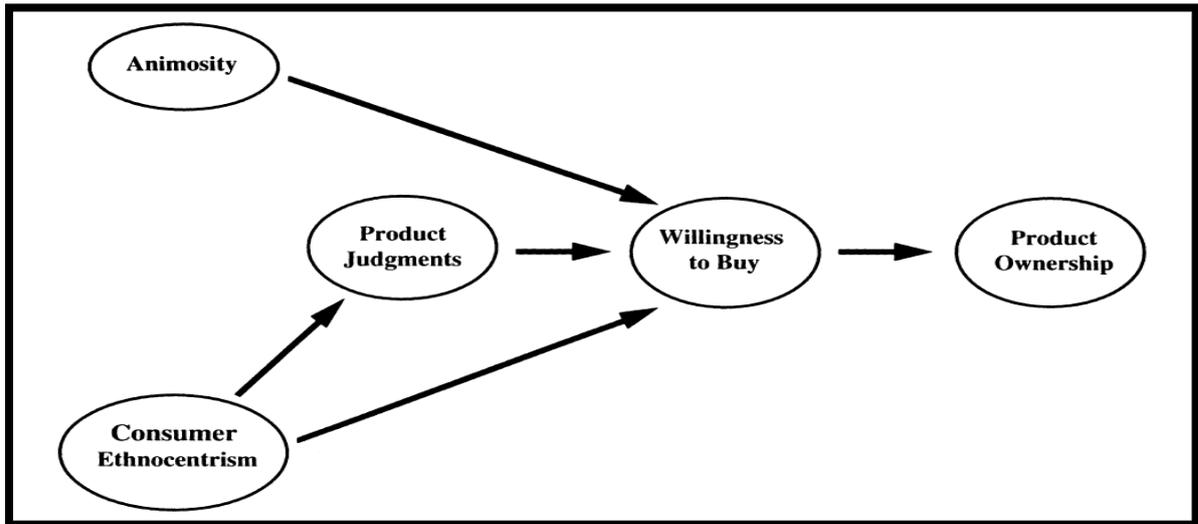
qualitative/open ended responses were given. Shimp and Sharma (1987) developed the consumer ethnocentrism tendencies scale, also known as the CETSCALE, to measure the consumer ethnocentrism of consumers from the United States of America. The 17 items are:

- 1) American people should always buy American-made products instead of imports;
- 2) Only those products that are unavailable in USA should be imported;
- 3) Buy American-made products. Keep Americans working;
- 4) American products, first, last, and foremost;
- 5) Purchasing foreign-made products is un-American;
- 6) It is not right to purchase foreign products;
- 7) A real American should buy American-made products;
- 8) We should purchase products manufactured in America instead of letting other countries get rich off us;
- 9) It is always best to purchase American products;
- 10) There should be very little trading or purchasing of goods from other countries unless out of necessity;
- 11) Americans should not buy foreign products, because this hurts American business and causes unemployment;
- 12) Curbs should be put on all imports;
- 13) It may cost me in the long-run but I prefer to support American products;
- 14) Foreigners should not be allowed to put their products on our markets;
- 15) Foreign products should be taxed heavily to reduce their entry into the USA;

- 16) We should buy from foreign countries only those products that we cannot obtain within our own country; and
- 17) American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work. (Shimp & Sharma, 1987).

Quality judgement of local products would be derived based on a scale (Figure 3.1) that was developed by Klein et al (1998). However, the scale formed only part of the basis of qualitative questions and explored workmanship, design, value for money, technological advancement, and quality, to name a few examples. The concepts were used to see how else the researcher could expand on the CETSCALE and incorporate elements of the two into the questions. Although the CETSCALE and the product judgement scales were developed for a survey, it was possible to rephrase the questions in order to get open-ended answers. For example, the participants would be asked about their perceptions of the local as well as foreign products and brands that were shown to them. For example, a TWG tea container (image or actual product) would be shown and a few questions would be asked that were pertaining to the brand. Towards the end of the interview, it would then be revealed that TWG tea is a local brand. Qualitative driven questions were then asked about why they perceived TWG tea (for this example) to be of a higher value and what makes TWG tea stand out from the other local brands of tea that are currently sold at the supermarkets or department stores. They were also asked whether they would still be willing to pay as much for TWG tea knowing that it is a local brand. This line of questioning would then be repeated for a few other products that came from a range of various industries.

Figure 3.1 Animosity model of foreign product purchase



Source: Klein et al (1998)

Participants were also asked questions along the lines of ‘are you able to name at least two local brand names and two foreign brand names’ from the following industries: information technology (IT), hospitality, and the like. Their ability to do so then led to questions about how they perceive those local brands, why they hold those brands with high regard, why do they think this is so, and so forth.

Most importantly, in order for the researcher to ensure that the qualitative measures examined based on the possibly ethnocentric consumers’ willingness to support and buy local products, their quality judgement of domestic products, and conspicuous consumption, the questions needed to be slightly skewed to ensure that the above factors were covered. The local products were pitched against either more popular local products, for example, OSIM versus OTTO (both are local healthcare/massage brands; however, many Singaporeans assumed that they were foreign brands due to the names), or even Clipper Tea versus the TWG tea. The interview questions for the consumers can be found in the Appendix, under [Section 8.4](#).

### 3.5.2 Sample size

Snowball sampling, which can also be considered as a purposive sampling, was determined as the most appropriate choice for this study. The researcher decided to search for participants via advertisements on social networks as well as through posters at the workplace and through word of mouth (Belk R. F, 2012; Ghauri, 2010) and then asked them to recommend others to participate. Given that the researcher wanted a healthy mix of participants from a range of backgrounds so as to reduce any biasness, this was the best option as it allowed the researcher to reach out to people who could be less accessible to the researcher if she decided to use other sampling methods. For this research, 40 Singaporean respondents between the ages of 18 to 60 plus participated in the in-depth face-to-face interviews. The researcher managed to get a diverse range of participants made up of each generational group as well, namely the baby boomers, generations X, Y, and Z, as well as millenials as well as ensuring a healthy mix of both female and male participants. Table 3.3 shows the breakdown of the respondents with CF representing Consumer (Female) and Table 3.4 shows the breakdown of CM representing Consumer (Male). The researcher also interviewed three experienced marketing experts for their perspective on the Singaporean brands, companies, and consumers. Finally, in terms of Singaporean businesses, the researcher interviewed six different companies; four of which came from different industries and two of which had been established for quite a long time. Getting these insights helped to determine what upcoming businesses will be able to learn from famous brands and what could be further developed into guidelines for Singapore businesses. (Netigate, 2016; Government, 2017; Grow, 2015). In order to find face-to-face interview participants, the researcher had placed posters at her workplace, which

consists of two campuses as well as on the company's internal communications Web portal, sent invites via E-mail, maximised social media, and used word of mouth. Based on both convenience sampling and snowball sampling, the researcher was able to gain access to possible interviews with Singaporean company owners as well as Singaporean or Singaporean based marketing and/or branding experts. Those who were keen to participate in the study could reach out to the researcher via E-mail or mobile phone to state their interest or to find out more of what was required of them.

**Table 3.3 List of female participants**

<b>Interviewee</b>	<b>Gender</b>	<b>Age</b>	<b>Marital status</b>	<b>Income level (SG\$)</b>	<b>Educational level</b>	<b>Occupation</b>
CF1	Female	18 to 24	In a relationship	Under \$30,000	Diploma (Poly/etc)	PR Consultant
CF2	Female	25 to 34	In a relationship	\$30,000 to \$49,000	Degree	Marketing Executive
CF3	Female	25 to 34	Single	\$30,000 to \$49,000	Degree	Executive
CF4	Female	25 to 34	Married	\$30,000 to \$49,999	Degree	Marketing Executive
CF5	Female	25 to 34	In a relationship	\$50,000 to \$74,999	Degree	Marketing Manager
CF6	Female	35 to 44	Married	\$75,000 to \$99,999	Degree	Consultant
CF7	Female	35 to 44	Married	\$50,000 to \$74,999	Diploma (Poly/etc)	Media Specialist
CF8	Female	55 to 64	Married	\$30,000 to \$49,999	A Levels	Administrator
CF9	Female	25 to 34	Married	\$30,000 to \$49,999	Degree	Client Executive
CF10	Female	35 to 44	Divorced	\$100,000 and above	Degree	Senior Assistant Director
CF11	Female	25 to 34	Single	\$30,000 to \$49,999	Degree	Marketing Executive
CF12	Female	35 to 44	Married	\$50,000 to \$74,999	Degree	Administrator
CF13	Female	45 to 54	Married	\$50,000 to \$74,999	Degree	Administrator
CF14	Female	35 to 44	Married	\$75,000 to \$99,999	Degree	Manager
CF15	Female	25 to 34	In a relationship	\$30,000 to \$49,999	Degree	PR Consultant
CF16	Female	35 to 44	Single	\$75,000 to \$99,999	Degree	Consultant
CF17	Female	35 to 44	Married	Under \$30,000	Masters	Homemaker
CF18	Female	35 to 44	Married	\$50,000 to \$74,999	Degree	Client Executive
CF19	Female	45 to 54	Married	\$100,000 and above	PHD	Trainer

**Table 3.4 List of male participants**

<b>Interviewee</b>	<b>Gender</b>	<b>Age</b>	<b>Marital status</b>	<b>Income level (SG\$)</b>	<b>Educational level</b>	<b>Occupation</b>
CM1	Male	35 to 44	Single	Under \$30,000	Degree	Freelancer
CM2	Male	45 to 54	Married	\$50,000 to \$74,999	Degree	Human Resource Exec
CM3	Male	35 to 44	Single	\$30,000 to \$49,999	Degree	Journalist
CM4	Male	45 to 54	Married	\$50,000 to \$74,999	Degree	Relationship Manager
CM5	Male	65 and above	Married	\$50,000 to \$74,999	Masters	Retired
CM6	Male	45 to 54	Married	\$100,000 and above	Degree	IT Trainer
CM7	Male	25 to 34	Married	\$50,000 to \$74,999	Diploma (Poly/etc)	Business Development Manager
CM8	Male	45 to 54	Married	\$100,000 and above	Masters	Director
CM9	Male	45 to 54	Divorced	\$100,000 and above	Masters	Consultant
CM10	Male	35 to 44	Married	\$50,000 to \$74,999	Degree	Researcher
CM11	Male	18 to 24	Single	Under \$30,000	Degree	PR Consultant
CM12	Male	45 to 54	Single	\$75,000 to \$99,999	Post Graduate Diploma	Publishing Manager
CM13	Male	25 to 34	Single	\$30,000 to \$49,999	Degree	Client Executive
CM14	Male	35 to 44	Married	\$75,000 to \$99,999	Degree	Programme Manager
CM15	Male	35 to 44	Single	\$100,000 and above	Post Graduate Diploma	PR Consultant
CM16	Male	35 to 44	Single	\$50,000 to \$74,999	Masters	Information Specialist
CM17	Male	35 to 44	Married	Under \$30,000	Degree	Marketing Executive
CM18	Male	45 to 54	Married	\$100,000 and above	Degree	Director
CM19	Male	25 to 34	Single	\$30,000 to \$49,999	Diploma (Poly/etc)	Administrator
CM20	Male	35 to 44	In a relationship	\$50,000 to \$74,999	Degree	Manager
CM21	Male	35 to 44	Married	\$50,000 to \$74,999	Degree	Manager

Upon stating their interest, the researcher sent out an E-mail to the potential interviewees with a summary brief and an example of some of the possible questions that they would be asked as well as an agreement to be signed by the potential interviewee. Three days after the E-mail was sent, the researcher followed-up either with a phone call or an E-mail to confirm the potential interviewee's interest to participate in the research. If they were agreeable, a date was then determined so that the researcher could carry out the interview and begin transcribing. Time was critical as the researcher needed to ensure that the potential interviewee would not have their time booked up by someone else or lose interest in the research. Also, the researcher needed to turn-around the transcribed scripts as soon as possible, and it would take a lot of time to transcribe the 60 to 90 minute (at least) long interviews.

By carrying out the research in this way, a more holistic view was provided which allowed for both Singaporean consumers' perspectives and Singaporean companies' perspectives. This was further triangulated with 'neutral ground', that is, the Singaporean or Singapore-based branding and marketing experts who provided a good understanding of the Singaporean consumer culture and Singapore business climate.

### 3.6 Limitations of the study

As with any research study, there would always be some form of limitations due to the nature of the research carried out. One of the key challenges with research like this is the possibility of uncertainty concerning how it could develop. This may not necessarily mean that the current approach was wrong but could indicate that there were other ways that this study could have been done. One of the ways of discussing

the limitations of the study is by discussing the cons of the research method used or even proposing another means of conducting the research within the same research method.

First, one of the limitations of the study was the decision to use the grounded theory method as that meant that the research would be an exhaustive process, which takes time, especially for a novice researcher as the abstraction and understanding of concepts could be quite tedious and time-consuming (Urquhart, 2013). Using the grounded theory method which means the use of qualitative research methods also meant that no generalisation of studies could be done as in the case of carrying out this research using quantitative methods (Bryman, Bell, & Harley, 2019). Using generalisation in qualitative research was considered to be rather controversial because qualitative research is usually used in order to obtain a much richer understanding of events or experiences (Bryman, Bell, & Harley, 2019; Creswell & Poth, 2012). If the researcher had decided to proceed to use quantitative research in order to get more generalised answers, then there would have been an opportunity to obtain higher level theories that are not unique to just one environment or one participant (Fisher, 2007). Using qualitative methods means that unique answers are provided by respondents, therefore reducing opportunities to 'compare' results between members of the sample (Bogdan & Biklen, 2007). Also, because qualitative research tends to draw on predominately an open-ended type of questioning, the researcher would not be able to verify objectively or control the data collected as this could possibly be due to any unintentional biasness from the researcher, which is

something that the researcher needs to keep in check (Bogdan & Biklen, 2007; Fisher, 2007).

The researcher's decision to keep the focus on a wide range of Singapore brands may be another possible limitation as the research could have been richer if the researcher focussed on one particular industry only, such as local apparel brands. One of the reasons the researcher chose to focus on various Singapore brands is that the research was exploratory, and therefore a broad understanding was deemed important. In particular, the researcher wanted also to determine whether there was a possibility of one industry having less bias in comparison to another and whether this could result in future research in the area. In order to ensure that the researcher reduced the possibility of having research that is biased, the researcher extended the participant scope to include marketing experts who understand the Singapore market as well as Singaporean businesses to ensure that there is a fair view of the research topic. Time was another limiting factor. Although the interview could last up to 90 minutes, there were some interviews that ended up longer as the interviewees felt that the questions asked required a lengthier response. Most of the interviewees gave succinct answers with most taking the longest time to answer questions pertaining to local brand recall for some industries. It could be possible that this research could have a particular type of Singaporean consumer agreeing to participate in the research. However, due to the researcher using the grounded theory approach, this was minimised to the best of the researcher's ability by ensuring that the interviewee following the previous one had a slightly different background. The researcher ended up having a mix of participants,

some of whom were rather brand image driven but others who fortunately knew of higher end local brands as well.

Although the researcher has listed quite a few limitations with the methods used, this does not mean that the research that was carried out for this thesis was neither important nor useful. What matters the most is that the researcher has ensured that there are ways to manage the various limitations of interviews and that the answers given will be much more detailed and have greater depth in comparison to a quantitative survey. In spite of the limitations in qualitative research, the outcomes derived will far surpass the limitations of the study as subtleties or complexities in the respondents' answers will likely be far more compelling as they share their genuine feelings or emotions as well as verbalised answers to the questions in comparison to responses from quantitative data. The researcher will build a contribution to the theory in the following chapters as well as derive practical marketing ideas for both local businesses and marketers based in Singapore to consider using. In addition, some suggestions for future research will be discussed in the following chapters for researchers to draw on or to duplicate in their own countries.

### 3.7 Ethical considerations

Business research ethics looks at the behavioural norms that begin at the start of the research study (Sekaran, 2003). The ethical code relates to the moral principles, protecting people from any possible harmful actions and social responsibility and reflects the behaviours of everyone involved in the research study ranging from the researcher to the participants (Sekaran, 2003). The researcher sought clearance from the University of Canberra Ethical Committee before proceeding with data collection.

Although the ethical clearance required was deemed to be of low risk, the process done via the University of Canberra Ethical Committee was indeed very meticulous. The researcher sought clearance for the advertisements that would be displayed at the workplace and on social media as well as clearance for the interview questions and participation forms. The participation forms stated that the participant volunteered to be part of the research and, should they wish to withdraw, they just needed to inform the researcher. The purpose of the study was clearly stated upfront on both promotional flyers and the participation form. Participants were given the option to receive a summary findings report should they want one upon completion. All participants were very clear as to what was required of them as well. During the planning of the research, the researcher took note of the implications of the research as well as how to safeguard the participants, regardless of whether they were local company owners, Singaporean consumers or marketers who understood the Singapore consumer market by reading up on various books and articles that discussed Ethics in academic research (Fisher, 2007; Belk R. F., 2012; Sekaran, 2003). The University of Canberra Ethics Committee was assured that research integrity was ensured as no identities would be disclosed when providing the research findings so as to reduce the risks of personal data leaks, which is not just a big issue in Singapore but globally as well (Bryman, Bell, & Harley, 2019; Government of Singapore, 2018). After abiding to the ethical guidelines listed and answering the queries in a satisfactory manner, the University of Canberra Ethics Committee gave the researcher clearance to proceed with the research. However, the ethical considerations continued during the data collection and the analysis and even extended to the writing of the thesis and

the dissemination of information as the data has to be reported truthfully (Bryman, Bell, & Harley, 2019).

### 3.8 Summary

Chapter three explored the methodology and research design that will be used to conduct this study. The discipline that the research is drawn from is based on consumer behaviour and marketing research, while the epistemology is interpretive. Studying the phenomena in its natural environment is essential to the interpretivist philosophy, which was ideal for this study (Guba, Lincoln, & Lynham, 2017) given that the study aims to establish whether local brand biasness exists among Singaporean consumers and, if so, whether local businesses and/or marketers can increase the popularity of Singaporean brand appeal by leveraging on the country of origin effect, consumer ethnocentrism and conspicuous consumption.

The qualitative method approach was selected for the data collection phase whereby face-to-face interviews were carried out with Singaporean consumers, Singaporean businesses and marketers who are experts in the Singapore market space. Face-to-face interviews are an effective and beneficial method as the researcher will be able to take note not just of the verbalised answers given but also any body language that may tell more than just mere words. Each interview lasted up to about 90 minutes, except for a few interviewees who opted to extend their interview time as they had more to share. Participants were obtained via social media advertisements, E-mail, and word of mouth, to name a few means. This chapter also highlights some of the limitations of the study. However, in order to maximise the study that has been carried out, the robustness of the research study was assessed so as to increase its validity

and reliability when it came to the result findings that will be discussed in the next chapter. The research carried out for this study is robust enough to ensure that there are viable contributions not just to theory but to practice as well. The next few chapters will seek to better understand whether biasness against local brands exists and also whether the country of origin effect actually does affect the consumer decision-making processes of Singaporean consumers. The research also explores if gender has a role to play in the above factors, such as conspicuous consumption, consumer ethnocentrism, or even country of origin effect as on a practical level, it would provide an avenue for marketers to concentrate their focus on when they market a product. From the research standpoint, it will provide another area of discussion that could be elaborated and researched. Finally, the research study will be used to help to devise ways for both local business owners and local marketers dealing with the Singaporean consumer market to best market their products and services to maximise the very lucrative Singapore consumer dollar.

Does Local Brand Bias Exist?

## 4. Data analysis and findings

### 4.1 Introduction

In chapter three, the researcher introduced, discussed, and justified the methodology used for the research. In this chapter, the findings from the qualitative interviews will be discussed. This includes data from interviews with Singaporean consumers, marketing experts, and local businesses. It is essential for the researcher to be able to have a thorough understanding of the patterns of the data derived from the findings and to ensure that the background context is set clearly to ensure that the data and context are both valid and trustworthy. The premise of this thesis is to discuss the exploratory research study of a little researched area; hence, there is a need for a more detailed analysis using qualitative research.

During the face-to-face interviews, the respondents provided responses, some of which will be directly quoted, but predominately this chapter provides an overall analysis of the findings. Chapter four is structured on the research questions, enabling conclusions to be drawn from the findings. Tables and figures will be used to illustrate some of the findings as well in order to give a more holistic presentation of the results. Presenting qualitative data is very different from presenting quantitative data and findings for qualitative data in this chapter will be presented in a narrative format with numerous verbatim quotes.

After the chapter introduction, that is section 4.1, section 4.2 looks at the summary of the pilot study. Section 4.3 looks at the demographic overview of the respondents that include the Singaporean consumers, the Singaporean business owners, and the

marketers while section 4.4 looks at the overview of Singaporean consumers. Section 4.5 looks at the summary of the main study. Section 4.6 elaborates on brand recall, providing a comparison of local versus foreign brands and getting the perceptions of the Singaporean consumers, the Singaporean business owners, and the marketers. Section 4.7 delves into why foreign brands appear to be more favoured by Singaporeans. Section 4.8 discusses the Singaporean consumers', the Singaporean business owners', and the marketers' positive and negative perceptions of local brands and section 4.9 explores their perceptions of local businesses and discusses their opinions of what is done correctly or incorrectly. Competitive advantages to being a local brand in Singapore is also discussed. Section 4.10 concludes this chapter with a summary of the entire chapter that then leads into chapter five. The researcher will then provide some possible recommendations, not just for future research in this area but also in terms of how the local businesses can improve their branding processes or techniques based on some of the findings from the research.

## 4.2 Summary of the pilot study

A pilot study was undertaken in order to test out the validity of the main study. A pilot study or pilot 'test' helps to fine-tune the interview questions or questionnaire to ensure minimal issues arise when the interviews or surveys are executed and the respondents are able to answer the questions (Saunders, Lewis, & Thornhill, 2015). Prior to conducting the main interviews with the marketing experts, local business owners, and consumers, the researcher tested out the questions on three different respondents who varied in their ages: 24 year old, 40 year old, and 52 year old. These three respondents were informed prior to the interview that they were 'test' subjects

and their responses would not be part of the actual research, to which they verbally agreed. The researcher tested the questions for the three interview groups and some of the questions were tweaked after taking into account suggestions from the researcher's supervisor as well as from the 'test' subjects. Some of the questions were rephrased for clarity, the number of images used were reduced from the initial eight, and the question regarding income levels was removed for both the business owners' interviews and the marketers' interviews as they were deemed irrelevant. Most importantly, the interviews were timed so that the researcher could get a better estimate of the average length of the interviews, which were then increased from 'up to 60 minutes' to 'up to 90 minutes'. One question that took the longest time for the respondents to reply to was not removed from the interviews but merely altered, as it was deemed important by the researcher. The actual interviews were then conducted over a period by the researcher as well as transcribed and any further clarity was tested during the interview.

### 4.3 Demographic overview of the respondents

It is important to present an overview of the respondents prior to discussing the findings. In chapter three (methodology), there was further elaboration about the sample size in section 3.5.2. In this section, the researcher will elaborate in more depth about the 40 Singaporean consumers, three marketing experts, and the six business owners. There are currently about 5.8 million people in Singapore, with the majority of its citizens being Chinese, at about 76 per cent (Singapore Population (LIVE), 2019). Given that the research was a qualitative study, it was not possible to interview the entire population of Singapore and, thus, a sample was drawn. Forty Singaporean

consumers, three marketing experts who are Singaporeans and who understand the Singaporean market, as well as six local businesses were targeted in order to obtain a more holistic view of the findings. Each group will be further elaborated on to provide a better understanding of the interviewees for this research. Based on the age groups and background, it was a quite diverse range of participants hence after putting an advertisement up, whoever replied the call was accepted to partake in the study. The researcher also ensured that there were at least presentation within each cluster group in terms of age so as to obtain a more balanced range of viewpoints.

#### 4.3.1 Singaporean consumers

The average Singaporean consumer, as discussed in the chapter two literature review, tends to enjoy a standard of living with a preference for luxury brands and foreign goods (Nielsen, 2016). In general, Singaporeans, like most Asians, tend to be rather brand conscious and, yet at the same time, they love a good bargain so price, service, and quality play important roles when it comes to a Singaporean consumer's decision-making process (Chiou, 2015; Lin, 2018).

For this research, the researcher classified the participants according to age, income levels and educational background to see whether any of these played a role in their answers. The researcher decided to use the following age groups for easier reference: 18 to 24, 25 to 34, 35 to 44, 45 to 54, 55 to 64, and 64 and above. For income levels, the researcher created the following groupings for easy reference and to allow for a level of privacy: no salary earned, under S\$30,000, S\$30,000 to S\$49,999, S\$50,000 to S\$74,999, S\$75,000 to S\$99,999, and S\$100,000 and above. In terms of education levels, the groupings were as follows: primary or secondary school, 'O' levels, 'A'

levels, certificate (ITE/etc), diploma (poly/etc), degree, post graduate diploma, Masters, and PhD/DBA. The researcher also asked about the individual's occupation and number of years of working experience. Most participants were willing to share information pertaining to the above queries although there were a small handful who were reluctant to disclose either their incomes or exact job titles.

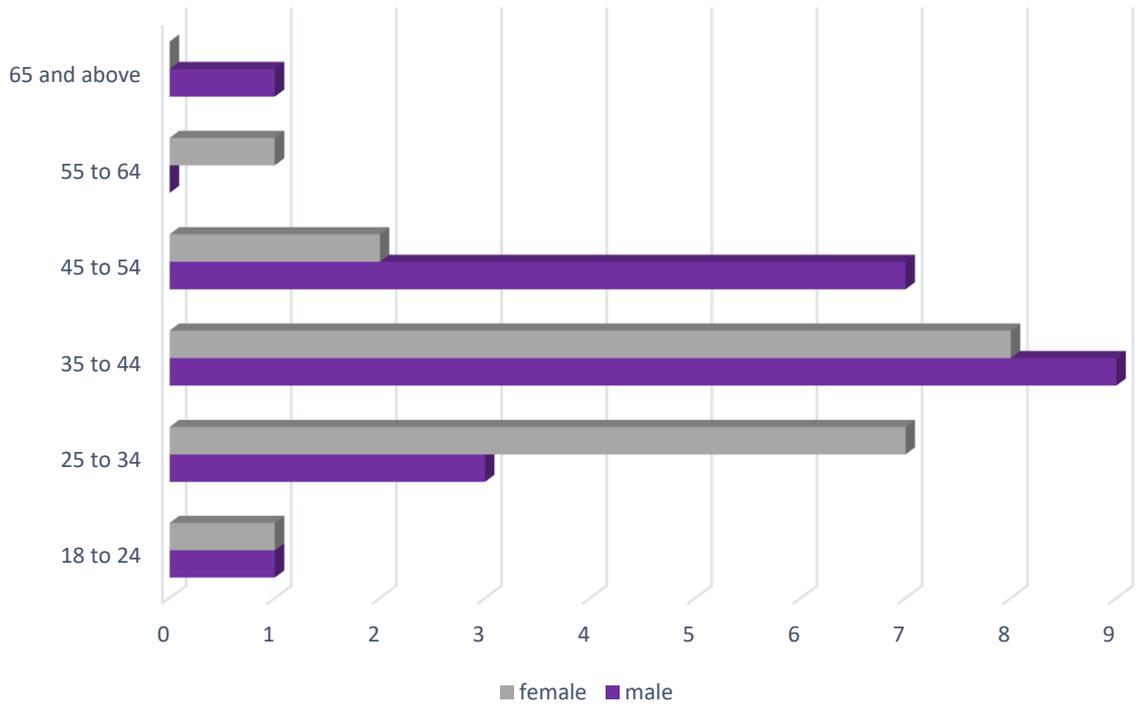
The researcher decided against asking for race as the researcher wanted to investigate whether the gender, age, educational level, and relationship status in anyway affected local brand bias.

Gender wise, the researcher struck a relatively representative mix of consumer respondents, with 21 male respondents and 19 female respondents. For this research, in terms of age, a majority of the Singaporean consumers were from the 35 to 44 age group (17 interviewees or about 42 per cent of the total number of interviewees). The lowest numbers came from the age groups of 55 to 64 (one female) as well as those aged 65 and above (one male), making up three per cent of the total number interviewed. The third lowest numbers came from those aged between 18 to 24 (two interviewees, approximately five per cent).

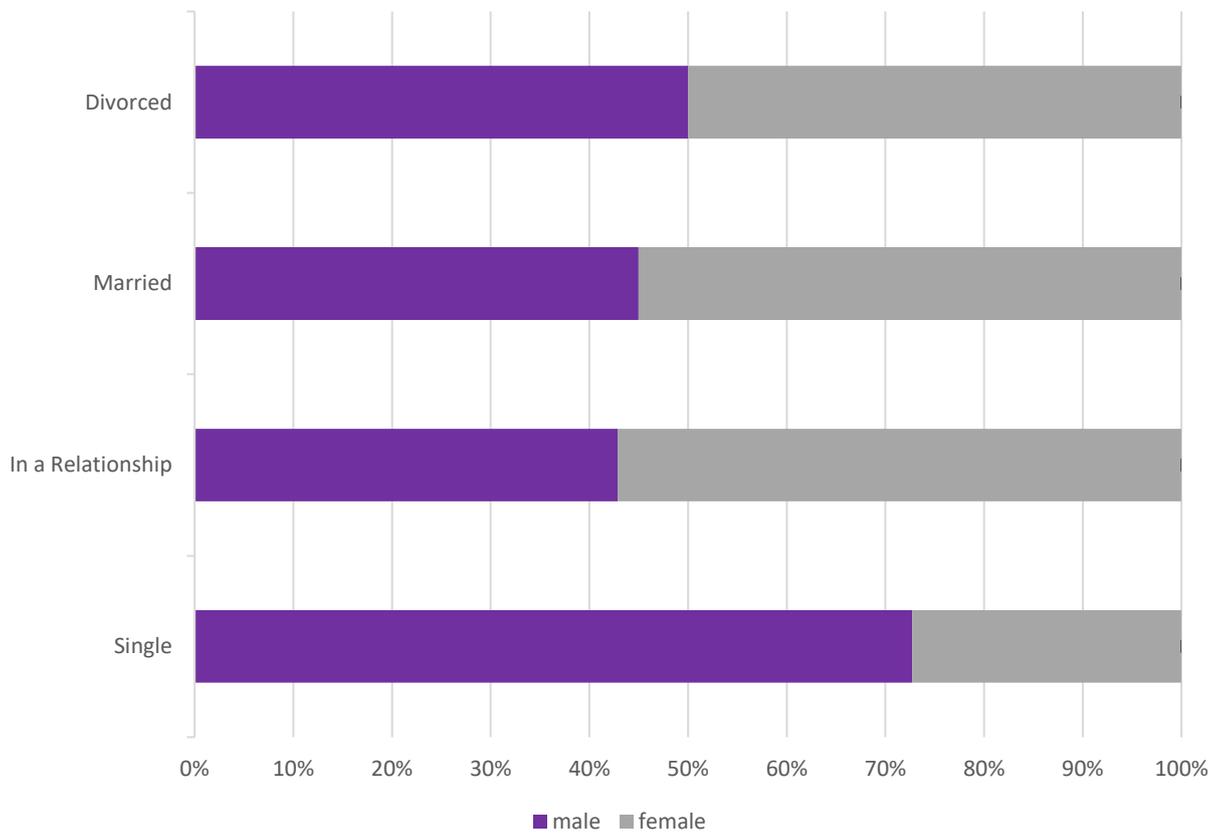
The breakdown of the ages and genders based on the total number of interviewees is depicted in Figure 4.1. See Figure 4.2 for breakdown by relationship status, Figure 4.3 by income levels and Figure 4.4 by education levels. In the research, they will be referred to as CM1 for male consumers and CF1 for female consumers.

# Does Local Brand Bias Exist?

## Figure 4.1 Interviewees, by gender and age group

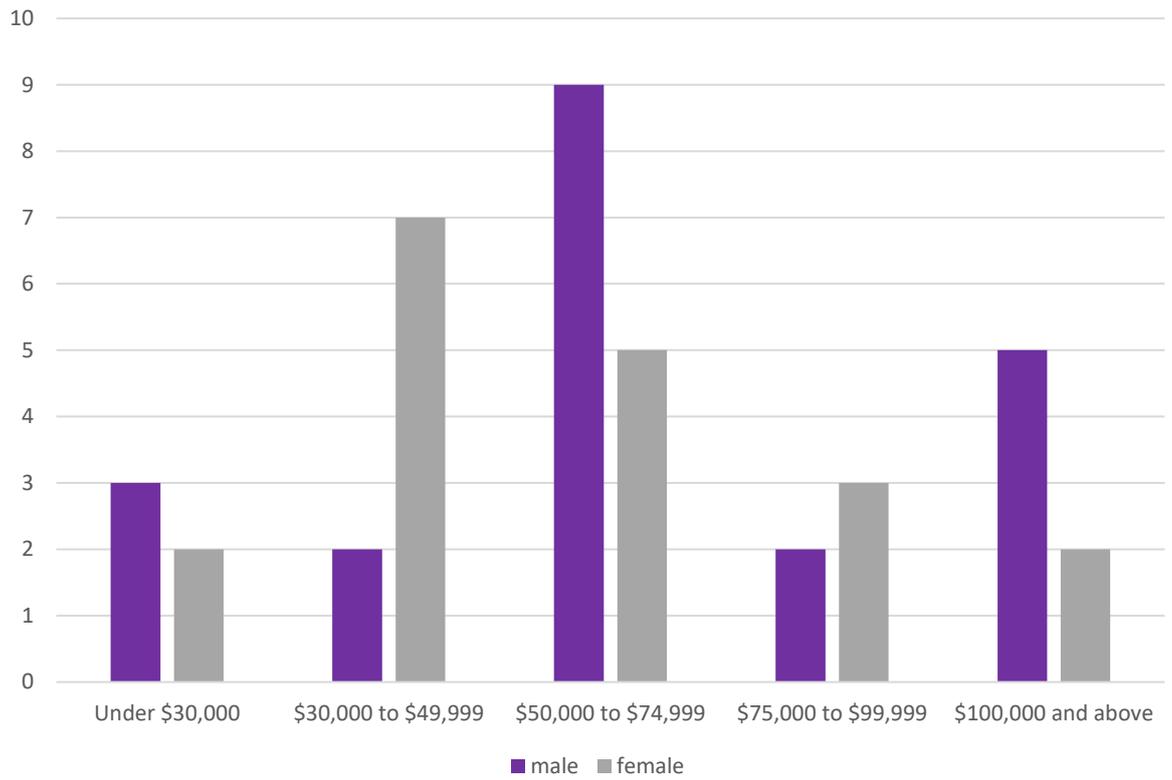


## Figure 4.2 Interviewees, by gender and relationship status

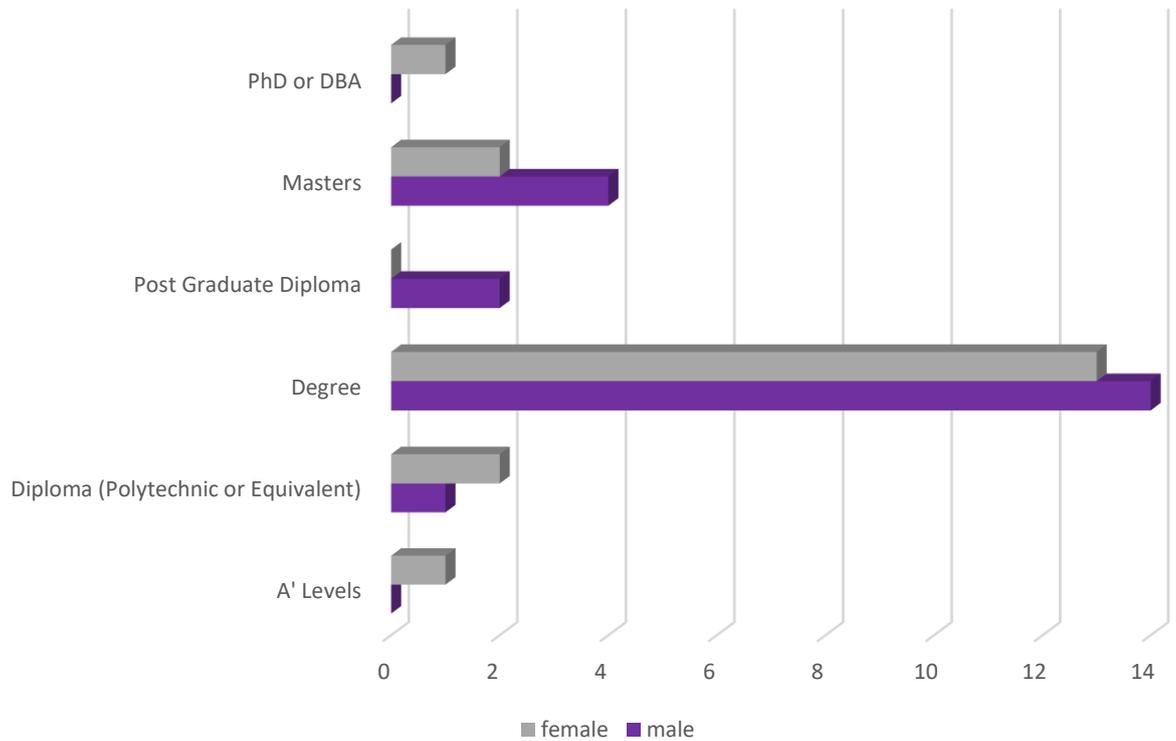


## Does Local Brand Bias Exist?

### Figure 4.3 Interviewees, by gender and income status



### Figure 4.4 Interviewees, by gender and education level



### 4.3.2 Singaporean business owners

Six local business owners were interviewed. The businesses varied with one having been established in Singapore for almost 140 years and having a very well known brand not just locally but internationally. The oldest among the businesses started in 1883 with the newest business being a relatively new start-up of less than five years with a young entrepreneurial owner. All these businesses started as a sole proprietorship with the exception of business F that was founded by two entrepreneurs.

Table 4.1 provides a brief summary for each of the businesses and the researcher will refer to them as such throughout the research thesis.

**Table 4.1 Singapore businesses in focus for this research**

Business	Business start year	About the business
B1	2016	Traditional and yet fashion-forward would be the best way to describe B1 as they fuse modern fashion with a traditional twist. They participate in pop-up stores at shopping malls and festivals but they do have a base store.
B2	1983	Over 30 years of experience as a leading produce supplier. Big in both Singapore and Malaysia.
B3	1999	Singapore-owned one-stop independent bilingual English–Chinese independent publishing house.
B4	1976	Initially a sole-proprietorship that provided repair services for marine electronics equipment on board vessels. Currently the leading trusted provider of integrated solutions for communications, navigation and automation systems for marine and offshore oil and gas industries. Known in Singapore and within Asia-Pacific.
B5	1991	Started as an award-winning communications design firm that then made the move to champion Singapore literature by being the largest local independent publisher of fiction and non-fiction titles for all ages. In 2019, B5 joined forces with a coffee chain to open a coffee bookshop that only sells Singaporean books within the central business district.
B6	1883	An established Singaporean business well known not just in the food and beverage sector but in the publishing and printing industries and the brewing and property industries too. Strong local and global presence too.

### 4.3.3 Singaporean marketers that manage the Singapore market

The three Singaporean marketers interviewed have rather diverse backgrounds. All three marketers have dealt with multinational businesses as well as Singaporean based businesses and the researcher will refer to them as M1, M2, and M3. M1, who has the least number of years of experience, owns a public relations firm and found a niche in the small- and medium-sized enterprise market. Although the business does public relations and marketing for bigger corporations, the individual finds great joy in working with smaller businesses and gaining more exposure and customers for them. M2 used to be a journalist and made the switch to a marketing role at the early age of 23 by drawing on their vast contacts. M2 does general marketing and public relations across various industries, but they are best known in the pharmaceutical, healthcare, arts, and trade events industries. Finally, M3 is the most senior of the three respondents and has worked for both multinational businesses as well as local businesses. Their marketing and public relations experience is predominately within food and beverage industries or fast-moving consumer goods.

Table 4.2 summarises the three Singaporean marketing experts who will give their views in this research.

**Table 4.2 Singaporean marketing experts in focus for this research**

<b>Marketer</b>	<b>Years of experience (no.)</b>	<b>About the marketer</b>
M1	7	PR and communications for large corporations but also partners small- and medium-sized enterprises in Singapore—across industries.
M2	20	Founder and principal consultant from age 23. Specialises in public relations and marketing in the pharmaceutical and healthcare industries, arts, and trade events.
M3	23	Food and beverage Industries and fast-moving consumer goods.

#### 4.4 Overview of Singaporean consumers

It has been reported that Singaporean consumers tend to focus on price more than anything else does and they love a good deal (Nielsen, 2016; Report, 2019). Marketing expert M2 agrees and adds:

“Singaporean consumers look for bargains as they are bargain hunters. They tend to buy into hype and are willing to queue for hours to get the ‘hot’ item. They are open to getting information about products via word of mouth or visual impact and they assume that the product must be good if people are willing to queue, so they want to try it as well. Most times, Singaporean consumers know what they want and what they prefer and will look for products or services that match that.”

Though many Singaporeans tend to love luxury brands as many are brand conscious, another reason is that consumers in Singapore tend to stay loyal to brands that they are familiar with and to err on the side of caution (Nielsen, 2016; Report, 2019). Marketing expert M1 agrees and finds that the Singaporean consumer tends to be well informed as many do their homework prior to making their purchase; however, that also means that they tend to be fussy. Marketing expert M3 brings a different perspective whereby they find that the Singaporean consumers have always focussed on what is new in the market and they follow trends closely. M3 also disagrees that a majority of Singaporeans are (general not luxury) brand loyal as the majority will follow trends and move on to a new brand if it is trendier or has buzz around it and they will flitter from one brand to another depending on its popularity.

When Singaporean consumers decide to try out new products or services, most prefer to do so when there is a promotional price or a free trial attached to it. However, that does not necessarily mean that they will be a repeat customer so businesses need to

win them over not just with the quality of the product or service but also with after service customer care. (Nielsen, 2016; Report, 2019; Seow, 2017). Although bargaining for prices is not common in shopping malls Singaporeans will try their luck and ask for samples or something additional so that they feel that they have gotten their money's worth, especially since pricing is highly competitive (Report, 2019).

Singaporean consumer dollars are still of the utmost importance as it is their dollar that all the businesses depend on, regardless of whether they are local or foreign. As more consumers are shopping online as they become tech-savvy (Digital Intelligence Briefing, 2019) and there are many discount vouchers offered for online shoppers, businesses need to be tech-savvy too and either have both a physical (brick-and-mortar) presence and online presence or choose between the two (The Staff - Branding in Asia, 2017; Chiou, 2015). Given that Singaporeans have numerous options as businesses are vying for their dollar, they tend to be rather demanding (The Staff - Branding in Asia, 2017). The businesses and marketing experts interviewed predominately agreed that Singaporean consumers are a demanding target market; however, given that Singapore developed so quickly as a nation, this should not come as a surprise as they only expect the best to be the best. M2 shared that most of the Singaporean businesses they worked with were demanding and many asked for 'the earth and the moon'. However, the researcher finds it interesting that the businesses interviewed complained of the same. It appears that there is a high chance that one will come across a demanding customer hence businesses need to know how they can turn that first time customer into a long-term customer, especially after putting in all that effort.

The researcher interviewed businesses ([Section 8.2](#)) and marketers ([Section 8.3](#)) to ask them about Singaporean consumers to get their perceptions:

- 1) Who is your ideal local customer?
- 2) What do you think local customers want from any local business?
- 3) How could local businesses turn first time customers into repeat customers?

#### 4.4.1 Who is your ideal local customer?

**A representative from B1** was upfront as they said:

“Our ideal local customer would be any customer. We really do not have any preferences at all when dealing with customers. Any race, any gender, any age.”

**A representative from B2** had a similar take about their ideal local customers as they felt that they could sell their products across demographics just like **B1**. This may be because **B1** wants to expose their products to everyone since they are a young business and probably have not found their niche customer base yet. As for **B2**, they are a produce business hence everyone is their customer. **A representative from B3** shared that their ideal local customer is “someone who is discerning on the difference between price and value and understands the concept of opportunity cost” and “someone more interested in building a long term relationship instead of a short term transaction.” **A representative from B5** shared that their readers who buy books and read are their ideal customers as they are all about promoting reading as well. This may be the case as many have complained about the costs of books in Singapore bookshops and many do not understand why they are priced as such. It is somewhat sad that S\$15 to S\$20 is considered expensive for a good read and many have taken

to buying books on sale at the warehouse book sales or gone online instead to make their purchases. **A representative from B4** also agrees with **B3's** take on wanting a long term relationship with their customers but at the same time agrees with **B1's** and **B2's** representatives take on everyone can be a customer to a certain extent. **B4's** representative says everyone is a customer as long as they find value in their business and help the business make a profit. Finally, **a representative from B6** wraps up the dream wish list by saying that their "ideal consumer is anyone who strives to live better through an active lifestyle."

By looking at the dream wish lists of the various customers, it is easy to see the various similarities that keep coming up, namely, long-term relationships, but at the same time, obviously making a profit by maximising the number of consumers they can reach out to. Singaporean businesses are like any other businesses around the world and their ideal local customer wish list is sure to match that of foreign businesses who are all wanting a piece of the very limited pie.

#### 4.4.2 What do you think local customers want from any local business?

When posed with this question ([Section 8.2](#)), the six businesses had some similar but mostly diverse responses. **B1's representative** commenced by saying that many businesses actually had the misconception that local customers wanted only good and cheap products. **B1's representative** added that the consumers would want quality and if they get that, they would not mind paying for it. **B2's representative** feels that local consumers want the best value and quality while **B3's representative** assumes that consumers want local businesses to meet their expectations, although to be fair Singaporeans expectations are usually very high as they can be quite demanding as

highlighted and agreed by the marketing experts the researcher has spoken to. **B4's representative** assumes that:

“the local consumers want something innovative, satisfies high quality and reliability standards and competitively priced. In essence, the customers just want to work with a business who can solve their problems effectively and efficiently.”

**B5's representative** adds:

“I suppose some authenticity, some connection, being genuine is what they are looking for.”

**B6's representative** agreed about the need for authenticity and added that reliability and a sense of comfort in knowing that the business they support understands their needs is what they feel their customers are looking for. Given that these businesses know this, it can be assumed that many others think the same, as there were some overlaps in the responses as well. So why are there so many businesses, not just local ones, who try to cut corners and not be genuine or authentic when that is obviously one way to win over a consumer?

#### 4.4.3 How could local businesses turn first time customers into repeat customers?

The three marketing experts (**M1**, **M2**, and **M3**) felt that excellent customer service and experience, during and after purchase, and having a good product are key to turning the first-time customers into fans. This must seem obvious enough to businesses as there has been a steady increase in the customer service levels according to the press release on the Web site (Zhuang & Teo, 2019) of the Institute of Service Excellence at the Singapore Management University's 2018 Customer Satisfaction Index of Singapore (CSISG) that stated that the national score rose to 73.5

points in comparison to 2017 and it is the highest in the CSISG's 12-year history. Based on the question 'how well did the businesses satisfy their customers?' the results were a mix between foreign and local businesses from various industries, and out of the majority of the results, most businesses that achieved higher scores came from foreign businesses (Institute of Service Excellence, 2019) so there is obvious room for improvement if local businesses want to win over Singaporeans. All businesses, local or otherwise, would want nothing more than to convert as many first time customers into regular customers; however, it is easier said than done, especially when the consumer base is deemed to be a 'demanding' one (The Staff - Branding in Asia, 2017).

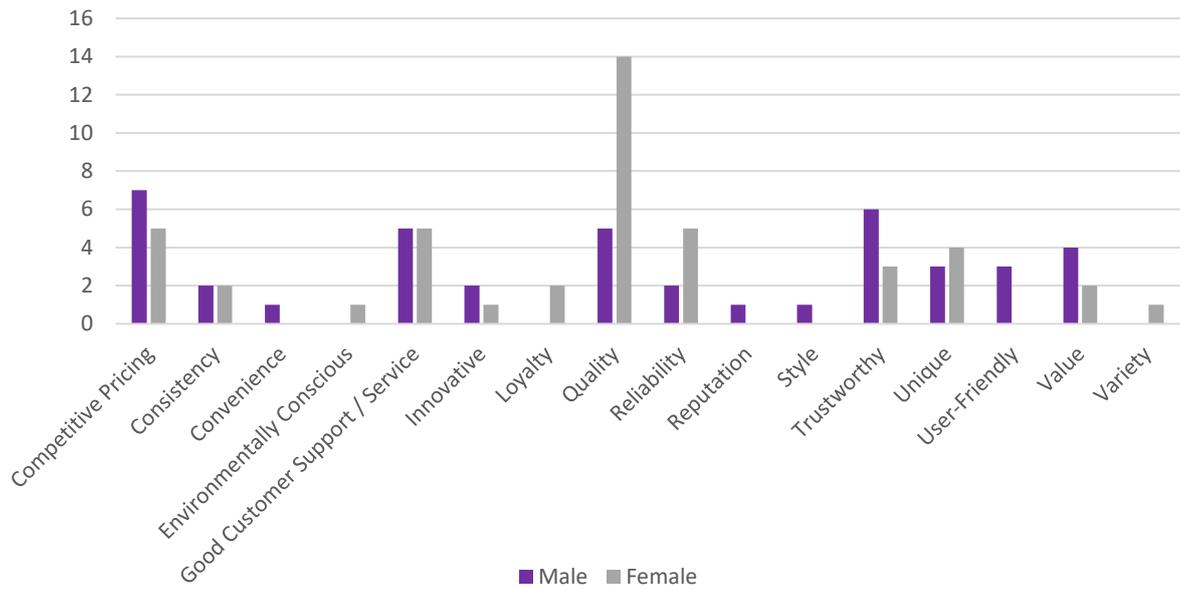
#### 4.4.4 What do local consumers want from local businesses?

One of the best ways for a business to convert their first-time customer into a regular customer is to understand the needs of their potential customers. Based on the open-ended interview questions ([Section 8.2](#)), **B1**, for example, the business teams perceive that they satisfy the need to be unique yet still remain affordable. The business teams at **B4** feel that they do not merely understand their customers' expectations but in order to keep them they work hard to build a trusting relationship. Customers need to have trust if the working relationship is going to be a long term one, and especially if it is one that costs a lot of money.

**B5's representative** wants to connect Singaporeans with experiences that are local, familiar, and who they can identify with, simply because the stories are written by Singaporean authors or by Asian authors who they can identify with due to cultural similarities. **B5's representative** adds that they do not want to just have the one-time reader who buys their book but instead a Singaporean reader who keeps coming back,

thinks local writers are of equivalent quality to the Stephen Kings and Margaret Atwoods of the Western world and have pride in their capabilities as local authors, being proud to say that they love Singlit (Singapore literature) not just literature from the United Kingdom, Australia, or the United States of America. In fact, **B5's representative** says that their company hopes to instill a sense of pride within their customers so that they will in fact be ambassadors for local literature that is not only published by them, but even from other publishers. Their aim is to increase the nation's sense of pride in their Singaporean talent that is quite vast especially since quite a few Singaporean authors have been getting noticed by big name publishers in the West. An example is Balli Kaur Jaswal who was initially published locally and did well for a local author with her books getting attention. She was picked up by a big name publisher and received international acclaim in 2017 for her book *Erotic Stories for Punjabi Widows* and in 2018 her book was picked by actress Reese Witherspoon's book club and continues to ride the wave of fame (Trombetta, 2018). In terms of consumers, there were some overlaps with what the male and female consumers wanted and yet there are some interesting differences. Figure 4.5 provides a summary of the consumers on what they want as customers from local businesses.

Figure 4.5 What Singaporean consumers really want from local businesses



Note: Based on numbers of males and females.

Female consumers, according to the research, appeared to be more focused on aspects of local businesses such as variety, being environmentally conscious, and having an appreciation of customer loyalty and vice versa while male consumers tend to be more focused on attributes such as convenience, reputation, and style. The results proved to be rather interesting as most people would have perceived that female consumers would be more focused on style; however none of the female consumers brought that up when they were asked the question. With regards to the other factors, about 16.7 per cent more male consumers were concerned about competitive pricing in comparison to female consumers. In fact, this was the most important factor for the male consumers. This was closely followed by the need for local businesses to be trustworthy (33.3 per cent higher for males than females) and there was a tie between good customer support and service and quality in third place.

Female consumers indicated priority for buying quality products while male consumers were not as concerned about quality purchases, with a 73.7 per cent gap between the female and the male consumers with regards to quality being the most important factor. There was a three-way tie for second place with competitive pricing (though as highlighted earlier, it was lower than the number of male consumers deeming this as important), good customer support (tied with the male consumers), and reliability (71.4 per cent higher than male consumers) being among the female consumers' second most important factor with value sitting at third place.

Looking at what each of the samples comprising local marketing experts, local businesses, and local consumers have said, the researcher noticed a few commonalities. The key overlapping word among the four groups (Singaporean female consumers, Singaporean male consumers, marketers, and Singaporean businesses) was **loyalty**. The businesses expect loyalty from the consumers just as the consumers expect loyalty from the businesses they support and marketers agree that loyalty can be earned from both sides in order to achieve a better buyer-seller relationship. Loyalty from the businesses can come in the form of loyalty points or, for smaller businesses, remembering their regular customers. Loyalty from the consumer can be demonstrated through regular patronage. Loyalty will hence lead to a better customer experience due to “the result of consistently positive emotional experience, physical attribute-based satisfaction, and perceived value of an experience, which includes the product or services” (Shaw & Hamilton, 2016). Given that there were numerous overlaps between the perceptions of the local business owners pertaining to what their local consumers wanted from them and vice versa, why were the local businesses

still not getting the support that they ought to be receiving? Or could this possibly be on the part of the businesses who could have been paying lip service during the interviews? Alternatively, another strong possibility is that though the local businesses knew what their local customers needed, they could have possibly lacked the capabilities or understanding in terms of execution of the ideas.

#### 4.5 Summary of the main study

Each interview ([Section 8.2](#), [Section 8.3](#), and [Section 8.4](#)) took between 60 to 90 minutes on average regardless of whether it was conducted between the researcher and the consumers or the researcher and the businesses. The interviews with the marketers took longer, with interviews lasting approximately 90 minutes to 120 minutes as the marketers had a lot more points to share due to their extensive marketing careers. Most of the participants from the consumer group had difficulty responding to a few of the same questions, both during the pilot study and during the main study. The researcher still kept those questions, as they were relevant to what the researcher was trying to understand and prove pertaining to the consumers' knowledge of local brand names pertaining to general products. For example, during the pilot study, the 'test' subjects had difficulties with the following question seven ([Section 8.4](#)): "Name at least TWO local brands that you know of in the following categories", and they were not allowed to use their mobile phones to Google their answers. In the pilot study, the researcher initially had 10 industries listed and this proved to be too challenging, so in the main study, the researcher reduced it by half as it was deemed that this question could demonstrate local consumers' local brand recall or difficulty to recall. It also helped to determine which industry had better local

brand recall among the local consumers interviewed. A majority of the local consumers interviewed for this research did not struggle with coming up with brand names when it came to 7 (a) Food and replied relatively fast. A majority could come up with local brands for 7 (d) Finance. However, many took much longer compared to answering 7 (e). For 7 (c) Hospitality and Travel, approximately 40 per cent determined their answers more quickly for the first brand as most thought of Singapore Airlines, and then struggled with another brand name. The few IT focussed respondents who made up the consumer group had less difficulty with the 7 (e) IT/Technology question. However, even they too took a while to think of two brand names whilst the majority (almost 80 per cent) struggled, even asking to return to the question later. There were quite a few who just could not name a local brand at all and decided to give up. Many had a 'lightbulb' moment at the end of the interview when the researcher gave them some of the possible suggested answers but some admitted that those answers had never occurred to them and most did not even realise that some of the answers were Singapore brands.

#### 4.6 Brand recall—local versus foreign brands

As elaborated in the previous section, ([Section 8.4](#)) questions were asked, pertaining to brand recall as well as brand assumptions. In one question, the researcher showed some images from reputable brands to the consumer group and asked them where they thought the brands were from. All the images were from Singaporean brands and included the following brands: Robinsons, which is a retail group that started in Singapore in 1858 before its majority share was bought by Al Futtaim Group in 2008 (Robinsons Singapore, 2019); TWG tea which was created by The Wellbeing Group in

2008 and has since become internationally known (TWG Tea Company, 2018); INGA, which is a Singaporean make-up brand designed with Asians' skin tone in mind (27A Co, 2018); Banyan Tree Holdings Limited which was established in 1994 in Singapore and is now an internationally known luxury hospitality brand that has hotels, resorts, and spas in Africa, the Middle East, United States of America, and Asia (Banyan Tree Hotels & Resorts, 2016); and, finally, Benjamin Barker which is a clothing label that was started in Singapore in 2009 and is known for vintage-inspired menswear that was designed with the Asian build in mind (Woo, 2017). The following sections will delve deeper into the Singapore consumers', Singaporean business owners, and marketing experts perceptions on local brand recall for these brands.

#### 4.6.1 Brand Recall—Singapore consumers

Being asked to name at least two local brands for five different industries was considered one of the toughest questions ([Section 8.4](#)) for the majority of the participants to answer. As highlighted earlier, some participants tried to skip certain product categories that were mentioned in the question while a few other participants had named some brands from some of the categories wrongly, except for the following two categories: food and shopping. The most difficult category for both males and females to identify local brands was IT/Technology. More males were stuck with naming Singaporean fashion brands while the toughest category for females was finance. Figure 4.6, Figure 4.7, Figure 4.8, Figure 4.9, Figure 4.10, Figure 4.11, Figure 4.13, Figure 4.14, Figure 4.15, and Figure 4.16 show key highlights in terms of brand recall for various industries among the participants, with the results based on the number of participants as indicated in the legend within the graphs.

Does Local Brand Bias Exist?

Figure 4.6 Brand recall—food brands

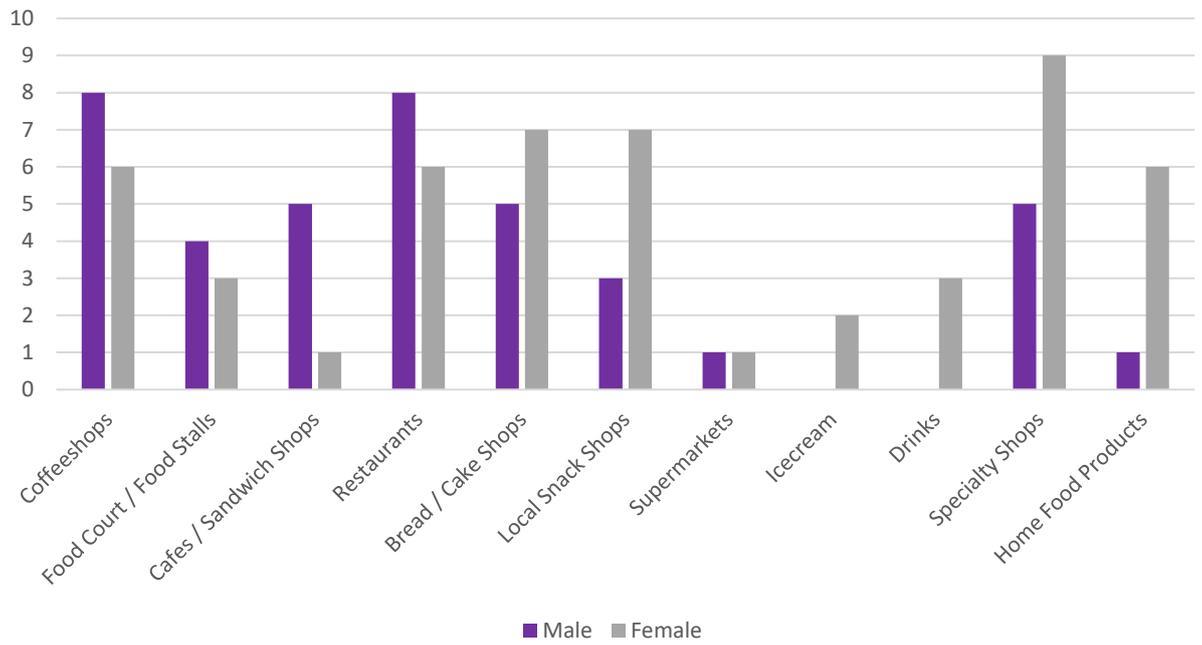


Figure 4.7 Brand recall—food brands, responses

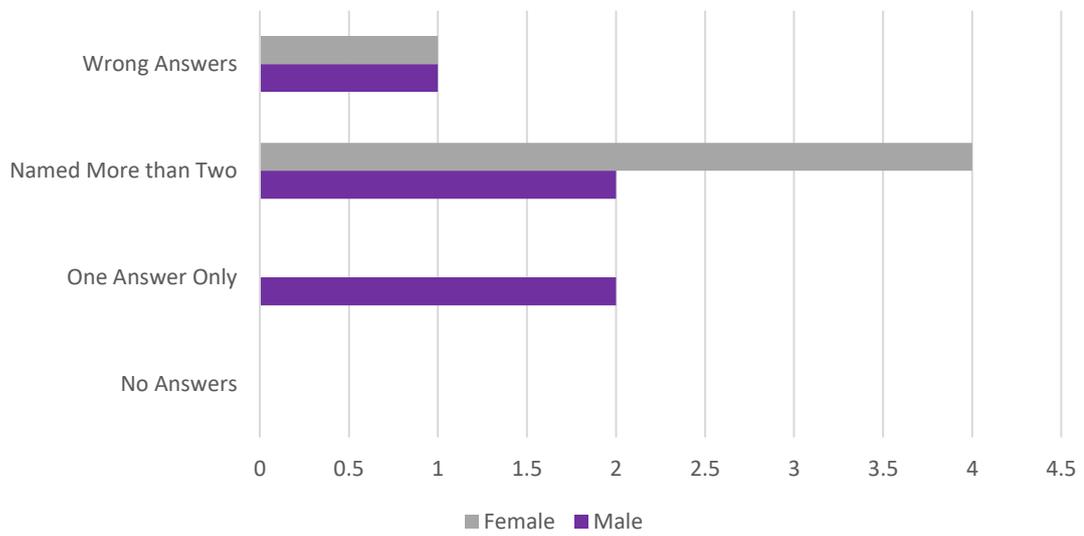


Figure 4.8 Brand recall—fashion brands

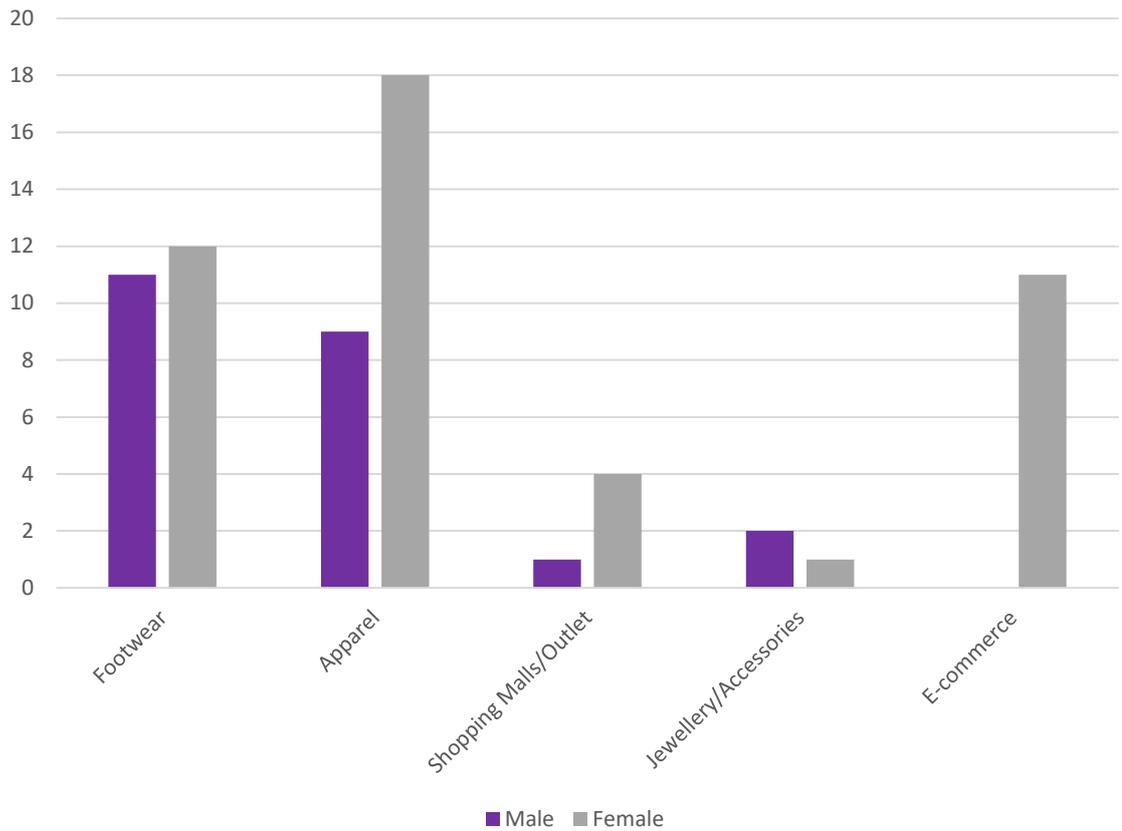


Figure 4.9 Brand recall—fashion brands, responses

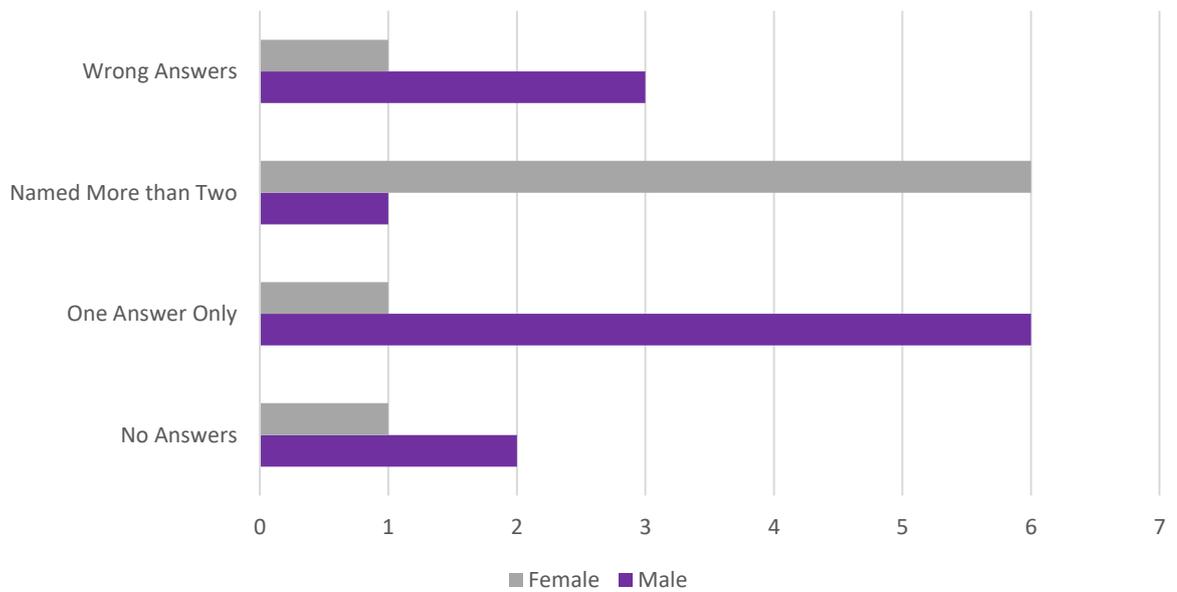


Figure 4.10 Brand recall—hospitality and travel brands

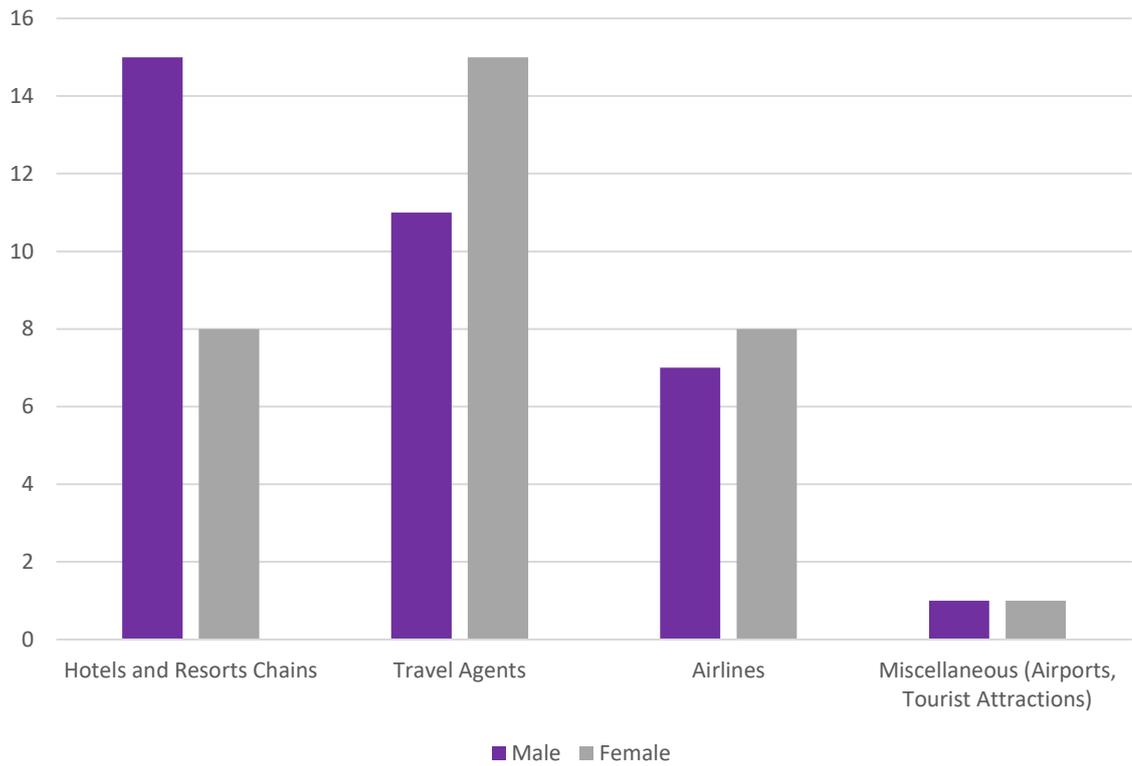
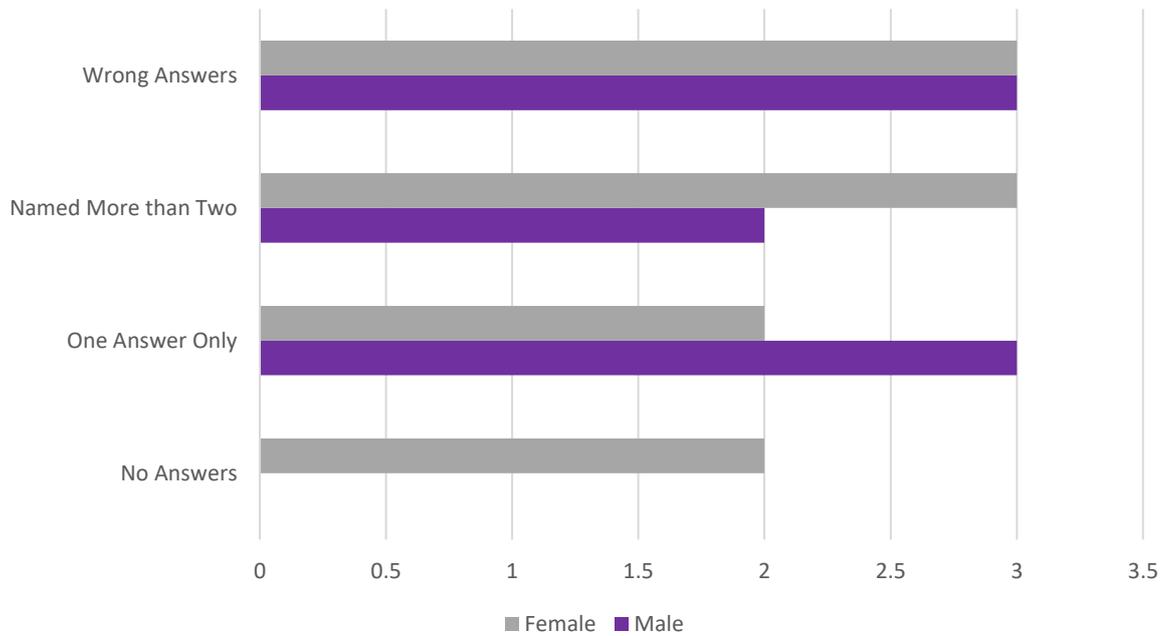
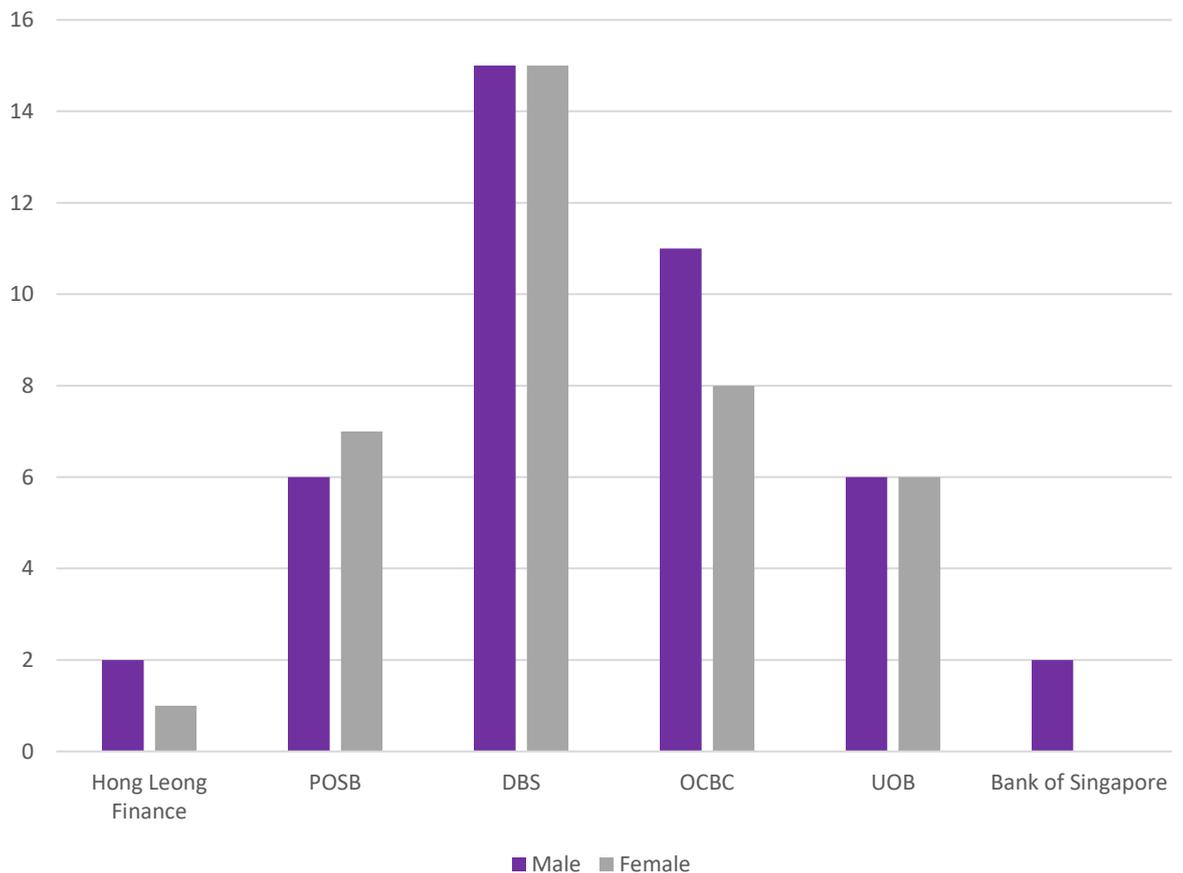


Figure 4.11 Brand recall—hospitality and travel brands, responses

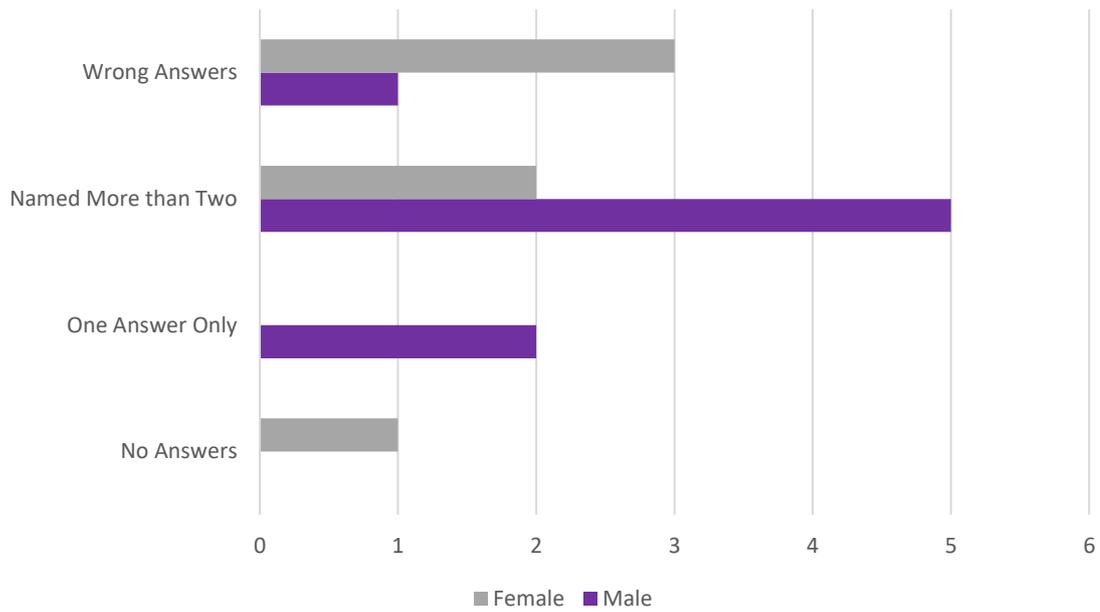


For the finance category, all the local brands named were banks or wrong guesses were given. The researcher still took note of these, as it was important noting the lack of knowledge that some Singaporean consumers had about local brands with relation to the finance industry. Wrong answers were noted as this helped provide an understanding that Singaporeans were unaware of their own Singaporean brands within this particular industry. Figure 4.12 and Figure 4.14 show the results for this industry pertaining to the questions that were asked.

**Figure 4.12 Brand recall—finance brands**

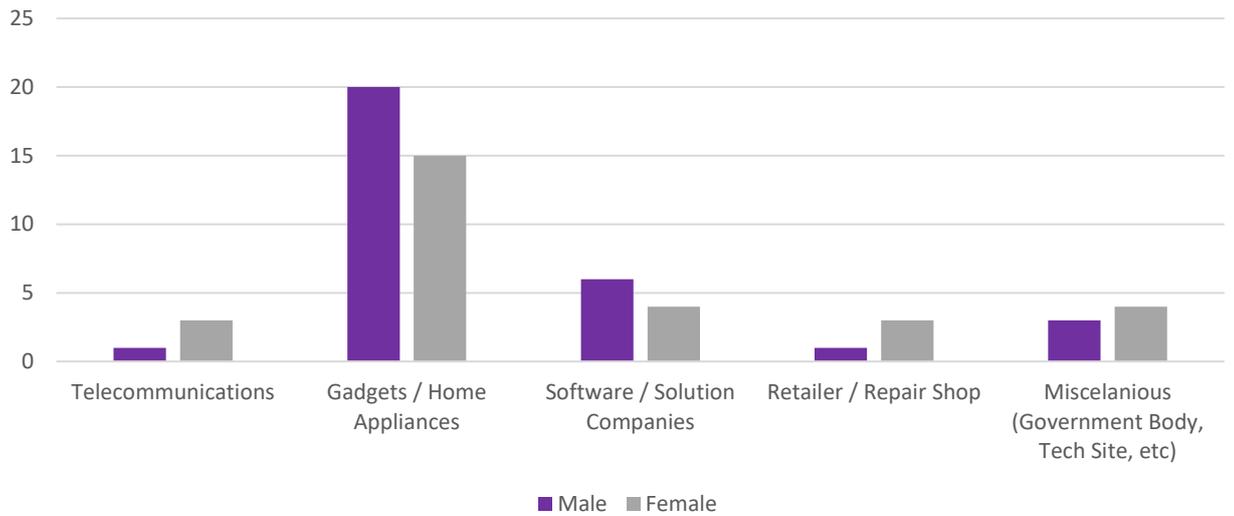


**Figure 4.13 Brand recall—finance brands, responses**

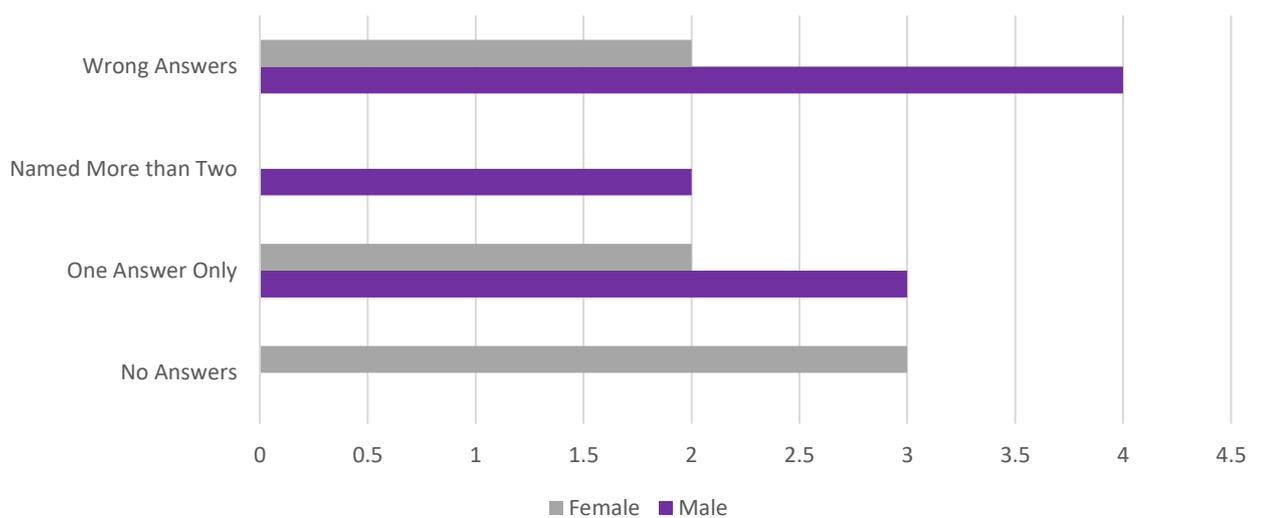


The IT/Technology category proved to be the toughest category. The researcher noted the lack of knowledge that the Singaporean consumers had about local brands with relation to the industry. Figure 4.15 and Figure 4.16 show the results for this industry pertaining to the questions that were asked. It was noteworthy that there were two female consumers who could name more than two local brand examples for all categories but could not recall any when it came to this category.

**Figure 4.14 Brand recall—IT/technology brands**



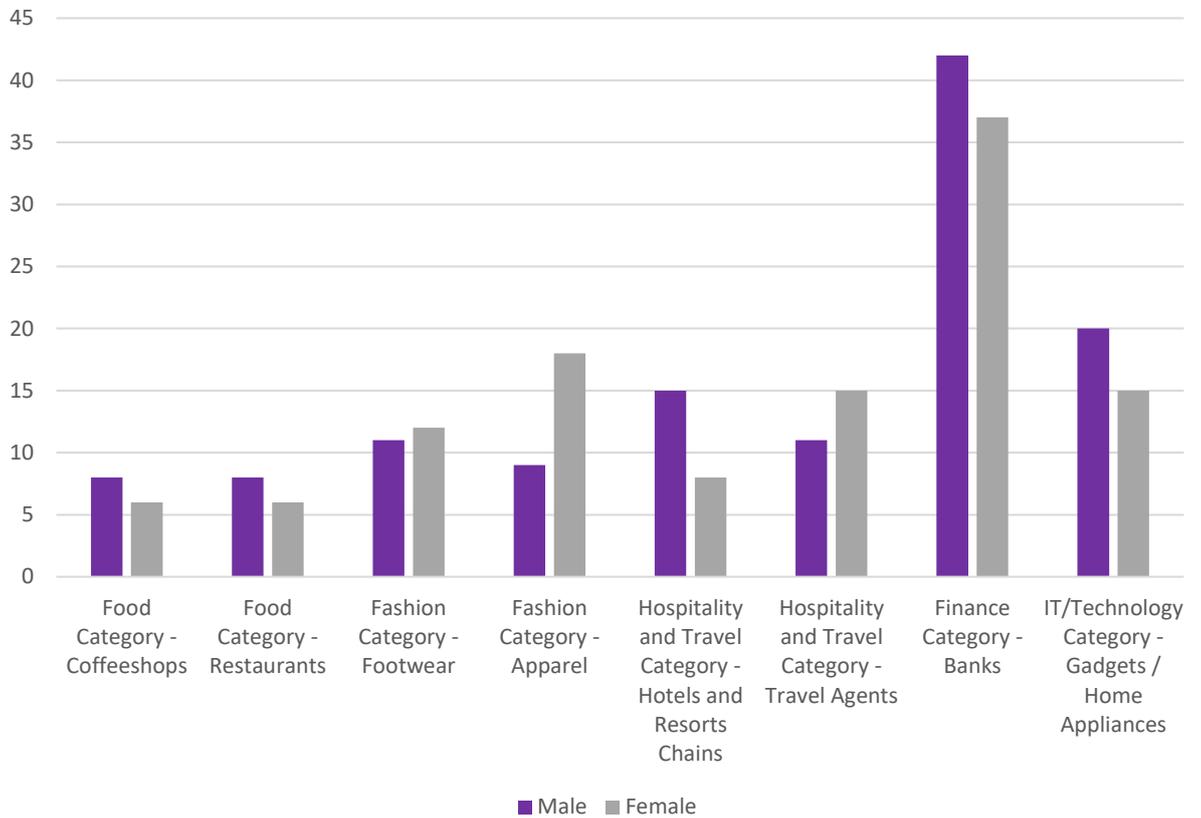
**Figure 4.15 Brand recall—IT/technology brands, responses**



Based on the groupings, it was easy to determine what the more familiar segments were. Food, coffee shops, and restaurants had the same number of brand recalls from both the males and females. Hospitality and travel was interesting as although there were two different groupings for the same category, they both somehow ‘tied’ for males and females: males recalled more hotels and resort chains while females recalled travel agents. For finance, there was only one grouping that was banks and as

for IT/Technology, it was only one grouping as well. As shown in Figure 4.16, the researcher shows the key groupings among the genders for each category.

**Figure 4.16 Brand recall—category groupings**

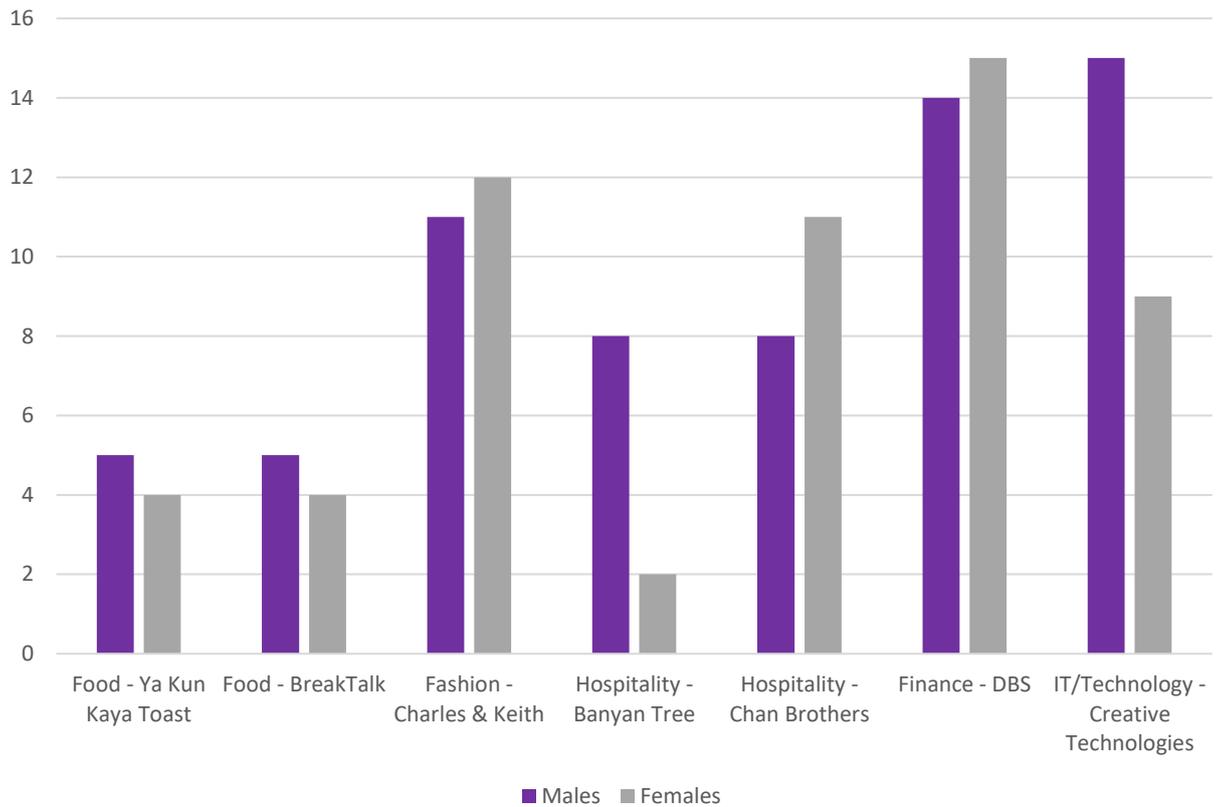


Out of the numerous brands that were listed for each of the five categories, there were a few that kept being repeated over and over again as they were ‘top of mind recall’. For the food industry, the local coffee and bread/cake shops such as Ya Kun Kaya Toast and BreakTalk were the food brands that consumers recalled the most. For fashion, Charles & Keith was the most popular local brand. For hospitality, luxury hotel and resort chain Banyan Tree as well as travel agent Chan Brothers were the brands that the male consumers could recall; however this was not the case for the female

consumers. Only two female consumers recalled Banyan Tree in comparison to travel agent Chan Brothers whereby 11 of the female consumers recalled the brand.

In terms of banks, DBS proved to be the most popular brand. For IT/Technology, Creative Technologies was recalled by both male and female consumers; however, very few could name any other Singaporean IT/Technology brand. The reason that the researcher found this exercise important was to show that there were certain Singaporean brands that were of 'top of mind recall' for many Singaporean consumers who listed them almost immediately which shows that these brands were successful in positioning themselves. However, some brands or industries need to reconsider how to position themselves better as only a handful of consumers could name more than one brand, for example, the IT/Technology industry. Considering the fact that Singaporeans love food and shopping (Chiou, 2015) and Singapore is supposed to be one of the most high-tech countries in the world (Business Insider, 2017), it was rather disappointing that so many respondents could not name more than two brands and in fact, many struggled or considered skipping the question altogether hence the reason for the researcher to probe further (Business Insider, 2017; Chiou, 2015; Report, 2019). As shown in Figure 4.17, the researcher shows the key brands amongst the genders for each category based on number of responses by gender.

Figure 4.17 Brand recall—top brand names for each category



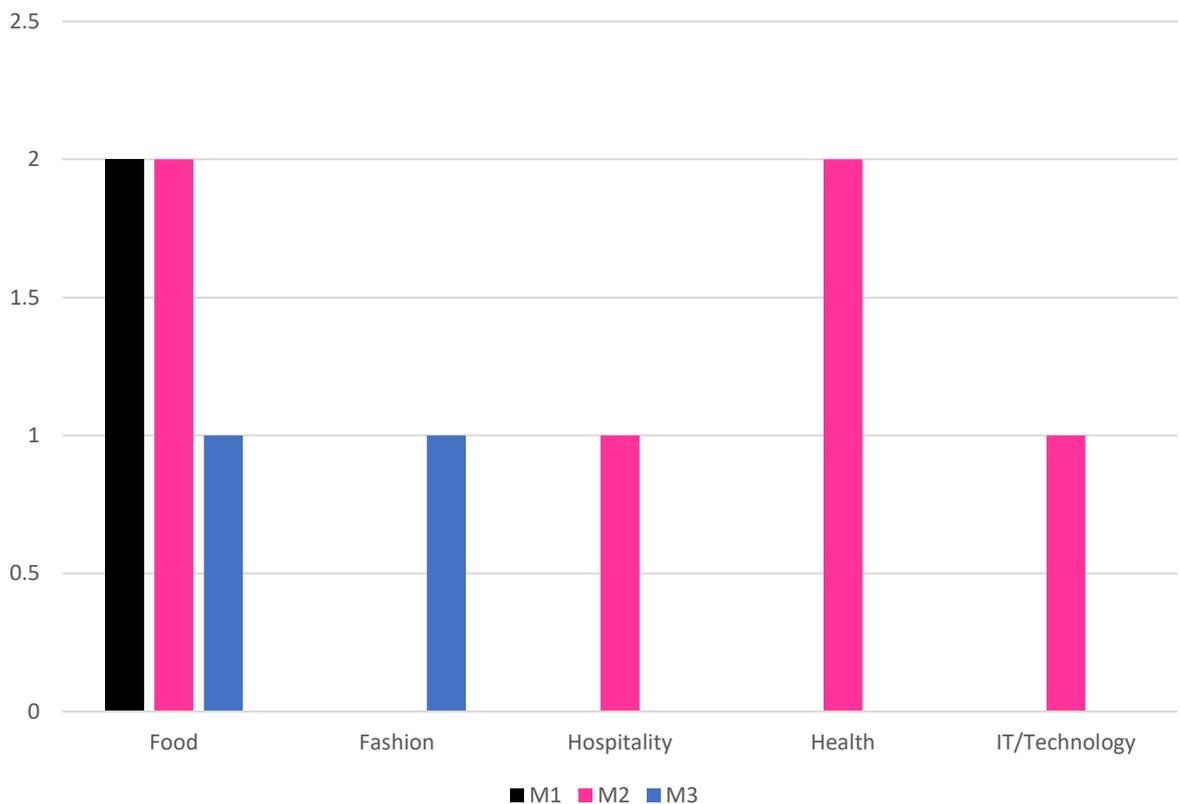
#### 4.6.2 Singaporean businesses’ perceptions

It is unfortunate that out of the six businesses that the researcher interviewed, only **B6** was listed in the local brand recall and this shows that they were not brands that many Singaporeans could think of as ‘top of mind recall’. Though listed, **B6** did not make it to the top of the lists as only one female consumer recalled their brand. It may have been for numerous reasons but this researcher suggests that one reason may be the fact that this local brand sounds foreign; however, this will be discussed in detail later in the chapter. It also suggests that if these local brands were not top of mind recall for the consumers, maybe their branding needs to be relooked at.

### 4.6.3 Marketers' perceptions

The three marketers were asked if they supported local businesses and if so, what local brands they supported. All three named food brands first. In fact, one could only name food brands, as those were the only local brands they supported while the other two named brands pertaining to fashion, hospitality, and IT/Technology. Some brand names that were mentioned by both the consumers and the marketers were Creative, Banyan Tree, TWG, Toast Box, and BreadTalk. The categories for their brand recall are depicted in Figure 4.18.

**Figure 4.18 Brand recall—marketers, categories**



## 4.7 Foreign brands—healthy competition or business killer

Through the literature, foreign brands were generally perceived to be of higher quality unless they came from countries like China where certain stereotypes or perceptions are tagged onto their products (Balabanis, 2004; Chattalas, Kramer, & Takada, 2008). The researcher asked the consumers, businesses, and marketers questions pertaining to foreign brands in order to get their perspectives on how they really view these foreign brands and whether they perceive them to be possible competitors for local brands.

### 4.7.1 Singapore consumers' perceptions

Singaporean consumers were asked the following question: "If both a local and a foreign brand had similar price points, which would you pick and why?" Figure 4.20 depicts the results. Only twenty per cent of the interviewees who opted for local did so as they wanted to support their fellow Singaporeans, hence the sense of country of origin effect coming into play. Twenty per cent of the female interviewees opted for the foreign brands as they felt that there was a higher chance that the foreign brands would be more dependable. Almost 50 per cent of interviewees opted for either for a variety of reasons. Quality was the most common word used among this group that sat on the fence. Various other reasons included:

"I would support the more ethical brand" (CM3)

"It would depend on the in-store experience if I was out shopping. If I was shopping online, then it depends on whichever app or Web site is most user-friendly and helps me complete my purchase efficiently. I wouldn't blindly support local just because. However, if the brand has a strong commitment e.g. to charity causes, especially one close to my heart, I will be more inclined to supporting them." (CF5)

## Does Local Brand Bias Exist?

“If the prices were the same, I would go for the more branded name. Why would I choose the lousy brand if it is the same price as the better brand?” (CM6)

“If the foreign brand is popular and reputable, then I would pick the foreign brand based on its reputation and popularity because why would I want to pay for a local brand if the foreign brand is the same price?” (CM10)

“I don’t buy on price alone. **Quality** is important.”(CM5)

“It all depends on the value that I get out of the product. For example, Singapore is known for great **quality** products like medicine for example.” (CM7)

“I will consider other factors like reputation, consumer feedback, and design, etc. I have no particular preference for whether it is a local or foreign brand.”(CM8)

“If the prices differed, I would go for the cheaper item. If the prices were the same, I would go for **quality**. To me it doesn’t matter whether it is local or foreign.”CM18

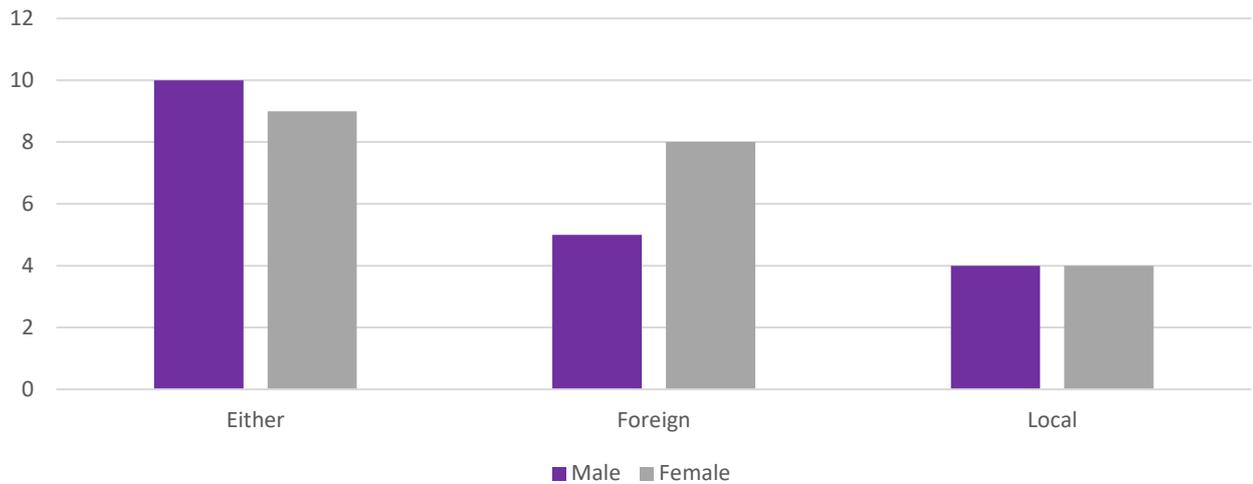
“Price alone is not a deciding factor—other factors like product design, features, peripheral benefits—warranty and other value-added services or features matter to me.”CM15

“Only reason for me to choose local is if it is uniquely Singaporean, otherwise I’ll buy the more branded of the two or just go for the foreign brand.” CF19

“Authenticity, values, and customer service will be the deciding factor for me, not so much the price.” CM20

With **quality** being the most critical attribute for most consumers, businesses should consider this when they produce their products and not skimp on materials, especially if they want to win over their local consumers. More often than not, quality is what would lead local customers to trust them and start choosing the local businesses over the foreign ones.

Figure 4.19 Foreign versus local—same price points, consumer choice



#### 4.7.2 Singaporean Businesses' Perceptions

**The representative from B5** (local independent publisher) stated that they felt they were losing out to foreign competition. Consumers may enter a bookshop and see titles on the shelves that are closely matched in terms of price; however, the difference is the bigger foreign titles tend to have a bigger marketing budget or even buy more shelf space at the bookstores which edges out locally published titles at times. In addition, the major foreign publishers' cost effectiveness needs to be considered as they have more to publish at lower costs versus what **B5** has to absorb for example. In addition, the foreign publishers tend to have the bigger name authors and that gives them an advantage over local, debut authors. The representative from **B6** (oldest brand among the group and beverage leader), does not view foreign brands as competition as they feel that they have products that have evolved beyond merely being seen as drinks for athletes. In fact, **B6** had the pioneer beverage advantage so in this case, they took the lead and the foreign brands had to follow to keep up. Therefore, **B6** appears to be on the fence when it comes to foreign brand competition

as they appear to be the disruptors and not the disrupted as the beverage brand that they were speaking of during the interview was the market lead with 75 per cent local market share. Representatives from the various businesses, namely **B1 (fashion company)**, **B2 (produce supplier)**, and **B3 (independent bilingual publisher)**, stated that the foreign brands are more of a healthy competitor as the three feel that their offerings are rather niche so that helps them stand apart from competition in general.

#### 4.7.3 Marketers' perceptions

The three marketers represented by M1 who has seven years of experience, M2 who has 20 years of experience, and M3 who has 23 years of experience share their viewpoints. **M1** stated that they advise local businesses to tap into the Singaporean consumers' psyche in order to better understand how to cater to their needs and to a certain extent wipe out the foreign competition. **M3** agrees with **M1** and adds that having a more personalised or customised service might help as well. **M2** thinks that the best ways for local businesses to shine especially when faced with stiff foreign competition is to prove their authenticity as well as their quality. **M2** adds:

"It is not about differentiation alone. It is really about authenticity. If your product is authentic, you are automatically differentiating yourself from the competition, local or foreign. If your product is authentic and it serves a need, you are automatically differentiating yourself from the competition... if you get that right and your unique selling point (USP) right, you are ready to be the competition."

#### 4.8 Perceptions of local brands

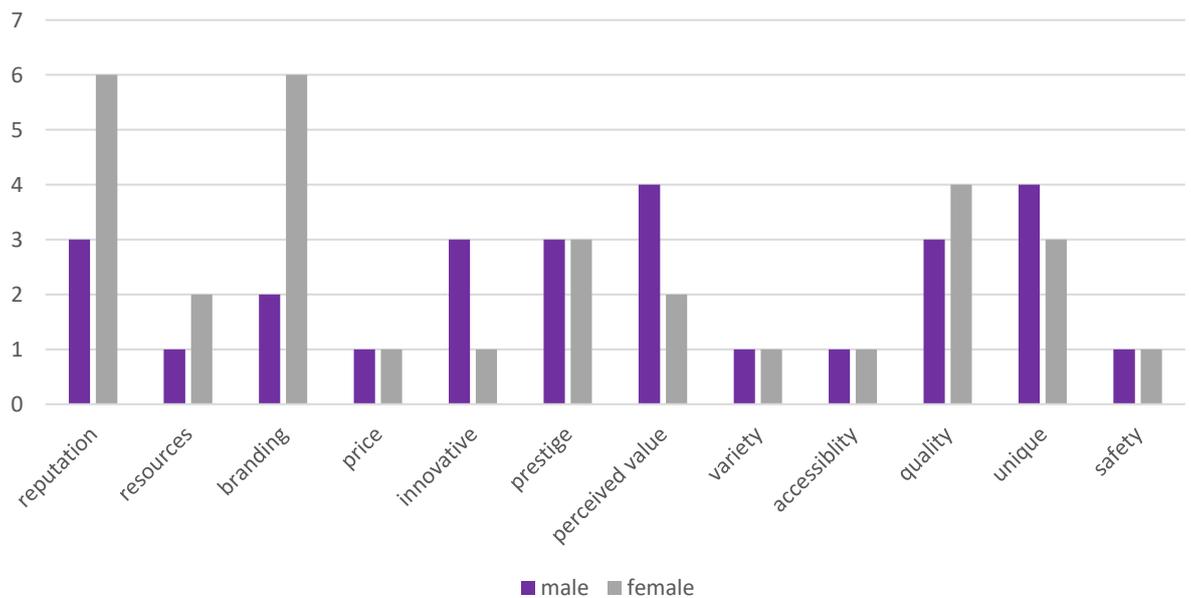
Local brands tend to be perceived as being of lower quality; however, given Singapore's reputation, Singaporean brands still have a higher ranking in comparison to other Asian countries like China or even some Western countries like Russia or even

countries like Africa (Huddleston, Good, & Stoel, 2001; Klein, Ettenson, & Morris, 1998). Brand image is particularly important not just for foreign brands but especially so for local brands as the business brand image is a combination of numerous factors ranging from visual presence, ability to serve, engagement and what the consumers believe about a brand, be it positive or negative (Juneja, 2019).

#### 4.8.1 Singapore consumers' perceptions

The Singaporean consumers were asked for their views on what sets foreign brands apart from local brands. Figure 4.20 highlights some key words mentioned during the interviews. The female consumers felt that both reputation and branding were what most local businesses did not excel in whereas the male consumers felt that the local brands did poorly when it comes to perceived value and the uniqueness of local products. Quality was another word used often by both consumer groups.

**Figure 4.20 Foreign versus local—same price points, consumer choice, keywords**



There were some interesting insights from the consumers. A male consumer said:

“There shouldn’t be any distinction between global and local brands because competition is global these days with the proliferation of E-commerce and digital transformation. Every brand or company should strive to be truly world class.”

A female consumer agreed with the above and added:

“Nowadays, with E-commerce and online platforms available, the differentiation might not be so apparent. I guess the outreach for a foreign brand is wider compared to a local brand. Honestly, I do not see any major factors that set the foreign and local brands apart except for the possibility of the ‘tastes’ of the ‘local flavours’ embedded in products and brands.”

Both male and female consumers initially admitted to not being able to differentiate between local and foreign brands. Some of those same consumers, when pushed during the interview, mentioned one or two of the key words highlighted in Figure 4.20. However, the majority stayed with their initial answer to the researcher’s question. One of the male consumers rightly added:

“Foreign brands are likely to have established themselves in their domestic market which then provided them with resources to overwhelm local brands via advertising, etc.”

Singaporean brand BreadTalk is a good example. They have expanded beyond Singapore’s shores, moving around Asia to countries such as Thailand, Indonesia, and even China (Inside Retail Asia, 2018).

#### 4.8.2 Singaporean businesses’ perceptions

Competing with foreign brands is a challenge for many local businesses in most countries, in particular, developing countries (Aaker, Building Strong Brands, 2002; (Batra, Alden, Steenkamp, & Ramachander, 2000). The business owners that the

researcher interviewed shared their perspectives on what competing with international brands is like. Book publisher, **B5's representative**, finds that it is difficult to sell a thousand or two thousand copies of a title locally and if it does, the title has sold exceptionally well for a local title. However, if a big name foreign publisher published the same title, there is a high chance that it could have sold in the five-figure to six-figure range. Initially, **B5's representative** wondered if it could be about pricing as business operations in Singapore are getting more expensive and maybe the citizens are becoming strategic about how they spend their money. Nevertheless, the researcher has observed local bookstore sales attracting long queues as well as book warehouse sales so that may not necessarily be the case. **B5's representative's** other consideration is that local publishers have smaller marketing budgets and are unable to invest in marketing like the bigger foreign publishers. **B5's representative** says:

“They don't even know the book exists. If you walk down the street and ask people, have you heard of the title *Sugarbread*, I can guarantee you that 99 per cent will not know the book exists... A title like this should not sell 2,000 but 200,000 but so many people do not know it exists. Unless I have millions and I advertise every day, how else am I to tell people about these amazing titles?”

**B5's representative** felt that people like their brand because they are authentic and do not cut corners. Money is pumped into each title and effort is put into the design, typesetting, and so forth. After a slow start, **B5's** brand is attracting loyal followers, especially with the launch of #BuySinglit whereby Singapore literature is being promoted and encouraged (Tan M, 2018). So with enough of a push, there is a chance that there will be more exposure of local titles to a wider local audience. **B5's representative** also thinks that with a greater push for local titles in schools and by the government, the exposure of local talents and publishers may increase too. Being in

the same industry does not necessarily equate to similar experiences as in the case of **B3** as their representative felt that although it is a fact that they cannot compete with the big publishing houses, they stand apart by finding their niche and playing up their unique selling point of being “a local boutique publisher who works intimately with their authors”. **B6’s representative** stood their ground by implying that they have been around for so many years as they have been consistent in their objectives and purpose throughout their history. Similar sentiments were felt by **B4’s representative** who felt that their longevity was also due to their heritage, reliability, as well as their integrity so their consumers stuck with them due to their building a long, trusting relationship as that is their aim, long-term. **B2’s representative** shared similar sentiments whilst **B1’s representative** added:

“Singaporean brands have a tendency to emulate foreign brands. My definition of a foreign brand is one that is mainly western. There are plenty of good ideas that come out of these western brands, but, rarely do we see Singaporeans coming up with their own original unique ideas.”

Being unique, being authentic, and being innovative. These are words that were used directly or implied during the various interviews among the six varied groups. Again, this is something that businesses know and acknowledge and, yet, many are unable to seem to do.

#### 4.8.3 Marketers’ perceptions

For the marketers, the question posed to them was: why do you think Singaporeans are not supporting local brands or hold local brands in high regard? **M3** shared that as there are not enough high quality local brands, this is why the perception that foreign brands are still better stands even though they feel that the reality is that this

perception should not be, as a majority of foreign brands are really not all that they are made up to be. **M1** felt that unfortunately for local brands they would always be perceived as being inferior in comparison to their foreign counterparts. This was backed up to a certain extent by **M2** who also added that they felt that local businesses lacked authenticity and might be perceived as hollow. **M2** felt that many Singaporean brands tried too hard to be something they are not and when that happens, there is no essence, hence no appeal. **M2** said:

“Take for example suit shops. You have no tradition in tailoring but you make it for the guy who does not know suits hoping that they will simply feel good in one and you make money off the guy. There is no authenticity, just greed. Things that do well in Singapore are brands that stay true to their heritage, as they are authentic and resonate with many as it brings them back to their childhood or happier days. So going back to the suits, they may be aesthetically pleasing, even check all the right boxes, but even if the staff’s service is decent, I will still find the brand cold, hollow, and lacking in authenticity.”

#### 4.9 Local businesses—what they do right, what they do wrong and the competitive advantages of being local

##### 4.9.1 What local businesses do right

There are many Singaporeans are loyal and regularly support many Singaporean brands. In fact, numerous Singaporean brands have expanded and are well known internationally, so there must be something that these Singaporean businesses have done something right to have become so successful. However, this does not necessarily mean that this same success is evident across various industries, especially since some industries can be rather volatile. Through the researcher’s interviews, the questions seek to derive some of the key perceptions from the various groups that include the Singaporean consumers, Singaporean businesses, and marketers to determine what these groups perceive that the local businesses did right.

#### 4.9.1.1 Singapore consumers' perceptions

The researcher had shown the interviewees pictures of five brands and asked them where they thought those brands were from. The researcher then asked numerous other questions pertaining to the picture and asked their presumptions of it. Upon finding out that all the brands were in fact Singaporean brands, one of the interviewees said that he was not surprised as he felt that Singapore businesses did well in fusing influences from popular regions when doing up their design and branding. Another interviewee commented on how some of the local businesses that did well tend to have some local elements in how they presented themselves for example, Banyan Tree, one of the five brands the interviewees were tested on, hence making them a bit more relatable compared to foreign brands. Another interviewee said that there are enough local brands that are ready to take on not just Asia but the world as they have done very well locally and have tested well regionally. These brands were authentic and confident enough to test themselves out locally and expand at a reasonable pace while working hard in building their brand name and reputation. This allows them to move out into the world in stages, while always keeping their heritage, excellent customer service, and product quality consistent.

#### 4.9.1.2 Singaporean businesses' perceptions

**B6's representative** believes that they are a brand that has grown with their consumers and, therefore, understands them as their needs change, progress, and become more affluent; hence the reason why they have been around for so long. These are strong factors that determine longevity for any business as a business that listens to their customer's needs keeps the relationship going and brings the business

success (Hall, 2013). **B4's representative** agrees and adds that a compelling brand promise that is fulfilled effectively each time will bring the customers in and the successful Singaporean brands like Singapore Airlines and the Banyan Tree Group have done exactly that. **B5** believes that most Singaporean businesses have good practices in place. For example, B5 works hard to ensure that Singapore literature is known not just in Singapore but also in London as B5's representatives believe in local authors and wants to champion them there. **B1's representative** and **B2's representative** both echoed the sentiments of **B5's representative** with regards to having good practices, and added that the businesses that focus on promoting ethnicity, culture, and getting people to be more aware of not just Singaporean but South-East Asian culture is a good business aspiration. **B2's representative** added that the Singaporean businesses who keep to their word and deliver as promised helps with brand recall as consumers would remember their good experiences with the business. Most businesses that have excelled have done this too and have a higher chance of keeping customers for life (American Management Association (AMA), 2019). **B3's representative** concludes all the interviewees' thoughts by stating that businesses that know they cannot be everything to everyone and getting their target audience right will excel, and this is especially true not just for Singaporean consumers but also consumers in general as knowing one's target audience is half the battle won.

#### 4.9.1.3 Marketers' perceptions

**M1** believes that a number of local businesses that do well or are more popular among Singaporean consumers are those that "create products that are relevant for their target audiences", and all three marketers believe that the successful companies are

the ones that are authentic in their approach. **M3** repeated the word authenticity as well. The three marketers proposed the possibility that the authenticity lay in the fact that the successful local businesses believed that they have a good product or brand to market and do so earnestly and passionately. **M2** again emphasised the fact that Singaporean businesses that dabble in heritage products or brands as well as nostalgic products tend to succeed in comparison to most brands, and this is not just due to their authenticity but also to the fact that they tug on the heartstrings and bring back fond memories that Singaporeans appreciate.

#### 4.9.2 What Local Businesses do Wrong

Many business articles have discussed how businesses have made mistakes that caused them to close and elaborated on how only some have recovered from their mistakes (Boselovic, 2016; Patel, 2015). This has been evident in Singapore as well. The size of the business is not relevant, with famous foreign names like Konica and Nokia suffering in recent years. If Singaporean businesses can see the error in their counterparts' ways and maybe learn from them, there is a higher chance of success not just locally but overseas as well.

##### 4.9.2.1 Singapore Consumers' Perceptions

After showing the interviewees the five brands and upon telling them that these five brands were in fact Singapore brands, there was varied feedback. About 85 per cent of the interviewees were surprised to find out that all five brands were Singaporean brands. A majority recognised at least one of the brands shown as being a Singaporean brand. There were mixed feelings, some of which were listed in section 4.9.1.1 and some will be stated here. One interviewee felt that most of the five brands did not

project a Singaporean vibe to the brand with another agreeing that they looked or felt like foreign brands especially with foreign sounding names like Benjamin Barker. In fact, about 90 per cent of the interviewees queried why the brand name was a Westernised name instead of a localised name. A few of the female interviewees queried why the cosmetics brand selected for the research was so niche as there are so many cosmetics brands in the market and the lack of brand awareness was not helping build exposure among the female interviewees who use and buy make-up. One female interviewee shared her surprise with mixed emotions saying:

“I really am surprised to find out that they are all Singaporean brands. I didn’t think that Singapore could have such high-class brands, apart from Singapore Airlines.”

Another interviewee agreed and said:

“I was surprised when you told me they are Singaporean brands. Who knew that Singaporean brands could be so established?”

These comments indicate that Singaporean consumers are still not able to relate to the possibility of Singaporean brands being good enough to go global. Many consumers also agreed that one of the things that many local businesses do to annoy them is to use foreign sounding names. Many consumers feel cheated or that the businesses were trying to disguise their localness so that they can increase prices. Consumers would rather that these businesses provide good quality services or products and earn that comparable sum paid to foreign brands or businesses because they deserve it and not because they sound like they could possibly be a foreign brand.

#### 4.9.2.2 Singaporean Businesses' Perceptions

Most of the business representatives the researcher interviewed shared similar opinions—that is, that the consumers were possibly lacking in brand awareness or product awareness—and suggested that maybe that was the main reason why there was a lack of support for their brands. Most of the newer local businesses or those that have been taken over by the younger generation have started to introduce some level of marketing into the business. Many from the younger generation tend to rely heavily on social media as they felt that it was free and preferred to save the high costs of advertising via newspaper, radio, or television. Owners of other local businesses, especially the family businesses or those run by the older generation, tend to believe that since they have been around for so long people would know of them and stay with their brand for years to come; hence their reason for longevity. Some other businesses depended more on word of mouth or were not aware of how to market themselves on a tight budget; hence, they get lost among their competitors (Aaker, 2002; Boselovic, 2016).

#### 4.9.2.3 Marketers' Perceptions

According to the three marketing experts, one needs to look at some of the challenges that a majority of the local businesses are likely to face in order to realise their strengths or their weaknesses. Unfortunately, for most Singaporean businesses, their biggest challenge tends to lie in the fact that many lack authenticity by trying to present themselves as something they are not, and this annoys many Singaporean consumers according to all three marketing experts. An example of this is how some Singaporean brands give themselves a Western sounding name and to a certain

extent, Singaporean consumers felt upset and even deceived upon finding out that the owner was actually a Singaporean.

**M1** feels that regardless of whether the local business is established, the following two points apply:

- To set themselves apart as unique in a small and usually saturated market; and
- To use data in a useful way to better understand consumer patterns.

**M1** added that they believe that another weakness for local businesses is the fact that they are “unable to capture the attention of their audience that already has too many distractions” or they simply do not do any branding and marketing at all.

**M2** added that local businesses think that social media is all they need to do when it comes to marketing their products and many of them think that marketing is easy: simply put out an advertisement in the newspaper or on radio, go on social media, or just have a pretty logo. Their lack of understanding of the complexities of marketing means that they are likely to not have the most important basic thing right, which is, according to **M2**:

“... the very basic of good branding is a good product. No matter what you do with the packaging, or how pretty it is, if the product sucks, it will not get the attention of the audience and it will not stand out among the competition.”

**M2** continued:

“They think that social media is everything now and hope their post goes viral. You have to exercise this thing called empathy, in the sense you must know what your customers might be interested in and then

craft your post, pitch, and position your product by taking photographs of the product and writing about the product before putting up the post so that people will be receptive to it. If you're just saying this is my product and it is great because of points 1, 2, and 3, then you are not connecting your potential consumers with the product... Social media may give you a wider platform but getting a million likes is no big deal if nobody is buying."

**M3** stated:

"Keeping up with the constant changes in consumers' needs and its people's approach to service," is one of the local businesses' key struggles apart from hiring and retaining good people.

**M3** further added:

"Local businesses put too much emphasis on product features and benefits instead of focussing on what the consumers will gain in terms of value, service, and what they really want. In fact, many local businesses have no understanding of who their primary and secondary customers are, let alone what they want. Customers just want products to solve their problems or fulfil their needs."

#### 4.9.3 Competitive advantages of being a local brand

##### 4.9.3.1 Singapore consumers' perceptions

Being a Singapore brand in Singapore is not always a negative in the eyes of the consumer. It is important to understand what the competitive advantages are to being a local brand hence providing the local business with an opportunity to gain an advantage over their foreign competitors. A majority of the consumers interviewed stated that they felt happy to support a local brand just so that they could support a fellow Singaporean; however, that does not mean that the local businesses can take advantage of them by cutting corners as they would move on to the next brand should that happen. They also felt that by helping their fellow Singaporeans they could help to encourage more homegrown talent as well. In fact, for two-thirds of the interviews

carried out, the key words that were repeated by the consumers were the words “pride” and “quality”. One of the consumers said:

“Knowing that some Singaporean products could be such high quality brands that hold certain standards in terms of quality control, industrial standards (ISO), and knowing that a product of Singapore can produce such top-notch local goods, services, products, and talent makes me proud to be a Singaporean.”

Another consumer shared the following sentiments:

“If all local brands start to develop themselves and produce equal quality products, I will take pride in supporting local as I do not mind paying slightly higher prices for better quality.”

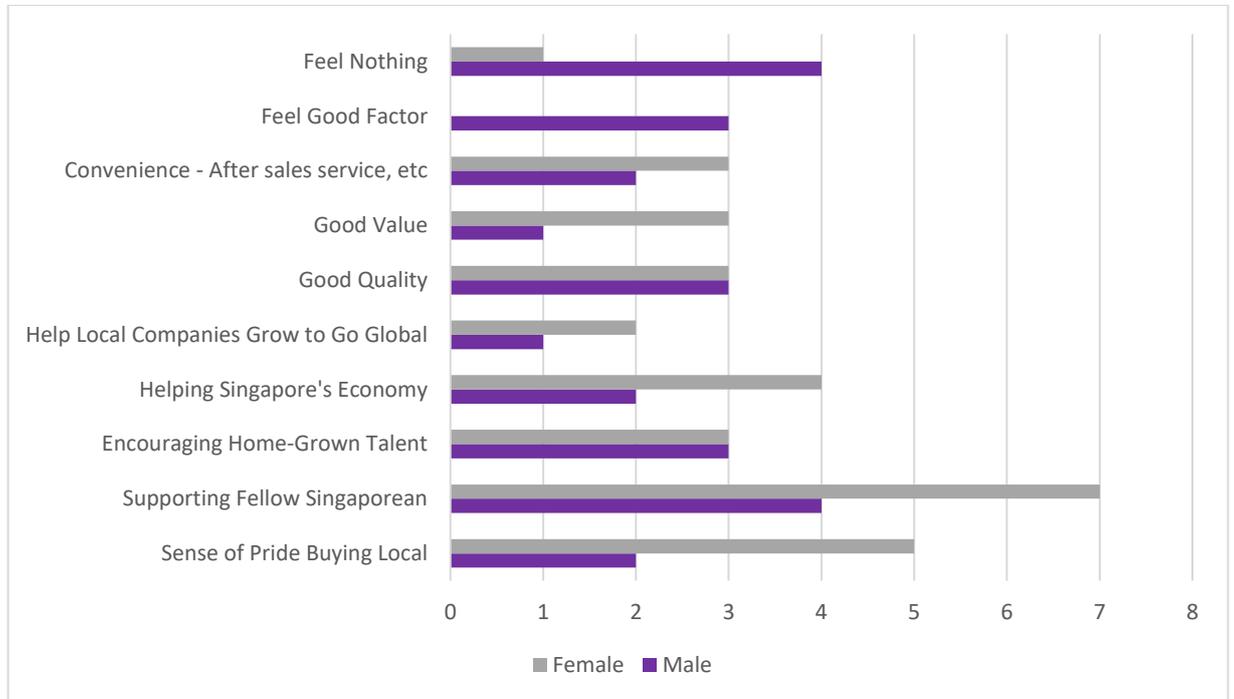
Another consumer added her comments, coming from a consumer ethnocentric point:

“I support local simply because I know that I am not only supporting the local economy, but also the families behind these businesses too.”

Figure 4.21 highlights some of the other key words used during the interviews by the number of responses from both male and female consumers regarding buying local brands. About 43 per cent more females than males felt a sense of pride in buying local. About 27.3 per cent more females felt the need to support their fellow Singaporeans versus the males. This will be further discussed and elaborated in chapter five where it will be discussed as to why this should be something that local businesses and marketers alike should be looking into further. However, the same proportion of males who were supportive of their fellow Singaporeans mirrored the sample proportion of males who felt nothing about supporting Singaporean brands. There were the same number of male and female consumers who mentioned that good quality and encouraging homegrown talent were competitive advantages too.

This was interesting as in an earlier question the females mentioned quality far more than did the males.

**Figure 4.21 Competitive advantage of local business—consumer choice**



#### 4.9.3.2 Singaporean businesses' perceptions

**B5's representative** commented on their perception that their regular local customers can sense their authenticity and sincerity with the quality of their books, not just in terms of the quality of the products or design, but also with the quality of the story told. With this, **B5** was able to sell thousands of copies for a number of their titles as they were able to reel the consumers in and **B5's representative** shared that sales have been improving as well. **B3's representative** finds the ability to be nimble helps especially in a niche market like publishing. The researcher agrees with **B3's representative** to a certain extent about the possibility of publishing becoming a sunset industry in Singapore; however, given the various attempts with campaigns like

#BuySingLit coming up, there is a slow but sure possibility of overturning that. Overall, most of the local businesses interviewed shared similar sentiments pertaining to their competitive advantage and felt that most successful local businesses are successful as they tap onto their Singapore culture and heritage to make themselves noticed and use that as their competitive advantage against the foreign brands.

#### 4.9.3.3 Marketers' perceptions

Some of the successful local brands have demonstrated their authenticity, and yet have products that are relevant to their target audience by focussing on heritage signifiers, according to all three marketers. A good example of this is the BreadTalk group with their Toast Box chain. Local businesses should not forget their roots and stick to what they are good at. Usually the ones who do, tend to have the right competitive advantage. The researcher observed the long Toast Box queues were at par or at peak times longer than that of The Coffee Bean and Tea Leaf café and Starbucks during a two-hour observation period. In fact, there were times when Toast Box had at least 20 per cent more customers in their queue than The Coffee Bean and Tea Leaf café and Starbucks combined.

## 4.10 Summary

In chapter four, the research objectives were restated and the chapter discussed how the theory was applied from the answers to the questions asked to the various groups that helped to interpret the findings. In order to have a better understanding as to whether local brand bias exists in Singapore and if the country of origin effect affects the consumer decision-making processes of Singaporeans, the researcher conducted an exploratory study using qualitative methods. The pilot study and the findings from

the interviews with the three Singaporean marketers, the six Singapore business owners, and the forty Singaporean consumers were elaborated within this chapter as well. In chapter five, the researcher will then proceed to relate all the manually analysed qualitative findings back to the academic literature as well as propose future research possibilities and derive marketing suggestions for both local business owners and local or locally based marketers.

Does Local Brand Bias Exist?

## 5. Discussion

### 5.1 Introduction

Given the limited research available that delves into the psyche of the Singaporean consumer as well as how they perceive local brand bias and in order to have a greater understanding of whether local brand bias exists in Singapore, the researcher conducted exploratory research with a diverse sample of respondents made up of 40 consumers, six Singaporean businesses, and three Singaporean marketing experts. During the research, some interesting aspects pertaining to the levels of pride that differentiated between the genders was also something of interest that will be further discussed in this chapter, especially since it was something that was a bit of a surprise to the researcher too when carrying out the research. In the literature review (chapter two), the researcher highlighted the need to better understand how and why Singaporeans' perceptions change when they find out that the brand names that they assumed were foreign were actually local brands. The country of origin effects, consumer ethnocentrism, and how these factors influence Singaporean consumers were addressed in chapter two. They were then integrated through the research questions that were introduced at the end of chapter two. The theoretical framework for the study was also discussed and its relevance explained. Chapter three then explained the method utilised for the study. The findings will be discussed further in chapter five and will be based on the findings that were elaborated on in chapter four and relate the findings back to the research questions (RQ). Given the emphasis of industry relevant research in a doctorate of business administration, the researcher has emphasised managerial and practical implications; however, theoretical

implications are also articulated. There are three major contributions that have been derived from this study; two are theoretical and one is practical.

Firstly, the research on consumer ethnocentrism and the country of origin effects suggests that it works one way in developed countries and another way in developing countries. While Singapore is considered a developed country (economic wise and for this thesis), it presents differently from other developed countries in relation to consumer ethnocentrism, according to the research. This pertains to the varying views that Singaporean consumers have concerning consumer ethnocentrism and the country of origin effect. The research shows how consumer ethnocentrism in Singapore is similar or dissimilar in comparison to that of the other countries that have been researched thus far. The findings of this thesis research suggest that even when local bias exists at times it may not necessarily be similar to what the local businesses might have assumed or were the reasons that their Singaporean consumer base might have. The findings also suggest that Singapore consumers mostly have ethnocentric feelings towards some Singaporean brands; however, they neither feel that many Singaporean brands are of premium quality nor have the potential to become premium Singaporean brands and are therefore reluctant to purchase them. Consumer ethnocentrism implies that consumers perceive that products that come from one's cultural or ethnic group are more superior to similar products from other ethnic or cultural groups, and it is also one of the most important cross-cultural consumer behaviours (Shimp & Shin, 1995). Consumer ethnocentrism research to date suggests that consumer purchase behaviours tend to relate to protecting one's domestic industries and these consumers will buy local products even if foreign

imports were available (Shimp & Shin, 1995). Previous literature presents the idea that consumer ethnocentrism varies among different countries. For example, whether a country is developed or developing, or based on its cultures, both Western and Eastern, especially since most of the research focussed on purchase behaviours that prefer to protect the countries' domestic jobs versus actually focussing on which was of the better quality (Schütte & Ciarlante, 1998; Wanninayake & Chovancova, 2009). The research attempted to differentiate between ages, gender, and education levels in order to derive whether any of these could affect the outcome; however, it appeared to be difficult to do so as most of their answers across the board were similar for various categories. This could be possibly due to the cultural differences in terms of race or working background as some worked for local companies, themselves, or multinational companies. The findings, however, indicate some overlaps in terms of what is expected of local companies in order to win over consumers and what local companies expect from their consumers, which is a trusting long-term relationship. This was further addressed in the second research question (RQ2) and the fourth research questions (RQ4).

Secondly, the findings of this study indicate the average Singaporean consumer's decision-making style differs based on gender to a certain extent. While most of the literature pertaining to consumer decision-making styles tend to focus on the bigger Asian countries or countries in the West and was discussed in chapter two, the research highlights interesting facts about Singaporean consumers, both collectively and within various segments. Consumer decision-making is also a key strategy for all businesses as it will help them to better define their target markets, and this is

especially important for local businesses if they want to win over more local consumers from their bigger, foreign competitors (Walsh, Hennig-Thurau, Wayne-Mitchell, & Wiedmann, 2001). Marketers and researchers are even more intrigued to find out about the attitudes and decision-making processes of these consumers, especially since there is minimal research available that focusses on Singaporean consumers (Nakos & Hajidimitriou, 2007; Muhamad & Tazeem, 2011). There is limited research that exists discussing the South-East Asian consumers, especially for a country that is highly regarded around the world. There is a need to better understand what influences the Singaporean consumer and how local businesses and brands can benefit from that. The research suggests the importance of understanding why and how Singaporean consumers react to local brands, especially those that have foreign sounding names. This can also help local businesses better understand how to brand themselves and what to do when they are to name their future product or service lines or future businesses so as to win over more Singaporean consumers instead of turning them off. This was further addressed in the first research question (RQ1) and the third research question (RQ3).

Finally, this research study makes a contribution to practice and calls for local marketers, businesses, and entrepreneurs to better identify their potential Singaporean consumer markets as well as understand how Singaporeans truly feel about their local products. Despite the high value of the Singaporean market, there has been limited research available for local businesses to better understand their Singaporean consumer and how they perceive local brands and why they may be biased against local brands. The research study also suggests the existence of

conspicuous consumption among many Asian consumers who tend to prefer purchasing luxury branded groups or brands that are of a higher perceived value due to cultural aspects and the need to make the social divide obvious (Chan, Chen, Wang, & Zheng, 2000; Chiou, 2015). Singaporeans are no exception as they have been observed to prefer to buy a luxury car and stay in a small government (housing development board otherwise known as HDB) flat instead of the other way around. If one was to ask any Singaporean they would elaborate further about this ridiculous style of living which is being asset rich and cash poor (Quora, 2017). Singaporeans love to find ways to impress others, hence they tend to go to expensive restaurants or buy luxury goods or cars that they genuinely cannot afford thus maximising their credit cards, which then leads many to higher debt and, ultimately, bankruptcy (Poh, 2015). Suggestions will be proposed in research question five (RQ5) for local companies to consider how to strengthen their brand image to become a more premium brand.

It is recommended that aside from this explorative study, further exploration about local brand bias in a developed South-East Asian country is required. Suggestions on future research will be proposed at the end of chapter five. Further research drawing on qualitative methods is recommended to get a richer understanding of the consumer. Research using mixed methods is also suggested, allowing the research to engage with a wider sample size and yet have in-depth views too. Chapter four highlighted some factors that helped to derive the research; however for future research, more factors can be added to build up a greater depth of understanding about how local brand bias impacts consumer decision-making in other developed Asian countries or even in developing South-East Asian countries like Malaysia,

Vietnam, or Thailand. The same applies to the research questions and research sub-questions as they can be further adjusted depending on the angle of future research. Either qualitative in-depth interviews or a mixed methods approach would be appropriate to conduct further research in this field in order to determine the above.

Section 5.2 discusses the five research questions and then leads to how the research questions are further supported by the research that has been carried out. Section 5.3 discusses the theoretical implications from the findings that confirm and extend the existing literature as well as delve into the implications from the findings that add new contributions to the literature by determining how the findings have deviated from the literature; hence, these will be considered as addressing the gaps in the literature. Section 5.4 delves into the management and practical implications while section 5.5 proposes possible further research and section 5.6 provides proposed practical ideas for both marketers and local businesses with section 5.7 concluding the chapter.

## 5.2 Discussion of research questions

The five research questions (RQ) were introduced and discussed in chapter one. In section 5.2, each of the research questions will be discussed and related based on chapter four's findings from the research study.

### 5.2.1 RQ1: What is the average Singaporean consumer's decision-making style?

The first research question discusses the average Singaporean consumer's decision-making style. With the research that was undertaken, the researcher revealed that most Singaporean consumers appear to have some similarities when making their

purchase decisions. Partial support was found in the literature as well as in the research conducted pertaining to the Singaporean consumer decision-making styles. One example was how Singaporean consumers always focussed on price and how they love a good bargain (Nielsen, 2016; Report, 2019). The Singaporean marketing experts interviewed agreed. They felt that Singaporean consumers would also do their homework before buying a product apart from being “bargain hunters”. In fact, the three marketers felt that the Singaporean consumer’s decision-making style was determined more by push factors like “bargains”, “promotional basis or free trials” and “hype”, plus they tend to follow “trends”; however, once the fad or hype is over, the consumers will move on to the next hot trend. This aligns with some of the reports that are available about Singaporean consumers as well (Koh, F, 2017; Lim, 2019). For the businesses, they felt that consumers made their decisions based on quality and authenticity. In fact, one of them (**B1**) lamented that there was a misconception of local customers only wanting products that were good and cheap.

Consumer decision-making can be a rather complex process as it has various stages ranging from problem recognition to post purchase activities. The need for local businesses to better understand the core issues of what the Singaporean consumers’ thought process is like will help them in further increasing market share. The research indicated that, predominately, Singaporean consumers go through the five-stage model that was proposed by Cox, Granbois, & Summers (1983), which is one of the most familiar consumer decision-making processes and is shown in Figure 5.1. Kotler and Armstrong’s views that consumer behaviour could be shaped by social factors such as family or social status (2018) are affirmed by most of the reports on

Singaporean consumers to date as well as what was shared by the Singaporean consumers interviewed. The researcher observed during the interviews that when providing their comments, to a certain extent, there were hints of how elements of psychological, personal, social, and cultural reasons as well as marketing factors like pricing, promotions, product, and place that affect how they decide whether to buy local products or how they go through their decision-making process. Deciphering the feedback from M2 concerning Singaporeans being bargain-hunters as well as the feedback from CM20 concerning the need to follow trends. This can be interpreted as Singaporean consumers recognise the need of fear of missing out hence determine whether that is enough of a determining factor to push through to make the final purchase.

**Figure 5.1 Consumer decision-making process**



Source: Adapted from Cox et al 1983

The research indicated that when it comes to the information search the majority of Singaporean consumers do not necessarily look out for whether the product they are purchasing is Singaporean or not; highlighting the country of origin is not a primary decision-making factor. In fact, based on the five brand images that were shown to the 40 interviewees, a majority of respondents were surprised to find out that those premium brands were actually Singaporean brands and yet many have at least bought or seen those brands more than once. Another reason as to why Singaporeans do not always consider buying local first in their decision-making process is that many do not

deem local brands as being premium or high quality brands, hence their top of mind recall is more likely to be for foreign brands for most product categories. There is one major distinction: for heritage or nostalgic related brands (culture-related) Singaporeans report a preference for local brands. Singaporean consumers were likely to shift brands if there were cheaper deals available for a generic type item like a fan, according to the research. For example, they might consider a local brand if it is a high involvement purchase such as television where they are more likely to opt for a well known imported brand, such as Samsung or Sony, versus one Singaporean brand, Akira. While academic literature suggests developed countries have higher levels of consumer ethnocentrism, especially during the consumer decision-making process when consumers are deliberating on which brand to buy, consumers in Singapore, a developed country, present differently from what is expected. Consumer ethnocentrism appears to be low in Singapore so in this differentiation lies a gap in the literature that needs to be further researched. This distinction is culturally driven and makes Singapore a unique case study.

Table 5.1 shows some of the implications that aligned with research question one (RQ1) in which local brands are not usually top of mind recall during the consumer decision-making process.

**Table 5.1 Summary of findings on RQ1—average Singaporean consumer’s decision-making style**

Findings	Example of a quotation	Managerial/theoretical/practical implication
Singaporean consumers look out for deals when making their decisions. This does not mean that they will be loyal.	“Singaporean consumers look for bargains as they are bargain hunters.” – <b>M2</b> (Marketing Expert)	Bargains, free trials, or promotional deals are key if a business wants to win over a Singaporean consumer, especially for new products.
Singaporean consumers buy into ‘hype’ and product excitement. This is key to their decision-making. They like being the first to own something or know about something—that is, be a trendsetter.	“They tend to buy into hype and are willing to queue for hours to get the ‘hot’ item. They are open to getting information about products via word of mouth or visual impact and they assume that the product must be good if people are willing to queue so they want to try it as well.” – <b>M2</b> (Marketing Expert)	Many Singaporeans like to be seen as being trendsetters. They are willing to queue and pay for items that are limited edition for example as they like the exclusivity. Being the first in anything is a big part of Singaporean culture.
Many Singaporean consumers tend to follow trends and move from trend to trend.	<p><b>M3</b> also disagrees that a majority of Singaporeans are (general not luxury) brand loyal as the majority will follow trends and move on to a new brand if it is trendier or has buzz around it and they will flitter from one brand to another depending on its popularity.– <b>M3</b> (Marketing Expert)</p> <p>“Take bubble tea. When it first came here, all rush, queue like <i>siao</i> (crazy in Mandarin). Soon, many bubble tea shops, suddenly (there were) no customers. Then suddenly, quiet. Now come (it is) back again, all queue like <i>siao</i> again. Singaporeans, always like that one.” – <b>CM20</b></p>	Singaporeans can sometimes be fickle, especially when it comes to trends, hence their loyalty comes into question. The bubble tea scenario has happened numerous times with other products or brands like fast food restaurants have short lifespans if they are fads. For example, Wendy’s opened in Singapore to much fanfare in 1980s only to close their doors. They then re-opened in 2008 and then shut down again in 2015.

Although consumers go through the Kotler's model process ([Figure 2.1](#)), many consumers have varied decision-making styles, as these are dependent on shopping factors. According to the key findings as listed above, it indicates that to win over the average Singaporean consumer can be rather challenging; however, that does not mean that winning the average Singaporean consumer is necessarily impossible as there have been some successful companies like Singapore Airlines that have become successful internationally too. The above findings also help to confirm that a study on how consumers view local brands is an important one in order to help identify the various factors that local businesses and marketers need to consider in order to identify what the Singaporean consumers' perceptions and motivations to buying local and to increase their chances of gaining consumer brand loyalty.

Based on the fact that the key findings describe some of the characteristics of the average Singaporean consumer and how they make their decisions, some cultural aspects need to be taken into consideration that differentiate Singaporeans to a certain extent from other Westernised developed countries. These factors apart from government and economy are sensitive factors that need to be considered when analysing the consumer decision-making process (Al-Sulaiti & Baker, 1998; Balabanis, 2004).

#### 5.2.2 RQ2: How does the average Singaporean consumer react to the country of origin effect?

The second research question (RQ2) focussed on how the average Singaporean reacts to brands that originated from Singapore. The existing research pertaining to country of origin effect have focussed on other Asian countries; however, due to Singapore's

interesting make-up, Singapore has some variances in comparison to other developed countries. Usually developed countries like those in the West for example and even those in Asia take pride in buying and supporting local. Based on the interview findings, this does not appear to be the case for Singapore. The findings suggest that there were some Singaporeans who were torn between supporting Singapore brands and yet felt agitated when these brands were too localised. So local businesses face a big dilemma. However, as shown in the graphs in chapter four, there tends to be a slightly higher percentage of females who are more supportive of the local brands versus the males. The female respondents complained that they felt that they were treated dishonestly when they were presented with foreign sounding brand names but ultimately, should they later find out the reason behind those brand names and they like the brand, there is a higher chance of support coming from the females than the males. Take, for example, the TWG brand. On any good day, the researcher has passed by or dined at TWG cafes and observed that there is a higher percentage of female patronage in comparison to males. As an initial phase of the research, the researcher visited four different TWG outlets around Singapore at different times, ranging from 10am when they first open to 10pm. As a form of observation, it was noted that at each outlet there was about a 60 per cent female patronage versus that of the males at any given time. This shows that if local brands/businesses take into account what their consumers or potential consumers have to say and better understand their more successful local brands, they will be able to win over support. Table 5.2 shows the findings that align with research question two.

**Table 5.2 Summary of findings on RQ2—average Singaporean consumer’s reaction to country of origin effect**

Findings	Example of a Quotation	Managerial/theoretical/practical implication
<p>Some Singaporeans want to support Singaporean brands but are turned off by a brand if it is ‘too local’.</p>	<p>“Ugh! So annoying. The fact that they use that they are a Singaporean company as a way to entice people (annoys me). – CF01</p> <p>“They tend to try to localise their products (for example a T-shirt that has local slang on it)...– CF02</p>	<p>Not wanting the localness to be emphasised on and be subtle instead shows that they believe that Singaporean products are good but subconsciously they do not feel proud enough of local brands.</p>
<p>Some Singaporeans suggest that local brands tend to imitate or ‘steal’ ideas from foreign brands because they lack innovation.</p>	<p>“... or adapt foreign food to local or regional tastes for example tom yum pasta”.– CF02</p> <p>“Not as innovative as global brands and generally (do) not (provide) a lot of choices ”.– CM01 (Consumer—Male #1)</p> <p>“So many are mere copy cats. No creativity. *tsk*”—CF10</p>	<p>It is suggested that some local businesses take the lazy way out by saying that something is fusion or adapt something foreign to make it local to charge higher prices are deemed to lack creativity and innovativeness.</p>
<p>Some Singaporeans feel that some Singaporean brands take the ‘made in Singapore’ brand as an excuse to cut corners.</p> <p>Many felt that local businesses’ customer service levels left much to be desired too.</p>	<p>“... I feel that sometimes it’s the label ‘Made in Singapore’ helps excuse it for being cheap or if some corners are cut during production. That shouldn’t be the case. – CF03</p> <p>“(Local businesses) lacking in good customer service (annoys me).– CM02</p> <p>“(The) inconsistency in service standards and quality does it for me.” ).– CF04</p> <p>“Poor quality, ignorant staff, and inconsistent service.” *shakes head*)...– CM05</p> <p>“Price does not commensurate the (true) value of their products.”-CM13</p>	<p>More than 50 per cent of the consumers, both male and female, feel that local businesses need to improve their customer service levels.</p> <p>Many felt that quality and service are not up to par in for most local brands in comparison with other brands.</p> <p>Some suggested that pricing does not always match quality or value of products.</p>

The consumers who were interviewed had mixed feelings about the question of the quality of Singaporean goods. On a whole, they felt that many local goods still short-changed customers in terms of quality; however, they did suggest that in comparison to some other countries they would buy Singaporean goods over those aforementioned countries any day if given a choice. One consumer suggested that Singaporean businesses tend to do food products well and Singaporean businesses should start looking at developing more technology related products instead (CM07). The majority, however, agreed that whether the goods were of good quality or not, one thing that all Singaporean businesses need to work hard on was both customer service and the after sales service as those left much to be desired. They do not mind buying local goods but the service levels are what usually turns them off.

**5.2.3 RQ3: Do Singaporeans perceptions change when they find out that the foreign sounding brand names are actually local brands? Why and how do they react?**

RQ3 explored how Singaporeans perceptions change when it is revealed to them that brands they assumed were foreign because of the way they were named or the way they were branded were, in reality, local brands. These findings were particularly important, as many young entrepreneurs have started to name their companies fancy sounding or foreign sounding names to give an 'implicit country of origin effect'. The interviewees suggested that the potential backlash that these brands could possibly get when people found out that they were local and charging high prices could be quite serious. The findings indicated the unhappiness that most of the 40 Singaporean consumers felt when they found out that the five brands that the researcher had questioned them about were all local brands, and this was especially so for the

clothing brand. They were fine when they found out about the hospitality, retail group, and tea company brands as they felt that those brands presented themselves in a more premium, luxurious manner so they were more forgiving. In addition, the fact that the hospitality and tea brands built their brand beyond local shores instilled a sense of pride, not hostility. Finally, the same two brands did not appear to be trying to be foreign as one had an Asian twist to it (Banyan Tree) and the other was the initials TWG for The Wellness Group. Table 5.3 shows some findings that are aligned with the research question.

**Table 5.3 Summary of findings on RQ3—Singaporean perceptions and reactions on realising that foreign-sounding brand names are local brands**

Findings	Example quotation	Managerial/theoretical/practical implication
Some Singaporeans feel ‘cheated’ when they find out that the foreign-sounding brand names are local brands.	<p>“The fact that they used anglicised or foreign names just to trick consumers into thinking that it is a foreign brand. Local companies should be confident enough with their products and use a more local sounding name to promote to their customers.”- CF12</p> <p>“I think the foreign sounding brands are gonna p*ss many consumers off when they find out that they overpaid for a local brand like Benjamin Barker.”-CM21</p>	<p>Local consumers are turned off by the brands as they feel that they are given foreign-sounding names to be able themselves to charge higher prices.</p> <p>An interesting contradiction is that there were some consumers earlier who wanted Singaporean brands to have less ‘localised’ products and yet when the products sound foreign, they then complain that the local companies are trying to cheat them. (See Table 5.3 comments by CF01)</p>
Some Singaporeans suggested that some foreign-sounding brands that were actually local ended up being or sounding rather pretentious while there were other Singaporean consumers that suggested the local brands lacked creativity.	<p>“So pretentious ... trying to con (local) consumers (into thinking) that (it) is foreign.”— CM12</p> <p>“It drives me nuts when they adopt pretentious brand names for example Benjamin Barker.”— CM15</p> <p>“Many local brands tend to be mere duplicates of other brands, especially foreign brands. They think they are subtle but they’re not.”—CM19</p>	<p>The male consumers that the researcher interviewed made comments about a particular brand being pretentious even prior to the researcher showing them the questions in the ‘brand images’ quiz section.</p> <p>They also appeared more agitated when this question was asked and when the question about that particular brand was shown in the brand images quiz section.</p>
Some Singaporeans felt that it was a way to gain attention from Singaporeans.	<p>“I would be pleasantly surprised if I found out that a local company was using a foreign name as I would assume that they were using the name as a disguise. Normally, locals won’t buy something that sounds local hence by using a more <i>atas</i> (higher-end in Malay name, they have a higher chance of getting people to try their products and prove that they are good.”—CM02</p>	<p>If there were more Singaporeans who were biased against local brands than those who were not, having a foreign-sounding name might be the only way to attract their attention. If the foreign sounding local brands put in effort to ensure that they sold only top-quality products at reasonable prices, chances were that most Singaporeans would be more supportive than upset when they found out.</p>
Some Singaporeans felt that a Western-sounding name was critical if brands want to go international.	<p>“(If it is) just a name, it doesn’t matter. But if the company engages in a broader marketing campaign to manipulate consumers into thinking (that) they were foreign and they purposely hide the fact that they are local, then there is a reason to be doubtful of the brand or company.”—CM01</p>	<p>It was suggested that in order to get attention globally, either having a foreign name or a more generic name such as BreadTalk for example helps a Singaporean company to grow.</p> <p>Globalisation brings with it access to a bigger market so getting the name right, and a foreign-sounding name is not necessary, can help catapult the business into foreign territories.</p>

Does Local Brand Bias Exist?

Findings	Example quotation	Managerial/theoretical/practical implication
	<p>“With globalisation, a foreign-sounding name will enable them to market and sell their products worldwide.”—CM02</p> <p>“Branding is universal. I won’t be bugged.”—CF04</p>	
<p>Some Singaporeans suggested that the brand name did not bother them, they just wanted quality products and they should just support local regardless of name.</p>	<p>“If the overall branding is well managed ... and as long as the overall experience is premium, it doesn’t matter to me what their name really is.”—CF05</p> <p>“Brand name is a representation. Singapore has many impressive brands such as Brewlander &amp; Co, Charles &amp; Keith, and Luzern that are distributed locally and overseas. We should support local.” — CF06</p>	<p>It was suggested that getting Singaporeans to support local went beyond the name of the product or brand. What Singaporeans want is good customer service and a good experience. Two companies that have done this well and grown internationally are Singapore Airlines and TWG Tea. They both built their brands by giving their customers a high-end experience and good customer service.</p>
<p>Some Singaporeans felt that as long as it befit the product or service, then the businesses could name themselves and their products whatever they wanted.</p>	<p>“In this day and age, I think a company should be free to use any kind of name. Is Apple considered foreign? It’s just a generic name but the brand was built over time. There used to be a hip pub in Kuala Lumpur by the name of 69 LA, which was the address of the pub, 69 Lorong Ampang. I thought that was quite ingenious of them.” – CM08</p> <p>“The company has their own right to brand their own products. It does not matter if they use a foreign name or not as long as the brand name fits their product range. – CF08</p>	<p>It was suggested that what mattered more to Singaporean consumers was the quality and service received.</p> <p>What a company wanted to name themselves was up to them and should not matter too much.</p> <p>In addition, given the ease of research via the internet, any consumer could simply go online to verify where the product originates. In addition, not knowing where a brand originated from (should this be important to the buyer) can be attributed to ignorance if they did not go online to verify.</p>
<p>Some Singaporean consumers suggested that it had nothing to do with the brand and more to do with the management.</p>	<p>“Frankly speaking, to bring up the brand name to an international level has a lot to do with their management. Look at The Banyan Tree, everyone knows it is an Asian brand because it obviously sounds Asian. Take TWG Tea. When I found out I was shocked that it is local, but I am still willing to pay for my TWG high tea.”—CM06</p> <p>“<i>Aiyah</i> (local slang to express dismay or exasperation), if the management sucks, how can the company grow? They cannot even last in Singapore how to go global. Who cares whether it is</p>	<p>Having a strong management team or good strategic planners is key not just to garnering support from local consumers but also for a business to expand and go international. With this in mind, the name of the company is second to having a good brand name, regardless of whether it sounds local or foreign. This is moot if there is no strategy in place for how the local business can expand both locally and globally. In fact, some consumers interviewed agreed with CM06 about their willingness to pay higher prices for local brands that project that they are premium and high quality.</p>

Does Local Brand Bias Exist?

Findings	Example quotation	Managerial/theoretical/practical implication
	an <i>Angmoh</i> (local slang for Caucasian) name or local name? No strategy, no (don't) talk."—CM21	
Singaporean consumer respondents perceived businesses as lacked confidence if they used a 'foreign sounding name'	<p>"Local companies should be confident enough to use local-sounding names if they so wish and not feel ashamed."-CF15</p> <p>"Why is there no pride in having a local brand name? This just perpetuates the notion that foreign is better. We should be proud of our heritage and identity."—CF16</p>	<p>It was suggested that local businesses utilise a 'foreign-sounding name' if they are concerned that customers will not buy from a local brand.</p> <p>Some suggested that if the product is of premium quality, they should not feel ashamed in buying local brands and instead be proud of supporting local.</p>
<p>The local businesses shared similar sentiments in feeling that their uniqueness rather than brand names made them stand out.</p> <p>Some felt that Singaporeans' lack of cultural knowledge was to blame.</p> <p>Some felt that they lacked a champion to promote and believe in local talent.</p>	<p>"... should Singaporeans feel deceived then it is our responsibility for not educating them enough about the history and culture of <i>batik</i> apparels."— B1</p> <p>"We do not face this issue (being perceived as foreign) as we have positioned our brand as a local company from day 1."—B3</p> <p>"Anyone that knows my brand or who knows me knows that I am all about promoting Singaporean literature. We just don't have a champion that's all."—B5</p>	<p>The local businesses interviewed felt that they did not need to have foreign-sounding names to stand out. They believed that their brands stood out because of quality and good practice. Although these brands (except for one) were not mentioned by the consumers when they were asked to name local brands for one of the interview questions, many were aware of 45 per cent of the brands when asked about them or at least recognised the names of some of the products mentioned.</p>

It is further suggested that consumers do frequently feel cheated or that the brand is being dishonest when they find out that the brand that they have been supporting ends up being local. This is especially the case when they feel that they are paying premium but end up getting just average quality. To a certain extent, because the brand sounded premium or foreign, some shared the feeling that they were paying extra because of that so they were to a certain extent agreeable with the price listed. However, some consumers suggested that upon finding out otherwise, due to their feeling that they were deceived into thinking that they were paying premium for something that was inherently local, they then expect an even better quality product as they subconsciously feel that it will compensate their feelings of upset of being cheated.

During the interviews with the local marketers, they too suggested that when businesses utilise 'foreign' sounding brand names (for example, 'Benjamin Barker') it might demonstrate a subconscious feeling of insecurity or lack of pride. One marketer suggested that if the products were of premium quality, then the owner could have gone the route like that of Jimmy Choo, a Malaysian-born designer whose shoes are even coveted by Hollywood celebrities willing to pay top dollar for his designs. Mr Choo's brand name is his own name and there are various products ranging from shoes to perfumes with his name on it and he has become an extremely successful brand who kept to his roots. He was confident that he could produce premium or luxury quality products and was therefore willing to put his own name as the brand.

5.2.4 RQ4: How can local or locally based marketers, local businesses, and local entrepreneurs entice Singaporeans to support and buy local products by tapping on consumer ethnocentric appeal?

Understanding how Singaporeans feel in terms of consumer ethnocentrism towards local brands or products will help local businesses decipher the best ways to entice Singaporeans to support local. In spite of the influx of overseas brands and products, consumer ethnocentrism remains an important topic in terms of consumer behaviour. Consumer ethnocentrism refers to how consumers perceive buying foreign brands as hurting local economy and employment as well as being immoral (Klein J, 2002; Huddleston, Good, & Stoel, 2001; Shimp & Shin, 1995). During the interviews, there were more female consumers who felt a sense of pride in supporting local brands versus the male consumers. As depicted in Figure 4.21, this suggests that consumer ethnocentrism is stronger among the female consumers. Some 71.4 per cent more females than males felt more pride in buying local brands; in terms of supporting their fellow Singaporeans, 63.6 per cent more females voted positively versus the males; and 66.7 per cent more females than males wanted to support local businesses so that they can help Singapore's economy. Given these findings, if local businesses wanted to utilise the consumer ethnocentric approach to gain more traction among Singaporean consumers, they should consider focussing more attention on the female consumers as consumer ethnocentrism appeals more to them. These findings also suggest that female consumers perceive local products of being of equal or better quality in comparison to foreign products if they are willing to buy local as consumers who have high consumer ethnocentric feelings tend to treat foreign goods as being of poorer quality (Sharma, 1995; Shimp & Shin, 1995).

It is, however, important to note that there might be a perception from those with high consumer ethnocentric feelings on the quality of the local products as they may overestimate its worth or quality and state that those local products are of better quality than they actually are just because they feel more patriotic and want to support their local brands (Sharma, 1995). It is also suggested that there is a high probability that consumers with high consumer ethnocentric feelings also have a high inclination to pay attention on the country of origin effect and could possibly look for products that are from countries with similar culture if the local products are out of stock for example (Knight & Calantone, 1999; Lu & Xu, 2015).

Table 5.4 shows some findings that are aligned with the research questions four which is: How can local or locally based marketers, local businesses, and local entrepreneurs entice Singaporeans to support and buy local products by tapping on consumer ethnocentric appeal?

**Table 5.4 Summary of findings on RQ4—how local or locally based marketers, businesses and entrepreneurs entice Singaporeans to support and buy local products by tapping into consumer ethnocentric appeal**

Findings	Example quotation	Managerial/theoretical/practical implication
<p>More female consumers appear to be more receptive to supporting local businesses in comparison to the male consumers.</p>	<p>“I guess supporting the local businesses make me feel like I’m helping a fellow Singaporean plus it’s not very easy to make it big in Singapore.”—CF01</p> <p>“(I feel like I am) helping fellow Singaporeans and encouraging home-grown talent”—CF02</p> <p>“I know (that) I am supporting (the) local economy and the families behind the businesses.”—CF06</p> <p>“Just that good feeling of helping the economy and that I am allowing local brands to prosper.”—CF12</p>	<p>Many female consumers and a few male consumers shared similar sentiments to those of CF02 and CF12.</p> <p>This may be useful for local business owners and marketers to note. Future research could find out in greater depth why female consumers tend to be more pro-local brands and products than male consumers.</p>
<p>More (47.6 per cent) male consumers shared that they felt little to no benefits when it came to supporting local businesses. Only one female consumer felt this way too. Ten male consumers (CM02, CM03, CM06, CM08, CM10, CM13, CM14, CM15, CM20, and CM21) out of 21 male consumers felt this way.</p>	<p>“To be honest, I don’t really feel anything. I guess some may say that they feel a sense of pride supporting their fellow countrymen ... but I don’t identify with that. In fact, I sometimes get annoyed with brands that tout too much about being local – it feels like it is a poor reason why the cost of the product is higher, though I know it’s most likely because production costs are higher with a smaller volume in a smaller market.”—CF03</p> <p>“Just give me more bang for my buck. I don’t care where you’re from.”—CM21</p>	<p>The male consumers’ focus was on getting the best quality goods for the best price. They did not bother about whether it was locally produced or foreign produced. If it met their needs, that was all that mattered.</p> <p>This was a surprising outcome from the research and, as mentioned above, future research could find out why male consumers feel this way.</p>
<p>Singapore is known for high-quality products. However, they have yet to reach the quality levels of Japan or Korea.</p>	<p>“Mostly good quality compared to foreign brands.”—CM03</p> <p>“Safety and quality assurance with buying local.”—CF04</p> <p>“Pretty decent quality, but mostly s**t service. Improve and you win me over.”—CM20</p>	<p>More often than not, Singaporean products have a high level of quality, as highlighted by a majority of both female and male consumers. However, their main complaint was that local customer service levels are subpar.</p>

In Figure 4.21, more female consumers were supportive than male consumers of the local brands. A key finding suggests that consumer ethnocentrism might resonate more with the female consumers than with the male consumers. As highlighted above, a majority of the male consumers reported that they tend to want the item to serve its purpose regardless of which country the item is from, whereas the female consumers feel more pride than the males when they find out that the brand is produced by a local company. The males who did not mind where the product came from were from different age groups, educational levels, and income levels. In fact, they were more or less equally distributed within each. The lone female was in her early 20s and yet shared similar opinions to that of males ranging from the age of mid 30s to early 60s. The business owners indicated that product features like “quality” and “authenticity” were critical when they were interviewed (chapter four); however, one business owner highlighted that Singaporean consumers can be rather demanding. Though many business owners might claim that the Singaporean consumers, be it male or female, are difficult to win over and are demanding, it is rather interesting that local brands like the Banyan Tree, TWG Tea, and Singapore Airlines have become not only household luxury brand names but global luxury brand names. If the local businesses wish to garner support from Singaporean consumers, it is obvious that they will need to work harder at convincing Singaporean consumers that their products are truly of high quality. This will further justify the need for slightly higher prices, as one of the consumers rightly mentioned - Singapore is a small (and dense) market.

### 5.3 Theoretical relationship between the findings and the literature that answer RQ6: does local brand bias exist in Singapore?

In order to substantially consider the question of whether local brand bias exists in Singapore, the researcher has to decipher the implications from the findings into three sections: one section that confirms existing literature, another section that extends the existing literature and, finally, a third section **that adds** new contributions to the literature.

#### 5.3.1 Implications from the Findings that Confirm the Existing Literature

Consumer ethnocentrism is closely linked to Shimp's work and the CETSCALE study (Shimp & Sharma, 1987), which was part of the basis for this researcher's research to measure the levels of consumer patriotism and ethnocentrism. There have been studies around the world that have either used the CETSCALE in full or tweaked it slightly both in Western and Eastern cultures, but this has not as yet been done in Singapore. The various international studies have also further elaborated on the CETSCALE studies including that of Netemeyer and Lichtenstein (1991). In contrast to the available research on consumer behaviour that most of the studies focus on, this researcher has focussed on the three affected groups instead, namely, consumers, marketers, and businesses. Consumer ethnocentrism also tends to be influenced by demographic factors (as highlighted in chapter two) and the research suggests that that these factors have some level of influence on the local consumers buying local products.

The research suggests that some Singaporeans' desire to purchase luxury goods is because of the pride of using (or 'showing off') the goods in public. This is otherwise known as conspicuous consumption (Piron, 2000). The research confirms the existing literature pertaining to conspicuous consumption that suggests that in many Asian countries consumers are motivated by social standing rather than economic standing when they make their purchases (Nicosia, 1968; Mason 1981; Piron, 2000). As highlighted in chapter two, the downside is that conspicuous consumption can negatively affect consumer ethnocentrism especially if the foreign products have a luxury, social status associated with them. This means that while consumer ethnocentrism makes locals feel unpatrotic if they do not support local, those wishing to flaunt their (perceived) higher social status will still buy higher end luxury imports as that egotistical need is greater (Ger, Belk, & Lascu, 1993). This also suggests that should Singaporean brands be targeting the middle class in developed countries like Singapore, where status is a critical signifier (Ryu, 2015), Singaporean brands should market themselves as a more premium product. For example, with TWG tea, the interviewees still agreed that they were willing to pay for the higher end tea brand even upon finding out that they were local. They felt similarly about supporting Singapore Airlines whose airline tickets tend to be more expensive than other airline brands. By packaging themselves as premium brands, Singaporeans felt a sense of pride in buying these luxury local brands as they felt that they could stand out from the majority; hence, it was not so much that the brands were local brands but more that the brands presented themselves in a more premium, higher class manner and gave consumers a sense of pride in buying or supporting those brands. (Mason, 1981;

Ryu, 2015). However, this goes against consumer ethnocentrism and the country of origin effect which will be further elaborated on in section 5.3.3 as it presents a gap in the literature for the above stated factors.

The research also suggests that consumer ethnocentrism does exist but only selectively in Singapore. A group of Singaporeans take pride in buying and supporting local; however, it occurs in some industries and not necessarily across the board. This finding shows some compatibility in the assumption that local brand bias does exist since there are a number of consumers who appear to have a preference for foreign brands. However, when local brand bias does not exist, it will be widely supported by many Singaporeans and there is an instilled sense of pride; hence the presence of consumer ethnocentrism in a developed country does exist. The research suggests that there are Singaporean female and male consumers across the various ages and income levels who have higher levels of consumer ethnocentrism for certain products; for example, there are many who have favourable perceptions when it comes to buying and supporting local food brands. A high brand recall for various local food brands and more positive responses were noted, indicating that many consumers were proud to buy and support local; hence there is positive confirmation of consumer ethnocentrism and the country of origin effect. Another industry that showed higher consumer ethnocentrism and country of origin effect is that of banking and finance. Again, there was relatively high brand recall for this industry and a sense of pride emitted from the interviewees when they provided answers to the questions. A few of them also highlighted at different stages how they felt a sense of pride in how local banks DBS and POSB won numerous accolades in the finance industry both local and

worldwide. Consumers that are high in consumer ethnocentrism also tend to have a more positive correlation with the country of origin effect in some developed countries.

### 5.3.2 Implications from the findings that extend the existing literature

Singapore is deemed to be a developed country in this research. However, there are some aspects of Singapore that still go against the norm of what a developed country might be and hence, as mentioned many times, it makes for an interesting case study. Singapore's culture is similar to a certain extent to many other parts of Asia in the sense of having the need to showcase one's social status (Chan, Chen, Wang, & Zheng, 2000; Nielsen, 2016). The cultural need to 'have face' in order to display one's social standing is closely linked to conspicuous consumption; however, the research shows that this is a quality of developing countries and not developed ones. The research suggests that there are Singaporean consumers who fall into this category and they would rather pay more money for a supposedly better quality item because the brand is better known in comparison to getting an item that can fulfil the same need but may not be a known brand. The research also suggests that the conspicuous consumption among the consumers is quite strong in Singapore and this can also be affirmed by the observations carried out by the researcher who noted the many higher end branded vehicles in government housing (otherwise known as HDB flats – housing development board flats) versus regular vehicles. It is also common knowledge in Singapore culture that a number of Singaporeans would rather own expensive cars than to have better houses so as to flaunt their perceived social status. The research has also suggested that many consumers stated that would not mind paying more money if the local

businesses made their products more premium or exclusive. The idea of exclusivity enhances the need to buy the item and would work well with Singaporeans and hence fulfill not just the consumer ethnocentrism aspect but also conspicuous consumption.

The country of origin effect and consumer ethnocentrism does exist in Singapore for the local brands that manage to make the human connection with the Singaporean consumer as that tends to leave a lasting impression and make the products or services feel more relatable to them. Local food brands tend to have it easier in comparison to the other industries as Singaporeans do not merely love their food but are in fact rather obsessed with their local food. Anything that manages to either give Singaporeans a sense of nostalgia or are heritage related strikes a chord with most Singaporeans hence, they are likely to support the brand. If the country of origin effect and consumer ethnocentrism are to be effective, the local businesses need to ensure that they create a holistic experience for their consumers and touch on local culture so as to motivate them to part with their money and be willing to support local.

### 5.3.3 Implications from the findings that add new contributions to the literature

A key finding is that although Singapore is seen as a developed country (as mentioned in chapter two), these findings ought to reflect a larger and more diverse number of Singaporean consumers who should be proud of supporting and buying local brands; however, this does not seem to be the case. Firstly, when they were presented a scenario with a local and a foreign product that they wished to buy with similar price points and asked which would they pick, only 10 per cent of each interviewee group opted for the local brand product. In another question, the Singaporean consumers

were asked about the benefits they felt when they support or buy local products and 47.6 per cent of local male consumers felt no emotions or pride should the product be a local product. Some of the female consumers too felt no sense of local pride upon finding out that a product that they purchased was a Singaporean brand. This finding, as well as the earlier findings about only a handful of the Singaporean consumers interviewed want to support local or feel any sense of local pride, goes against what consumer ethnocentrism is all about. Since consumer ethnocentrism happens when consumers may feel that it is not right to buy foreign products as they are not supporting local products (Shimp & Shin, 1995) and developed countries usually have high consumer ethnocentrism as well as a country of origin effect, then Singapore seems to be going against the norm; in other words, Singapore makes for an interesting case study. Low ethnocentric consumers tend to be less bothered about the product's country of origin let alone feeling immoral should they purchase foreign products, while some others, as shown in chapter four, had no preference or felt nothing when making their product choice as they did not bother about whether the product was local or foreign as long as it fulfilled their needs and was of good quality. When consumer ethnocentrism is high, the country of origin effect is even more important as these consumers will pay attention to it. Since most of the male consumers were not bothered either by the country of origin or felt any consumer ethnocentric feelings towards their purchases, this results in much less favourable perceptions of the products as these consumers felt more of an urgency to satisfy their need versus any moral obligation to support their fellow countryman as they paid no

attention to any intrinsic or extrinsic cues (Acharya & Elliott, 2003; Huddleston, Good, & Stoel, 2001).

The research has suggested that local brand bias does exist to a certain extent in Singapore; however, the reasons why it exists may not be what the local businesses or marketers seem to assume them to be. Ultimately, there is some leeway to change the minds of those who tend to be indifferent and convince them to consider local before any other brands. The research also suggests that there are some Singaporean consumers who may have higher levels of consumer ethnocentrism when it comes to local products that are perceived to be of a higher or more premium quality. In the 'top of mind recall' exercise, even upon finding out that TWG tea which costs about SG\$25 for 15 tea bags is a local brand, more than half the Singaporean consumers that the researcher interviewed said that they still did not mind paying this higher price, as they believed that they were paying for premium quality products. This might suggest that Singaporeans' consumer ethnocentrism exists only when they deem the products to be of premium quality and are equivalent to being seen as something that is more acceptable to the higher social class. Based on the researcher's observations as well as articles circulating online in the media and blogs, one of the common traits is that most of the average Singaporeans have a favourable penchant for luxury goods and there are many who own luxury cars like Mercedes or Audi but live in government housing development board (HDB) flats (Chiou, 2015; De Silva, 2018; Hio, 2015). It is culturally known that many Singaporeans are more 'car proud' than 'house proud'. Many Singaporeans would rather show off their expensive convertibles on the road than to live in a more comfortable house as it is a matter of having 'face' versus being

seen as having of a lower social status. Hence, it shows how Singaporeans' conspicuous consumption behaviours can negatively impact local brands as a majority of local brands tend to be deemed as being more mass market than that of premium or luxury brands (Piron, 2000). As highlighted in the literature (chapter two), in Asian countries, especially Indonesia, Malaysia, and Singapore, luxury goods are purchased by the consumers in order to show off their social standing (Nicosia, 1968; Mason, 1981). Although Singapore is perceived as being a developed country, there is still a difference within the social standings and many Singaporeans prefer to be seen or identified as part of the upper-middle and above social classes (Ryu, 2015). This may explain why if a local brand is deemed as being of a premium value and purchased by those of higher social class status, brand bias will be less likely as there will be more support as it will deem those consumers as being of a different class from the masses. Since Singaporeans want to be seen as being of that higher social class, they will be willing to pay the S\$25 for the 15 TWG Tea bags instead of buying a box of 100 Lipton teabags at about S\$6.70 from the local supermarket.

The research also suggests that female Singaporean consumers tend to have a stronger sense of consumer ethnocentrism and national pride in comparison to the male Singaporean consumers. The research additionally shows that more female Singaporean consumers would make the effort to check whether the item that they are buying is a local brand or not. In fact, quite a few male consumers did not even bother about the brand being local or not and felt neither feelings of consumer ethnocentrism nor feelings of conspicuous consumption as all they wanted was an item that fulfilled the needs that they had at the point. If it happened to be a local

brand, so be it, as it had little to no relevance to them. Hence, in the research carried out in the literature review, gender was not referred to, which makes for an interesting addition to the literature to date and can be further researched in the future as well.

#### 5.4 Management and practical implications

Based on the research carried out, the researcher suggests that Singaporean business owners may want to consider creating a mindset internally to allow their employees' creative sides to be expressed. They cannot merely rely on easy tactics like creating advertisements that use *Singlish*, which "is an informal, colloquial form of English that is used in Singapore (Yeo, 2010) to drive the message home. Some of the interviewees referenced how car brand Subaru that is represented by one of the Singaporean car distributors tends to use *Singlish* in the hopes of winning over more Singaporeans. The reality is that many feel that the car brand has diminished in terms of class whenever they hear the extremely localised advertisements on the radio. To them, using *Singlish* was rather 'classless' and hence, they were turned off from buying the car. Whereas, a brand like TWG Tea that presents themselves with class and elegance, did not mislead that they were not a local brand as they presented themselves as such in newspapers. Singaporeans, upon finding out that TWG was a local brand, reacted the same way as they did with Singapore Airlines, whereby if they can afford it, they will be willing to pay for the premium brand as both the brands presented themselves with class and as higher premium brands worth their price tags. Local companies need to figure out how to strategise and decide on how they wish to place themselves in terms of whether they wish to be affordable for the masses or if they wish to be a more premium brand. They need to realise that by skirting around the issue of strategy,

product placement, price, and quality, they will be losing not just against the foreign brands but also the local brands who figure the above out. It may take them some time to work this out and to appropriate funding; however, the results will be that of bigger profits, better brand positioning, and loyal consumers. Possible proposals on how local brands can consider improving themselves are suggested in section 5.6.

## 5.5 Proposed future research

A few possible research projects can continue this initial exploratory research study.

- 1) A case study can be developed focussing on Singapore consumers and their relationships with local businesses. This case study can draw on a larger number of face-to-face in-depth interviews by relying on a larger research team. The questions utilised in this study can be drawn on to gain an even richer understanding of Singaporean consumer behaviour around local and imported products;
- 2) A similar research study can be carried out focussing on race, gender, and age. This study can help determine who the local businesses' best target audiences are as well as determine which industries seem to be doing well in terms of gaining local consumer support and which industries need to work harder at getting local consumers to support them;
- 3) A similar research study can be undertaken but with a wider sample size using quantitative research since the initial qualitative research has already been carried out. The surveys can allow a sample of a wider group of Singaporean consumers and Singaporean owned businesses too. Combining the quantitative research with the qualitative research will provide a more in-depth view of the local brand bias situation and also provide a better

understanding of the Singapore economy and how local brand bias albeit positive or negative impacts the Singaporean consumer decision-making process;

- 4) A similar research study can be carried out in the other South-East Asian countries such as Malaysia, Indonesia, and Thailand. Although all the qualitative questions can remain, the questions pertaining to Singaporean brand images will need to be changed to match their country's local brand equivalents. These images will be aligned to those selected for Singapore so as to be a true test of their perceptions for the participants;
- 5) The same study can be carried out as per (4). However, in keeping aligned to what was carried out in this research, the researcher suggests that the interview questions for both the local or locally based marketers as well as local business owners be asked as well. This will give a more holistic comparison not just within the countries but across countries too;
- 6) The same research questions can be asked (except for the questions with the brand images) every two years and a trend can be observed through longitudinal research over a span of six years, hence allowing for a three-year comparison. This will then show if local brand bias has increased or decreased as well as observe whether the local businesses branding has improved or worsened over the years. The sample may or may not necessarily include the same participants but they have an option to participate again if they so wish, and given the fact that the researcher will not be sharing their personal data, the participants can merely decline should they be approached for future research; and
- 7) In fact, any of the above (1 to 5) can be done every two years for a pre-determined period to measure the trend of whether local brand bias has increased or decreased not just in Singapore but also within each of the South-East Asian countries. Comparisons can be

made across the countries and the learning about good practices as well as bad ones can be shared.

## 5.6 Proposed marketing ideas for marketers and businesses

There are a few possible marketing ideas that might prove to be fruitful for both local businesses and local or locally based marketers. Some of these ideas are based on the feedback provided by the interviewees when the researcher was carrying out the research.

- 1) One idea is for various Singaporean businesses within similar industries to collaborate and have special promotions not only during the period of the Great Singapore Sale which is otherwise known as 'GSS' (usually falls in June and July), or on National Day (which falls in August), but instead held regularly every quarter. They can have pop-up fairs (which works both for the bigger and smaller local businesses) in each quarter based on a theme that encompasses Singapore. Alternatively, the theme can be the same throughout the year but held in different parts of Singapore. This will help bring awareness of local brands to all Singaporeans;
- 2) Many of the Singaporeans that were interviewed for this research highlighted that they felt that many local businesses produced low quality products. The local business owners in turn countered this. The researcher suggests that there be a longer money back guarantee period on the more expensive products purchased. If the local business owners were confident about the quality of their products, they would not be afraid of having a longer warranty period. This gives Singaporean consumers a higher level of trust and

once there is buy-in from the local consumers, there is a higher chance that they will be return customers too;

- 3) More than 50 per cent of the Singaporean consumer interviewees as well as the marketers highlighted the importance of customer experience and the need for many local businesses to do more to improve their customer service levels. Only a handful of interviewees mentioned the price as being a differentiation factor in comparison to customer service or customer experience. Singaporean consumers may be deemed as being rather demanding; however, good customer service is something sorely lacking in Singapore too (Tay, 2018; Hicks, 2016). More customer facing employees should be sent for customer service training as a means of improving customer service levels. It would be beneficial for the local businesses to have in-house training so that all customer-facing employees will have aligned levels of service. This may also be a way for Singaporean businesses to stand out from their other local or foreign competitors too. Taiwanese restaurant Din Tai Fung is an excellent example where customer service levels are the same, regardless of their location anywhere in the world. The owner of the business and the managerial team maintain high levels of quality assurance and undertake frequent quality checks. This brings the researcher to the next suggestion;
- 4) Local business owners should do 'mystery shopper checks' (like an 'undercover boss') or pay for someone to do it so as to ensure that customer service levels are consistent at all times. Since quality and service levels are the key reasons as to why local consumers are not supporting more local businesses, local business owners really should look into this seriously, and mystery shopper checks would be a good way for them to do so. Making the shopping experience one that is fun and seamless will be an excellent way to stand

out from the other local and foreign competitors. Then, the prices that are charged will be negligible in comparison to the experience that the local consumers have;

- 5) Local business owners as well as their marketing and sales teams need to focus on how their brand is being perceived. Brand perception is very important as it relates to how the consumers in general perceive any business brand, local or otherwise. Brand perception is different from the business' brand identity as the latter deals with the business image that they want to develop whereas the former deals with the image that the consumers have now (Aaker & Joachimsthaler, 2002; Engel, Blackwell, & Miniard, 1995). This means that the local business owners together with their marketing and sales teams should start discussing their product quality or service quality as this is something that local consumers are adamant about. If their quality improves, their value will increase in terms of worth as local consumers will be more willing to part with their money if they deem the products to be of good quality. The interviewees also highlighted that they found many businesses to have products that lack visual appeal. So, local business owners might want to consider investing some money in professionally developing their brand image to appeal to their consumers' preferences;
- 6) Most local businesses will not be able to invest like the way TWG did when creating their premium image so those who are not able to part with the funds yet might want to consider what their strengths are in comparison to their competitors. Once they have done that, those strengths partnered with personalised service and building a strong, trustworthy relationship with their customers will gain them a more loyal, regular customer base that will be their key to their success. Location is another factor to consider; however, unfortunately for many Singaporean businesses, high rentals usually

folds the business. Being smart about where the business plans to open their next business outlet for example, means that they need to consider if they are able to make the large monetary commitment. Wanting to open another outlet at a particular mall that is highly competitive will either result in them having healthy competition or end up bankrupting the business;

- 7) Ensure that all local media knows about the business' products and services. Either employ a public relations team (there are many boutique public relations firms that work with smaller local companies) or ensure that someone in the business team is able to obtain media contacts and offer them an invite to the product launches or send them creative sample kits. This will get the media buzzing about the new product and feature it in their product reviews pages or even consider interviewing the business owner to find out more. Consider sending the invites or product sample kits to the right social media influencers too as this might convince them to promote the products or services on their personal social media platforms where they may have many followers. Alternatively, if having a launch party or sending creative sample kits to all these parties ends up being too costly, then send out information to all parties and then proceed to follow up with those who state their interest. Upon their agreeing to a review, interview, or feature, then proceed to send them the creative sample product pack. This will still cost much less than putting out a full-page advertisement in the local newspaper *The Straits Times*. Also, a larger percentage of consumers tend to believe product reviews (online or in print) more than advertisements (Hinckley, 2015) so this is a better direction to build up one's brand name;

8) Finally, localising your products or services does not mean that you need to use *Singlish* to make it appealing. This is a big mistake that many local businesses tend to make as they assume that if they use a local *Singlish* term, it will result in an increase in the appeal of the products. Based on the research carried out, a number of the interviewees felt that it made the product less classy and turned them off buying it. One can localise the products by using heritage or nostalgic designs in creative ways. An example is that of the *Ang Ku Kueh girl* (Figure 5.2), who is the symbol used on various merchandise and is very popular, beloved character in Singapore. It started with this character and now the designer has come up with various other cute characters that are made up of favourite local foods. The range covers books to accessories and can be rather pricey. Many Singaporeans pick them up as the characters' varied merchandise are adorable yet representative of Singapore. Local businesses can take a page out of their book as the team was creative and yet knew how to tug on Singaporeans' heartstrings that led to them emptying their pockets.

**Figure 5.2 Ang Ku Kueh Girl**



### Meet Ang Ku Kueh Girl

Ang Ku Kueh Girl has a tendency to compare herself with others until, one day, she learns that a thankful heart is the only true source of happiness and beauty. She is now thankful for every beautiful thing in her sweet life.

Inspired by an Asian pastry - ang ku kueh (红龟粿), Ang Ku Kueh Girl symbolises blessings for good luck and longevity, just like this traditional sweet snack.

[READ MORE >](#)

Note: Ang Ku Kueh Girl is a popular Singaporean icon.

## 5.7 Summary

The findings from this research should not be a real surprise as local bias is bound to exist in any country, especially one like Singapore. What is interesting is that there are many opportunities for local businesses to take advantage of, especially when it comes to the goods or services that Singaporeans are still indifferent about. Based on the research, some Singaporean consumers are against local brands and hence have a bias AGAINST them, some are biased TOWARDS local brands, and quite a number appear to be INDIFFERENT as long as the price is right. Although Singapore is a developed country, its Asian roots still seep through its melting pot culture. What is interesting in this research is the fact that a higher number than the researcher had initially anticipated had indicated they were willing to give local brands a chance, especially if ways are found to elevate their brands to that of Singapore Airlines or TWG. Global economies are now becoming more interconnected and consumers are even more exposed to foreign brands and have a wider range to choose from at competitive prices. It is suggested that since it now takes less time for items to be shipped from overseas and Singaporean consumers are able to use various distribution channels to purchase goods that they desire, the preference for foreign goods over local goods is likely to escalate. Despite this concerning finding for local brands, Singaporean consumers still appreciate local food brands, heritage brands, finance and banking services, and even some fashion forward brands. Ultimately, this does not mean that local businesses can relax and not find ways to remain competitive; they do however need to understand how to compete effectively by better understanding their consumers' behaviours, tastes, and needs. Most importantly, they need to remember

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that having a foreign name for a local product requires a good reason or backstory otherwise it will backfire and annoy consumers, as the research shows. Regardless of where the products come from, businesses that best understand their consumers will be most effective at winning over not just their hearts and loyalty, but also their Singapore dollar.

Does local brand bias exist in Singapore? Sadie-Jane Alexis Nunis U3149824

## 6. Conclusion

The thesis investigated whether local brand bias exists in Singapore on a much more in-depth level than what is currently available in the literature today. There is limited literature on the topic that has Singapore as a focus. Most country of origin, ethnocentrism, or conspicuous consumption literature has focussed more on other bigger Asian or Western countries. In contrast, this thesis explores this topic from a 360-degree view by seeking feedback from the Singaporean consumers, Singaporean business owners, and Singaporean marketers' standpoints in order to derive more holistic views. The thesis also explores the influence of culture on consumer behaviour within Singapore, a country that has some unexpected features. Despite being considered a developed country, the country still maintains some cultural traits that are similar to its fellow Asian neighbours even though they are developing countries. Through the research, the researcher has confirmed that to a certain extent local bias against local products does exist but this does not influence general consumer behaviour. In fact, although local businesses tend to perceive that local brand biasness exists, many were unable or maybe unwilling to spend the time, effort, or money to delve deeper into finding out why it exists; however, they are now able to discover some of the reasons through this research. With greater understanding of the impact of country of origin effect, conspicuous consumption, and consumer ethnocentrism in a developed Asian country, this research will be valuable to not only researchers but also local businesses and marketing professionals.

## 6.1 Knowledge and practical contribution summary

To recap what was discussed in the literature chapter (chapter two), findings chapter (chapter four), and the discussion chapter (chapter five), the thesis discusses in great depth the research problem; that is 'does local brand bias exist in Singapore and what can local businesses and/or marketers do to increase the popularity of the Singaporean brands image by leveraging on the country of origin effect and consumer ethnocentrism as well as better understand how the effects of conspicuous consumption work in Singapore?' The significant difference is that this thesis investigated not only what the average consumer decision-making styles are like and how the average Singaporean consumer reacts to the country of origin effect but also why and how Singaporeans react the way they do when they find out that the foreign sounding brand names are actually local brands. In addition, from a practical perspective, this thesis proposes various strategies for local marketers, business owners, and entrepreneurs to better identify their potential local target markets and suggests how they can entice Singaporeans to support and buy local by tapping on their ethnocentric appeal. Since everything in life is multi-faceted and this also includes how the average Singaporean consumers make purchases, the researcher also interviewed local business owners and local marketers to gain a more holistic angle while discussing the thesis topic.

The need to best understand and know how to appeal to one's target audience has been reinforced through the findings of this study. Singapore has a strong offering of brands in a variety of product categories; however many of these brands remain unknown to foreigners as well as locals alike as many Singaporean businesses do not

have good strategic branding and marketing plans in place. It may be partly due to the time and effort needed to make and implement these plans which many smaller businesses especially do not have, or it may be due to these businesses having a misconception as to what marketing and branding truly is. More importantly, there seems to be a perceived lack of support from the Singapore government to promote these brands, especially small-and medium-sized enterprise brands, locally, regionally, and even globally if they are good enough. Some consumers demonstrate brand affinity and a great degree of care regarding country of origin of the product. Their levels of consumer ethnocentrism may be high, with a preference toward local products, while others, with low consumer ethnocentrism, prefer to buy imported products because it is deemed to 'signal' quality. A third segment of consumers is content to purchase a product that fulfils their needs, with no interest in where the product comes from. For example, 'A' is thirsty. 'A' might possibly be someone who will purposely look out for a Toast Box outlet as he enjoys his local cup of coffee and prefers to support local (high consumer ethnocentrism). Alternatively, 'A' might just head to the nearest shop and buy whatever is available to quench his thirst (just wants to fulfil his need and is not bothered about the country of origin). Another possibility is that 'A' might want to treat himself and head to his nearest locally owned but internationally famous TWG tea café for a nice cup of albeit pricey tea to treat himself after a bad day at work. 'A' might even just head over to Starbucks for his favourite Frappuccino. Just with this example of 'A', there are so many possibilities. The researcher is not suggesting that it is easy to figure out Singaporean consumers – in fact, the marketers and local business owners stated that Singaporean consumers

could be hard to attract; however, ways to encourage national pride in products needs to be effectively understood to be efficiently maximised.

This thesis had overall objectives that contribute to both theory and practice. Theoretically, the objective was to provide further understanding to the academic literature regarding country of origin effect, consumer ethnocentrism, and conspicuous consumption as well as to add to the knowledge of consumer behaviour in Singapore. From a practical perspective, it was important to provide implications for local businesses and locally based marketers to support them to develop new ways and strategies instead of following what they have been previously doing to attract and retain customers. Marketers (local or otherwise) in any industry have to find new ways to ensure that they can identify what appeals to their target consumers and then motivate those same consumers to support their brand, ultimately making it part of their lifestyle. Through the data collected and implications provided, the researcher anticipates this information can be used to assist local businesses, especially the smaller local businesses that have good products but may not have the budget or the right know-how to find out what their target markets are looking for or how to get those said local target markets on board to become long term and loyal customers, which is the dream and aspiration of any start-up company, big or small.

## 6.2 Summary brief of recommendations

To summarise, the thesis has proposed some recommendations based on the possible consumer types that both local marketers and local businesses alike could refer to pertaining to three key areas: those who will buy local products in order to support

local as there is a sense of nationalistic pride; those who would buy whatever is available, is the cheapest, or just to fulfil a need and are not particular about whether it is a local brand or not; and, finally, those who are particular about buying foreign brands due to lack of trust in their local brand or because they want to be deemed as being of a higher societal standing and hence avoid local. The suggestions and feedback provided can be considered to help businesses or marketers to overcome or work with the aforementioned groups.

### 6.3 Closing thoughts

The findings of this thesis will not only benefit Singaporean consumers and businesses, but the implications from this research can be integrated more broadly on a local and possibly social scale. As suggested in chapter two, the aspect of *kiasuism* (a Singaporean-English slang which translates to “governed by self-interest, typically manifesting as a selfish, grasping attitude arising from a fear of missing out on something”) (Lee, 2015) could be part of the reason why local businesses are not getting as much of an advantage in comparison to other brands. If local businesses can market themselves in a way that triggers the fear of missing out (more commonly known as FOMO) through the marketing of their products, there might be an increase in the number of Singaporeans knowing about their brand and wanting to be seen carrying or using their products. Anyone who buys something from TWG Tea or Awfully Chocolate feel that they have purchased something of premium value and are happy to show-off their branded paper bags that carry the pricey, treasured items. The researcher even knows of many Singaporeans that use ‘branded’ paper bags to carry their items from another lesser-known brand store, just so that they can be

perceived as being of a higher social class. Singaporean businesses must be creative and savvy in their brand positioning to attract local and international consumers by being the 'must have' brand to consume, wear, or display.

As a qualitative research study, this thesis shows how an understanding of the theories about consumer ethnocentrism, the country of origin effect, and conspicuous consumption factors can help local businesses and marketers. The suggestions and opinions from the various interviewees can lead both local businesses and marketers to make considerable improvements in their marketing practices. The feedback from the research and practical implications provided in this thesis will also provide local business owners and marketers with possibilities to achieve a greater understanding of local social practices that can then lead them to better understand how their local consumers think. Armed with that knowledge, local businesses and local marketers can rethink how they can either rebrand themselves or brand future products, hence enhancing outcomes not just for themselves but for the local economy as well. Local businesses need to understand how important it is to brand themselves effectively and if it is going to cost them a lot of money to get this right, they should see it not as a waste of money but as an investment that will reap rewards at a later date.

Marketing professionals will understand the inherent need to be strategic, especially when it comes to dealing with their consumer target markets and strategising on how to get people to understand why or how they need to change their tastes or habits. Marketing professionals need to ensure that they have sufficient information to know how we want to implement these changes in consumer behaviour, especially to

increase consumer ethnocentrism and national pride among Singaporeans. Hence, local marketers need to ensure that they enter the market place armed with a clear sense of how to use consumer ethnocentrism to their advantage and to be clear about what the advantages are when it comes to supporting local. They need to help local businesses that have potential to become premium brands, so that as local marketers they do not just help the local businesses but as highlighted earlier, the Singapore economy as well.

One of the key implications of this research study is that of better understanding society's feelings towards local brands and why most Singaporeans are willing or unwilling to support local. There tends to be a lack of tolerance for failure as well as strong criticism here in Singapore that leads to a limitation on how far brands can be creative or innovative. General feedback provided from Singaporean designers, marketers, and business owners from various industries suggested that many business owners, especially the more traditional ones tend to lessen creativity and innovation. In fact, many felt that creativity tends to be hindered as most Singaporeans do not like to fail and do not want to be perceived as failures should their innovation fail or their creative designs be mocked. As mentioned earlier, losing 'face' or one's status and reputation is a big concern in Asia, especially in countries like Korea, Japan and Singapore. Quite a number of Singaporeans (similar to Koreans and Japanese) are not able to handle that pressure of failure well. The reality is that for local and foreign businesses, the target market is not only in Singapore, but also in the rest of the region or even the world especially since globalisation is becoming more diluted as the Internet is bringing everyone and everything closer together. Singaporean companies

have as much of an opportunity in the global market as every other company when it comes to gaining more local and foreign customers. It is important for these organisations to ensure that they do not rush into churning out new products but instead, plan strategically on how to appeal to not only their local target audience but also strategise on how to gain the attention of their potential global market. Ultimately, as long as all businesses, local or otherwise, deliver quality as promised and, if possible, are innovative in their offerings too, they can price themselves competitively not just against local prices but even against their potential international competitors. Although during the research, many businesses mentioned 'heritage' and 'nostalgia', they do not feel that those factors truly matter all the time. The researcher believes that consumers, local and foreign, want quality and honesty when it comes to business offerings. If either of those fail, they will lose not just one customer but, with word of mouth and how quickly everything spreads on social media, they will lose many more customers overnight.

Another plus point that many businesses can consider is playing up their interesting business start-up stories, if there are any, or any unique product creation stories too as this can make them more interesting and appealing to consumers who like to support brands that have stories. Some businesses manage to create their brand stories while infusing local flavours into their branding of products too. Take Starbucks for example. They started in Seattle, grew within Seattle, expanded around the United States of America and now, they have numerous outlets throughout the world. Why Starbucks continues to do well globally is that they do not just promote their own flavours but they do their best to infuse local themes; hence, they can target local

customers as well. If you step into any Starbucks outlets in Singapore, you are likely to find some aspect that is inherently Singaporean as there will be some nostalgic or heritage products within the store. You will be able to find, for example, their trademark teddy bears using the Starbucks barista aprons but also teddy bears that are donning the Merlion outfit or *Samsui* women (Lee J, 2017) outfits that are recognisable easily by Singaporeans. *Samsui* women are Chinese immigrants who came to Malaya and Singapore between 1920s and 1940s to do construction and are famous for their red hats (Lee J, 2017). They have also created special limited edition Starbucks re-usable 16oz cold cups with a dome lid that have beloved Singaporean heritage icons that are instantly familiar to all Singaporeans, like the Merlion, the government flats known as HDB flats, old dragon themed playground, and so forth. These cups sold out across the country quickly and are currently selling at high prices online as well for those who missed their chance to get theirs and desperately want to get their hands on one. The researcher had to wait for the second batch of cold cups and was part of the long waiting list at one of the less popular Starbucks outlets.

The research in this thesis indicated that the food industry tends to have better standing when it comes to gaining the attention and support from local consumers, probably due to being a low involvement product. Unfortunately, it is the other industries that local marketers and businesses have more difficulty attracting the Singaporean's dollar. Despite this, other local brands have shown that they can be successful too not just locally but regionally and for some, globally. For example, luxury Singaporean hospitality brand Banyan Tree, well-known Singaporean health care brand Osim, and Singapore Airlines are all internationally renowned. Ultimately, the

researcher remains committed to wanting to reduce the bias against local product that currently exists, especially since there are still many local consumers who buy and continue to support local businesses. The researcher will also continue to look for ways to integrate and apply the theories pertaining to consumer ethnocentrism and the country of origin effect combined with effective brand management. This will help other local marketers who share the same desire to help local businesses to encourage and even integrate these factors in order to create an environment that has healthy business competition and yet, internally has created positive motivation when it comes to encouraging local consumers to be more motivated to choose local products and increase their pride in buying and supporting local, just like so many of the citizens of their fellow developed Asian countries such as Japan and Korea do.

In conclusion, this thesis explored the existence of local brand bias in Singapore. The following summarised points depicted in the Table 6.1, Table 6.2, and Table 6.3 respectively suggest that there is the existence of bias **towards** local brands, the existence of brand bias **against** local brands (albeit higher than the number towards local brands), and complete **indifference** towards whether a brand is local or not in Singapore, which is a relatively high number that has potential to move to either side of the fence. These tables suggest that local brand bias can be dependent on numerous factors and, hence, if marketers and companies alike use the information to fine-tune their brands and marketing plans, there is the high possibility that they will be able to decrease the brand bias against local brands or even convince those who may be indifferent towards where the brand originates from. Instead, they can work towards increasing the bias towards local brands hence increasing support for

local companies. As highlighted earlier, there are many ways for local businesses to optimise the research in this thesis and for researchers to further delve into this field of research.

[Table 6.1](#) summarises key points and quotations that suggest a bias **towards** local brands based on the research that was carried out for this thesis. The following quotations depicted in the table below further emphasise the expressed reasons as to why the interviewees felt the need to support local brands, which range from reasons like their pride of being a Singaporean to supporting their fellow Singaporeans. [Table 6.1](#) also indicates where these quotations can be found and refers back to the more in-depth elaboration on why such quotations were made.

[Table 6.2](#) summarises points and quotations that suggest a bias **against** local brands based on the research that was carried out for this thesis. The following quotations depicted in the table below further emphasise the expressed reasons as to why the interviewees felt the need to **not support local brands**. There are varied reasons that range from not wanting to pay the same price for a reputable local brand when the reputable foreign brand is priced the same, to their disbelief that Singapore has so many high-end brands. [Table 6.2](#) also indicates where these quotations can be found and refers back to the more in-depth elaboration on why such quotations were made.

**Table 6.1 Bias towards local brands, summary**

Quote (from interviewee) or reference	Chapter section
"Only reason for me to choose local is if it is uniquely Singaporean, otherwise I'll buy the more branded of the two or just go for the foreign brand."	4.9.2.1
"Knowing that some Singaporean products could be such high-quality brands that hold certain standards in terms of quality control, industrial standards (ISO), and knowing that a product of Singapore can produce such top-notch local goods, services, products, and talent makes me proud to be a Singaporean."	4.9.3.1
"If all local brands start to develop themselves and produce equal quality products, I will take pride in supporting local as I do not mind paying slightly higher prices for better quality."	4.9.3.1
"I support local simply because I know that I am not only supporting the local economy, but also the families behind these businesses too."	4.9.3.1
"I would be pleasantly surprised if I found out that a local company was using a foreign name as I would assume that they were using the name as a disguise. Normally, locals won't buy something that sounds local hence by using a more 'atas' (higher-end in Malay name, they have a higher chance of getting people to try their products and prove that they are good."	5.2.3
"Brand name is a representation. Singapore has many impressive brands such as Brewlander & Co, Charles & Keith, and Luzern that are distributed locally and overseas. We should support local."	5.2.3
"Why is there no pride in having a local brand name? This just perpetuates the notion that foreign is better. We should be proud of our heritage and identity."	5.2.3
"I guess supporting the local businesses make me feel like I'm helping a fellow Singaporean plus it's not very easy to make it big in Singapore."	5.2.4
"(I feel like I am) helping fellow Singaporeans and encouraging home grown talent"	5.2.4
"I know (that) I am supporting (the) local economy and the families behind the businesses."	5.2.4
"Just that good feeling of helping the economy and that I am allowing local brands to prosper."	5.2.4
"Mostly good quality compared to foreign brands."	5.2.4
"Safety and quality assurance with buying local."	5.2.4

**Table 6.2 Bias against local brands, summary**

Quote (from interviewee) or reference	Chapter Section
"If the foreign brand is popular and reputable, then I would pick the foreign brand based on its reputation and popularity because why would I want to pay for a local brand if the foreign brand is the same price?"	4.7.1
"(The) only reason for me to choose local is if it is uniquely Singaporean, otherwise I'll buy the more branded of the two or just go for the foreign brand."	4.7.1
"I really am surprised to find out that they are all Singaporean brands. I didn't think that Singapore could have such high-class brands, apart from Singapore Airlines."	4.9.2.1
"I was surprised when you told me they are Singaporean brands. Who knew that Singaporean brands could be so established?"	4.9.2.1
Singaporeans love to find ways to impress others hence they tend to go to expensive restaurants or buy luxury goods or cars that they genuinely cannot afford hence they maximise their credit cards, which then leads many to be highly indebted, and ultimately, ending up bankrupt (Poh, 2015).	5.1
"Ugh! So annoying. The fact that they use that they are a Singaporean company as a way to entice people (annoys me)"	5.2.2
"They tend to try to localise their products for example a T-shirt that has local slang on it)...."	5.2.2
"Not as innovative as global brands and generally (do) not (provide) a lot of choices "	5.2.2
"So many are mere copy cats. No creativity. *tsk*"	5.2.2
"...I feel that sometimes it's the label 'Made in Singapore' helps excuse it for being cheap or if some corners are cut during production. That shouldn't be the case."	5.2.2
"(Local businesses) lacking in good customer service (annoys me)."	5.2.2
"(The) inconsistency in service standards and quality does it for me."	5.2.2
"Poor quality, ignorant staff, and inconsistent service." *shakes head*	5.2.2
"Price does not commensurate the (true) value of their products."	5.2.2

Quote (from interviewee) or reference	Chapter Section
“The fact that they used anglicised or foreign names just to trick consumers into thinking that it is a foreign brand. Local companies should be confident enough with their products and use a more local sounding name to promote to their customers.”	5.2.3
“I think the foreign sounding brands are gonna p*ss many consumers off when they find out that they overpaid for a local brand like Benjamin Barker.”	5.2.3
“So pretentious...trying to con (local) consumers (into thinking) that (it) is foreign.”	5.2.3
“It drives me nuts when they adopt pretentious brand names for example Benjamin Barker.”	5.2.3
“Many local brands tend to be mere duplicates of other brands, especially foreign brands. They think they are subtle but they’re not.”	5.2.3

Finally, Table 6.3 summarises points and quotations that suggest an **indifference** as to whether it is a local brand or not based on the research that was carried out for this thesis. The following quotations depicted in the table below further emphasise the expressed reasons as to why the interviewees felt the **absolute indifference when it came to whether or not to support local brands**. There are varied reasons that range from their preference for the cheapest product or product that has the best bargain, buying the product that is of better quality or even supporting the brand that is more ethical, regardless of the product’s country of origin. Based on the quotations below, consumer ethnocentrism and country of origin does not necessarily apply in certain cases. Table 6.3 also indicates where these quotations can be found and refers back to the more in-depth elaboration on why such quotations were made.

**Table 6.3 Indifference as to whether or not brands are local, summary**

Quote (from interviewee) or reference	Chapter section
It has been reported that Singaporean consumers tend to focus on price more than anything else and they love a good deal (Nielsen, 2016; Report, 2019).	4.4
"Singaporean consumers look for bargains as they are bargain hunters. They tend to buy into hype and are willing to queue for hours to get the 'hot' item. They are open to getting information about products via word of mouth or visual impact and they assume that the product must be good if people are willing to queue, so they want to try it as well. Most times, Singaporean consumers know what they want and what they prefer and will look for products or services that match that."	4.4
"Singaporean consumers have always focussed on what is new in the market and they follow trends closely"	4.4
"...majority will follow trends and move on to a new brand if it is trendier or has buzz around it and they will flitter from one brand to another depending on its popularity."	4.4
"With regards to the other factors, about 16.7 per cent more male consumers were more concerned about competitive pricing in comparison to female consumers. In fact, this was the most important factor for the male consumers. "	4.4.3
'I would support the more ethical brand'	4.7.1
"It would depend on the in-store experience if I was out shopping. If I was shopping online, then it depends on whichever app or Web site is most user-friendly and helps me complete my purchase efficiently. I wouldn't blindly support local just because. However, if the brand has a strong commitment e.g. to charity causes, especially one close to my heart, I will be more inclined to supporting them."	4.7.1
"If the prices were the same, I would go for the more branded name. Why would I choose the lousy brand if it is the same price as the better brand?"	4.7.1
"I don't buy on price alone. Quality is important."	4.7.1
"It all depends on the value that I get out of the product"	4.7.1
"I will consider other factors like reputation, consumer feedback, and design, etc. I have no particular preference for whether it is a local or foreign brand."	4.7.1
"If the prices differed, I would go for the cheaper item. If the prices were the same, I would go for quality. To me it doesn't matter whether it is local or foreign	4.7.1
"Price alone is not a deciding factor—other factors like product design, features, peripheral benefits—warranty and other value-added services or features matter to me."	4.7.1
"Authenticity, values, and customer service will be the deciding factor for me, not so much the price."	4.7.1
"There shouldn't be any distinction between global and local brands because competition is global these days with the proliferation of E-commerce and digital transformation. Every brand or company should strive to be truly world class."	4.8.1
"Nowadays, with E-commerce and online platforms available, the differentiation might not be so apparent. I guess the outreach for a foreign brand is wider compared to a local brand. Honestly, I do not see any major factors that sets the foreign and local brands apart except for the possibility of the 'tastes' of the 'local flavours' embedded in products and brands."	4.8.1
The Singaporean marketing experts interviewed agreed. They felt that Singaporean consumers will also do their homework before buying a product apart from being "bargain hunters".	5.2.1
the three marketers felt that the Singaporean consumer's decision-making style was determined more by push factors like "bargains", "promotional basis or free trials", and "hype", plus they tend to	5.2.1

Does local brand bias exist in Singapore? Sadie-Jane Alexis Nunis U3149824

Quote (from interviewee) or reference	Chapter section
follow "trends", however, once the fad or hype is over, the consumers will move on to the next hot trend.	
"Singaporean consumers look for bargains as they are bargain hunters."	5.2.1
"They tend to buy into hype and are willing to queue for hours to get the 'hot' item. They are open to getting information about products via word of mouth or visual impact and they assume that the product must be good if people are willing to queue so they want to try it as well."	5.2.1
A majority of Singaporeans are (general not luxury) brand loyal as the majority will follow trends and move on to a new brand if it is trendier or has buzz around it and they will flitter from one brand to another depending on its popularity. - from thesis	5.2.1
"Take bubble tea. When it first came here, all rush, queue like <i>siao</i> (crazy in Mandarin). Soon, many bubble tea shops, suddenly (there were) no customers. Then suddenly, quiet. Now come (it is) back again, all queue like <i>siao</i> again. Singaporeans, always like that one."	5.2.1
"(If it is) just a name, it doesn't matter. But if the company engages in a broader marketing campaign to manipulate consumers into thinking (that) they were foreign and they purposely hide the fact that they are local, then there is a reason to be doubtful of the brand or company."	5.2.3
"With globalisation, a foreign-sounding name will enable them to market and sell their products worldwide."	5.2.3
"Branding is universal. I won't be bugged."	5.2.3
"If the overall branding is well managed... and as long as the overall experience is premium, it doesn't matter to me what their name really is."	5.2.3
"The company has their own right to brand their own products. It does not matter if they use a foreign name or not as long as the brand name fits their product range."	5.2.3
"To be honest, I don't really feel anything. I guess some may say that they feel a sense of pride supporting their fellow countrymen... but I don't identify with that. In fact, I sometimes get annoyed with brands that tout too much about being local – it feels like it is a poor reason why the cost of the product is higher, though I know it's most likely because production costs are higher with a smaller volume in a smaller market."	5.2.4
"Just give me more bang for my buck. I don't care where you're from."	5.2.4

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## 8. Appendix

### 8.1 Summary brief for all interviewees

Summary Brief for All Interview Participants: Does Local Brand Bias Exist in Singapore? Sadie-Jane Alexis Nunis

#### **Does Local Brand Bias Exist in Singapore?**

**By:** Sadie-Jane Alexis Nunis, University of Canberra doctoral student

**Research Question:** How does the Country of Origin effect affect the consumer decision making processes of Singaporeans?

**Purpose:** This primary purpose of this thesis is as follows:

- a) To theoretically research the Singaporean consumer decision-making styles and how they perceive and react to Country of Origin Effect (COO), adding to the growing body of literature in this space;
- b) To understand how and why Singaporeans' perceptions change when they find out that brand names they assumed were foreign were actually local brands. This researcher will provide suggestions for other potential research as well.
- c) In terms of practical implications, the thesis will derive guidelines for local marketers and entrepreneurs to better enable them to identify potential markets that can help to promote ethnocentric appeals to entice locals to support and buy local.

**Design/methodology/approach:** To accomplish the above objectives, a qualitative approach in the form of in-depth face-to-face or E-mail interviews will be administered. Approximately 10 to 50 local respondents between the ages of 18 to 70, will be approached to in-depth face-to-face or E-mail interviews. Interviews will also be carried out with 4 to 6 local business owners (both 'branded' ones and upcoming ones) as well as interviews with up to 3 marketing and branding experts.

**Summary:** The need to better understand Singapore's culture as well as who the various make-ups of the Singaporean consumers are key to understanding why and how the country of origin (COO) effect affects the consumer decision making processes. Their perceptions of Singaporean brand names and local brand acceptance plays a major part in the research that will be carried out.

The need to understand how local marketers and how entrepreneurs identify their potential markets which potentially leads to ethnocentric appeals to entice locals to support and buy local is another area of focus for this research too.

Given that the current economic uncertainty and various businesses folding up, plus with the rise of entrepreneurial spirit amongst the Generation Y and Millennials, it is even more important than ever for marketers and businesses alike to find ways to keep the money within the country. Shopping and supporting local businesses has started to develop a trendy, hipster appeal especially amongst the younger Singaporeans in recent years.

By understanding the psychology of the various Singaporean consumers as to why they buy local, marketers and researchers can better understand how to connect the pride one has towards their home country with local commercial support.

Does local brand bias exist in Singapore? Sadie-Jane Alexis Nunis U3149824

## 8.2 Interview questions for companies:

Kindly refer to attached Summary Brief / Consent Form. This DBA (University of Canberra) Project is Approved

HREC: 20180237. I appreciate your assistance with my research.

### Business Owners/High Level Representative Interview Questions

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Name of Company:

Name of Interviewee

Occupation:

No. of Years of Experience:

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### Questions:

- 1) Tell me about your journey – how did you set up your brand or how was the brand set up?
- 2) What are some of your struggles?
- 3) What is your vision for your company and brand?
- 4) Who is your ideal **local** customer?
- 5) What do you think your **local** customer wants from ANY company?
- 6) What do you think your **local** customer wants from YOUR company?
- 7) Who do you think is buying your product/service? Please define the profile of the customer to the best of your ability.
- 8) Why do you think someone buys your product/service? What need are you trying to satisfy?
- 9) Why do you think other people are not buying your product/service?
- 10) Why do you think they should start buying your product/service?
- 11) How else can you communicate your brand to others that you are trying to attract?
- 12) What image do you think Singaporeans have of your brand?
- 13) Why did you brand yourselves this way?
- 14) What sets your brand apart from the local brands?
- 15) What sets your brand apart from the foreign brands?
- 16) Do you think Singaporeans feel deceived if they find out that your brand is **local** and not foreign although the brand sounds foreign?
- 17) Why do you think they feel this way?
- 18) Who do you see as your competition in general?
- 19) Who are your **local** competitors?
- 20) How well is your competition doing?
- 21) What can you do to improve your brand so as to keep up with the competition?

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### 8.3 Interview questions for marketers

Kindly refer to attached Summary Brief / Consent Form. This DBA (University of Canberra) Project is Approved HREC: 20180237. I appreciate your assistance with my research. Marketing Experts Interview Questions

Name:

Gender: Male / Female

Age: 18 to 24      25 to 34      35 to 44      45 to 54      55 to 64      65 & above

Education Level:

Primary/Secondary School      'O' Levels      'A' Levels      Certificate (ITE/etc)

Diploma (Poly/etc)      Degree      Post Graduate Diploma      Masters      PhD/DBA

Occupation:

No. of Years of Experience:

Any specific specialities (in terms of industries?):

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#### Questions:

- 1) What do you think of the Singapore market?
- 2) What is your perception of the Singaporean consumer?
- 3) How should local companies 'determine' their ideal customer?
- 4) What do you see as being some of the struggles of a local company – whether established or upcoming?
- 5) What do you think are some of the biggest challenges for Singaporean companies especially in terms of marketing and branding?
- 6) What should the top priorities of a local company be?
- 7) How can local companies convert their first-time customers into repeat customers?
- 8) What do most local companies get wrong when it comes to branding?
- 9) How can they boost their brand to become a high-end or premium local brand?
- 10) What do local companies do well?
- 11) What do local companies do poorly?
- 12) What are local companies most afraid of?
- 13) How should local companies measure their success?
- 14) How can local companies differentiate themselves from foreign competition?
- 15) Why do you think Singaporeans are not supporting or hold local brands in high regard?
- 16) Are Singaporean companies easy clients? Why / why not?
- 17) Any advice for Singaporean companies pertaining to BRANDING and MARKETING themselves?
- 18) Do you support local companies? What are some of the local brands you buy/support?
- 19) Why do you like these brands?
- 20) Who are your favourite local companies / brands? Why?

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## 8.4 Interview questions for consumers

Kindly refer to attached Summary Brief / Consent Form. This DBA (University of Canberra) Project is Approved  
HREC: 20180237. I appreciate your assistance with my research. Local Consumers Interview Questions

Name: \_\_\_\_\_ Gender: Male / Female

Age: 18 to 24      25 to 34      35 to 44      45 to 54      55 to 64      65 & above

Marital Status: Single/In a relationship/In a domestic relationship/Married/Separated/Divorced/Widowed

Income Level (Annual with bonus + AWS, excludes allowances):

No Salary Earned	Under S\$30,000	S\$30,000 to S\$49,999
S\$50,000 to S\$74,999	S\$75,000 to S\$99,999	S\$100,000 and above

Education Level: Select/Highlight Relevant Replies

Primary/Secondary School	'O' Levels	'A' Levels	Certificate (ITE/etc)
Diploma (Poly/etc)	Degree	Post Graduate Diploma	Masters      PhD/DBA

Occupation: \_\_\_\_\_ No. of Years of Experience: \_\_\_\_\_

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### Questions:

1. What is your ideal / best brand or company – can be local or foreign?
2. Why did you pick this brand/company?
3. What do you as a customer want from/look for in a brand or company – in general?
4. What do you as a customer want/look for in a LOCAL brand or company?
5. What specific benefits do you feel you get when you support/buy local?
6. What do you think sets a foreign brand apart from a local brand/company?
7. Name at least TWO local brands that you know of in the following categories **(do not Google)**:
  - a) Food:
  - b) Fashion:
  - c) Hospitality and Travel:
  - d) Finance:
  - e) IT/Technology:
8. What sets premium local brands apart from the 'regular' local brands?

9. Why are you willing to pay for those premium local brands/products?
10. What sets premium local brands apart from the 'regular' local brands?
11. What annoys you about local companies or products?
12. What will it take to convert you into a repeat / loyal customer?
13. Is there a difference whether the brand is local or not? If yes, what else can the local company do?
14. What push factors motivate you to buy local products?
15. If both a local and a foreign brand had similar price points, which would you pick and why?
16. Why might people be less willing to part with their money when they find out the brand is local?
17. Why might people be more willing to part with their money when they find out the brand is local?
18. Take a look at the following products. Kindly answer the questions accordingly.



- a) Which country do you think this brand (above) is from?
- b) What makes you think so?
- c) Why are you willing to pay for this brand (perceived value)?
- d) What makes this brand stand out from others?



- e) Which country do you think this brand (above) is from?
- f) What makes you think so?
- g) Why are you willing to pay for this brand (perceived value)?
- h) What makes this brand stand out from others?



- i) Which country do you think this brand (above) is from?
- j) What makes you think so?
- k) Why are you willing to pay for this brand (perceived value)?
- l) What makes this brand stand out from others?



- m) Which country do you think this brand (above) is from?
- n) What makes you think so?
- o) Why are you willing to pay for this brand (perceived value)?
- p) What makes this brand stand out from others?



- q) Which country do you think this brand (above) is from?
- r) What makes you think so?
- s) Why are you willing to pay for this brand (perceived value)?
- t) What makes this brand stand out from others?

For Question 18 – Each individual image was shown to the interviewee and only then did the interviewer/researcher proceed to ask the four questions accordingly.

- 19) Did you know that the above are all local brands? If yes, how did you know and which did you know are local brands?
- 20) Were you surprised to find out that they were local brands? Why?
- 21) Has your perception of the brands changed now that you know? Why?
- 22) Are you still willing to pay the same prices now that you know these are local brands? Why?
- 23) Do you feel deceived when a local company uses a foreign-sounding name for their brand? Yes / no.
- 24) Why do you feel this way?
- 25) Are there any other determining factors that will turn you off a local brand?
- 26) If you could advise any local company on what it would take to win you and other Singaporeans over as a customer, what would it be?
- 27) Any additional comments you'd like to state with regards to local brands?