

# The Effect of Cosmopolitanism on Purchase Behavior of Foreign Fashion Product Among City's Youth

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**Subtheme:** Emergence of cosmopolitanism in India.

## ABSTARCT

The paper investigates the effects of consumer cosmopolitanism on the foreign fashion product purchase behaviour in Indian context. The study was conducted in Bengaluru, which is a cosmopolitan metro city in India. Shoppers in the age group of 17-25 were part of the study. The study substantiates the presence of cosmopolitan intent among youth and confirms its direct effect on the purchase behaviour of foreign fashion product, which will offer strategic direction to the international marketers in gaining acceptance of their offerings among consumer segments and provides directions for future researches.

**Keywords:** Consumer behavior, purchase intention, socio-cultural values, fashion retailing, psychographic drivers, Cultural and Ethnic Diversity, cross-cultural research/measurement issues; market segmentation; consumer cosmopolitanism

**JEL Classification:** M 31, P2,

## 1.1 INTRODUCTION

With the dismantling of trade barriers as part of liberalization and globalization processes initiated during the last two decades by WTO, India has allowed 100 percent FDI in single-brand retail and 51 percent in multi-brand retail with riders in September 2012.

It is no longer a daunting task for the foreign firms to make an entry into Indian retail market which as per the latest sectoral report stands at \$490 billion and is expected to reach an impressive \$ 865 billion by the end of 2023. However, what still continues to remain a major challenge is gaining consumer acceptance of foreign products. The marketing literature has previously offered various segmentation strategies for effective targeting and positioning, and cosmopolitanism is one of the key factor positively influencing consumer evaluation and purchase of foreign products. The two objectives of the study are; to confirm the presence of cosmopolitan intent among the youth and whether cosmopolitan tendency exhibited by the youth of Bengaluru impacts the purchase intention of foreign fashion products

## 2. LITERATURE REVIEW

Riefler, Diamantopoulos and Siguaw (2012) [1] quoted that “origins of cosmopolitanism, as a construct, date back to the early classical periods of Greek thought, where cosmopolitanism was understood as (1) a disdain of patriotism, (2) a desire for harmonious international relations, and (3) an emphasis on the primacy of the individual.” In the 18th century, the term “cosmopolitan” described individuals who saw themselves as citizens of the world, and who

wished to distinguish them by a willingness to borrow from other cultures. Sociology literature renewed the debate on cosmopolitanism; another definition looks cosmopolitans as people who oriented themselves outside their community rather than being influenced solely by local traditions and values.

With increasing globalization, an important challenge for internationally active companies is to identify appropriate customer segments and subsequently target these segments in different countries. Cosmopolitanism endorses a reflective distance from one's own cultural affiliation and openness towards other cultures and customs (Anderson, 1998 [2]; Bean, 1995 [3]). Riefler and Diamantopoulos (2009) [4] define consumer cosmopolitanism as a three-dimensional, second-order construct capturing the extent to which a consumer (1) exhibits an open-mindedness towards foreign countries and cultures, (2) appreciates the diversity brought about by the availability of products from different national and cultural origins, and (3) is positively disposed towards consuming products from foreign countries.

Fashion continuously redefines the social identity of individuals by gradually adding new meanings to products (Crane, 2000 [5]). Traditional understandings of the use of fashion in social settings have focused heavily on class perspectives. Consumer researchers have shown considerable interest in values because they are argued to be an important influence on behaviour. In general marketers are keen to explore the values that characterize consumption. A value that is becoming more prevalent in many countries, particularly in India is materialism, and it appears to be a potentially important dimension of consumer behaviour.

As a construct, cosmopolitanism and consumption experience of status oriented fashion products is well developed in the literature with measures available. In today's competitive world, consumer experience is one of the emerging and important topics for marketers (Pine & Gilmore, 1998 [6]).

Youths in countries like India are embracing components of cultures other than their own, such as food and clothes. As a result of their exposure to different cultures they are able to engage with cultures other than their own, and their patterns of consumption in metropolitan cities like Bengaluru might be altered. Indeed, this is part of a global trend whereby consumers, not only in countries like India but also around the globe, are being transformed from locals to 'world citizens'. Consumers are becoming driven by a more worldly set of values rather than a singular set of cultural values as a result of the exposure to different cultures (Alden, Steenkamp Batra 1999 [7]; Keillor Hult 1999 [8]; Thompson Tambyah 1999[9]; Cannon Yaprak 2001[10]).

### 3.HYPOTHESES DEVELOPMENT

Oliver & Vida (2011) [11] confirm that all consumers are not equally cosmopolitan and the variance is attributed to socio-psychological and demographic factors. Based on the literature study the following hypotheses are formed.

various studies lend support to the theoretical proposition that age is positively related to consumer cosmopolitanism.

**H<sub>1</sub>:** A positive relationship exists between age (youth) and consumer cosmopolitan tendency.

**Education:** The primary role of education is to broaden the perspective of thinking among individuals. Education helps an individual to open up to the offerings of out-group without preconception. They are also less averse to imports (Sharma et al., 1995 [12]),

**H<sub>2</sub>:** A positive relationship exists between level of education and consumer cosmopolitan tendency.

**Income:** Higher income helps an individual to pursue leisure activities like travel effortlessly, which increase the interactions with people from other cultures along with exposure to international media; thus people with higher income in general tend to exhibit cosmopolitan tendency (Sharma et al., 1995 [12]).

**H<sub>3</sub>:** A positive relationship exists between income level and consumer cosmopolitan tendency.

**H<sub>4</sub>:** A significant relationship exists between frequency of shopping and cosmopolitan tendency.

Riefler et al. (2012 [4]) states "cosmopolitanism has a positive influence on the propensity to buy foreign products". Hence, the following hypothesis is posited:

**H<sub>5</sub>:** Cosmopolitanism (CP) has a direct and positive effect on foreign fashion product purchase behaviour (FFPPB).

### 4.RESEARCH INSTRUMENT DEVELOPMENT AND MEASURES

Based on the literature review on scales related to consumer cosmopolitanism and Foreign Fashion product purchasing behaviour the following items have been generated.

Cosmopolitanism is measured by the scale which is as per the requisites of the conceptual domain related to (1) general open-mindedness, (2) diversity appreciation, and (3) consumption transcending borders (Riefler et al. 2012 [4]) Foreign Fashion product purchasing behaviour (FFPPB) construct is measured according to the items proposed by Grazen and Olsen (1998) [13] on a five-point semantic differential scale. whereby items like "I

like the idea of owning foreign products” are included.

#### 4.1.SAMPLING AND DATA COLLECTION

The researcher gathered data, via a questionnaire, from 411 respondents in public shopping precincts in Bengaluru using the intercept method. The advantages of the intercept method are the speed in which the survey can be conducted and the ability to poll a large number of consumers in a timely manner (Bush, Hair, Joseph 1985 [14]; A purposive sampling method was used in this stage to select participants who were at between 17 to 25.Face-to-face interviewing was employed at this stage to avoid missing data.

#### 4.2.STATISTICAL ANALYSIS AND HYPOTHESES TESTING

Data analysis consisted of analyzing collected and tabulated data using Statistical Package for Social Sciences (SPSS) version 22.0 The following statistical techniques have been used for analysing research instruments- Correlation, Multiple Regression, Factor Analysis and ANOVA.

#### 4.3.CHARACTERISTICS OF THE SAMPLE

The survey was completed over the three months from 8th of May 2015 to July 6th 2015. The present research looks at the distribution of the sample including age, level of education, personal income, and frequency of shopping. As mall intercept method was used to collect data female shoppers constituted 67.4% of the total shoppers during the study period, which is consistent with the industry figures. As it was back to college season in Bengaluru the predominant age group was between 19 to 23 graduates with monthly personal income of Rs 5,000 to Rs 10,000.

**Table 1.1: Demographic Profile of the Respondents (n=411)**

Characteristics		Percentage of Respondent
Gender	Male	32.6
	Female	67.4
Age in years	16	1.5
	17	2.2
	18	0.5
	19	11.7
	20	26.8
	21	23.4
	22	19.0
	23	11.9
	24	1.9
	25	1.2
Education	10+2	26.8
	Graduation	62.0
	Post-Graduation	9.2
	Vocational Certificate	1.0
	Other	1.0
Personal Income in INR	Less than 5000	29.0
	5000-10000	39.2
	10000-15000	11.4
	15000-20000	5.8
	20000-25000	3.6
	Above 25000	10.9
How often do you shop for clothes?	Once In two weeks	15.3
	Once in a month	49.9
	Once in two months	23.8
	Other	10.9

#### 4.4.SAMPLING ADEQUACY: CONSUMER COSMOPOLITANISM

The KMO statistic for Consumer Cosmopolitanism was more than 0.928 and the  $\chi^2$  value for BTS was equal to 0.000. Therefore, it can be concluded that the data were suitable for factor analysis.

##### 4.4.1.Exploratory Factor Analysis: Consumer Cosmopolitanism

As can be seen in Table 1.2, all items of the Consumer Cosmopolitanism scored above the threshold of 0.4 for total variance explained, cosmopolitanism had an Eigen value above 1.0 all items of the Consumer Cosmopolitanism were retained, which produced a one-factor solution that explained approximately 75% of the common variance.

**Table 1.2: Exploratory Factor Analysis: Consumer Cosmopolitanism**

Statistical results	Items	Factor Loadings
	I like watching movies from different countries.	.869
	I like listening to music of other cultures.	.847
	I like trying original dishes from other cultures.	.901
	When travelling, I make a conscious effort to get in touch with the local culture and traditions.	.856
	I like having the opportunity to meet people from many different countries.	.907
	I like to observe people of other countries, to see what I can learn from them.	.909
	Having access to products coming from many different countries is valuable to me.	.822
	The availability of foreign products in the domestic market provides valuable diversity.	.799
	I think it would be good if I could absorb as many culturally varied experiences as possible.	.869
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.928	
Bartlett's Test of Sphericity	1835	
Sig.	0.000	
Cronbach's $\alpha$	0.958	
Variance Explained	74.83%	
Cumulative Variance Explained	75%	

##### 4.4.2. Exploratory Factor Analysis: Foreign Fashion Product Purchase Behaviour

As can be seen in Table 1.3, of the three items of the Foreign Fashion Product Purchase Behaviour two scored above the threshold of 0.4 For total variance explained, cosmopolitanism had an Eigen value above 1.0 two items of the Foreign Fashion Product Purchase Behaviour were retained, which produced a one-factor solution that explained approximately 80% of the common variance.

**Table 1.3: Exploratory Factor Analysis: Foreign Fashion Product Purchase Behaviour**

Statistical results	Items	Factor Loadings
	My quality of life would improve if more imported goods were available	0.894
	I find imported goods more desirable than domestically produced products	0.894
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.500	
Bartlett's Test of Sphericity	87.695	
Sig.	0.000	
Cronbach's $\alpha$	0.747	
Variance Explained	80%	
Cumulative Variance Explained	80%	

#### 4.5.RELIABILITY ANALYSIS

The reliability of a measure of Consumer Cosmopolitanism and Foreign Fashion Product Purchase behaviour all deemed reliable as demonstrated by Cronbach's Alpha coefficients scores being greater than 0.60 (0.958;0. 0.747 respectively).

#### 4.6.COSMOPOLITAN INTENT EXHIBITED BY THE RESPONDENTS.

Theoretically, the shortened 9-item version of the 12-item C-COSMO scale is expected to have mean scores in the range of 9 to 45. The computed mean score of 34.03 in the present study is only higher than the theoretically expected mean score of 27, thus implying a degree of cosmopolitanism prevalent among the surveyed consumers. But a standard deviation of 10.18 and individual respondents having means scores in the range of 9.0 to 45.0 imply that consumers are not uniformly cosmopolitan. Role of various antecedents as contributory factors to these variations is examined next.

**Table No 1.4: Weighted Mean Consumer Cosmopolitanism Score1, 2.**

Computed score						
	Mean	Median	Range	Minimum	Maximum	S.D.
<b>COS-9</b>	34.031	37.00	36.00	9	45	10.18

Notes: 1. A reduced (9-item) version of 12-item C-COSMO scale as developed by Petra Riefler et al (2012) was used for computing consumer cosmopolitanism.

2. Consumer responses to each of the scale item were obtained on a 5-point Likert scale, ranging from 1=strongly disagree to 5=strongly agree.

#### 4.7.CONSUMER COSMOPOLITANISM AND DEMOGRAPHIC ANTECEDENTS

International marketing literature posits consumers to be differing in their cosmopolitanism across demographics. ANOVA analysis was performed to ascertain whether consumers differ in their cosmopolitanism across five demographic characteristics ( Table no 1.5). Age (F-value = 5.456;  $p \leq 0.00$ ) and the frequency of shopping (F-value = 3.257;  $p \leq 0.22$ ) are the two demographic variables that emerge as a significant covariate of consumer cosmopolitanism. The results thus provide support to only two hypotheses, i.e., H1 & H4.

**Table No 1.5: Consumer Cosmopolitanism and Demographic Antecedents: ANOVA Results**

Demographic characteristics		Mean	F-value	p-value
<b>Gender</b>	Male	33.784	0.118	.732
	Female	34.152		
	Total	34.031		
<b>Age (Years)</b>	16	24.333	5.456	.000
	17	18.111		
	18	37.000		
	19	32.854		
	20	34.436		
	21	5.563		
	22	33.436		
	23	37.2041		
	24	36.3750		
	25	20.6000		
		Total		
<b>Education</b>	10+2	32.7636	2.009	.092
	Graduation	34.2235		
	Post-Graduation	37.4474		
	Vocational Certificate	29.7500		
	Other	28.5000		
	Total	34.0316		
<b>Personal Income</b>	Less than 5000	35.3697	1.637	.149
	5000-10000	33.4596		
	10000-15000	36.2340		
	15000-20000	31.8750		
	20000-25000	32.3333		
	Above 25000	31.9556		
	Total	34.0316		
<b>Freq. of Shopping</b>	Once In two weeks	35.2381	3.257	.022
	Once in a month	34.9463		
	Once in two months	31.2959		
	Other	34.1333		
	Total	34.0316		

It can be seen from the table no 1.6 that the standardized Beta coefficient between the predictor variable 'cosmopolitanism' and the dependent variable 'FFPPB'. The Beta coefficient is shown to be positive and statistically significant at the 0.000 level (Beta = 0.827, t = 10.444, p <0.000). Thus, the higher the cosmopolitan tendency exhibited by the consumers, the higher is foreign fashion product purchase behaviour hence H<sub>5</sub> is



supported.

**Table 1.6: Cosmopolitanism on FFPPB, PDF, HCEFP: Regression Results**

		Dependent Variable
<b>Predictors: Cosmopolitanism</b>		<b>FFPPB</b>
<b>Constant</b>		2.731
<b>b</b>		0.219
<b>Std error</b>		0.007
<b><math>\beta</math></b>		0.827
<b>t-statistic (constant)</b>		10.444
<b>t-statistic</b>		29.790
<b>p-value</b>		0.000
<b>Model statistics</b>	<b>Adjusted R<sup>2</sup></b>	0.684
	<b>F</b>	887.420
	<b>p-value</b>	0.000

#### 4.8.FINDINGS OF COSMOPOLITANISM ON CONSUMER BEHAVIOR

The above results confirm that youth in Bengaluru in particular exhibit cosmopolitan tendency. The youth who are cosmopolitan shop more frequently and have a direct and positive significant influence on FFPPB, suggesting that the segment of consumers characterized as the “Cosmo-Politian” has a greater tendency to purchase foreign fashion products. Accordingly to that H<sub>5</sub> of the study is confirmed which is in tandem with several past studies as well (Cannon and Yaprak 2002 [10]; Cleveland et al. 2011 [16 ] Oliver and Vida [11]). To conclude the presence of International brands in the Indian retail market has influenced the aspirations of he youth and cosmopolitan consumers is an ideal actionable target segment for international fashion apparel brands.

#### 5.FURTHER RESEARCH VENUES

In this research, deliberate efforts have been undertaken to utilize externally valid consumer sample, and relevant analytical methods to test the data collected. However, there is a scope for future research venues and they are listed below.

While the selection of product categories was consistent with the availability of domestic and foreign choice alternatives in the small market under investigation, future examinations should include other relevant product categories and examine the model of cosmopolitanism effects separately for each product category.

Additional research is required how cosmopolitanism influences perception of the domestic fashion product evaluation. This is an unresolved issue in theoretical and empirical side of the research field.

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