Key Drivers In Enhancing Actual Purchase of Local Brand in Saudi Arabia: Intention, Patriotism, Trust, Family and Government Support

Jamal Mohammed Esmail Alekam, Amer Ahmad AlAnazi, Nik Kamariah Nik Mat, Salniza Md. Salleh and Khairi Mohamed Omar

Universiti Utara Malaysia, gamal_mohammed2003@yahoo.com

Abstract

The study empirically investigates the important antecedents: intention, patriotism, trust, family and government support to actual purchase of local brand in Saudi Arabia. Though lot of attention is given to study the relationship between key drivers in enhancing actual purchase and intention, patriotism, trust, family and government support. But still there is a considerable confusion about how this relationship is developed and where it is directed.

Each of the construct was measured on 7-point likert scale ranging from 1 strongly disagree to 7 strongly agree, where actual purchase has 6 items, intention has 8 items, patriotism has 11 items, trust has 8 items, family has 8 items and government support has 8 items.

Four hundred self-administered questionnaires were distributed to target respondents among education specialists in Riyadh, Eastern Province, and Northern Borders of Saudi Arabia. 252 questionnaires were completed and returned, so the response rate was 63%. The data was analyzed using Structural Equation Modeling (SEM) through AMOS 21. The goodness of fit indices of the revised structural model indicate adequate fit (GFI: 0.956, CFI: 0.984, RMSEA: 0.033, Ratio: 1.274, P-value: 0.066). The regression parameter estimates show three significant relationships between intention and patriotism (β=0.244, P-value> 0.002 and C.R=3.039), intention and family (β=0.692, P-value = P <. 001*** and C.R=7.668), actual purchase and intention (β = 0.786, P-value = P <. 001*** and C.R = 6.904). The results show that purchase intention is positively related to consumer patriotism and purchase intention positively related to family. In addition, the results also indicate that the impacts of purchase intention on the actual purchase are significant. These results are discussed in the context of improving domestic product brand in Saudi Arabia.

Keywords: Actual Purchase of Local Brand, Patriotism, Family, Government Support

Background

Existing literature reported that in the developing countries, foreign brand purchasing is associated with quality and prestige, while purchasing of local brands is associated with ethnocentrism and patriotism (Kaynak & Kara, 2002; Ozsomer, 2012; Sklair, 1994; Wang & Chen, 2004; Zhou & Hui, 2003). The importance of brand purchasing analysis has been recognized by many researchers, and contemporary literature is now rich with studies at the national level with the goal to understand what motivates consumers purchasing local and foreign brands (Bhardwaj et al., 2010; Ozsomar, 2012; Villar & Segev, 2012; Zhou, Yang & Hui, 2010).
For example, it was found that in the developed countries, consumers prefer local brands over foreign brands, while in the developing countries the situation is diametrically opposite (Batra et al., 2000; Frimpong, 2008; Kumar et al., 2009; Zafar et al., 2004).

In Saudi Arabia, growth of consumption actual purchase local brand and foreign products created a sense of importance to develop the local Saudi brands. However, the few existing studies of actual purchase local brand in Saudi Arabia demonstrated the lack of positive attitudes towards local products. For example, in line with the general findings regarding brand perceptions in the developing world, the local Saudi brands are often considered inferior in terms of quality (Bhuian, 1997; Sohail, 2004). Further, Natto (2013) argued that the local brands face difficulties connecting with the Saudi consumers because there are few local entrepreneurs who could enhance the positive perceptions about Saudi brands and because the vast majority of Saudi businesses offer foreign-made products. In other words, Saudi companies, by the products and brands they offer, are psychologically shaping Saudi consumers’ preferences to foreign brands.

Saudi Arabia lifted many barriers to trade and the presence of international companies on the domestic market, which further strengthened the recognition of foreign brands by the consumers. The continuing interest of foreign companies in Saudi market today is determined by the country’s stable growth both market and economy wise. As of 2012, Saudi Arabia ranked 30th in terms of population and 28th in terms of income per capita in the world, and its total imports topped $136 billion in various product categories (IMF, 2013). Not surprisingly, researchers have noted continuing strong rise of consumerism within Saudi society (Assad, 2007; Kamal, Chu, & Pedram, 2013; Rahman, 2012).

**Problem Statement**

Despite the importance of actual purchase local brand analysis demonstrated in the available literature, there is a clear lack of research focusing on Saudi market in this regard. Moreover, the available studies were conducted with the focus on foreign brand preferences, thereby leaving out the factors that could drive preferences for the local products (Bhuian, 1997; Sohail, 2004). As a result, while giving some useful insights into the acceptance of foreign brands in general, the available literature on Saudi Arabia does not provide sufficient discussion of the local brand preferences in Saudi Arabia. Nor there have been any attempts to identify what factors could drive consumer demand for the local brands. The current study aims to fill this gap in knowledge. By building an empirical model, the study will attempt to uncover the specific factors that could be associated with purchasing of domestic brand products in Saudi Arabia.

While absent for Saudi Arabia, studies investigating customer preferences of local brands have been conducted in various national settings. Literature search revealed studies of local brand preferences in Bangladesh (Kaynak et al., 2000), Canada (Follows & Jobber, 2000), China (Kwok et al., 2006, Turkey (Oszomar, 2012), United Kingdom (Morven et al., 2007), and Yemen (Al-Ekam et al., 2012). While not exhaustive, the empirical evidence in these studies suggested that the patterns of brand preferences differed between the developed and developing countries.

Specifically, consumers in the developed countries favored local brands, while consumers in the developing markets preferred brands associated with the foreign countries. Studies also suggested a number of factors that could be important in understanding motivation behind purchases of local brands. Among these factors are patriotism, family and friends, perceived behavioral control, and trust (Al-Ekam et al., 2012; Antonia et al., 2009; Dmitrovic et al., 2009; Han, 1998). Further, most of these studies used intention of brand purchase as a dependent variable. Yet, there is a general agreement today that actual purchase should be considered because it reflects to a greater extent the degree of brand preferences (Al-Ekam et al., 2012; Dmitrovic et al., 2009; Morven et al., 2007).
Literature Review and Hypothesize

Based on theory of planning behavior Ajzen’s (1991) TPB, four predictors of intention to purchase local brands in Saudi Arabia and of actual behavior leading to purchase are selected. These predictors are patriotism, trust, family, and government support. These four factors influence a person’s intention. In addition to a person’s intention influencing the actual purchase of local brand, the four predictors all directly impact the decision. The relationships between the variables are discussed subsequently.

Intention and actual Purchase

The relationship between intention and actual behavior is one of the central in the TPB (Ajzen, 1991). Purchase intention is defined by Ajzen and Fishbein (1980) as the consumer’s readiness and willingness to purchase a product. Actual purchasing behavior is defined as involvement in purchase and use of a product (Fishbein & Ajzen, 1975). The relationship between intention and actual, the two has been tested empirically and confirmed by many studies investigating purchasing behavior of consumers (Al-Ekam et al., 2012; Marie et al., 2009; Morven et al., 2007; Yoo & Donthu, 2005).

The relationships between consumer intentions and actual purchase of local brands have also been found confirmed positive by studies focusing on local brand preferences (Al-Ekam et al., 2012; Klein et al., 1998; Marcel et al., 2001). Therefore, this study presented the following hypothesis:

H1: Purchase intention of local brands in Saudi Arabia is positively related to actual purchasing.

Government Support

Government support is a relatively unexplored, yet important factor influencing purchases of local brands. A study by Antonia et al. (2009) showed that government policies supporting and promoting local businesses could influence stronger consumer response. Further, Gary and Knight (1999) noted that governments could be interested in the reduction of foreign brand influence in the domestic market because stronger demand on local products drives the domestic economy. Government support for local brands, according to Gary and Knight, could be expressed through favorable economic policies towards local companies and through raising consumer awareness of the local products. In the context of Saudi Arabia, government support could become a strong element influencing consumer decisions. This is because the country has been actively seeking to diversify its oil dominated economy, and this process inevitably involves development of new industries and internal markets.

Within the TPB, government support can be considered a form of control belief, which is tied to the perceived behavioral control antecedent. PBC definition usually includes two elements: self-efficacy, or confidence in one’s ability to perform behavior; and facilitating conditions, or the presence of resources and environment helping perform the behavior (Ajzen, 1991). Government support relates to the latter: it creates the environment where local brands can be more visible and desirable for purchase. This was confirmed by several empirical studies, which found that specific government policies expressed through PBC factor could have positive relationships with purchases of local brands (Antonia et al., 2009; Marie et al., 2009; Margaret & Thompson, 2001; Morven et al., 2007). Based on these findings, this study presented the following hypotheses:

H2: Government support is positively related to actual purchase of Saudi domestic brands.
**Trust**

Trust is generally defined as the trustor’s belief that trustee will meet the expectations without exploiting the position of trust (Pavlou & Fygenson, 2006). With reference to consumer behavior research, trust refers to consumer willingness to become tied to the seller and the seller’s products (Rousseau et al., 1998). Consequently, this is not something that is created overnight; rather, trust is being built on a long term basis (Al-Ekam et al., 2012; Ganesan, 1994). Trust has been often integrated within the TPB model as a belief influencing consumer attitudes. According to Ajzen (2002), trust is linked to behavior through specific context, action, and target. Consequently, it creates favorable expectations that a seller will fulfill the promises, thereby creating positive attitudes towards the brand (Pavlou & Fygenson, 2006). In this regard, studies showed that trust can be positively related to purchases of both local and foreign products (Al-Eham et al., 2012; Harris & Goode, 2004; Sirdeshmukh et al., 2002). Therefore, this study presented the following hypotheses:

H3: Trust is positively related to consumer actual purchasing of domestic Saudi brands.

H5: Trust is positively related to intention to purchase domestic Saudi brands.

**Patriotism**

Patriotism is a concept often mentioned in the studies related to consumer preferences of local brands (Al-Ekami et al., 2012; Rawwas et al., 1996; Vida et al., 2008). It is often linked to another important concept, which is ethnocentrism. For example, a study of consumer preferences in Turkey and Czech Republic by Balabanis et al. (2001) revealed that local consumers exhibited high degree of ethnocentrism and patriotism, which were expressed in the love of own country and culture. Similarly, Sharma et al. (1995) and Oszomar (2012) found that ethnocentric views of consumer groups are strongly related to patriotism and reflected in willingness to purchase local products.

Operational definitions of patriotism vary from study to study. Pullman et al. (1998) considered patriotism as the unity between citizens of a country. Cordell (1991) viewed patriotism as a sense of pride in own country and the commitment to its socioeconomic conditions. Barnes and Curlette (1985) considered patriotism as willingness to defend own country and its cultural foundations. At individual level and within an economic context, patriotism is revealed to the extent that a person values belonging to a certain nation and wishes to express this through particular purchasing decisions (Barnes & Curlette, 1985; Turner, 1991). In other words, high levels of patriotism are likely to be related to purchases of local brands in order to both demonstrate personal belonging to the nation and support the national economy. This was demonstrated by empirical investigations of consumer purchasing decisions, which found positive relationships between patriotism and both intention to purchase local brands and their actual purchase (Balabanis et al., 2001; Dmitrovic et al., 2009; Han, 1998; Vida et al., 2008). Because the sense of patriotism encompasses outcome beliefs (the good for the country and the nation), it can be linked to the Attitudes variable within the TPB model. Following this discussion, this study presented the following hypotheses:

H4: Patriotism is positively related to purchasing of domestic brands by Saudi consumers.

**Family and Friends**

Family and friends play an important role in influencing purchasing decisions (Venkatesh & Morris, 1994). Family and friends are believed to create the environment that exerts pressure on an individual to perform certain actions, including preferences for certain products (Taylor & Todd, 1995). Studies by Chiason and Lovato (2001) as well as Venkatesh and Morris (1994) revealed that circles of important people, which are often family and friends, have direct influence on purchasing intentions, including preferences towards local products. It can be assumed that these influences are stronger in the societies where collectivist values prevail, because such societies are stronger knit socially. Saudi
Arabia, which ranks as one of the highest countries on the index of collectivism (Hofstede, 1980), represents one of such societies.

Influences by family and friends can be considered referent beliefs, because they are mostly formed in reference to the other people. Within the TPB, referent beliefs are tied with the Subjective Norms antecedent (Sulaki & Sulaki, 2012). Subjective norms are defined within the TPB as “the person’s perception that most people who are important to him/her think he/she should not perform the behavior under question” (Fishbein & Ajzen, 1975, p. 302). They are linked to intention to perform certain behavior because of the peer pressure exerted by the influential people. In relation to brand choice, Putit and Arnott (2007) found that subjective norms can be directly associated with preferences for local brands. Further, studies determined that family and friends could be the specific factors that either influence or discourage purchasing behavior of certain products and services (DeCanniere et al., 2009; Granzin et al., 1998; McEchern et al., 2007; Mokhlis et al., 2001). Based on this, this study presented the following hypotheses:

**H6: Family and friends have positive relationship with actual purchasing of local Saudi brands.**

The finalized research framework is presented in Figure 2. It demonstrates where each of the defined variables fit within the theory of planning behavior TPB and presents the hypothesized relationships between them.

---

**Figure 1**

**Hypotheses Framework**

As show above in figure 1, intention, Trust, and Government Support are predictors of actual Purchase of local brand, While Patriotism, Trust and Family are predictors of intention.
Methodology

This study employed quantitative research design, utilizing questionnaires as primary method for data collection. The data analysis was conducted with the structural equation modeling SEM to test the hypothesized relationships between the variables. Four hundred 400 self-administered questionnaires were distributed to target respondents among education specialists in Riyadh, Eastern Province, and Northern Borders of Saudi Arabia. 252 questionnaires were completed and returned, so the response rate was 63%. The data collection was conducted in Saudi Arabia. A random sampling technique was applied. Each of the construct was measured on 7-point likert scale ranging from 1 strongly disagree to 7 strongly agree.

Measures of endogenous latent variables actual Purchasing of local brand (6 items) were adopted from Fushbein and Ajzen (1975) and Intention to Purchase (8 items) were adopted from Fishbein and Ajzen (1980). The exogenous variables measures of: Patriotism (11 items) were adopted from Al-Ekam et al. (2012), Cordell (1991), Pullman et al. (1998); measures of trust (8 items) were adopted from Al-ekam et al. (2012) and Rousseau et al. (1998); measures of Family and Friends (7 items) were adopted from Chiason and Lovato (2001) and Venkatesh and Morris (2004); and measures of Government Support (8 items) were adopted from Antonia et al. (2009) and Marie et al. (2009).

Finding

Structural equation model was used for exploring the impact of exogenous variables: intention, government support and trust on endogenous variable actual purchase of local brand in also exploring the impact of exogenous variables: patriotism, trust and family on endogenous variables intention. Consistent with the TPB theory, the exogenous constructs were modeled to impact intention directly, and actual purchase indirectly.

The re-vised model (Figure 2) achieves significant improvements in terms of its goodness-of-fit indices as all suggested values were met after some adjustments were made (Ratio = 1.274; GFI = 0.956; p value = 0.066; RMSEA = 0.033).

The regression parameter estimates show three significant relationships between intention & actual purchase (β=.786, CR= 6.904, P<.001); patriotism & intention (β=.244 CR=3.039, P<.002); family & intention (β =.692, CR = 7.668, P<.001). These findings are discussed in the context of actual and intend purchase of local brands in Saudi Arabia.

However, the regression parameter estimates shown two insignificant relationships between government support and actual purchase (β=-.009, CR= -.118, P<.906), also the result show that trust has insignificant relationship with purchase actual pruchase (β=.131, CR= 1.448, P =.148) in addition the result show the relationship between trust and intention insignificant (β=.244, CR= 1.448, P =.148)
Table 1. Regression Weights: (Group number 1 - Default model)

<table>
<thead>
<tr>
<th>The relationship</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P-value</th>
<th>Situated</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Actual purchase &lt;---Intention.</td>
<td>.786</td>
<td>.114</td>
<td>6.904</td>
<td>***</td>
<td>Significant</td>
</tr>
<tr>
<td>H2 Actual purchase &lt;---governments support</td>
<td>-.009</td>
<td>.085</td>
<td>-.118</td>
<td>.906</td>
<td>Insignificant</td>
</tr>
<tr>
<td>H3 Actual purchase &lt;--- Trust</td>
<td>.131</td>
<td>.100</td>
<td>1.448</td>
<td>.148</td>
<td>Significant</td>
</tr>
<tr>
<td>H4 Intention. &lt;--- Patriotism.</td>
<td>.244</td>
<td>.104</td>
<td>3.039</td>
<td>.002</td>
<td>Significant</td>
</tr>
<tr>
<td>H5 Intention. &lt;--- Trust.</td>
<td>.051</td>
<td>.090</td>
<td>.636</td>
<td>.525</td>
<td>Insignificant</td>
</tr>
<tr>
<td>H6 Intention. &lt;--- Family.</td>
<td>.692</td>
<td>.075</td>
<td>7.668</td>
<td>***</td>
<td>Significant</td>
</tr>
</tbody>
</table>

DISCUSSION

The conceptual underpinning of the study was the Theory of Planned Behavior (TPB). While the initial hypothesized model did not show good fit, a revised model with fewer items produced the desired fit. The revised model demonstrated three significant positive effects. However, the present study reveals that the influence of four predictors of actual purchase of local brand on Saudi
Arabia consumers' intention is the significant positive of actual purchase of local brands. However, the significant influence of local product brand of intention, patriotism, and family indicates that the Saudi consumers consider their concept and need for intention, patriotism, and family to be in local product brand. They then like to prefer and purchase local product brand if local product has good quality.

This replicates and supports the finding by past studies (Al-Ekam et al., 2012; Klein et al., 1998; Marcel et al., 2001). The significant impact of local product brand on perceived intention and family emotional value on local brands reveals that Saudi consumers prefer local brand because of patriotism and emotional among the consumers, higher of Saudi, supported the findings by a number of previous studies (Dmitrovic et al., 2009; Han, 1998; Vida et al., 2008). Significant impact of family and intention on actual purchase of local brands indicates that the Saudi consumers are more emotional oriented rather than functional value for shopping. The significant positive impact of local product brand on purchase intention of global and local brands reveals that the Saudi consumers may buy global or local brands regardless of how they perceive the brand.

**Conclusions and Implication**

The present study concludes that the factors namely trust, family, and purchase intention directly influence actual purchase of local product brand in Saudi Arabia. And also patriotism, trust, and family directly influence the purchase intention in the case of local brands. Intention, trust, and government support are the other important predictors of the actual purchase. Family is another important predictor of purchase intention. The study provides valuable implication for the existing Arabia Saudi brand.

The local and foreign companies are advised to focus on patriotism, trust, and family in order to make a great appeal on their product. Saudi Arabia companies are advised to go for aggressive strategies to improve the customer’s perception on local brands in terms of quality and trust value like “Be Saudi Arabia; buy Saudi Arabia”, “proud to be a Saudi Arabia”. The strategic alliances, licensing agreements, or joint ventures are the important strategies to sell the local brand under global brand name with higher status and quality.

**Future Research**

While the study may not be generalizable into the entire population of Saudi Arabia due to dominant focus on educators and specific Saudi region in the sample, it could serve as a basis for future research on a larger scale. Studies could be conducted using TPB or other models of consumer behavior. It could be also of interest to analyze the effects of other factors on Saudis’ purchases of local brands in order to develop more effective marketing and branding strategies in the country’s consumer market.
References


Chung, J., & Tan, F. B. (2004). Antecedents of perceived playfulness: an exploratory study on user


