

## Evaluation of the Vietnamese Consumers' Intention to Buy Chinese Garment Products



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**ABSTRACTS:** Chinese garment products were present throughout the domestic market of Vietnam, both in large cities and in rural areas, attracting the majority of low-income and low-end customers. The main objective of this study was to identify, evaluate, and to measure the attributes of the Vietnamese consumers' intention to buy Chinese garment products. The study was based on a field survey using a semi-structured questionnaire on a sample of 600 consumers in Hanoi city and Ho Chi Minh city. But, only 406 filled questionnaires were satisfactory and therefore included in the analysis. By using several statistical analytical tools, i.e. descriptive statistics, Cronbach's Alpha analysis, the study has identified and measured four (4) attributes of the Vietnamese consumers' intention to buy Chinese garment products. Based on the findings, some recommendations are given for the Vietnamese consumers' intention to buy Chinese garment products and domestic textile and garment firms in Vietnam.

**KEYWORDS:** Intention to buy products, Chinese garment products, marketing, consumers

**JEL code:** M31, M10

### 1. INTRODUCTION

Consumers must make everyday shopping decisions with overloaded information (Arnould et al. 2004). When the market expanded, information was increasing, consumers who lacked experience about products could rely on the image of the country which was the origin to evaluate the product, determine the confidence in the product. After that, they decided to buy or not (Gurhan-Canli & Maheswaran, 2000).

Over the years, garment products have significantly contributed to the economic and social development in Vietnam. According to the textile industry development plan of the Ministry of Industry and Trade, by 2020 the textile industry would become one of the key industries which were export-oriented and could meet the high demand of consumers, create more jobs for workers and be more attractive to foreign investors in Vietnam.

Marketing and distribution activities were weak stages of the textile industry in Vietnam. The difficulties in exporting were a good opportunity for domestic textile and garment firms in Vietnam to seriously recognize the domestic market. Vietnam ranked among the top 10 textile and garment exporting countries in the world, but had not yet been dominant in the domestic market. So far only about one third of Vietnamese textiles and garments were consumed domestically. Chinese garments products were present throughout the domestic market of Vietnam, both in large cities and in rural areas, attracting the majority of low-income and low-end customers (Thoa, 2012).

In the domestic market of Vietnam, domestic textile and garment firms in Vietnam also faced many competitors, of which Chinese garment products was a leading competitor. In order to be successful in the market, among other conditions, domestic textile and garment firms in Vietnam needed to understand their competitors and knew how customers had an attitude about competitors' products (Thong & Ha, 2018).

From the above reasons, it is necessary and meaningful to research the Vietnamese consumers' intention to buy Chinese garment products.

### 2. THEORETICAL BACKGROUND AND LITERATURE REVIEW

#### *Theoretical background*

The theory of marginal benefits by Marshall (1890) states that the purchasing decision was the result of rational and economically conscious procurement. However, this viewpoint does not fully explain the fluctuation of sales under the influence of internal and external factors (environment).

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The theory of rational behavior (TRA) was proposed by Fishbein and Ajzen (1975). The theory asserts that people often weighed results before performing different actions and they would choose to take actions that could lead to the results they wanted. Intention is the tool of continuation between attitudes and behavior. Behavior is defined by a person's intention to take an action in a given context. Intention is perceived as the representation of the willingness to take action.

Theory of planning behavioral (TPB) is an extended theory of rational behavior theory (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975), this theory is created due to the limitation of the previous theory with the assumption that human behavior was purely due to moral control.

### *Literature review*

Consumers' buying intention is one of the most important factors marketers often use in predicting future sales and to identify impactful policies to stimulate consumers' buying behavior. Fishbein and Ajzen (1975) have shown that, if you wanted to know whether an individual performed a certain behavior, it was necessary and simple to know whether that person intended to perform that behavior or not. According to Warshaw (1980), most theoretical models of consumers' behavior (eg, Engel et al., 1978; Howard, 1963) also showed that purchasing intention is a variable interference between consumer attitudes and buying behavior. According to Thong (2003), intention to act denoted the tendency of the individual to act towards the object.

Research on consumers' buying intention, Ajzen and Driver (1992); Pierre et al (2005); Schlosser et al. (2006) argued that intention had a broader meaning than behavior and would often have a positive effect on an individual's actions.

Mathur's study of the consumers' toothpaste branding behavior (1998) shows that consumer choice was related to comparing intentions and any possible choice scenarios involving comparison at many levels. Jin and Kang (2011) used the scale of Mathur (1998), which includes four indicators to measure the buying intention of Chinese consumers for an American-branded fashion product.

The TPB (Ajzen & Fishbein, 1980) is used to explain consumers' intention to buy domestic products such as safe food (Huong, 2014); intention to shop online (Thang, 2015), etc.

Inheriting the research results of previous studies, we choose the purchasing intention scale from Mathur's (1998) research results, because: (i) China and Vietnam are two countries that belong to Asia, there are similarities in intention to buy goods; (ii) Mathur (1998) referred to the buying intention of Chinese consumers for a foreign product.

## 3. METHODOLOGY

**Research Subject:** The subject of this research is of the Vietnamese consumers' intention to buy Chinese garment products.

### *Qualitative Research Methodology*

This research used a qualitative research methodology based on some in-depth interviews with three (3) lecturers with extensive experiences in marketing in textile and garment firms in Vietnam of the National Economics University and University of Labor and Social Affairs. These are the two leading universities in Vietnam in training marketing and business administration. At the same time, three (3) experts were also interviewed who are marketing manager in textile and garment firms. The contents of the interviews focused on the subject of the Vietnamese consumers' intention to buy Chinese garment products' attributes.

Based on findings from a number of previous studies and findings from the interviews with those experts, this research has identified the Vietnamese consumers' intention to buy Chinese garment products (YDMH) in four (4) attributes as presented in Table 1 below.

**Table 1. Attributes of the Vietnamese consumers' intention to buy Chinese garment products**

Code	Scale	Sources
<b>The Vietnamese consumers' intention to buy Chinese garment products (YDMH)</b>		
YDMH1	Buying Chinese garment products is the best	Mathur (1998)
YDMH2	I will buy Chinese garments products whenever possible	Mathur (1998)
YDMH3	There is a possibility that I would buy Chinese garment products if they are available in the area where I live	Mathur (1998)
YDMH4	I would suggest people to buy Chinese garment products	Mathur (1998)

### *Quantitative Research Methodology*

For the purpose of this research, a questionnaire was designed which consisted of four (4) variables with a 5-point Likert scale from 1: "Strongly disagree" to 5: "Strongly agree". The method of data collection was accomplished through the survey with a number of consumers in Hanoi city and Ho Chi Minh city. A total of 600 questionnaires were sent and received the filled

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questionnaires with full information for data entry and analysis from 406 respondents. The size of this sample was consistent with study of Hair et al. (1998) that the research sample must be at least 5 times the total number of indicators in the scales. The questionnaire of this study included four (4) indicators, and therefore, the minimum sample size to be achieved is  $5 * 4 = 20$  observations. Then, data from these 406 questionnaires was cleaned and coded with the necessary information in the questionnaires, inputted the analyzed by using SPSS22.

The steps of data analysis were as follows:

- (i) Descriptive statistics,
- (ii) Cronbach's Alpha to assess the reliability of the scale

### 4. RESEARCH RESULTS

#### 4.1. Descriptive Statistics

Information of data collected is shown in Table 2. It shows that among the 406 respondents, about 23.2% were male while the remaining 312 (76.8%) were female. Of these, 245 of them (or 60.3%) were from 18 to 25 years old, 92 of them (or 22.7%) were from 26 to 35 years old, 68 of them (or 16.7%) were from 36 to 54 years old, and 0.3% of the participants were over 55 years old. Among the respondents, 55.7% of the participants have income less than 5 millions VND, 17.2% of the participants have income from 5 millions VND to 7.5 millions VND, 13.3% of the participants have income from 7.6 millions VND to 10.0 millions VND, 6.2% of the participants have income from 10.1 millions VND to 12.5 millions VND, 2.2% of the participants have income from 12.6 millions VND to 15.0 millions VND, 0.5% of the participants have income from 15.1 millions VND to 17.5 millions VND, 0.7% of the participants have income from 17.6 millions VND to 20.0 millions VND, and over 20 millions VND accounted for 4.2%.

**Table 2: Respondents by gender, age and income**

	Frequency	Percent	Cumulative Percent
<b>Gender</b>			
Male	94	23.2	23.2
Female	312	76.8	100.0
<b>Age</b>			
From 18 to 25 years old	245	60,3	60,3
From 26 to 35 years old	92	22.7	70.6
From 36 to 54 years old	68	16.7	99.8
Over 54 years old	1	0.3	100.0
<b>Income</b>			
less than 5 millions VND	226	55.7	55.7
From 5 millions VND to 7.5 millions VND	70	17.2	72.9
From 7.6 millions VND to 10 millions VND	54	13.3	86.2
From 10.1 millions VND to 12.5 millions VND	25	6.2	92.4
From 12.6 millions VND to 15 millions VND	9	2.2	94.6
From 15.1 millions VND to 17.5 millions VND	2	0.5	95.1
From 17.6 millions VND to 20 millions VND	3	0.7	95.8
Over 20 millions VND	17	4.2	100.0
<b>Total</b>	<b>406</b>	<b>100.0</b>	

Next, Table 3 indicates that the respondents agree with the dependent variables of "The Vietnamese consumers' intention to buy Chinese garment products" where four attributes. With the same statement, most consumers answered at a level of disagreement. The mean values of the variables observed in the Vietnamese consumers' intention to buy Chinese garment products are quite equal and well below the average. Therefore, the Vietnamese consumers' intention to buy Chinese garment

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products in the two big cities, Hanoi and Ho Chi Minh City, is lower than average.

**Table 3. Descriptive Analysis of Attributes of the Vietnamese consumers' intention to buy Chinese garment products**

	N	Minimum	Maximum	Mean	Std. Deviation
YDMH1	406	1.0	5.0	2.239	.7663
YDMH2	406	1.0	4.0	2.128	.7971
YDMH3	406	1.0	4.0	2.039	.7815
YDMH4	406	1.0	5.0	1.897	.8160
Valid N (listwise)	406			<b>2.076</b>	

### 4.2. Cronbach's Alpha

The Vietnamese consumers' intention to buy Chinese garment products has been measured by the Cronbach's Alpha. Results of testing Cronbach's alpha of attributes are presented in Table 4 below. The results also show that attributes of the dependent variables have Cronbach's Alpha coefficients that are greater than 0.6, and the correlation coefficients of all attributes are greater than 0.3. So, all the attributes of the dependent variables are statistically significant (Hair et al, 2010; Hoang & Chu, 2008).

**Table 4. Results of Cronbach's Alpha Testing of Attributes**

Cronbach's Alpha	N of Items
.875	4

  

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
YDMH1	6.064	4.682	.606	.887
YDMH2	6.175	3.967	.843	.795
YDMH3	6.264	4.076	.821	.805
YDMH4	6.406	4.331	.672	.865

## 5. DISCUSSION AND IMPLICATIONS

Economic integration is an inevitable trend for the Vietnamese economy. Accordingly, China - Vietnam economic relations are also developing rapidly. Trade deficit from China accounted for almost all of Vietnam's trade deficit (Bui, 2014). However, the quality control of imported goods was currently too lax, causing many poor quality products to be massively imported into Vietnam, causing damage to consumers (Mien, 2017).

In the segment of low and medium - priced goods, domestic manufacturers are being dominated by sources of imported goods into the Vietnamese market, mainly by quota, especially Chinese garment products. It is increasingly difficult for domestic firms in this segment to compete with products imported from another home country. Therefore, in the low and medium price segment, garment suppliers in Hanoi city and Ho Chi Minh city need to ensure more product quality, variety of types and designs, more competitive prices than Chinese garment products, and at the same time standardize the retail distribution system so that consumers can easily buy products when they need.

Research results show that the Vietnamese consumers' intention to buy Chinese garment products is below average. It proves that consumers have quite a high intention to buy garment products from domestic textile and garment firms in Vietnam or from firms from other countries around the world such as Japan, European countries, etc. In order to promote purchasing intentions of garment products from domestic textile and garment firms in Vietnam, domestic textile and garment firms in Vietnam need to, such as.

- (i) Invest in advanced technology to produce high quality products, improve production efficiency, diversify products to serve the diverse needs of consumers; pay attention to developing unique items in order to have a position in the minds of customers;
- (ii) Ensure stability and improve skills for all types of craftsmen, train a team of professional fashion designers, with professional competencies to grasp fashion trends in the country and abroad through appropriate recruitment, training and motivational policies; combine short-term training with long-term training, combine formal training with on-the-job training, combine domestic training with sending staff abroad for training;
- (iii) Find solutions to reduce product costs, increase price competitiveness;
- (iv) Exploit available distribution channels such as markets, supermarkets; persuade to display products in fashion stores through preferential policies and focus on wholesale channels.

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(v) Enterprises need to apply information technology to the design and product samples such as applying software programs for fashion design to help improve the efficiency of design, contributing to productivity, creating more patterns and minimizing design errors (Nhung et al. 2016).

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