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## THE STUDY OF CONSUMER'S PERCEIVED RISK TOWARDS MEN'S BRANDED APPAREL IN SURAT REGION

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**Abstract:** *Risk is often viewed as an antecedent of involvement particularly when the price of goods or services is high and the consumer risks losing money especially for the product like branded apparel. The different perceived are functional risk, physical risk, financial risk, social risk, psychological risk and time risk have varied consideration among consumers set. The risk consumer perceived about the product or brand during purchase intention have negative effect on brand loyalty theoretically. The risk consumer perceived is high when other easily available and competitive options are accessible. This situation could be seen in Surat region of Gujarat State which is a hub of textile where fierce competition needs to be managed by branded apparel companies. The present study is undertaken to measure various types of consumer's perceived risk while buying or intending to purchase Men's Branded Apparel.*

*The study shows that physical risk, social risk and psychological risk has significant variance with annual income. The physical risk has significant variance with the occupation as most time is spent at work. The time risk, psychological risk, social risk, financial risk; performance risk is perceived respectively while buying branded apparel.*

**Key Words:** *Consumer's Perceived Risk, Branded Apparel market, Managing Competition*

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## **1. INTRODUCTION:**

In present competitive business world it is difficult task to satisfy customers. The rise in bargaining power of customers is a challenge for companies to sustain brand. Therefore, it is imperative for companies to do continuous tracking of what consumer want and how they think. In past several years many similar researches reveals that satisfied customer with repeat patronage are profitable and thereby company's market share increases which sustain company's advantage. The companies to have satisfied customer generally focus on values of attributes to develop brand loyalty. First we have to understand how consumers evaluate a product. The evaluations of products are not only based on the absolute levels or values of attributes of the product but rather on the differences between product attributes and consumers expectations are considered either contingent or extremely in contingent attributes. The risk consumer perceived about the product or brand during purchase intention have negative effect on brand loyalty.

(Choffeu and Mcleod, 1973) Risk is often viewed as an antecedent of involvement particularly when the price is high and the consumer risks losing money. (Roselius, 1971) Risk reduction is also linked to involvement as high involvement with a single brand is commonly known as brand loyalty which has been shown to be a major risk reducer. Here subjective risk is of more concern than objective risk. The subjective risk is the risk perceived by the customer whereas the objective risk is "real world risk". Subjective or perceived risk is easily measurable whereas an objective measure of risk is difficult to obtain. On the other hand one can't say that objective risk doesn't exist but it exists mostly in the theory.

Consumers may perceive many different types of risks in buying and consuming a product. The different perceived are functional risk, physical risk, financial risk, social risk, psychological risk and time risk. Consumer can certainly handle these risks in a number of ways, but one way is obviously to buy well brands, especially those with which consumer have had favorable past experience. The perceived risk concept helps marketers to see the world through their customer's eyes.

Perceived risk has depth to explain consumer's behavior since consumers are more often motivated to avoid mistakes than to maximize utility in purchasing of the product. The perceived risk concept can be used in numerous ways by marketers to develop strategies for resource allocation, brand image development, targeting, positioning and segmentation.



## **2. LITERATURE REVIEW:**

According to the theory of perceived risk (Bauer, 1960; Cox, 1967), consumers, when faced with a purchase situation in which risk is involved, attempt to reduce that risk through one of several alternative strategies. Perhaps the most common risk-reducing strategy employed is to become loyal to a particular brand (Cunningham, 1967; Roselius, 1971). Since risk is generally conceptualized as a multiplicative combination of two components--uncertainty and importance or danger (Cunningham, 1967)--it seems reasonable that any risk reduction strategy should be operating on one of these two components underlying risk. For instance, brand loyalty can be seen as reducing uncertainty in the consumer's mind as to how the product will perform. However, there will be less possibilities of becoming brand loyal causes any decrease in the importance of the product to the consumer.

Consideration of a range of risk-reducing strategies, most of which appear in an article by Roselius (1971), reveals that virtually all of the strategies employed by consumers to reduce perceived risk appear to operate primarily on the uncertainty component of risk. This is hardly surprising, since any strategy which operated to minimize the importance component would be some sort of defense mechanism (i.e., the consumer convinces himself the decision is not important). For the most part, then, it seems that the "rational" consumer will seek to reduce risk by reducing the uncertainty in the purchase situation.

Richard J. Lutz and Patrick J. Reilly (1974) asserted that consumers tend to use more sources of information when faced with increasing degrees of perceived performance risk. Depending upon the level of perceived performance risk, the consumer's relative preference for various information sources shifts dramatically. Ivan Ross (1975) reviewed research relating perceived risk to consumer behavior and revealed that perceived risk has been studied in relationship to information acquisition and processing constructs such as word-of-mouth behavior and opinion-leadership, as well as to overt consumer behaviors such as new product adoption, brand loyalty, and modes of shopping.

J. Paul Peter and Michael J. Ryan (1976) examined perceived risk at the brand level and Perceived risk is conceptualized in terms of expected negative utility associated with automobile brand preferences. Research supports the notion that importance of loss is more useful as a segmentation variable than as a component in a multiplicative model. The



findings also indicate that probability of loss may operate at the handled risk level and importance of loss at the inherent risk level.

Beneke, Anne Greene, Inge Lok, Kate Mallett, (2012) examined the influence of perceived risk on purchase intention and revealed that functional and time risk both have a significant negative influence on consumers' purchase intention of premium grocery private label brands while financial, physical, psychological and social risks do not significantly influence their purchase intention.

### **3. OBJECTIVES:**

- To study the variance of perceived risk for branded men's apparel with demographic profile of Surat Region.
- To find out consumer perception towards measures of perceived risk for Branded Men's Apparel in Surat Region.

### **4. RESEARCH METHODOLOGY:**

The exploratory and descriptive research method is adopted for the study. The Population of the study is the male consumer of branded apparel in Surat Region. The consumers have been selected by non- probability convenience sampling technique through structured questionnaire. The questions are measured by using likert five point scales. The data and Information have been collected from 200 sample respondents. The results were reliable and were satisfactory as cronbach's alpha exceeds .70 being standard limit.

### **5. ANALYSIS AND RESULTS:**

The most of the respondents i.e., 61 percent are 21 to 29 years of age includes businessman, serviceman, student and the annual income ranging from 2 lakh to 3 lakh. The most of the respondent shops monthly or quarterly influence by need, festive occasion and family. The shopping destination is majorly shopping mall and super market and branded outlet with price as important consideration. The branded apparel mostly preferred for quality and among that Raymond is most preferred brand.



**Table 1: ANOVA- relationship between measures of perceived risk and demographic factors**

Measures of Risk	Age (Sig. value)	Occupation (Sig. Value)	Annual Income(Sig. value)
<b>Performance Risk</b>	.948	.179	.828
<b>Physical Risk</b>	.230	.019*	.05*
<b>Financial Risk</b>	.352	.774	.277
<b>Social Risk</b>	.278	.211	.001**
<b>Psychological Risk</b>	.265	.123	.044*
<b>Time Risk</b>	.728	.533	.177

Table-1 exhibits that physical risk, social risk and psychological risk has significant variance with annual income. It also shows that physical risk has significant variance with the occupation of respondents. There is no significant variance between age and measures of perceived risk.

**Table -2: Friedman Test showing ranks of measures of perceived risk**

	Mean Rank
Performance Risk	3.00
Physical Risk	2.93
Financial Risk	3.21
Social Risk	3.58
Psychological Risk	3.76
Time Risk	4.51

**Test Statistics<sup>a</sup>**

N	200
Chi-Square	129.236
Df	5
Asymp. Sig.	.000

a. Friedman Test

Table-2 exhibits Friedman test ranking to show which measure of perceived risk is mostly perceived while buying branded apparel. The time risk, psychological risk, social risk, financial risk, performance, physical risk is perceived respectively while buying branded apparel.



## 6. CONCLUSION AND SUGGESTIONS:

The young working class is the potential market for Men's branded apparel. The price is important consideration hence marketers could develop special offer at festive occasions. The preferred shopping destination being shopping mall and branded retail outlet indicates that point of purchase should be chosen accordingly. Physical risk, social risk and psychological risk has significant variance with annual income. The physical risk has significant variance with the occupation indicating that apparel should be comfortable as most of the time is spent at work place. The time risk, psychological risk, social risk, financial risk, performance; physical risk is perceived respectively while buying branded apparel. The variance and consideration of measures of perceived risk should be used in numerous ways by marketers to develop strategies for resource allocation, brand image development, targeting, positioning and segmentation.

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