THE DETERMINANT FACTORS OF NATIONAL BRAND COMPETITIVENESS: THE CASE OF FOOTWEAR INDUSTRY IN INDONESIA

THESIS

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DEPOK
JANUARY, 2009

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THESIS

Presented for the Master of Economic Degree in Public Policy
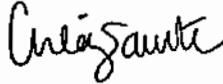
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It has been defended to the board of examiners and submitted in partial fulfillment of the requirements for the degree of Master of Economics in Master of Planning and Public Policy, Faculty of Economy, University of Indonesia.

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Lintang Sawitri

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ABSTRACT

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Title : The Determinant Factors of National Brand Competitiveness: The Case of Footwear Industry in Indonesia

After the establishment of WTO, transaction volume among countries has been increased. Trade liberalization has making light mobility of goods and services across countries. This has affected Indonesia, as competition among domestic goods and imported goods are becoming rapid. As competition rise, consumers were advantage by variety of alternative goods from all over the world, and they have freedom to choose which ones they can buy. In addition to that, Indonesia's consumer prefers to use foreign products in which they think are better in term of quality and prestige rather than their own domestic product. It is occurred also in footwear commodity.

Based on the theory borrowed from marketing and economics The determinant factors of national brand competitiveness be assessed by indicators: buying intention of national brand footwear and relative value of national brand in term of quality and price to imported brand footwear, and also influenced by consumer ethnocentrism, industrial support and government involvement. Yet, the Indonesian government has responded domestic market condition by implementing policy in order to improve its competitiveness. And a theoretical model was developed to justify how much effective those policies implication on footwear commodity are.

The result of this study indicates a strong relationship between national brand competing level and consumer ethnocentrism on footwear domestic market. This study suggests that better education to consumer in order to increase their ethnocentrism. Moreover, government should maintain awareness of youth to national brad product.

Keywords: competitiveness, national brand, structural equation modeling, consumer ethnocentrism, industrial support, government involvement.

ABSTRAK

Nama   : Lintang Sawitri
Program Studi : Magister Perencanaan dan Kebijakan Publik
Judul   : Mengukur Tingkat Persaingan Merek Sepatu Nasional di Pasar
                    Domestik

Setelah berdirinya WTO, volume transaksi antar Negara meningkat. Liberalisasi perdagangan memudahkan perpindahan barang dan jasa. Hal ini berpengaruh terhadap Indonesia, dimana persaingan antara barang domestic dan barang impor semakin ketat. Sejalan dengan kompetisi yang semakin ketat, konsumen diuntungkan dengan beragamnya barang yang tersedia dari seluruh dunia, dan mereka bebas untuk memilih mana yang akan mereka beli. Di pihak lain, konsumen dalam negeri lebih memilih untuk menggunakan produk bermerek luar negeri yang mereka pikir lebih baik dalam segi kualitas dan image dibanding merek nasional. Hal tersebut juga berlaku untuk produk sepatu sebagai studi kasus dalam riset ini.

Berdasarkan teori ekonomi dan pemasaran, tingkat persaingan merek nasional dapat diukur dengan indikator: intense membeli, dan nilai relative dari harga dan kualitas produk merek nasional terhadap produk bermerek luar negeri keetnosentrikan konsumen. Selain itu, tingkat persaingan juga dipengaruhi oleh dukungan industri dan keterlibatan pemerintah

Pemerintah telah merespon kondisi pasar domestic dengan mengimplementasikan kebijakan yang bertujuan untuk meningkatkan daya saing alas kaki merek nasional, dan model teori telah dibangun untuk menjustifikasi seberapa efektif impak dari kebijakan tersebut terhadap merek sepatu nasional.

Hasil dari riset ini adalah keterkaitan yang kuat antara tingkat persaingan dengan keetnosentrikan konsumen. Studi ini menyarankan pendidikan untuk konsumen yang bertujuan untuk meningkatkan keethnosentrikan, juga pemerintah sebaiknya memelihara pengenalan merek nasional pada kaum muda.

Kata kunci: daya saing, merek nasional, structural equation modeling, keetnosentrisan konsumen, dukungan industri, keterlibatan pemerintah

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CHAPTER I
INTRODUCTION

1.1. Background

After the establishment of WTO, transaction among countries has been increased. Trade liberalization has making light mobility of goods and services across countries. This has affected Indonesia, as competition among domestic goods and imported goods are becoming rapid (Ministry of Industry, 2007). As competition rise, consumers were advantage by variety of alternative goods from all over the world, and they have freedom to choose which ones they can buy. In addition to that, Indonesia's consumer prefers to use foreign products in which they think are better in term of quality and prestige rather than their own domestic product (Sutarto, 2008).

On the opening ceremony of Pameran Produksi Indonesia (PPI) 2006, The President of Republic of Indonesia said that government should encourage Indonesia citizen to be more active and more participate in using their own domestic goods. Those things are important factor in order to increase the possibility of Indonesian products to be successful in global market..

In order to improve our domestic products in domestic market and to encourage the competitiveness of domestic products in global market, Indonesian government through Ministry of Trade, Ministry of Industry as well as Ministry of Cooperation and Small Medium Enterprises have launched the Roadmap: Improvement of Indonesia's Products Competitiveness. This roadmap set specific target as Indonesian Government has to promote domestic brands to compete domestically and globally (Indonesia Design Power (IDP) Proposal, 2006). This specific target on brand as a tool to boost the usage of domestic product has made brand management as the crucial factor to leverage the trust of consumers to domestic products (Ministry of Trade, 2007).

According to a research from Trade Research and Development Agency Ministry of Trade about appreciation to domestic brand products, the first thing comes on consumers' top of mind on footwear area is foreign brand, which is

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Bata. Bata is foreign brand but consistently develop its brand in Indonesia. Top of mind is the highest indicator that illustrating how famous the brands.

It is approved when the consumers were asked what the brand of footwear they have known, and the first brand mentioned is the top of mind brand.

Table 1.1.Top of Mind Brand Footwear

Rank	Brand
1	Bata
2	Adidas
3	Nike
4	Buccheri
5	Bally

Source: Ministry of Trade, recalculated by author (2007)

Furthermore, Indonesia consumers' opinion on their own footwear quality is lower compare to US and Europe but higher than other Asia countries especially on design, quality, comfort ability and brand prestige. It was reflected by the next table.

Table 1.2.Consumer's Appreciation to Based on Origin

Rank	Country	Average
1	UE	3.99
2	US	3.96
3	Japan	3.77
4	Indonesia	3.60
5	Singapore	3.56
6	China	3.40

Source: Ministry of Trade, recalculated by author (2007)

The fact shows the opposite, whereas Indonesia is known well as good quality footwear producer in the world. Around 80-90% of total output from

footwear producer in Indonesia is produced to fulfill multinational company demand that possess international brand such as Nike, Adidas and Fila (Ministry of Industry, 2007). Those famous brands have high standard of quality. Furthermore, our products are viewed to have better quality compare to other similar products in Asia region. For example, Nike had manufactured some of their products in Indonesia for years, and because it's been grades as best quality. As a result, Indonesian products have been sold in US market. For other market, such as Indonesia market, those International brands are produced from Vietnam or China which have lower standard of quality.

As it is mention before, to increase trust leverage of consumers to domestic products, domestic footwear producer has to build brand. Some domestic footwear producers could develop national brand footwear, for example Yongki Komaladi. Yongki Komaladi has established his own brand since 1993, and now his outlets have already spread in entire Indonesia. Right now Yongki Komaladi has build partnership with 84 small and medium enterprises and has produced more than one million pair of shoes per year (Yongki Komaladi's presentation in one day seminar "Building Domestic Brand, Dec 10, 2007 at MPKP FEUI). Some producers of footwear have tried to let go of dependency on international brand's order with starting their own brand. For example, national brand called Piero. Moreover, domestic market is becoming varied with existence of "distro" that produces to niche market. (Ministry of Trade, 2007).

Now domestic consumer has more choices in footwear brand, and the next question is how domestic consumer behavior on facing this condition in term of choices between national brand footwear and imported brand footwear. The consumer's perception is taken to reflect the competitiveness of national brand footwear in domestic market from consumer's view.

1.2. Problem Questions

a. What are the factors influence consumers to choose between national brand footwear than imported one?

b. How is competitiveness of national brand footwear in domestic market? And what are the factors that influence the competitiveness?

c. How is effectiveness of government policy related to competing level in consumer's perception?

1.3. Research Objectives

a. To analyze factors would influence the consumers to choose national brand footwear than foreign one.

b. To analyze the competitiveness of national brand footwear in domestic market and factors influence it.

c. To analyze how much effective the government policy implemented related to footwear competitiveness.

1.4. Research Coverage

This research is limited to the population which brand footwear consumers who lived in Jabodetabek. The scope of footwear is sport shoes and non sport shoes (HS 64 excluded sandal). The respondents are chosen by stratified sampling method that taken during September 2007. The number of respondents is 179.

1.5. Methodology

This research is using both quantitative analysis that using Structural Equation Modeling and qualitative analysis.

1.5.1. Data collection

According to Hair (2006), in the research using Structural Equation Model (SEM), the minimum amount of sample to be taken is five times of observation parameters, which is in this research is $5*32=160$.

In this research, author is using stratified random sampling and taking 179 respondents to meet requirement. Respondents are taken from Jabodetabek area.

1.5.2. Structural Equation Modeling

Structural equation modeling (SEM) is a statistical technique for testing and estimating causal relationships using a combination of statistical data and qualitative causal assumptions.

SEM encourages confirmatory rather than exploratory modeling; thus, it is suited to theory testing rather than theory development. It usually starts with a hypothesis, represents it as a model, operationalizes the constructs of interest with a measurement instrument, and tests the model.

1.6. Previous Studies

Sutarto (2007) through his thesis that learn about competing level of our footwear than foreign footwear in domestic market has found the consumers preference to domestic product has positive correlation quality standard. Sutarto has noted that both consumer education as well as product design has a negative value to competing level. It also indicates a strong relationship between domestic competing level and industrial support policy on footwear commodity.

Chen and Zhen (2004) have found that different consumer behavior in term of brand between developed countries and developing countries. Consumer in developed countries has opinion that their own brand product is better quality than foreign one. Otherwise, consumer in developing countries tends to prefer foreign brand because opinion that foreign brand is better quality. Chen and Zhen also found that consumer in developing countries have considered that imported brand product as a status symbol.

Ministry of trade through their research about consumer's (2007) appreciation to national brand have found that our consumer has nationalism, which is indicated from their preference to national brand, but it rather inconsistent because if the national brand and imported brand has same price, they will prefer to choose imported brand footwear because of its image and quality are better than national one.

CHAPTER II
THEORETICAL FRAMEWORK OF NATIONAL BRAND
COMPETITIVENESS

2.1. Competitiveness

According to Porter in his book "The Competitive Advantage of Nations" (1990), to achieve competitive success, firms from the nation must possess a competitive advantage in the form of either lower costs or differentiated products that command premium prices. Firms must continue to improve in either of these areas over time to sustain a competitive advantage. Moreover, he said that differentiation is the ability to provide unique and superior value to the buyer in terms of product quality, special features, or after-sale service.

Moreover, survival of national brand is positive influenced by local buying intention and managerial commitment from government (Tjiptono and Craig-Lees, 2004). One of factors contributing to the preferences for local brands includes consumer ethnocentrism or consumer nationalism (Han, C. M., 1988., Rawwas, M. Y. A., Rajendran, K. N., and Wuehrer, G. A., 1996.).

2.1.1. Differentiation Strategy

According Kotler (2006), differentiation is aimed to make creation of a unique product. Then firms can charge a premium for its product. This specialty can be associated with design, brand image, technology, features, dealers, network, or customer's service. Differentiation is strategy for earning above average returns in a specific business to answer consumer's sensitivity to price problem. Differentiation creates consumer loyalty that ignoring increased costs because they are trust to the product. Consumer loyalty can also serve as entry barrier-new firms must develop their own distinctive competence to differentiate their products in some way in order to compete successfully. Examples of the successful use of a differentiation strategy are Hero Honda, Asian Paints, HLL, Nike athletic shoes, Apple Computer, and Mercedes-Benz automobiles. Differentiation strategy is more likely to generate higher profits than is a low cot

strategy because differentiation creates a better entry barrier. A low-cost strategy is more likely, however, to generate increases in market share.

2.2. Brand

Differentiation is reason why brand naming is so important. To declare uniqueness and differentiation to consumer, producer needs specific identity. The identity is brand. A brand is widely defined as a name, logo, symbol or any combination of these that identify a product or service and differentiate it from competition. A brand name not only shows a specific set of attributes and benefits to buyers, it also expresses the values of the producer and the positioning of the product in the market. Brand equity is the marketing and financial value associated with a brand's strength in a market.

There are four major elements that underlie brand equity: brand name awareness, brand loyalty, perceived brand quality and brand associations. Brands have always played a crucial role in the marketing of products and services. It is generally acknowledged that consumers base their buying decisions not only on rational considerations regarding, for instance, the price quality ratio, but also to a great extent on their subjective estimations and associations. The value added to a product by its brand, which is usually referred to as "brand equity," comprises both brand reputation (the long-term overall impressions of price and quality aspects of a brand) and brand image (e.g. a brand's personality and the associations it evokes).

David A. Aaker and Erich Joachimstaler (2002) in their book said that nowadays industry has discovered that brand awareness, perceived quality, customer loyalty, and strong brand associations and personality are necessary to compete in market place.

2.2.1. Brand Equity

Brand equity or brand strength is factors that brand's own that make consumer choose it. Brand equity can be grouped into for dimensions: brand awareness, perceived quality, brand association, and brand loyalty.

Brand Equity Dimension

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                    ┌──────────────┐
                    │    Brand     │
                    │    equity    │
                    └──────┬───────┘
        ┌──────────────┬───┴──────┬──────────────┐
 ┌──────┴──────┐ ┌─────┴─────┐ ┌──┴────────┐ ┌───┴──────┐
 │    Brand    │ │ Perceived │ │   Brand   │ │   Brand  │
 │  awareness  │ │  quality  │ │association│ │  loyalty │
 └─────────────┘ └───────────┘ └───────────┘ └──────────┘
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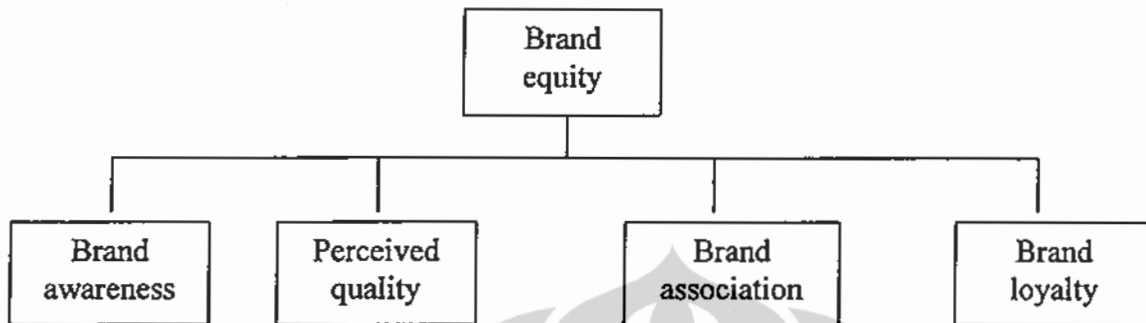
Source: Aaeker (2002)

These four dimensions guide brand development, management, and measurement.

a. Brand awareness is an often undervalued asset; however, awareness has been shown to affect perceptions and even taste. People like the familiar and are prepared to ascribe all sorts of good attitudes to items that are familiar to them.

b. Perceived quality includes expected quality meet consumer's requirements. As well expected quality, advertise features, guarantee, value for money and durability. It also includes design, which its uniqueness and appearance that distinguish one brand to another. Consumers' intention to purchase domestic/foreign product will be influenced by perceived quality. In the literature, quality perception is a treated as a multi-dimensional concept including appearance, color and design, durability, fashion, functionality, prestige, reliability, technical advancement, value for money, and workmanship (Darling, JR and Arnold,DR. 1988).

c. Brand associations can be anything that connects the customers to the brand. It can include user imaginary, product attributes, use situations, organizational situations, brand personality, prestige and symbols. That also how people around the customer see about the brand (social validation).

d. Brand loyalty is at the heart of any brand's value. The concept is to strengthen the size and intensity of each loyalty. Brand loyalty is coming from past experience. When consumer satisfied with the brand, so consumer stay to use

the brand. Furthermore, if consumer believes that the brand is the best, they will be afraid to change them choice because perceived risk from the action.

2.3. Buying Intention

Buying intention is influenced by value perception (Indrawan, 2006). General consept that defining value perception is what's consumer gets versus what consumers'gives (Zeithaml, 1988). He found that consumer has pay intention to value concepts: reachable price, what's consumer want to get from product (expectation) and quality of the product. Williams and Slama (1995) have developed purchasing evaluation criteria that contain of:

a. Brand familiarity: consumer has already known and familiar to the brand.

b. Brand prestige: brand has shown a particular prestige

c. Brand image: a particular image when consumer used the brand

d. Social Validation/brand acceptance: family and friend have no complaint when consumer used it.

e. Guarantee: there is guarantee that brand product will perform well and will not damage if consumer used it properly.

f. Durability: that brand product has a long life.

g. Brand Appearance/style: physical aspect shown.

h. Advertised features: features in advertise properly meet the real world.

i. Expected performance: ability of brand product as consumer's expectation.

j. Uniqueness/differentiation: that brand product different with others.

k. Price: reachable price.

l. Satisfaction/price experience: consumer satisfied in past usage.

m. Perceived risk: consumers believe if they choose other brand, they will be lost.

2.4. Consumer Ethnocentrism

Globalization presents considerable challenges and opportunities for domestic producers. The relaxation of trade policies has provided consumers with more foreign product choice than ever before. Previous studies conducted in developed countries have demonstrated that they are ethnocentric consumer (Cheng Lu Wang and Zhen Xiong Chen, 2004). Consumers are more willing to

buy domestic product than in developing countries. They also found that on the country-of-origin effect (COE), most of which have been conducted in developed countries, the consumers have general preference for domestic over foreign merchandise, particularly when they lack information about the product. The reason is vary, from to risk reducing bias toward merchandise made in developing countries to a patriotic bias against foreign products. The relationship between country of origin and the quality image of imported products is especially strong when consumer ethnocentrism is involved (Agbonifoh, B. A., and Elimimian, J. U., 1999).

There are the results of previous study about consumer ethnocentrism:

a. According to Sharma and Shimp (1995), tendency of consumers to be ethnocentric represents their belief about the appropriateness and moral legitimacy of purchasing foreign product.

b. According to Klein, J. G., Ettenson, R., and Morris, M. D., (1998). Ethnocentric consumers prefer domestic goods because they believe that products from their own country are the best. Moreover, a concern for morality leads consumers to purchase domestic products even though the quality is poorer than that of imports (Sharma, S., Shimp, T. A. and Shin, J., 1995). Research from the US and other developed countries generally support the notion that highly ethnocentric consumers overestimate domestic products, underestimate imports, have a preference for, and feel moral obligation to buy, domestic merchandise (Klein, J. G., Ettenson, R., and Morris, M. D., 1998).

While consumers ethnocentrism maybe regarded as a means by which to differentiate between consumer groups who prefer domestic to foreign products, its influence on willingness to buy domestic products is likely to vary between technologically /economically-developed and developing countries. Research shows that consumers in developed countries tend to perceived domestic products as being of higher quality than imported products. On the contrary, research in developing countries has shown because the import is related to conspicuous consumption, as consumers in developing countries often regard foreign products as status symbols (Cheng Lu Wang and Zhen Xiong Chen, 2004).

Rawwas, Rajendran and Wuehrer (1996) on their research mention about consumer nationalism, which defined as tendency to choose domestic product rather than foreign product. Opposites of consumer nationalism, when consumer has tendency to pay no attention about origin of the product, so they have consumer worldmindedness.

2.5. Bases of Industrial Support

According to Sutarto (2008), the escalating requirements of large customers present a particular challenge. Demands for lower prices, improved packaging, specific labeling, and tight delivery requirements create tough conditions— especially for any distributor still tied to conventional supply chain systems and processes. These large customers want value-added supply chain services such as collaborative planning and vendor managed inventories. In some cases, the demand for Vendor Managed Inventory (VMI) can force industrial distributors to implement new business processes on top of old systems that do not provide adequate support. The challenges increase substantially with outdated IT systems. Simply put older, inflexible systems create internal inefficiencies that are hard to overcome. It can be difficult for you to forecast accurately enough to manage your inventory effectively. Left unresolved, these issues lead to discounts, lost orders, higher inventory costs, and unhappy customers.

By using the right system and the right technology, being competitive gets easier. If you have the right business solutions in place, you can adapt to evolving market and customer demands by improving supply chain operations, effectively managing branch locations and sales staff while keeping costs low, and creating service-related income. And so the right supply chain system would support industrial distribution and of course increase competitiveness.

2.6. Bases of Government Involvement

Peter Honebein (1997), on *Strategies for effective Costumer Education* defines costumer education as "the process by which companies systematically share their knowledge and skills with external customer to foster the development of positive customer attitudes". This definition links the fact to the ideas imply in

this thesis, in which related with the government policy implies in government activities and positive customer attitude toward product preference.

Government policy to increase domestic product usage is synergy managed by Ministry of Trade, Ministry of Industry and Ministry of Small and Medium Enterprises.

Further information toward government policy, will be discussed in the next chapter.
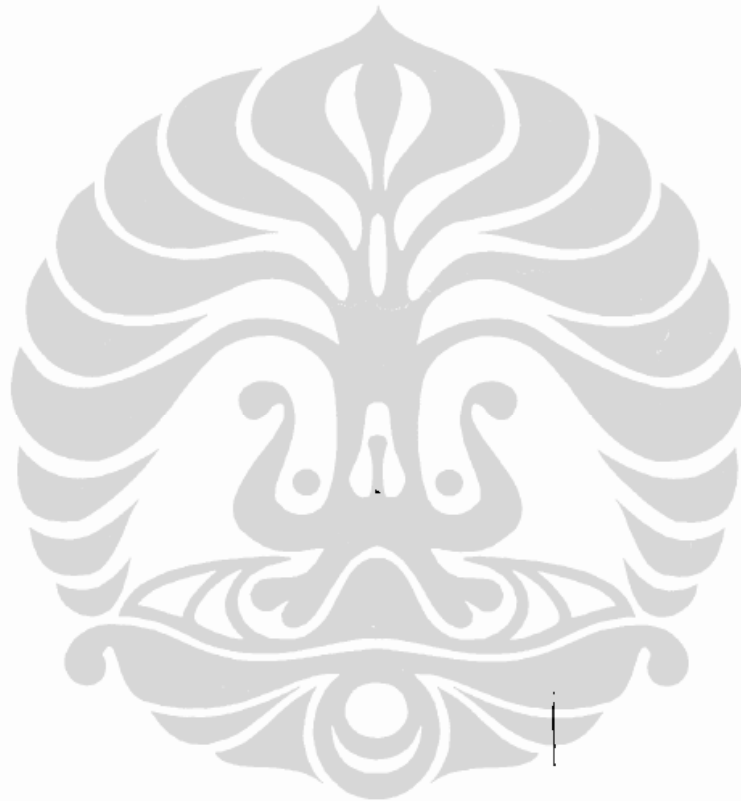
CHAPTER III
GOVERNMENT POLICIES RELATED TO NATIONAL BRAND
COMPETITIVENESS

3.1. Potency of Indonesian Footwear Industry

In the Midterm Developing Planning or RPJM 2005-2009, the Footwear Industry is classified as a one of non oil and gas commodities which has priority to enhance its export (Ministry of Trade, 2007). This is because industry of footwear has some potential aspect, such as:

a. There are big companies of footwear in Indonesia which have capability to produce millions pairs of shoes for a year and also there are many SME's which produce some kinds of shoes.

b. The Indonesian footwear industry can absorb many labors. There are some labors which have skill to produce quality shoes. The wages of Indonesia's labor is also competitive. Therefore, this industry is labor intensive and also attractive.

c. The growth of supporting industry and components for footwear industry is also increasing. There are many companies which produce goods such as: synthetic (limitation leather), leather, glue, sol, shoestring, etc for raw materials of shoes industry.

d. Indonesia is well known as a producer of footwear which has capability to produce high quality standard in global market.

3.2. Classification of Footwear

According to the harmonized system, the heading code of footwear product is 64 (two digits). Generally, classification of footwear can be categorized in three categories, such as: sport shoes, non sport shoes, and sandal.

Meanwhile, the classification of footwear can be also categorized by the utility and the user.

a. Category of footwear by utility

   (i) Athletic shoes or sport shoes

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(ii) Dress shoes (non-sport shoes): formal shoes, casual shoes and sandal

b. Category of footwear by user

  (i) lady shoes

  (ii) man shoes

  (iii) children or kid shoes

  (iv) safety, bath, etc

The Statistical Center Agency classified footwear industry into some categories. The classification of footwear industry is described as follows:

a. Shoes for daily need

b. Sport shoes

c. Shoes for technical work or shoes for industry need

d. Other footwear

3.3. Production

According to data from Ministry of Industry (2007), production capacity of Indonesia footwear industry was 820.57 million pairs in 2006. Meanwhile, 110 million pairs of total production are classified into international branded shoes, such as: Adidas, Fila, Reebook, and Nike. The branded shoes are ordered or contracted by company which has license of the branded name. Production of branded name shoes is not only located in Indonesia but it is also in others countries, such as: Vietnam, China, Thailand, India and Philippine. On the other hand, there are some firms which produce local brand name, i.e Eagle, Spec, Yongki Komaladi, etc. The price of local brand is competitive. Moreover, the design and quality of local brand name shoes are qualified (Ministry of Industry, 2007).

3.4. Domestic Market

According to Ministry of Industry (2007), demand for footwear from domestic was approximately 16.8 trillion rupiah in 2004. Moreover, the population of Indonesia is also big and approximately more than two hundred

million people, this means that domestic market is very potential market. The market share of domestic is dominated by imported shoes. Meanwhile, the market share of Indonesia's producer is only approximately 25% - 30%. This is because on lower level, China has dominated market because it's cheap price. In upper level, brand from EU and USA have dominated market.

3.5. Problems

Indonesia's footwear industry has some problems to enhance its performance. The problems can be categorized in two classifications, i.e. external problem and internal problem.

3.5.1. External Problems

a. The competition among footwear producers is very strict, especially with China, Vietnam, and India

b. Protectionism Policy which is from importing countries. The protectionism can be tariff barriers or non tariff barriers.

c. High cost of promotion and exhibition in the international market

3.5.2. Internal Problems

a. Supply of imported raw material is limited especially raw material which is from leather

b. Footwear industry is very depended on imported raw materials, supported materials, and component.

c. The quality of Indonesia infrastructure, especially infrastructure of transportation do not fully support to delivery of export.

d. Productivity of Indonesia's labor is still lower than China's labor.

e. The utility of research and development is still limited

f. Technology which is used by small and medium entrepreneur is still traditional

g. Not every producer has ability to follow international standard quality

h. Imported minded from domestic consumers

i.   Dependency of footwear industry to order from imported brand. It makes volatility on sustainable of production. In example: when Nike has stopped its order, so the firm cannot keep on production

3.6. Government Involvement

Government involvement in this research means government policies to address problems in footwear industry. In this research, it is discussed internal problems related to imported minded of consumers and dependency of footwear industry on order from imported brand.

As mention before, producers tried to release their dependency through establishing their own brand. They consider that domestic market is potential market, and the key to leverage consumer's trust is brand building (Yongki Komaladi, 2008). Not only large scale producers such as Piero, Spec and Eagle that interested on penetrate domestic market through brand building, but also some producers in small scale has been establish their own brand through their own store (called "distro") that take aim to niche market (Ministry of Trade,2007).

On the next paragraph will be discussed about government policies that support footwear industry related to problems that mention before.

3.7. Development of Domestic Product Usage Program (P3DN)

Method Development of domestic product usage program is implemented using awareness, improvement and maintenance method (AIM). On the awareness method, the ministry used campaign which is targeted to society on domestic product usage.

The awareness indicator will be based on: positive perception on the product, survey on public opinion, the increase of domestic product volume on domestic market, less import product, standard/design enhancement on domestic product, award as a reward to business entities and society, increasing volume of book on development of domestic product usage. Examples of increase awareness program that have been done are exhibition and consumer's education about domestic product superiority.

Improvement method will be targeted to business entities, especially on quality and standard. Examples of improvement effort that have been done are: assists enterprises on ISO certification. Government gives subsidies on consultation cost, but all expenses come from improvement needed are enterprises' obligation and technical assistant due to quality and design with Indonesia Footwear Service Center (IFSC). Moreover, IFSC also contributes to market information, business contact and consultation. The indicators are: good policies, trainings and workshops, exhibition, consultation on technical as well as managerial skill, increasing domestic capital, decreasing import value and volume, enhancement on research and development, increase number on intellectual property rights, increasing number of attendance in exhibitions, increasing number of academic writing. Maintenance method will be focus on how domestic quality and standard can fulfill and sustain market demand. The indicators are: having monitoring system to measure progress (of standard and quality), and the improvement of that progress.

There are several objectives of the policy are as follows:

a. Improving domestic product competitiveness,

b. Minimizing negative effect of free trade,

c. Developing a new culture of using domestic product, and

d. Creating multiplier effect as a result of new culture.

Meanwhile, the goals to support the policy objectives are as follows:

a. Building communication to public,

There are three ways to build communication, which is through:

(i) Developing awareness of domestic product usage to public,

(ii) Influencing and encouraging buying and using domestic product, and (3) Maintaining image of domestic product that has been developed.

b. Disseminating information to public,

To disseminate information to public, activities applied would be:

(i) Developing positive public opinion on the program <P3DN>,

(ii) Gaining support on policies and political commitment.

c. Educating public,

The activities would focus on:

(i) Giving workshops and trainings to academic community, public servant as well as public figure,

(ii) Educating children, and

(iii) Giving understanding on the correlation of job opportunity and welfare.

3.8. Indonesia Design Power (IDP)

Indonesia has optimizes creativity industry which could potentially contribute a significant amount of value of GDP. Meanwhile other neighboring countries such as Malaysia, Thailand and Singapore have exploited the benefit of creativity industry. Yet, it is one of major contributor for their GDP by giving a significant amount of value. Design could give added value and create competitiveness to Indonesian product. With the existence of added value and competitive product, Indonesian product will be host in their own market and has a bigger opportunity to win in foreign market to earn higher income. In addition to that, domestic industry will evolve and thus create a larger job opportunity.

By having rapid assessment, traditional market studies, domestic product studies, export product studies, international exhibition studies, foreign market intelligent and intellectual property right protection. It is targeted to bring certain amount of output, with 45 product-brand-packaging on 2007 up to 200 product-brand packaging on 2010. There are going to be seminar and workshop regarding creativity economy, educational skill (course and internship), designer field trip to abroad, international exhibition studies, live in designer in production center and also establishment of creativity and design institution in every region.

Ministry of Industry, Ministry of Trade and Ministry of Small Medium Enterprises are supporting the firm to take a part in quality certification (ISO). Subsidies gave in consultation, but not in improvement itself. Those ministries could be enhanced their role with assist the firms to get information about international standard and design.

.Creativity Industry covers: research and development, publisher, packaging, promotion, software, TV and radio, design, music, movie, toy and game, advertising, architecture, theater, crafting, video games, fashion and painting.

The objectives of the policy are:

a. Promoting and enhance the role of design on goods and services,

b. Synergizing SMEs potential and market agent,

c. Optimizing knowledge and awareness of designer, SMEs and society.

3.9. Criticism for Government Policy.

SENADA is non government organization that concerns to improvement of competitiveness Indonesia's products, especially automotive part, textile, footwear/leather, furniture and home accessories. Though their research about policy on improving competitiveness those five products, SENADA stated as follow:

Ministry of Industry, Ministry of Trade and Ministry of Small Medium Enterprises are supporting the firm to take a part in exhibition. But, there some points must be highlighted are: selection mechanism of exhibition participant, and coordination among ministries. Related to fist point, SENADA find that exhibition committee has chosen the participants based on necessity of stand exhibition subsidy, not based on strict selection of quality standard and the ability of fulfill market demand. As the result, on firms community has been developed an opinion that exhibition stand held by government only accommodates low quality products. Some firms avoids that opinion with participate only in exhibition held by private organizer or buying stand in government exhibition. And then second point, often the Ministries involved have no coordination and make ambiguity on participant. Example, Ministry of Trade sold stand exhibition, instead Ministry of Industry gave it free.

CHAPTER IV
STRUCTURAL EQUATION MODELING (SEM)

4.1. Structural Equation Modeling (SEM)

According to Kusnendi (2007), the structural equation modeling (SEM) process starts by specifying a model on the basis of theory. Each variable in the model is conceptualized as a latent one, measured by multiple indicators. Latent has divided into two kinds: endogenous latent variable which is the dependent variable and exogenous variable which is the variable that influences endogenous latent variable. Those two kinds of variables are unobserved. In order to make the variables observed and measured, it needs to state indicators that represent the variables. Based on a large sample, factor analysis is used to establish that indicators seem to measure the corresponding latent variables, represented by the factors. The researcher proceeds only when the measurement model has been validated. Two or more alternative models (one of which may be the null model) are then compared in terms of "model fit," which measures the extent to which the covariances predicted by the model correspond to the observed covariances in the data.

In this research, the main problem that has to be analyzed is competing level. The competing level is endogenous variable, that influenced by some exogenous variables which are consumer ethnocentrism, industrial support and government involvement. Because all those variables are unobserved variables, so the indicators is needed to make it observed. Based on theories and previous studies, indicators have chosen to represent the variables. To explain competing level variable, the indicators are buying intention and value of national brand footwear. To explain consumers ethnocentrism are feeling towards national brand footwear, superiority of national brand footwear and moral obligation to national economy. To explain industrial support are availability of national brand footwear product in the market and its liquid distribution. Last, to explain government involvement are socialization about superiority of national brand product, socialization or promotion about exhibition, the exhibition itself and government's involvement. Detail of model construction will be discussed latter.

4.2. Data Modeling

4.2.1. Sampling Method

According to Hair (2006), in the research using Structural Equation Model (SEM), the minimum amount of sample to be taken is five times of observation parameters, which is in this research is 5*32=160.

So, in this research, author is using random sampling and taking 179 respondents to meet requirement. Respondents are taken from Jabodetabek area.

4.2.2. Questionnaire

Based on the initial concept, questionnaire is made to discover consumer preference toward competitiveness of national brand footwear on domestic market. Each question provide within the questionnaire would represent dimension that already mention in the initial concept.

The initial concept of research based on literature review is as follows:

Table.4.1.Initial Concept

Concept	Dimension	Variable
Competing Level	Preference	Import/local
	Value in term of Price and Quality	Reachable price/not
		Good Quality/not
Consumer Ethnocentrism	Feeling	Like/not
	Superior quality	Good/not
	Moral Obligation	Yes/no
Industrial support	Availability	Yes/no
	Distribution	Fluid/not
Government Involvement	Government Education	Enough/not
	Promotion/Socialization	Enough/not
	Exhibition	Attendance
	Government's Role	Enough/not

Concept	Dimension	Variable
Purchase Evaluation Criteria of Brand	Awareness	Yes/not
	Familiarity	Enough/not
	Prestige	Enough/not
	Image	Yes/not
	Acceptance	Good/not
	Satisfaction	Enough/not
	Perceived Risk	Yes/not
	Expected Performance	Reached/not
	Features	Good/not
	Perceived Quality	Good/not
	Durability	Enough/not
	Differentiation/Uniqueness	Yes/not
	Appearance	Good/not

The following is the structure of question in the questionnaire.

Table 4.2.Questionnaire Structure

Question Number	Subject
Q1,Q2	Top of mind
Q3	Consumer knowledge about the brand
Q4	Consumer preference on footwear: imported or national brand
Q5	Consumer feeling and emotion to national brand
Q6	Consumer's buying intention
Q7	Consumer opinion to superior quality of national brand footwear
Q8	Relative value of national brand footwear in term of price and quality

Continued

Question Number	Subject
Q9	Moral obligation to buy national brand due to national interest
Q10	Availability of national brand product
Q11	Distribution of national brand product
Q12	Price
Q13	Brand familiarity as considered thing on purchasing footwear
Q14	Brand prestige as considered thing on purchasing footwear
Q15	Image as considered thing on purchasing footwear
Q16	Friend and family acceptance as considered things on purchasing footwear (social validation)
Q17	Past experience in using that brand as considered things on purchasing footwear (satisfaction).
Q18	Perceived risk as considered thing on purchasing footwear
Q19	Expected performance as considered thing on purchasing footwear
Q20	Advertised features as considered thing on purchasing footwear
Q21	Guarantee as considered thing on purchasing footwear
Q22	Price value of domestic footwear in terms of consumer expectation
Q23	Durability as considered thing n purchasing footwear
Q24	Differentiation or uniqueness as considered thing to purchase national brand product
Q25	Design as considered thing to purchase national brand product
Q26	Government socialization about superiority of national brand product
Q27	Government promotion about exhibition
Q28	Consumer's participation in exhibition
Q29	Consumer's opinion on exhibition
Q30	Consumer's opinion to domestic production usage campaign
Q31	Government's role in the view of consumer
Q32	Consumer's expectation to government in order to boost national product usage

In addition, the questionnaire also provides column for the respondents to sound their opinion and suggest to the government due intensifying consumption of domestic product.

4.2.3. Variable

The question provided within the questionnaire was derived from the observed variable. Each question then will be representing observed variable which later on will form latent variable. The following is the observed variable based on the question asked in the questionnaire.

Table 4.3. Question-Observed Variable Structure

Question	Variable
On Competing Level	
Q6	C1
Q8	C2
On Consumer Ethnocentrism	
Q5	CE1
Q7	CE2
Q9	CE3
On Industrial Support	
Q24	IS1
Q25	IS2
On Government Involvement	
Q26	GI1
Q27	GI2
Q28	GI3
Q31	GI4

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There are also indicators which excluded on the model. Those indicators are eliminated because the computation has not gave result when those all within (AMOS cannot proceed the output). The variables are as follow:

Table 4.4.Question-Variable Excluded

Question	Variable	Question	Variable
Q2	C3	Q30	GI7
Q3	CE4	Q28	GI5
Q4	C4	Q32	GI8

Besides SEM competing level, author also present purchases evaluation criteria that influence consumer to choose between imported brand footwear and national brand footwear. The questionnaire as follow:

Table 4.5.Purchase Evaluation Criteria-Variable Structure

Question	Variable
Q10	PEC1
Q11	PEC2
Q12	PEC3
Q13	PEC4
Q14	PEC5
Q15	PEC6
Q16	PEC7
Q17	PEC8
QI8	PEC9
Q19	PEC10
Q20	PEC11

Continued

Question	Variable
Q21	PEC12
G22	PEC13
Q23	PEC14

To compute purchase evaluation criteria, author uses SPSS.

In figure below, there is latent variable structure or unobserved variable. Those variables are estimated to be the factors that influencing competitiveness of national brand footwear.

Table 4.6.Latent Variable Structure

Question	Variable
Competing Level	C
Consumer Ethnocentrism	CE
Industrial Support	IS
Government Involvement	GI

4.2.4. Model Structure

The initial model of this research is as follow:

Figure 4.1.Footwear Model
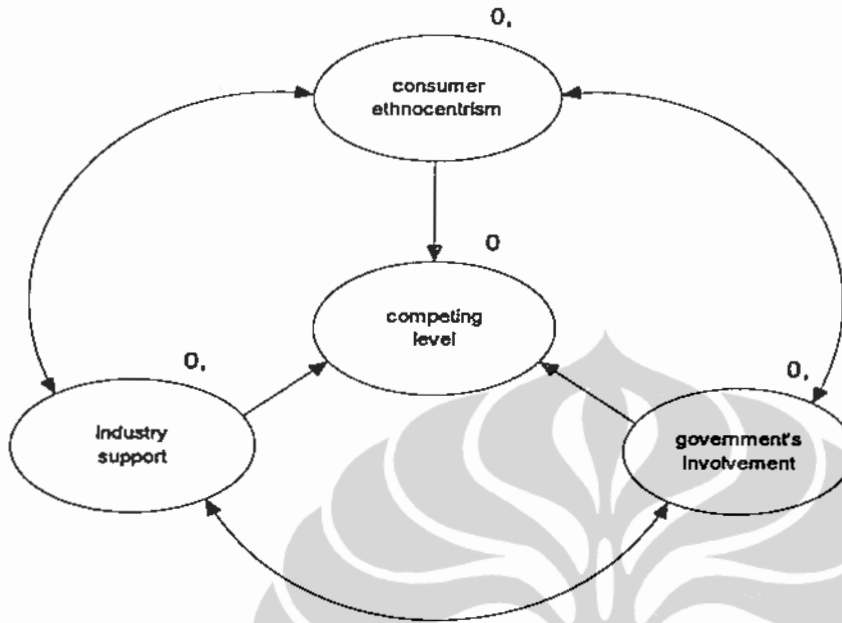
As the model presented, competitiveness (C) is influenced by three variables and those variables are latent variables that cannot be observed directly. So there are supporting model which come from observed variable and support the previous variable.

And so the construction on national brand footwear competitiveness level would be as follow:

$$C = \beta_1 CE + \beta_2 IS + \beta_3 GI + \varepsilon_1 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots \quad (1)$$

$$C = \gamma_1 C_1 + \varepsilon_2 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

$$C = \gamma_2 C_2 + \varepsilon_3 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3)$$

$$CE = \gamma_1 CE_1 + \varepsilon_4 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (4)$$

$$CE = \gamma_2 CE_2 + \varepsilon_5 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (5)$$

$$CE = \gamma_3 CE_3 + \varepsilon_6 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (6)$$

$$IS = \gamma_1 IS_1 + \varepsilon_7 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (7)$$

$$IS = \gamma_2 IS_2 + \varepsilon_8 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (8)$$

$$GI = \gamma_1 GI_1 + \varepsilon_9 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (9)$$

$$GI = \gamma2GI2 + \varepsilon10 \quad \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots(10)$$

$$GI = \gamma3GI3 + \varepsilon11 \quad \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots(11)$$

$$GI = \gamma4GI4 + \varepsilon12 \quad \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots(12)$$

Where:

C	=	Competitiveness level
CE	=	Consumer Ethnocentrism
IS	=	Industrial Support
GI	=	Government involvement
C1	=	Buying Intention to national brand footwear
C2	=	Value of national brand footwear in term of price and quality
CE1	=	Brand preference
CE2	=	Superior quality of national brand footwear
CE3	=	Moral obligation to buy national brand footwear
IS1	=	Availability of national brand footwear
IS2	=	Liquidity of its distribution
G1	=	Government education to consumer
G2	=	Promotion toward exhibition
G3	=	Consumer's response to exhibition (attendance)
G4	=	Government's role

The interpretation of the variables in each equation would be:

(1) Competitiveness of national brand footwear (C) as latent endogenous variable is affected by latent exogenous variable as consumer ethnocentrism (C), industrial support (IS) and government involvement (GI).

The expected sign of those variables are positive, which means consumer ethnocentrism; industrial support and government involvement of domestic consumer variable are supporting our brand footwear competitiveness.

In more specific each latent exogenous variable in each equation will be explained by observed variables as follows:

(2) Competitiveness level (C) is explained by buying intention/preference (C1).

(3) Competitiveness level (C) is explained by value of local domestic footwear in terms of price and quality (C2).

(4) Consumer ethnocentrism (CE) is explained consumer feeling and emotion to national brand (CE1)

(5) Consumer ethnocentrism (CE) is explained by superior quality of national brand footwear (CE2).

(6) Consumer ethnocentrism (CE) is explained by moral obligation of citizen due to their contribution to national economy (CE3).

(7) Industrial support (IS) is explained by availability of national brand footwear stock in the market (IS1).

(8) Industrial support (IS) is explained by liquid distribution (IS2).

(9) Government involvement (GI) is explained by consumer education that held by government to socialize the superiority of national product (GI1).

(10) Government involvement (GI) is explained by promotion of exhibition (GI2).

(11) Government involvement (GI) is explained by consumer response to exhibition (the attendance) (GI3).

(12) Government involvement (GI) is explained by government role to boost national product usage (GI4).

The following models are details from the competitiveness model.

Competitiveness

Competitiveness (C) is explained by footwear preference (C1).

Competitiveness (C) is explained by price factor (C2).

As explained earlier, competitiveness (C) is explained by footwear preference (C1) and footwear price (C2). Meanwhile e2 and e3 is error variable, which are part of indicators that cannot explain about construct variable (C).

The questions related to competing level model are questioning number six and eight on appendix, as the following:

6. Buying intention.

8. Relative value of quality and price.

Figure 4.2.Competitiveness Model
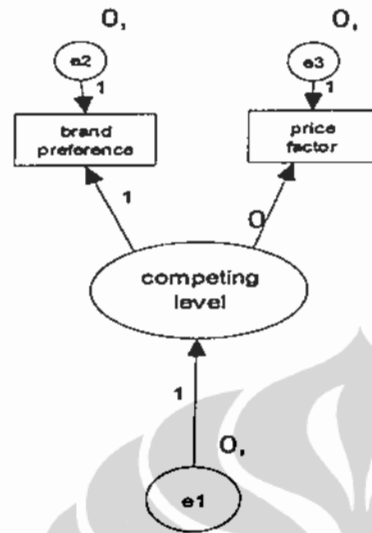
Source: Author's Data

Consumer Ethnocentrism (CE)

CE is explained by feeling and emotion to national brand footwear/preference (CE1), superiority of national brand product quality (CE2) and moral obligation of citizen to their own economy (CE3). Likewise as competing level, e4, e5 and e6 are part of indicators that cannot explain about construct variable (CE). The questions related to consumer ethnocentrism are questions number five, seven and nine on appendix, as the following:

5. Feeling and emotion to national brand footwear

7. Superior quality of national brand product quality

9. Moral obligation of citizen to their own economy

Figure 4.3.Consumer Ethnocentrism Model
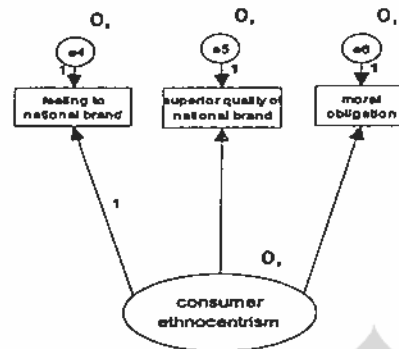
Source: Author's Data

Industrial Support

Meanwhile for industrial support model, the latent variable Industrial support (SI) is explained by footwear supply (SI1) and liquidity of distribution (SI2). And e7 as well as e8 would function as error variable. The questions related to industrial support model are questioning number twenty four and twenty five on appendix, as the following:

10. Domestic footwear supply allocation

11. Liquidity of distribution.

Figure 4.4 Industrial Support Model
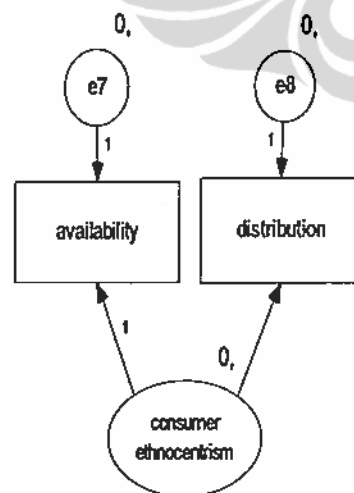
Government Involvement

      Government involvement (GI) is explained by consumer education that held by government to socialize the superiority of national product (GI1), promotion of exhibition, consumer response (attendance) to exhibition (GI3) and government role in improving local product consumption (GI4). Moreover e9, e10, e11 and e12 would function as error variable.

The questions related to quality standard model are questioning number twenty six, twenty seven, twenty eight and thirty one on appendix, as the following:

26. Consumer education that held by government to socialize the superiority of national product (GI1).

27. Promotion of exhibition (GI2).

28. Consumer response to exhibition or attendance (GI3).

31. Government role on improving local product consumption (G4).

Figure 4.5.Government Involvement Model
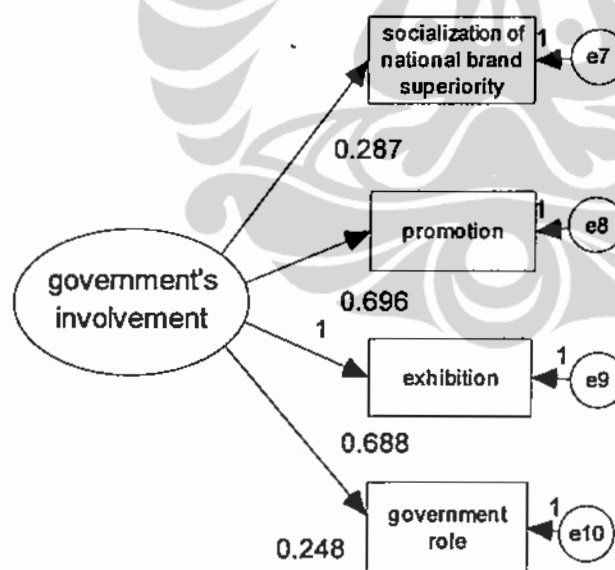
      There are also correlations among three exogenous variables, which are between GI and CE, *vice versa*, between CE and IS, *vice versa*, GI and IS, *vice versa*. It is expected among variables has positive correlation, whereas involvement of government in consumer education will be improving consumer

ethnocentrism or nationalism that illustrated from consumer's preference to chose national brand product. It refers to Honebein (1997) founding that consumer education will create loyal consumer. And also, strong ethnocentrism and nationalism will make consumer educating done by government is more effective. Industrial support is expected to be positive correlation by consumer ethnocentrism, because if national brand footwear is not available on market and its distribution is not liquid and then leave out on the limb to consumer, so consumer will choose other brand that reached easier, which is imported brand. According Williams and Slama (1995), reliable dimension also covers ability to reached, and if the product is unreachable, then consumer thinks national brand footwear is not reliable, and as the result national pride to use brand will be abolished slowly. And strong consumer ethnocentrism will be strengthening domestic industry. Ethnocentric consumer prefers to buy national product so domestic industry will stronger. Last, correlation between IS and GI. Logically, government policies and industry is strong correlated, because industry has operated in the frame of regulation, but in this research, the respondents are from consumer not from industry, which has not affected directly by government policy to industry. It might be resulting positive correlated but not as strong as expected before. Other directly effects on industrial support to consumer such as price and quality in this research are covered in other variables.

4.3. Respondent Profile

4.3.1. Respondent Domicile

In accordance to research methodology, respondent comes from Jabodetabek as the following: there are 10 respondents (5.6% of the population) comes from North Jakarta area. From East Jakarta are 30 respondents (16.8%). Then from Central Jakarta are 8 respondents (4.5%). Most of the respondent comes from South Jakarta, with 69 respondents (38.5% of the population). And then from West Jakarta are 13 respondents (7.3% of the population). The rest are: 18 respondents (10.1% of the population) from Depok, 13 respondents (7.3% of the population) from Tangerang, 13 respondents (7.3% of the population) from Bekasi and 5 respondents (2.8% of the population) from Bogor.

Table 4.7.Domicile

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Jakarta Utara	10	5.6	5.6	5.6
	Jakarta Timur	30	16.8	16.8	22.3
	Jakarta Pusat	8	4.5	4.5	26.8
	Jakarta Selatan	69	38.5	38.5	65.4
	Jakarta Barat	13	7.3	7.3	72.6
	Depok	18	10.1	10.1	82.7
	Tangerang	13	7.3	7.3	89.9
	Bekasi	13	7.3	7.3	97.2
	Bogor	5	2.8	2.8	100.0
	Total	179	100.0	100.0	

4.3.2. Respondent Age

Respondent comes from variety of age. Most of them are come from 25 up to 30 years of age (62 respondents, 34.6% of the population). Next, are come from the age of 18 up to 24 years old (34 respondents, 19.0% of the population). The youngest respondents were grouped under below 18 years of age, with 30 respondents (16.8% of the population). And then, group of 41-50 years old are 22 respondents, 12.3%. The rest are age 31 up to 40 (18 respondents, 10.1% of the population) and age upper 56 years old (1 respondents, 0.6% of the population).

Table 4.8.Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 18	30	16.8	16.8	16.8
	18 - 24	34	19.0	19.0	35.8
	25 - 30	62	34.6	34.6	70.4
	31 - 40	18	10.1	10.1	80.4
	41 - 50	22	12.3	12.3	92.7
	51 - 56	12	6.7	6.7	99.4
	> 56	1	.6	.6	100.0
	Total	179	100.0	100.0	

4.3.3. Respondent Gender

On respondent gender, the number is most likely balance. There are 81 male respondents (45.3% of the population) and 98 female respondents (54.7% of the population).

Table 4.9.Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	81	45.3	45.3	45.3
	Female	98	54.7	54.7	100.0
	Total	179	100.0	100.0	

4.3.4. Respondent Marital Status

The following are respondents' explanation based on their marital status.

Table 4.10.Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	101	56.4	56.4	56.4
	Married without Children	12	6.7	6.7	63.1
	Married with Children	66	36.9	36.9	100.0
	Total	179	100.0	100.0	

Most of respondents are single status. There are 101 respondents with single marital status (56.4% of the population). Followed by, 66 respondents of married with children marital status (36.9% of the population), and lastly, 12 respondents of married without children marital status (6.7% of the population).

4.3.5. Respondent Education

Respondent involved in this research has different kind of educational background. Most of them have undergraduate degree (84 respondents, 46.9% of the population). Followed by, 56 respondents with high school degree (31.3% of the population). Others are junior high degree (26 respondents, 14.5% of the population). Least of them have diploma degree (4 respondents, 2.2% of the population) and master degree (9 respondents, 5% of the population).

Table 4.11.Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD/SLTP	26	14.5	14.5	14.5
	SLTA	56	31.3	31.3	45.8
	D1/D2/D3	4	2.2	2.2	48.0
	S1	84	46.9	46.9	95.0
	Total	179	100.0	100.0	

4.3.6. Respondent Occupation

Most of the respondents are students, with 52 respondents (29.1% of population). Followed by, government employee/TNI, with 50 respondents (27.9% of the population), private employee respondents with 48 respondents (26.8% of population). Least of respondents come from business owner (11 respondents, 6.1% of the population), housewife (8 respondents, 4.5% of the population). The rest, others are 9 respondents, 5.0% of the population), and blue collar worker is 1 respondents (0.6% of the population).

Table 4.12.Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government Employee/TNI	50	27.9	27.9	27.9
	Private Employee	48	26.8	26.8	54.7
	Business Owner	11	6.1	6.1	60.9
	Farmer/Blue Collar Worker	1	.6	.6	61.5
	Housewife	8	4.5	4.5	65.9
	Student	52	29.1	29.1	95.0
	others	9	5.0	5.0	100.0
	Total	179	100.0	100.0	

4.3.7. Respondent Household Monthly Spending

Most of respondents household (84 respondents, 46.9% of the population) spent two up to 4.9 million rupiah monthly. Then, there are 36 respondents (20.1% of the population) spent one up to 1.9 million rupiah monthly. Followed by, 24 respondents (13.4% of the population) spent five to 9.9 million rupiah monthly. The rest are monthly spending below one million rupiah (25 respondents, 14% of the population) and above ten million monthly spending (10 respondents, 5.6% of the population).

Table 4.13.Monthly Spending

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1 million	25	14.0	14.0	14.0
	1 - 1,99 million	36	20.1	20.1	34.1
	2 - 4.9 million	84	46.9	46.9	81.0
	5 - 9,9 million	24	13.4	13.4	94.4
	> 9,9 million	10	5.6	5.6	100.0
	Total	179	100.0	100.0	

4.3.8. Respondent Recognition to Brand

Based on questionnaires response, Bata has the best positioning in the consumer mind when it comes to footwear. There are 61 of the respondent (34.1%) recognize Bata as the first brand that come up when they heard the word footwear. Other brands recognize respectively are Nike (12.8%), Bucherri (11.7%), Adidas (7.8%), Yongki Komaladi (6.1%), Fladeo (3.9%), Converse (3.4%), Hush Puppies (2.2%), Bally (2.2%), and others below one percent.

Table 4.14.Top of Mind Brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	charles and keith	3	1.7	1.7	1.7
	bata	61	34.1	34.1	35.8
	nike	23	12.8	12.8	48.6
	adidas	14	7.8	7.8	56.4
	hush puppies	4	2.2	2.2	58.7
	yongki komaladi	11	6.1	6.1	64.8
	buccheri	21	11.7	11.7	76.5
	epiderma	1	.6	.6	77.1
	converse	6	3.4	3.4	80.4
	rockport	1	.6	.6	81.0
	nevada	2	1.1	1.1	82.1
	floorsheim	1	.6	.6	82.7
	fladeo	7	3.9	3.9	86.6
	kings	1	.6	.6	87.2
	eagle	1	.6	.6	87.7
	everbest	2	1.1	1.1	88.8
	Vinci	3	1.7	1.7	90.5
	airwalk	1	.6	.6	91.1
	bally	4	2.2	2.2	93.3
	marie claire	3	1.7	1.7	95.0
	px style	2	1.1	1.1	96.1
	st.morris	1	.6	.6	96.6
	st.ives	1	.6	.6	97.2
	prada	1	.6	.6	97.8
	reebok	1	.6	.6	98.3
	apple green	1	.6	.6	98.9
	puma	1	.6	.6	99.4
	peter keiza	1	.6	.6	100.0
	Total	179	100.0	100.0	

4.3.9. Buying Intention by Monthly Spending

Based on questionnaires response, composition for consumers chooses national brand product mostly has spending below 4.9 million per month, whereas mostly consumers chooses imported brand product has spending above 4.9 million.

Table 4.15.Buying Intention by Monthly Spending

		Monthly Spending					Total
		< 1	1 – 1,99	2 – 4.9	5 – 9,9	> 9,9	< 1 million
Buy National Brand	Disagree	14	16	43	18	10	101
	Agree	11	19	41	7	0	78
Total		25	35	84	25	10	179

3.3.10. Media

Media is medium or intermediary of information exchange. The government uses media as microphone to convey about national brand product exhibition. In questionnaire, respondents choose what kind of media that they heard from about superiority of national brand product and the exhibition. Respondents can choose more than one option, and here is the rank of media.

Table4.16. Media

Superiority of National Brand Product	Rank	Exhibition
Television	1	Television
News paper and magazine	2	News paper and magazine
Internet	3	Producer of products
Producer of product	4	Internet
Government Employee	5	Friend

CHAPTER V
ASSESING DETERMINANT FACTORS OF NATIONAL BRAND COMPETITIVENESS

5.1. Model Goodness of Fit Test (GOF Test)

Based on the model construction, the following is the national brand footwear competitiveness level modelling.

The model suggests that local brand survival or competitiveness level (C) is positively affected by some latent exogenous variables, which are: consumer ethnocentrism (CE), industrial support (IS) and government involvement (GI). Indicators could explain the competitiveness level itself as buying intention of national brand footwear (C1) and relative value of national brand in term of quality and price to imported brand footwear (C2).

On consumer ethnocentrism, the indicators that represent variables are consumer's feeling and emotion on local brand (CE1), consumer opinion on superiority of local brand quality (CE2), and consumer opinion on moral obligation to consume local brand due to national economy interest (CE3). Next, industry support could be explained by availability of local brand (IS1) and liquidity of its distribution (IS2). On government involvement, it could be explained by socialization or education about superiority of local brand from government to consumer (GI1), promotion on exhibition (GI2), consumer response or participation to exhibition (GI3) and consumer opinion about government's role in order to promote domestic products (GI4).

On next page it will be presented model of competitiveness level of national brand footwear.

Figure 5.1.National Brand Footwear Competitiveness Level Modeling
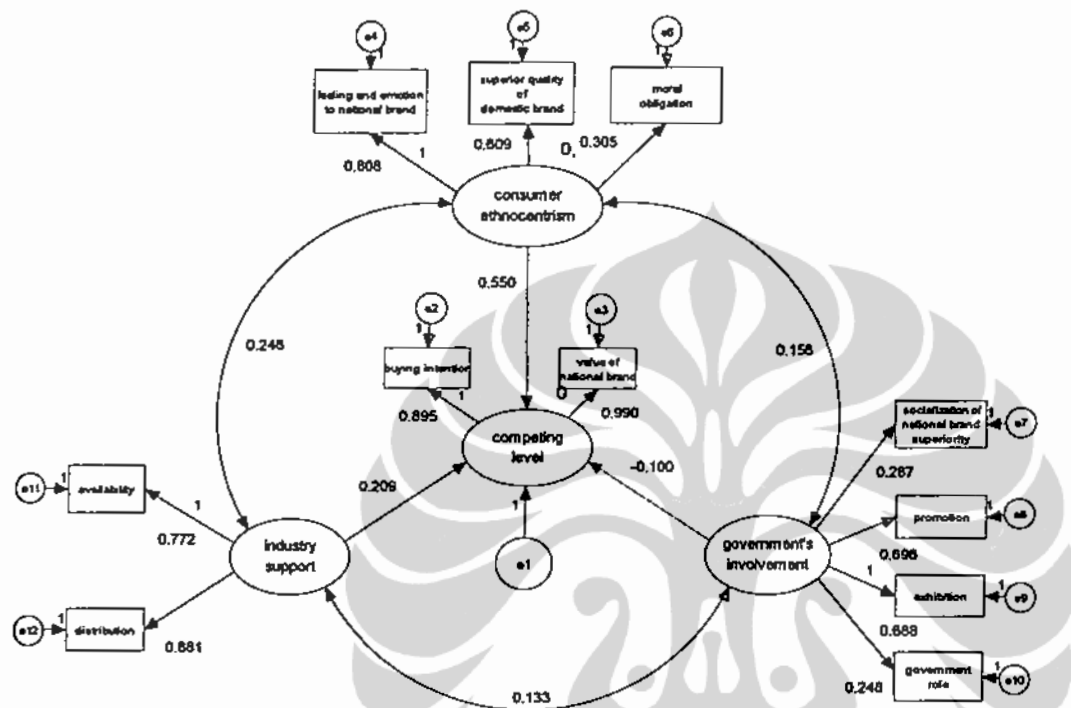
Based on questionnaire response, the following are result of Structural Equation Modelling for local brand footwear.

Figure 5.2.Result (Default model)

Computation of degrees of freedom (Default model)

Number of distinct sample moments:	77
Number of distinct parameters to be estimated:	39
Degrees of freedom (77 - 39):	38

Result (Default model)

Minimum was achieved

Chi-square = 44.859

Degrees of freedom = 38

Probability level = .206

In SEM, model is fit whether sample covariance matrix is not different from population covariance matrix estimated. So the hypothesis GOF in general is shown below:

H0: $S = \Sigma$: there is no differentiation between sample covariance matrix and covariance matrix estimated.

H1: $S = \Sigma$: there is differentiation exist between sample covariance matrix and covariance matrix estimated.

Consist with hypothesis above, output GOF is expected to accept Ho.

According Hair et al (1995), GOF test is done by several stages, which are:

1. Overall fit model
2. Measurement model fit
3. Structural model fit

5.1.1. Overall Fit Model

Overall fit model consists of three groups of test, which are:

1. Absolute fit measures. It is related to generalization matter that examines the reliability of model parameter estimation to be applied on population. The criterion is CMIN (chi square) test.

2. Incremental fit measures. It is comparing estimates model to null model. The criteria are TLI (Tucker-Lewis Index) and NFI (Normed Fit Indexes).

3. Parsimonious fit measures. Measures the effectiveness of model in term of its simplicity. The criterion is PNFI (Parsimonious Normed Fit Index) and AIC (Akaike Information Criterion).

Table 5.1.Good-Fitness Tests, Fitness Criteria, Test Criteria and Conclusion

Type	GOF Test	Fitness Criteria	Test Criteria	Conclusion
1	P-value (CMIN)	1.00 (perfect fit model)	≥ 0.05	Good Fit
2	TLI, NFI	1.00 (perfect fit model)	≥ 0.90 $0.8 \geq TLI, NFI \geq 0.9$	Good Fit Marginal Fit
3	PNFI	1.00 (perfect fit model) 0.0 (perfect fit model)	Closer to 1.0	Good Fit
	AIC		AIC saturated model $\leq$ AIC default model $\leq$ AIC Null model, closer to 0 will be better.	Good Fit

Source: Kusnendi (2008).

Table 5.2.CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	39	44.859	38	.206	1.181
Saturated model	77	.000	0		
Independence model	22	627.547	55	.000	11.410

This criterion is the primary GOF and the base of next test. It will measure whether the model is appropriate enough or not.

The value of default model chi square (CMIN) is 44.859 and probability is 0.206. The value of CMIN/DF is 1.181. As the P-value criteria, this model is fit. So does with CMIN/DF, according Kusnendi (2008), model is appropriate when

CMIN/DF in the value of 1 or 2. So, according absolute fit-test, this model is good and the structural test can be done.

The next criterion is baseline comparison. This test aims to see how good this model compares with null model. Null model or independence model is a model in which among its variables has no relationship.

Table 5.3.Baseline Comparison

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.929	.897	.988	.983	.988
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

The default model has NFI value of 0.929. This means, default model is 92.9% better than null model. According to criteria above, this model is good fit. Next TLI has value of 0.983. Just like NFI, TLI also measures default model to null model. The value of TLI above indicates model is good fit.

The next criterion is parsimonious. Good model is a simple model that explains well about the problem. If a model measures as simple enough to explain well about the problem, so the model is parsimonious. And if the value is closer to 1, so the model is closer to perfect model.

Table 5.4.Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.691	.642	.683
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

The default model has PNFI value of 0.642. According the criteria above, this model is good fit.

Table 5.5.AIC

Model	AIC	BCC	BIC	CAIC
Default model	122.859	128.498		
Saturated model	154.000	165.133		
Independence model	671.547	674.728		

AIC is another criterion of parsimonious. The default model has AIC value of 122.859, whereas the value is between saturated and independence model. According the criteria above, this model is good fit.

From all criteria, default model can be assured as good fit model. Then we can continue to measurement model test.

After the model has proved its fitness, next process is examining whether the indicators in constructs are really a part of construction or could explained that construction through examine each latent variables. This test is aimed to evaluate construct validity and construct reliability.

5.1.2. Construct Validity Test

To begin the analysis on factors to influence the competitiveness level of domestic product, we have to measure construct validity test. Validity test means to examine whether the indicators are really support or explain certain variables. Indicator explains construct if factor loading >0.5. The following is the output analyzed by Structural Equation Modelling.

Table 5.6.Standardized Regression Weights: (Footwear Model - Default Model)

			Estimate
C	←	IS	.209
C	←	CE	.550
C	←	GI	-.100

			Continued
			Estimate
C1	←	C	.895
C2	←	C	.990
GI3	←	GI	.688
GI2	←	GI	.696
GI1	←	GI	.287
CE1	←	CE	.808
CE3	←	CE	.305
IS1	←	IS	.772
IS2	←	IS	.887
CE2	←	CE	.609
GI4	←	GI	.248

Figure above has shown almost all indicator has high factor loading (>0.5), except GI1, CE3, and GI4. It means that all constructs can be explained well with its indicators except that three indicators mention before.

5.1.3. Reliability Construct Test

Constructs are reliable if their indicators have passed validity test and have value of variance extracted more than 0.5 (Hair et al, 1995).

Variance extracted measures whether the latent variables are part of model construction or not.

1. Competitiveness level (C)

   (0.895+0.990)/2 = 0.942

   0.942>0.5 → it shows convergence (unity) between indicators to explain their construct.

2. Consumer Ethnocentrism (CE)

   (0.808+0.609+0.305)/3= 0.574

   0.574>0.5 → it shows convergence (unity) between indicators to explain their construct.

3. Industrial Support (IS)

   (0.772+0.887)/2 = 0.829

   0.829>0.5 → it shows convergence (unity) between indicators to explain their construct.

4. Government Involvement (GI)

   (0.287+0.696+0.688+0.248)/4= 0.479

   0.479<0.5→ it shows no convergence (unity) between indicators to explain their construct.

Result for all indicators, except indicators for GI, is good. They all show the unity in explain the construct. Its means, indicators C1 and C2 as parts of C are reliable. And CE1, CE2 reliable also for CE, moreover CE is reliable to C. IS1 and IS2 are reliable to explain C and IS is also reliable to support C.

The next step is measure relationship among constructs.

5.1.4. Structural Model Fit

Table5.7. Regression Weights: (Footwear Model - Default model)

			Estimate	S.E.	C.R.	P	Label
C	←	IS	.115	.044	2.650	.008	
C	←	CE	.649	.133	4.862	***	
C	←	GI	-.121	.101	-1.190	.234	
C1	←	C	1.000				
C2	←	C	1.106	.079	14.033	***	
GI3	←	GI	1.000				
GI2	←	GI	.696	.192	3.624	***	
GI1	←	GI	.333	.116	2.861	.004	
CE1	←	CE	1.000				
CE3	←	CE	.361	.107	3.386	***	
IS1	←	IS	1.000				
IS2	←	IS	1.164	.245	4.753	***	
CE2	←	CE	.531	.094	5.674	***	
GI4	←	GI	.764	.303	2.522	.012	

Table 5.7 shows covariance statistic between latent variable and its indicators. Value in column P (probability) shows nature of relationship between construct and its indicator. If P≤0.05, then there is a significant relationship between construct and its indicator. It means indicators can be used to explain the construct.

From the table above, all relationships are significant, except for GI→C. It means government involvement indicators cannot explain well about competitiveness level. Let us take a look back on figure 5.7.

Based on the output, competitiveness level (C) on footwear brand is significantly influenced by consumer ethnocentrism (CE) indicated by value of 0.550 which is above 0.5. It means when C goes up in one standard deviation, the contribution of CE is 0.550 from one standard deviation. Others that influence C are industrial support (IS) which its value of 0.209.

The competitiveness level (C) itself could be explained well by buying intention that has value of 0.895 and value of national brand in terms of price and quality explains C in the value of 0.990. Industrial support is explained well by availability of local brand in the market, which has value of 0.772. Other factor, liquidity of distribution has value of 0.887. While, the most significant contribution towards competitiveness level, consumer ethnocentrism (CE), is explained well by consumer's feeling or emotion about local brand (CE1), whereas it has value of 0.808. Other is consumer's opinion on superior quality of local brand (CE2) which has value of 0.609. Then, moral obligation (CE3) has insignificant value which is 0.303. Last, although GI variable cannot be explained in frame of competitiveness level model, but we can analyze it as independent variable.

Figure 5.3.Government Involvement Model
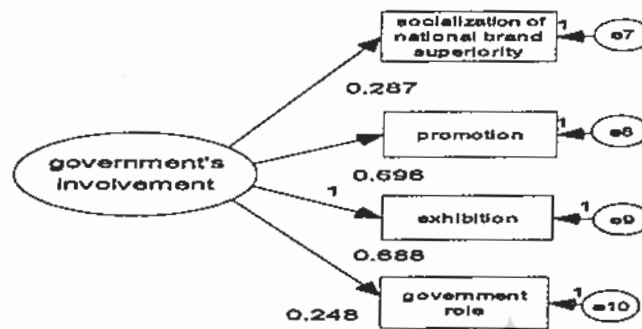
Government involvement (GI) could be explained well by government socialization towards exhibition (GI2), which has value of 0.696. Other is consumer's participation in exhibition (GI3) which has value of 0.698. On the other side, government education towards consumer about superiority of domestic products (GI1) in accordance to consumer opinion has no significant value which is 0.287. So does the role of government in promoting domestic product (GI4), which has value of 0.248.

The following is the correlation between each exogenous latent variable.

Table 5.8.Correlations: (Footwear Model - Default model)

	Estimate
GI <--> CE	.156
IS <--> CE	.246
GI <--> IS	.133

Table 5.9.Interpretation of Size of Correlation

Correlation	Negative	Positive
Small	−0.3 to −0.1	0.1 to 0.3
Medium	−0.5 to −0.3	0.3 to 0.5
Large	−1.0 to −0.5	0.5 to 1.0

Source: Cohen (1988)

Based on table above, all exogenous variables have in line positive relationships but in the small value. It means, among government involvement, consumer ethnocentrism and industrial support have linear relationship but it was so weak to influence one another.

5.2.   Competitiveness Level Analysis

So, how about competitiveness level of national brand footwear in domestic market? According to model, there is known that consumer ethnocentrism is most influential factor to increase competitiveness of national brand footwear on domestic market. Moreover, competitiveness level of national brand footwear in domestic market is explained well by consumer's purchasing intention on national footwear brand and consumer's measurement about the national brand in terms of price and quality.

To begin with the analysis on competitiveness level of national brand footwear, let's take a look at the following figure.

Table 5.10 Footwear Brand Preference-
Buying Intention of National Brand Footwear

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	101	56.4	56.4	56.4
	Agree	78	43.6	43.6	100.0
	Total	179	100.0	100.0	

On figure 5.10 it is stated that there are 101 observations or 56.4% disagree to buy national brand footwear, which mean they buy imported brand footwear. It has shown a rapid competition between national brand footwear and imported brand footwear.

Then, let's take a look at figure below:

Table5.11.Consumer's Perception to National Brand Value

In terms of Quality and Price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	101	56.4	56.4	56.4
	Agree	78	43.6	43.6	100.0
	Total	179	100.0	100.0	

From the table above, we can see from 101 observations (around 56.4%), they did not agree whether the value of national brand footwear is better than imported brand footwear.

Further beyond both indicators, there are two exogenous latent variables that influence to competitiveness level. The variables are consumer ethnocentrism and industrial support.

Consumer ethnocentrism has high value, which means it will be influence significantly of the competitiveness level. Let's take a look figure below:

Table 5.12.Feeling and Emotion to National Brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	122	68.2	68.2	68.2
	Agree	57	31.8	31.8	100.0
	Total	179	100.0	100.0	

On figure 5.12 it is stated that there are 122 respondents or 68.2% of observation disagree to like national brand footwear, which mean they are like better imported brand footwear than national brand one.

Remind table 5.6, it is explained that this indicator is valid to explain consumer ethnocentrism variable. The next valid indicator is superior quality of national brand quality.

Table5.13.Superior Quality of National Brand Quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	157	87.7	87.7	87.7
	Agree	22	12.3	12.3	100.0
	Total	179	100.0	100.0	

On table 5.13 it is stated that there are 157 observations or 87.7% disagree about superiority of national brand footwear, which mean they see that quality of imported brand footwear are better than national brand one.

From both indicators, we can see that Indonesia consumer has a weak consumer ethnocentrism. This result has strengthen previous research on consumer ethnocentrism, in which it result shows that people in developing countries are tend to underestimate its own product or brand, instead of the national brand products has good quality (Cheng, Lu Wang and Zhen Xiong Chen, 2004). They believe that quality of their own brand product is below imported brand footwear. Moreover, they don't have any emotional relationship with their own national brand.

Lastly, though it has low value, industrial support also has positive contribution in competitiveness level. See table 5.14.

Table 5.14.Availability of National Brand Footwear Stock

		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	35	19.6	19.6
	Agree	144	80.4	100.0
Total		179	100.0	

Table 5.15.Liquidity Distribution of National Brand Footwear Stock

		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	35	19.6	19.6
	Agree	144	80.4	100.0
Total		179	100.0	

We can see from tables above, consumer give opinion that for distribution and availability of national brand footwear is good enough. That means there is a lot of stock of national brand footwear in the market. And the distribution is liquid and spread enough, so they do not get any trouble to get it near from their residence. The respondents do not have to go to central of city to get it, because it is available around them.

Lastly, recall table 5.8. On governments involve, it is expected will be influenced consumer ethnocentrism through government education to consumer about superiority of national brand product, and then consumer ethnocentrism will increase so competitiveness level of national brand footwear will increase too. Vice versa, due to strong consumer ethnocentrism, government effort to socialize or education will be more effective. It also applied on industrial support. Between industrial support and government involvement cannot be separated, because government makes regulation in order to better industry based on the nature of industry, and industry operates in frame of regulation. But the fact shows otherwise. There are no significant correlation among consumer ethnocentrism, industrial support and government involvement. It is caused by our consumer is not consumer with high ethnocentrism, and policies taken by government still did not works to increase their ethnocentric. As the result, government policies are not yet effective. It is reflected from low value of correlation CE to GI. Then, there is no significant correlation between consumer ethnocentrism and industrial support. That is reasonable, because consumer ethnocentrism has no direct effect to industrial support, vice versa. Last, there is no significant correlation between IS and GI. Maybe it can be a big question, how come this result happens, but if we

are looking at the object of research, it is reasonable. Industrial support in this research only highlight on availability and liquidity of distribution in the view of consumer, not in the view of firms that have direct relation to government policy and industry.

5.3. Policy Analysis

5.3.1. Purchase Evaluation Criteria

It is very important to analyse what is consumer preferences on brand footwear purchasing decision, so we can understand what factors influence consumer to choose between imported brand and national brand. The table below is rank of purchase evaluation criteria from imported brand footwear and national brand footwear.

Table5.16.Purchase Evaluation Criteria

No	Brand Purchased	Purchase Evaluation Criteria	Disagree	Agree	Rank
1	Imported Brand	Value for Money	4.00%	96.00%	1
		Brand Durability	4.00%	96.00%	2
		Brand Guarantee	4.00%	96.00%	3
		Brand Appearance	5.00%	95.00%	4
		Brand Satisfaction	5.00%	95.00%	5
2	National Brand	Brand Satisfaction	3.00%	97.00%	1
		Value for Money	4.00%	96.00%	2
		Brand Durability	4.00%	96.00%	3
		Price	5.00%	95.00%	4
		Expected Performance	8.00%	92.00%	5

As we can see from table above, national brand consumer take priority to their satisfaction experience form what they consume earlier. Then they take priority to value for money. Furthermore, durability is the third criteria chosen. Next is price and expected performance of brand.

In the other side, imported brand consumers have priority in value of money, brand durability, brand guarantee, and brand image. Consumers take priority to value for money means no matter about much money they spend to buy footwear, if quality of branded footwear is equal or more. Then, brand appearance is the second priority means they take care of design. Furthermore, durability, guarantee and brand satisfaction are leading them to choose brand footwear.

The criteria on national brand footwear that do not exist on imported brand footwear are price and expected performance. It means, when respondents choose national brand footwear, they do not see both within imported brand footwear instead of those are major criteria to them. So, what national brand consumer needed is functional footwear with reachable price.

The criteria on imported brand footwear that do not exist in national brand footwear are guarantee and appearance. It means the respondent who chooses imported brands opinion that their brand preference is superior in quality and design.

To change consumer's preference that choose imported brand, national brand product must improve itself through quality and design. It was reflecting what consumer sees on imported brand footwear while our national brand does not have it.

One more thing must be highlighted from the result, that is opposite with result from Chen and Zhen (2004) .They found that people in developing countries tend to see imported brand as a status symbol, instead from this research, brand image that reflecting the status of its user is not the main consideration for consumer to choose imported brand.

5.3.2. Government Involvement Construct

Variables occurred in this research represent consumer perception on government policy related to competitiveness level of footwear. Recalling table 5.7, GI has not passed test of significance that indicates that currently government policy in the perception of consumer is not supporting the competitiveness level of national brand footwear. Consumer thinks that a government involvement would not give effect to make local footwear production more competitive.

In previous section, it has already known that GI construct cannot represent competitiveness level, but it is very important to know deeper why consumer has opinion that government cannot support competitiveness level. Factor loading in construct GI are socialization (GI2), which has value of 0.696. Other is exhibition (GI3), which has value of 0.698. Then government education (GI1) in the fact has no significant value, which is 0.287 and the role of government (GI4), which has value 0.248.

On socialization and exhibition, those indicate that consumer perception on what government done on it would make local brand footwear more competitive. But, is the socialization is effective to all group? And which group has/has not good response to socialization and then come to exhibition? See tables below:

Table 5.17.Socialization and Occupation

		Exhibition Socialization		Total
		No	Yes	
Occupation	Government Employee/TNI	2	48	50
	Private Employee	9	39	48
	Business Owner	2	9	11
	Farmer/Blue Collar Worker	1	0	1
	Housewife	1	7	8
	Student	14	38	52
	others	0	9	9
Total		29	150	179

From the table above, we can see the socialization is effective to government employee. It is reasonable, because as government employee, they are the first one that notices about government program.

Let's take a look at other occupation groups. We can see students are the untouchable group. Almost 50% of them never heard about domestic product exhibition.

Table5.18.Exhibition and Occupation

		Attendance to Exhibition			Total
		0	1-3	4-6	0
Occupation	Government Employee/TNI	13	34	3	50
	Private Employee	15	30	3	48
	Business Owner	3	7	1	11
	Farmer/Blue Collar Worker	1	0	0	1
	Housewife	1	7	0	8
	Student	24	28	0	52
	Others	3	6	0	9
Total		60	112	7	179

Once more, table bellowed has shown student as the untouchable group on government involvement. Almost 50% never come to exhibition. Then lest take a look at student profile.

Table5.19. Student Age

		Age							Total
		< 18	18 - 24	25 - 30	31 - 40	41 - 50	51 - 56	> 56	< 18
Occupation	Student	30	17	5	0	0	0	0	52

Most of them are high school student. It means socialization has not yet reached the youth. It is also reflected from their brand preference.

Table 5.20.Student's Brand Preference

		Footwear Brand Preference		Total
		Imported Brand	National Brand	Brand
Occupation	Student	42	10	52

That result indicates that government must be improve their socialization to the youth. And now let's see the following table:

Table5.21.Occupation and Consumer's Education

		Consumer's Education		Total
		No	Yes	No
Occupation	Government Employee/TNI	8	42	50
	Private Employee	12	36	48
	Business Owner	5	6	11
	Farmer/Blue Collar Worker	0	1	1
	Housewife	3	5	8
	Student	12	40	52
	Others	3	6	9
Total		43	136	179

For consumer education which is the socialization about superiority of domestic product, at least there are two groups, private employee and student, that many answers they never heard about superiority of domestic product. It means socialization is not effectively delivered.

All those results reflect that government has failed to building communication and educating to the youth. The awareness of national brand product or domestic product usage in this age group is not created. The government need to improve P3DN program that its task to develop positive public opinion.

And now let us take a look at table 5.22. The table shows statistic about consumer opinion on government's role to enhance domestic product

consumption. We can see from the table, student and private employee has not yet consider that the government role is enough to enhance domestic product consumption.

Meanwhile, public servant and military employee has considered the opposite. It is assume that the preferences occur due to the deeper knowledge on the area of concern as well as their higher sense of belonging.

Table5.22.Occupation and Government's Role

	Occupation							Total
	Government Employee/ TNI	Private Employee	Busines s Owner	Farmer/ Blue Collar Worker	House wife	Student	others	
Very Disagree	1	2	0	0	0	2	3	8
Disagree	2	5	0	0	0	5	0	12
Less Disagree	5	14	6	1	1	12	2	41
Less Agree	16	16	3	0	4	28	0	67
Agree	22	10	1	0	3	3	4	43
Very Agree	4	1	1	0	0	2	0	8
Total	50	48	11	1	8	52	9	179

And then let us take a look at table 5.23 below. From 179 respondents, only 131 answer this question. The question is open form, and being coded afterwards. The following is some of the respondents' opinion on government role in enhancing domestic consumption. Amount of 48.1% of the respondent considered government must help producer to improve their quality products. Next, 16% said that government has to improve promotion of domestic product. After that, 7.6% respondents said that government must improve socialization to consume domestic products. Then other opinions in order says it should helps small business to market domestic brand products 6.9%, Reducing import of finished goods 6.1%, Making regulation that support small and medium enterprises 6.1%, helps producers to maintain good brand 4.6%, Improving patent label 2.3%, and Making obligation for govt and private to use domestic products 2.3%.

According to this research, P3DN program still has not effective yet. Most consumers still have no positive perception on the product, and they also measure that poor standard/design on national brand product. The objective of P3ED program to develop a new culture of using domestic product in footwear brand commodity still has not reached.

On building communication to public, P3ED program has not reached attention of youth to developing awareness of domestic product usage to public and then influencing and encouraging them to buy and use national brand product.

In last two years, Ministry of Trade together with Ministry of Industry and Ministry of Small-Medium Enterprises has been running Indonesia Design Power (IDP). Right now, IDP is under economy creative policy. It means on consumer perception, government policy on design (IDP) is not yet effective. And the reason is because IDP is just implemented and currently still on early phase. And so the policy is not yet gives a significant effect to footwear industry.

Table 5.23.Government's Role

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Improving quality of domestic products	63	35.2	48.1	48.1
	Reducing import of finished goods	8	4.5	6.1	54.2
	Improving promotion of domestic products	21	11.7	16.0	70.2
	Improving patent label	3	1.7	2.3	72.5
	Improving socialization to consume domestic products	10	5.6	7.6	80.2
	Making regulation that support small and medium enterprises	8	4.5	6.1	86.3
	helps producers to maintain good brand	6	3.4	4.6	93.1
	Total	131	73.2	100.0	
	System	48	26.8		
Missing		179	100.0		

CHAPTER VI
CONCLUSION AND RECOMMENDATION

6.1. Conclusion
6.1.1. Factors to influence

Based on Structural Equation Modeling, consumer considers that consumer ethnocentrism is most influential factor for national brand footwear to be able to compete in domestic market.

6.1.2. Competitiveness level

Currently, national brand has been facing rapid competition with imported brand on domestic market. Its indicators, buying intention and relative value in term of price and quality has been shown that proportion of our consumer that take their preference to imported brand footwear is slightly larger than national brand one. The most influence factor, consumer ethnocentrism, has shown that consumer has denied superior quality of national brand footwear to imported brand footwear. Moreover, they prefer to imported brand footwear than national brand footwear. Otherwise, consumer gives positive appreciation to industrial support. Consumer has stated that national brand footwear is available on market and has no obstacle to get it near their residence.

6.1.3. Government Policy

Government policy has been excluded from competing level model because it cannot passed test of significance, but we can analyze it as independent variable.

The fact that Indonesia is a high quality footwear producer, it approved by order from imported brand such as Adidas and Fila (that dominating total output of Indonesia's footwear Industry), but domestic consumer still viewed that its quality below imported shoes. It happens because the lack of information that consumer gave about superiority of national product.

Some producers have been tried to out of dependency from imported brand order and made their own brand. Moreover, they believe that building brand is the

key of increasing the trust leverage of consumers. And domestic market is becoming varied because of distro's label growth. As the result, competition between national brand footwear and imported brand footwear on domestic market is becoming increase.

Government has supported footwear industry effort with program such as education to consumer about superiority of national brand product, promotion about exhibition and exhibition itself. From this research, domestic consumer only sees the last two programs instead the most influence factor to increase competitiveness of national brand footwear is consumer ethnocentrism, which is the government program that related to ethnocentrism is the first program.

Promotion and exhibition, those are representing government policies in the view of consumer. Most of consumer has already heard about exhibition. So does the exhibition itself, consumer is well participated. But, government needs to pay intention more to student group. Most of them never heard about exhibition and never visited the exhibition. The government has failed to build communication to the youth. And it is reflected from their footwear preference, most of them prefer imported shoes.

Another group that government must be concerned is private employee. Although they have good participation to exhibition, they are prefer to choose imported brand footwear than national brand one. Imported brand footwear is chosen because it has superiority than national one on quality and design.

The government has already done program due to improving competitiveness. To create improvement in quality design, one Ministry of Trade together with Ministry of Industry and Ministry of Small-Medium Enterprises has launched Indonesia Design Power. In the fact, consumer still considers that our brand is left on design. It means this program has not yet effective. It is reasonable because this program has just been implemented for a short time. Other programs are ISO certification, and technical assistant with Indonesia Footwear Service Center (IFSC). Moreover, IFSC also contributes not only on design and quality, but also on market information, business contact and consultation.

6.2. Recommendation

6.2.1. Policy Recommendation

In accordance with result analysis in chapter five, there are three policies that must be concerned in developing national brand: governments' policy should stress upon ethnocentrism, more attention to maintain awareness of national brand product to the youth and increasing quality and design of national brand footwear.

Consumer ethnocentrism has been approved as most influential factor that leverage competitiveness of national brand footwear, so the government should be increasing the effort to improve the ethnocentrism. The government has already done this effort though P3DN, with educating consumer about superiority of national brand product, but not effective yet.

This result also shows the youth as our future still untouchable from government program. It has shown from their low response to promotion and exhibition. It also reflected from their preference, they prefer imported brand than national brand footwear. The youth is important, because they are our future. They have to get education that increase their awareness about superiority of national brand product or our national brand product competitiveness will be decrease in the future.

Yes, quality and design still problems in our national brand product. Based on the research, quality and design are factors that on consumer's view cannot able to compete with imported brand. Yes, maybe our brand could not be able to compete currently, but our industry has potential to do it. In the facts, there are many imported brands have established their manufacturing here. Example: Rottelli and Gosh, two famous brands, assembling their products in East Java.

Not all of Indonesian manufactures were able to accomplish International standard on quality control, yet government's program on assisting ISO notification had help many manufacture in increasing its quality standard. In design area, IFSC through IDP program has stated their willingness to help shoe entrepreneurs. IDP would also cover brand development of industry.

So, my recommendations for policy making are: the government should make continues effort on improving quality and product design, increasing the

awareness of the youth to national brand, as well as consumer education about superiority on national brand product.

And the substantial contain in socialization should also be chosen wisely. It must show the fact of how good our product is, rather than just giving slogan. And the media to convey all the messages must be chosen carefully. From this research, it has already known that television is the most effective media. The government could be effecting advertisement through television, example, to huddle up the youth so advertisement about exhibition and superiority of national brand can be showed in teenager's prime time, not only in adult's prime time.

6.2.2. Research Recommendation

There are some weakness occur in this research. Model replication and extension have to be made in order to further refine and add significant relationship in the basic theoretical framework presented here. In addition to that, the construct given in research questionnaire is not much while lots of other factors could become influencing variable on this competing level model. This could happen because of large number of respondent to be applied on SEM is depend on the number of construct variable and its indicators. Singgih (2007), said for six or more constructs, at least 500 sample taken in research.

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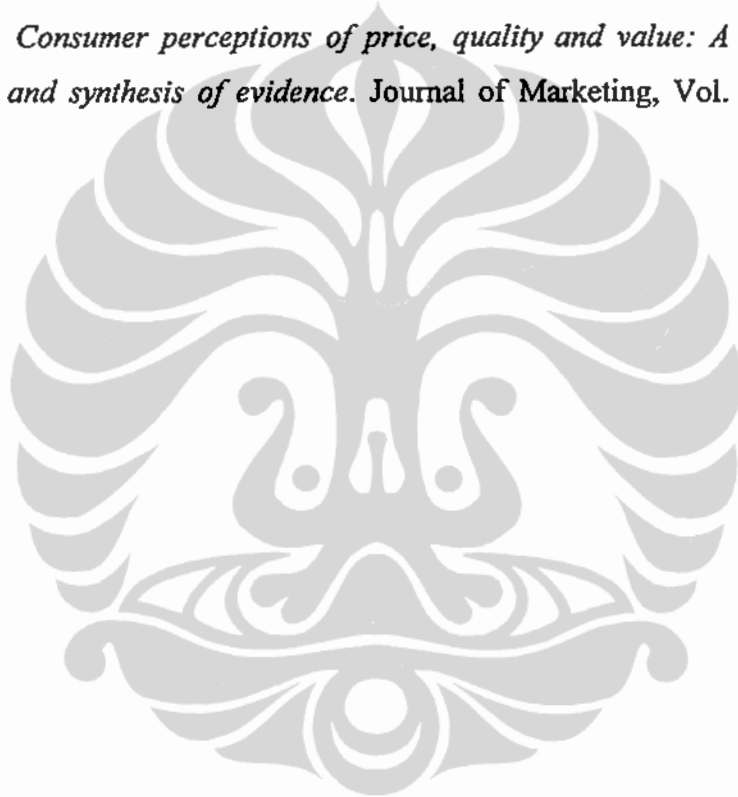
APPENDIX 1

Survey Daya Saing Merek Dalam Negeri
di Pasar Dalam Negeri
Departemen Perdagangan RI

Perdagangan telah memasuki era dimana batas wilayah tidak lagi menjadi penghalang bagi transaksi. Apa yang terjadi di dunia saat ini juga mempengaruhi Indonesia. Produk-produk bermerek asing berbondong-bondong masuk ke Indonesia sehingga persaingan di pasar dalam negeri semakin ketat. Sebagian besar konsumen Indonesia merasa bahwa produk dengan merek asing lebih baik dalam hal kualitas dan prestise di bandingkan produk lokal.

Permintaan yang besar terhadap produkbermerek asing tidak hanya disebabkan oleh kualitas dan harganya, tetapi juga karena budaya "import minded" yang sudah tertanam. Masyarakat belum menerima informasi dan pelayanan yang sesuai terhadap produk dalam negeri. Karena itu, tekanan dan ancaman terhadap produk dalam negeri untuk bertahan di pasarnya sendiri semakin kuat. Sementara itu produsen produk domestik masih berada dalam skala kecil dan menengah dengan sumber daya yang terbatas. Walaupun industri Indonesia telah mampu menghasilkan bermacam produk, namun produk dalam negeri untuk membangun merek yang andal dan terpercaya masih langka.

Pemerintah, di lain pihak juga telah melakukan berbagai kebijakan untuk meningkatkan kemampuan dari produk merek dalam negeri, termasuk didalamnya produk alas kaki. Namun apakah kebijakan yang telah dibuat mampu membantu produsen untuk bersaing. Kuesioner ini dibuat untuk mengetahui faktor-faktor apa yang mempengaruhi daya saing sepatu bermerek nasional, dan juga seberapa efektif kebijakan pemerintah merespon situasi ini.

Atas perhatian dan bantuan responden, penulis mengucapkan terima kasih.

1. Ketika anda mendengar kata sepatu, merek dagang sepatu apa yang terlintas pertama kali dibenak anda.
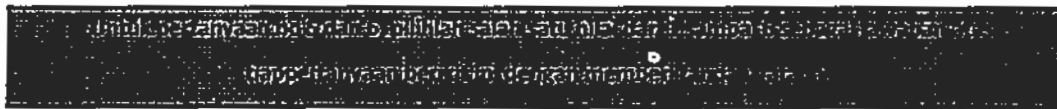
    _____

2. Sebutkan merek sepatu yang sering anda beli.

    _____

3. Menurut anda, merek tersebut berasal dari negara mana?

    _____

4. Jika anda membeli produk baik merek dalam negeri maupun dalam negeri, manakah yang lebih sering?

    a. Merek dalam negeri ☐   b. Merek luar negeri ☐

Keterangan Jawaban :

1	2	3	4	5	6

1 = Sangat tidak setuju   4 = Agak Setuju
2 = Tidak setuju   5 = Setuju
3 = Kurang setuju   6 = Sangat setuju

5. Dalam membeli produk merek tersebut, bagaimana sikap anda terhadap ini hal-hal berikut ini:

No.	Pernyataan	(1)	(2)	(3)	(4)	(5)	(6)
a.	Saya lebih menyukai sepatu merek dalam negeri dari pada merek luar negeri						
b.	Saya selalu membeli sepatu merek dalam negeri						
c.	Sepatu merek dalam negeri memiliki kualitas yang lebih baik dari sepatu merek luar negeri						
d.	Dengan harga dan kualitas yang sama, maka saya akan membeli sepatu merek dalam negeri						
e.	Menurut saya setiap warga negara memiliki kewajiban moral untuk menggunakan produk merek dalam negeri karena hal tersebut berarti membantu menciptakan lapangan pekerjaan untuk pekerja dalam negeri						
f.	Produk dengan merek nasional selalu tersedia di pasar						
g.	Produk dengan merek nasional selalu mudah diperoleh dan tidak pernah ada kesulitan untuk menemukannya di daerah tempat tinggal anda						

6. Dalam membeli sepatu merek tertentu, bagaimana hal-hal dibawah ini menjadi pertimbangan anda:

No	Kriteria	(1)	(2)	(3)	(4)	(5)	(6)
a.	Harga yang terjangkau						
b.	Anda merasa mengenal/familiar /tidak asing dengan merek tersebut						

No	Kriteria	(1)	(2)	(3)	(4)	(5)	(6)
c.	Merek tersebut menunjukkan gengsi tertentu						
d.	Image/citra merek tersebut sesuai dengan image/citra yang ingin anda tunjukkan pada orang lain						
e.	Teman dan keluarga dapat menerima merek tersebut dan tidak mempermasalahkannnya jika anda menggunakannya						
f.	Anda pernah menggunakan merek tersebut dan merasa puas selama menggunakannya						
g.	Anda merasa beresiko/ takut menderita kerugian bila memilih produk merek lain.						
h.	Produk dengan merek tersebut berfungsi sesuai harapan anda						
i.	Fitur/fasilitas yang diiklankan (misal: diiklankan bahwa sepatunya sangat nyaman).						
j.	Produk dengan merek tersebut terjamin kualitasnya (produk tidak akan rusak bila digunakan dengan semestinya)						
k.	Produk dengan merek tersebut memiliki kualitas yang sepadan dengan harganya						
l.	Produk dengan merek tersebut tahan lama						

No	Kriteria	(1)	(2)	(3)	(4)	(5)	(6)
m.	Produk dengan merek tersebut unik atau berbeda dengan produk lain yang sejenis di pasar						
n.	Penampilan produk dengan merek tersebut sangat menarik						

7. Apakah Bapak bapak/ibu/saudara pernah mendapat informasi/berita tentang keunggulan/kebaikan produk merek dalam negeri?

Ya ☐   Tidak ☐

Jika Ya, Dari manakah anda mendapatkan informasi tersebut? Berikan tanda silang (X) pada Y (Ya) dan T (Tidak) sesuai pilihan anda.

	Y T		Y T		Y T		Y T
Televisi	☐ ☐	Koran/ Majalah	☐ ☐	Internet	☐ ☐	Perusahaan/ produse merek tsb	☐ ☐
Pegawai pemerintah	☐ ☐	Teman	☐ ☐				

Lain-lain (Sebutkan) _____

8. Apakah anda pernah mendengar tentang pelaksanaan pameran produksi dalam negeri?

Ya ☐   Tidak ☐

Jika Ya, Dari manakah anda mendapatkan informasi tersebut? Berikan tanda silang (X) pada Y (Ya) dan T (Tidak) sesuai pilihan anda.

	Y T		Y T		Y T		Y T
Televisi	☐ ☐	Koran/ Majalah	☐ ☐	Internet	☐ ☐	Perusahaan/ produse merek tsb	☐ ☐
Pegawai pemerintah	☐ ☐	Teman	☐ ☐				

Lain-lain (Sebutkan) _____

Pameran apa sajakah itu? (misal: INACRAFT 2008)

_____

_____

Jika anda lupa nama pameran apa yang anda dengar, tolong sebutkan tema pameran tersebut

(misal: pameran furnitur, pameran kerajinan tangan, dll)

_____

9. Berapa kali bapak/ibu/saudara mengikuti/datang/melihat-lihat pada pameran-pameran hasil produksi dalam negeri selama setahun terakhir?

Pameran apa sajakah itu? (misal: INACRAFT 2008)

_____

_____

Jika anda lupa nama pameran apa yang anda kunjungi, tolong sebutkan tema pameran tersebut

(misal: pameran furnitur, pameran kerajinan tangan, dll)

_____

_____

10. Menurut bapak/ibu/saudara bagaimana cara penyelenggaraan atau tampilan dari pameran tersebut

| Sgt tdk bagus | ☐ | Tidak bagus | ☐ | Agak tdk bagus | ☐ | Biasa saja | ☐ | Bagus | ☐ | Sangat bagus | ☐ |

11. Bagaimana pendapat bapak/ibu/saudara dengan pernyataan "salah satu tanda kecintaan pada tanah air adalah dengan menggunakan produk dalam negeri."

| Sgt tdk setuju | ☐ | Tidak setuju | ☐ | Agak tdk setuju | ☐ | Agak setuju | ☐ | Setuju | ☐ | Sangat setuju | ☐ |

12. Menurut bapak/ibu/saudara sejauh mana peranan pemerintah atau lembaga lainnya dalam meningkatkan kecintaan konsumen terhadap produk dalam negeri

| Sgt tdk berperan | ☐ | Tidak berperan | ☐ | Tidak terlalu berperan | ☐ | Biasa saja | ☐ | Berperan | ☐ | Sangat bagus | ☐ |

13. Apa harapan anda kepada pemerintah sebagai pembuat kebijakan dalam rangka meningkatkan konsumsi produk merek dalam negeri?

_____

_____

Mohon diisi mengenai data pribadi responden berikut ini :

1. Jenis Kelamin : L / P

2. Alamat :

3. Usia Responden : _____ tahun

4. Status perkawinan :

   a. Lajang ☐   b. Menikah tanpa anak ☐

   c. Menikah dan mempunyai anak ☐   d. Janda/Duda ☐

5. Pendidikan terakhir :

   a. SD ☐   b. SLTA ☐   c. D1/D2/D3 ☐

   d. S1 ☐   e. S2 ☐   e. S3 ☐

   f. lainnya (sebutkan) _____

6. Pekerjaan :

   a. PNS/TNI ☐   b. Karyawan Swasta ☐   c. Wiraswasta ☐

   d. Buruh/tani ☐   e. Ibu Rumah Tangga ☐   e. Mahasiswa/Pelajar ☐

   f. Pensiunan ☐   g. Lainnya (sebutkan) _____

7. Pengeluaran rumah tangga perbulan: _____

—————*Terima kasih atas partisipasi anda*—————

APPENDIX 2

The list of HS code which categorized sport shoes is described in the table as follows:

The list of HS code which categorized sport shoes

HS	Description
640212	Ski-boots, cross country ski footwear and snowboard boots, with outer soles and uppers of rubber or plastics (excl. waterproof footwear of heading no
640219	Sports footwear, other than ski-boots and cross-country ski footwear, with outer soles and uppers of rubber or plastics nesoi
640220	Footwear, with outer soles and uppers of rubber or plastics nesoi, incorporating a protective metal toe-cap
640230	Footwear, with outer soles and uppers of rubber or plastics nesoi, incorporating a protective metal, toe-cap
640312	Ski-boots, cross-country ski footwear and snowboard boots, with outer soles of rubber, plastics, leather or composition leather and uppers of leather
640319	Sports footwear (other than ski footwear) nesol with outer soles of rubber, plastics, leather or composition leather and uppers of leather
640411	Sports footwear, including tennis shoes, basketball shoes and gym shoes, with outer soles of rubber or plastics and uppers of textile
640419	Footwear, with outer soles of rubber or plastics and uppers of textile materials, nesoi

Source: Directorate for Industrial and Mining Products Exports, MOT

The list of HS code which categorized non-sport shoes is described in the table as follows:

The list of HS code which categorized non-sport shoes

HS	Description
640320	Footwear with outer soles of leather and uppers which consist of leather straps across the instep and around the big toe
640351	Footwear with outer soles and uppers of leather nesol, covering the ankle
640359	Footwear with outer soles and uppers of leather nesol, not covering the ankle
640420	Footwear with outer soles of leather or composition leather and uppers of textile materials
640510	Footwear nesol with uppers of leather or composition leather
640110	Waterproof footwear with bonded or cemented outer soles and uppers of rubber or plastics, incorporating a protective metal toe

Continued

HS	Description
640192	Waterproof footwear with bonded or cemented outer soles and uppers of rubber or plastics nesol covering the ankle but not
640291	Footwear with outer soles and uppers of rubber or plastics nesol covering the ankle
640299	Footwear with outer soles and uppers of rubber or plastics nesol not covering the ankle
640330	Footwear, made on a base or platform of wood, not having an inner sole or a protective metal toe-cap
640340	Footwear, with outer soles of rubber, plastics, leather or composition leather and uppers of leather, incorporating a
640391	Footwear, with outer soles of rubber, plastics, or composition leather and uppers of leather nesol, covering the ankle
640399	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather nesol, covering the ankle
640520	Footwear nesol, with uppers of textile materials
640590	Footwear nesoi
640610	Footwear uppers and upper parts, except stiffeners
640620	Footwear outer soles and heels of rubber or plastics
640691	Parts of footwear nesol of wood
640699	Parts of footwear nesol, including removable insoles, heel cushions and similar articles, gaiters, leggings, and similar

Source: Directorate for Industrial and Mining Products Exports, MOT

The list of HS code which categorized sandal is described in the table as follows:

The list of HS code which categorized sandal

Category	HS	Description
Sandal	640199	Waterproof footwear with bonded or cemented outer soles and uppers of rubber or plastics nesoi, not covering the ankle

Source: Directorate for Industrial and Mining Products Exports, MOT

APPENDIX 3

Computation of degrees of freedom (Default model)

Number of distinct sample moments:	77
Number of distinct parameters to be estimated:	39
Degrees of freedom (77 - 39):	38

Result (Default model)

Minimum was achieved
Chi-square = 44.859
Degrees of freedom = 38
Probability level = .206

Scalar Estimates (Footwear Model - Default model)

Maximum Likelihood Estimates

Regression Weights: (Footwear Model - Default model)

			Estimate	S.E.	C.R.	P	Label
C	<---	IS	.115	.044	2.650	.008	
C	<---	CE	.649	.133	4.862	***	
C	<---	GI	-.121	.101	-1.190	.234	
C1	<---	C	1.000				
C2	<---	C	1.106	.079	14.033	***	
GI3	<---	GI	1.000				
GI2	<---	GI	.696	.192	3.624	***	
GI1	<---	GI	.333	.116	2.861	.004	
CE1	<---	CE	1.000				
CE3	<---	CE	.361	.107	3.386	***	
IS1	<---	IS	1.000				
IS2	<---	IS	1.164	.245	4.753	***	
CE2	<---	CE	.531	.094	5.674	***	
GI4	<---	GI	.764	.303	2.522	.012	

Standardized Regression Weights: (Footwear Model – Default model)

			Estimate
C	<---	IS	.209
C	<---	CE	.550
C	<---	GI	-.100
C1	<---	C	.895
C2	<---	C	.990
GI3	<---	GI	.688
GI2	<---	GI	.696
GI1	<---	GI	.287
CE1	<---	CE	.808
CE3	<---	CE	.305
IS1	<---	IS	.772
IS2	<---	IS	.887
CE2	<---	CE	.609
GI4	<---	GI	.248

Intercepts: (Footwear Model – Default model)

	Estimate	S.E.	C.R.	P	Label
GI1	1.760	.032	54.956	***	
GI2	1.838	.028	66.552	***	
GI3	1.704	.040	42.461	***	
C1	1.436	.037	38.631	***	
CE2	1.123	.025	45.629	***	
CE3	1.726	.033	51.653	***	
C2	1.436	.037	38.631	***	
CE1	1.318	.035	37.758	***	
IS2	4.385	.079	55.297	***	
IS1	4.358	.078	55.684	***	
GI4	3.832	.085	45.012	***	

Correlations: (Footwear Model – Default model)

			Estimate
GI	<-->	CE	.156
IS	<-->	CE	.246
GI	<-->	IS	.133

Variances: (Footwear Model – Default model)

	Estimate	S.E.	C.R.	P	Label
IS	.649	.167	3.879	***	
CE	.142	.030	4.670	***	
GI	.136	.044	3.061	.002	
e1	.120	.019	6.310	***	
e2	.049	.013	3.779	***	
e3	.005	.014	.337	.736	
e4	.075	.023	3.305	***	
e9	.151	.039	3.825	***	
e7	.167	.019	9.007	***	
e8	.070	.019	3.692	***	
e5	.068	.010	7.142	***	
e6	.180	.020	9.110	***	
e11	.441	.138	3.195	.001	
e12	.239	.178	1.345	.178	
e10	1.211	.133	9.126	***	

Squared Multiple Correlations: (Footwear Model – Default model)

	Estimate
C	.391
GI4	.061
IS2	.786
IS1	.596
CE2	.370
CE3	.093
GI1	.083
GI2	.484
GI3	.474
CE1	.653
C2	.980
C1	.802

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	39	44.859	38	.206	1.181
Saturated model	77	.000	0		
Independence model	22	627.547	55	.000	11.410

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.929	.897	.988	.983	.988
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.691	.642	.683
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	6.859	.000	27.792
Saturated model	.000	.000	.000
Independence model	572.547	495.648	656.894

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.252	.039	.000	.156
Saturated model	.000	.000	.000	.000
Independence model	3.526	3.217	2.785	3.690

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.032	.000	.064	.794
Independence model	.242	.225	.259	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	122.859	128.498		
Saturated model	154.000	165.133		
Independence model	671.547	674.728		

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.690	.652	.808	.722
Saturated model	.865	.865	.865	.928
Independence model	3.773	3.341	4.247	3.791

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	212	243
Independence model	21	24