



A CONCEPTUAL STUDY ON CONSUMER'S PREFERENCE TOWARDS LOCAL PRODUCTS OVER FOREIGN PRODUCTS

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Abstract

This study aims to build a theoretical model of the influence of local brands and need for uniqueness and willingness to buy local brands. This study develops the concept of local brand consciousness in all the product categories that is rooted in the concept of consumer ethnocentrism. This study measures the perceptions of young and old consumers. Samples are people different age groups, house wives and from different working sectors. This study shows that consumers are local brand conscious that influence their perceptions regarding the emotional value of local brands and inspire their desire to buy local brands. This study shows that when they have a strong desire to be different, they view local brands as not providing positive emotional value. The results of this study provide an important recommendation, namely that local brand owners must increase the emotional value of their brands by understanding the wants and needs of consumers who are willing to buy the products to appear unique and participate in increasing local brand awareness among domestic consumers, especially young consumers.

Keywords: Local Brand Conciousness, Need For Uniqueness, Emotional Value, Willingness To Buy.

1. Introduction

Consumer buying behavior is a behavior shown by the consumers at the time of purchase of goods.⁽⁸⁾ The factors that determine the consumer behavior are attitudes, their preferences, intention, decisions and intensity of interest to a product. Motive is the key factor that triggers consumers to buy a product in order to satisfy their needs. Motive therefore, in general can be called as an internal force that leads a person to fulfill his/her needs ⁽⁸⁾. Consumers have their own strong perception about their country and its product. The people should have the ability to understand and know the products available in the country ⁽⁸⁾.

Consumer behavior has been viewed as a sub-discipline of marketing. Consumer behavior exists as a coherent set of factors, behaviors and situations. It is characterized by the study of the people in their capacities as consumers, including the acquisition, consumption and disposition-each of which may be shaped by various interconnected market forces- of products, services and brands. Consumers in the developing countries are faced with a choice between local brands and foreign brands.

Local brands are generally considered old, traditional, not slang, not trendy and cheap, whereas global brands are considered modern, trendy, active, cool forward and sold at very

high prices. Local brands are not extraordinary or special brand, with low prices it is very likely that most consumers have them so that they do not give a special / unique impression to consumers who use them. Local brands are considered not prestigious, not luxurious, not quality and not suitable to be exhibited.

Globalization has a lot to do with consumers⁽¹⁶⁾. Consumers in Mangalore are now becoming more informed, sophisticated and demanding. With Globalization more and more people of Mangalore are becoming aware of westernized products and they feel that possession of global brands will give them prestige in the society. It is therefore proposed that products and possessions seem to have more of symbolic attributes rather than functional attributes.⁽¹⁶⁾

This study therefore focuses on the reasons as to why consumers in emerging markets particularly in Mangalore prefer local brands over foreign/international brands and it also proves that consumption is carried out for reasons such as Swadeshi concepts, traditional quality products, low cost and healthy products. Factors like Culture, Country of Origin, Materialism, Product and Service Quality exert a strong influence on brand image.⁽⁴⁾

(A) Consumer perceptions of local over foreign products:

A local brand can be defined as a brand that exists in one country or in a limited geographical area⁽¹⁴⁾. Schuiling et.al point out that local brand belong to a local, international, or a global firm, they also provide a link between national economy and individual well-being. Schuiling et.al conducted an exploratory study across European countries to see how consumers perceive local brands. The study revealed that local brand products benefit from strong brand equity and also benefit from higher consumer awareness than international brand products do and

they enjoy a strong brand image. Local brands are also connected more to the local traditions and local cultures than international brands are.⁽¹¹⁾ Local products are not more flexible than global brands in terms of their marketing activities when they compete in a foreign product category due to cultural categories being associated with the product category (Eckhardt, 2005).

(B) Reasons for preferences for local over foreign products:

Local products have low cost and less tax. Since they are manufactured using raw materials that are available over short distances which plays a pivotal role in fixing the price of products as transportation costs are low.⁽¹⁷⁾ Thereafter, citizens do buy these products in order to encourage native markets and provide various job roles indirectly.⁽¹⁷⁾

2. Literature Review:

Alireza Naalchi kasha (2013), analyzes the behavior and influence of individual characteristics and characteristics of brands on intension to buy foreign brands in comparison to local brands. 850 customers of Iranian shops are surveyed in this study. The study reflects that the need to be unique, within customer influences tends to buy foreign products or services. Because of the quality and emotional value of the foreign brands, consumers are more motivated to buy foreign brands.

Aastha Verma Vohra(2016) explains that Indians are more likely to choose foreign made product against a locally produced goods. This paper examines the impact of predisposition towards foreign brands on conspicuous consumption and impulse buying which two main indicators of consumption-based economy.

Anima Karmakaret.al(2019), conducted a study on “Consumers perception towards Brand Preferences while purchasing Personal Care Products: A study on Rajshahi City.”

The study focuses the consumer perception of international brand over local brand over local brand while purchasing personal care products. The study finds that for the wellbeing of the society, local products need foremost priority to expand their business. More demand for local products leads to more production that create more job opportunity in the market and to build the country as self sufficient.

Smriti Bajaj (2006), The purpose of this study is to investigate in an emerging market, consumer attitude towards local and foreign brand purchases against a factors like culture, country of origin, quality etc. the study found that the quality of the global brands was perceived to be generally higher and superior to local brands.

Dr. LekshmiBhaieet.al (2017), explains that nowadays consumer durables have become essential part in lifestyle of the people in the society. There are number of brands are available in the consumer market. Some brands are very famous not only in India but also in the world.

The study conducted by Gregory R Elliott(1992) surveyed the consumer attitudes to local and foreign products and the likely 'country of origin' effect in "Buy Local" and Made In..." campaigns. Consumers choice for locally made products when price, technical features and brand name are invariant and where the locally made product is perceived to be superior or at least not significantly inferior to an foreign made product.

Krishna MB et.al (2018) explains buying perception is a special result of a consumer's experiences with a brand. This study was conducted to know about the consumer preference on the foreign and local goods available in the consumer market. The purpose of this study was to identify about the consumer's choice of goods and the reason behind their choice. The findings suggests that the consumers are mostly

unaware of the 'country of origin' of the brand they use and they have less awareness i.e, they are less familiar with the qualities of a particular brand of goods and services.

According to Rajevev Batra et.al (2000) consumers in developing markets are increasingly faced with a choice between local brands and foreign brands. This study was identifies that among consumers in developing countries, brands perceived as having a nonlocal country of origin, especially from the West, are attitudinally preferred to brands seen as local, for reason not only of perceived quality but also of social status.

According to Zeenat Ismail (2012) A number of factors affect the consumer purchase decisions. The result of the study was suggested that the most important factors that influence a consumer's final decision are the price and quality of the product in question.

3. Hypotheses:

H₁: Consumers are fully aware of the Local products available in Mangalore.

H₂ : Similarity in the price of the Local and Foreign products will not affect the buying behavior of consumers.

H₃: Attraction towards local products will not change in the future.

4. Need Of The Study:

Customer is the core of any marketing activity. Consumers in developing markets are increasingly faced with a choice between local brands and foreign brands. Consumers in Mangalore are now becoming more informed, and becoming aware of the westernized products but their interest towards local products has not decreased. This study will determine the buying pattern of the consumer and understand various factors influencing the consumers' behavior towards local products over foreign products. The present study will help to understand the consumer buying behavior towards local products with special reference to Mangalore region.

The study mainly focuses on understanding how changes occur in the mindset of consumers regarding local products and their attraction towards local products.

5. Statement Of The Problem:

It is a competitive world and the attitude, lifestyle and preference of the consumers are also changing day by day. The consumers in India are now becoming aware of the quality of the product, brands through various channels. Local product manufacturers are improving their product quality with reasonable prices. The statement of the problem under the study is to throw light on the consumer's preference towards local products over foreign products available in Mangalore, reasons behind the preference for local products and awareness of consumers while buying the local product.

6. objectives:

1. To identify the factors which influence the consumers to prefer local products.
2. To analyze the purchasing pattern of consumers while buying the product.
3. To know the satisfaction level of consumers towards local products than International brand products.
4. To evaluate the consumers attitude towards local products.
5. To assess the awareness among consumers towards local products in Mangalore.

8. Data Analysis & Interpretation

Table 8.1:The demographic data of the respondents are given in the following table:

		No. of Respondents	Percentage
Gender	Male	31	31
	Female	69	69
Age	18-25	62	62
	26-35	26	26
	36-45	7	7
	45 & above	5	5
Education	Post Graduation	37	37
	Under Graduation	46	46

7. Research Methodology:

The study is undertaken in Mangalore to know the consumers buying behavior towards the local brand products. The data for study is collected from two different sources;

Primary Source: - It is collected from questionnaires given to various consumers in Mangalore. The questionnaire was prepared keeping in view determining the consumer's preferences towards local products over foreign products.

Secondary Source: - The secondary data is collected from books, leaflets, broacher's, catalogues and related websites.

The data that is collected is further tabulated in percentage. From the analysis carried out the finding of the study is drawn and necessary suggestions are given.

Sample size:

The data is collected from 100 respondents with the help of structured questionnaires.

Sample Design:

A sample of 100 respondents is taken based on convenience sampling. The sample is selected in such a way that it includes the respondents of all ages in various jobs. Hence the sample is the representative of the population and an unbiased mix of all factors.

	Other	7	7
Occupation	Government Employee	7	7
	Private Employee	42	42
	Entrepreneur	12	12
	Other	39	39
Income	Below 10,000	38	38
	11,000-20,000	18	18
	21,000-30,000	12	12
	31,000-40,000	20	20
	Above 40,000	12	12

Source: Survey Data

Analysis & Interpretation:

The above table analyzes the demographic profile of the consumers. The data interprets that 62% of the consumers belong to the age group of 18-25. 26% of the consumers belong to the age group of 26-35. The above collected data shows that female consumers (69%) are more than the male (31%)

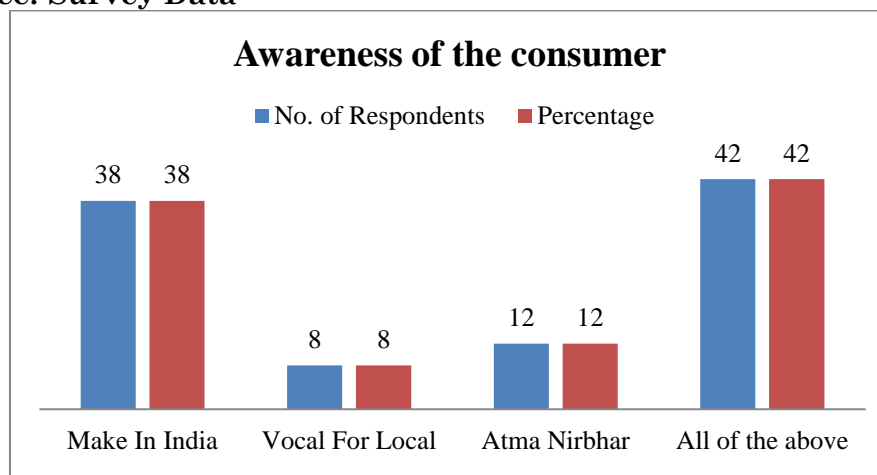
consumers. Out of 100 respondents 46% are undergraduates and 37% are postgraduates. And majority of the consumers (42%) are Private employees and entrepreneurs are (12%). The study interprets that 38% of the consumers earn below Rs10,000 and 18% of the consumers earn 11,000 to 20,000.

Table 8.2: Consumers Awareness of the following campaign

Awareness	No. of Respondents	Percentage (%)
Make In India	38	38
Vocal For Local	8	8
AtmaNirbhar	12	12
All of the above	42	42
Total	100	100

Source: Survey Data

N=100



Source: Survey Data

Analysis & Interpretation:

The data interpret that out of 100 respondents 42% of the respondents

have awareness of all the campaigns like AtmaNirbhar, Make in India, Vocal for India etc in Mangalore city. 38% of the respondents have awareness regarding the Make in India campaign

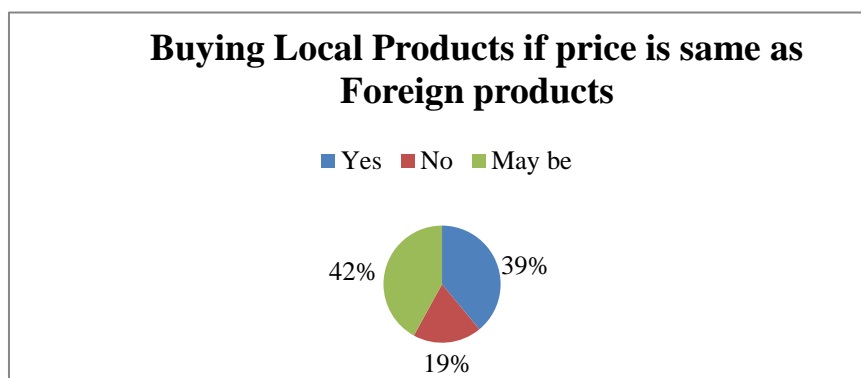
and 12% of the respondents are aware of the AtmaNirbhar campaign, only 8% of the respondents have awareness of the Vocal for local campaign.

Table 8.3: If the respondents would buy the local products even if the price of foreign brand are same or lower.

Buying local products if price is same as Foreign Brand.	No. of Respondents	Percentage (%)
Yes	39	39
No	19	19
May be	42	42
Total	100	100

Source: Survey Data

N=100



Source: Survey Data

Analysis & Interpretation: The table and chart show that the consumers buy the local products even if the price of the local product is same or lower than foreign products. The above data interprets that most of the people may or may not buy the local product if the price of foreign products and local

products are the same. 39% of the respondents will buy the local products and their preference towards local products will not change. Only 19% of the respondents will not buy the local products due to similarity in the price of local and foreign products.

Table 8.4: Factors influence the preference of Local Brand product over Foreign Brand Product.

Preference of Local Brands	No. of Respondents	Percentage (%)
National Pride	30	17.24
Availability	46	26.43
Empowering local brands	28	16.09
Fresh and better quality of the product	41	23.56
Cultural content	16	9.19
More socially Responsible	13	7.47
Total		

Source: Survey Data

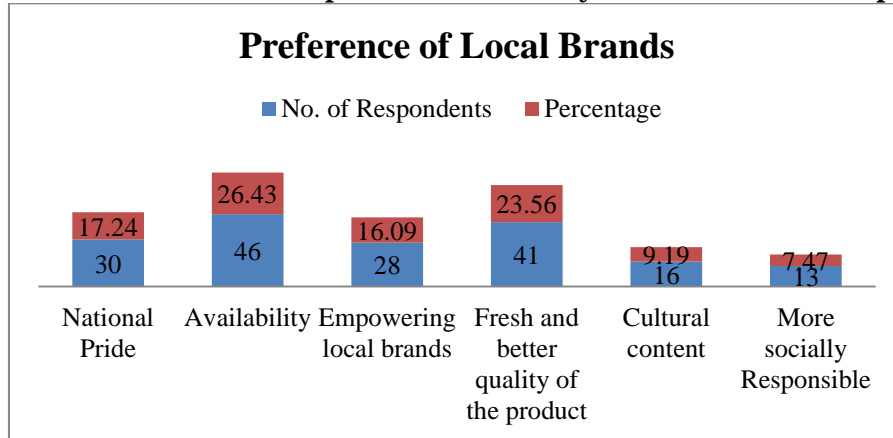
N=100

MRR=1.74

Note:

1. Percentage is not equal to 100 because of multiple responses. ⁽⁵⁾

2. MRR is the total number of responses divided by the number of respondents.⁽⁵⁾



Source: Survey Data

Analysis & Interpretation: With the help of above collected data analyzed the consumer’s preferences towards local products over international brand products. The above graph and table interpreted that most of the respondents are buying the local products due to the fresh and better quality of the local products. 46% of the respondents prefer

to buy the local products because of its availability in Mangalore city. 30% of the respondents are attracted towards local products because of their National pride and 28 % of the respondents buy the local products to empower the local brand and only 13% of the respondents buy the local products because they are more socially responsible.

Table 8.5: showing the areas to be focused of the local brands.

Area to be focused	No. of Respondents	Percentage
Product Development	62	37.57
Branding	38	23.03
Product Marketing	39	23.63
Product pricing	24	14.54
Quality, Trustworthy	1	0.06
Packaging	1	0.06
Total		

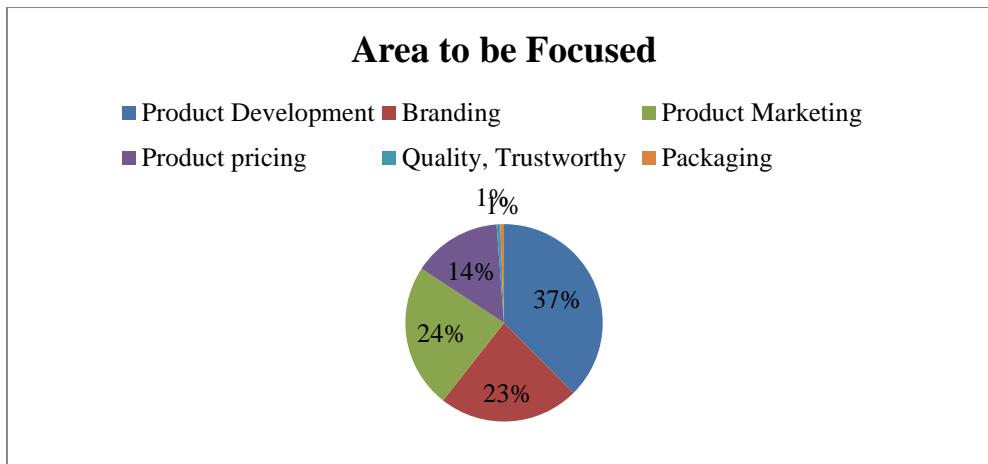
Source: Survey Data

N=100

MRR= 1.65

Note:

1. Percentage is not equal to 100 because of multiple responses⁽⁵⁾
2. MRR is the total number of responses divided by the number of respondents⁽⁵⁾



Source: Survey Data

Analysis& Interpretation: The above chart and table analyzed the areas of local brand products which need more improvement. The above data interpreted the opinion of the respondents regarding the improvement of the different areas of local products. The above data collected from 100

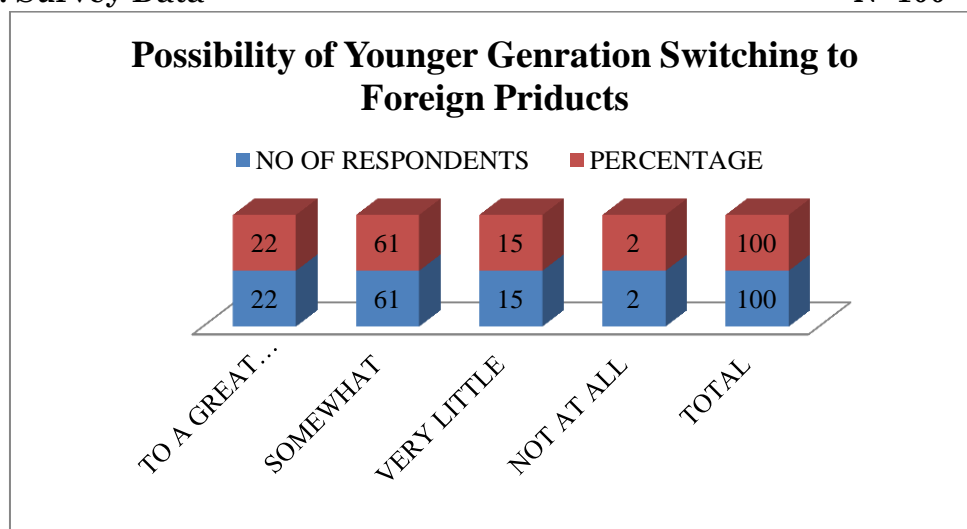
respondents from Mangalore. 50% of the respondents have the opinion that product development areas should focus more and 12% of the respondents opinion that focus more on branding and product marketing respectively. Only 7% of the respondents are opinioned that focus more on product pricing.

Table 8.6: Possibility of Younger Generation Switching to Foreign Products

Younger Generation Switching to Foreign Products.	No. of Respondents	Percentage (%)
To a great extent	22	22
Somewhat	61	61
Very Little	15	15
Not at all	2	2
Total	100	100

Source: Survey Data

N=100



Source: Survey Data

Analysis& Interpretation: The above table and chart studies the future possibility of buying international products over local products by the

younger generations. Out of 100 respondents 61% of respondents have the opinion that the younger generation may prefer the foreign products over

local products in future. 22% of the respondents responded that the younger generation will attract more on foreign products and 15% of respondents have the opinion that very few consumers will prefer the foreign products in future. Only 2% of the respondents responded that consumers' attraction towards local products will not change in future.

9. Findings Of The Study

1. The study shows that the people of Mangalore city are ready to buy the local products.
2. The analysis clearly indicates that quality, reasonable price, and freshness are the major determinants which make consumers buy local products.
3. Most of the respondents prefer to buy local products if there is similarity in the price of local and foreign products.
4. The study analyzed that most of the respondents prefer the local products because of National pride, Availability of the product and cultural content.
5. It was found that the percentage of Male consumers (31%) was lower than female consumer's (69%) which shows that preference of men towards local products is lower than women.
6. It can be observed that majority of the respondents are aware of the campaigns.
7. Majority of the respondents (63%) fall in the age group of 18 - 25 years and 6% of the respondents were into the age group of 36 - 45.

10. Limitations Of The Study

1. The scope of the study was limited to Mangalore city.
2. Only a small sample size of the consumer was studied, which may not be enough to give the correct picture.
3. The study is micro in nature and the finding may change from time to time and place to place.

4. The study being based on data available from the opinion of the respondents may suffer from the personal bias up to some extent.

11. Suggestions:

In order to create good brand image and to increase the sale of local products, the local vendors must;

1. Build relationships with the community that is showing that you care about customers by actively listening to their feedback and try to resolve the issues.
2. Promotion through social media. Especially among the younger generation, social media is a must have. It is a great tool to reach potential customers and current customers.
3. Improvement in the quality of the products for reasonable value. More than any other aspect, customers focus on the quality of the product for the price they are paying.
4. Using eco-friendly materials can make people attracted towards the products.
5. Local products should be offered at reasonable prices to consumers.

Conclusion

The research paper "A conceptual study on Consumers preference towards Local Products over Foreign Products" aims to build a theoretical model of the influence of local brands and need for uniqueness and willingness to buy local brands. Based on the analysis it can be concluded, though consumers are aware of the campaigns that support the local brands they think that local brands need to focus more on the product development and improving the quality of the products should be the main motive of local vendors. In the near future there are chances that future generations may somewhat switch to foreign brands from local brands.

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