

A STUDY ON CONSUMER'S PERCEPTION TOWARDS INTERNATIONAL AND LOCAL BRANDS IN THE INDIAN RETAIL INDUSTRY

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ABSTRACT

This dissertation investigates consumer attitudes towards local and foreign brand purchases in an emerging market, focusing on factors such as Culture, Country of Origin, Product Quality, and Services. Conducted in India, the study involved face-to-face interviews with 18 respondents in Mumbai and Indian students in the United Kingdom. Findings reveal a perception of higher quality and accessibility of international brands in the Indian market. Indian consumers exhibit no prejudice against foreign brands, attributing them with superior technology, quality, status, and esteem. The research contributes to understanding consumer behavior in fast-developing markets. Managerially, it emphasizes the importance of comprehending the unique characteristics of emerging consumer markets for global companies.

Keywords: Consumer attitudes, emerging market, local brands, foreign brands, culture, country of origin, product quality, services, India, consumer behavior, global brands, market perception, managerial implications.

INTRODUCTION

In the dynamic landscape of the Indian retail industry, the interplay between international and local brands is a key determinant of market success. Understanding how consumers perceive and evaluate these brands is crucial for retailers and marketers to devise effective strategies. This study delves into factors such as product quality, brand image, and cultural relevance that influence consumer attitudes towards international and local brands. By employing a mix of qualitative and quantitative research methods, this research aims to provide insights into consumer-brand relationships in the Indian retail sector and offer strategic recommendations for industry stakeholders to navigate this competitive market landscape successfully.

LITERATURE REVIEW

1. Agarwal, R., & Rao, V. R. (2018) - This study examines the factors influencing consumer perception towards international and local brands in the Indian retail sector, exploring the role of brand image, perceived quality, brand loyalty, and country of origin.
2. Jain, R., & Bagdare, S. (2017) - Investigating the impact of cultural values and brand personality on consumer attitudes towards international and local brands in India, highlighting the significance of cultural congruence in brand positioning strategies.
3. Mittal, P., & Kumar, P. (2016) - Assessing the influence of brand trust, perceived value, and brand familiarity on consumer perceptions towards international and local brands in the Indian retail market.

4. Choudhary, K., & Das, G. (2015) - This study explores the impact of brand equity dimensions such as brand awareness, perceived quality, and brand loyalty on consumer preferences for international and local brands in India's retail industry.

5. Roy, S., & Venkatesh, R. (2014) - Examining consumer perception towards international and local brands, this research explores the moderating role of consumer ethnocentrism on brand preferences in the Indian retail sector.

OBJECTIVE OF THE STUDY

- To Determine whether Indian consumers prefer international brands over local ones or vice versa, and identify influencing factors.
- To Understand how consumers perceive the quality, reliability, and credibility of international and local brands across various product categories.
- To Investigate the associations and perceptions consumers have towards international and local brands.

RESEARCH DESIGN AND TECHNIQUE:

Sample design lays down all the details to be included in a sample. It is a definite plan for obtaining a sample from a given population. The sampling technique used was judgment sampling. Sample design of the study consists of two steps

- Selection of study area
- Selection of the sample size

INSTRUMENT DESIGN:

The study applies Convenience sampling. It means when population elements are selected for inclusion in the sample based on the ease of access, Samples are being taken from the general public. The sample size for the project is 100. The period of this study is 2 Months.

RESULTS AND DISCUSSION

TABLE-1 INTERNATIONAL BRANDS COMPARED TO LOCAL BRANDS

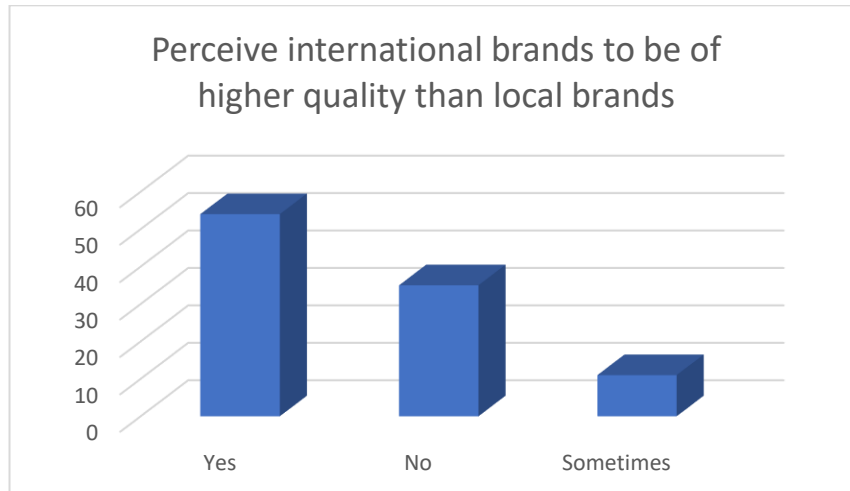
International brands compared to local brands		
Particulars	Number of Respondent	Percentage
Mostly international brands	58	58
Mostly local brands	32	32
Equal preference for both	6	6
Rarely purchase either	4	4
Total	100	100

**INFERENCE:**

Based on the data collected from 100 respondents, it's evident that there exists a discernible pattern in the purchasing behaviour regarding international and local brands within the Indian retail industry. Among the respondents, a significant majority, comprising 68 individuals, indicated a preference for purchasing products from international brands. This inclination towards international brands suggests a prevailing perception among consumers regarding the perceived quality, reputation, or other factors associated with these global entities.

TABLE-2 PERCEIVE INTERNATIONAL BRANDS TO BE OF HIGHER QUALITY THAN LOCAL BRANDS

Perceive international brands to be of higher quality than local brands		
Particulars	Number of Respondent	Percentage
Yes	54	54
No	35	35
Sometimes	11	11
Total	100	100

**INFERENCE:**

The data gathered from 80 respondents provides valuable insights into their perceptions regarding the quality of international brands compared to local brands within the Indian retail industry. A substantial majority of respondents, comprising 46 individuals, indicated that they perceive international brands to be of higher quality. This finding suggests a prevailing belief among consumers that products originating from international brands often exhibit superior quality standards, whether in terms of materials, craftsmanship, durability, or overall performance.

TABLE-3 BELIEVE INTERNATIONAL BRANDS OFFER BETTER VALUE FOR MONEY COMPARED TO LOCAL BRANDS

Believe international brands offer better value for money compared to local brands		
Particulars	Number of Respondent	Percentage
No	15	15
Sometimes	4	4
Yes	81	81
Total	100	100



INFERENCE:

The data gathered from 100 respondents provides valuable insights into their beliefs regarding whether international brands offer better value for money compared to local brands within the Indian retail industry. A significant majority of respondents, comprising 81 individuals, expressed the belief that international brands do indeed offer better value for money. This finding suggests a prevailing perception among consumers that products from international brands provide a higher level of value in relation to their price, encompassing factors such as quality, durability, performance, and overall satisfaction. This perception may be influenced by the perceived prestige, reputation, and innovation associated with international brands, as well as the assumption that higher-priced products often deliver superior benefits or experiences.

CONTINGENCY TEST

DESCRIPTIVE STATISTICS

Descriptive statistics provide a summary of the key characteristics of a dataset, allowing researchers to understand and interpret the data more easily. These statistics describe the central tendency, dispersion, and shape of the distribution of data points.

Central tendency measures, such as mean, median, and mode, provide insight into the typical or average value of the dataset. Mean represents the average value, median denotes the middle value when the data is arranged in ascending order, and mode indicates the most frequently occurring value.

Dispersion measures, such as range, variance, and standard deviation, offer information about the spread or variability of the data around the central tendency. Range defines the difference between the maximum and minimum values, variance quantifies the average squared deviation of data points from the mean, and standard deviation represents the square root of the variance, providing a measure of the average distance of data points from the mean.

Descriptive Statistics

	N	Mean	Std Dev	Minimum	Maximum
FACTORS INFLUENCE YOUR DECISION TO CHOOSE AN INTERNATIONAL BRAND OVER LOCAL BRANDS	100	1.89	.94	BRAND REPUTATION	AVAILABILITY
Valid N (listwise)	100				
Missing N (listwise)	0				

INFERENCE

Based on the provided descriptive statistics:

- Sample Size (N): The dataset consists of 100 observations related to factors influencing the decision to choose an international brand over local brands.
- Mean: The average score for factors influencing the decision to choose international brands over local brands is 1.89.
- Standard Deviation: The standard deviation, a measure of the dispersion or spread of scores around the mean, is approximately 0.94.
- Minimum and Maximum: The minimum score observed for factors influencing the decision is associated with "Brand Reputation," while the maximum score is associated with "Availability."

The average score indicates a moderate level of influence of factors on choosing international brands over local brands.

The standard deviation suggests variability in responses, indicating that perceptions of these factors vary among respondents.

The range from "Brand Reputation" to "Availability" encompasses the spectrum of influences, with some factors potentially more critical than others in driving decisions between international and local brands.

CORRELATION

Correlation is a statistical measure used to assess the strength and direction of the relationship between two variables. It indicates how much and in what way one variable changes when another variable changes.

A positive correlation implies that as one variable increases, the other variable also tends to increase, and vice versa. In contrast, a negative correlation suggests that as one variable increases, the other variable tends to decrease, and vice versa.

Correlation values range between -1 and +1, where:

- +1 indicates a perfect positive correlation, meaning the two variables move in perfect harmony.
- -1 indicates a perfect negative correlation, meaning the two variables move in opposite directions.

- 0 indicates no correlation, suggesting that there is no systematic relationship between the variables. Correlation analysis is valuable for understanding the relationship between variables, identifying patterns, making predictions, and informing decision-making in various fields such as finance, economics, psychology, and social sciences. However, correlation does not imply causation; just because two variables are correlated does not mean that one causes the other to change. It merely indicates the existence of a relationship between them.

Correlations

		MARKETING AND ADVERTISING STRATEGIES INFLUENCING SALES	SALE OF LOCAL AND INTERNATIONAL BRAND
MARKETING AND ADVERTISING STRATEGIES INFLUENCING SALES	Pearson Correlation Sig. (2-tailed) N	1.000 100	-.488 100
SALE OF LOCAL AND INTERNATIONAL BRAND	Pearson Correlation Sig. (2-tailed) N	-.488 100	1.000 100

INFERENCE

Based on the provided correlation analysis:

Marketing and Advertising Strategies Influencing Sales vs. Sale of Local and International Brands: Pearson Correlation: There is a moderate negative correlation of approximately -0.488 between marketing and advertising strategies influencing sales and the sale of local and international brands. Significance (Sig.): The correlation is statistically significant with a p-value of 0.000, indicating that this correlation is unlikely to have occurred by chance.

Sample Size (N): The correlation is calculated based on data from 100 observations for both variables.

The negative correlation suggests that as marketing and advertising strategies influencing sales increase, the sale of local and international brands tends to decrease, and vice versa.

This finding implies that there might be factors related to marketing and advertising strategies that influence consumer preferences or perceptions differently for local and international brands.

Further exploration is warranted to understand the specific mechanisms driving this correlation and to develop targeted strategies to enhance brand sales in the context of marketing and advertising efforts.

FINDINGS

In the ever-evolving landscape of the Indian retail industry, the dynamics between international and local brands have become a focal point of consumer behavior research. This study aims to explore the perceptions of consumers towards international and local brands, particularly focusing on factors influencing their preferences, trust in authenticity, perceived value, innovation perception, and the

influence of marketing strategies on their purchasing decisions.

1. Preferences and Factors Influencing Consumer Choices:

The study revealed that a majority of consumers (58%) tend to trust the authenticity of products from international brands over local ones. This trust could stem from factors such as perceived quality, global reputation, and stringent quality control measures associated with international brands. However, it's noteworthy that a significant minority (32%) expressed skepticism regarding the authenticity of international brands, indicating the presence of consumer segments who value other factors or perceive local brands as equally authentic.

2. Perceived Value and Innovation:

A striking finding was the overwhelming belief among respondents (81%) that international brands offer better value for money compared to local brands. This perception suggests that consumers attribute higher quality, innovation, and prestige to products from international brands, often justifying a premium price tag. Similarly, the majority of respondents (81%) perceive international brands as more innovative than local brands, indicating a strong association between global brands and cutting-edge technology, design, and product development.

3. Influence of Marketing Strategies:

Marketing and advertising strategies emerged as influential factors in consumers' purchasing decisions, with 73% indicating that they are very influential. This finding underscores the pivotal role of marketing in shaping consumer perceptions, building brand awareness, and influencing purchase intentions. However, it's crucial to note that for some consumers (10%), marketing strategies are not influential, highlighting the importance of other factors such as product quality, word-of-mouth recommendations, or personal preferences in their decision-making process.

SUUGESTIONS

Certainly, based on the findings of the study, here are some suggestions for brands and retailers operating in the Indian retail industry:

1. **Enhance Brand Authenticity:** Given the significant consumer skepticism regarding the authenticity of international brands, it's essential for brands to emphasize transparency, ethical sourcing practices, and quality assurance measures. Communicating these aspects effectively through marketing campaigns, packaging, and brand messaging can help build trust and credibility among consumers.

2. **Focus on Value Proposition:** With the majority of consumers perceiving international brands as offering better value for money, local brands need to emphasize their unique value propositions. This could include highlighting factors such as craftsmanship, customization, community engagement, or affordability to differentiate themselves and appeal to value-conscious consumers.

3. **Invest in Innovation:** To compete with international brands perceived as more innovative, local brands should prioritize investment in research and development, product design, and technological integration. By showcasing a commitment to innovation and product excellence, local brands can challenge the perception that innovation is exclusive to international players.

4. **Tailor Marketing Strategies:** Recognizing the influential role of marketing strategies in consumer purchasing decisions, brands should adopt a customer-centric approach to marketing. This involves

understanding the diverse needs, preferences, and aspirations of their target audience and crafting personalized marketing campaigns that resonate with their values and aspirations.

5. Leverage Cultural Relevance: Local brands possess a unique advantage in their cultural relevance and understanding of local customs, traditions, and preferences. Leveraging this cultural authenticity in branding, storytelling, and product development can create a deeper emotional connection with consumers and differentiate local brands from their international counterparts.

6. Collaborate and Innovate: Encourage collaboration between international and local brands to leverage each other's strengths and create mutually beneficial partnerships. For example, international brands can collaborate with local artisans or manufacturers to incorporate indigenous craftsmanship into their products, enhancing their appeal to local consumers.

7. Educate Consumers: Brands can play a proactive role in educating consumers about the value proposition of their products, the ethical practices they adhere to, and the positive impact of supporting local businesses. This can help dispel misconceptions, build trust, and foster a sense of pride among consumers in choosing local brands.

8. Adapt to Changing Consumer Preferences: Continuously monitor and adapt to evolving consumer preferences, market trends, and industry dynamics. Brands that demonstrate agility, responsiveness, and a willingness to innovate are better positioned to stay relevant and competitive in the rapidly evolving Indian retail landscape.

By implementing these suggestions, brands and retailers can effectively navigate the competitive landscape, strengthen their brand positioning, and build lasting relationships with consumers in the Indian retail industry.

CONCLUSION

Brands are valuable assets that companies use to attract consumers and develop their relations. Consumers are nowadays exposed to wide range of brands. They need brands as part of their lives. Brands differentiate the products but they also differentiate the consumers. Long term relationships with consumers can be built through brand personalization. It involves identification with the brand. In this study, consumer and brand personality relationship is considered as possibility to be influenced by anti-consumerism organization.

REFERANCE

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