

# Consumer Perception towards Global and Local Brands in the Indian Retail Industry

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## Abstract

The retail industry is the largest industry and it is witnessing revolution in India. The retail concept is emerging drastically with new formats like general stores, supermarkets, malls, hyper markets and specialty stores, and the wide availability of Global and International Brands in the Indian Retail Market. The industry is at inflexion point, where the growth of organized retailing and rise in consumption levels by the Indian population is turning towards a higher growth trajectory. India's retail market is expected to grow tremendously in next few years. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing lifestyles, and favourable demographic patterns. The Indian consumer is enjoying world class shopping experience. Shopping in India has witnessed a revolution with the change in the consumer buying behaviour and the whole format of shopping also altering. The consumer needs differ widely across the country. Distinct strategies should be adopted for different regions and different products. There is a need to analyse the perceptions of the shoppers towards the Global and Local Brands available in the Indian Retail Industry. Hence, the study is undertaken with the main objective of analysing the perception of the consumers towards Global and Local Brands in the Indian Retail Industry.

**Keywords:** Customer Perception, Buyer behaviour, Retail Industry, Retail formats and Demographic Patterns

## Introduction

With the development of Asian economies such as India, China, and Malaysia, among others, business has become increasingly globalised in recent years. As opportunities to expand their operations across borders grow, retailers are being forced to learn subtle nuances and differences in new markets. Retail marketplaces in industrialised countries such as the United

States, the United Kingdom, and Japan have matured to the point where population growth is moderate. As a result, a significant number of retail companies are shifting their focus to global markets in order to secure their position. Parallel to this, technology advancements, rising GDPs, rising incomes, liberalisation of multinational trade agreements, and convergence of consumer preferences in developing nations have all encouraged foreign merchants to enter these markets. For centuries, there has been a growth in globalisation in the sense of connectivity in economic and cultural life around the world. We've also seen the rise and globalisation of the concept of a "brand." "Globalization can thus be characterised as the strengthening of global social linkages that connect distant locales in such a way that local happenings are impacted by events occurring thousands of miles away and vice versa." Understanding consumer preference for international and domestic brands based on economic development level, ethnocentric prejudice, demographic features of customers, product kind, and product familiarity is crucial for firms to strive and expand into the global market. As a result of rising middle-class incomes and steady middle-class tendencies, countries like India, Brazil, China, and Indonesia have seen enormous socioeconomic transitions in a short time span. These rising-income groups are potential purchasers of a wide range of global brands, each having their own set of tastes and preferences. Brands must be prepared to impress these new consumer segments, and one such method is to conduct brand analysis to determine brand awareness, brand impression, and brand commitment. Studies show that India was chosen as the country for luxury products produced. India has a population of over 1.2 billion people, and the rise of the middle class has significantly increased purchasing power, allowing Indians to purchase more Indian and international brands than ever before. Due to its vast population, expanding purchasing power, and significant media exposure, the Indian consumer market is immensely tempting. Brand globalisation started in the early 1990s, when India adopted partially free market-oriented economic policies, but there were numerous issues that hampered the rapid growth of global brands. The Indian parliament's recent policy changes on foreign direct investment (FDI) into retail operations have ushered in a new presence of global brands and renewed interest in the Indian market. India is as complex as, if not more complex than, the European Union due to its vastness and diversity of languages and cultures. India's massive consumer base makes it worthwhile for global businesses to invest in it. It is not an easy market to enter into, but for those that succeed and survive, there are certain to be substantial profits to be made.

## **OBJECTIVE**

The primary objective of this research is to better understand consumer perceptions of Global and Local brands in the Indian retail business.

**The secondary aims are as follows:**

- 1) To investigate the factors influencing consumer preference for multinational brands. Consumer views of global and local brands are influenced by factors such as product and service quality, country of origin, culture, and materialism.
- 2) To identify the primary reasons why individuals consume brands as symbolic identities.
- 3) To uncover the major differences between managerial and consumer expectations of achieving brand fulfilment, which have resulted in a gap for overseas low-cost store brands.

**LITERATURE REVIEW**

This chapter examines and presents a detailed review of the reasons why consumers in emerging markets prefer Global brands over Local brands, given the primary goal of this research, which is to comprehend consumer perceptions of Global and Local brands in the Indian retail industry. Consumers in emerging countries prefer imported, branded products to native products, according to research. Consumers in developing nations appear to feel that products from developing countries are of lesser quality, resulting in increased levels of dissatisfaction. A conceptual model has been constructed to describe the key factors that encourage consumers in emerging countries to prefer global brands over local brands. This model will be used to sum up and investigate the major reasons why consumers prefer Global brands to Local brands, as well as the additional implications that managers should consider while entering emerging markets. This chapter is split up into segments. The first section discusses consumer preferences for Global brands. It then goes on to describe how elements like service and product quality, culture, and consumerism impact worldwide brand purchases. In order to research consumption behaviour, consumer segmentation is done to identify diverse classes in various societies. This review also addressed the critical issue of consumers' attachment to brands, as well as the perceived notion of owning a specific brand and the customers' psychological aspirations.

**RESEARCH METHODOLOGY**

The method used for the collection of data in this report is primary and secondary. I had created a questionnaire which involves 10 questions. The goal of getting direct responses from people was possible since I had drafted the questions and got responses from people representing themselves. I have applied a random sampling method of data collection here as it follows an unbiased representation of the Study on Consumer Perception Towards International And Indian Brands In The Indian Retail Industry's Luxury Segment.

## **METHOD OF DATA COLLECTION**

For this research, I have used Google forms to generate this survey and collect responses to further draw inferences about the topic.

## **SAMPLING METHOD**

1. Sampling method: No estimation of probabilities  
(The technique of non-probability sampling is one in which each item in the population has an equal chance of being selected.)
2. Consumer Perception Towards International And Indian Brands In The Indian Retail Industry's Luxury Segment
3. Sample size: 60
- 4..Method: Direct questionnaire interview

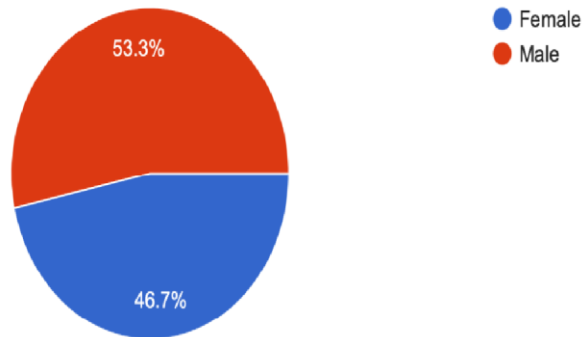
Sample size is the act of choosing the number of observations to include in a statistical sample. Sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. The sample size for this research was 60 respondents.

## **TYPE OF DATA**

Primary data and secondary data are used in this research work. Data obtained from firsthand sources by a researcher using methods such as surveys, interviews, and experiments is primary data. It is taken directly from primary sources with the research project in mind. Secondary data refers to data that is collected by someone other than the primary user. It is taken directly from internet sources, books, magazines, journals etc.

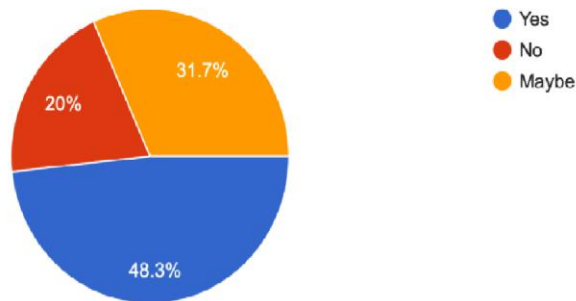
## **DATA ANALYSIS**

Gender  
60 responses



The pie chart of the responders is shown in the above Graph. The table shows that the majority of the respondents (53.3 percent) were female and 46.7 percent were male.

Would you prefer an international brand over an Indian brand if the quality was the same?  
60 responses



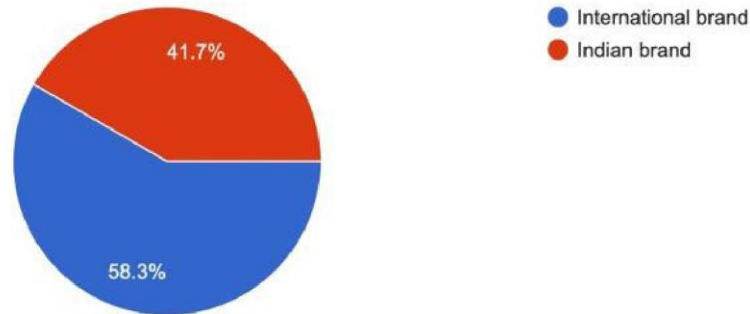
The goal of this question was to assess and determine how important a criterion like quality is in influencing whether consumers would choose a Local brand over a global one if both products were of comparable quality. The findings revealed that 48.3 percent of consumers would choose international brands over domestic brands, while 20 percent would continue to buy domestic brands. In addition, 31.7 percent of those polled claimed to occasionally use international brands.

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If the price of an international brand and an Indian brand is the same, which brand would you prefer?

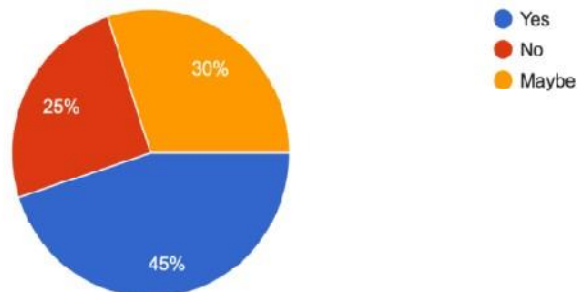
60 responses



The goal of this question was to examine and determine how important a factor like price is in determining whether consumers would choose a Local brand or stick with the global one. According to the findings, 58.3 percent of consumers would choose foreign brands over domestic names, while 41.7 percent would stick with domestic brands.

It is said that people buy international brands in order to be accepted by a specific social group. Do you agree?

60 responses



The answers to this question verify a widespread belief in our society that global items are purchased as a status symbol. To fit in with a specific social group, the adolescents primarily purchased foreign-branded products. This is largely due to the fact that peer pressure is considerable at this age, and the majority of people suffer from inferiority complexes. The results indicated that 45% agreed, where as 25% disagreed and 30% were not sure.



Which has a better marketing strategy to influence your purchasing behaviour ?

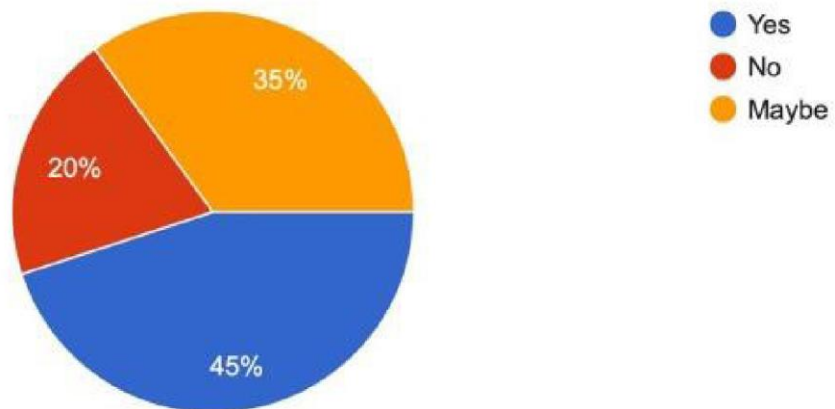
58 responses



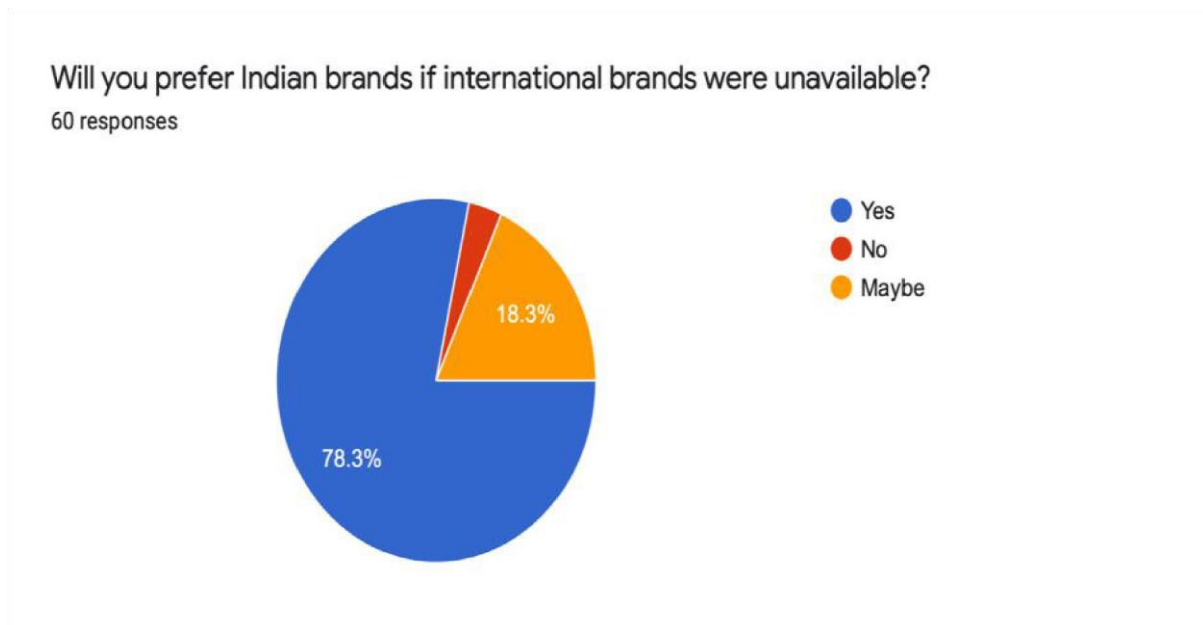
The purpose of this question was to indicate that the respondents found which brands marketing strategy more. They voted 46.6% for Global brands, 10.3% for Local brands and 43.1% were neutral.

Do you consider where a product is manufactured when purchasing It?

60 responses



This question was posed to find out how important the nation of origin was to the youth while making a purchase. As shown in the graph, young people are primarily concerned with the country in which the brand is manufactured. 45 percent replied yes, 20 percent said no, and 35 percent said they were unsure.



The goal of this question was to see if respondents would prefer Local brands to Global brands if international brands were unavailable. The majority of respondents (78.3%) said yes, with only a small percentage saying no and 18.3% saying they weren't sure.

## **DISCUSSION AND FINDINGS**

- 1) Increase In Westernisation
- 2) Symbolic Consumption of Products
- 3) Key Discrepancies between Manager and Consumer Perceptions
- 4) Growth of the Indian Retail Sector
- 5) Preference towards International or Indian brands

## **SUGGESTIONS & RECOMMENDATION**

All consumers are not the same. There are numerous types of consumers, and each consumer has unique needs. Furthermore, their purchase intentions shift as a result. What the client needs to buy, where he needs to buy it, how much he needs to buy, where he wants to buy it, and how much he wants to buy it. The 3 main recommendations could be as follows:

1. Flexibility and Adaptability
2. Build brand equity and avoid direct competition.
3. Strong Presence in all the Segments for Profitability and Sustainability



## CONCLUSION

The primary purpose of this research was to comprehend consumer perceptions of Global and Local brands in the Indian retail industries as well as the elements that influence their decision to purchase one of these brands. Also, to offer suggestions and instructions to international investors interested in investing in India. It also includes a summary of important results as well as the study limitations.

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