

A STUDY ON THE PERCEPTION OF CONSUMER TOWARDS BRANDED VS LOCAL PRODUCT

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Abstract

The purpose of the study of original research work is to understand and explore the consumer perception of local and branded product in India. The purpose of this research is to enrich our knowledge of the Indian markets and provide insights in to how local vs. branded product usage rate creates an impact on the mind of consumers

The main objective of the research is to study the variation in the perception of the consumer. The intention is to extract a possible outcome as to examine on the impact of different factors on the perception of the consumers towards local and branded products. For the study a questionnaire has been designed distributed and filled by the different sections of the society varying in age lifestyles occupations gender etc. in India. The population of this research consisted of online an outlet buyers from different parts of India. The sample of this study comprised of 100 online and outlet buyers. A pre structure questionnaire was used to measure the perception of the respondents towards local vs. branded products

Keywords : Local product, Branded Product , Market Segmentation, Online Buying, Offline Buying, Brand Loyalty, consumer Perception, ,

Introduction

Consumer is the king of the market and all the market activities and all the business and the industrial enterprises move around their perception on local and branded products. Market segmentation is the research that determines how your organisation divides its customers into small groups based on characteristics such as age, income, personality traits, or behaviour also consumers purchased decision are influenced by main factors including personal psychological social and cultural Factors does making it challenging for marketers to choose local over branded and branded over local.

Brand name plays an important component of brand equity which is why it is often regarded as a prerequisite of consumer purchasing decisions brand images important because it influences consumer

purchasing behaviour which ultimately leads to influence purchasing decisions. Local product on the other hand is highly influenced by the local consumers purchasing approach.

However, the businesses scenario in India has seen significant changes in the past decades the consumer nowadays look for variances in terms of quality prices brand names etc.

Literature review

There have been various research that has been conducted to understand the perception of consumers on local and branded products earlier researchers have concluded consumers with a high need for satisfaction tends to adopt new products either local or branded more quickly for those product which provide. The theory of consumer need for satisfaction explains how an individual needs for satisfaction can influence products either of brand or from local market. It is logical to speculate that different people exhibit varying degrees of need for satisfaction in similar circumstances and this can have a significant impact on purchase decisions.

Rationale

This concept attempts to tell you how branded products attracts the customer base and on the other hand how local market tries to captivate the psychological factors of the consumers as smart consumers, people take into account various factors before purchasing in order to enjoy more and better goods or services either from local or branded. People tend to purchase goods and services that provides them with the maximum fulfilment that can be attained either with branded and local product.

Local product

In a world that has become globally linked and often somewhat confusing, research for local and regional identity is emerging. Local product is a business to consumer online market plays designed to help people find unique and quality local product and to boost local economics by helping local producer promote their product online it includes customers located within the region of the product or service is produced or made available. The local product has the ability to attract or influence the consumer's emotional psychology. Local product also has the capacity to provide consumer as the same product a brand offers in the same amount or even cheaper. Along with it, it also promises to provide the quality product within the local name. Local products also increases the local economy of state or nation.

Branded Products

A brand is a name, term, design, symbol or any other feature that identifies one seller's goods or services as distinct of those of other sellers. A branded product is one which I made by a well-known manufacturer and has the manufacturers label on it. Branded product develops a credibility in the mind of customer. Customers feel that they has a company whom they can tell about the products problem as local product doesn't have this option. Branded products also establishes the parameters of providing the customer with after sales service if any damages happen or even without damages the products offered by any organisation come up with the idea of establishing a long term relation with the customer such that this attribute will help the organisation in the long run this idea can be often termed as customer retention.

Apart from this brands also provide a consistency in terms of the quality as they have to gain a competitive advantage as of their competitors. Brand often comes up with the promises of delivering a product with a unique characteristics for example the idea of dominos of delivering the pizza within 30 minutes can be a best promise made to the customer.

Online Buying

Online shopping is the process of buying goods and services from merchants over the internet. Since the emergence of the World Wide Web, consumers can shop for 24/7. Customers find the product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displace the same product availability and pricing at different e-retailers. Online stores usually enable shoppers to use search feature to find specific model brands or items. Mostly consumers who are into branded items looks into the online stores as well as the psychical stores to satisfy their need within a reasonable price. Now a days also local retailers are seeking the opportunity to promote or sell their product. Across the world to earn the profit this online websites also give rewards or promotional vouchers to promote their business this approach is mostly referred as attracting the customer ones purchase is done.

Online shopping also establishes relationship by giving the customers return policy schemes even if the product is delivered as most of the branded items are quite expensive if you visit their psychical stores but this websites provide the exactly same item in same quality at discounted prices.

Offline Shopping

Offline shopping is a traditional way of purchasing services or products by directly visiting to the store/shop or vendor it is generally a brick and mortar shop that offers a wide range of product. Brick and mortar shopping sells the product by analysing the different convenient attributes either in the terms of price, customer reach, relationship with the owner offline stores sometimes provide the same product or services in more price as compared to the online stores apart from this they also provide the products which can be made available without the brand name at reasonable price and in higher quality the customers can experience the touch points of a product and have a exposure and involvement in of the familiarity

Brand Loyalty

Brand loyalty is a specimen of consumer behaviour through which consumer tends to know and get to a specific brand and its product and make repeat purchases overtime. Brand loyalty is the emotional decision of a consumer for purchasing a particular brand again and again. The customer has a perception that this particular brand has all the qualities that will meet his expectation and identifies with the consumers at a personal level. Brand loyalty is the tendency of consumers to continuously purchase one brand product over another repeatedly. Brand loyalty is achieved when a customer actually uses the product or service of the company and is satisfied with its offerings.

Consumer Perception

Perception is the organisation, identification, recognition and an interpretation of sensory information or guidance in order to represent and understand the presented information. The truth is that everything affects consumer perception, from the way you position vertically and horizontally on a shelf, to the colours and shape you use in creating your logo your customers might have positive perception of you if they come across your products and your niche during a certain time of the day, but they may hold a negative perception at another time of day everyone is a potential customer and so you should always recognise it whether they are posing positive or negative responses.

Market Segmentation

Market segmentation is the act of dividing a broad consumers or consumer groups or business market, normally consist of existing and potential customers into sub groups of consumers based on some type of shared characteristics. Market segmentation assumes that different market segments require different and varied marketing programs i.e. different offers, prices, promotion, distribution or some combination of marketing variables in the case of branded markets and local markets they tries to target by dividing them on the parameters of the services or products they will mostly buy from this markets respectively.

Research Design and Methodology

Statement of Problem

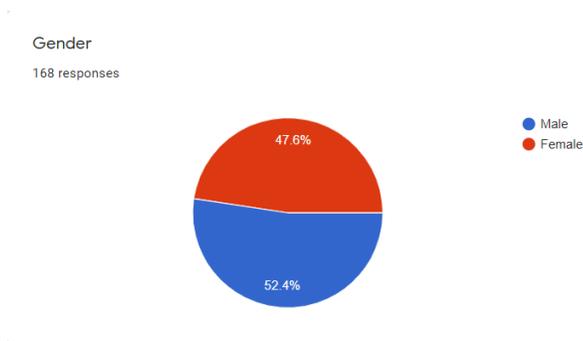
Consumer perception is a marketing concept that encompasses a customer’s impression and awareness about the company or it’s of brings either local or branded. Typically, customer perception is affected by advertising reviews public relations social media personal experiences and brand image. The truth is that everything affects customer perception from the way you position your product vertically and horizontally on a shelf, to the colours and shapes you used in creating your logo your customers might have a positive perception of you if they come across your products and your niche during a certain time of the day, but they may hold a negative perception at another time of the day. It all varies according to one’s perception i.e. sense of awareness.

Perception is simply the moment when we become aware of something via our senses and recognize it. When we perceive something, we either react to it via our instinct or via our faculty of decision.

Hence there is a genuine need to understand the factors that influences the consumer’s perception when they shop from local market or branded outlet. The present study is an attempt in this direction.

Research Findings

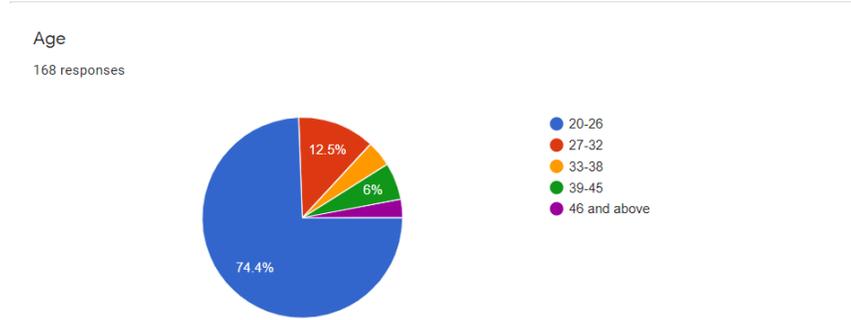
SAMPLING POPULATION: The survey was conducted online from a total 168 respondents across the different cities of the country. Care has been taken to include respondents from every age group.



	A	B
Total Respondents	Male	Female

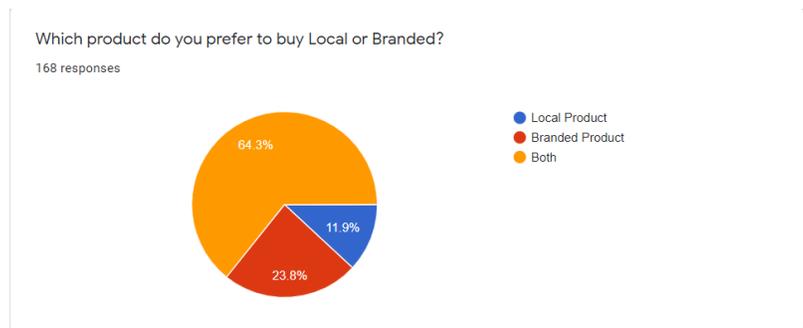
168	88	80
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INTERPRETATION- It is being observed that 52.4% of respondents were male i.e. 88 males and 47.6% respondents were female i.e. 80; almost equal in quantity.



	A	B	C	D	E
Total Respondents	20-26	27-32	33-38	39-45	46 and above
168	125	21	7	10	5

INTERPRETATION- It is being observed that maximum respondents were of the age group 20-26 where minimum from 46 and above.



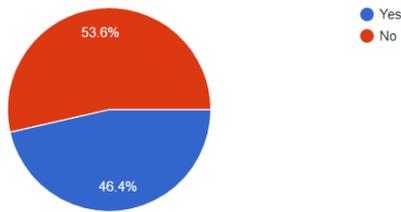
	A	B	C
Total respondents	Local product	Branded product	Both

168	20	40	108
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INTERPRETATION- It is being observed that 64.3% respondents would like to prefer both branded and local product i.e.108 whereas 23.8% would like to prefer local product i.e.40 and 11.9% would prefer local products i.e.20.

Are you a regular user of branded product?

168 responses

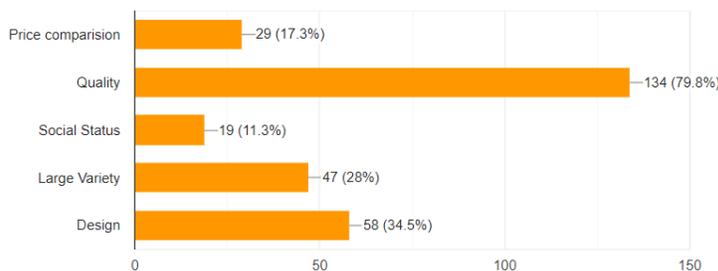


	A	B
Total Respondents	Yes	No
168	78	90

INTERPRETATION- It is being a form of total responses, 53.6% of the people says that they are not a regular user of branded products i.e. 90 respondents; where 46.4% of people are regular user of branded products i.e. 78 respondents.

Why do you prefer Branded Products?

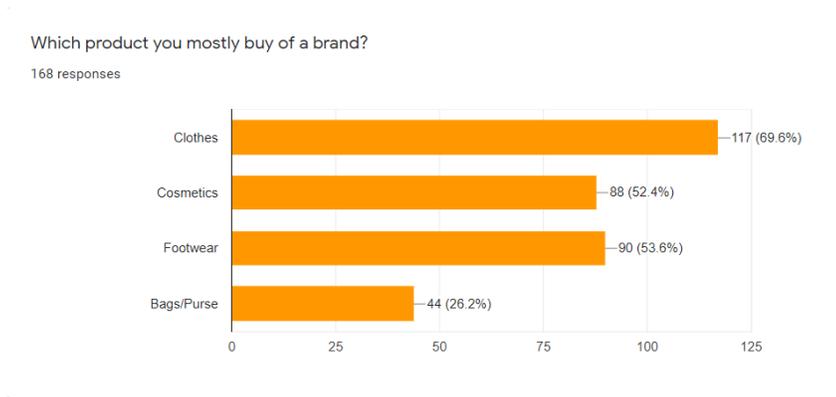
168 responses



	A	B	C	D	E
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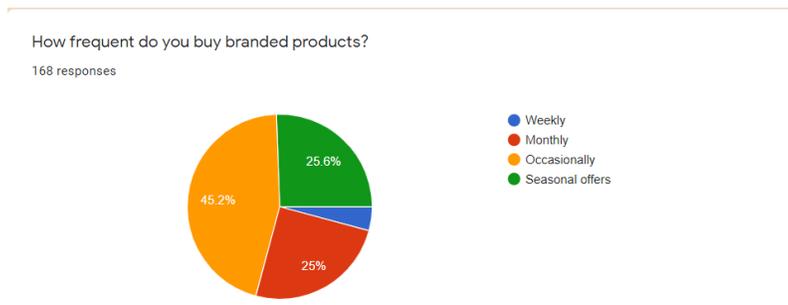
Total Respondents	Price Comparison	Quality	Social status	Large variety	Design
168	29	134	19	47	58

INTERPRETATION-It can be seen that most of the respondent marked quality as preferred parameter in choosing branded products where design was the second most preferred parameter and the least preferred parameters was social status.



	A	B	C	D
Total respondents	Clothes	Cosmetics	Footwear	Bags/purse
168	117	88	90	44

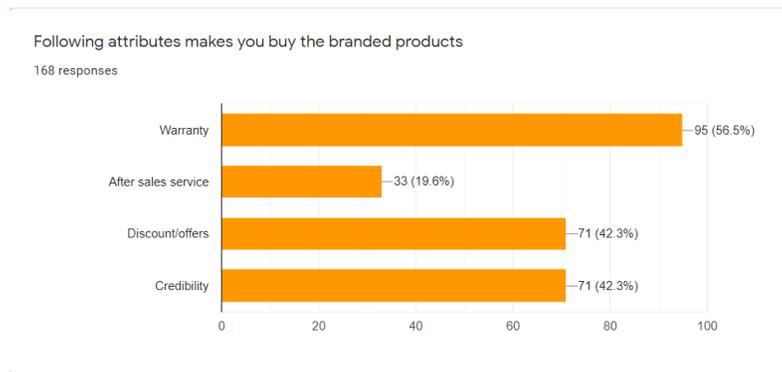
INTREPRETATION- from the above graph we can see most respondent like to buy branded clothes whereas second most choice of respondent is footwear and the least preferable choice is bags/purse.



	A	B	C	D

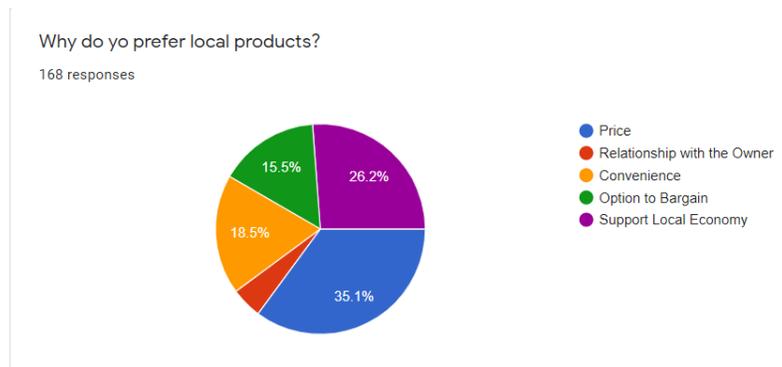
Total Respondents	Weekly	Monthly	Occasionally	Seasonal offers
168	7	42	76	43

INTERPRETATION- It is being observed that most respondent buy occasionally i.e. 45.2%, whereas some buy at the time of seasonal offers i.e. 25.6%, some buy monthly i.e. 25% while some buy week to week i.e. 4.2%.



	A	B	C	D
Total respondents	Warranty	After sales service	Discount/offers	Credibility
168	95	33	71	71

INTERPRETATION- From the above graph, we can see people are aware of the following attributes that comes with the product where 56.6% i.e.95 respondents have heard about the warranty,42.3% i.e.71 respondents are aware about the discount, offers and credibility, 19.6% i.e.33 respondents know about the after sales service.

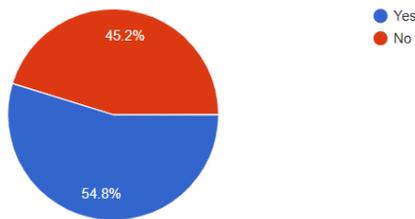


	A	B	C	D	E
Total respondents	Price	Relationship with the Owner	Convenience	Option to Bargain	Support Local Economy
168	59	8	31	26	44

INTERPRETATION- The observation suggest that 35.1% i.e. 59 people prefer price when buying the local product where 26.2% of people i.e.44 respondents buy to support the local economy, 18.5% i.e.31 buys because of convenience where some respondents finds option to bargain 15.5% i.e. 26 as well as others have the bond with the owners i.e. 8.

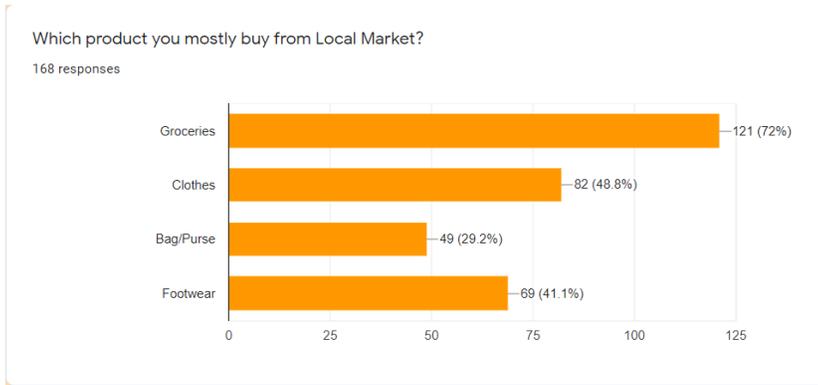
Have you ever purchased any local product/ item on an online platform?

168 responses



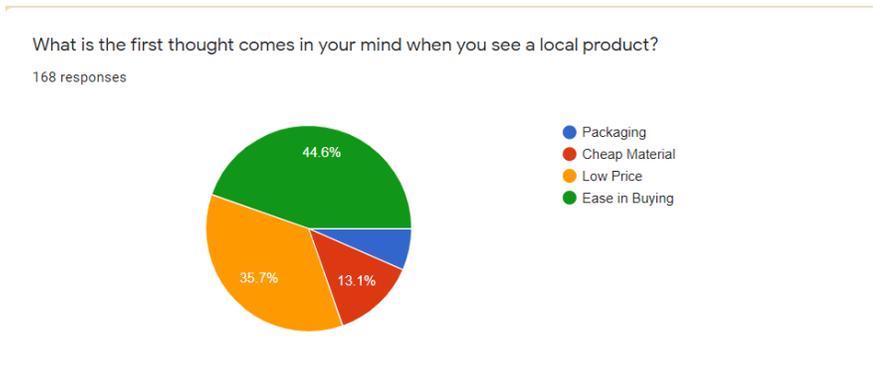
	A	B
Total Respondent	Yes	No
168	92	76

INTERPRETATION- It is being form a total response, 45.2% of the people says that they purchase local product on online platform i.e. 76 whereas 54.8% of people don't buy online i.e. 92 respondents.



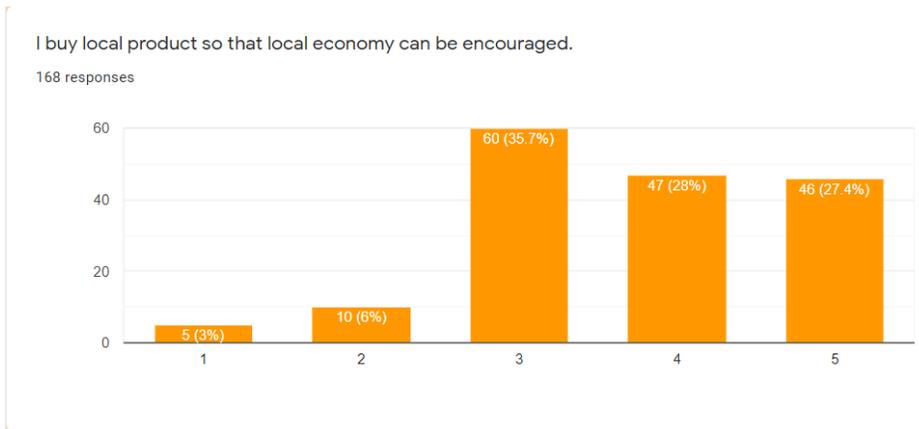
	A	B	C	D
Total Respondents	Groceries	Clothes	Bag/purse	Footwear
168	121	82	49	69

INTERPRETATION- From the above graph, it is being observed that maximum no. of respondents buy groceries from local market 72% i.e. 121 where 48.8% i.e. 82 buy clothes from local market, 41.1% i.e. 69 prefer footwear whereas less no of people prefer bags/purse 29.2% i.e. 49.



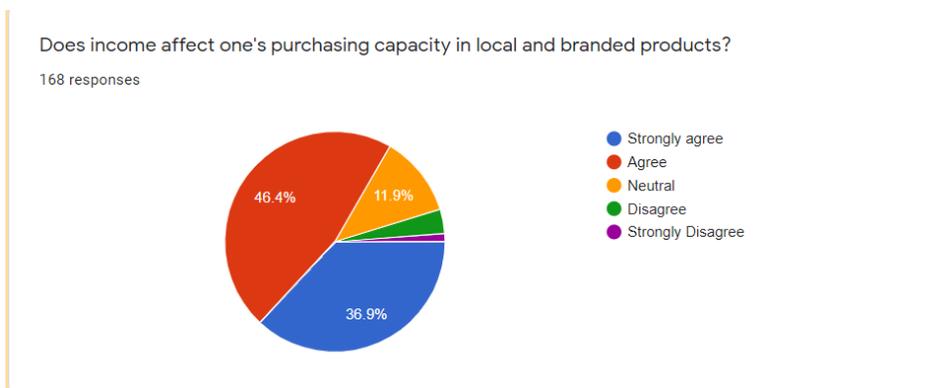
	A	B	C	D
Total Respondents	Packaging	Cheap material	Low price	Ease in buying
168	11	22	60	75

INTERPRETATION- The above finding suggest that most of the people find ease in buying when seeing the local product 44.6% i.e. 75 where 35.7% i.e. 60 prefer price, 13.1% i.e. 22 find cheap material when they first see the product and less no. of people would prefer packaging as a factor i.e. 11.



	A	B	C	D	E
Total Respondents	1	2	3	4	5
168	5	10	60	47	46

INTERPRETATION- Here we observed that maximum people buy local product as they support local economy on an average. Like, 47 people on an average rated 4 and 5. As they buy product to encourage local economy.



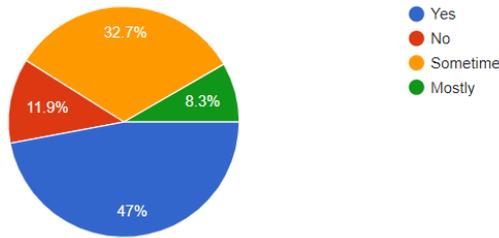
	A	B	C	D	E
Total Respondents	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

168	62	78	20	6	2
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INTERPRETATION- Here, the most respondents agreed that one’s income play a very important role at the time of buying local or branded products where other were strongly agree and some were neutral.

Do you think companies can reduce the price and still maintain a good quality?

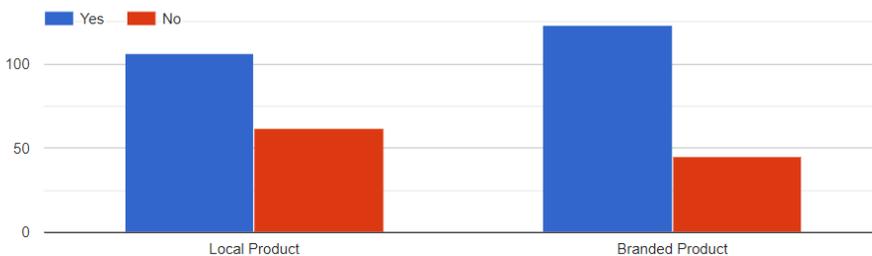
168 responses



	A	B	C	D
Total Respondents	Yes	No	Sometime	Mostly
168	79	20	55	14

INTERPRETATION-The observation suggests that 47% i.e. 79 people think that companies can still maintain good quality by lowering their prices where 32.7% of people i.e. 55 respondents think sometimes, as well as others think mostly and some thinks no they can't.

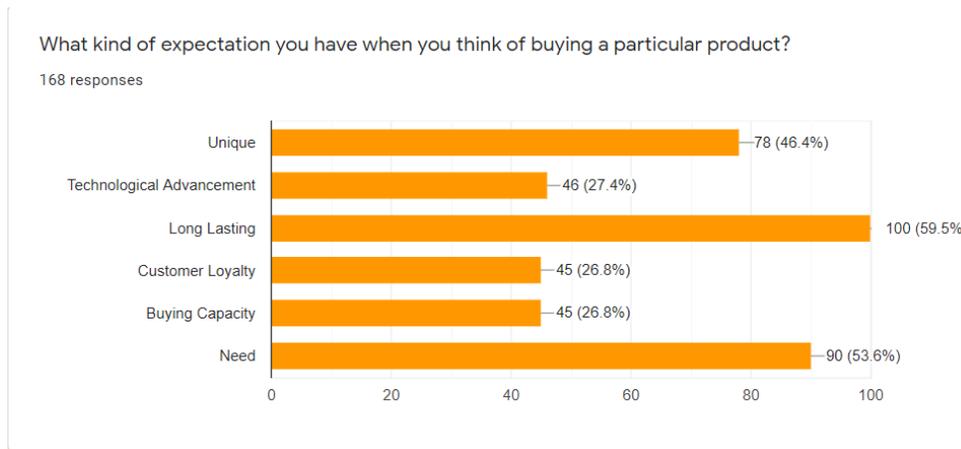
Local Products and Branded Products are offering same product and in same amount, I'll buy



		A	B
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Total respondents		Local product	Branded product
168	Yes	106	123
	No	62	45

INTERPRETATION: The observation suggests maximum people would prefer branded products more if they are getting both the local and branded in same amount.

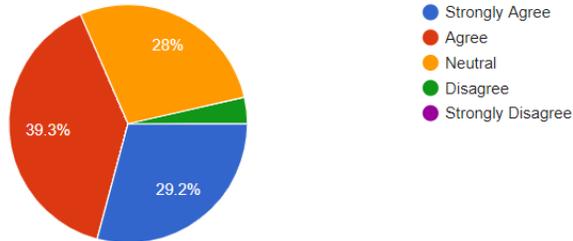


	A	B	C	D	E	F
Total Respondents	Unique	Technological Advancement	Long Lasting	Customer Loyalty	Buying Capacity	Need
168	78	46	100	45	45	90

INTERPRETATION- From the above graph, it is being observed that the people prefer uniqueness in their products as the top parameter in choosing any brand. The second top most parameter is durability and least one is loyalty, as customer can shift if they are getting more benefits in any other brand.

I am a price sensitive customer when it comes to buying a local or branded products.

168 responses

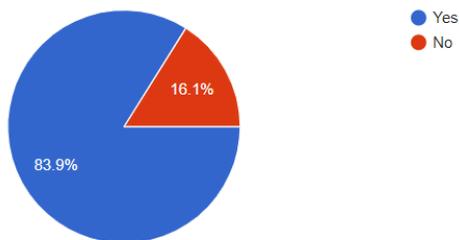


	A	B	C	D	E
Total Respondents	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
168	49	66	47	6	-

INTERPRETATION: Here we observed that, most of the people agreed that they are price sensitive when comes to buying branded or local products.

Do you influence the buying decision of your family?

168 responses

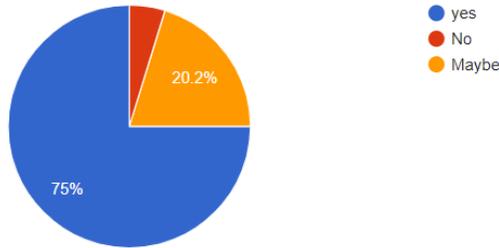


	A	B
Total Respondents	Yes	No
168	141	27

INTERPRETATION: Here, most of the respondents plays the role of decision maker in the purchase in their family,

Does income affect your purchasing capacity?

168 responses



	A	B	C
Total Respondents	Yes	No	Maybe
168	126	8	34

INTERPRETATION: Here, it can be clearly seen that income does affect the purchasing capacity.

Research Objective

- To study consumer’s perception towards local vs. branded products.
- To analyse the influence of brand image on consumers while making purchase.
- To understand the consumers buying psychology while making a purchase.
- To analyse consumers taste and preference regarding local vs. branded product.
- To discover the frequency of purchase made by the consumers due to their perception.

Research Limitations

- The very first limitation cause during the research was to find out the respondents who are interested in taking the survey.
- The next limitation that occur during the survey was to identify whom to target and in what numbers will people participate.
- There may be both positive and negative biases of the respondent.
- Respondents would like to portray themselves as an elite and may not give their actual preference.

- Some respondent don't even reply to all the question.
- Some respondent doesn't even understand what question is really asking.
- Respondents even have problem with the pattern the answer and question is designed.

Practical Implications

- This study will be useful for business person to identify the requirement of local and branded products.
- This research will help the consumer to understand the difference between branded and local product.
- This study will be useful for students and academicians to understand how consumers prefer online shopping for the branded products and physical shopping for local products.
- This study will help the consumers to identify the quality related or about the product.
- This study will also be useful for the retailers to analyse the parameters the consumers actually goes for purchase.

Conclusion

This research explains that it is very evident that there is a recognizable difference between the branded and local product in the minds of consumer there has been also many entities that posed the variances about the perception of the consumers about branded over local and local over branded. We discussed fairly strong parameters that made us understood the brand loyalty and the choice of product quality for the customers perceived quality and emotional value were the other important variables that directly influence purchase intention.

The positive relationship between attitudes towards branded products, perceived quality and the emotional value for brand supports previous findings that products are positively evaluated in terms of emotional benefits and quality satisfaction. Today consumers are exposed to big variety of products and services both domestic and global. The introduction of goods and services raised the concept of the country of origin which might affect consumer purchase decisions.

Some consumers happily buy products from the local market while some seek for branded products over the former ones. This research suggest that consumer may prefer branded products because of higher prestige in general, branded products have high prestige because of their relative scarcity and higher price compared to local product.

This study also establishes how emotions and the feeling of personalization towards the local product. Local markets tries to captivate the emotional and tangible parameters based on the perception of the consumers.

Consumers opinion to a specific product either local or branded are mostly shaped by the level of income they have or the mind-set they have towards the investment the lifestyle is an important factor that affects consumers opinion towards brand or local. People often in absence of information and knowledge about the product associate product satisfaction by that product image or the past relationship. The mind-set of the customers is changing that branded products are not always the best ones and local products are not always the worst ones people are now getting complete information about products so they like to go buy product quality either coming from local or branded.

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