



Consumer Perception of Global Vs. Local Brands:the Indian Car Industry

Nirav R. Vyas

PhD Research Scholar, School of Management, RK University, Rajkot.

Prof. Vijay H. Vyas

Director, Department of Management, Atmiya Institute, Rajkot

ABSTRACT

The purpose of the study of the original research work is to understand and explore the consumer perceptions of global and local car brands in India. The research paper focuses on key factors like ethnocentrism, country of origin, perceived quality and buying decision making process and examining them. The purpose is to extract a possible conclusion as to check on the impact of these factors on the perceptions of the consumers towards local and global brands. The secondary objectives of the study are to find out the preference of Indian consumers towards buying a global brand or an Indian brand of car and to find out the geographical trends of consumer perceptions towards local and global brands in Indian

KEYWORDS

Methodology of the study:2

This particular study has used depth interviews as a means for obtaining primary data. The research explores consumers' perceptions of global brand vs. local brands in the Indian car industry. The study is conducted among the adult consumers in the age group of 30-60 years old.

The study was carried out in Ludhiana district of Punjab state (India) and adjacent rural areas of the city during November-December, 2007. Ludhiana is the most centrally located and populated district of the state with about 12 per cent population of the Punjab state reside in this district. One hundred households (fifty each from rural and urban area) were selected for study on the basis of convenience sampling. Rural area corresponds to villages of the district and urban area corresponds to those who live in Ludhiana city. The sample did not cover people of semi-urban areas of the district such as towns/sub-towns that come in Ludhiana district. All respondents had their total household income in the range of three to five lac (1 lac= 0.1 million) rupees per annum. This means that they belonged to the dominating middle class of the country. The households were asked to respond to a set of statements pertaining to eight variables in terms of their agreement to the statements (strongly agree, agree, indifferent, disagree, and strongly disagree). A five-point scale was later used to evaluate statements using 5 for strongly agree and 1 for strongly disagree. The study has been carried out with a view to understand the comparative attitudes of rural and urban consumers towards the foreign brands in terms of following aspects of the consumer durable products such as cars, televisions, refrigerators, washing machines, and microwave ovens:

Variables under study:

The consumers were asked to respond whether foreign brands are much better in the following aspects than their domestic counterparts. Statistics was employed to check the level of significance between the differences of mean values of scores.

- (1) Better Durability (Greater Life)
- (2) Technical Advancement
- (3) Wide Choice of Size and Model
- (4) Good Style and Appearance
- (5) More Prestige
- (6) Maintenance Services
- (7) Better Quality/Performance
- (8) Greater Value for Money

Prominent findings of the study:

- The data reveal that foreign products are far ahead than Indian products in the minds of the consumers in terms of style, appearance, prestige, wider choice and quality.
- The study reveals that both rural and urban consumers had given huge importance to foreign products over domestic products in terms of all the factors studied.
- Overall 'good style and appearance' was given the highest ranking.
- 'Prestige' and 'wide choice of size and model' were given second highest rating overall. 'Maintenance services' was given the lowest rating among all the factors studied
- Urban consumers being style conscious therefore, probably are relatively less concerned about durability and maintenance services.
- Rural consumers of Punjab state are very prosperous as compared to the rural consumers of the other states

Part II Discussion on the article

Probable reasons for justification behind findings:

The overall findings reveal and revolve around a prominent conclusion that the image of foreign products is better compared to their Indian counter parts. There could be a large number of reasons behind this phenomenon. Watching this phenomenon, the reasons could be Indian consumers have been classically conditioned to a fact that the multinational brands are good in terms of quality for many years. This notion was quite correct when Indian was very underdeveloped and the consumers were offered with very average quality of products produced by the domestic enterprises at fairly reasonable prices. However those consumers who could afford a foreign brand used to pay high for it and used to get a better quality in it.

Further scope of research:

- The present study was limited to the area of Punjab, a more comprehensive study involving few more states of India could lead to framing of an overall conclusion about the similarity or dissimilarity of the behaviour of consumers towards foreign and multinational products
- The current study takes into consideration a bouquet of products across a lot of industry. Detailed analysis of similar kind could be done within each industry which could give a specific conclusion as consumer behaviour tend to differ with different industry
- Further to current research, detailed study could be possible to measure the reasons behind favouring or not favour-

- ing the foreign products.
- A study measuring the ethnocentrism or anti-ethnocentrism of Indian Consumers can be possible using the base of the current research

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