Relation between Preference for Local or Global Brands and Various Demographic Features of Consumer

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ABSTRACT

Now a days, dilemma of choosing between local and global brands is faced while purchasing most of the goods be it be a needle or a sophisticated machinery. Good quality and affordable prices of goods of global brands are overpowering the local brands. It is seen that young generation is getting very much inclined towards the global brands and gradually local brands are finding it difficult to survive in market. Along with age many other factors are also responsible for this phenomenon. In this situation a study on various factors which are related with preference for local or global brands is need of the hour. For the purpose of study a questionnaire was developed and sent to respondents in order to find out whether actually there is any relationship between demographic factors of respondents and their choice between branded and local goods. On the bases of survey it was found out that, actually there is a relation between demographic factors of respondents and their choice between local and branded goods to a large extent.

Keywords-- Branded, Local, Demographic, Preference, Consumer and Goods

I. INTRODUCTION

David Ogilvy, the father of advertising rightly said that brand is something which remains alive even after the factory is burned[7]. A brand can be a name, a logo, any term, or any design that distinguishes the product of a manufacturer from that of its competitor. Marketing techniques along with communication methods form a brand which distinguish it from the product of competitor and ensures that such an impression is created in mind of the customer that is lasts for a long time[3]. Ancient Egyptians are believed to have started the practice of branding. They used to burn a symbol into the skin of their cattle in order to distinguish it from that of others. A product is given a name so that it can have its own unique identity and this unique name is Brand[4].

Brand is a mark of assurance given by the seller of a product to its consumer that the product he is selling will meet consumer's expectations[13].Brand identity, brand awareness, brand communication, brand loyalty and branding strategies are components of branding[15].

Brand identity is the way in which a company wants to portray itself in front of its customers. Brand image is that element of a brand which distinguishes it from the product of other company. In order to build a strong brand identity, a company has to first analyze itself and the market in which it wants to do business. Then, the company should be very clear about the goals it wants to achieve and the segment of customers it wants to target. Company should be very careful about the message it wants to convey and the image it wants to be perceived by its customers [8]. It is brand identity which converts to brand image. Brand identity gives the direction in which a company should move in order to reach its destination [12].

Brand awareness is the measure of familiarity that consumer has about the brand. It is the knowledge of existence of product in market and is a very important step for success of a product [1].

Brand Communication takes place whenever any prospect comes across any aspect of brand. Be it be its logo, people associated with brand, advertisement of brand or the product itself [14].

Brand loyalty is the indicator of consumer behavior which shows how repeatedly a customer buys the product in presence of its substitutes. Brand loyalty is lifeline for continuation of a product [2].

Brand Strategy is a plan for development of a brand which can achieve the desired goals. These plans are generally long term plans and are made so that the product can last for a long time in market [6].

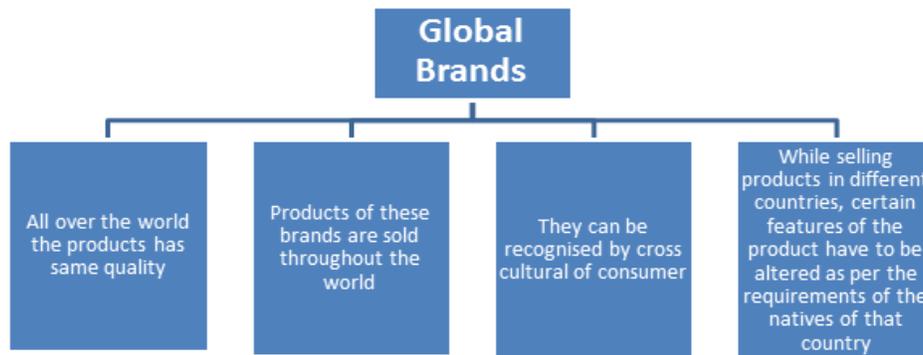Brands can be classified into a number of categories on the basis of purpose of study [11]. (Fig.1).

Fig.1: Types of Brands

For the present study we are concerned about Local and Global Brands only.

Brands can be classified into local and global brands on the basis of features as shown in Fig.1 and Fig.2 [5].

Fig.2: Features of Global Brand

Fig.3: Features of Local Brands

With the reviewed literature in mind, it can be said that not much research has been done on effect of type of brand on brand preference.

Brand preference is the action of choosing a product of a particular brand in light of fact that similar products are available with other brands [9]. Brand preference is indicator of brand loyalty. Preference for brand is highly associated with demographic features of the consumer. Hence, demographic factors can be used segmentation of consumers [10].

In the present study attempt has been made to study the effect of type of brand on brand preference. For this purpose Global and Local brand have been chosen to represent two variables under type of brands and their preference has been studied with relation to various demographic features of the consumer.

Hence the null hypothesis for the purpose of our study are:

H1: There is no relationship between gender of the respondent and preference for local or global brand.

H2: There is no relationship between age of the respondent and preference for local or global brand.

H3: There is no relationship between monthly household income of respondent and the preference for local or global brand.

H4: There is no relationship between occupation of respondent and preference for local or global brand.

The study continues with section 2, where methodology used for the purpose of research has been discussed. It further contains tools and techniques used, database for study and the data variables. In section 3, analysis of data has been done.

II. RESEARCH METHODOLOGY

2.1. Tools and Techniques

The study has used Chi square test to find whether there exist any relationship between demographic features of the consumer and preference for local or global brands. Chi square test is used to find out whether there exists some relationship between categorical variables or not. The null hypothesis for the test is that no relationship exists between categorical variables and they are independent of each other. On applying Chi Square test on the data, it the P value of Chi Square static is found to be less than 0.05 then we can reject the null hypothesis and can conclude that relationship exists between the categorical variables.

The collected data was analyzed using MS Excel. Responses were classified and summarized in excel sheet and Chi Test was run on responses to find the results.

2.2. The Database

A research of descriptive and quantitative nature has been conducted to find out the relation between preference for local or global brands and various demographic factors of the respondents. For the purpose of study a well structured and pre-tested questionnaire was designed and respondents were sent the questionnaire using a non random sampling technique i.e. convenient sampling. Web link for the questionnaire was created and was sent to various contacts on Whatsapp with a request to fill the questionnaire and forward it to other contacts. Further link to the questionnaire was also posted on facebook. First 100 responses were taken for analyses. The questionnaire had diverse nature of questions ranging from questions about their demographic feature (gender, age, occupation, and monthly household income) to preference for local or global brand in case of footwear, clothes, and cosmetics. Questionnaire also enquired about the reason of preference of the consumer.

2.3. Specification of Variables used in the study

In order to study effect of type of brand on brand preference, two types of brands i.e. Global and Local have been taken to represent brand identity and their relationship is analyzed in relation to various demographic features of the consumer.(Table.1)

Table.1: Nature and type of demographic features of the consumer used in the study

Variable	Categorization in the study
Gender of respondent	Male female
Age of the respondent	Less than 30 30-40 40-50 More than 50
Monthly household income	Less than 35000 35000-45000 45000-55000

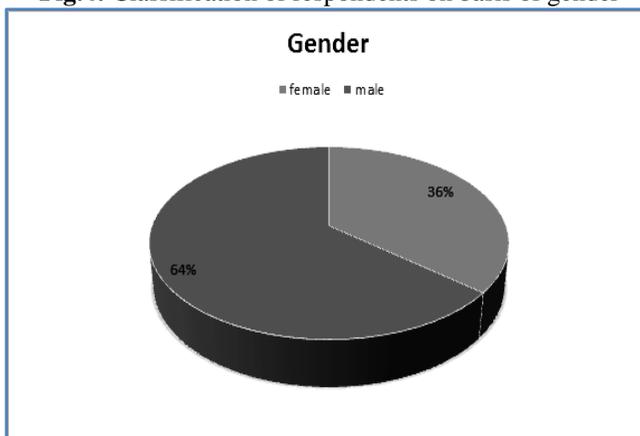|	More than 55000
Occupation of respondent	Business Private service Student Government service Homemaker other

III.   RESULTS AND DISCUSSIONS

In this section, the collected data has been analyzed in order to find out the effect of type of brand on brand preference. In first part, respondent's profile has been discussed and the relationship of preference for brand with various demographic features of the consumer have been discussed one by one.

3.1. Respondents Profile

In 100 responses which were selected for the study out of 107 responses, there were 36 females and 64 males. (Fig.1).
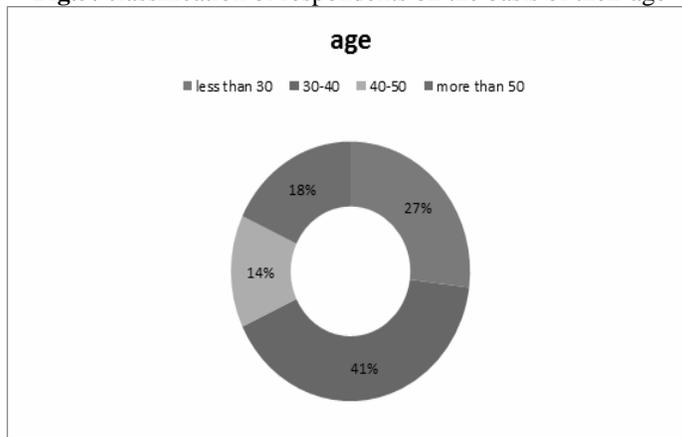
Fig.4: Classification of respondents on basis of gender

27 respondents were of age less than 30 and 18 were of age more than 50. 41 were between the age of 30 years and 40 years. Rest were more than 40 years of age but less than 50 years. (Fig.2).
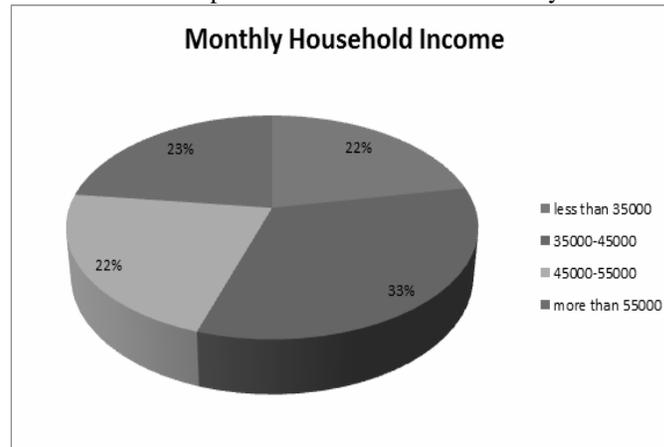
Fig.5: classification of respondents on the basis of their age

22 respondents had monthly household income of less than 35000 INR while 23 had monthly household income of more than 55000 INR. Rest 55 respondents had
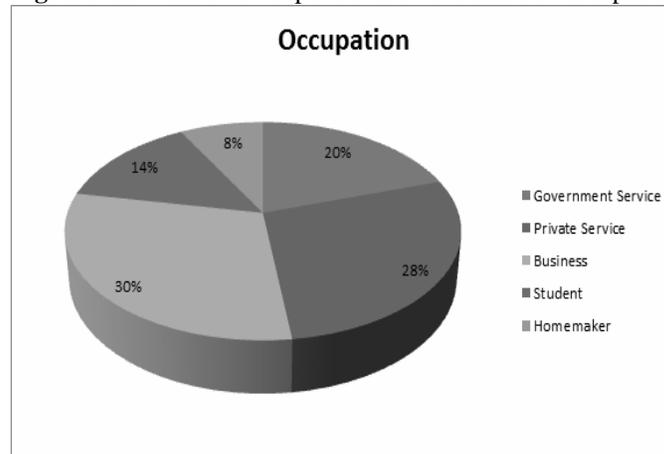
monthly household income between 35000 and 55000 INR. (Fig.3).

Fig.6: Classification of respondents on the basis of monthly household income

Among the respondents 20 were in government service, 28 were working in private sector, 30 had their own business, 14 were students and 8 were homemakers. (Fig.4).

Fig.7: Classification of respondents on the bases of occupation

3.2. Brand Preference In Case of Footwear, Cloths and Cosmetics

Table 2: To find out relation between gender and preference for local or global brand

In Case of Footwear				In Case of Cloths				In Case of Cosmetics			
Gender	**Local**	**Global**	**Total**	**Gender**	**Local**	**Global**	**Total**	**Gender**	**Local**	**Global**	**Total**
Female	12	24	36	**Female**	10	26	36	**Female**	5	31	36
Male	45	19	64	**Male**	32	32	64	**Male**	24	40	64

Total	57	43	100	Total	42	58	100	Total	29	71	100

In case of footwear, 57% respondents preferred local goods while 43% preferred global goods. Amongst the respondents who prefer local goods, 12 were female and 45 were males. Out of 43, who preferred global goods, 24 were females and 19 were males. In case of cloths 42% prefered local brands and 58% prefered global brands. In case of cosmetics 29% prefered local brands and 71% prefered global brands. On application of Chi Test in Ms excel the P Value for footwear, cloths and cosmetics were found out to be 0.0003366781574, 0.0306817675 and 0.01250238009 respectively. All the three values are below 0.05 which shows H1 is rejected and there exists a relationship between gender and choice for local or global.

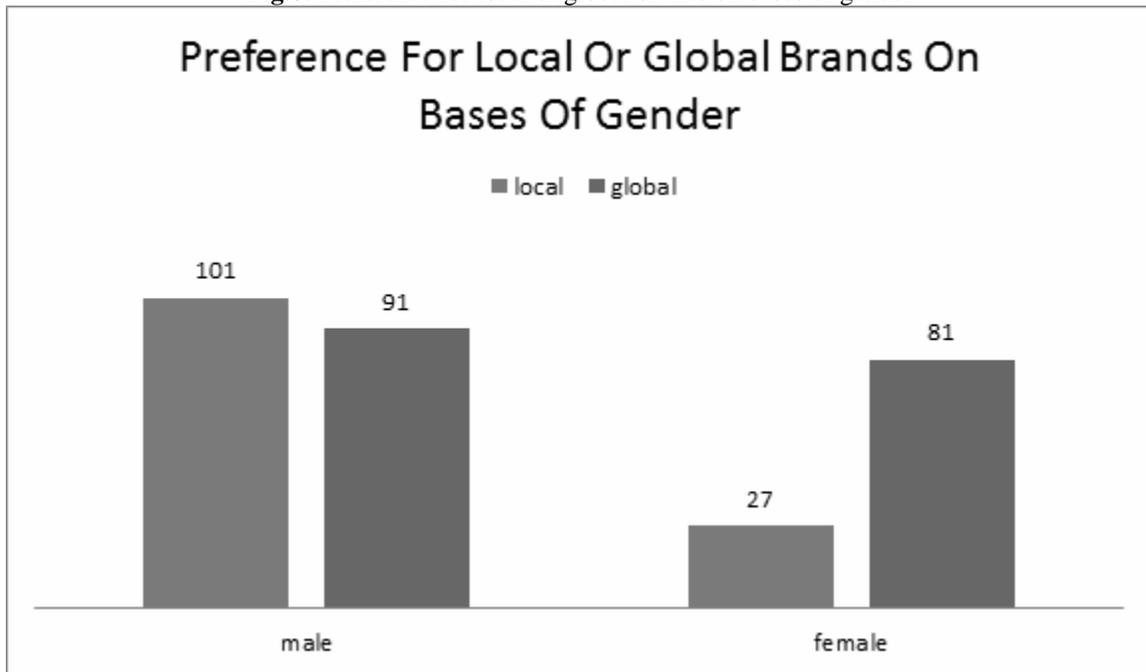**Fig.8:** Preference for local or global brands on bases of gender

Fig.5 shows that in males prefer local brands over global brands, though the difference is not large but females prefer global brands over local brands.

Table 3: To find out relationship between age and preference for local or global brands

In Case of Footwear				In Case of Cloths				In Case of Cosmetics			
age	Local	Global	Total	age	Local	Global	Total	age	Local	Global	Total
Less than 30	6	21	27	Less than 30	5	22	27	Less than 30	4	23	27
30-40	20	21	41	30-40	19	22	41	30-40	10	31	41
40-50	2	12	14	40-50	7	7	14	40-50	5	9	14
More than 50	12	6	18	More than 50	11	7	18	More than 50	11	7	18
Total	40	60	100	Total	42	58	100	Total	30	70	100

Table 3 shows that 40% respondents in case of footwear, 42% respondents in case of cloths and 30% in case of cosmetics prefer local brands while the rest prefer global brands. On application of Chi Test on the above data it was found that P Value for Footwear, Cloths and Cosmetics was 0.002820502459, 0.02338267719 and 0.007070910411 respectively. As all the three values are below 0.05, H2 can be rejected and it can be concluded that there is a relationship between age and preference for local or global brands.

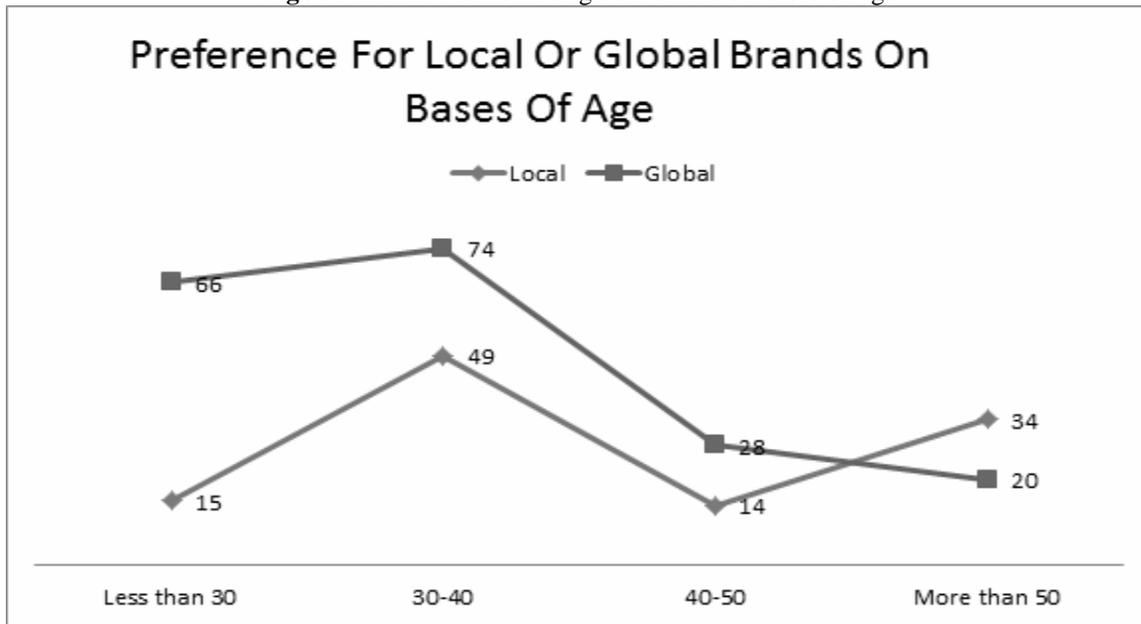**Fig.9:** Preference for local or global brands on bases on age

Fig. 7 shows that as the age increase, preference for global brands declines and that of local brand increases.

Table 4: To find out relationship between monthly household income and preference for local or global brands

| In Case of Footwear				In Case of Cloths				In Case of Cosmetics			
Monthly Income	Local	Global	Total	Monthly Income	Local	Global	Total	Monthly Income	Local	Global	Total
less than 35000	18	4	22	less than 35000	16	5	21	less than 35000	18	8	26
35000-45000	14	19	33	35000-45000	19	14	33	35000-45000	15	11	26
45000-55000	15	7	22	45000-55000	9	12	21	45000-55000	14	18	32
more than 55000	4	19	23	more than 55000	4	21	25	more than 55000	2	14	16
Total	51	49	100	Total	48	52	100	Total	49	51	100

Table 4 shows that 51% respondents prefer local brands in case of footwear, 48% prefered local brands in case of cloths and 49% in case of cosmetics. On application of Chi Test in order to find out relationship between

preference for local or global brands and monthly household income of respondents it was found out that P Value in case of footwear, cloths and cosmetics were 0.00005576139118,0.0003676364033 and 0.0030060672

respectively. As all the three values are below 0.05, H3 can be rejected and it can be said that there exists relationship between preference for local or global brands and monthly household income of respondents.

Fig. 10: Preference for local or global brands based on monthly household income
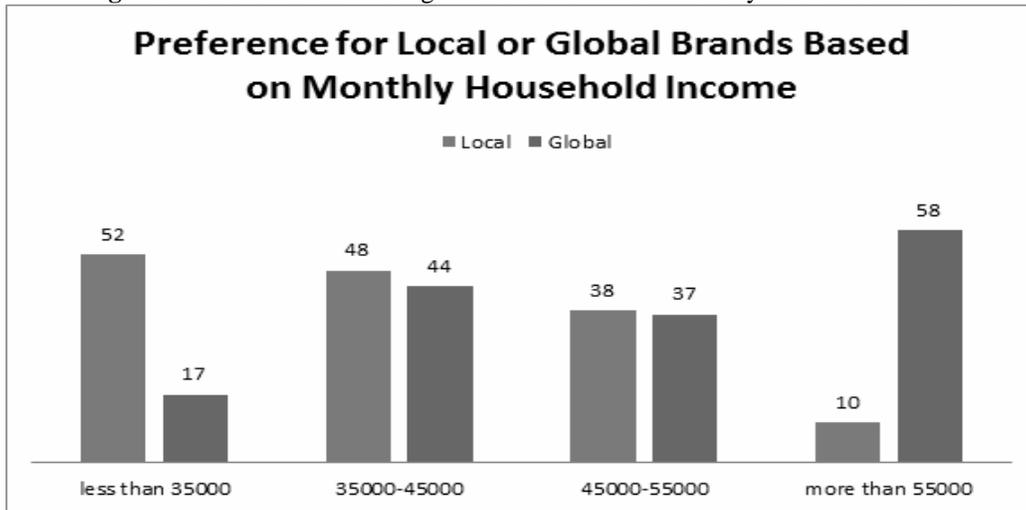

From Fig. 8, it can be seen that, as the monthly household income is increasing, preference for local brands is declining and preference for global brands is increasing.

Table 5: To find out relationship between preference for local or global brand and occupation

In case of Footwear				In case of Cloths				In case of Cosmetics			
Occupation	Local	Global	Total	Occupation	Local	Global	Total	Occupation	Local	Global	Total
Government Service	14	6	20	Government Service	12	8	20	Government Service	11	9	20
Private Service	12	16	28	Private Service	11	17	28	Private Service	12	16	28
Business	9	21	30	Business	4	26	30	Business	3	27	30
Student	8	6	14	Student	4	10	14	Student	6	8	14
Homemaker	2	6	8	Homemaker	4	4	8	Homemaker	6	2	8
Total	45	55	100	Total	35	65	100	Total	38	62	100

From Table 5, shows that 20% of the respondents were Government servants, 28% were in private sector, 30% had their own business, 14% were students and 8% were homemakers. Since the P value in all the three cases is

0.04116324488, 0.01148997552 and 0.00154121919 respectively and is less than 0.05, we can reject H4 and say that there exists relationship between occupation of respondent and preference for local or global brand.

Fig. 11: Preference for local or global brands on the bases of occupation
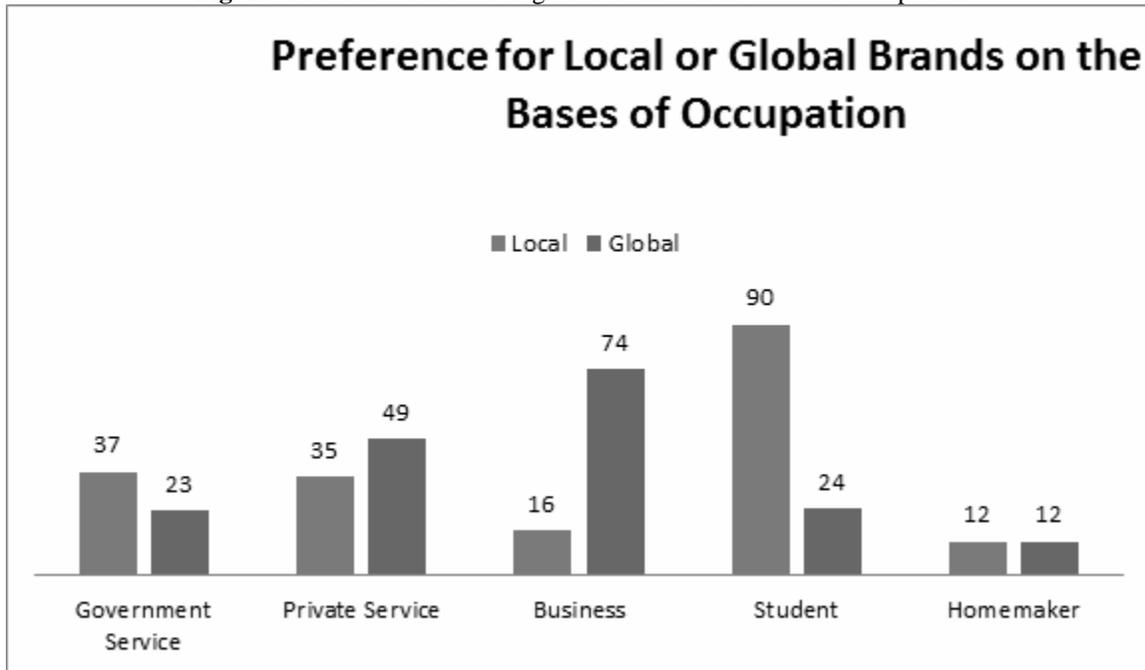
From Fig. 9, it can be inferred that local brands are preferred more by government servants and students. Respondents in private sector and having their own business prefer global brands over local brands. And homemakers are indifferent towards local or global brands.

IV. CONCLUSION AND SUGGESTIONS

A number of factors influence the selection of a particular product by the consumer. In this paper we have tried to find out how some demographic features of the consumer influence the selection of local or global brands. We have found out that there exist relationship between demographic features of the consumer and choice for local or global brand to a large extent. Females prefered global brands over local brands. Respondents of young age preferred global brands and respondents with higher monthly household income also preferred global brands. There also exist relationship between occupation and preference for local or global brands also. All these findings indicate a strong relationship between type of brand and brand preference. Hence, the manufacturers of footwear, cloths and cosmetics can refer the results of study for targeting customers.

LIMITATIONS AND FURTHER RESEARCH

Present study in confined to consumers of India and that too chosen using convenience sample technique. Further study can be done on consumers of different areas and with wider sample. The study was limited to only two type of brands, i.e. local and global. Preference for other types of brands can also be tested. In the study preference has been tested only in case of footwear, cloths and cosmetics. Other type of products can be tested in further studies. Moreover, impact of various components of brand on each other can also be studied.

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