Global Vs. Local: Analysis of Factors Affecting Consumer reference in the purchase of personal hygiene product.

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Abstract

This study was conducted to analyse consumer preference for global or local brands of soaps. The Modi Ji Prime Minister of India has asked people to be self-reliant and be vocal about local. The entire country is undergoing a renaissance now for adopting local brands. Various brands from shoe to food are placing their top-selling brands against the tricolour background or changed their positioning strategy to embrace "vocal for local" strategy of India, to tap on the consumers' choice for nationalistic banner or are gearing up to tackle possible counterattack on account of a global brand.

The study focuses on investigating whether the consumers can differentiate between local and global brands of soaps. The research aim was to explore whether the Indian consumers are ready to adopt local brands. This study also aims at understanding evidencing significant attitude and behavioural differences among the consumers' choices, based on the number of factors that affect the consumer purchase decisions, such as price and quality of the soap.

Consumers assess products based on different factors intrinsic and extrinsic to them. A variety of factors influences customer purchasing decisions. The findings show that the price and quality of the commodity are the most significant factors affecting a consumer's final decision. Since the consumers typically equate the brand's price with its quality, a too low-priced brand is commonly viewed as a product of poor quality. Similarly, many may not afford a product that is priced too high.

Other factors that affect customer preferences include consumer ethnocentrism, social status, the market disparity with rival brands, friends, peers, and family members' impact. The study was conducted in the North-western regions of India, and the selected samples included 152 respondents.

The data collected for the research was obtained using a form of Google. Based on a percentage of respondents and through tables and charts, calculations were analyzed and interpreted then.

Keywords: Consumer preference, Global brands, Local brands, Indian youth, consumer ethnocentrism.

Introduction

The global brands are juggling to portray them as local brands from biscuits to cars or soaps to electronic sectors FMCG to consumer durable goods. Still, the sudden wave of self-reliance has swept the entire India. Almost every citizen is now looking for the country of origin of the brand.   India is a significant and attractive market for many brands, and customers strive for a consistent and innovative brand experience. The global brands are tapping customers with a more creative marketing strategy and portraying brands as more local.

'Glocalisation' soon takes over the digital marketing landscape as a way to combine the power of multinational brands, goods, and services with a tailor-made taste and local market approach. India, a developing country with 130 crores of people, is targeted by many local soap brand marketers. Indians use soaps independently of varied demographic characteristics. Report Kantar's Brand Footprint survey2019, there are seventeen international fast-moving consumer goods (FMCG) products selected beyond a billion times a year by customers, and 14 regional FMCG goods in this unique 'billionaire club.'

The report also depicts that local brands rose in 2018, taking 64.8 percent of entire brand-customer preference, versus the 35.2% share of brands from around the world, an increase of 0.3 percent, which is a decrease from the 0.5 percent rise in 2017.

The most notable accomplishment for local companies was in the Health & Beauty category, increased the number of times consumers picked them by +0.7%.

Global soap brands which hold good market share are Lux, Lifebuoy, Dove, Dettol, Pears, and Fiama Di Wills and so on rule well in India. Between them, Lifebuoy, Dove, and Lux have always been some of the most popular soap brands. Three big companies dominate the Indian soap market; Hindustan Unilever Limited, Godrej, and Nirma.

Such three firms together constitute 88 percent of India's overall market share. For the last few decades, Unilever has dominated the Indian lather industry with its brands such as Lux and Lifebuoy. Nirma, one of the renownedbrand of soap in India, is one of HUL's main rivals and has a market share of 15 percent. Due to a growing emphasis on maintaining appropriate cleanliness and increased consumer disposable income, India's soap marketplace was estimated at $2.9 billion in FY2020 and is predicted to reach $4.4 billion by FY2026. Key factor for escalating this is the outburst of the coronavirus (COVID-19) pandemic, which escalated the people'shand-washing frequency and government and non-governmental organisations' hygiene efforts, was a key factor in this escalation. The soap market of India is segmented by application (Special, Uniqueness, Scented, Cosmetic Soaps, Therapeutic, Others), shape (Liquid, Solid), supply channel (retail store, online sites for sales), area, and company. Beauty Soap, Medicated Soap, Laundry Soap, Scented Soap, unique Soap, Personal Soap, among others are the different types of soap available. Beauty Soap has the major market share, accounting for more than half of the market.

Also, in India, the Medicinal Soap sector is countersigning growth, mainly because of an increased understanding of the benefits medicinal soaps can have for numerous skin disorder or situations. The Form-based industry is divided into the categories of Bar Soap and Liquid Soap.

Bar Soap dominates Indian Soap Industry.

Since India is a price-conscious market, most Indians choose bar soaps over liquid soaps because they are less expensive. Centered on the distribution network, the India soap industry is divided into two segments: store-based and non-store-based. The store-based distribution channel accounts for more than 95 percent of the market share, and it is anticipated that this trend will prevail over the next five years. Wipro Consumer Care Limited, Godrej Consumer Products Ltd, Hindustan Unilever Ltd, Reckitt Benckiser (India) Pvt. Ltd, ITC Ltd, Colgate Palmolive (India) Ltd, Jyothi Laboratories Ltd, Patanjali Ayurveda, Karnataka Soaps and Detergents Ltd. are significant competitors operating in the Indian Soap market. The drug company of the Himalayas and Karnataka Soaps and Detergents Ltd. To keep the industry competitive, leading companies introduce new goods on a regular basis. With all of these global trends in mind, the researchers were interested in knowing the Indian customer's attitude toward global and local soaps. In the context of India, the researchers sought to make a comparison of attitude towards local versus foreign soap brands.

Purpose of the study:

The study aimed to determine Indian customers' preference for buying global brands rather than national or local brands. There are specific factors that affect the customer purchasing decision. The research was conducted to find out Indian customer's purchasing behaviour habits, attitudes to global and local brands.

Literature Review

Consumers' tastes have changed from local to global. However, although local brands which meet a number of standards essential to today's customers – such as promoting the local economy or plummeting the ecological footprint – this paper concentrated on the phenomena from the perspective of the consumers' renewed palate for brand authenticity. (Grayson and Martinec, 2004; Rose and Wood, 2005). Though, consumers, in various cases, prefer local brands over international brands due to ethnocentrism and low price (Correa and Parente, 2017). Local brands are trusted because they can cater to local variations in taste, choices, customs, culture, and global brands.

Riefler, P. (2020). The paper suggests that brand authenticity influences consumer choices of global versus local brands. Against extant assumptions, it offers empirical evidence that consumer perceptions of brand authenticity can contribute to a preference for international brands over regional brands as a result of brand communication. Local brands, despite being credible, were not effective in persuading customers in this research, even with the aid of concentrated business engagement on authenticity by buyers.Simultaneously, the global brand, in response to the local brand's competitive edge, drew more customers by incorporating brand authenticity into its marketing message. This research suggests that in globalised marketplaces, local brand management must broaden local brand image beyond localness and authenticity.

Think Global, Act Local: India, China, Korea, Taiwan, South Korea & Pakistan: A study on a Bangladeshi leading fashion brand-Yellow and its international marketing process showed demographics and psychographic variables (Ahmed, 2016). The word 'Glocalisation' refers to the idea of 'Think foreign, behave local,' which was created by Japanese business practises and is critical for accessing Indian markets.The word 'Glocalisation' refers to the principle of 'Think global, act local,' which was established by Japanese business practises and is essential for accessing Indian markets (Fernandes, 2013). McDonald's, Samsung, and other well-known brands (Lowell & Bharat 2012). According to a research, product localisation is critical to Mcdonald's performance in preserving its competitive position in India. (Panwar & Patra, 2017). Besides from the strategic shifts, businesses like Starbucks needed to form aglobal joint venture in order to penetrate in the Korean market and gain recognition. (Madadoglu, 2013; Ferman, 2019).

Objectives of the study are:

- To draw a correlation between customers' attitude towards local and global soaps in the context of Indian Buyers.
- To conjecture the probability of the buying intention of Indian consumers for global/Local soaps as a result of the attitude towards the product quality and price.
- To analyse the awareness about the difference between global brands and local brands.
- To determine the factors influencing the purchase decision of global or local brands by Indian consumers.

Research Methodology

The assessment was done by collecting the primary data of Rajasthan, Punjab, Karnataka, Gujarat, Haryana, Bihar; these states precisely cover North, South, West, and East. The Primary Data was collected using a self-administered structured, balanced, and non-forced questionnaire distributed through Google forms to 153 respondents selected through the "stratified random sampling" method. the questionnaire was designed by utilizing 5 points "Likert's scale." The elements in the questionnaire represented agree-disagree statements measured on a standard 5-point Likert scale. The secondary data was gathered through various research papers, relevant newspapers, magazines, and websites.

Period of the Study:

Because of the COVID 19 national emergency, the research period was prolonged, as was the timeframe for collecting primary data.

Limitation of the Study

1. Only 153 respondents were selected for sampling.
2. Due to time constraints, the researchers were unable to completely compare how other demographic features of respondents influence consumers' attitudes toward international and domestic soap brands.

Figure 1: Research Framework

Hypothesis 1

H01: Consumers primarily have positive evaluations of global brands.

Ha1: Consumers primarily have negative evaluations of global brands.

To understand whether consumers have positive evaluations for global brands, the impact of demographic factors on purchase intention on the global brand was studied. To test this hypothesis, a one-way ANOVA was used to consider the impact of age and gender on global brand buying intentions.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Male	70	2.2714	1.19080	.14233	1.9875	2.5554	1.00	5.00
Female	82	2.6098	1.14132	.12604	2.3590	2.8605	1.00	5.00
Total	152	2.4539	1.17275	.09512	2.2660	2.6419	1.00	5.00

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.323	2	4.323	3.188	.076
Within Groups	203.355	150	1.356		
Total	207.678	152			

Null hypothesis is accepted as F(2,150) = 3.188, P = 0.076

Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
20-30Years	15	2.6667	1.17514	.30342	2.0159	3.3174	1.00	4.00
30-40Years	133	2.3985	1.16736	.10122	2.1983	2.5987	1.00	5.00
40-50Years	4	3.5000	1.00000	.50000	1.9088	5.0912	3.00	5.00
Total	152	2.4539	1.17275	.09512	2.2660	2.6419	1.00	5.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.465	2	2.732	2.013	.137
Within Groups	202.213	150	1.357		
Total	207.678	152			

Null hypothesis is accepted as F (2,150) = 2.013, P = 0.137

	Sig Value	Result
Age Purchase intention of global brands	0.076	Null hypothesis accepted
Gender: Purchase intention of global brands	0.137	Null hypothesis accepted

Inference: Both the demographic factor's significance level is more than 0.05, Null hypothesis was accepted, and it was proved that consumers do have a positive evaluation for global brands.

Hypothesis 2

H02. Brand origin significantly influences the purchasing intention of the global brand.

Ha2 . Brand origin do not significantly influence the purchasing intention of the global brand.

	r value	Strength	Result
Brand origin →Purchase intention of global brands	.510	Moderate correlation	Null hypothesis accepted

Inference : Pearson correlation test was run to determine the relation between Manufacturing origin of the brand and purchasing intentions for a global brand in Indian buyers, there was a moderate correlation between brand origin and purchase intention (r = 0.510, n = 152 P = 0.05).

Hypothesis 3

H03: There is a **significant influence of consumer attitude on purchase intention of local and global soaps in the context of Indian Buyers**
Ha3: There is no **significant influence of consumer attitude on purchase intention of local and global soaps in the context of Indian Buyers**

This hypothesis was tested using tri component model of attitude as the independent variable and purchasing intention as the dependent variable. The models of attitude which includes following:

Tri-component Model – According to the tri-component model, attitude consists of the following three components.

The Cognitive Component is the first of the three components. It is a person's understanding or interpretation of a certain items or services based on personal experience or similar facts from different sources. This expertise typically leads to a consumer's values and personal behaviour.

The Affective Component is the second part of the equation. This is made up of a person's thoughts, sentiments, and attitudes towards a certain brand or object. They consider them to be the most important criterion for assessment. Despondency, satisfaction, frustration, or tension, for example, all have an effect on a customer's mood.

Conative Component is the final component, and it consists of a person's expectation or probability of purchasing a certain object. It normally refers to a person's real actions or intentions.
(Based on the above model questions were developed)

Attitude	r value (Global Brand)	r value (Local Brand)	Result
Cognitive Component: Purchase intention of global brands	.601	.721	Null hypothesis accepted
Affective Component: Purchase intention of global brands	.321	.628	Null hypothesis accepted
Conative Component: Purchase intention of global brands	.561	.812	Null hypothesis accepted

Inference: Inference: Pearson correlation test was run to determine the relationship between attitude and purchasing intentions for a global brand in Indian buyers, there was a moderate correlation between brand origin and purchase intention for global brands (r = 0.601, 0.321, 0.561, n = 152 P = 0.05.) this proves that consumers attitude have low to moderate relationship on global brands, and purchase intention of local brands (r = 0.721, 0.628, 0.812, n = 152 P = 0.05.) This proves that consumer's attitude have a moderate to a high relationship with local brands.

Hypothesis 4

H04: Quality and price significantly influence the purchase intention of global brands in Indian buyers
Ha4: Quality and price do not significantly influence the purchase intention of global brands in Indian buyers

		Result
Quality: Purchase intention of global brands	.912	Null hypothesis accepted
Price: Purchase intention of global brands	.881	Null hypothesis accepted

Inference: Pearson correlation test was implemented to determine the relationship between quality and price on purchasing intentions for a global brand in Indian buyers. There was a strong correlation between quality and purchase intention of global brands (r = 0.912, n = 152 P = 0.05). And for price also there was high correlation with (r = 0.881, n = 152 P = 0.05). Thus this proves that quality and price influence the purchase intention of global brands but quality influences more than the price.

Findings:

Customers have a more optimistic outlook about global soap brands, according to this report. The re-conceptualization of the global-local dichotomy around the diverse features of international soap brand and ownership provided useful strategic perspectives for global and regional marketing managers seeking to correctly place their brand as global and/or part of the local ethos, as well as aiding in deciding the proper basis for targeting customers for each form of brand.As quality and features aspects turned out to be the significant influencers of purchase intention, marketers must come up with attractive and eye catching soap ingredients. Finally it should be noted that this study was limited to only Indian respondents. More study on this subject is needed to look at how consumers' attitudes toward buying international and local soap products differ based on a variety of demographic factors.

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