CONSUMER BEHAVIOURAL PATTERNS TOWARDS LOCAL BRAND VIS-À-VIS NATIONAL BRAND IN RETAILING: A CASE STUDY IN BHUBANESWAR

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ABSTRACT

The main aim of this exploration is to find out the perception of consumers of Bhubaneswar towards local brands and national brand purchases with respect to certain factors. The superiority and inferiority of these brands in the eyes of the consumers have been found in this exploratory study. Consumers in Bhubaneswar have a lot of accessibility to every brand including foreign, local and national brands. Moreover, the advent of internet and gadgets have made this much easier for them. Now, the retail managers and professionals have to be very candid about the attitudinal and behavioural characteristics of consumer sentiments, perceptions because their mind-sets completely differ from each other. This research would also help the retailer to device various strategies to lure the customer, hold them and retain them. A questionnaire was designed to collect data for this research. A sample of 66 respondents is taken and data is collected from them regarding their annual income, gender, house hold size and preference towards brands. Attempt is made to find out which factor can better discriminate between national and local brands and what percentage of the consumers are correctly classified.

KEYWORDS: Perception of consumers, National brands, Local brands, preference towards brands, Consumer sentiments

INTRODUCTION

India is in the midst of a retail revolution. The world of retailing has undergone a seismic change in the last couple of years and it is still evolving. Technological revolution has transformed the history and geography of retailing. The entry of multi-brand retailing in to the Indian market has acted as a catalyst for the consumers to change their behaviour, taste and perception towards different products. Although organized retailing is in the nascent stage in India, still it has a huge opportunity for growth. It has shed the dukandar (shopkeeper) concept of Indian retail market. Globalization also has changed the optics and mechanics of Indian consumers. Now they are well informed, sophisticated and demanding, thanks to the revolution in internet and electronic gadgets. With the presence of MNC brands in Bhubaneswar the customers of Odisha has become cosmopolitan in nature in adopting these brands. They have not completely rejected the local brand but their affinity towards the global brand has increased in leaps and bounds. The opening of retail malls like DNF regalia, BMC Bhawani mall, Esplanade, Westside, Pantaloons, and Shopper Stop in different parts of Bhubaneswar has also attracted people from everywhere to shop and make merry in these multiplexes. "The use of foreign brands would increase the personality with respect to prestige, dignity and status in front of friends and relatives" is the new mantra of consumers. It is therefore said that the products are having more of symbolic attributes rather than functional attributes. Durability and long lasting is not at all a cause of concern for the consumers as they are ready to change, shift to a new brand if needed in a shorter time. That enhances the craziness for the foreign brands. This study throws a flood of light on the behavioural pattern of customers towards both the local brand and national brand or global brands.

The mind of consumers is like a black box. It is very hard to predict the reasons for buying/rejecting a particular brand. Even if the buyer is asked questions like "why you bought this product" or why you didn't buy that product", they will not be able to cite a particular justifiable answer. Although average consumers in Bhubaneswar does not belong to high class, still some of the factors like culture, materialism, country of origin, product

and service quality decide the preference and distinction between a local brand and national brand. Even the women consumers are also not far behind. Consumerism has been thoroughly inculcated in their mentality.

LITERATURE REVIEW

Batra et al, (2000) has explored that in addition to perceived quality of brands, the customers are very conscious of their social status when using that brand of product.

Barbara, S. (2003) has found in his research that customer assessment for a brand is very much influenced by the loyalty, image, quality and equity of the brand.

Geleta, N. (2020)has given an interesting fact that innovativeness in the product appeals to the customers more than the elements of status, price etc.

Douglas. B, John. A, Quelch, and Taylor. E, (2004),in a detailed analysis have revealed that the purchase decisions of the customer all over the world centred around three important dimensions i.e. quality signal, global myth and social responsibility.

Johansson. K, and Ronakainen. I (2005),concluded in their research that in order to compete with the national brands, the local brands have to inculcate global cues in their product so that the perceived global-ness of the brand would be evaluated positively.

Kinra, N. (2006),has emphasized in her research that country-of-origin is a major consideration of Indian consumer, while choosing between a local brand and a global brand. Even if factors of nationalism and indigenous preferences are there, still they held global brands in high esteem as far as technology, status and dignity is considered.

Schuiling, Isabelle and Jean- Noel Kapferer (2004), have found out that the international brands have restructured their product portfolios immensely to compete with the local brands in a foreign country. That has given a big competitive advantage to the global brands vis-à-vis local brands.

Nguyen Thu Ha and GizawAyda (2014), have identified in their research that satisfaction of customers revolve round six factors namely brand, brand related activities, perception, attitude, purchase intention and demographic factors. However more than brand and brand related activities, the other factors have a significant impact on the buying behaviour of the customer.

MathanSankarShyamala (2006),has examined in his study that customers prefer global or national brand simply for the fact that they are foreign made, has presence worldwide and reputation of being a multi-national company.

BandyopadhyaySoumav (2014),has investigated that Indians, who are ethnocentric have more affinity towards their domestic brand because of the positive perceptions about their own country.

OBJECTIVE

The objective of the study is to find out the following:

- Whether there is discrimination in the preference towards local and national brands?
- What percentage of customers are classified correctly?
- Which factor among annual income, family size and gender is relatively better in discriminating between consumers for national and local brands?
- Classification of new consumers in one of two groups' national and local brands.

RESEARCH METHODOLOGY

A sample 66 respondents are considered in this study. The sample is collected using random sampling method. A structured questionnaire is used to collect data from all the respondents. A discriminant analysis is applied to the data to find out the result for the above objectives. SPSS is used for analysis in this study.

Analysis and interpretation

Table - 1

Classification Results[a]

			Predicted Group Membership		
		Brand	National	Local	Total
Original	Count	National	29	5	34
		Local	4	28	32
	%	National	85.3	14.7	100.0
		Local	12.5	87.5	100.0

a. 86.4% of original grouped cases correctly classified.

From the classification matrix as seen in Table -1 it can be inferred that the discriminant function for the above problem is able to classify 86.4% of the 66 respondents correctly. It also shows that out of 33 cases predicted to be in the group 'National', 29 are observed to be in the group 'National' and 4 in the group 'Local'. Similarly out of 33 cases predicted to be in group 'Local' 28 are observed to be in group 'Local' and 5 in the group 'National'. Thus on the whole 9 cases out of 66 cases are misclassified by the discriminant model and giving an accuracy of 86.4%.

Table - 2

Canonical Discriminant Function Coefficients

	Function
	1
Annual Income	-.059
Family Size	.417
Gender	.910
(Constant)	-.112

Unstandardized coefficients

Table - 3

Functions at Group Centroids

Brand	Function
	1
National	-.983
Local	1.044

Unstandardized canonical discriminant functions evaluated at group means

Classification of new consumer into purchase behavior for national and local brands can be judged from Table – 3 where means of national and local brands can be seen 0.983 and 1.044 respectively. If the discriminant score of a new consumer falls to the left of the midpoint, we can classify him with a preference for a national brand and one to the right of the midpoint can be classified with a preference for a local brand. The unstandardized discriminant function can be developed from Table – 2 is :-

Y = - 0.112 - 0.059(annual income) + 0.417(family size) + 0.910(gender)

If we have consumer's annual income, family size and gender data then the above discriminant function will give us the classification of the consumer. We can know what will be the consumer's preference national or local brand.

Table - 4

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.486	45.121	3	.000

In the above Table – 4 it is seen that Wilk's lambda is 0.486 which is reasonably good as it is close to 0 and less than 0.5. The p value is 0.000 indicates that discrimination between two groups "National' and "Local" is highly significant.

Table - 5

Standardized Canonical Discriminant Function Coefficients

	Function 1
Annual Income	-.731
Family Size	.641
Gender	.412

We have three independent variables annula income, family size and gender. Out of these three variables annual income is a better predictor on purchase of national and local brands. Table – 5 indicates the coefficients and it can be seen that annual income has a higher coefficient of 0.731.

CONCLUSION

The world of retailing has undergone a seismic change in the last couple of years and it is still evolving. Technological revolution has transformed the history and geography of retailing. The entry of multi-brand retailing in to the Indian market has acted as a catalyst for the consumers to change their behaviour, taste and perception towards different products. With the presence of MNC brands in Bhubaneswar the customers of Odisha has become cosmopolitan in nature in adopting these brands. They have not completely rejected the local brand but their affinity towards the global brand has increased in leaps and bounds. It has been conclude from the analysis that out of these three variables annual income, family size and gender, annual income is a better predictor on purchase of national and local brands. Table – 5 indicates the coefficients and it can be seen that annual income

has a higher coefficient of 0.731. The result shows that there is a discrimination between two brands "National' and "Local" and it is highly significant. It can be inferred that the discriminant function for the above problem is able to classify 86.4% of the 66 respondents correctly. It also shows that out of 33 cases predicted to be in the group 'National', 29 are observed to be in the group 'National' and 4 in the group 'Local'. Similarly out of 33 cases predicted to be in group 'Local' 28 are observed to be in group 'Local' and 5 in the group 'National'. Thus on the whole 9 cases out of 66 cases are misclassified by the discriminant model and giving an accuracy of 86.4%. If we have consumer's annual income, family size and gender data then the above discriminant function will give us the classification of the consumer. We can know what will be the consumer's preference national or local brand.

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