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An Analysis of Indian Consumer Behavior towards Local and Global Commodities

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Abstract: *Globalization and liberalization create opportunities for numerous international brands to compete in the Indian marketplace. Consumer behavior is intricate and frequently not regarded as sensible. Another obstacle arises from the fact that consumer personalities vary not just between countries, but also within and among different areas. The marginalized consumer, who lacks equitable access to the same range of options as the typical consumer, must also be considered. The notion of 'consumer animosity' posits that consumers will refrain from purchasing products originating from specific countries, not due to their poor quality, but rather due to enduring "hostility stemming from past or ongoing military, political, or economic events" involving the offending nation. In the present study, it is observed that the occurrence of this event did not take place in the Indian example, despite the fact that a war between India and China occurred in 1962. The pricing, quality, and utility of a product might impact consumer purchasing behavior. When designing products, it is important to consider the consumers' taste, preferences, likes, dislikes, feelings, attitudes, and behavioural features, as well as any other factors that influence their preference for Indian products.Consumer behavior is complex and often unreasonable. Another challenge emerges due to the variability of consumer personalities, which not only differ between countries but also within and among different regions. The disenfranchised customer, who may lack equitable access to the same array of choices as the average consumer, must also be taken into account. Companies can exploit their country's favorable image in the production or design of particular items, such as Iran's expertise in woollen rug manufacturing or India's specialization in tea production. This is especially advantageous if the company's global reputation is poor. On the other hand, corporations can also gain advantages by having a favorable international reputation, similar to Norway. Certain companies, such as those in Germany's automotive and engineering sectors, have the potential to gain advantages from both. However, in growing markets, consumers' impressions of a product's origin or production location become vital, particularly when dealing with unknown brand names entering the market.*

Keywords: Consumer behavior, International products, Globalization, Local market

I. INTRODUCTION

India is a progressive nation with immense potential. India's internal economy is currently experiencing a growth rate of approximately 9-10% each year. This growth is contributing to India's increasing significance on a global scale, as evidenced by the rapid increase in exports and domestic consumption. Globalization and liberalization create favorable opportunities for numerous international brands in the Indian markets. Indian customers, who have increasing amounts of discretionary cash, demonstrate a broad range of purchasing behaviors. Evidently, the growing interest in imported brands motivates distributors to allocate sufficient space in their showrooms to accommodate a larger selection of Chinese regional brands. This study was motivated by the significant rise in consumers' desire for imported products, particularly those bearing the "Made In China" label. In developing nations, a brand is categorized as either international or local.

China's economic growth is driven by key factors such as economic reform, the opening-up policy, a stable international environment, large-scale development, an export-oriented strategy, central-led investment, and national consensus and support. Despite experiencing three decades of consistently strong economic growth rates, China is still

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perceived and recognized as a low-cost producer in the global market. Indian customers are indeed influenced by the country of origin, with a stronger impact shown in the western and northern regions of India as opposed to the southern and eastern regions.

The existing body of research on country-of-origin effects indicates that, as multinational manufacturing continues to grow, global corporations are placing less emphasis on the significance of place of origin as a means of gaining a competitive edge and influencing customer preferences. There are several factors that contribute to the increasing presence of multinational firms in India. India possesses an extensive market. Additionally, it is one of the most rapidly expanding economies globally. In addition, the government's FDI policy has significantly contributed to the attraction of international corporations to India. India had a long-standing policy that placed restrictions on foreign direct investment. Consequently, there was a reduced number of corporations who expressed interest in investing in the Indian market. Nevertheless, the situation underwent a transformation during the process of financial liberalization in the country, particularly after 1991. The government currently endeavors to attract international investments by implementing more lenient policies. Consequently, several global corporations have expressed interest in the Indian market.

The disparities between emerging and developed markets, along with the growing buying capacity of middle-class consumers in emerging markets, as well as their heightened acquaintance with products from other sources, emphasize the necessity of examining the suitability of the current notion of Country of Origin (COO) in this particular context. The notion of 'consumer animosity' posits that customers will refrain from purchasing products originating from specific countries, not due to their perceived inferior quality, but rather due to enduring "hostility stemming from past or ongoing military, political, or economic events" involving the offending nation. In the present study, it is observed that the occurrence of this event did not take place in the Indian example, despite the fact that a war between India and China occurred in 1962. The pricing, quality, and utility of a product might impact consumer purchasing behavior. In a developing market such as India, the decision to buy a product is closely tied to its usefulness, reasonable price that reflects its quality and functionality, the perceived psychological distance, and any existing hatred against the product.

II. CONCLUSION

Consumer behavior is intricate and frequently irrational. Another difficulty arises from the fact that consumer personalities vary not just between different countries, but also within and among different areas. The marginalized consumer, who may not have equal access to the same range of options as the typical consumer, must also be considered. Companies can leverage their country's positive reputation for designing or manufacturing specific products, such as Iran for woollen rugs or India for tea. This is particularly beneficial if the company's global image is unfavorable. Conversely, companies can also benefit from a positive global image, like Norway. Some companies, like Germany in the automotive and engineering industries, can benefit from both. However, in emerging markets, consumers' perceptions of where a product is designed or manufactured become crucial, especially when dealing with unfamiliar brand names entering the market.

In order to compete with multinational corporations (MNCs) in India, Indian enterprises must prioritize the quality and cost of their products. They should also strive to play a crucial role in their respective domestic markets. When designing products, it is important to consider the consumers' taste, preferences, likes, dislikes, feelings, attitudes, behavioral elements, and other things that influence their preference for Indian products. The Swadeshi movement may not be necessary in India, but there is a strong need for high-quality items that cater to the Indian consumer. This will gradually diminish the demand for products from multinational corporations among Indian consumers.

Although China has maintained a steady and robust economic growth for thirty years, it continues to be viewed and acknowledged as a producer with cheap production costs in the international market. Indian consumers are undeniably influenced by the country of origin, with a more pronounced effect observed in the western and northern regions of India compared to the southern and eastern regions.

Current study on country-of-origin impacts suggests that as international manufacturing expands, global firms are increasingly disregarding the importance of place of origin in order to obtain a competitive advantage and shape customer preferences. Multiple reasons contribute to the growing prevalence of multinational corporations in India. India has a vast market. Moreover, it is one of the fastest-growing economies worldwide. Furthermore, the

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government's Foreign Direct Investment (FDI) policy has played a substantial role in enticing multinational firms to invest in India. India implemented a longstanding policy that imposed limitations on foreign direct investment. As a result, there was a decrease in the number of firms that showed interest in investing in the Indian market. However, the scenario experienced a change throughout the process of financial liberalization in the country, namely after 1991. The administration is currently striving to attract foreign investors by enacting more relaxed policies. As a result, numerous multinational companies have shown interest in the Indian market.

The differences between emerging and developed markets, combined with the increasing purchasing power of middle-class consumers in emerging markets, as well as their increased familiarity with products from other countries, highlight the need to evaluate the appropriateness of the current concept of Country of Origin (COO) in this specific context. Consumer animosity refers to the belief that customers will choose not to buy products from certain countries. This decision is not based on the belief that the products are of lower quality, but rather on a long-lasting "hostility" resulting from past or ongoing military, political, or economic events involving the country in question. The current study reveals that the event in question did not occur in the Indian context, despite the existence of a war between India and China in 1962. Consumer purchase behavior can be influenced by factors such as the pricing, quality, and utility of a product. In emerging markets like India, the purchase choice is intricately linked to the product's utility, a suitable price that corresponds to its quality and functioning, the perceived psychological proximity, and any preexisting aversion towards the product.

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