

Factors Influencing Consumer Preferences For Global And Local Brands: Evidence From The Retail Market In Goa

Mrs. Jonira Fernandes^{1*}, Prof. (Dr.) Anthony Rodrigues²

¹Affiliation - Department of Commerce, Goa University, Goa, India.

Email – jonirafernandes@gmail.com

Corresponding Author*

²Affiliation - Fr. Agnel College of Arts and Commerce, Pilar, Goa, India.

Email - anthony@fragnelcollege.edu.in

Abstract

The increasing exposure of consumers to both global and local brands in today's globalized economy has created a competitive marketplace where brand preferences are shaped by multiple product categories and consumer perceptions. This study examines the key factors influencing consumer preferences for global and local brands in the context of Goa, a unique market characterized by the coexistence of domestic shoppers and international tourists. Primary data was collected from 250 respondents through a structured questionnaire and analyzed using SPSS software, employing reliability testing, factor analysis, and regression analysis. Factor analysis reduced fourteen variables into five major dimensions Merchandise including food and grocery, Durables, Lifestyle, Consumables, and Luxuries explaining 50.71% of the variance in consumer behaviour. Regression results revealed that Lifestyle and Merchandise significantly influenced consumer preferences, while Durables, Consumables, and Luxuries showed no significant impact. The model demonstrated statistical significance with an R^2 value of 0.158 and a p-value of 0.000, leading to the rejection of the null hypothesis. The findings suggest that consumer choices are largely driven by aspirational lifestyle products and essential merchandise like food and grocery, emphasizing the need for businesses to balance global standardization with local relevance. The study provides valuable insights for marketers to design strategies that align with consumer expectations and strengthen brand positioning in dynamic retail environments.

Keywords: Consumer Preferences, Food and Grocery, Global Brands, Local Brands, Retail Sector.

Introduction

Consumer marketplaces are no longer confined by national boundaries in the increasingly interconnected global economy. Globalization, technological advancement, international trade and the expansion of digital communication have enabled brands to operate across geographical markets and have substantially increased consumers' exposure to products originating from different countries. As a consequence, consumers frequently encounter global and local brands within the same retail environment and are required to evaluate

competing alternatives that may differ in origin, reputation, price, perceived quality and cultural associations. Global brands are often associated with international recognition, prestige, modernity and superior quality, whereas local brands may derive their appeal from cultural familiarity, local relevance, accessibility and stronger connections with consumers' identities. Research on perceived brand globalness has established that consumers may attach additional value to brands perceived as global because global presence can signal quality and prestige (Steenkamp et al., 2003).

Consumer preference in such an environment is not determined by a single attribute but emerges from the interaction of psychological, cultural, social and economic considerations. Perceived quality, brand image, prestige, trust and emotional attachment can influence the evaluation of global brands, while price, familiarity, authenticity, cultural identification and perceived local relevance can strengthen the attractiveness of local brands. Importantly, consumers' orientations towards global and local products are not necessarily mutually exclusive. Steenkamp and de Jong (2010) demonstrated that attitudes towards global products and attitudes towards local products represent distinct consumer orientations and are influenced by underlying consumer values. Consequently, consumers may favour global brands in some product categories while preferring local brands in others, suggesting that brand preference is context-dependent rather than universally determined by the geographical origin of a brand.

The distinction between global and local brands has consequently become an important area of research in international marketing and consumer behaviour. Perceived brand globalness and perceived brand localness can influence consumers through different psychological mechanisms, and their effects may vary according to individual characteristics, cultural orientations and market conditions. Liu et al. (2021), in a systematic review of 95 articles, identified substantial research on perceived brand globalness and localness but also highlighted inconsistencies in conceptualisation, boundary conditions and the mechanisms through which globalness and localness influence brand preference. The authors further identified hybridization, glocalization and digitalization as important directions for future research.

The Indian retail environment provides a particularly relevant context for examining these competing influences. Economic liberalization and increasing integration with international markets have expanded the presence of multinational and global brands, while domestic and regional brands continue to compete by emphasizing affordability, familiarity and cultural relevance. Empirical research in India has demonstrated that consumers perceive global and local brands differently across dimensions of brand equity, including brand image, awareness, emotional value, perceived quality, loyalty and purchase intention (Bhardwaj et al., 2010). Their study, based on 411 Indian consumers, provides evidence that brand origin can influence consumer evaluations within the Indian market. Similarly, Kinra (2006) found that country-of-origin perceptions play an important role in Indian consumers' evaluation of foreign and Indian brand names, although ethnocentric tendencies do not necessarily imply rejection of foreign brands.

The food and everyday consumer-goods categories provide an especially interesting setting for studying global and local brand preferences. Food consumption is closely connected with culture, tradition, familiarity and perceptions of authenticity, making local origin potentially more influential than in product categories with fewer cultural associations. Mandler et al. (2020) found that authenticity perceptions can enhance brand value in the competition between local and global food brands, while global brands can reduce the disadvantages associated with their global identity by developing authentic brand positioning. This suggests that consumers' evaluation of food and FMCG brands may depend not only on functional attributes such as price and quality but also on whether the brand is perceived as genuine, culturally meaningful and appropriate to local consumption practices.

Goa represents a distinctive regional setting in which these global and local influences can be examined. The state combines a strong local cultural identity with substantial exposure to domestic and international tourism, creating a retail environment in which locally produced products, Indian brands and multinational brands coexist. Consumers may therefore encounter different forms of brand appeal within the same marketplace. A local food brand may derive strength from tradition and authenticity, an Indian national brand from familiarity and value, and a global brand from international recognition, perceived quality or prestige. The coexistence of these alternatives makes Goa an appropriate setting for investigating whether consumers' choices are primarily driven by functional benefits, economic considerations, symbolic meanings or cultural associations.

From a managerial perspective, understanding these determinants is increasingly important because global and local brands cannot necessarily rely on a single standardized approach to consumer engagement. Global brands may need to incorporate local cultural meanings and authenticity into their positioning, whereas local brands may need to strengthen quality perceptions, brand visibility and competitive value to compete effectively with internationally recognized alternatives. The literature suggests that globalness and localness can coexist rather than function as simple opposites, thereby creating opportunities for brands to combine international appeal with local relevance (Liu et al., 2021).

Despite the growing body of international research on global and local brands, there remains a need for context-specific empirical evidence concerning the factors that influence consumers' brand preferences within regional Indian markets. Existing Indian studies have provided valuable evidence regarding brand equity, country-of-origin and consumer responses to global and local brands, but the findings cannot automatically be generalized to every region or product category. In particular, there is scope for examining how perceived quality, price/value, brand image and prestige, authenticity, consumer ethnocentrism and perceived globalness collectively influence consumer preference in Goa's retail environment. Such an investigation can contribute to a more nuanced understanding of how consumers negotiate global and local brand alternatives within a culturally distinctive Indian market.

Therefore, the present study aims to examine the factors influencing consumer preferences for global and local brands in the retail market of Goa. The study specifically seeks to

identify the relative importance of functional, economic, symbolic and cultural factors in shaping consumer preferences and to determine whether consumer characteristics are associated with differences in preference for global and local brands. By examining these relationships within the Goan retail context, the study seeks to contribute to the existing literature on global–local brand preference while providing useful implications for marketers, retailers and brand managers seeking to develop strategies that are responsive to changing consumer expectations.

Literature Review

Davvetas et al. (2023) examined global and local product attributes in emerging and developed markets, including India. Their findings showed that Indian consumers placed substantial importance on the global/local attribute and demonstrated a relative preference for global products, while also making significant price trade-offs. Sengupta et al. (2022) examined consumer–brand relationships involving global and local brands in India. The study found that consumer affinity towards global brands influences brand evaluations, while domestic brands continue to possess distinctive consumer appeal, demonstrating the coexistence of global and local preferences in India. Liu et al. (2021) systematically reviewed 95 studies on perceived brand globalness and localness and identified important psychological mechanisms and boundary conditions influencing brand preference. Their findings highlight the need for further context-specific research on why consumers prefer global or local brands.

Mandler et al. (2020) investigated local versus global food consumption and found that perceived brand authenticity enhances brand value irrespective of global or local status. The study demonstrates that authenticity can help local brands compete while enabling global brands to overcome disadvantages associated with their global identity. Zeugner-Roth et al. (2015) examined consumer ethnocentrism, national identity and consumer cosmopolitanism as determinants of consumer behaviour. The study provides a theoretical basis for understanding why some consumers favour local brands because of identity and domestic attachment, while others are more receptive to global brands. Swoboda et al. (2012) investigated perceived brand globalness and localness among consumers evaluating Western, Asian and domestic retailers. Their findings demonstrate that both globalness and localness can contribute to consumer evaluations, making the study particularly relevant to research involving competing global and local retail brands.

Steenkamp and de Jong (2010) examined consumer attitudes towards global and local products across countries and found that these attitudes are influenced by consumers' underlying values and orientations. Their findings suggest that consumers can simultaneously hold favourable attitudes towards both global and local products. Bhardwaj et al. (2010) compared global and local brands in the Indian market and identified differences in brand image, awareness, emotional value, perceived quality, loyalty and purchase intention. The study provides direct evidence that Indian consumers evaluate global and local brands differently across several dimensions of brand equity.

Kinra (2006) examined the effect of country-of-origin on foreign brand names in the Indian market. The findings demonstrate that country-of-origin perceptions influence consumers' evaluation of foreign brands, highlighting the importance of origin-related associations in understanding global versus local brand preferences in India. Steenkamp et al. (2003) established perceived brand globalness as an important source of brand value, showing that globalness can enhance perceptions of quality and prestige and subsequently influence purchase likelihood. This study provides the foundational theoretical basis for examining consumer preference for global brands.

Identification Of Research Problem

The Indian apparel and retail sector has grown rapidly under globalization and shifting consumer aspirations, exposing buyers to both global and local brands. While global brands signify prestige and quality, local brands remain relevant due to affordability and cultural resonance. Previous studies have mainly focused on metropolitan cities, leaving smaller but culturally significant markets like Goa underexplored. Goa's unique context marked by a mix of local consumers and domestic and international tourists creates diverse brand perceptions and behaviors. However, limited research exists on the factors shaping consumer preferences for global versus local brands in this market. Addressing this gap is essential for developing strategies that balance global standardization with local relevance.

Objective Of The Study

The objective of the study is :

1. To identify the factors that affect consumer preferences for global and local brands.

Hypothesis

H0: There is no significant influence of factors that affect consumer preferences for global and local brands.

Research Methodology

Sources Of Data

Primary Sources

A structured questionnaire was used to gather primary data from both domestic and foreign consumers in order to obtain firsthand knowledge of their purchasing habits.

Secondary Sources

Secondary data was collected from reputable web sources, books, research articles and published journals.

Sample Size

A target of 250 respondents was set and achieved for Data Collection for final analysis and interpretation. The sample was divided into two distinct groups to represent both domestic and international consumers:

Period of the study

The Period of survey is the period of the study for three months.

Statistical Tools

The analysis of data has been done by using statistical tools using the SPSS Software in order to study both the objectives of the study. The statistical tools used is Reliability Test, Factor Analysis and Regression Analysis in order to examine the impact of buying behaviour on the satisfaction levels of domestic and international consumers.

Limitation of The Study

Due to time constraints the total sample size of the study is restricted to only 200 respondents. The respondent bias may be present in Data Analysis.

Analysis Of The Factors Affecting The Consumer Preferences For Global And Local Brands.

In order to prove the reliability of the model used Cronbach's Alpha test of reliability has been performed. Applying this test specifies whether the items pertaining to each dimension are internal consistent. The Cronbach's Alpha should always be 0.70 or above.

Table No. 1: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
0.676	16

Source: Computed from Primary Data

Table No.1 indicates that the Cronbach's Alpha value of accuracy is 0.676 which is less than 0.70.

Factors Affecting The Consumer Preferences For Global And Local Brands.

A method for reducing dimensions, factor analysis groups all of the comparable variables into dimensions. Factor analysis has been used to identify the factors affecting the consumer preferences for global and local brands.

Table No. 2: Factors Affecting The Consumer Preferences For Global And Local Brands.

Sr. No.	Factors	Items	Factor Loadings	Eigen Values	Total Variance Explained	Cummulative %
1	Merchandise	Apparel	.662	2.049	12.806	12.806
		Bags and Baggages	.626			
		Electronics	.605			
		Food and Grocery	.570			
2	Durables	Furniture	.715	1.847	11.543	24.349
		Stationary	.705			

		Footwear	.667			
3	Lifestyle	Personal Care Product	.656	1.765	11.032	35.381
		Home Furnishing	.644			
		Toys	.642			
4	Consumables	Beverages	.788	1.349	8.431	43.812
		Gift Items	.664			
5	Luxuries	Jewellery	.590	1.104	6.899	50.711
		Confectionaries	.502			

Source: Computed from Primary Data

For the purpose of the study all together 14 variables were analyzed and condensed into five key factors: Merchandise, Durables, Lifestyle, Consumables, and Luxuries. Eigen value for all the retained factors is more than one. The total variance explained by all prominent factors is to the extent of 50.711%.

The first and most influential factor is **Merchandise**, which includes apparel, bags, electronics, and food & grocery, representing the consumer's core shopping basket and accounting for 12.806% of the variance. **Durables** comprising of furniture, stationery, and footwear, explain 11.543% of the variance and reflect functional, utility-oriented purchases with a longer usage cycle. **Lifestyle products**, such as personal care, home furnishing, and toys, contribute 11.032% and capture aspirational and wellbeing-driven buying behaviour. **Consumables**, including beverages and gift items, explain 8.431% of the variance and highlight products meant for immediate use or occasional purposes. Finally, **Luxuries**, consisting of jewellery and confectionaries, account for 6.899% of the variance and signify prestige, indulgence, and emotional purchases. Together, these five factors highlight the balance between essential needs and aspirational desires in shaping consumer purchase decisions across modern retail categories.

Table No. 3 : Regression Analysis of the Factors Affecting Consumer Preferences For Global And Local Brands.

H0₁: There is no significant influence of factors that affect consumer preferences for global and local brands.			
Dependent Variable: Consumer Preferences			
R² : 0.158	F : 9.139	P : 0.000	
Influencing Factors	Beta	T Test	P value
Constant	3.788	57.368	.000
Merchandise	.213	3.217	.001
Durables	.085	1.287	.199
Lifestyle	.371	5.604	.000
Consumables	.080	1.206	.229
Luxuries	-.060	-.910	.364

Source: Computed from Primary Data

The regression analysis reveals the factors influencing the consumer preferences for global and local brands. This model is found to be significant wherein two variables out of five independent variables is found to be significant. Consumer preferences are regarded as a dependent variable in a regression model. From the above regression model two factors that is Merchandise and Lifestyle are found to be significant which is less than 0.05 and the remaining three independent variables has found to be insignificant. The obtained R Square score of 0.158 indicates that 15.80% of the model can be explained. It is determined that the estimated P value is 0.000, so it is lower than 0.05. Therefore the Null hypothesis stands rejected and the Alternative hypothesis is accepted which states that there is a significant relationship between the factors influencing the consumer preferences for global and local brands.

Conclusion

Consumer markets are hardly restricted by national borders in the interconnected world of today. The effects of trade liberalization, technological advancements, and globalization, global brands are now present in practically every market, giving consumers the option to choose between both local and international brands at the same time. The study concludes that consumer preferences for global and local brands are shaped by a combination of product-related factors, with lifestyle and merchandise emerging as the most significant influencers. The factor analysis condensed fourteen variables into five key dimensions Merchandise, Durables, Lifestyle, Consumables, and Luxuries together explaining 50.71% of the total variance in consumer behaviour. Regression analysis further revealed that only Lifestyle and Merchandise significantly affect consumer brand preferences, while Durables, Consumables, and Luxuries showed no meaningful impact. With an R^2 value of 0.158 and a model significance at $p = 0.000$, the findings highlight that although the explanatory power is modest, consumer choices are strongly driven by aspirational lifestyle products and everyday merchandise. This indicates that global and local brand strategies must focus on enhancing value and differentiation in these categories to effectively influence consumer decisions, particularly in culturally diverse markets like Goa where both domestic and international consumers co-exist.

References

1. Batra, R., Ramaswamy, V., Alden, D. L., Steenkamp, J.-B. E. M., & Ramachander, S. (2000). Effects of brand local and nonlocal origin on consumer attitudes in developing countries. *Journal of Consumer Psychology*, 9(2), 83–95. https://doi.org/10.1207/S15327663JCP0902_3
2. Bhardwaj, V., Kumar, A., & Kim, Y.-K. (2010). Brand analyses of U.S. global and local brands in India: The case of Levi's. *Journal of Global Marketing*, 23(1), 80–94. <https://doi.org/10.1080/08911760903442226>
3. Davvetas, V., & Halkias, G. (2019). Global and local brand stereotypes: Formation, content transfer, and impact. *International Marketing Review*, 36(5), 675–701. <https://doi.org/10.1108/IMR-01-2018-0017>

4. Davvetas, V., Sichtmann, C., Saridakis, C., & Diamantopoulos, A. (2023). The global/local product attribute: Decomposition, trivialization, and price trade-offs in emerging and developed markets. *Journal of International Marketing*, 31(3), 19–40. <https://doi.org/10.1177/1069031X221143095>
5. Halkias, G., Davvetas, V., & Diamantopoulos, A. (2016). The interplay between country stereotypes and perceived brand globalness/localness as drivers of brand preference. *Journal of Business Research*, 69(9), 3621–3628. <https://doi.org/10.1016/j.jbusres.2016.03.022>
6. Kinra, N. (2006). The effect of country-of-origin on foreign brand names in the Indian market. *Marketing Intelligence & Planning*, 24(1), 15–30. <https://doi.org/10.1108/02634500610641534>
7. Liu, H., Schoefer, K., Fastoso, F., & Tzemou, E. (2021). Perceived brand globalness/localness: A systematic review of the literature and directions for further research. *Journal of International Marketing*, 29(1), 77–94. <https://doi.org/10.1177/1069031X20973184>
8. Liu, Y., Tsai, W. S., & Tao, W. (2020). The interplay between brand globalness and localness for iconic global and local brands in the transitioning Chinese market. *Journal of International Consumer Marketing*, 32(2), 128–145. <https://doi.org/10.1080/08961530.2019.1658556>
9. Mandler, T., Bartsch, F., & Han, C. M. (2020). Local versus global food consumption: The role of brand authenticity. *Journal of Consumer Marketing*, 37(3), 317–327. <https://doi.org/10.1108/JCM-02-2019-3086>
10. Özsomer, A. (2012). The interplay between global and local brands: A closer look at perceived brand globalness and local iconness. *Journal of International Marketing*, 20(2), 72–95. <https://doi.org/10.1509/jim.11.0105>
11. Özsomer, A., & Altaras, S. (2008). Global brand purchase likelihood: A critical synthesis and an integrated conceptual framework. *Journal of International Marketing*, 16(4), 1–28. <https://doi.org/10.1509/jimk.16.4.1>
12. Punyatoya, P. (2013). Consumer evaluation of brand extension for global and local brands: The moderating role of product similarity. *Journal of International Consumer Marketing*, 25(3), 198–215. <https://doi.org/10.1080/08961530.2013.780857>
13. Schuiling, I., & Kapferer, J.-N. (2004). Real differences between local and international brands: Strategic implications for international marketers. *Journal of International Marketing*, 12(4), 97–112. <https://doi.org/10.1509/jimk.12.4.97.53217>
14. Sengupta, A., Wesley, S., Cavender, R. C., & Lee, M.-Y. (2022). Global vs local: Analysis of the consumer-brand relationships in India. *International Journal of Retail & Distribution Management*, 50(3), 361–376. <https://doi.org/10.1108/IJRDM-08-2020-0306>
15. Steenkamp, J.-B. E. M., Batra, R., & Alden, D. L. (2003). How perceived brand globalness creates brand value. *Journal of International Business Studies*, 34(1), 53–65. <https://doi.org/10.1057/palgrave.jibs.8400002>
16. Steenkamp, J.-B. E. M., & de Jong, M. G. (2010). A global investigation into the constellation of consumer attitudes toward global and local products. *Journal of Marketing*, 74(6), 18–40. <https://doi.org/10.1509/jmkg.74.6.18>
17. Strizhakova, Y., Coulter, R. A., & Price, L. L. (2008). Branded products as a passport to global citizenship: Perspectives from developed and developing countries. *Journal of International Marketing*, 16(4), 57–85. <https://doi.org/10.1509/jimk.16.4.57>
18. Swoboda, B., Pennemann, K., & Taube, M. (2012). The effects of perceived brand globalness and perceived brand localness in China: Empirical evidence on Western,

Asian, and domestic retailers. *Journal of International Marketing*, 20(4), 72–95.
<https://doi.org/10.1509/jim.12.0105>

19. Zeugner-Roth, K. P., Žabkar, V., & Diamantopoulos, A. (2015). Consumer ethnocentrism, national identity, and consumer cosmopolitanism as drivers of consumer behavior: A social identity theory perspective. *Journal of International Marketing*, 23(2), 25–54.