



Original Article

An Analytical Study of Consumer's Perspective Towards Local Companies in India

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Abstract

In recent years, India has witnessed a resurgence in support for domestic brands, driven by national campaigns like "Make in India" and "Vocal for Local." This study explores consumer attitudes, perceptions, and preferences toward local Indian companies compared to international brands. Using a structured survey of 200 respondents across different age and income groups, this research identifies the factors influencing consumer trust, brand loyalty, and purchasing behavior toward local businesses. The findings reveal that while Indian consumers increasingly appreciate the quality, affordability, and cultural relevance of local products, brand image and perceived prestige still tilt some preferences toward foreign brands. The paper concludes that strategic branding, improved product quality, and digital presence can enhance the competitiveness of local Indian companies.

Keywords- Consumer Perspective, Local Companies, Indian Consumers, Brand Perception, Purchase Behaviour, Brand Loyalty, Consumer Trust, Local vs International Brands, Make in India, Vocal for Local, Consumer Awareness.

Introduction

Globalization has transformed the Indian marketplace, providing consumers with a wide range of domestic and international products. However, in recent years, there has been a growing sentiment favouring local businesses, fuelled by government initiatives, national pride, and sustainability concerns.

The "Vocal for Local" campaign, introduced by the Government of India in 2020, aimed to boost domestic manufacturing and promote self-reliance under the *Aatmanirbhar Bharat Abhiyan*. As a result, consumer awareness of local brands has significantly increased. However, despite these movements, international brands continue to dominate several market segments due to perceptions of superior quality, design, and prestige. Understanding consumer perspectives toward local companies is crucial to determining how domestic businesses can strengthen their market position and consumer trust.

In recent years, there has been a noticeable shift in consumer behavior, with many individuals showing renewed interest in supporting local businesses due to rising awareness of the economic, environmental, and social benefits of buying locally. At the same time, challenges remain, as local companies often struggle with perceptions related to lower quality, weaker branding, or limited innovation compared to global competitors. Understanding consumer perspectives toward local companies is therefore crucial for identifying growth opportunities, designing effective marketing strategies, and strengthening the competitiveness of local enterprises. This study aims to explore how consumers perceive local brands, what drives their choices, and how these perceptions influence their overall purchasing decisions.

Objectives Of Current Study

1. To examine consumer perceptions toward local Indian companies.
2. To identify key factors influencing consumer preference between local and international brands
3. To assess the extent of consumer awareness and recognition of local companies within the designated market and to analyze how this awareness compares with that of national and international brands.

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4. To identify and evaluate the determinants influencing consumer perceptions of local companies, including but not limited to product quality, pricing strategies, brand credibility, cultural alignment, service standards, and corporate social responsibility initiatives.
5. To examine consumer attitudes, preferences, and purchase intentions toward products and services offered by local companies, and to determine the factors that most strongly predict the likelihood of choosing local over non-local alternatives.
6. To analyze the impact of demographic and psychographic characteristics such as age, gender, income level, education, lifestyle orientation, and consumer ethnocentrism on the formation

Objectives Of Further Study

1. Conducting sector-specific analyses to determine how consumer perspectives vary across different industries such as textiles, FMCG, technology, and services and to identify determinants unique to each sector.
2. Examining the implications of emerging marketplace developments, including digitalization, sustainability-driven consumption, and the growth of social commerce, on consumer evaluation frameworks for local companies.
3. Evaluating the strategic effectiveness of brand narrative techniques, \ cultural identity positioning, and regional authenticity in fostering stronger emotional resonance between consumers and local brands.

Scope

The study evaluates both cognitive and affective dimensions of consumer decision-making and is limited to data collected during the specified research period. While the research explores multiple product and service categories, it does not extend to detailed financial or operational analysis of individual local companies. The scope includes primary and/or secondary data analysis, statistical interpretation, and the development of managerial implications that can guide local businesses in enhancing brand perception and consumer engagement.

Statement Of Problem

Despite the increasing emphasis on regional development, cultural identity, and economic self-reliance, many local companies continue to face challenges in gaining strong consumer acceptance and competitive positioning in the marketplace. Consumers often perceive local brands as less innovative, less reliable, or inferior in quality when compared to national and international counterparts. These perceptions can adversely affect purchase intentions, brand loyalty, and long-term sustainability of local enterprises. Although local companies contribute significantly to regional economies and employment generation, there is limited empirical understanding of the factors that influence consumer attitudes and behavioural responses toward them. Existing literature provides fragmented insights, leaving a gap in comprehensively identifying the determinants that shape consumer perceptions, the role of demographic or psychographic variations, and the impact of competitive alternatives.

This study seeks to address this gap by systematically examining how consumers evaluate local companies, what factors strengthen or weaken their perceptions, and how these perceptions translate into actual purchasing behaviour. By identifying these underlying issues, the research aims to provide strategic insights that can assist local businesses in enhancing their market relevance, improving brand equity, and strengthening consumer engagement.

Research Methodology

This study adopts a descriptive and quantitative research methodology to examine consumer perspectives toward local companies. Primary data are collected through a structured questionnaire comprising Likert-scale items and demographic questions, while secondary data are sourced from scholarly articles, industry reports, and credible publications. A stratified random sampling technique is used to ensure representation across key demographic groups, with an appropriate sample size selected for statistical reliability. The collected data are analyzed using descriptive statistics, correlation, regression, and other relevant analytical tools to identify the factors influencing consumer perceptions and purchase intentions. The methodology is subject to limitations such as respondent bias and geographical boundaries, which are acknowledged in interpreting the results.

Literature Review

Consumer perspectives toward local companies have been widely examined in marketing and consumer behaviour research, with scholars emphasizing the influence of factors such as brand perception, product quality, price sensitivity, cultural identity, and trust. According to previous studies, consumers often evaluate local brands through a combination of **cognitive** elements (such as perceived value, functional benefits, and reliability) and affective elements (such as emotional attachment, regional pride, and cultural alignment). Research on consumer ethnocentrism suggests that individuals may prefer local products due to a desire to support domestic industries, though this preference varies by age, income, education, and exposure to global alternatives.

Several studies highlight that local companies frequently face challenges in competing with global brands due to perceptions of lower innovation, weaker branding, and inconsistent quality standards. However, other literature indicates that local brands can build strong consumer loyalty when they leverage authenticity, cultural relevance, and community-driven narratives. The growing emphasis on sustainability and socially responsible consumption has further contributed to favourable attitudes toward local enterprises, as consumers increasingly prioritize ethical sourcing, local employment, and reduced environmental impact.

Digital transformation has also reshaped consumer perceptions, with online reviews, social media engagement, and influencer communication playing significant roles in shaping trust and credibility. Overall, existing research underscores a complex interplay of psychological, cultural, and market-driven factors that determine how consumers perceive and evaluate local companies.



Data Analysis and Interpretations

The data collected through the structured questionnaire were systematically coded and analyzed using appropriate statistical techniques. Descriptive statistics were first employed to summarize respondents' demographic profiles and to measure overall levels of awareness, perception, and purchase intentions toward local companies. Mean scores and frequency distributions indicated that most consumers possessed moderate to high awareness of local brands, though perceptions varied across product categories.

Interpretation of the findings suggests that consumers appreciate the affordability and cultural relevance of local brands but continue to express concerns regarding product consistency and brand strength. The analysis underscores the importance of strengthening brand credibility, enhancing product quality, and leveraging regional identity to improve consumer engagement. Overall, the results provide meaningful insights into the determinants shaping consumer perspectives and highlight strategic areas for local companies to enhance competitiveness in the marketplace.

Discussions

The analysis indicates that while consumers generally recognize the cultural relevance and affordability of local brands, their perceptions remain strongly influenced by key attributes such as product quality, trust, and brand image. This aligns with existing literature, which suggests that local companies often struggle to match the perceived reliability and innovation associated with national and international brands. However, the study also reveals that when local companies effectively communicate authenticity, regional identity, and value for money, consumers demonstrate higher levels of acceptance and purchase intention. Demographic variations further highlight that younger consumers and higher-income groups tend to be more critical of local brands, emphasizing the need for improved quality standards and stronger branding efforts. Conversely, older consumers and those with strong regional attachment exhibit a greater preference for supporting local enterprises. The moderating role of digital influence such as online reviews and social media presence—shows that consumers increasingly rely on user-generated content to form perceptions of credibility, suggesting new opportunities for local brands to leverage digital platforms for trust-building.

Overall, the discussion underscores that consumer perspectives are not uniform but shaped by a combination of cognitive evaluations, emotional connections, and socio-cultural values. For local companies to enhance competitiveness, they must address perceived gaps in innovation and consistency while capitalizing on their unique strengths, such as cultural alignment and community-driven identity. The insights from this study thus reinforce the need for strategic branding, improved quality management, and enhanced consumer engagement to strengthen the position of local companies in an increasingly competitive marketplace.

Findings

The consumers possess a moderate to high level of awareness about local companies, yet their perceptions are

strongly shaped by factors such as product quality, trust, cultural relevance, and price. While many consumers express willingness to support local brands, concerns persist regarding the perceived lack of innovation, inconsistent quality, and weaker branding compared to national and international competitors. The analysis further shows that purchase intentions are driven primarily by trust, value for money, and positive past experiences, while digital platforms—such as online reviews and social media—play a significant role in shaping credibility. Demographic differences were evident, with younger and higher-income consumers being more critical of local brands, whereas older individuals and those with strong regional identity exhibited greater preference for local products. Overall, the findings suggest that although consumers are open to choosing local companies, their decisions remain highly dependent on product performance, brand reputation, and consistent quality delivery.

Conclusion

The consumer perspectives toward local companies are shaped by a complex interplay of quality perceptions, trust, cultural alignment, and value for money. While consumers demonstrate a growing inclination to support local businesses, this preference is conditional and influenced by consistent product performance, effective branding, and credible market presence. The findings indicate that local companies often enjoy the advantage of cultural relevance and affordability, yet they face challenges related to perceived limitations in innovation, quality consistency, and professional brand image. Demographic differences further highlight that younger and more affluent consumers demand higher standards, emphasizing the need for local brands to enhance product quality, adopt modern marketing strategies, and strengthen digital engagement. Overall, the study underscores the importance for local companies to build stronger brand credibility, improve quality standards, and leverage regional identity to gain competitive advantage and foster long-term consumer loyalty. The insights generated provide a valuable foundation for future research and strategic improvements within the local business ecosystem.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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