

## **“Impact Of Foreign Sourced Products On Customer Buying Behaviour: A Study”**

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The Organizing Secretary

National Conference

Ramaiah Institute of Management Studies/Sciences

MRS Nagar, Bangalore

Respected Sir,

**Sub: Submitting the full paper for National Conference.**

With reference to the subject cited above, I hereby submitting my full text of paper titled **“Impact of Foreign Sourced Products on Customer Buying Behaviour: A Study”**, for presenting at National Conference which will be hosted by your esteemed Institute, on 6<sup>th</sup> September 2019. In this regard I request you to accept the paper for presentation.

Thanking you,

Yours Faithfully

DATE:23/06/2019

PLACE: MANGALURU

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### **ABSTRACT**

In the era of Globalisation, “Consumer is the King”. So any organisation undertake their production activity by taking into consideration the wants and desires of the consumers. As the natural resources are unevenly distributed among different countries, a country will be specialised in production of those goods where there is a competitive advantage. Countries have to depend on each other so that the surplus and deficit in natural resources can be balanced.

In this context, the major problem faced by the developing and under-developing countries is the problem of deficit balance of payment (BOP). The reason for this is the increased demand for foreign goods which have resulted in increase in imports of the country.

Due to the emergence of modern technology, people are getting exposed to foreign culture and prefer foreign goods with a view that the domestic companies are not up to the level of using modern technologies available. Even the brand consciousness among the people attracts them towards the imported products. Due to this attitude of the consumers, there is a direct impact on the domestic companies. This cause has led to the increase in MNC's and increase in foreign goods consumption.

In the wake of Globalisation and Liberalisation, an attempt has been made in the paper to highlight the impact of foreign sourced goods on the buying behaviour of the Indian consumers in the city of Mangalore.

**KEYWORDS:** Globalisation, Technology, Brand, Imported goods, Liberalisation

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## **1.0 INTRODUCTION**

India is a country rich in natural resources. But some of the resources are distributed unevenly throughout the world. Every country may not have all the resources which are needed by them. The scarcity of natural resources forms the path for trade between different nations. So trade refers to exchange of natural resources in abundance and natural resources in scarce.

Globalisation has led to the increase in interdependence of national economies leading to the economic integration between different nations. A country has to undertake its production activities with a view to satisfy the needs and preferences of the customers. But due to the emergence of MNC's it becomes difficult for domestic companies to survive in the market.

People are slowly adopting themselves to the foreign culture and prefer to buy the foreign or imported goods available in the market. Due to this action the domestic goods have started losing their existence and as a result the imports of the country have exceeded resulting in deficit balance of payment problem.

## **2.0 RESEARCH DESIGN**

### **2.1 OBJECTIVES OF THE STUDY**

The main objectives of the study are;

1. To know the reason behind change in buying behaviour of the consumer.
2. To know the preference of buying electronic goods and the impact on customers.

3. To provide some suggestions based on the observations and findings of the study.

## 2.2 RESEARCH METHODOLOGY

This research is based on the primary data and the secondary data. Primary data is collected by distributing the questionnaires to respondents. The data is collected from 100 respondents in Mangalore city. Random sampling is been used in selecting the samples for the study. The study is restricted to the change in buying preference of electronic goods by the customers.

Secondary data has been collected from various other sources like journals and websites related to the topic.

## 3.0 DATA ANALYSIS AND INTERPRETATIONS

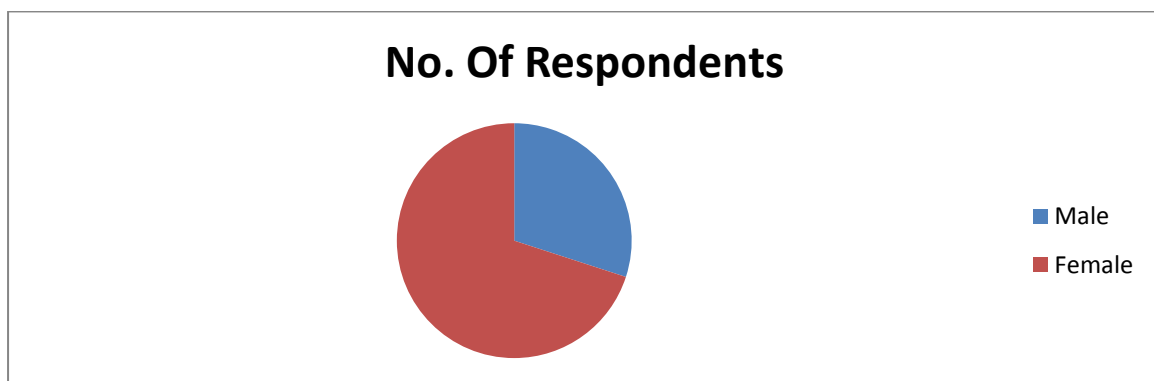
The data has been collected and interpreted in the following manner:

**Table 1: Gender**

| Gender       | No. Of Respondents | Percentage |
|--------------|--------------------|------------|
| Male         | 30                 | 30         |
| Female       | 70                 | 70         |
| <b>Total</b> | <b>100</b>         | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 1: Gender**



### Analysis and Interpretation:

Out of the total respondents selected for survey, the female respondents are more attracted towards the foreign sourced products when compared to males.

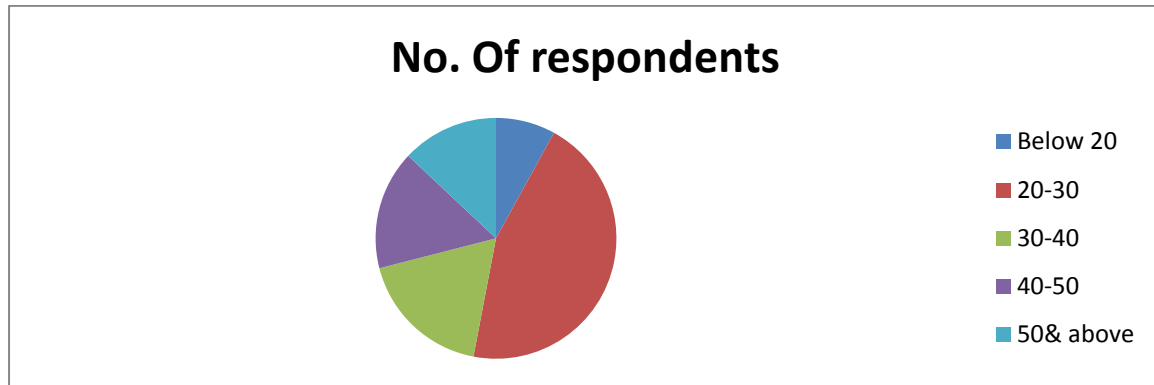
**Table 2: Age**

| Age      | No. Of respondents | Percentage |
|----------|--------------------|------------|
| Below 20 | 08                 | 8          |
| 20-30    | 45                 | 45         |
| 30-40    | 18                 | 18         |

|              |            |            |
|--------------|------------|------------|
| 40-50        | 16         | 16         |
| 50& above    | 13         | 13         |
| <b>Total</b> | <b>100</b> | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 2: Age of Respondents**



**Analysis and Interpretation:**

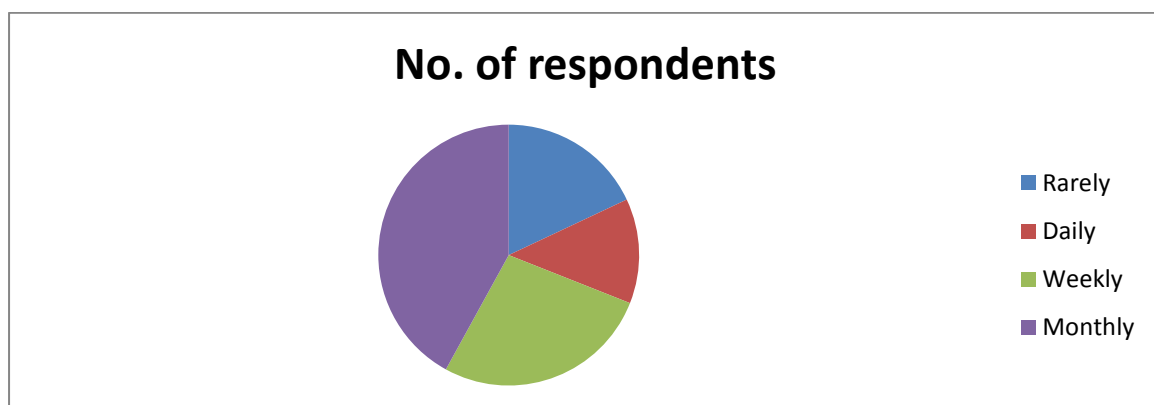
Out of the total respondents selected for survey, the age group of 20-30 constitute the majority customers for foreign sourced products.

**Table 3: Visit to shopping malls**

| Visits       | No. of respondents | Percentage |
|--------------|--------------------|------------|
| Rarely       | 18                 | 18         |
| Daily        | 13                 | 13         |
| Weekly       | 27                 | 27         |
| Monthly      | 42                 | 42         |
| <b>Total</b> | <b>100</b>         | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 3: Visit to shopping malls**



**Analysis and Interpretation:**

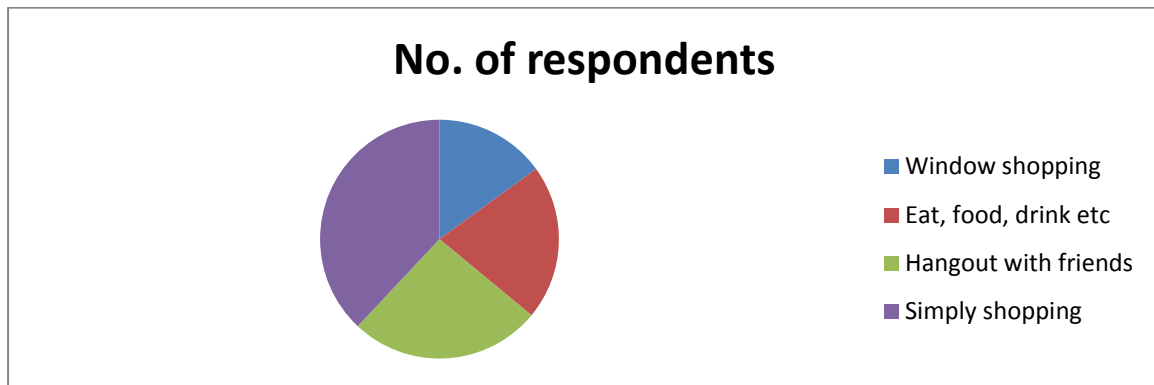
Out of the total respondents selected for survey, majority of them prefer visit shopping malls once in a month.

**Table 4: General purpose of visit**

| <b>Purpose</b>       | <b>No. of respondents</b> | <b>Percentage</b> |
|----------------------|---------------------------|-------------------|
| Window shopping      | 15                        | 15                |
| Eat, food, drink etc | 21                        | 21                |
| Hangout with friends | 26                        | 26                |
| Simply shopping      | 38                        | 38                |
| <b>Total</b>         | <b>100</b>                | <b>100</b>        |

SOURCE: SURVEY DATA

**Figure 4: General purpose of visit**



**Analysis and Interpretation:**

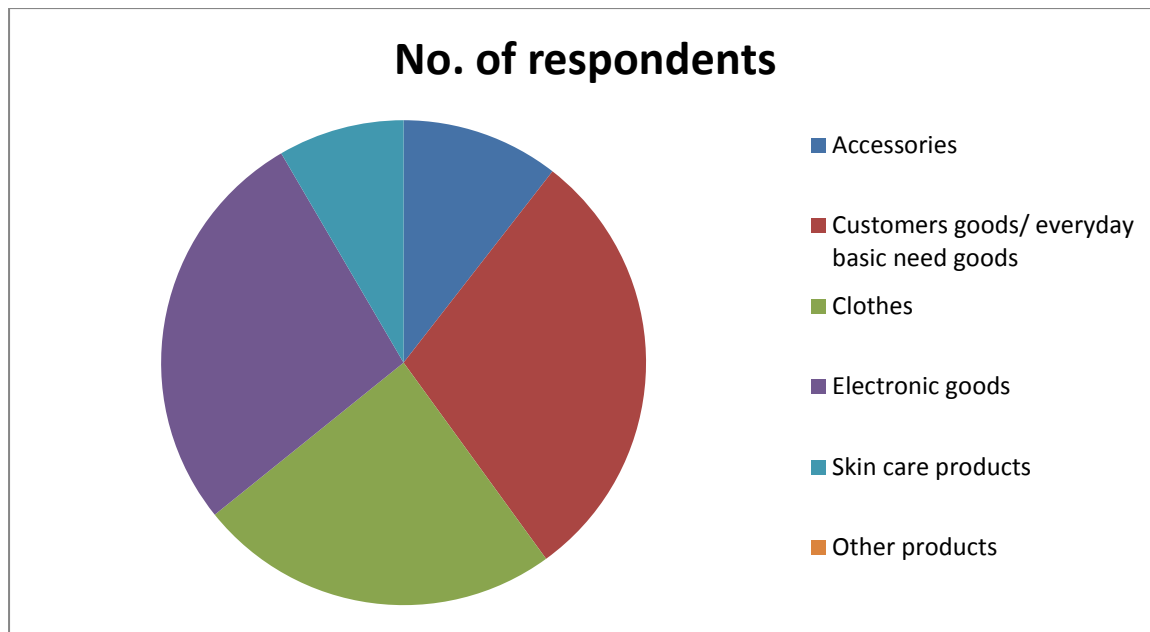
Out of the total respondents selected for survey, majority of the respondents generally visit for simply shopping purpose.

**Table 5: General buying preference of goods**

| <b>Preference</b>                          | <b>No. of respondents</b> | <b>Percentage</b> |
|--------------------------------------------|---------------------------|-------------------|
| Accessories                                | 10                        | 10                |
| Customers goods/ everyday basic need goods | 28                        | 28                |
| Clothes                                    | 23                        | 23                |
| Electronic goods                           | 26                        | 26                |
| Skin care products                         | 08                        | 8                 |
| Other products                             | 5(baby products)          | 5                 |
| <b>Total</b>                               | <b>100</b>                | <b>100</b>        |

SOURCE: SURVEY DATA

Figure 5: General buying preference of goods



**Analysis and Interpretation:**

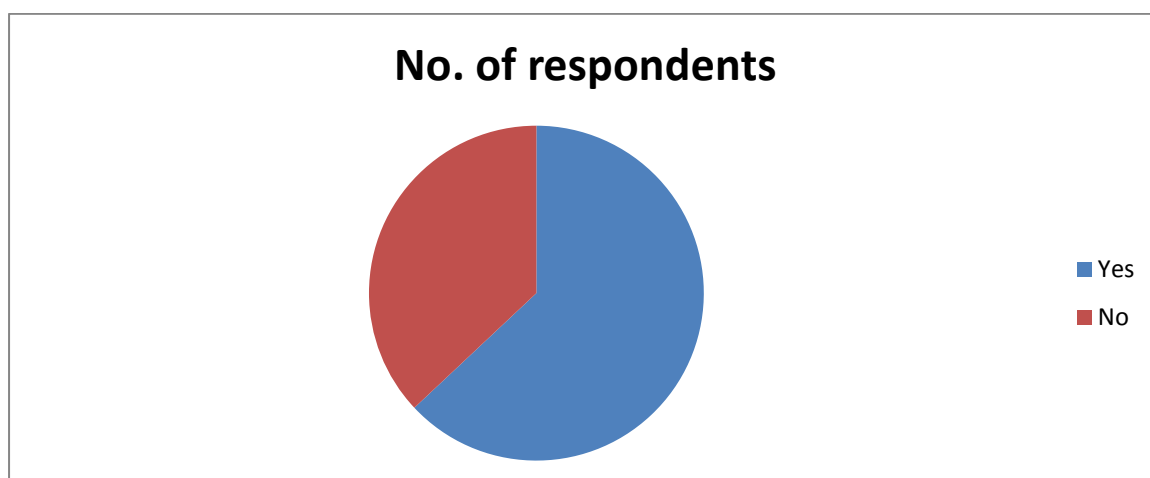
Out of the total respondents, majority of them generally prefer to buy customer goods or everyday goods for their basic consumption.

Table 6: Knowledge of brand

| Brand Conscious | No. of respondents | Percentage |
|-----------------|--------------------|------------|
| Yes             | 63                 | 63         |
| No              | 37                 | 37         |
| <b>Total</b>    | <b>100</b>         | <b>100</b> |

SOURCE: SURVEY DATA

Figure 6: Knowledge of brands



**Analysis and Interpretation:**

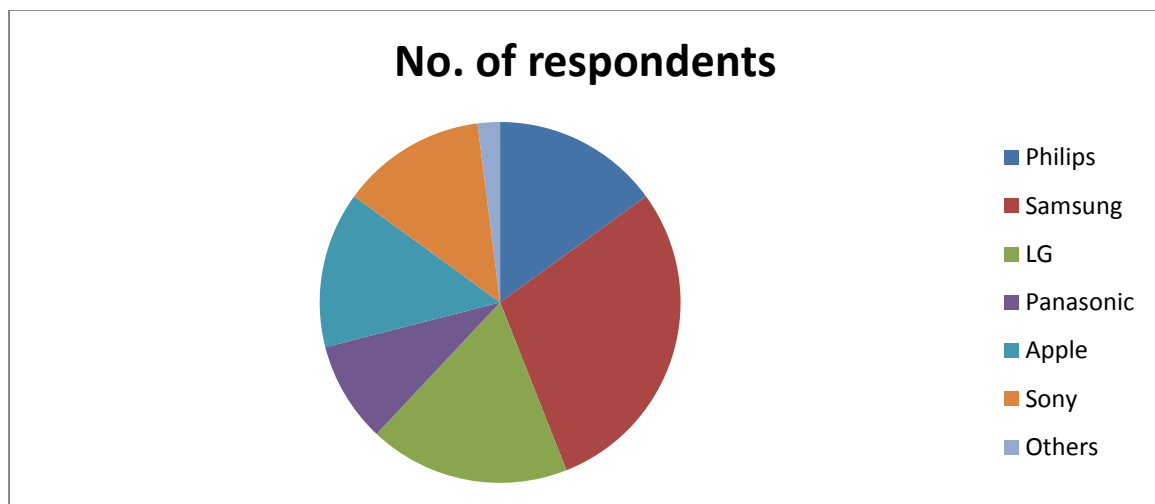
From the total respondents selected for survey, 63% of the respondents have the knowledge of brand and rest 37% do not have any brand conscious among them.

**Table 7: Brand preference in electronic goods**

| Preference in brand for electronic goods | No. of respondents | Percentage |
|------------------------------------------|--------------------|------------|
| Philips                                  | 15                 | 15         |
| Samsung                                  | 29                 | 29         |
| LG                                       | 18                 | 18         |
| Panasonic                                | 09                 | 9          |
| Apple                                    | 14                 | 14         |
| Sony                                     | 13                 | 13         |
| Others                                   | 02                 | 2          |
| <b>Total</b>                             | <b>100</b>         | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 7: Brand preference in electronic goods**



**Analysis and Interpretation:**

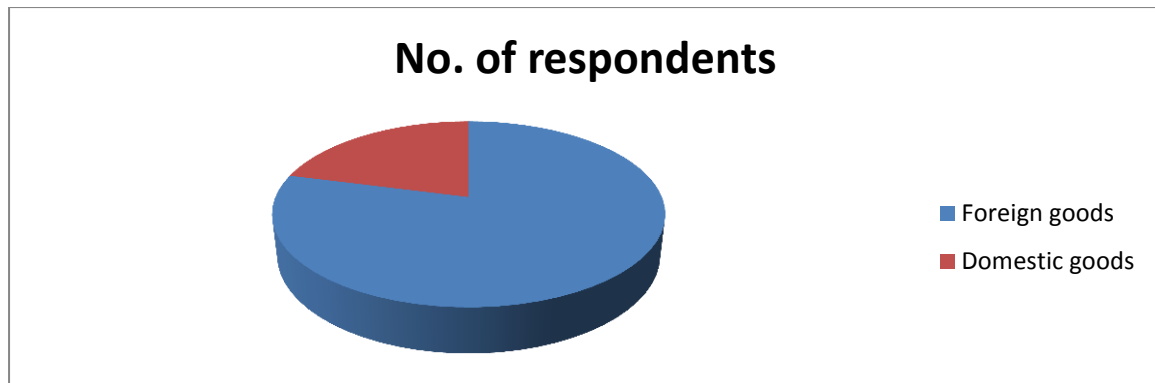
Out of the total respondents, majority of them prefer to buy Samsung brand in electronic goods.

**Table 8: Goods which meets best possible requirements**

| Goods          | No. of respondents | Percentage |
|----------------|--------------------|------------|
| Foreign goods  | 79                 | 79         |
| Domestic goods | 21                 | 21         |
| <b>Total</b>   | <b>100</b>         | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 8: Goods which meets best possible requirements**



**Analysis and Interpretation:**

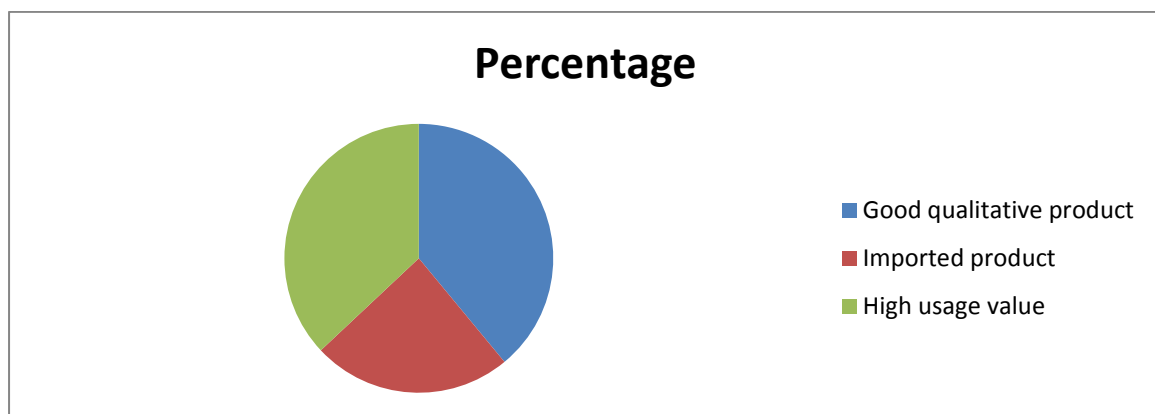
Out of the total respondents, 79% of the respondents are more attracted towards the foreign goods as they meet the requirements when compared to domestic goods.

**Table 9: Motive behind buying attitude of foreign goods.**

| Buying motive of foreign goods | No. of respondents | Percentage |
|--------------------------------|--------------------|------------|
| Good qualitative product       | 31                 | 39         |
| Imported product               | 19                 | 24         |
| High usage value               | 29                 | 37         |
| <b>Total</b>                   | <b>79</b>          | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 9: Motive behind buying attitude of foreign goods.**



**Analysis and Interpretation:**

Out of the 79 respondents preferring foreign goods, majority buy with a motive of good qualitative product.

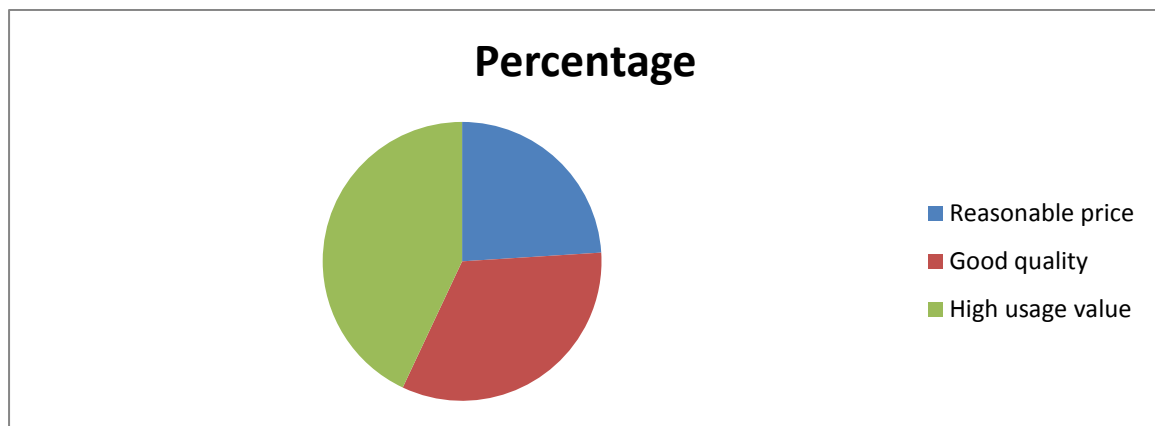
**Table 10: Motive behind buying attitude of domestic goods**



| <b>Buying motive of domestic goods</b> | <b>No. of respondents</b> | <b>Percentage</b> |
|----------------------------------------|---------------------------|-------------------|
| Reasonable price                       | 05                        | 24                |
| Good quality                           | 07                        | 33                |
| High usage value                       | 09                        | 43                |
| <b>Total</b>                           | <b>21</b>                 | <b>100</b>        |

SOURCE: SURVEY DATA

**Figure 10: Motive behind buying attitude of domestic goods.**



**Analysis and Interpretation:**

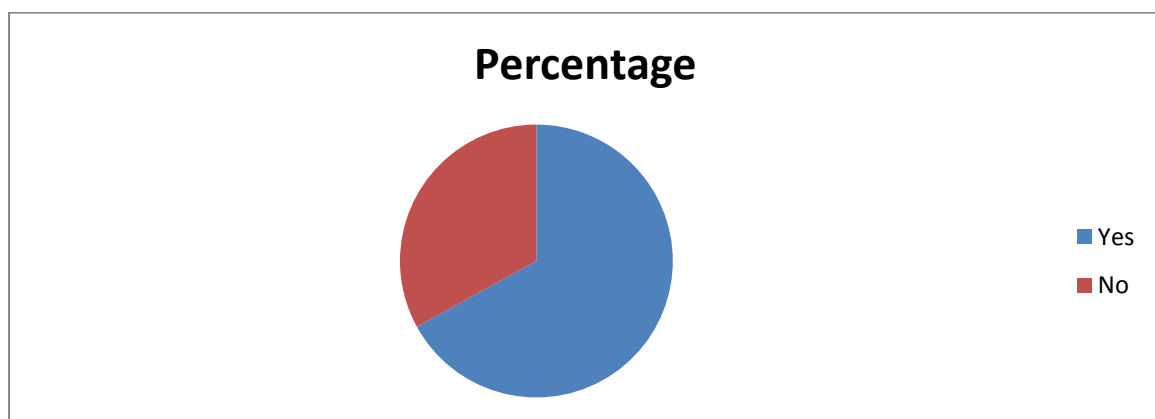
Out of the 21 respondents preferring domestic goods, majority buy with the motive of high usage value.

**Table 11: Usage preference to domestic goods before foreign goods consumption**

| <b>Preference</b> | <b>No. of respondents</b> | <b>Percentage</b> |
|-------------------|---------------------------|-------------------|
| Yes               | 53                        | 67                |
| No                | 26                        | 33                |
| <b>Total</b>      | <b>79</b>                 | <b>100</b>        |

SOURCE; SURVEY DATA

**Figure 11: Usage preference to domestic goods before foreign goods consumption**



**Analysis and Interpretation:**

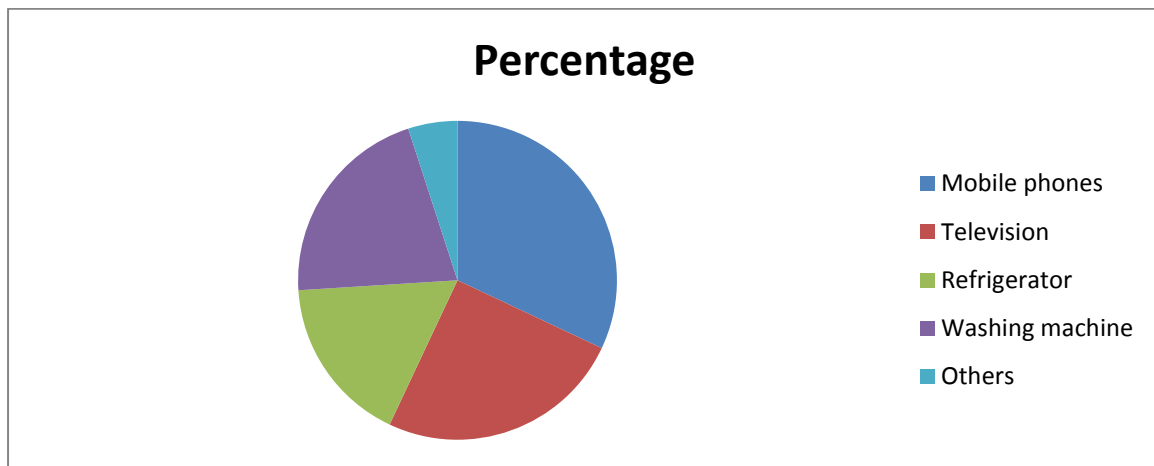
Out of the 79 respondents preferring foreign goods, 67% have shifted their consumption from domestic goods to foreign goods.

**Table 12: Products used before opting for foreign goods**

| Products        | No. of respondents | Percentage |
|-----------------|--------------------|------------|
| Mobile phones   | 17                 | 32         |
| Television      | 13                 | 25         |
| Refrigerator    | 09                 | 17         |
| Washing machine | 11                 | 21         |
| Others          | 03                 | 5          |
| <b>Total</b>    | <b>53</b>          | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 12: Domestic products used before opting for foreign goods.**



#### **Analysis and Interpretation:**

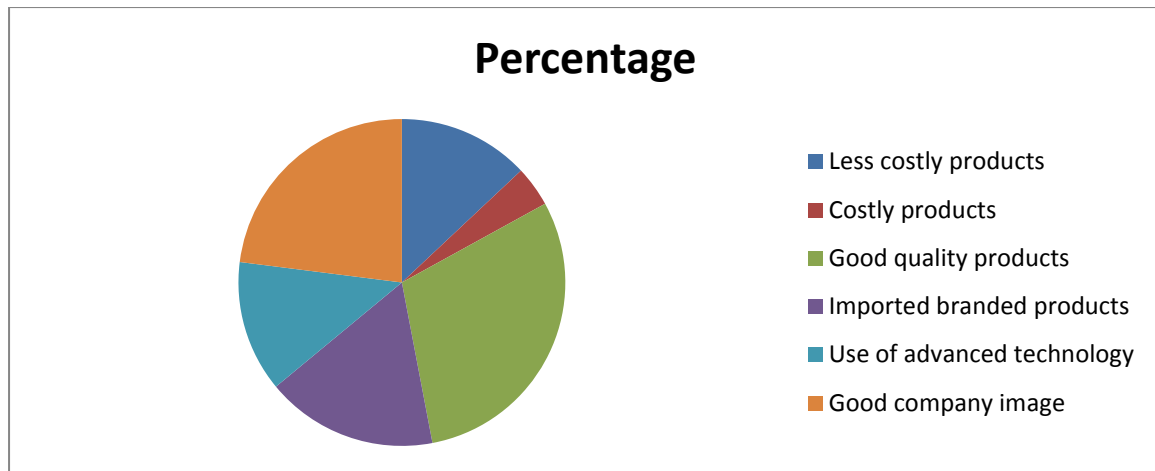
Out of 53 respondents who shifted their consumption, majority of them were using mobile phones before opting for foreign products.

**Table 13: Reason behind change in buying behaviour**

| Reasons                    | No. of respondents | Percentage |
|----------------------------|--------------------|------------|
| Less costly products       | 07                 | 13         |
| Costly products            | 02                 | 4          |
| Good quality products      | 16                 | 30         |
| Imported branded products  | 09                 | 17         |
| Use of advanced technology | 07                 | 13         |
| Good company image         | 12                 | 23         |
| <b>Total</b>               | <b>53</b>          | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 13: Reason behind change in buying behaviour of respondents**



#### Analysis and Interpretation:

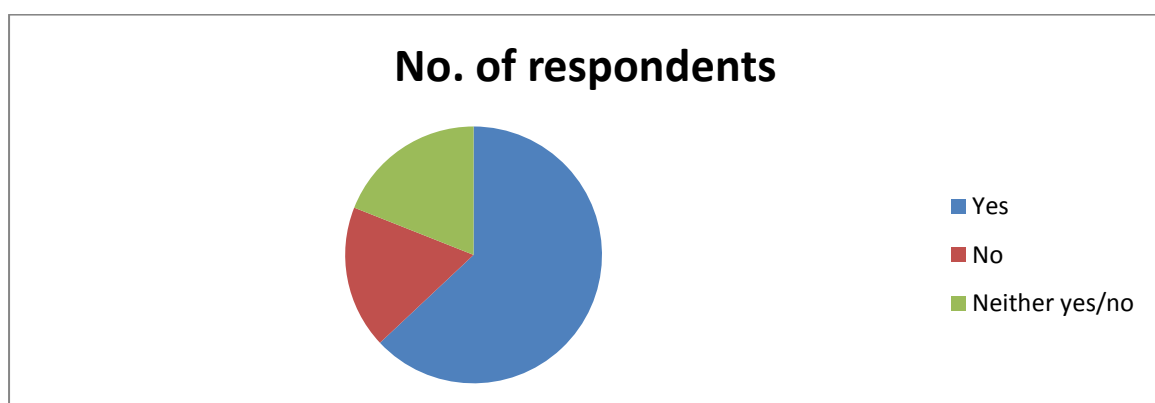
Out of 53 respondents the majority state that the reason behind their buying behaviour is due to good quality foreign products available.

**Table 14: Opinion regarding reduction in future consumption and demand of domestic goods**

| Opinion        | No. of respondents | Percentage |
|----------------|--------------------|------------|
| Yes            | 63                 | 63         |
| No             | 18                 | 18         |
| Neither yes/no | 19                 | 19         |
| Total          | 100                | 100        |

SOURCE: SURVEY DATA

**Figure 14: Opinion regarding reduction in future demand and consumption of domestic goods**



#### Analysis and Interpretation:

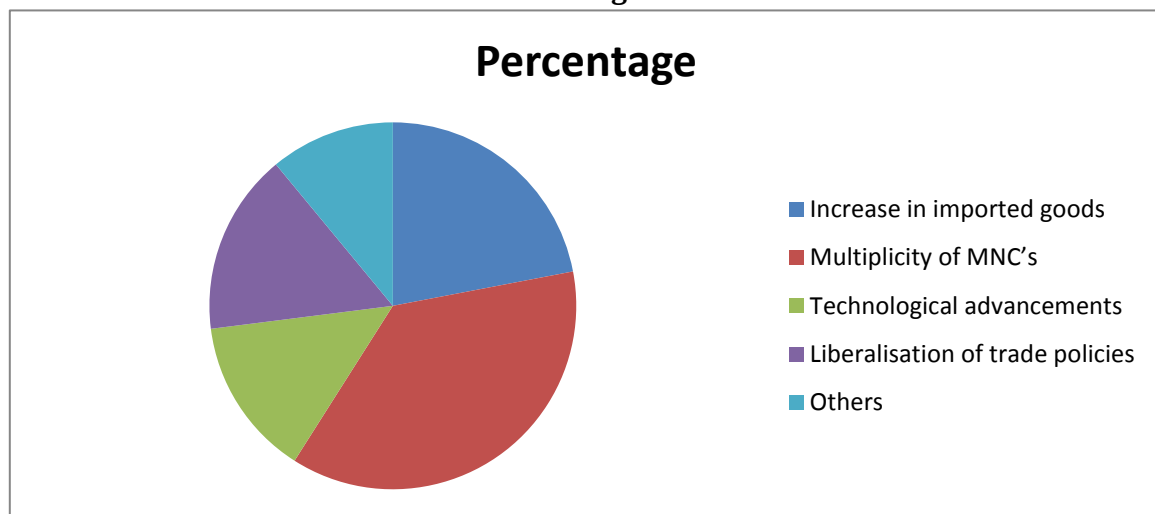
Out of the total respondents selected for survey, majority gives their opinion regarding the change in demand and consumption of domestic goods in future.

**Table 15: Reason for change in reduction in future demand and consumption of domestic goods**

| Reason                           | No. of respondents | Percentage |
|----------------------------------|--------------------|------------|
| Increase in imported goods       | 14                 | 22         |
| Multiplicity of MNC's            | 23                 | 37         |
| Technological advancements       | 09                 | 14         |
| Liberalisation of trade policies | 10                 | 16         |
| Others                           | 07                 | 11         |
| <b>Total</b>                     | <b>63</b>          | <b>100</b> |

SOURCE: SURVEY DATA

**Figure 15: Reasons for change in reduction in future demand and consumption of domestic goods**



### **Analysis and Interpretation:**

Out of the 63 respondents who share their opinion regarding the future change in consumption, majority states that the multiplicity of MNC's has resulted in such a change.

### **FINDINGS**

1. Among the total samples selected for survey, female respondents have high access to the purchase of goods and most of them fall between the age group of 20-30.
2. Majority of the respondents prefer visiting shopping malls monthly with the purpose of simply shopping and prefer to buy customer goods for everyday consumption.
3. Out of the total respondents selected for survey, majority prefer to buy branded products which are available in the market.
4. The study reveals that in electronic goods, most of the respondents prefer Samsung brand as their top brand.
5. Based on the survey it is found that most of the respondents prefer to buy foreign goods in order to meet their requirement.

6. The study reveals that about 28% of the respondents generally prefer to buy goods which are of everyday basic needs and the rest prefer to buy accessories, clothes, electronic goods, skin care products and baby products.
7. The motive behind the respondents buying foreign goods is the good qualitative product and the motive behind respondents buying domestic goods is the high usage value.
8. The survey shows that most of the respondents have access to domestic goods before their change in consumption pattern and the mobile phones were the most demanded product before and the reason behind their change is the good quality of foreign brand mobiles available in the market.
9. The survey states that there is a major reduction in future demand and consumption of domestic products.
10. According to the opinion of the respondents surveyed the major reason behind the change in future consumption is the multiplicity of MNC's.

## **SUGGESTIONS**

1. A reasonable pricing decision should be adopted by the domestic companies in order to make the product available for the wider sections.
2. Branding strategy should be adopted by the domestic companies in order to differentiate their product from the foreign products.
3. New technologies have to be installed and manufacturing process has to be standardised in order to produce a quality product.
4. Technical education has to be provided to employees working in domestic companies regarding the use of modern technologies.
5. Trade restrictions have to be very effective in order to increase the exports and decrease the imports.
6. Licensing procedure for MNC's have to be under strict control and the preference should only be given to domestic companies.
7. Financial support should be given to the domestic companies in order to undertake more production activities.

## **CONCLUSION**

At the peak of globalisation and liberalisation, trade is playing a crucial role in the exchange of goods and services between different nations. The major challenge here is the competition between the domestic company products and the foreign company products. A number of substitutes are available for a single product.

Trade have emerged with a theory of dependence between countries. The priorities for developing and under developing countries have become secondary. Developing countries are gaining a lot and are playing in the market with capital, technologies, property and currency.

As the economy has globalised and liberalised, it has become all the more important for domestic companies to upgrade their standard and give more stress on policies related to quality control. This is required to sustain in the competitive era.

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