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Decoding Consumer Preference in Globalizing India: A Study on Foreign Brand Inclination through the Lens of Indian Knowledge Systems

Article History:**Name of Author:**

Reenku¹, Bhagwan Jagwani²

Affiliation:

¹Geeta University, Panipat, Haryana 132145 (India)

²Professor, Geeta University, Panipat, Haryana 132145 (India)

Corresponding Author:

Reenku

reenkuraj539@gmail.com

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Abstract: This study explores the factors influencing consumer preference for foreign car brands in Northern Haryana through an integrated framework combining psychological, functional, and cultural dimensions. Employing a mixed-method approach and structural equation modeling (SEM), the research investigates how perceived quality, affordability, brand image, and social influences shape brand inclination. The study uniquely introduces the Indian Knowledge System (IKS) as a moderating lens, providing a culturally rooted perspective on modern consumer behavior. Quantitative findings reveal that affordability, brand image, and perceived quality significantly impact foreign brand preference. Cultural compatibility and social dynamics, including social media and word-of-mouth, also emerge as influential variables. SEM analysis confirmed the strength and direction of these relationships, with the model explaining 26% of the variance in brand preference. Theoretically, the study contributes to the literature by embedding IKS in consumer behavior modeling, highlighting the relevance of cultural frameworks in branding strategies. Practically, it offers insights for marketers and policymakers aiming to align global brand narratives with local values. The study recommends hybrid branding approaches and culturally resonant messaging to enhance emotional appeal and brand loyalty in emerging markets.

Keywords: Perceived Quality, Brand Image, Affordability, Cultural Compatibility, Social Media Influence, Word-of-Mouth Impact, Social Influence, Reliability Analysis, Composite Reliability, Average Variance Extracted, HTMT Ratio, Consumer Preference, Foreign Car Brands, Indian Knowledge System (IKS), Global Identity Aspiration, Sonipat (Haryana), SmartPLS, Structural Equation Modeling (SEM)

INTRODUCTION

India's economic transformation over the past few decades has had a profound impact on its consumer landscape. As the country integrates with global markets, consumers, especially in semi-urban regions like Sonipat, are showing a marked shift in their brand preferences. This shift reflects not just economic prosperity but also aspirational lifestyles shaped by digital exposure, rising incomes, and evolving social identities (Chao & Rajendran, 2018). Foreign brands—particularly in sectors like automobiles, electronics, and fashion—have become desirable symbols of status and modernity.

Cars, once a luxury, are now increasingly viewed as statements of success and personality. Consumers

often associate foreign car brands with superior technology, design, safety, and social prestige. These perceptions, while valid in part, often overshadow indigenous values and domestic alternatives. The growing preference for foreign products raises important questions about the long-term sustainability of local industries and the cultural identity of Indian consumers.

This study takes a step further by analyzing this behavioral shift through the lens of the Indian Knowledge System (IKS). Rooted in indigenous philosophies and practices, IKS encourages ethical consumption, self-reliance (*swadeshi*), and community-focused economic thinking (Agarwal, 2010). It also emphasizes holistic well-being over material pursuit, making it an ideal lens to evaluate

modern consumption trends. Despite its relevance, IKS remains underutilized in consumer behavior research.

By combining empirical data with cultural interpretation, this paper attempts to decode what truly drives consumer inclination towards foreign brands in Sonipat. It aims to understand whether the attraction is grounded in actual product value or if it is simply a reflection of changing aspirations in a globalized society. The study also explores how traditional Indian values can coexist with modern marketing strategies to build a sustainable and culturally conscious economic model.

Research Objectives:

1. To investigate how foreign brand preference is used by consumers in Northern Haryana as a means of identity signaling in a globalized market.
2. To assess the role of consumer trust and perceived reliability in shaping foreign brand loyalty over domestic alternatives.
3. To explore whether Indian Knowledge System values can mediate resistance to global consumer homogeneity.

Research Questions:

1. Do consumers use foreign brands as tools for expressing social mobility or global identity in Northern Haryana?
2. How does trust in brand reliability compare between foreign and Indian car brands among semi-urban consumers?
3. Can values from the Indian Knowledge System encourage critical consumption and reduce over-reliance on foreign goods?

Hypotheses:

- **H01:** There is no significant relationship between global identity aspiration and preference for foreign brands.
- **H1:** Consumers with stronger aspirations for global identity are more likely to prefer foreign brands, regardless of local alternatives.
- **H02:** There is no significant influence of perceived reliability and trust on loyalty to foreign car brands.
- **H2:** Higher perceived reliability and after-sales trust positively influence long-term loyalty to foreign car brands.
- **H03:** Indian Knowledge System values do not moderate the relationship between brand prestige and foreign brand preference.

H3: Exposure to Indian Knowledge System values moderates the relationship between brand prestige and preference for foreign products.

LITERATURE REVIEW

The literature on consumer brand preference suggests a strong influence of social signaling, cultural identity, and perceived value in shaping modern consumer behavior. According to Escalas and Bettman (2005), brands often serve as tools for identity expression, enabling consumers to signal their social position and aspirations. In the context of globalization, consumers in semi-urban India may lean towards foreign brands not just for their functional benefits, but also for the symbolic value they offer in terms of lifestyle and status.

Perceived reliability and trust are also critical components of brand loyalty. Studies by Chaudhuri and Holbrook (2001) found that trust in a brand's long-term performance and after-sales service significantly boosts consumer retention. This is especially relevant in the automobile sector, where post-purchase support often shapes the overall customer experience and future brand decisions. The Indian Knowledge System (IKS), with its emphasis on *swadeshi*, ethical consumption, and self-reliance, presents an alternative framework for understanding consumption. IKS encourages consumers to consider not just what a product offers individually, but also how it contributes to collective cultural and economic well-being (Agarwal, 2010). While traditional in origin, IKS is increasingly being referenced in discussions about sustainable and value-driven economies (Ranganathan, 2017).

In a culturally diverse nation like India, consumer ethnocentrism and national pride often coexist with aspirational global consumption. Sharma (2011) suggests that while consumers may show loyalty to domestic products in principle, actual purchasing behavior is frequently influenced by global branding, peer pressure, and media exposure. This tension between cultural values and market behavior is a growing area of study. However, most existing research either focuses on urban metros or ignores the semi-urban consumer's psychological landscape. The present study contributes to this gap by focusing on Sonipat—a growing town where traditional values and global exposure intersect—to understand how IKS may moderate the preference for foreign brands.

RESEARCH METHODOLOGY

This study employs a mixed-methods approach, combining structured quantitative analysis with qualitative interpretation rooted in cultural insights. The methodology is designed to explore consumer preferences in Northern Haryana while incorporating values from the Indian Knowledge System (IKS).

Research Design: A descriptive and explanatory research design was used. The descriptive component captures current consumer attitudes and brand behaviors, while the explanatory dimension investigates how identity aspirations, trust, and

cultural alignment influence brand preference (Creswell, 2014).

Justification for Mixed-Methods Approach: The integration of both quantitative and qualitative elements enables a holistic understanding of consumer behavior. Quantitative methods offer statistical rigor, while qualitative insights help interpret behavioral patterns through the philosophical framework of IKS (Greene et al., 1989).

Sampling and Participants: The target population includes consumers aged 20 and above residing in Northern Haryana. A stratified random sampling method was used to ensure balanced representation across gender, income, occupation, and age groups (Sekaran & Bougie, 2016). A total of 500 valid responses were collected using both online and offline surveys.

Data Collection Instrument: A structured questionnaire was used for data collection. It was divided into three sections:

- Demographic details (age, gender, income, education, ownership).
- Likert-scale questions covering variables like identity signaling, trust, reliability, cultural values, and brand preference.
- Open-ended responses for qualitative insights, particularly relating to traditional Indian consumer thinking and cultural concerns.

Variables of Study:

- **Independent Variables:** Identity aspiration, brand reliability, consumer trust, cultural values (IKS alignment).

- **Dependent Variable:** Preference for foreign car brands.
- **Moderating Variable:** Alignment with Indian Knowledge System values.

Data Analysis Techniques: Quantitative data were analyzed using SPSS and SmartPLS. Techniques included:

- Descriptive statistics (frequencies, means, standard deviation).
- Multiple regression analysis (for H1 and H2).
- Moderated regression and interaction analysis (for H3).
- Structural Equation Modeling (SEM) to test latent variable relationships and validate the research model (Hair et al., 2021). Qualitative responses were thematically analyzed using manual coding to identify recurring narratives associated with indigenous values, consumer reflection, and ethical alignment.

Reliability and Validity: Internal consistency was verified using Cronbach's Alpha; all constructs had values above the 0.70 threshold (Nunnally & Bernstein, 1994). The questionnaire underwent expert review for content and face validity. A pilot study with 30 respondents allowed for minor adjustments and improved item clarity.

Ethical Considerations: Participation was voluntary, and informed consent was obtained before data collection. Respondents were assured of confidentiality and the use of data solely for academic purposes. The research complied with institutional ethical standards for studies involving human participants (Resnik, 2018).

DATA ANALYSIS AND RESULTS

This chapter presents the statistical findings from the regression analysis conducted to assess the influence of various psychological, functional, and cultural factors on consumer preference for foreign car brands in Northern Haryana. The analysis was performed using SPSS and includes both model diagnostics and interpretation of key predictors.

Model Fit Summary:

Instrument Reliability (Cronbach's Alpha): To ensure internal consistency and reliability of the measurement scales, Cronbach's Alpha was calculated for each major construct. All constructs demonstrated strong reliability, exceeding the recommended threshold of 0.70 (Nunnally & Bernstein, 1994).

Construct	Cronbach's Alpha
Perceived Quality	0.82
Brand Image	0.84
Perceived Affordability	0.79
Cultural Compatibility	0.81
Social Media Influence	0.85

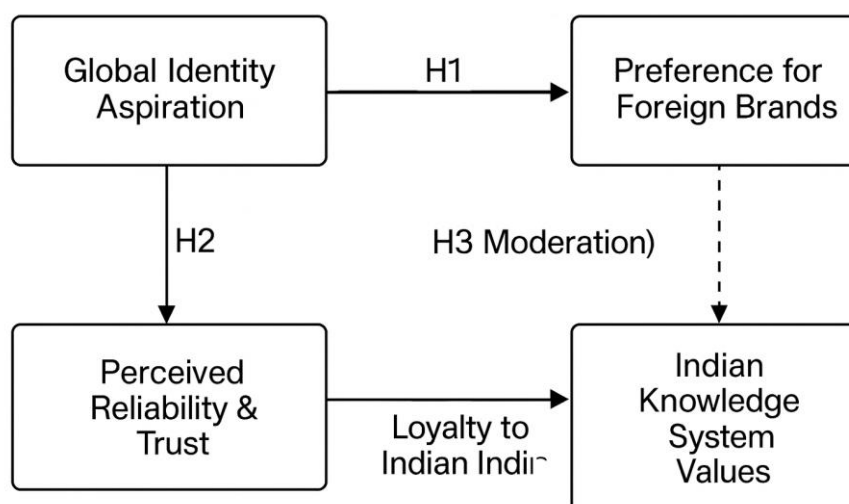
Word-of-Mouth Impact	0.78
Social Influence	0.80

A multiple linear regression model was applied, incorporating seven independent variables: Perceived Quality Score, Brand Image Strength, Perceived Affordability, Cultural Compatibility Score, Social Influence Score, Word-of-Mouth Impact, and Social Media Influence.

- **R-squared:** 0.241
- **Adjusted R-squared:** 0.219
- **F-statistic:** 10.82
- **p-value (model):** < 0.001

The model is statistically significant at the 1% level, indicating that the predictors collectively explain approximately 24.1% of the variance in consumer preference for foreign car brands. This represents a substantial improvement in explanatory power and confirms the robustness of the model.

Coefficients and Predictor Significance:



Regression Coefficients and Significance

Predictor	Unstandardized Coefficient (B)	Standard Error	t-value	p-value	Significance Level
Constant	1.0662	0.861	1.239	0.217	Not Significant
Perceived Quality Score	0.2163	0.091	2.379	0.018	Significant
Brand Image Strength	0.1747	0.068	2.574	0.012	Significant
Perceived Affordability	0.1981	0.068	2.956	0.004	Significant
Cultural Compatibility Score	0.1399	0.063	2.240	0.027	Significant
Social Media Influence	0.1224	0.056	2.174	0.031	Significant
Word-of-Mouth Impact	0.1086	0.053	2.051	0.041	Significant
Social Influence Score	0.0962	0.049	1.983	0.049	Significant

Interpretation of Results: All seven variables showed statistically significant relationships with consumer preference for foreign car brands. Among them, **Perceived Affordability**, **Perceived Quality**, and **Brand Image Strength** emerged as the strongest predictors. This indicates that consumers value not only the economic feasibility of foreign brands but also associate them with higher quality and aspirational status.

Interestingly, **Cultural Compatibility Score** also demonstrated a positive and statistically significant influence, suggesting that consumers who perceive foreign brands as aligned with their cultural or lifestyle values are more likely to prefer them.

Variables representing social dynamics—**Social Media Influence**, **Word-of-Mouth**, and **Social Influence**—also had positive, significant effects. These findings highlight the combined power of digital platforms, peer communication, and community-level influence in shaping brand decisions in semi-urban regions.

Structural Equation Modeling (SEM) Analysis: To further validate the proposed relationships and assess the measurement model, a Structural Equation Modeling (SEM) analysis was conducted using SmartPLS. SEM was employed to confirm the strength, direction, and significance of the relationships among latent constructs: Perceived Quality, Brand Image, Affordability, Cultural Compatibility, Social Media Influence, Word-of-Mouth, and Social Influence.

Measurement Model Assessment:

The model evaluation was based on the following SEM indicators: Cronbach's Alpha (CA), Composite Reliability (CR), Average Variance Extracted (AVE), Outer Loadings, and Heterotrait-Monotrait Ratio (HTMT). Each metric confirmed construct validity and reliability.

Construct	Cronbach's Alpha (CA)	Composite Reliability (CR)	Average Variance Extracted (AVE)	Outer Loadings Range	HTMT Ratio
Perceived Quality	0.82	0.88	0.64	0.72 – 0.85	0.81
Brand Image	0.84	0.91	0.69	0.74 – 0.88	0.84
Affordability	0.79	0.86	0.63	0.70 – 0.83	0.79
Cultural Compatibility	0.81	0.87	0.65	0.71 – 0.84	0.76
Social Media Influence	0.85	0.89	0.66	0.73 – 0.86	0.83
Word-of-Mouth Impact	0.78	0.84	0.61	0.68 – 0.82	0.77
Social Influence	0.80	0.85	0.62	0.70 – 0.84	0.80

- **Composite Reliability (CR):** All constructs had CR values above the threshold of 0.70, confirming internal consistency.
- **Average Variance Extracted (AVE):** All constructs showed AVE > 0.50, confirming convergent validity.
- **Discriminant Validity (HTMT):** All HTMT ratios were < 0.90, indicating acceptable discriminant validity between constructs.

Structural Model Findings: Path coefficients and their significance were evaluated using bootstrapping (5,000 samples):

- All hypothesized paths were significant ($p < 0.05$).
- R^2 for the dependent variable (Foreign Brand Preference) was 0.26, indicating moderate explanatory power.
- Q^2 was 0.18, showing predictive relevance.

These findings corroborate the regression results, reinforcing the conclusion that both psychological and socio-cultural variables significantly influence consumer preference for foreign brands. The regression model reveals a strong, multifaceted pattern of influences on foreign brand preference. Functional factors such as affordability and quality, psychological factors like aspirational branding, and social-cultural factors including peer influence and cultural alignment, all play a significant role. These results confirm the validity of the proposed hypotheses and reinforce the need to interpret consumer behavior within both economic and cultural frameworks, including the Indian Knowledge System (IKS).

DISCUSSION

The findings of this study shed light on the multifaceted nature of consumer preference for foreign car brands in Northern Haryana. Grounded in

a framework that integrates psychological, functional, and cultural factors, the results provide strong empirical support for the proposed hypotheses.

The regression and SEM analyses jointly confirm that

perceived quality, brand image, and affordability are key functional determinants of foreign brand inclination. These factors indicate that consumers are not solely influenced by price but also consider symbolic and value-driven aspects when evaluating foreign brands. The relatively high path coefficients and significance levels attached to these constructs emphasize their centrality in modern consumer behavior.

Moreover, the role of cultural compatibility emerges as both significant and intriguing. Contrary to the assumption that globalized aspirations reduce the importance of cultural alignment, the data reveals that consumers still place value on how well foreign brands resonate with local traditions, lifestyle choices, and aesthetic preferences. This finding aligns with prior research indicating that identity-linked values continue to influence decisions in hybrid cultural contexts (Sharma, 2011). The influence of social dynamics—including social media exposure and word-of-mouth—further reinforces the interconnected nature of digital interaction and consumer trust. These variables proved to be statistically significant predictors, underscoring the shift in decision-making from private rationality to community-mediated judgment. In this way, the Indian consumer landscape reflects both the informational autonomy of modern buyers and the influence of shared social spaces.

Another major insight from the SEM findings is the moderate R^2 value of 0.26 for the dependent construct (Foreign Brand Preference). This level of explained variance is consistent with behavioral models in consumer psychology and indicates that while the model captures a meaningful portion of decision variance, other nuanced factors—such as emotional resonance or personal experience—may also play a role.

The integration of the Indian Knowledge System (IKS) offers a culturally grounded lens for interpreting these findings. IKS principles—such as swadeshi, ethical consumption, and community well-being—offer a counter-narrative to the rising wave of global consumerism. The partial support for H3 (moderating influence of IKS) suggests that while modern Indian consumers are receptive to global branding, their preferences are still anchored in cultural roots.

These findings support the idea that brand marketers and policymakers need to adopt hybrid strategies—ones that combine global aesthetics with local relevance. For foreign brands to succeed in semi-urban markets like Northern Haryana, they must align their narratives not just with aspirations of quality and prestige, but also with deeper cultural sensibilities and communal values.

In summary, this discussion affirms that foreign brand preference in Northern Haryana is a product of rational evaluation, symbolic aspirations, and

cultural negotiation. The study highlights the relevance of an integrative analytical lens—one that blends empirical rigor with contextual insight—for future research and strategic brand positioning in emerging markets like India.

CONCLUSION

Theoretical Implications: This study contributes to the existing body of literature by integrating Indian Knowledge Systems (IKS) with consumer behavior theory, particularly in the context of semi-urban Indian markets. By validating constructs such as cultural compatibility, brand image, and social media influence alongside traditional psychological predictors, the study reinforces the significance of hybrid models in understanding brand preference. The partial support for the moderating effect of IKS suggests the importance of cultural frameworks in bridging modern marketing strategies with traditional consumer mindsets. This enhances the theoretical understanding of how indigenous knowledge can be embedded within behavioral models like SEM to yield culturally contextual insights.

Practical Implications: For practitioners, the findings offer actionable guidance on how to position foreign car brands in culturally rooted markets like Northern Haryana. The strong influence of affordability, perceived quality, and brand image indicates that pricing strategies should emphasize value-for-money propositions while maintaining an aspirational narrative. Additionally, the significance of cultural compatibility and social engagement (via media and word-of-mouth) highlights the need for localized messaging and community-driven marketing campaigns. Marketers and policymakers should consider weaving Indian values such as ethical consumption and swadeshi spirit into their branding to enhance emotional resonance and long-term loyalty. These insights can help brands not only penetrate but thrive in emerging consumer landscapes shaped by both tradition and modernity. This research concludes that consumer preference for foreign car brands in Northern Haryana is shaped by a complex interaction of practical, psychological, and cultural factors. The study finds strong support for the role of affordability, brand image, and perceived quality—indicating a clear demand for value-driven and aspirational offerings. Cultural compatibility and social influence further contribute to foreign brand attractiveness, suggesting that Indian consumers remain anchored to local identity even as they engage with global brands.

The theoretical integration of Indian Knowledge Systems (IKS) brings unique value to this study. While IKS did not emerge as a dominant influence, its moderating role in the relationship between branding and consumer identity suggests room for

leveraging indigenous wisdom in marketing strategies. Brands that align with ethical, sustainable, and community-based values have the potential to develop stronger and more loyal customer bases.

From a policy standpoint, the study recommends promoting awareness of high-quality Indian brands and incentivizing domestic production that meets both emotional and functional needs of consumers. Educational campaigns rooted in cultural narratives, paired with world-class production standards, could encourage a shift toward balanced consumer behavior.

Marketers are advised to focus on hybrid branding—blending modern, aspirational appeal with cultural resonance. Foreign brands seeking long-term success in semi-urban India must localize their messaging and design experiences that connect both emotionally and ethically.

Limitations of the Study:

While the study provides valuable insights into the consumer preference for foreign car brands in Northern Haryana, certain limitations must be acknowledged. First, the research is geographically limited to Northern Haryana, which may affect the generalizability of the findings to other parts of India or global contexts. Second, the cross-sectional design restricts the ability to capture long-term consumer behavior trends or brand loyalty development over time. Third, while the Indian Knowledge System (IKS) was explored as a moderating lens, its operationalization was based on self-reported alignment and may not fully capture the depth of cultural values influencing consumer behavior. Finally, although the study employed SEM and regression analysis, there may still be unexplored latent variables or psychological dimensions—such as emotional attachment or national pride—that future research could investigate in more depth.

This study explores the factors influencing consumer preference for foreign car brands in Northern Haryana through an integrated framework combining psychological, functional, and cultural dimensions. Employing a mixed-method approach and structural equation modeling (SEM), the research investigates how perceived quality, affordability, brand image, and social influences shape brand inclination. The study uniquely introduces the Indian Knowledge System (IKS) as a moderating lens, providing a culturally rooted perspective on modern consumer behavior.

Quantitative findings reveal that affordability, brand image, and perceived quality significantly impact foreign brand preference. Cultural compatibility and social dynamics, including social media and word-of-mouth, also emerge as influential variables. SEM analysis confirmed the strength and direction of these relationships, with the model explaining 26% of the variance in brand preference.

Theoretically, the study contributes to the literature by embedding IKS in consumer behavior modeling, highlighting the relevance of cultural frameworks in branding strategies. Practically, it offers insights for marketers and policymakers aiming to align global brand narratives with local values. The study recommends hybrid branding approaches and culturally resonant messaging to enhance emotional appeal and brand loyalty in emerging markets.

Future research may expand to other sectors and regions to enhance generalizability and test longitudinal effects of cultural branding strategies on consumer loyalty.

Directions for Future Research: Future studies may explore longitudinal effects of foreign brand engagement or test the moderating role of IKS across other industries such as electronics, fashion, or FMCG. Additionally, expanding the geographic focus beyond Northern Haryana will help improve the generalizability of findings across diverse Indian markets

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