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Domestic Goods vs. Foreign Goods in the AtmaNirbhar Bharat Abhiyan Scenario

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ABSTRACT-Prime Minister, Mr.NarendraModi on 12th May 2020 announced a special economic package of Rs 20 Lakh crore with the aim of making the country self-reliant and independent against the tough competition in the global markets and to help empowering the poor migrant labourers who have been adversely affected by COVID-19, he called this movement 'AtmaNirbhar Bharat Abhiyan' (Self-reliant India Movement).
In the light of this movement, this research papertries to understand the preferences of consumers and factors affecting the same when it comes to choosing between a Foreign good or a Domestically produced good. The paper also focuses on the factors that would help consumers to shift their preference from foreign goods to domestically produced goods. A questionnaire was circulated for the same purpose and a total of 317 responses were collected and a descriptive method of research was used.
The findings of the study suggest that there exists an inclination towards foreign goods as it provides customers with better quality and value for money compared to domestically produced goods. Quality is the most important factor that affects customer decision, and there is willingness among the consumers to shift from foreign goods to domestic goods, if they get better/same quality and value for their money.
Key Words-AtmaNirbharAbhiyan, Local goods Vs. Foreign goods, Ethnocentrism, Economic Nationalism, COVID-19

I. INTRODUCTION

India has succeeded considerably since the initiation and implementation of the globalization process post 1991. With the improved global synergies comes the expansion of worldwide trade, doctrines and culture. Indian society is changing drastically after urbanization and globalization. Economic policies have had a significant impact in forming the fundamental framework of the economy.

In the market landscape of India, International brands are booming to become important contributors. International trade accounts for 54% of India's GDP. It's the 9th largest commercial importer. These brands gain success by positioning themselves as strategic components in certain product categories in terms of quality and utility. Despite higher costs, International brands are often undefeated in gaining popularity because they can lure the high income section of Indian consumers.

On the contrary, the findings of a survey of 3,000 Indians carried out by BCG, a US-headquartered consultancy firm brought out that nearly half of Indian customers prefer domestic brands over international ones. This preference is more prevalent in food and personal care categories, the survey concluded. The survey however, was conducted at a time when nationalism was a dominant theme in the Indian political scenario and numerous media platforms made appeals to shop for local products.

In the wake of the coronavirus pandemic, the country has witnessed a major economic turmoil and the world is heading into a global recession. India's Prime Minister, ShreeNarendraModi recently addressed the country about how self-reliance was key in getting through the new phase of the lockdown. He went on to say that India had to be robust and real to its own culture and brands instead of relying on foreign goods, making the economy more reliant on its own production which was the need of the hour. For these reasons he proclaimed the 'AtmaNirbhar Bharat Abhiyan' (Self-reliant India Movement) on May 12th, 2020 with a special economic & comprehensive package of Rs. 20 lakh crores that was aimed towards achieving the mission. The Finance Minister NirmalaSitharaman also announced that this mission will aim atproviding relief to Medium, Small and Micro Enterprises (MSMEs) in the form of an increase in credit guarantees.

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NarendraModi proposes for our country, a population of 1.3 billion Indians to be 'Vocal for Local', and emphasizing to not just use domestically produced goods but also taking the much needed steps to promote them. His new vision for India is the 'Self-reliant India Mission'. This goal, however, has given rise to variousconcerns due to the absence of any concrete policy steps on how the government plans to achieve this goal and strive for Economic Nationalism.

Economic Nationalism is a term used to describe practices to create, reinforce and protect national economies in the context of world markets. It views international trade as a zero-sum game, where the goal is to create relative gains as opposed to mutual gains. It tries to control external relations as well as internal mobilization by implementing policies relating to domestic control of the economy, labour, and capital formation, even if this requires the imposing of tariffs and other restrictions on the movement of labour, goods and capital. It is believed that economic nationalism held back India's growth potential for several decades.

Economic nationalism often comes at the cost of the wellbeing of domestic consumers while protecting shortcomings and inefficiencies of the domestic producers, implying thatconsumers will have to either spend more for adomestic alternative or make do with a less efficient domestic alternative when consumers have a choice to buy the best product at the cheapest possible price. A news article by Andy Mukherjee states that Modi's economic nationalism is a wrong turn for COVID-hit India.

Ethnocentrism is another important concept to understand in regards to the theme of this paper. Ethnocentrism essentially refers to the belief in the superiority of one's own culture. It arises from comparing and making judgementsof other cultures against one's own cultural epitomes. Ethnocentrism of Indian consumers is influenced by education, income, cultural openness, and collectivism. The relationship between ethnocentrism and attitudes is moderated by the perceived economic threat.

II. LITERATURE REVIEW

Indian consumers' clothing interest positively influenced perceived quality and emotional value for the US brand, but not for the local brand, where emotional value was found to be a more important factor.(Archana Kumar, 2009)

Majority of the studies conclude that the country's image especially that of developed countries acts as a major influence in evaluation of products.(David Bamber, 2012)

A Canadian study found empirical evidence that products from developed countries are perceived to be of higher quality than products from newly industrializing countries.(Mathieu, 1995)

The study found that brand purchase in India varies across product categories and Indian consumers are price-sensitive. At present, consumer knowledge and use of foreign brands is low.(Arpita Mukherjee, 2012)

Personal self-esteem and customer animosity impact the purchase intentions of Indians while ethnocentrism and social status do not have any such influence.(Narang, 2016)

Most consumers associated greater accessibility of foreign brands in the Indian market with better quality at lower prices, despite high levels of nationalism and preference for indigenous manufacture. In fact, they evaluated foreign goods higher on technology, quality, status and esteem than Indian brands.(Kinra, 2006)

The tendency towards ethnocentrism that exists in Indians, matches the level found in the US and other developed countries. Ethnocentrism in Indians does not vary significantly with the selected levels of education, age and gender.(Shiv Kumar Singh, 2006)

Prominence, Hostility and patriotism, these variables relate positively with consumer ethnocentrism, while the variable 'openness to foreign culture' bears a negative relationship.(Sanjay K. Jain, 2013)

This paper highlights the importance of examining sub-cultural attitudes when assessing the animosity of individuals from one nation toward the products of other nations.(Rose, Rose, & Shoham, 2009)

The AtmaNirbhar Bharat dreams motivate us to work further. In this direction, earlier studies give us some direction and we propose a similar intervention on all India basis through participatory action research in every village with support from all stakeholders, government, resource persons, institutions and organizations. We expect this proposal as a possible solution and as the approach is flexible, distributed, sustainable and allowing continuous improvements.(P & Suresh)

III. OBJECTIVE-

The objective of this paper is to study and understand the preference of consumers with respect to the origin of the product and reasons behind their preferences, in the light of the 'AtmaNirbhar Bharat Abhiyan' (Self-reliant India

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Movement). The paper aims to study the various trends and factors that affect decision of consumers when they have to choose between a foreign good and a domestically produced good. The paper also focuses on the factors that would help consumers to shift their preference from foreign goods to domestically produced goods.

IV. RESEARCH METHODOLOGY

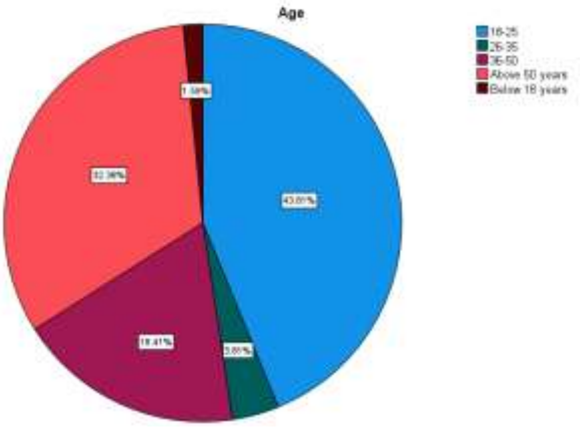
This research is intended to study and understand preference of consumers between domestic and foreign products and reasons behind these preferences. This research Paper is designed to ensure the achievement of these aims and objectives.

After the research objective was decided and different project approaches were studied, descriptive method for research was finalized which tends to use survey techniques, which realize on the reality of the phenomenon as it exists in reality, and then clearly describes it by collecting main characteristics and data about the phenomenon. Finally, it is analyzed to achieve the conclusions that contribute to the understanding of the situation and achieve the aims of research. The use of a questionnaire survey allows associations between the variables to be mapped out and measured to show whether the associations are strong or weak.

The entire research data was gathered through questionnaire survey carried out across Indian consumers across different age group, regions, income brackets etc. The questionnaire was sent to nearly 750 people of out of which 317 people filled in their responses, thus, the success ratio of survey is 42% which is a good number for descriptive studies.

V. DATA PRESENTATION, ANALYSIS AND DISCUSSION

Chart 1- Age Group



Majority of the respondents were in the age group of 18-25, followed by the age group - Above 50 years. The lowest percentage of respondents belong to below 18 years category and 26-35 category.

Table 1- Gender

Gender	Frequency	Percentage
Female	155	49.2
Male	159	50.5
Prefer not to say	1	0.3
Total	315	100

Male to female ratio is almost 1:1 which makes the survey abolutely fair. There is only one respondent who has not shared their gender which is only 0.3% of the total respondents.

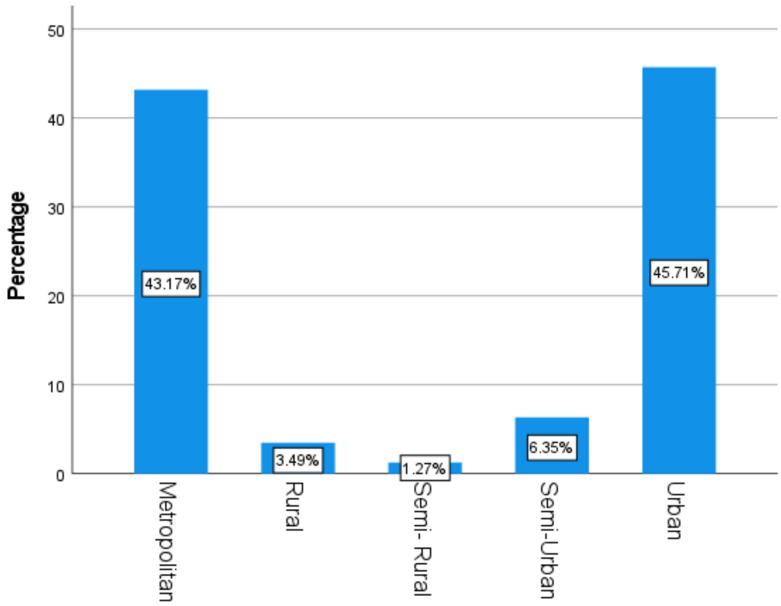
Table 2- Monthly Income

Monthly Income	Frequency	Percentage
Less than 20,000	138	44.1
20,000-50,000	36	11.5

50,000 - 80,000	22	7.0
Above 80,000	117	37.4
Total	313	100.0

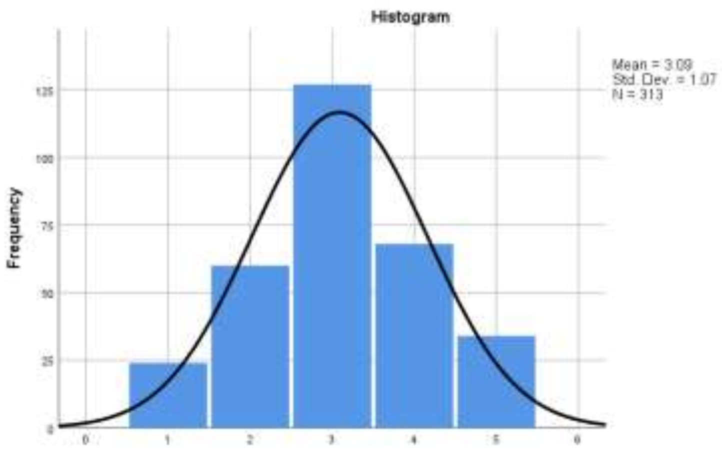
Since majority of the respondents are in the age group of 18-25 and are mostly college going students who depend on their parents for their needs, the frequency of respondents earning less than 20,000 is greater than compared to all the other categories. The second greatest income category belongs to the earning above 80,000 category.

Chart 2- Area of residence



Majority of the respondents belong to Metropolitan (43.17%) and Urban (45.71 %) areas.

Chart 3- Are Foreign goods superior to Domestic goods?



Degree of Agreement	Frequency	Percentage
Strongly Agree	34	10.9
Agree	68	21.7
Neutral	127	40.6
Disagree	60	19.2
Strongly Disagree	24	7.8
Total	313	100

The highest percentage, i.e of 40.6% is attributed to respondents who are neutral to the statement "foreign goods are superior to domestic goods". Of the remaining about half (26.9%), of respondents agree and strongly agree to this statement, whereas 32.6% disagree. Thus, most people are neutral in this regard and there is no clear majority between people who agree or disagree to this statement.

Table 3- Crosstab between Monthly Income and Purchasing of products (Domestic/Foreign)-

Monthly Income	Domestic products	Not Sure	Foreign Products	Total
Less than 20,000	60	33	46	139
20,000-50,000	22	4	10	36
50,000 - 80,000	21	0	1	22
Above 80,000	92	15	11	118
Total	195	52	68	315

In every Income category, there is preference to purchase Domestic goods over foreign goods. Out 315 respondents, 195 (61.9%) prefer domestic products over foreign products. Of the remaining, 16.5% are not sure which product to go for.

Table 4- Crosstab between area of residence and Purchasing of products (Domestic/Foreign)

Area of Residence	Domestic Products	Don't Remember	Foreign Products	Total
Metropolitan	75	28	32	135
Rural	9	0	2	11
Semi-Rural	4	0	0	4
Semi-Urban	14	2	4	20
Urban	92	22	29	143
Total	194	52	67	313

Most respondents belong to the Metropolitan and Urban category. Out of a total of 278 (Metropolitan- 135 and Urban- 143), 167 would purchase a domestic good over a foreign one. Even in the categories of Rural, Semi-rural and Semi-urban, where number of respondents are low, majority of the people would prefer domestic goods. Thus, being in different areas of residences does not contribute to what choice customers make, as statistics of all areas of residence point in one direction.

Table 5- Crosstab between Employment Status and the degree Quality of product being a factor in Purchase decision-

Employment Statuts	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Student	66	45	3	1	7	122
Service Employee	53	34	2	0	9	98
Self Employed/ Business	27	17	0	0	3	47
Retired/ Others	25	18	2	0	3	48

Total	171	114	7	1	22	315

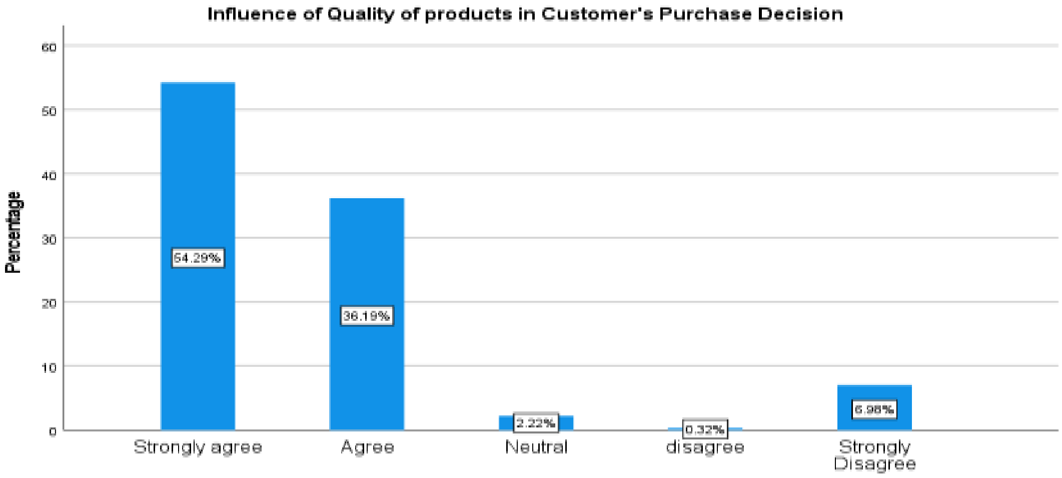
Major part of the respondents, irrespective of the category they belong to feel that quality is a driving factor that influences their purchase decision. 285 respondents agree and strongly agree that they judge the products they buy by it's quality. 7 respondants are neutral to quality.

Table 6- Crosstab between monthly income and Price of product being a factor in Purchase decision-

Monthly Income	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Less than 20,000	44	63	26	3	3	139
20,000-50,000	10	11	12	1	2	36
50,000 - 80,000	10	6	3	0	3	22
Above 80,000	27	56	24	4	7	118
Total	91	136	65	8	15	315

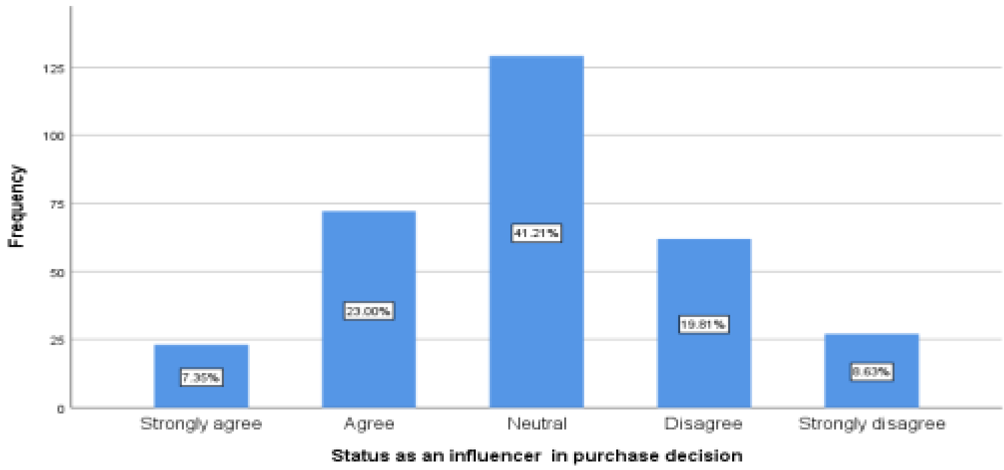
In each Monthly Income Category, majority of people agree and strongly agree that price is an important deciding factor while they purchase their products. Extremely few respondents do not consider price while purchasing products.

Chart 4- Influence of Quality of products in Customer's Purchase Decision



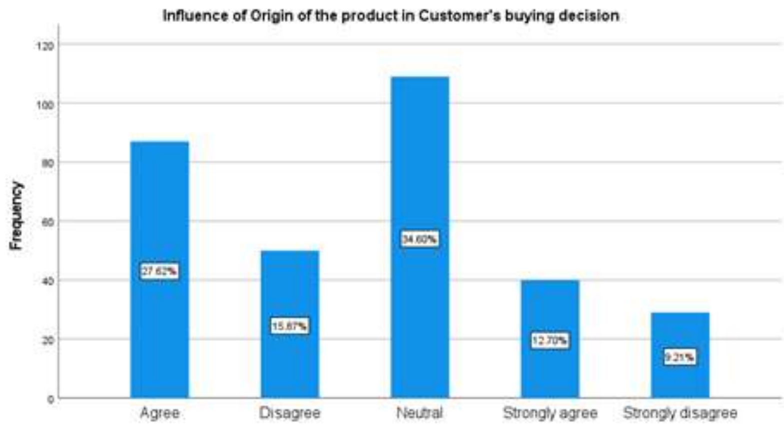
90.48 % of respondents agree and strongly agree that quality is a major factor that influences their purchase decision. The remaining 10 % are either neutral or strongly disagree to quality being an influencer in their purchase decision.

Chart 5- **Influence of Status of products in Customer's Purchase Decision**



Almost half the respondents (41.27 %) are neutral to the Status of the product/brand when it comes to it being a criteria in customers purchased decision. Out of the remaining 60%, half of the respondents agree and strongly agree to status being an important factor and the remaining half disagree and strongly disagree to status being an important deciding factor while purchasing the goods.

Chart 6-Influence of Origin of products in Customer's Purchase Decision



About 35% of the total respondents are neutral to the origin of the product they are purchasing, this percentage is the highest as compared to people who agree and disagree to origin of product as an influencing factor. 43.5% respondents agree and strongly agree that that they consider the origin of the product before they purchase it. The remaining respondents, 22.9% disagree and strongly disagree to origin of product being a deciding factor.

Table 6- One important factor that will change the Customer's preference from foreign goods to domestic goods

Deciding factors	Frequency	Percentage
Price	14	4.5
Quality	279	89.1
Status	7	2.2
variety	13	4.2
Total	313	100.0

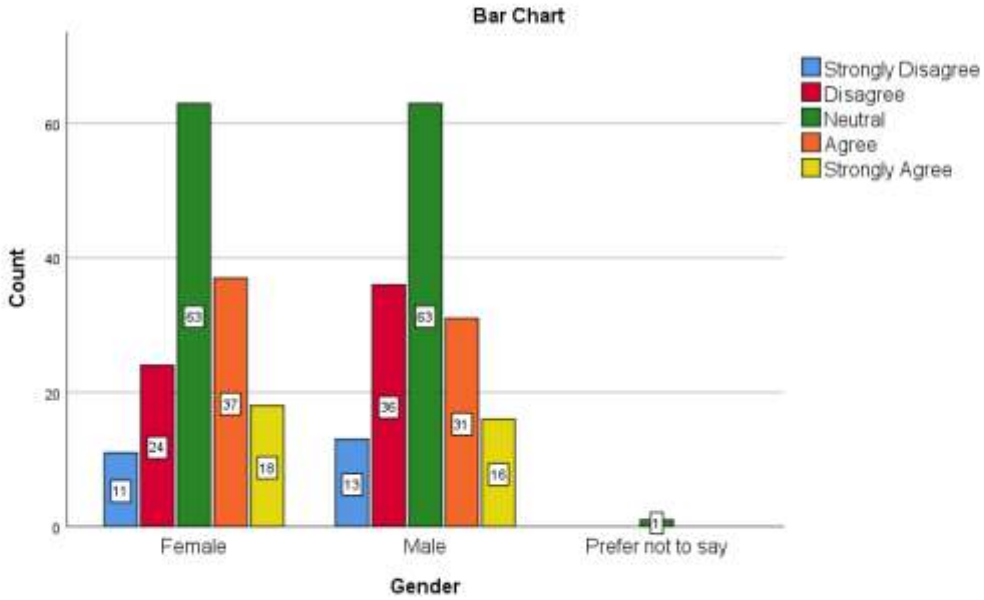
89.1% of the total respondents are ready to shift to domestic goods from foreign goods if the quality of domestic goods can compete with that of foreign products. This brings us to the point that, in current times Indians do not prefer domestic goods because it lacks the quality hey demand. However they are ready to shift, if quality of domestic goods is up to the mark. The percentages of factors like price, status and variety are 4.5%, 2.2% and 4.2% which are almost negligible as compared to quality. Respondents are ready to pay a higher price if needed and will embrace price change if they can get better quality.

Table 7- Cross-tab between FMCG Brands preference and Age groups

	Age					
PreferredFMCGbrand	**Below 18 years**	**18-25**	**26-35**	**36-50**	**Above 50 years**	**Total**
Colgate, P&G, Gilette, HUL	0	43	0	7	15	65
Dabur, Himalaya, Patanjali,	2	13	3	25	39	82
Both	3	81	9	25	48	166
Total	5	137	12	57	102	313

Although most of the people from all age groups prefer both the set of FMCG brands (Indian and Foreign). Although we do see a trend in the age group 18-25 there is more inclination towards the foreign set of FMCG brands (Colgate, P&G, Gilette, HUL) , in the age group of 36-50 and above 50 years there is an inclination towards the Indian set of FMCG brands.

Chart 7- Crosstab between Gender and their opinion on the statement "Foreign Goods are superior than Domestic Goods".



63 males and 63 females, an exact number in both genders and 1 person who prefers not to talk about their gender are Neutral to this statement. The respondents who are neutral across all three genders form the majority as compared to other opinions, they form a percentage of 40%.

For this study, as the ratio between male and female is almost same, it is safe to compare them and form an analysis. 55 females agree and strongly agree to this statement, whereas only 47 males agree to this statement.

35 females disagree and strongly disagree to this statement, whereas 49 males disagree and strongly disagree to this statement.Thus, more number of females agree to this statement and more number of males disagree to this statement.

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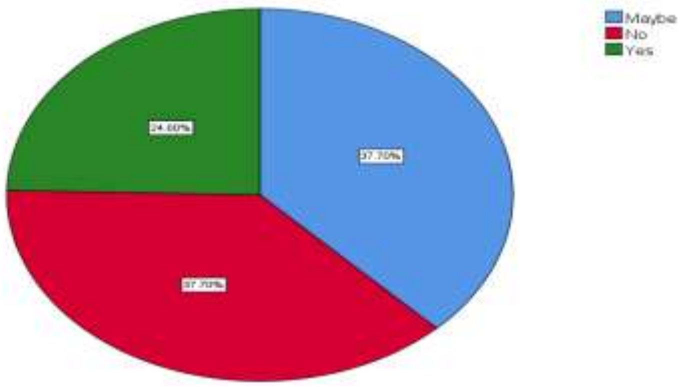
Chart 8- Asked respondents if they were willing to settle for an Indian manufactured mobile phone brand like Micromax, Lava etc. over foreign brands like Apple, Samsung, OnePlusetc to promote the "Make in India" and "AtmaNirbhar Campaign". Following were their responses-



Equal percentage of respondents of 37.70% have responded with a No and Maybe, meaning 37.70% people will not settle for domestic mobile brands over foreign ones and 37.70% people are not sure if they will make this decision. Only 24.60% of respondents are saying yes to make this shift. Thus, it is evident that majority of respondents are not confident with the quality and features provided by domestic mobile phone brands and do not trust them enough to start using them. For this number to go up, major changes need to be made in terms of quality, variety, loyalty, marketing strategies etc of domestic mobile phone brands to promote the 'Make in India' campaign.

VI. CONCLUSION

India has a long way to go in leveling domestic products with foreign products. The quality and authenticity of domestically produced goods and services needs to be enhanced, more variety in each product line should be offered to customers, customer's need and demand should be taken into consideration, effective advertisement and marketing strategies should be implemented and other measures should be put into place to make the AtmaNirbharAbhiyan a successful mission. The most important factor for customers is the quality and they are ready to pay for the good quality they receive, thus quality of manufactured goods must be the main focus. The value for money includes - professionalism when handling the commodity, transparency of what the commodity is, delivering on the promise, and the most important which is no exploitation of employees/workers and resources. These factors drive customers to foreign products as they check these boxes 90% of the time compared to the domestic's 10%, in the present situation.

Many Indians have taken a step to avoid buying Chinese products during the COVID-19 lockdown in India, thus the awareness regarding 'Vocal for Local' is starting to spread, it just needs to be complemented with consumers' lifestyle preferences. People need to be motivated for self-sustainability regularly. Motivation, awareness, implementation should be the focus of Indian Government.

Through this research paper, it is clear that Indian consumers are ready to make the conscious effort to shift to domestic products. Many of them even choose domestic products irrespective of the price and quality. Some Indian brands like Amul, Fab India, Patanjali etc. are leading the market in their respective markets, this should be the inspiration for other Indian manufacturers and producers.

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