

Fei-Chang or Pepsi Cola? What makes consumers choose local brands over global ones?

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Why do some consumers prefer local products and others gravitate toward global brands? A new study in the *Journal of Consumer Research* examines why some people might choose a local brand instead of a recognizable global brand like Coke or Pepsi.

"Due to rapid globalization, local products—products with specifications and packaging tailored for local markets, such as Mecca Cola (France) and Fei-Chang Cola (China)—and global products (products with the same specifications and packaging for <u>consumers</u> from around the world) such as Pepsi and Coke, routinely compete against each other," write authors Yinlong Zhang (University of Texas at San Antonio) and Adwait Khare (Quinnipiac University). The authors set out to answer the following question: "Why do global products fare better than local products in some markets and local products better than global products in other markets?"

In one experiment, the authors demonstrated that most consumers have intrinsic mindsets that point them toward global or local sensibilities. "Global-minded consumers prefer global products (similar specifications for consumers around the world) and local-minded consumers prefer local products (different specifications for consumers from different parts of the world)" the authors explain.

The inclination toward global or local mindsets is connected to people's



desire for distinctiveness (local) versus their desire to be similar to others (global).

In three subsequent studies, the authors enhanced the accessibility of participants' local or global identities to investigate their responses to products. They then manipulated consumers' preferences by informing participants of the unsuitability of their global or local inclinations. "A reversal in preference occurs when global-minded consumers' desire for distinctiveness from others is enhanced and when local-minded consumers' desire for solidarity with others is enhanced," the authors write.

This research can help us understand why people may gravitate toward one brand or another. "The findings reveal how multinational or local firms can solidify consumers' preferences for global or local products if their consumers' global or local inclinations are compatible with their products' positioning," the authors conclude.

<u>More information:</u> Yinlong Zhang and Adwait Khare. "The Impact of Accessible Identities on the Evaluation of Global versus Local Products." <u>Journal of Consumer Research</u>: October 2009.

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