

A Study on Consumer Preferences About Foreign Brand Vs Local Brand

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Abstract- *This study explores the evolving preferences of Indian consumers—particularly youth aged 18 to 40—toward foreign versus local soft drink brands, with a focus on Coca-Cola and Thums Up. The research aims to understand the factors influencing brand choice and how cultural identity, marketing strategies, and ethical considerations shape consumer behavior. A descriptive research design was employed, using a structured questionnaire to collect primary data from 100 respondents across urban and semi-urban regions. The sample included a mix of students, professionals, and homemakers, with a majority falling in the 18–25 age group. Findings reveal that taste is the most dominant factor, with Coca-Cola leading in preference due to superior taste, advertising appeal, and affordability perception. However, Thums Up enjoys strong cultural resonance, sustainability perception, and loyalty linked to national identity. The research highlights that while Coca-Cola dominates short-term choices, local brands can gain long-term loyalty by aligning with sustainability, employment generation, and social responsibility. At the same time, local brands are increasingly associated with sustainability, eco-conscious packaging, and employment generation, making them attractive to ethically aware consumers. Occasion-based consumption patterns—such as soft drinks being preferred during outings, parties, and celebrations—further indicate that consumer choices are situational rather than fixed. Peer influence and cultural symbolism emerge as hidden drivers of preference, reflecting how social identity and national pride contribute to long-term brand loyalty. Thus, consumer behaviour in the soft drink industry is not only guided by functional attributes like taste and price but also by psychological, cultural, and ethical considerations that redefine brand competitiveness.*

Keywords- Advertising, Affordability, Brand Image, Consumer Behavior, Cultural Identity, Ethical Consumption, Local Brands, Market Trends, Soft Drink Industry, Sustainability

JEL Classification: M31, M37, L66, D12, Q56

I. INTRODUCTION

The subjective preferences that people have when making decisions between various products and services are known as consumer preference. These choices are influenced by a number of variables and are essential for comprehending consumer behavior and market trends, which firms utilize in their marketing strategies. It primarily defines a consumer's preferences or dislikes and affects their choice of purchase. The term "local brands" refers to the marketing and sale of goods and services that are targeted at particular geographic regions and meet specific local demands and tastes. In their goods and services, foreign brands seek for uniformity and target larger, frequently international, markets. The younger generation, especially students and young professionals, forms the largest consumer base for soft drinks. Their decisions are not only based on immediate satisfaction such as taste and affordability, but also on deeper factors such as sustainability, ethical consumption, and brand identity in the long term. With increasing environmental awareness and digital influence, consumer preferences are evolving toward brands that successfully balance global appeal with local values. This makes the study of foreign versus local brands particularly significant in understanding the future of consumer loyalty in India.

STATEMENT OF PROBLEM

In the Indian soft drink industry, both global and local brands compete to capture consumer loyalty. Coca-Cola, with its international reputation, extensive marketing, and standardized taste, represents the appeal of a global brand. In contrast, Thumbs Up, though a local brand now owned by Coca-Cola, retains its strong Indian identity, bold flavor, and emotional connection with domestic consumers.

The challenge lies in understanding why consumers choose one brand over the other. While Coca-Cola appeals to global lifestyle aspirations, Thumbs Up often resonates with national pride, stronger taste preference, and cultural relevance. Despite operating under the same parent company,

consumer perceptions, brand loyalty, and purchase decisions significantly differ between the two.

Therefore, the problem of this study is to identify and analyze the determinants of consumer preference between Coca-Cola and Thumbs Up, and to explore how factors such as taste, price, advertising, cultural identity, and brand perception.

OBJECTIVES OF THE STUDY

- To analyse the differences between International brand (Coca-Cola) and Local brand (Thumbs Up).
- To evaluate the sustainability of local brands in comparison to foreign brands in urban areas.
- To analyse the elements that influence consumer choices regarding global brands and local brands.

Research Methodology

This study is based on a **descriptive research design** to analyze consumer preferences between the local brand *Thumbs Up* and the foreign brand *Coca-Cola*.

Data Collection: Primary data was collected through a structured questionnaire administered to 100 respondents. The sample included both male and female consumers, aged 18–40 years, from urban and semi-urban areas. Secondary data was also referred from journals, brand websites, and market reports.

Sampling Technique: **Convenience sampling** was adopted to select respondents who were regular consumers of soft drinks.

Analytical Tool: The collected data was analyzed using the **Simple Percentage Method**, which involves calculating the proportion of respondents selecting each option. This method helps in understanding preferences clearly and comparing brand choices across categories such as taste, price, availability, and brand image.

Limitations of the Study

- **Sample Size Constraint** – The study was conducted with only 100 respondents, which may not fully represent the opinions of all soft drink consumers.
- **Geographic Limitation** – Data was collected from a limited area; consumer preferences in other regions may differ.
- **Respondent Bias** – Answers may be influenced by brand loyalty, personal taste, or social desirability, affecting the accuracy of results.

- **Time Limitation** – The study was conducted in a short period, restricting a deeper, long-term understanding of brand preference patterns.
- **Brand-Specific Focus** – Only Thumbs Up and Coca-Cola were compared; other competing brands (e.g., Pepsi, Sprite) were not considered, which may influence actual market preferences.
- **Seasonal Effect** – Soft drink consumption is often seasonal (higher in summer); preferences recorded at one point in time may not reflect year-round behavior.

II. REVIEW OF LITERATURE

• TermPaperWarehouse.com (2010)

Soft drink consumption preference survey (Jalandhar City). Survey of 150 consumers in Jalandhar found Thumbs Up (33.3%) was most preferred over Coca-Cola (18%) and Pepsi (8%). To profile local preferences among multiple cola brands. Structured questionnaires and frequency–percentage analysis. Thumbs Up is the dominant choice among local consumers in the sample region.

• PhDessay.com (2018)

Brand potency of soft drink in India. A concise web report assessing market potency of soft drinks in Lucknow—Thumbs Up holds 22%, Coca-Cola at 16% market share. To identify the dominant soft drink brands in a local Indian market. Secondary data compilation and analysis. Thumbs Up demonstrated stronger local market penetration than Coca-Cola in Lucknow.

• Singh, A., & Singh, D. R. (2019)

A study on consumer preference of soft drinks with special reference to Coca-Cola Company. Investigates marketing strategies of the Coca-Cola Company in India—including its Indian brand Thumbs Up—exploring how advertising influences consumer behavior. To examine factors like portfolio, social media, and brand image in shaping consumer preferences. Survey of 100 respondents; analysis focused on the influence of marketing and brand image. Brand image and psychological satisfaction influenced by advertising were key drivers of consumer preference, outweighing factors like price.

• Economic Times (2022)

Thumbs Up hits a decade-high market share of 20%. Reports on data from NielsenIQ indicating Thumbs Up's

growth to a 20% share of India’s cola market. To highlight recent performance trends of Thums Up versus other soft drink brands. Industry data reporting based on NielsenIQ analytics. Thums Up outperformed in volume sales, especially due to culturally tailored branding and effective campaigns.

• **Latterly.org (2025)**

Thums Up marketing mix 2025: A case study. Offers detailed breakdown of Thums Up’s market share (~42%) and marketing strategies, such as pricing and localized branding. To analyze how Thums Up positions itself versus global competitors like Coca-Cola. Descriptive case study using secondary data and market statistics. Thums Up's strong local branding, psychological pricing, and cultural resonance contribute to its formidable presence against global brands.

III. ANALYSIS & INTERPRETATION OF CONSUMER PREFERENCES (FOREIGN VS LOCAL BRANDS)

1. Demographic profile

Age Group	Responses	%
Below 18	25	23.8
18–20	59	56.2
20–25	13	12.4
Above 25	8	7.6
Gender	Responses	%
Male	54	51.4
Female	51	48.6
Occupation	Responses	%
Student	81	77.1
Employee	9	8.6
Professional	12	11.4
Others	3	2.9

Income Level	Responses	%
Below 15,000	69	65.7
15,000–20,000	12	11.4
20,000–	10	9.5

30,000		
30,000–40,000	9	8.6
Above 50,000	5	4.

Interpretation:

1. Majority (56.2%) are **18–20 years**, indicating that younger consumers dominate soft drink consumption and brand preference.
2. Male and female respondents are **almost equally represented**, ensuring balanced insights.
3. Majority (77.1%) are **students**, showing the results reflect younger and more price-sensitive consumers.
4. **65.7% earn below ₹15,000**, highlighting a dominance of low-income/student respondents who may be **price-conscious**.

5. Consumption Frequency

Frequency	Responses	%
Daily	21	20
Weekly	32	30.5
Monthly	19	18.1
Rarely	33	31.4

Interpretation: Majority consume **weekly or rarely**, suggesting soft drinks are **occasional indulgences** rather than daily staples.

6. Occasions of Consumption

Occasion	Responses	%
Parties	30	28.6
Meals	29	27.6
Outings	31	29.5
Celebrations	15	14.3

Interpretation: **Outings (29.5%) and Parties (28.6%)** dominate, indicating soft drinks are preferred in **social and leisure contexts**.

7. Awareness of Brands

Awareness	Responses	%
Yes	89	84.8
No	16	15.2

Interpretation: High brand awareness (84.8%) reflects strong marketing penetration of both foreign and local brands.

8. Preferred Brand

Brand	Responses	%
Coca-Cola	72	68.6
Thums Up	33	31.4

Interpretation: Coca-Cola leads with 68.6%, showing stronger consumer loyalty compared to Thums Up.

9. Reason for Preference

Factor	Responses	%
Taste	65	61.9
Price	21	20
Packaging	7	6.7
Advertisement	12	11.4

Interpretation: Taste (61.9%) is the primary driver of preference, outweighing price and promotions.

10. Quality Perception

Response	%
Yes	73.3
No	26.7

Interpretation: 73.3% believe foreign brands have better quality, which strengthens Coca-Cola’s market dominance.

11. Advertising Appeal

Brand	%
Coca-Cola	66.7
Thums Up	33.3

Interpretation: Coca-Cola’s advertising appeal is stronger, reinforcing its market leadership.

12. Taste Preference

Brand	%
Coca-Cola	67.6
Thums Up	32.4

Interpretation: Majority prefer Coca-Cola’s taste, consistent with brand choice.

13. Affordability

Brand	%
Coca-Cola	65.7
Thums Up	34.3

Interpretation: Consumers find Coca-Cola more affordable, despite it being a foreign brand.

14. Sustainability of Local Brands (Urban Cities)

Response	%
Yes	72.4
No	27.6

Interpretation: Majority believe Thums Up is sustainable in urban markets, signaling local brand resilience.

15. Preference for Local Brand (if it supports local jobs)

Response	%
Yes	81.9
No	18.1

Interpretation: Strong inclination (81.9%) towards supporting local brands if tied to employment generation.

16. Willingness to Pay More (for eco-friendly/social cause)

Response	%
Yes	76.2
No	23.8

Interpretation: Consumers are eco-conscious and willing to pay a premium for socially responsible brands.

17. Sustainability Perception: Thums Up vs Coca-Cola

Response	%
Yes	68.6
No	31.4

Interpretation: Majority (68.6%) feel Thums Up is more sustainable than Coca-Cola, even though Coca-Cola dominates in taste and preference.

IV. FINDINGS

1. Dominant Youth Base – The soft drink market is largely driven by students and young adults.
2. Global Image Advantage – Coca-Cola wins with stronger brand recall and international reputation.
3. Cultural Resonance – Thums Up maintains loyalty through Indian identity and bold taste.
4. Advertising Power – Foreign brands capture attention with superior ad campaigns.
5. Perceived Value – Coca-Cola creates a stronger affordability perception among consumers.
6. Sustainability Perception – Thums Up is trusted more for long-term resilience in urban markets.
7. Ethical Preference – Consumers lean towards local brands when linked to job creation.
8. Future Loyalty Shift – Sustainability and social cause marketing could tilt preferences towards local brands.

V. SUGGESTIONS

- The study reveals that taste is the most influential factor in consumer choice; therefore, local brands should work on enhancing product quality and flavor consistency.
- Coca-Cola's strong advertising appeal shows the importance of promotional strategies. Local brands can adopt innovative and culturally rooted advertisements to improve visibility.
- Since a majority of the respondents are students with low income, adopting pocket-friendly pricing and combo packs will increase accessibility.
- The findings highlight that many consumers are willing to support local brands if they generate employment. Hence, companies should promote their contribution to local job creation.
- Consumers prefer soft drinks mostly during outings and parties; targeted marketing during these occasions can increase sales.
- With rising awareness about eco-friendly practices, brands should emphasize sustainability through recyclable packaging and green campaigns.
- Coca-Cola enjoys a perception of higher quality. Local brands should invest in quality assurance and communicate this effectively to build trust.
- To ensure long-term brand loyalty, both global and local brands may introduce customer engagement programs such as loyalty points, special discounts, or exclusive events.

VI. CONCLUSION

The study clearly reveals a dual narrative in consumer preferences when it comes to **foreign vs local soft drink brands**. On one hand, **Coca-Cola dominates consumer choices** due to its **superior taste, strong advertising, affordability perception, and trusted quality image**. These attributes have cemented its place as the first choice among the majority of consumers, especially in social and leisure contexts such as outings and parties.

On the other hand, the study highlights a **significant opportunity for local brands like Thums Up**. While they lag in taste preference and advertising appeal, they enjoy strong **associations with sustainability, national identity, and social responsibility**. The fact that a large share of respondents are willing to **switch to local brands if they generate jobs (81.9%) or adopt eco-friendly practices (76.2%)** indicates that **local brands can build loyalty by leveraging emotional, ethical, and cultural appeal**.

The findings underline that **taste remains the dominant factor** in the short term, giving Coca-Cola an edge, but **values like sustainability, affordability, and social responsibility** will be key in shaping future consumer preferences. For local brands, the path to long-term competitiveness lies not just in competing on taste but in **positioning themselves as responsible, Indian-grown, and socially beneficial brands**.

Thus, the conclusion is two-fold:

- **Coca-Cola currently enjoys leadership** in consumer preference due to taste, quality, and branding strength.
- **Thums Up and other local brands hold strong future potential** if they capitalize on sustainability, nationalism, and social responsibility, aligning with the growing ethical awareness among younger generations.

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