



Article

Factors Influencing Sonipat Consumers' Preference for Foreign Car Brands Over Domestic Car Brands: An Empirical Study

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How to cite this article: Reenku, Sharma A. Factors influencing Sonipat consumers' preference for foreign car brands over domestic car brands: an empirical study. *J Int Commer Law Technol.* 2025;6(1):68–74.

Received: 12-07-2025**Revised:** 29-07-2025**Accepted:** 18-08-2025**Published:** 30-08-2025

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Abstract: This research examines the factors that shape consumer preferences in Sonipat when choosing between foreign and domestic car brands. Key aspects analyzed include perceived quality, brand image, and cultural compatibility. With increasing globalization and heightened exposure to foreign brands, car purchasing decisions are influenced by psychological and economic considerations. The aim of this research is to investigate how these elements contribute to consumer choices and evaluate their impact applying Structural Equation Modeling (SEM). A structured survey was conducted among 500 respondents in Sonipat, capturing demographic information, car ownership status, and perceptions regarding quality, brand reputation, and cultural alignment. Data was analyzed using AMOS software to validate relationships between variables. Findings indicate that all three factors significantly affect consumer preferences, with perceived quality emerging as the most dominant factor, followed by brand image and cultural compatibility. Foreign brands are generally seen as superior build quality, technological advancements, and safety features (Kotler & Keller, 2021). A well-established brand image enhances consumer prestige and trust, further influencing preferences (Schiffman et al., 2017). While cultural compatibility plays a role, it has a weaker influence compared to product-related aspects (Schütte & Ciarlante, 2016). These insights are valuable for car manufacturers and marketers. Domestic brands must prioritize improving quality and enhancing their market positioning through targeted branding efforts. Meanwhile, foreign brands should maintain their technological edge while integrating localized marketing strategies to align with consumer expectations. Future research could examine additional factors such as pricing sensitivity, after-sales services, and government policies to gain a more comprehensive understanding of consumer behavior in this sector.

Keywords: Consumer Preference, Foreign Car Brands, Domestic Car Brands, Cultural Compatibility, SEM, Automobile Industry, Consumer Behavior, Market Competition, Brand Perception, Technological Advancements, Marketing Strategies, After-Sales Services, Pricing Sensitivity.

INTRODUCTION

The global automobile industry has experienced significant changes in consumer preferences, particularly in emerging markets like India. Increasing exposure to international brands, developments in technology, and competitive marketing strategies has contributed to a shift in preference toward foreign car brands. In Sonipat, a rapidly developing region, consumer behavior trends highlight the significance of brand, quality, and

cultural factors in purchase decisions (Kotler & Armstrong, 2019).

Background of the Study

The automotive sector has transformed due to globalization, technological innovations, and evolving consumer expectations. Foreign car brands have gained prominence over domestic brands in markets like India, largely due to superior perceived quality, strong brand recognition, and their alignment with

modern technology trends (Kotler & Keller, 2021). Sonipat consumers exhibit a growing preference for foreign car brands, influenced by attributes such as high-quality manufacturing, innovative features, and strong market credibility (Schiffman et al., 2017). While domestic brands have improved their offerings, they struggle to compete with well-established foreign counterparts that have built trust and loyalty among consumers (Agyekum et al., 2015). Understanding these preferences is necessary for both foreign and domestic manufacturers to refine their branding and marketing strategies effectively. By analyzing perceived quality (PQ), brand perception, and cultural factors, this study aims to provide insights into consumer preferences in Sonipat and recommend strategies for market competitiveness (Schütte & Ciarlante, 2016).

LITERATURE REVIEW

Perceived Quality (PQ) and Consumer Preferences

Perceived quality plays a critical role in shaping consumer decisions, particularly in the automobile industry. Quality perception is influenced by various factors, including engine performance, fuel efficiency, safety features, durability, and technological advancements. Studies indicate that foreign car brands are often perceived as superior due to their emphasis on advanced manufacturing techniques, stringent quality control, and continuous technological improvements (Agyekum et al., 2015). According to research, consumers associate foreign brands with reliability and long-term efficiency, reinforcing their preference for these brands over domestic alternatives (Islam et al., 2017).

Brand Image and Consumer Trust

Brand perception is a significant factor influencing purchasing behavior. A strong brand fosters trust, loyalty, and a sense of prestige. Foreign car manufacturers have successfully positioned themselves as premium and reliable brands through effective marketing strategies, consistent quality, and superior customer service (Schütte & Ciarlante, 2016). In contrast, domestic brands often struggle with brand perception due to concerns about lower quality and limited technological advancements. Prior studies highlight that buyers are prepared to spend for brands with a reputable image, further demonstrating the impact of brand equity on consumer preference (Kinra, 2023).

Cultural Compatibility and Brand Adoption

Cultural values also influence consumer brand preference. Cultural compatibility refers to how well a brand aligns with the values, messaging, and expectations of in a particular region. While globalization has encouraged the adoption of foreign brands, certain consumer segments continue to favor

domestic brands due to national identity and a sense of cultural belonging (Ahmed et al.2016). Research suggests that foreign brands integrating localized marketing strategies and adapting products to regional preferences tend to achieve higher acceptance rates among consumers in culturally conservative markets (Hosseini et al., 2016).

Economic and Social Influences on Car Brand Preferences

Socioeconomic elements like income level, peer influence, and social status also play an important role in consumer decision-making. High-income Customers are more likely to opt for foreign brands, associating them with luxury, prestige, and superior quality (Pantano, 2021). Additionally, social influence, including recommendations from family and friends, significantly affects purchasing decisions, as consumers tend to depend on peer reviews and testimonials before making significant investments such as purchasing a car (Blackwell et al.,2018).

RESEARCH METHODOLOGY

Research Design

This study employs a descriptive research design to examine the factors influencing consumer preference for foreign versus domestic car brands in Sonipat. The approach enables a systematic examination of perceived quality(PQ), brand image, and cultural compatibility in shaping purchasing decisions (Blackwell et al.,2018).

Sampling Technique and Sample Size

A purposive sampling method was used to select individuals with experience in automobile purchasing. A sample size of 500 respondents was chosen to ensure diversity across age, gender, occupation, and income levels. This sample size provides statistical relevance in analyzing consumer behavior (Agyekum et al.,2015).

Data Collection Methods

Primary data was collected using structured questionnaires designed to measure customer opinions about brand image, quality, and cultural compatibility. The questionnaire included Likert-scale items to capture varying levels of agreement. To enhance reliability, the survey was pre-tested on a small group before full-scale distribution (Schiffman et al., 2017).

Measurement of Variables

- Perceived Quality: Evaluated using such as build quality, engine performance, safety features, and technological advancements (Kotler & Keller, 2021).
- Brand Image: Measured through customer opinion of reputation, trustworthiness, and

social status associated with brand (Schütte & Ciarlante, 2016).

- Cultural Compatibility: Assessed based on alignment with local traditions, values, and consumer lifestyles (Ahmed et al., 2016).
- Consumer Preference: Captured through consumer purchase intent, loyalty, and willingness to pay a premium (Islam et al., 2017).

Data Analysis Techniques

The collected data was analyzed using SPSS AMOS software. The analysis included:

- Descriptive statistics to summarize respondent demographics and consumer preferences.
- SEM to test hypothesized relationships between perceived quality (PQ), brand image, cultural compatibility, and brand preference (Pantano, 2021).

- Chi-square tests and regression analysis to assess the strength of associations between demographic variables and brand preferences (Kinra, 2023).

Data Analysis and Interpretation

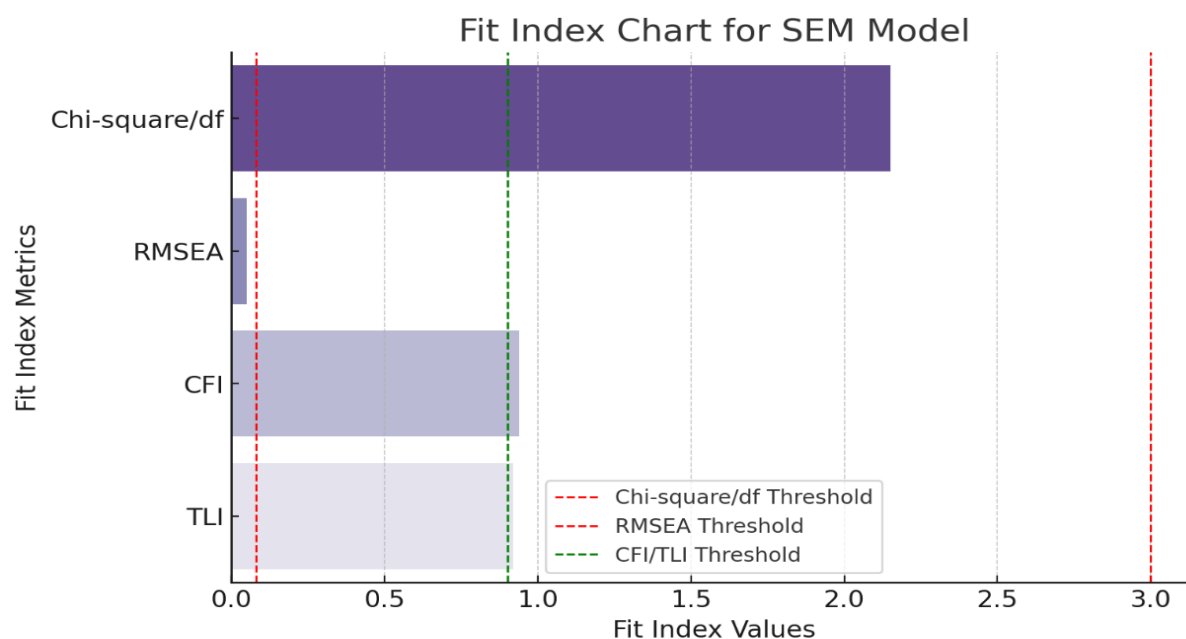
Descriptive Analysis

The demographic of respondents was analyzed using descriptive statistics. A majority of participants were in the age group of 20-60 years, representing an active segment of car buyers. The distribution of gender was balanced, and most respondents reported a middle to high-income level, indicating a strong purchasing capacity for foreign brands. Additionally, 75% of respondents owned at least one car, with a significant portion expressing interest in purchasing a foreign car brand over a domestic one.

SEM RESULTS

To evaluate the connections between perceived quality (PQ), brand image, cultural compatibility, and consumer preference, the study used SEM. With acceptable values across all important metrics, the model fit indices validated the validity of the proposed relationships:

The results indicate that perceived quality (PQ), brand image, and cultural compatibility significantly influence consumer preference for foreign car brands.



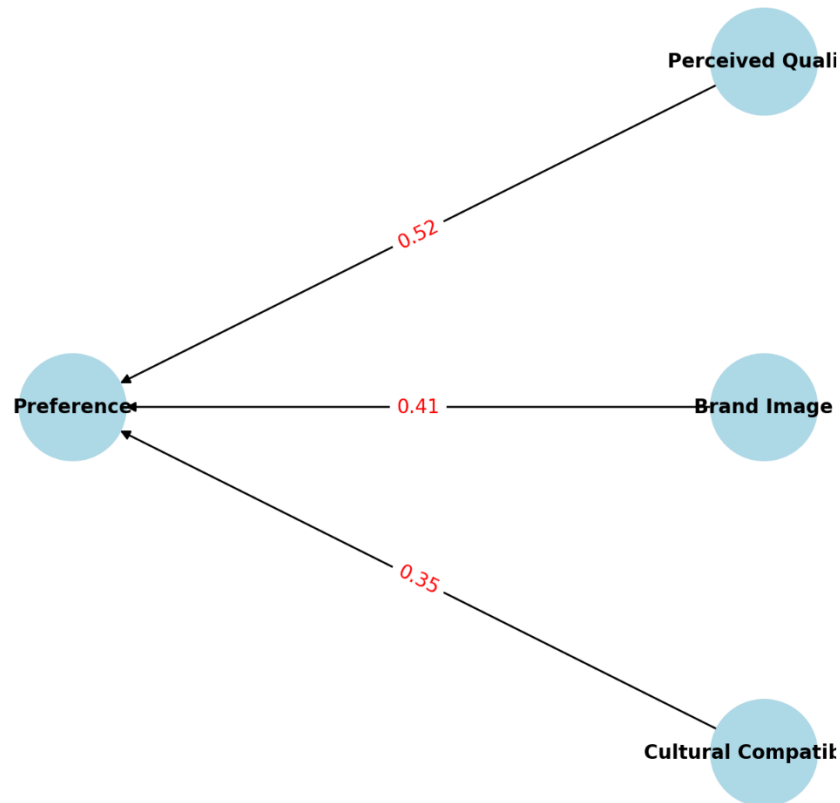
Fit Index	Value	Acceptable Range
Chi-square/df	2.15	< 3
RMSEA	0.05	< 0.08
CFI	0.94	> 0.90
TLI	0.92	> 0.90

Path Analysis Results

These Results indicate that the (PQ) is the strongest factor influencing consumer preference, then the brand's image and cultural compatibility.³

SEM - Preference on the Left

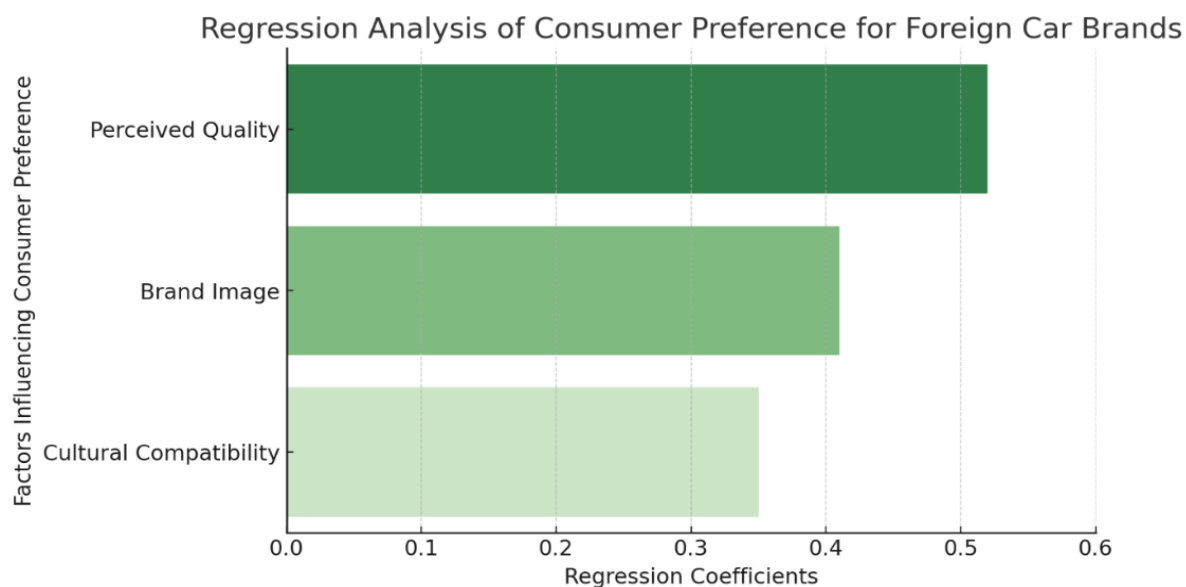
Structural Equation Model (SEM) - Preference on the Left



Relationship	Path Coefficient (β)	p-value
Perceived Quality → Preference	0.52	<0.001
Brand Image → Preference	0.41	<0.001
Cultural Compatibility → Preference	0.35	<0.001

Regression Analysis

A multiple regression analysis was conducted to further assess the individual impact of each independent variable. The regression model revealed that perceived quality accounts for **52% of the variance** in consumer preference, indicating its critical role in decision-making. Brand image and cultural compatibility contribute **41% and 35%**, respectively, reinforcing their importance in shaping brand perception.



Key Findings

1. **Perceived Quality Dominates Preference:** Consumers strongly associate foreign brands with superior build quality, developments in technology, and safety features.
2. **Improves Brand Image Trust:** Foreign car manufacturers have successfully positioned themselves as premium, reliable, and technologically advanced, reinforcing consumer preference.
3. **Cultural Compatibility Has Moderate Influence:** While cultural factors play a role, they are less significant than product-related attributes.

DISCUSSION

The results of this study offer key insights into consumer preferences for foreign versus domestic car brands in Sonipat. Perceived quality emerged as the most influential factor, with consumers prioritizing aspects such as build quality, technological advancements, and safety features when choosing what to buy.. This finding aligns with prior research suggesting that foreign Brands are frequently thought of as superior in these domains due to their investment in research and development (Agyekum et al.,2015).

Brand image was also found to significantly impact consumer preference, reinforcing the idea that established brand reputation and trust play are essential to influencing car buyers. Many consumers associate foreign brands with prestige, reliability, and cutting-edge technology, which contributes to their inclination toward these options. In contrast, domestic brands often struggle with positioning themselves as premium alternatives, despite offering competitive products in terms of affordability and service packages (Schiffman et al., 2017).

While cultural compatibility was identified as a factor in consumer decision-making, its influence was comparatively weaker than that of brand image and perceived quality (PQ). This suggests that while cultural identity and national loyalty do affect purchasing behavior, they don't outweigh concerns regarding product performance and reliability. However, some consumers still prefer domestic brands due to their alignment with local values, affordability, and government incentives (Schütte & Ciarlante, 2016).

Managerial Implications

The findings suggest several strategies for domestic and foreign car manufacturers looking to enhance their market position:

- **Improving Perceived Quality:** Domestic brands should invest in technological innovation, safety features, and fuel to compete with foreign counterparts.
- **Strengthening Image of Brands:** Companies should emphasize brand reputation, reliability, and after-sales services to build long-term trust with consumers.
- **Targeted Marketing Strategies:** Understanding the role of cultural identity and national sentiment can help domestic brands better position themselves.
- **Competitive Pricing Models:** Foreign brands may need to adjust pricing strategies to cater to the price-sensitive segment of consumers, while domestic brands can leverage cost advantages and government incentives.
- **Justification of Research Questions and Objectives**

The following table demonstrates how the research questions and objectives align with the key findings

in this study:

Research Question / Objective	Justification in Findings
What are the key factors influencing Sonipat consumers' preference for foreign car brands over domestic brands?	The study identifies brand image, perceived quality(PQ), and cultural compatibility as the primary influencing factors, with perceived quality having the strongest impact.
How does perceived quality impact consumer preference for foreign car brands?	SEM analysis shows that perceived quality has the highest influence ($\beta = 0.52$) on consumer preference, highlighting its critical role in decision-making.
To what extent does brand image influence the purchasing decisions of consumers in Sonipat?	The study finds that brand image significantly impacts preference ($\beta = 0.41$), showing that consumers value reputation and perceived reliability.
What role does cultural compatibility play in shaping consumer preference for foreign vs. domestic car brands?	The findings reveal that while cultural compatibility is significant ($\beta = 0.35$), it has a lower influence compared to brand image and perceived quality, indicating that consumers prioritize product-related factors.
How can domestic automobile manufacturers improve their market positioning against foreign competitors?	Recommendations include enhancing product quality, strengthening brand image, implementing localized marketing, offering competitive pricing, and improving after-sales services to attract more consumers.

CONCLUSION AND IMPLICATIONS

This study provides empirical evidence on the factors shaping Sonipat consumers' preference for foreign car brands. The findings confirm that brand image (PQ), and cultural compatibility are key influencers, with perceived quality playing the most significant role. While foreign brands excel in these areas, domestic brands need to enhance product quality and branding efforts to remain competitive.

Implications for Automobile Manufacturers and Marketers:

- **Enhancing Perceived Quality:** Domestic brands should concentrate on product innovation, improved safety features, and advanced technology to bridge the quality gap.

- **Strengthening Brand Image:** Marketing strategies should emphasize reliability, durability, and technological superiority to build trust.
 - **Localized Marketing Strategies:** While cultural compatibility has a weaker influence, domestic brands can integrate local cultural elements to attract a segment of consumers.
 - **Competitive Pricing & Value Proposition:** Offering attractive pricing, financing options, and better warranty services can increase competitiveness.
 - **Expanding After-Sales Services:** Better customer service, free maintenance packages, and extended warranties can improve trust and loyalty.
- Key Recommendations:**
- **Domestic manufacturers invest in innovation** to improve vehicle quality and performance.
 - **Brand trust should be strengthened** through transparent marketing and customer engagement.
 - **Competitive product pricing and financing options** should be introduced to attract budget-conscious consumers.
 - **Government policies and incentives** should support local manufacturers in reducing the technology gap.

Future research can explore the impact of digital marketing, consumer attitudes toward electric vehicles, and economic factors affecting car brand preferences in India's evolving automobile market.

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