



Impact of Demographic Characteristics on Brands Preference in Consumer Markets

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Abstract

Demographic factors play a significant role in influencing consumer behavior. They are essential in understanding consumer preferences, decision-making patterns, and purchasing behaviors. The major purpose of this study is to find out the demographic factors association with consumer preference towards Indian and foreign brands. The research design here in the study was descriptive and empirical in nature. Primary data was collected from consumers through a structured questionnaire based on five point Likert scale through random sampling method. Chi-square test and correlation technique used to find out the results. It is important for marketers to understand the complex interplay of demographic factors and their influence on consumer behavior towards Indian and foreign brands. By tailoring their marketing strategies to specific demographic groups, marketers can increase the effectiveness of their campaigns and reach their target audience more effectively.

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Keywords—Purchase intention, consumer preference, association, demographic factors

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Introduction

Demographic factors play a significant role in influencing consumer behavior. They are essential in understanding consumer preferences, decision-making patterns, and purchasing behaviors. In this study researcher will explore the various ways in which demographic factors impact consumer behavior. Age is a crucial demographic factor that affects consumer behavior. Research has shown that individuals in different age groups have distinct preferences and buying behaviors. For instance, younger consumers tend to be more technologically savvy and show a higher inclination towards online shopping. They are also early adopters of new products and technologies. On the other hand, older consumers are more conservative in their purchasing patterns and prefer traditional

modes of shopping. Income level is another critical demographic factor that influences consumer behavior. Studies have consistently demonstrated that consumers with higher income levels tend to spend more on luxury goods and experiences. They are more likely to make impulsive purchases and prioritize quality over price. Conversely, consumers with lower income levels are typically more price-sensitive and tend to opt for budget-friendly options. Gender is a demographic factor that has long been associated with consumer behavior. Traditional gender roles have influenced the types of products and services that individuals are more likely to purchase. For instance, men have historically been seen as more interested in technology, automotive, and sporting goods, while women are often associated with cosmetics, fashion, and household products.



However, recent studies have challenged these gender stereotypes and emphasized the importance of individual preferences and context. Education level is another demographic factor that affects consumer behavior. Research suggests that individuals with higher levels of education tend to engage in more informed decision-making processes. They are more likely to conduct thorough research, seek product reviews, and evaluate alternatives before making a purchase. In contrast, individuals with lower levels of education may rely more on brand reputation and recommendations from friends and family. Demographic factors have a significant impact on consumer behavior. Age, income level, gender, education level all play crucial roles in shaping consumer preferences, purchasing patterns, and decision-making processes. Marketers and businesses need to consider these demographic factors to effectively target and cater to the needs and wants of their consumers.

Review of literature

Research has shown that age is associated with consumer preference towards brands. Younger consumers generally exhibit higher preference for brands that are innovative, socially responsible, and technologically advanced (Smith et al., 2018). Conversely, older consumers tend to prefer established brands that evoke nostalgia and trust (Jones, 2017). Marital status has also been found to impact consumer brand preference. Married individuals tend to exhibit higher preference for family-oriented brands and products that cater to their specific lifestyle needs (Brown & Wilson, 2015). On the other hand, single and unmarried individuals may show greater inclination towards brands associated with independence, freedom, and self-expression. Gender is another important demographic factor associated with consumer brand preferences. Research suggests that men tend to show higher preference for brands that emphasize performance, status, and utility (Johnson & Parker, 2016). In contrast, women often exhibit higher preference for brands that emphasize emotional connection, social values,

and aesthetics. Higher-income individuals are often more brand-conscious and willing to pay a premium for prestigious brands, whereas lower-income individuals prioritize affordability and value for money (Davis et al., 2014). Education level is often linked to consumer brand preferences. Consumers with higher education levels tend to value brands that emphasize quality, authenticity, and ethical business practices (Lee & Kim, 2017). Ethnicity plays a crucial role in shaping consumer preferences. Research has found that individuals from different ethnic backgrounds often exhibit distinct brand preferences due to varying cultural values and norms (Lee & Huang, 2019). For example, Asian consumers may show a higher preference for brands that emphasize collectivism and social harmony, while Western consumers may prioritize individualism and self-expression. Income level is a significant demographic factor that impacts consumer preferences. Higher-income individuals tend to favor premium and luxury brands that signify status and exclusivity (Vigneron & Johnson, 2017). Conversely, lower-income individuals may prioritize affordability and practicality when making brand choices (Wang et al., 2018). Generational cohorts, such as Baby Boomers, Generation X, Millennials, and Generation Z, exhibit distinct brand preferences influenced by their unique experiences and cultural contexts (Laroche et al., 2019).

These studies provide valuable insights into the association between demographic factors and consumer preferences.

Objectives of the study

1. To study the relationship between Gender and consumer preference towards brands.
2. To study the relationship between age and consumer preference towards brands.
3. To study the relationship between Education and consumer preference towards brands.
4. To study the relationship between income and consumer preference towards brands.

Hypothesis

Ho1: There is no significant association between Gender and consumer preference towards brands.

Ho2: There is no significant association between age and consumer preference towards brands.

Ho3: There is no significant association between Education and consumer preference towards brands.

Ho4: There is no significant association between income and consumer preference towards brands.

Research Methodology

The major purpose of this study is to find out the demographic factors association with consumer preference towards Indian and

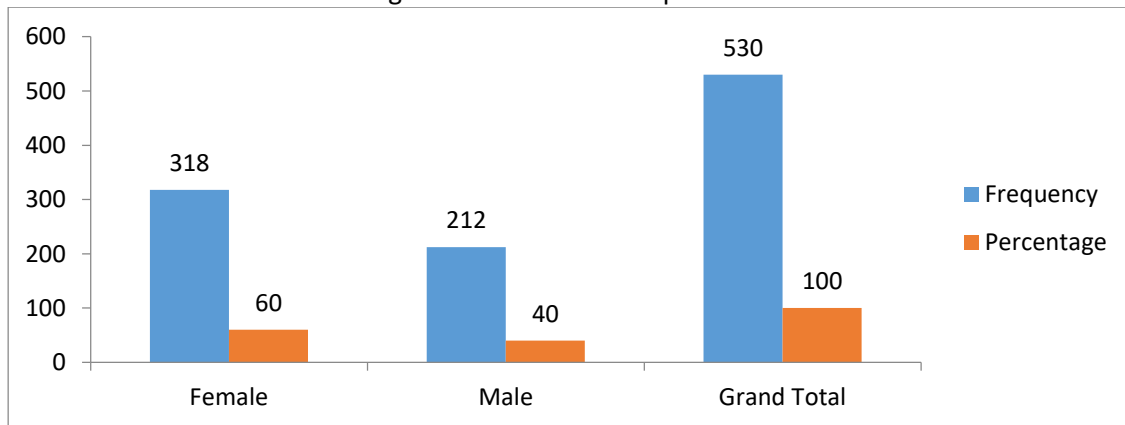
foreign brands. The research design here in the study was descriptive and empirical in nature. It was decided that a study using primary data was considered appropriate to investigate and answer the objectives and the hypothesis. Primary data was collected from consumers through a structured questionnaire based on five point Likert scale through random sampling method. Chi-square test and correlation technique used to find out the results.

Demographic characteristics of the respondents

Gender: The below figure shows that 318 respondents forming 60% of the total were female and 212 respondents forming 40% the total respondents were male.

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Figure 1 Gender wise respondents



Source: Primary Data

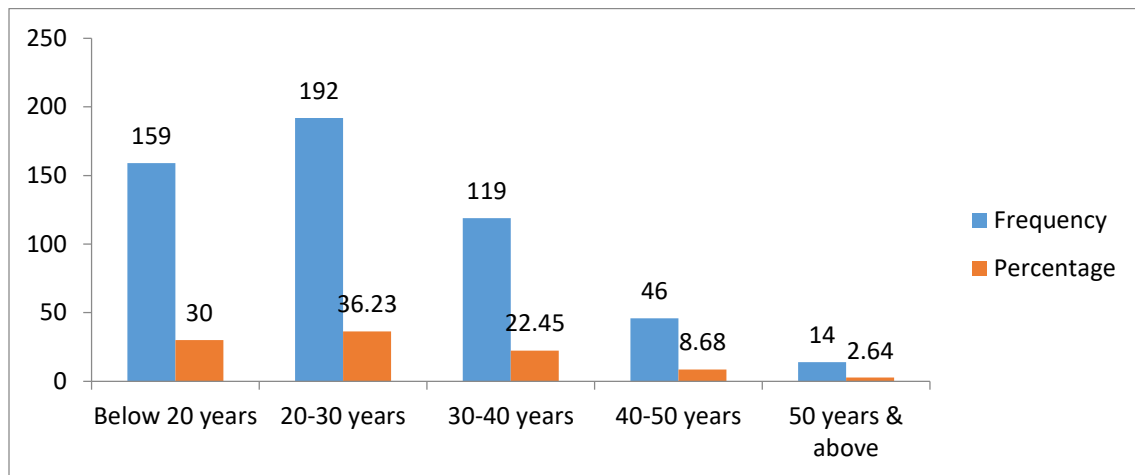
The above figure shows that 318 respondents forming 60% of the total were female and 212 respondents forming 40% the total respondents were male.

Age: Aged below 20 years, 159 respondents forming 30% the total respondents and age between 20 to 30 years, 192 respondents

forming 36.23% the total respondents, aged between 30-40 years, 119 respondents forming 22.45 % the total respondents, aged between 40-50 years, 46 respondents forming 8.68% the total respondents and the rest of the 14 respondents forming 2.64 % the total respondents were aged above 50 years.



Figure 2 Age wise respondents



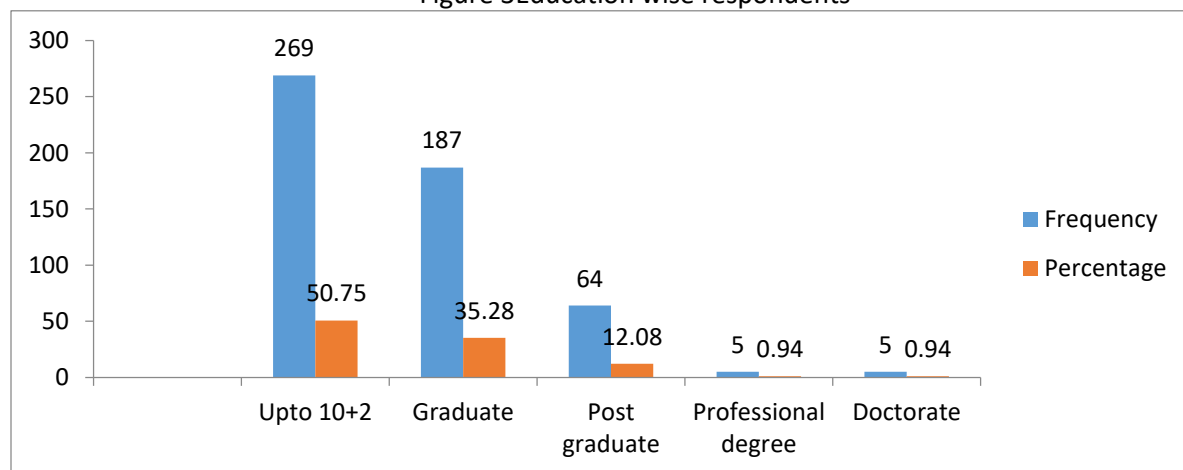
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Source: Primary Data

The above figure showed respondents according to their age.

Education: 269 respondents forming 50.75 % of the total respondents were educated Up to 10+2 level, 187 respondents forming 35.28% of the total respondents were educated graduate level, 64 respondents forming 12.08 % of the total respondents were educated post graduate level, 5 respondents forming .94% of the total respondents were educated Professional degree level and rest of the 5 respondents forming .94 % of the total respondents were doctorate.

Figure 3 Education wise respondents



Source: Primary Data

The figure 4.3 depicts that 50.75 % of the total respondents were educated Up to 10+2 level, 35.28% of the total respondents were educated graduate level, 12.08 % of the total respondents were educated post graduate level, .94% of the

total respondents were educated Professional degree level and .94 % of the total respondents were doctorate.

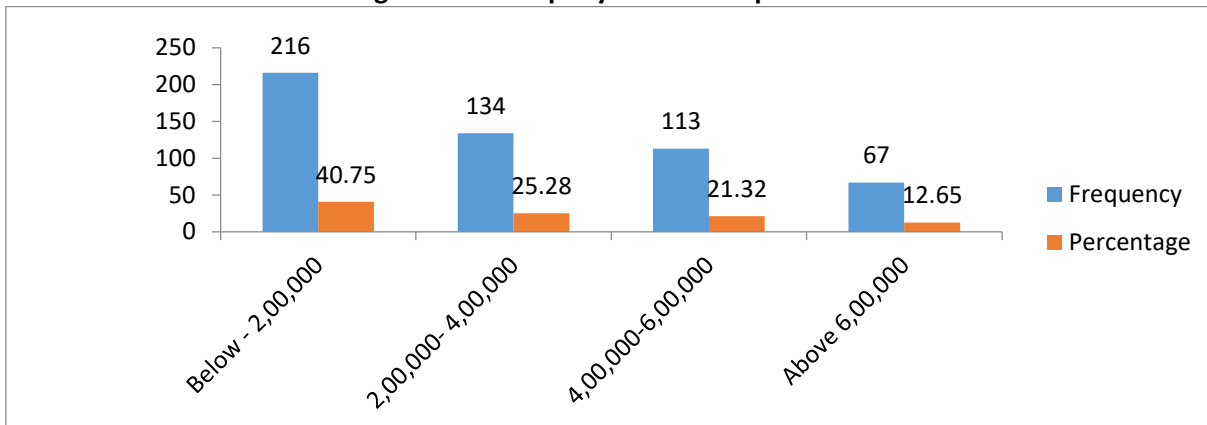
Income per year: 216 respondents forming 40.75% of the total respondents had a gross



annual income of up to Rs.200, 000 and 134 respondents forming 25.28% of the total respondents had a gross annual income of Rs. 2, 00,000 – Rs. 4,00,000 and 113 respondents forming 21.32% of the total respondents had a

gross annual income of Rs 4,00,000- Rs 6,00,000 and rest of the 67 respondents forming 12.65% of the total respondents were earning more than Rs.6,00,000 annually.

Figure 4Income per year wise respondents



Source: Primary Data

Figure 4.4 explores that maximum respondent below the income of 200000 and minimum above 600000.

Multivariate analysis of Objective

To examine the relationship of demographical factors on Consumer’s Brand Preference towards Indian and Foreign brands of FMCG Chi-Square test were used.

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H01- There is no significant association between Gender and preference of the brand.

Table 1Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.132 ^a	1	.716		
Continuity Correction ^b	.063	1	.802		
Likelihood Ratio	.133	1	.715		
Fisher's Exact Test				.734	.403
Linear-by-Linear Association	.132	1	.716		
N of Valid Cases ^b	530				

Source: Author’s calculation

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 39.60.

b. Computed only for a 2x2 table

In case of "Pearson Chi-Square" row, here that $\chi(1) = 0.132, p = .716$. The p-value is more than .05. This tells us that there is no statistically significant association between Gender and Brand Preference also



proof by (Vilčeková & Sabo, 2013); that is, both Males and Females equally prefer Indian Brands versus Foreign Brands.

Table 2 Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal Phi	.016			.716
Cramer's V	.016			.716
Interval by Interval Pearson's R	.016	.043	.363	.716 ^c
Ordinal by Ordinal Spearman Correlation	.016	.043	.363	.716 ^c
N of Valid Cases	530			

Source: Author's calculation

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.
- c. Based on normal approximation.

The tests for association strength include Phi and Cramer's V. The correlation between the variables is relatively poor, as can be shown.

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Hypothesis H02- There is no significant relationship between age and preference of the brand

Table 3 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.110 ^a	4	.000
Likelihood Ratio	36.350	4	.000
Linear-by-Linear Association	.483	1	.487
N of Valid Cases	530		

Source: Author's calculation

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 2.62.

In case of "**Pearson Chi-Square**" row, here that $\chi^2(4) = 35.110, p = .000$. The p-value is less than .05. This indicates that there is a statistically significant relationship between age and brand preference (Ramesh & Ramchandran, 2016), meaning that respondents of different age groups have distinct preferences for Indian brands as opposed to Foreign brands.

Table 4 Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal Phi	.257			.000
Cramer's V	.257			.000
Interval by Interval Pearson's R	.030	.046	.694	.488 ^c
Ordinal by Ordinal Spearman Correlation	.030	.047	.681	.496 ^c
N of Valid Cases	530			



Source: Author's calculation

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.
- c. Based on normal approximation.

The tests for association strength include Phi and Cramer's V. The correlation between the variables is relatively high, as can be shown.

Hypothesis H03- There is no significant association between Education and preference of the brand.

Table 5 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.470 ^a	4	.002
Likelihood Ratio	17.074	4	.002
Linear-by-Linear Association	8.099	1	.004
N of Valid Cases	530		

Source: Author's calculation

- a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .93.

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In case of "Pearson Chi-Square" row, here that $\chi(1) = 16.470, p = .002$. The p-value is less than .05. This indicates that there is a statistically c, meaning that respondents of different educational backgrounds have distinct preferences for Indian brands as opposed to Foreign brands.

Table 6 Symmetric Measures

	Value	Asymp. Error ^a	Std. Approx. T ^b	Approx. Sig.
Nominal by Nominal Phi	.176			.002
Cramer's V	.176			.002
Interval by Interval Pearson's R	-.124	.043	-2.865	.004 ^c
Ordinal by Ordinal Spearman Correlation	-.153	.042	-3.565	.000 ^c
N of Valid Cases	530			

Source: Author's calculation

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.
- c. Based on normal approximation.

The tests for association strength include Phi and Cramer's V. The correlation between the variables is relatively high, as can be shown.

Hypothesis H04- There is no significant relationship between income and preference of the brand

Table 7 Chi-Square Tests



	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.616 ^a	3	.455
Likelihood Ratio	2.762	3	.430
Linear-by-Linear Association	.023	1	.878
N of Valid Cases	530		

Source: Author's calculation

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.43.

In case of "Pearson Chi-Square" row, here that $\chi(1) = 2.616$, $p = .455$. The p-value is more than .05. This tells us that there is no statistically significant association between income and Brand Preference; that is, different income groups equally prefer Indian Brands versus Foreign Brands.

Table 8 Symmetric Measures

	Value	Asymp. Error ^a	Std. Approx. T ^b	Approx. Sig.
Nominal by Nominal Phi	.070			.455
Cramer's V	.070			.455
Interval by Interval Pearson's R	.007	.042	.153	.878 ^c
Ordinal by Ordinal Spearman Correlation	.026	.044	.606	.545 ^c
N of Valid Cases	530			

Source: Author's calculation

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

The tests for association strength include Phi and Cramer's V. The correlation between the variables is relatively poor, as can be shown.

Findings

1. There is no statistically significant association between Gender and Brand Preference; that is, both Males and Females equally prefer Indian Brands versus Foreign Brands. The tests for association strength include Phi and Cramer's V. The correlation between the variables is relatively poor.
2. There is a statistically significant relationship between age and brand preference, meaning that respondents of different age groups have distinct

preferences for Indian and as opposed to Foreign brands. The correlation between the variables is relatively high.

3. There is a statistically significant relationship between education and brand preference, meaning that respondents of different educational backgrounds have distinct preferences for Indian brands as opposed to Foreign brands. The correlation between the variables is relatively high.
4. There is no statistically significant association between income and Brand Preference; that is, different income groups equally prefer Indian Brands versus Foreign Brands. The correlation between the variables is relatively poor.



Conclusion

The study found that age and education associate with consumer preference towards brands. Income and gender does not associate with consumer preference. Overall, it is important for marketers to understand the complex interplay of demographic factors and their influence on consumer behavior towards Indian and foreign brands. By tailoring their marketing strategies to specific demographic groups, marketers can increase the effectiveness of their campaigns and reach their target audience more effectively.

Limitation

Initially, it is based on a sample that was taken from a certain region of Haryana. Replication is necessary since the random sampling procedure might not accurately represent the full population. Second, it is not possible to assert the causality of the correlations between the predictor and criterion variables in this study because it is based on survey-based, cross-sectional data. On the bases of limits of this study, additional research may be fruitful to include validate or expand the suggested study by taking into account additional variables like health and environmental concerns as well as pricing, availability, and quality considerations.

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