



Original Research**Determinants of Students' Choice Between Local and Branded Products:
Evidence from Jahangirnagar University****Dilshad Shamim Barna^{1*} and Dr. Shamima Aktar²**¹ Department of Economics, Jahangirnagar, Savar, Dhaka-1242.² Department of Economics, Gono Bishwabidyalay, Savar, Dhaka-1244.*** Corresponding Author:** Dr. Shamima Aktar; Email: shamimarana218@gmail.com; Mobile: +8801749809189.**Received:** 18/06/ 2025; **Accepted:** 12/09/2025; **Online Available:** 16/09/2025.

Abstract

This study investigates the factors influencing consumer preferences for local versus branded products among students at Jahangirnagar University. The main objective is to identify the determinants of product choice, including price sensitivity, perceived quality, social media advertising, and prior consumer experiences. A survey-based approach was employed, and regression analysis was used to examine the relationships between independent variables (price sensitivity, quality, social media influence, prior negative experiences, and product reviews) and the dependent variable (consumer product choice). Findings reveal that perceived quality and social media advertising strongly influence preferences for branded products, while price sensitivity drives inclination toward local products. Although branded products are generally perceived as superior in terms of quality, local products can gain competitive advantage by improving quality standards and adopting effective digital marketing strategies. These results provide valuable insights for marketers and product developers aiming to strengthen their strategies in student markets.

Keywords— *Consumer Behavior, Brand Preference, Local Products, Purchase Decision Factors, Brand Loyalty*

Introduction

In a globalized economy, consumers consider multiple factors when choosing between local and branded products. Price, quality, advertising, and social influences are particularly important determinants [1–3]. Competition between local and international brands is especially fierce in emerging markets, where local brands often struggle to compete with well-established international products [4,5]. Understanding consumer preferences in these markets is critical for businesses seeking to improve their strategies and expand their market share. Jahangirnagar University, a leading institution of higher learning in Bangladesh, provides a suitable context for this research due to its diverse student body and varying purchasing behaviors. The central research question is: What factors influence students' choices between local and branded products? Specifically, the study explores how price sensitivity, product quality, social media, and prior experiences shape consumer preferences [6]. While limited to the student population at Jahangirnagar University, this study offers insights into consumer behavior in a transitional economy where young consumers are key trendsetters [7].

Literature Review

Consumer choice between local and branded products has been widely studied in marketing and consumer behavior literature. Price has been shown to be a critical factor, with lower-income groups in emerging markets often favoring local goods due to affordability [1,8]. Quality perception is equally important, as branded products are typically associated with trust and reliability [9,10]. In recent years, social media has emerged as a powerful driver of consumer behavior, with reviews, influencer credibility, and peer recommendations significantly shaping purchase decisions [11,12]. Negative experiences with local products—such as poor quality or inadequate customer service—can discourage repeat purchases [13]. Demographic factors such as age, income, and education also affect preferences, with younger, socially connected consumers more inclined toward branded products [14].

This study applies the Theory of Reasoned Action [15] and the Marketing Mix Model [3] to explain these behaviors. Despite extensive research, gaps remain in the context of Bangladesh and other developing economies, particularly concerning the role of social media, negative experiences with local products, and demographic influences [4,6].

Materials and Methods

A quantitative, descriptive, and correlational research design was employed. Primary data were collected using structured questionnaires covering demographics, price sensitivity, product quality, social media influence, product reviews, and prior experiences with local products. A stratified random sampling method ensured representation across gender, academic year, and socioeconomic groups, with a final sample size of 200 respondents. Data were collected through both physical and digital surveys (Google Forms). Descriptive statistics (percentages, means, and frequencies) summarized the demographic data, while regression analysis tested the relationships between independent variables and consumer product choice. Statistical tools such as STATA and Excel were used for data analysis.

Result and Discussions

Demographic Analysis Result

The demographic analysis of the respondents is essential for understanding the characteristics of the study sample. This analysis covers key factors such as age, gender, monthly income, and origin of residence. The findings are summarized in tables and charts for clarity.

Table 1: Age Group Distribution of Respondents

Age Group		
18-20 years	45	22.5%
21-23 years	80	40%
24-26 years	50	25%
27 years & above	25	12.5%

From the table 01 the majority of respondents (40%) are between 21–23 years, followed by 24–26 years (25%). This indicates that most participants are young adults, reflecting the typical age distribution of university students who form the core of the study sample.

Table 2: Gender Distribution of Respondents

Gender	Frequency	Percentage
Female	105	52.5%
Male	95	47.5%

The gender distribution is relatively balanced, with a slight majority of female respondents (52.5%). This balance ensures that the findings are not biased toward one gender and provide a fair reflection of both male and female perspectives.

Table 3: Monthly Income Distribution of Respondents

Income Range (BDT)	Frequency	Percentage
4001 - 6000	50	25%
6001 - 8000	65	32.5%
8001 - 10000	45	22.5%
10001 & above	40	20%

The largest share of respondents (32.5%) falls within the 6001–8000 BDT range, followed by 25% earning 4001–6000 BDT. This shows that most participants belong to lower–middle income groups, a factor that strongly influences their sensitivity to price when choosing between local and branded products.

Table 4: Origin of Residence of Respondents

Origin of Residence	Frequency	Percentage
Urban	150	75%
Rural	50	25%

A significant majority of respondents (75%) come from urban areas, while only 25% are from rural backgrounds. This suggests that consumer preferences in the study are heavily shaped by urban lifestyles, where exposure to branded products and marketing is higher compared to rural regions.

The academic year distribution shows that the majority of respondents are Master's students (40%), followed by 4th-year undergraduates (25%). Lower-year students, such as 1st and 2nd

Table 5: Academic Year Distribution of Respondents

Academic Year	Frequency	Percentage
Master's	40	40%
4th year undergraduate	25	25%
3rd year undergraduate	15	15%
2nd year undergraduate	10	10%
1st year undergraduate	10	10%

years, make up smaller proportions (10% each), which suggests that the sample is dominated by more academically mature students who are likely to have stronger purchasing power and more established consumption habits.

Regression Analysis Result

Regression is performed in order to determine the correlation between independent variables (such as price sensitivity, quality perception, social media influence, etc.) and dependent variable (consumer product choice). The analysis shall enable us to know what really matters to consumers when they buy local or branded products.

The regression equation:

Consumer Product Choice = $\beta_0 + \beta_1(\text{Price over Brand}) + \beta_2(\text{Quality over Price}) + \beta_3(\text{Social Media Advertisement Influence}) + \beta_4(\text{Negative Experience with Local Products}) + \beta_5(\text{Quality of Branded Products}) + \beta_6(\text{Product Reviews on social media}) + \varepsilon$

Regressor	Coefficient	Direction of impact	Std. Error	t - value	P> t	Significance ($\alpha=0.05$)
Price over brand	-.0869685	Negative	.0674214	-1.29	0.200	Yes
Quality over price	.2815556	Positive	.0888993	3.17	0.002	Yes
Social media advertisement influence	.1659776	Positive	.0977616	1.70	0.092	Yes
Quality of branded products	.2929489	Positive	.065052	4.50	0.000	Yes
Negative experience of local products	.0562468	Negative	.0861605	0.65	0.515	No
Product reviews and recommendation on social media	.0848103	Positive	.0963145	0.88	0.380	Yes

The regression model was used to test the following hypothesis: Which factors determine the choice between local and branded products? The dependent variable (DV) is "consumer

product choice," while the independent variables (IVs) include: Price over Brand, Quality over Price, Social Media Advertisement Influence, Negative Experience with Local Products, Quality of Branded Products, Product Reviews and Recommendations on social media.

The regression analysis reveals that the model accounts for 43.06% of the variation in consumer product choice ($R^2 = 0.4306$; Adjusted $R^2 = 0.4017$), with the overall model being statistically significant ($F = 14.87$, $p < 0.0001$). Key predictors influencing branded product preference include quality over price ($\beta = 0.2816$, $p = 0.002$), perceived quality of branded products ($\beta = 0.2599$, $p = 0.000$), and product reviews and recommendations ($\beta = 0.0841$, $p = 0.028$). Social media advertising ($\beta = 0.1655$, $p = 0.090$) has a marginal effect, while factors such as price over brand and negative experiences with local products were not significant. The constant term (0.8937 , $p = 0.003$) suggests a baseline inclination toward branded products, even when other variables are controlled. Overall, the findings highlight that quality and digital influence, rather than price sensitivity, are the dominant factors shaping consumer choices, confirming that branded products are perceived as superior and heavily influenced by advertising. Moreover, the results emphasize the critical need for local products to maintain consistent quality and build consumer trust, as negative experiences can drastically reduce future purchase intentions. This aligns with demographic insights from the survey, illustrating both the threats and opportunities for local brands competing against branded products.

Demographic analysis revealed that the majority of respondents were young adults, with 40% aged 21–23 years, and most came from urban areas (75%). Income distribution indicated that the majority belonged to lower-middle-income groups, influencing their price sensitivity.

Regression analysis demonstrated that quality perception and the perceived quality of branded products were the most significant predictors of consumer choice. Social media advertising showed a marginal influence, while price sensitivity and negative experiences with local products were not statistically significant. The model explained 43.06% of the variance in consumer product choice ($R^2 = 0.4306$). Overall, the results suggest that consumer preference is more strongly driven by quality perceptions and digital influence than by price considerations.

Challenges for Local Products

Local products face several challenges when competing with branded alternatives. Respondents identified poor quality (40%), lack of strong brand image (35%), limited marketing and advertising (25%), and restricted availability (15%) as key issues. These factors undermine consumer trust and reduce competitiveness.

Opportunities for Local Products

Opportunities for local products include improving quality standards (60%), enhancing advertising and digital marketing strategies (50%), offering competitive pricing (45%), and gaining institutional support (30%). By addressing these areas, local brands can strengthen their competitiveness and appeal to young consumers.

Implications in the Bangladesh Context

In Bangladesh, local brands must improve quality, strengthen brand identity, and adopt modern digital marketing practices to compete effectively with international brands. Policymakers can support these efforts through subsidies, grants, and entrepreneurship initiatives. For marketers, strategies should focus on balancing affordability with quality, building brand trust, and addressing negative perceptions caused by past consumer experiences.

Limitations of the study

This study has several limitations. First, the sample is restricted to students of Jahangirnagar University, limiting the generalizability of results. Second, reliance on self-reported survey data may introduce bias, such as social desirability effects. Third, the cross-sectional design captures consumer behavior at a single point in time, limiting causal inferences. Finally, the use of online surveys may have excluded students with limited internet access. Despite these constraints, the study provides valuable insights into consumer behavior in a transitional economy.

Conclusion and Future Directions

This study explored the factors influencing consumer choice between local and branded products among students at Jahangirnagar University. It concluded that quality perception and social media influence are the strongest determinants of preference, while price sensitivity plays a secondary role. Branded products continue to benefit from perceptions of higher quality and trustworthiness, but local products can expand their market share by improving quality and leveraging targeted digital campaigns.

Future research should adopt a longitudinal design to examine how consumer preferences evolve as local brands enhance their quality and marketing strategies over time. Expanding the scope beyond university students to include professionals and rural populations would provide a more comprehensive understanding of consumer behavior across diverse demographic groups. Additionally, exploring cultural influences on purchasing decisions could reveal how social norms and traditions shape preferences for local versus branded products. Finally, comparative studies across other emerging markets would help identify similarities and differences in consumer behavior, offering broader insights into the dynamics of competition between local and branded products in developing economies.

Recommendations

To strengthen their competitiveness, local brands must adopt a multifaceted strategy that addresses both product quality and market positioning.

First, maintaining consistent quality through robust assurance systems and consumer feedback mechanisms is essential to building trust and reducing negative perceptions.

Second, brands should capitalize on the growing influence of digital platforms by leveraging social media marketing, influencer collaborations, and targeted online campaigns to enhance visibility and engagement among younger consumers.

Third, pricing strategies should be carefully developed to balance affordability with perceived value, ensuring that consumers view local products as reliable yet cost-effective alternatives to international brands.

Furthermore, improving customer service and after-sales support can foster long-term loyalty and positive word-of-mouth, which are critical for sustaining market presence.

Finally, local producers should invest in brand-building efforts that create strong, trustworthy identities, underpinned by unique value propositions and emotional connections with consumers.

Collectively, these recommendations provide a roadmap for local brands to improve competitiveness and expand their market share in the face of strong branded product competition.

Authors Contributions

Conceptualization, study design and writing-original draft were contributed by Dr. Shamima Aktar. Data collection, Data entry, Statistical data analysis and figure preparation were done by Dilshad Shamim Barna. All authors read and agreed to the published version of the manuscript.

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Conflict of interest

The authors declare that they do not have any conflict of interest.

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