

Consumers' Attitudes Towards Imported Shoe Products in Ethiopia

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Abstract

The advent of ever changing and rapid communication has given consumers far more knowledge about products than any time in history. The consequence of this information availability allows the consumer to examine the product's country-of- images more closely. This study was conducted to assess the attitudes of consumers towards non local (imported) shoe products. A survey questionnaire was distributed among 290 respondents of Addis Ababa University School of commerce undergraduate regular students of 2013 academic year. The questionnaire contained the measure of, Country of Origin, consumers' ethnocentrism, brand name, quality of the products, price, and attitudes towards importedshoe products. Five hypotheses were designed and tested by multiple regression analysis by using SPSS 16 version. Analysis of the data showed that consumers considered the imported products as of high value and they feel a pride when having the products of the developed countries. The study also indicated that Country of Origin, consumers' ethnocentrism, brand name, quality of the products, style, and price, as the major factors influenced the consumers' attitudes towards non local shoe products.

Keywords: consumer attitude, Country of Origin, consumers' ethnocentrism.

1. INTRODUCTION

According to Kotler and Armstrong (2010), currently, the world consumer market consists of more than 6.6 billion people who annually consume an estimated \$65 trillion worth of goods and services. Among these consumer goods, shoes are one of the basics. As globalization of markets continues to serve as a business strategy among business firms, managers need to understand the components and dynamics of buying decisions among different cultures. Included in this process is a focus on consumer's issues such as lifestyles, ethnocentrism and market segmentation. Entering international markets has been not only the focus of multinational corporations (MNCs), but also an approach of small and medium size businesses as well. Recent technologies have provide the global youth with enhanced oportunites to interact with international footwear brands.

And with ongoing trade liberalization, the globalization of markets, advances in communications and transportation technologies, Ethiopian consumers are increasingly exposed to a wide array of imported goods. As trade liberalization continues, the global markets are expanding because significant progress has been made in communication, transportation technologies, and other facilitating factors (Abdul et al., 2002). International markets now present great opportunities for consumers to choose products from abroad range of offerings. The vast array of imported goods available for sale is intensifying the competition in the domestic markets. The existence of a larger worldwide market means that customers in these markets are selecting more foreign branded products than in the past (Abdul et al., 2002).According to World Bank group (2006), the domestic market for footwear at present suffers from fierce price competition from synthetic footwear imported from China. Altenburg (2010) indicated, leather and leather products industry is stuck in a low-quality trap in which problems at all levels of the value chain are mutually reinforcing. That is inappropriate techniques at the stages of livestock management and undermines competitiveness in high-value leather product markets, and low quality of final products translates into low prices and under-investment at all stages of the value chain.

As it is obvious, Ethiopia has the largest livestock population in Africa and the 10th largest in the world, the country had to be one of the major shoes producers and exporters in Africa as well as in the world having comparative advantage of raw material and cheap human resource advantages. Despite this fact, many studies or According to World Bank group (2006), indicated that the shoe companies found in the country face strong competition from shoes imported from abroad. However, the consumer attitude towards imported shoes is still remained as open that need to be assessed. Considering this, this study carried out to meet the following objectives.

- To assess consumer's attitude towards nonlocal (imported) shoes products:
- To identify the effects of the country of origin on consumer attitude towards imported shoes product.
- To describe the extent of consumer ethnocentrism in affecting consumer attitude towards imported shoe product.
- To identify how brand's perceived degree of nonlocal origin affect consumer attitude towards imported shoes product.
- To evaluate whether nonlocal (imported) shoes are perceived as better quality.

- To determine consumer's price perception for imported shoe products.

1.1. RESEARCH HYPOTHESIS

Based on the the research objectives of the study the following hypthoheses were developed.

H1: There is a significant relationship between the country of origin effect and consumer's likelihood to purchase imported shoe.

H2 :There is asignificant relationship between consumers ethnocentrism and consumer attitude towards imported shoe products.

H3:There is a significant relationship between a brand's perceived degree of nonlocal originand consumer attitudes towards imported shoe.

H4: There is a significant relationship between quality of the products and consumer attitudes towards imported shoe.

H5: There is a significant relationship between students likely to pay a premium priceand consumer attitudes towards imported shoe.

2. LITERATURE REVIEW

In the developing countries, the variety of imported goods available is making competition in the domestic markets becoming more rigorous and providing more choices to consumers. Products developed in one country are finding enthusiastic acceptance in other countries.

2.1. Consumer Attitudes

The concept of attitude occupies a fundamental position in both social psychology and consumer behavior studies (Foxall and Goldsmith, 1994). Marketers are concerned with knowing customer attitudes towards their products and services and other elements of the marketing mix, as this knowledge can assist them to predict consumer behavior (Sheth and Mittal). According to Foxall and Goldsmith (1994) it is believed that attitudes are the crucial link between what consumers think about products and what they buy in the marketplace.

In terms of the international marketplace, Darling and Puetz (2002) argue that consumer behavior is strongly influenced by consumer attitudes towards products, as well as by the marketing practices associated with those products. Darling and Puetz (2002) also argue that an important influence on the development of consumer attitudes towards products is the country of origin of these products. As the manufacture of products and the search for suppliers become increasingly global activities, an understanding of the attitudes and behavior of buyers in terms of global products is an aspect that is achieving increased importance (Ahmed, d'Astous & El Adraoui, 1994 and Nijssen & Douglas, 2004).

2.2. Factors Affecting Consumer Decision Making

Consumers' purchase process is influenced by a number of different factors, some of which marketers cannot control. Consumer behavior is strongly influenced by attitudes towards a given brand or product (Blackwell *et al.*, 2001). Within the realm of consumer decision making, country of origin has been defined as an extrinsic cue that acts as a risk mitigate or quality cue for consumers (Cordell, 1992). Such extrinsic cues (others include price, brand name, warranties) serve as intangible product traits that contrast with intrinsic cues (e.g., taste, design), which are tangible aspects or physical characteristics of the product itself (Bilkey and Nes, 1982). According to Bilkey and Nes (1982) serves as an extrinsic cue (along with price and brand name) that supplements the use of intrinsic cues (perceptions of design, quality and performance, etc.).

2.3. Domestic Brands versus Global Brands

It is common for consumers to make a distinction and seek for differences between domestic brands and foreign brands (Knight, 1999) and consumers will evaluates foreign brands differently than they do with identical domestic brands (Herche, 1992) which can refers to quality and image. Wolfe (1991) defined domestic or local brands to be 'brands that exist in one country or in a limited geographical area whereas Levitt (1983) defines global brands as brands which can be standardized worldwide in tern of the use of same marketing strategy and marketing mix as a result of advanced technology, communication, transport and travel have participated in creating a new commercial reality. Similarly, Johansson (2005) defined global brand as 'a brand that is marketed under the same name in multiple countries with similar and centrally coordinated marketing strategies.

3. MATERIALS AND METHODS

3.1. Research Design

The research used descriptive survey design to seek out information on consumers'' attitude towards nonlocal shoe products. Surveys are a good way to obtain information in a systematic way about variables that are not easy to observe, such as consciousness, attitudes and intentions (Hair *et al.*, 2007).

3.2. Sampling

The target population of the study were regular undergraduate students of Addis Ababa university school of commerce. According to Addis Ababa University, School of Commerce Registrar office, there are a total of 1438 students enrolled in six different departments. Based on this total population size, the following formula suggested by Kothari (2004) is used to determine the sample size and the sample size turns out to be 302.

$$n = \frac{z^2 \times p \times q \times N}{e^2(N-1) + z^2 \times p \times q} \text{ Where } e=0.05$$

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5 \times 1438}{(0.05)^2(1438-1) + (1.96)^2 \times 0.5 \times 0.5} = 302$$

The 302 sample students were proportionally drawn from each department as indicated in the following table.

Table 1: Stratified sample allocation.

Departement	Total Population (N)	Sample size (n) $n1 = n \cdot \frac{N1}{N}$
Accounting	403	85
Administrative service Management	109	24
Business Administration and Information system	440	94
Finance and Development Economics	161	33
Marketing Management	265	54
Procurement and Supply Management	60	12
Total	1438	302

Source: Addis Ababa University, School of Commerce Registrar office, 2013.

3.3. Data Collection Instrument

The data collection instruments in this research were structured questionnaires; questionnaires contain a mixture of closed ended and open-ended questions. According to Boyd et al. (2004) the questionnaire method has advantages in terms of versatility of the method as well as speed and cost.

3.4. Measures

The items that are going to be used in each dimension such as country of origin, Consumer ethnocentrism, brand name and product quality were adopted from researcher of Maznah G. et al, John. E and Talha .H, Dana L. Alden and Guido Benny respectively, and the rest developed by the researcher after a thorough literature review. The tool was piloted to 30 students and to measure the internal consistency of the measurement scales used in this study, the diagnostic measure of Cronbach's Alpha was used. According to Hair et al. (1998) the commonly accepted lower boundary for Cronbach's Alpha is 0.70, although this value may decrease to 0.60 in cases where exploratory research is conducted. The face and content validity of questionnaires were determined by the opinions of experts. After all, amendments of the tool were made before the actual data collection started.

3.5. Method of Data Analysis

Quantitative data were organized, processed and interpreted by using descriptive statistical tools (mean, frequency and percentage). Regression analysis were used to determine the contribution of various independent variables on consumer attitude. In doing so, statistical package for social science software (SPSS) and micro soft excel software were used to generate the data output.

4. RESULTS AND DISCUSSION

A total of 302 questionnaires were distributed and 9 questionnaires were not returned. 3 questionnaires were found incomplete and excluded from the analysis. Therefore a total of 290 completed questionnaires are considered in the research. This represents a response rate of 96%, which is quite good for this type of study.

4.1. Profile of Respondents

As it can be seen from the table above, out of 290 respondents 168(57.9%) of them were male and 122 (42.1%) of them are females. Regarding the age of the participants, 114(39.3%) of the respondents fall in the age range of less than 22 whereas, the remaining percentage of the respondents i.e. 176 (60.7 %) fall in the age group of 22-24. Concerning year of study the table depicted that 51(17.6%) of them were first year, 143(49.3%) of them were second year, and the rest 96(33.1%) respondents were third year students.

Table 2: Characteristics of respondents

Characteristics	Frequency	Percentage
Sex		
Male	168	57.9
Female	122	42.1
Total	290	100
Age		
Less than 22	114	39.3
22-24	176	60.7
Total	290	100
Year of study		
First year	51	17.6
Second year	143	49.3
Third year	96	33.1
Total	290	100

Source: Survey data, 2013.

4.2. Reliability Analysis

The study used Cronbach alpha to assess the internal consistency of the research instrument. An investigation of the results indicated that the Cronbach Alphas were satisfactory for the variables.

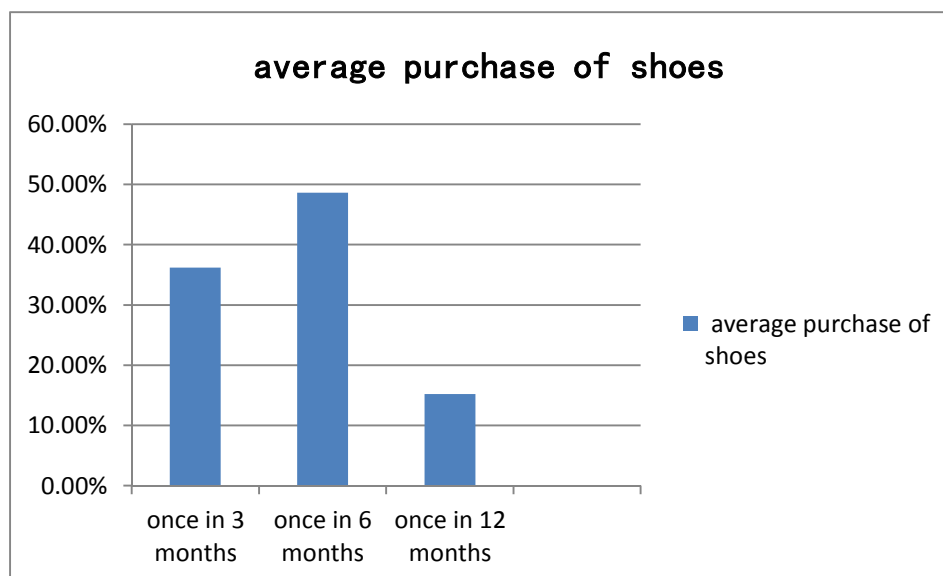
Table 3: Reliability Analysis

Dimension	Number of items	Cronbach Alpha	
		Pilot	Actual
Country of Origin	7	0.889	0.821
Consumer Ethnocentrism	9	0.852	0.876
Brand Name	9	0.849	0.925
Product Quality	7	0.909	0.863
Product Price	4	0.740	0.813
Over all scale reliability	36	0.934	0.970

Source: Survey data, 2013.

4.3. Frequency of purchase

Regarding the frequency of purchase, 105(36.2%) respondents indicated that they purchased shoes once in three months, 141(48.6%) respondents answer implied that they purchased shoes once in sixmonths whereas the remaining 44(15.2%) respondents indicated that they purchased shoes once in a year. Thus, from the total respondents 105 respondents made the maximum purchase, while 44 respondents made minimum purchase per year.



Source: Survey data, 2013.
 Figure 1: Frequency of Purchase

4.4. Results of Regression Analysis

Regression analysis were used to determine the contribution of various independent variables on consumer attitude. Based on Table 4, R square for this research was 0.448, which indicates 44.8% of the variation for the factor affecting consumer attitude towards nonlocal shoe products can be explained by the five independent variables tested.

Table 4 :Model Summary for Multiple Linear Regressions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.670 ^a	.448	.439	.478

a. Predictors: (Constant), Country-of-Origin , Consumer Ethnocentrism , Brand name, Product Quality, Price

Source: Survey data, 2013.

From table 5 below, out of the five dimensions, Country-of-Origin ($\beta = .371$) carries the heaviest weight in consumer attitude toward imported shoe products, followed by Product Quality ($\beta = .236$), Brand name ($\beta = .133$), Price ($\beta = .109$) and Consumer Ethnocentrism ($\beta = -.010$). It also indicates that Country-of-Origin, Brand name, Product Quality, Price have significant contribution to consumer attitude towards nonlocal shoe products because their significant values were less than 0.05 ($p < 0.05$) except Consumer Ethnocentrism. The effect of multicollinearity was examined by using the variance inflation factor (VIF) values for each of the regression coefficients. A small tolerance value and a large VIF value implying there exist multicollinearity. In this study, both tolerance values (0.820-0.960) and VIF (1.042-1.220) from the multiple regression analysis were in the acceptable threshold. Consequently, the results show that multicollinearity is insignificant in this study.

Table 5 :Estimated Unstandardized and Standardized Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.381	.139		17.174	.000		
	Country-of-Origin	.407	.058	.371	6.992	.000	.926	1.080
	Consumer Ethnocentrism	-.010	.054	-.010	-.183	.855	.960	1.042
	Brand name	.110	.043	.133	2.544	.011	.820	1.220
	Product Quality	.245	.059	.236	4.119	.000	.899	1.112
	Price	.117	.062	.109	1.891	.049	.832	1.203

a. Dependent Variable: consumer attitude towards imported shoe products

Source: Survey data, 2013.

Hypothesis Testing

H1: *There is a significant relationship between the country of origin effect and consumer's attitude towards imported shoe.*

From table 5 ,the result shows that country of origin effect ($\beta = .371, p < .05$).Therefore,H1 is accepted, which indicates that there is a significant relationship between country of origin effect and consumer's attitude towards imported shoe and such relationship is significant.

H2 : *There is a significant relationship between consumers ethnocentrism and consumer attitude towards imported shoe products.*

The result shows that consumers ethnocentrism ($\beta = -.010, p > .05$).Therefore, H2 is not accepted, which indicates that there is not significant or negative relationship between consumers ethnocentrism and consumer's attitude towards imported shoe and such relationship is not significant.

H3: *There is a significant relationship between a brand's perceived degree of nonlocal origin and consumer attitudes towards imported shoe.*

The result shows that brand name ($\beta = .133, p < .05$).Therefore, H3 is accepted, which indicates that there is a significant relationship between brand name and consumer's attitude towards imported shoe and such relationship is significant.

H4: *There is a significant relationship between quality of the products and consumer attitudes towards imported shoe.*

The result shows that quality of the products ($\beta = .236, p < .05$).Therefore, H4 is accepted, which indicates that there is a significant relationship between quality of the products and consumer's attitude towards imported

shoemand such relationship is significant.

H5: *There is a significant relationship between students likely to pay a premium price and consumer attitudes towards imported shoe.*

The result shows that price of a product ($\beta = .109, p < .05$). Therefore, H5 is accepted, which indicates that there is a significant relationship between price of a product and consumer's attitude towards imported shoe and such relationship is significant.

5. DISCUSSION OF FINDINGS AND CONCLUSIONS

This study showed that imported shoe clearly dominated the respondent's choice. And majority of respondents responded that quality played an important role in influencing consumer's shoes preference. Interestingly, the overall study respondents opinion showed that their shoe choice to a large degree influenced by the quality of the product. The result showed that imported shoe products were better (perceived to be the highest) in Product innovation, comfort of use, product design, product prestige and workmanship than Ethiopian shoes.

The finding of this study then confirmed with similar study in Malaysia (Mohamad et al, 2000). Products made in more developed countries (United States, Europe, and Japan) were perceived higher in quality than the less developed countries'. In other dimensions, consistently Ethiopian brands obtained lower rating than when they were using the 'made in Ethiopian' label but also were marketed under the more developed countries' brands. From these phenomena, we can see that students had not yet had enough trust to domestic brands that they can maintain good quality of their products. This was an important note for domestic business to strive for trust from consumers.

Country of origin seems to be the most significant dimension towards consumer attitude towards imported shoes. The results of this study suggest that country of origin is more important than price and other product attributes and at least as important as brand name, in the consumer's choice; the student consumer holds the 'Made in ' Ethiopian label in low regard relative to foreign labels. this findings support the results reported by Jaffe and Martinez (1995) for Mexico, Other literature shows that one of the things consumers highly considered when purchasing shoe is country-of-origin (Brown and Rice, 2005).

The empirical results in this study were revealed a negative relationship between consumer ethnocentrism and the attitudes of consumers towards imported foreign shoes. This result seems to be consistent with results found in previous studies where it was found that the more ethnocentric consumers are the more they will resist importing foreign goods (Javalgi *et al.*, 2005). Product quality and brand name also seems to have the most significant impact on consumer attitude towards nonlocal shoe products. Batra et al (2000), who asserted that international and global brands can be associated with prestige or status and quality. Such studies support the argument that brand name and quality of a shoe have a strong relationship with consumer overall attitude towards nonlocal shoe products. Price of a product also appears as significant dimension for consumer attitude towards nonlocal shoe products.

5.1. Limitation and Future Research Suggestions

With respect to the limitations of the study, the findings can only be generalized to the product categories assessed; only one product category (namely shoes) was investigated. Besides, this type of study should be extended to other domestic products, to enhance their marketability as well as improve the export market of the country and reduce the over-reliance on imported products. The study was conducted in Addis Ababa university school of commerce the characteristics and pattern of purchase of consumers in Addis Ababa university school of commerce may be different from those in other parts of the country. And the scope of the respondents should be expanded to include other universities and educational institution for effective generalization of the finding. More over the study limited on age segmentation, and other demographic variables were not analyzed. another limitation of the study is that it was a cross-sectional study. Longitudinal study is advised for the future researchers for the detailed and somewhat perfect relationship of the constructs discussed in this study.

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