

Determinants of Consumer Preference for Foreign Product Brands over Domestic Brands in Africa: A Case Study of Karimo Clothes Market, Abuja, Nigeria

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INTRODUCTION

Globalization is an inevitable phenomenon that is leading the entire world towards becoming one market, a global village with the world becoming a single market, globalization has had a major contribution in enabling the organizations worldwide to step out of the restricted domestic markets and to set up their operations across the globe with confidence. This has largely led to a decline in the importance in national borders and a greater emphasis on what the very country in which the organization exists or an entirely different part of the world. Globalization has had a legal impact on the branding strategies of international companies. Since the early 1990's many multinational companies, such as Unilever have moved from a multi-domestic to a global marketing approach including global brand strategies (Schuiling and Kapterer 2004). Increased consumer knowledge and awareness have played an important role towards this globalization of markets and escalating the power of global brands such as Pepsi, Apple etc.

As the competition increase in global arena, organizations find it important to serve international consumers along with the local ones to achieve competitive advantage. However for some product and services "the tastes and preferences of consumers in different nations are beginning to converge on some global norms" (Holt, 2002). From a consumer perspective, however, reactions to the prevalence of global brands seem to vary among the different customers. On the hand, consumers seem to value and admire global brands and regard such brands as a states symbol. On the other hand, global brands are often criticized for threatening the local differences and leading to a loss of cultural identity. Since the trend of consumption by our people is changing, people are becoming more prone to buying the international brands rather than the local ones. Consumers feel proud in purchasing imported goods and this has increased the power of international brands. Apart from just focusing on where the product has actually been produced, consumers consider various other factors when making purchase decisions. It has been noted that consumers are reluctant to buy goods made in less developed countries as they perceive them to be of low quality. Brands have also been perceived as being a status symbol among people of the world.

STATEMENT OF THE PROBLEM

Global flows of goods, local, people and capital can seem a threat to national culture in many ways. It can lead to the abandonment of traditional values and practices. Global markets provide economic advantage to the more powerful economic states so that integration into global markets often produces local hardships for producers as prices are depressed. The changes brought by globalization threaten the viability of locally made products and the people who produce them.

Globalization of course, does more than simply increase the availability of foreign made consumer products and disrupt traditional producers. The exposure to foreign cultural goods frequently brings about changes in local cultures, values, and traditions. The purchase of more expensive foreign products is often done at the expense of food, health, and education and consequently, contributes to decline in living standards.

OBJECTIVES OF THE STUDY

The objective of this study is to ascertain the veracity of the preference for clothes by Nigerians on the domestic ones as compared to those of the foreign made. This will help us to ascertain the factors that influence the customers attitude towards the foreign products, access the customers satisfaction and reasons for consistent, persistent and continued loyalty on the demand for foreign clothes; this study specifically is aimed at

1. Looking at the product preference of consumers for local and foreign clothes in Karimo market, Abuja.
2. Examine the determinants of consumers products preference, foreign, or domestic clothes.
3. Assess the awareness of levels of customers towards the effect of dependency on foreign imputed products.

SCOPE OF THE STUDY

This study is restricted to Abuja metropolis, the capital of Nigeria. The target respondents in this study are the consumers of fashion and fashionable products at the Karimo clothe market in Abuja. Abuja was chosen for this study because it is acclaimed to be one if not the fastest growing city in Nigeria by industry practitioners in terms of fashion and fashionable products brands purchase and usage arguably, it is expected that a study conducted in the area will provide good insight into the determinant of consumer product brands preference (foreign or local products).

SIGNIFICANCE OF THE STUDY

Studies that investigated the determining factors for consumers products brands preferences (foreign local) in Abuja are under represented in the mainstream literature. As a consequence, this study is likely to provide marketing practitioners insights on the determining factors that influences consumers products brands preference (foreign or local product), which will enables marketers of this fashion or fashionable products know where to faces his/her resources to and satisfying the consumers which is the main objectives and goals of organization for them to continue exist in the long run.

LIMITATIONS OF THE STUDY

The major constraints I encountered in gathering data for this research is the customers lack of preparedness to respond to my questions, they refused to collect them from me only few collected and returned, and more respondent to verbal questions. The costs of accommodation were also constraints.

LITERATURE REVIEW

THE CONCEPT OF BRAND

There have been a number of researchers done on brands. A definition of a brand by the American Marketing Association (AMA) in the 1960's (Keller, 1998) is "a name, term, sign, symbols, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and differentiate them from those of competitors". Research has proven that consumers use brand to help them make decisions about the product they choose (Ger et al., 1993). De Chernatony and Mc Williams (1989) stated that successful brands, be it domestic or international, will have some unique proposition that is satisfying consumers needs. Powerful branding will also have a positive impact on consumers franchises, as Kotler et al (2002), suggests that powerful brands commands a strong brand loyalty from their consumers where these consumers perform in a repeated buying and ignore alternative brands that may be at lower prices. Product brand is important as a positive product brand image will give consumers, and other interested stakeholders confidence about the full range of products and activities associated with a particular company. Recent researchers suggests that influences on foreign products evaluations may be considerably complex, resulting from interaction of various different factors such as price, perceived quality, country of origin, status, fashion consciousness, advertising campaigns etc.

QUALITY

Is a tract which is very hard to define, because it is a very subjective term. Perceived quality is the perception of a consumer about a product's excellence. Research process that most consumers perceive international brands to be of higher quality and greater prestige (e.g Nguyen, Barrett and Miller 2005; Steenkamp, Batra and Alden 2003). If a brand is perceived as globally available, consumers are likely to attribute a superior quality to the brand, since it is international acceptance is seen as a sign of its high quality (Hen 1989). According to Iglesias and Guillen (2004), consumers pass five phases of purchase process and the first phase is that the consumer perceive the product with the consideration of its availability, quality, price and the marketing activities. The consumers will make a comparison between brands to other alternatives and then make a decision. This will then either lead to the action of purchase or not to purchase that certain product from a certain brand. But most of the times consumer favours foreign brand over local brand because of its international acceptance which is as a result of its quality.

COUNTRY OF ORIGIN

By country of origin, we mean the country where the product brand is been produce, and this will also have a deep impact on the consumers preferences. The country on origin effect has been defined as influences, be it positive or negative, that a product's country of origin or manufacture may have on consumer decision (Ellient and Cameron, 1994). It is related to different stereotypes which are attached to a country's product by consumers. Majority of the studies have supported a strong direct relationship between the "made-in" label and perceived quality of the product. This finding indicates that consumers hold stereotyped images of certain countries and that these images affects their perception about the country products brands. These stereotypes vary from country to country. Product from developed countries and highly industrialized countries are evaluated more positively than products from developing countries. For

instance product from Italy like shoes and clothings are perceived to be of more quality than that of Nigeria or even any other country in the world. Some consumers will say it is either Italian shoe, it etc or nothing and they keep to there words. Moreover, attitude and perception of consumers towards brands and products will depend on categories, at times, for instance, electronic goods from Italy may be perceived as a poor quality but Italian clothing would be perceived as fashionable and of high quality (Bikey and Nes, 1982). This would be differently perceived with Japanese brands as Japanese electronic goods would be perceive with positive attitudes and Japanese clothing will be negatively perceived.

PRICE

Price is considered one of the most important factor affecting the consumer perceptions of a brand or product (Hansen, 2005), researchers found out that once consumers perceive a price difference between local-owned and foreign owned brands, price dissimilarities begins to affect there preference for local-owned. Therefore its imperative that we test the impact of price against consumers ethnocentric tendencies to determine at what point price becomes more and more important to consumers than all other factors mentioned. Consumers need a reference price as a clue for evaluating the price of an observed products/services. There are two forms of references price- an internal one that resides in consumers memory (e.g past purchase) and an external one that is formed during the purchasing process e.g price comparison between brands while shopping) (Manumdar and Papatla, 2000). If consumers perceive the local owned brand as more expensive than the foreign owned brand, but its quality is similar to the foreign owned brand, they should prefer the local-owned brand less because they perceive a higher loss with the local-owned brand. In other hand, if the foreign own brand price is higher than the local, the consumer still prefers the foreign brand high price is perceived as a sign of higher quality of the product brand.

SOCIAL STATUS

Author have stressed that consumers may prefer a foreign brands because of association of higher prestige or because the “elite” class uses its (Schieding & Kapfer, 2004; Steenkamp, et al., 2003). Foreign brands may have a higher prestige than local brands due to their relative scarcity and higher price. Consumers perceive a product brand that is relatively scarce as brand of higher quality since it can not be found in all places or shops around the corners of every street. Peer group also influence a lot in the sense that people of same class want to wear clothes, shoes, watches and drive cars of same class no matter what its takes to do that and once this product brands is a foreign one, no matter how much its cost they all will want to get since foreign product brand are perceived to be of more quality than local or domestic one and in that group no one will want to wear or use domestic or local products brands since it is perceived to be of an inferior quality to the foreign one.

SOCIO-DEMOGRAPHIC CHARACTERISTICS

Demographic factors also are a determinant for the consumer preference for foreign products brands over domestic or local products brands. Consumers who have attain certain grade or level in academic or education tends to prefer foreign products brand over domestic or local. For instance professors, Vice-chancellor, Rectors, Chief-lecturers etc will prefer foreign brands to domestic brand if all things been quall because of

his/her academic or educational qualification. Even that of income is the same i.e people or consumers earns more or higher tends to go for foreign brand over domestic brands in relation to their income which on the high and increasing and there economic will being is increase and improving from time to time and perceived quality for foreign brands, since foreign brands are expensive and are perceived to be the best, they go for them and forget domestic products brands. A well to do multi-national business man or woman will not go for an inferior product which are mostly domestic but will go for a more standard and quality product brand which are mostly foreign products brands. For instance I don't think we should expect Wale Adenuga of Glo Nigeria to go for a Nigeria made shoes or clothing and not be surprise if he goes for foreign brands or products because that is what fit his demographic characteristics as a multi-national business man.

FASHION

This is also another determinant for preference of consumers for foreign products brands over locator domestic products brands, as consumers sees foreign product as more fashionate than local or domestic products. Lots of consumers prefer imported or foreign brands of products. Lots of consumers prefer imported or foreign brands of products like shoes and clothes are qualified, considered the current fashion and fulfilled the demand of different groups and purpose as well. As traditional clothes have also specific attachment with certain tradition and values and only allowed to be used in certain religious or national ceremonies. As they are not meaningful and accepted in other circumstances. Clothes used in ordinary circumstances are not common and available in different styles. It is not also used for recreational purpose being having attachment to specific circumstances.

Traditional clothes or dress lack variety and fail to meet the varied interests of individuals unlike imported clothes and shoes do. Traditional clothes are most cases prepared only in a style appreciate for celebrating specific circumstances, unlike foreign clothes that in various styles for various circumstances and purpose. Brands like Apple, Sony, Pepsi have empowered consumers and these brands are capable of evoking association and feedings to an extent that they now becomes an important part of our lives. Due to increase peer pressure, these foreign brands have now become a necessity for every young person. Wearing Nike shoes may be considered as fashionable and trendy in universities. So the need to be accepted by a particular social group may compel young people to buy international brands even when local brands are available at the same price.

GEOGRAPHICAL LOCATION

By these we mean the consumers in urban and rural areas, as the consumers in urban areas i.e consumers who lives in cities like Abuja mega cities like Asokoro, Maitama etc tends to wear or use foreign or imported products than those who lives in Idah or Ajaka in Kogi State. Based on the area they stay and the people they have around them in this area.

Table 2.1: Difference between Domestic and Foreign Marketing

1.	Domestic Marketing Single nationality	Foreign Marketing Multilingual, Multinational, multicultural factors
2.	Relatively homogeneous	Fragmented and diverse markets
3.	Data available, usually accurate and easy to collect	Data collection a formidable task, requiring significantly higher budgets, and personnel allocation
4.	Political factors relatively unimportant	Political factors frequently vital
5.	Relative freedom from governmental interference	Involvement in national economic plans, government influences on business decisions not unusual
6.	Individual corporation has little effect on environment	“Gravitational” distortion by large companies
7.	Chauvinism helps	Chauvinism hinders
8.	Relatively stable business environment	Multiple environments, many of which are highly unstable/but may be highly profitable
9.	Uniform financial climate	Variety of financial climates ranging from overly conservation to widely inflationary
10.	Single currency	Currencies differing in stability and real value
11.	Business rules mature and understood	Rules diverse, changeable and unclear
12.	Management generally accustomed to sharing responsibilities and using financial controls	Management frequently autonomous and unfamiliar with budget and controls

Source: William C. (1970:58) “International Planning Mission Impossible?” Columbia Journal of World Business 7 July-August, quoted in Onah and Thomas (1993), Marketing Management.

Reasons Why Firms Go International

If marketing is marketing, whether conducted at home or abroad, the question that follows is: why do firms go abroad? Different authorities have given different but related answers to this question. Among them are Agbonifon et al. (2007) who gave the following reasons for the individual business organization going abroad:

- Prospects for high returns in foreign markets;
- A corporate strategy to escape the tough competition at home;
- The need to prevent stagnation and vulnerability;
- And the need to prolong the life of its products.

Expanding on the above objectives are Busco and Houston (1985) who suggested the need for more customers, nature of the business, lower cost of operating abroad, meeting the competition, environmental and ecological pressures. Others are the incentives provided by the host governments, stage in the product life cycle, and exchange rate fluctuations.

To Kotler (2000:367) the factors that are drawing more and more companies into the international arena are:

1. Global firms offering better products or lower prices can attack the company’s domestic market. The company might want to counter attack to these competitors in their home markets.

2. The company discovers that some foreign markets present higher profit opportunities than the domestic market.
3. The company needs a larger customer base to achieve economics of scale.
4. The company wants to reduce its dependence on any market
5. The company's customers are going abroad and required international services

The important of these reasons is that for a firm to be competitive nationally, it must be competitive internationally. Again, the increasing affluence, greater sophistication of consumers and purchasing agents, improved communication with the rest of the world, better transportation that lowers the cost of imported goods, lower tariffs on imports because of tariff negotiations, and increased aggressiveness of foreign business are the attractive reasons why firms venture abroad. The profit maximization and business growth desire, geographical diversification rather than product diversification and use of the firm's excess installed and production capacity equally push many firms abroad. These objective reasons notwithstanding, certain firms find it difficult to go abroad because of the challenges of international marketing to the form and the risks involved. This means that all these challenges and risks have to be weighed before the form finally up its "mind" to go abroad or not.

DISCUSSION, CONCLUSION, MANAGERIAL IMPLICATIONS AND AREA'S FOR FUTURE RESEARCH

The study has find out that in the condition of having a chance of buying only one among the two alternatives of the products (foreign and domestic products), majority (%) of the respondents inclined to the use of foreign imported products. More than half (73%) of the respondent perceived the imported products are more qualified than domestic ones. Almost all (73%) of respondents consider the quality of the product for decision of buying. Perceived foreign products quality has statistically significant association with its prefer ability in the market of the total respondents, 194 (64.66%) considers the country of origin i.e place of manufacturing before purchase are been made. Though they were less in proportion, % of the total respondents were found to be less product of their own cultural traditional and did not intend to use things produced by local industries. Attachment of imported products with better public acceptance has also positive relationship with preference for imported products over domestic ones.

Majority said they use imported products with the mere perception that they could be help to become socially recognized and thus becomes numbers of those who are perceived as prestigious. Gender, attachment of product quality with products import nature, residential background, educational level, and societal recognition of using imported arrests who are more inclined to the use of imported products over domestic ones. Buying preference of foreign products increases with better educational level. Larger amount of the respondents (59.6%) put price into consideration in making purchasing or buying decision and the respondents perceived that high represent high quality of product which is one of the nature of foreign brands i.e foreign brands are most of the time more expensive than the domestic one and so they perceive the quality to be high as well so they prefer the foreign one based on the high price. This empirical study enabled to the products preference of fashion consumer in Abuja. It was helpful to show the attitudes and perceptions of the local people towards domestic and foreign products. The study gave an insight on the awareness levels of customers on costs of

buying locally substituted foreign imported goods on the cultural identity of the local people, development of tourism industry, exploitation of local resources, development of domestic industries, GDP of the country and living standard of the local people. It fills the knowledge gap in the socio-economic and demographic determinant of product preference. Additionally, the outcome of this study will be utilized in providing field based on practical information for the researchers and the institution in strengthening community service programme and teaching being supplementary pillars in higher institutions.

CONCLUSION IMPLICATION AND LIMITATION

The study determines the factors that influence the preference of foreign product brand over domestic ones by the consumers. Interestingly, the finding revealed that most of the consumers of fashion and fashionable products or and are been influenced by the factors in their buying decision, factors like price, quality, country of origin, fashion, educational level, environment background and etc. This findings has serious implications for brands managers of locally produce products brands as well as academics and the government at large. It will guide brand managers and government on the key areas to focus their attention to either as a marketing organization or the government, so as to be competitive in the market and to increase and improve the waiting of the citizen as government which should be enhancing the locally industries, promoting locally produce product brand by creating more awareness on the importance of using domestic or locally produced products brands. Emphasis should also be given to the production of varieties of products brand, quality, and fashion suitability. Local industries should be given financial and technical support in improving their capacity of producing products having competitive qualities, fashion and varieties considering the demands of local customers. Also the enculturation of the new generation with local values in demanding. The customers should be selective and prioritize the functional aspects of products and consider the contribution of using local products for the future competitiveness of local industries and preservation of indigenous identity markers of a nation. This result is limited by the fact that the result cannot be generalized beyond fashion and fashionable materials consumers. Again, the restriction of the geographical area studied to one city in Nigeria also limits the results of study.

AREAS FOR FUTURE RESEARCH

Though this study used multivariate regressions to analyze the data generated from the questionnaire, similar study should be conducted in other cities in Nigeria with the aid of structural equation modeling so as to accommodate other variables such as product availability which may likely influence consumer purchase intention.

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