

Analysis of nigerian consumers' perception of foreign made products

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Abstract: *This article presents the results of a survey of Nigerian consumers' perception and attitude towards products foreign made products. The focus of the study is the source of information in evaluating a product; the evaluation of specific product dimensions by Nigerian consumers' assessment of different product categories. The results show that Nigerian consumers perceive foreign made products as more reliable technologically advanced, stylistic and competitively priced than made in Nigerian products. More importantly, the most common product information sources are advertising and words of mouth. The managerial implication and limitations of the study are examined.*

Introduction

There has been considerable interest in recent years on the effects of country of origin products on consumer's perception of products. Consumers usually have several options in their choice of product consumption (Schooler, 1965; Ahmed and d' Astous, 2002, 2003; Ahmed and Xia Yang et al. 2003). These research findings indicate firstly, that better understanding of country of origin is

required in appreciating perceptual decisions of consumers. Secondly, country of origin is used by consumers to evaluate products and in making purchasing decisions (Hong and Wyer, 1990; Parameswaran and Pisharodi, 1994). More importantly, country of origin may create a 'halo effect', influence customer's attention and evaluation of product features and dimensions (Erickson, Johansson and Chao, 1984). Country stereotyping may also affect consumers' attitudes towards the

brand of a country instead of through attitude ratings (Wright, 1975).

The conclusions that emerged from country of origin research indicate that consumers use country of origin to evaluate products (Han 1989; Johansson 1989). For example, Johansson (1989) argued that consumers' use country of origin information to evaluate product quality. Other authors suggested that country of origin could be used as an attribute (Hong and Wyer 1989, 1990)

Researches on country of origin provide insight knowledge into consumer attitudes in various countries in respect of foreign products and corresponding marketing strategies. It also provided considerable contribution into the understanding of international marketing strategies. Despite these contributions empirical research in developing nations in respect of foreign products and associated marketing practices and strategies are limited which limited conclusions that can be drawn from developing nations. A number of factors limit previous studies on country of origin, one, most of these studies were conducted in USA where authors made use foreign students on the assumption that their behaviors will reflect behaviors of their home country (Samiee, 1994). Two, only few studies were conducted outside USA mostly in developed and industrialized nations (Bhuian, 1997). Three, these studies adopted a general approach in their investigations, i.e they examined consumers' perceptions of products from a wide array of countries, this reduced the level of detail to be gained on specific country or region (Leonidou, Hadjarcou, Kaleka and Gergans, 1999). This may be helpful for comparative analysis on a general level (Sodiq and Zafar 2006). While a number of studies have been conducted in

many developed nations few studies, if any, as far as it can be determined have not been conducted on Nigerian consumers' preference of foreign made products. Specifically, this study attempt to investigate the following research questions: what are the sources of information used by Nigerian consumers in evaluating foreign made goods? How does this differ in accordance with consumer demographics? How do consumers in Nigeria evaluate specific dimensions of products made abroad and how do these factors vary in relation to consumer demographics? What is the Nigerian consumers' assessment of product categories?

Literature Review

Recent trend in globalization emphasizes the need to understand country of origin concept effects, especially in developing country like Nigeria. There is increasing application of digital mechanism in trade transactions and a reduction in trade barriers which make it relatively easy for multinational organizations to compete in several markets and economies. For example, a Nigerian consumer has access to several products from around the world and country of origin information may be used to evaluate these products. Several consumers make rational choice by comparing and contrasting product features and performance. Recent studies had shown that emotions play a major role in consumer purchase of foreign products (Maheswaran 1994).

The earliest study of country of origin can be traced to the work of Nagashima (1970). He argued that consumers evaluate products based on the picture, the reputation, and the stereotype that consumers and

businessmen attach to products of a specific country. The image of a product is formed by associating the product to such variables as representative products, national characteristics, economic and political background, history and tradition of the country of origin of the product. Samiee (1994) defined country of origin effect as the influence or bias that consumers may have resulting from the country of origin of the product or service or its associated products.. The results of the effects may be varied: a number may be as a result of the experience of the consumers of the country of origin; knowledge of the country of origin of the product; political beliefs; ethnocentric tendencies and fear of the unknown. (Ahmed, Johnson and Yang 2003).

Several studies have extensively documented that country of origin influences product evaluations. In general, evaluations of a country associated with a product leads to a corresponding favourable and unfavourable evaluation of a product (Gurhan-Canli and Maheswaran 2000b; Hong and Wyer 1989,1990). Previous studies provided conditions under which country of origin is used to new evaluate, some of these conditions include nature of information and the processing goal would determine whether country of origin will be used for product evaluation (Gurhan-Canli and Maheswaran, 2000b). For example Gurhan-Canli and Maheswaran (2000b) study found out that product from Japan elicit favourable perceptions of high quality product. However, Klein, Ettenson and Morns (1998) found out that some Chinese consumers may not consume Japanese product because of high animosity developed against Japan during the war. This shows that consumers' emotions impact significantly on the country of origin evaluation.

Consumers in less developed countries may favour products and brands from developed countries (Solomon, 2004) and Nigerian consumers are no exception. Consumers attitude towards western culture especially from countries that were colonized are ameliorated (Klein et. al 1998) and they often value western goods more than locally made goods (Ahmed and d'Astons, 2004). Consumers may prefer high-quality imported goods, they do not blindly buy western goods, rather they may seek quality at a good price (Cui, 1997). It is also possible that foreign brands may lose their appeals as locally made goods increase in quality and attractiveness (Zhou and Hui, 2003; Li, 2004). Another reason why foreign products may lose their appeal in less developed countries such as Nigerian may be local consumers' increasing knowledge about foreign products and brands (Dickson et al, 2004). It has also been reported that consumers buy foreign goods for prestige and nationalistic belief (Zhou and Belk, 2004). Therefore, it can be suggested that consumers in developing countries have conflicting reactions towards foreign brands.

Country of origin is a cue that consumers use to evaluate foreign products and brands. Country of origin (hereafter, COO) has been defined in several ways: as the country of location of the corporate headquarters (Ozsomer et al, 1991); country of manufacturing or assembly (Papadopolous, 1993); and the country of product design (Ahmed et al 1994). COO is also defined as any influence or bias that consumers may hold, resulting from the COO of the associated products or service (Samiee, 1994). The source of the effect is varied, some are based on the experience of the consumers with the products from the country in question, others are from

personal experience, knowledge regarding the country political belief, ethnocentric tendency or fear of the unknown (Samiee, 1994).

Previous studies had shown that COO can influence consumers' attitudes (Khachaturian and Morganosky, 1990); purchasing intentions towards foreign products and brands (Zhang, 1996; Kaynak, Kuankemiroghian and Hyde, 2000); evaluation of its attributes (Kim and Pysarchik, 2000); attitudes toward products (Lee and Leong, 1999) and product purchase value (Ahmed and d'Astous, 1999). These influences have been reported for products in general as well as specific product categories, including consumers as well as organizational buyers (Kim and Pysarchik, 2000; Ahmed and d'Astous, 1995; Li et al, 2000; Huddleston et al, 2001). COO is very important in evaluating foreign products principally from two main perspectives: quality (Khachaturian and Morganosky, 1990 and Steenkamp et al, 2003) and purchase value (Ahmed and d'Astous, 1993). These perceptions are influenced by such factors as brand familiarity, the level of involvement in the purchase decision, the level of involvement evoked by the product class, the familiarity with countries and preference for domestic products (Kaynak and Kara 2000; Steenkamp et al, 2003; Batra et al 2002).

Consumers' associate specific image to products from given country. Such images are influenced by a number of variables including national characteristics, economic and political background history and traditions (Nagashima, 1970, Sohail and Ahmed -). COO effect is concerned with how consumers perceive products sourced from a particular country (Chinen, et al 2000). Extant literature indicated that COO influence can

be traced to product assessment and decision making processes as it affect consumers' prediction of likelihood of specific features of products manufactured in a certain country (Zain and Yasin, 1997; Solomon, 2004). A number of studies have indicated consumers' bias favour of products from developed nations such as USA, European countries and Japan. This usually associated with high levels of economic and technological development (Chinen et al , 2000; Huddleston et al, 2001; Hsieh, 2004) which translate to high quality and better performance of products.

One important aspect of the effect of COO is the product type. It is established in literature that product that exhibit high complexity or product considered being luxurious items e.g automobiles, computers and television sets are likely to be more affected by the COO (Ahmed and d'Astous, 1993 2001; Okechuku and Onyemah, 1999). A number of variables have been identify to influence the COO effects. For example demographic factors such as age and sex have been found to influence country of origin effect (Schooler, 1971; Johanson et al 1986). College graduates have also been found to view foreign products more favourably than less educated respondents

There is evidence to suggest that highly industrialized nations such as Japan, USA UK or Germany are evaluated highly in terms of product quality (Ahmed and d'Astous, 2001) than newly industrialized nations such as China, Korea or Indonesia. Products from these later countries are generally viewed as inferior across design, assembly and parts ability. Products from developing countries like Nigeria are further viewed with negative impressions (Okechukwu and Onyemah, 1999).

Consumers' experience of living or studying in a foreign country will moderate his perception of product quality and purchase intention. This is based on the theory of acculturation. Acculturation looks at how consumers from one country adapt their attitudes and behaviour of a host country (Jamal and Chapman, 2000; Suri and Manchanda, 2001). A number of studies have investigated various aspects of acculturation and the impact on marketing (Son and Shin, 2004; and Chung et al, 2005). These include issues such as information search, price sensitivity, shopping behaviour, response to advertising and personal influences (Quester et al, 2001; Jamal and Chapman 2000; Xu et al 2004 and plumbo and Teich 2004). Yim, Garma and Polonsky, (2006) and Wong (2005) posulated that consumers who are acculturated to foreign environment have more positive feelings toward products from those foreign environments than those non-acculturated counterparts. It is expected, therefore, that adaptation to foreign views would impact on consumers' evaluation of products sourced from home country versus foreign products which could modify purchase behaviour (Xu, et al, 2004).

Materials and Methods

This study was conducted in Lagos, Nigeria. Lagos is Nigeria former federal capital and the commercial and industrial nerve centre of the country. Nigerians consumers' perceptions towards products made in Nigeria were measured on multiple-item scale drawn from previous research. The instrument was adapted from Leonidous et al (1999) with a number of modifications to suit our present needs. For example, information

on ethnicity was dropped despite the facts that Nigeria is a multi-ethnic society. This is because consumers may be sensitive to questions on ethnicity. Basically, the survey attempts to elicit response on the sources of information for evaluating foreign products, consumers' evaluation of different product dimensions, demographic profile of consumers and perceptions of foreign products based on experience.

Product dimensions studied included design, style, quality, branding and price. Specific products used in assessing the effects of COO include electrical appliances and electronics, clothing, cosmetics and footwear, confectioneries and drinks and computer accessories. The choice of these products is based on the facts that most of these products are accessible to consumers (both local and foreign made). Also covered in the questionnaire are issues relating to demographic profile of the consumers (age, gender, educational background). The study made use of customers of departmental stores in two major commercial and business districts of Lagos: Ikeja and Lagos Island. Shoppers were used to collect information majorly by convenient sample techniques. The respondents are at least 18 years old and were requested to fill a questionnaire as they are living a shopping mall. In all 220 questionnaires were administered of which 197 were found usable, which form the basis of this study.

Analysis and Discussion

The age of the respondents ranged from 18-55 years. More than 80% of this is in the age bracket of 18-35 years. All the respondents have at least secondary education with

more than half possessing a secondary education, see table 1.

The major sources of information for the respondents about goods imported are friends, television and radio and experiential knowledge. A check on the relationship

between demographic variables and sources of information indicated that friends' opinion ($p = 0.001$) and experiential knowledge ($p = 0.066$) are preferred by both male and female respectively. Gender has no other significant impact.

Table 1: Demographic Profile

Profile	Frequency	Percentage
Gender		
Male	69	35
Female	128	65
Total	197	100
Age		
18-25	106	53.81
26-35	59	29.95
36-45	24	18.18
45 and above	8	4.06
Educational Qualification		
Primary education	-	
Secondary education	118	59.90
NCE/HHD/BSC	69	35.03
Post graduate	10	5.07

Table 2: Sources of Information for Products

Variables	Experiential Knowledge	Friends Opinion	Product Packaging	TV/R Radio	Sales Reps
Gender					
Male	3.09	2.98	3.02	3.35	3.56
Female	3.27	2.64	3.62	2.87	4.17
P value	.066**	.001*	.811	.649	.920
Age					
18-25	4.09	2.39	2.79	2.73	2.69
26-35	4.65	2.14	2.88	2.92	3.97
36-45	4.34	2.65	3.34	3.04	4.34
+45	3.98	3.11	3.03	3.57	3.96
p value	.060	.889	.734	.002*	.635
Educational Level					
Primary	3.16	2.41	4.88	3.88	3.23
Secondary	2.98	2.35	4.82	3.82	3.87
NCE/HND/BSC	2.76	2.79	4.01	4.01	4.02
Postgraduate	2.45	4.06	3.33	4.33	3.42
p value	.050***	.035	.370	.01**	.022**
Overall Ranking	1	3	4	2	5

Mean scores based on ranking of preference ranging from 1= most preferred and 5 least preferred

*=1%, **=5% and ***=10%

Age groups present different scenario in respect of sources of information in product evaluation. Table 2 showed that young respondents (18-35 years) relied mostly on television and radio for their source of information ($p=0.002$). Other sources are of no importance to the respondents' product purchase decisions.

Educational qualification is related to three of the items studied. Respondents with lower education: primary and secondary are influenced by television and radio ($p=0.01$), and sales representation ($p=0.022$), while respondents with higher level of education i.e minimum of university education relied on experiential knowledge ($p=0.050$). Overall rating of the sources of information studied

indicated that respondents rated experiential knowledge higher than other sources. The rating ranged from most preferred (1) to the least preferred (5). Television and radio are ranked second followed by friends 'opinion, the rated source of information from table 2 is product package.

Respondents were asked to indicate how they evaluate foreign products using six dimensions presented in table 3. The dimensions are design, style, quality, branding, packaging and price. The relationship between demographic factor and the six dimensions of product evaluation studied showed that male respondents used design dimension to evaluate a product ($p=0.55$) while the female respondents relied on price

($p=0.034$). However, there was a consensus on the relevance of quality in product evaluation ($p=0.062$).

An analysis of the relationship between age and the products evaluation dimensions showed that two of the dimensions namely: made serious impact on consumers' evaluation. Respondents whose age range between 36-45 years placed high premium on quality in their products evaluation. Meanwhile consumers within the age bracket of 36-45 placed

little emphasis on quality. Several studies had related quality to product evaluation (Sohail and Ahmed -), however the finding here is that all the age group considered have similar mean values.

Younger respondents in the age group of 18-25 years and those are above 45 year old relied on branding for product evaluation. The other dimensions have no meaningful impact on age in the consumer evaluation of foreign products.

Table 3: Consumers Evaluation of Product Dimensions

Variables	Design	Style	Quality	Packing	Branding	Price
Gender						
Male	2.28	3.67	2.55	4.62	3.02	2.85
Female	3.75	3.15	2.69	3.34	4.93	2.01
p value	.055**	.598	.062*	.76	.211	.034**
Age						
18-25	4.26	4.14	3.71	5.88	2.68	4.58
26-35	4.92	4.78	3.17	5.93	2.93	5.31
36-45	4.66	3.55	3.07	5.72	3.05	5.72
+45	3.76	3.99	3.67	5.44	2.74	5.66
p value	.299	.544	.081**	.223	.043**	.738
Educational Level						
Primary	2.56	2.42	1.72	3.25	2.51	3.04
Secondary	2.93	2.95	2.86	2.65	2.77	4.89
NCE/HND/BSC	5.37	2.79	1.81	2.77	2.99	5.02
Postgraduate	5.72	4.66	4.17	2.50	3.28	4.98
p value	.398	.372	.000*	.060***	.034**	.001*
Overall Ranking	4	3	1	5	2	6

Mean scores based on the ranking of preference ranging from 1=most preferred and 6=least preferred .

*=1%, **=5%, ***=10%

Educational background is related to four of the six dimensions in evaluating foreign products. For example, except for postgraduate respondents all other respondents relied heavily on quality in evaluating foreign products ($p=0.000$), however, postgraduate respondents considered packaging more than other respondents with lower qualification, followed by secondary school graduates ($p=0.060$). Another finding is that branding was important to respondents with lower qualification ($p=0.034$). Further more, price was an important dimension to respondents with lower degree: primary and secondary

schools graduates ($p=0.001$). Overall ratings given by the respondents on all the dimensions showed quality as the most preferred followed by branding while the least preferred is price. That means Nigerian consumers rate foreign products highest on quality, branding, style, design, packaging and price in that order.

Product categories analysis in this study includes electrical appliances and electronics, clothing, cosmetics and footwear and confectionaries and drinks. The mean scores are shown in table 4.

Table 4: *Evaluation of Various Product Categories*

Product Category	Mean	Standard Deviation
Electrical/Electronics	4.07	.81
Clothing/Cosmetics	4.41	.59
Confectionary/Drinks	3.98	.731
Computers	3.79	.88

The responses were rated on 5-point Likert scale ranging from poor to excellence. Table 4 showed the mean and standard deviation scores. Clothing (4.41) was rated highest while computer category had the lowest rating. However, there was no uniformity in the rating of the product categories has indicated by the wide range of score in the standard deviation of the mean scores.

Implications and Conclusions

Main objective of this study is the evaluation of Nigerian consumers' perception of product made abroad. A number of general approaches were adopted for this

study: sources of information for products evaluation of product dimensions and product categories. The most important source of information for foreign made products is experiential knowledge, followed by television and radio, the least utilized source is sale representatives. For the male respondents the most preferred source of information is the experiential knowledge while the female most reliable source is their friends. The young respondents relied on television for their source of information. In terms of educational background those with higher education relied on experiential knowledge for information, the primary and secondary school certificate holder preferred

television and radio as a source of their own information.

More importantly, the sales representatives also constitute a preferred source of information for primary school certificate holders. The marketing managers should ensure that the adverts of their products should be effective enough to not only attract customers but to retain them.

In terms of the evaluation of the product dimensions the most preferred product dimension is quality, followed by branding, style, design, packaging and price in that order. The male respondents used design and quality to evaluate product dimension while the female respondents made use of price. The most preferred product dimension to the middle aged respondents (36-45) was product quality, while branding was important to the relatively young. The implication of this to marketing manager is that product design and perceived quality of the product should

not be compromised as it can affect the purchase of the products.

This study was limited by a number of factors, the study involved selected foreign products in Nigeria without country by country analysis, consumers perceptions of products from different countries may not be the same. The study was conducted in Lagos, a commercial and industrial centre, the characteristics and pattern of purchase of consumers in Lagos may be different from those in the other parts of the country. More importantly, the sample size was relatively small when compare to the population of the whole country even that of Lagos. Therefore, the results from this study require further investigations not only in terms of coverage, but in terms of country by country analysis, involvement of wider range of products, and extension of the study to other parts of the country.

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