Factors Affecting Customers' Attitude among Foreign and Domestic Footwear Products

Zemenu Aynadis[1]

[1]*(Department of Marketing Management, College of Business and Economics, Mekelle University, Ethiopia)*

ABSTRACT: *This research has been conducted to assess factors affecting customers' attitude towards foreign brand footwear products. And it is discovered that customers' have positive attitude towards foreign footwear products. Different factors have contributed for the customers to have positive attitude towards such products. These factors include quality of product, the price of the product, the attractiveness of the product, the durability of the product, the quality & design of the products, the perceived social status of the product, the brand name of the product and the fashionability of the product. Moreover the correlation analysis between the dependent variable and explanatory variables is conducted. And it is found that all of the independent variables have association with the dependent variable thought their level of association differs. Such association between the dependent and independent variables is an indication that attitude of customers is affected by the above mentioned explanatory variables.*

Keywords: *Customers' Attitude, Footwear Products, Foreign Products*

I. INTRODUCTION

Many researchers have been conducted studies to analyse the consumers' perception towards domestic products and foreign products in various countries. However, there has not been research conducted extensively to examine the factors affecting customers' attitude among foreign and local (domestic) footwear products in Ethiopian market.

Due to globalization, the world is becoming one village and the international trade is growing more than ever. A product that is produced in one part of our world is found to be marketed in the other extreme by next day. The globalization of market has brought considerable foreign goods to Ethiopian consumers. This provides customers with many opportunities to access different alternative products or services. Because of this, customers of different nations exhibit different behaviours regarding the purchase of domestic and foreign products. This study, therefore, focuses on investigation of factors affecting attitude of the customers towards foreign footwear products.

1. Factors affecting customers' attitude among foreign or local products

According to [1], quality, country of origin, price social status, family and friends influence affect customers buying decision of footwear products and their attitude towards foreign and/or local footwear products.

1.1. Quality

As defined by different researchers [2], quality is defined as the consumers' judgment about a given product or service's capability to meet or exceed overall standards of excellence. It is also indicated that consumers prefer foreign products to locally-made products for their assumed high quality and prestigious image [3].

1.2.   Price

Researchers found out that once consumers perceive a price difference between local-owned and foreign owned brands, price dissimilarities begin to affect their preference among local and foreign products. Therefore, price is one of the most important extrinsic cues that consumers use when evaluating the product [4].

1.3.   Social Status

Researches indicate that consumers may prefer global brands because of associations of higher prestige [5] [6]. Foreign products are perceived to have higher prestige than local products due to their relative scarcity and higher price. Furthermore, global brands may also stand for cosmopolitanism. Some consumers prefer global brands because they enhance their self-image as being cosmopolitan, sophisticated, and modern. Conversely, local brands tend to be targeted and positioned based on a deep cultural understanding and therefore create "*a sustainable unique value and offer the symbolism of authenticity and prestige*". Still, consumers have been found to have no intrinsic preference for global brands [7].

II. OBJECTIVES

- Determining the attitude of customers towards foreign footwear products.
- Investigating factors that affect customers' attitude among foreign footwear products.

III. RESEARCH HYPOTHESIS

H_1: The attractiveness of foreign footwear products doesn't affect attitude of customers.

H_2: The brand name of foreign footwear products doesn't affect attitude of customers.

H_3: The design and style of foreign footwear products doesn't affect attitude of customers.

H_4: The durability of foreign footwear products doesn't affect the attitude of customers.

H_5: The Fashionability of foreign footwear products doesn't affect the attitude of customers.

H_6: The quality of the foreign footwear products doesn't affect the attitude of customers.

H_7: The social status of foreign footwear products doesn't affect attitude of customers.

H_8: The price of the foreign footwear products doesn't affect the attitude of customers.

IV. CONCEPTUAL FRAMEWORK

The following figure demonstrates the factors affecting customers' attitude towards foreign footwear products. Many researchers agree that the following variables affect attitude of customers towards global brand products. The factors are included in the framework after review different literatures. Accordingly, many researchers agree that the following variables commonly affect the attitude of customers towards foreign products.
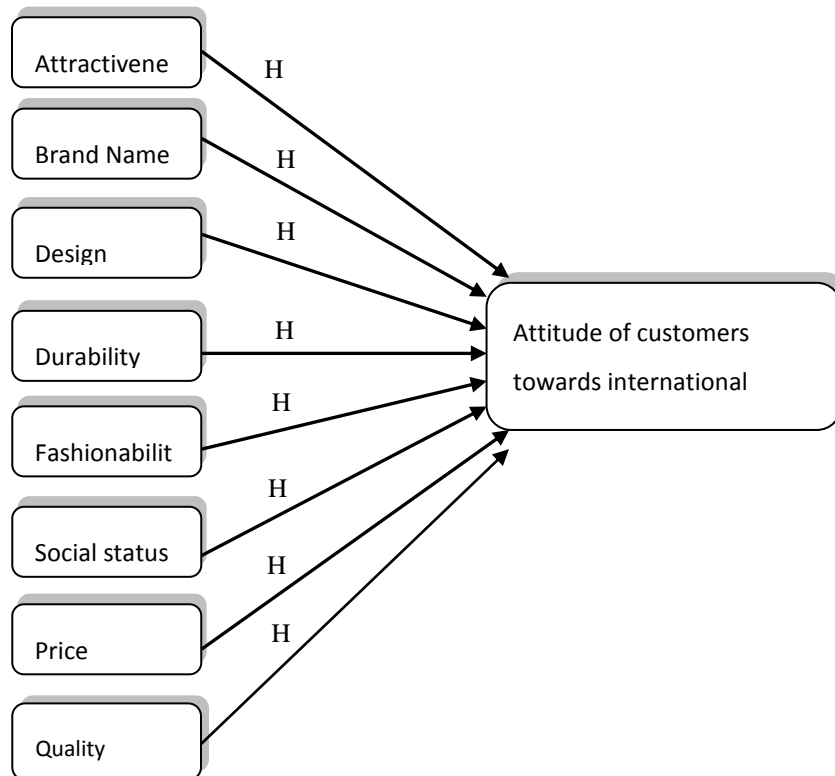
Fig. Conceptual framework

V. METHODOLOGY

5.1. Population, Sampling Technique, Sample Size

5.1.1. *Target Population*:

The target population of the study are the people of Addis Ababa who are using Merkato, on among the biggest markets in Africa, to buy their footwear products.

5.1.2. *Sampling Technique*:

The sampling technique used is convenience sampling technique, where by the researcher considers the customers that are conveniently available in this big market in peak market days. The data has been collected on Saturday, when many of the people of Addis Ababa prefer to conduct their transaction at Merkato. I used the morning and afternoon sessions to collect data from the customers.

5.1.3. *Sample Size*:

For populations that are large, reference [8] developed the following sample size determination formula to yield a representative sample for proportions.

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where   z= the standardized value

p= level of variability

q=1-p

e= the level of precision

Accordingly the sample size of the study with 95 confidence level and 0.5 level of variability is calculated to be 385.

$$n_0 = \frac{(1.96)^2 * 0.5 * 0.5}{(0.05)^2} = 385$$

However, 450 questionnaires were distributed to protect the study from non-response bias, and 438 respondents have securely responded to the questionnaire. This sample size exceeds the calculated sample size by 53, which assures that the data is representative.

5.2. Econometric Model:

To estimate the binary choice models, most extant econometric literatures use the linear probability model (LPM), logit, and probit models [9]. The variable is said to be binary variable when it takes two values, i.e. 1 if the customers have positive attitude towards foreign brands and 0, otherwise. Thus, to estimate this type of relationship, we have to use qualitative response model which indicates the dependent variable is qualitative in nature. Therefore, for the identification of the factors affecting customers' attitude towards foreign footwear products, adoption of logit model is more appropriate than the LPM. This is because the latter encounter different problems such as non-normality of the disturbance term (μ_i), hetereoscedasticity of μ_i, the possibility of the estimated dependent variable lying outside the range of 0-1 [9]. Hence, this inadequacy of the LPM suggests that a non-linear specification may be more appropriate. In order to explore the correlates of customers' attitude with the variables thought to be important in explaining it, a logistic regression model is estimated, with the dependent variable being dichotomous variable of whether the customers have positive attitude towards foreign footwear products (1) or not (0). The logit model assumes cumulative logistic probability function whereas the probit model is associated with the cumulative normal distribution [9]. Although logit and probit models yield similar parameter estimates, a cumulative logistic regression model is preferred because of its comparative mathematical simplicity [9] [10].

Therefore, following reference [10] and [9], the probability of having positive attitude towards foreign footwear products depends on a set of explanatory variables, X, so that:

$$P(Y_i = 1) = \frac{1}{1+e^{-(\beta_i X_i)}} \qquad \text{---1}$$

$$P(Y_i = 1) = \frac{1}{1+e^{-(Z_i)}} \qquad \text{---2}$$

Where: $P(Y_i = 1)$ is the probability that the customers have positive attitude towards foreign products, Z_i is the function of a vector of n explanatory variables, e represents the base of natural logarithms and equation (2) is the cumulative distribution function. If $P(Y_i = 1)$ is the probability of the customers having positive attitude towards foreign footwear products, then $1 - P(Y_i = 1)$ represents the probability of customers to have negative attitude towards foreign footwear products and is expressed as:

$$1 - P(Y_i = 1) = 1 - \frac{1}{1+e^{-(Z_i)}} = \frac{1}{1+e^{Z_i}} \quad \text{-----------------------------3}$$

$$\frac{P(Y_i=1)}{1-P(Y_i=1)} = \frac{1+e^{Z_i}}{1+1+e^{-Z_i}} = e^{Z_i} \quad \text{------------------------------4}$$

Equation (4) simply is the odds ratio, the ratio of the probability that customers will have positive attitude towards foreign brand footwear products to the probability that they will not have positive attitude towards foreign footwear products. Taking the natural log of equation (4), we obtain

$$L_i = \ln\left(\frac{P(Y_i=1)}{1-P(Y_i=1)}\right) = Z_i \quad \text{---5}$$

Wher L_i is the log of the odds ratio which is not only linear in the explanatory variables but in the parameters also. Thus, introducing the stochastic error term, μ_i, the logit model can be written as

$$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + ---- + \beta_n X_i + \mu_i \quad \text{----------------------------6}$$

Where $X's$ = are explanatory variables; β_0 is the constant term and $\beta's$ are coefficients of the explanatory variables to be estimated.

VI. ANALYSIS

6.1. Attitude of customers towards foreign footwear products

Many researches support that customers of many countries have positive attitude towards foreign made products in general. Nevertheless, there are no researches conducted in particular reference to the footwear products in developing countries like Ethiopia. As this research is focusing on assessing attitude of customers towards foreign footwear products, the following table elaborates whether Ethiopian customers have negative attitude towards foreign footwear products.

Table 1: Attitude of customers towards foreign footwear products

Do you have positive attitude towards international brand products?	*Response*	*No*	*Percent*
	Yes	301	6872%
	No	137	32.28%
	Total	438	100%

Source: primary data (2014)

As you can see from the above table most of the respondents (68.56%) have positive attitude towards foreign made footwear products. Only 31.44% of them answered '*no*' for their attitude towards foreign made footwear products. Of course this variable is regressed with other independent variables to know whether the independent variables significantly affect customers' attitude towards footwear products or not, which will come next.

6.2. Factors affecting attitude of customers towards foreign footwear products

Researchers have investigated different factor affecting customers' attitude towards global products. In this research a list of eight variables which are perceived to affect customers are included in the regression and tested to know whether they significantly affect Ethiopian customers' attitude towards foreign footwear products.

Table 2: Factors affecting customers' attitude towards foreign footwear products (hypothesis testing)

Hypotheses	*p- value (at 5% significance level)*	*Result*
H_1: The attractiveness of foreign footwear products doesn't affect attitude of customers.	0.0180	Rejected
H_2: The brand name of foreign footwear products doesn't affect attitude of customers.	0.0000	Rejected
H_3: The design and style of foreign footwear products doesn't affect attitude of customers.	0.0000	Rejected
H_4: The durability of foreign footwear products doesn't affect the attitude of customers.	0.0000	Rejected
H_5: The Fashionability of foreign footwear products doesn't affect the attitude of customers.	0.0070	Rejected
H_6: The quality of the foreign footwear products doesn't affect the attitude of customers.	0.0000	Rejected
H_7: The social status of foreign footwear products doesn't affect attitude of customers.	0.0350	Rejected
H_8: The price of the foreign footwear products doesn't affect the attitude of customers.	0.0000	rejected

Source: primary data (2014)

The above table shows tested hypotheses on the variables impact on attitude of customers towards foreign footwear products. And all of the hypotheses are found to be rejected, which shows that the above mentioned variables significantly affect the customers' attitude towards foreign footwear products.

Although all of the variables significantly affect attitude of customers towards foreign footwear products; price, quality, durability, design & style and the brand name, which have a p-value of 0.0000, are the main factors that establish the attitude of customers towards foreign footwear products. Other variables like

social status, Fashionability, and attractiveness have p-value greater than zero (but still they are significance at 5% significance level).

The regression output doesn't show all explanatory variables that affect attitude of customers towards foreign brand footwear products. Researchers should be further engaged in extraction of other factors which could affect customers' attitude towards foreign footwear products.

6.3. Correlation among the factors

Table 3: The correlation among attitude and other explanatory variables.

variables	Attitude
Design & Style	0.3981
Durability	0.5611
Social Status	0.0791
Attractiveness	0.3092
Brand name	0.1644
Fashionability	0.2843
Price	0.4807
Quality	0.6648

"Source: primary data (2014)

The correlations among the variables strengthen the output of the regression output. As it can be seen from the above table, most of the variables have good correlation with the dependent variable attitude. The 'social status' is the variable which has the least correlation coefficient with the dependent variables. All other variables have a correlation coefficient greater than 0.1. Quality and durability have strong correlation compared to the other explanatory variables. This has indication that customers are very alert in quality and durability of products in determining their attitude towards foreign footwear products.

VII.   CONCLUSIONS

It is found that most of Ethiopian customers have positive attitude towards foreign brand footwear products. The attitude of customers is affected by different factors namely quality, price, durability, attractiveness, social status, design & style, brand name and Fashionability of the footwear products. All of these factors are found to significantly affect attitude of customers towards global footwear products.

The explanatory variables have correlation with the dependent variable, attitude. Quality and durability have higher correlation coefficient compared to the other variables; this is an indication for these variables to significantly affect attitude of customers towards foreign brand footwear products. All of the hypotheses are rejected which shows that each of the variables significantly affect customers' attitude towards foreign footwear products.

REFERENCE

[1] Zeenat Ismail, Sarah Masood and Zainab Mehmood Tawab. *Factors affecting consumer preference of international brands over local brands*. 2nd international conference on social science and humanity. IACSIT Press, Singapore, 2012.

[2] Zeithaml, V.A., Berry, L.L. and Parasuraman, A. *The behavioural consequences of service quality*", Journal of Marketing, 1996.

[3] Speece, M. And Nguyen, D.P. Countering negative country of origin with low prices: A conjoint study in Vietnam. The journal of product and Brand Management. Vol. 14, No. 1, 2005.

[4] Hansen, T. *Perspectives on consumer decision making*: An integrated approach. Journal of Consumer Behaviour vol. 4, No. 6, 2005.

[5] Shocker, A. D., Srivastava, R. K., & Ruekert, R. W. *Challenges and opportunities facing brand management*: an introduction to the special issue. J. Marketing Res., vol. 31, No2, 1994.

[6] Steenkamp, J-B., Batra, R., & Alden, D. L. *How perceived brand globalness creates brand value*. J. Int. Bus.Stud., 34, 2003.

[7] De Mooij, M. *Consumer behaviour and culture*. Thousand Oaks: Sage, 2004.

[8] Cochran, W. G*Sampling Techniques*, 2nd Ed., New York: John Wiley and Sons, Inc., 1963.

[9] Gujarati, N.D. *Basic Econometrics*. 4th ed. McGraw-Hill companies, 2004.

[10] Greene, W. H. *Econometric Analysis*. 4th ed. New Jersey: Prentice-Hall, 2003.