

# Determinants of Consumers' Attitudes on Imported Products in Tanzania: The Case Study of Dodoma Municipal

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**Abstract-** Consumers' attitudes towards purchasing either foreign or local products have been a matter of debate. Therefore the objective of this study was to investigate the determinants of consumers' attitudes on imported products in Tanzania by exploring factors which attract Tanzanian consumers to purchase imported products. This study employed cross sectional design. Data were collected in Dodoma Municipal in which self-administered questionnaires were used to collect the required information. The study randomly sampled 200 respondents who included 92 business men/women, 60 students and 48 servants. The data obtained were analyzed using MS – Excel computer software.

The results showed that Tanzanian consumers' attitudes on imported products were heavily influenced by the sense of proud, advertising and marketing, local market destructions, consumers' awareness about the imported products, import brand name, group reference and unavailable local substitutes. These variables have affected the Tanzanian consumers to purchase foreign products differently.

The study recommends that local companies should emphasize on the use of promotion, marketing, labelling and brand names that will attract and make local consumers to be proud when consuming local products. Also local companies should search for good strategies like making local consumers more patriotic and aware about their local products specifically on the matter of standard, quality and the use of group influence to attract consumers to use local products. In addition, the government should strengthen local companies' production by providing subsidies and lower their product tax in such a way that local companies will be attracted to produce more instead of being agencies of foreign countries products. Lastly the government should implement regulations and policies that restrict importation of products that are locally produced. This will eventually promote the domestic production of goods and services.

**Index Terms-** Consumer Preference, Attitudes, Imported Goods

## I. INTRODUCTION

Consumers' attitudes towards foreign products are widely discussed by the renowned researchers of marketing (Muhammad and Shah, 2011). Attitudes towards products choice

are examined through true motives, desires, and expectations in buying a product. Consequently, "consumers' attitudes toward products originating from foreign countries have been of interest to international business and consumer behavior researchers for decades. One of the factors which may affect a consumer's decision to buy domestic or foreign products is consumer ethnocentrism" (Sumner, 1985) in Habibur *et al.*, (2011).

In Africa, attempts have been made to examine this concept of country of origin effect in various spheres. Agbonifoh and Elimimian (1999) in Ferguson *et al.*, (2008) showed that products from the technologically more advanced countries were viewed more positively by nationals of developing countries than those from the technologically less advanced countries. Ferguson *et al.* (2008) have studied the country of origin effects in service evaluation in five West African countries. They found that personal characteristics like motivation and ability to process information may influence use of the country of origin attributes in evaluating a service. Besides individual characteristics such as ethnocentrism, culture orientation may influence the country of origin preference in service evaluation. Opoku and Patrick (2009) found that in Tanzania products from East Africa tend to be less preferred than those made by their fellow Tanzanians; with this fact the main challenge which face Tanzanians is to enhance the competitiveness of domestic firms and entrepreneur's domestic markets into the global market.

The problem of attitude to local or non-local products has been recognized in many parts of the world as a key economic issue in the consumer behavior markets. Bias against imports is high among people with positive attitudes towards their host countries (Durvasula *et al.*, 1997) in Boonghee and Naveen, (2005). Moreover the mentioned study observed that people in developed country are more likely to purchase their locally made products because of positive attitude on these products while it is the opposite of developing countries. Likewise, attitudes toward products from culturally similar countries are more favourable than those toward products from culturally dissimilar countries (Watson and Wright, 2000). However, the effects of negative attitude to local products are diverse and affect local industries, local culture style of life and behaviours and the economy at large.

Increasing of global market use and development of information and technology tend to facilitate Tanzanian consumers being able to buy products from different countries either by non-store sources like the internet, and local source

markets. Also the flowing of imported products is observed to be higher specifically the Chinese made products which seem to be cheap. Most Tanzanians go for the imported products mostly than the locally made products and this is what attracts the researcher to examine empirically the determinants of Tanzanian consumers' attitudes towards imported products. The researchers noted that the imported products are highly purchased than local products despite the fact that they are of almost the same quality and they are cheaply available. In Bank of Tanzania quarterly report of 2010, it was reported that in the first quarter of 2009

there were 567.5 millions of USD and in the last quarter there were 831.5 USD goods that were exported while there were total imports of 1356.9 million of USD and 1624.6 USD respectively (BOT, 2010). Thus the study intends to understand what factors attract Tanzanian consumers to more consume imported products than local products, specifically the attitudes that Tanzanians hold to the imported products as compared to local products.

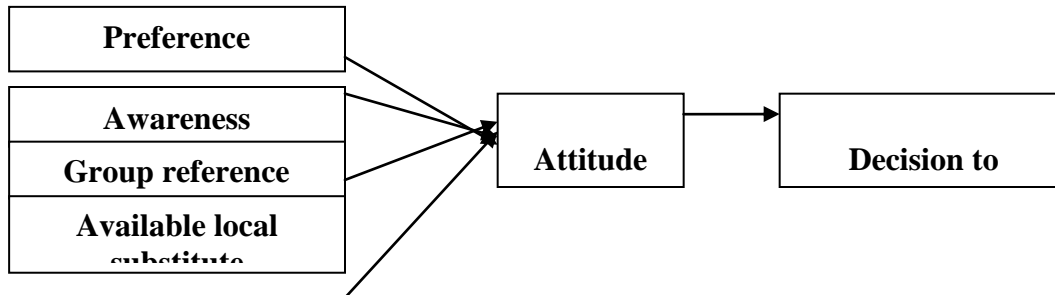


Figure 1: Conceptual diagram of the Study

Source: Researcher's own Construct 2012

## II. METHODOLOGY

### Study Area

This study was carried out in Dodoma region, specifically in Dodoma Municipal. The study targeted the consumers around this region. The choice of this study area was due to the fact that the region has high number of interaction of people from different sections, specifically the politicians, students, and business men and women. Demographically, Dodoma has a general population around of 2 million (Census, 2012). The economic activities of this area are agriculture, business, office works, animal husbandry and hunting. The major employers in this region are the private and public organizations that deal with provision of goods and services at either profit or not for profit.

### Research design and data collection

The research design of this study was cross sectional approach since the data were collected at once. This design is considered the best because the researcher meets his/her respondents once, by (Kothari, 2007). This study employed primary and secondary data collection techniques, in which self-administered questionnaires were provided to respondents so as to fill the information asked. The questionnaires were structured with closed ended questions with two sections. The first section of the questions included respondents profile and the second section was about respondent's attitudes towards imported products.

### Sample Size and Sampling Techniques

The probability sampling techniques was used because every members of the population had a known non zero probability of a selection. Thereafter, simple random sampling was used to get respondents. In addition, the sample size of the study was based on the theory of central limit. This theory assumes that any sample size greater than thirty (30) is a good representative of the

population at 5 percent level so this study used a sample of 200 respondents.

### Data Analysis

Responses from respondents were coded and summarised using excel. Both descriptive and quantitative data were analysed using Microsoft excel program. Descriptive statistics was used to determine the frequency of occurrences and percentages. Results of the analysis were presented descriptively in a tabular form followed by narrative description of the results.

## III. Results

### Demographic Characteristic of Respondents

Out of 200 respondents who participated in giving the information 63.5 % (127) out of 200 were males, and the rest (36.5%) were females. The respondents were costumers aging from 15 years and above while in terms of marital status, about 52 % (104) were married. Respondents with primary and secondary level of education were about 86% (173) out of the 200 participants. The occupation of respondents varied where majority of the respondents (86%) were self-employed and it was found out that 43% of the respondents were diagnosed with less than 100,000 TZS and 37% had income between 100,000 – 300,000 TZS per month. In this study the majority responded to favour foreign products more than local products and had positive attitudes to these products.

However, in this study demographics such as age, sex, income and occupation worked quite well. Young people were more likely to buy fashionable products than old, women were likely to buy feminine hygiene products and low income earners weren't. In many categories, demographics are of little use in this study as the researcher based on social economic determinants of import products and not specific type of the products. The results of the analysis are presented in table 1, 2, 3, and 4

### Consumers Preference

Table 1 shows the results focused on finding what determine consumers' attitudes in the context of consumers' preference. The doubting information here was whether consumers' preference has influence on consumers' attitudes to purchase imported products. Questions to capture information on which factors are influential on consumer's preference on purchasing import products were asked to the respondents and the findings are as follows.

It has been observed that most of the respondents (76.5%) tend to like purchasing foreign products as shown in table 1 below. Also result indicates that more than half of respondents (52.5%) are proud to purchase foreign made products than local products. This implies that Tanzanians were likely to consume imported products because they were proud of them. The tendency to purchase foreign products also resulted from globalization that has emerged with new fashions and life style as

the table 1 found that 60 % prefer to purchase foreign goods due to fashion.

Also the findings presented in Table 1 show that 49.5% of respondents are not encouraged and convinced to purchase local made products. The study, therefore, observed that Tanzania consumers were opting to purchase local products because local companies do not do enough promotion to convince them to choose local products. The same study was done in China and revealed that Chinese economic growth has done little to change the tendency of the Chinese to prefer western products (Vincent and Chike, 1999). In Bangladeshi where consumers overwhelmingly preferred western made products, though there were differences in their perceptions across product classes as well as degree of suitability of sourcing countries (Habibur *et al.*, 2011).

**Table 1: Consumers Preference**

Criteria	Responses			Respondents
	Yes	No	I don't know	
Do you like to purchase imported products?	153 (76.5%)	34 (17%)	13(6.5%)	200
How do you feel when you purchase foreign made products?	65(32.5%)	105(52.5%)	30(15%)	200
What influences you to purchase foreign products?	120(60%)	55(27.5%)	25(12.5%)	200
Is there enough promotion for local product?	36(18%)	99(49.5%)	67(33.5%)	200

Source: Research Findings, 2012

### Consumers' awareness

This study also analyzed the influence of consumer's awareness about imported products on their decision to buy these products. It examined whether consumers' awareness about imported products had influence on their decisions to purchase these products. The results are shown in Table 2.

The results in Table 2 show 69.5 % of respondents said that the consumers chance to use imported product was increased as a result of the destruction of local industries. Results also showed that 61.5% of respondents purchase foreign products as they have no enough information about local market. This reduces chances of awareness to their decision on what products to purchase. Local industries collapsed due to unfair global competition, trade liberalization and mismanagement. This influences Tanzanians

consumers to opt for foreign products. This means as local markets collapse consumer's awareness about their domestic products decreases and chances to buy foreign products increases. This reduces the marketability of the local products and consumers may end up lacking enough information about the available goods.

The result shows that almost (78%) of consumers tends to opt foreign products due to the popularity of their brand names advertised either in TV, Radio or Internet etc. This was used as a signal of quality as well accessibility and affordability, where 68% of respondents opted foreign products because they perceive foreign products as of high quality. They believe that products with very popular brand names have high quality and were more preferred than those with unpopular brand names.

**Table 2: Consumers Awareness about the Purchased Products**

Criteria	Responses			Respondents
	Yes	No	I don't know	
A. Do you Purchase foreign products because local industries have collapsed?	139(69.5%)	38(19%)	23(11.5%)	200
B. Do you opt for imported products because of the information you have about these products?	38 (19%)	123(61.5%)	39(19.5%)	200
C. What products feature influences your purchasing habit?	157(78.5%)	35(17.5%)	8(4%)	200
D. Do you purchase foreign products	Yes	No	I don't know	200

because of their quality?	136(68%)	42(21%)	22(11%)	
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Source: Research Findings, 2012

**Group reference**

The results in Table 3 show that family habits influence their members to purchase certain products as it was found that 56.5% of respondents purchase imported products because they have been induced by their family members. This study tested the influence of different groups on consumer’s decision to purchase imported products; where in the same table about (49.5%) of respondents indicated that they bought imported goods because

of the influence from family members. Also the research found that the decision to purchase certain products begins from the reference group around the consumers. This implies that decisions of Tanzanian consumers to purchase imported products were influenced by members of their family and group references.

**Table 3: Group References**

Criteria	Responses			Respondents
	Yes	No	I don’t know	
A. Do family habits influence you to use foreign products?	113(56.5%)	61(30.5%)	26(13%)	200
B. Who influence you to purchase imported products?	Family member 99(49.5%)	Friends 58(29%)	Politician 43(21.5%)	

Source: Research Findings, 2012

**Uses of local substitutes**

The results from table 4 show that 47.5% of the respondents agreed that the tendency to buy foreign products is increasing when local substitute are unavailable. For example respondents explained that when there were no locally made clothes, pharmaceutical products and home utensils they tend to purchase substitutes imported products. Also in the same table 55.5% of the respondents found that if there is a shortage substitutes in

local market, consumers’ tendency of purchasing imported products accelerates. Local markets should, therefore diversify their products to reduce consumers chance to opt for imported products. These also were proved by the study of Garland and Coy, (1993); Herche, (1992) which found that the ethnocentric consumer will have no choice but to purchase imported goods if and only if there are no domestic made products.

**Table 4: Unavailable Local Substitute**

Criteria	Responses			Respondents
	Yes	No	I don’t know	
A. Do you buy foreign products just only when there are no local substitutes	95(47.5%)	78(39%)	27(13.5%)	200
B. Is your buying decision of foreign products driven by insufficient local products	111 (55.5%)	60(30%)	29(14.5%)	

Source: Research Findings, 2012

**IV. CONCLUSION**

The tendency to purchase foreign products increased due to globalization that emerged with variety of new fashions of consumed products. Also when there are local companies producing with the same products as those of foreign companies, the local companies should strive to encourage consumers to purchase the local products. At the end, the consumers tend to shift their decision to local products. The use of imported goods increased with the destruction of local markets. This was because, having many foreign products in Tanzania, might have reduced the marketability of the local goods and hence may end up discouraging local productions and local trade. Likewise the tendency to search for the producer’s particulars of foreign products as well as local products was the determining factor for

consumers’ decision to purchase a product. This was used as a sign of quality as well and affordability. Products with very popular brand names were reported to be purchased more than those whose brand names were not popular. Similarly family life style and habits played a great role to influence their members on the use of imported products. This is very common where there is a habit of using imported products in family. This tends to influence family members to adapt that habit. So, family habits to consume some products has tendency to influence purchasing decision of households. Lastly the findings showed that the chance to buy imported products increased with unavailability of local substitutes. It can be concluded that unavailability of local substitutes increases the chance of purchasing foreign products.



## V. RECOMMENDATIONS

The government of Tanzania should enforce laws intended to reduce the exploitation of consumers by producers in areas of product quality, price and promotions. In this regard, the organization dealing with standard of goods in Tanzania should conduct frequent inspection for local manufacturers. More vigorously and extensively, manufacturers should constantly undertake marketing research to identify the most important psychological factors, which affect Tanzanian consumer's attitudes of their products so as to evolve a target marketing strategy for effective exploit of local market.

Local marketing strategies should be employed, such as the consumer's sense of proud, pricing strategy, brand strategy, promotion strategy, and advertising among local consumers. Finally, the government should restrict the importation of goods that can be manufactured locally in sufficient quantities so as to change the purchasing attitudes towards imported and instead should be towards local products.

Imports are usually seen as determined by level and dynamics of domestic [income](#), level and dynamics of each GDP components ([investment](#), [consumption](#), [public expenditure](#), [exports](#)) as differentiated drivers of imports, price competitiveness of domestic production, normally influenced by [exchange rate](#) level and fluctuations as well as by [inflation](#) differentials between the country and foreign nations, non-price competitiveness of domestic production, for example as far as product quality, technological innovativeness, design, promotion are concerned, national attitudes toward foreign goods, shift in domestic patterns of demand and supply, including the organization of supply chains and the ownership of distribution channels, historical links with certain origin countries, [structural trends](#) toward [economic integration](#) with other countries. So from this fact in order for local consumers to purchase local goods mostly unless otherwise it suggested the following areas should be considered when making national policies and regulations.

Promotion using local brands more and less than non-local brand products in Tanzania but simultaneously would have very beneficial effects and sustainability to economic growth.

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