

CONSUMER ATTITUDE TOWARD PRODUCTS MADE IN GHANA

Bylon Abeeku Bamfo, KNUST School of Business

ABSTRACT

The attitude of people living in a particular country towards the goods and services produced within that country is a key determinant of the economic growth and development of the country. This study investigates the attitude of respondents towards made in Ghana products. A sample including 500 randomly selected individuals were surveyed using a structured questionnaire. The results show that although there is some element of ethnocentrism among respondents; they are not highly ethnocentric. Industries in the country are advised to increase the quality levels of their products, reduce their prices and make available more products to compete favorably with imports.

JEL: M31

KEYWORDS: Consumer, Ethnocentrism, Attitude, Domestic, Foreign Goods

INTRODUCTION

Ghana as a developing country is working hard to become a middle income country by the year 2020. This is a step in the right direction toward competing favorably with the rest of the world and bettering the lot of its citizens (www.ghana.gov.gh). In a quest to become a middle income country, Ghana cannot rely on other countries for a large chunk of products to feed the domestic market. Most developed countries have achieved their objectives by depending on local production and government campaigns in support of the consumption of domestic goods (Elliot & Cameron 1994). The level of commitment to local products depends to a large extent on ethnocentrism (Sciffman & Kanuk, 1997).

The Ghanaian government has suggested the concept of national orientation. The first of the five concepts and pillars of this orientation is 'Proud to be Ghanaian'. This concept emphasizes the need for Ghanaians to take pride in their national heritage and in those things Ghanaian and patronize made-in-Ghana products (www.ghana.gov.gh).

National and International markets recognize that consumers have either positive or negative feelings towards products depending on how they perceive quality, accessibility, security, warranty, goodwill and some other factors (Watson & Wright 2000). There is also an issue of positive and negative bias. Negative bias appears in the form of a dislike for foreign products (Shimp & Sharma 1987). Consumers may also have positive bias towards products. This has to do more with products that are coming from countries that are culturally similar to the home country (Heslop et al 1998, Lantz & Loeb 1996). There is evidence to support the fact that products made from developed countries, particularly the Western world are of superior value to those produced in developing countries (Bilkey & Nes, 1982).

This paper explores consumer ethnocentrism in Ghana by investigating consumers' attitude towards made in Ghana products. The measure of ethnocentrism used indicates the extent to which consumers favor locally-made over competing foreign products. The specific objectives of the study were to determine the attitude of consumers towards made in Ghana products; to find out whether consumers would buy made in Ghana goods if there were superior foreign substitutes; to find out the reasons behind preferences for made in Ghana goods; to identify why some consumers do not buy made in Ghana goods and to find out

whether government campaign or education on “buy made in Ghana goods” has had positive impact on the attitude of consumers towards made in Ghana products.

The remainder of the paper is organized as follows. In the next section a literature review is provided. Next the research methodology is presented. The following section discusses the results. The paper closes with some concluding comments and recommendations.

LITERATURE REVIEW

Ethnocentrism refers to the idea and belief that products or items from one’s ethnic environment are superior to others. Marketers therefore distinguish between consumer segments that are likely to be receptive to foreign-made products and those which are not. Highly ethnocentric consumers are likely to feel or think that it is wrong or inappropriate to purchase foreign-made products because of the economic impact on the domestic economy. Non-ethnocentric consumers tend to evaluate foreign-made products more objectively for their extrinsic characteristics (Schiffman & Kanuk 2007).

Ethnocentrism is represented by intense preference for products that are made within the home country. Consumers become ethnocentric as a moral obligation. Ethnocentrism is the tendency for consumers to show a favourable predisposition toward locally made products vis a vis overseas made products (Sharma & Shimp 1987). Ethnocentric consumers believe that it is inappropriate, immoral, unpatriotic and disloyal to a nation to buy foreign-made products in place of domestic-made products. Ethnocentric consumers exhibit a greater preference for locally made products in purchase decisions in which a domestic alternative is available (Watson & Wright 2000). Brodowsky (1998) indicates that highly ethnocentric consumers are prone to biased judgement by being more inclined to focus on positive aspects of domestic products and to discount the virtues of foreign made products.

Netemeyer et. al. (1991) made mention of the fact that ethnocentric individuals view their group as superior to others. For this reason they view groups from the perspective of their own, and reject those which are different while accepting those which are similar. Purchasing foreign products may be viewed as improper because it costs domestic jobs and is inimical to the domestic economy. The purchase of foreign made products is tantamount to unpatriotic behaviour. Vida and Dmitrovic (2001) are of the view that consumer ethnocentrism gives individuals an understanding of what purchases are acceptable to the in-group, as well as feelings of identity and belonging. For non-ethnocentric consumers or polycentric consumers, products are considered on their own merit exclusive of national origin, or possibly even viewed more positively by reason of the fact that they are not locally made.

According to Maheswaran (1994), the way consumers judge products is influenced by the products’ country of origin. In other words, the country of origin of products has a strong influence on ethnocentrism. Consumers’ attitude to foreign products may be positive or negative depending on which country it is coming from. Consumers tend to have stereotypical ideas about products and people of other countries and real product evaluation are almost always influenced by country stereotyping (Bilkey & Nes, 1992).

Brodowsky (1998) studied consumer ethnocentrism in the USA among car buyers. The study revealed that there was a strong relationship between high ethnocentrism and country-based bias in the evaluation of automobiles. Consumers who are less ethnocentric appeared to evaluate automobiles based more on the merits of the actual automobile rather than the country of origin. Brodowsky (1998), therefore, was of the view that understanding consumer ethnocentrism is very critical to the understanding of country of origin effects.

Other studies have revealed several antecedents of consumer ethnocentrism. Studies by Balabanis et. al. (2001) and Good and Huddleston (1995) have demonstrated that young, male, well educated consumers as well as those with higher income levels tend to be less ethnocentric.

Cultural prejudices as well as historical activities of some countries account for negative biases towards products coming from such countries. Schiffman and Kanuk (2007) intimates that some older American consumers have negative bias towards German made products because the role of Germany in World War II is still fresh in their minds.

Colonialism has played no small role as far as ethnocentrism is concerned. In most African countries, where almost all were once colonies of Western Countries, there is still the tendency for consumers to prefer buying products from Western countries. During the colonial days; raw material were sent to the colonial masters from the colonies for the manufacturing of products. These products were sent back to the colonies. This practice hasn't changed much since most African countries and Ghana for that matter are yet to fully industrialise. This, as a result, has created an inordinate preference for Western products and/ or foreign made products. Shimp and Sharma (1987) suggest that opportunities to interact with other cultures, including people and artefacts of other cultures may reduce cultural prejudice and thus the level of preference for locally made products.

Globalization has become a very popular and important term today in the world of trade and business. One expected that globalisation would bring to an end barriers to world trade. Despite globalisation, barriers to foreign markets remain. One of such barriers is ethnocentrism. Shimp and Sharma (1987), therefore, suggest that with increased nationalism and heavy emphasis on cultural and ethnic identity, consumer ethnocentrism will be a potent force in the global business environment now and the future. At the dawn of the twenty-first century, the world is experiencing a concurrent rise in two major forces: nationalism and globalization (Balabanis et. al., 2001).

International trade activity is becoming a central part of the world economy, and it is recognized that there is a greater necessity to gauge consumers' attitudes toward both domestic and foreign products (Netemeyer et al., 1991). Globalization presents considerable challenges and opportunities for international marketers. The relaxation of trade policies has provided consumers with more foreign product choices than ever before. Consequently, their attitudes toward products originating from foreign countries have been of interest to international business and consumer behaviour researchers for decades (Wang and Chen, 2004)

RESEARCH METHODOLOGY

The study selected the Kwame Nkrumah University of Science and Technology (KNUST) community as the study area. The population consisted of current students of the University. A sample size of 500 was selected. Respondents were randomly selected. The main instrument used in collecting data was structured questionnaires. A questionnaire survey is cheaper and less time consuming than in-depth interview (Collis & Hussey 2003). Also considering the number of respondents involved in the survey, it was nearly impossible to embark on in-depth interviews. The questionnaires were made up of both open and close ended questions and were designed in such a way that they were self explanatory. The study was done in the latter part of November, 2009.

In all, Four Hundred and Seventy-Seven (477) questionnaires were returned and all were usable given a response rate of 95.4%. The study mainly employed qualitative methods, but also integrated quantitative methods of data analysis. Thematic analysis was employed to evaluate qualitative data, while descriptive statistics comprising simple percentages were used for the quantitative data.

RESULTS AND DISCUSSION

Consumers' attitude towards goods and services is of critical importance to marketers (Schiffman & Kanuk, 2007, Sheth et.al., 1999). Attitude in this context refers to whether consumers consciously or advertently look for the country of origin of products. High ethnocentric consumers look for the country of origin and make purchase decision in favour of those products made in their own country (Maheswaran, 1994). Less ethnocentric consumers do not concern themselves with product origin but purchase decisions are objectively made; more often in favour of foreign products (Sharma & Shimp 1987). Data collected indicate that 44% of respondents look for the country of origin before they buy products and their purchases are made in favour of made in Ghana products. Their attitude towards made in Ghana products is, therefore, positive. On the other hand, 56% of consumers do not consciously make purchase decision in favour of products made in Ghana. This category of consumers are, thus, less ethnocentric. This does not argue well for a developing country like Ghana. For an emerging economy like Ghana, it will take high ethnocentric consumers who make conscious buying decisions in favor of goods and services made in Ghana before considering those made elsewhere (Elliot, 1994).

Related to the above is the issue of whether consumers would buy made in Ghana products if there were superior foreign substitutes. The results indicate that 66% of respondents as against 34% were not ready to buy made in Ghana products if there were superior foreign substitutes. The reason behind this attitude is that generally consumers will look for products that are of good quality since quality has a direct link with customer satisfaction (Kotler & Keller 2009). For consumers to be highly ethnocentric there is the need for the products made in the country to be of good quality (Sheth et. al., 1999). Consumers look for products that will give them the benefits desired (Kotler 2003). Vida and Dmitrovic (2001) are of the view that if consumers believe that foreign products will give them more benefits than those made in their own country, purchase decisions will more often favor of foreign products. The only exceptions are those consumers who are highly ethnocentric who may make decisions in favour of local products despite their deficiency in quality (Watson & Wright 2000, Maheswaran, 1994). However, as indicated earlier, this category of consumers in Ghana are not in the majority.

The study further delved into the reasons why some consumers buy made in Ghana products. Various reasons were given by the respondents. Top on the list is patriotism (34%). The other reasons with their respective percentages were quality (30%), affordability (17%), safety (0%), uniqueness (8%) and environmental concern (1%). This corroborates the study of Balabanis et. al. (2001) who found determinants of consumer ethnocentrism vary from country to country and culture to culture. However, in collectivist cultures like Ghana, patriotism becomes an important factor. Quality, the next important factor is defined simply as freedom from defect and the ability of the product to perform what it is supposed to do (Kotler 2003). It is also described as the ability of the product to satisfy stated or implied needs (Kotler & Keller, 2006).

Quality is important because consumers buy benefits and not just products. Consumers desire products that meet their expectations and will not sacrifice quality. This explains why the percentage of quality is higher than that of affordability. In a developing country like Ghana where incomes are lower, one would expect that affordability would be the main reason for buying local products. However, this was not the case. This explains that quality is more important to customers than affordability (Blythe, 2009).

Just as some consumers have reasons for buying made in Ghana products; others have reasons for not buying made in Ghana products as the results indicated. The factors were, non availability (1%), poor packaging (17%), poor quality (59%), health reasons (4%) and relatively expensive (19%). On top on the list is poor quality. Consumers want to have their monies worth. As stated earlier, consumers buy benefits and not just products. High ethnocentrism thrives on the production of good quality products that compare favorably with imports (Damanpour, 1993; Elliott & Cameron, 1994; Herche, 1992). Affordability is of great importance to consumers (Kotler and Keller 2006, Jobber 2007) in the

developing world and Ghana for that matter where income levels are low. It therefore stands to reason that, consumers in Ghana may want to be patriotic by patronizing goods made in the country; however, if prices of foreign goods are lower than those produced in the country, patriotism will be sacrificed for affordability. Products that appeal to the aesthetic sensibilities of consumers enjoy good patronage (Kotler and Keller 2006). This is very important as 17 per cent of the respondents did not buy made in Ghana products because of poor packaging. However good a product is in terms of quality, it must appeal to the eyes of consumers to enjoy good patronage (Jobber, 2007; Sheth et. al., 1999).

Most countries of the world that have developed high ethnocentric consumers through an effective government campaign and sometimes with the help of industry (Ettenson et. al., 1988; Elliot 1994). Therefore, the campaign of the Ghanaian government on “buy made in Ghana goods” is a step in the right direction. However, there is the need to investigate how this has influenced consumer attitudes towards made in Ghana products. The studies of (Elliot & Cameron, 1994; Garland et. al. 1991) indicate that national campaigns are launched with the intention of generating a patriotic bias for buyers to select domestically manufactured products relative to foreign products and thus increase the sale of domestic products. The Study found out that 84% of respondents as against 16% were aware of the Government of Ghana’s campaign. Out of this number, 56% said the campaign had positively influenced their attitude towards made in Ghana goods. Forty-four percent (44%) on the other hand said the campaign had not influenced their attitude towards made in Ghana goods in any way. The latter percentage is on the higher side given the fact that they are aware of the campaign. There may be some reasons why these respondents are still not changing their attitude towards made in Ghana goods. The issue of quality comes into play. Some still consider foreign goods to be of superior quality (Bilkey & Nes, 1982). These are less ethnocentric consumers who make purchase decisions in favor of goods they think will give them the maximum satisfaction regardless of whether they are from abroad or domestically manufactured (Sciffman & Kanuk 1997).

Another point worth mentioning is the fact that the campaign will have to do more than it has currently done. The study further investigated how respondents become aware or heard about the campaign. It became clear that television (TV) commercials are the most influential medium followed by radio, newspapers and others. Consumers prefer TV commercials because of its power of audio visuals. The reason for the likeability of TV commercial is the fact that it is active (Blythe, 2008). Its audio-visual nature and wider reach also accounts for the likeability of TV commercials (David & Lomax, 2008). When consumers watch television, they tend to be a “captive” audience absorbing whatever is shown (David & Lomax, 2008).

CONCLUSION AND RECOMMENDATION

The main objective of this study was to determine the attitude of consumers toward products that are made in Ghana. A structured questionnaire was used to collect data from 500 respondents. It was found out that attitudes of Ghanaian consumers towards made in Ghana goods is not at a level that will help boost local production. Countries need their citizens, particularly countries of the developing world, to be highly ethnocentric in their attitude toward local goods. This can be achieved through the encouragement of local industries to improve the quality of their products to compete favorably with those from other parts of the world.

It is, therefore, recommended that industries in the country be encouraged to increase the quality levels of their goods to compete favorably with those from abroad. The industries should also find ways to reduce their cost of production in order to reduce the prices of their products to levels competitive with those coming from abroad. Production levels should also increase especially with regard to food and electronic goods to reduce customer reliance on imported food and electronics. The government of Ghana should revamp its campaign of “buy made in Ghana goods” and industries must join hands with the government

in this direction. There should be effective use of TV and radio to educate and sensitize the citizenry on the need to patronize made in Ghana goods since it has a direct link on economic development of the country.

This study is not without limitations. First, studying consumers in Ghana as a whole demands taking a larger sample than the 500 used in this study across all the ten regions of Ghana. Moreover, the study is limited to tertiary students. The results could have been different if other consumer categories were involved. For future research, it is recommended that product category be incorporated as a basis for measuring consumer attitudes as consumers may have different attitudes toward different products.

APPENDIX

QUESTIONNAIRE

This questionnaire seeks to solicit data about the attitude of Ghanaian towards products made within the country. The data collected will be used for academic purpose only. Please answer the following questions by ticking or providing your own answers where applicable:

1	Sex	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>									
2	Age	18-25	<input type="checkbox"/>	26-35	<input type="checkbox"/>	37-45	<input type="checkbox"/>	46-55	<input type="checkbox"/>	55 and above	<input type="checkbox"/>			
3	Education	No Formal Education	<input type="checkbox"/>	JHS	<input type="checkbox"/>	SHS	<input type="checkbox"/>	Degree/HND	<input type="checkbox"/>	Master	<input type="checkbox"/>	Other, Please Specify	<input type="checkbox"/>	
4	Do you intentionally buy made in Ghana goods?										Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
5	Please give reason(s) for your answer above													
5	Which type of made in Ghana products do you buy		Electronics	<input type="checkbox"/>	Food	<input type="checkbox"/>	Garment	<input type="checkbox"/>	Cosmetics	<input type="checkbox"/>	Other, please Specify	<input type="checkbox"/>		
7	Would you buy a made in Ghana product if there is a foreign substitute that is superior in quality?										Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
8	Have you heard about the government’s campaign on ‘buy made in Ghana goods’										Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
9	How did you hear about the campaign?										Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
10	Has the campaign in any way positively influenced your attitude towards made in Ghana goods										Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
11	Do you intentionally buy foreign-made products?										Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
12	Give reasons for your answer above													

REFERENCES

Balabanis, G., Diamantopoulos, A., Mueller, R. D., and Melewar, T. C. (2001), “The impact of nationalism, patriotism and internationalisation on consumer ethnocentric tendencies”, *Journal of International Business Studies*, Vol. 32 (1), p. 157-175.

Bilkey, W. J. and Nes, E. (1982), “Country of origin effect on product evaluation”, *Journal of International Business Studies*, Vol.13, p. 88-99.

Blythe, J. (2009), *Consumer Behaviour*, Thomson Learning, United Kingdom.

Brodowsky, G. H., (1998), "The effects of country of design and country of assembly on evaluative beliefs about automobiles and attitude towards buying them: A comparison between high and low ethnocentric consumers", *Journal of International Consumer Marketing*, Vol.10 (3), p. 85-115.

Damanpour, F. (1993), "Temporal shifts of developed country-images: a 20 year view", in Papadopoulos, N. and Heslop, L.A. (Eds), *Product-Country Images*, 357-78.

David, S. and Lomax, W. (2008), *Marketing: A brief introduction*, Thomson Learning, United Kingdom.

Elliott, G. R. and Camoron, R. C. (1994), "Consumer perception of product quality and the country-of-origin effect", *Journal of International Marketing*, Vol.2 (2), p. 49-62.

Ettenson, R., Wagner, J. and Gaeth, G., (1988), "Evaluating the Effect of Country of Origin and the "Made in the USA" Campaign: A Conjoint Approach", *Journal of Retailing*, Vol. 64, p. 85-100.

Garland, R. and Coy, D. (1993), "Buying New Zealand made groceries: does behaviour match attitude?", *New Zealand Journal of Business*, Vol. 15, 1-18.

Good, L. K., and Huddleston, P. (1995) "Ethnocentrism of Polish and Russian consumers: Are feelings and intentions related?", *International Marketing Review*, Vol.12 (3), p. 35-48.

Herche, J. (1992), "A note on the predictive validity of the CETSCALE", *Journal of the Academy of Marketing Science*, Vol. 20, (3), p. 261-4.

Heslop, L., Papadopoulos, N., and Bourke, M. (1998), "An interregional and intercultural perspective on subculture differences in product evaluation", *Canadian Journal of Administrative Sciences*, Vol. 15, (2), 113-27.

Jobber, D. (2007), *Principles and Practice of Marketing*, 5th Edition, McGraw Hill, London.

Klein, J.G. (2002), "Us versus them or us versus everyone? Delineating consumer aversion to foreign goods", *Journal of International Business Studies*, Vol.33 (2), p. 345-363.

Kotler, P. and Keller, K. L. (2006), *Marketing Management*, 12th Edition, New Jersey: Prentice Hall.

Kotler, P. (2003), *Marketing Management*, 11th Edition, London: Prentice Hall.

Lantz, G. and Loeb, S. (1996), "Country of origin and ethnocentrism: an analysis of Canadian and American preferences using social identity theory", *Advances in Consumer Research*, Vol. 23, 374-8.

Maheswaran, D. (1994), "Country of origin as a stereotype: Effect of consumer expertise and attribute strength on product evaluation", *Journal of Consumer Research*, Vol. 21, p. 354-365.

Netemeyer, R. G., Durvasula, S. and Lichtenstein, D. R. (1991), "A cross national assessment of the reliability and validity of the CETSCALE". *Journal of Marketing Research*, Vol. 28 (3), p. 320-327.

Schiffman, L. G. and Kanuk, L. L. (1997), *Consumer Behaviour*, 9th Edition, Prentice Hall, London.

Schiffman, L. G. and Kanuk, L. L. (2007), *Consumer Behaviour*, 9th Edition, Prentice Hall, London.

Sheth, J. N., Mittal, B. and Newman, B. I., (1999), *Customer Behaviour: Consumer Behaviour and Beyond*, London: Dryden.

Shimp, T. A. and Sharma S. (1987), “Consumer ethnocentrism: Construction and validation of the CETSCALE”. *Journal of Marketing Research*, Vol. 24, p. 280-289.

Vida, I. and Dmitrovic, T. (2001), “An empirical analysis of consumer purchasing behaviour in former Yugoslav markets”. *Economics and Business Review*, Vol.3 (3), p. 191-207.

Wang, C. L. and Chen, Z. X., (2004), “Consumer ethnocentrism and willingness to buy domestic products in a developing country setting: testing moderating effects”, *Journal of Consumer Marketing*, Vol. 21, (6), 391-400.

Watson, J.W. and Wright, K. (2000), Consumer ethnocentrism when foreign products are better, *Psychology and Marketing*, Vol. (9), 907-927.

www.ghana.gov.gh

BIOGRAPHY

Bylon Abeeku Bamfo is a Lecturer in Marketing and Entrepreneurship and Small Business Management at Kwame Nkrumah University of Science and Technology (KNUST). He can be contacted at: KNUST School of Business, PMB, University Post Office, Kumasi, Ghana. Email: babamfo.ksb@knust.edu.gh babamfo@hotmail.com