Nigerian Consumer Attitudes Toward Foreign and Domestic Products

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The Nigerian consumer obsession with foreign-made goods has had a detrimental effect on the domestic manufacturing industry. This paper uses conjoint analysis to investigate the importance of a product's country-of-manufacture relative to other attributes in the Nigerian consumer choice. It was found that the country-of-manufacture is significantly more important than price and other product attributes in consumer preference. Nigerian consumers have a negative image of the 'Made in Nigeria' label, rating it lower than labels from more economically developed countries. Additional analyses indicate that the superior reliability and technological advancement of foreign products are the most important correlates of the Nigerian consumer's likelihood to purchase foreign products. Implications for foreign marketers, domestic governments and domestic manufacturers are discussed.

INTRODUCTION

The development and sustenance of the domestic manufacturing sector in a free economy is dependent on consumer acceptance of the goods manufactured in that country. The proliferation of imported brands, many of which have achieved enviable market positions worldwide, presents a difficult challenge for domestic manufacturers. This is all the more salient in developing economies where the manufacturing sector is more rudimentary. The development of the manufacturing sector in such economies is hampered by the fact that consumers in those economies view domestic products less favorably than products from more advanced countries (Ettenson 1993; Jaffe and Martinez 1995; Papadopoulos, Heslop.

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This work was carried out with the aid of a grant from the International Development Research Center, Ottawa, Canada.

and Beracs 1990; Wang and Lamb 1983).

Low incomes notwithstanding, consumers in developing countries are increasingly aware, through television, the internet, and generally improved communications worldwide, of the superior quality of goods available to consumers in developed countries and they want the same. This holds true not only for consumers in the former socialist countries of Eastern and Central Europe but also for consumers in the developing countries of Latin America, Africa and Asia. While many studies have investigated the importance of a product’s country of origin (i.e., country of creation or association) or country of manufacture (i.e., country of final assembly) in consumer choice in developed countries, very few studies have systematically investigated this phenomenon in developing economies, and none at all in developing African countries.

The purpose of this study is to contribute to the country-of-origin (COO)/country-of-manufacture (COM) literature from the perspective of a developing African country. In particular, this study investigates (a) the importance of a product’s COM relative to other attributes in the Nigerian consumer choice, (b) the Nigerian consumer perception of the ‘Made in Nigeria’ label, and (c) the relative importance of aspects of ‘country image’ in the Nigerian consumer preference for foreign products.

A systematic investigation of the COM phenomenon in developing economies is important because it has implications for domestic manufacturers, for foreign manufacturers, marketers, exporters and other channel intermediaries doing or wishing to do business in those countries. It also has implications for developing-country governments and policy makers who are trying to establish domestic manufacturing competency in the face of relentless competition from established foreign brands, and for academics interested in understanding consumer behavior in developing economies.

COUNTRY-OF-ORIGIN AND LEVEL OF ECONOMIC DEVELOPMENT

The majority of COO studies have been conducted with consumers in developed countries. These studies show that consumers in those countries tend to prefer products from developed countries to those from less developed countries (Jaffe and Martinez 1995; Wang and Lamb 1983). In particular, they tend to prefer products from their own countries first and foremost, then products from other developed countries and, lastly, products from less developed countries (Okechuku 1994; Wag and Lamb 1983). Surveys show that Americans prefer American-made products to foreign products (Bruskin Report 1985; Gallup 1985). Wang and Lamb (1983) have proposed a hierarchy of countries based on their level of economic development. Products from countries low on this hierarchy are perceived to be of lower quality than products from countries higher in the hierarchy. Okechuku (1994) found that American, Canadian, German, and Dutch respondents preferred TV sets or car radios made in their own country first and foremost, followed by brands made in other developed countries, and lastly those made in the developing countries of South Korea and Mexico.

Consumers tend to prefer domestic products in countries where there is strong patriotism, national pride, or consumer ethnocentrism (Heslop and Papadopoulos 1993). On the other hand,