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CONSUMER CHOICE DIMENSION OF LOCAL AND IMPORTED FLOUR

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ABSTRACT

This paper sought to investigate consumer perceptions and choice dimension of locally produced and imported flour in Kumasi metropolis. Specifically the paper aimed to test the relationship among price, quality and quantity in the consumer choice of imported flour and locally produced flour. One hundred and twenty three (123) consumers (household and commercial) of flour participated in the study. Convenience sampling was used to select the sample size of 123 to involve in the study. The data were then analyzed with the help SPSS. Frequencies, summary statistics and correlations analysis were performed to establish the relationship among the three variables (price, quality and quantity). The analysis showed respondents' preference for both locally produced flour and imported flour. Majority of the respondents agreed that locally produced flour is more expensive than imported flour. Also, price has high influence on consumer choice decision between imported and local flour. In addition, majority of the respondents agree that quality have very high influence on consumer purchase decision perhaps quality of flour affect purchase decision of consumer. The research also revealed that, respondents disagreed that locally produced flour is of higher quantity than imported flour. In spite of the fact that the study found Price as major determinant factor in influencing the purchasing decision of consumers for flour, the relationship among the three variable prices, quality and quantity as shown by the correlation analysis is weak.

KEY WORDS: QUALITY; PRICE; QUANTITY; CHOICE DIMENSION

INTRODUCTION

With the advent of globalization, the decrease of trade barriers, and the digitization of the world economy, consumers now have access to products from around the world. As consumers evaluate the assortment of products available to them, the country of origin of a product will have an increasingly important role in their decision making (Maheswaran, 2005). Gruma, one of Mexico's leading flour producers, successfully leveraged its positive country image as tortilla chips manufacturers and marketed its tortilla chips in the global market (Business week, 2007).

In general, favorable or unfavorable country associations develop over time as a function of the superior or inferior performance history of the products that originate in that country. As the reputation of a country begins to evolve based on the quality of the existing products, these perceptions of superiority or inferiority are also transferred to new products that originate in that country. While most academic research in the domain of country of origin has focused on the perceptions of a country based on the performance of its products, there is evidence to suggest that consumers' perceptions of the country may go beyond inferences based on product performance alone. For example, the historical animosity between some Eastern Asian countries and Japan may affect the purchase of Japanese products in these countries, despite a universally favorable belief towards the reliable performance of its products (Schiffman and Kanuk, 2009).

In accord, recent studies have shown that a product's country of origin has implications for the product's evaluations that extend beyond product attributes. Specifically, consumers may form positive or negative feelings towards a country based on cultural, political, historical or economic factors. These feelings, though unrelated to the product performance, may influence consumers' evaluations and purchase intentions of the products originating from home or the target countries (Hong and Kang, 2006). Thus, current research findings suggest that country of origin is a multi-dimensional construct that incorporates perceptions based on both product performance-related and non-product related aspects. Hence, a framework that integrates the various facets of customer perceptions is needed to systematically examine the effects of customer perceptions in the context of globalization (Hou, 2005).

Although flour productions are important in providing food and income, their monetary contribution to economy of Ghana is viewed as low (Pedersen, 2002). To him, before year 2000, the flour industry was a vibrant sector; supplying about 95 percent of flour in the country. This growth was due to the Government of Ghana's (GOG) initiative in the 1970s to promote flour production as the greatest potential for addressing the acute shortfall in the supply of flour.

Today, Ghana imports more than 30 percent of total European Union flour exports to West Africa. With reduced tariffs under WAEMU, West Africa as a whole has seen an eightfold increase in European Union flour imports. Between 1999 and 2009, there was a 144 percent rise in the already high level of flour imports into Ghana. Now the question is could local flour producers survive in the mix of inflow of these flour in the country. This has triggered the interest of the researcher to investigate into consumer's perceptions on locally produced and imported flour in Kumasi Metropolis.

As this topic came up certain pertinent questions were asked which needed to be answered. The study therefore aimed at answering the following questions.

- a) Does price has influence on consumers' choice of locally or imported flour in Kumasi Metropolis?
- b) How does quality of locally or imported flour influence consumer choice?
- c) Does quantity has influence on consumers' choice for locally or imported flour in Kumasi Metropolis?

LITERATURE REVIEW

Factors Influencing Consumer Perceptions of a Brand

Kotler (2005) defined perception as the process by which information is received, selected, organised and interpreted by an individual. Some of the factors that influence consumer perceptions of a brand include:

- **Quality:** this is one of the factors which consumers take into account when making their choice of brand. According to Uggla (2001), quality is an integrals part of brand identity.
- **Price:** McDonald and Sharp (2000) stated that price can be used as a reason for brand choice in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality. According to söderlund (2000), price, place and brand are three important factors when deciding consumers purchase choice in everyday product.

□ **Influence by others:** according to Kotler et al (1999), influence by others plays a vital role in consumer's decision processes. Consumers have the habit of consulting each other regarding a new product or brand and seeking their advice. The advices of other people have a strong effect on consumers buying behaviour. However, the degree of such effect depends on the situation or individual. Later adapters tend to be more influenced than early adapters. Influence by others cannot be sharpened by marketers. A buyer can also be influence culturally i.e. value, behaviour and preferences from family or other institution or socially i.e. by a small group like family or membership group. Purchase decision could also be influenced by attitude of others. For example, a consumer wants to buy MacLean, while in the shop he or she comes in contact with a friend who says Colgate makes my teeth brighter and whiter. The consumer can be forced to buy Colgate.

Advertising: the main aim of advertisement is to create awareness. Advertisement is a conspicuous form of communication. According to Aaker (1991), if advertising, promotion and packaging embrace a regular positioning strategy over a period of time, there is the tendency that the brand will be strong. Some ways of reaching and communicating to consumers through advertising is through television, cinema, radio, bill board etc.

Packaging: this is the process of designing the cover of a brand/product. According to Kotler et al (1991), packaging is a form of advertisement in the sense that sits sales duties such as attracting consumers, describing and selling the product.

Convenience: according to Lin and Chang (2003), convenience of a brand has a significant effect on consumer. In other word, easy access to brand/product in store is vital when buying low involvement product.

Purchasing Behavior and Attitudes

Psychological theory, such as consumer attitudes, is suggested as one of the variables that has an influence on buyer's purchasing behavior (Kotler & Keller, 2009). For example, Stack (2009) found a relationship between the purchasing behavior of students (toward the particular model of marketing strategy: people, personal, place, price, product and promotion used by the university) and the intention to enroll at the university. However, the existences of such relationships when purchasing high involvement products which have high value and are complicated (Mitchell,

1999) such as gemstones, has not been investigated. Similarly, there appears to be a lack of studies addressing the relationships between buyer's attitude which is measured by the satisfaction, the trust and the buyer's purchasing behavior when buying gemstones.

Consumer purchasing behavior

According to Kotler and Armstrong (2001), consumer purchasing behavior refers to the purchasing behavior of the individuals and households who buy goods and services for personal consumption. Consumers around the world are different in various factors such as age, income, education level and preferences which may affect the way they avail of goods and services. This behavior then impacts how products and services are presented to the different consumer markets. There are many components which influence consumer behavior namely; cultural, social, personal, and psychological (Kotler and Armstrong, 2001). Consumer behavior is the study of when, why, how and where people do or do not buy products (Sandhusen, 2000). Kundi et al (2008) stated that consumer behavior refers to the mental and emotional process and the observable behavior of consumers during searching, purchasing and post consumption of a product or services. Consumer behavior blends the elements from psychology, sociology, socio-psychology, anthropology and economics. McGraw-Hill (2005) define consumer buying behavior as the behavior in the quest to satisfy needs which products and services were acquired to satisfy these personal consumption needs. Consumer behavior involves the psychological process that consumers go through in recognizing needs, findings ways to solve these needs, making purchase decisions, interpret information, make plans and implement these plans (Perner, 2008).

An understanding of why a person makes purchasing is very important in the marketing process. Exploring consumer buying behavior and consumer needs are part study of the consumer value needs purchase. Consumption behavior is an important to understand the structure and society functioning (Assad, 2007). Ismail and Panni (2008) pointed out that consumer buying behavior as crucial part of consumer behavioral perspective. Besides, McKenzie (2000) has shown that customer purchasing behavior is significant behavioral aspect of consumer behavior (Ismail and Panni, 2008).

There are four types of buying behavior namely complex buying behavior, dissonance-reducing buying behavior, variety-seeking buying behavior, and habitual buying behavior (Kotler, Ang, Leong, and Tan, 2003). The complex buying behavior refers to when consumers are highly motivated in a purchase and perceive significant differences among the brands. The buyers are associated with expensive, risky, self-impressive product, and purchased infrequently (Kolter and Tan, 2003). Dissonance-reducing buying behavior occurred when the buyers are highly involved with expensive, risky purchase and little difference among brands (Kolter et al., 2003). Variety-seeking buying behaviors are characterized by low involvement and significant brands differences (Kolter et al., 2003). Habitual buying behavior occurs when the purchasers have low involvement with low cost and frequently purchased products (Kolter et al., 2003).

Consumption patterns

Consumption is creating the demand of products and services. Consumption is defined as total quality of goods and services that people in economy wish to purchase for immediate consumption (Miller, 1996). Consumption is the desire to acquire and enjoy goods and services which has purchased (Appleby, 2001). Consumption is the total value of things to the household consumes in a given time (Case and Fair, 2004). Consumption is a set of social, cultural, and economic practices, together with associated ideology of consumerism, which served to legitimate capitalism in the eyes of millions of ordinary people. Consumption patterns are shaped by needs, abilities, and opportunities (Mortensen, 2006). Consumption pattern defined as the way of consumption categories combined to form a way of life as a whole (Chung, 1998). An understanding of consumption patterns means an appreciation of how an individual make a choice from certain product or services (Mortensen, 2006).

CONCEPTUAL FRAMEWORK

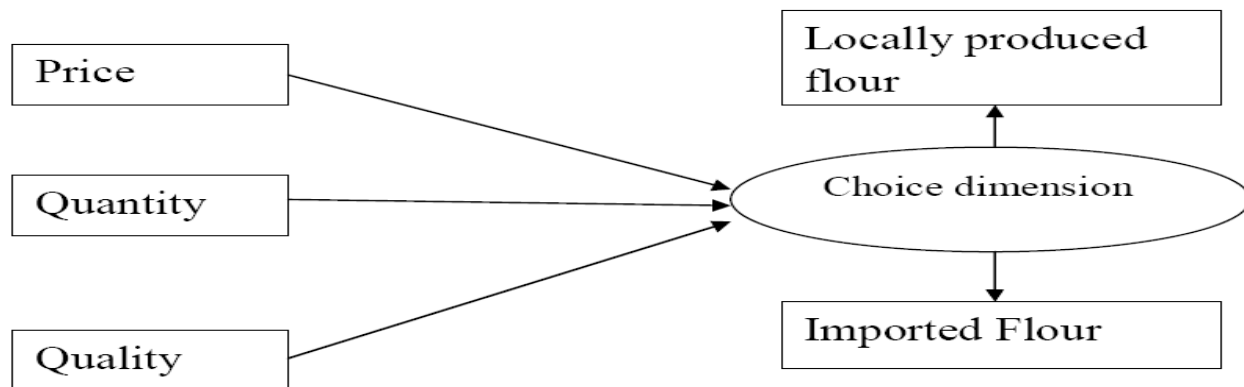
We assume that consumer choice dimension of locally manufactured and imported flour is based on price, quality and quantity. The analysis of the results is therefore based on a conceptual framework of the inter-play of price, quality and quantity as independent variables influencing decision direction of local flour or imported flour.

Assumption 1: consumer perception and choice decisions of flour is based on price (local or

imported)

Assumption 2: consumer decision to purchase locally manufactured flour or imported flour is influenced by quality (local or imported)

Assumption 3: the choice between locally manufactured and imported flour is based on the quantity in a package (local or imported)



Source: researchers constructed model (2013)

DATA COLLECTION INSTRUMENTS

The research methodology involves the method used in collecting data for the study, sample size determination, sampling technique. It also includes the presentation and analysis of data.

Data for the study was gathered from both primary and secondary sources. The primary source dealt with information gathered from selected members of Kumasi Metropolis area under study. Data collection was achieved by the use of questionnaire for the participants. The sample population of this study was all the people living of Kumasi Metropolis who purchase flour for their activities. The sample size of this study was 123 participants of the total population. Creswell (2007) recommended this population size of such nature. Convenience sampling was used to select the sample size of 123 to involve in the study. Selected participants were given questionnaire to answer in relation to their perception on imported flour and locally produced flour. The data collected was analyzed by the use of SPSS to bring out the tables, percentages and also descriptive analysis. Information that was gathered from various respondents was first

edit and tallied into frequency table. The values corresponding to frequencies were converted in percentages to facilitate comparison between the responses. SPSS was employed for the analysis.

RESULT/DISCUSSION

This section of the paper deals with the data presentation, analysis and interpretation. These are data analyses and interpretation of relevant data of the responses, which are grouped in the form of frequency table with percentage mean score and standard deviation.

Respondents User Rate of Flour

The respondents indicated rate of their usage of flour. 4 of the respondents which account for 3.3% said they often buy this product every day, 93 of the respondents which represent 75.6% said that they often purchase this product every week, 26 of the respondents which represent 21.1% said that they often purchase this product every month. The average years (mean score 2.18 and standard deviation 0.462). It implies that respondents were often purchased this product every week. With regards to the nature of usage, it reveals that, 95 of the respondents which represents 77.2%, said that they use flour for commercial purposes, 28 of respondents which represents 22.8% said that they for both household and commercial purposes and none of the respondents use flour for purposely for household.

Consumer preference of locally and imported flour

The data shows, 53 of the respondents which represent 43.1%, said that they preferred locally produced flour, 6 of respondents which represents 4.9% preferred imported flour, and 64 of the respondents 52.0% said that they preferred both locally produced flour and imported flour.. This implies that respondents preferred both locally produced flour and imported flour. This suggest that a lot of factors determines consumers preference for their choice of products which include cultural, social, personal, and psychological which is in line with the assertion of Kotler and Armstrong, (2001).

ASSUMPTION 1: CONSUMER CHOICE DIMENSION OF FLOUR IS INFLUENCED BY PRICE

The influence of price on consumer choice of flour imported or local generated frequencies and summary statistics. The questionnaire item indicated very high=5, high =4, Moderate=3, Low=2, Very low=1. The study sought to find out from the respondent the level of influence price has on the choice decisions. The entire 123 sample responded to this item. 24 of the respondents which represents 19.5%, said that price have very high influence on consumer purchase decision, 47 of respondents which represents 38.2% said that price have high influence on consumer purchase decision, while 44 of the respondents which represent 27.6% said that price have average influence on consumer purchase decision, 7 of the respondents which represents 5.7% said that price have low influence on consumer purchase decision and 1 of the respondents which represents 0.8% said that price have very low influence on consumer purchase decision. The mean score 2.30 and standard deviation 0.877 shows that price have high influence on consumer purchase decision and also affect their decisions when making a purchase of flour. . This is contrarily to the assertion by Padula and Busacca (2005) that price perception has been regarded as a one –dimensional construct according to which low price is favourably and high price unfavourably interpreted, which is in accordance with the principle of economic rationality of the consumer.

ASSUMPTION 2: CONSUMER CHOICE DIMENSION OF FLOUR IS INFLUENCED BY QUANTITY

The quantity as per kilos of a package is found to be a factor in consumer choice decisions. In the flour industry consumers compare locally produced and imported flour using the quantity (QTY).

The respondents were asked to indicate on the bases of a Likert scale; strongly agree, agree, neutral, disagree and strongly disagree from (5-1) respectively. 2 of the respondents which represents 1.6%, strongly agree that locally produced flour is of higher quantity than imported flour, 15 of respondents which represents 12.2% agree that locally produced flour is of higher quantity than imported flour, 51 of the respondents which represent 43.1% decided to remain neutral that locally produced flour is of higher quantity than imported flour, 10 of the respondents disagree that locally produced flour is of higher quantity than imported flour and 43 of the respondent strongly disagree that locally produced flour is of higher quantity than

imported flour. According to mean score, respondents disagreed that locally produced flour is of higher quantity than imported flour which shown a mean score of 3.63 and Std. Dev= 0.655.

Consumers' response to the level of influence also showed the following results. 13 of the respondents which represents 10.6%, said that quantity have very high influence on consumer purchase decision, 33 of respondents which represents 26.8% said that quantity have high influence on consumer purchase decision, while 36 of the respondents which represent 29.3% said that quantity have average influence on consumer purchase decision, 32 of the respondents which represents 26.0% said that quantity have low influence on consumer purchase decision and 9 of the respondents said that quantity have very low influence on consumer purchase decision. However, respondents rate the level of quantity influence as moderate on consumer purchase decision which shown a mean score of 2.93 and Standard Deviation 0.655.

ASSUMPTION 3: CONSUMER CHOICE OF FLOUR (IMPORTED OR LOCAL) IS INFLUNCED BY PERCEPTION OF QUALITY

Quality is considered a key influential factor in consumer choice decisions. An item on the questionnaire; locally produced flour is of higher quality than imported flour generated the following findings. 10 of the respondents which represents 8.1%, strongly agree that locally produced flour is of higher quality than imported flour, 21 of respondents which represents 17.1% agree that consumer locally produced flour is of higher quality than imported flour, 58 of the respondent remain neutral that locally produced flour is of higher quality than imported flour, 8 of the respondents was disagree that locally produced flour is of higher quality than imported flour and 26 of the respondents strongly disagreed that locally produced flour is of higher quality than imported flour. Also, average response shows that, respondents remain neutral that locally produced flour is of higher quality than imported flour as it shown a mean score of 3.15 and standard deviation of 1.181. This points to the fact that participants of the study were not certain about the authenticity of the assertion that locally produced flour was of higher quality than imported quality since there was not enough scientific study to support it, however, a lot of factors come to play in determining quality of a product which could be attributed to price – quality ration and value perception which is in line with Grunert, (2002) assertion that perceived price information is one of the components which affect quality expectations.

According to the respondents level quality of influence on consumer purchase decision was also presented. 64 of the respondents which represents 52.0%, said that quality have very high influence on consumer purchase decision, 50 of respondents which represents 40.7% said that quality have high influence on consumer purchase decision, while 8 of the respondents which represent 6.5% said that quality have average influence on consumer purchase decision, 1 of the respondents which represents 0.8% said that quality have low influence on consumer purchase decision and none of the respondents said that quality have very low influence on consumer purchase decision. However, respondents agree that quality have very high influence on consumer purchase decision which shown a mean score of 1.56. Conversely, quality of flour affect purchase decision of consumer (Std. Dev= 0.655). This is contrary to the assertion of Grunert (2002) that an insufficient definition of the concept of quality, incomparable methodological solutions, and, further, inadequate explanations on how quality is perceived by consumers.

CORRELATION ANALYSIS OF THE INFLUENCE OF PRICE, QUANTITY AND QUALITY ON THE CONSUMER CHOICE OF FLOUR (IMPORTED OR LOCAL)

The correlation analysis of the independent variables put together the inter-relationship among price, quality and quantity as constructs that determine the nature choice decisions between locally produced and imported flour. The findings showed different levels of relationships among the three constructs (Cd= Pf, qf, Qf). Cd is the consumer choice dimension between imported flour and locally produced flour. Pf is the price of the flour (imported and local) and Qf represent quantity of the flour.

		Correlations		
		Quantity	Quality	Price
Quantity	Pearson Correlation	1	-.100	.232 **
	Sig. (2-tailed)		.270	.010
	N	123	123	123
Quality	Pearson Correlation	-.100	1	.061
	Sig. (2-tailed)	.270		.506
	N	123	123	123
Price	Pearson Correlation	.232 **	.061	1
	Sig. (2-tailed)	.010	.506	
	N	123	123	123

**. Correlation is significant at the 0.01 level (2-tailed).

A Pearson correlation analysis showed Quantity to price and quality $r = .232$ and $-.100$ respectively. The sig. (2-tailed) of the three variables also revealed quality (.010) and price (.506). The values for price to quantity and quality showed $r = .232^{**}$ (quantity) and .061 (quality). The sig. (2-tailed) is .010 (quantity) and .506 (quality). The results generated by the Pearson correlation analysis showed a weak relationship among the three constructs price, quality and quantity and the dependent variable choice decision of flour (imported or local).

CONCLUSION

The researchers model of price, quality and quantity and the influences on consumer choice dimension of flour imported and locally produced generated results relevant for advancement of knowledge in the industry. Theoretical additions are also developed for future studies. Thus, the paper succeeded in determining the level of influence of price and quality in the purchasing decision of flour in the Kumasi Metropolis. All the one hundred and twenty three (123) participants selected for the study effectively responded to the items on the questionnaire.

The study revealed that influence of price on purchasing decision was high. Also issues of quality had poor influence in the purchasing decision of flour thus accounting for the higher rate of neutrality of respondents view in that regard. The study also showed that participants responded to all the elements on the influence of quality on the demand for flour in the Kumasi metropolis, as well as influence of quantity on the demand and purchase for flour. From the

study, it indicates that the influence of price on purchasing decision of flour was present and consumers preferred both imported and locally produced flour. Quality had little influence on the purchasing decision of consumers of flour. Moreover, quantity played major determinant role in influencing the purchasing decision of consumers for flour.

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