

Consumers' Shoe Preference: Domestic versus Imported Leather Shoes: Case Study in Addis Ketema Sub-City, Ethiopia

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Abstract

This study designed to indicate consumers shoe preference: domestic versus imported leather shoes. Specifically, to indicate how consumers evaluated both domestic and imported leather shoes interms of product quality, style and price, to examine to what extent these factors influenced the consumers' shoe choice in Addis Ketema sub-city shoe market. In order to achieve its objectives the researcher gathered data from 180 leather shoe consumers in Addis Ketema shoe market through open and close-ended questionnaires. The data were analyzed through help of statistical package for social science and micro soft excel software. The findings revealed that the imported leather shoe were superior in comfortability, fashionability and range of variety. But, Domestic leather shoes had competitive advantage interms of durability and price. The study also indicated that quality, style, price, friends and culture as the major factors influenced the consumers' shoe preference.

Keywords: consumer's preference, leather shoe, Addis Ketema

1. Introduction

Consumer market includes all the individuals and households who buy or acquire goods and services for personal consumption. According to Kotler and Armstrong (2010), currently, the world consumer market consists of more than 6.6 billion people who annually consume an estimated \$65 trillion worth of goods and services. Among these consumer goods, shoes are one of the basics. Currently, different types of shoes are produced by different companies in different countries to different consumers around the world. These Consumers around the world vary tremendously in age, income, education level, tastes and preference even though they buy an incredible variety of goods and services. But these diverse customers relate with each other and with other elements of the world around them affect their choice among various products, services and companies.

Ethiopian footwear sub-sector produces men's casual shoes and children's shoe-uppers made from pure leather. Leather factories sell these products to domestic market and directly to overseas importers and wholesalers as well as direct buying offices (Embassy of Ethiopia in United Kingdom, 2010). As it is obvious, Ethiopia has the largest livestock population in Africa and the 10th largest in the world, the country had to be one of the major shoes producers and exporters in Africa as well as in the world having comparative advantage of raw material and cheap human resource advantages. Despite this fact, many studies indicated that the shoe companies found in the country face strong competition from shoes and other leather products imported from abroad.

According to World Bank group (2006), the domestic market for footwear at present suffers from fierce price competition from synthetic footwear imported from China at much cheaper prices. Though low in durability, these low quality Chinese shoes are considered somewhat stylish and fashionable in design and heel heights and are available for men, women and children in all local shops. Tegegne (2007) mentioned that the domestic shoes market has been flooded with cheap imports from Asia, particularly from China and this has inflicted heavy impacts on the sector, and threatened its competitiveness in the domestic market. Sutton and Kellow (2010) also pointed out that the leather footwear of Ethiopia face strong competition from shoes and other leather products imported from china and elsewhere.

All above studies showed that domestic shoes markets filled with various shoe imports, and domestic shoes consumers provided with multiple choice of shoes around the world. As a result, domestic shoes are facing stiff competition from abroad in their home market. However, the consumer's preference of shoes is remained as open that need to be investigated. Understanding of what consumer's choices and why they prefer is important for shoes manufacturers, wholesalers and retailers, it will lead to more accurate merchandise mix and marketing programs. However, failure to do so result in not only lose their chances to enter other markets, but also risk of losing their sales to companies from neighboring countries who have invaded their home markets (Kotler et al., 2005). Thus, this study conducted to assess consumers' preference either imported or domestic leather shoes, identify the factors that affected consumers' shoes preference at addis ketema sub-city.

Table 1. Quantity of imported shoes data for 2006-2010

year	Quantity imported
2006	21,344,143
2007	17,636,969
2008	15,203,929
2009	12,495,861
2010	14,730,780

Source: Ethiopian Revenue and Customs Authority (2011)

According to data from Ethiopian revenue and customs authority: import-export department, the quantity of imported shoes showing decreasing at decreasing rate from 21,344,143 to 12,495,861 from the year 2006-2009 but in 2010 it decreased at increasing rate with the imported quantity of 14,730,780 shoes. This figure indicates high ascendancy of imported shoes at domestic market. Therefore, to deal with what factors affect consumer shoe preference is more important for shoe companies, which delayed taking steps and stay at home to play it safe.

2. Characteristics affecting consumer behavior

Cultural factors

Culture, subculture, and social class are particularly important influences on consumer buying behavior. Culture is the most fundamental determinant of a person's wants and behavior. Every group or society has a culture. Although different societal groups have their own culture that affects consumers' buying behavior, the extent to which it influences the behavior might vary from country to country (Kotler, 2000).

Social Factors

Consumer's behavior is influenced by such social factors as reference groups, family, and social roles and statuses. A Supreme Court justice has more status than a sales manager, and a sales manager has more status than an administrative assistant (Kotler, 2000). In general, people choose products that communicate their role and status in society.

Personal Factors

Personal characteristics, including the buyer's age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept influence which product or service to be bought. People change the goods and services they buy over their lifetime. They eat baby food in the early years, most foods in the growing and mature years, and special diets in the later years. Taste in clothes, furniture, and recreation is age-related. Similarly, consumption is also shaped by the stage of the family life cycle-the stages through which families might pass as they mature over time. Similarly Person's Occupation and economic circumstances also affect the goods and services bought (Kotler and Armstrong, 2010).

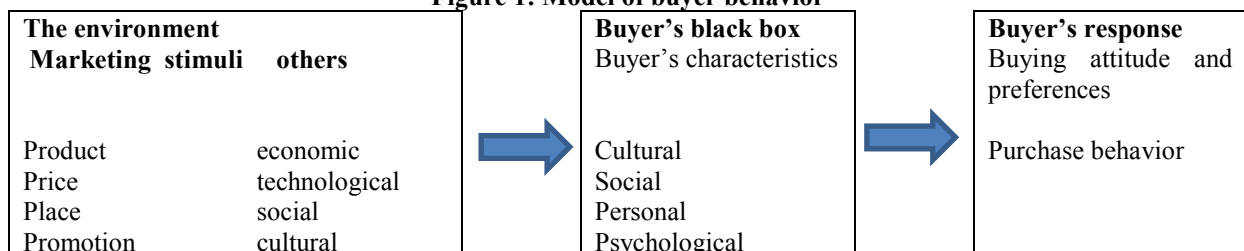
Psychological Factors

It constitutes motivation, perception, learning, and beliefs & attitudes. When a person is motivated, he/she ready to act, yet how that person actually acts is influenced by his or her perception of the situation. Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world. When people experience new things, changes take place in their behavior, i.e. they learn new things when they take action. Therefore, through doing and learning, people acquire beliefs and attitudes that, in turn, influence buying behavior (Kotler (2000).

Marketing stimuli

Marketing stimuli consist of the four ps: product, price, place, and promotion. Other stimuli include major forces and events in the buyer's environment: economic, political, technological and cultural. Which are inputs enter into buyer's mind, where they are changed into a set of buyer's observable response: the buyer's brand and company relationship behavior and what he or she buys, when, where and how often (Kotler and Armstrong, 2010, Frings, 2005, Abraham and Littrell, 1995 (cited in Department of Management and Marketing, 2008)). As factors affect consumers preference, product style/design, quality, features in the product category and price are taken as the major parts in which this study focused.

Figure 1: Model of buyer behavior



Source: Model of buyer behavior (Kotler & Armstrong, 2010)

3. Methodology

This study used mixed type of research design. Because mixed method helps utilization of the strength of both qualitative and quantitative and tackle of disadvantages of both designs (Creswell, 2009). To carry out this study, the researcher purposely selected Addis Ketema sub-city because Addis Ketema shoes market provides different shoe products appeal to different socio-economic standards; luxury to ordinary shoe. Secondly, it is in this sub-city that the greater majority of shoe retailers, wholesalers as well as the biggest shoe market of the entire city are found in. As the March 2011 report of Addis Ketema sub city shows there were 437 shoe retailers and wholesalers working in this business. In doing so, the researcher randomly selected 180 leather shoe consumers' respondents as a sample size.

The primary data collection instruments were semi-structured questionnaires, which contained a mixture of closed ended and open-ended questions. Researcher employed a five-point Likert scale for information gathered from the questionnaire consisted of quantitative continuous data and qualitative data. Besides, document reviews and internet broth used to collect secondary data.

The researcher organized and prepared the data for analysis, assign codes based on topic or themes, used the coding process to generate the description of the theme for the analysis of qualitative data. whereas the study were used statistical package for social science software (SPSS) version 20 and micro soft excel software to generate quantitative data output.

4. Result Analysis and Discussion

As indicated on the introductory section, domestic shoes face strong completion from imported leather shoes on the local shoes market. Therefore, in this section, consumers' preference whether domestic or imported leather shoe and the reasons behind for their preference were discussed and analyzed

Figure 2. Choice of shoe

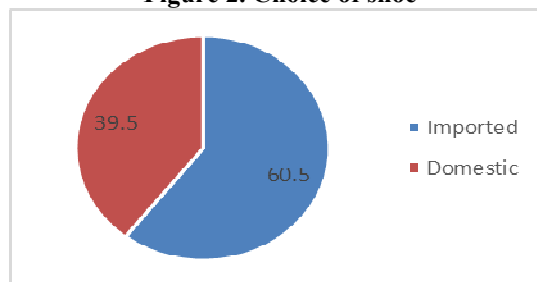
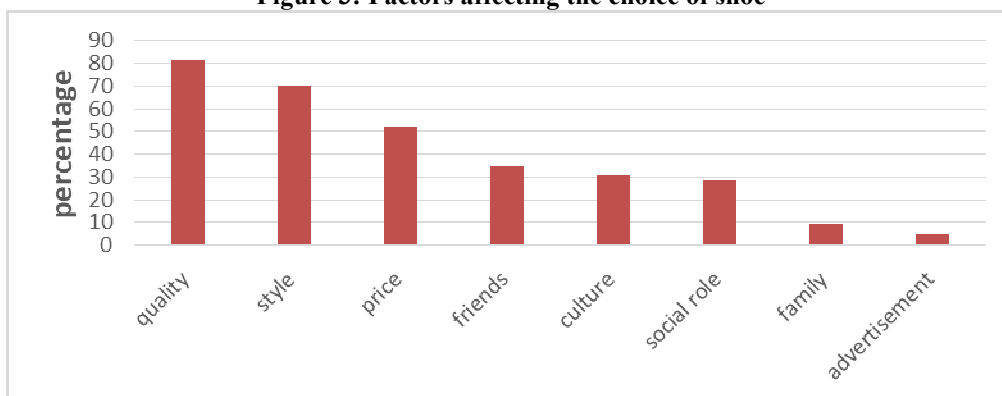


Figure 2 shows respondents' preference about domestic or imported leather shoe. From the total 180 respondents, 60.5 percent (109 respondents) favored imported shoes, while 39.5 percent (71 respondents) preferred domestic leather shoes. Thus, it was obvious that imported shoe clearly dominated the respondents' choice.

Figure 3: Factors affecting the choice of shoe



The Figure 3 shows the factors that affected respondents' shoes preference in Addis Ketema sub-city. There were eight different factors affecting consumers' choice of shoe. Among these factors, 81.6 percent (147 respondents) responded that their shoe choice affected by quality, 70 percent (126 respondents) answered that their preference of leather shoes considered the style of shoes, 52 percent (95 respondents) response indicated that price of leather shoes influenced their choice of shoes, where 35 percent (63 respondents) claimed their friends influence as one of the reasons for shoes they preferred, 31 percent (56 respondents) influenced by culture, 28.3 percent (51 respondents) influenced by social role, 9.5 percent (17 respondents) influenced by family and only a few; 5 percent (10 respondents) influenced by advertisement. Therefore, quality, style, price and friends influenced the majority of respondents' choice of shoes, while family and advertisement played the

least role on respondents' shoe preference. Thus, product attributes affect consumers' reaction to the product (Kotler and Armstrong, 2010). In addition, to the above eight factors affecting consumers' preference of shoes, respondents listed some other factors that affected their shoe choice decision these factors include occupation of the respondents and income level of the respondents.

As it was indicated on figure 3, more than 50 percent of respondents responded that quality, style and price as reasons for their shoes preference, however, less than 40 percent of respondents showed friends, culture, and social role, family and advertisement as factors for their shoe preference.

Figure 4. Product attributes influence on shoe choice



As figure 4 illustrates concerning style of leather shoes, respondents' perceived imported shoe as highly fashionable with the mean score of 4.21, but domestic shoe moderately perceived by respondents' with an average grade of 2.5. Similarly, respondents rated range of variety for imported shoe as high with a mean point of 4.01 and domestic shoe was perceived by consumers' at moderate level of range of variety. The study also found that respondents highly influenced by style of shoe with an average grade of 3.84. In this regard, Kanwal (2002) mentioned that what is happening in the world of style /fashion and what are the current fashions trends is one of the factors which consumers consider when buying products and which results in their change of taste. But the consumers judgments to prefer a product depends on the consumers' level of fashion consciousness, so judgment will be conditioned by their opinion of what is currently fashionable (Abraham and Littrell, 1995). Thus, style is one of important tools of marketing to win the consumers shoe choice decision.

Regarding quality of leather shoes, respondents' perceived as both imported and domestic shoes were highly durable. However, their response to domestic leather shoe indicated it was better durable than that of imported shoe with an average grade of 4.38. Likewise, imported shoe valued 4.09. The study also evaluated comfortability of both imported and domestic shoe. In doing so, it was found that imported shoe was highly comfortable than that of domestic leather shoes with an average 4.08 comfortability rate, whereas domestic shoe had low comfortable quality with a mean score of 2.1. In addition to this, respondents measured the amount of influence quality did has on their shoe preference. Accordingly, 81.6 percent (147 respondents) evaluation ensured that quality did have great influence on their choice of shoes. However, 18.4 percent (33 respondents) response was "little" and "very little" influence that the quality had on their shoe choice. Thus, quality had grander degree of influence on respondents shoe choice decision with a mean of 4.26 and its effect on consumer's choice was higher than any other studied factors in this study.

As figure 4 depicts the overall respondents, rated price charged on imported shoe as expensive with a mean grade of 4.25 and they rated the price of domestic shoe as low (cheap) with the mean score of 2.1. Further, 52 percent (95 respondents) implied that price did have high influence on their shoes choice. It was also found that price influenced the consumers' shoes choice with an average score of 3.6. In this regard, Bucklin et al. 1998, (cited in Department of Management and Marketing, 2008) noted that price significantly influences consumer choice and incidence of purchase.

5. Conclusions

This study found that the majority of respondents' favored imported shoe. As a result, imported leather shoe controlled the consumers' choice in domestic shoe market. The study findings indicated that among other factors quality, style and price, were a reasons for the majority of respondents shoe choice.

Regarding the style of leather shoes, the study found that the style of domestic shoes were less attractive in terms of fashionability and had less variety than imported shoes according to local shoe market perception.

Thus, imported shoe conquered style insightful consumers' shoes choice in domestic shoe market.

Concerning the quality of shoes, the study found that domestic leather shoes were better durable but less comfortable than their peers' imported ones. So that, consumers who were subjected other than to durability preferred domestic shoes and those to comfortability favored the foreign shoes. Interestingly, all most all study respondents opinion showed that their shoe choice to a large degree influenced by the quality of the product.

With reference to the price of the shoes, the study discovered that domestic leather shoes were lower priced than foreign shoes. For this reason, the domestic leather shoe highly dominated the shoe market of most of price mattered consumers.

6. Recommendations

For any business operation to be successful, the products acceptance by consumers is a key issue that not be neglected in competitive and dynamic environment. These days, in seeking, to choice among different products to satisfy their need and want, consumers see each product as a bundle of attributes with varying abilities of delivering the benefits to satisfy this need and want. Even though, the attributes of significance to buyers vary by product, style, quality and price are attributes sought in a shoe.

Thus, domestic shoe companies and factories found in Ethiopia better constantly come up with new styles/designs and product line extensions to bring back competitive advantage taken by imported shoes regarding fashionability, wide variety and comfortability. Thus, deeper understanding of target consumers can allow them, what new style or design and comfort of product to produce; or modifying existing products style or design; and how to market them. So that, the domestic companies should work more on deeper consumer insight investments to take steps in influencing consumers' choice decision.

7. References

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