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**CONSUMERS' ATTITUDE TOWARDS FOREIGN AND
DOMESTIC CHOCOLATES.**

By

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DECLARATION

I hereby declare that this submission is my own work towards the Commonwealth Executive Masters In Business Administration (CEMBA) and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgment has been made in the text.

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DEDICATION

I wish to dedicate this work to my wife and son.

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ABSTRACT

Globalization has exposed consumers in Ghana to a wide range of foreign chocolates on the market than ever before and these are competing with the domestic brands. The main purpose of the study was to investigate the Ghanaian consumers' attitude towards foreign and domestic chocolates and make recommendations for enhancing patronage of the domestic chocolates. A non-probability, convenience sampling technique was employed to gather the data through a structured questionnaire from 226 participants in the Greater Accra Region. The Fishbein attitude model and Consumer Ethnocentrism Tendencies Scale (CETSCALE) were used to measure the consumer attitudes and ethnocentrism respectively. The importance of country of origin of chocolates was also determined on a seven point likert scale. The relative importance of some attributes: brand name, price, packaging and the type of chocolate were determined using the conjoint analysis. The studies revealed that majority of the consumers had a positive attitude towards foreign chocolates (mean=164.03) than domestic chocolates (mean=153.97). Consumers however, showed ethnocentric tendencies (mean=5.8, on a scale of 1 to 7) towards the Made-in-Ghana chocolates. Chocolates from Ghana were also more important to the consumer than chocolates from the United Kingdom or Switzerland. These tendencies seem to be rooted more in morality, rather than transcending economic and functional considerations. Brand name was the most important attributes of chocolate (38.10%). The best cue combination that affect the purchasing decision of the consumer was a Goldentree milk chocolate packaged in laminated flow wrap that sells below GH¢ 5.00 per the 100g bar. It can be concluded that consumers have greater attitudes towards foreign chocolates than domestic chocolates. It is recommended that the manufacturer of the domestic chocolate finds more effective ways to reduce their cost of

production in order to reduce the prices of their chocolates to levels competitive with those coming from abroad. The domestic brand should also be rebranded for it to be competitive. Government on their part should provide conducive environment for the local manufacturers to thrive.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The creation of the World Trade Organization in 1995 has brought about a phenomenal increase in the participation of international trade among its member countries. World Trade Organization operates under four principles including equality, mutual benefits, transparency, and fair trade aimed at enforcing participants to open their markets based on a profitable system and make it possible for local consumers to choose their products from both their own country's market and that of others (Shirin and Kambiz, 2011). The proliferation of free trade areas, such as the North American Free Trade Agreement, the European Union, and the Association of Southeast Asian Nations, has led to the dramatic reduction of trade barriers to encourage more trade among the member nations and relax trading protocols across their borders.

The globalization of markets presents considerable challenges and opportunities for domestic and international marketers. Ohmae's (1992) vision of a borderless world has exposed consumers worldwide to a wider range of foreign brands than ever before. This escalation could be attributed to a multiplicity of factors including advances in communication, information, and transportation technologies; a shift toward market economies; privatization and deregulation in the emerging markets; emergence of the global consumer; availability of transnational media; and proliferation of global products (Townsend et. al., 2004).

Technological advances in communication and information diffusion have increased the exposure of products and brands to consumers across the globe. The worldwide acceptance and use of the Internet has also facilitated this dissemination of information to both foreign and domestic consumers and allows them accessibility to more products and services via online shopping (Pharr, 2005). Technologies in transportation have also given consumers quicker access to foreign lands where they come in direct contact with foreign products and advertising. These exposures have influenced consumer expectations and choice for products along various attribute dimensions. Within this global marketplace, businesses are faced with ever-increasing competition that is aggressively vying for customer attention with substitutable goods in virtually every product category (Netemeyer et al., 1991). Customers from many countries can choose to purchase their goods from both domestic and foreign manufacturers due to these reductions in trade barriers.

Decision-making of consumers in markets worldwide has become progressively more complex across all categories of consumption. Accordingly, there is a growing need for marketing practitioners to understand the dynamics that affect consumers' evaluations of imports over domestic ones in cross-national and cross cultural settings (Kaynak and Kara, 2002). Marketers have shown a growing interest in understanding the factors associated with consumer's evaluation and selection of imported goods in developing countries. This not only helps them in resolving the foreign versus domestic product conundrum, but also to formulate appropriate strategies to overcome resistance to foreign goods.

The Ghanaian chocolate market is growing steadily with different brands of chocolate from different countries entering the retail outlets. The predominant foreign brands on most retail shops in Ghana are from Cadbury, Lindt and Sprüngli, Hersheys, Nestle and Mars. The unfamiliar brands are usually from China. These brands come in different shapes, sizes, flavours, packaging designs and prices. The competing local brand, Goldentree is the only chocolate brand that is manufactured in Ghana by Cocoa Processing Company Limited. There are about eight variants of the Goldentree; Kingsbite, Akafo bar, Portem nut, Portem Pride, Tetteh Quarshie, Oranco, Coffee Choco and Aspire. All of which are premium chocolates with no cocoa butter substitute. The sustenance of these local brands and its continuous patronage by the Ghanaian consumer may be because of the patriotic and nationalistic tendencies of the Ghanaian who holds the ‘Made in Ghana’ label at heart.

1.2 Problem statement

There has been some effort by the Government of Ghana in encouraging Ghanaians to patronize the made in Ghana products, especially in the area of cocoa products. All in an attempt to add value to almost a million tons of cocoa beans produced each year in the country, so that jobs can be created for the citizens and also promote the growth and sustainability of local cocoa processing companies. It is because of these and other reasons why Ghana and other members of the Cocoa Producers Alliance are making frantic efforts to encourage their citizens to consume cocoa products. Even though February 14, is celebrated worldwide as the day of expressing love and appreciation, the Government of Ghana has adopted this day as the national chocolate day to help promote the consumption of Made-in-Ghana chocolates.

The promotion of local chocolate brands has been mostly in the areas of advertisements and talk shops, especially on the health benefit of the product. The hype created during these promotional activities, especially on chocolate (valentines) day quickly dwindles when the festivities are over making the effort unsustainable. This is because the attitudes of the target audience are not taking into consideration when promoting the consumption of chocolate. The factors such as price and packaging types that affect the purchasing decision of the consumer are not discussed. The prices of these products are deterrent enough for the average Ghanaian whose main interest is to be able to secure three square meals in a day. Because of these, consumers are unable to sustain their patronage for the product all year round.

Most consumers in Ghana perceive the product to be the preserve of the rich in the society or individuals who have enough disposable income to spend on things that are not considered to be 'bread and butter' to the average Ghanaian. They consume the product or buy it as a gift to friends and family only on occasions such as Christmas, Easter and Valentine (Chocolate) day. The initial idea of promoting made in Ghana chocolate seems to be relegated to the background and it has now been replaced with the health benefit of consuming chocolate in general (whether foreign or domestic).

These promotions have opened a flood gate for foreign chocolate brands to enter the market to cash in on these activities. There has been a high influx of foreign chocolates in the country recently and they are strenuously competing with the local brand. Many of these companies have achieved enviable market positions worldwide. With the high economics of

scale of foreign industries, they are able to relatively cut down the prices of their products thereby affecting the sales of local producers. The tastes of some of these foreign products are nothing to write home about and yet are able to capitalize on the aesthetic packaging and marketing strategies to entice consumers to buy their brands, all at the detriment of the domestic brand. Many of these foreign chocolate comes in different shapes and sizes there by providing variety to the Ghanaian consumers.

The campaign by 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 (Bamfo, 2012). These problems have provoked the study on the Ghanaian consumer’s attitude towards domestic and foreign chocolates.

1.3 Purpose of the Study

The purpose of this study is to investigate the Ghanaian consumers’ attitude towards foreign and domestic chocolates and make recommendations for enhancing patronage of the domestic chocolates.

1.4 Objectives of the Study

The following are the specific objectives of the study:

- (i) determine consumers’ attitudes toward the foreign and domestic chocolates
- (ii) examine how important the country of origin of chocolate is to the Ghanaian consumer
- (iii) determine the ethnocentric tendencies of consumers of chocolate in Ghana

(iv) ascertain the chocolate attributes that influence the purchasing decisions of the Ghanaian consumer

(v) to make recommendations to improve the national chocolate day campaign.

1.5 Research Questions

The study was guided by the following research questions:

(i) What are consumer's attitudes toward foreign made chocolate as against domestic brand?

(ii) How important is the Country of origin of chocolate to the Ghanaian consumer?

(iii) To what extent does Ghanaian consumer ethnocentrism influence the selection of domestic brands of chocolate over foreign brands?

(iv) What are the attributes that determine the purchasing decisions of the Ghanaian consumer?

(v) What measures can be put in place to improve the national chocolate day campaign?

1.6 Significance of the Study

This study would make an important contribution to literature in the areas of consumer ethnocentrism, country of origin, consumers' attitudes and product attributes that influence the purchasing decisions of consumers of chocolate and other cocoa confectionery products in Ghana.

This research would also make recommendations for further improvement in brand management so as to assist Cocoa Processing Company Limited in particular and other firms

in the Food and Beverage industry in general in their marketing efforts to compete favourably with imported products.

The results of this research would also help foreign companies that export or think of exporting their products to Ghana to know the factors that influence the Ghanaian consumers' attitudes towards purchasing their products. Exporters would be able to take these factors into account in their production and marketing strategies, especially when there is an extensive competition.

1.7 Scope of the Study

The research was limited to the Greater Accra region. The cocoa confectionery products are very broad so the research focused on only the bar chocolates. There are a number of foreign chocolate brands in the country, but only two brands were selected for the research. The two brands, Lindt and Cadbury were selected because of their popularity on most retail outlets in Ghana. The countries of origin of these brands are Switzerland and the United Kingdom. The local company was Cocoa Processing Company Limited, since it is the only company that manufactures chocolate in Ghana under the brand name, Goldentree.

The attributes chosen to determine the consumer attitudes in the Fishbein model were limited to five; taste, price, packaging, brand name, and pack size. The original scale in determining Consumer ethnocentrism tendencies consists of 17 items on seven-point Likert scales. However due to the time constraint the modified scale consisting of only 10 items were used.

To have a reduced profile for the conjoint analysis only four extrinsic cues of the chocolate were also considered; brand name, retail price, chocolate type and packaging.

1.8 Organization of the Study

The thesis consists of five main chapters. Chapter One introduces the study by delving into the background and the problem statement. The purpose and objectives of the research study are clearly defined. Also given is the scope, relevance of the study and how it was organized.

Chapter Two provides the comprehensive reviews of relevant literature. This particular area of the study lead to the development of research questions for the dissertation. The area discussed includes consumer attitude and ethnocentrism, factors influencing the purchasing decisions of consumers and the chocolate industry.

Chapter Three demonstrates the research methodology used in this study. The explanation of the research instrument is provided together with its strengths and weaknesses. Further, the clarification of sample, the survey procedure, and the analysis of the data are described.

Chapter Four reports the empirical results collected through the survey questionnaire. The chapter exhibits the analysis and interpretation of primary data with the aim to answer the research questions.

Chapter Five provides the findings, conclusions and recommendations. A summary of the issues from both the literature review and the methodology are highlighted. Academic and

managerial implications are provided. Besides, the limitations of this study are drawn along with the direction for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Overviews of previous literature within the research areas are presented. The aim of this chapter was to provide the relevant literature in the field of consumer attitudes and ethnocentrism. Also discussed are the cocoa and confectionery industry and some factors that influence the decisions of consumers in the purchasing of chocolates.

2.2 Consumer attitudes

The concept of attitude occupies a fundamental position in both social psychology and consumer behaviour studies (Foxall and Goldsmith, 1994). Marketers are concerned with knowing customer attitudes towards their products and services and other elements of the marketing mix, as this knowledge can assist them to predict consumer behaviour (Sheth and Mittal, 2004). According to Foxall and Goldsmith (1994) it is believed that attitudes are the crucial link between what consumers think about products and what they buy in the marketplace.

A frequently used definition of attitudes is that given by Allport (1935) who defined attitudes as “learned predispositions to respond to an object or class of objects in a consistently favorable or unfavorable way”. An attitude is a lasting, general evaluation of people (including oneself), objects, or issues (Solomon et al., 2008). Attitude has been called the most distinctive and indispensable concept in many fields. In the marketing area, attitude is one of the most important concepts used to understand consumers. An attitude in marketing

terms is defined as a general evaluation of a product or service formed over time (Solomon et al., 2008). Consumer's attitude is the consumer's liking, endorsement or preference for product attributes, which summarizes the criteria that consumers use to make decisions regarding what products to buy (Kinneer and Taylor, 1996). In other words, consumer's attitude explains how people's beliefs and knowledge lead to attitudes, and how their information integration process form attitudes toward actions and influence people's intentions to perform behaviours.

Perner (2010) defined consumer attitude simply as a composite of a consumer's beliefs, feelings, and behavioural intentions toward some object within the context of marketing. An attitude satisfies a personal motive and at the same time, affects the shopping and buying habits of consumers. A marketer is challenged to understand the reason a particular attitude might exist. Consumers' attitudes cannot be observed directly, marketers must try to do research to measure them. Each year marketing managers spend millions of dollars researching consumers' attitudes toward products and brands, and then spend many more millions trying to influence those attitudes through advertisements, sales promotions, and other types of persuasion (Peter and Olson, 2005).

According to Wang and Heitmeyer (2006), an individual's attitude is a major outcome of learning processes and is powerfully influenced by personal experience, family, friends, and marketing strategy. Based on whatever is learned about the stimulus or object, a person develops either a liking (favourable) or a disliking (unfavourable) towards it. More specifically, an attitude refers to a learned tendency to respond to an object in a consistent or

predictable manner (Evans et al., 2006). For this reason, the knowledge about consumer attitude can be a useful predictor of the consumer's intended and actual behaviour.

Attitude models have been developed to help identify factors that may influence people's evaluation of attitude objects (Solomon et al., 2008). Four broad categories of attitude models have received attention: the tri-component attitude model, multi-attribute attitude models, trying-to-consume attitude models, and attitude-toward-the-ad models (Schiffman, 2000).

An early study by Rosenberg and Hovland (1960) proposed that an attitude has three components, cognition (beliefs), affect (motions) and conation (intentions). A cognitive component consists of a person's beliefs or knowledge about an object. These beliefs may not be exact in terms of product specifications or objective assessments of reliability. However, the beliefs are still important in many ways because they reflect how the individual perceives the issue to be, even if a mismatch between their beliefs and reality occurs. An affective component consists of a person's feelings or emotions toward the object. These feelings can be either positive or negative. For a conative or behavioural component, it consists of how the individual tends to respond to the object based on what they know and how they feel about it. In other words, this component refers to the individual's readiness to respond behaviourally to the object (Evans et al., 2006).

The Fishbein's (1967) Attitude Model is widespread use in consumer research (Ryan and Bonfield, 1975) to assess consumer attitudes. For example, Wang and Heitmeyer (2006) applied the model to measure Taiwanese consumers' attitudes toward US versus domestic

apparel and indicated that there is evidence supporting the predictive validity of the Fishbein model, such as the researches of Vijayasathy and Jones (2000) and Anić (2010).

Fishbein (1967) developed his attitude model with the basic assumption that in order to have a better understanding of human behaviour, the measure of attitudes should not be oriented merely toward evaluating attitude toward objects, people, or institutions themselves, but rather toward assessing the attitudes toward performing a specific behaviour related to them (Beaudoin et al., 1998; Wang and Heitmeyer, 2006). Fishbein (1967) explained that an individual's attitudes toward performing a behaviour is determined by two major components: (1) the strength of the beliefs (b_i) held about the objects, and (2) the individual's subjective evaluation (e_i) of those beliefs. The estimation of the attitude is then calculated by following this formula:

$$A_B = \sum_{i=1}^n b_i e_i$$

Where:

A_B = attitude toward the behaviour,

b_i = belief that performing behaviour A_B leads to consequence attribute

e_i = evaluation of consequence

' i ' refers to the importance of the attribute,

n = number of salient consequence

Following a review of empirical research on the original attitude model, Ajzen and Fishbein (1977) concluded that the original model supports the contention that strong attitude to behavior linkages are obtained only where there is a high correspondence between at least the

target and action elements of the attitudinal and behavioral entities. Where such correspondence does not occur they accepted that the model may not accurately represent the attitude to behavioral linkage. This weakness served as the impetus for a refined model which they later developed to more clearly represent attitudes toward individual brands of products (Ajzen and Fishbein, 1980).

As it was conceived, a consumers' overall evaluation of a brand is a mental summation of the product of beliefs about brand attribute components and their evaluation of each attribute and the relative weightings assigned to each component attribute. This is hypothesized to represent the consumer's attitude toward a specific brand. Thus, the refined model measures three components of attitude: salient beliefs, object-attribute linkages, and attribute evaluations. The model theorizes that salient beliefs are first considered about an attitude object (i.e. only those beliefs considered during a brand evaluation) by a potential purchaser. Second, object-attribute linkages, or the probability that a particular object has an important attribute, are considered. Finally, the potential purchaser considers the importance of each relevant attribute. The theory is quantified as follows:

$$A_{ijk} = \sum B_{ijk} I_{ik}$$

Where

A represents a particular consumer k 's attitude score for brand j ; i = attribute; j = brand; k = consumer; I = importance weight given to attribute i by consumer k ; B_{ijk} = consumer k 's belief regarding the extent to which brand j possesses attribute i .

The Refined Fishbein model assumes that consumers are able to articulate all relevant attributes used in evaluation. Moreover, it assumes a person will go through the process of identifying a set of attributes, weigh them, then sum them either formal or informally. These assumptions serve to limit the potential robustness of the model because in many cases consumers are either not able to bring to mind relevant attributes or otherwise disinclined to do so. Moreover, the model further precludes attitudes formed by an overall affective response, a process known as “affect-referral” (Solomon et al., 2008). According to So et al. (2005) the model works well when a consumer can purchase based on his own volition. In other words, interceding moderators may impact the attitude-to-behaviour linkage. The reality is that a person’s attitude toward a brand may not necessarily be a good predictor of behavior because a number of things can get in the way of action.

2.3 Consumer ethnocentrism

Although governments have continually reduced tariffs and other trade barriers to encourage trade among nations, one form of a non-tariff barrier that tends to endure among citizens is consumer ethnocentrism (Shankarmahesh, 2006). The term “ethnocentrism” was initially defined by Sumner (1906) as “the view of things in which one’s own group is the center of everything, and all others are scaled and rated with reference to it”.

Consumer ethnocentrism is a derivation of the original concept of ethnocentrism and refers to the consumer’s belief that buying foreign products will potentially result in a domestic jobs reduction and economic damage (Shimp and Sharma, 1987); therefore domestic consumers

who are ethnocentric would consider the purchase of foreign goods as inappropriate, immoral and unpatriotic. They typically would not discriminate towards specific countries, but would have a general disdain for all non-domestic products, regardless of their country-of-association. Shimp and Sharma (1987) also contend that consumer ethnocentrism is a behavioral pattern that is socialized during early childhood years and is fairly inelastic to other product attributes, such as price and quality. While commonly studied in the context of consumer perceptions and behavior, there is also evidence of consumer ethnocentrism existing among buyers within the business-to-business markets as well (Crawford and Lamb, 1981). Some scholars argued that ethnocentrism is a part of human nature (Herche, 1992; Kucukemiroglu, 1999) and claimed that it is a trait-like property of one's personality (Shimp and Sharma, 1987). Accordingly, it can be said that ethnocentric tendencies are indeed a separate matter from quality evaluations or past experience with product (Herch, 1992).

Consumers with high ethnocentric tendencies are probably most prone to biased judgements by being more inclined to adopt the positive aspects of local-made products and to discount the virtues of foreign-made products. From the perspective of ethnocentric consumers, purchasing imports is wrong because it is not only immoral and unpatriotic, but also detrimental to the domestic economy and results in loss of jobs in industries threatened by imports (Shimp and Sharma, 1987). Consumers therefore tend to purchase local products, even if the quality is inferior to (Wall and Heslop, 1986) and the price is higher than that of imports (Balabanis et al., 2001).

Additionally, highly ethnocentric people generally take pride in their own values, symbols and people and view domestic products as objects of pride and identity as opposed to those from other countries (Kinra, 2006). Hence, it can be concluded that the more ethnocentric a nation is, the less favourable consumers' attitudes and the less likely consumers will hold preferences and purchase intentions toward foreign products (O'Casey, 2002). Besides, as the implication is that choosing a foreign product can threaten domestic industry, ethnocentrism is likely to boost when economic times worsen (Ueltschy, 1998). In contrast to ethnocentric consumers, non-ethnocentric consumers believe that foreign products should be evaluated on their own merit and on the basis of the utility and benefit they offer to consumers without consideration for where they are manufactured or assembled (Shimp and Sharma, 1987).

Klein et al. (2006) claimed that it is still unclear how consumer ethnocentrism in developing economies will manifest itself since little research has been conducted in such countries. Similarly, Batra et al. (2000) supported that there is a particular lack of research looking at the variables which may moderate the relationship between Consumer Ethnocentrism and willingness to buy domestically-made products in developing countries.

Saffu and Walker (2006) showed a relationship between ethnocentrism and attitudes of Ghanaian consumers toward the "buy local" campaign. They indicated that the attitudes of the Ghanaian consumers in buying locally-made products can be characterized as protectionist, nationalistic, and self-interest. Implicitly, the consumers will buy Ghanaian-made products where they are of comparable quality and price as foreign-made products.

In addition to establishing a definition of consumer ethnocentrism, Shimp and Sharma (1987) were also responsible for developing the Consumer Ethnocentric Tendencies Scale (CETSCALE) to dimensionalize and measure consumer ethnocentrism. Since its inception, the CETSCALE has been validated in several studies investigating both national and regional dimensions of the U.S. culture.

The CETSCALE adheres to the viewpoint that consumer ethnocentrism is a matter of ‘how ethnocentric?’ and not ‘whether ethnocentric?’ It does not give a consumer ethnocentric/not ethnocentric type of categorization (Bawa, 2004). Lindquist et al. (2001) are of the opinion that the 17 items of the CETSCALE are linked to the following four concepts — ‘it hurts the domestic economy,’ ‘results in loss of jobs,’ ‘is unpatriotic,’ and ‘is tied to product availability,’ though Shimp and Sharma did not classify the items in this manner. There also exists a shorter 10- item version of the CETSCALE. It has been used not only by Shimp and Sharma (1987) but also by Steenkamp and Baumgartner (1998), Lindquist et al. (2001), and Douglas and Nijssen (2003).

2.4 The Cocoa and Chocolate Industry

Cocoa, the key ingredient in chocolate is produced mostly in developing countries across Asia, Africa and Latin America that are in the tropical or semi-tropical regions. The successful cultivation of cocoa requires a special climate that is mostly found within the area bounded by the Tropics of Cancer and Capricorn. The majority of the world’s crop is now grown within 10° North and South of the equator. It will grow from sea level up to a

maximum of some 1,000 meters, although most of the world's crop grows at an altitude of less than 300 meters (De Zaan, 2009).

The cocoa industry in Ghana employs almost thirty percent of the labor force and makes up thirty percent of annual gross domestic product (Amoah, 2008). Cocoa beans are typically grown on small family farms. Most of these are only two to three hectares in size. Each farm produces around one tone of beans each year. To put the importance of the cocoa industry to Ghana in perspective, it is estimated that there are about 265,000 cocoa farm owners and roughly 800,000 people involved in cocoa growing in Ghana (Awua, 2002). Today, cocoa trees are cultivated in more than 40 countries around the world, across an estimated area of 3.6 million hectares, producing an annual crop of more than 3.0 million tons of dried beans ready for processing (De Zaan, 2009).

Paradoxically despite feasible opportunities for increased revenue through value addition by processing raw cocoa into semi products such as cocoa butter and cocoa liquor and finished products such as chocolate, Ghana has maintained a strategy of exporting majority of the beans produced in the country instead of processing the cocoa for export. One explanation for this strategy may be that Ghana enjoys the enviable position of producing the highest quality cocoa the world over, and enjoys the related quality premiums from exporting raw cocoa beans. If the revenue from exporting the raw cocoa beans is not much smaller than the revenue from processing the cocoa on a per tonne basis then Ghana's current strategy makes sense (Pinnamang-Tutu and Armah, 2011).

The first major processing activity along the global value chain for cocoa is grinding. Most cocoa grinders are located in consuming countries, with a dominant grinding hub located in the Netherlands. In this industrial process, the beans are shelled and roasted, and the interior of the bean is ground into a paste known as ‘cocoa liquor’. Some of this liquor is used directly for chocolate manufacturing: and some liquor is fed into hydraulic presses that remove the cocoa fat or cocoa butter from the liquor, and leave behind a flaky cake. This cake is then ground into a fine powder (cocoa powder). There are thus four important intermediate products made from this grinding process: cocoa liquor, cocoa butter, cocoa cake and cocoa powder. Cocoa processing (grinding) continues to be undertaken predominantly in cocoa-importing countries. Europe and the Americas accounts for 41 and 22.2 per cent respectively of world grinding (ICCO, 2010). A report by Oxfam International (Capelle, 2009) identifies only three companies (Cargill, Archer Daniels Midland, and Barry Callebaut) as being responsible for almost 40 per cent of total cocoa grindings on the world market.

The manufacturing of chocolate products generally requires blending together cocoa liquor with cocoa butter, sugar, milk and other materials. Cocoa butter provides the characteristic mouth feel. Milk or milk powder is added to produce milk chocolate; nuts, biscuits and other fillings are added to make filled chocolates. In a process known as ‘conching’, the mixture of butter and liquor is agitated to reduce particle size and create a smooth liquid. This liquid chocolate can then be poured onto moulds for sale as blocks of chocolate. The actual proportion of cocoa-based ingredients varies enormously for different chocolate products from less than 10 per cent in some cheaper products to more than 70 per cent in the case of

fine dark chocolates. To reduce costs, it is technically possible for manufacturers to substitute the use of cocoa butter with some vegetable oils, although food purity legislation in most countries prevents this from being sold labeled as 'chocolate'. Premium chocolate accounts for less than 10 percent of the global chocolate market, and is believed to account for 12 and 18 percent of total chocolate sales in Europe and the United States, respectively. One in three consumers in these two regions is believed to have changed their consumption pattern in favour of premium chocolate products over the past few years (Pay, 2009).

Most people love chocolate, probably because it has a particularly complex taste made up of more than 500 flavour Components, which is considerably more than most other foods (Albright, 1997; Richardson, 2003). Americans like chocolate so much that they eat about five kilograms of chocolate products per person per year. This may seem like a large amount, but Europeans consume significantly more chocolate. The inhabitants of the main chocolate-producing countries – Switzerland, Belgium, Germany, Austria and the United Kingdom – eat on average about ten kilograms of chocolate per person every year (Zackowitz, 2004).

Traditions and cultural attitudes are not only important in understandings of quality, but also influence chocolate consumption patterns and how manufacturers cater to the tastes of their customers. Most Americans see chocolate as an indulgence, while many Europeans consider it a 'serious food' (Pottker, 1995) and are more likely to defend it as something that is healthy when eaten in moderation.

The attitude towards chocolate is reflected in the marketing strategies of chocolate companies. For example, commercials of the German Ritter Sport Company frequently show people eating chocolate on camping tours and when taking part in sports. Similarly, Joghurette (a Ferrero product) is marketed as fitting the lifestyle of active people. Interpreting chocolate as a food rather than as a treat partly explains why Europeans on average eat so much more of it than Americans do (Alberts and Cidell, 2006). However, not only do they eat more, they also prefer it in different forms. Most Americans eat a large share of their chocolate in the form of candy bars or in cakes, cookies or ice cream (Rees, 1997; Khodorowsky and Robert, 2001). In Europe, by contrast, most chocolate is eaten in the form of pure chocolate bars. US chocolate manufacturers not only produce different chocolate products but also employ different innovation strategies.

The US chocolate industry is dominated by two giants – Hershey and M&M/Mars. Hershey started producing milk chocolate bars en masse in 1893 with German machinery purchased at the World’s Columbian Exhibition in Chicago. The Mars Company was established in the early 1920s and mostly made candy bars such as Milky Way, Mars, Snickers and Three Musketeers. By the 1980s, both companies were in intense competition with one another. In order to gain a competitive edge, Hershey introduced a range of new products (such as Hershey’s Hugs and Symphony), while Mars limited itself to modifying existing brands (usually through the addition of peanuts or peanut butter) and transforming some of its candy bars into ice cream bars (Pottker, 1995; Albright, 1997). Compared with Western European manufacturers, though, even Hershey’s more innovative approach looks timid. Innovations in the US chocolate industry have largely been limited to changes in size (giant bars, bitesized),

more healthy varieties (diet chocolates), or new packaging, rather than the creation of new products (Rees, 1997). Overall, there is relatively little innovation in the US chocolate industry. Pottker (1995), for example, points out that more than half of the candy bars sold in the US were invented over 50 years ago. Mass-market chocolate bars exist in only a few varieties (milk and dark) and with only a few different fillings (caramel and almonds). This lack of innovation may partly be due to the general decrease in chocolate consumption in the United States. In the 1980s, cocoa prices increased at a time when health concerns over food became widespread, discouraging people from eating chocolate products. Furthermore, Americans developed a taste for other snack items such as nuts and potato chips, which did not catch on in Europe to the same degree (Rees, 1997).

Chocolate sales proved the most lucrative for the global confectionery market in 2010, generating total revenues of \$74.7 billion, equivalent to 50.1% of the market's overall value (Datamonitor, 2011). The chocolate market is dominated by six companies, which in 2007 together controlled 57% per cent of the market: Cadbury, Ferrero, Hershey, Kraft, Mars and Nestlé (Cappelle, 2009). Kraft Foods acquired Cadbury, one of the most prestigious chocolate makers in the world in a deal estimated to be worth \$19 billion (Datamonitor, 2011). In the United States, three companies (Hershey, Mars and Nestle) accounts for a massive 80 per cent of the chocolate market. These manufacturing companies own many of the familiar brands we associate with chocolate consumption in Ghana and other countries. In 2012 the Candy Industry ranked Kraft foods Inc as the leading confectionery industry in the world. The company generated net sales (millions) of \$ 19,965. Mars Inc (\$16,200) and Nestle SA (\$12,808) were ranked second and third respectively (Rogers, 2012).

2.5 Factors influencing the purchasing decisions of consumers

Consumer is a person who buys or uses things (goods) or services. Marketers are the persons who provide these services. The most challenging questions for marketers are why buyers do what they do (or don't do). Such knowledge is critical for marketers, since having a strong understanding of buyer's behavior will shed light on what is important for the consumer and also suggest the important influences on consumer decision-making. Consumers mainly face two types of purchase decisions: 'New Purchase' —these purchases are very difficult to be made by consumer due to lack of confidence in decision-making; and 'Repurchase'— consumer feels confident in making these decisions since they have previous experience in purchasing the product (Patwardhan et al., 2010) .

The purchase decision may provide three possibilities to a consumer: from whom to buy, when to buy and also not to buy. In many cases the solution chosen by the consumer is the same as the product whose evaluation is the highest. A favorable post-purchase evaluation of the product leads to consumer satisfaction. If the product performs below the consumer's expectation, then he/she will reevaluate satisfaction with the decision, which at its extreme may result in the consumer returning the product. When the consumer is satisfied with the product's performance, repeat purchase is more likely (Szymanski and Hearnard, 2001).

Consumer's decision-making process is influenced by many factors such as cultural, social, personal and psychological. 'Cultural factors' exert the broadest and deepest influence on consumer behavior. It represents beliefs and, in many cases, we learn to act by interacting or observing other members of society. Consumer buying process offers two useful

perspectives: the decision-making process associated with consumer buying and the factors which affect the buying process (Rowley, 1997).

Consumer's buying behavior can be broadly classified into four main categories. Consumers engage in 'Complex Buying Behavior' when they are highly involved in a purchase and are aware of significant differences among brands. This is usually the case when the product is expensive, bought infrequently, risky and highly self-expressive. "Dissonance-Reducing Buyer Behavior" is observed when the consumer is highly involved in a purchase but sees little difference in brands. In this case, the buyer will shop around to learn what is available but will buy fairly quickly, perhaps responding primarily to a good price or to purchase convenience. After the purchase, the consumer might experience dissonance that stems from noticing certain disquieting features or hearing favorable things about other brands. In "Habitual Buying Behavior" products are bought under the conditions of low involvement and the absence of significant brand differences, e.g., salt. Consumers have little involvement in this product category. "Variety Seeking Buying Behavior" involves buying situations, characterized by low involvement but significant brand differences. Here consumers often do a lot of brand switching for the sake of variety rather than dissatisfaction (Patwardhan et al., 2010).

When considering a product purchase, consumers are likely to compare and contrast alternative products by using various information cues as a basis to form perceptions of quality and value and finally, to make purchase decisions (Forsythe et al., 1999).

In a product-evaluation situation, a cue can be described as a product's characteristic that can be encoded and utilized to categorize and evaluate the product (Ulgado and Lee, 1998).

Product-related cues can be divided into intrinsic and extrinsic cues affecting consumers' product evaluation or choice preference (Chao, 2001). Intrinsic cues involve a product's physical characteristics such as performance, quality, flavour, colour and durability. Extrinsic cues, by contrast, refer to the external or product's non-physical compositions such as price, brand and country label. Intrinsic cues cannot be changed or experienced without changing the physical characteristics of the product (e.g. quality and flavour) (Srinivasan et al., 2004). Thus, intrinsic cues are relatively difficult for consumers to use in evaluating a product's quality prior to consumption and they normally use a product's extrinsic cues to evaluate product quality before purchase (Insch and McBride, 1998). The extrinsic cues tend to be especially influential in consumers' evaluations when the product is complex in nature and also, when consumers have little prior knowledge of the product (Cattin et al., 1982) as frequently may be the case with imported products (Elliott and Cameron, 1994). For consumers, the extrinsic informational cues are used as surrogate indicators of a product's quality and value (Forsythe et al., 1999).

A brand is defined as a specific name, symbol or design or, more usually some combination of these that is used to distinguish a particular seller's product (Doyle, 2002). Brand names have become increasingly valuable assets for many multinational companies. In a cluttered marketplace, brands stand up as the source of differentiation for providers of products and services that can be quickly tracked with easy access to technology and information (Lim and O'Cass, 2001). Many consumers use brands as clues to indicate product performances, instead of engaging themselves in search for information when deciding between competing

brands. Consumers use brands as cues to make decisions to purchase or try products (Ger et al., 1993). To a large extent, the brands also speak of familiarity and credibility (Fatt, 1997) about the product.

There have been many definition of Country of Origin in the literature and its effect on consumer behavior. It has been defined as the county where the corporate headquarters of the company marketing the product or brand is situated (Johansson, 1985); as the country of manufacture or assembly (Lee and Schaninger, 1996) and as the country of product design.

Consumers tend to generalize their attitudes and opinions across products from a given country, based on their familiarity and background with the country, and their own personal experiences of product attributes such as “technological superiority”, “product quality”, “design”, “value for money”, “status and esteem”, and “credibility of country-of-origin” of a brand (Kinra, 2006). Country of Origin (COO) effects plays a vital role in studying consumer perception of foreign brands vs. local brands.

Food package is the container that holds, protects, preserves and identifies the product, and which also facilitates its handling, storage and commercialization. Packaging also plays a major role in attracting consumer attention and influencing consumer purchase decisions. All packaging elements have to be combined to attract the consumer when purchasing the product (Ares and Deliza, 2010). Apart from influencing consumer purchase decision, food package may also create expectations in the consumer (Deliza and MacFie, 1996). The package’s overall features can underline the uniqueness and originality of the product.

Underwood et al (2001) suggest that consumers are more likely to spontaneously imagine aspects of how a product looks, tastes, feels, smells, or sounds while viewing product pictures on the package.

There are four main packaging elements potentially affecting consumer purchase decisions. They can be separated into two categories; visual and informational elements. The visual elements consist of graphics and size/shape of packaging. Informational elements relate to product information and information about the technologies used in the package (Silayoi and Speece, 2007).

Consumers tend to believe there is a 'natural' ordering of products according to a price scale where higher quality products are more expensive and products of lesser quality are cheaper (Bredahl, 2003). Consideration of price leads consumers to accept conditional 'trade offs' when making a buying decision. If consumers believe that price and quality are tied then paying a lower price means accepting lower quality. Conversely, to gain better quality a monetary sacrifice must be made, perhaps beyond what is desirable to the payer. Finding a satisfactory balance in outcomes represents an important challenge for many consumers and means that price plays an important and unique role in the buying decision (Kardes et al., 2004; Rao and Olson, 1990).

Consumers rely even more heavily on price when they possess limited knowledge of product category offerings. Further, consumers find it particularly difficult to assess quality if intrinsic cues are complex, leading them to sometimes be intimidated by price as found by

(Jover et al., 2004) in their study measuring the impact of extrinsic variables on expectations and evaluation of wine quality. Consumers with sound levels of objective knowledge will generally use price as an indicator of quality only when this is legitimate (e.g. there is a strong relationship between price and intrinsic product quality), and/or when other intrinsic product.

In conclusion, the literature has established that consumer attitude is a composite of a consumer's beliefs, feelings, and behavioural intentions toward some object within the context of marketing which can be measured using the Fishbein (1967) multi-attribute model. The Consumer ethnocentric tendencies scale as developed by Shimp and Sharma (1987) was a reliable tool in measuring the ethnocentric tendencies of consumers. Most developed countries tend to be more ethnocentric than the developing countries. It was also established that the cocoa/chocolate industry is a thriving business that accounted for over fifty percent of the global confectionery market. Consumer's decision-making processes are influenced by many factors such as cultural, social, personal and psychological. The decision-making processes are equally affected by both intrinsic and extrinsic cues of the product.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The chapter describes the procedures employed in the collection of relevant data for the study. The research design, population, sample and the sampling procedures are clearly defined. Also discussed are the mode of the data collection and how the data were analyzed.

3.2 Research design

The survey research design, a quantitative research approach was used for the studies. The disadvantage of this method as noted by Pinsonneault and Kraemer (1993) was that surveys are generally unsuitable where an understanding of the historical context of phenomena is required. Bell (1996) observed that biases may occur, either in the lack of response from intended participants or in the nature and accuracy of the responses that are received. Other sources of error include intentional misreporting of behaviors by respondents to confound the survey results or to hide inappropriate behavior. Finally, respondents may have difficulty assessing their own behavior or have poor recall of the circumstances surrounding their behavior.

With all these disadvantages, the method was chosen for the study because of its capability of obtaining information from large samples of the population. They are also well suited to gathering demographic data that describe the composition of the sample (McIntyre, 1999). Surveys are inclusive in the types and number of variables that can be studied, require minimal investment to develop and administer, and are relatively easy for making

generalizations (Bell, 1996). Surveys can also elicit information about attitudes that are otherwise difficult to measure using observational techniques (McIntyre, 1999). It is important to note, however, that surveys only provide estimates for the true population, not exact measurements (Salant and Dillman, 1994).

3.3 Study Setting

The research was conducted at the Greater Accra region (Accra and Tema). It is believed that a considerable number of individuals residing in Accra comprises of the 'upper class' of Ghanaian society (Opoku and Akorli, 2009). Rural people were not included in the study as their lifestyles and low incomes put them outside the population that could reasonably expect to afford foreign chocolate brands.

3.4 Population

Polit and Hungler (1999) defined a population as the totality of all subjects that conform to a set of specifications, comprising the entire group of persons that is of interest to the researcher and to whom the research results can be generalized. The whole population of Ghanaians in Accra as per the results of the 2010 population and housing census was 4,010,054 (Ghana Statistical Service, 2012). The sample frame was the 84.3% adults (GLSS5, 2008) living in the region who are literate.

3.5 Sample Size

The total sample size for this research was 226. The sample size was determined based on the guidelines outline by Roscoe (1975) and advocated by Sekaran (2000). Specifically, for

tightly controlled experimental research, sample sizes of 10 to 20 may be appropriate. However, for multivariate analysis, the sample size should be 10 times or more as large as the number of variables. Roscoe (1975) also indicates that a sample size of 30 or larger will usually ensure that benefits of the central limit theorem. However, the author also concedes that choice of sample size is often a function of budgetary constraints, and a carefully selected small sample is preferable to a poorly selected large sample.

3.6 Sampling technique

A non-probability, convenience sampling technique was employed to gather the data from these individuals who were willing and able to engage in the survey. The first respondent at the entrance of the Accra Mall was approached and requested to participate in the survey. A number of individuals leaving the Mall were equally invited to complete the questionnaire. This was done until about 30 of the questionnaires were completed. This method was replicated at other selected areas of the study. The advantage of the sampling technique was that the data was obtained speedily and at a lower cost. The disadvantage, however, was its use to make a general statement of the selected population.

3.7 Instrumentation

A structured questionnaire was used in data collection. The survey was self administered (i.e. the respondents completed the questionnaire on their own) and anonymous. By using self-administrated survey, the respondents were able to answer the questionnaire without any disturbances or interferences. The advantages of this instrument were; more cost effective, easy to administer and analyzed. Most people were familiar with the concept of a

questionnaire, since it was perceived to be less intrusive. Because of these, respondents answered more readily and truthfully to sensitive questions. Possibilities of the interviewer biases were also reduced by the use of the questionnaire.

The questionnaire consisted of five sections. Section one: The first part measured consumer attitudes toward foreign and domestic chocolates. The questions were constructed based on the Fishbein model. The attributes considered were taste, price, packaging, brand name, and pack size. Respondents were asked to indicate how likely domestic and foreign chocolate were to possess each of these five attributes on a seven-point Likert scale. They were also asked to indicate how important each of these same five attributes was to them when they purchase chocolate on a seven-point Likert scale.

Section two: To measure the importance of country of origin, respondents were asked to indicate how important chocolates from Switzerland, Ghana and United Kingdom were to them when buying the product. The level of importance was also entered on a seven-point Likert scale.

Section three: The third section examined the ethnocentric tendencies of the consumers. An instrument called the Consumer Ethnocentrism Scale (CETSCALE) developed by Shimp and Sharma (1987) was used. It was constructed to partially explain why consumers prefer domestic products over their foreign counterpart. The original scale consists of 17 items on seven-point Likert scales anchored by strongly disagree/strongly agree (Shimp and Sharma, 1987). The modified 10-item version of the CETSCALE also developed by Shimp and

Sharma (1987) was used for the studies. Investigations indicated that this 10-item version of the CETSCALE performed as well (or better) than the 17-item version.

Section four: The fourth section examined the chocolate attributes that influence the purchasing decisions of the Ghanaian consumer. The nine (9) profiles were developed using the orthogonal design and were based on four attributes; the brand name (3 levels), retail price (3 levels), Chocolate type (2 levels) and packaging (2 levels). The respondents were requested to rate each product description on a seven-point purchase-intention scale, where 1 meant "definitely would not buy" and 7 "definitely would buy".

Section five: In the last section, the participants were requested to provide some demographic and economic data. The questions included gender, age marital status, educational level and their monthly income.

3.8 Mode of data collection

Before carrying out the fieldwork, a pilot test was conducted with 10% of the sample size. This was to pretest the format and suitability of the questions as set out in the questionnaire. The pilot test indicated that the Cronbach's alpha reliability score for the measurement of consumer ethnocentrism towards chocolate was 0.860, indicating a high degree of internal consistency among the items on the scale (the generally agreed lower limit for Cronbach's alpha is 0.70).

This research was conducted at selected areas in Accra and Tema. About seven University Students who were on vacation were engaged to assist in the self-administration of the questionnaires at these selected sites. The data collection areas were around shops in Tema community 8, 12 and the heavy industrial area. In Accra the questionnaire was administered around some selected at legon, North Kaneshie and Teshie. The vicinities of Accra Mall, Maxmart and Evergreen supermarkets were also visited. The interviewers requested some individuals who had visited these supermarkets to complete the questionnaire.

The interviewers approached respondents and requested them to participate voluntarily in the survey. The purpose of the research was explained to them and their cooperation sought to complete the written survey form which usually took about 10–15 minutes. The “drop and pick later” strategy was also adopted. This was to encourage respondents to have enough time to read and understand the questions and filled the content at their own convenience.

About 300 questionnaires were developed and administered to the respondents within a period of one month, but only 226 completed and valid questionnaires were used for the data analysis. This represented about 75% of the questionnaires that were administered.

3.9 Method of Data analysis and presentation of results

Raw data drawn from responded questionnaires were entered into the Statistic Package for the Social Science (SPSS 16.0) software and the relevant data analysis needed to answer the research questions were carried out. Prior to analysis, the data were adjusted for omissions,

legibility, and consistency. The descriptive statistic was use to determine the valid percentages of the demography and the economy characteristic of the respondents.

Consumer attitudes: attitudes of consumers toward foreign and domestic chocolates were measured using the Fishbein (1967) Model. The model is given by the formula below:

$$A_B = \sum_{i=1}^n b_i e_i$$

where

A_B = attitude toward the purchasing of domestic versus foreign chocolate,

b_i = the belief that purchasing a domestic (or foreign) chocolate product will lead to a certain attribute, for instance taste, good price, etc.,

e_i = the evaluation of the importance of the attribute.

To compute the b_i , respondents were asked to indicate how likely domestic and foreign chocolate were to possess each of the five attributes using a seven-point Likert scale (from 1 = very unlikely to 7 = very likely). To compute the e_i , respondents were asked to indicate how important each of the same five attributes are to them when they purchases chocolate using a seven-point Likert scale (from 1 = very unimportant to 7 = very important).

A_B is multiplication of the belief score (b_i) by the evaluation score (e_i), and then summing across the five chocolate attributes. Higher scores indicated a more positive consumer attitude towards chocolate.

CETSCALE: the mean rating and its standard deviation for each item of the 10-item cetscale was determined. Composite scores for each respondent were computed and classified as having low, medium or high level of consumer ethnocentrism.

Internal reliability analysis using Cronbach’s alpha coefficient verified the internal reliability of the multi-item CETSCALE. The alpha coefficient ranges in value from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous and/or multi-point formatted questionnaires or scales. The higher the score, the more reliable the generated scale is. In order to show good reliability of the scale, a score of 0.6 or higher in Cronbach’s alpha should be reached. According to Malhotra (2007) an alpha above 0.6 indicates satisfactory internal reliability. Nunnaly (1978) and Lin and Chen (2006), among others, have indicated 0.7 to be an acceptable reliability coefficient. If a value is larger than 0.70, it shows that reliability of measurement is fairly high. The total score on the 10 item CETSCALE might vary between 10 and 70 due to the 7 point likert scale.

The main effects comprising 9 profiles were generated from the 3 x 3 x 2 x 2 full factorial orthogonal design from the SPSS (Version 16) for the conjoint analysis.

Table 3.1: Chocolate attributes and levels for the conjoint analysis

| Attributes | Levels |
|-------------------|---|
| Brand name | Goldentree, Lindt, Cadbury |
| Price | Below GH¢ 5.00 per 100g bar GH¢ 5.00 per 100g bar Above GH¢ 5.00 per 100g bar |
| Chocolate type | Milk Chocolate, Dark Chocolate |
| Packaging | Paper/aluminum foil Laminated flow wrap |

Source: Method of data analysis, 2012

Table 3.2: Profiles for the conjoint analysis

| Profiles | Brand | Retail price | Packaging | Chocolate type |
|-----------------|--------------|---------------------|---------------------|-----------------------|
| 1 | Cadbury | Gh¢ 5 per Bar | Paper/Aluminum foil | Milk chocolate |
| 2 | Cadbury | Above Gh¢ 5 per Bar | Paper/Aluminum foil | Dark chocolate |
| 3 | Goldentree | Below Gh¢ 5 per Bar | Paper/Aluminum foil | Dark chocolate |
| 4 | Goldentree | Above Gh¢ 5 per Bar | laminated flow wrap | Milk chocolate |
| 5 | Goldentree | Gh¢ 5 per Bar | Paper/Aluminum foil | Milk chocolate |
| 6 | Lindt | Above Gh¢ 5 per Bar | Paper/Aluminum foil | Milk chocolate |
| 7 | Lindt | Below Gh¢ 5 per Bar | Paper/Aluminum foil | Milk chocolate |
| 8 | Cadbury | Below Gh¢ 5 per Bar | laminated flow wrap | Milk chocolate |
| 9 | Lindt | Gh¢ 5 per Bar | laminated flow wrap | Dark chocolate |

Source: Method of data analysis, 2012

The utility (part-worth) scores and their standard errors for each factor level were calculated. Higher utility values indicated greater preference. The linear coefficient for each factor was also determined. The utility for a particular factor level was determined by multiplying the level by the coefficient. The range of the utility values (highest to lowest) for each factor provided a measure of how important the factor was to overall preference. Factors with greater utility ranges played a more significant role than those with smaller ranges.

The relative importance of each factor known as an importance score or value was analyzed. The values were computed by taking the utility range for each factor separately and dividing by the sum of the utility ranges for all factors. The values thus represent percentages and have the property that sums to 100.

3.10 Ethical considerations

A number of ethical issues were taken into consideration at each stage of the study. For example, there were no obligations for anyone to assist in the distribution of the questionnaire to the respondents. The respondents were informed about the confidentiality and anonymity of information being provided in the questionnaire. Informed consent and freely given concept as stated in Fisher (2010) was also taken into consideration. Here no one was a participant or a source of information in the research unless they had agreed to be so on the basis of a complete understanding of what their participation will involve and the purpose and use of the research. The consent was made explicit on the first page of the questionnaire. The researcher strived consciously to be objective and independent in the analysis of the data.

3.11 Problems Encountered and Limitations of the Study

The study faced some limitations. Challenges were faced when collecting data especially from the 'drop and pick later' concept. This was because most of the participants, who received the questionnaire with the intention of completing it at a later date, never did. Some of the respondents were also in a hurry, so the questionnaires were haphazardly completed. These accounted for the 25% unreturned and unreliable questionnaires that could not be used for the analysis. Also some respondents were not sure if the reasons given to solicit for information on their attitudes and opinions were genuine. Some of the respondents also found the questionnaire to be long and complicated to complete. The subject matter was either not interesting to the respondent or was perceived as being of a sensitive nature.

These challenges required a detailed explanation of the reason for the survey, which was time consuming. It must be stated, however, that various tactful approaches such as collection and validation of the same data from more than one source and the use of a pilot survey to help reveal deficiencies in the sampling frame and questionnaire design were used. These measures were adopted to minimize the effect of these limitations in order not to affect the outcome of the study.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.3 Introduction

The chapter presents the empirical results. The first section contains the demographic descriptions of the sample. Subsequent section include, the results regarding the attitude of consumers, importance of country of origin, consumer ethnocentrism and attribute of chocolate. These results are further discussed at each section.

4.4 Background of the Respondents

The Respondents for the study, numbering 226 from the Greater Accra region of Ghana, were made up of 118 (52%) males and 108 (48%) females. This was a fair representation of the gender used in the survey. Only 60 (26.5%) of the respondents were married. This was because most of the respondents were either 30 years or less and were at the tertiary level of their education.

Table 4.1: Ages of the Respondents

| Age | Frequency | Percentages |
|------------------------|------------|--------------|
| Less than 21 years old | 46 | 20.4 |
| 21-30 years old | 120 | 53.1 |
| 31-40 years old | 40 | 17.7 |
| 41-50 years old | 18 | 8.0 |
| More than 50 years old | 2 | 0.9 |
| Total | 226 | 100.0 |

Source: Survey data, 2012

In terms of age, respondents were divided into five categories: The youngest age group (below 21 years old) represented 46 (20.4%) of the respondents. Those between 21 – 30

years old, 31– 40 years old and 41-50 years old constituted 120 (53.1%), 40 (17.1%) and 18 (8.0%) respectively. Only 2 (0.9%) of the respondents were in the oldest category (over 50 years old). This shows that most of the respondents were in their youthful ages. Young people are more often attracted to products displayed on store shelves and has greater tendency of impulse buying behaviour (Tirmizi et al., 2009). These chocolates are either given out as gifts to friends and love ones or are consumed by the buyer. The elderly, who were above 50 years (0.9%) may be more conscious about their health than the young participants, and may not wish to risk consuming the chocolates, which usually have high sugar content.

Table 4.2: Educational levels of the Respondents

| Educational level | Frequency | Percentages |
|--------------------------|------------------|--------------------|
| Nil | 4 | 1.8 |
| Primary | 4 | 1.8 |
| Secondary | 54 | 23.9 |
| Tertiary | 164 | 72.6 |
| Total | 226 | 100.0 |

Source: Survey Data, 2012

Education is important to the growth and development of any nation. A progressive nation must have a strong and quality human resource to steer the affairs of the county. It must determine the level of development and the productivity of a country and how the citizens understands and appreciates government policies and bye-laws. This indicates that the higher level of educated respondents were able to understand the survey and the content of the questionnaire that was presented to them.

Most of the participants, 164 (72.6%) had tertiary level education. The least were either without any educational background, 4 (1.8%) or had a primary level education, 4 (1.8%). About 54 (23.9%) had a secondary level education. These high educational levels in the studies could have had impact on the responses that were given, especially in the attitudes and ethnocentric tendencies of the respondents. This is so because; a study by Hsu and Nien (2008) found consumers with lower levels of education to be comparatively more ethnocentric. Inch and McBride (2004) found a positive relationship between level of education and COO cues in their study of Mexican consumers' attitudes to mountain bikes. They found that Mexican consumers with higher levels of education were more likely to synthesize the various product cues such as a product's COO cue in their product quality evaluations.

Table 4.3: Income levels of the Respondents

| Income levels | Frequency | Percentages |
|------------------|------------|--------------|
| Nil | 94 | 41.6 |
| Less than GH¢100 | 2 | 0.9 |
| GH¢100- GH¢500 | 42 | 18.6 |
| GH¢501- GH¢1000 | 36 | 15.9 |
| GH¢1001- GH¢1500 | 20 | 8.8 |
| GH¢1501- GH¢2000 | 12 | 5.3 |
| above GH¢2000 | 20 | 8.8 |
| Total | 226 | 100.0 |

Source: Survey data, 2012

With regard to the estimated monthly personal income, about 94 (42%) of the respondents indicated that they do not receive any monthly salary, whilst 2 (.09%) were receiving less than GH¢100 a month as income. About 42 (18.6%) and 36 (15.9%) earned between GH¢100- GH¢500 and GH¢501- GH¢1000 respectively. About 20 (8.8%) and 12 (5.3%) of

the respondents earned a monthly income in the ranges of GH¢1001-GH¢1500 and GH¢1501- GH¢2000 respectively. Only 20 (8.8%) of the respondents were taking home a monthly income above GH¢2000.

Most of the respondents were young adults who were at their tertiary levels of education, hence did not have any source of income. According to the Ghana Living Standard Survey (GLSS5, 2008), the three main sources of household income in Ghana are income from agricultural activities (35%), wage income from employment (29%) and income from self employment (25%).

5.3 Consumer attitudes

The mean scores of consumer attitude towards domestic and imported chocolate attributes are presented in Table 4.4. From Paired-Comparison t-test, the mean score of consumers' overall attitude towards foreign chocolate was 164.03, and the mean score of consumers' overall attitude towards domestic chocolate was 153.97.

Table 4.4: Consumer attitude toward domestic and foreign chocolates

| Chocolate attributes | Attitude toward domestic chocolate | | Attitude toward foreign chocolate | | Mean difference | t-value | *Sig (2tailed) |
|----------------------|------------------------------------|--------------|-----------------------------------|---------------|-----------------|---------------|----------------|
| | Mean | S.D | Mean | S.D | | | |
| Taste | 34.74 | 14.04 | 32.28 | 14.17 | 2.46 | 1.956 | .052 |
| Price | 24.97 | 13.66 | 26.46 | 14.50 | -1.49 | -1.19 | .236 |
| Packaging | 30.32 | 14.60 | 37.29 | 12.97 | -6.97 | -5.84 | .000 |
| Band name | 33.40 | 14.26 | 37.11 | 49.49 | -3.71 | -1.10 | .274 |
| Pack size | 30.54 | 12.95 | 30.89 | 13.59 | -0.35 | -0.30 | .763 |
| Overall attitude | 153.97 | 69.51 | 164.03 | 104.72 | -10.05 | -1.928 | .055 |

*Significant at level < .05, S.D: Standard deviation

Source: Survey data, 2012

From Table 4.4, the overall consumer attitude of consumers towards foreign chocolate (164.03) was high than the domestic chocolate (153.97). However, the attitudes did not differ significantly ($p>0.05$). In order to determine which chocolate attributes made this difference insignificant, consumers attitudes toward domestic and foreign chocolates were compared for each of the five attributes separately.

Ghanaian consumers gave higher evaluations for foreign chocolate on four of the five attributes; price, brand name, packaging and pack size than the domestic chocolate. Only packaging was significantly difference at the 0.05 level. The higher ratings of the foreign chocolate are indication of the Ghanaian consumer having a positive attitude toward foreign brands such Cadbury, Lindt, Kit Kat, Ferrero, Nestle, Mars and many more that have penetrated the Ghanaian market. Many of these chocolates have achieved enviable market position worldwide with highly marketed brand names and image. They are considered as global brands that are marketed under the same name in multiple countries with similar, centrally located and coordinated marketing strategies that conforms to international marketing dictums.

The foreign chocolate brands have some aura of excellence with which the Ghanaian consumer wants to be associated with. The consumers have become perceptive to these brands through the advancement of communication technology, word of mouth communication, or family and friends abroad returning home with chocolates as gifts. As indicated by (Alden et al., 1999), consumers prefer brands that they perceive as originating from a non-local country, especially from Western countries, more than they do local brands

and that preference is linked not only to perceived quality but also to social status. The Ghanaian consumers are generally seeking to emulate western consumption practices and lifestyles, and this may not be different in their purchasing and consumption of foreign chocolate brands. The consumers may prefer the foreign chocolate because of associations of higher prestige. This is because the influence of perceived prestige on purchase intention is stronger when product category is more conspicuous and its ownership or consumption is more publicly visible as stated by Steenkamp et al. (2003).

It can equally be argued that these multinational companies with their brands on the shelves of most retail outlet in Ghana have studied the behavior of consumers in the country and have incorporated it into their marketing strategies so as to be competitive. There may be apparent lack of such strategy by the local manufacturer. This is because different attitudes towards chocolate and different marketing strategies by chocolate manufacturers explain much of the difference in consumption patterns (Alberts and Cidell, 2006).

The consumers had positive attitudes toward the price of foreign (26.46) chocolates than domestic chocolate (24.97). This observed trend is because, most of the foreign brands have the economy of scale and scope in their manufacturing of chocolate, hence are able engage in mass marketing of product so as to maximize their profits. Most of the ingredients used by these companies are readily available in their respective countries. Unfortunately, however, the local manufacturer with very little financial muscle, imports most of the key ingredients, such as sugar, milk powder and soy lecithin before they can produce the product. The manufacturers have little control over the prices of these commodities. It is because of these reasons why the manufacturer passes on the cost to the consumer, thereby making the

product very expensive to the average Ghanaian. The threat from these foreign labels, offering a cheaper alternative to Goldentree brand will obviously be increased during times of economic downturn or slowdown, where the cedi becomes unstable against the major trading currencies. This will make the consumer more price-conscious and will look for alternative and relatively cheaper chocolates from abroad.

The attitude towards the taste of the domestic chocolate (34.74) had a higher value than the foreign chocolate (32.28). This could be attributed to the rich cocoa content of the locally manufactured brand that had won several awards locally and internationally for its unique taste and quality. The Goldentree brand is a premium chocolate with no cocoa butter substitute. The company uses the premium cocoa liquor and butter produced in Ghana (Awuah, 2002).

The attitude towards packaging of the domestic (30.32) and foreign (37.29) chocolates were identified to be significantly different ($p < 0.05$), with consumers having a more positive attitudes toward the packaging for the foreign chocolate than the domestic ones. Packaging is an important extrinsic cue of chocolate. Packaging helps to increase of value of the product and can even reflect quality of contents inside package.

The domestic chocolate produced by Cocoa Processing Company Limited may be mundane and unattractive to the Ghanaian consumer when compared with most of the foreign chocolates on the market. These foreign manufacturers have invested heavily on packaging materials and design.

In Ghana, the lack of good quality packaging may be one of the major reasons for the failure of locally manufactured chocolate and other products to compete favourably with imported ones. The packaging of most made-in-Ghana products is not essentially pleasing and hence fails to communicate and attract the final consumer. Most multinational confectionery companies seem to be moving away from the traditional packaging of paper and aluminum foil to a more sophisticated laminates. This is because most foreign chocolate found at most retail outlets in Ghana are packaged using the horizontal-form-fill-seal (HFFS) system, where the reel of laminate are wrapped around the slab or bar of chocolates, cut and heat sealed at both ends. The typical functional properties such packaging may include attractive graphics and a hermetic closure. On the contrary, the domestic chocolate under the brand name Goldentree uses the traditional wrapping method where there is an aluminum foil inner layer with a dead fold characteristics to keep the layer closed and an outer printed coated bleached Kraft sleeve that had been secured by hot melt adhesive. This type of packaging does not give maximum protection when compared to its foreign competitors. Many foreign chocolate products have improved on this type of packaging by the use of a heat seal coated foil inside the paper sleeve.

5.4 Country of Origin

Zhang (1999) defines Country of origin as “information pertaining to where a product is made”. It is operationalised and communicated with the phrase “Made in” and the country name. Johansson et al (1985) define country of origin as the country where corporate headquarters of the company marketing the product or brand is located.

Table 4.5 shows the mean importance ratings for two foreign origins of chocolates; United Kingdom and Switzerland and the domestic origin of chocolate; Ghana. The results indicated that Ghana (mean = 5.72) was considered to be the most important country of origin of chocolate to the Ghanaian consumer than United Kingdom and Switzerland with mean values of 4.73 and 4.19 respectively.

Table 4.5: The importance of country-of-origin of chocolate

| Country of origin | Mean | Std. Deviation |
|-------------------------------------|------|----------------|
| Ghana | 5.72 | 1.62 |
| United Kingdom | 4.73 | 2.01 |
| Switzerland | 4.19 | 2.01 |
| 1=very unimportant 7=very important | | |

Source: Survey data, 2012

This implies that the Ghanaian consumer has a strong feeling of attachment and loyalty to the Made-in-Ghana chocolates than the images for the United Kingdom and Switzerland. This result is contrary to the initial findings by (Opoku and Akorli, 2009) who indicated that the Ghanaian consumer holds the 'Made in Ghana' label in low regard relative to foreign labels. The product used in their study was rice and consumer apparels as compared to chocolates for this study. This suggests that the importance of the country of origin to the Ghanaian consumer may be product specific; hence it may be impossible to make general inferences for all consumable products in the country. Country of origin effects can vary across product dimensions (Leonidou et al., 1999).

The Goldentree brand has successfully been able to maintain the kente symbol on all the packaging, giving it the nationalistic appeal. These are clearly visible even from a distance on both the primary and secondary packs, symbolizing the origin of the chocolate, which is Ghana. In some foreign products, for example Chinese products, conscious efforts are made to portray the culture of China while preserving the aesthetic attraction of their packaging. This idea can easily be employed by changing the packaging to a flow wrap laminate and making some improvement on the graphics, whilst maintaining the kente design. On the other hand, brands such as Cadbury and Lindt from United Kingdom and Switzerland respectively do not have any symbol on their packaging to enlighten the consumer on the source of these brands. They have rather capitalized on product cues such as brand name and attractive packaging to attract potential consumers to patronize their products.

Lim and Darley (1997) suggested that the country of origin may well be high in the importance in consumer evaluation of products but may have less impact on the purchasing behavior. This is so because cues such as price and brand name are more often than not, used to evaluate the source of chocolate. For example 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 made in Ghana chocolates however, if prices of domestic chocolates are higher than those produced in the outside Ghana, then patriotism will be sacrificed for affordability.

5.5 Consumer ethnocentrism

Consumer ethnocentrism refers to the phenomenon of consumer preference for domestic products, or prejudice against imports (Levine and Campbell, 1972). Along with country-of-origin and culture-of-origin, Consumer Ethnocentrism (CE) is cultural dimension that also influences consumer attitudes toward products and brands (O’Cass, 2002).

Table 4.6: Ethnocentrism scale for the consumers of chocolate in Ghana

| | Items | Mean | Std. Deviation |
|----|---|--------------|-----------------------|
| 1 | Only those Chocolates that are unavailable in Ghana should be imported. | 5.24 | 2.08 |
| 2 | Ghana Chocolates, first, last and foremost | 5.54 | 1.79 |
| 3 | Purchasing foreign-made chocolate is un-Ghanaian | 4.29 | 2.18 |
| 4 | It is not right to purchase foreign chocolates, because it puts Ghanaians out of jobs | 4.60 | 2.18 |
| 5 | A real Ghanaian should always buy Ghana-made Chocolates | 4.63 | 2.12 |
| 6 | We should purchase chocolates manufactured in Ghana instead of letting other countries get rich off us | 5.79 | 1.56 |
| 7 | Ghana should not buy foreign Chocolates, because it hurts Ghana business and causes unemployment | 4.92 | 1.97 |
| 8 | It may cost me in the long-run but I prefer Ghana Chocolates | 5.42 | 1.86 |
| 9 | We should buy from foreign countries only those chocolates that we cannot obtain within our own country | 5.22 | 1.89 |
| 10 | Ghana consumers who purchase Chocolates made in other countries are responsible for putting their fellow Ghanaian out of work | 4.35 | 2.19 |
| | Total mean | 50.00 | 19.82 |
| | <i>Likert scale: strongly disagree (1) to strongly agree (7), n = 226</i> | | |

Source: Survey data, 2012

The means (Table 4.6) of individual items ranged from 4.29 to 5.79 with a mean on the total score to be 50.00 (SD = 19.82). These suggested that Ghanaians have ethnocentric tendencies towards the made in Ghana chocolate-though minimal. The study agrees to the findings by Mensah et al (2011), who also indicated that the Ghanaian consumer have minimal ethnocentric tendencies, but attributed the cause of the diminished ethnocentrism to multiculturalism and intercultural communication sensitivity (Intercultural communication competence).

The Ghanaian consumers are patriotic and nationalistic towards the consumption of locally manufactured chocolate and this represents their beliefs in the superiority of their own countries' chocolate. These tendencies seem to be rooted more in morality, rather than it transcending economic and functional considerations, because the average Ghanaian appears not to have the proclivity to buy the product, for the reason that the product is expensive. The conspicuous consumers, who are able to provide prominent visible evidence of their ability to afford luxury goods (Piron, 2000) are motivated by a desire to impress others with their ability to pay particularly high prices for these prestigious chocolates. These groups of consumers are inspired by the social rather than the economic or physiological utility of merchandise (Piron, 2000).

Table 4.6 shows that the highest scoring factor was Item six (5.79). It indicates that consumer agrees to the fact that if Ghanaians do not patronize their Made-in Ghana chocolates the economy will be affected tremendously. This is because other countries will be getting rich on us. This will affect the trade deficit of the country where importation of these foreign

chocolates will be high, and the Government of Ghana will not have enough financial resources to develop the nation. The least mean was item three (4.29) which argues that purchasing foreign-made chocolate was un-Ghanaian. Here, the consumer agrees that due to globalization and free trade, the country cannot afford to restrict the importation of such commodities into the country since it will bring animosity among its trading partners. It therefore suggests that the local manufacturers should rather be encouraged to develop and market more of the chocolate so as to compete favorably with the imported products.

5.6 Factors influencing the purchasing decisions of consumers

Results (Table 4.7) of the conjoint analysis indicate that the brand played the most important role in the formation of consumer preferences for chocolate. The relative importance of this attribute was 38.10 per cent. The second most important attribute was the price with a relative weight of 24.08 per cent. The third was the type of chocolate with a relative weight of 21.23 per cent while the least was the packaging with a relative weight of 16.59 per cent.

Table 4.7: Estimated utilities and the relative importance of the attributes

| Factors | levels | Utility Estimate | Std. Error | Importance Values |
|-----------|--------------------------|------------------|------------|-------------------|
| Brand | Lindt | -0.56 | 0.08 | 38.10 |
| | Goldentree | 0.73 | 0.08 | |
| | Cadbury | -0.16 | 0.08 | |
| Packaging | Paper/Aluminum foil | -0.02 | 0.06 | 16.59 |
| | laminated flow wrap | 0.02 | 0.06 | |
| Chocolate | Milk chocolate | 0.17 | 0.06 | 21.23 |
| | Dark chocolate | -0.17 | 0.06 | |
| Price | Below Gh¢ 5 per 100g Bar | -0.47 | 0.07 | 24.08 |
| | Gh¢ 5 per 100g Bar | -0.94 | 0.14 | |
| | Above Gh¢ 5 per 100g Bar | -1.41 | 0.21 | |

Source: Survey data, 2012

Comparing the partial utilities within attributes reveals that Goldentree (0.73) was the preferred brand when compared to Lindt (-0.56) and Cadbury (-0.16). The laminated flow wrapped (.016) chocolate packaging was preferred to the traditional paper/aluminum foil packaging (-0.02). Also, the preferred chocolate type was the milk chocolate (0.17) as against the dark chocolate (-0.17). The price below GH¢ 5 per 100g bar of chocolate (-0.47) was preferred to the price more than (-1.41) or equal to 5 per 100g (-0.94).

The information gained from a conjoint analysis can be used for the development of a theoretical model towards understanding consumer chocolate purchasing decisions. This information can easily be used to segment the chocolate market. The information above for example, indicates that the Ghanaian consumer will prefer a Goldentree milk chocolate in a laminated flow wrappers that will sell below the GH¢ 5 per 100g bar. On the other hand, Lindt Dark chocolate in a paper/aluminum foil packaging that sells above GH¢ 5 per 100g bar, will be rejected by the Ghanaian consumer. This segmentation can either be based on the relative importance of the attributes or the utility estimates. According to Sheth and Sisodia (1999) market-centric concepts are essential and have been fundamental in devising marketing strategies. However, it is no longer sufficient to segment a market based on demographics, socio-economic class, and other segmentation variables only. Today, the marketplace is characterized by higher levels of diversity. Therefore, it would be more appropriate to use a construct such as attribute importance as a basis for segmentation

The information can also be a source of marketing strategy. This is because, it will not be strategically prudent for the manufacturers of the Goldentree brand to constantly promote dark chocolate on the Ghanaian market when it has been established that most consumers prefer the milk chocolate as against the dark chocolates at a relatively cheaper price.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter provides a summary of the purpose, objectives, significance and the theoretical framework of the study. Method used for the study and major findings obtained from the analysis of the data has been discussed.

5.2 Summary

The purpose of the study was to investigate the Ghanaian consumers' attitude towards foreign and domestic chocolates and also make recommendations for consumers to patronize the domestic chocolates. The specific objectives of the study were to determine consumers' attitudes toward the foreign and domestic chocolates, examine how important the country of origin of chocolate is to the Ghanaian consumer, determine the ethnocentric tendencies of consumers of chocolate in Ghana, ascertain the chocolate attributes that influence the purchasing decisions of the Ghanaian consumer and to make recommendations to improve the national chocolate day campaign.

The significance of the study was to make an important contribution to literature in the areas of consumer ethnocentrism, country of origin, consumers' attitudes and attributes that influence the purchasing decisions of consumers of chocolate in Ghana. It was to make recommendations on the improvement in brand management at Cocoa Processing Company Limited and also help foreign companies that export or think of exporting their products to

Ghana to know the factors that influence the Ghanaian consumers' attitudes towards purchasing their products.

In order to adequately answer the research questions and accomplish the objectives of the study, a primary data was gathered with a structured questionnaire in the Greater Accra region of Ghana involving 226 respondents. A non-probability, convenience sampling technique was employed to gather the data from these individuals who were willing and able to engage in the survey. Ethical issues such as confidentiality and anonymity were considered in the data collection. The effects of the limitations on the study were minimized by conducting a pilot test on the questionnaire to ascertain the suitability of the questions before the main questionnaires were distributed.

A theoretical framework was developed to ascertain some previous but, relevant literatures within the research area. Discussed under the literature review were the consumer attitudes and ethnocentrism, some activities in the cocoa and confectionery industry and factors that influence the decisions of consumers in the purchasing of chocolates.

The following are the findings of the study.

- (i) The attitude of the Ghanaian consumer towards foreign chocolates (mean = 164.03) was positive than their attitudes toward domestic chocolates (mean = 153.97).
- (ii) With the exception of taste with a Mean Difference (M. D) of 2.46, consumer's attitudes toward brand name (M. D = -3.71), packaging (M. D = -6.97), pack size (M. D = -0.35) and price (M. D = -1.49) for foreign chocolate are positive than the domestic chocolate.

- (iii) The attitudes towards packaging of the domestic and foreign chocolates were identified to be significantly different ($p < 0.05$), with consumers having a more positive attitude toward the packaging for the foreign chocolates (mean = 37.29) than the domestic ones (mean = 30.32).
- (iv) The chocolate from Ghana (mean = 5.72) are more important to the Ghanaian than chocolate from either the United Kingdom (mean = 4.73) and Switzerland (mean = 4.20).
- (v) Ghanaian consumers are ethnocentric towards the chocolates (mean = 50.00, on scale of 10 to 70). The ethnocentric tendencies of the consumer suggest that we should purchase chocolates manufactured in Ghana instead of letting other countries get rich off us (mean = 5.79, on a scale of 1 to 7).
- (vi) Brand name (38.10%) played the most important role in the formation of consumer preferences for chocolate than price (24.08%), chocolate type (21.23%) and packaging (16.59%).
- (vii) Goldentree chocolate brand (utility estimate = 0.73) was more important to the consumer than Lindt (utility estimate = -0.56) and Cadbury (-0.16).
- (viii) Ghanaian consumer will prefer a Goldentree milk chocolate in a laminated flow wrappers that will sell below the GH¢ 5 per 100g bar.

5.3 Conclusions

It can be concluded that, consumers have more positive attitudes towards foreign chocolate than the domestic chocolate. Cues influencing consumer's attitudes towards foreign chocolates are brand name, price, packaging and the pack size. The Ghanaian consumers

however, had a positive attitude towards the taste of domestic chocolates than the foreign ones.

The Ghanaian consumers are mildly ethnocentric towards chocolate. The country of origin of chocolate from Ghana is very important to the Ghanaian consumer than chocolate from the United Kingdom and Switzerland. Because of the ethnocentric tendencies and the importance of Country of origin to the Ghanaian consumer, it can be concluded that the citizen should be encouraged to purchase chocolates manufactured in Ghana instead of letting other countries get rich off us.

Brand name is the most important cue in determining the purchasing decisions of the Ghanaian. The most suitable cue combination for the consumers of chocolate in Ghanaian is Goldentree milk chocolate in a laminated flow wrappers that will sell below the GH¢ 5 per 100g bar.

5.4 Recommendations

The following are the recommendations from the study.

5.4.1 Attitudinal change

In times of increasing competitions and market saturation of foreign chocolates, it is becoming increasingly obvious that building strategic competitive advantages only on the basis of the product characteristics will not suffice. To increase the consumers' attitude towards the domestic chocolates in the country, there is the need for marketers and promoters

of these chocolates to shift away from the transactional marketing strategy where sales and profitability are more important, to a more relationship marketing strategy. Here marketers will be able to appreciate the needs and wants of the target customers so that chocolates can be developed to suit these needs. There should be frequent interaction with the consumers on media. This means that there should be well established, maintained and enhanced relationships with the consumer/customers of chocolates so that the objectives of both parties will be met.

With a holistic approach, the Chocolate manufacturing company with the help of the Government of Ghana must be encouraged to conduct an intensive research in other areas of consumer behaviour to determine factors that affect the patronage of made in Ghana chocolate. Advertisement on televisions, radio and the newspapers should not only be limited to health benefit of chocolates or as gifts that expresses love, but the benefit of consuming Made in Ghana chocolates and how it will hurt the economy if we don't patronize the domestic chocolates.

5.4.2 Making the domestic chocolate affordable

The Cocoa Processing Company Limited, the sole manufacturer of chocolate in Ghana should find more effective and innovative ways to reduce their cost of production in order to reduce the prices to levels competitive with those coming from abroad. This can be done by hedging the purchasing of the key ingredients that are imported into the country. This can reduce the impact on the exchange rate. The company should also consider using cheaper alternatives that may be readily available on the Ghanaian market for the production.

Production levels and mass marketing of the chocolate should also be increased so as to reduce customer reliance on imported chocolates. This can be achieved by having a strong and reliable economy of scale and scope in the production activities. These will effectively change the attitudes of consumers toward domestic chocolates.

5.4.3 Rebranding of Goldentree

It is also recommended that the traditional paper/aluminum packaging be scraped off and the laminated flow wrapping technology be introduced. It is also suggested that aesthetics of the designs be improved considerably, however the kente symbol on the packaging should be maintained. Since Ghanaians are ethnocentric toward chocolate, the company can capitalize on this by increasing awareness of the product through advertisements and other forms of promotions on televisions, magazines and retail store brochures.

5.4.4 Government assistance

Instead of import restrictions, the government could encourage and subsidize efforts aimed at improving the quality of domestic chocolate. The government should also give exceptional tax waivers to cocoa processing companies. This will encourage other private companies to invest in chocolate manufacturing, so that the near monopoly of the Cocoa Processing Company Limited will be reduced. This will push the price of chocolates down for the average Ghanaian to patronize the product.

5.4.5 Suggestions for future research

The recommendations for future research is to increase the sample size, test another product category and try to collect data from different parts of Ghana. It is also recommended that the probabilistic sampling method be used so as to make a general statement for the whole population of Ghana on their attitude towards chocolates.

It is suggested that the future research should focus on investigating the existence of different consumer segments with varying level of consumer ethnocentrism and identifying them with regard to demographic characteristics. Moreover, future research on the Ghanaian food market could focus on the impact of the ethnocentricity on the purchasing behavior of consumers.

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APPENDICES

Appendix 1: The questionnaire

You are involved in a study in which you will be asked to consider information about chocolates being offered from other countries to consumers. Be assured that all of your responses will be confidential and anonymous. Also, all of the questions concern your own personal thoughts and opinions, so there are no wrong answers. We are only interested in your opinions.

Please complete the survey to the best of your abilities. Do not skip questions, but answer every question in the survey in the order that they are presented. Your attitudes and opinions are greatly appreciated and will have a substantial impact upon this study.

Thank you for your participation!

SECTION ONE: Consumer attitudes toward foreign and domestic chocolates

Instruction A: for each of the following statements, please circle the number that indicates your attitude when buying for Chocolate from **1 = very unlikely to 7 = very likely**

| | | | | | | | |
|--|---------------|---|---|-------------|---|---|---|
| How LIKELY do you think it is that DOMESTIC-MADE Chocolate possesses the following attributes? | | | | | | | |
| ATTRIBUTES | Very Unlikely | | | Very Likely | | | |
| Good taste | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Good price | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Attractive packaging | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Brand name | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Pack size | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| How LIKELY do you think it is that FOREIGN-MADE Chocolate possesses the following attributes? | | | | | | | |
| ATTRIBUTES | Very Unlikely | | | Very Likely | | | |
| Good taste | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Good price | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Attractive packaging | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Brand name | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Pack size | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Instruction B: For each of the following statements, please circle the number that indicates your attitude when shopping for chocolates from **1 = very unimportant to 7 = very important**

| How IMPORTANT do you think it is that DOMESTIC-MADE Chocolate possesses the following attributes? | | | | | | | |
|---|------------------|---|---|---|----------------|---|---|
| ATTRIBUTES | Very unimportant | | | | Very important | | |
| Good taste | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Good price | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Attractive packaging | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Brand name | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Pack size | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| How IMPORTANT do you think it is that FOREIGN-MADE Chocolate possesses the following attributes? | | | | | | | |
|--|------------------|---|---|---|----------------|---|---|
| ATTRIBUTES | Very unimportant | | | | Very important | | |
| Good taste | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Good price | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Attractive packaging | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Brand name | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Pack size | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

SECTION TWO: Importance of Country of Origin of Chocolate

Instruction: For each of the following statements, please circle the number that indicates your level of importance when buying chocolates either from Switzerland, Ghana or United Kingdom

| COUNTRY OF ORIGIN | Very unimportant | | | | Very important | | |
|-------------------|------------------|---|---|---|----------------|---|---|
| Switzerland | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Ghana | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| United kingdom | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

SECTION THREE: Consumer ethnocentric tendencies towards chocolates

1. Only those Chocolates that are unavailable in Ghana should be imported.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

2. Ghana Chocolates, first, last and foremost.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

3. Purchasing foreign-made chocolate is un-Ghanaian.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

4. It is not right to purchase foreign chocolates, because it puts Ghanaians out of jobs

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

5. A real Ghanaian should always buy Ghana-made Chocolates.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

6. We should purchase chocolates manufactured in Ghana instead of letting other countries get rich off us

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

7. Ghana should not buy foreign Chocolates, because it hurts Ghana business and causes unemployment.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

8. It may cost me in the long-run but I prefer Ghana Chocolates

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

9. We should buy from foreign countries only those chocolates that we cannot obtain within our own country.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

10. Ghana consumers who purchase Chocolates made in other countries are responsible for putting their fellow Ghanaian out of work.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

SECTION FOUR: Attribute of chocolate.

Instruction: Rank each profile from 1 to 7, where 1 represents definitely will not buy and 7 represent definitely will buy

| How likely are you to buy chocolate with the following attributes | | | | | | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  ¢5 per 100g bar Packaging: paper/aluminum foil milk chocolate | | | | | | |
| Definitely Will not buy | | | | Indifferent | | Definitely Will buy |
| <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 | <input type="checkbox"/> 6 | <input type="checkbox"/> 7 |

How likely are you to buy chocolate with the following attributes



Above ¢5 per 100g bar
Packaging: paper/aluminum foil
Dark chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Definitely Will buy 7

How likely are you to buy chocolate with the following attributes



Below ¢5 per 100g bar
Packaging: paper/aluminum foil
Dark chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Definitely Will buy 7

How likely are you to buy chocolate with the following attributes



Above ¢5 per 100g bar
Packaging: Laminated flow wrap
Milk chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Will buy 7

How likely are you to buy chocolate with the following attributes



¢5 per 100g bar
Packaging: paper/aluminum foil
Milk chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Definitely Will buy 7

How likely are you to buy chocolate with the following attributes



Above ¢5 per 100g bar
Packaging: paper/aluminum foil
Milk chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Will buy 7

How likely are you to buy chocolate with the following attributes



Below ¢5 per 100g bar
Packaging: paper/aluminum foil
Milk chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Definitely Will buy 7

How likely are you to buy chocolate with the following attributes



Below ¢5 per 100g bar
Packaging: Laminated flow wrap
Milk chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Will buy 7

How likely are you to buy chocolate with the following attributes



¢5 per 100g bar
Packaging: laminated flow wrap
Dark chocolate

Definitely Will not buy 1 2 3 Indifferent 4 5 6 Definitely Will buy 7

SECTION FIVE: Demographics.

Instruction: Finally, please answer these general demographical questions

Gender

Male Female

Age

Less than 21 years old 21 - 30 years old

31 - 40 years old 41 - 50 years old

More than 50 years old

Marital status Single Married

Educational Level

Nil Primary

Secondary tertiary

Income Nil Less than GH¢100

GH¢100- GH¢500 GH¢501- GH¢1000

GH¢1001- GH¢1500 GH¢1501- GH¢2000

above GH¢2000

This is the end of the survey. Thank you very much for your help.
