ECONOMIC IMPACT ON CONSUMER'S ATTITUDE REGARDING IMPORTED FOOD ITEMS

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ABSTRACT: *The rationale of this research was to find the most significant factor which motivated a consumer to buy imported food products including chocolates, ice-creams, fruits and vegetables. This research also analyzed the significant relationship between independent variables; economic image of exporting country, income, education level of consumers, and preferred attributes of imports and dependent variable; import of food. Consumer attitude and preference acted as mediators in research model. Multiple regression model was technique to test hypotheses of this research via SPSS. Three hundred consumers of Lahore, Pakistan have surveyed using closed ended questionnaire. Findings had shown that imported food items had a strong relationship with education, income and all attributes i.e., quality, cost effectiveness, variety, trust image etc. Consumer's attitude and preference affected more significantly to imported food, but image of country didn't play any significant role. This study contributed in our country's economic development by giving view of why consumers preferred imported products and its impact on domestic food market.*

Key words: Consumer attitude, Impact of economic image, Imported food products, Consumer preference, Preferred attributes of food.

INTRODUCTION

Pakistan is a developing country which is struggling for a better economy. It has real GDP growth of 3.6% in 2013 with total exports of 12.7% while imports of wide variety of goods and services are 18.8% listed in mundi index. It represents the trade deficit of 6.1%. Amounts of imports for selected food items have been recorded by index mundi as; $18,581,700 of chocolates, $25,561,078 of fruits and vegetables and $177,739 of ice creams in 2012.

This trade deficit causes pressure to explore the reasons of imports with respect to consumer attitude. This research is aimed to study the impact of economic condition of exporting country on imports of food in Pakistan. USA, UAE, Sweden, China and Saudi Arabia etc, are exporting selected food products to Pakistan. Does the image of country from which product belongs causes an increase or decrease in use of product? In same aspect, dependence of imported food is measured upon education, income level and attributes (including cost effectiveness, quality, better safety policies, packaging, aroma variety and trust image) with effect of consumer attitude and preference.

Attitude is defined as fashion in which we react to a particular situation using the specified way that represents a disposition which persuades behavior [6]. It can be dependent upon culture, education, individual tastes and level of satisfaction. Researchers defined consumer preference as desirability of a product [7]. The objectives of research help to explain that how a consumer relates his purchase decision with the economic condition of the country before buying its products

Stewart has shown that consumers having low income spend less on food items especially on fruits and vegetables, while consumers with high income spend more on same items. Their analysis represents the role of purchasing power [3]. Another research founds that when consumers have a higher level of education, ethnocentric degrees were lower [4]. Freshness and cleanliness, product price, quality, variety, packaging, convenience and non-seasonal availability, these are also attributes of food products studied by authors in 2010 [5]. Price sensitivity, quality and price/ cost of food are also

important attributes of the food products including fruits, vegetables and chocolates.

Country image is basically identified by set of beliefs in relation to specific country, or product perception with respect to marketing related impression of the country [1].
In current research, for measuring the impact of economic image of the country, the dimensions have been researched as ethnocentric behavior, perceived usefulness and prestige [2].

MATERIALS AND METHODS

The researchers had used many frame works in describing different aspects of imported food which had an impact on consumer attitude. The variables of research are given below in Figure. On the left, three aligned factors were independent variables. These affect the consumer attitude and consumer preference. These two variables (consumer attitude and consumer preference) act as mediators. Import of food products was dependent variable. Schnettler *et al.*, 2011, had studied the variables named as ethnocentrism, purchase frequency, income level, and education level [8].
It also supported our research model. On the basis of above discussion research hypotheses were derived as:

$H1_a$: There is a significant relationship between impacts of image of economic status of exporting country with imports of food product due to consumer attitude.

$H1_b$: There is a significant relationship between impacts of image of economic status of exporting country with imports of food product due to consumer preference.

$H2_a$: There is a significant relationship between income level and imports of food products due to consumer attitude.

$H2_b$: There is a significant relationship between income level and imports of food products due consumer preference.

$H3_a$: There is a significant relationship between Education levels of consumers with imports of food product due to consumer attitude.

$H3_b$: There is a significant relationship between Education levels of consumers with imports of food product due to consumer preference.

H4$_a$: There is a significant relation between preferred attributes of food products with imports of food product due to consumer attitude.

H4$_b$: There is a significant relation between preferred

Figure 1: Model of the Research

Source: self illustration
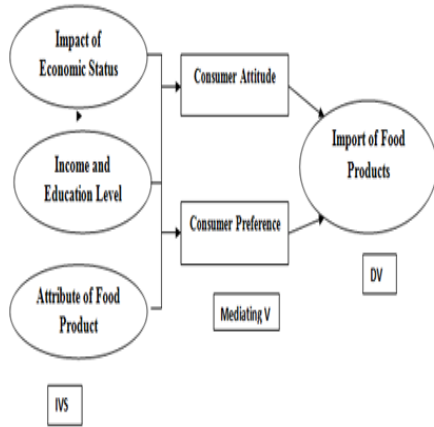
attributes of food products with imports of food product due to consumer preference.

Research methodology:

It was quantitative research which helped to predict and explain impact of one variable upon other variable. It was a cross-sectional research. In the same way Jabir Ali and Sanjeev Kapoor had used quantitative method of research in 2010 to find out the relation of consumer preferences for food in emerging economy [5].

Questionnaire was tool of data collection which helped to conduct survey for data collection. 5 point Lickert scale was used. After demographic information including name, income and education level different question were asked to get required information.

Pakistan's total population is 196,174,380 in 2014. In April 2014 a survey gave the population of the Lahore and 5% estimation error with p and q of 0.5. [9].Sample size was calculated as 385 and rounded as 300 because when questionnaires were delivered few of respondents didn't fill them completely and few of them had not still responded. Due to time and budget constraint it was kept 300. It included both genders male and female, of age above 20 to 60 years. It included both students and employees working in different organizations. Major target audience was students and employees of the University of Lahore, University of Central Punjab and IBM-UET. All of them had income above Rs. 25000 and education level was above secondary level of education. Reliability test was performed to check the consistency in the model and reliability of scale. In this case value of Cronbach's alpha is 0.83, which showed strong reliability of scale.

Questionnaire had been generated on the base of [4] and [10]. Parameters to measure research variables are given in following tables:

Table no 1: Dimensions of dependent, independent and mediating variables

Independent variables	Dimensions / parameters
Economic image of country (exporting country)	Ethnocentric behavior
	Perceived usefulness
	Prestige
Attributes of selected food items for imports	Cost effectiveness
	Quality
	Better safety policies
	Packaging
	Variety in flavors
	Perish ability time
	Trust image
Education level	Levels of education(in demographics)
Income level	Purchasing power
	Demographic levels of income
Mediating variables	**Dimensions / parameters**
Consumer attitude[13]	Loyalty
	Word of mouth
	Purchase intension
Consumer Preference	Desirability of product
Dependent variable	**Dimensions/parameters**
Imports of food	Knowledge of brands
	Preference for imported brands

*EI (economic image of country, Att (attributes), CP (consumer preference), CA (consumer attitude), IOF (import of food), I (income level), M (mean), ME (Median) and Mo (Mode)

Table no 2: Descriptive of variables

	Ei	Att	CA	CP	IOF	I
M	2.207	2.44	2.1225	2.3244	1.7633	2.32
ME	2.190	2.50	2.1250	2.3333	1.7143	2.33
MO	2.10	2.50	2.00	2.33	1.86	2.33

Table 3: Demographics of consumers

Demographics	Items	No. of Respondents	Percentage
Gender	Both	300	100
Age	18-23	152	50.3
	24-28	84	28
	28-40	54	18
	40-60	10	3.33
Income Level	25000	77	25.7
	Above 25000	70	23.3
	<50,000	65	21.7
	50,000-75,000	40	13.3
	75,000-100,000	17	5.7
	Above 100,000	31	10.3

Educat ion Level	Secondary	5	1
	Graduate	165	55
	Post Graduate	119	40
	Others	11	4

RESULTS AND DISCUSSION

Descriptive of the data had been calculated which was given in this table no 2. It represented mean, median, mode and number of missing value.

There was no missing value in the data. It represented that the value of all variables on average was almost same and greater than 2. It meant people had responded to more agreed value or neutral one. Only the value of imports was less than other variables. Demographic information of consumers is given above in table no 3. Next step was helpful to identify the model fit for the research by finding the value of coefficient of determination. The value of R^2 has shown the effect of independent variables (IVs) on dependent variable (DV) through mediating factors. In table 4 the model of research represented the value of R^2 by value of 0.4. It showed that dependent factor (imports of food product) had affected due to impact of exporting country image, income level, education level and attributes of food affected by almost 40% due to consumer attitude and consumer preference. While 60% were other factors.

Table no 4: Model fit

R square	Durbin- Watson
0.40	1.831

The test below in table no 5; model defined the relationship among variables. T value of F calculated combined effect of all independent variables on dependent variable. In ANOVA model, the F-value was 27.118, it was greater than 5. For model of consideration the significant value was 0.000, (0.000<0.05). It has shown that independent variables (Attributes of Products, Economic Image of Country, Income and Education Level) were more significantly related to dependent variable due to mediating factors had scored 1.83, which showed no auto correlation exist in this research.

Table no 5: ANOVA

Model	F	Significance
Regression	27.118	0.000

In model of research (model no 2), significance of relation among independent (Attributes of Products, Economic Image of Country, Income and Education Level) and dependent factor (imports of food product) had been explained by effect of mediators (consumer attitude and consumer preference). According to table no 8, regression equation of this model was;

Imports of good = β_o+ β_1 (education level) + β_2 (economic image of country) + β_3 (attributes of product) + β_4 (income level) + β_5 (consumer attitude) + β_6 (consumer preference).

Y= 0.292 + 0.106(education level) – 0.073 (economic image of country) + 0.123 (attributes of product) + 0.90 (income level) + 0.327(consumer attitude) + 0.431 (consumer preference).

This above equation was multiple regression equation. Y was dependent variable. β_o was constant and it was called coefficient of equation.

Table number 7 showed the relation between independent and dependent (constant) variables.

The value of β_1 was 0.106. It represented that there was a direct relation between education levels of consumer and imports of food products for chocolates, ice-cream and vegetables. The value of significance was 0.034 which was less than 0.05 and t value was 2.129.

Table number 6 showed the relation between independent and dependent (constant) variables.

The value of β_1 was 0.106. It represented that there was a direct relation between education levels of consumers.

Table no 6: Regression

Model 1	B	T-value	Significance	VIF
(constant)	2.92			
Level of Education	0.125	2.26	0.024	1.033
Economic Image of country	0.289	3.813	0.000	1.046
Attributes of food	0.317	6.028	0.000	1.210
Income Level	0.14	0.306	0.760	1.813
Model 2	With effect of mediators relations are enhanced and EIOC has become insignificant.			
Level of education	0.106	2.12	0.034*	1.640
Economic image of country	-0.073	-0.914	0.361*	1.465
Attributes of food	0.123	2.360	0.019*	1.491
Income level	0.90	2.12	0.034*	1.236
Consumer attitude	0.327	5.257	0.000*	1.608
Consumer preference	0.431	6.434	0.000*	1.439

(All independent variables were significant with respect to P<0.05* except economic image of country.)

The value of β_2 was -0.073. It represented that there was a negative relation between economic image of exporting country and import of products after incurring the effect of consumer attitude and consumer preference. The effect of mediators, the value of t was less than 1.96 with value of significance 0.361.

The value of β_3 was 0.123. The value of t was greater than 1.96 and it was 2.360 with significant value of 0.019. It showed that there was positive and significant relation between attributes and import of food products by adding the effect of consumer attitude and preference.

The value of β_4 was 0.90. It revealed that there was a positive relationship between income level and imports of food products. It had shown if incomes of consumers get raised, its

imports will also increase. Its t-value was 2.125 which was greater than 1.92 and significance level was 0.03 < 0.05.

The values of β_5 and β_6 were significant showing that there was a strong positive relation between consumer attitude, consumer preference and imports of food product. It had shown that if the consumers will tend to had more positive response towards the imported goods, imports will get raised vice versa. Value of significance was 0.000. Strong mediation was found by both mediators.

Hypothesis	Relation	Accepted/ Rejected
$H1_a$	EIOC→CA→ IF	Rejected
$H1_b$	EIOC→CP→ IF	Rejected
$H2_a$	E,L→CA→IF	Accepted
$H2_b$	E,L→CP→IF	Accepted
$H3_a$	I,L→CA→IF	Accepted
$H3_b$	I,L→CP→ IF	Accepted
$H4_a$	AOFP→CA→IF	Accepted
$H4_b$	AOFP→CP→IF	Accepted

Above all values it was found that Second value had shown when the economic image of importing country will be better; it will reduce the count of imported food products from the other side. Both of these values helped to generate the information that there is negative but not significant relation between economic image of exporting country and import of food products by adding the effect of consumer attitude and preference. It rejected the first hypothesis (H1a) and (H1b) of research which meant in Pakistan consumer didn't tend to purchase because of country image, instead there were other factors which influenced their behavior.

In a past research it had shown that region to region use of imports can vary with respect to image of country. Other factors like preference can change the attitude and use of products significantly [11]. Another author proved that preference for food is dependent on quality and other features not on the image of country only [6]. It had found people behave differently to image of country depending upon controlled or uncontrolled environment [12].

It helped to state that there was positive and significant relation between income level and import of food products by adding the effect of consumer attitude and preference. Literature also supported it like; disposable income was major factor which increased the number of purchases [5]. It helped to accept 2nd hypothesis (H2a) and (H2b) of research. Bauman and Phuengsukteschasit, in 2011 also stated the direct relation between income level and use of imported products [4].

By more level of education, imports will be more preferred in the country. H3a and H3b are accepted. In support of this study an author had also found that higher level of education decreased ethnocentric behavior of consumers. It was very important agenda to find out the relation between education and beliefs of consumer attitude [4]. It also stated the direct relation between income level and use of imported products [4].Another author also studied consciousness for imported products raised with more education level [1]. Research revealed that 4th hypothesis of study (H4a) and (H4b) were accepted. Sun and Collins, (2004) had tested that among the 10 attributes which were derived after conducting 27 interviews, six related to objective properties of the product:

appearance, packaging, chemical residues, taste good, taste different and freshness can be linked to compare imported and local food [10]. Price, quality, variety, packaging, and non-seasonal availability affected the preference for food [5].

It helped to state that consumer attitude and consumer preference were significant mediating factors and had strong and positive relationship with imports of food products. Among all variables consumer preference had strongest impact on imports of food by 41%. The values of VIF and tolerance were also in the range to proof assumption of multiple regressions, so, it can be stated that model was fit to proof the relationship and impact of the variable on each other.

CONCLUSION

This study highlighted the issues of influence of imports of food on our local food sector by finding attitude and preference of consumers. The result suggested that economic image of country did not affect imports of food significantly and directly. It had been observed that; preferred attribute of consumers had direct relation with income, education and 6 attributes of food product; cost efficiency, quality, better safety policies, packaging, flavor /variety and trust image. This meant likeability for products raised the number of imports from other country. It will definitely affect the consumption pattern of our country as well. It fulfilled the purpose of study to understand purchase intension, that a positive change in income and education will cause a positive change in likeability, words of mouth, loyalty and utility of imported food products.

All of this information helped to conclude that imports of chocolates (like Cadbury, Twix, and Bounty etc.), ice-creams (Magnum, Moven Pick and Baskin Robin etc), fruits (bananas, pineapple, apple and berries etc.) and vegetables (onion, carrots, and capsicums etc.) were highly charged, but still were in preference and consumers had positive attitude towards them. It was happening because of better attributes of quality, packaging and variety of them assumed by consumers of Pakistan. Only image of country didn't affect in Pakistan to buy these products. To reduce imports and increase the exports for betterment of country, there is a hard need to work upon the motivational area of consumers for economic development.

This research will help to look over an important agenda for country. A country grows when its GDP increases and it depends upon the sale and production of domestic industry. This research will help to food industry, marketing managers, investors and social people to find out psychological, behavioral important factors of consumers. It will point out weak points which are ignored commonly. Managers can find out the preferences and can design related strategies to this specific product line. Investors can align domestic brand with respect to more close attributes preferred by wants and mindset of customers.

For future researchers it is suggested that each dimension of image of country should be researched closely. It will help to find a close effect of prestige, ethnocentric behavior etc on each dimension of consumer attitude. The same research model can also be implemented on different industry, because perceived usefulness of product does vary for each product. It

is also recommended to research about the facts of industry point of view and by sales value of these products in comparison of specific other country's made product sale with local product sale. Here research performed is on the products having low involvement; same research should be performed on high involvement products.

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